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PROCEEDINGS AND DEBATES OF THE 96th CONGRESS, FIRST SESSION

SENATE—*Thursday, March 29, 1979*

(Legislative day of Thursday, February 22, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. J. JAMES EXON, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray:

Gracious God, we thank Thee for this land so fair and free, for its worthy aims, for its generous help to others, for its love of peace and freedom. We thank Thee for the peoples of many lands and cultures who enrich our common life today. Forgive the pride which overlooks wrong and the division and strife resulting from prejudice. May a new patriotism be born in us that sees and seeks this Nation's good. Give us voices to praise Thy goodness and a will to serve Thee now and always.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 29, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable J. JAMES EXON, a Senator from the State of Nebraska, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. EXON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I understand that there is no objection to considering the nominations on the Executive Calendar, beginning with new reports on page 2, and going through the nominations placed on the Secretary's desk in the Air Force, Army, and Navy, appearing on page 4.

Mr. BAKER. Mr. President, will the majority leader yield to me?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. BAKER. Mr. President, I have asked the distinguished majority leader to yield to me and he has kindly agreed to do that so that I can advise him that my calendar shows these items are clear and, without objection, we shall be happy to join him in the request.

EXECUTIVE SESSION—NOMINATIONS

Mr. ROBERT C. BYRD. That being the case, Mr. President, I ask unanimous consent that the Senate go into executive session, that within no more than 2 minutes the Senate consider and confirm en bloc the nominations on the Executive Calendar that I have indicated, that the motion to reconsider en bloc be laid on the table, and that the President be immediately notified of the confirmation of the nominees.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Without objection, all nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

In the Air Force

Lt. Gen. Bennie Luke Davis, to be general.

Maj. Gen. Andrew Philip Iosue, to be lieutenant general.

Maj. Gen. Richard Bodycombe, to be Chief, Air Force Reserve.

Maj. Gen. Billy Martin Minter, to be lieutenant general.

In the Army

Col. Albert Bryant, to be brigadier general.

Gen. John Joseph Hennessey, to be general.

Maj. Gen. Kenneth Ray Dirks, to be major general, Medical Corps.

Maj. Gen. Enrique Mendez, Jr., to be major general, Medical Corps.

Brig. Gen. James Julius Young, to be brigadier general, Medical Service Corps.

Nominations Placed on the Secretary's Desk in the Air Force, Army, and Navy

Air Force nominations beginning Allen W. Boone, to be lieutenant colonel, and ending Richard D. Christensen, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on March 7, 1979.

Air Force nominations beginning Robert J. Bailey, to be lieutenant colonel, and ending Norman L. Paul, to be colonel, which nominations were received by the Senate and appeared in the Congressional Record on March 7, 1979.

Army nominations beginning George B. Hamilton, to be colonel, and ending David A. Gaule, to be second lieutenant, which nominations were received by the Senate on March 2, 1979, and appeared in the Congressional Record on March 5, 1979.

The nomination of Howard T. Prince II, to be permanent professor at the U.S. Military Academy, which nomination was received by the Senate and appeared in the Congressional Record on March 7, 1979.

Army nominations beginning Brent A. Clay, to be colonel, and ending Pedro P. Rodriguez, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on March 15, 1979.

Army nominations beginning Le Ester Alexander, to be major, and ending Willi P. Stephens, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on March 15, 1979.

Navy nominations beginning Thomas Curtis Adams, to be captain, and ending Edward Albin Roethe, to be captain, which nominations were received by the Senate on March 2, 1979, and appeared in the Congressional Record on March 5, 1979.

Navy nominations beginning Joseph E. Adamonis, to be lieutenant (jg), and ending Sharon K. Crowder, to be lieutenant (jg), which nominations were received by the Senate and appeared in the Congressional Record on March 7, 1979.

Navy nominations beginning Jerry S. Davidson, to be ensign, and ending Robert W. Lukens, Jr., to be commander, which nominations were received by the Senate and appeared in the Congressional Record on March 15, 1979.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the

Senate return to the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I reserve the remainder of my time for the moment.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Chair recognizes the minority leader.

Mr. BAKER. Mr. President, I yield first to the distinguished Senator from Arizona.

THE "MEMORANDUM OF AGREEMENT"

Mr. GOLDWATER. Mr. President, now that the peace treaty ceremonies are over, we learn of a "memorandum of agreement" which our country has entered into with the Israelis. Prime Minister Begin has described it as "a beautiful document"; Egypt has denounced it as "exceedingly dangerous." So far, the American people have no way of knowing which interpretation is correct because the document has so far not been published.

Mr. President, I believe that the chairman of the Senate Committee on Foreign Relations owes it to the Senate and the American people to find out and announce exactly what is in this secret understanding. I also believe he should inform us under what authority the President is able to commit this country along the lines reported concerning this "memorandum of agreement." Apparently it involves American consideration of steps, including military ones, to defend Israel under certain conditions.

At the same time, I believe the American people should be told how much money has been pledged to Israel and Egypt in connection with this treaty. I believe it is time for the administration to tell the American people the actual amount of these sums, how they were arrived at, and when.

I suspect that in some important respects, President Carter has acted outside the bounds of the Constitution in this treaty matter and I believe it is up to the Senate to determine if this is the case.

Mr. President, in this morning's Washington Post, there is an editorial which discusses this new memorandum and calls on the President to spell out promptly what he has in mind. Because of its importance, I ask unanimous consent that the editorial, entitled "An Eventual Alliance?" be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AN "EVENTUAL ALLIANCE"?

To Israeli Prime Minister Begin, the American-Israeli "memorandum of agreement," listing American undertakings accepted in connection with the peace treaty between Egypt and Israel, is a "beautiful document." So far unpublished, it evidently is a kind of American safety net under the treaty, committing the United States essentially to *consider* certain steps, including military ones, if the treaty is violated. If the memorandum was indeed required—as we are inclined to believe it was—to bring Israel to the signing, then any comments about it must necessarily be subdued. The memorandum, we note, did not keep Egypt from signing the peace treaty, as unhappy as Cairo now turns out to be.

But the memorandum does give concern. As Egypt officially reads it, its unstated premise is that Egypt is not entirely trustworthy. The Egyptians complain that the memorandum "could be construed as an eventual alliance between the United States and Egypt." At the least, it raises the question of whether the United States has committed itself to examine the question of violations (*Egyptian* violations) partly through Israeli eyes. Egypt asks whether, in light of the memorandum, the United States "could be accused of collaboration with Israel to create such circumstances that would lead to American military presence in the area," and whether the document might "pave the way for other alliances to be formed in the area to counter the one whose seeds could be found in the proposed Memorandum."

This administration, like its predecessor, has always known that one result of trying to bring peace to the Mideast would be the enlargening of the American role in the area in order to steady and broaden that peace. We think the United States has no other responsible choice. Yet American officials have been reluctant to talk much out loud about this prospect, and the upshot is that not many Americans are fully ready to cope with the new role. Everyone realizes it will cost more money; that is the easy part. The tough part lies in political assurances of the sort that the president seems in this memorandum to have given.

We do not say there is no good reason, or no good explanation, for the new memorandum. On the contrary, we think it offers assurances essential to Israel's embrace of the peace treaty. But the assurances will have diminished value, and the president will have bought himself a pack of trouble, if he does not promptly spell out what he has in mind. Most Americans, we believe, are eager to do what is necessary to make the new peace treaty work and to bring other Mideast parties into it. The hint in the new memorandum, however, is that Mr. Carter may have compromised future American freedom of action—without informing the American people. In fact, there is a sense in which it may have been virtually impossible to give the Israelis, and for that matter the Egyptians, the various commitments they needed to sign a treaty *without* compromising American flexibility in some measure. But that needs to be talked out too.

Mr. GOLDWATER. I thank my friend from Tennessee.

Mr. BAKER. Mr. President, I commend the distinguished Senator from Arizona for his remarks today and for the insertion in the RECORD of the most thoughtful editorial from the Washington Post.

In that connection, I doubt that there is anyone in this Chamber who wants anything less than the maximum security for the State of Israel. But I also think that if we are going to be partners in the waging of peace, the President had better tell us what it is we are dealing with and whether or not there are other agreements besides the memorandum of understanding, which I learned of for the first time yesterday. Are there, for example, other financial agreements beyond the $4.8 billion in grants and loans that the President related earlier? It may be that we would not even object to it, because the value of peace is so great and so obvious in the Middle East. But, surely we have reached the place where we should be given the full deck so that we know what the factors and circumstances are.

I think it was a tragic error on the President's part not to advise us in advance of these things.

Mr. GOLDWATER. Will the Senator yield?

Mr. BAKER. I am happy to yield.

Mr. GOLDWATER. I think the Senator is so correct. I think the President has to be constantly reminded that while we recognize that the treatymaking power is his, the treaty-agreeing power rests in this body and that, before any treaty can be agreed to, it has to come to the Senate for the advice and consent of two-thirds of the Senators. That has not been done.

We have been unhappy with other Presidents who have tried to conduct foreign policy in the Oval Office or elsewhere. I have nothing at all against peace; I am all for it. I might even be willing to spend some money for it—not much—but I do think it is time that we are told just what is going on when Begin and Sadat and Carter get their heads together over a cup of tea and start swapping things that we do not know anything about.

Mr. BAKER. Mr. President, I thank the Senator once again. I recall that when I went to the White House with a number of our colleagues from the Senate and the House of Representatives, I left that meeting in the Gold Room of the White House and went before the TV cameras and said that I thought that if this were the price and these were the terms, it is a good deal. I hate to get out on a limb like that if I do not know what the circumstances really are.

So, wholly aside from the fact that there ought to be full participation by the Senate in the terms of these undertakings, there are some of us who do not like to get out front in cooperation on a bipartisan foreign policy and then find we were not playing with a whole deck.

I urge that if there are other agreements and other costs, we find out about it and that we not read about it in the New York Times or Washington Post.

Mr. ROBERT C. BYRD. Mr. President, I think the distinguished minority leader is justified in what he just said. I know nothing that I can say to shed any light on this subject; if I did, I would do it.

I have not been informed as to what is in the memorandum of understanding except what I have read in the newspapers. So I am in no position to say more than that, except to add my expression of opinion that Congress ought to be adequately informed—the Senate, certainly—and informed during the discussions.

I am not saying that it is always possible to keep Congress in on anything and everything right at a given moment. There are many problems. Sometimes, time is of the essence. But where Congress can be in on the discussions, especially where it is going to have to make decisions in implementing whatever agreements may be written and otherwise, we should have some part in the discussions.

I am sure that explanations will be forthcoming, so I have nothing to say, at the moment, of criticism of what the minority leader has said. I can only say that I, too, need additional information.

Mr. BAKER. I thank the majority leader.

I really am not surprised he takes this attitude. That is characteristic of his generosity and candor.

I would like to reiterate after this exchange that I am not saying today that I do not support these agreements. I may support these agreements.

I am not even saying that I do not support a safety net under the State of Israel. I think the investment for the future of this country and the survival of Israel is of paramount importance. I am a friend of Israel.

But I am saying, Mr. President, that I do not know a thing about this and it comes as a great shock and surprise to me.

I appreciate the remarks by the majority leader. I look forward to receiving any further information, as he does, about the nature of further undertakings, if there are further undertakings.

Mr. ROBERT C. BYRD. Mr. President, I support the efforts on the part of the administration to bring about stability and peace in the Middle East. I want to be in a position to support its agreements, but I also want to know what is in the agreements.

I do not think that peace can be put on the auction block. I have heard questions and I have heard statements about the price of peace. Well, the price of peace has no price tag on it that I think we ought to quibble about when we compare the costs of peace with the costs of war, or the costs of threats of war.

But, certainly, the Congress is entitled to know what is in the memorandum of understanding.

I am not sure it knew what was in the memorandum of understanding that was entered into by Mr. Kissinger—and I was one of the admirers and supporters of Mr. Kissinger while he was Secretary of State. I think he was a great Secretary of State. But we did not know anything about what was in that memorandum of understanding.

At least we are told about this one, and that it is something that can be made public.

But I would like Congress to be informed as we go along because, if we are going to be called on to help implement whatever agreement is entered into, we should know something about what is in it, and perhaps we can make a contribution to the discussion.

I thank the distinguished minority leader for yielding.

Mr. BAKER. Mr. President, I thank the majority leader.

Mr. President, I have no further need for my time, if there is any remaining time, and I will be glad to yield it back.

Mr. ROBERT C. BYRD. Mr. President, I just have one request which has been cleared on the minority side, and I still have time, I believe.

The ACTING PRESIDENT pro tempore. The Senator is correct.

EXTENSION OF TIME FOR STANDING COMMITTEES TO SUBMIT OVERSIGHT REPORTS

Mr. ROBERT C. BYRD. Mr. President, section 136(b) of the Legislative Reorganization Act requires that all standing committees of the Senate, except the Appropriations and Budget Committees, review on a continuing basis the application and effectiveness of the laws within their jurisdiction.

That section provides that in each odd-numbered year the standing committees of the Senate shall submit a report on their oversight activities not later than March 31.

Because March 31 falls on a Saturday this year and because several committees have requested additional time to complete supplemental review activities, I ask unanimous consent that the March 31 deadline in section 136(b) of the Legislative Reorganization Act be extended until Monday, April 9 for calendar year 1979.

The ACTING PRESIDENT pro tempore. Without objection, is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, do I still have a little time remaining?

The ACTING PRESIDENT pro tempore. The Senator does.

Mr. ROBERT C. BYRD. Does my colleague wish any time?

I yield whatever additional time I have to the distinguished minority leader, or to the Senator from Wyoming.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming has time in his own right.

Mr. WALLOP. Yes, Mr. President, I have time under the standing order.

Mr. ROBERT C. BYRD. Will that 15 minutes be enough time?

Mr. WALLOP. I think it will be more than enough.

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

RECOGNITION OF SENATOR WALLOP

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wyoming (Mr. WALLOP) is recognized for not to exceed 15 minutes.

Mr. WALLOP. Mr. President, I thank the Chair.

S. 821—BUFFALO BILL DAM MODIFICATIONS

Mr. WALLOP. Mr. President, today Senator SIMPSON and I are introducing a bill to make the first substantial improvements to the Buffalo Bill Dam near Cody, Wyo., a water storage project which was constructed 70 years ago. It would authorize the raising of the existing dam by 25 feet, to increase the firm annual yield of water by 74,000 acre-feet, and increase power production. Associated works, such as dust control and saddle dikes, and an enlarged spillway would be constructed. To serve the increasing number of visitors who view this National Engineering Landmark every year, a visitors' center would also be constructed on the left embankment of the dam, 260 feet above the bottom of the gorge.

Mr. President, my proposal is not a new one. Indeed, this proposal could be called the Buffalo Bill Dam Feasibility Report Liberation Act of 1979. For back in 1969, when neckties and lapels were narrow, when the New York Jets won the Super Bowl, and John Wayne won an Academy Award for "True Grit," way back then, Congress authorized the Department of the Interior to study the feasibility of modifying Buffalo Bill Dam.

The Department promptly went to work and substantially completed the report in May 1974. We all remember 1974, by then neckties and lapels were probably too wide. The Miami Dolphins had won the Super Bowl for the second straight year, and Art Carney won the Academy Award for Best Actor for his role in "Harry and Tonto."

In August of 1975 the report was still completed and "under review", but had not yet been transmitted to Congress or the public. However, it was becoming stale so it was revised.

Finally, in December 1977 that portion of the report dealing with the replacement of the Shoshone powerplant beneath the dam was released. It too grew stale and was revised in May of last year. But the bulk of the report still languishes under review at the Department of the Interior.

Mr. President, if this goes on much longer, whole careers at the Department of the Interior can be spent in simply updating this report.

We do indeed have a report on whether or not these modifications to Buffalo Bill Dam are feasible. It was authorized by Congress in a prior decade, and prepared with taxpayers' money by our national experts. It is as if the report ceases to exist. It is not sent to Congress nor made available for public review. What could possibly be so pernicious about this report?

Scientists all over the world are concerned with "black holes" in outer space. It is past time we start being concerned with the "black holes" that exist at the corner of 18th and C Streets in Washington, D.C. We put something in, and it simply disappears forever. We must begin to distinguish between authorizing a feasibility study and sentencing it to life imprisonment.

I believe the raising of Buffalo Bill Dam to be one of the most economical and environmentally sound water storage projects in the United States today. Congress and the American people should have the opportunity to consider the merits of this project. If a well developed feasibility report is unavailable, then I trust this bill can be a vehicle for that consideration.

The first element of the project is to raise the dam by 25 feet, permitting the storage of spring runoff water which must now be released, to play havoc downstream. Active conservation storage would be increased by over 270,000 acre feet, providing an additional firm yield of 74,000 acre feet for irrigation, outdoor recreation, fish and wildlife conservation, environmental quality, and municipal and industrial use.

Since 1967, the State of Wyoming has expressed interest in acquiring at least 50,000 acre feet of additional municipal and industrial water from Buffalo Bill Reservoir. In addition, the Cody Canal Irrigation District, and the Shoshone River Water Users have expressed interest in contracting for water supplies.

The increased reservoir size will require the construction of dust control dikes for environmental quality and saddle dikes to prevent unnecessary flooding. The positioning of these dikes is still an open question which must be considered when hearings are conducted.

The construction of a visitors' center would be authorized on the left abutment of the dam. In addition to being included on the National Register of Historic Places, and being declared a National Historic Civil Engineering Landmark by the American Society of Civil Engineers, Buffalo Bill Dam is located along a major access route to Yellowstone National Park. Over 500,000 visitors enter the park through this entrance every year. The National Park Service has recommended that the size of the visitors' center be adequate to handle the peak day for 135,000 visitors per year. The extension of the existing dam, and the construction of the visitors' center may be done in such a way as to not detract from the architecture of the original structure, or from its spectacular setting in the gorge.

This bill does not contain authority for the replacement of the existing Shoshone powerplant, as did previous bills to modify the dam. Authorization for replacement of Shoshone powerplant is contained in S. 475, which I introduced on February 22, 1979. It is my intention that the existing obsolete 5 megawatt powerplant now in existence at that site be replaced with a modern 20 megawatt unit. However, at this time, it seems more appropriate to consider that authorization within the context of S. 475. The construction of the larger powerplant will not cause the reservoir to be operated to the detriment of those currently depending on the project for water supply.

Though the powerplant replacement is not authorized by this bill, it should be noted that the increased height of the dam will increase the power production potential of the new powerplant by 17 percent.

Mr. President, this bill would authorize $38,500,000 to accomplish these purposes, of which over half would be directly reimbursable. The cost-benefit estimates are favorable.

These modifications have been supported by the people of Wyoming for many years. They represent an economic and environmentally sound approach to the development of additional water and power supplies, and they represent a significant contribution to the Nation's dwindling capability to exist on foreign oil resources.

ORDER OF BUSINESS

Mr. WALLOP. Mr. President, I yield to the Senator from California (Mr. HAYAKAWA).

The PRESIDING OFFICER (Mr. FORD). The Senator from California is recognized on the time of the Senator from Wyoming.

Mr. HAYAKAWA. I am grateful to the Senator from Wyoming.

Mr. President, how much time does the Senator have remaining?

The PRESIDING OFFICER. The Senator has 6 minutes and 45 seconds.

Mr. WALLOP. Mr. President, I yield such time to the Senator from California as he may require.

Mr. HAYAKAWA. That should be sufficient for my purposes, and I thank the distinguished Senator from Wyoming.

CALIFORNIA SLUDGE DUMPING

Mr. HAYAKAWA. Mr. President, I should like to cite for the RECORD a news story from Los Angeles that indicates the incredible ambiguities that lie behind such terms as "environment" and "endangered species." Inasmuch as it is a very short story, I will read it:

> A federal judge has ruled, in effect, that sludge dumped into Santa Monica Bay has become a part of its environment—and federal environmental officials should have considered that before ordering the sludge dumping stopped.
>
> U.S. District Court Judge A. Andrew Hauk ruled that the Environmental Protection Agency had not taken the interests of the brown pelican and the El Segundo Blue butterfly into consideration when it ordered the dumping stopped.
>
> The pelican feeds on anchovies which in turn live off organic material in the sludge. The El Segundo Blue butterfly was involved because the city's alternative disposal plan included drying and trucking sludge to dump sites, one of which was at the butterfly's sole breeding grounds in El Segundo.

This is another illustration of the very great problems involved in uncritical acceptance of terms such as "environment" and "endangered species," as if they have a fixed meaning.

MINIMUM WAGE AND INFLATION

Mr. HAYAKAWA. Mr. President, last year, I joined several of my colleagues in an effort to defer the minimum wage increase that went into effect on January 1, 1979. During this session of Congress, I have once again joined colleagues in an attempt to ask that the next scheduled increase in minimum wage levels be delayed for 2 years.

Unfortunately, the majority of my Senate colleagues do not believe that such legislation deserves immediate attention. For this reason, I plan to speak to my colleagues in the Senate periodically about the importance of holding down the scheduled rises in minimum wage levels.

It seems to me that the only people who do not see what these rises in the minimum wage are doing to us are Congress and organized labor. Federal officials recognize that increases in the minimum wage contribute to inflation. The Director of the Council on Wage and Price Stability, Barry Bosworth, has stated that "The dominant inflationary actions of 1977 were the increases in social security taxes and the minimum wage."

Federal Reserve Board Chairman G. William Miller has testified before Congress that he "would welcome a 2-year deferral of the minimum wage increase" scheduled for January 1979.

Treasury Secretary W. Michael Blumenthal has said that he "would be in favor of it * * * Given the inflationary pressures that are serious, given the fact that this inflation loses us jobs and is bad for everybody * * *

Besides the support from past and current Federal Government officials, the U.S. Chamber of Commerce has said the best scholarly studies indicate that a 2-year deferral would reduce consumer price inflation by 1.6 percent. This is equivalent to a gain in income of $427 for the average household. This is one of the best policy changes to fight inflation available to the Federal Government right now.

The Chamber of Commerce also contends that the 2-year deferral of the next scheduled rise in the minimum wage—and I have supported the deferral—would result in creating 880,000 more jobs than would be otherwise available. The jobs would be filled mostly by teenagers, minorities, women, and older workers now having difficulty finding jobs and suffering from the highest unemployment rates. Deferral of the minimum wage increases is the best policy to provide jobs for the disadvantaged and unemployed worker and would help overcome poverty and raise incomes in poor households. It would provide more jobs than $10 billion tax spent during fiscal year 1978 for temporary or expensive public service jobs.

Deferring increases in the minimum wage levels for teenagers so that the teenage minimum wage is 15 percent lower than the adult minimum wage, could help reduce inflation and provide jobs for young people. The Chamber of Commerce has stated that consumer prices could be lowered by six-tenths of 1 percent, equivalent to an increase of $163 in buying power for the average household, and 400,000 extra jobs would be created for young workers.

I firmly believe that to solve part of

the youth unemployment problem, we must lower the minimum wage to develop the creation of more entry level jobs. I do not have to tell anyone how important it is for people to have a sense of personal worth and financial independence. Jobs providing pocket money are a necessary part of growing up. The money gives a young man or woman freedom to buy their own lunches, go on dates, and experience an exhilarating sense of freedom and self-dependence. Earning this extra money teaches the value of money—it is an experience which helps an individual to mature.

An increase in the minimum wage is not the same as an increase in welfare payments. Wages should be paid on the basis of a worker's addition to a product that a buyer wants to purchase. Guaranteeing a worker a set wage, and a preestablished raise rate, takes away all incentive to excel. If everyone is assured of a raise, then why try to do better or more work than the next person, when you will both get the same reward? And when the wages increase, the costs must be made up somewhere else. These increased costs are passed on to consumers. So employers, employees, and consumers lose through the minimum wage system. The average consumer today complains about the costs of everything. The costs we complain about are directly tied to labor costs.

Government-directed increases in wages make it hard for business to hire the inexperienced or less skilled worker. How many businesses can afford to hire a young, unskilled worker at the same price of an older, seasoned worker? If you ask anyone who wants a job but cannot find one, I think he will tell you that it is better to have a job at any price than no job at $2.90 an hour. These unreasonable rates are reasons why unemployment rates remain high, even during prosperous times, and why public sector jobs are proposed by the same legislators who caused the problem by increasing the minimum wage.

Periodically, but with amazing regularity, I hear from various small business people who have their own experiences to relate in this regard. One person, who owns a supper club in Wisconsin, said that because of the minimum wage level, his profits in the restaurant have disappeared and he is losing money for the first time in 32 years. His prices are up by 15 to 20 cents per item. After Labor Day of this year, he plans to close down his lunch service. He said to me, "We used to have three salad girls and now we have two. They'll simply have to get the work done." Teenagers used to make up half of his staff, but now they only account for about 10 percent.

Another restaurant owner in Missouri wrote to me: "I have not had to lay anyone off, but I have cut back on the number of employees I do keep at any one time. We used to have five or six people for the day shift—now we have three or four. Our girls used to average about 20 or 30 hours a week. Now they average 15 to 20 hours." This restaurant owner is keeping shorter hours in his restaurant to keep up with the wage rates.

In a recent issue of Fortune magazine, Willard Marriott discussed the effects of the minimum wage on his restaurant chains:

> Over-all, we eliminated more than two million man-hours or about 5 percent of the total. It's very difficult for me to be precise because of the growth in our business and the change in its mix. But we stopped hiring at many locations and this cuts our work force by 2 to 3 percent. Unlike many other restaurant chains, we did not open our restaurants later or close them earlier. However, in some cases we closed parts of a restaurant, opening one dining room instead of two. For years, we've been shifting to self-service salad bars in our dinner houses and other restaurants in order to cut down the number of waitress hours. . . .

Another outrageous example was given me by a friend who owned a flower nursery in California. With the constant rises in minimum wage levels, the interference and strictness of child labor laws, he found himself unable to keep up with prices. He packed everything up and moved his entire business to Taiwan, where labor is cheaper. Thus, we have an example where a perfectly good American business moved to another country because of the costs and regulations involved. We are losing good American businesses to foreign countries—to Taiwan, to Singapore, to Mexico, to Guatemala, and elsewhere—because it is too expensive for them to abide by our laws.

These are just a few of the examples I have received from people all over the country. Business and employees alike are being hurt by these increases in the minimum wage, and I think my colleagues in the Senate should give serious thought to our past actions on the minimum wage legislation. How much will consumers take before they realize that it is we in Congress who recognize the problem, yet do nothing about it? I, for one, do not want to be counted among those who have supported increasing the minimum wage, thus adding to our inflation problems. I hope that my fellow Senators will consider all the effects of our constant meddling in the private industry sector, especially the disastrous effects on young people of the minimum wage, and support me in my campaign against it.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes with statements therein limited to 5 minutes each.

The Chair, using his prerogative as a Senator from the State of Kentucky, suggests the absence of a quorum, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

TAIWAN RELATIONS ACT—CONFERENCE REPORT

Mr. CHURCH. Mr. President, I submit a report of the committee of conference on H.R. 2479 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2479) to help maintain peace, security, and stability in the Western Pacific and to promote continued extensive, close, and friendly relations between the people of the United States and the people on Taiwan, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of March 24, 1979.)

Mr. CHURCH. Mr. President, this conference report is a vast improvement over the legislation initially proposed by the administration. The measure as it now stands clarifies many uncertainties and ambiguities concerning trade, legal and economic issues. It includes a security clause designed to reassure Taiwan. And it provides for comprehensive congressional oversight of U.S. relations with Taiwan. The test we applied in deciding each of the many complex and difficult decisions before us was not the views of Taiwan or the People's Republic, but the national interest of the United States. I believe that this measure advances our national interest.

Mr. President, I acknowledge the presence of the ranking Republican member on the committee, the able Senator from New York, Mr. JAVITS. His work in drafting this legislation was indispensable. I think he shares with me a general sense of satisfaction with the compromise we were able to hammer out in conference with the Representatives of the House of Representatives.

The purpose of this legislation, Mr. President, is to authorize unofficial, nongovernmental relations with Taiwan. It is simply an adjustment to our laws to permit the maintenance of commercial, cultural, and other nongovernmental relationships in the new circumstances that exist after normalization. I intend to describe the principal features of this measure in a moment, but before doing so, I believe that this point needs to be reiterated: the relationship provided for in this bill—however extensive, however close, and however friendly—is not a government-to-government relationship. It is a relationship between two private entities—the American Institute in Taiwan and the corresponding Taiwan instrumentality—which will deal with each other in a manner reflecting the unofficial ties between the people of the United States and the people on Taiwan. The unofficial nature of this relationship is evident throughout the act—beginning with the title, which states that the purpose of the act is to promote people-to-people relations.

The central provision in this regard is subsection (a) of section 2. It recognizes that official, governmental relations between the United States and the governing authorities on Taiwan have been terminated. It is upon this premise—stated at the outset so that there can be no mistake as to its importance—that the rest of the act is based; all other provisions in the act must be interpreted in its light. I refer, in particular, to use of the term "Taiwan." The Senate version referred throughout the bill to the "people on Taiwan" to make clear that it was the people—and not the governing authorities—with whom relations were being continued, and to make clear as well that the bill did not address the issue of Taiwan's international legal identity.

These same purposes are carried out by section 2(a) of the conference report, which leaves no doubt concerning the termination of official relations with the governing authorities on Taiwan. I would point out also that nowhere does the conference report address the question of whether Taiwan is a country or nation under international law. Although the term "Republic of China" does appear several times—most notably in the definition of Taiwan—each such use contains a reference to past U.S. recognition, and none implies current governmental relations. I will elaborate on this point in a moment, but before doing so, I would point out that several other provisions must also be viewed in the same perspective.

Section 4(b)(1), for example, treats Taiwan as a "country" for purposes of U.S. law. This is a technical drafting matter, really; certain statutory authorities needed to be extended to continue the program eligibility of Taiwan, and the simplest and cleanest way of doing that was to treat Taiwan as a country under those statutes. There is absolutely no indication in this provision that the United States views Taiwan as a separate country; if anything, it could be argued that the need to include a provision such as this implies exactly the opposite. But that question, as I stated, is one that is not addressed in this legislation.

Section 4(b)(4) is also a somewhat technical legal provision relating to the question of which law is to be applied in U.S. courts. It provides that, when the circumstances require, that law is to be the law applied by the people on Taiwan. This provision, like other provisions, in no way constitutes recognition of any government and in no way implies official relations. It simply takes cognizance of the undisputed reality that there is a law applied on Taiwan. It does not freeze the United States into the position, obviously, of forever applying in its own courts the law now applied on Taiwan; if the law applied on Taiwan were to change, a different law would then be applied by the United States.

Nor is recognition implied in the "security" language appearing in section 2 and 3 of this measure. The conference committee intended that this carefully drafted language support the President's statement of December 15, 1978, that the United States retains an interest in the peaceful settlement of the Taiwan issue by the Chinese themselves. Nothing in these provisions was intended to be inconsistent with the mutually agreed terms of normalization.

The cornerstone of our new unofficial relations with Taiwan is the American Institute in Taiwan. This is a private, nonprofit corporation whose employees are not employees of the U.S. Government. This is an extremely important principle, and is made explicit in section 11(c) of the conference report. Relations with Taiwan will be conducted through the Institute, and references to it thus appear throughout the bill.

Section 7(a)(3) of the conference report, for example, authorizes Institute employees to perform certain acts "such as are authorized" to be performed for consular purposes. Those words are critically important: they make clear that the functions being carried out are not those of official governmental representatives. Similarly, section 10 requests that the President extend to the Taiwan instrumentality the same number of offices and complement of personnel as were operated previously. Two points bear emphasis: that these are private offices, not consulates, and that they are manned by "personnel," not diplomats or governmental officials of any sort.

Likewise, the immunity that the Congress requests be extended in this section is not absolute immunity—not the full and complete immunity extended official diplomats—but functional immunity, which would extend only to acts performed in the course of one's duties.

Finally, there is the definition. Section 15(a) refers to the "governing authorities on Taiwan recognized by the United States as the Republic of China prior to January 1, 1979. * * *" This is an historical reference with which no one can argue: It merely acknowledges—for purposes of legal clarity in identifying the authorities to which the section refers—that the United States recognized the Republic of China prior to January 1, 1979. It does not suggest that that recognition continues—indeed, the definition expressly notes that recognition terminated on January 1, 1979. The reference is thus comparable to other references to the Republic of China appearing in the conference report, such as that contained in section 4(c), which relates to international agreements. There, as elsewhere, the reference appears only to make clear, legally, which governing authorities are being referred to; there is absolutely no intent to suggest—in section 4(c) or anywhere else in the bill—that the United States continues to maintain official relations with the people on Taiwan.

Mr. President, I have described these particular provisions of the conference report at some length because it is vitally important that everyone understand that this legislation is entirely consistent with the joint statement issued December 15 by the United States and China. In that statement the President agreed to recognize the Peking government as the sole legal government of China. This was his prerogative under our constitutional system, and it is not within the power of the Congress to overturn that decision. The Congress does not have the authority—constitutionally—to recognize a given government or to establish government-to-government relations with a given country after the President has terminated those relations. The Congress cannot do so, and the Congress will not have done so in enacting this legislation. It will simply have authorized the maintenance of commercial, cultural and other relations without official Government representation and without diplomatic relations.

I should like to turn now, Mr. President, to a summary of the contents of this conference report. The main provisions of the conference report deal with, first, peace and security in the western Pacific; second, the continued applicability of U.S. laws with respect to Taiwan despite the absence of diplomatic relations and recognition; third, the continuation in force of all treaties and agreements not specifically terminated according to law; fourth, legal rights, such as the capacity of Taiwan, its people, and entities established by their law to sue and be sued in U.S. courts; fifth, trade and economic relations between the United States and Taiwan, and property rights of Taiwan; sixth, the staffing, authority and responsibilities of the American Institute in Taiwan to conduct relations with the people on Taiwan as well as the status of its unofficial Taiwan counterpart; and seventh, congressional oversight regarding these relations in general, and of the activities of the American Institute in Taiwan in particular.

It is not necessary to go into all of these matters in detail, although I do want to discuss a few. However, I want to emphasize that both the Senate and the House have been exceedingly thorough and careful in their consideration of all of the issues involved, in view of the great importance of this legislation and the unique situation it addresses. We have combined clear statements of principle with detailed provisions on important matters, and have done so in a way that provides firm policy guidance combined with operational flexibility.

One of the issues that received extensive consideration was Taiwan's security. The provisions dealing with this matter in the conference report represent a constructive compromise between the language of the acts passed by the Senate and the House. The conference report spells out that peace and stability in the area are in the political, security, and economic interests of the United

States; that any effort to determine the future of Taiwan by other than peaceful means, including boycotts or embargoes, would be a threat to the peace and security of the western Pacific and of grave concern to the United States; that the United States will maintain its capacity to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan; and that the United States will make available to Taiwan defense articles and services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability.

This should be very reassuring indeed to the people on Taiwan, for it specifies that the United States will oppose any form of external coercion directed against Taiwan. And it provides that we will assist Taiwan to maintain its own defense capability, which the Israelis have demonstrated is the best assurance of any nation's security. These provisions, together with the President's December 15, 1978, statement, our improved communications with the PRC resulting from normalization, the lack of any significant amphibious capacity on the part of the People's Republic, and the fact that any PRC threat directed against Taiwan would dash its hopes for better relations with the United States, Japan and Western Europe—all these elements combine to make it clear that Taiwan's security is not endangered.

The conference report also clearly provides for Congressional oversight of these relations and of the operations of the American Institute in Taiwan. The Institute has the authority and the responsibility to help American citizens carry out their many kinds of dealings with Taiwan, which will enable our commercial and cultural relations to continue to expand. The legislation provides that agreements and transactions made by or through the Institute shall be subject to the same congressional notification, review, and approval requirements and procedures as would normally apply. The conference report also places on the President and the Secretary of State specific reporting requirements concerning the Institute's operations and economic relations between the United States and Taiwan. These provisions were taken from the act passed by the Senate. They will enable the appropriate committees of the Senate and House of Representatives to carry out the responsibilities assigned them in the Act passed by the House—the responsibility to monitor the implementation of this legislation, and to monitor developments in U.S. relations with Taiwan under these unique arrangements.

In connection with these oversight provisions, Mr. President, I submit for the Record a letter from the Department of State concerning arms exports to the People's Republic of China and I ask unanimous consent that it be printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Department of State,
Washington, D.C., March 19, 1979.
Hon. Frank Church,
Chairman, Senate Foreign Relations Committee

Dear Mr. Chairman: In today's proceeding of the committee of conference on H.R. 2479, the question was raised as to whether the Congress would be informed at least thirty days in advance of the issuance of any license for significant arms export to the People's Republic of China.

It is the policy of the United States, as reflected in section 126.01 of the International Traffic in Arms Regulations, not to license arms exports to the People's Republic of China.

We do not contemplate any change in this policy. In view of the concerns expressed by the conference committee, however, I can assure you that the Department of State would not license significant arms exports to the People's Republic of China without providing the Congress at least thirty days' prior notice. This assurance is in addition to the reporting requirements of existing law, which requires thirty days' prior notice to the Congress of the proposed issuance of licenses for the export of major defense equipment sold for $7 million or more, or other defense articles or services sold for $25 million or more.

I trust that the foregoing assurance meets the concerns expressed in today's meeting of the conference committee.

Sincerely,
Douglas J. Bennet, Jr.,
Assistant Secretary for Congressional Relations.

Mr. CHURCH. It is not for the United States to determine Taiwan's destiny. However, we do have an important interest that this issue be resolved peacefully and in a manner that takes into account the will of the people on Taiwan. It is encouraging that the People's Republic of China has adopted a flexible approach toward this issue in recent months. We should do nothing to discourage the Chinese leaders from continuing along this course.

Mr. President, this measure makes clear to the People's Republic of China that the United States has a deep interest in a peaceful resolution of the Taiwan issue. It also makes clear to the people on Taiwan that we are not abandoning them by providing for the continued supply of defense articles and services, and by establishing a sound legal and economic basis for continued relations between the United States and Taiwan.

I believe that this conference report will enable the United States to continue a close and friendly relationship with the people on Taiwan while simultaneously developing a mutually beneficial relationship with the People's Republic of China. I therefore urge the Senate to approve the conference report.

Mr. President, I now defer to the distinguished Senator from New York (Mr. Javits), the ranking Republican member on the committee.

I note that a valiant member on the Democratic side, the Senator from Ohio (Mr. Glenn) has come to the floor, and I invite him to take charge of the management of H.R. 2479, while I am required to attend a meeting called by the majority leader.

Mr. JAVITS. Mr. President, before our colleague leaves, may I first say that I join in what he has said, and wish to express my support for this conference report and my deep gratification for this, the first substantial work of our partnership as chairman and ranking minority member of the Foreign Relations Committee. We have worked harmoniously, and I believe effectively, together to effect the accomplishment of the high purposes of our country. I thank him very much.

Mr. CHURCH. I thank the Senator.

Mr. JAVITS. Mr. President, the Taiwan Relations Act, which is the name of this act, is in my judgment an equitable blending of the House and Senate versions of this complicated legislation dealing with a very complicated problem, and therefore, a bill which has to be read carefully to be clearly understood. Although the House and Senate bills contained significant differences of approach and technique, they reflected a close identity of purpose: To provide the necessary legislative basis for continuing close, unofficial relations with Taiwan within the framework of the Sino-American joint communique normalizing diplomatic relations between the United States and the People's Republic of China.

In this respect, the intent of the House and the Senate were the same. Both bills sought to provide legislatively, for the continuation of commercial, cultural, and other relations between the people of the United States and the people on Taiwan in the wake of the President's actions recognizing the Government of the Republic of China on Taiwan.

Neither bill sought to reestablish official relations between the United States and the Republic of China on Taiwan; Congress, as Senator Church has pointed out, does not have the authority to do that even if it wanted to do so. Neither bill challenged the basic understandings on normalization of relations with the People's Republic of China.

The bill which emerged from the conference authorizes a full range of relations with Taiwan on an unofficial basis. Existing rights and obligations are protected, existing programs are preserved. The strength of the ties between the people of the United States and Taiwan is maintained.

A strong statement of the United States' national interest in Taiwan's security is in the bill as it emerged from conference.

This is the principal feature, in my judgment, which the Congress has added on this matter. The People's Republic of China, through its officials, is said to be jumping up and down about this legislation. Mr. President, I think by now they ought to be sophisticated enough to understand that foreign policy in this country is made by the President but with the advice and consent of the Congress, and, therefore, the Congress has a right to insert, in advising and consenting, the conditions which it deems appropriate to its advice and consent. That is what we did here.

Mr. President, when the legislation was debated I made it very clear that great nations cannot bluff and, that therefore if the PRC decided that it could not normalize relations with the United States because of the provisions which we felt compelled to make—unofficial but very real in terms of our obligations and commitments to the people on Taiwan—that we were not fooling about these, and that if they were unsatisfactory, then there obviously could not be normalization.

Therefore, while I recognize and respect in full the protests and the feelings of the Government of the People's Republic, I point out that this simply is inherent in what American policy, in our judgment, must be. We are not asking them to agree with it; we are only asking them to accept it, and accept it they do when they continue the normalization of our relations.

While I pay serious attention to how they feel about it, I think they must understand that this is us, this is the United States of America, in its total governmental manifestation. That includes a very reasonable and very necessary obligation respecting the security of the people on Taiwan.

This legislation is only the first step in a series of steps which may be taken in the process of normalizing relations. We must still resolve the issue of past claims by American citizens against the Government of China; we must consider whether to grant most-favored-nation trade treatment, offer expanded credits and approve a trade agreement with the People's Republic. It is in the interest of both of our countries to continue to proceed along this path of normalization, but each step of the way must be a careful and deliberate one with Congress fully involved and contributing to the outcome. This is the nature of our system, and the very essence of the democracy with which the PRC has chosen to establish a new relationship. We might as well get used to each other right from the beginning.

In this connection, let me quote from the Washington Post editorial of March 27, 1979:

> It must have come as something of a shock to the Chinese to discover that the arrangements they had laboriously worked out with the executive branch were tampered with by the legislature. Welcome to America. 'Normalization' means not merely regularizing official relations but opening up those relations to the normal buffeting of the American political process.

I ask unanimous consent that the complete text of this editorial be printed in the Record at this point, along with two other articles, one dated March 25, 1979, by Jay Mathews, and the other dated March 26, 1979, by David Binder.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, Mar. 27, 1979]

Peking's Political Education

The People's Republic of China has now pronounced "unacceptable" the legislation in which the Congress sought to strengthen, beyond the administration's measure, the formal assurances the United States is offering Taiwan. Most of the congressional increments were a good idea; and it's not such a bad idea, either, that Peking has been afforded this occasion to deepen its political education.

The increments do not alter the basic framework of normalization, and this is to the good. But by tone as much as by word, they make explicit a certain caution about China's ultimate intentions and a considerable degree of sympathy for Taiwan. In other words, they make explicit what we take to be the feelings of most Americans. It must have come as something of a shock to the Chinese to discover that the arrangements they had laboriously worked out with the executive branch were tampered with by the legislature. Welcome to America. "Normalization" means not merely regularizing official relations but opening up those relations to the normal buffeting of the American political process.

Although Peking is upset, it does not appear to be so upset that it will react rashly, least of all, say, by "denormalizing." Only a handful of those congressmen who supported the new language could have wished to provoke that result. American diplomats are working overtime to limit the damage. But we think it can only strengthen Chinese-American relations for the long run for the two countries to learn that their political systems, and not alone their diplomatic establishments, must meet and interact.

The Chinese are not shy about defining their own national interest. Americans should be no less forthcoming. This is by way of saying that Peking should consider the effect its invasion of Vietnam had on congressional consideration of the Taiwan legislation. The spectacle of China disregarding American urgings and sending troops across a border into a neighboring country surely helped spur Congress to strengthen the assurances being offered Taiwan. We would even go a step further and suggest that that spectacle served as a useful brake on any incipient American tendency to regard normalization as a wholly unmixed blessing for the United States in its continuing attempt to "contain" Soviet power. Normalization is desirable, we believe, but, like any other political act, it carries limits and risks. It is better that Americans proceed with a knowledge of what the risks are.

[From the Washington Post, Mar. 25, 1979]

Peking Protests U.S. Legislation on Taiwan Ties

(By Jay Mathews)

Hong Kong, March 24.—Peking has protested U.S. legislation dealing with Taiwan as doing "great harm" to future relations. It is the first such Chinese warning to Washington made public since the two countries opened full diplomatic ties Jan. 1.

An official New China News Agency dispatch released today said Chinese Foreign Minister Haung Hua told U.S. Ambassador Leonard Woodcock March 16 that bills passed by both houses of Congress were "unacceptable to the Chinese government."

[The State Department confirmed Saturday that Woodcock had been called in by Huang but said it had no comment on the matter.]

A separate official Chinese news agency story described the portions of the nearly identical House and Senate bills committing the United States to Taiwan's security as particularly objectionable to Peking. The story also criticized clauses recognizing the existence of a separate government on Taiwan and barring Peking from taking over property of Taiwan's former embassy in Washington.

Diplomats had expected China to make some protest about congressional strengthening of security guarantees for Taiwan. Peking considers the island to be part of its territory, temporarily controlled by an illegitimate Nationalist Chinese leadership. It is uncertain, however, whether Peking will go so far as to halt or delay developing diplomatic, cultural and trade ties with the United States to underline its displeasure.

The Chinese agency said Huang Hua told Woodcock, "If the bills are passed as they are worded now, and are signed into law, great harm will be done to the new relationship that has just been established between China and the United States."

Huang asked the U.S. government to ensure that the Taiwan legislation does not violate Washington's agreement on normalized relations with Peking, but the Chinese agency gave no hint what action China would take if President Carter signed what it considered unacceptable legislation.

The Chinese protest came shortly after an attack on capitalism and the U.S. human rights campaign in a Peking newspaper that was in sharp contrast to glowing descriptions of American life found in the official Chinese media in recent months. Recently, American businessmen have found negotiations about projects in China slowing down.

The changes seem related, however, to an internal reassessment of China's sudden political liberalization and foreign trade growth over the last several months, rather than to any reaction to American efforts to retain some commitment to Taiwan's 17 million people.

Chinese Vice Premier Deng Xiaoping (Teng Hsiao-ping) reportedly complained at a closed-door party meeting March 16, the same day that Huang met Woodcock, of earlier Peking wallposters that had asked President Carter's help in improving China's human rights record.

An article in the Peking Daily on Thursday appeared to follow this theme, criticizing "certain young comrades" who "will beg the support of imperialism" in their campaign for human rights. This showed "lack of patriotism," the articles said.

The newspaper argued that "privileges" still remained in the United States despite its efforts to "show off, its human rights." It described capitalism as a "mercenary slave system of unemployment, police persecution, suicides, prostitution and so on."

Huang told Woodcock the bills passed by the U.S. Congress "contravene the principles agreed upon by the two sides" when Washington and Peking announced Dec. 15 their formula for ending 30 years of diplomatic estrangement. Huang appeared to be referring particularly to the U.S. promise to end its mutual security treaty with Taiwan and end all official ties with the island.

The congressional bills are designed to continue American trade, cultural and other ties with Taiwan through creation of an unofficial American Institute in Taiwan as a substitute for the U.S. embassy. Following a system used by the Japanese when they broke relations with Taiwan in 1972, the institute is to be staffed by U.S. foreign service officers and other U.S. personnel who will temporarily resign from government service while they work in Taiwan but generally perform the same duties they did as embassy staff.

Carter administration spokesmen assured Congress that Peking was not interested in and not militarily capable of taking Taiwan by force, and that no guarantees of the island's security were necessary, but Congress still insisted on adding language that Peking considers to be interference in its relations with one of its provinces.

The Chinese news agency singled out language in the Senate bill declaring continued U.S. capacity "to resist any resort to force or other forms of coercion that would jeopardize the security, or social or economic system of the people on Taiwan."

The Chinese agency protested parts of the bill that said Taiwan authorities would be considered a "foreign government" under any other applicable U.S. laws.

It complained of another clause that said ownership of the spacious and valuable Embassy grounds in Washington would not be affected by normalization of relations with Peking.

Taiwan turned the properties over to a group called "The Friends of Free China" in December, but the State Department said it would support Peking if it chose to bring suit seeking ownership as the recognized government of China.

The Chinese news agency said the embassy properties "should be legitimate properties of the People's Republic of China."

[From the New York Times, Mar. 26, 1979]

PLEDGE TO TAIWAN UPSETS THE CHINESE

(By David Binder)

WASHINGTON, March 25.—A stiff protest by the Chinese Government against legislation that provides strengthened United States security guarantees for Taiwan has created a predicament for President Carter, Administration officials said today.

The protest was delivered to Leonard Woodcock, the American Ambassador to China, on March 16 by Foreign Minister Huang Hua and repeated here last week by Chinese Embassy officials on a visit to the State Department.

President Carter must seek to soften the Chinese attitude without annoying the Senate and House, which completed a conference committee bill on the Taiwan legislation last week and sent a report on the compromise legislation to the White House, Administration officials said.

The Peking Government published not only an announcement that Ambassador Woodcock had been summoned to receive the protest, but also issued a dispatch via the official New China News Agency that described the American legislation as "unacceptable to the Chinese Government."

FIRST PROTEST SINCE TIES SET UP

The Administration officials said that the Taiwan protest was the first such complaint by China since full diplomatic relations were opened on Jan. 1.

State Department officials said that they were not surprised by the Chinese protest, but had no other comment. White House officials also declined to comment or to indicate the President's reaction.

Mr. Carter had proposed that Congress adopt legislation that would enable the United States to maintain unofficial relations with Taiwan while taking up diplomatic ties with Peking, but at the same time the White House declared that it opposed wording that would give official character to the Taiwan relationship.

The compromise wording that emerged after lively debate in Congress would authorize the United States to continue social and economic relations with the Chinese Nationalist Government on Taiwan through a new nonprofit corporation to be called the American Institute on Taiwan.

CLOSE AND FRIENDLY RELATIONS

The Senate bill declared that United States policy would be "to maintain extensive, close and friendly relations with the people on Taiwan" and "to consider any effort to resolve the Taiwan issue by other than peaceful means a threat to the peace and security of the Western Pacific area and of grave concern to the United States." In addition, the Senate bill, whose wording has largely been retained in the conference legislation, would require the United States "to assist the people on Taiwan to maintain a sufficient self-defense capability through the provisions of arms of a defensive character."

The Senate's version of the bill passed on March 13, three days before the Chinese protest, in a 90-to-6 vote, while the House endorsed its version, 345 to 55. The conference legislation, which resolved the differences between the two bills, was filed yesterday in both houses of Congress. Representative Clement J. Zablocki, the Wisconsin Democrat who heads the House Foreign Affairs Committee, said that the compromise bill would reach the floors of both houses on Tuesday.

Mr. JAVITS. Mr. President, the legislation crafted by the conference committee is, in fact, much better for having had to go through this "buffeting" of the American political process. It is more careful and more thorough than the bill which the administration originally proposed. By protecting the commercial, cultural, and other relations of the United States with the 17½ million people on Taiwan, it provides a firmer political foundation in this country for the improvement of relations with the People's Republic. I think that the leaders of the PRC will come to recognize this fact—that having dealt fairly with our friends on Taiwan, we are in a better position to continue the process of normalization with the People's Republic.

The majority of the Members of Congress, in my judgment, strongly favor the normalization of relations with the People's Republic of China and, in this legislation, sought only to fulfill our basic moral commitments to the people on Taiwan, in a way which is compatible with the goals and conditions for normalization of relations with the People's Republic.

Now, Mr. President, this matter has been very much debated, and I will not reiterate the arguments about it or the meanings of the words which are used. However, I do wish to emphasize two things: First, under section 2(b)(3) we make it very clear that when we sought to normalize relations with the PRC, that policy "rests upon the expectation that the future of Taiwan will be determined by peaceful means."

We mean it. I hope when the President signs this bill, as I hope he will, that the implications of that paragraph will be crystal clear.

And I might say, Mr. President, that is no different from the fact that the PRC normalized relations with us upon the expectation that we would no longer maintain official diplomatic relations with the Republic of China on Taiwan. We have honored our commitment.

Second, Mr. President, when we speak of the future of Taiwan and the fact that it shall only be changed by peaceful means, we also include—and this is, in my judgment, very, very important—the way in which they run their society and their right to determine how they shall run their society. That, Mr. President, is a very important element in our consideration because we say in section 2(b)(6), "to maintain the capacity of the United States to resist any resort to force or other forms of coercion" and these are the pertinent words "that would jeopardize the security or the social or economic system of the people on Taiwan." That means not only their security but the social or economic system that they choose. I wish to make that crystal clear.

Here, too, I refer the Government of the People's Republic of China to section 2(b)(1) which makes it very clear that we want the same close, friendly, and commercial relations with the PRC, itself. We have wrapped that into this very same security clause so there can be no doubt about our good faith in undertaking a normalization of relations with the People's Republic of China, just as there can be no doubt about our good faith as far as the people on Taiwan are concerned.

Mr. President, the other matter to which I wish to call attention, which relates to laws of the United States, is that we have been very careful to preserve property and other comparable rights without trying to decide the issue of the diplomatic installations which are here, especially the embassy property in Washington. Generally speaking, we have been very protective of property rights, et cetera, respecting the people on Taiwan and what they have created in this country, in the United States.

In that respect, I wish to emphasize, because it is very important to lawyers, the preemption clause which is contained in section 6(c) of this bill, which makes this measure, if signed by the President into law, the governing law, if there is any conflict with other law of the United States or of the District of Columbia where this institute which is provided for is incorporated, or with the law of any State or political subdivision which "impedes or otherwise interferes with the performance of the functions of the institute pursuant to that act."

That is a very important clause, Mr. President, certainly, to the courts, to lawyers, and to people who are engaged in any litigation respecting property rights, and I call special attention to it.

Finally, Mr. President, the definition. We worked on this definition very ardently and with great concern. I believe it spells out precisely what we mean when we use the term Taiwan. It refers not only to corporations and other entities and associations which are private, but also to the public authorities on Taiwan as recognized by the United States prior to January 1, 1979, as well as any successor governing authority there.

I believe we have sought, as far as human beings can, to anticipate all of our problems and we have dealt with them in the text of this legislation.

Mr. President, I hope that we will also now arrive at a relationship with the People's Republic of China which will move on satisfactorily, satisfactorily to them and satisfactorily to us, the ground rules having been laid down so very carefully and so very precisely. Though it has been an arduous task, this represents one of the great decisions in our postwar history. I think it has been made well and wisely. I take great pleasure and deep gratification in the fact that the Congress will have, when this bill is made into law, contributed an affirmative and a very constructive element to this relationship. Congress has demonstrated its ability carefully to architect a piece of legislation which will do what needs to be done in terms of the national interest and the moral interest of the United States as far as the people on Taiwan were concerned. It does so without in any way transgressing any obligation undertaken by the United States, in the joint communique or otherwise, toward the People's Republic of China, or in any way complicating or nullifying the relationship which we have now agreed it is the high policy of the United States to establish with the People's Republic of China.

Mr. President, I commend this conference report to my colleagues. I commend to them also a careful examination of its craftsmanship in legal terms. I hope very much that the Senate will see fit today, as the other body has already done, to approve this conference report.

Mr. GLENN. Mr. President, I associate myself with the remarks of the distinguished ranking minority member of the Committee on Foreign Relations and the remarks made earlier by our committee chairman (Mr. CHURCH). I only add one thought or two to the statements they have already made.

I read in the newspaper a few days ago, with some concern, Mr. President, remarks by Foreign Minister Huang Hua of the People's Republic of China, as reported in the Washington Post, to the effect that the phrase "unacceptable to the Chinese Government" was Mr. Hua's description of the deliberations of our conference committee with the House in regard to the Taiwan Relations Act. The analysis, as reported in that story, indicated that the PRC, or, at least, Foreign Minister Huang Hua, felt that in our conference committee deliberations, we had apparently gone considerably beyond the security guarantees for Taiwan previously expressed by the administration and previously agreed to in the normalization discussions that were held between the administration and the People's Republic of China.

I do not feel that we did go substantially beyond that, and I hope that in our new relationship, the People's Republic of China representatives do not over-analyze what happens in the U.S. Senate in the treaty ratification process or on a normalization procedure which we have gone through with the House. Those basic interests in the security of Taiwan, and the basic relationship of continuing arms sales during this year that were already in the pipeline, and the capability of making new security commitments—new arms commitments—to Taiwan at the end of this year, beginning on January 1, 1980, were in the original administration agreement of normalization. We basically expressed our prerogatives here, in Congress, as equal partners in this normalization process to establish our "grave concerns," with regard to the long-term security of Taiwan. That term, particularly, was picked up by Foreign Minister Huang Hua as being especially obnoxious.

He went on to say:

> If the bills are passed as they are worded now and are signed into law, great harm will be done to the new relationship that has just been established between China and the United States.

I submit to the Foreign Minister of the People's Republic of China that we have gone no farther than the administration in expressing our concerns; the grave concern at this end of Pennsylvania Avenue that there be peaceful resolution of the disagreements with regard to the final status of Taiwan.

In all of our documentation here, and in all of the work of the conference committee, we have recognized, as both sides have said is the case through many years, that it is one nation. We repeated over and over again that we have grave concern, and we would continue our sales to Taiwan at the end of this year at whatever balance of military forces was deemed necessary at that time.

So, I repeat, Mr. President, that I hope the People's Republic of China and their officials, in their new relationship here and their new diplomatic responsibilities for making normalization work properly, are not overanalyzing things and forgetting that we at this end of Pennsylvania Avenue, the Congress, have an equal responsibility, under our constitutional form of government, to express the will of the people. In our checks and balance system the Congress, as well as the President, is responsible for negotiating this new normalization that we have with the People's Republic of China. It does not go that much further and does not change drastically what the President agreed to in the normalization process.

I think, with those few words to be added to the words already expressed by Senator JAVITS and Senator CHURCH, I shall see if anybody else wishes to speak on the subject.

Mr. HOLLINGS. Mr. President, I speak today in opposition to the conference report on the Taiwan enabling legislation. My conviction is that a great power retains both its greatness and its power by dealing forthrightly and resolutely with the other nations of the world. I do not think we are dealing forthrightly and resolutely by this bill. The whole approach is typified by the "Institute" which is being established to carry out our new relationship with Taiwan. This Institute is, we are told, to be private—unofficial—totally nongovernmental. Yet in the same breath, the administration comes to request the public moneys to finance the Institute, making the idea of unofficiality a complete sham. I cannot in good conscience be a party to this kind of legislative legerdemain.

We are back to the diplomacy of deception and charade. I thought we had passed that era back in the middle of the decade, but here it is again in full blossom—the secret deals—the weasel words—the decision taken without congressional consultation, in contravention of the law—the hard sell of saying:

> Provide the money now, Senator, or blood will flow in the streets of Taipei and the responsibility for that will be yours to shoulder.

The distrust shown toward the people by trying to make abandonment of an old friend look like a policy of principle. There is always a high price which attends the diplomacy of deception and charade. In this case, we have alienated a friend of many years' standing, for precious little in return. And we have, I am certain, diminished our character and our resolution in the eyes of China's 900 million people, not to mention their self-satisfied leaders.

So we sail to a new breeze. We enter a whole new relationship in East Asia and one that is, in the case of Taiwan, unprecedented. To carry out the unprecedented relationship we have an untested instrumentality, one without legitimate diplomatic parentage—it is instead the child of appeasement. New opportunities for mischief by the People's Republic are rife. In the debate some 2 weeks ago, I described at length the kind of pressures that the People's Republic could well be bringing against Taiwan in the months ahead. I spoke not of the force of military invasion, but of the equally insidious coercion of economic strangulation. The weapons in this war will not be troops and bayonets, but shipping licenses and trade restrictions designed to cut off Taiwan—our ninth largest trading partner—from the world's commercial nations.

Mr. President, there is a great deal riding on our new East Asian initiatives. There is uncertainty, there is lack of adequate safeguards, there is only the reality of change and of danger. And what, then, do we propose to oversee this new relationship? Why a nice little private, nongovernmental institute, wrapped in the foil of charade, and probably at this moment bringing tears of laughter to the leaders of mainland China.

Of course, it would have been much better to insist upon some kind of continuing official relationship with our friends on Taiwan. I think we might very well have been able to extract that from the negotiations with the People's Republic. But that was not done, that is history; so, with the hard sell on, I looked to see how we might somehow enhance the relationship and lend some aura of officiality, or at least official oversight, to the new East Asian policies. I hit upon the idea of a Joint Congressional Commission for Security and Cooperation in East Asia. It was to be a small commission, a minor government body, with a similarly minor budget. Small and lean, but able at least to report on how our policies were actually developing, how the untested instrumentality was proceeding, how we might improve our position in that part of the world. It was patterned on the model of the Helsinki Commission, which has done so much to point up the continuing problems in Eastern Europe and the Soviet Union. Certainly it was no threat to the prerogatives of any congressional committee—it was simply a tiny supplement to our overburdened committees—a way of bringing constant monitoring into a constantly evolving environment—simply, cheaply, expeditiously. It would represent, at the same time, notice to the rest of the world that we retained an official interest and an official oversight; that we were watching every development and studying every nuance; and that the United States was sufficiently concerned about that part of the world as to devote at least some resources to closely monitoring it.

The chairman of the Senate Foreign Relations Committee agreed to my amendment before the debate even began; the committee approved it on the floor; and the Senate passed it March 8. When it got to the House, I understand, it encountered some misgivings as to germaneness—although I do not know how anything could be more germane—and jealousy as to the prerogatives of their Foreign Affairs Committee—although those were in no way threatened. In any event, the House-passed measure was in no way similar to the original amendment. It was watered down to the point of merely calling for that Chamber's Committee on Foreign Affairs and this Chamber's Committee on Foreign Relations to monitor the provisions of the act and the implementation of our policies and report back as appropriate.

Then the legislation went to conference. I was not in attendance, so I do not know exactly what occurred there. I understand that the chairman of the Senate committee fought well for the Senate amendment, but that there was suddenly, from others on the Senate side, expression of concern as to the costs involved—although these had never even been mentioned in the Senate debate. Suddenly, some were troubled by the fiscal implications of the Commission, which was specifically designed to parallel the modest budget of the Helsinki Commission at $550,000 per annum, hardly excessive. The measure which emerged from conference was almost identical to the House-passed version. It added some language including other appropriate committees who might monitor and report on the act, but, in reality, congressional oversight is reduced to a sham. If this is a compromise of Senate and House differences, believe me, I would hate to see a case where the Senate gives in.

Now, Mr. President, the two Houses will approve the conference measure, and the next question is providing for the appropriation. As chairman of the Appropriations State-Justice-Commerce Subcommittee, I joined our other members in declining the State Department's importunings to shortcut the legislative process by providing the money before we had a bill authorized. With this bill being approved now, the President has a right to expect that the money to carry it forward will be provided. For my part, I have no intention of impeding that process, and our subcommittee will expeditiously move on the matter of the appropriation.

I do think, Mr. President, that this could have been a happier story with a wiser ending had we gone the route of straightforwardness which I have discussed here today. This is an important measure for more reasons than one. It concerns our relationships with a large area of the globe. It concerns the working of our own Government, the coordination between the separate branches of that Government, and the confidence which exists between the people and their representative institutions. And it concerns the direction of our foreign policy at a time when that policy is under scrutiny, even attack, the world around. We need to move forward on all these fronts. We need to restore our sagging credibility. And we need to develop a policy upon which the American people can look with pride rather than shame and embarrassment. The need for this kind of policy is clear. Equally clear is the sad fact that the legislation before us today, and the administration policy upon which it is founded, fails to meet these tests.

Mr. President, concluding these remarks, I wish I could speak hopefully about the Institute that we have now set up. I wish that the administration would be as categorical and clear as the distinguished Senator from New York was. He reminds us that the committees on foreign relations in both Houses have made tremendous improvements on the administration bill and policy relative to Taiwan. It was obvious the administration had no grave concern, that it was a case of the bum's rush. They said no word could be changed, and they drew the specter that if they did not have immediate funds for Taiwan, there would be bloodshed in the streets of Taipei.

These kinds of things really are disturbing. We talk about grave concern. What is of grave concern to this Senator is when the administration acts in such an immature fashion.

I thought, of course, that the oversight commission would be a very contributing institution to make certain that the policy set by the U.S. Government, through not only its President but its Congress, was properly followed through. The Senate agreed and passed my amendment.

Just a few days ago, I returned from the hearings with respect to the Helsinki Commission. I asked distinguished members of the Foreign Relations Committee there why the Senate and the House Foreign Relations Committees could not take care of the job that the Commission was doing. They said the committees could not give the attention, could not give the visibility, could not be effective handling it. It was a matter of work volume if nothing else. The Commission was needed.

Of course, this applies with respect to Taiwan. I wanted to watch not so much Taiwan as I wanted to watch our own American Institute. I am very fearful as expressed by the Senator from New York, for our continued economic ties. Taiwan is our ninth largest trading partner. I am afraid that the People's Republic will find occasion to exert the economic squeeze. The Taiwanese have enjoyed economic prosperity and success.

The could well begin to act like other folks, when they are not too busy making a living, and develop a concern with their rights. It could be, and I hope so, that they will get a freely elected government over there, or at least they could move against the present government. If and when that occurs, we do have a security problem with respect to a free election. I think an economic squeeze could be brought by the People's Republic upon these little island people that could well promote discord and upset and cause a real security problem for us in the Far East.

It has been pointed out by some scholars, knowing the background of Chiang Ching-kuo, the President of the Taiwanese Government, that he had trained in Russia. If he was pressed, and had no support from the United States and, perhaps, lost the support of the people of Taiwan itself, then we could be faced with a Far East-Cuban situation.

I am not predicting any such thing, but surely it is a matter of possible concern.

The conference report is a great improvement over the bill that was presented by the administration, but I will vote against the conference report. And I go directly to the comments made by our Committee on Foreign Relations about the constitutional right of the President to make foreign policy.

(Mr. BOREN assumed the chair.)

Mr. HOLLINGS. We know that constitutional right. But then he said that there was nothing that the Congress could do about it, or words to that effect. Many of us served in here during the past 13 years, with the Congress going in one direction, the President in another direction, and the people in a third direction. I thought we had learned the lesson of Vietnam.

I want to make it graphic. I recall we had at one time the Secretary of Defense before the Foreign Relations Committee and he was asked about the war in Laos. He said, "What war?"

We said "Mr. Secretary, we are in closed session; go ahead and attest to the war the United States is engaging in, supporting, supplying, and where we actually have personnel."

His answer was that the Department of Defense had no personnel or Americans in Laos. Then the committee invited Director Helms of the CIA, advising him, too, that we were in closed session. We had to make a determination about the amount, how to authorize, and at that time it was running $178 million.

How do we tell about that real need of the United States in Vietnam? We are asked for money here. We want to have it justified. Tell us about the war in Vietnam.

Director Helms had the "what war" approach, too, but finally he pulled a paper from his pocket and said:

> Gentlemen, I am sorry, I am under executive privilege and I am not allowed under the executive privilege of the President of the United States to discuss this war with you.

So we had a secret war in a secret land, and persons living in America were dying in Laos, and their parents and widows would be concerned, and all the Congressman and Senator could say was, "We don't know."

That is how ridiculous this so-called constitutional right of a President to make foreign policy had become.

So I thought we had agreed to a man that, hereafter, whenever we go again in our policies, that the Congress, the people, and the President would all go together.

I thought that with President Carter we had that higher moral call or obligation that the Senator from New York referred to. Certainly President Carter gave impetus to human rights and morality and we began to feel at last that the true strength of America lay in the moral force of her position.

Now we find chicanery and sham, in total disregard of reality. For, in essence, I think I will put the word "official" against every dollar we appropriate there.

Incidentally, I said earlier in my remarks that I have talked with the President, and the Congress, apparently, will pass this, and he will sign it, so I will not stand in the way if the President wants to get something done, even though I disagree with it.

But what I disagree with most of all is the proposition that this was in good order, that it did not reflect on the way the United States of America conducts its business.

For one thing, the President disregards history. He shows a propensity to do that. He started off as President and tried to remake Midwest water policy, effectuated and evolved over a 75-year period by 11 States, Governors, Republicans, and Democrats, for the use of the Colorado River and other waters, and all the other reclamation. The President immediately characterized them as pork barrel and tried to change the water and reclamation policy of America. Of course, he ran into a hornet's nest, not because it was pork barrel, but because it was good policy. Mistakes were made. We cleaned them up in that particular program. Even in foreign policy, we have water projects and hydroelectric projects, irrigation dams, and what-have-you, under the World Bank and the International Development Agency, to the tune of over $1.7 billion this year. International, foreign pork barrel, even into Communist Romania. But do not let me go off on that subject. Let us stick to the sense of history.

I do not think Teng Hsiao-ping has ever seen Taiwan. Now, many of us here, probably everyone in this Chamber, has been to Taiwan. I do not think anybody in the Government of the People's Republic has.

The first thing I want to do is get tourist procedures reimplemented, so we can take our Government on visitations, so we can all see the little country of Taiwan, which, for the past 85 years, has not been under the jurisdiction or control of the mainland Chinese. I could go into the background of the island the Portuguese named Formosa, or "beautiful island," and the occupation of Portuguese and Dutch, the history of dynasties, the Japanese, and all the rest.

But the point of the matter is that this so-called government, mainland China, the People's Republic, has never had jurisdiction. Now I respect the People's Republic. I do not resist the normalization, I would have preferred, if asked, to use the formula of the Canadians and the British, take note of the PRC claim, but not officially "recognize" it.

I would only have taken note of, but never dignified, the idea that a government that has never seen an entity and a territory could claim that entity. And I surely would never have done it categorically and on national television.

So, the administration flies in the face of history, and flies in the face of the people of the United States who desire overwhelmingly that we maintain our normal relations with Taiwan.

On the main point again, on the way we conduct business, let us look at the impact on Japan. We talk of security pacts and our defense umbrella in the Far East, but the other party in Japan has caterwauled for years that Japan could not rely on us. I daresay, Mr. President, that it will pick up substantial political support within Japan, because they can now say, "Security pacts can be undone by the United States with a snap of the finger and an appearance on TV. So we better begin to defend ourselves."

Incidentally, Mr. President, what we will have then is more nuclear proliferation, in spite of all the President's other efforts to stop nuclear proliferation.

And what are we telling Korea? They will say, "The United States tells us as it withdraws its troops that it will take care of our security, but we could not be any more important than the Taiwanese they treated as they did." That puts them in a very tenuous position.

In the Middle East, we are indebted to the President for saving people and his tremendous accomplishment between Egypt and Israel. But we are giving them the idea, too, that when we say we have a security pact, we do not feel too secure in a security pact because, again, it can be cast aside with an appearance on TV, without consultation, even when Congress has asked for consultation. So this matter really reflects on the morality of the position of the United States, more so than any kind of human rights policy. That is what bothers me. That is why I vote "No."

Mr. JAVITS. Mr. President, I thank the Senator from South Carolina for his contribution.

I think that what has made our debate in this matter so useful and what has resulted in such a useful position to the country has come exactly from so deliberately thoughtful and frank an expression of views, positive in their implications, as we have had from the Senator from South Carolina. I certainly thank him for that contribution.

Mr. HOLLINGS. I thank the Senator.

Mr. GLENN. Mr. President, there are no points the Senator from South Carolina brought up that I wish to debate. I will make a couple of comments, however, as to the other commitments he mentioned that we might well have.

They were of great concern to me also when we had the State Department officials before the committee. I also wanted to find out if there were any other commitments. Was there another shoe yet to drop? Was there something else we did not know?

We have been assured in writing by the State Department that everything with regard to this new relationship, with regard to normalization, with regard to our commitments to Taiwan, is out in the open and that there are no secret commitments. We have that in writing, and I trust that that is exactly the case. If not, there will be a Senate Chamber full of many disgruntled and unhappy Senators, including myself. We do have that certainty.

Mr. HOLLINGS. Does the Senator really believe that we can officially appropriate the moneys authorized here and then officially have no government-to-government contact? Does the Senator really believe that?

Mr. GLENN. We have said all the way through, I say to the Senator, that we all have recognized this as somewhat of a diplomatic charade, which the Japanese went through, which everybody has gone through. It is a way of taking care of this relationship between geographical and people entities, short of formal diplomatic recognition, but it is difficult at best.

I believe that the American Institute on Taiwan will probably be as American as our embassy was previously, but it will not have the sanction of being an official diplomatic entity as we had previously on Taiwan.

Mr. HOLLINGS. It was said that blood will flow in the streets.

Mr. GLENN. I think it is important that we get this Institute established as rapidly as possible. In all sincerity, I am glad to hear the distinguished Senator state that he is going to move ahead to reprogram the money from the embassy to this new American Institute; because the news from Taiwan just this morning indicates that as a result of some of the uncertainty, according to people there, our dollar has been falling against the new Taiwan dollar indicating there is less confidence in our dollar at this point.

Mr. HOLLINGS. I would have less confidence if I were there. I agree with that. Even though we might pass this and pass the appropriation, I can see the lessening in confidence as the years pass.

In fact, if the People's Republic does come to predominate, they will never see any American free enterprise system there. So whatever kind of confidence they have in the economy, bless their souls, tell them they had better get a free election quickly, and I would be glad to recognize them in the U.N. We will have the U.N. hearing on Monday.

Mr. GLENN. They will be glad to hear that advance word.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proproceeded to call the roll.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, I ask for the yeas and nays on the bill.

The PRESIDING OFFICER. Is there

a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I congratulate my distinguished colleague from Idaho, Senator Church, the chairman of the Foreign Relations Committee and the floor manager of this conference report, on his success in conference in persuading the House of Representative conferees to accept the McClure-Stone amendments on the full and uninterrupted continuation of all forms of cooperation in atomic energy with the people on Taiwan under the Atomic Energy Act of 1954, as amended, and the Nuclear Nonproliferation Act of 1978. I am extremely pleased to find the McClure-Stone amendment in section 4 (b) (5) of the conference report exactly as passed by the Senate on March 8, 1979, and I know that Senator Stone, my cosponsor, shares in that pleasure. It is extremely satisfying for this Senator when the legislative process in the Senate can work to affirmatively and constructively protect the best interests of the United States and those of our friends abroad. Again, Mr. President, my most sincere congratulations and appreciation to my colleague from Idaho, the floor manager, for his success in the conference.

My second purpose, Mr. President, for seeking recognition was to finally perfect the legislative history associated with the McClure-Stone amendment, as included in the conference report in section 4(b) (5). To that end, I request that the floor manager enter into a brief colloquy with me on that subsection of the conference report pending before the Senate.

I note that section 4(b) (5) of the conference report is discussed on page 15 in the joint statement of the conference committee. The first full paragraph on page 15 identifies the McClure-Stone amendment, as passed by the Senate, as "consideration of nuclear export applications (section 116)".

The next paragraph on page 15 discusses the combination of the general House provisions and "the more specific Senate provisions without weakening or narrowing the applicability of any of the provisions adopted." The paragraph continues:

> The Senate provisions are to be construed as fully applicable to the matters to which they are directed. . . .

Would the floor manager agree with me that this discussion, on page 15 of the conference report, of the McClure-Stone amendment and the conferees' intentions with regard to its construal clearly and categorically links to section 4(b) (5) the lengthy legislative history developed by us on the Senate floor on March 8, 1979, during consideration of S. 245, which appears in the Congressional Record of that date, beginning on page 4346?

Mr. CHURCH. I agree completely with my colleague from Idaho that the legislative history which we crafted during consideration of S. 245 attaches fully to section 4(b) (5) in this conference report, and further, that the discussion on page 15 makes the conferees' intent absolutely clear to the effect that this specific Senate provision shall be construed as fully applicable to the matters to which it is directed, the continued and uninterrupted cooperation in atomic energy with the people of Taiwan under the Atomic Energy Act of 1954, as amended, and the Nuclear Nonproliferation Act of 1978 and as further effectuated by the procedural provisions of this act.

Mr. McCLURE. Would the floor manager also agree with me that the letter of March 8, 1979, from the Department of State to the Honorable Frank Church, chairman, Foreign Relations Committee, and signed by Assistant Secretary Douglas J. Bennet, which appears at page 4350 of the March 8, 1979, Congressional Record, and which enclosed a "Summary of Nuclear Export Procedures Applicable to the People on Taiwan Under S. 245," would remain completely effective and operative for the bill reported by the conference committee, H.R. 2479, with appropriate references to the new sectioning in the conference bill?

Mr. CHURCH. I agree with the Senator from Idaho that the March 8, 1979, letter from Assistant Secretary Bennet is completely effective and operative for the specific nuclear export procedures to be followed under the provisions of the conference bill, of course, with the appropriate sectional references.

Mr. McCLURE. For example, in that regard, and as discussed in Assistant Secretary Bennet's letter, would the floor manager agree that section 10(a) of the conference bill, as a matter of law clearly establishes that an instrumentality established by Taiwan which the President determines has the necessary authority under the laws applied by the people on Taiwan to provide assurances shall be deemed to have full authority to provide the required assurances for nuclear exports under the Atomic Energy Act of 1954, as amended, the Nuclear Nonproliferation Act of 1978, and the agreement for cooperation with Taiwan, the continuation in force of which is confirmed by this bill?

Mr. CHURCH. My colleague from Idaho is completely correct; the assurances provided by such an instrumentality, as a matter of law, shall be deemed to have been received from the legal entity with full authority to provide the required assurances under those acts and the agreement for cooperation.

Mr. McCLURE. Finally, Mr. President, I ask the floor manager if he would agree that section 4(b) (5) in the conference bill, just as the original McClure-Stone amendment is intended to apply not only to nuclear export licenses and applications, but also to technology transfers, subsequent arrangements and any other authorized form of cooperation with the people on Taiwan in the peaceful uses of atomic energy pursuant to both the Atomic Energy Act of 1954, as amended and the Nuclear Nonproliferation Act of 1978, and further that the relevant provisions of the conference bill will satisfy the procedural requirements in those acts for those authorized forms of cooperation?

Mr. CHURCH. The Senator is completely correct.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. GLENN. I yield.

Mr. HARRY F. BYRD, JR. Mr. President, I intend to vote in favor of this conference report, and I commend the committee and its chairman for the able work done on this important matter.

The conference action is stronger because it not only provides a needed basis for continued relations with Taiwan but also because it continues in force all treaties between Taiwan and the United States which were in force prior to January 1, 1979, "unless and until terminated in accordance with law." This provision is in section 4(c) and is explained on page 15 of the report.

Therefore, Mr. President, the legislation and the conference report cannot and clearly do not imply retroactive approval of the purported termination of the Mutual Defense Treaty between Taiwan and the United States by the executive branch acting alone; nor does the legislation or the conference report contemplate termination of the Mutual Defense Treaty "unless and until" it is "terminated in accordance with law."

Notice having been given that termination may occur—and I emphasize may occur, Mr. President—the question now becomes whether Congress will act to terminate this treaty so that at a date on or after January 1, 1980, it will cease to have its present status as supreme law of the land.

Thus, Mr. President, unless and until direct action is taken by the Congress to terminate this Mutual Defense Treaty, then under this legislation on which we will soon vote—specifically under its section 4(c)—the Mutual Defense Treaty with Taiwan will continue in full force and effect.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, I appreciate very much the managers of the bill, Senator Church and Senator Javits, withholding a vote on this matter until I was able to return to the Chamber and to make a few remarks and then address a few questions to them.

Mr. President, I think that the bill before us represents the will of the majority in this Chamber because it expresses the concern of the American people that the future of Taiwan and the Pescadores be resolved on a peaceful basis. At the same time it does not conflict with the view of the authorities in Peking and the people on Taiwan that there is only one China and that Taiwan is a part of China.

The bill preserves the intent of the President, as agreed in his negotiations with China, that we will not have official relations with Taiwan. In keeping with our long-time friendship with the people on Taiwan, it makes available, on a strictly unofficial basis, the benefit of domestic U.S. programs and of commercial and other contacts between the people of the United States and the people on Taiwan. In this, the bill once again reflects the feelings of the American people and is entirely consistent with the statement made by President Carter on December 15, 1978, in announcing the establishment of diplomatic relations with the People's Republic of China. President Carter said on that occasion:

> The United States of America recognizes the Government of the People's Republic of China as the sole legal Government of China. Within this context, the people of the United States will maintain cultural, commercial, and other unofficial relations with the people of Taiwan.

In the official U.S. statement made public the same day, it was stated as follows:

> The administration will seek adjustments to our laws and regulations to permit the maintenance of commercial, cultural, and other non-governmental relationships in the new circumstances that will exist after normalization.

I submit that this bill clearly carries out the administration's purpose.

On the subject of the concern expressed in this bill for the nonuse of force in resolution of the Taiwan question, we carry out the statement made in the Shanghai communique of February 27, 1972, which notes that the United States "reaffirms its interest in a peaceful settlement of the Taiwan question by the Chinese themselves."

On the question of certain property in Washington, the bill in no way resolves the problem. If the People's Republic of China chooses to file suit in our courts, the decision will be made in the courts, as is usual in our constitutional process.

Mr. President, I ask the managers of the bill if in this matter the question simply would be, in a sense, a constitutional question. I do not know of any precedent, because it is a matter that really requires the People's Republic of China to file suit. There is no role for Congress in this. The executive branch cannot resolve it. It really must be resolved by the courts. The initiative would have to be taken by the People's Republic of China.

It is the hope of the Senator from Illinois that this matter could be disposed of expeditiously by the courts, but our role is secondary to the role of the courts.

Is that the understanding of the managers of the bill?

Mr. CHURCH. Yes. I say to the distinguished Senator from Illinois that when the amendment relating to the Twin Oaks property was before the Senate, I argued against it. At that time I suggested that Congress is not competent to pass judgment on the title of real property, and that the amendment constituted an effort by Congress to declare who owned Twin Oaks.

I do not think that the Congress of the United States could describe the property, or the residence of the distinguished Senator from Illinois and take a vote in here and say, "We hereby confer title on the Senator from Idaho who is now legally recognized as the owner of what was formerly Senator PERCY's residence."

I do not think that can be done because of the constitutional provision against the taking of property without due process and just compensation.

During the original debate I said, when Senators were determined to do something, that it was beyond the authority of Congress, in my judgment, to act. For that reason alone there would be grounds, in my opinion, for a quiet title action.

As the Senator knows, the Twin Oaks property was originally purchased in the 1940's by the then recognized Government of China. Normally, under international law, that property would pass to any successor government that was recognized by the United States as the Government of China.

There is a complication in this case, inasmuch as a conveyance or transfer of title was made just prior to the time that the United States officially recognized the Peking government. As a result of the conveyance there may be a justiciable issue as to whether that conveyance should be recognized as valid. Here again is a question that can only be resolved in the courts.

So I really feel that Congress indulged itself in a futile act when it passed this particular provision. The efficacy of this amendment remains to be determined by the courts, should an action be brought to quiet title to the Twin Oaks property.

Mr. PERCY. I agree completely with the manager of the bill in this regard. I did not feel that we were the competent authority to get into this matter. Possession, it is said, is nine-tenths of the law. There is no way in which we could act, or the executive branch could act, to evict anyone on the property. If a tenant is in a piece of property, no one can move in and evict him except by order of a court; therefore it should be resolved by the court.

And as I interpret the legislation before us we are not changing what the decision of the court might be. They have to go back to the precedent for this and determine that case, and it is really up to the People's Republic of China to take the initiative to institute suit to clearly determine what the court judgment is.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. PERCY. I am happy to yield to my colleague from New York.

Mr. JAVITS. Putting this now in lawyers' terms, and I thoroughly agree with what has been discussed, I construe the act as strictly neutral on the issue of who owns the diplomatic property, to wit, the Embassy property. The reason it is neutral is this: We engaged in an affirmative act with the People's Republic of China, well recognized by international law in all its implications; to wit, we recognized them and sent an Ambassador. That is unaffected by this act; we could not affect it. That is it. Once done by the President, that is a complete act of recognition.

The only thing this bill seeks to do is determine where we stand with another entity from which we withdraw an Ambassador, not that that was necessary; we could have recognized both, but the PRC and the ROC both insisted that they would not have that, so in that case we derecognized the Republic of China. Now there is no question in international law whatever about the effect of recognition and how that affects Embassy property and so on. There is some question as to what happens to a relationship between us and the entity which we did recognize previously, previous to January 1, 1979, to wit, the ROC Government on Taiwan. That is all this bill deals with. It deals only with something which is not dealt with in established international law. But as to the PRC, it has been deprived of no right whatever. No effort has been made to deprive it of any right which it has as the recognized government of China under international law.

Mr. PERCY. I thank my distinguished colleague.

In conclusion on this matter, I know that one of the hopes is that we will continue to strengthen our cultural, educational exchange, and trade relationships with the people of Taiwan. Also it is in our mutual interest to begin now on a very large-scale basis, the program of dealing directly with 900 million people. There must be opportunities for two-way trade here, and I presume that it would be our intention to move forward now to expand our commercial relations with the People's Republic of China because those are the lasting kind of ties that make more practical the political ties between our people.

A final question: Is there anything in the legislation before us which anyone believes to be inconsistent with the Shanghai agreement reached in the Nixon administration or with the understandings and arrangements reached by the Carter administration in its negotiations prior to our taking this action with the People's Republic of China?

Mr. JAVITS. It is my judgment, if the Senator will yield, that this legislation is consistent with the policy of the United States throughout. What it does contribute is that where that policy left questions blank, the legislation fills in those blanks. Where it left the relationships uncertain, the bill seeks to supply a framework for those relationships with what we define collectively as "Taiwan." But other than that, it does not, in my judgment, contravene the basic policy of the United States as it has developed from 1972 on.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. PERCY. I am happy to yield.

Mr. CHURCH. I wish to say in that

regard that I fully share the opinions expressed by the able Senator from New York.

Mr. GOLDWATER. Mr. President, will the Senator yield for a comment?

Mr. PERCY. I yield.

Mr. GOLDWATER. I doubt that this clears things up, but after the so-called Shanghai letters I engaged Dr. Kissinger in quite a number of discussions on this and he assured me that there was nothing in the original Nixon discussion relative to the abandonment of Taiwan. He even went so far as tell me that in his discussions with Peking he himself would have to bring the subject up because Peking would never bring it up and usually respond by saying, "Well, that is a problem that we will solve when we get to it."

So while I have never seen the contents of the Shanghai letters, I am merely reciting what Dr. Kissinger has told me which I had learned, by the way, from President Nixon and Dr. Kissinger that Taiwan was not to be abandoned by any plan that was thought up for them.

I merely wanted to say that for the record and not ask for a change, because that cannot be done.

Mr. PERCY. Mr. President, I wish to associate myself with the comments of my distinguished colleague from Arizona. There is no abandonment by any means, implied or expressed, in this legislation. In fact, my opening comments were to the effect that I think the bill before us represents the will of the majority in this Chamber because it expresses the concern of the American people that the future of Taiwan and the Pescadores be resolved on a peaceful basis, and we reaffirm this.

And I do look forward to a constructive unofficial relationship with the people of Taiwan.

We also look forward to an expanding cooperative relationship with the People's Republic of China, the most populous nation on Earth.

I am personally satisfied that this bill allows us to maintain unofficial contacts with Taiwan as we move toward closer and mutually beneficial official relations with China.

Mr. President, because this has been an extraordinarily complicated matter, and it is a matter that is so significant to the interests of this country, it is important that we have an overwhelming vote in the House and the Senate. This is not the kind of an issue we would want resolved by one or two votes on either side. We should have a mandate from the Congress of the United States that we stand together with the executive branch of Government in taking this momentous step forward.

For that reason, I wish particularly to commend my colleagues, the managers of the bill, Senator CHURCH, the chairman of the Committee on Foreign Relations, and Senator JAVITS, the ranking minority member, for an extraordinary job.

Although I have disagreed on a few matters, that does not in any way detract from my great admiration for the skillful way in which they have—in the highest tradition of statesmanship—moved the Senate of the United States forward, and the House of Representatives forward, to a point where we can overwhelmingly endorse this legislation today.

Mr. CHURCH. I thank the Senator very much for his generous comments.

I simply want to stress my personal indebtedness to the distinguished Senator from New York for his cooperation, and also to the other members of the Committee on Foreign Relations, who throughout this legislation have worked to perfect a bill that would command overwhelming support here in the Senate.

I speak to those Senators of the committee who are present, Senator HELMS from North Carolina, Senator PERCY from Illinois, Senator HAYAKAWA from California, Senator MUSKIE from Maine, Senator GLENN from Ohio, and all the other members of the Senate Committee on Foreign Relations. My thanks and appreciation are extended to them.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. JAVITS. I join with my colleague, the chairman, and associate myself with his remarks.

I want to especially thank Senator PERCY. I am a lawyer, as everybody knows by now, and I always value being put to my proof, and his assiduous concentration on the terms of this bill, I think, had a great deal to do with my own ability to summon what creativity was required in order to do what he now applauds us for. Without him I do not think it would have been done, and I thank him very much.

● Mr. DOLE. Mr. President, the House has passed the compromise conference report on the Taiwan Relations Act by a vote of 339 to 50. The overwhelming support for this legislation, which I hope will be reflected as well in this Chamber, reveals the general satisfaction with the amendments the Congress made to this legislation, which resulted in a complete rewrite of the original administration proposal.

We in the Senate were concerned about our security guarantees to Taiwan and we strengthened that language in the bill—now we have made our position perfectly clear to the People's Republic of China: Not only do we expect the differences between Peking and Taipei to be settled by peaceful means, but we will consider actions taken to ruin the economy of Taiwan as a threat also. This means such practices as excluding them from vital communications and economic organizations around the world or by preventing international trade through discriminating bilateral agreements.

I am still not convinced the Carter administration bargained with sufficient diligence on the issue of official relations with Taiwan. President Nixon and Ford could have normalized relations with Peking any time in the last 7 years on these terms. I do believe that the Senator from Kansas and his many colleagues have made the very best of a poor situation, by amending this legislation to include certain rights and privileges for Taiwan, and the final result is that our future relations will be conducted almost as they once were, official relations in all but name.

This past weekend Peking heavily criticized these actions by the Congress. I welcome this criticism. It means we have gotten our point across. The PRC now knows exactly where we stand on the Taiwan question. Let Peking not forget that the United States has a strong strategic interest in the Asian Pacific area, and still has close ties of friendship and harmony with our allies, the people of Taiwan.

I have here an article written by J. William Middendorf, former Secretary of the Navy and a former Ambassador to the Netherlands. It calls to mind the serious concerns and reservations many of us have about the normalization process and the manner in which it was carried out. I would hope the government in Peking will read these words and, keeping them in mind, temper their future criticism with the realization of how strongly the Congress and the American people have felt about Taiwan.

Mr. President, I submit for the RECORD the text of Ambassador Middendorf's article.

The text follows:

THE SELLOUT OF TAIWAN: "MORE THAN A CRIME—A MISTAKE"

(By J. William Middendorf)

It was nearly the night before Christmas 1978 . . . and all through the House, and the Senate, nothing was stirring—everybody was home for Christmas.

But a frenetic activity was going on in the White House, at the other end of Pennsylvania Avenue. They were hard at work producing what many believe was an attempt to divert the attention of the American people from the fact that the so-called Carter Middle East "Breakthrough" had become the Middle East Breakdown. It became a breakdown because Rafshoonery is simply no substitute for facing such problems as the status of the West Bank of Jordan and East Jerusalem—issues dodged at Camp David.

So it appears another "breakthrough" was arranged—even though it has been described as a breaking of at least three of the President's campaign promises and a big question mark for America's credibility as the leader of the free world.

We ought never to forget Candidate Carter's second TV debate with President Ford—in which in addition to saying "I'll-Never-Mislead-You", he told the American people:

"I would certainly pursue the normalization of relationships with the Peoples Republic of China . . . But I would never let that friendship stand in the way of preservation of the independence and freedom of the people of Taiwan."

How long then is "never" in the reckoning of President Carter? At a news conference in Kansas City just ten days later, Candidate Carter elaborated on this subject:

"We are bound by a treaty to guarantee the freedom of Formosa, Taiwan, the Republic of China. I would like to improve our relationship—our diplomatic relationship with the PRC, mainland China; hopefully leading to normalization of diplomatic relations some time in the future. But I wouldn't go back on the commitment that we have had—to assure that Taiwan is protected from military takeover."

Just 425 days later—with no such assurance whatever from Peking—at night, when the Congress had left town, the hand that held the dagger plunged it into the back of one of America's most loyal allies, and most lucrative trade partners. Goody-bye, Taiwan.

This was carefully noted—with expressions of joy—by the mob manipulators in Iran. For the betrayal of Taiwan enabled them to realize that being a friend and ally of the United States Government has become almost as dangerous as being a relative of the murderous King Herod—of whom the Emperor Augustus once observed: "I would rather be Herod's pig than his son."

In came Bakhtiar, a new Kerensky, followed by Khomeini; another Potential Kerensky, described by Andrew Young in one of his traditionally questionable statements, as a "future Saint". Good-bye, Iran.

President Carter's alleged "China Breakthrough" was not merely the knifing of a friend and the utter disregard of the Dole-Stone Amendment, which by a vote of 94 to 0 in the Senate requested consultation with Congress prior to any change in the Defense Treaty. The abandoning of Taiwan was not only wrong from the strategic point of view but, as we shall see later, unnecessary. It was an action that recalls the cynical classic of Talleyrand:

"C'est plus qu'un crime; c'est une faute."

Yes, it is more than a crime, it is a mistake. Just how much of mistake it was, has been well summarized by the former U.S. representative in Peking, and former Director of the CIA, George Bush.

Ambassador Bush notes that this Carter sellout "not only diminished American credibility in the world, but has also darkened the prospects of peace."

Bush also recalls that with the leaders of mainland China, the so-called "liberation" of Taiwan was clearly secondary to the forty-five Soviet divisions poised on China's northern border.

And speaking of the word "liberation", is the Carter Administration prepared to claim that human rights are better observed on the mainland than on Taiwan

They are not. The swimmers and the boaters always seem to be traveling *away* from Asia's communist paradises—never *towards*. In much the same way, it was not the capitalists of West Berlin who felt obliged to erect the Berlin Wall.

Ambassador Bush dissects the alleged Carter China triumph and finds it not only wanting, but ludicrous—a mistake, as Talleyrand put it, even greater than the moral crime of broken promises. For as Bush notes:

"The terms that the Carter Administration has accepted and even trumpeted, are the same terms that have been available for the past seven years. But they were always refused before because we knew, just as the Chinese knew, they were a figleaf for an object American retreat . . . China, whose primary interest lies in a strong, steadfast American presence in the world, has now seen just how easily we can be pushed around. The Chinese realize that we have given all and gained nothing . . . The United States has put an entire people adrift in a cruel, hostile sea—and for scarcely any purpose."

Just how much of a mistake it was, shows in a recent interview with President Carter that reveals a new dimension in what might be a monumental example of political amateurism. It is now apparent that neither Secretary of State Vance, nor National Security Advisor Brezsinski *did even ask* for the continuation of diplomatic relations with Taiwan and for guarantees from the PRC regarding Taiwan's security. It was just overlooked.

Those who spoke about some secret arrangements as to the necessity of giving up Taiwan in order to establish relations with the PRC were proven wrong by these revelations. Taiwan could have been saved but was lost because of sheer incompetence—no superior state reasons involved

The whole situation is without sense—breaking diplomatic relations with Taiwan—a faithful ally—in order to please a country which, even in the best possible scenario, will in the long run unmistakably be a competitive super-power; leaving a small, successful democratic nation in the lurch for no cause; raising new question marks (even greater than after pulling out of Vietnam) regarding the reliability of the U.S. as an ally. Why couldn't the U.S. have diplomatic relations with both Chinas? So many countries have relations with East and West Germany, North and South Korea, North and South Yemen. Why did we have to offer the mainland Chinese a total victory? Leading Senators of both parties are now saying "we left something on the table" in our negotiations with Communist China.

Certain moments in history impose strange alliances—like the U.S.-Russian combat cooperative of World War II. But, I cannot see any reason why today the most powerful country in the world (if we are indeed that) should accept all the demands of an internationally isolated, underdeveloped and politically unstable country, even if it has the largest population in the world. To cave in so easily is a sign of weakness, one which the Eastern mentality of the Chinese Communists will certainly not respect, to say nothing of our remaining "allies". The Communist Chinese themselves may well be privately asking of what permanent value is this newly created alliance. Indeed, the true beneficiary of this new "marriage of convenience" may be the Russians, because although we have just established a new "Molotov-Ribbentrop Treaty", we may have laid the groundwork for our final isolation from our most important allies who can see the handwriting on the wall.

It thus appears that a total diplomatic victory, with serious consequences for the credibility of the United States in the world, had been offered to the Communist Chinese. Were they in such a strong bargaining position? The facts do not seem to indicate this.

Despite a recent treaty with Japan and some exchanges of visits with European countries, China is still in the process of overcoming its international isolation of many decades. China needs international recognition, especially in view of present tension with its more powerful neighbor—Russia, and China's new war with Vietnam.

The Chinese economy is in a disastrous situation, 50 years or more behind the Western world; desperately in need of capital, technology and knowhow. It is now estimated that it may take 15 years and $350 billion dollars of the West's money to finance their infrastructure and industry needs to bring China up to a level where she could be an effective counter to Russian "hegemony". We may find the Russian Bear wandering long before that, and we may also find China's low cost exports to us more than we bargained for in the future.

China's domestic political situation is still not crystallized and the more moderate faction led by Teng H'siao Ping needed the recognition of the U.S. badly.

There is an ominous parallel between the recently concluded agreement with China and the Molotov-Ribbentrop Treaty of 1939; within days after both agreements, war began—with new "security" alliances in hand, these adventurers proceeded with long held plans—aggression.

It is now clear that the PRC needed U.S. negotiation before attacking Vietnam.

In the meantime, the priorities of the Carter Administration are SALT arms limitations with Russia and diplomatic relations with China. Can we trust the Communists? Instead of remaining strong and building on our alliances for peace through combined strength, we may be putting our neck in one communist lion's mouth to escape another—or maybe putting our neck in the mouths of both.

Today, it appears that the central theme of our foreign policy is a President transfixed with SALT II. Our present policy of comparatively unilateral disarmament and inaction is an invitation to war. Just as a deer is rendered motionless by the headlights of a car on the road at night, Carter appears to be held hostage by the Soviet tactic of dangling goodies just beyond his reach, while they engage in ever bolder proxy aggression all around the world. SALT II may turn out to be another abortive Washington Naval Conference of 1922 which was violated before the ink was dry and was a contributing cause to World War II.

The best guarantee for peace is a strong defense, discouraging any potential aggressor, or as the Romans put it two thousand years ago:

Si vis pacem, parat bellum (If you want peace, prepare for war.)

The Russians, sensing our weakness after their unopposed proxy vistories in Angola, Ethiopia, South Yemen, Afghanistan and Cambodia, capitalizing on the turmoil in Iran, and watching us voluntarily give our own friends away in Taiwan, strategic South Africa, Korea, etc. must now feel the surge of destiny to be on their side.

So, while the Russians now challenge us openly in Iran, Africa, and the Arab world, the Chinese who still help the Palestinians and the guerrillas in South Africa and Rhodesia, have recently asked us to get out of South Korea.

Finally, the whole mosaic of these events and U.S. policy is coming into view. Ours are not the actions of a nation confident of the future, but one of defeat. It is becoming all too clear that we are, one by one, throwing out the children to the wolves, as in the old Russian sleigh-ride scenario. First Vietnam, now Taiwan and Iran. There is not much left to give away. Who may be next?

The betrayal of our commitments toward Taiwan is not only abhorrent to the tradition of honesty in the United States, but is also a very serious strategic mistake.

Credibility is the glue that holds together the governing structure of the United States and the system of alliances that defends the free world. It was credibility that seemed absolutely radiant in that enormous smile and safety-accented series of assurances by an ex-Governor of Georgia and active church official, who kept promising that he would never mislead us. That is what he said: over, and over, and over again in his campaign, which began in 1974, two years before he was nominated and then elected.

But Taiwan is not an isolated issue. The leaders of the free world are following with growing concern a series of actions of this Administration that affect the leadership role the United States used to play in the world.

For the titular leader of the party of Franklin Roosevelt has now adopted policies more akin to that advocated by Charles Lindbergh and Senator Burton Wheeler in 1940, and prior to December 7th of 1941.

Commander-in-chief Carter, the Annapolis graduate, has gutted the very Navy that educated him by recently cutting the Navy's five-year ship rebuilding by more than half. And this at a time of the continuing emergence of the largest Russian navy in history and despite the fact that it takes 3 to 10 years to build new Naval ships. Even if we begin today, we are in for scary times ahead because of the 1981–1985 gap when Soviet forces will clearly eclipse ours.

The Commander-in-Chief, who quite

rightfully deplores our excessive dependence on imported petroleum, has just axed a nuclear carrier which needs no such petroleum, and can operate for thirteen years without refueling.

Without getting concessions from the other side, he has shot down the B–1 Bomber and shelved the Neutron Bomb. He has taken the lead in giving the Panama Canal to a Panamanian dictatorship which is the very antithesis of the human rights ideal to which Mr. Carter purports to be dedicated, and it is only now coming out that we will have to pay this dictatorship many millions of dollars to run it.

Carter's human rights policy has hardly been applied to the big, strong and most massively outrageous violators of human rights like the Soviet Union and its satellites. Instead the Carter Administration joins that immoral rabble at the United Nations is repeated stompings of such nations as Chile, South Korea, the Philippines—South Africa; all the white ignoring the comparatively mountainous violations of the Soviets and the battalion of dictatorships and one-party governments that afflict many countries in Black Africa.

President Carter may have gotten his Middle Tast Breakdown off the front pages last December, but this diversionary Taiwanese backstabbing has made the Middle East crisis more acute. For Israel is reappraising the value of American guarantees for its security in the light of the proposed Israeli-Egyptian treaty.

Comments in many other parts of the world are along the same line. Japan has for some time questioned the ability—or will—of the United States to repel a Russian attack against the Japanese Islands. So Japan is rearming, understandably, in view of the Jimmy Carter Retreat from Taiwan and from Korea and from moral and military leadership all over the world.

Saudi Arabia, perceiving the inadequate support given by the U.S. to the Shah of Iran is considering changing its so-far negative stance toward the Soviet Union.

Somalia, a major defection from the Soviet camp, has not received the help it needed from the West and there are indications it is quietly preparing to return to its former masters.

Certainly, Mexico did not seem to be impressed by our fidelity as a friend or by the role we have played in recent world affairs when it snubbed our President on his recent oil-groveling trip.

In an even more serious development, Western Europe seems to be on its way towards more independent, if not competitive, policy-making, disenchanged with U.S. indecisiveness in world political, economic and military affairs. There are a number of new initiatives. Deeply concerned with the chronic weakness of the dollar (to a large extent due to the lack of confidence of world business in the present Administration), the EEC announced the creation of a European monetary system. Due to their diminishing trust in the strength and determination of the U.S. military power, Western Europe has adopted for the past years a more conciliatory position towards the Soviet Union. Chancellor Helmut Schmidt of Germany recently advocated an even closer relationship with the Soviets. President d'Estaing of France has now suggested the formation of a new bloc that would include the EEC, Japan, the OPEC and the African countries, to counter-balance the U.S.-Soviet-Chinese influence and what they feel is a diminishing U.S. role in this triangle.

A badly managed foreign policy weakens the dollar and the competitive position of American business overseas and affects our economic life through the balance of payments. In the long run, a bad foreign policy can threaten the security of our country.

We are now obligated to face two rather burning questions, whose time has come—in what ought to be a moment of truth:

Is an end of the United States as a world power in sight? And, who stands behind us to carry the mantle of freedom? Are we in the end battle between forces advocating "Command" economies (socialists, communists and totalitarians that would dictate what the citizens needs should be), and "Demand" economies, that permit individual choice?

What is the solution?

In the best tradition of American democracy, we all have the right and duty to speak out on these issues and try to influence them through the established channels. We must begin today in the precious moments of freedom we may have left to rebuild our strength, as a clear signal to potential aggressors, so that we can indeed live in peace we must hug closer to us every potential ally. We would do well to reverse as soon as possible that attitude so widely held among our allies that we only embrace new "old enemies" and will sacrifice at the drop of the hat any "old friend" as long as it is expedient for us.

As Cicero said to Atticus:

Errare humanum est, perserverare diabolicum. (To err is human, to persist is diabolical).●

Mr. CHURCH. Mr. President, the yeas and nays have been ordered, and I believe the Senate is ready to proceed to a vote.

The PRESIDING OFFICER. The question is on agreeing to the conference report. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Colorado (Mr. Hart), the Senator from New York (Mr. Moynihan), the Senator from Mississippi (Mr. Stennis), and the Senator from Illinois (Mr. Stevenson) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. Bayh) and the Senator from Illinois (Mr. Stevenson) would each vote "yea."

Mr. BAKER. I announce that the Senator from Maine (Mr. Cohen), the Senator from Pennsylvania (Mr. Heinz), the Senator from New Hampshire (Mr. Humphrey), the Senator from Wyoming (Mr. Simpson), the Senator from Vermont (Mr. Stafford), and the Senator from Alaska (Mr. Stevens) are necessarily absent.

I further announce that, if present and voting, the Senator from New Hampshire (Mr. Humphrey) would vote "nay."

The PRESIDING OFFICER (Mr. Heflin). Are there any other Senators in the Chamber who have not voted?

The result was announced—yeas 85, nays 4, as follows:

[Rollcall Vote No. 32 Leg.]

YEAS—85

Armstrong
Baker
Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cranston
Culver
Danforth
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Goldwater
Gravel
Hatch
Hatfield
Hayakawa
Heflin
Helms
Huddleston
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—4

DeConcini
Garr
Hollings
Laxalt

NOT VOTING—11

Bayh
Cohen
Hart
Heinz
Humphrey
Moynihan
Simpson
Stafford
Stennis
Stevens
Stevenson

So the conference report was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. CHURCH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

WAIVER OF SECTION 402(a) OF CONGRESSIONAL BUDGET ACT—CONSIDERATION OF S. 349

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 52, Senate Resolution 105, the congressional budget waiver.

The PRESIDING OFFICER. The resolution will be stated.

The second assistant legislative clerk read as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 349. Such waiver is necessary because S. 349 authorizes the enactment of new budget authority which would first become available in fiscal year 1979, and such bill was not reported on or before May 15, 1978, as required by section 402(a) of the Congressional Budget Act of 1974 for such authorizations.

Compliance with section 402(a) of the Congressional Budget Act of 1974 was not possible in this instance because the Council on Wage and Price Stability was designated to monitor the administration's voluntary wage and price standards. This expanded role was not foreseen at the time the previous authorization was approved.

The effect of defeating consideration of this authorization will be to impede seriously the monitoring of the voluntary wage and price standards which are key elements of the administration's anti-inflation program.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia.

Mr. BAKER. Mr. President, reserving the right to object, might I ask the distinguished majority leader if it is his intention to have us vote on the budget waiver resolution this afternoon?

Mr. ROBERT C. BYRD. Yes. We are going to have 1 hour on the resolution under the law so there would be a vote. Whether it is a voice vote or not is entirely up to the Senate.

Mr. BAKER. Mr. President, I have no request on this side for a record vote.

I was trying to ascertain the likelihood that we would have a record vote on it.

Might I also inquire of the majority leader if it is his intention then to proceed directly to the principal legislation after the budget waiver is disposed of, or to consider that at another time?

Mr. ROBERT C. BYRD. It is my intention to proceed to the consideration of the bill S. 349, a bill to increase the authorization for the Council on Wage and Price Stability, and to extend the duration of such Council.

I do not think the Senate will complete action on that today. There may be some opening statements or some Senators may want to offer amendments. My intention would be to go over until Monday, in keeping with my previous promise through April, and on Monday, hopefully, we can get a time agreement to complete action on the bill that day, or even Tuesday.

In answer to the first question of the distinguished minority leader, we will vote on the present budget resolution. A motion to proceed is not debatable. We will vote on it after 1 hour. So far as I am concerned, it can be a voice vote.

Mr. BAKER. I thank the majority leader. I find no difficulty on our side with that arrangement.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MUSKIE. Mr. President, the Budget Committee has reported Senate Resolution 105 to the Senate and recommends that the resolution be adopted.

Senate Resolution 105 provides for the waiver of section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 349, a bill to increase and extend the authorization for the Council on Wage and Price Stability.

Section 402(a) requires that all authorizing legislation be reported in the Senate by May 15 preceding the beginning of the fiscal year for which it is effective.

Mr. President, the Budget Committee is reluctant to recommend the adoption of resolutions waiving section 402(a) of the Budget Act. This section is intended to assure that, as far as legislative needs can be foreseen, all authorizing legislation is reported in time to be considered in the course of the regular appropriations process.

This procedure gives the Appropriations Committee adequate notice of legislative committees' views of the appropriations needed for the coming fiscal year so that the committee can meet the appropriations timetable spelled out in the Budget Act. Major authorizing legislation reported after May 15 could delay the enactment of appropriations bills past the Budget Act deadline of 7 days after Labor Day for the completion of the appropriations process.

The legislative history of the Budget Act indicates that the May 15 reporting deadline is not to be waived lightly. In deciding whether to report 402 waiver resolutions favorably, the Budget Committee considers such factors as: The reporting committee's effort to meet the May 15 deadline, whether enactment of the authorization would delay the regular appropriations process or significantly affect the priorities established in the congressional budget, whether an authorization of the kind was contemplated in the second budget resolution, and the possible effects of failing to consider the authorization.

Mr. President, according to the Banking Committee, failure to consider S. 349 this year will hinder the ability of the Council on Wage and Price Stability to administer the President's anti-inflation program.

As the Senators know, COWPS was established in 1974 to monitor inflationary wage and price developments in the private sector and the Federal Government's contribution to inflation. Last October, President Carter announced a voluntary anti-inflation program combining explicit wage and price standards with prudent fiscal and monetary restraint and measures to insure that Government actions are accomplished efficiently and that economic regulations do not impede fair competition. COWPS was designated to monitor the wage and price standards, in addition to its existing responsibilities to monitor generally wage and price developments, and to review and recommend actions to reduce the potentially inflationary effects of the programs and policies of Federal agencies and departments.

To satisfy its expanded responsibilities, it is necessary to expand the agency's staff. Because of the highly technical nature of the work, borrowing people from other agencies means constant and costly training that interrupts progress and efficiency. It is therefore reasonable that the Council have a permanent, highly skilled staff.

In sum, the Banking Committee could not meet the May 15, 1978, deadline for this authorization because it could not have foreseen the October 1978 expansion of the Council's responsibilities which prompted the President's request for an increased fiscal year 1979 authorization.

Mr. President, under these circumstances, to permit orderly consideration of S. 349, the Budget Committee has favorably reported Senate Resolution 105 and recommends that it be adopted.

Mr. President, let me say in closing that in reporting favorably on Senate Resolution 105, the Budget Committee is recommending that the Senate proceed to consideration of S. 349, but is not prejudging the merits of the bill.

There is no doubt that inflation is our No. 1 problem. The American people demand that inflation be brought under control. The President has initiated a thoughtful multifaceted approach to the problem of inflation. That program should be given a chance to work. Opponents of that program claim that something must be done about inflation, but they do not want to give the Council on Wage and Price Stability the necessary funding to implement the President's program. It would be irresponsible for the Senate to deny this waiver and deny the opportunity for full Senate consideration of this legislation.

The Banking Committee could not have reported this bill before last May 15, as it could not have anticipated the President's move in October to expand the role of the Council. The Banking Committee did report, on a timely basis, an authorization for 1979 at a level consistent with the prior role of the Council. With the expansion in October, it was clearly evident that increased expenditures would be necessary to allow the Council to undertake the significantly greater effort with which it was charged. The Banking Committee has acted responsibly in reporting the legislation as expeditiously as possible, and reporting a waiver resolution.

The Budget Committee is now recommending that the Senate adopt the waiver resolution so that this important legislation may be considered. I urge Senators to support the waiver.

Mr. President, that concludes my statement on the resolution.

Mr. GARN. Mr. President, I rise in opposition to the budget waiver which would allow S. 349 to be considered. I rise as the ranking minority member of the Banking Committee, which the distinguished Senator from Maine has continually referred to. I think the Senate should be aware that, unanimously, all six minority members of the Banking Committee opposed S. 349.

One of the first reasons we oppose it at this time and rushing to take it up today despite the objections, is that we have simply been ignored in the scheduling of this bill, all six members of the minority of the Committee on Banking. Because the authority of the Council on Wage and Price Stability does not expire until September 30, there is simply no rush to consider this today. Whether Senators are for or against COWPS is not the point. It does not expire until September 30. Why it was necessary to override the wishes of the minority, to run a steamroller through here today, I do not really understand, when there are months between now and September 30 when this could be considered.

The second major reason that we did not want it brought up is that it is now a matter of litigation in the courts whether or not the President has the authority to do what he is doing in the way of sanctions in so-called voluntary controls. Most of the President's program is to be implemented by a vastly expanded Council on Wage and Price Stability. S. 349 requests a 500-percent personnel increase and a 300-percent budget authorization increase for fiscal year 1980 COWPS operations.

Of particular concern to the minority is the administration's direct and implied threats to have COWPS impose Federal sanctions to force adherence to the President's wage and price guidelines. We happen to feel that what he is doing is unconstitutional. It is rather interesting just to give a few examples of what some Federal agencies say about it.

GAO, which has significant expertise in procurement policy, explicitly states that the President does not now have the power to impose mandatory controls on Government procurement. GAO reached this conclusion after an exhaustive analysis of the legislative history of the 1949 Federal Procurement Act. In the GAO's opinion:

> We would say the President is not authorized to implement his program of applying wage and price standards on a mandatory basis to companies involved in Government procurement.

The Library of Congress concurs.

> It leads inexorably to the conclusion that the President lacks the power to establish the anti-inflationary program without congressional authorization; that the (1949) Procurement Act did not give him that authorization; and that the President's action is in conflict with the manner in which the Congress has historically dealt with the matter of wage and price control.

There are many others. That is why it is the subject of litigation. The AFL–CIO, joined by some of my colleagues in the Senate, is now challenging his authority indirectly to make these mandatory controls through the use of Government procurement policies. One of the things that we were particularly concerned about is that we happen to think that the President has clearly overstepped his authority in using Government sanctions to obtain wage and price controls.

Clearly, the President overstepped his authority in using Government sanctions to obtain wage and price controls. Clearly, COWPS' new powers exceed those given it by statute. Clearly, the President's program is ill conceived.

Several members of this committee were prepared to offer amendments which would curtail efforts by the administration to impose wage and price controls of any kind. We deferred, however, because it became so obvious that Federal courts would soon rule against the use of such controls. This issue is now under litigation. The importance of the issue requires that the legality and merits of the program should not be decided in an atmosphere of partisan politics. It was the general consensus of the committee not to take action pending a review and final decision by the courts.

So, again I repeat, with the September 30 deadline, with it in court, why do we have to consider it at all today?

Why could we not wait and see what the outcome of the court decisions are, whether or not then we could operate much more intelligently and on a much more convenient basis?

But again, representing the minority of the committee, I am offended that we could not even get the majority of the Banking Committee to allow us to hold 1 day of additional hearings. All we asked for, all six of us, was 1 day of hearings.

We were concerned that a majority of the members would not allow this additional day to receive testimony from the Library of Congress, the General Accounting Office, the American Bar Association, and other groups, who feel that the use of sanctions in this so-called voluntary control effort is illegal and unconstitutional.

I do not understand why we could not have an opportunity just to hear them, to hear their testimony. We certainly heard all of the witnesses in favor of this procedure.

Moreover, Congress ought not put its implicit imprimatur on a program which has no lawful basis and is nothing more than a Presidential grab for power constitutionally denied him. We do not believe the committee is acting responsibly by permitting the Council to simply pursue its course without either competent questioning or direction by Congress. The enormous potential inequities from partial enforcement, acted upon without any authorization from the Congress, are deeply troubling to our sense of fairness.

It is our responsibility to determine what the law should be, and the Executive's to carry out our expressed and delegated will. We regret the committee did not choose to exercise this responsibility in this instance, and hope that others of our colleagues will give the legal and policy implications due weight in considering this matter.

I have nothing more to say about it at this time except, once again, why the rush? Why the denial of the opportunity to hear these agencies, administration agencies, for the most part, who are concerned about the legalities of the sanctions?

If we had it to do over again, we would go back in committee, offer our amendments to S. 349. But we withdrew because we did not in any way want to prejudice any of the court decisions. We did not want legislative language at the time. But here we are on the floor. We are going to do it, without the willingness to wait for the courts.

Now, if our authority expired next week, or the end of April, all right. But, again, September 30.

I do not know why the Budget Committee felt they had to go along so rapidly and allow this waiver or why we have to rush in, again, when September 30 is the date, and we are not willing to wait for a court determination.

Mr. MUSKIE. Will the Senator yield?

Mr. GARN. I am happy to.

Mr. MUSKIE. I will be glad to answer the question which the Senator has asked.

I have also read the minority views in the report of the Budget Committee on this waiver. Those views and the argument of my good friend from Utah, all three, reflect an unawareness of the nature of the process which produces a waiver resolution.

We have no choice but to act on waiver resolutions within 10 days of the time that they are referred to us, or we are discharged.

I do not like to be discharged of something that has been referred to me with an implicit accusation that I have neglected my duty.

So we attempted to report it within the 10-day period.

If we had not acted, the 10-day period would have expired on the 24th of March and the matter would be before the Senate anyway.

So, the Senator generates the rhetoric that the Budget Committee has rushed to bring legislation with which he is unhappy to the floor, when all we have done is what the Budget Act requires us to do, within the time frame beyond which the Senate could have discharged us for failing to do our job.

I do not mind if the Senator argues the merits of the bill; that is his prerogative. He is a member of the committee.

It is not the Budget Committee's function under section 402 to render a second judgment on the merits or the substance of the bill.

Mr. GARN. Will the Senator yield?

Mr. MUSKIE. Our only function under section 402 is to determine whether or not there was a reasonable justification for the authorizing committee to report out a bill after May 15, not whether that bill is justified.

We are not a rules committee or a House rules committee. All we are is a watchdog of the timetable of the Budget Act in connection with section 402.

I tried to explain that to members of the minority in the Budget Committee who are new this year. They apparently failed to understand.

All they have to do is to read section 402 and maybe that is clearer and more lucid than any explanation I make of it.

But we had to report out a waiver resolution or be discharged. We chose to meet our responsibility and to report it out.

The second point I would make to the Senator is that the Senate is not bound to follow the recommendations of the Budget Committee, even on that limited procedural question. It is for the Senate as a whole to decide whether or not this is a proper time to consider the substantive bill, and that is all there is to it.

So I am not going to get into an argument with the Senator about the merits of the bill. I have my views as an individual Senator, but that has nothing to do with the waiver resolution which is before us. That resolution was adopted by a sizable margin, I think 13 to 4, in the Budget Committee.

So I take it we have done our job. We have done what the Budget Committee requires us to do. We have done it within the 10-day time frame the Budget Act provides for us to do it, and we did what I would expect the Senate would expect us to do. So here we are.

I really do not think we are subject to the accusation, in any sense of fairness at all, of rushing something because we got it done within a 10-day time frame, beyond which we had no further authority, in any case.

Mr. GARN. Mr. President, I am sorry I was able to get the Senator so defensive about this committee.

Mr. MUSKIE. I am not defensive about this committee.

Mr. GARN. I have the floor.

Mr. MUSKIE. I suggest the Senator is being defensive about his argument.

Mr. GARN. I have the floor. I have not yielded again.

Mr. MUSKIE. I do not need to say anything further.

Mr. GARN. I did not interrupt the Senator.

What I am trying to say is that he is absolutely correct. My major irritation is with my own committee, and with the

Senate for rushing to this, and that I gratuitously threw in the Budget Committee. I am sorry, because the Senator is correct.

That is all I wanted to say to the Senator. He did have to discharge it.

I could have saved the Senator all that talk, but I did not want to interrupt.

What I am trying to say is that he is correct and I agree, so do not get all over me again.

It is simply a matter that the Senator is correct.

I may argue with the Senator about whether he should have done it, or not, approved a 300-percent increase, and I will not do that.

But precisely, yes, the Senator from Maine, the distinguished chairman of the Budget Committee, is correct, he had to discharge it in 10 days and let it come out.

So I will extract that and go back and talk about my irritation with having to consider the matter now when it does not expire until September 30, when we are in litigation, when a Banking Committee majority ignores the entire minority and not even gives us 2 or 3 hours of hearings.

Mr. MUSKIE. Will the Senator yield?

Mr. GARN. I am happy to yield.

Mr. MUSKIE. I appreciate and realize now that we are in agreement about the procedure of requirements of section 402.

I had to stand and make my case without knowing that the Senator had in mind that I was right all along. I could not be sure the Senator himself was correct, so I had to make sure the record was clear, because there is a lot of misunderstanding among Senators. I am glad there is not on the part of the Senator from Utah.

Mr. GARN. The Senator is procedurally correct.

Mr. MUSKIE. As to the nature of section 402, now, with respect to the Senator's argument on the merits, not being a member of the Banking and Currency Committee, although I was years ago, I am not really in a position to engage the Senator, either on his side or against his position, on what he is saying.

I wish that members of the Banking Committee were here for that purpose. The Senator is making what he obviously believes to be a serious argument, and it is deserving of debate and of response, in my judgment. I am sorry that I am not in a position to give him that kind of forum at the moment.

I only suggest, without implying criticism, that the sooner we can get through the budget resolution, the sooner we can get to the issues which the Senator is raising about the bill itself. I say that without pressing the Senator. There is only an hour, in any case, on the waiver resolution. But I do wish someone was on the floor now in a position to engage the Senator in a discussion of the issues he is raising.

Mr. GARN. I say to the distinguished Senator from Maine that it is not my intent to get into a full-scale debate with him or anyone else in the hour on the budget waiver. I did want to make the point about the lack of necessity for having the whole process coming up at this time, and my irritation with my own committee and the majority of that committee for not being willing. As chairman of the commttee and the leader of the majority in the Budget Committee, I would not expect that he would deny 2 or 3 hours more of hearing.

Mr. ARMSTRONG. Mr. President, will the Senator yield?

Mr. GARN. I yield the floor at this time.

Mr. ARMSTRONG. Mr. President, I just want to compliment the Senator from Utah for his statement and to join in expressing concern about the substance of this bill.

I also say to my friend, the distinguished chairman of the Budget Committee, on which I am privileged to serve, that, while I do not favor the granting of the waiver that is now before us, I am pleased to note that the chairman and the committee staff have followed through on their representation that the committee report would reflect the fact that by granting the waiver, we are not prejudging the merits of the bill. I appreciate the chairman's courtesy and the followthrough on that.

Mr. MUSKIE. I am delighted that the point has been made, I say to my good friend, who I welcome as a new member of the Budget Committee. We did have an extensive discussion of the process, and I think it is well that we did so.

I understand that this hour on the waiver resolution is available for discussion of the substance of the bill, even though the issue is not before the Senate at that point. I do not challenge either of my colleagues on that question.

The language to which the Senator refers in the Budget Committee's report will appear in the report on all waiver resolutions.

Mr. ARMSTRONG. Mr. President, I appreciate the distinguished chairman's explanation.

I am not going to speak at length about this matter until the bill is before us. I serve on the Budget Committee, and I also serve with the Senator from Utah on the Banking Committee. I have had occasion to look at this bill extensively in the last several weeks.

Prior to that time, during my service in the other body, I served on the appropriation's subcommittee that had some jurisdiction over the operation; and it is my conviction based on watching it for some time—not just the acts which have been called into question as to their legality over the past few months, but over a substantial period of time—that this an ill-advised bill. The amount of money is too large, the examnle it sets is a poor one, and the Council on Wage and Price Stability is making inflation worse, rather than helping correct the problem.

However, it seems to me that the appropriate time to engage in that debate will be when the bill is actually before us.

Mr. MUSKIE. Mr. President, I take it that there is no need for further time under the 1-hour limitation.

I see no particular reason for a rollcall vote. Would my good friend on the other side be willing to have a voice vote on this?

Mr. GARN. I know of no request on this side for a rollcall vote.

Mr. MUSKIE. Mr. President, I yield back the remainder of my time under the rule.

The PRESIDING OFFICER. Does the Senator from Utah yield back his time?

Mr. GARN. I do not know that I have had any time, but I will yield it back, if I did.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the resolution.

The resolution (S. Res. 105) was agreed to.

Mr. LONG. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. MUSKIE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President I have indicated to the minority leader that it was my intention, following the adoption of the budget resolution, to call up Calendar No. 43, and the distinguished minority leader has that understanding. Mr. GARN is on the floor, representing the minority; and if it is agreeable, I will proceed to call up that matter and then put in a quorum call.

COUNCIL ON WAGE AND PRICE STABILITY AMENDMENTS OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 43.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 349) to increase the authorization for the Council on Wage and Price Stability, and to extend the duration of such Council.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Banking, Housing and Urban Affairs with an amendment to strike all after the enacting clause and insert the following:

That section 7 of the Council on Wage and Price Stability Act is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1980".

SEC. 2. Section 6 of the Council on Wage and Price Stability Act is amended by striking out "and not to exceed $2,210,000 for the fiscal year ending September 30, 1979" and inserting in lieu thereof "not to exceed $6,952,000 for the fiscal year ending September 30, 1979, and not to exceed $8,483,000 for the fiscal year ending September 30, 1980".

SEC. 3. (a) Section 3(a)(2)(A) of the Employment Act of 1946 is amended by inserting "Federal outlays as a proportion of gross national product," after "productivity,".

(b) The first sentence of section 4(b) of such Act is amended—

(1) by striking out "and" after the semicolon at the end of clause (1);

(2) by striking out the period at the end of clause (2) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(3) reducing the share of the Nation's gross national product accounted for by Federal outlays to 21 per centum or less by 1981, and to 20 per centum or less by 1983 and thereafter.".

(c) Section 4(c) of such Act is amended by adding at the end thereof the following:

"(3) Upon achievement of the 20 per centum goal specified in subsection (b)(3), each succeeding Economic Report shall have the goal of establishing the share of an expanding gross national product accounted for by Federal outlays at a level of 20 percentum or less.".

(d) The first sentence of section 4(d) of such Act is amended—

(1) by striking out "and" after the word "unemployment" and inserting in lieu thereof a comma; and

(2) by inserting after the word "inflation" the following: ", and Federal outlays as a proportion of gross national product,".

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, the Council on Wage and Price Stability, familiarly known as COWPS, was established by Congress in 1974 to monitor inflationary wage and price developments in the private sectors of the economy and the contribution to inflation of the programs, policies, and activities of Federal Government departments and agencies.

Last October President Carter announced a voluntary anti-inflation program combining explicit wage and price standards with prudent fiscal and monetary restraint and measures to insure that Government actions are accomplished efficiently and that economic regulations do not impede fair competition.

Mr. President, I suppose it is no secret that almost everyone agrees the No. 1 problem in this country is inflation.

We now have an inflation which is undoubtedly the most perplexing and troublesome that we have ever had. The previous inflation this country had that were at all comparable to this one were in wartime. Under those circumstances, of course, we knew that there was likely to be a termination in the pressure on prices and that always turned out to be the case. But now we have an inflation in peacetime that there seems to be almost no end to.

We all know that inflation has worsened since October and with the OPEC price increase announced recently the problem becomes even more pressing.

The standards set forth by the administration provide explicit numerical ceilings for pay and fringe benefit increases and for price increases by individual firms. Those standards request that pay increases be limited to 7 percent a year and that the average price increase of an individual firm be held to one-half a percentage point below its average rate of increase for 1976–77.

The Council on Wage and Price Stability was designated to monitor the standards, in addition to its existing responsbilities to monitor generally wage and price developments and to review and recommend actions to reduce the potential inflationary effects of the programs and policies of Federal agencies and departments.

Prior to the announcement of the anti-inflation program, the Council had operated with a single staff of pay and price monitors made up of 10 economists, 5 researchers, and clerical support.

Although many people felt this was ridiculously small, considering the ongoing inflation the agreement was that this was adequate for the analytical role that had been the Council's chief function.

COWPS was not suited, however, to a program of monitoring compliance with explicit price and wage standards, to put the situation mildly. Obviously, that tiny group of 10 economists, 5 researchers, and a little clerical staff in an economy this massive could do almost nothing with respect to monitoring.

The Council realized that the staff of only 39 would have to be enlarged to carry out this expanded role. In the beginning, while COWPS was still feeling its way, it was estimated that its new responsibilities could be handled with 100 additional staff people divided mainly between the price and pay monitoring divisions. That modest increase, however, turned out to be inadequate and a decision was made to ask the Congress to authorize a total of 233 positions to be phased in gradually over several months.

Two hundred thirty-three is a very big increase over what we had proportionately in the past, but it is still a very, very, small, infinitesimal group when you consider the size and complexity of our economy.

Expanding the Council ultimately to a level of 233 positions naturally will mean increased expenditures. COWPS sought a supplemental appropriation of $5,199 million for the balance of the 1979 fiscal year. For fiscal years 1980 and 1981 COWPS requested authorization each year of $8.483 million, compared to $2.21 million currently. The administration requested that the life of the Council be extended 2 years beyond the September 30, 1979, expiration in the present legislation.

The Council has now been organized into separate price and wage monitoring units. The price monitoring office is organized along industry lines, designed to comprehensively cover the entire economy. It will monitor price activities of individual firms. It is staffed with economists and persons with accounting and financial management expertise. The entire office has the responsibility for monitoring market and sector developments that effect on prices.

Just as it was necessary to develop a separate price monitoring office, the 7 percent pay standard created the need for a separate pay monitoring office. The Council faced complex decisions on a number of concrete issues and has to respond to a large number of requests from groups that desired to support the program, but required guidance as the application of the pay standard to specific situations.

COWPS also has a unit with responsibility for appraising government programs and regulations that might effect on inflation. Since COWPS was established, it has played a role in the Federal rule-making process. This effort has been expanded because of the anti-inflation program to assist the administration in its search for ways to make both economic and social regulation accommodate with the goals of the anti-inflation program.

It is the committee's opinion that a significantly greater effort ought to be undertaken by the Council to study the inflationary impact of the policies and regulations of the Federal Government. At present, the Council's limited staff has allowed it to undertake only cost-benefit analysis of prospective Federal regulations. We would expect that with the availability of new staff as authorized by this bill, the Council would assume the task of analyzing the inflationary impact of Federal Government regulations already in effect.

COMMITTEE AMENDMENT

The committee approved the adoption of three changes to S. 349.

One change was to substitute specific authorizations for fiscal year 1979 ($6,952,000) and for fiscal year 1980 ($8,483,000) for the language in S. 349 which would have authorized "such sums as may be necessary."

Another change provided for the extension of the Council on Wage and Price Stability for 1 year rather than 2 years requested by the administration in S. 349. It is the committee's opinion that the inflation situation is changing rapidly and, therefore, the needs of COWPS in terms of funding, staffing, jurisdiction, and responsibilities ought to be re-examined in 1 year rather than 2.

The provision to establish numerical goals for reducing Federal outlays as a proportion of the Nation's gross national product will in the Committee's opinion aid the Congress in meeting its responsibilities in the difficult fight against inflation. The committee approved a similar amendment to the Full Employment and Balanced Growth Act of 1978 during the last session of Congress. During floor debate on that legislation the numerical goals were dropped leaving only qualitative language in the act:

> The Congress further declares that it is the purpose of the Full Employment and Balanced Growth Act of 1978 to rely principally on the private sector for expansion of economic activity and creation of new jobs for a growing labor force. Toward this end, it is the purpose of this act to encourage the adoption of fiscal policies that would establish the share of the gross national product accounted for by Federal outlays at the lowest level consistent with national needs and priorities.

In the committee's opinion the above objective is meaningless without numerical goals to support it. The committee also took note of the fact that President Carter in his message on the proposed budget for fiscal year 1980 indicated that a fundamental goal of his policy was to decrease the budget outlays as a share of the Nation's gross national product from 22.1 percent in 1978 to 21.2 percent in 1980 and 20.3 percent in 1982. The table, which I will submit, is taken from The United States Budget in Brief, fiscal year 1980.

The amendment adopted by the committee has three parts. First, it would require the President to establish in his Economic Report goals for Federal outlays as a proportion of gross national product. Those goals would be for the year in which the Economic Report is issued and the succeeding 4 years. The President must already establish goals in a similar manner for employment, unemployment, production, real income, productivity, and prices. Second, the amendment establishes numerical goals for reducing the share of gross national product accounted for by Federal outlays to 21 percent or less by 1981 and 20 percent or less by 1983 and thereafter. Third, the amendment gives the President the flexibility to recommend to Congress modification of the timetables for achieving the numerical goals if the President feels that it is necessary to do so. The Congress may act on such a recommendation through the budget process. In the committee's opinion the President must be given the flexibility to recommend such modification in case such unforeseen circumstances as a national emergency or severe recession should arise. This amendment received substantial support during the committee's hearings on the extension of COWPS.

Mr. President, I ask unanimous consent to have printed in the Record a table on Federal finances and the gross national product, 1958–82.

There being no objection, the table was ordered to be printed in the Record, as follows:

FEDERAL FINANCES AND THE GROSS NATIONAL PRODUCT, 1958–82

[Amounts in billions of dollars]

Fiscal year	Gross national product	Budget receipts[1]		Outlays						Federal debt, end of year			
				Unified budget		Off-budget Federal entities		Total		Total		Held by the public	
		Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP
1958	442.1	79.6	18.0	82.6	18.7			82.6	18.7	279.7	63.3	226.4	51.2
1959	473.3	79.2	16.7	92.1	19.5			92.1	19.5	287.8	60.8	235.0	49.7
1960	497.3	92.5	18.6	92.2	18.5			92.2	18.5	290.9	58.5	237.2	47.7
1961	508.3	94.4	18.6	97.8	19.2			97.8	19.2	292.9	57.6	238.6	46.9
1962	546.9	99.7	18.2	106.8	19.5			106.8	19.5	303.3	55.5	248.4	45.4
1963	576.3	106.6	18.5	111.3	19.3			111.3	19.3	310.8	53.9	254.5	44.2
1964	616.2	112.7	18.3	118.6	19.2			118.6	19.2	316.8	51.4	257.6	41.8
1965	657.1	116.8	17.8	118.4	18.0			118.4	18.0	323.2	49.2	261.6	39.8
1966	721.1	130.9	18.1	134.7	18.7			134.7	18.7	329.5	45.7	264.7	36.7
1967	774.4	149.6	19.3	158.3	20.4			158.3	20.4	341.3	44.1	267.5	34.5
1968	829.9	153.7	18.5	178.8	21.5			178.8	21.5	369.8	44.6	290.6	35.0
1969	903.7	187.8	20.8	184.5	20.4			184.5	20.4	367.1	40.6	279.5	30.9
1970	959.0	193.7	20.2	196.6	20.5			196.6	20.5	382.6	39.9	284.9	29.7
1971	1,019.3	188.4	18.5	211.4	20.7			211.4	20.7	409.5	40.2	304.3	29.9
1972	1,110.5	208.6	18.8	232.0	20.9			232.0	20.9	437.3	39.4	323.8	29.2
1973	1,237.5	232.2	18.8	247.1	20.0	0.1	(²)	247.1	20.0	468.4	37.9	343.0	27.7
1974	1,359.2	264.9	19.5	269.6	19.8	1.4	0.1	271.1	19.9	486.2	35.8	346.1	25.5
1975	1,457.3	281.0	19.3	326.2	22.4	8.1	.6	334.2	22.9	544.1	37.3	396.9	27.2
1976	1,621.7	300.0	18.5	366.4	22.6	7.3	.5	373.7	23.1	631.9	39.0	480.3	29.6
1977	1,834.0	357.8	19.5	402.7	22.0	8.7	.5	411.4	22.5	709.1	38.7	551.8	30.1
1978	2,043.4	402.0	19.7	450.8	22.1	10.3	.5	461.2	22.6	780.4	38.2	610.9	29.9
1979 estimate	2,289.4	456.0	19.9	493.4	21.6	12.0	.5	505.4	22.1	839.2	36.7	650.9	28.4
1980 estimate	2,505.7	502.6	20.1	531.6	21.2	12.0	.5	543.5	21.7	899.0	35.9	689.9	27.5
1981 estimate	2,758.6	576.8	20.9	578.0	21.0	11.5	.4	589.5	21.4	940.3	34.1	701.9	25.4
1982 estimate	3,025.2	652.6	21.6	614.9	20.3	11.1	.4	626.0	20.7	951.9	31.5	674.3	22.3

[1] See footnotes to table 1 for changes in budget coverage.

[2] 0.05 percent or less.

Mr. PROXMIRE. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. GARN. Mr. President, I am opposed to S. 349, which would extend the life of the Council on Wage and Price Stability and increase its level of funding.

This bill would extend the life of the Council for 1 year, from September 30, 1979 to September 30, 1980, and authorize the appropriation of $6,952,000 for the Council in this fiscal year and $8,483,000 for fiscal year 1980. The Council is presently authorized to spend $2,210,000 in fiscal year 1979.

I am opposed to this bill because the Council on Wage and Price Stability is responsible for implementing the President's wage and price guidelines. Those guidelines are not only misguided and unworkable, but the manner in which they are being implemented is unlawful.

Wage and price guidelines are misguided because they deal with the symptoms, rather than the causes of inflation. Inflation is a result of Federal deficit spending and excessive monetary growth, which increases aggregate demand more rapidly than the economy's ability to increase real output.

Inflation is a serious problem that cannot be dealt with by wage and price guidelines or controls. It can only be brought under control by reducing Federal spending and reducing the rate of monetary growth. We are only fooling the public by resorting to guidelines as an anti-inflation tool. They have never worked in the past, and they cannot be expected to work now. Wage and price guidelines are completely unworkable in an economy as diverse and complex as ours. No single wage and price standard can possibly be fair to all, or even most, business firms or labor groups.

The Council on Wage and Price Stability has already published a 45-page booklet of rules, and more changes in the regulations are being developed. All of this is to make adjustments and accommodations for changes in economic conditions that would be made automatically and indiscriminately in the marketplace. The end result of all this will be a maze of rules and regulations that will lead to confusion, distortions and inequities throughout the economy.

Finally, the manner in which those guidelines is being carried out is unlawful. President Carter initiated his wage-price control program through powers he said he derived from the U.S. Constitution and the Federal Property and Administrative Services Act of 1949. But, the President has clearly overstepped his authority by relying on Federal sanctions to seek compliance with those guidelines.

According to legal experts at the Library of Congress, the General Accounting Office (GAO), the American Bar Association's Economic and Resources Committee and the AFL–CIO, the President had no authority to seek compliance through Federal sanctions or procurement programs.

These experts argue that the U.S. Constitution gives Congress, not the administration, sole authority to authorize regulation of wages and prices. Legislative history clearly shows an unbroken pattern of positive congressional action was necessary to delegate wage and price control authority to the administration. Indeed, on at least three occasions since 1974, Congress has specifically chosen not to grant the executive branch such authority.

To implement his anti-inflation program, President Carter gave the Council powers beyond those specifically authorized by section 3(a) of the 1974 act. According to this section, the Council is solely an advisory body whose "purpose is to analyze, review and monitor" Federal Procurement and private sector activities which may increase inflation.

With some exceptions, the President's guidelines allow for price rises below the average of the past 2 years, while wages and most benefits are to go up no more than 7 percent annually. All companies are expected to follow the guidelines. Offenders would first be warned privately by the Council. If that did not work, they would be publicly denounced. Also, the administration has threatened to modify import regulations, intervene in decisions of commercial regulatory agencies and to withhold Government contracts from firms which do not comply with the standards. In fact, the administration has published final rules for using Federal sanctions as leverage to force compliance with the "voluntary" wage and price standards. In other words, the President's program indirectly creates mandatory wage and price controls, expressly prohibited by section 3(b) of the 1974 act:

> Nothing in this Act . . . authorizes the continuation, imposition or re-imposition of any mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends or any similar transfers.

This is a breach of the law and congressional intent. Unfortunately, the Banking Committee did not take time to benefit from expert legal and policy advice on this question.

I can see no justification for increasing the funding of the Council on Wage and Price Stability for the purpose of implementing the President's guidelines. Those guidelines will not solve the problem of inflation. An increase of 300 percent in the funding of the Council in this fiscal year is clearly inappropriate at a time when Federal spending should be held down and unnecessary or unwise Federal regulation should be eliminated. An increase in the Council's authorization at this time is not justified.

For those reasons, I must oppose S. 349

Mr. BELLMON. Mr. President, will the Senator yield me 10 minutes?

Mr. GARN. I am happy to yield the Senator from Oklahoma 10 minutes.

(Mr. BAUCUS assumed the chair.)

Mr. BELLMON. Mr. President, I rise in opposition to S. 349. Before I discuss the merit or lack of merit of the bill, I would simply like to say that the budget waiver approved earlier should not be interpreted by anyone as indicating that the Budget Committee is in support of S. 349. Our approval of that waiver was largely a pro forma matter, and the members of the Budget Committee, as do other Members of the Senate, have differing opinions as to whether or not COWPS should be extended.

Mr. President, I feel that it is my duty to alert my colleagues to the fact that passage of S. 349 means that the country has just entered phase III of the Carter wage-price controls program.

Let me say that again for emphasis. If we pass this bill, it means that the country has entered phase III of the Carter wage-price controls program.

The President has made no announcement of this entry, and it occurs to me that he may not even know what happened. Since President Carter has made it perfectly clear that he hates wage-price controls like sin, and would never impose them, and since it would be illegal for him to impose them, I feel that it is also my duty to bring to his attention our entry into phase III of wage-price controls.

Let me recap for Senators what has happened.

First of all, phase I.

In the winter of 1977, it became apparent to the experts in the White House that the economy was expanding, not contracting, and that they ought to be reducing, not increasing, deficit spending. But at that time, President Carter's No. 1 priority was unemployment, not inflation. (The No. 1 priority changes each year of the administration. In 1976 it was energy. In 1977 it was unemployment. In 1978 it was inflation. None has been announced as yet for 1979 since the President has been preoccupied in the Middle East.)

The priority does not change each year because anything has been done to solve last year's problem. It changes because it is hoped that an assault on a new No. 1 problem makes the average voter forget that nothing substantive was done to solve the No. 1 problem of the year before. Since President Carter was trying to create jobs for people in 1977, not check inflation, he settled for a statement about how much he hated wage-price controls and then imposed phase I.

Phase I was a voluntary restraint program which called upon industry and labor to hold the rise in wages and prices in 1978 to the 1977 level (or less). But then the President got to worrying about all those coal miners out of work on strike (and his No. 1 problem that year was unemployment). He got to worrying about all that coal that was not being mined and all that oil that was going to have to be imported to make up for that lost coal (and his No. 1 problem the year before had been energy. So he approved a whopping wage increase for the coal miners that far exceeded their increase of the previous year.

That got us to phase II: Inflation.

Inflation got much worse in 1978, under phase I, so in October President Carter appointed an inflation czar, announced that his No. 1 priority for 1978 was inflation, and that phase II of voluntary wage-price controls was upon us. In a kind of perverse logic, the man responsible for one of the most significant domestic achievements of the Carter administration, Alfred Kahn (who, as we all remember, successfully deregulated the airline industry) was picked to enforce the unenforceable. Under phase II, companies were expected to limit their price increases over the next year to one-half of 1 percent less than their average annual rate of price increase during the equivalent period in 1976–77. Wage and fringe benefit increases together could not exceed 7 percent per year. Everyone and every company was supposed to abide by the phase II "voluntary" wage-price guidelines, but only the top 400 large corporations with annual sales in excess of $500 million would be monitored by the inflation czar. They would have to "voluntarily" restrict their profits and the wages they paid their employees or the inflation czar would cut off their Government contracts. Now, that is undoubtedly a brand new definition of "voluntary"—volunteer or else.

In fact, Mr. President, it takes me back to my Marine Corps days, when the first sergeant would line us all up and say, "I want three volunteers: You, you, and you." What we have essentially under phase II is the same thing: Either companies have to cooperate, or they lose their Government contracts, and most of these companies do have substantial business with the Federal Government.

Anyway, the very next morning, the Department of Energy announced a huge increase in the DOE price for enriched uranium that far exceeded any increase in previous years.

PHASE III

Each time, of course, the President told us how much he hated wage-price controls. Then he launched us into a new phase of tougher wage-price controls. The Federal Government itself was the first and most flagrant violator of those controls. Now we come to phase III. As I said, it was not announced, but it is before us nonetheless. If this bill passes, not only will the top 400 companies be under the inflation czar's watchful eye, but henceforth even little companies are going to be monitored. They have to do most of the Nation's work. Hereafter, they will have to "voluntarily" send in trainloads of pieces of paper detailing how they do their business.

You might think compliance with that edict would result in little harm—only unnecessary expense to the little companies and a resultant drop in productivity and another increase in prices. After all, who is going to read all those pieces of paper?

It seems that our President, who hates wage-price controls like sin, has come up with his solution to the inflation problem: Enlarge and extend the inflation czar's fiefdom. This fiefdom, called the Council on Wage and Price Stability (COWPS), and that is what we are talking about here, ceases to exist in September of this year. The President wants it extended for 2 more years. He wants a 500-percent increase in the number of bureaucrats in that fiefdom, and a 300-percent increase in its operating budget. That is who is going to read all those millions of pieces of paper—armies of bureaucrats? That is what we are being asked to vote for and fund here today. More paperwork, more waste in Government, more bureaucracy, and more alienation in the private sector toward Government.

Mr. President, I say, "No thanks." Let us kill S. 349, and let COWPS expire on September 30, under the law's intent.

Mr. President, I have been concerned for some time that when we set up things to last a little while and then expire, it rarely seems to happen. When it comes time for the bureaucracy to expire, the pitiful pleaders of the Potomac come running up here wailing that even though the bureaucracy should never have been fathered, and should have been drowned at birth, and would be better off dead, the Congres has just got to extend its life 1 more year. We had a chance to let the Federal Energy Administration expire. In fact, it did expire. But someone thought they saw signs of life and we turned the life support systems back on. It did resume breathing, but who can deny that it had suffered "permanent" brain damage. Grafting it, like a sprout, on to the energy research and development tree turned out to be a bad idea, too. The FEA took over the whole Department of Energy like mistletoe or some other parasite. It has done more to wreck the Nation's energy supply than OPEC ever could.

Then President Ford had a chance to let oil production price controls expire in 1975. But, against his better judgment, he signed EPCA, and we have suffered under those controls and the entitlement program ever since. President Carter has a chance in May of this year to once again let those controls expire and we are told he may let them. I certainly hope so. It will be difficult now but it must be done and the longer we wait the tougher the decision will be if he chooses to let the oil price controls expire.

I intend to help the President. But the question naturally arises—if controls have wrecked this Nation's energy supply, why should they (voluntarily or not) be put in place to wreck the rest of our economy.

This is the most incongruous situation in which I can imagine the President being. On one hand, being ready to abandon oil price controls and, at the same time, asking us to increase the bureaucracy of COWPS by a factor of five so he can place greater controls over the rest of the economy. It simply makes no sense.

Therefore, Mr. President, I would favor an amendment to the COWPS amendments of 1979. I favor cutting off its life support system immediately. Let us give it an early and honorable burial. At the minimum we should limit the increase in appropriations for this bureaucracy to their own requirement; namely one-half of 1 percent less than their increase for fiscal year 1979.

Mr. President, there are ways to deal effectively with inflation—balancing the Federal budget by reducing the cost of government would help;

Providing incentives to increase industrial productivity would help;

Increasing domestic energy production and decreasing dependence upon costly, insecure imports of foreign oil would help;

Cutting waste, duplication, inefficiency and fraud in government would help (firing Jay Solomon, the "Mr. Clean" of scandal-ridden GSA is decidedly not helpful);

Making increased investment in America's productive capacity more attractive would help;

Transparent cosmetic meddling of market forces by another army of Federal bureaucrats will not help;

Reducing emphasis on consumption thus lessening demand pressures would help;

Providing incentive for Americans to save rather than to spend would help;

Training our structurally unemployed workers to become productive citizens would help;

Setting an example of fiscal restraint by the Federal Government and reducing citizen's inflationary expectations will help;

Extending controls which exacerbate inflation by creating the general expectation that mandatory controls lie directly ahead will not help;

Ending costly and cumbersome regulations which reduce the costs of goods and services will help; and

Tempering governmental, environmental and safety demands with reason would help.

I submit that increasing COWPS by 500 percent will clearly be a step in the wrong direction. More bureaucracy only means more trouble both now and in the future.

Mr. President, I yield the floor.

Mr. PROXMIRE. Mr. President, the opposition to this bill is obviously very strong. It was strong in committee and it is going to be strong on the floor. It was interesting to hear two of the ablest Members of the Senate, Senator GARN and Senator BELLMON, give their speeches, both of which indicated they would like to see the agency die, and the sooner the better.

Mr. President, it seems to me, and I think it seems to almost all Americans, that we need all the help we can get in this inflation fight. Nobody has the answer. I wish we did, but nobody really has the answer.

It is one of the most frightening economic developments that I have seen, certainly in my lifetime. As I said, we have certainly never had this kind of inflation in peacetime before. In wartime, yes, but this is a peacetime inflation, and it comes under circumstances when we already have unemployment which is close to 6 percent; when we are operating at 86 percent of capacity. So it does not seem that excessive demand pressures have as yet been responsible for driving up prices, as they have in the past. We may be reading the point where excess demand may be a problem. There is a momentum to this inflation that is the big element. We all know what happens, of course. When you have inflation that is 7, 8, 9, or 10 percent, employees insist on getting wage increases that come close to the inflation rate or exceed the inflation rate. When you do that, of course, it means that prices have to go up, unless you can have productivity growth that is substantial enough so that prices do not have to go up quite as much. We now have, unfortunately, a very low level of productivity growth. We would all like to increase it. We would all like to do whatever we can to increase it. But there is no magic way we can achieve that.

So, Mr. President, I would hope we would recognize that now, today, at a time when we have what we already have in the first 2 months of this year, statistics that are overwhelmingly frightening, producer price statistics that suggest an inflation in the first 2 months of this year of around 12 percent, consumer price statistics indicating inflation in the same general area, inflation over the last year of just under 10 percent, we should not kill the only agency we have whose specific problem is to fight inflation.

Incidentally, if we kill this agency, we not only kill it as it is trying to do a job of monitoring wage and price increases in the private sector but also inflation effects in the public sector. A third of the resources of this agency in the past have been trying to do something about some of the very points that Senator BELLMON so ably called our attention to: the effect of excessive regulation, for example, on inflation. This is an important part of the job of the Council on Wage and Price Stability. That is what they are supposed to do. Maybe they have not done an adequate job. They have worked on it, they have tried, they have called our attention to it.

Again and again Mr. Bosworth has called our attention to some measures which I happen to favor. He said, for example, as I understand it, that the minimum wage could have an adverse effect on inflation. He called the attention of the Congress to that.

They have also analyzed a number of other measures which have had the support of most Members of the Congress. It is not pleasant to hear it, but it is necessary to have an agency that is in the anti-inflation business, and this is the only agency we have that does that full time. Without it, we have nothing.

People argue that this agency has not done much and the guidelines have not done much. Mr. President, they have. The oil and chemical workers, for instance, which was the first major union that had a wage settlement this year, agreed to come within the guidelines. There is no way they would have done that without guidelines having been in place. That set a precedent, a very important precedent. If they can stay within the guidelines, it helps greatly to persuade other unions to moderate their demands.

Mr. BELLMON. Will the Senator yield?

Mr. PROXMIRE. Yes.

Mr. BELLMON. Did the coal miners stay within the guidelines?

Mr. PROXMIRE. When was the coal mine settlement reached?

Mr. BELLMON. It was reached soon after COWPS was put into business. It was the first major wage contract that came up and was settled as I recall, with a settlement of something around 20 percent in the wage increase.

Mr. PROXMIRE. Well, the guidelines, as the Senator knows, are of relatively recent origin, they were announced only last October. The Senator may recall that the coal miners settlement came early last year and at a time when the guidelines sanctions were not in place, when there was no way that the Federal Government could back up their desire for a lower settlement with any force because there were no guidelines, the very thing that both the Republican Senators have been arguing against.

Now there is some degree of sanction with respect to the Teamsters, we hope. They have at least been threatened with the prospect that if they exceed the guidelines the Government will work much more vigorously to achieve deregulation, which, of course, they are very concerned about.

Mr. BELLMON. The Senator would agree that these guidelines are no longer voluntary?

Mr. PROXMIRE. I would agree with that, yes. But they are not mandatory, the President does not have that authority. I agree also that they are not perfect. I agree also that they do not work all the time.

I also point out that they work at times, and now they have a fighting chance to work again. They are not going to work if we kill this agency and if we kill, as the Senator points out, the idea of any guidelines at all. We say to labor, go ahead, make any demands you wish and if you get away with it, be our guest. Then what happens to prices under those circumstances? As the Senator knows, they go up as wages go up.

The guidelines, unfortunately—I wish we had something else, but they are the only game in town to try to hold this dog-chasing-its-tail situation of the spiraling wage-price problem that we have.

Mr. BELLMON. If the Senator will yield further, I believe he just pointed out how rapidly prices have gone up this year. It is fairly obvious that COWPS is not working now. The fact that they are there has not kept prices down.

Mr. PROXMIRE. I hope the Senator is not going to argue that because inflation is so bad, we should throw in the sponge, throw in the towel, quit, say we cannot do it.

I hope the Senator recognizes also, as economist Bosworth pointed out in the committee, there is a technical reason that our prices went up so rapidly in January and February. Part of it is the fact that a firm is permitted to make an increase in the first month of a 6-month period that will cover the whole period. Therefore, in February and March, there were increases that are expected to moderate later on in the 6-month period.

Also, as the Senator knows, the major element pushing up prices recently was food. Food is extremely volatile. Food is one element over which nobody argues that the wage-price guidelines can have any major effect, certainly at the farm level.

Mr. BELLMON. If the Senator will yield further, there are two comments I would like to make. In the first place, having wage-price controls, voluntary or involuntary, in place is apt to give the false impression that we are doing something to get at the cause of inflation. I think the Senator from Wisconsin will agree that this is basically cosmetic, that the underlying causes of inflation are deficits, our failure to keep productivity up with our competitors in other countries, the fact that the cost of energy keeps rising through no fault of our own, but because OPEC has us by the throat. When we have some kind of fictional control system like this in place, we simply cause apprehension that we are going to go to mandatory price controls, and a lot of businesses are getting ready. They are pricing their products now against a time when they might not be allowed to increase their prices.

Mr. PROXMIRE. May I say inflation is an extraordinarily complex problem, but it is a problem that we cannot ignore in the relationship between wages and prices and the tendency that wages and prices have to boost themselves up. The fact is that 70 percent of the cost of operating American business is wages. If we simply ignore that and say, "Well, after all, we cannot control it all; we cannot do very much about OPEC; we cannot do much about the crop failures and anticipations of various kinds that affect food prices; therefore, we will not try to do anything," it seems to me that is a defeatist attitude that is not characteristic, certainly, of this country or of the Senator from Oklahoma.

Mr. BELLMON. I object to the suggestion that we are not trying to do anything. We can help by getting our own fiscal house in order, by balancing our budget.

Mr. PROXMIRE. We are not doing enough about that. The Senator is right, we should. I appeared before the Budget Committee a few days ago and proposed a $20 billion reduction in spending. I indicated where we ought to cut. I would like to cut everything. I think the Senator will recognize that, while that would be very helpful, especially psychologically, but also in general, we certainly should not rely just on one measure, even a measure as important as holding down spending. It is important, but I think the Senator acknowledges that that is not the only element we need to pursue in order to do something effective about inflation.

Mr. BELLMON. I recited a litany of things I think we should do.

Mr. PROXMIRE. I want to go through that litany in just a minute.

Mr. BELLMON. To me, this is totally ineffective. I look upon it as a destructive bureaucracy, a step in the wrong direction. I hate to see us going down a path that must lead irrevocably to mandatory price controls.

Mr. PROXMIRE. No, if we do not do this, I think the likelihood of mandatory price controls will be very strong. As the Senator knows, a growing majority of American people favor mandatory price controls right now. The only way we can forestall that is to begin to turn inflation around. If we fail, we are going to come closer to mandatory wage and price controls everyday. I hope we will not do it.

As far as I know, every member of the Banking Committee now—has spoken up as against those controls. We had experience with it in 1971, 1972, and 1973. It did not work then, it will not work now, either. What we hope we can do is not only try to hold down the demand pressure by the fiscal policy we follow, but also try to get rid of this wage-price element in inflation, by having a wage guideline that would persuade labor to hold their wage increases at the guideline of 7 percent, then management to try to come in at a level that is below that, because there is still some—unfortunately not enough—productivity in the economy.

Mr. GARN. May I pursue just one thing for a moment?

Mr. PROXMIRE. Yes.

Mr. GARN. The Senator from Wisconsin and I have served together for 4 years on the Banking Committee. I have never heard the distinguished chairman say anything else but that he was opposed to mandatory wage and price controls. As a matter of fact, in our markup or in the hearings, he stated that he was not at all happy about the quasi-mandatory aspect of these wage-price guidelines.

I do not disagree with most of what he has said in support of guidelines. The minority was mostly upset at the fact that we feel that the President has exceeded his authority under the act, that he used guidelines and that the mandatory aspect is illegal. I wonder, with the chairman's stated opposition to mandatory wage and price controls, with his not being at all happy about the quasi-mandatory idea, how he answers the GAO, the Library of Congress, the American Bar Association, and many other organizations, who say the President is exceeding his authority, that in effect we are going in the back door and we do have mandatory controls.

That is the only thing I question about his position in supporting this extension. It is not guidelines under the law, as the President is authorized to do, but the fact that we are extending what apparently is illegal, from all the experts, and probably will be declared illegal in the the courts.

Mr. PROXMIRE. The Senator may or may not be correct. As he concludes, the courts will have to determine that. This is not something that is quite that clear. The Justice Department says the President is right, is able to do that. We have a precedent for it.

As the Senator may recall, one period, one of the few periods when an incomes policy worked and, I think, worked well was during the Kennedy administration and the first part of the Johnson administration. For 5 long years, while we were in a period of very vigorous growth, of sharply dropping unemployment, a period which culminated in 3 successive years of inflation being less than 3 percent, unemployment less than 4 percent, we had guidelines. We had guidelines in effect that were enforced by a sanction which many people complained about, but which was effective.

I think all of us recall the complaints about President Kennedy and Attorney General Robert Kennedy and the pressure they put on the steel industry and the fact that Inland Steel, which led the way, finally, to compliance with holding down prices, did so under pressure from the Defense Department when it was clear that the steel companies were going to be hurt hard by the unwillingness of the Federal Government to patronize any company that failed to comply.

Unfortunately, sometimes in this world, you have to get tough and get tough with what you have. The Senator from Utah is an expert in that. He is a very tough fellow on these issues.

I think the Senator recognizes that it did work in the Kennedy administration, was a success. We had a period in which we had reasonably stable prices, with a growing economy. We moderated inflation at that time. We hope we can do something like that with the present COWPS that we are trying to keep alive.

Mr. GARN. Is there not a big difference between being tough, strong, forceful, jawboning, encouraging, and violating the law, exceeding the authority granted by Congress? This is an example from GAO:

> The COWPS rules also create vicious Catch-22 situations. For example: if COWPS debars a firm which is the lowest bidder on a Federal contract for failure to comply with the wage-price standards, COWPS must award the contract to the next highest bidder; which only increases Federal spending and, thereby, inflation.

So it could have the impact of actually forcing higher contracts if you did happen to cut out the lowest bidder. "Moreover," GAO says, "Withholding the contract from the lowest bidder would be illegal."

So it is a lot of very difficult things.

Mr. PROXMIRE. The Senator is correct.

Mr. GARN. I would like to reemphasize that I share about the quasi mandatory aspects of this. I wish we in the Banking Committee specially addressed that question. Maybe we would be here agreeing today if we had attempted to play with that, or change the law, and make the President comply with the law.

Mr. PROXMIRE. I wish we would be here agreeing under those circumstances. But I would not be so sure that would happen.

As I pointed out, we already have some success. The oil-chemical workers, the first major union to reach agreement after the guidelines were put into effect, and this agreement was within the guidelines.

No question, business observers and others said that could not possibly have been done without the wage guidelines, without a COWPS in place.

The Teamsters may or may not agree. There are strong indications they may not, because inflation has gotten so bad.

But there is at least an outside chance, and the only chance that price setting agreement can come within the guidelines, or even close to it, is because we have the guidelines in place and because we have COWPS working on it, and a President who indicated he will get tough, and that the Federal Government may, if they violate the guidelines, move much closer to deregulation of the trucking industry, which, of course, they do not want.

Mr. President, we also have what I think is a remarkable, commendable cooperation by American business. The latest reports we have are that the expectation is that 95 percent of American business will come in under the guidelines. We need that type of compliance.

There will be some violations. It will be very hard for them to do it. There will be suspicions that the competitors are not complying. But I think this has to be regarded as something that ought to be given a chance. The only way it can is by preserving COWPS and not to kill it.

Mr. President, as I pointed out, there is very powerful support that the polls have indicated for mandatory wage-price controls. I am very happy to observe that the President is opposed to that, and so am I.

The whole question is whether the COWPS extension brings us under wage-price controls or prevents them.

If I had the remotest notion that the program that we have before us today, COWPS, is bringing us closer to wage-price controls, I would fight it as hard as I know how. But I am convinced the best way to prevent it, to prevent putting that kind of a stifling lock on American business, something I think would be very counterproductive and that could only result, as it did before, after 2 or 3 years taking it off and having prices explode, is having a program of this kind where we can give a chance to those who would like to fight inflation by trying to persuade unions and companies and businesses to moderate their wage and price demands, at least trying to do that.

Mr. President, what other answer do we have? Basically, the answer is to slow down the economy to a point where we have recession, and recession will have to go on for some time and more people will have to be out of work and sacrifices will be very great.

It is conceivable—anything is possible—under those circumstances, we will not have wage and price controls, compulsory wage and price controls. Maybe not. But if not that, we will have something no Member of the Senate wants, that all of us would like to avoid, and I think when we think about it we know what will happen if we move into that kind of recession. There goes any prospect of a balanced budget. If we cannot balance the budget in the fifth year of recovery, with the greatest increase in employment in any 2 years in our history, how can we expect to balance the budget in recession, with revenues dropping very sharply, $12 billion for every 1 percent increase in unemployment, and expenditures increasing, of course, even with no new programs. We know what will happen.

There is going to be overwhelming demand for programs that will put people to work. Of course, those, unfortunately, will be very inflationary. It is going to be one of those situations we suffered through so desperately in 1974–75, and we had a combination of recession month after month, and inflation month after month, both getting worse.

The distinguished Senator from Oklahoma suggested a whole series of things we could do other than follow the procedure we have before us today. I think it is very helpful to have that because there is nothing easier than to knock down a constructive proposal. I think we all recognize, we will have to have our opponent to come up with something positive, because we can pick it apart. Anybody can do that, and COWPS is very vulnerable.

But when the Senator from Oklahoma says, "Let's do other things, let's balance the budget," of course, let us balance the budget. We all want to balance the budget.

The Senator from Virginia (Mr. HARRY F. BYRD, JR.) succeeded in getting passed through the Congress and enacted into law a requirement that the budget be balanced in 1981.

Most people have forgotten that, but that is on the books right now, requiring it be balanced in 1981. It is on the books.

I think this year there is no question of the fact that we will get some kind of budget-balancing amendment.

Just the other day we passed the Long-Packwood amendment that requires the Congress to have a budget before it that is in balance, and one that is not in balance. We can see how anybody with any brains who has to run for reelection will vote. Most people will not vote for an unbalanced budget, under those circumstances.

I think that is a very effective way to achieve a balanced budget.

But I do think we also must recognize that to rely at this point on trying to beat inflation by balancing the budget is not recognizing that one of the big elements that is driving up prices is the wage price spiral, and doing something about that, which we are trying to do here.

Senator BELLMON also called on us to address measures increasing productivity. Of course, we want to.

We have changed the tax law. We are going to try to achieve that. But there are differences of opinion on how to do it.

I think most of us will support legislation that would provide more incentive for investment and more incentive for other measures that would increase productivity.

But, again, this is a tough, long task to achieve and to wait on something like that until it reaches fruition is just not being realistic.

Increase energy production. Yes, again,

we are all for that. No question about it. If that would ease the inflation burden, sure. But is there anybody, whether he is from Oklahoma, Utah, Wisconsin, Texas, or anywhere, who argues we will not have to pay higher prices for energy this year, next year, or the year after?

We will be lucky if by the end of the next couple of years we are not paying $1 a gallon for gasoline. I hope we do not have to, but the expectation is that, certainly, gasoline prices will rise, heating oil prices will rise, and that will aggravate inflation.

Also, the oil boys like to tell us that one way we can increase energy production is increase prices. That is supposed to make it attractive for people to develop and produce oil. That is one of the principal reliances.

Cut waste: When any of us are running for election, our opponents always say, "Cut waste. We can save billions of dollars by cutting waste." One candidate said, "We can save billions of dollars by cutting waste. Elect me and I will cut it out."

We would like to find it. There is no question that there is waste in the budget. Maybe it is $100 billion; it would not surprise me at all. But it is one thing to say that and something else to do it. The only way you probably can achieve that is to cut every budget that comes up, because there is waste in every budget. I favor that. But I doubt very much if this Congress is going to enact legislation to cut waste in our Government to the tune of $50 billion, $100 billion, or $20 billion. It is not realistic to expect it.

We should have further investment incentives, according to Senator BELLMON. Sure, and we do have some investment incentives. We have an investment tax credit. Most of us have supported that every year. We have increased it steadily, and we should. It is a good incentive. We would like to extend that incentive, but we have that incentive in place.

I would like to know what other specific incentives we should provide. Undoubtedly, there will be more next year. When we reduce taxes—in every election year we do—we are likely to put a lot of emphasis on increasing the incentive for saving, increasing the incentive for investment, and that is going to get more production.

Less consumption: That is something we would like to achieve. We should recognize, however, that we have 5.7 percent of the work force out of work. Fifteen percent of our factory facilities are unutilized. They are operating well below capacity.

As for cutting consumption, as Senator LONG pointed out the other day, President Ford suggested that people not buy as much, and we moved into a situation where we had a recession that was serious. If people stopped buying automobiles and houses, people would not be employed in Detroit and would not be employed in producing houses. We have to be careful about how we do that.

I think most people would say now that we do not have the kind of inflation that is principally responsible to a point where we should sharply reduce consumption. If we do that, we are going to have much higher levels of unemployment, and we may not get the kind of reduction in prices that we would like to get.

Train structurally unemployed: Yes, and we have measures to do that, and we have them before us. We are spending billions of dollars trying to train structurally unemployed now. "Structurally unemployed" means people who do not have skills.

In my State—and I am sure it is true in many other States—there is enormous emphasis on vocational education. It has been tremendously helpful. It has done a great deal to eliminate or at least to reduce the number of structurally unemployed in some parts of the country. We should do all we can to encourage that. But that is a long-term project. That is not something we are going to do in a couple of years. It is something that takes a great deal of time to do; and it takes not only more imaginative programs of vocational education but also a way of finding how to motivate many teenagers who have not developed a skill, to find a way to persuade them that they should do that, to make it as convenient and as attractive as possible for them to do it.

Costly regulations, such as environmental controls, were another element that Senator BELLMON suggested. Yes, indeed, we should do the very best we can to eliminate and to hold down costly regulations, and some of them are unreasonable.

It is ridiculous to insist that in every case we eliminate every last element of pollution, when that element of pollution may not have an adverse esthetic effect or an adverse health effect. We should eliminate any kind of pollution that has an adverse effect on health and whenever we can so far as the esthetic aspect is concerned, and perhaps we have gone too far in those areas.

I do not think anybody would argue that this, by itself, is going to play a major role in combating the kind of inflation we suffer now, with a vigorous program of holding down wages and trying to hold down prices, so that this momentum we have, which is the main element of inflation, can be overcome.

I think that perhaps the best testimony we had before our committee was when we asked Mr. Bosworth to give us, in specific numerical terms, the anatomy of the present inflation, with an inflation of about 9 percent. He indicated that about 7.0 to 7.5 percent of that, a very large proportion of it, about 70 percent of the inflation we suffer, was momentum inflation. By that he meant that wage earners insist on a wage increase that will find them whole, that will save them harmless from the price increases. When they look at the past year and see that we had an 8- or 9-percent inflation, they want an 8- or 9-percent wage increase.

Then, of course, when business has to pay that kind of wage increase, all they can do is to pass it on in higher prices. There is nothing else. They cannot eat it. Profit margins in this country are very limited. In some industries they are only 1 percent of sales or 2, 3, or 4 percent. There is no way they can do that without going out of business. They have to pass it on by way of higher prices.

Of course, there are cost increases, particularly wage-cost increases and price increases. When prices increase, wages increase. That is the cycle we are trying to overcome.

I submit that there is not any other game in town. The only game we have that is trying to overcome this situation is the wage-price guidelines and this really tiny agency of 233 people who are waging the big inflation fight; and they are being demeaned and are being attacked, but I think they deserve a lot of credit. They are our best hope now. To kill them on the ground that they are too threatening to business because the Government says, "If you exceed the guidelines, we are not going to buy from you but from somebody else," it seems to me is not really recognizing the tremendous importance of inflation and the fact that we have to use every instrument, every weapon, everything we have, to try to combat it and gradually to turn it around.

Unfortunately, this is something we cannot do in 1 or 2 or 3 years. It is going to take a long time and a lot of sacrifice and a lot of patience. It is going to take every tool we can find and every bit of intelligence we can summon. We do not have the answers at the present time, but we are not going to find those answers by killing the one agency we have that is in business to try to combat inflation.

Mr. President, I yield the floor.

Mr. COCHRAN. Mr. President, I happened to notice a cartoon in the newspaper this morning, and I am sure the distinguished Senator from Wisconsin noticed it, also. There is a sign on the wall reading, "Council on Wage and Price Stability." The Chairman is sitting at a table with some staff members, and the caption reads:

> What we really need are voluntary controls with some force.

Mr. President, I think that illustrates the absurdity of the situation in which we find ourselves, being called upon to extend the life of and actually increase the staff—by 300 percent—of an entity that does not have any legal power to enforce controls or guidelines.

We see a program that is not working; and I do not think we are moving in the right direction by saying that since this program is not working, we need to add more people, spend more money, get the Government deeper in debt, and say to the American people that by doing so we are helping in the battle against inflation.

I think that since October, when the program was first announced and this agency was given the power and authority to implement regulations in this area, we have seen the experiment fail. I know that we should not prejudge a program. I realize that there have been suggestions by the chairman and the director that they need more time and that prices are going to moderate, that wage demands will be responsible in response to the challenge of this Government to the working people of the country and the business men and women of the country to tighten their belts and hold down prices and hold down wages within these guidelines. The fact is that by this simple suggestion, we are saying that inflation is the burden of the working people and the business men and women of the country, that they really are to blame for inflation.

I believe that, as a government, we have to admit to the American people that it is the Government that is really to blame for inflation and that what we need now is to take a more introspective look at what Government is doing and how it is operating, to see what can be changed that the Government is doing to help in the battle against inflation. I think what the Government is doing is much too little.

The Senator from Oklahoma pointed out a few things that should be considered by this Government if we really are serious about trying to cure the problem, to try to get at some of the deficiencies in Government. The suggestion for a balanced budget is well taken, and it is my hope—I know the hope is shared by many other Senators—that the action that was taken this week by the Senate indicates that there is a commitment to balance the Federal budget, to keep our expenditures within the bounds of revenues anticipated.

However, I believe there is another area that should receive more attention than is being given it at this time. And that is the regulatory process.

This was touched on, and the distinguished chairman from Wisconsin mentioned environmental regulations. We all, of course, share the goal of a healthy and safe environment here in our United States. This is a worthy objective. And the Government, of course, should be embarked on an effort to insure that we do have a healthy and safe environment in our country. But the regulatory process goes far beyond environmental concerns.

This year, for instance, it has been estimated that the cost of complying with Government regulations may exceed $100 billion. A family of four could well this year have to pay $2,000 for the cost of complying with Government regulations.

This is an inflationary factor. It is a very significant inflationary factor and it is not going to be addressed. It is not even going to be studied, I suggest, by simply adding 200 employees to the Council on Wage and Price Stability.

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. COCHRAN. I am happy to yield to the Senator.

Mr. PROXMIRE. The Senator has a very good point. The regulatory process does tend to be inflationary in all kinds of ways. I think, however, we should acknowledge the fact that this administration is the first administration that I know of that has suggested deregulating in a way that has reduced prices in a major industry when they deregulated the airline industry, and the man who succeeded in that, Dr. Kahn, is now the man who is head of the agency that some Members of the Senate now want to abolish.

Furthermore, the administration is now trying to do the same thing with respect to the trucking industry. It is very tough. Just as the airline people did not want it the trucking people do not want it. They are going to resist and they are going to fight it very hard. But if you begin to deregulate, as the Senator points out, then you begin to have competitive forces far more vigorous and effective, and there is a much better chance we will be able to hold down prices. But, it seems to me it is unfair certainly to the administration to argue that they have done nothing in the area of trying to lessen the pressures of excessive regulation on prices when they are the first administration that has succeeded in eliminating a major area or at least reducing very greatly a major area of regulation.

Mr. COCHRAN. I appreciate the comments of the Senator. Nonetheless, we do see the cost to consumers of regulation continuing to go up and up.

I recall back last September we saw the Occupational Safety and Health Administration impose cotton dust standards on an industry. We all, of course, want to be sure that to the greatest extent possible and feasible there is protection afforded to workers who happen to be confronted with particles of cotton dust. The fact is, though, to pay for the cost of complying with these regulations is going to cost a lot of money and it is going to cost consumers in increased cost of cotton fabric. This is all passed on. It is inflationary.

There was no effort made by Congress or by the Senate to assume a responsibility for deciding whether those regulations, as an example of the problem, were economically feasible. Is it appropriate? Is it proper? Is it Government policy to impose that kind of cost on consumers in exchange for a hoped-for goal of a healthier work environment?

It was suggested, for instance, that there were alternative standards that could have been implemented at one-sixth the cost of the standards which were implemented.

I am suggesting that we take a careful look at the legislation that is before this body primarily sponsored by the Senator from New Mexico (Mr. SCHMITT) which would require the regulatory agencies to submit proposed regulations to the committees of Congress that have jurisdiction over those legislation areas which, in the first instance, created the program that is being implemented by the regulations and require the committee to make the judgment to disapprove or to approve the proposed regulations requiring, also, that the agency that is coming up with the proposed regulations prepare a cost impact statement, letting the committees see what it is going to really cost the consumers of the country to permit a set of regulations to be implemented.

It is this kind of different approach that I think should be taken and that I think many other Senators think should be taken rather than just saying let us add more people to the bureaucracy, let us hire 200 more people, let us increase this authorization from $2.2 million to $7 million and say to the American people by adding new employees to the list of workers here in Washington we are going to do something significant about inflation.

It is going in the opposite direction. If we need to do something we need to reduce. If we want to do something effective, we can start reducing the cost of government to the American people, not increase the cost of government because the problem is getting worse. That is what this committee is recommending to the Senate that we do. It is the same trend, it is the same pattern that we have seen over the last 30 years occurring under Republican and Democratic administrations alike.

Mr. PROXMIRE. The Senator is not saying that this bill would increase the cost of government and increase the inflation; is that right? Is that what the Senator is saying?

Mr. COCHRAN. I am suggesting that the bill asked for an increase in the authorization of from $2.2 million to $7 million, as I understand the legislation, to hire additional employees to work for the Council on Wage and Price Stability. This is going to add to the Federal deficit and make the deficit bigger, is it not?

Mr. PROXMIRE. Come on now. What is the Senator talking about $2 million—not $2 billion, not $200 million, not $200 billion but $2 million. That really is de minimis.

Mr. COCHRAN. That is what the report says.

Mr. PROXMIRE. There are 233 employees. The Federal Government has 2 million employees, not counting the employees who are under arms.

Furthermore, one of the most important functions of this agency is to combat exactly what the Senator is talking about. Dr. Kahn and Dr. Bosworth have been fighting very hard to get exactly the kind of regulations that Senator COCHRAN has been telling us about here. They are on his side. They want an economic statement. They have been asking for it. They have been doing their best to get it. They had a very tough time because they have been opposed by some Members of the Senate and some Members of the House of Representatives, as well as some people in the administration. But they are trying to get that economic statement. They think we should have a rational policy. If you abolish their operations, if you take away from them their economists who are working in this area, you are going to be way behind in this goal that you are trying to achieve.

This is the anti-inflation agency. They feel they have a mission. They have an obligation to do their best to try to hold down the inflationary effect of Government. They are the only agency in the Government that does, and a significant share of their resources have been devoted to do exactly that.

What this bill does is just to extend their life. Is the Senator saying, in effect, let us end that so there will be no one there who will be trying to make that fight?

Mr. COCHRAN. Mr. President, as I understand the legislation it is not just to extend the life of the agency, which does not expire, incidentally, until September as I understand it.

Mr. PROXMIRE. That is correct.

Mr. COCHRAN. It also adds employees and it adds money over and above what is being used by this agency and enlarges it. It is suggesting that we are going to solve the problem of inflation, Mr. President, by adding to the Federal bureaucracy. The idea is inappropriate, particularly when in the admission of the administration the only real hope is that this voluntary wage and price program will hold down inflation at a rate of only one-half of 1 percent, less than it would have been had this voluntary wage and price control program not been implemented. Some economists have suggested that it is much less than that. I think one witness testified that it was only anticipated that the program would achieve a 0.1-percent reduction in the rate of inflation. If we are going to have that as our goal for the program, it seems a bit ridiculous, Mr. President, to spend more money and add to the deficit, which is really going to have an impact on inflation itself.

So we meet ourselves coming back.

I think, Mr. President, there is a more appropriate way to attack this problem rather than to try to perpetuate a program that looks like a dead duck right in the middle of the stream, with the wage insurance plan, supposedly the guts of the program, going nowhere either in the House or the Senate—and I cannot predict, of course, and I do not suppose any other Senator can, what the legislative committees are going to do with the wage insurance part of this program—it seems to me they are not being welcomed, those suggestions are not being welcomed, with any enthusiasm by the committees that have jurisdiction over that phase of the program.

So if we cannot anticipate that that will be approved by Congress, and we are simply going to be working on the price side, what is the Government really going to do except to monitor prices that are being charged in the marketplace?

The AFL–CIO has suggested that that is what it is going to do with teams of people out in the field looking to see what prices are being pushed up to and making reports to the Government, making reports to the public, about those who may be unnecessarily raising prices to high levels.

I am not sure, Mr. President, that with the information we have a case has been made for spending as much new money as we are being asked to authorize to increase the size of an agency which has no game plan, and even though it may be the only game in town it is being lost.

We are way behind and we need to change the game. The new game ought to be to show some restraint and responsibility and not just add to a program, because it is not working. Maybe we should increase the life of this agency—I am not suggesting that it ought to be done away with—but maybe we ought to increase the life of this agency for a monitoring purpose. But I do not know that the justification exists to carry it to the extreme that is being recommended, Mr. President.

Mr. PROXMIRE. Mr. President, if the Senator will yield on that particular point——

Mr. COCHRAN. I would be very happy to yield to the Senator from Wisconsin.

Mr. PROXMIRE. I think any appeal to hold down the number of Government employees and spending deserves a lot of consideration and merit, and I certainly would do all I can to support any proposal of that kind.

But here you have a proposal that would provide for less than $10 million, which is one fifty-thousandth of the budget, in order to fight the No. 1 problem that faces us, which is inflation. If it has even the smallest kind of effect, even taking the suggestion of the Senator from Mississippi that it is only one-tenth of 1 percent, that is a payoff of 500 to 1. That is a terrific return.

If we get a 500-to-1 benefit-cost ratio of anything else, we certainly should support it. I think it is going to be much more effective than that. Maybe not much, but if you take the pessimistic views of the distinguished junior Senator from Mississippi it would still be a 500-to-1 investment that would pay off as far as the American people are concerned if you would hold down Government-caused inflation and inflation in the private sector.

The Senator says he is not necessarily opposed to the whole agency, but he thinks they ought to confine it to this monitoring, and I take it not get into the area that Senator GARN and Senator BELLMON particularly complained about, the procurement area.

Mr. COCHRAN. I am suggesting they could focus more attention more profitably on recommending to the Senate what we mentioned a moment ago about regulatory reform.

Mr. PROXMIRE. Well, they are doing that.

Mr. COCHRAN. The cost-effectiveness of Government regulations. This is a most important area because obviously the other part of the program is not working.

Mr. PROXMIRE. Give it a chance.

Mr. COCHRAN. I am not presuming——

Mr. PROXMIRE. It has only been in effect a very few months.

Mr. COCHRAN. We have had the President writing letters to the Fortune 500 asking them if they would comply with the program.

Mr. PROXMIRE. They have agreed to it. The Oil, Chemical Workers have agreed to it also.

Mr. COCHRAN. Just a moment. A moment ago the distinguished Senator from Wisconsin stated that 90 or 95 percent of the businesses of America were voluntarily complying, showing support for this program. My information is that the President wrote a letter to the Fortune 500 and about 400 responses were received. Of those responses, 207 indicated, in the words of the administration, a commitment to support the program. Many of those suggested there were conditions that were not known yet which might affect their final decision, and economic developments could occur that might make them change their minds. That is not 90 to 95 percent of the Americans who are in business supporting the program.

Mr. PROXMIRE. There was a great deal of consternation in American business about the release of that, because they pointed out, business after business pointed out, they had every intention of complying, but they had not had an opportunity to respond, and, on the basis of the people who did have an opportunity to respond, Dr. Kahn said the expectation was that it would be 95 percent compliance. But there were a number of firms—I wish I could recall—I do not want to be unfair to any firm—but there were several of the most prominent American businesses that said they were chagrined at the fact that they were not included as complying, because the implication was that they would not comply. They said that was not the implication at all. The implication was that they had not had an opportunity to respond and were doing their best to respond, and all the indications are that American business is going to do its very best to comply.

Many of them do not like it, think it is wrong and are opposed to it, but they are going to do their patriotic duty and comply with it.

There is no indication that 10 percent or 15 percent or 20 percent, let alone 50 percent, are just going to ignore it or are not going to comply with it.

Mr. COCHRAN. With that kind of response, though, which was published—and I do not think it has been clarified or denied by the administration——

Mr. PROXMIRE. It was clarified before our committee by Dr. Kahn.

Mr. COCHRAN. Well, the people who wrote the letters, who received the letters, as far as I know—and I yield to the Senator's recollection of testimony before his committee, since I do not serve on the committee—have not indicated that there is any change in those figures.

Couple that with what is happening on the wage side, looking at negotiations that are taking place right now, Mr. President, with the Teamsters' contract, which is obviously going to exceed the suggested guidelines for wage increases by the administration——

Mr. PROXMIRE. I ask the Senator to give it a chance. The Senator does not know whether it will or not. People thought the Oil, Chemical Workers would exceed it, too, but it did not. They came under it.

Mr. COCHRAN. Well, we will see. I cannot predict——

Mr. PROXMIRE. The Senator may be

right and, if so, it would be a tragedy. But give them a chance.

Mr. COCHRAN. We hope it is a reasonable settlement.

Mr. PROXMIRE. It is the only chance we have of getting what could be an extremely inflationary settlement settled at a less inflationary, maybe not even an inflationary, level. It could set a very constructive pattern if you do not knock it out.

Mr. COCHRAN. Couple that with the legal problems that the program has, the litigation that has been instituted by the AFL–CIO, that has been joined in by Senators and Congressmen who are challenging the legal efficacy of the program the administration is pushing, and one really wonders whether at this time, before the agency's authorization expires in September—and here we are in March—that we should vote to increase that budget by $5 billion, that authorization by $5 billion——

Mr. PROXMIRE. What?

Mr. COCHRAN. Five million dollars. Washington has contaminated my pronunciation—millions become billions.

Mr. PROXMIRE. One-tenth of 1 percent of what the Senator suggested, not $5 billion but $5 million, "m," right?

Mr. COCHRAN. Right. From $2.2 to $7 million, as I understand, is the suggested increase, which will be included in a request for a supplemental appropriation, and all this at a time when the program is floundering; the guts of the program, the real wage insurance aspect, is certainly not being enthusiastically received by the legislative committees that have jurisdiction over that aspect of the program.

I cannot see, Mr. President, that it has been justified to the Senate that we continue to enlarge the bureaucracy in the name of fighting inflation.

To fight inflation, I think, is noble, it is required. It is one of the most hideous economic problems our country faces. It is complex, and there is no easy solution, and I am not suggesting that there is. I do not think we can just balance the budget and solve the problem. I think that would be a good thing to do, but we need to look at regulatory reform, we need to look at the other contributing factors and try to find a comprehensive solution. But this is not doing it, and it should not be suggested to the American people that it is an answer to that problem.

Mr. PROXMIRE. May I just say before the Senator finishes, I would like to congratulate the Senator on his jacket. I think it is one of the best looking I have seen in a long time. I think he has excellent taste with respect to the jacket, and also the color of his shirt. The combination is irresistible, and I think anybody who is that sartorially—who shows that good judgment has to be right about something. So I am glad the Senator is right about the way he dresses, even though I disagree with him a little bit with respect to how we fight inflation.

[Laughter.]

Mr. COCHRAN. I thank the chairman. I would like to compliment the chairman of the committee on his taste. I have just received a note from the Chair, incidentally, if it is not inappropriate to disclose that, inquirying at what sale we bought our jackets. [Laughter.]

Mr. PROXMIRE. I think maybe the Senator from Mississippi and the Senator from Wisconsin can get together and pool their resources and get something of that kind for my good neighbor, the Presiding Officer, Senator Exon.

Mr. COCHRAN. I thank the Chair.

In closing——

Mr. GARN. If I may interrupt, Mr. President, I could not resist, when we spoke about the tan coats, saying that I have stayed out of this colloquy feeling that I was improperly dressed to be speaking. [Laughter.]

The PRESIDING OFFICER. Has the Senator from Mississippi finished?

Mr. COCHRAN. Mr. President, I yield to the distinguished Senator from Illinois.

Mr. PERCY. Mr. President, I would like to point out, having been most interested in this colloquy, one supreme virtue of this legislation. It certainly proves that if we have trouble administering this program on a voluntary basis, how impossible it would be to administer wage and price controls on a compulsory basis in times of peace.

I would recommend anyone interested reading some of the volumes put out by the last price administrators, showing the world of reality they lived in when they found out the problems of the Government really trying to control wages and prices on a compulsory basis.

Mr. PROXMIRE. Mr. President, I congratulate the Senator on that observation. He is 100 percent right. If you can operate a voluntary program with 1,000 people, you would have to increase the size of that program by 30 or 40 or 50 times, and even then you would have an unbearable situation. I am delighted that the Senator from Illinois has made that point, because I think we are going to have to, again and again and again as the years go on, continue to oppose the imposition of compulsory wage and price controls.

Mr. PERCY. Mr. President, I am glad we are in unanimity on that point. I recommend to any of my colleagues Jack Gleason's book. I think he recommends the most constructive policies.

Senator Proxmire and I feel that this would add to the cost about $100 billion a year, probably. That is for the fundamental programs, productivity increases, incentive for people to invest in program and plant that would give them a lower unit cost of production, balancing the budget.

There is no one in this body, other than Harry Byrd, who has talked more about balancing the budget, or done more about it, than our distinguished colleague the Senator from Wisconsin (Mr. Proxmire). Or, I might add, done more in the way of trying to get rid of waste in Government.

Balancing the budget and getting rid of waste in Government are the things that we can do best.

We ought to provide the exemption, at least now, which was called the "Percy amendment" back in those horrible price and wage control days, that exempted any industry or company from controls provided its productivity went up. Why should we put a ceiling on anyone if, through productivity increases, they have found a way to lower their unit cost of production, and not cause prices to go up if wages went up. We ought to provide an exemption for them if they increase productivity to get out from under wage and price controls.

Mr. PROXMIRE. Mr. President, if the Senator will yield, let me correct a remark that I made. I said we would need 30 or 40 times as many bureaucrats. I am reminded that it would be 300 to 400 times as many bureaucrats, working to try to enforce compulsory controls.

Mr. PERCY. Right; and still they would not work. They would be grossly inequitable.

I thank my colleague for yielding.

The PRESIDING OFFICER. The Chair recognizes the Senator from Mississippi.

Mr. COCHRAN. Mr. President, I will not belabor this point at this time. I know it is late in the day, and we will continue the consideration of this legislation next week. But in conclusion, I will admit, Mr. President, that this is a unique and new effort to try to solve what is getting to be a very old problem.

We have had administrations in the past, and Members of Congress, suggest all kinds of efforts that Government ought to make to solve the problems of inflation. There is no real parallel in our history for this particular program that we are seeing put into operation now, which is having so much difficulty getting off the ground.

We had, of course, had experience with mandatory controls in World War II, also in the Korean war, and in the period from 1971 to 1974 as well. And back in 1962 there was a period when we dealt with a general policy program of wage and price "standards"; but they had no direct legal sanctions available for enforcement, which is different from the plan that is being implemented under this agency's auspices at this time.

I have shared, Mr. President, the hope of the administration that this program would be effective. But, noting that we are in the area, in January and February, of double-digit inflation again, having seen over the past 2 years an increase in the inflation rate which has doubled, and since there is no real prospect in sight for any dramatic change in that rate of inflation, we need to look to new solutions. We need to try to embark on a program that will really attack some of the worst causes of inflation, and some of the more obvious: that is, those which result from Government action itself.

So I hope that instead of emphasizing the burden that working men and women have and that business men and women have to fight this battle by themselves, the Council on Wage and Price Stability will focus its attention on what the Government can do to change the way in which it does business to help in this battle against inflation, because I am convinced that inflation is not the fault of the wage earners and business men and women of America, it is the fault of the Government. We need to change our attitude and change the focus; and if we do that, we may win that battle.

PRIVILEGE OF THE FLOOR

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the following staff members be permitted on the floor during the consideration of S. 349: Ken McLean, Steve Roberts, Ev Engstrom, Howard Merrell, Danny Well, Tony Cluff, Paul Freedenburg, Wayne Abernathy, Dick Kaufman, and Ron Tamen.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I am happy to yield to my good friend from California.

Mr. HAYAKAWA. I thank the distinguished Senator from Wisconsin.

NATIONAL MIME WEEK

Mr. HAYAKAWA. Mr. President, I call up a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The second assistant legislative clerk read as follows:

A resolution (S. Res. 124) designating a National Mime Week.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that the reading of the resolution and the preamble be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there objection to the immediate consideration of the resolution?

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HAYAKAWA. I yield.

Mr. PROXMIRE. Reserving the right to object, has this resolution been cleared with the leadership on both sides?

Mr. HAYAKAWA. It has been cleared by the leadership on both sides on the the Senate Judiciary Committee.

Mr. PROXMIRE. Has it also been cleared by Senator BAKER and Senator ROBERT C. BYRD.

Mr. HAYAKAWA. It has been cleared with Senator BAKER, and I think it is being taken over to be cleared with Senator BYRD now.

Mr. PROXMIRE. Well, I am going to have to object unless——

Mr. HAYAKAWA. It has been cleared.

Mr. PROXMIRE. It has been cleared with Senator BYRD?

Mr. HAYAKAWA. It has been cleared.

The PRESIDING OFFICER. Is there objection? Without objection, the Senate will proceed to its consideration.

Mr. HAYAKAWA. Mr. President, I call my colleagues' attention to the fact that a fascinating event will take place around the country in the next few days. This event has been named "National Mime Week" and, in the words of its sponsors, it is "an explosion of mime across the country—a celebration of American mime and its growth in recent years." I feel that it is only fitting that the Congress should express its support and appreciation by means of a resolution.

The Los Angeles Mime Guild is the actual sponsor of this idea and it has received the support of mime groups all across the country. In addition, Joe Jeff of the Wonder Co., a mime group here in Washington, has worked with my office in connection with this project.

Mr. President, there will be major mime productions going on in many cities across the country next week. In Washington, D.C., there will be the first annual National Mime Parade on Friday, April 6 at 12 noon featuring Red Skelton. The parade will march down Pennsylvania Avenue in silent celebration of this historic occasion. I also understand that two marching bands will join in.

They will pretend to play their instruments, but they will not actually blow on them.

They will be unique in a way, because you will be able to watch them but you will not be able to hear them.

At 1 p.m. the parade will end at the Corcoran Gallery of Art where Mrs. Walter Mondale will welcome the mimes and where they will perform throughout the weekend.

Mr. President, I move the adoption of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 124

Whereas the art of mime and pantomime as performed by American artists is recognized internationally to be an innovative and unique form of theatrical excellence;

Whereas the thousands of mime artists currently creating, producing and performing in our country contribute immeasurably to the richness of our cultural heritage;

Whereas a time should be set aside each year for the purpose of acknowledging pantomime as a cherished national treasure in our performing arts;

Whereas the nature of mime and pantomime is one of celebration, all Americans should be encouraged to share in the special magic of mime during this time by attending live performances, films and other media which present this highly prized art form;

Resolved: That the Senate of the United States show its support and appreciation by proclaiming April 1 through April 7 as National Mime Week.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wisconsin.

JEWS AND GENOCIDE

Mr. PROXMIRE. Mr. President, on Monday of this week Attorney General Griffin Bell stated that he intends to use his "parole power" to admit an additional 25,000 Soviet Jews into this country between now and September 30. This figure amounts to a significant increase over last year's level, and constitutes yet one more example of the administration's efforts to guarantee the security of the Jewish people throughout the world. Both in diplomatic successes abroad and in immigration policy here at home, the Carter administration has taken solid steps in making this commitment a reality, and should be thoroughly commended for its efforts.

Mr. President, I wish it were true that the Senate could share this praise. But we cannot. While the administration has pursued its policy with singular determination, we have been wavering for 30 years over whether we should lend our support to a treaty that emphatically asserts the right of the Jewish people—and, indeed, all religious and national groups—to live. For 30 years, Mr. President, we have refused to ratify the Genocide Convention. The blame is not with the administration—it is with us, and us alone.

This administration has called for it. Every administration beginning with the Truman administration—the Eisenhower administration, the Kennedy administration, the Johnson administration, the Nixon administration, the Ford administration, and the Carter administration—have all called for it.

Mr. President, it is thoroughly inconsistent that a nation which bases its Government on a guaranty of basic human rights should refuse to ratify this convention. We present a poor picture to the rest of the world and to ourselves when we espouse human rights in words but not in international guarantees. We must put an end to this inconsistency and reaffirm our commitment to the right of all religious, racial, ethnic, and national groups to live. We must ratify the Genocide Convention.

Mr. President, I ask unanimous consent that an article appearing in the Washington Star of Tuesday, March 27, 1979, pertaining to Mr. Bell's decision, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BELL USING PAROLE POWER TO ADMIT 60,000 MORE ASIAN, JEWISH REFUGEES

(By Robert Pear)

Attorney General Griffin Bell has decided to admit 60,000 additional refugees over the next six months, reflecting a continued steady influx of Indochinese and a "sharp upturn" in the number of Jews leaving the Soviet Union.

Bell disclosed his plans yesterday in letters to Rep. Peter Rodino, D-N.J., chairman of the House Judiciary Committee, and Sen. Edward Kennedy, D-Mass., chairman of the Senate Judiciary Committee. The two panels have authority over immigration matters.

Bell's action came in response to a request from Deputy Secretary of State Warren Christopher who reported a steady flow of Cambodian refugees and Vietnamese "boat people."

The attorney general said he intends to use his "parole authority" to admit 35,000 Southeast Asian refugees and 25,000 Soviet Jews between now and Sept. 30.

This, said Doris M. Meissner, a deputy associate attorney general, is more than the total number of refugees—52,000—admitted since June.

The most notable feature of the new request is the increase in the number of Soviet Jews. "Their emigration has increased dramatically," Meissner said. The number of Soviet refugees, running at about 1,000 a month, jumped to between 2,000 and 3,000 last November or December, she said.

Justice Department officials suggested that Soviet authorities may be allowing Jews to leave now so they won't defect and cause embarrassing "publicity problems" during the 1980 Olympic Games in Moscow.

Earlier this month the State Department asked Bell to allow admission of 20,000 Soviet and Eastern European refugees, but Bell increased the figure by 5,000, saying he wanted to provide a "reserve."

In his letter to Bell, Christopher said there is a backlog of 10,000 Eastern European refugees waiting in Rome hoping to come to to the United States.

"Over the coming months," Christopher said, "we expect that about 3,400 (Eastern European) refugees each month will request admission to the United States.

Voluntary organizations, assisted by various federal agencies, generally help with resettlement, including employment.

Present parole authority for Soviet and Indochinese refugees expires April 30. The allowance for Soviet Jews will be exhausted this week, Bell said.

The Carter administration has proposed a comprehensive overhaul of U.S refugee laws to diminish use of the discretionary parole power.

"I cannot emphasize too strongly the urgency the administration places on passage of such legislation so that use of the parole in this manner is no longer necessary and a permanent framework for meeting refugee needs in a systematic fashion is established," Bell said in his letters.

The parole power, Bell said recently, was designed as "a safety valve for unusual individual cases of compelling need." But attorneys general have used it to "end-run" other provisions of the Immigration and Nationality Act, he said.

Bell invoked his parole power last June to authorize admission of 25,000 Indochinese refugees and 12,000 Eastern Europeans, mostly Soviet Jews. In December, he approved admission of 21,875 additional Indochinese

Christopher said that "there are now 75,000 boat refugees from Vietnam in Asia, nearly 55,000 in Malaysia alone. The average arrival rate for recent months is 15,000. While over 7,000 earlier arrivals move on to resettlement in the U.S. and elsewhere each month, the net increase in camp population is seriously high. . . .

"Even if the arrival rate falls off, the problem of camp overcrowding will remain critical," Christopher added. "Thailand's camps for refugees from Laos and Cambodia are now swollen with 145,000 people. . . . The number will certainly grow by as much as 4,000 a month despite departures to other countries."

Christopher said the situation is equally serious in other countries. Already, he noted, there are reports of boats again being turned away from Malaysia. "Hong Kong is being inundated with refugees, some arriving by large ships after the payment of money, but refugees fleeing persecution nonetheless," he said.

In the Philippines, Christopher said 2,000 refugees are in their third month aboard a large ship in Manila Bay. The authorities will not allow the refugees ashore because they are not sure that other countries will help with resettlement.

Moreover, Christopher said that State Department officials do not assume any immediate improvement in the basic conditions that force refugees to flee, often at great risk.

"Continuing warfare in Cambodia, violent attacks on the Hmong in Laos by Vietnamese and Pathet Lao forces, tensions in Vietnam itself as it confronts enemies on its borders and attempts to purge itself of suspect elements—all these conditions are likely to continue," Christopher said.

The Hmong, also called Meo, are mountain-dwelling people in Laos and other Indochinese countries.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL MONDAY, APRIL 2, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATIONS FOR CERTAIN ACTIONS TO BE TAKEN DURING THE RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess over until Monday at 12 o'clock noon, the Vice President of the United States, the President pro tempore of the Senate, and the acting President pro tempore may be authorized to sign all duly-enrolled bills and joint resolutions, that the Secretary of the Senate may be authorized to receive messages from the other body and the President of the United States and that they be appropriately referred, and that until 5 p.m. tomorrow committees may be authorized to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

COMMUNICATION

The PRESIDING OFFICER laid before the Senate the following communication, together with accompanying papers, which was referred as indicated:

EC-976. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to provide a comprehensive system of liability and compensation for oil spill damage and removal costs, and for other purposes; to the Committee on Commerce, Science, and Transportation, and the Committee on Environment and Public Works, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication from the Secretary of Transportation transmitting draft legislation to provide a comprehensive system of liability and compensation for oil spill damage and removal costs, and for other purposes, together with the bill when it is introduced, be jointly referred to the Committees on Commerce, Science, and Transportation and Environment and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR JOINT REFERRAL OF S. 684

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that S. 684, the Oil Transportation by Vessel Liability Act, which has been referred to the Committee on Commerce, Science, and Transportation, be jointly referred to that committee and to the Committee on Environment and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STENNIS, from the Committee on Armed Services:

Special Report on the Activities of the Committee on Armed Services (Rept. No. 96–50).

By Mr. BENTSEN, from the Joint Economic Committee:

Special Report on "The Effects of Structural Employment and Training Programs on Inflation and Unemployment" (Rept. No. 96–51).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 413. A bill to provide assistance to airport operators to prepare and carry noise compatibility programs, to provide assistance to assure continued safety in aviation, to provide assistance to aircraft operators to aid them in complying with noise standards, and for other purposes (Rept. No. 96–52).

Mr. CANNON. Mr. President, I am pleased to file on behalf of the Committee on Commerce, Science, and Transportation S. 413, the Aviation Safety and Noise Abatement Act of 1979, and the committee report on that legislation.

This is a top priority piece of legislation with our committee. I hope the unanimous committee support of S. 413 is swiftly followed by Senate approval of this imperative bill.

By Mr. PELL, from the Committee on Rules and Administration, without amendment:

S. 832. An original bill to extend the authorization for the Federal Election Commission (Rept. No. 96–53).

By Mr. PELL, from the Committee on Rules and Administration:

Special report on "Legislative Review During the 95th Congress by the Senate Committee on Rules and Administration" (Rept. No. 96–54).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. WALLOP (for himself and Mr. SIMPSON):

S. 821. A bill to authorize the Secretary of the Interior to construct, operate, and maintain modifications of the existing Buffalo Bill Dam and Reservoir, Shoshone project, Pick-Sloan Missouri Basin program, Wyoming, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. RIBICOFF (for himself and Mr. PELL):

S. 822. A bill to amend the Internal Revenue Code of 1954 to provide relief to residential and certain institutional users of refined petroleum products in the event of the deregulation of oil prices; to the Committee on Finance.

By Mr. BAUCUS (for himself and Mr. MELCHER):

S. 823. A bill for the relief of Yuk Chuen Leung; to the Committee on the Judiciary.

By Mr. DOMENICI:

S. 824. A bill to amend the Internal Revenue Code of 1954 to provide that members of the uniformed services assigned to duty outside the United States shall be eligible for the earned income credit; to the Committee on Finance.

By Mr. JAVITS (for himself, Mr. WILLIAMS, Mr. RIEGLE, Mr. RIBICOFF, Mr. LEVIN, and Mr. BRADLEY):

S. 825. A bill to provide for equalizing the costs of unemployment compensation, revising the extended benefits program, and for other purposes; to the Committee on Finance.

By Mr. CHURCH (for himself and Mr. JACKSON):

S. 826. A bill to amend the Small Reclamation Projects Act of 1956, as amended; to the Committee on Energy and Natural Resources.

By Mr. DOMENICI:

S. 827. A bill to amend chapter 21 of title 38, United States Code, relating to specially adopted housing for disabled veterans, to remove the requirement that a blind veteran, to be eligible for assistance under such chapter, must also have suffered the loss or use of one lower extremity; to the Committee on Veterans' Affairs.

By Mr. MATHIAS (for himself, Mr. SARBANES, and Mr. WARNER):

S. 828. A bill to authorize additional Federal contributions for the cost of construction of the rapid transit system of the National Capital Region, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BELLMON:

S. 829. A bill to declare a comprehensive and coordinated national weather resources management policy, to provide for the development of standards and guidelines for weather resources management, and to establish a national program of research and development in the weather resources management field; to the Committee on Commerce, Science, and Transportation.

By Mr. JAVITS (for himself, Mr. MOYNIHAN, Mr. WILLIAMS, Mr. RIEGLE, and Mr. MCGOVERN):

S. 830. A bill to amend section 1682A of title 38, United States Code, to eliminate the State matching requirement under such section in connection with the program of accelerated payment of educational assistance allowances provided in such section; to the Committee on Veterans' Affairs.

By Mr. DOLE (for himself, Mr. ROTH and Mr. STEVENS):

S. 831. A bill to establish a temporary Commission on Governmental Organization and Regulation; to the Committee on Governmental Affairs.

By Mr. PELL, from the Committee on Rules and Administration):

S. 832. An original bill to extend the authorization for the Federal Election Commission. Placed on the calendar.

By Mr. RANDOLPH (by request):

S. 833. A bill amending the Water Resources Planning Act of 1965 to implement state water management and conservation technical assistance programs, and for other purposes; to the Committee on Environment and Public Works.

S. 834. A bill to extend the Appalachian Regional Development Act of 1965; to the Committee on Environment and Public Works.

By Mr. RANDOLPH (for himself and Mr. MOYNIHAN):

S. 835. A bill to extend the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act of 1965 and to provide for a nationwide system of multi-state regional development commissions to promote balanced development in the regions of the Nation; to the Committee on Environment and Public Works.

By Mr. MELCHER:

S. 836. A bill to amend the Rural Electrification Act of 1936 to provide for the financing of telecommunications facilities for broadband services in small towns and rural areas, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 837. A bill to amend the Water Bank Act for the purpose of authorizing the Secretary of Agriculture to adjust payment rates with respect to initial conservation agreements and to designate certain areas as wetlands, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CHAFEE:

S. 838. A bill to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out the purposes of Act, and to initiate an emergency investigation on the striped bass in Atlantic Coastal waters; to the Committee on Environment and Public Works.

By Mr. PRESSLER:

S. 839. A bill to provide for the maintenance of essential branch line rail service in rural areas through assistance for cooperative ownership of lines; to the Committee on Commerce, Science, and Transportation.

By Mr. MATSUNAGA:

S. 840. A bill for the relief of Angela Salvador Coloma; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WALLOP (for himself and Mr. SIMPSON):

S. 821. A bill to authorize the Secretary of the Interior to construct, operate, and maintain modifications of the existing Buffalo Bill Dam and Reservoir, Shoshone project, Pick-Sloan Missouri Basin program, Wyoming, and for other purposes; to the Committee on Energy and Natural Resources.

(The remarks of Mr. WALLOP when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. RIBICOFF (for himself and Mr. PELL):

S. 822. A bill to amend the Internal Revenue Code of 1954 to provide relief to residential and certain institutional users of refined petroleum products in the event of the deregulation of oil prices; to the Committee on Finance.

HOME HEATING OIL CONSUMERS NEED RELIEF

● Mr. RIBICOFF. Mr. President, home heating oil consumers in Connecticut, New England, and elsewhere in the Northeast bear a disproportionate share of the burden of the Nation's energy crisis. With no indigenous energy resources, we must depend on expensive imported oil to heat our homes.

Seventy-one percent of all New England's buildings are heated by oil and 74 percent of the population heat with this form of energy. In Connecticut 73.4 percent of the population—well over 2 million people—depend on oil for space heating. Over 1 million buildings in my State are heated with oil.

For the past 4 years the cost of home heating oil in our region has almost tripled. Prices for this important commodity continue to skyrocket. In just the current heating season alone there has been a 10 to 15 percent increase in home heating oil costs. It has been estimated that New Englanders will pay approximately $312 million more for their supplies over the next year. Connecticut consumers this winter will pay an estimated $359 million for home heating oil—$44 million moe than they paid last winter. As Governor Ella Grasso has so precisely noted, "This increase is disastrous for our already over-burdened consumers."

The OPEC price increases have been particularly disastrous. When the December increases become fully effective an additional $114 million will be added to the energy costs of Connecticut consumers. This figure does not take into consideration the additional 3 to 4 cents a gallon increase resulting from the most recent OPEC price hike. It is very possible that the price of home heating oil will come dangerously close to 70 cents a gallon before this heating season ends. With the additional price increase from the decontrol of domestic oil, it has been estimated that prices could reach almost 80 cents a gallon during the next heating season, compared to the present 60 cents to 64 cents cost and 34 cents just 5 short years ago.

The tragic fact is, Mr. President, that in far too many instances, the additional costs of home heating oil will be borne by those least able to afford it. It has been reported that while a typical New England household will spend one-tenth of its income on energy, a low-income household spends 27 percent. It is very possible that almost a third of a poor family's income will be devoted to energy if there is a 20 percent price rise. In some cases people are being forced to decide whether to buy groceries or spend their limited funds to buy oil to heat their homes.

Up to this point the Northeast's home heating oil dilemma has been addressed only through stop-gap measures, such as the cumbersome entitlements program and, more recently, through the so-called gasoline "tilt." Nevertheless, it costs more to heat a home in our region than in any other location in America—an estimated 8 percent higher than the national average.

In an effort to provide some modest protection to home heating oil consumers—especially against extraordinary price increases generated by the OPEC price hikes and the deregulation of domestic oil—I am reintroducing legislation to provide a refundable tax credit.

Similar to the measure I introduced last year and to provisions in the Senate-passed energy tax measure of the 95th Congress, my bill is triggered by domestic oil decontrol. The credit shall not exceed $125 for any 1 year. There is a reduction of the credit as a household's adjusted gross income exceeds $25,000. The bill covers only households and certain groups not subject to income tax such as hospitals, educational institutions and churches.

I am offering my bill at this time, prior to the President's public announcement of his fuel plan, to focus this body's attention on the unique dilemma facing the Northeast. I am hopeful President Carter and his energy and economic advisers will carefully consider the plight of the Northeast home heating oil consumer and the relief which my bill will provide.

Mr. President, we must strive to achieve equity in energy pricing. We must carefully evaluate the regional impact of our energy policies and provide some cushion for those areas which are paying more than their fair share.

Mr. President, I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 822

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowed) is amended by inserting immediately before section 45 the following new section:

"Sec. 44D. Oil Deregulation Price Increase Credit.

"(a) General rule.—There is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the products of—

"(1) the deregulation amount (as determined under subsection (b)) with respect to a refined petroleum product for each calendar quarter ending with or within the taxable year, multiplied by

"(2) the number of units (as defined by the Secretary) of such refined petroleum product used by the taxpayer for each such calendar quarter in a qualified use (as defined in subsection (c)).

"(b) Determination of deregulation amounts.—For each calendar quarter beginning after the effective date of action taken by the President after March 15, 1979, to deregulate the price of crude oil and to prevent the occurrence of windfall profit resulting from such deregulation by the imposition of a tax or fee, the Secretary shall determine an adjustment amount for each such product by dividing the total revenues from the imposition of the tax or fee, or the net increase in revenues from an increase in a tax or fee, for the calendar quarter by the total number of units of crude oil sold for use during that calendar quarter. The adjustment amount for each calendar quarter shall be determined not less than 30 days before the beginning of that quarter on the basis of estimates and the adjustment amount for subsequent quarters shall be adjusted to the extent necessary to compensate for errors of estimate for preceding quarters.

"(c) Qualified use.—The term 'qualified use' means use in a residence for residential purposes, a hospital, a church, or an educational institution. In the case of use in a residence for residential purposes, the Secretary shall provide by regulation for the application of this section to condominium management associations (as defined in section 528(c)(1)) or members of such associations, tenant-stockholders in cooperative housing corporations (as defined in section 216), and landlords and tenants in such a fashion that the amount allowed by subsection (a) is allowed, whether by allocation, apportionment, or otherwise, to the perosns paying, directly or indirectly, for the refined petroleum products so used.

"(d) Limitations in the case of individual taxpayers.—In the case of an individual,—

"(1) Maximum amount.—The amount of the credit allowed by subsection (a) for the taxable year shall not exceed $125.

"(2) Reduction of credit for adjusted gross income in excess of $25,000.—The amount of the credit allowable by subsection (a) for the taxable year (after the application of paragraph (1)) shall be reduced by .75 percent of the amount by which the adjusted gross income of the individual for that taxable year exceeds $25,000. ($15,000 in the case of a married individual who files a separate return).

"(e) Persons not subject to income tax.—For purposes of this section, a hospital, cooperative hospital service organization, church, association or convention of churches, or an educational institution exempt from taxation under this chapter by section 501(b), shall be treated as if it were a taxpayer liable for tax under this chapter.".

(b) Refund of Excess Credit.—

(1) Section 6401(b) of such Code (relating to amounts treated as overpayments) is amended—

(A) by striking out "and 43 (relating to earned income credit)," and inserting in lieu thereof "43 (relating to earned income credit), and 44D (relating to oil deregulation price increase credit),", and

(B) by striking out "and 43" and inserting in lieu thereof "43, and 44D".

(2) Section 6201(a)(4) of such Code (relating to assessment authority) is amended—

(A) by striking out "or 43" in the caption thereof and inserting in lieu thereof ", 43, or 44D",

(B) by striking out "or section 43" and inserting in lieu thereof ", section 43", and

(C) by inserting "or section 44D (relating to oil deregulation price increase credit)," before "the amount so overstated".

(c) Advance Quartely Refunds of Credit.—

(1) In general.—Subchapter B of chapter 65 of such Code (relating to rules of special application for abatements, credits, and refunds) is amended by adding at the end thereof the following new section:

"Sec. 6429. Advanced Quarterly Refund of Section 44D Credit.

"(a) General rule.—Upon application made by a taxpayer eligible to claim the credit allowed by section 44C for the taxable year, the Secretary shall pay to the taxpayer, as a refund in advance, an amount equal to one-fourth of the taxpayer's tentative credit for the taxable year. For purposes of this subsection, the term 'tentative credit' means the amount of the credit the taxpayer expects to be allowed under section 44C for the taxable year based on the best estimates and data available to the taxpayer as of the filing date of the application.

"(b) Rules.—

"(1) Applications.—The taxpayer shall submit a separate application for each calendar quarter for which he wishes to receive a payment under subsection (a) stating the amount of the credit under section 44D allowable to him with respect to qualified uses (as defined in section 44D (c)) by him for that calendar quarter. No payment shall be made under subsection (a) for any calendar quarter unless the application is filed during the 30-day period beginning 15 days before the beginning of such quarter. Each such application shall contain, or be verified by, a written declaration that the statements and the application are made under penalties of perjury and that every material matter asserted in the application is believed to be true and correct.

"(2) Payments.—The Secretary shall make each payment described in subsection (a) within 30 days after the date on which he receives the application for the payment.

"(c) Cross References.—

"For penalties applicable to fraud and false statements, see section 7206.

"For treatment of excess claims as underpayments of tax, see subchapter A of chapter 68.".

(d) Clerical Amendments.—

(1) The table of sections for subpart A of part IV of subchapter A of Chapter 1 of such Code is amended by inserting immediately after the item relating to section 44B the following new item:

"Sec. 44D. Oil deregulation price increase credit.".

(2) The table of sections for subchapter B of chapter 65 of such Code is amended by adding at the end thereof the following new item:

"Sec. 6429. Advanced quarterly refund of section 44D credit.".

Sec. 2. The amendments made by the first section of this Act shall apply with respect to taxable years beginning after December 31, 1978.●

By Mr. DOMENICI:

S. 824. A bill to amend the Internal Revenue Code of 1954 to provide that members of the uniformed services assigned to duty outside the United States shall be eligible for the earned income credit; to the Committee on Finance.

● Mr. DOMENICI. Mr. President, of the great understatements heard on this Senate floor at the introduction of legislation, my favorite is "There exists an inequity in our tax system."

Yet, today I find myself repeating this slogan. The bill I introduce is meant to address a disparity in our tax code, one that impacts on uniformed servicemen based overseas.

The earned income credit in our tax code is meant to lessen the tax burden on low-income families and as an incentive for those on the lower economic scale to remain productive participants in our society.

Many members of our armed services are eligible for the earned income credit, but for the requirement that the abode or household of any claimant be in the United States, servicemen on overseas duty would also be eligible.

Mr. President, this legislation would simply allow our servicemen overseas to be treated as if residing in the United States for purposes of this section. After all, should not credit be given where credit is due? ●

By Mr. JAVITS (for himself, Mr. Williams, Mr. Riegle, Mr. Ribicoff, Mr. Levin, and Mr. Bradley):

S. 825. A bill to provide for equalizing the costs of unemployment compensation, revising the extended benefits program, and for other purposes; to the Committee on Finance.

UNEMPLOYMENT INSURANCE SYSTEM REVITALIZATION ACT OF 1979

● Mr. JAVITS. Mr. President, I am introducing today the Unemployment Insurance System Revitalization Act of

1979, in which I am joined by Senators Williams, Riegle, Ribicoff, Levin, and Bradley. This legislation is urgently needed in order to revitalize and strengthen the Federal-State unemployment insurance (UI) system which is facing the greatest crisis in its more than 40-year history.

Ever since it was conceived in the depths of the Depresison, the UI system has been the mainstay both of workers who have lost their jobs through no fault of their own, and of the national economy by automatically helping to stabilize the economy and to moderate steep economic fluctuations. But today it is threatened with grave financial danger as a result of the deep economic decline of the 1975–77 period, the worst we have experienced since the 1930's.

This recession has created strains on the UI system which it cannot continue to bear. We must focus our attention immediately on two aspects of the system:

First, its financial stability is severely jeopardized by its inability, without new Federal assistance, to recover from the overwhelming volume of benefit claims since 1974;

And, second, it was unable to meet even minimum income security needs of long-term unemployed workers without a series of ad hoc emergency legislation extending the duration of benefits.

The Unemployment Insurance System Revitalization Act of 1979, in my judgment, resolves these two pressing issues on a permanent basis, and at the same time provides much needed relief for the immediate crisis.

I find it remarkable that so little attention has been given to these structural problems. How can we ignore the threat to this system that is designed to protect virtually all workers in America against the devastating economic effects of losing their jobs. The Federal Government has said to those workers that they are entitled, as a matter of right, to partial compensation for lost income due to layoffs under a system of insurance paid for on the basis of their own earnings. It bears emphasizing that this is not welfare; it is fundamentally an insurance system which preserves the dignity of each individual worker. I believe these workers are now entitled to know how the Federal Government, as the principal partner in this Federal-State system, is going to restore financial stability to the UI system and enable it to meet any recession if and when it occurs.

The Unemployment Insurance System today is approximately $14 billion in debt to the Treasury of the United States. Without this proposed legislation, the only recourse will be for States and the Federal Government to continue to penalize employers and workers alike through more and more payroll taxes. In fact, this has already occurred to an alarming degree. The Federal unemployment insurance tax rate has been increased from 0.5 to 0.7 percent of covered wages. The States themselves increased UI taxes during the recession so that the ratio of State UI tax receipts to taxable wages increased 32 percent from 1974 to 1976.

What we have done is to distort the very economic stabilizing effect the unemployment insurance system is intended to have. Just when economic conditions demanded maximum fiscal stimulus to accelerate economic recovery, we were raising payroll taxes which tend to drag it down. Employers faced with higher taxes are less able to expand output and hire new workers and to keep the price of their products down. We must find ways at least to moderate the negative effects on production and employment brought about by increasing payroll taxes imposed to keep the UI System afloat.

The Unemployment Insurance System Revitalization Act will do just that. It establishes, in title I, a cost equalization reinsurance grant program, financed through general revenues, premised on the recognition that the crisis of the UI System has been created by a national economic recession. Especially severe economic recessions are not brought about by individual States, and it is both unreasonable and unrealistic to expect them alone to suffer excessive unemployment compensation claims.

The proposed cost equalization program retains the fundamental Federal-State partnership in the UI System and establishes the Federal Government's share on an equitable basis. Cost equalization grants will be allocated to the State to the extent that the unemployment rates of each State are abnormally high compared to their own past experience. The bill establishes a formula by which grants are provided to pay a portion of the States' extraordinary UI costs.

States will be eligible for grants in years when the insured unemployment rate (IUR) is 6 percent or more. By comparison, the rate of insured unemployment, which is the rate among workers covered by the UI svstem, typically runs about 2 percent below the rate of total civilian unemployment as reported monthly by the Bureau of Labor Statistics. If the rate of unemployment is higher than that experienced in that State during the preceding 5 years, it will receive cost-equalization grants equal to a portion of the difference. When the State IUR is 6 percent and less than 7 percent, the State will receive a grant in the amount of 50 percent of its excess unemployment compensation costs. A grant equal to two-thirds of the excess cost will be made if the IUR is between 7 and 8 percent, and a 75 percent grant is provided when the rate is 8 percent or more. Thus, the degree of financial relief will depend on the severity of the effect of the recession on a State-by-State basis.

Because the severest part of the recession was experienced at the beginning of 1975, the cost-equalization program is made retroactive to that time. This is also the period when the States incurred most of their indebtedness to the Federal trust fund which had to be continually replenished by repayable advances from general funds of the U.S. Treasury. These State loans now total $4.6 billion.

At my request, the Department of Labor has prepared a table showing the cost-equalization reimbursements for the years of 1975, 1976, and 1977, which would result from the retroactive application of this program to January 1975.

Mr. President, I ask unanimous consent that this table (table I), together with the text of the bill, be printed in the Record at the conclusion of the remarks by sponsors of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1 and 2.)

Mr. JAVITS. Under the bill the grants must be used to repay outstanding loans, and any remainder will be credited to the State unemployment insurance fund. In addition, the bill would carry out the recommendation of a majority of the States, and which is already partially recognized in Federal law, that the Federal supplemental benefits program (FSB) be financed entirely from general revenues. In the Emergency Unemployment Compensation Extension Act of 1977, the Congress adopted general revenue financing on a prospective basis. The bill we are introducing today will establish general revenue financing retroactively as well, thereby enabling the new .02 percent Federal payroll tax increase to be eliminated within 2 to 3 years. That tax increase was enacted to pay off the FSB debt and the debt due to the Federal share of the extended benefits program.

The compelling need to restore solvency to these funds is dramatically illustrated by the shortfall in funds needed to meet a widely accepted rule of thumb for State reserve levels—reserve levels necessary to meet a future recession. At my request the Department of Labor has prepared a table showing the additional amounts that would have to be raised to meet this guideline.

Mr. President, I ask unanimous consent that this table (table II) be printed in the Record at the conclusion of remarks by sponsors of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. JAVITS. Mr. President, I also ask unanimous consent that a table prepared by the Department of Labor showing the concurrent loan status be printed in the Record at the conclusion of remarks by sponsors of this bill (table III).

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 4.)

Mr. JAVITS. Mr. President, this bill also reforms the permanent law governing the unemployment insurance system with respect to the duration of benefits during recessionary periods. The extended benefits program was enacted in 1970 to provide up to 13 additional weeks of benefits for long-term unemployed workers. Early in the recession, in December 1974, the Congress recognized that this program was inadequate to provide minimal income security for the unemployed during prolonged periods of unemployment.

Therefore, the Federal supplemental benefits program was established then to provide up to 13 additional weeks of benefits, for a maximum potential duration of 52 weeks on a temporary basis. This ad hoc emergency legislation had to be revised and extended four times subsequently, each time troubling UI administrators and beneficiaries alike by changing eligibility standards and other key provisions.

This bill introduced today will eliminate the need for such ad hoc legislation in the future by creating a permanent, two-stage, standby program of extended benefits to be activated and terminated on the basis of national or State rates of unemployment. It is intended to enable the UI System to respond to the future needs of workers suffering the effects of severe recessions, and to provide automatically the economic stimulus needed during such periods of economic decline.

Under title II of the bill, extended benefits (EB), of up to 13 weeks of benefits would be provided in addition to regular State benefits. Regular benefits are generally provided for a maximum potential duration of 25 weeks. This EB program would trigger on nationally when the insured unemployment rate—IUR—is at least 4.5 percent for 3-consecutive months. It would also trigger on in individual States when they experience an insured unemployment rate of 4 percent or more. Thirteen weeks of further benefits, for a maximum of up to 52 weeks of benefits, would be provided through a program of supplemental extended benefits (SEC), when the national rate of insured unemployment is 5.5 percent or more, or on a State basis when the IUR drops below the designated trigger rate.

The financing principle of title II is consistent with that for the financing of cost equalization grants under title I. The extended benefits program, when a State trigger is on, would be financed on the basis of 50 percent from Federal general revenues. And, as with the extended benefits program, when the SEB national trigger is on, costs would be fully reimbursed from Federal general revenues.

Since the beginning of 1975, millions of workers exhausted their regular State benefits without being able to find new jobs. It was only through the prompt action of the Congress in revising the extended benefits program and establishing the Federal supplemental benefits program that they were enabled to continue for a time to provide for themselves and their families. During 1975 and 1976 alone more than 5.5 million workers filed initial claims for Federal supplemental benefits, and as has been shown by studies conducted by the Department of Labor, a very substantial portion of these workers were kept from falling below poverty income levels only by virtue of this program. In my judgment, the success of this program clearly demonstrates the need to put this type of program on a sound and permanent basis in our unemployment insurance laws. The bill we have proposed will accomplish that and eliminate the need for ad hoc legislation in the future.

Under present law, States are permitted to borrow funds on an interest free basis to pay benefits from the Federal trust fund. Because that fund has been depleted, it has required loans from general revenues of the Treasury. Although these loans to the States carry no interest, States which are delinquent in repayment face an extremely harsh escalating tax imposed on employers in such State. In the first year in which the State is delinquent, the additional Federal tax is 0.3 percent and escalates by that amount for each year the State is still in delinquent status.

In lieu of this punitive approach, the bill we propose would permit a State that is taking sufficient steps to assure the fiscal soundness of its unemployment fund to extend the payback period for 5 years from the year of the original loan, with a minimum payment required of 20 percent in any 1 year. Moreover, for any year in which the insured unemployment rate in the State is more than 4.5 percent, the payback requirement would be suspended. In addition, with respect to loan amounts outstanding on the date of enactment of this bill, interest at a 6-percent annual rate would be charged on any amounts in default whenever a State fails to make a required repayment. Six percent interest would also be charged on all new loans made after the date of enactment. The interest would be credited to the cost equalization account.

This reform of the financing arrangements with respect to State loans at once eliminates the overly harsh features of an escalating penalty tax on employers and, by eliminating interest free advances, removes any temptation on the part of States to borrow instead of taking prompt steps to strengthen their benefit financing systems.

Mr. President, I am aware that the National Commission on Unemployment Compensation is charged with studying and making recommendations with respect to a wide range of significant issues facing the Federal-State Unemployment Insurance System. Accordingly, I have not included in this bill a number of important reform issues which have been before the Congress for a number of years. This bill deals only with those issues that cannot wait for the new Commission to make its findings and recommendations and for the Congress to act on them. In my judgment, the measures proposed here, which are completely consistent with the fundamental aspects of the present system, simply cannot wait any longer to receive serious attention by the Congress.

● Mr. WILLIAMS. Mr. President, the Unemployment Insurance System Revitalization Act of 1979, which I introduce today with Senator JAVITS and other Senators, is legislation that becomes more urgently needed with every passing day. It is needed to rescue the Nation's unemployment insurance system from potential collapse if the economy slides back into recession at any time in the next several years.

For 40 years, the unemployment insurance system has guaranteed tens of millions of American workers a measure of protection against financial ruin when they lost their jobs or were laid off for a period of time.

These jobless benefits are an earned right, not a gift of charity. The benefits are derived from many months on a job that is insured under the program and are based upon wages earned during a base period.

But that right is in serious jeopardy and will be meaningless to unemployed breadwinners if the severely weakened financial condition of the Federal-State system is further undermined by another recession.

During the period 1974–77, the extra cost of benefits for recession-caused joblessness caused an enormous drain on the trust funds of the UI system and severely depleted the reserves in all of the States. Revenues, which had been sufficient to cover the cost of benefits in all but the years of unusually high unemployment, fell $20.3 billion behind the cost of benefits in this 4-year period.

The feeble financial condition is further demonstrated by the fact that, over the 3 of the recession years, the number of States whose UI fund was completely exhausted rose to 25. In all of these States, the trust fund ran dry in the midst of severe unemployment and high benefit claims. As a result, the 25 States were forced to borrow from the Federal trust fund, and as of September 30, 1978, outstanding loans to these States totaled $5,416.7 million. At one point, $5.6 billion in loans was outstanding. Despite rather vigorous economic activity during the past year, the debtor States have been able to reduce the outstanding balances no further than $5.07 billion as of February 28, 1979.

Moreover, the Federal UI trust fund itself was in debt to the Treasury for an additional $8.9 billion that was borrowed to pay Federal extended and emergency jobless benefits during the ongoing recession.

These loans must be repaid, and fund reserves must be restored to good health, or the entire system is in danger of collapse if another period of rising unemployment settles upon us.

Under current law, Mr. President, funds for UI benefits are derived from payroll taxes levied by both State and Federal Governments or from borrowed Federal funds that must be repaid from the proceeds of a payroll tax.

State tax rates average about 2.6 percent at the present time, but range upward to more than 6 percent on some employers.

The Federal tax rate is currently 0.7 percent of the payroll base of all employers in the Nation. The base is the first $6,000 of wages paid to each employee in an insured job.

In addition, what is referred to as a Federal penalty tax is imposed on employers of a State which has an outstanding loan from the Federal trust funds and is required, under conditions spelled out in Federal law, to begin repayment of the loan. This penalty tax is 0.3 percent in the first year, increasing by that amount each year until the loan is repaid. Some States expect this penalty tax to rise to as much as 1.5 percent—more than tripling the Federal tax—before their loans could be repaid under the harsh requirements of present law.

Similar additional tax rates are expected to be levied by some States in order to restore the reserves in their depleted trust funds.

Without financial reform of the system, therefore, the total tax on an employer with a high layoff experience might conceivably rise to 10 percent of his total taxable payroll and remain there for several years.

Bankruptcy will be the result in some cases. In other cases, retrenchment will be necessary, ending any hope of company expansion, so much in need if the Nation is to provide the millions of new jobs that our growing national work force requires.

A Senate Budget Committee staff report of May 19, 1977, entitled Economic Recovery and the Financing of Social Insurance, included the following authoritative statement of the adverse effects of the current situation:

> By far the worst problems created by payroll taxes stem not from their magnitude, but from the fact that they have been increasing very rapidly during a period of slack in the economy. This trend is interfering with recovery and may also be a partial explanation for the continuation of unacceptable rates of inflation
>
> . . . the tax rates that would be needed to catch up with and overcome the cumulative deficits would be so burdensome that they would act as a serious impediment to recovery and price stability *in the next decade* (emphasis added).

Clearly, Mr. President, a fragile economic recovery can ill afford to be burdened at a crucial time with the sharp increase in payroll taxes that are required to restore promptly the financial soundness of the UI system.

This, I believe, is the principal inference that must be drawn from the Senate Budget Committee staff's study. The principal policy option suggested by the study is the use of Federal general revenues, applied in countercyclical fashion, to bolster the Federal and State UI trust funds, overcoming at least partially the exceptional losses incurred during the recession.

The impact of such a policy on the Federal budget was also aptly stated in the study report as follows:

> Transfers of credits from the general funds to the various social insurance trust fund accounts are bookkeeping entries that represent a shift from one Treasury equity (liability) account to other equity accounts. In and of themselves, these transfers have no effect on the budget deficit. The impact on the budget deficit will come when the program has its intended effect of preventing increases in payroll taxes. Then, to be sure, less revenue will flow into the Treasury and this will widen the deficit. On the other hand, the transfer program should strengthen the economy, and this will reduce UI benefits and cause receipts from nearly all taxes to increase.

The bill we introduce today, Mr. President, is based upon this line of reasoning. It provides for Federal general revenues to be used to "reinsure" the unemployment insurance system of the States, and it establishes this principle as a permanent feature of Federal law.

In times of national recession, the States should not be expected to bear alone the excess benefit costs of joblessness. Neither should they bear the lonely burden when Federal economic policies permit regional economic setbacks to remain uncorrected.

The States are now expected to go it alone under existing law, with only postponement of the day of reckoning provided thus far by the Congress and the executive branch of the Federal Government.

The reform legislation we introduce today is designed to bring the Federal Government into responsible partnership with the States in meeting the needs of involuntarily unemployed American workers. It is designed to fix in the Federal Government an equitable share of the responsibility for any economic decisions that impact on working Americans in the form of a pink slip.

In brief, Mr. President, the underlying purposes of this bill are to insure that unemployment benefits will be available for workers who have lost their jobs through no fault of their own and that the benefits will be of sufficient duration in times of rampant joblessness to permit an unemployed worker to find a new job when so many others are competing for the few available opportunities.

Mr. President, the Unemployed Insurance System Revitalization Act of 1979 has its provisions divided among three titles:

COST EQUALIZATION PROGRAM

Title I of the bill would establish a program of Federal reinsurance grants to the States to pay a portion of the cost of regular UI benefits during prolonged periods of excessive unemployment.

The funds would be distributed on the basis of an equitable formula that is based upon severity of unemployment. To qualify for an annual grant, a State's rate of insured unemployment must be 6 percent (comparable to 8 percent total unemployment) or greater. The State must also demonstrate that benefits costs in the grant year were excessive as compared with an annual base amount. For this purpose, the base amount consists of the annual average benefit cost of the lowest 3 years of the most recent 5, or if all 5 years have a rate of insured unemployment (IUR) above 6 percent, the base amount would be the lowest amount in any year of the most recent 5 years.

The excess costs of an eligible State would be shared by a Federal cost equalization account, from which a grant would be given the State. The Federal share of excess costs would increase as the severity of insured unemployment in the State increased. A State with an IUR between 6 and 7 percent in the grant year would receive a reinsurance grant equal to 50 percent of its excess benefit costs. In the range of 7 to 8 percent, the grant would equal 66⅔ percent of the excess costs. And if the IUR exceeded 8 percent, the grant would be for 75 percent of the excess costs.

Financing of the program is envisioned through a transfer of credits to a State UI trust fund in the amount of the grant to which such State would be entitled. The credits would constitute a demand on the Federal general fund and would therefore be included as a part of the reserves of the State's trust fund. In event of unusually high benefit payments during a period of high unemployment, cash in the State's trust fund may be exhausted and the State may be required to draw against its credits. These funds would flow through a new cost equalization account, and the bill would authorize the appropriation of such sums as may be necessary for this purpose.

I wish to emphasize, Mr. President, that utilizing a system of credits serves to emphasize that the program we espouse in this bill would cause no increase in Federal budget expenditures. Since all benefits under the UI program, both Federal and State, are included already in the Federal budget each year, no change in Federal outlays would occur unless there were a change in the actual payment of benefits. It is important to realize that our bill makes no change in the basic benefit package of any State and therefore would not increase the cost of the benefits for which cost-sharing would be provided.

The cost equalization program would be made effective as of January 1, 1975, so as to encompass the worst part of the recession and help the States restore the UI reserves that have been lost during this period.

The bill requires that, if a State has an outstanding loan, the grants must be used first to reduce the loan balance, with the remainder of a State's entitlement to be credited to its unemployment insurance fund. States with no outstanding loan would have the entire entitlement transferred to their unemployment insurance funds.

Cost estimates prepared for us indicate that the gross cost of the equalization grants for the calendar years 1975 and 1976 would be approximately $-- million dollars. However, nearly two-thirds of this amount has already been provided to 25 States in the form of loans from general revenues of the Treasury. This outstanding balance of loans, which now totals approximately $5,068 million, would be deducted from the gross cost, leaving a net cost of approximately $-- million.

It is estimated that the grants would be of sufficient amounts to pay off the outstanding debts of -------- of the 25 States that now have loans. The remaining -------- would have to continue to make arrangements to repay their loans, either from the proceeds of cost equalization grants in future years or from the proceeds of increased payroll taxes levied voluntarily by the State or under penalty tax provisions of Federal law.

PERMANENT STANDBY EXTENDED BENEFITS PROGRAM

Title II of the bill would establish a new program of extended and supplemental benefits for payment during prolonged periods of high unemployment.

This program would be established as a permanent feature of the law, providing a two-stage, standby benefit structure to be activated and terminated as State or national insured unemployment increases and then declines.

The first stage of extended benefits (EB) would provide up to 13 weeks of benefits, in addition to the maximum of 26 weeks available under the regular State program. The program would trigger on in a State when its insured unemployment rate (IUR) reached 4.0 percent. It would trigger on in all States if the national IUR reached 4.5 percent. The program would terminate nationally when the IUR dropped below 4.5 percent and in a State when is IUR receded below 4.0 percent.

The second state of supplemental extended benefits (SEB) would provide a further increment of benefits up to 13 additional weeks, for a total maximum of 52 weeks when insured unemployment is more severe. The SEB program would trigger on in a State when its IUR reached 5.0 percent or in all States when the national IUR reached 5.5 percent. The program would terminate when national or State IUR dropped below these trigger levels.

Mr. President, I would emphasize that the trigger levels provided in title II are, with one exception, identical with the triggers provided in present law for the existing extended benefit (EB) and recently expired Federal supplemental benefit (FSB) program. The one departure in our bill is provision for a national 5.5 percent trigger in the second stage of benefits. Under current law, there is no national trigger for FSB; the program activates and terminates only State by State on the basis of State triggers only.

I would also point out that title II contains provisions for revising the calculation of the insured unemployment rate for purposes of the triggers. Under present law, the IUR reflects the number of persons receiving benefits as a percentage of the total number of persons working in insured employment. This calculation ignores a significant number of workers who have exhausted all benefits, but remain unemployed. To take these workers into account, we propose that 25 percent of those who exhaust their benefits be included in the calculation.

Financing of the new EB and SEB programs, as proposed in the bill, would establish a new rule based upon a sound principle: That is, we propose that, when the national trigger is on and all States are thereby required to pay extended benefits under the program, the entire cost of the benefits should be borne by Federal funds.

Under the bill, the first-stage EB program would be financed 50 percent by State trust funds, derived from payroll taxes, and 50 percent by Federal general revenues when the State trigger alone is on. If the national trigger is on, the program would be financed entirely with Federal general revenues.

The second stage SEB program would be financed entirely from Federal general revenues, as the FSB program was in its final months, regardless of whether the State or national trigger is responsible for activating the program.

Mr. President, the need for this kind of permanent, stand-by unemployment benefits program has been recognized by the Congress for several years. The existing EB program was enacted in 1970 to provide up to 13 additional weeks of benefits, for a maximum of 39 weeks, in periods of high unemployment.

When the recession took firm root in late 1974, the Congress enacted an additional emergency benefits program, providing up to 52 weeks of benefits. In April of 1975, we increased that maximum to 65 weeks. In July of 1975, we extended the 65-week program until March 31, 1977. In April, 1977, we extended the program until January 20, 1978, but reduced the maximum duration of benefits to 52 weeks.

Five separate enactments were required by the Congress to meet the responsibility we felt for providing unemployed workers with a minimum of income security during periods of high unemployment.

In addition, the Congress acted on six other occasions between October 27, 1972, and April of 1977 to revise the trigger provisions of the extended benefits program, correcting problems that had arisen. In all, 11 separate enactments were involved in our efforts to meet the benefits crisis for workers trapped by the recession in joblessness.

Such ad hoc legislating would not be necessary if a permanent, stand-by program such as we propose were put in place. With a permanent program, State administrators could make plans well in advance of an impending recession to implement the program promptly, eliminating much of the confusion that results from deadline legislation that changes eligibility standards and other key provisions of a vital national program.

For working Americans, these extended and supplemental benefit programs can be fully justified in light of the high numbers who exhausted other benefits during the recession.

In 1973, approximately 1.5 million recipients of regular UI benefits exhausted their entitlements before they could find work. Only 135,000 received up to 13 additional weeks of benefits without finding work in that year.

In 1974, exhaustees of regular benefits rose to 1,926,000 as the recession intruded late in the year. Exhaustees of EB totaled 467,000 in that year.

By 1975, exhaustees of regular benefits were nearly 4.2 million, and 2,386,000 exhausted their entitlement of up to 39 weeks of benefits without finding a job. Of this number, approximately 1,320,000 availed themselves of the new emergency FSB benefits that were implemented in January of 1975, and approximately two-thirds of these workers exhausted up to 65 weeks of benefits without finding work.

In 1976, 3,261,000 exhausted regular benefits. Nearly 2,330,000 exhausted their extended benefits and applied for Federal supplemental benefits. Of this number, 1,648,000 received their maximum entitlement of up to 65 weeks of benefits without finding a job.

These data demonstrate dramatically the need for providing jobless workers additional benefits and additional time to locate new employment in times of fierce competition for available jobs. Our recommended standby program of extended benefits is designed to meet this need without requiring urgent congressional action with each successive economic setback.

STATE LOAN PAYBACK PROVISIONS

Mr. President, title III of the bill addresses the virtually impossible situation faced by those States that have experienced the highest rates of unemployment for the longest period of time and, as a result, have been forced most deeply into debt in order to pay the unemployment benefits to which residents of those States were entitled.

This title is based upon proposals which I developed in 1976 and which were endorsed in principle by the Northeast Coalition of Governors. A number of basic principles are involved.

First, those States in deepest debt should be given more time to repay their loans before the harsh penalties of current law are applied.

Second, no installment payment should be required if the State remains in severe economic trouble, with continued high unemployment, in any year.

Third, the harsh penalty tax on employers in States that have outstanding loans should be modified to avoid stunting expansion and job development plans needed to overcome a recession.

Fourth, States should be required to pay interest on funds borrowed from the Federal Government, which now, in effect, pays the interest for them.

Fifth, States in debt should be required to make a showing that they are taking what steps they can on their own to restore the fiscal soundness of their unemployment trust funds.

On the basis of these principles, the bill provides that the Secretary of Labor may extend the payback period for a State that has an outstanding balance of loans. He may authorize the State to make a payment of 20 percent of the outstanding balance, if he determines that the State is taking sufficient steps, as now required by law, to restore the fiscal soundness of its trust fund.

No payment should be required, however, in any year in which the State is suffering from continuing recessionary problems. For this purpose, the bill uses the traditional measure of a recession, insured unemployment of 4.5 percent, as the point beyond which no payment would be required.

In any year in which a State fails to make a required payment, a 0.3 percent penalty tax would be levied on all insured employers in the State, with the proceeds of the tax credited against the outstanding balance of the loan. In addition, 6 percent annual interest would be imposed on any payment that is in default.

For purposes of comparison, present law provides that the entire loan balance of a State comes due all at once, and if it is not entirely repaid on the due date, the 0.3 percent penalty tax applies to all employers in the State. If the proceeds of that tax are not sufficient to erase the debt, the penalty tax the following year rises to 0.6 percent and increases by 0.3 percent each year until the entire loan is repaid.

Our bill provides that the penalty tax, if applicable, would be no more than 0.3 percent in any year.

The bill also provides for States to pay interest at the rate of 6 percent per year on new loans made after the enactment of this proposal. For existing loans, the 6 percent interest applies only to amounts in default when a State fails to make a 20-percent payment as required.

Mr. President, my colleagues and I are introducing this bill in substantially the same form as it had as S. 1853 in the 95th Congress. While some improvements have been made and others may be developed during its consideration in the days ahead, I believe this bill represents earnest efforts to make substantial, permanent revisions in the Federal-State unemployment insurance system. We are reintroducing the bill today so as to satisfy our feelings of urgency for addressing the serious financial problems of the system and to provide a basis for consideration of these matters at the earliest possible time.

I sincerely solicit the interest and support of my colleagues in this important legislation and look forward to its enactment and implementation before an unemployment crisis envelopes the UI system and threatens its very survival.●

● Mr. RIEGLE. Mr. President, today Senator JAVITS is introducing the Unemployment Compensation Revitalization Act of 1979 along with Senator WILLIAMS, myself, and several other Senators. This legislation is very similar to a bill we introduced in the last Congress, the Unemployment Compensation Reform Act. This legislation will strengthen our unemployment insurance system that is so vital to hundreds of thousands of American workers.

The Unemployment Compensation Revitalization Act of 1979 would create a new program of cost equalization and reinsurance to more equitably share the burden of unemployment insurance costs during periods of high unemployment. Under the legislation, a State may qualify for a reinsurance grant to pay a portion of its unemployment insurance benefits during prolonged periods of excessively high unemployment. The program will be applied retroactively to 1975 and will be funded from general revenues.

These changes in the unemployment compensation system are absolutely essential. Without a comprehensive cost equalization reinsurance system, many of the 18 States that have already borrowed a total of $5.1 billion from the Federal loan fund will be forced to go further in debt and raise their FUTA taxes on employers higher and higher. This bill would provide reinsurance grants to those States who experienced excessively high insured unemployment rates compared to the base years. In addition to the States in debt, the bill would directly affect 17 other States that have suffered excessively high unemployment.

My own State of Michigan is in debt $624 million to the Federal unemployment loan fund because of the severe, long-term unemployment we have suffered over the last several years. The current unemployment rate in Michigan is 8.2 percent and is much higher in many areas—over 13 percent in some communities. States like Michigan will continue to feel the effects of the national recession for years to come as we face the possibilty of escalating FUTA penalty taxes to repay this debt. The increased FUTA taxes, combined with increases in social security payroll taxes and the minimum wage, are bound to influence employers to leave a State burdened with this debt or to expand elsewhere. The additional taxes on the wages of new workers who are hired will be a disincentive to employers to hire new workers.

It is in no State's interest to have this kind of economic decline in other areas of the country. We should all share the risks of recession and catastrophic levels of unemployment. The Unemployment Compensation Revitalization Act will strengthen the unemployment insurance system and make it sound in case of a new recession in years to come. The legislation will insure that no State will be forced under by a system that penalizes those States most in need of assistance.

Although the national unemployment situation is improving, we still have a 5.7 percent unemployment rate. That means there are approximately 6 million Americans who want to work; are able to work; but can not find jobs. These workers are out of work through no fault of their own. It was national economic policies that took away their livelihood.

While our unemployment rate is now below 6 percent, economists predict that it will rise much higher in 1979 and 1980, possibly over 7 percent. Since the Federal supplemental benefits (FSB) program expired in January 1978, we have no standby program of benefits for workers beyond the limited extended benefits program. A recession in late 1979 or 1980 is a very real possibility and we should be ready with a standby program to assist workers who need to provide food and shelter for their families.

This legislation will replace the current extended benefits program with a new permanent two-stage program. The program would be triggered on by excessively high State or national insured unemployment levels, for a possible maximum of 52 weeks of benefits. A permanent program of this type is an important step in the creation of a sound, equitable unemployment compensation system.

The bill also contains important provisions concerning States repayment of debts. Our bill would eliminate the present punitive three-tenths of 1 percent escalating payrolltax that is levied when States cannot repay their loan. Instead, it would allow States that are making a genuine effort to strengthen their benefit financing systems to repay in 5 years, with a minimum payback requirement of 20 percent in each of the 5 years. The legislation would require interest to be paid at a 6 percent annual rate whenever a State fails to make a payment. Interest would also be required on any new loans made after the enactment of this legislation. However, a State would not be required to make a repayment in any year in which the State insured unemployment rate is 4.5 percent or more. This will assure that States have an incentive to repay their loans without unduly harming a State with a current high rate of unemployment.

Mr. President, I commend Senators JAVITS and WILLIAMS for their dedication and hard work on this legislation. It is just as essential now as when we first introduced it in 1977, if not more so. I hope my colleagues will join with me in cosponsoring the Unemployment Compensation Revitalization Act of 1979.

EXHIBIT 1

S. 825

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Unemployment Insurance System Revitalization Act of 1979."

TITLE I—UNEMPLOYMENT COMPENSATION COST EQUALIZATION PROGRAM

SHORT TITLE

SEC. 101. This title may be cited as the "Unemployment Compensation Cost Equalization Act of 1979."

COST EQUALIZATION ACCOUNT

SEC. 102. Title IX of the Social Security Act is amended by redesignating sections 906, 907, and 908, respectively, as sections 907, 908, and 909 and by inserting, after section 905, the following new section:

"COST EQUALIZATION ACCOUNT

"Establishment of Account

"SEC. 906. (a) There is hereby established in the Unemployment Trust Fund a cost equalization account. For the purposes provided for in section 904(e) such account shall be maintained as a separate book account.

"Transfers to Account

"(b) The Secretary of the Treasury shall transfer to the cost equalization account, from the general funds of the Treasury, the sums appropriated to the account pursuant to subsection (f) of this section.

"Transfers to Credit of States

"(c)(1) For the calendar years 1975 through 1978, and for each subsequent calendar year on March 31 of the succeeding year, the Secretary of Labor shall certify to the Secretary of the Treasury an amount which shall be paid to the credit of each State which is an eligible State for reimbursement from the cost equalization account. The amount certified with respect to an eligible State shall be the amount determined by the Secretary of Labor as follows:

"(A) 50 percent of the excess amount if the State's average weekly rate of insured unemployment for all weeks which began in such calendar year was at least 6 percent but less than 7 percent;

"(B) 66⅔ percent of the excess amount if the State's average weekly rate of insured unemployment for all weeks which began in such calendar year was at least 7 percent but less than 8 percent; and

"(C) 75 percent of the excess amount if the State's average weekly rate of insured unemployment for all weeks which began in such calendar year was 8 percent or more. The amount certified wtih respect to an eligible State or all eligible States for any year may be redetermined by the Secretary of Labor at any time within two years after the original certification was made, and adjustment shall be recertified in the credit to the State or States in accordance with the Secretary's redetermination.

"(2) Upon the receipt of a certification or recertification under this subsection with respect to a State, the Secretary of the Treasury, in consultation with the Secretary of Labor, shall determine the distribution of the amount certified or recertified as required by the following schedule—

"(A) the amount so certified or recertified shall be applied first to the repayment of any outstanding balance of advances to the State made pursuant to title XII of the Social Security Act or title III of Public Law 94-45, by transferring such amount to the Federal unemployment account, or so much thereof as is required to repay the entire balance of such outstanding advances, and the amount so transferred shall be credited against and shall operate to reduce the outstanding balance of such advances as of the date the transfer is made under this subparagraph;

"(B) any portion of the amount so certified or recertified as is not required to be distributed in accordance with subparagraph (A) shall be transferred to the account of the State in the Unemployment Trust Fund.

"Definitions

"(d) For purposes of this section—

"(1) 'Eligible State,' with respect to any given calendar year beginning with 1975, means a State—(A) which is certified under section 3304(c) of the Internal Revenue Code of 1954 on October 31 of such year for all of the 12-month period ending on such October 31; (B) whose average weekly rate of insured unemployment for all weeks that began in the year equaled at least 6 percent; and (C) whose total dollar amount of payments during that year, for regular, additional, extended, and supplemental extended compensation, exceeded its base amount;

"(2) 'Rate of insured unemployment' with respect to a State means the percentage arrived at by dividing the average weekly number of individuals filing claims for regular, additional, and extended compensation under the State law with respect to the specified period (as determined on the basis of the reports made by the State agency to the Secretary) by the average monthly covered employment for the specified period;

"(3) 'compensation' means cash benefits payable to individuals with respect to their unemployment, including allowances for dependents, except as provided in paragraph (4) of this subsection;

"(4) 'regular compensation,' 'additional compensation,' 'extended compensation,' and 'supplemental extended compensation' have the meanings given to such terms in section 205 (2), (3), (4), and (5) of the Federal-State Extended Unemployment Compensation Act of 1979: *Provided*, That for the purpose of computing the base amount and excess amount (as defined in paragraphs (5) and (6) of this subsection) and determining the amount to be certified or recertified with respect to any State under subsection (c) of this section, such terms shall not include any compensation payment which is reimbursed to the State unemployment fund pursuant to the State law, any compensation payment which is payable or reimbursable pursuant to title 5, United States Code, chapter 85 or any other Federal law (unless so provided in such other Federal law), or any other compensation payment which is reimbursable from any source to the State unemployment funds;

"(5) 'base amount' means, for any eligible State with respect to any given calendar year, the total dollar amount of compensation payments which is the average of the total of such payments for the three calendar years during which such total payments were lowest in the most recent five consecutive calendar years immediately preceding the given calendar year; or if the insured unemployment rate in the State for each of such five calendar years (as determined in accordance with subsection (c) of this section) was 6 percent or more, 'base amount' means, for that State with respect to the given calendar year, the total dollar amount of compensation payments during the calendar year in which such payments were lowest among the most recent five consecutive calendar years immediately preceding the given calendar year; and

"(6) 'Excess amount' means the dollar amount by which an eligible State's total dollar amount of compensation payments during a given calendar year, exceeded its base amount with respect to such given calendar year.

"AUTHORIZATION OF APPROPRIATIONS

"(f) There are hereby authorized to be appropriated, without fiscal year limitation, to the cost equalization account, such sums as may be necessary to carry out the purposes of this section.".

TITLE II—FEDERAL-STATE EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1979

SHORT TITLE

SEC. 201. This title may be cited as the "Federal State Extended Unemployment Compensation Act of 1979."

PAYMENT OF EXTENDED COMPENSATION

SEC. 202. (a)(1) For purposes of section 3304(a)(11) of the Internal Revenue Code of 1954, a State law shall provide that payment of extended compensation shall be made for any week of unemployment which begins in the individual's eligibility period, to individuals who have exhausted all rights to regular compensation under a State law and who have no rights to regular compensation with respect to such week under such law or any other State unemployment compensation law, or to compensation under any Federal unemployment compensation law, and are not receiving compensation with respect to such week under the unemployment compensation law of Canada. For purposes of the preceding sentence, an individual shall have exhausted all rights to regular compensation under a State law (A) when no payments of regular compensation can be made under such law because such individual has received all regular compensation available on the basis of employment or wages during the individual's base period, or (B) when all rights to regular compensation have terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(2) For purposes of section 3304(a)(11) of the Internal Revenue Code of 1954, a State law shall provide that payment of supplemental extended compensation shall be made, for any week of unemployment which begins in the individual's supplemental eligibility period, to individuals who have exhausted compensation under the State law and who have no rights to regular compensation or extended compensation with respect to such week under such law or any other State unemployment compensation law, or to compensation under any Federal unemployment compensation law, and are not receiving compensation with respect to such week under the unemployment compensation law of Canada. For purposes of the preceding sentence, an individual shall have exhausted all rights to regular compensation under a State law if all such rights have been exhausted so as to entitle the individual to extended compensation, if otherwise eligibile, and all rights to extended compensation shall be deemed to have been exhausted only when the individual has actually received all of the extended compensation payable under the State law.

(3) Except where inconsistent with the provisions of this title, the terms and conditions of the State law which apply to claims for regular compensation and to eligibility therefor shall apply to claims for extended compensation and supplemental extended compensation and to eligibility therefor.

(b)(1) The State law shall provide that the State will establish:

(A) an extended compensation account with respect to the individual's benefit year, for each individual determined to be eligible for extended compensation;

(B) a supplemental extended compensation account, for each individual determined to be eligible for supplemental extended compensation.

(2) The amount established in each such account for any individual shall be not less than whichever of the following is the least:

(A) 50 percent of the total amount of regular compensation (including allowances for dependents) payable to the individual during such benefit year under such law,

(B) thirteen times the individual's average weekly benefit amount; or

(C) thirty-nine times the individual's average weekly benefit amount, reduced by the regular compensation paid (or deemed paid) to the individual dur . . . except that the amount so determined shall (if the State law so provides) be reduced, in the case of extended compensation, by the aggregate amount of additional compensation paid (or deemed paid) to the individual under such law for prior weeks of unemployment in such benefit year which did not begin in an extended benefit period.

(3) For purposes of paragraph (2), an individual's weekly benefit amount for a week is the amount of regular compensation (including allowances for dependents) under the State law payable to such individual for such week for total unemployment.

EXTENDED BENEFIT PERIOD; SUPPLEMENTAL EXTENDED BENEFIT PERIOD

Beginning and Ending

SEC. 203. (a) For purposes of this Act, in the case of any State—

(1) an extended benefit period—

(A) shall begin with the third week after whichever of the following weeks first occurs:

(i) a week for which there is a State "on" indicator, or

(ii) a week for which there is a national "on" trigger; and

(B) shall end with the third week after the first week for which there is both a national "off" indicator and a State "off" indicator;

(2) a supplemental extended benefit period—

(A)(i) shall begin with the third week after a week for which there is a national "supplemental on" indicator, and

(ii) may begin, if the State law so provides, with the third week after a week for which there is a State "supplemental on" indicator; or

(B) shall end with the third week after the first week for which there is a national "supplemental off" indicator and, if the State law provides for State supplemental "on" and "off" indicators, a State "supplemental off" indicator.

Special Rules

(b) In the case of any State—

(1) No extended benefit period or supplemental extended benefit period shall last for a period of less than thirteen consecutive weeks; and

(2)(A) When a determination has been made that an extended benefit period or a supplemental extended benefit period is beginning or ending by reason of a national indicator, the Secretary shall cause notice of such determination to be published in the Federal Register.

(B) When a determination has been made that an extended benefit period or supplemental extended benefit period is beginning or ending by reason of a State or National indicator, the State shall cause notice of such determination to be publicized throughout the State and to individuals potentially entitled to extended benefits or supplemental extended benefits as prescribed by regulations of the Secretary.

Eligibility Periods

(c) (1) For purposes of this Act, an individual's eligibility period under the State law, with respect to extended benefits, shall consist of the weeks in the individual's benefit year which begin in an extended benefit period and, if the individual's benefit year ends within such extended benefit period, any weeks thereafter which begin in such extended benefit period.

(2) For purposes of this Act, an individual's supplemental eligibility period under the State law, with respect to supplemental extended compensation, shall consist of the weeks which begin in a supplemental extended benefit period, except that no payment of supplemental extended compensation shall be made to any individual for any week of unemployment which begins more than two years after the end of the benefit year with respect to which the individual became an exhaustee of all rights to regular compensation as provided in section 202(a) (1) of this Act.

National "On" and "Off" Indicators for Extended Benefit Periods

(d) For purposes of this section—

(1) there is a National "on" indicator for a week, for an extended benefit period, if, for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (seasonally adjusted) for all States equaled or exceeded 4.5 per centum; and

(2) there is a national "off" indicator for a week if, for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (seasonally adjusted) for all States was less than 4.5 per centum.

State "On" and "Off" Indicator for Extended Benefit Periods

(c) For purposes of this section—

(1) there is a State "on" indicator for a week, for an extended benefit period, if, for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (seasonally adjusted) under the State law equaled or exceeded 4 per centum; and

(2) there is a State "off" indicator for a week if, for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (seasonally adjusted), under the State law was less than 4 per centum.

National "On" and "Off" Indicators for Supplemental Extended Benefit Periods

(f) For purposes of this section—

(1) there is a national "supplemental on" indicator for a week, for a supplemental extended benefit period, if, for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (seasonally adjusted) for all States equaled or exceeded 5.5 per centum; and

(2) there is a national "supplemental off" indicator for a week if, for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (seasonally adjusted) for all States was less than 5.5 per centum.

State "On" and "Off" Indicators for Supplemental Extended Benefit Periods

(g) For purposes of this section—

(1) a State law shall provide that there is a State "supplemental on" indicator for a week, for a supplemental extended benefit period, if, for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (seasonally adjusted) under the State law equaled or exceeded 5 per centum; and

(2) there is a State "supplemental off" indicator for a week if, for the period consisting of such week and immediately preceding twelve weeks, the rate of insured unemployment under the State law was less than 5 per centum.

Rate of Insured Unemployment; Determinations

(h) (1) For the purposes of subsections (d), (e), (f), and (g)—

(A) the term "rate of insured unemployment" means the percentage arrived at by dividing—

(i) the average weekly number of individuals filing claims for regular, additional, extended, and supplemental extended compensation under the State law, or under all State laws in the case of subsections (d) and (f), with respect to the specific period, as determined on the basis of the reports made by the State agency (or by all State agencies in the case of subsections (d) and (f) to the Secretary, and one-fourth of the number of individuals who have received their final payments of compensation under the State law or under all State laws, as appropriate, for the specified thirteen-week period, by

(ii) the average monthly covered employment for the specified thirteen-week period;

(B) the rate of insured unemployment for any 13-week period shall be determined by reference to the average monthly covered employment under the State law, or under all State laws in the case of subsections (d) and (f) for the first four of the most recent six calendar quarters ending before the close of such period.

(2) Determinations under subsections (d) and (f) shall be made by the Secretary in accordance with regulations prescribed by the Secretary.

PAYMENTS TO STATES

Amount Payable

SEC. 204. (a) (1) There shall be paid to each State whose law is administered in all respects in conformance to this Act an amount equal to the following amounts paid by the State to eligible individuals under the State law—

(A) (i) the full sum of the sharable extended compensation and the sharable regular compensation so paid, with respect to any week that an extended benefit period is in effect in the State by reason of a National "on" indicator, and (ii) one-half of the sum of the sharable extended compensation and the sharable regular compensation so paid, with respect to any week that an extended benefit period is in effect in the State solely by reason of a State "on" indicator in that State;

(B) (i) the full sum of the sharable supplemental extended compenation so paid, with respect to any week that a supplemental extended benefit period is in effect in the State by reason of a State or National "supplemental on" indicator.

(2) The amount which, but for this paragraph, would be payable under this subsection to any State, in respect of any compensation paid to an individual whose base period wages include wages for services to which section 3306(c) (7) of the Internal Revenue Code of 1954 applies, shall be reduced, with respect to any such compensation paid for weeks of unemployment that begin on and after January 1, 1979, by an amount which bears the same ratio to the amount which, but for this paragraph, would be payable under this subsection to such State in respect of such compensation, as the amount of the base period wages attributable to such services bears to the total amount of the base period wages of the individual.

Sharable Extended Compensation

(b) For purposes of subsection (a) (1) (A), extended compensation (excluding additional compensation) paid to an individual for weeks of unemployment in such individual's eligibility period is sharable extended compensation to the extent that the aggregate extended compensation (excluding additional compensation) paid to such individual with respect to any benefit year does not exceed the smallest of the amounts referred to in section 202(b) (2).

Sharable Regular Compensation

(c) For purposes of subsection (a) (1) (A), regular compensation paid to an individual for a week of unemployment is sharable regular compensation—

(1) if such week is in such individual's eligibility period, and

(2) to the extent that the sum of such compensation, plus the regular compensation paid (or deemed paid) to the individual with respect to prior weeks of unemployment in the benefit year, exceeds twenty-six times (and does not exceed thirty-nine times) the average weekly benefit amount (including allowances for dependents) for weeks of total unemployment payable to such individuals under the State law in such benefit year.

Sharable Supplemental Extended Compensation

(d) For purposes of subsection (a) (1) (B), supplemental extended compensation paid to an individual for weeks of unemployment in such individual's supplemental eligibility period is sharable supplemental extended compensation to the extent that the aggregate supplemental extended compensation paid to such individual with respect to any benefit year does not exceed the smallest of the amount referred to in section 202(b) (2).

Payment on Calendar Month Basis

(e) There shall be paid to each State either in advance or by way of reimbursement, as may be determined by the Secretary, such sum as the Secretary estimates the State will be entitled to receive under this Act for each calendar month, reduced or increased, as the case may be, by any sum by which the Secretary finds that his estimate for any prior calendar month was greater or less than the amount which should have been paid to the State. An estimate for any month shall be made upon the basis of such statistical, sampling, or other method as the Secretary directs.

Certification

(f) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this section. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State in accordance with such certifications by transfers from the extended unemployment compensation account to the account of such State in the Unemployment Trust Fund.

Definitions

SEC. 205. For purposes of this Act—

(1) The term "compensation" means cash benefits payable under a State law to individuals with respect to their unemployment, including allowances for dependents.

(2) The term "regular compensation" means any compensation payable under a State law, other than extended compensation, supplemental extended compensation and additional compensation as defined in this section.

(3) The term "extended compensation" means compensation payable under a State law for weeks of unemployment beginning in an extended benefit period, under those provisions of the State law which satisfy the requirements of this Act with respect to the payment of extended compensation.

(4) The term "supplemental extended

compensation" means compensation payable under a State law for weeks of unemployment beginning in a supplemental extended benefit period, under those provisions of the State law which satisfy the requirements of this Act with respect to the payment of supplemental extended compensation.

(5) The term "additional compensation" means compensation totally financed by a State and payable under the State law by reason of conditions of high unemployment or by reason of other special factors.

(6) The term "benefit year" means the benefit year as defined in the applicable State law.

(7) The term "base period" means the base period as determined under the applicable State law for the benefit year.

(8) The term "Secretary" means the Secretary of Labor of the United States.

(9) The term "State" includes the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.

(10) The term "State agency" means the agency of the State which administers the State law.

(11) The term "State law" means the unemployment compensation law of the State which is approved by the Secretary under section 3304 of the Internal Revenue Code of 1954.

(12) The term "week" means a week as defined in the applicable State law, except that for purposes of subsections (a), (b), (d), (e), (f), and (g) of section 203 "week" means a calendar week.

Approval of State Laws

SEC. 206. (a) Paragraph (11) of section 3304(a) of the Internal Revenue Code of 1954 is amended to read as follows:

"(1) extended compensation and supplemental extended compensation shall be payable as provided by the Federal-State Extended Unemployment Compensation Act of 1979;".

(b) The amendment made by subsection (a) of this section shall apply with respect to certifications of States on October 31, 1981, and, on October 31 of each subsequent year, and with respect to weeks of unemployment which begin after December 31, 1980.

(2) In the case of any State, the legislature of which does not meet during the calendar year 1980, the amendment made by subsection (a) of this section shall apply with respect to the certification of the State on October 31, 1982, and on October 31 of each subsequent year, and with respect to weeks of unemployment which begin after December 31, 1981.

Early Effective Dates

SEC. 207. (a) (1) In the case of a State law approved under section 3304(a) (11) of the Internal Revenue Code of 1954, as amended by section 206(a) of this Act, such State law may also provide that extended compensation shall be payable with respect to weeks of unemployment beginning prior to January 1 of the year to which section 206(b) applies, and for this purpose the State law shall also specify the first date on which an extended benefit period may begin which shall be subject to the special rules in section 203(b) and shall not be earlier than 60 days after the date of enactment of this Act. The State law shall also provide, with respect to any early extended benefit period authorized by this paragraph, that such early extended benefit period shall be determined in accordance with section 203(a) (1) solely by reference to the State "on" indicator and the State "off" indicator for extended benefit periods.

(2) Section 204 shall apply to extended compensation paid with respect to weeks of unemployment that begin prior to January 1 of the year to which section 206(b) applies, in respect of such compensation paid in accordance with paragraph (1) of this subsection.

(b) (1) In the case of any State law approved under section 3304(a) (11) of the Internal Revenue Code of 1954, as amended by section 206 of this Act, such State law may also provide that supplemental extended compensation shall be payable with respect to weeks of unemployment beginning prior to January 1 of the year to which section 206(b) applies, and for this purpose the State law shall also specify the first date on which a supplemental extended benefit period may begin, which shall be subject to the special rules in section 203(b) and shall not be earlier than 60 days after the date of enactment of this Act. The State law shall also provide, with respect to any early supplemental extended benefit period authorized by this paragraph, that such early supplemental benefit shall be determined in accordance with section 203(a) (2) solely by reference to the State "supplemental on" indicator and the State's "supplemental off" indicator for supplemental extended benefit periods.

(2) Section 204 shall apply to supplemental extended compensation paid with respect to weeks of unemployment that begin prior to January 1 of the year to which section 206(b) applies, in respect of such compensation paid in accordance with paragraph (1) of this subsection.

REPEAL OF 1970 ACT

SEC. 208. The Federal-State Extended Unemployment Compensation Act of 1970 is repealed as to each State on the date that the law of the State approved under section 3304 (a) (11) of the Internal Revenue Code of 1954 (as amended by this Act) takes effect in the State.

TITLE III—FINANCING AMENDMENTS FOR UNEMPLOYMENT COMPENSATION PROGRAMS

EXTENDED UNEMPLOYMENT COMPENSATION ACCOUNT

SEC. 301. (a) Subparagraphs (B) and (C) of section 901(f) (3) of the Social Security Act, and subsection (b) of section 905 of the Social Security Act, are repealed effective after March of the first calendar year to which paragraph (2) of subsection 3301 of the Federal Unemployment Tax Act applies.

(b) Section 902 of the Social Security Act is amended by striking from subsection (c) the clause "and the extended unemployment compensation account will reach the limit provided for such account in section 905(b) (2),".

(c) Section 905 of the Social Security Act is amended—

(1) by inserting before the period at the end of subsection (c) the clause "and in section 204(f) of the Federal-State Extended Unemployment Compensation Act of 1979", and

(2) by redesignating subsection (d) as (d) (1) and by adding thereto the following new paragraph (2):

"(2) There are hereby authorized to be appropriated, without fiscal year limitation, to the extended unemployment compensation account, such sums as may be necessary to carry out the purposes of the Federal-State Extended Unemployment Compensation Act of 1979."

(d) (1) Subparagraph (A) of section 901 (f) (3) of the Social Security Act is amended by striking the subparagraph designation "(A)".

(2) Section 903(a) (1) and section 902(c) of the Social Security Act are amended by striking "901(f) (3) (A)" and inserting in lieu thereof "901(f) (3)".

(3) Section 905 of the Social Security Act (as amended by this Act) is amended—

(A) by relettering subsection (c) as (b), and

(B) by relettering subsection (d) (1) as (c) (1).

(4) The amendments made by this subsection shall take effect after March of the first calendar year to which paragraph (2) of section 3301 of the Federal Unemployment Tax Act applies.

(e) The amendments made by subsections (b) and (c) of this section shall take effect on the enactment of this Act.

REPAYMENT OF ADVANCES

SEC. 302. (a) Paragraph (2) of section 3302(c) of the Internal Revenue Code of 1954 is amended to read as follows:

"(2) (A) If an advance (or advances) has been made to the account of a State under title XII of the Social Security Act, then the total credits otherwise allowable under this section (after applying subsections (a) and (b) and paragraph (1) of this subsection), in the case of a taxable year beginning with the second or subsequent consecutive January 1 as of the beginning of which there is a balance of such advance (or advances) and after the taxable year 1979, to a taxpayer subject to the unemployment compensation law of such State, shall be reduced in accordance with subparagraph (B) of this paragraph unless—

"(i) the Secretary of Labor finds as of November 10 of such taxable year that (I) with respect to that taxable year and the three succeeding taxable years, the State has taken appropriate action with respect to the financing of its unemployment compensation law which is estimated by the Secretary of Labor to result in such State's unemployment fund being actuarially sound for such four taxable years, and (II) in that taxable year will permit the repayment required by subparagraph (A) (ii) (if such repayment is required) without, in the estimate of the Secretary of Labor, endangering the actuarial soundness of the State's unemployment fund for that taxable year or for the three succeeding taxable years; and

"(ii) prior to November 10 of such taxable year, the State pays to the Treasury, for credit to the Federal unemployment account in the Unemployment Trust Fund and reduction in the balance of such advance (or advances) to such State, an amount determined by the Secretary of Labor and certified to the Secretary of the Treasury equal to not less than 20 percent of the balance of advance (or advances) as of the January 1 on which such balance was the highest among the preceding consecutive taxable years in which there was as of January 1 a balance of advance (or advances), but not more than the amount of the balance on January 1 of such taxable year; except that repayment as provided in this subparagraph shall not be required if the average weekly insured unemployment rate (as defined in section 203(h) of the Federal-State Extended Unemployment Compensation Act of 1979) in the State for all weeks which began in the fiscal year ending in such taxable year equaled or exceeded 4.5 percent.

"(B) For any taxable year that the Secretary of Labor finds and certifies to the Secretary of the Treasury that a State has not satisfied the requirements of subparagraphs (A) (i) and (A) (ii), the total credits otherwise allowable to a taxpayer subject to the unemployment compensation law of such State shall be reduced by the sum of—

"(i) 10 percent of the tax imposed by section 3301 with respect to the wages paid by such taxpayer during such taxable year which are attributable to such State; and

"(ii) the percentage determined by the Secretary of Labor to the nearest tenth of a percent and certified to the Secretary of the Treasury which is calculated to reduce the credits otherwise allowable to all taxpayers subject to the unemployment compensation law of such State in an aggregate additional amount equal to 6 percent of the repayment required by subparagraph (A)(ii), if such repayment is required with respect to such taxable year.

"(C) The Secretary of Labor shall prescribe regulations setting forth the criteria according to which he will determine the requirements of subparagraphs (A)(i), (A)(ii), and (B).".

(b) Subsection (d) of section 3302 of such Code is amended by—

(1) changing the heading of such subsection to read "Special Rules Relating to Subsection (c),"

(2) deleting "Paragraph (2) or (3)" in paragraph (3) of subsection (d) and inserting in lieu thereof "Paragraph (2)", and

(3) deleting paragraphs (4), (5), (6), and (7).

(c) Section 901(d)(1) of the Social Security Act is amended by deleting "section 3302(c)(3)" and inserting in lieu thereof "section 3302(c)(2)".

(d) Section 1201(a)(1) of the Social Security Act is amended by deleting "and 1202" and inserting in lieu thereof "906(c)(2), and 1202, and title III of the Emergency Compensation and Special Unemployment Assistance Extension Act of 1975".

(e) The amendments made by subsections (a), (b)(1), and (b)(3) of this section shall take effect with the taxable year that begins on January 1, 1980. The amendments made by subsections (b)(2), (c), and (d) of this section shall take effect on the date of enactment of this Act.

INTEREST ON ADVANCES

SEC. 303. Subsection (a) of section 1201 of the Social Security Act is amended by adding thereto a new paragraph (4) to read as follows:

"(4) An advance made under this section for any month which begins after the date of enactment of the Unemployment Insurance System Revitalization Act of 1979 shall, notwithstanding paragraph (1) of this subsection, bear interest at the rate of 0.5 percent per month on the balance of the advance as of the beginning of each month. For the purposes of this title, title IX, and the Federal Unemployment Tax Act, the accumulated interest shall become a part of the balance of the advance, except for the purpose of calculating the interest required under this paragraph. Any such advance shall be repayable, with such interest, in the manner provided in sections 901(d)(1), 903(b)(2), 906(c)(2), and 1202, and title III of the Emergency Compensation and Special Unemployment Assistance Extension Act of 1975.".

FINANCING EMERGENCY UNEMPLOYMENT COMPENSATION

SEC. 304. (a) Section 104 of the Emergency Unemployment Compensation Act of 1974 is amended to read as follows:

"SEC. 104. (a) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this Act. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State in accordance with such certifications, by transfers from the General Fund of the Treasury to the account of such State in the Unemployment Trust Fund.

"(b) There are authorized to be appropriated from the General Fund of the Treasury, without fiscal year limitation, such sums as may be necessary to carry out the purposes of this Act.".

(b) Repayment shall not be required of any advances to the extended unemployment compensation account that have been made by the Treasury prior to the date of enactment of this Act for use in making payments to States having agreements entered into under the Emergency Unemployment Compensation Act of 1974.

EXHIBIT 2

TABLE I.—INADEQUACIES OF STATE UI RESERVES

[In millions of dollars]

State	Adequate reserve level*	Actual balance excluding loans	Difference
Alabama	341.2	61.7	279.5
Alaska	187.4	58.4	129.0
Arizona	258.6	137.7	120.9
Arkansas	216.7	14.0	202.7
California	3,107.1	1,755.0	1,352.1
Colorado	178.6	99.5	79.1
Connecticut	657.8	—336.2	994.0
Delaware	101.2	—32.6	133.8
District of Columbia	105.3	—63.7	169.0
Florida	682.7	398.0	284.7
Georgia	528.4	344.7	183.7
Hawaii	117.2	37.7	79.5
Idaho	81.8	80.7	1.1
Illinois	1,417 2	—612.2	2,029.4
Indiana	575.8	357.7	218.1
Iowa	210.0	94.2	115.8
Kansas	165.5	198.7	(+)
Kentucky	413.5	165.8	247.7
Louisiana	371.1	120.9	250.2
Maine	120.2	—11.4	131.6
Maryland	428.9	121.4	307.5
Massachusetts	1,020.8	—57.6	1,078.4
Michigan	2,240.6	—26.8	2,267.4
Minnesota	394.2	—7.5	401.7
Mississippi	167.2	180.3	(+)
Missouri	508.9	208.0	300.9
Montana	86.6	4.7	81.9
Nebraska	100.4	66.3	34.1
Nevada	127.3	51.6	75.7
New Hampshire	101.2	60.0	41.2
New Jersey	1,463.8	—545.9	2,009.7
New Mexico	74.6	55.0	19.6
New York	2,667.6	22.9	2,644.7
North Carolina	684.3	402.7	281.6
North Dakota	41.3	16.5	24.8
Ohio	1,625.4	457.8	1,167.6
Oklahoma	167.2	118.0	49.2
Oregon	369.3	193.8	175.5
Pennsylvania	2,013.9	—948.8	3,012.7
Puerto Rico	213.4	—63.9	277.3
Rhode Island	204.4	—88.6	293.0
South Carolina	366.0	130.5	235.5
South Dakota	22.0	13.4	8.6
Tennessee	444.4	243.2	201.2
Texas	697.8	343.4	354.4
Utah	97.3	48.6	48.7
Vermont	64.3	— 30.5	94.8
Virginia	304.6	96.1	208.5
Washington	857.7	103.9	753.8
West Virginia	245.0	57.0	188.0
Wisconsin	562.6	365.8	196.7
Wyoming	57.5	58.9	(+)
Total	28,257.7	4,518.8	23,836.6

*Based on Department of Labor adequate reserve guideline define as 1½ times the applicable State's high cost period since 1958.

Source: Department of Labor.

EXHIBIT 3

TABLE II.—ESTIMATED COST EQUALIZATION REIMBURSEMENTS FOR 1975, 1976, AND 1977

[In millions of dollars]

State	1975	1976	1977	Total
Alabama	83.2			83.2
Alaska	12.5	30.7	54.0	97.2
Arizona	70.3			70.3
Arkansas	58.6			58.6
California	551.1	291.3		843.0
Colorado				
Connecticut	149.1	82.9		232.0
Delaware	20.9			20.9
Florida				
Georgia	146.8			146.8
Hawaii		18.5		18.5
Idaho			8.8	8.8
Illinois	269.3	281.8		551.1
Indiana	108.1			108.1
Iowa				
Kansas				
Kentucky	55.4			55.4
Louisiana				
Maine	27.6	15.0	15.4	58.0
Maryland	67.4			67.4
Massachusetts	224.0	52.6	17.0	293.6
Michigan	546.3	214.1		760.4
Minnesota				
Mississippi	25.7			25.7
Missouri	88.6			88.6
Montana	8.4			8.4
Nebraska				
Nevada	23.2	10.5		33.7
New Hampshire	25.5			25.5
New Jersey	321.8	180.2	121.7	623.7
New Mexico	8.3			8.3
New York	613.2	226.0		839.2
North Carolina	193.0			193.0
North Dakota				
Ohio				
Oklahoma				
Oregon	77.1	32.0		109.1
Pennsylvania	559.1	267.6	225.1	1,051.8
Rhode Island	47.4	16.6	10.9	74.9
South Carolina	111.8			111.8
South Dakota				
Tennessee	112.7			112.7
Texas				
Utah				
Vermont	14.9	6.8		21.7
Virginia				
Washington	61.5	50.4	23.0	134.9
West Virginia	22.3			22.3
Wisconsin	94.3			94.3
Wyoming				
District of Columbia				
Puerto Rico	60.4	47.6	36.7	144.7
Total	4,860.4	1,824.6	512.6	7,197.6

EXHIBIT 4

TABLE III.—STATES WITH OUTSTANDING TITLE XII LOAN BALANCES

Date	State	Amount
December 1975	Alabama	$27,000,000.00
January 1976	Arkansas	19,500,000.00
March 1972	Connecticut	*410,497,439.06
November 1975	Delaware	47,000,000.00
Do	District of Columbia	*64,465,573.81
April 1976	Florida	0
January 1976	Hawaii	0
December 1975	Illinois	946,500,000.00
September 1975	Maine	36,400,000.00
March 1976	Maryland	0
April 1975	Michigan	624,000,000.00
Do	Massachusetts	265,000,000.00
July 1975	Minnesota	152,000,000.00
April 1976	Montana	10,484,089.00
January 1976	Nevada	0
January 1975	New Jersey	694,928,000.00
February 1977	New York	335,750,000.00
March 1977	Ohio	0
February 1976	Oregon	0
October 1975	Pennsylvania	1,187,295,925.00
April 1975	Puerto Rico	88,700,000.00
February 1975	Rhode Island	*101,728,882.04
February 1974	Vermont	*46,375,483.00
April 1973	Washington	0
July 1975	Virgin Islands	10,905,000.00
Total outstanding loans as of Feb. 28, 1979		5,068,530,391.91

●

By Mr. CHURCH (for himself and Mr. JACKSON):

S. 826. A bill to amend the Small Reclamation Projects Act of 1956, as amended; to the Committee on Energy and Natural Resources.

UPDATING THE SMALL RECLAMATION PROJECTS ACT

● Mr. CHURCH. Mr. President, I am today introducing a bill to increase the total authorization amount for the Small Reclamation Projects Act.

Since its enactment in 1956, the Small Reclamation Projects Act has served our Nation well. This act established a program under which loans for small reclamation projects could be made available to the 17 Western reclamation States and Hawaii. These small projects have taken many forms. They have ranged from multiple-purpose water resource projects to irrigation drainage projects.

Under this law, maximum limitations are annually established to direct the loans to those projects which are truly small. Those who may apply for such loans include State agencies, political subdivisions of the States, irrigation districts, conservation districts, water users' organizations and agencies created by interstate compacts.

In these days of renewed emphasis on balancing the budget, it must be noted that under this act the applicants must pay for a part of the cost of reviewing and processing the application. In addition, the applicant bears all costs of preparing the investigations and reports that must accompany review of proposals. This feature makes such reclamation loans a real bargain for our taxpayers. Our Nation further benefits by the increased efficiency and productivity these loans bring to our farmers efforts to supply nutritious food in bountiful quantities.

Mr. President, this act has been amended on several previous occasions. Twice before the Congress has approved amendments which have increased the total authorized loan amount. In 1975, I sponsored legislation which increased this ceiling to its current level of $400 million.

It is urgently in need of an increase to $600 million. Almost all of the current authorization for appropriation will be used by projects where construction has been completed, those under construction, and projects in the final stages of approval or included in the administration's fiscal year 1980 budget. These projects, combined with draft applications for loans now under consideration by the Bureau of Reclamation, will exceed the current limitation by some $2 million. This does not count an additional $147 million in potential loans for those projects which are planned for submission but have not yet commenced formal review by the Bureau. Agencies now spending their own, private money to prepare applications will not be able to even receive consideration unless this ceiling is increased. It is also clear that the inflation in construction and planning costs dictates that the ceiling be increased to $630 million to keep this beneficial program alive.

This program is unique and inexpensive to operate. I ask my colleagues to join with me in adjusting the loan ceiling to a level which will accommodate the continued operation of this program. I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 826

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Small Reclamation Projects Act of 1956 (70 Stat. 1044), as amended, is further amended as follows:

(a) Section 10, as amended, is further amended by deleting "$400,000,000" and inserting in lieu thereof the amount of "$600,000,000".●

By Mr. DOMENICI:

S. 827. A bill to amend chapter 21 of title 38, United States Code, relating to specially adopted housing for disabled veterans, to remove the requirement that a blind veteran, to be eligible for assistance under such chapter, must also have suffered the loss or use of one lower extremity; to the Committee on Veterans' Affairs.

BLIND VETERANS DISABILITY HOUSING ACT OF 1979

● Mr. DOMENICI. Mr. President, I am today introducing legislation which is designed to help correct the inequity suffered by the disabled veteran whose sole disability is blindness. Under present law, to be eligible for specially adapted housing for disabled veterans, a blind veteran must, in addition to being blind in both eyes, also be unable to use one of his lower extremities. The present language neglects the fact that blindness is an extreme disability of itself and need not be qualified in order to achieve that status. The needs of the blind are different from those who have lost the use of one or both of their legs. To deny assistance for specially adapted housing to the veteran who has had the misfortune of losing his sight but fortunate enough to retain the use of his legs would not only be inconsistent and impractical but cruel and unjust.

The need for adaptive housing for who have no sight is no less than that of those who suffer the loss of one or both lower extremities. Among the many special features needed by the blind, but not those with vision, include: Safety rails on all steps, pushbutton ovens, formica tops on ranges for cleaning up spills, smoke alarms, brail on medicine bottles and spice jars, door locks fitted to one key, and brail washers and dryers. In short, a host of safety features that those with sight either take for granted or find unnecessary, is needed by the blind.

Mr. President, I believe my bill would do much toward assisting blinded veterans in attaining the goal of rehabilitation and becoming productive members of society and taking their rightful place in their communities. The number of blinded veterans is relatively small. However, the problems of the individual blind veteran and his family in adjusting to blindness can be great. My bill would help ease that task. I consider my bill to be no more than what a compassionate and grateful society owes those who have served it so well. Mr. President, I would like to urge my colleagues to favorably consider this legislation and to join with me in working for its prompt enactment. I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 827

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (2) of section 801 of title 38, United States Code, is amended to read as follows:

"(2) which includes blindness in both eyes, having only light perception, or".

Sec. 2. Section 802 of title 38, United States Code, is amended by striking out "shall not exceed $25,000 in any one case—" in the material preceding clause (1) and inserting in lieu thereof "shall not exceed, in any one case, $12,500 in the case of any veteran with a disability described in section 801(1) of this title or $25,000 in the case of any veteran with a disability described in clause (1) or (3) of this title—".●

By Mr. MATHIAS (for himself, Mr. Sarbanes and Mr. Warner):

S. 828. A bill to authorize additional Federal contributions for the cost of construction of the rapid transit system of the National Capital region, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL FUNDING PARTICIPATION IN THE WASHINGTON REGIONAL METRORAIL SYSTEM

● Mr. MATHIAS. Mr. President, I am pleased to introduce on behalf of Senators Sarbanes and Warner and myself legislation which will insure completion of the Washington Metrorail 101-mile system on a timely schedule.

This bill provides for Federal sharing in the costs of three aspects of Metrorail: Construction funding, repayment of outstanding revenue bonds, and operating subsidy.

Construction funding is authorized at a $400 million annual level beginning in fiscal year 1982 and continuing through fiscal year 1985. This annual Federal share of construction costs represents 80 percent of the total estimated cost to complete the remaining 40 miles of subway. The local jurisdictions in the Washington area will contribute 20 percent to this construction cost. No Federal funds can be spent under this formula unless and until that 20 percent local share is assured.

Outstanding WMATA revenue bonds total $997 million. These bonds and the interest on them, which is taxable, are repayable over a 40-year period ending in the year 2015. They are guaranteed by the U.S. Department of Transportation. The legislation I am introducing here today establishes a sinking fund to pay the principal on those bonds with a Federal contribution to the sinking fund not to exceed two-thirds of the total bond indebtedness. The eight participaing local jurisdictions through their membership in the Washington Metropolitan Area Transit Authority are to contribute to the repayment of those same bonds at a level of one-third of the total value of bonds outstanding. The bill authorizes a Federal contribution of no more than two-thirds of the interest due on those bonds. Additionally, this bill restores the tax-exempt status to the interest. This bond repayment formula simply confirms an agreement reached between the WMATA member governments and the U.S. Department of Transportation.

Last, this bill provides for a level of Federal sharing in the operating deficit of Metrorail beginning in fiscal year 1980 at a level of $20 million. This operating subsidy would continue through fiscal year 1987, increasing at a 6-percent rate to provide for inflation.

For the benefit of my colleagues, I would like to review the history of the planning and development of the Washington subway system so that they may better understand the previous Federal commitments to this system and, hence, the need for this bill today.

A rapid rail transit system has been talked about in the Washington region for 60 years. In 1952, the Congress took an active interest in the transportation needs of the Federal city and its region by directing the National Capital Regional Planning Council to prepare a plan for the movement of people and goods within the region.

When Congress passed the National Capital Transportation Act of 1960, it clearly stated the Federal interest:

> The Congress finds that an improved transportation system of the national capital region (1) is essential to the continued and effective performance of the functions of the Government of the United States, for the welfare of the District of Columbia, for the orderly growth and development of the national capital region and for the preservation of the beauty and dignity of the Nation's Capital * * *

The Washington Metropolitan Area Transit Authority (WMATA) was established by Congress in 1966 to plan, construct, finance, and operate a rapid rail and bus transit system for the Washington region. It is a public agency run by local elected officials and their appointees from Maryland, Virginia, and the District of Columbia. It is one of the few tri-State authorities in the Nation responsible for a major regional subway and bus system.

Metro, as the subway system is called, has had the strong support of six Presidents, beginning with President Eisenhower. Each has played an important role in encouraging the regional cooperation necessary to create the system and in providing the all-essential Federal sharing of costs as the system came into being. One of the promises then-candidate Jimmy Carter made to the Democratic Platform Committee in June of 1976 was a commitment to complete new urban transit systems. In fact, he said that this must become "the Nation's first transportation priority."

Mr. President, the years of hard work which have gone into making the Washington subway system a reality and such a success are reflected in a chronology of events published by WMATA in 1977. I ask unanimous consent that that chronology be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHRONOLOGICAL HISTORY OF WMATA

July 19, 1952: Congress passes National Capital Planning Act of 1952 (66 Stat. 781). Directs National Capital Planning Commission and National Capital Regional Planning Council to prepare plans for movement of people and goods in the region.

March, 1954: General Assemblies of Maryland and Virginia adopt resolutions creating a joint commission to study passenger-carrier facilities and services in Washington Metropolitan Area. Includes three representatives of D.C. government.

April 22, 1955: Congress authorizes funds for the Commission and Council jointly to conduct a half-million dollar Mass Transportation Survey of present and future needs in the National Capital Region.

July 1, 1959: Mass Transportation Survey presented to President Eisenhower. Calls for $500 million rapid rail transit system by 1980.

March 14, 1960: Bills (S. 3193 and H.R. 11135) introduced by Sen. Alan Bible (D-Nev.) and Rep. Joel T. Broyhill (R-Va.) to create federal National Capital Transportation Agency.

May 5 & 6, 1960: Joint Committee on Washington Metropolitan Problems holds hearings on legislation.

July 14, 1960: President Eisenhower signs into law National Capital Transportation Act (Public Law 86-669) creating NCTA to develop a rapid rail system.

September, 1960: Congress appropriates $250,000 for NCTA's first budget running to June 30, 1961. Staff of 25 is authorized.

September 16, 1960: H. Holmes Vogel appointed by President Eisenhower sworn in as first NCTA Administrator.

May 4, 1961: Senate confirms C. Darwin Stolzenbach (appointed by President Kennedy) as NCTA Administrator.

July 20, 1961: Warren D. Quenstedt (appointed by President Kennedy) sworn in as Deputy Administrator of NCTA.

November 3, 1962: NCTA submits Transit Development Program to President Kennedy. Plan proposes 83 miles of rapid rail transit with 65 stations plus 15 miles of improved rail commuter service, 52 miles of express bus operation, and 50 additional miles of freeway. System to be financed by fares, public bonds, and federal and local grants.

May 27, 1963: President Kennedy submits NCTA Plan to Congress.

June, 1963: S. 1647 introduced by Sen. Alan Bible (D-Nev.), H.R. 6633 introduced by Rep. Joel T. Broyhill (R-Va.), and H.R. 7249 by Rep. Basil Whitener (D-N.C.), to implement *transit* portion of NCTA program.

December 4, 1963: House District Committee passes by 11-2 vote H.R. 8929, "The Whitener Plan"—a basic 23-mile, $400.6 million rapid rail transit system based on the 1969 construction stage of the NCTA proposals.

December 9, 1963: House of Representatives votes 278-76 to recommit H.R. 8929 to District Committee. NCTA begins revision of system heeding Congressional guidelines.

March, 1964: NVTC established. Virginia General Assembly establishes the Northern Virginia Transportation District, a Commission of members from governing bodies of Arlington and Fairfax Counties and the cities of Alexander, Fairfax and Falls Church to plan and develop transportation facilities, including financial participation by the constituent counties and cities.

February 10, 1965: President Johnson asks Congress to authorize Transit Development Program 1965, a 25-mile, $431 million basic rapid transit system, capable of being expanded into a regional system. Rep. Basil Whitener (D-N.C.) introduces H.R. 4822, Senators Bible (D-Nev.) and Joseph Tydings (D-Md.) introduce S. 1117.

February 24, 1965: Subcommittee No. 5 of the House District Committee (under Chairman Basil Whitener) holds hearings on H.R. 4822.

March, 1965: Maryland General Assembly passes legislation authorizing Montgomery and Prince George's Counties to participate in Washington area rapid transit system. One bill enables the two counties to join a Washington Metropolitan Area Transit Compact Authority. The other sets up a Washington Suburban Transit District Commission comprised of county officials to act as intermediary between Compact Authority and local government.

May 4, 1965: WSTC created. Maryland Gov. J. Millard Tawes approves H.B. 300 creating the Washington Suburban Transit District and Washington Suburban Transit Commission, effective July 1, 1965.

May 6, 1965: President Lyndon B. Johnson designates Walter J. McCarter as NCTA Administrator, succeeding C. Darwin Stolzenbach.

September 8, 1965: President Johnson sends request to Congress for first NCTA appropriation for advanced engineering and real estate acquisition—$9,179,000 of which $3 million would be District funds. Includes $500,000 for additional staff and expenses.

October 13, 1965: House Appropriations Committee recommends approval of $6.1 million supplemental appropriation for NCTA, requesting solution of certain problems before actual subway construction: undate data via independent traffic survey; specific plans for bond issuance; arrangements and approvals for stations in Maryland and Virginia; and joint fare arrangements with local bus companies.

October 31, 1965: President Johnson signs bill giving $6.1 million for remainder of fiscal year 1966.

January 7, 1966: De Leuw, Cather & Co. of Chicago engaged as NCTA's consultant for conceptual engineering.

February 4, 1966: Governor Godwin signs act of Virginia legislature (S. 113) authorizing participation in interstate compact for a regional transit system.

February 15, 1966: D.C. Commissioners vote "vigorous support" for the interstate compact legislation.

March 3, 1966: News conference announces bus-passenger survey March 8 and 15; an historic first as heads of all four bus companies attend and express great interest and cooperation with rapid rail transit.

March 10, 1966: Harry M. Weese and Associates of Chicago engaged as NCTA's consultant for conceptual architecture.

July 20, 1966: House Judiciary Subcommittee hearings on Interstate Compact (H.J. Res. 1163).

August 22, 1966: Senate Judiciary Subcommittee hearings on Interstate Compact (S. 3488).

November 6, 1966: WMATA created. President Johnson signs Interstate Compact legislation (Public Law 89-774) creating the Washington Metropolitan Area Transit Authority. Maryland signs 11/17/66; and Virginia and D.C. sign 11/22/66.

February 20, 1967: WMATA officially "born" to co-exist with NCTA for seven months. Six directors and their alternates sworn in. Walter N. Tobriner elected chairman.

March 17, 1967: Jackson Graham, Maj. Gen. USA (Ret.) appointed General Manager.

October 1, 1967: NCTA expires; staff of 29 transfers to WMATA. Program continues with unbroken continuity.

October 20, 1967: WMATA's board unanimously approves for presentation to the public, a Proposed Regional Rapid Rail Transit System of 95.6 miles, including 34.6 miles in the District of Columbia, 27.8 miles in Maryland and 33.2 miles in Virginia.

November 9, 1967: Rev. Walter E. Fauntroy of D.C. succeeds Walter N. Tobriner as chairman.

December 20, 1967: President Johnson signs Public Law 90-22 authorizing elimination of Columbia Heights spur and new service to Southwest employment area not covered in basic system. Authorizing legislation, H.R. 11395, was introduced by Rep. Basil Whitener (D-N.C.) on 7/12/67.

January 5, 1968: WMATA board elects James P. Gleason of Maryland as chairman to succeed Rev. Walter E. Fauntroy.

January 15, 1968: WMATA board begins series of eleven hearings in the District of Columbia, Virginia and Maryland on the Proposed Regional System (PRS).

February 9, 1968: Board adopts "Metro" as system name and approves Helvetica type style for system graphics.

March 1, 1968: Board unanimously adopts a 97.2-mile regional system, including 34.8 miles in the District of Columbia, 29.1 miles in Virginia and 29.7 miles in Maryland. This Adopted Regional System is called "ARS."

March 17, 1968: Maryland General Assembly passes law (HB 950) authorizing Prince George's County to issue $88 million in bonds to pay major portion of its share of Metro construction costs.

August 10, 1968: D.C. appropriations for FY 1969 approved by Congress without provisions for Metro funds. Chairman of the House Subcommittee on Appropriations for the District of Columbia states, ". . . As soon as the freeway system gets underway beyond recall, our Comimttee will recommed the appropriation of funds for the rail transit system." Impasse begins.

August 15, 1968: Montgomery County Council authorizes issuance of $116 million in bonds to pay its share of Metro construction costs.

October 1, 1968: Originally planned date for groundbreaking. Groundbreaking postponed indefinitely until D.C. Metro funds released by House Appropriations Subcommittee.

October 21, 1968: Congress approves $3.2 million FY 1969 supplemental apropriation for D.C. As a result, federal matching funds totalling $6.3 million become available, giving WMATA a total of $12.4 million for continuing land acquisition, design, initial utility relocation and other nonconstruction programs.

November 5, 1968: Voters dramatically endorse Metro in five jurisdictions holding referenda: Over 71 percent vote for bond issues to finance local shares of Metro costs.

Jurisdiction total and votes for bonds as percent of total votes: 71.4.

Arlington County	78.6
Fairfax City	71.4
Fairfax County	77.8
City of Falls Church	79.2
Prince George's County	61.7

(D.C. financial structure does not provide bond referenda).

(Montgomery County Council made county decision).

January 3, 1969: Board elects as chairman for 1969 Frederick A. Babson, Chairman of the Fairfax County Board of Supervisors, succeeding James P. Gleason.

January 15, 1969: President Richard M. Nixon submits FY 1970 budget request which includes $22.9 million for the D.C.'s contribution to construction costs and $43.2 million in matching money.

January 17, 1969: President Nixon sends to Congress FY 1969 supplemental request for the District of Columbia including $18.7 million for the District's share of Metro construction cost.

January 21–23, 1969: Public hearings in D.C. (21), Montgomery County (22) and Fairfax County (23), on station relocations:

South Capitol and M Streets to 4th and M Streets, S.W., (Waterfront Station); Pooks Hill to under Wisconsin Avenue between National Institutes of Health and National Naval Medical Center (Medical Center); and Huntington Avenue at U.S. 1 to North Kings Highway and Farmington Drive (Huntington Station). Relocations supported by citizens.

February 7, 1969: WMATA adopts revised rapid rail plan and program including relocation of three stations. Revised plan calls for 97.7 miles of track at total system cost of $2.495 billion, $835 million of revenue bonds to be issued by WMATA, $1.147 billion federal and $573.5 million local funding. Local jurisdictions at this time to commit 97% of total required grant:

Jurisdictions and commitment (millions of dollars):

District of Columbia	$208.7
Virginia	149.9
Alexandria	30.6
Arlington County	54.0
Fairfax City	2.6
Fairfax County	61.9
Falls Church	0.8
Maryland	197.0
Montgomery County	110.4
Prince George's County	86.6
Total	555.6

Remaining 3%, about $17.9 million of local cost, will be allocated midway through 10-year construction period based on actual experience.

Station relocations approved per public hearings (see January 21–23).

March 29, 1969: City of Falls Church is first jurisdiction to sign capital contributions contract obligating $800,000 toward the construction of Metro.

April 15, 1969: Senate Bill 1814 introduced to provide for public ownership of the D.C. Transit Systems, Inc. WMATA urged to acquire and operate the company.

April 16, 1969: County of Fairfax signs capital contributions contract obligating $61.9 million toward construction costs of Metro.

April 29, 1969: Prince George's County signs capital contributions contract obligating $86.6 million toward the construction costs of Metro.

May 16, 1969: Senate Bill 2185 and House Bill H.R. 11193 introduced to authorize federal grant of $1.147 billion and District of Columbia contribution of $216.5 million for construction of 97.7-mile regional Metro.

June 3, 1969: Fairfax City signs capital contributions contract obligating $2.6 million toward the construction of Metro.

June 4, 1969: Arlington County signs capital constributions contract obligating $54 million.

June 19, 1969: Senate passes by 84 to 2 vote a FY 1969 supplemental appropriation (H.R. 11400) containing $18.7 million in District of Columbia funds for Metro construction (subsequently deleted in House-Senate conference action). The impasse continues.

July 1, 1969: Montgomery County signs capital contributions contract obligating $110.4 million toward the construction costs of Metro.

July 8, 1969: Senate Bill 2185 passes authorizing federal grant of $1.147 billion and District of Columbia contribution of $216.5 million for construction of regional Metro system.

August 9, 1969: District of Columbia City Council votes 6–2 to approve construction of Three Sisters Bridge and other highway projects, carrying out provisions of the Federal-Aid Highway Act of 1968.

August 12, 1969: President Nixon cites steps taken by D.C. City Council and Secretary of Transportation to meet criteria of Rep. William H. Natcher (D-Ky.) for release of D.C. Metro funds. In a letter to Rep. Natcher, President Nixon urges approval of the $18.7 million deleted from the FY 1969 D.C. appropriation bill, together with $21.6 million in the D.C.'s appropriation bill for FY 1970.

September 24, 1969: Rep. William H. Natcher (D-Ky.), Chairman, District of Columbia Subcommittee, House Appropriations Committee recommends appropriation of $18.7 million in Metro construction funds previously deleted from the FY 1969 D.C. supplemental appropriation bill, ending the 13-month impasse.

September 29, 1969: Washington Suburban Transit Commission (WSTC) signs capital contributions contract obligating the $197 million from Montgomery and Prince George's Counties toward construction of Metro and signs transit service contract.

November 24, 1969: House, voting 305 to 9, passes and sends to Senate, D.C. appropriations bill containing $18.7 million in Metro money for FY 1969 and $21.6 million in Metro funds for FY 1970. This unlocks the first Metro construction money—$37.4 million in previously appropriated federal funds held in escrow by the Budget Bureau.

December 2, 1969: Congress passes and sends to White House, legislation (S. 2185) authorizing federal participation in 98-mile regional system to the extent of $1.147 billion over 10-year period.

December 9, 1969: Board awards first construction contract—for $33.7 million—to joint venture of Gordon H. Ball, Inc., Danville, California; J. F. Shea Co., Oakland, California, and Norair Engineering Corp., Washington, D.C. Contract involves about three-quarters of a mile of cut-and-cover tunnel construction from 10th and G to 3rd and D Streets, N.W. and includes Gallery Place and Judiciary Square Stations.

December 9, 1969: With high-ranking federal, state and local officials participating and in attendance, Metro breaks ground in Judiciary Square at 3:00 p.m. under cloudy skies as an estimated 1500 persons watched.

December 9, 1969: President Nixon signs S. 2185 assuring Metro of federal support to extent of $1.147 billion over 10-year period.

January 9, 1970: Joseph P. Yeldell elected Chairman of Board succeeding Frederick A. Babson.

April 14, 1970: Montgomery County becomes first jurisdiction to raise funds to its share of Metro capital costs by selling general obligation bonds—$21.6 million at an annual rate of 6.0996 percent—to be redeemed at a rate of $720,000 per year for 30 years beginning in 1971.

April 15, 1970: Senate passes by vote of 48 to 34 S. 1814 providing public ownership of bus system operated by D.C. Transit, Inc., and other area bus companies. Bill also authorizes interim financial assistance to D.C. Transit, pending public acquisition. Bill sent to House District Committee. (No further action on bill during 1970).

May 15, 1970: First work stoppage on construction: jurisdictional dispute between Piledrivers' Local No. 2311 affiliated with the Carpenters' District Council and Laborers' Local No. 456 of the Laborers' District Council—at Judiciary Square Station job site.

June 1, 1970: U.S. Department of Labor announces "Washington Plan" requiring the hiring of specified percentages of minority workers in the building trades employed on federally aided construction projects, including Metro.

June 4, 1970: Board adopts U.S. Department of Labor's "Washington Plan" which requires active minority personnel recruitment and goals of minority manpower utilization by contractors in order to qualify for possible receipt of WMATA contracts.

June 11, 1970: Board adopts realignment of about 2½ miles of midcity route to better serve the inner city; $3,000,000 in additional costs to be paid by D.C. Government.

June 18, 1970: Congress passes FY 1971 appropriation bill for the District of Columbia without $34.2 million for D.C.'s share of Metro construction cost. This is second year in which impasse between District of Columbia and Congress over utilization of highway funds has prevented the normal appropriation of Metro construction money.

June 29, 1970: First Maryland land acquisition. Purchase of approximately ¼ acre near the Silver Spring Station from Frank P. Mannarino at a price of $10 per square foot for a total of $127,010.

July 2, 1970: Metro construction contract awards exceed $100 million with contracts for construction of Metro Center Station and relocation of power lines in the Union Station area.

July 6, 1970: President Nixon signs 1970 Supplemental Appropriations Act providing $82.9 million in federal funds for Metro construction (D.C. share still held up as impasse continues.)

September 12, 1970: First Virginia land acquisition—approximately ½ acre from E. Burnett Ale at Huntington Station location for 39 cents per square foot for a total cost of $8500.

October 17, 1970: Secretary of Transportation John A. Volpe announces availability to WMATA of $57 million loan until additional funds are appropriated by Congress.

December 3, 1970: Rev. Jerry A. Moore, Jr., elected to succeed Joseph P. Yeldell who resigned.

December 22, 1970: Impasse continues as House passes conference report on 1971 supplemental appropriations bill without D.C.'s $34.2 million for Metro.

December 31, 1970: Board formally resolves to build the 98-mile rapid rail transit system without sacrificing quality or service despite 19 percent increase in construction costs—$2.5 to $2.98 billion—because of inflationary pressures, higher interest rates, appropriations delays and interagency decision holdups. The resolution reaffirmed previous plans to begin service in December 1973 and to complete the full 98-mile network by the end of 1979.

January 14, 1971: Carlton R. Sickles succeeds Rev. Jerry A. Moore, Jr. as board chairman.

January 19, 1971: The first in a lengthy series of public hearings ordered by the U.S. District Court on properties around station sites which may possibly be affected by Metro construction, is held on Farragut North Station.

February 11, 1971: Metro Insurance Administrators comes into existence as board awards contract to joint venture of Brail-Mick Corp. (D.C. minority firm), J. Blaise DeSibour & Co., and B. F. Saul Co., both of D.C., McFarlin Insurance Agency, Riverdale, Maryland, and Johnson and Higgins, New York.

April 7, 1971: President Nixon proposes that the federal government guarantee WMATA revenue bonds "so as to expedite their sale . . ."

May 11, 1971: House of Representatives considers Rep. Giaimo's amendment to overturn Appropriations Committee action withholding $34.2 million FY 1971 D.C. share of Metro funds. Committee action upheld by House vote 219 to 170, continuing the impasse. The strong vote backing Metro funding indicates will of Congress is shifting.

May 20, 1971: Board decides by approval of physical inventory of features at all stations what costs are considered system costs to be shared by all jurisdictions and that future costs shall be charged to the system or to a single jurisdiction according to Board determination.

June 17, 1971: WMATA-NVTC break ground in Rosslyn, Virginia, for first suburban station.

August 18, 1971: Board members and city officials open first city street permanently restored after Metro construction—Fifth Street between F and G Streets, N.W.

September 2, 1971: Board awards $42 million contract to General Railway Signal Co., Rochester, N.Y., for design, production and installation of Automatic Train Control System.

September 28, 1971: President Nixon requests from Congress $38 million in D.C. supplemental appropriation for Metro.

October 4, 1971: First shipment of quarter-mile long rails for Metro arrives by train in East Coach Yard of Washington Terminal Company.

November 18, 1971: Board approves expanded minority development program including a "Washington Plan" for increasing participation of minority-owned firms in all local federally aided construction. Office of Minority Development is created within staff.

December 2, 1971: Voting as a Committee of the Whole, the House by teller vote of 196 to 183 releases D.C. FY 1971 and 1972 Metro funds ($72.5 million); the later roll call vote was 195 to 174.

December 3, 1971: General Manager sets July 4, 1974, as opening date for first 4.6 miles of route, including six stations: Farragut North, Metro Center, Gallery Place, Judiciary Square, Union Station and Rhode Island Avenue.

December 9, 1971: Board completes formal naming of 81 Metro stations, changing 20 from names used in Adopted Regional System of 1968.

December 30, 1971: Deputy Mayor Graham Watt, representing D.C. on WMATA Board, delivers check for $72.5 million, paying D.C.'s FY 1971 and 1972 obligations, released by Congress on December 2.

January 6, 1972: Joseph L. Fisher succeeds Carlton R. Sickles as chairman.

April 6, 1972: Virginia Governor A. Linwood Holton signs bill providing for 2 cent increase in motor fuel tax to help pay for transportation services.

April 11, 1972: Maryland Governor Marvin Mandel signs Maryland Consolidated Transportation Act providing $61 million for Prince George's and Montgomery Counties' shares in Metro costs.

May 3, 1972: Cumulative low bids exceed $500,000,000 with award of $91.6 million contract to Rohr Corp. for first 300 Metro cars.

July 13, 1972: President Nixon signs PL 92–349 amending the National Capital Transportation Act of 1969 to provide for a federal guaranty of $1.2 billion on Metro revenue bonds. The measure also provides a 25 percent interest subsidy which supports additional $300 million needed to finance about 40 percent of $2.98 billion Metro construction cost. Prior to enactment of the bond guaranty, WMATA had obligated or committed all available funds.

October 10, 1972: WMATA opens bids on the first $225 million in revenue bonds. Low bidder was syndicate headed by Merril Lynch, Pierce, Fenner & Smith at a net interest cost to WMATA of 7.36486 percent. Bond proceeds are immediately committed to construction projects.

October 21, 1972: President Nixon signs PL 92–517 authorizing public acquisition of the four privately-owned area bus lines by WMATA.

December 4–8, 1972: WMATA holds six regional public hearings on the bus acquisition program, outlining a $106.5 million improvement plan and gaining citizen reaction.

December 28, 1972: WMATA files an application with the Urban Mass Transportation Administration for two-thirds federal funding of the improvement program.

January 11, 1973: Stanley J. Anderson, a member of the D.C. City Council, succeeds Joseph L. Fisher as WMATA Board Chairman.

January 11, 1979: Urban Mass Transportation Administration approves capital improvement grant for $70.3 million.

January 14, 1973: WMATA deposits check for $38.2 million and files a declaration of taking with clerk of the U.S. District Court for the District of Columbia and acquires the assets of D.C. Transit, Inc., and WV&M Coach Co.

Public bus operations begin at 2 a.m. Final price of the two companies is to be determined when condemnation case is settled.

January 24, 1973: WMATA opens bids on second federally-guaranteed bond issue. First Boston Bank heads syndicate to purchase $220 million issue at net interest cost to WMATA of 7.3847 percent.

February 4, 1973: WMATA acquires the operating assets of AB&W Transit Co. for $10.7 million and WMA Transit Co. for $4.5 million. Acquisition of all four companies allows WMATA to drop interline transfer charges, extend senior citizen discounts region-wide, and institute selected fare reductions on routes formerly served by different carriers at different rates.

July 1, 1973: President Nixon signs into law the "Second Supplemental Appropriations Act, 1973," enabling WMATA the interest subsidy authorized by PL 92–349, $4,885,000, to remain available until expended.

July 11, 1973: Series C revenue bonds totalling $150 million are sold to investment syndicate headed by Goldman, Sache, & Assoc. at 7.75 percent interest.

August 13, 1973: President Nixon signs into law the "Federal-Aid Highway Act of 1973," authorizing appropriations for the construction of certain highways and including authorization for the Secretary of Transportation to make payments to the WMATA in amounts sufficient to finance the cost of providing such facilities for the subway and repaid rail transit system as may be necessary to make such subway and system accessible to the handicapped, not to exceed $65,000,000.

August 16, 1973: President Nixon signs the "Department of Transportation and Related Agencies Appropriation Act, 1974," enabling the DOT to pay the WMATA $90,360,000 for the fiscal year 1974, $7,385,000 for design and construction of the Arlington Cemetery Station and an additional Smithsonian Station entrance and to enable the DOT to pay the WMATA the interest subsidy authorized by PL 92–349, $12,728,000.

April 2, 1974: Phase I of the Metrobus improvement Program—addition of 100 new buses to the fleet to relieve overcrowding—goes into effect.

April 28, 1974: Series D revenue bonds totalling $225 million sold to investment syndicate headed by Salomon Brothers at 8.15 percent net interest cost.

September 1, 1974: The last 151 new buses were added to the fleet to expand service.

October 21, 1974: Groundbreaking in Prince George's County at the New Carrollton Metro Station.

November 14, 1974: Recalculated cost of Metro set at $4.5 billion due, in part, to serve inflation in the construction industry, strikes, storms, lawsuits.

November 26, 1974: President Ford signs PL 93–503, an amendment to the Urban Mass Transportation Act of 1964 to provide increased assistance for mass transportation systems. The amendment provides $10.925 billion in funds for urban mass transit systems from Fiscal 1975 through Fiscal 1980. This is the first time the federal government has approved financing of operating subsidies for mass transit from the Highway Trust Fund.

January 9, 1975: Joseph Alexander of Fairfax elected WMATA Chairman for 1975.

April 2, 1975: Metro train carries first passengers—Board members in the morning and delegates to the American Public Transit Association Convention in the afternoon.

April 24, 1975: Rep. Herbert E. Harris, II (D-Va.) introduces legislation authorizing $1.257 billion in additional federal support for the Metro system. Bill is co-sponsored by Reps. Joseph L. Fisher (D-Va.), Gladys N. Spellman (D-Md.), Walter Fauntroy (D-D.C.), and Gilbert Gude (R-Md.). Companion legislation introduced in Senate by Sen. J. Glenn Beall (R-Md.).

June 16, 1975: President Ford endorses completion of entire 98-mile Metro system and directs Secretary of Transportation

William T. Coleman to seek solution to problem of financing it.

July 3, 1975: WMATA Board adopts regional Metrobus fare system which retains 40-cent D.C. flat fare, raises suburban Maryland and Virginia rush hour fares, and offers lower fares during weekday non-rush hours and all day on weekends and holidays. Under the new fare system, senior citizens and the handicapped ride at reduced rates during non-rush hours. The new fare system, which replaces fare structures left by four privately-held bus companies, to take effect September 1, 1975.

July 10, 1975: Board votes to replace existing bus fare zones with four concentric suburban zones, effective September 1, 1975.

July 24, 1975: WMATA Board adopts new formula for allocating Metrobus operating deficits among Maryland, Virginia and the District of Columbia. The goal of the deficit formula is to determine the costs of operating buses in each of the three jurisdictions, and charge the difference to each jurisdiction.

July 24, 1975: WMATA Board approves extension of Metro's Rockville Route to include a Shady Grove Station, subject to future funding from federal and local sources.

October 1, 1975: New Ordinance becomes effective making it illegal to smoke, drink, eat or play radios without earphones on Metrobuses.

October 10, 1975: U.S. Transportation Secretary William T. Coleman, Jr. presides over ceremonies marking the first local transfer of interstate highway funds for mass transit. WMATA received $286,560,000 in unused District of Columbia highway grants for Metro construction.

December 11, 1975: WMATA Board approves a fare system for the first two phases of the rail system. Fares for the Phase I segment are to be 55 cents during rush hours and 40 cents during non-rush hours. Phase II fares are to be 30 cents for the first composite mile and 10 cents for each additional composite mile during rush hours, and 25 cents and 5 cents, respectively, for the non-rush hours. Handicapped persons and senior citizens are to pay reduced fares during non-rush hours.

January 1, 1976: $177 million of Series E Bonds sold at 8.35 percent interest to Federal Financing Bank, bringing Metro's total bond sales to $997 million.

January 15, 1976: Sterling Tucker, Chairman of D.C. City Council, elected WMATA chairman for 1976.

January 20, 1976: Secretary of Transportation William T. Coleman advises Chairman Tucker by letter that Metro construction through Fiscal 1978 should be possible through transfer of unused interstate highway funds to Metro construction, under certain restrictions specified.

January 31, 1976: General Manager Jackson Graham retires. Warren Quenstedt appointed Acting General Manager.

March 27, 1976: Metro opening day. Free rides for more than 51,000 persons over the Phase I segment. Phase I includes 4.2 miles of revenue service (between the terminal stations) and 4.6 miles of total line (including .4 mile of rail track beyond the terminal stations used for train cross-overs). Gallery Place, on the Phase I line, not in service because of court order relating to lack of station access for the handicapped.

March 29, 1976: First day of revenue service on Phase I route. 188 train trips carry 19,913 fare paying customers 6 a.m. to 8 p.m.

April 12, 1976: Virginia Governor Mills Godwin approves two-year 4 percent gasoline tax earmarked for transportation purposes. All five Virginia jurisdictions must implement, or none can. Fairfax City, later, vetoes. Tax fails. Governor Godwin vetoes line item of $10 million for Metro in state's Fiscal 1977 Budget.

May 27, 1976: Metro's one-millionth passenger, college student Harold Draper, enters Farragut North Station two months after the opening of the Phase I route. The average daily ridership of 23,000 substantially exceeds ridership projections for this first phase.

June 28, 1976: New rush hours take effect on Mertobus services. Peak period fares are extended one hour in the morning and one hour in the evening. The new hours are 6 to 9:30 a.m. and 3 to 6:30 p.m. The new peak hours are expected to increase revenues by $1 million annually.

August 26, 1976: WMATA's Director of Program Control reports that further delays and cost escalations have boosted the cost estimate for completion of the rail system to $5.025 billion. For the first time, the projection includes an unfunded contingency, which totals $487.3 milion, bringing the possible cost to $5.512 billion.

September 23, 1976: WMATA Board announces choice of Theodore Lutz as new WMATA General Manager. Lutz is under Secretary of Transportation.

September 24, 1976: Urban Mass Transportation Administration (UMTA) Administrator Robert Patricelli says in a speech that a new financial plan for construction of the rail system should have a ceiling of $4.677 billion.

November 8, 1976: Theodore Lutz begins first work day as WMATA General Manager.

December 2, 1976: Metro Board of Directors approves and sends to jurisdictions interim funding plan to use available funds, totalling $942.8 million, to assure completion of 60 miles of the 100-mile system. The routes begin in downtown Washington and serve Alexandria and the counties of Arlington, Fairfax, Montgomery and Prince George's. Board members stress the agreement does *not* mean the remaining 40 miles are being scrapped.

December 13, 1976: Fairfax City sues in the U.S. District Court of Alexandria challenging interim funding plan. According to the suit, the plan violates the Capital Contributions Agreement of 1970 which promised completion of the Vienna route.

December 15, 1976: Gallery Place Station opens following special waiver by Administrator of the General Services Administration. Waiver applies to law requiring full access for handicapped and is conditioned on completion and full operation of elevator at Station by July 1, 1977.

December 17, 1976: First test train travels beneath the Potomac to Rosslyn, Va.

January 13, 1977: Francis W. White, Prince George's County Councilman, elected WMATA Chairman for 1977.

January 17, 1977: Dupont Circle Metro Station opens, adding about one-third revenue mile to the system. The system now extends 4.5 revenue miles (between the terminal stations) and 5.67 total miles (including 1.17 miles of tail track beyond the terminal stations used for train crossovers).

January 20, 1977: The Inaugural Committee makes the largest single charter in Metrobus history, $170,000 worth, to handle the crowds for the inauguration of Jimmy Carter. The Metrorail system is also chartered for the two-and-a-half hours of the inauguration by the Committee. Metro establishes ridership records. A total of 68,023 patrons rode during the 20 hours of operation (6 a.m. to 2 a.m.), with 23,944 riding during the two-and-a-half hour free-ride period sponsored by the Committee. WMATA and the Inaugural Committee widely praised for success of the operation. Many cite the event as evidence of what a coordinated rail-bus system can accomplish.

Mr. MATHIAS. Mr. President, as this history shows, it has been a long and arduous process to get the Washington subway underway. There have been delays and obstacles at almost every turn—from hardrock encountered by a tunneling machine under Connecticut Avenue, to "alternatives analyses" mandated by the Federal DOT, to a lawsuit and second thoughts by one of the local participating jurisdictions, to congressional balking at providing the Federal share, to work stoppages, and even to a natural disaster, a hurricane, which disrupted construction progress. All of these obstacles have been met head-on by the WMATA board and addressed in a rational way. They are behind us now.

But each of these delays in the process has taken its toll in time and money. The construction completion date has slipped to 1987. And the estimated cost to construct the system has escalated to $6.7 billion on the fastest track construction timetable. Inflation in construction costs, however, is not confined to the Washington subway system. One need only recall the original cost projections for the Nation's Interstate Highway System of $20 billion. Today, 42,000 miles have been built. The system is 90 percent open to traffic. And it has cost $100 billion to complete. Highway planners estimate it will take another $40 billion to complete the remaining 10 percent of interstate highways.

Perhaps the most remarkable thing about the Washington Metrorail system is the regional cooperation among the eight local jurisdictions and two States during all these years of blood, sweat, and tears. They have stuck together despite great pressures to throw in the towel. This was no easy feat, when one considers, that we are talking about the governments of the District of Columbia, the States of Maryland and of Virginia, Prince Georges County, Montgomery County, Arlington County, Fairfax County, and the independent cities of Alexandria, Fairfax, and Falls Church.

These jurisdictions have now presented to the U.S. Department of Transportation a financial plan for the completion of the 101 mile system, retirement of its bonds, and operating subsidies. That plan has been accepted by DOT Secretary Adams. And this legislation fulfills the Federal role in that plan.

Mr. President, I ask unanimous consent that a letter to me from the WMATA board chairman, the Reverend Jerry Moore, explaining the need for this legislation be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

WASHINGTON METROPOLITAN AREA
TRANSIT AUTHORITY,
Washington, D.C., March 8, 1979.

Hon. CHARLES MCC. MATHIAS, JR.,
Committee on Government Efficiency and the District of Columbia, Committee on Governmental Affairs, Washington, D.C.

DEAR SENATOR MATHIAS: I am writing to request your introduction of legislation to assist the National Capital region in completing construction of the approved 101-mile Metro transit system. Such legislation has been introduced in the House of Representatives and is sponsored by the entire Washington area delegation. That measure is H.R. 1792.

As you well know, the Washington area has under construction or has funds identified to complete some 60 miles of the planned

101-mile Adopted Regional System (ARS). The planned system is one which was in large part initiated by the Congress to meet the public transporation and other needs of the Federal City and its environs.

The ARS was most recently reaffirmed by an exhaustive, federally mandated, alternatives analysis process. That analysis upheld earlier plans as being essential to meet the region's needs. That analysis process was conducted by a Joint Policy Steering Committee (JPSC) of the Metropolitan Washington Council of Governments. Enclosed is a copy of the group's formally approved resolution endorsing the ARS and a copy of a resolution approved by the WMATA Board of Directors on the alternatives analysis (Attachments 1 and 2). The results of the alternatives analysis process were agreed upon by the U.S. Department of Transportation. In a statement in August, 1978, Secretary of Transporation Adams, speaking for the Administration, accepted the results of alternatives analysis and agreed with the goal of completing the ARS. A copy of that statement is enclosed (Attachment 3).

You will note that part of the JPSC resolution directed WMATA to develop a financial plan to allow for completion of the system. Such a plan has been developed reflecting careful compromises among the regional governments. A copy of the WMATA Board resolution outlining this plan is enclosed (Attachment 4). That plan requires that legislation authorizing additional Federal contributions, to be matched by local contributions, be approved by the Congress. The need for this type of legislation was further recognized and approved by representatives of the Washington region most recently at their annual Airlie Conference in December 1978. A copy of the approved resolution from that conference is enclosed (Attachment 5).

You well know of the years of careful planning, much of which was specifically directed by the Congress and the Federal government, which serves as the underpinning for the Metro system. Its completion is absolutely central to providing a rational transportation system for the Washington region. The special Federal interest demands such a system and provides a basis for the special Federal participation in its construction. Thus, the first section of the legislation we are requesting would authorize additional Federal grants, to be matched by the local governments on an 80/20 basis. The funds authorized would allow for completion of the ARS.

Secondly, the legislation provides language to implement the agreement reached between the area governments and the Department of Transportation on retirement of the outstanding bonds. That agreement calls for the establishment of a sinking fund and for the interest and principal to be repaid under a formula whereby the Federal government would pay two-thirds and the local governments the remaining one-third. Consistent with the agreement with Secretary Adams, the legislation provides authorization for a transition period from the existing 85–15 sharing to the overall ⅔–⅓ arrangement.

Finally, the proposal requests special Federal operating assistance in recognition of the special Federal role. Certain Metrorail facilities were built solely at Federal insistence and to serve the Federal government. Examples include the Arlington Cemetery Station, Smithsonian Station, and, to a lesser degree, the Federal Center Station. Additionally, as the regions' primary employer, the Federal government has a responsibility to encourage the use of public transportation. Currently, the Federal government subsidizes employee parking at a rate which commercially would be worth some $20 million annually according to estimates from the Metropolitan Washington Council of Governments. The specific levels of operating assistance requested in the proposed legislation were set in recognition of the operating costs of the special Federal facilities (for which WMATA receives no special assistance) and the estimated commercial value of the Federally-subsidized parking in the region.

It is the position of the Washington Metropolitan Area Transit Authority that approval of legislation along the lines outlined above is essential. Your assistance in this matter will be greatly appreciated.

Thank you for your consideration.

Sincerely,

JERRY A. MOORE, Jr.,
Chairman.

Mr. MATHIAS. Metrorail has proven itself a success, even to those who initially had doubts. When the first 4-mile segment opened in March of 1976, daily ridership ranged from 25,000 to 32,000, far above the most optimistic projections. Just last week, the WMATA general manager, Mr. Ted Lutz, reported to the Senate Appropriations Subcommittee on Transportation that average weekday ridership was at 255,000. Mr. Lutz went on to note:

> A milestone of sorts was reached on February 5 when we carried over 270,000 patrons. If you recall, Mr. Chairman, that was during the height of the farmers' protest when local highway arteries were jammed. It is, I believe, indicative of the ability public transportation possesses to respond to a crisis situation.

I must add, Mr. President, that WMATA was extremely fortunate to attract a general manager of the caliber of Mr. Lutz to the job. He has been a guiding force for the WMATA board, hard working, able to solve difficult scheduling, financing, and political problems, while retaining the confidence of local, State, and Federal decisionmakers. We owe our gratitude to him for a job well done. Mr. Lutz, as my colleagues may know, is resigning next month. His management skills and sense of humor in the face of adversity will be missed.

We look forward to working with WMATA's new general manager, Richard Page, who brings to the job his experience of having run the Seattle metro system and the perspective of his present position as the U.S. Urban Mass Transit Administrator.

Metrorail currently operates 30 miles, including lines into the Maryland and Virginia suburbs. Its well-designed cars and stations are clean, safe, and provide fast, inexpensive transportation. It has been estimated that the average passenger car commuting to work costs 30 cents per mile to operate, excluding parking costs. The longest and, therefore, most expensive Metrorail trip costs $2.20. So clearly the subway is a bonanza for those who ride the rails. Metro estimates that for every 4-car Metro train carrying 700 people during rush hour, there are nearly 500 fewer cars on the road. And in an auto-choked region such as Washington, that is truly a marvel.

The system actually has 3 rush hours—morning, noon, and night. It has been a boon for downtown shopping and restaurants as well as businesses near Metro stations throughout the region. And it has brought people of the region together in a way they have never before experienced, providing a fast, efficient public service which is fun to ride.

The Washington Metrorail system has shown itself to be a major public asset befitting the Nation's capital. It has become one of our most prized tourist and visitor attractions, of which we are justifiably proud.

Mr. President, OPEC this week raised the price of crude oil 9 percent and some OPEC nations are discussing additional surcharges. I need not emphasize to my colleagues what this means for Americans who must heat their homes and drive their cars. We may soon find not double-digits, but triple-digits on the price at the gas pump.

And, although public pronouncements about our national energy policy talk about conservation of fuel and driving at 55 miles per hour, no serious attention is paid to long-term alternatives such as rapid rail. Urban mass transit is a proven energy saver. Yet it is being largely ignored.

This legislation implements the full funding concept for urban mass transit by providing a multiyear authorization to complete construction of Washington's subway system. It provides the Federal commitment to the system and assures the local participating governments that we are willing to put our money where our mouths are. With this Federal participation assured, I am confident that the WMATA member jurisdictions will once again exhibit a spirit of regional cooperation and come up with their required local share of the cost.

In December of 1977, a Metro task force composed of prominent businessmen, of the Federal City Council here in Washington addressed this issue of financing Metrorail:

> The current overall plan for the Metro system represents nearly 20 years of intensive planning and negotiations throughout the region. Part of this process involved some very difficult decisions not to build freeways in several jurisdictions. Looking ahead, it seems clear that this Nation will have to change the way it obtains and uses energy. One likely result will be an increase in the price of gasoline—perhaps to the point where current patterns of commuting by automobile become less feasible. This makes it imperative that we provide for a transportation system that can adequately and appropriately serve the National Capital area 25 and 50 years from now.
>
> The question is not whether this area can afford to build and operate the Metro system as previously envisioned. We have the financial resources. The question is whether we choose to spend those resources to complete what we have begun—a public transportation system designed to concentrate and effectively serve residential and employment centers throughout the region—or whether we abandon the effort halfway and begin instead to spend our resources on other forms of development patterns and transportation facilities that are likely to be less efficient and eventually more expensive.
>
> Even though our public officials are elected in the short term, we must expect them to act responsibly for our best interest in the long-term, including the raising of revenue

necessary to invest in needed public services like Metro.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD as follows:

S. 828

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the National Capital Transportation Act of 1969 (D.C. Code, sec. 1–1441 et seq.) is amended by adding immediately after section 13 thereof the following new sections:

"AUTHORIZATION OF ADDITIONAL FEDERAL CONTRIBUTIONS FOR CONSTRUCTION

"SEC. 14. (a) The Secretary of Transportation is authorized to make contributions to the Transit Authority, in addition to the contributions authorized by section 3 of this Act, for the purpose of financing in part the cost of construction of the Adopted Regional System.

"(b) Federal contributions under subsection (a) for the Adopted Regional System shall be subject to the following limitations and conditions:

"(1) The work for which such contributions are authorized shall be subject to the provisions of the Compact and shall be for projects included in the Adopted Regional System.

"(2) The aggregate amount of such Federal contributions made during any fiscal year shall be matched by the local participating governments by payment of capital contributions for such year in a total amount that is not less than 25 per centum of the amount of such Federal contributions.

"(c)(1) There is authorized to be appropriated to the Secretary of Transportation to carry out the purposes of this section the following amounts:

"(A) For fiscal year 1982, the amount of $400,000,000.

"(B) For fiscal year 1983, the amount of $400,000,000.

"(C) For fiscal year 1984, the amount of $400,000,000.

"(D) For fiscal year 1985, the amount of $400,000,000.

"(2) There is authorized to be appropriated to the Secretary of Transportation, for use as a contingency for unanticipated costs (such as inflation) in carrying out the purposes of this section during the fiscal years referred to in paragraph (1) of this subsection, the amount of $100,000,000.

"(3) Amounts appropriated pursuant to this subsection—

"(A) shall remain available until expended; and

"(B) shall be in addition to, and not in lieu of, amounts available to the Transit Authority under the Urban Mass Transportation Act of 1964 and the Federal Aid Highway Act of 1973, and any other Act.

"PAYMENT OF BONDS

"SEC. 15. (a)(1) The Transit Authority shall establish a sinking fund to be used for the accumulation of assets for payment of principal on bonds issued by the Transit Authority. The fund shall be established and administered in accordance with the provisions of the Compact providing for funds established by the Transit Authority, and moneys in the fund may be invested by the Transit Authority in accordance with the Compact.

"(2) Assets of the fund shall be used to pay the principal on bonds issued by the Transit Authority.

"(b)(1) The Secretary of Transportation shall (A) make contributions to the fund established pursuant to subsection (a) in amounts sufficient to provide for the payment of two-thirds of the principal of bonds issued by the Transit Authority under the Compact before the date of the enactment of this section, or (B) otherwise provide for the payment of two-thirds of the principal of such bonds.

"(2) The local participating governments shall make payments to the Transit Authority in amounts sufficient to allow the Transit Authority to (A) make contributions to the fund established pursuant to subsection (a) in amounts sufficient to provide for the payment of one-third of the principal of bonds issued by the Transit Authority under the Compact before the date of the enactment of this section, or (B) otherwise provide for payment of one-third of the principal of such bonds, and the Transit Authority shall make such contributions or otherwise provide for such payments.

"(c)(1)(A) The Secretary of Transportation shall make contributions to the Transit Authority, in addition to other contributions authorized by this Act, in amounts sufficient to provide for the payment of two-thirds of the total amount of interest paid or to be paid after January 1, 1979, on bonds issued by the Transit Authority under the Compact before the date of the enactment of this section.

"(B) In carrying out subparagraph (A), the Secretary of Transportation shall make contributions in amounts sufficient to provide for the payment, as any payment becomes due, of not more than 85 per centum of the interest due on such bonds at the time of such payment so long as the total amount of contributions by the Secretary under this subsection does not exceed the amount specified in subparagraph (A).

"(2) The local participating governments shall make payments to the Transit Authority in amounts sufficient to allow the Transit Authority to provide for the payment of one-third of the interest paid or to be paid after January 1, 1979, on bonds issued by the Transit Authority under the Compact before the date of the enactment of this section, and the Transit Authority shall make such payments.

"(3) If as a result of the retirement of the principal of such bonds (or of any portion of such principal) before maturity the total amount of contributions by the Secretary of Transportation after January 1, 1979, for payment of interest on such bonds is at any time in excess of two-thirds of the total amount of interest paid or to be paid on such bonds after such date, the Transit Authority shall pay to the Secretary the difference between the total amount contributed by the Secretary and two-thirds of the total amount of interest paid or to be paid on such bonds after such date.

"ANNUAL FEDERAL CONTRIBUTION FOR OPERATING EXPENSES

"SEC. 16. (a) The Secretary of Transportation is authorized to make an annual contribution to the Transit Authority to finance in part the cost of operating and maintaining the rapid rail transit system of the Transit system of the Transit Authority.

"(b) There is authorized to be appropropriated to the Secretary of Transportation to carry out the purpose of subsection (a) the following amounts:

"(1) For fiscal year 1980, the amount of $20,000,000.

"(2) For fiscal year 1981, the amount of $21,200,000.

"(3) For fiscal year 1982, the amount of $22,500,000.

"(4) For fiscal year 1983, the amount of $23,800,000.

"(5) For fiscal year 1984, the amount of $25,200,000.

"(6) For fiscal year 1985, the amount of $26,700,000.

"(7) For fiscal year 1986, the amount of $28,300,000.

"(8) For fiscal year 1987, the amount of $30,000,000.

"(c) Contributions under this section shall be made without any requirement of a matching contribution by the local participating governments and shall be in addition to contributions under this or any other Act.

"(d) Amounts appropriated pursuant to subsection (b)—

"(1) shall remain available until expended; and

"(2) shall be in addition to, and not in lieu of, amounts available to the Transit Authority under the Urban Mass Transportation Act of 1964, and this or any other Act.".

SEC. 2. (a) Section 3 of such Act (D.C. Code, sec. 1–1442) is amended—

(A) by inserting "under this section" in subsection (a) after "Federal contributions"; and

(B) by inserting "under this section" in subsection (b) after "Federal contributions" the first place it appears therein.

(b) Effective October 1, 1979, section 4 of such Act (D.C. Code, sec. 1–1443), relating to District of Columbia contributions, is amended—

(1) by striking out "Commissioner" in subsections (a) and (d) and inserting in lieu thereof "Mayor"; and

(2) by striking out "aggregating not to exceed $269,700,000" in the first sentence of subsection (a); and

(3) by striking out "not to exceed $219,700,000" in the second sentence of subsection (a) and inserting in lieu thereof "such sums as may be necessary".

(c)(1) Section 9(d) of the National Capital Transportation Act of 1969 (D.C. Code, sec. 1–1446) is repealed.

(2) The amendment made by paragraph (1) applies with respect to obligations of the Washington Metropolitan Area Transit Authority issued after the date of the enactment of this Act.

(d)(1) Section 10 of such Act (D.C. Code, sec. 1–1447) is repealed.

(2) The amendment made by paragraph (1) applies with respect to net interest cost and fees, commissions, and other costs of issuance incurred by the Washington Metropolitan Area Transit Authority on or after the date of the enactment of this Act.

(e)(1) Subsections (a) and (b) of section 11 of such Act (D.C. Code, sec. 1–1448) are amended by striking out "section 10" and inserting in lieu thereof "section 15".

(2) The amendments made by paragraph (1) take effect on the date of the enactment of this Act or on October 1, 1979, whichever is later.●

● Mr. SARBANES. Mr. President, I am pleased to join my colleagues, Senators MATHIAS and WARNER, in introducing this vitally important legislation to insure the completion of the Washington Metropolitan Area Transit Authority's Metrorail system. Approval of this legislation will fulfill a commitment undertaken by Congress nearly 20 years ago to provide efficient and effective public transit for the National Capital region.

The centerpiece of this bill is the authorization of funds sufficient to complete the full 101-mile Metrorail system by 1987. These Federal contributions would be matched by a 25-percent share contributed by the local governments within the region. With this combined Federal and local effort WMATA will succeed in providing the full public transit service needed to best serve the National Capital Region.

The origins of the presently proposed

Metrorail system may be traced back to an act of Congress in 1960. The 1960 act mandated the planning and design of a rapid rail system for the National Capital region. Throughout the 1960's local officials and citizens participated in a far-ranging and comprehensive review of the public transit needs of the region. After careful consideration and consultation with appropriate Federal officials the National Capital Transit Authority, forerunner to WMATA, submitted a plan to construct an efficient, modern system which would extend from the inner city to the densely populated suburban areas in Maryland and Virginia. In 1968 Congress endorsed this concept and authorized initial funding to commence construction of the Metrorail system.

In 1976 Metrorail began operations in downtown Washington. In 1977 service was greatly expanded by the opening of a second line which extended into the Northern Virginia suburbs. In 1978 new segments of track were opened to service in Prince Georges and Montgomery Counties in Maryland. Many automobile commuters into the city now found they had a viable alternative means of transit.

As each new opening of track and expansion of service has occurred the ridership on the Metrorail system has increased. During the time when service was only available within the District of Columbia average daily ridership was estimated to be 30,000. The opening of the Blue Line to National Airport resulted in an increase in ridership up to 135,000. By the beginning of 1979 the entire system from Maryland to the District of Virginia averaged approximately 260,000 riders per day. In addition Saturday service which began only 6 months ago has already shown a 60-percent increase in ridership to 80,000 from the initial usage. With the opening of additional lines in Arlington, Virginia and Prince Georges County, Maryland during the next 2 years this impressive growth of the system is expected to continue.

Although the success of current operations is striking, much remains to be done if the full system is to be constructed. The need for constructing the entire system was reaffirmed by an alternatives analysis study conducted by WMATA at the behest of the U.S. Department of Transportation in 1976. The study took nearly 2 years to complete and involved an exhaustive investigation of the costs and benefits of the proposed 101-mile rail system and its alternatives. As a result of this comprehensive study some potential economies in construction were identified and some routes were realined, but the basic concept and essential design of the full 101-mile Metrorail system were endorsed and its completion found to be necessary. This conclusion has received the concurrence of Secretary Adams.

Although only about one-third of the projected total system is currently in operation, the vital contribution Metrorail makes to the region became apparent last summer. During a brief shutdown of the system, automobile traffic in the area became congested even beyond what was expected. Further construction and operation will provide the alternative of rapid mass transit to an even larger group of people.

This alternative form of transportation is important not only from the standpoint of efficient movement of people but also that we may cope with the hazards posed by energy shortages and air pollution crises. In view of our country's stated policy to reduce consumption of oil it is important that our citizens be afforded a reasonable alternative to their automobiles. In the Washington metropolitan area, like other metropolitan areas throughout the country, the specter of serious air pollution danger is ever present. Any one who has experienced the health hazards and extreme discomfort of one of the air pollution alerts common to Washington, D.C., during the summer months should recognize the seriousness of this situation. The council of governments of the Washington metropolitan area, in developing a comprehensive pollution abatement plan, placed a very high priority on the construction and operation of the full 101-mile Metrorail system.

Congress cannot ignore its share of the responsibility for the circumstances which have engendered the need for mass transit in the Washington metropolitan area. The initial commitment by Congress to the Metrorail system was a recognition of the unique character and role of the Nation's Capital. With over 350,000 Federal employees living in all three local jurisdictions Metrorail provides the vital link allowing efficient commuting to and from work and makes possible the attainment of clean air goals. The Federal work force is approximately 20 percent of the entire work force in the region, thereby imposing a special responsibility on the Federal Government to deal with the unique problems associated with such a concentration of employees.

The Metrorail system is designed admirably to suit the needs of Federal employees and others who require access to the halls of Government. Rail stops located at the Pentagon, L'Enfant Plaza, Federal Triangle, and Federal Center offer convenient access to the working places of many thousands of employees. There are two stations located within blocks of either side of the Capitol Building itself.

The Nation's Capital does not belong solely to those who live and work here. As a symbol of our Nation the Capital City must be a vital place for all those who journey here to experience firsthand the drama of our country's history. Metrorail has been designed for the citizens of all 50 States and for visitors from abroad who come to Washington for a visit. Two stations have been established at the behest of the Federal Government, Smithsonian and Arlington Cemetery, to provide convenient access to these educational and historic landmarks. The terminals at National Visitors Center and National Airport are specifically designed to serve the needs of those who travel to the Capitol and seek easy mobility and access to accommodate their plans and desires.

While we recognize the Federal contribution to Metrorail we should not overlook the commitment of the local governments involved. Officials from two States and the District of Columbia have worked in close cooperation to plan, develop, finance, and operate this system. The recently completed alternatives analysis study was undertaken by officials of these jurisdictions and indicates a willingness to accept compromise when needed. All of these jurisdictions have undertaken a substantial financial burden amounting to $650 million at the end of 1979. The local governments provided a one-third matching share of the original Federal appropriations. Officials of the local governments have made the decisions to transfer Federal funds available for highway construction to build Metrorail, and they have assumed the great bulk of operating costs of the system. Even now these local governments are engaged in the task of persuading their respective States to adopt a dedicated source to insure future funding of operating costs.

Nearly 20 years ago Congress had the foresight to mandate an effective public transportation system for the future of the Nation's Capital. In introducing this bill today my colleagues and I seek prompt action to fulfill this commitment and to demonstrate our continued concern for the future of the Capital. This legislation would insure that this vital transportation system mandated by Congress, authorized by Congress, planned and designed with the assent of Congress, may be completed with our full support and effort.●

● Mr. WARNER. Mr. President, I am pleased to support the bill just submitted by the distinguished senior Senator from Maryland, Mr. MATHIAS, to authorize Federal funds for completion of the 101-mile Metrorail system for the Nation's Capital. I join Mr. MATHIAS as a cosponsor of this legislation so vital to the Washington metropolitan area.

In this day of great public concern over the Nation's energy needs, it is imperative that this Nation develop and implement alternative concepts for more efficient consumption of our energy resources. Conservation is the key word. The President is searching for ways to conserve fuel resources and mass transit is one solution. The Capital's Metro system is an example for the Nation's metropolitan areas to look to for an answer to this situation. It is an opportunity to not only cut this vast volume of energy consumption, but decrease the staggering traffic congestion, and accompanying air pollution problems in the Nation's Capital.

Specifically, the Metro system is designed to provide transportation to and from work for those who live and work in the Capital city area, and for millions of tourists who annually visit the center of American Government. Stretching from the center of the Capital to the Maryland and Virginia suburbs, it offers transit service to National Airport, Kennedy Stadium, Union Station, the Smithsonian Institution, and the Capital business district. New phases will interconnect already completed portions and reach out into the Virginia and Maryland suburbs.

By 1990, Metrorail will use about 486 rail cars to carry 460 million passengers a year over three major routes at an average speed of 35 miles an hour. The first phase, a 4.6-mile length, opened on March 27, 1967, runs from Rhode Island Avenue and Eighth Street, Northeast, to Connecticut Avenue and L Streets, Northwest. Normally a 28-minute bus ride, the same route is now covered in 7 minutes by Metrorail.

Use of Metrorail is on the rise as the system gains greater acceptance as an alternative mode of transportation.

State and local officials in northern Virginia, the area of my State covered by Metro, are nearly unanimous in their support of Mr. MATHIAS' bill as the most effective funding formula for completion of this mass transit system and to solve funding problems that have arisen among the various local and State jurisdictions involved. Mr. MATHIAS' bill will do just that, and I am pleased to join him in presenting it to the Senate.●

By Mr. BELLMON:

S. 829. A bill to declare a comprehensive and coordinated national weather resources management policy, to provide for the development of standards and guidelines for weather resources management, and to establish a national program of research and development in the weather resources management field; to the Committee on Commerce, Science, and Transportation.

WEATHER RESOURCES MANAGEMENT ACT OF 1979

● Mr. BELLMON. Mr. President, today I am introducing legislation which would accomplish three objectives: First, declare a comprehensive and coordinated national weather resources management policy; second, provide for the development of standards and guidelines for weather resources management; and third, establish a national program of research and development and experimental and operational activities in the weather resources management field. If enacted, this legislation will provide for the first time, a comprehensive and coordinated national weather modification policy and program.

Mr. President, this bill is the outgrowth of legislation I introduced, and which was subsequently passed by the 94th Congress authorizing a study of the need for regulation of weather modification activities, the status of current technologies and other related matters. This law, the National Weather Modification Policy Act of 1976, declared that the purpose of this study was "to develop a comprehensive and coordinated national weather modification policy and a national program of weather modification research and development."

This study, Mr. President, conducted under the supervision of the Weather Modification Advisory Board, was recently completed and submitted to the Secretary of Commerce, as required by Public Law 94-490. I commend the Weather Modification Advisory Board for the quality of this study and recommend its contents to my colleagues as a thorough examination of the weather resources management field and the need for a consolidated national policy in this area. For as the study points out, the potential benefits to be realized from a comprehensive and coordinated national weather modification policy and program are very great.

Building upon this study, I am pleased to introduce legislation which would establish, under the jurisdiction of the National Aeronautics and Space Administration, a national weather modification resources management program which will coordinate and set in motion an effective weather modification policy so that we might come to realize the benefits to our Nation from eliminating one of man's most troublesome concerns—bad weather.

Mr. President, I hesitate to say that this legislation actually establishes a new national weather modification program for such a program already exists within several departments of our Government. The Departments of Agriculture, Commerce, Defense, Interior, the National Science Foundation and NASA all have certain responsibilities for our so-called weather modification program which is now in place. Unfortunately Mr. President, the current efforts undertaken by the Federal Government in this area are so fragmented that it is impossible to know where we stand. A number of States and counties, particularly in the West, have developed weather modification programs of their own. Universities have developed excellent cloud physics research programs, new research tools, mathematical cloud models to simulate modification experiments and are developing the badly needed technical manpower for the field. Yet, at this date, and this is one of the most fundamental problems we approach in this area, we have no central office in the Federal Government which has the final authority and responsibility to effectively carry out a program of weather modification and establish and implement a national weather modification policy.

Mr. President, this bill addresses that very problem. It establishes the National Aeronautics and Space Administration as the agency responsible for administering and implementing the weather modification policy and program provided for in the bill. By providing for a consolidation of Federal weather modification activities under one roof, namely, NASA; we achieve a union of the heretofore splintered effort in this area, which, to a very large degree, has thwarted the effective development of this resource.

To assist NASA in its responsibility, Mr. President, the bill would establish a Weather Resources Management Board, which will advise the Administrator of NASA on organizing, planning, designing, developing and carrying out the national resources program and policy established by this legislation. This Board will consist of six members who are to be appointed by the Administrator of NASA for staggered terms of 6 years each. One member of the Board is to be designated by the President as its chairman. Board members must be selected from fields of professional life who have performed distinguished service in one or more areas involved in or important to the management of complex technologies and who have responsible experience with Government. No person who is an employee of the Federal Government may serve as a member of the Board.

Mr. President, the Weather Resources Management Board shall be responsible for developing and maintaining a set of sound weather resources management practices which are to be based on state-of-the-art technology and current knowledge. These practices shall address such elements as project design, environmental assessments, operations, data collection and evaluation. Any research or operational activity undertaken by the Administrator in accordance with this bill must necessarily comply with the sound weather modification practices developed by the Board. Prior to initiating any such field experiments, the Board must consult with the State or States which may be affected, and conduct one or more public hearings to receive the views and comments of interested persons in the affected area. It is within this context that the Board will assist the Administrator in implementing the National Weather Resources Management program established by section 6 of this bill.

Mr. President, section 6 provides for a program which shall include basic research on atmospheric processes relevant to weather modification; experimental activities to expedite progress; technical and financial assistance to States and political subdivisions thereof, and to private concerns where operational projects can be beneficially used for expanding technological achievement, evaluation of operational projects and encouraging well-designed weather resources management projects as a water management tool. This program is to be carried out through a comprehensive 5 year plan, updated annually, which shall be submitted to the President and the Congress.

Mr. President, it is the experimental and operational aspects of this program that are so essential for a sincere and comprehensive effort in developing weather modification techniques. Although there is still a great deal of research to be done in this field, many favorable results from previous weather modification have been produced. These included hurricane modification, hail and lightning suppression, rain and snow enhancement, and fog modification. We must continue to build on these favorable results by encouraging and promoting continued operational projects.

In addition, this bill provides for an emergency capability so we might be able to react to unforeseen situations, or continue efforts to arrest prolonged periods of unfavorable weather. This is one of the most important aspects of this legislation, Mr. President. I see this emergency capability as providing a response to such destructive forces as drought, tornadoes, blizzards, hurricanes and hailstorms. This is particularly important in view of the destructive nature these atmospheric disturbances have upon food production. Since the time when the first pioneers settled in the Great Plains and the Southwestern United States, drought has been a periodic and serious enemy of mankind. Records of the National Weather Service for my State of Oklahoma, show that a critical dry period has recurred about every 20 years since 1870. The most disastrous of these dry periods came during the mid-1930's, producing the devastation we know today as the Dust Bowl.

Mr. President, the result of drought, if not relieved, is human suffering and great economic losses to the areas involved and ultimately to the country and to the millions of people in other countries of the world who depend upon American produced food.

Today, because of increased technology in meteorology, we do not have to sit idly by while the natural forces of drought wreak havoc on mankind. Rather, through the work of scientists and technicians, we are blessed with at least a basic understanding of the forces which create rain and transform atmospheric moisture into water which will benefit mankind on Earth.

In addition to the agricultural benefits to be derived from a comprehensive weather modification program, there are numerous potential benefits to be realized in our urban areas as well, particularly in the area of fog suppression. Of the relatively few studies which have attempted a comprehensive analysis of fog suppression, most have focused on aviation effects. If fog cancels airport operations, the direct costs to airlines can be quite substantial, and even without counting losses to affected travelers, potential benefit/cost ratios are attractive for fog dispersal. Fog-caused losses to aviation have been estimated to range from $66 million to $75 million annually (1970 dollars) with most because of warm fogs. Effective fog suppression around our Nation's airports will also have an affect of promoting even greater safety for the flying public.

Mr. President, as the great humorist Will Rogers once said, "Everybody talks about the weather but no one does anything about it."

Mr. President, this legislation provides the Nation with a means to do something about the weather. It provides for a needed program of research and development in weather modification as well as an operational and experimental capability to further expand our research and knowledge. Accordingly Mr. President, I urge the favorable consideration of this legislation by the Senate.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 829

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Weather Resources Management Act of 1979".

FINDINGS

SEC. 1. (a) The Congress finds that it may soon be possible, with further research and development, to manage weather resources using a variety of techniques, and that great benefits can and should accrue from a vigorous and prudent use of the emerging technologies for weather resources management. In the use of these technologies, however, full recognition must be given to the fact that the atmosphere is a public resource, belonging to no person or interest, and that experiments in or deliberate modifications of the atmosphere carry with them a responsibility for carefully preserving the welfare of the general public and environment.

(b) Recognizing that water resources management technologies are of potentially immense benefit to the United States but must be better developed in order to preserve the well-being, prosperity, and security of people in the United States and around the world, the Congress finds and declares that—

(1) precipitation enhancement, snowpack enhancement, hail suppression, and related technologies must be developed and improved to help increase and stabilize the water supplies available for crops, municipal and industrial uses, irrigation uses, irrigation, and other applications, with agricultural production being the largest potential beneficiary;

(2) since the potential amount of damage resulting from severe storms and other natural catastrophes is increasing at an accelerating rate, it is important for the United States to develop technologies to reduce the adverse effects of hurricanes, hailstorms, and other atmospheric disturbances, and

(3) since the development and conservation of solar energy, coal, shale, and other energy resources is dependent to a large degree upon the supply of water, sunshine, and other weather elements, it is important for the United States to develop technologies to maximize the availability of favorable weather conditions for energy exploitation and development, including the opening of holes in clouds to admit more sunlight over major cities during winter and over large solar collectors; and

(4) the benefits that can be accrued from the development of technologies for increasing precipitation, mitigating the damaging effects of storms, and increasing energy potential far outweigh the cost of developing and implementing them.

(c)(1) Most of the operational experience and much of the research and development competence in this country is presently to be found in the universities, private contractors, user groups, and State and local governments.

(2) The development of weather resources management science technology has been greatly retarded by the lack of potent Federal leadership, the lack of a consistent Federal policy, fragmented Federal organization, and instability of research funding.

(3) An intensified and integrated program of scientific inquiry and methodological development over the next two decades, is needed in order to develop weather resources management technologies and realize their potential benefits.

(4) There is no urgent need for comprehensive Federal regulation of weather resources management at this time, and in fact excessive regulation would be likely to impede progress.

(5) The States have a vital role in the application of these technolgies, and responsibility for the management of weather resources must be carried on with due regard for the affected interests of the States and localities; the Federal government should seek partnership arrangements with the States to establish long term well designed joint operational/research projects where significant research and operational objectives can be achieved simultaneously.

(6) Weather is transnational, and weather resources management will be furthered by international cooperation.

(7) Weather resources management technologies are being used operationally, but are currently making an insufficient contribution to the national research and development effort.

(8) The most widespread "weather modification" arises from man's unintentional impacts on the atmospheric environment, and more must be learned about these impacts.

POLICY

SEC. 2. It is therefore declared to be the policy of the United States that—

(1) the Federal Government should proceed vigorously with the development of weather resources management capabilities;

(2) these capabilities should be designed to provide the maximum possible economic, social and other benefits to the peoples of the United States and the world at large;

(3) the Federal Government has a supervening responsibility for the management of weather resources in the United States, but its regulatory activities should be limited to those essential to the general welfare;

(4) the universities, the private sector, and the State and local facilities should be utilized to the maximum practical extent in the development of weather resources management capabilities; and

(5) international cooperation should be encouraged.

PURPOSE

SEC. 3. The purpose of this Act is—

(1) to provide for the establishment of a program of focused basic research and experimental tests for the development of weather resources management technologies in those areas where the greatest benefit relative to cost is likely to be gained, specifically including—

(A) technologies for increasing precipitation from cumulus clouds in agriculturally productive areas and for increasing snowpack in mountainous areas;

(B) technologies for reducing the damaging effects of hurricanes, hailstorms, and other atmospheric disturbances; and

(C) technologies for energy resources development, with particular reference to increasing water supplies and available solar energy;

(2) to provide a consolidated Federal organizational structure that can deal effectively with the problems and opportunities for developing weather resources management technologies, including—

(A) adequate planning for two decades of research, development, and implementation; and

(B) effective coordination and control of weather resources management technologies through consolidation of the existing small organizational groups within the Federal Government into a single more efficient organization capable of managing complex experiments and operations in the atmosphere.

(3) to accomplish the development of weather resources management technologies primarily through appropriate relationships with States, localities, universities, private businesses, and other countries;

(4) to establish partnership arrangements with States for joint operational/research projects to promote technology transfer and improve the standards used on operational projects and promote evaluation of operational projects;

(5) to protect the public welfare and the environment through the establishment and promotion of sound weather resources management practices;

(6) to provide for minimum Federal regulation and reporting of weather modification activities; and

(7) to provide for adequate and stable funding of a sustained research effort in weather resources management over a period of two decades.

DEFINITIONS

SEC. 4. As used in this Act—

(1) the term "weather resources management" means the alteration or control of

weather through one or more weather modifications;

(2) the term "weather modification" means any artifically produced change in the composition, behavior, or dynamics of the atmosphere, when such change is produced with intent to alter or control the weather;

(3) the term "weather modification activity" means the use of any device, equipment, or apparatus, or any chemical, material, compound, or other substance, for the purpose of effecting a weather modification.

(4) the term "State" includes the several States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States;

(5) the term "Administration" means the National Aeronautics and Space Administration;

(6) the term "Program" means the National Weather Resources Management Program established and conducted as provided in section 6.

WEATHER RESOURCES MANAGEMENT BOARD AND DIRECTOR OF PROGRAM

SEC. 5. (a) There is hereby established within the National Areonautics and Space Administration a Weather Resources Management Board, which shall advise the Administrator on organizing, planning, designing, developing, and carrying out the National Weather Resources Management Program as provided in section 6, and for otherwise carrying out this Act and the policy and purpose declared in sections 2 and 3.

(b) The Board shall consist of six members who shall be appointed by the Administrator for terms of six years; except that of the initial members one shall be appointed for a term of one year, one for a term of two years, one for a term of three years, one for a term of four years, one for a term of five years, and one for a term of six years, as designated by the President at the time of the appointment. Members shall be persons selected from fields of professional life who have performed distinguished service in one or more areas involved in or important to the management of complex technologies and who have had responsible experience with government; but no person who is an employee of the Federal Government may serve as a member of the Board.

(c) One member of the Board shall be designated by the President as its Chairman.

(d) (1) (A) Each member of the Board shall be entitled to receive the daily equivalent of the annual rate provided for level V of the Executive Schedule under section 5316 of title 5, United States Code, for each day (including traveltime) during which he is engaged in the actual performance of the duties of the Board; except that the Chairman of the Board shall be entitled to receive the daily equivalent of the rate provided for level IV of such schedule (under section 5315 of such title) for each such day.

(B) While away from their homes or regular places of business in the performance of the duties of the Board, members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

(e) There shall be a Director of the National Weather Resources Management Program, who shall be a person of outstanding management ability with experience in government and in complex research and development projects who shall be appointed by and serve at the pleasure of the Administrator. The Director shall be responsible for all planning, implementation, budgeting, operations, and other activities under the Program, shall secure the services of a highly qualified professional staff and such other services as may be necessary for the performance of the Board's functions, and shall perform such other functions as the Board may assign to him for purposes of carrying out this Act and the policy and purpose declared in sections 2 and 3; and he shall regularly advise and consult with the Administrator in the performance of such activities and functions. The Director shall receive compensation at the rate provided for level V of the Executive Schedule.

NATIONAL WEATHER RESOURCES MANAGEMENT PROGRAM

SEC. 6. (a) There is hereby established a National Weather Resources Management Program. The Program shall have the objective of developing and improving the various weather resources management technologies as rapidly as possible so as to assure the realization and effective implementation of the policy and purpose of this Act within a period of 20 years. The Program shall include—

(1) a major effort in basic research focused on atmospheric processes relevant to weather resources maangement;

(2) the conduct of experimental activities designed to expedite progress;

(3) the provision of technical and financial assistance to States and their political subdivisions, and to private users and operators, in case where operational weather resources management projects can be beneficially used for:

(A) Expanding our understanding of scientific questions,

(B) Promoting sound evaluation of the effectiveness of operational projects,

(C) Promoting the use of high standards and sound weather resources management practices for operational projects,

(D) Assisting and transferring research knowledge to users,

(E) Encouraging the use of well designed weather resources management projects as a water management tool,

and otherwise to carry out the policy and purpose declared in sections 2 and 3;

(4) the development of and maintenance of a set of Best Management Practices which shall be recommended for all weather modification activities, including the conduct of all Federal field experiments.

(5) such other activities as will effectively contribute to the full realization of the objective set forth in of this subsection.

(b) (1) The Program shall be carried out through a comprehensive 5-year plan updated annually as provide in this subsection. The comprehensive 5-year plan (without being limited to the matters set forth in this subsection) shall—

(A) identify the major areas where weather resources management research and development is merited;

(B) prioritize weather resources management needs with a view toward establishing a coordinated Federal program;

(C) identify the specific weather resources management activities which should be carried out with the participation of other Federal agencies and those which should be carried out within the Administration in accordance with this Act;

(D) make recommendations regarding the levels of research and development which are needed to attain the policy and purpose of this Act;

(E) give particular attention to the unintended weather modifications resulting from the impact of man's activities on the atmospheric environment;

(F) set forth the goals, objectives, and estimated cost of each such activity; and

(G) include such other elements as may be necessary or appropriate to carry out the policy and purpose of this Act.

(2) The Administration shall annually update the comprehensive 5-year plan in such manner and to such extent as it deems necessary or appropriate to reflect changing conditions, past congressional actions, accomplishments under the Program, and recommendations of other Federal officials.

(3) The comprehensive 5-year plan, and each annual revision thereof, shall be submitted to the President and to the Congress.

(c) In the development of the comprehensive 5-year plan and the annual revisions thereof under subsection (b) (3), account shall be taken of the views and recommendations of all Federal officers and agencies having duties or responsibilities involved in or related to weather resources management, and public hearings shall be held, with adequate opportunity for all interested persons to present their views, comments, and recommendations, as may be considered appropriate.

(d) In carrying out its function with respect to the Program under this section, the Administration shall—

(1) give continuous attention to the environmental, economic, societal, and legal aspects of weather resources management, and to the needs of the user community;

(2) make the maximum possible use of contracts with universities and private business concerns so as to avoid the necessity to employ a large in-house staff or to acquire large amounts of property for its operations and activities;

(3) encourage programs initiated by relevant professional societies which have the purpose of increasing standards of practice for weather resources management activities while alleviating the need for direct Federal regulation;

(4) conduct open consultations in areas and with groups which are likely to be substantially affected by federally-sponsored activities under this act, and particularly with States and their political subdivisions;

(5) make all possible efforts to include in the Program the scientific and technological expertise which is available in other countries; and

(6) take all possible steps, through or in consultation with the Secretary of State, to secure international acceptance of the Program and internal cooperation of its conduct and implementation.

SOUND WEATHER RESOURCES MANAGEMENT PRACTICES

SEC. 7. (a) (1) The Board shall develop, formulate, publish, and continuously maintain a set of Sound Weather Resources Management Practices, which shall be based on state-of-the-art technology and current knowledge with adequate attention to the environmental, societal, and legal implications of weather modification, and which shall serve as guidelines for private and other non-Federal operational weather modification activities and as the basis and operating procedure for the design and conduct of Federal or Federally sponsored weather modification activities.

(2) The Practices developed and published under paragraph (1) shall conform to all applicable Federal laws, and shall address (without being limited to) the following elements:

(A) Project design.
(B) Environmental assessments.
(C) Operations.
(D) Data collection.
(E) Evaluation.

(3) The Practices shall be developed and published by the Board in tentative form within 180 days after the data of the enactment of this Act, and shall be the subject of such informal public hearings as may be determined by the Board to be necessary or appropriate. The Practices shall be published in the Federal Register in final form within 273 days after such date.

(b) (1) Administration shall conduct such field experiments and other weather modification activities as it may determine will best promote the realization of the objectives of this Act.

(2) Prior to initiating any such experiments, the Board shall appropriately consult with the State or States (and localities therein) which may be affected, and shall conduct one or more public hearings to receive the views and comments of interested persons in the affected area.

REPORTING AND REGULATIONS OF WEATHER MODIFICATION ACTIVITIES

SEC. 8. (a) (1) The Administration shall require that any person who attempts deliberate weather modification prepare and maintain daily reports covering any such weather modification activity conducted and make such reports available to the Administration on its request. Each such report shall include—

(A) the date and time of beginning and ending of the weather modification activity, the nature of such activity;

(B) a precise description of the location of such activity, and of the location of the target area of any weather modification;

(C) the type and amount of any weather modification device, equipment, apparatus, or substance used in such activity during the previous day; and

(D) a description of any weather modification resulting from such activity, including—

(i) the manner in which such weather modification was observed, measured, or recorded; and

(ii) the readings of any instrument used for such measurement or recording prior to and after such activity, including the times of such readings.

(2) For the purpose of carrying out this Act, the Administration may require, by regulation, that any person who attempts to modify weather to establish and maintain such records and provide such other information as the Administration may require; and the Administration or its authorized representative, upon presentation of proper credentials—

(A) shall at reasonable times have a right of entry to any premises in which any record required to be maintained under this subsection is located; and

(B) may at reasonable times have access to and copy any record required to be maintained under this subsection.

(b) The Administration shall promulgate such rules and regulations as may be necessary or appropriate to implement and enforce this Act.

(c) (1) Any person who knowingly violates this section shall be fined not more than $50,000. Each day of such a violation shall constitute a separate offense.

(2) Any person who knowingly violates subsection (a) (1) or any regulation promulgated by the Administration under subsection (b), (a) (2), or (a) (3) shall be fined not more than $25,000.

(3) The district courts of the United States shall have jurisdiction to enjoin any violation of this section and to enjoin any weather modification activity by any person who is violating any regulation promulgated by the Administration under this Act. Any action to restrain any such violation shall be brought by and in the name of the United States.

EXTRAMURAL FEDERAL RESEARCH AND DEVELOPMENT ACTIVITIES

SEC. 9. (a) In carrying out its functions under the Program, the Administration is authorized to make grants and enter into contracts, to the extent specified in appropriation Acts, for the conduct of research, development, and demonstration projects concerning weather modification in a manner consistent with the comprehensive 5-year plan provided for in section 6. Any such grant or contract may provide for payment of up to 100 percent of the costs of the project or projects involved. A research, development, and demonstration project to be assisted or contracted for under this section shall be described in detail in the application for such assistance or contract and shall be accompanied by a statement of its consistency with the comprehensive 5-year plan, whether such project is selected by the applicant of initiated by the Board.

(b) Each such grant or contract shall be made or entered into in accordance with such guidelines and regulations as may be issued by the Administration.

(c) There are authorized to be appropriated such sums, not exceeding $— for any one fiscal year, as may be necessary to carry out this section. (d) The Administration shall include in its annual report to the Congress each year a statement of the grants made and contracts entered into under this section during the preceding year, with recommendations on ways of utilizing such grants and contracts in more effectively meeting future research, development, and demonstration needs concerning weather modification.

ADMINISTRATIVE PROVISIONS

SEC. 10. (a) Within one year after the date of the enactment of this Act—(1) all functions of the various Federal agencies and establishments with respect to weather resources management, and (2) all personnel, property, funds, and other assets of such agencies and establishments which are concerned with or involved in weather resources management and which are determined by the Board to be necessary or useful for purposes of carrying out this Act, shall under the supervision and direction of the Director of the Office of Management and Budget, be transferred to the Administration.

(b) In carrying out its functions under this Act the Administration may enter into suitable contracts and arrangements with other Federal agencies and establishments for the performance by them of any functions under this Act which they are particularly well qualified to perform.

(c) The Administration is authorized to construct, lease, or otherwise acquire such laboratories and equipment (including aircraft for experimental purposes) as it may need in order to conduct weather resources management activities and otherwise carry out its functions under this Act.

ANNUAL REPORT

SEC. 12. The Board shall annually submit to the President and the Congress a full and complete report of its activities and of the progress being made toward the achievement of the policy, purpose, and objectives of the Act. Such report shall—

(1) set forth the comprehensive five-year plan as currently revised;

(2) include an evaluation of the Federal weather resources management efforts including the status of personnel, facilities, and equipment;

(3) include a summary of the activities undertaken and projected in carrying out the comprehensive 5-year plan;

(4) identify all major research and development issues in the field of weather resources management and their corresponding priorities;

(5) describe the significant accomplishments made under the plan to date, and any significant instances of failure to achieve its objectives (with the reasons therefore);

(6) include an annual budget summary, setting forth the amount of funds used for the Program in past years, the amount of funds requested for the Program in the current fiscal year, and the estimated amount of funds which will be needed for the Program in each of the five ensuing fiscal years;

(7) include a listing of all programs and activities (Federal and non-Federal), other than the Program under this Act, which involve or are related to weather resources management, with a description of the actions which need to be and are being taken by the Board and others to coordinate their weather resources management activities in order to insure cooperation and eliminate unnecessary duplication;

(8) include a description of the actions which have been taken to secure international acceptance of the Program and international cooperation in weather resources management activities, and of the extent to which such actions have been successful; and

(9) include recommendations for the improvement of the Federal weather resources management effort, and such other matters as the Administration may consider appropriate.

MISCELLANEOUS PROVISIONS

SEC. 13. (a) In all aspects of its operations and activities under this Act, the Administrator shall consult and cooperate with the States and polilcal subdivisions which are or may be affected by such operations and activities, and shall, to the maximum extent possible, respect and take account of State and local views and objections; but in any case where the Administration determines that a particular operation or activity is necessary to achieve the objectives of the Program and presents no significant risk to life or health, the Federal power to regulate or otherwise deal with weather resources management, as evidenced or implemented by the Administration in conducting such operation or activity, shall supersede State and local powers, laws, and interests. Any such determination by the Administration, in a case where the proposed operation or activity is opposed or objected to by one or more affected States, shall be made on the record, and shall be subject to judicial review at the instance of any such State.

(b) The provisions of section 2620(a) of title 18, United States Code, to the extent that they provide an exception from the tort claims procedure for claims based on the exercise or performance or failure to exercise or perform a discretionary function or duty on the part of a Federal agency or employee, and the provisions of section 2675 of such title to the extent that they would otherwise prevent a class action under such procedure, shall not apply with respect to claims based on acts performed (or omissions to act) in any of the Administration's field experiments or other weather modification activities.

(c) Notwithstanding any other law or practice, the extent of the Administration compliance with the Sound Weather Resources Management Practices developed and published under section 8, in the conduct of its field experiments and other weather modification activities, shall not be the subject of any private cause of action in any court.

(d) Unless specifically otherwise provided by law, the Board shall cease to exist 20 years after the date of the enactment of this Act.

(e) The Act entitled "An Act to provide for the reporting of weather modification activities to the Federal Government", approved December 18, 1971 (15 U.S.C. 330 et seq.), is repealed.

ANNUAL AUTHORIZATION OF APPROPRIATIONS

SEC. 14. There may be appropriated to carry out this Act (subject to section 10(c)) only such sums as may be authorized by annual authorization Acts hereafter enacted.●

By Mr. JAVITS (for himself, Mr. MOYNIHAN, Mr. WILLIAMS, Mr. RIEGLE, and Mr. MCGOVERN):

S. 830. A bill to amend section 1682A of title 38, United States Code, to eliminate the State matching requirement under such section in connection with the program of accelerated payment of educational assistance allowances provided in such section; to the Committee on Veterans' Affairs.

AMENDMENTS OF THE GI BILL IMPROVEMENT ACT

● Mr. JAVITS. Mr. President, today I join with my distinguished colleague, Senator MOYNIHAN, and with Senators WILLIAMS, RIEGLE, and MCGOVERN in introducing legislation which will remove the State matching requirement from the tuition acceleration provision of Public Law 95-202, the GI Bill Improvement Act of 1977.

Our legislation is based upon the tuition acceleration provision passed unanimously by the Senate October 19, 1977, one which would have substantially assisted veterans to utilize their education benefits in educational institutions with high tuition charges. The GI Bill Improvement Act, as initially passed by the Senate in S. 457, included a provision which would allow acceleration of a veteran's educational entitlement to pay 66⅔ percent of tuition costs above $700. Had the Senate position carried, veterans attending higher cost institutions would have been able to receive a greater amount of monthly GI bill educational assistance by utilizing more quickly portions of their 45 months total entitlement.

GI BILL STATE MATCH

However, the House added to the GI bill acceleration provisions a requirement that the States match the Federal contribution. The Federal share was thus reduced to a maximum of 33⅓ percent of a veteran's tuition costs above $700, to be paid only if the State in which the veteran's educational institution is located provides an equal match of State funds for the accelerated GI bill entitlement.

In the second session of the 95th Congress, joined by eight of our colleagues, we introduced S. 2956, deleting the State match. The Senate, again, unanimously passed an amendment, identical to S. 2956, as part of the veterans' pension bill. This amendment to the pension bill was, again, for unstated reasons, unacceptable to the House conferees.

Mr. President, we perceive two basic problems with these acceleration provisions included in Public Law 95-202, one philosophical and one pragmatic, which necessitate amendment of the GI Bill Improvement Act:

GI BILL NOT A STATE PROGRAM

First, the history of veterans benefits completely belies the concept of making GI bill assistance into a State matching program. Should veterans benefit for serving our country depend upon home State ability or, more importantly, willingness to pay for GI bill benefits? We believe not. It is extremely unwise for Congress to so restrict GI bill entitlements earned by those who have served in our Nation's Armed Forces.

Second, to couple a veteran's ability to accelerate his education entitlement to assist with high tuition costs—which was the Senate's intent in its passage of S. 457—with the requirement that States match Federal dollars, essentially result in little or no help to the veteran who wishes to accelerate. Few, if any, States can afford to meet current costs of higher education—much less provide additional appropriations to match Federal dollars for veterans educational benefits. Since the State must match for the veteran to receive Federal assistance, the veteran who attends school in a State which cannot provide matching funds is left out in the cold. As of today, according to the Veterans' Administration, not a single State in the Nation has put up the first dollar to implement this law, nor has any State ever so much as expressed interest in the possibility of providing funds.

Moreover, if a State chooses to match, but at a proportion less than the 33⅓-percent level, a veteran who accelerates will receive a much smaller entitlement than that intended by the Senate in its passage of S. 457. In this sense, it is the State which determines whether or not the veteran who wishes to accelerate receives Federal GI bill education, assistance to which he or she is entitled.

Furthermore, Mr. President, incorporation in the GI bill of a State matching program entails unnecessary duplication, by States, of administrative functions currently carried out by the Veterans' Administration. Regulations proposed by the Veterans' Administration to conform to the new State matching program indicate that States must undertake additional administrative burdens, including State definition of "educational institution," to implement the matching program. The State matching program clearly results in additional administrative burdens on States while violating the historic purposes of the GI bill, which is to provide equitable benefits nationwide to those who have served in our Armed Forces. The GI bill has a national, not a State, purpose, and to chip away at such a national program in this manner is a grave mistake.

REMOVE THE STATE MATCH

The bill which we offer today would simply remove the State matching requirement of the tuition acceleration provision in Public Law 95-202 and return the percentage of costs which may be reimbursed by the Federal Government through acceleration to 66⅔ percent of tuition above $700—to wit, a return to the Senate position in its unanimous passage of S. 457.

Mr. President, the Council of Vietnam Veterans, the Jewish War Veterans of the United States, the State University of New York, the American Council on Education, the National Association of Independent Colleges and Universities, the Commission on Independent Colleges and Universities, and the Association of Independent Colleges and Schools have endorsed our proposal. It is our hope that other veterans and higher education organizations will carefully review this legislation and will offer their support as well for improved educational opportunities for our Nation's Vietnam veterans. I trust that these, and other groups, will address these critical issues when the Veterans' Affairs Committee hears testimony on GI bill education assistance programs on April 10. Mr. President, I ask unanimous consent that letters from the Council on Vietnam Veterans and Chancellor Clifton Wharton of the State University of New York be printed at the end of my remarks.

We firmly believe that this bill will permit the acceleration provisions to assist those Vietnam veterans who have earned, with their honorable service, GI benefits bestowed by a grateful Nation.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the letters and bill were ordered to be printed in the RECORD, as follows:

COUNCIL OF VIETNAM VETERANS, INC.,
Washington, D.C., January 16, 1979.

Hon. JACOB K. JAVITS,
U.S. Senate, Washington, D.C.

DEAR SENATOR JAVITS: The Council of Vietnam Veterans wants to offer its support to you and Senator Daniel P. Moynihan (D-NY) for intrdoucing legislation which knocks out the State matching requirement to the GI Bill tuition acceleration program enacted in 1977. That matching requirement has blocked efforts to launch an effective program to help many veterans facing high tuition in Eastern and Midwestern states. This legislation builds on your successful efforts to add such a provision to last year's pension legislation, a provision accepted by the Senate but dropped in conference.

You and Senator Moynihan also led the fight in 1977 in the Senate for effective tuition assistance legislation, which was effectively emasculated in 1977.

The failure in 1977 to set up an effective program, despite a strong Senate mandate, can be rectified if this bill becomes law.

You and Senator Moynihan are to be praised for again standing up for the Vietnam veteran.

Whether this provision becomes law is a test of the seriousness of the often-reiterated commitment by the Administration to the Vietnam veteran. The question is whether they let veterans from other states have the same opportunities veterans in some states have, or whether they will continue to block corrective action at a cost of their unique GI Bill scholarships to millions of Vietnam veterans, as they have since the Educational Testing Service report describing the problem was released in 1973.

Knocking out the state matching provision on tuition loan forgiveness and its replacement by a 66% federal contribution toward higher tuition costs that veterans must face in many states will enable many veterans to use for the first time their most important readjustment tool, the multibillion dollar GI Bill.

The Vietnam Veterans in Congress, a group of 14 Vietnam-era veterans, the bulk of those who served during the War, organized by Congressman David Bonior (D-Mich), put a similar provision before President Carter in a meeting with him in August 1978, in which they discussed the White House policy review on Vietnam veterans. They also included a similar provision in the Vietnam Veteran Act they introduced last year (HR 14164 and S 3692), which they are reintroducing.

In like fashion, it is interesting to note that sunbelt states, California, Texas and Florida, do best under the current GI Bill formula that, unlike the World War II Bill, ignores differing tuition costs. California veterans used $252 million in GI Bill payments in Fiscal 1977, Texans $249 million, while New Yorkers (whose numbers were two-thirds those of California) used only $159 million in benefits and those in Pennsylvania (whose numbers were almost equal to Texas) used $95 million in Fiscal 1977. No state has passed matching legislation required under the law. The VA failed to notify the states of their duty to do so (even though the legislation passed Congress November 5, 1977) until it mailed out letters on February 17, 1978, well after state legislatures begin to meet. However, veterans have been traditionally a federal responsibility. Tying these benefits to state action reversed the long-standing policy that veteran's benefits are a federal responsibility.

We hope you are successful in your efforts.

Sincerely,

ROBERT O. MULLER,
Executive Director.

STATE UNIVERSITY OF NEW YORK,
Albany, N.Y., February 5, 1979.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: I understand you will once again introduce legislation with Senator Moynihan to delete the State matching requirement of the GI Bill tuition acceleration program enacted in 1977 (PL 95-202). I applaud your efforts to seek passage of legislation such as S. 2956, which you introduced last session, as it would greatly benefit New York veterans who are facing high tuition costs.

As you know, the current GI Bill ignores differing tuition costs; consequently, the formula tends to favor the sunbelt states, California, Texas, and Florida. Statistics of GI Bill payments in fiscal year 1977 show that while New York had two-thirds as many veterans as California, we only received one-third of the benefits California received ($158 million vs. $525 million). A funded tuition acceleration program would help to rectify that situation, but because states have not funded the program, it appears veterans in the Eastern and Midwestern states will continue to be at a disadvantage under the current law. Historically, veterans have been a federal responsibility, and tying a veteran's ineligibility to state action does not seem fair to the Vietnam veteran.

In closing, I do hope you will be successful in your efforts to obtain a new tuition acceleration program. If ever I or the Washington office can be of help on this issue, please feel free to contact us.

Sincerely,

CLIFTON R. WHARTON, Jr.,
Chancellor.

S. 830

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1682A(b) of title 38, United States Code, is amended by—

(1) amending clause (6) to read as follows: "(6) such application was filed with the administrator within 180 days after the date on which the degree, diploma, or certificate described in clause (5) of this subsection has been awarded to such veteran; and";

(2) striking out the semicolon and the word "and" at the end of clause (7) and inserting in lieu thereof a period; and

(3) striking out all of clause (8).

(b) The first sentence of section 1682A(c) of such title is amended by striking out "and matching amounts paid to the Administrator by a State or local governmental unit, as described in subsection (b) (8) of this section,".

(c) Section 1682A(d) of such title is amended by—

(1) striking out "33⅓ per centum" in clause (2) and inserting in lieu thereof "66⅔ per centum";

(2) inserting "or" at the end of clause (2);

(3) striking out "33⅓ per centum" in clause (3) and inserting in lieu thereof "66⅔ per centum"; and

(4) striking out the comma after "$700" in clause (3) and all that follows down through the word "amount" in clause (4).●

● Mr. MOYNIHAN. Mr. President, I shall be brief. A year and a half ago the Senate considered ways to correct a structural problem with the GI bill which has become evident over the course of the past quarter century. The decision by Congress in 1952 to support veterans' education through a plan of uniform monthly payments has worked to the conspicuous disadvantage of veterans who, for whatever reasons, enroll in schools with significant tuition costs. The effect has been profound: Tens of thousands fewer veterans in some regions have made use of their veterans educational benefits than could have been expected had the payment scheme been more equitable.

It is not necessary for me to elaborate on my distinguished senior colleague's persuasive arguments for an improved approach to veterans educational assistance. I ask unanimous consent that two tables be printed in the RECORD at this point which illustrate the need to which he speaks. The first chart shows the participation rates of all Vietnam era veterans in their GI bill benefits for college education in addition to giving overall veteran participation under all education and training titles in the bill. The second chart depicts the relationship between education expenses and veterans' use of their education benefits.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

CUMULATIVE GI BILL USE RATES FOR COLLEGE AND JUNIOR COLLEGE AND FOR ALL PURPOSES

States ranked by GI bill college participation rate	1977 Viet vet population	Junior and 4-yr college GI bill use rate		Total GI bill use rate	
		Rank	Percent	Rank	Percent
1. Arizona	92,000	1	56.0	5	75.3
2. Hawaii	34,000	2	55.9	3	85.3
3. California	966,000	3	54.7	6	70.7
4. South Dakota	19,000	4	51.1	2	87.4
5. North Dakota	18,000	5	50.3	1	96.2
6. New Mexico	40,000	6	46.1	4	77.9
7. Colorado	118,000	7	45.0	8	68.3
8. Washington	193,000	8	41.0	11	61.9
9. Alabama	120,000	9	40.3	7	70.5
10. North Carolina	190,000	10	40.2	10	67.8
11. Texas	484,000	11	39.4	21	57.6
12. Utah	53,000	12	38.5	33	53.3
13. Wyoming	14,000	13	38.4	13	60.3
14. Oklahoma	121,000	14	37.8	19	58.5
15. Oregon	121,000	15	37.4	35	52.9
16. South Carolina	112,000	16	37.2	9	67.9
17. Florida	318,000	17	36.7	17	59.5
18. Idaho	31,000	18	36.7	25	57.4
19. Rhode Island	43,000	19	36.7	30	54.3
20. Nevada	73,000	20	36.2	22	57.5
21. Kansas	89,000	21	34.9	28	56.4
22. Delaware	25,000	22	34.5	26	57.2
23. Virginia	205,000	23	34.1	31	54.1
24. Montana	29,000	24	34.0	12	61.5
25. Mississippi	61,000	25	33.4	16	59.8
26. Nebraska	60,000	26	33.4	15	60.0
27. Tennessee	159,000	27	33.1	14	60.0
28. Michigan	355,000	28	32.8	34	53.2
29. Missouri	196,000	29	32.5	29	56.1
30. New York	603,000	30	31.9	36	51.5
31. Illinois	416,000	31	30.9	40	49.4
32. Kentucky	116,000	32	30.8	32	53.8
33. Massachusetts	245,000	33	30.4	45	43.7
34. Maine	41,000	34	30.3	24	57.5
35. New Hampshire	37,000	35	30.3	42	48.7
36. Alaska	16,000	36	29.8	38	50.8
37. West Virginia	61,000	37	29.6	27	56.9
38. Maryland	185,000	38	29.3	43	46.4
39. Louisiana	125,000	39	29.0	18	58.8
40. Georgia	204,000	40	28.0	20	58.4
41. Arkansas	73,000	41	26.9	23	57.5
42. Wisconsin	175,000	42	26.2	39	50.5
43. Ohio	434,000	43	24.6	44	44.8
44. Connecticut	125,000	44	24.5	46	43.6
45. Iowa	108,000	45	24.3	41	49.2
46. Minnesota	179,000	46	24.0	37	50.9
47. New Jersey	280,000	47	22.3	49	39.0
48. Indiana	220,000	48	20.4	48	43.2
49. Pennsylvania	472,000	49	20.1	47	43.3
50. Vermont	20,000	50	17.5	50	36.6
Total	8,458,000				
Average			34.4		57.9

All or some of State's public colleges and universities charge in-State students $700 or more per year		1977–78 GI bill use rate for college and universities	All of State's public colleges and universities charge in-State students less than $700 per year
California	54.7%	40.3%	Alabama.
Colorado	45.0	29.8	Alaska.
Connecticut	24.5	26.9	Arkansas.
Delaware	34.5	56.0	Arizona.
Florida	36.7	55.9	Hawaii.
Georgia	28.0	36.7	Idaho.
Illinois	30.9	34.9	Kansas.
Indiana	20.4	30.8	Kentucky.
Iowa	24.3	29.0	Louisiana.
Maine	30.3	34.0	Montana.
Maryland	29.3	36.2	Nevada.
Massachusetts	30.4	46.1	New Mexico.
Michigan	32.8	40.2	North Carolina.
Minnesota	24.0	50.3	North Dakota.
Mississippi	33.4	37.8	Oklahoma.
Missouri	32.5	33.1	Tennessee.
Nebraska	33.4	39.4	Texas.
New Hampshire	30.3	38.5	Utah.
New Jersey	22.3	41.0	Washington.
New York	31.9	29.6	West Virginia.
Ohio	24.6	38.4	Wyoming.
Oregon	37.4		Total: 21 States.
Pennsylvania	20.1		
Rhode Island	36.7		
South Carolina	37.2		
South Dakota	51.1		
Vermont	17.5		
Virginia	34.1		
Wisconsin	26.2		
Total: 29 States.			
Average participation rate	31.5%	38.3%	

Observations: (1) 34 percent (10 of 29) of those States with higher tuitions and fees rank in the upper half of the Nation in participation rate. (2) 71 percent (15 of 21) of those States with lower tuitions and fees rank in the upper half of the Nation in participation rate.

Note: The preceding chart divides the States on the basis of annual tuitions and fees charged to in-State students at public colleges and universities. The amount of $700 per year has been used as that is the threshold level of a veteran's eligibility for accelerated benefits under Public Law 95-202.

Mr. MOYNIHAN. Mr. President, I would further draw my colleagues' attention to a report published by the Congressional Budget Office last fall entitled "Veterans' Educational Benefits; Issues Concerning the GI Bill." The data show clearly, and the CBO explicitly affirms, the fact that the participation rate of veterans in the several States in their GI bill benefits is directly affected by the level of their education expenses. That the participation rate in any State is not wholly determined by these costs is also clearly stated, and we certainly agree with that observation.

The point of course is not that more equitable assistance will simply erase differences in GI bill use rates; it is rather that to the extent the Congress can isolate and correct a distinctive structural aspect of the bill which adversely affects certain veterans' educational opportunities, it should do so.

The CBO report remarks that equalization of tuition assistance for veterans could increase low State participation rates by some 30 percent. Mr. President, seldom indeed do we have such a clear and straight forward opportunity to address an aspect of an existing Federal program with the possibility of improving the effectiveness of that program by 30 percent.

In 1977 the Senate settled upon an accelerated benefits plan as the means to address the structural problem. The bill we passed would allow veterans in high tuition schools to use their education entitlement at an increased rate in order better to meet their high costs. Senator JAVITS and I had suggested an alternative approach which we thought offered greater promise of equitable and useful assistance to these veterans. But the Veterans' Affairs Committee strongly endorsed the acceleration plan, and we gladly joined in its eventual unanimous adoption.

I will not dwell on what happened next. The distinguished chairman of the Veterans Affairs Committee returned shortly afterward to us with a much different version of the acceleration provision which his counterparts in the other body had insisted upon. The conference version required a State to contribute to a veteran's tuition costs before the veteran could use his Federal entitlement at an accelerated rate.

This so-called State match requirement could be expected, as my senior Senator and I said at the time, to cause the acceleration provision to fail. And indeed this has been the case. Not a single State has seen its way clear to appropriate a special subsidy to veterans under the terms of the House requirement. I use the term special advisedly—for example, not a penny of my own State's $1.5 billion in support of education this year, a healthy portion of which is available to veterans, can be counted toward fulfillment of the State match requirement. But there is a more fundamental consideration. Veterans' education benefits are a national program established for participation in a national military service. Hence it is entirely inappropriate for veteran's use of their Federal educational entitlement, whether at the normal rate or some accelerated rate, to depend on actions which the States may or may not take.

It is no surprise, given these conditions, that the present acceleration provision is dead. And it will remain so until the State match requirement is excised from the law.

I once again join with my senior colleague in offering this bill to delete the State match requirement from Public Law 95-202. Referring back to the CBO report's observations, one must grant that the acceleration approach will not fully equalize tuition assistance. Yet it remains a definite and positive step in the right direction, and it is already on the books, if it were just permitted to operate.

I ask that hearings on the question be held, as the distinguished chairman of the Veterans Affairs Committee has promised he would do, and I urge that the Senate adopt this or some similar measure which will afford the acceleration provision the chance to provide the more equitable treatment of all veterans that the Senate clearly intended when it adopted this provision.●

By Mr. DOLE (for himself, Mr. ROTH, and Mr. STEVENS):

S. 831. A bill to establish a temporary Commission on Governmental Organization and Regulation; to the Committee on Governmental Affairs.

COMMISSION ON GOVERNMENTAL ORGANIZATION AND REGULATION

● Mr. DOLE. Mr. President, today I am introducing legislation to create a Commission on Governmental Organization and Regulation.

The litany of problems and costs resulting from expensive, confusing, duplicative, and conflicting regulations is well rehearsed. Today, there are over 80 regulatory agencies and more than 100,000 Federal workers whose sole function is to tell other Americans what Government says they can or cannot do. The Office of Management and Budget has estimated the cost of such regulation to be as high as $130 billion—roughly equal to $2,000 for every American family.

The only way we can arrive at a positive alternative to the current regulatory tangle is to take the problem out of the glare of politics and study it in a rational, evenhanded way.

That is why I am proposing the creation of a Commission. A Commission on Governmental Organization and Regulation would serve to bring the various interests, views and approaches to regulatory reform together in an effort to find reasonable, workable solutions. A Commission would bring together the dozens of excellent studies and proposals that presently languish on bookshelves. A Commission would provide an umbrella for the many groups and organizations presently battling for meaningful regulatory reform. A Commission with highly respected leaders from Government and private life would serve as a catalyst to unify and motivate Congress to act on legislation already before it, as well as legislation yet to come.

The Commission on Organization and Regulation would be composed of 12 members, 4 appointed by the President, 4 by the President pro tempore of the Senate, and 4 by the Speaker of the House. Members would be evenly divided between private and public life, and between political parties.

The Commission and its staff would hold hearings and conduct research in its efforts to promote economy, efficiency, and improved service in the transaction of public business. The Commission would study present regulations, organization, and methods of operation of the executive branch. The goal would be to reduce unnecessary expenditures, eliminate duplication, define responsibilities, relocate agencies, and abolish functions that should be performed by private enterprise or local and State governments. In its final report, it would propose legislation, administrative actions and constitutional amendments to reach these goals.

The Commission on Governmental Organization and Regulation would be patterned on the two Hoover Commissions of the 1940's and 1950's. The first Hoover Commission was created in 1947 in a climate of budgetary expansion and post war malaise. The Commission undertook a wide ranging examination of the structure of American Government. Many of its nearly 300 suggestions were adopted.

Six years later, a second Hoover Commission was created, this time to examine the Federal maze with an eye toward reducing and eventually eliminating governmental function that duplicated those of the private sector. Hoover II enlisted the support of business, labor, and the academic community as well as the political world. Chaired by a distinguished former President, its accomplishments were remarkable. Within 6 years of its creation, Congress had implemented 62 percent of the Commission's legislative recommendations.

Together, the two Commissions saved the American people $8 to $12 billion. Apart from the dollars saved, however, the Hoover Commissions permitted a scientific review of Government policy in a way that Congress does not encourage.

If such a study is to get off the ground, if it is to catalyze the growing regulatory movement in this country, it must be led dynamically, creatively by an American of national prestige and intimate understanding of Government's nooks and crannies. I think the man for the job is Gerald Ford.

Like Herbert Hoover in 1957, President Ford can count upon a special reserve of respect and admiration that automatically lends any public project in which he is involved an authenticity that goes beyond most such endeavors. A Ford Commission would dramatize the problem and arouse sufficient public support for its recommendations to compel the Congress and the administration to accept a healthy dose of free enterprise. I have spoken with President Ford about this idea, and he agrees with my perception of the dangers that continued strangulation of free enterprise holds for the American economy.

The time has come to stop promising the American people benefits that can only be paid for through the sweat of future generations. It has come time to stop making promises, and start promoting action. The old order has grown weary. A new order is waiting to be born. Regulation can be regulated. A Ford Commission is a first step toward that goal. I hope Congress will agree, and lend its support to the concept.●

By Mr. RANDOLPH (for himself and Mr. MOYNIHAN):

S. 835. A bill to extend the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act of 1965 and to provide for a nationwide system of multistate regional development commissions to promote balanced development in the regions of the Nation; to the Committee on Environment and Public Works.

REGIONAL DEVELOPMENT ACT OF 1979

● Mr. RANDOLPH. Mr. President, on October 14 of last year I introduced S. 3626, legislation to extend the Appalachian Regional Commission and to provide for a nationwide system of regional development commissions.

The purpose in proposing such a far-reaching measure in the final hours of the 95th Congress was to clearly indicate our commitment to continuation of the regional commission concept and to declare my intent to make it a high priority item in the Committee on Environment and Public Works in the 96th Congress. By announcing this intent in advance, interested parties would have time for full and careful consideration of the legislation.

Today I introduce a bill similar to S. 3626. It contains a 4-year extension of the Appalachian program and provides new funding and authority for the title V regional commissions elsewhere in the country. The legislation brings both the Appalachian and Title V commissions into a common framework, establishing a regional growth policy process in which both participate.

The bill authorizes funding for the Appalachian development highway program at the following levels for the next 6 fiscal years: $400 million for 1980; $500 million for 1981; $550 million for 1982, 1983, and 1984; $500 million for 1985; and $470 million for 1986. Funding for the rest of the Appalachian program is set at $340 million for the 2 fiscal year period ending September 30, 1981, and $380 million for the 2 fiscal year period ending September 30, 1983.

The nationwide commission program is funded at not to exceed $250 million for each of the fiscal years 1980, 1981, 1982, and 1983.

Mr. President, the Appalachian Commission was authorized in 1965. It was envisioned at that time as a unique partnership between the Federal Government and the 13 member States. It was created to solve the severe problems of the Appalachian area. In spite of its rich human and natural resources, the area traditionally lagged behind the rest of the Nation in its rate of growth and development.

In the 14 years since its inception, the Appalachian program has come a long way toward fulfilling our expectations. It has changed the face of that area dramatically by fostering new hope, new initiative, and new enterprise.

It is appropriate at this time to describe some of the advances made in the region since the beginning of this program. For example:

Appalachia's poverty population has decreased since 1960 from 31 percent of the total populace to 14 percent in 1976. This represents a 55-percent decline in poverty incidence, during a period when nationwide figures showed a 48-percent decline.

In per capita income, between 1965 and 1976 Appalachian total personal income climbed from 78 to 85 percent of the national average.

An existing trend of outmigration has been reversed. An average of 58,000 persons per year have migrated to the area.

The region added approximately 1.35 million jobs between 1965 and 1977, bringing Appalachia's official unemployment rate down to a level more nearly approximating that of the rest of the Nation.

In education, as of 1960, only one-third of the region's adult population had completed high school. By 1976, the percentage is estimated to have risen to approximately 60 percent.

In the area of health, the average number of physicians in the region rose from 92 for every 100,000 residents in 1963, to 116 per 100,000 in 1976.

Another major accomplishment under the Appalachian program has been the development of vocational schools. To date, the Commission has invested more than $300 million in a regionwide system of vocational schools. There are now nearly 500 such schools serving 300,000 students.

I strongly emphasize the importance of the Appalachian development highway system in the economic growth of this mountainous region. The entire 3,025 miles now authorized, approximately 1,700 miles, or 56 percent, are either complete or under construction. An additional 680 miles of access roads have been built to serve industrial sites, hospitals, schools, or other public facilities. When the entire system is completed, 85 percent of the people of Appalachia will be within 30 miles of a high quality highway. The highway program is vital to the development of Appalachia.

Mr. President, these are significant advances. But much remains to be done. Of Appalachia's 19 million inhabitants, 2.7 million continue to live in poverty. Only 6 out of the region's 397 counties have a per capita income that has reached the national income average. Despite improvements in the availability of health facilities, serious health problems remain. Infant mortality rates still exceed those of the rest of the Nation. A high incidence of diseases such as hepatitis, streptococcus, tuberculosis, measles, and rubella remains. And the 1976 ratio of 116 physicians to every 100,000 people lags behind the national average of 174 per 100,000.

I highlight the additional problem of adequate housing. On February 21 of this year, the Subcommittee on Regional and Community Development held a hearing on the extension of the Appalachian Regional Commission past its statutory deadline of September 30, 1979. Gov. John D. Rockefeller IV, of West Virginia, presented a very compelling case for amendments to the existing law which would assist the region to solve this long-standing housing problem.

Mr. President, over 1 million Appalachian homes are inadequate—either unsafe, with insufficient plumbing, or overcrowded—in some cases all three. This figure becomes more compelling when it is realized that in central Appalachia, 38 percent of the housing is substandard.

Under the Commission's housing program, site development grants and planning loans have been used to assist in the construction of 8,400 homes. Other types of grants have resulted in the construction or repair of an additional 1,900 homes. Technical assistance funds have been used by all 13 States to strengthen the technical competence of low and moderate income housing sponsors, and 10 States have established an Appalachian housing fund to stimulate housing production in the region.

One of the primary reasons for the lack of adequate housing is the fact that there is not enough land suitable for development. In many cases, especially in coal-producing areas, the only land flat enough to build on is located in the flood plain, and is subject to frequent devastating floods. Due to the competition with industry for available land, building sites for housing are frequently sold at premium prices.

Another unique problem exists in some areas of Appalachia, particularly West Virginia. In the southern part of the mountainous State, 10 major landholders own 90 percent of the land. If they are unwilling to sell the land for housing development, and this has proven to be the case in many instances, there may be no way to make the land available. It has been suggested that the condemnation powers given to the Secretary of Agriculture under section 601 of the Fuel Use Act of 1978 are a vital tool in providing land for housing. This bill authorizes the President to use these powers at the request of the Appalachian Regional Commission. Such powers would be used only if the land is not available through negotiation, and preference would be given to tracts of land which are either uninhabited or abandoned mined areas. This provision will be explored further in the course of hearings.

Another reason for the housing problem in Appalachia is the fact that the rugged terrain requires excessive development costs. Together with the difficulty in assembling large tracts, this discourages the involvement of large-scale housing contractors. A $30,000 house can cost up to $45,000 when the costs of an access road, sewer, and water lines are included. The statutory limitation of 10 percent on ARC grants for development costs is insufficient.

Governor Rockefeller suggested that the Appalachian Regional Development Act be amended to permit the Commission to use its funds for land acquisition and to raise the 10 percent development limitation to 25 percent. His suggestions have been incorporated into the bill I am introducing today. If industry is to be attracted to the Appalachian region, and an effective rural residence alternative to be maintained for its citizens, a supply of adequate housing is essential.

Mr. President, the Appalachian program has made a significant improvement in the quality of life in the region, but, I repeat, much remains to be done. This legislation will extend this important program for an additional 4 years.

The other major feature of the bill I introduce is a further extension of the philosophy behind the Appalachian Regional Commission to the regional commissions created under the authority of title V of the Public Works and Economic Development Act of 1965. The ARC and the title V commissions were originally authorized by separate acts of Congress. They were last extended by a single statute—the Regional Development Act of 1975. It is my feeling that now, 14 years after their inception, all these commissions should be in a sense melded into a common framework, and made to demonstrate the viability and effectiveness of a well-conceived regional strategy.

Currently the title V commissions number 11. They, together with the Appalachian Regional Commission, operate in all or part of 48 States. Their original mandate was to address the problem of economic decline in nonmetropolitan areas. We now see their value as an improved general mechanism for governmental decisionmaking, and as a means of managing growth as well as decline.

There are many similarities between the title V commissions and the ARC, but in the long run the ARC has proven more effective. This success has stemmed in part from a higher degree of funding and a broader charter. But a primary reason for the effectiveness of the Appalachian Commission is the way in which it operates.

Appalachian programs are initiated by local people in response to local needs. They are not dictated by a distant bureaucracy. The ARC is an equal partnership between the Federal Government and the 13 member States. Initial planning efforts are at the State and local level. From there they are discussed at the multistate, Commission level, and are carefully examined to determine their compatibility with a multistate regional perspective.

Mr. President, this is the essence of a viable regional growth policy process. This is regional planning the way it should be—from "the ground up."

The philosophy underlying the Commission concept is that some economic and other development problems are of such scale as to transcend State boundaries. Frequently, no one State has an interest in effecting a solution for a multistate problem. It is through regional development commissions that local, State, and Federal officials, in spite of individual concerns, can combine resources to address difficulties which are shared by contiguous units of government. This kind of effort, stemming as it does directly from the people, is vital to the development of workable regional plans. Such a plan must encompass a set of goals and objectives jointly determined by the Commission partners after consideration of the views of people from all sections and groups in the region.

The Appalachian Regional Commission has been especially successful in the evolution of a "ground up" regional planning policy. Local meetings are held within multicounty local development districts to discuss goals and objectives. Issue papers are developed at State and regional levels. Several regional conferences have been held in the past few years which have been especially beneficial. Discussions are held frequently with Members of Congress, with Federal agencies, and with private interests.

The projects and programs developed from these activities have begun to brighten the face of Appalachia. All across this 13-State area, there are health and education facilities, new public utilities and buildings, and new industries and cultural centers made possible under the program. Highways through the rugged mountains permit access to areas formerly too isolated for meaningful economic development.

Mr. President, the time has come to strengthen the title V commissions by using the Appalachian Commission as a model. We need a national system of regional commissions which should be available to every State. Those commissions should use the best experiences of the Appalachian Commission, as well as some of the innovations of the title V commissions, as guides to an even stronger regional commission structure.

Additionally, the regional development concept should be expanded to provide assistance in areas of rapid economic growth as well as in locations of economic decline.

This new framework for the Appalachian and other regional development commissions will require a considerable amount of careful thought. This is the reason I introduced a similar bill last October, so that concerned parties would have sufficient opportunity to study the issues. The Subcommittee on Regional and Community Development, chaired by Senator QUENTIN BURDICK, intends to hold hearings on this legislation April 3, 4, and 5.

It is gratifying and significant that the reauthorization of the Appalachian Regional Commission and the strengthening of the title V commissions has the solid support of the administration. As a result of the White House Conference on Balanced National Growth and Economic Development last year, the President announced this January his desire to institute a regional growth policy process. He reiterated the finding of the conference that the varied economic problems in regions of the Nation suggested a need for strong State and local action to develop regional balanced growth policies and to target local, State, and Federal funds in accordance with these strategies. President Carter determined that the existing Appalachian Commission and the title V commissions were the vehicles through which such policies should be channeled.

The Chief Executive of our Republic directed certain actions to be taken by the Secretary of Commerce, other Federal departments and agencies, Federal cochairmen of the Appalachian and title V commissions, the Interagency Coordinating Council, chaired by Presidential assistant Jack Watson, and the Federal Regional Councils. These entities are to work together in coordinating Federal efforts with commissions and States for regional development. It is my understanding that the administration is preparing draft legislation to further carry out this directive, similar to the provisions of title III of the bill I am introducing.

A question of continuing interest is the administration intention to retain the title V commissions in the Department of Commerce. There is some concern over this aspect of the President's recommendation and the bill I am introducing, particularly from the commissions themselves. This question will be explored in the course of hearings. While we want to strengthen the title V commissions, and especially the ability of Federal cochairmen to work closely with Governors, the issue of accountability is important.

The President also stated his intention to have Federal cochairmen of the Appalachian and title V commissions become members of each Federal Regional Council serving their region. I have some doubts as to the value of the Federal Regional Councils. If they have serious business to do I believe that consideration should be given to requiring that the Federal cochairmen chair regional council meetings when matters relative to commission interests are under discussion.

I look forward, as do other Senators, to working with the administration, with the commissions, States, and many other interested parties in the development of this important legislation.

Mr. President, in view of the fact that hearings will be held on this measure next week, I ask unanimous consent that the text of the Regional Development Act of 1979 be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 835

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Regional Development Act of 1979".

Sec. 2. (a) Multistate regional commissions, established under the Appalachian Regional Development Act of 1965 and title V of the Public Works and Economic Development Act of 1965, and strengthened under the Regional Development Act of 1975, have displayed a strong potential for increasing State and substate efforts in behalf of regional concerns. Significant opportunities and problems demanding multistate regional cooperation and State participation remain. In addition, a new range of national problems having regional dimensions has appeared, including community conservation, energy development and conservation, transportation, and export development.

(b) In the Regional Development Act of 1975, the Congress provided regional commissions with broader authorities and placed the title V regional commissions with the Appalachian Regional Commission in a common framework in which all commissions were encouraged to address shared development problems and issues of regional transportation, health, education, and energy development.

(c) The potential of multistate decisionmaking when applied to programs and projects of regional significance indicates the desirability of expanding the regional commissions to cover the entire Nation. The Congress finds that all States should be afforded the opportunity to join a regional commission established under this Act. The Congress also finds that multistate regional institutions represent a unique and productive means of providing incentives for concerted and cooperative action among groups of States acting together with a Federal representative as a regional commission. The Congress also finds that there is need to provide special incentives beyond those authorized in existing legislation to improve the ability of regional commissions to assist Governors to coordinate regional, State, and substate development programs.

(d) Therefore, it is the purpose of this Act to create a nationwide system of regional commissions and to provide a framework for regional commissions to coordinate the efforts of Federal, State, and local governments in (1) planning for growth and change so as to maximize the social and economic benefits and to minimize the costs in activities which will improve the quality of life for the people in all the regions of the Nation; (2) implementing regional programs and projects which can be carried out through intergovernmental cooperation; (3) meeting the special problems created in a region as a result of national policies or needs; (4) providing improved means to direct assistance to States for resolving shared and interstate regional problems; (5) providing a new mechanism for improving the ability of Federal programs and policies to function effectively, taking into account specific regional differences and perspectives; and (6) serving as a model for simplified and flexible program administration while meeting statutory objectives.

TITLE I

Sec. 101. This title may be cited as the "Appalachian Regional Development Act Amendments of 1979".

Sec. 102. Section 2 of the Appalachian Regional Development Act of 1965 is amended as follows:

(1) The fifth sentence of subsection (a) of such section is amended by inserting "including the provision of services to people in the region," after "special problems,".

(2) The sixth sentence of subsection (a) is amended to read as follows: "The public investments made in the region under this Act shall be concentrated in areas where there is a significant potential for future growth, including emerging small cities and urban centers and areas affected by energy development, where the expected return on public dollars invested will be the greatest, and in remote and hard-to-reach areas where there are special problems in providing for human service needs.".

Sec. 103. Subsection (b) of section 105 of the Appalachian Development Act of 1965 is amended to read as follows: "To carry out this section there are hereby authorized to be appropriated to the Commission, for the period ending September 30, 1983, to be available until expended, such sums as may be necessary.".

Sec. 104. Section 106 of the Appalachian Regional Development Act of 1965 is amended as follows:

(1) Paragraph 5 is amended by adding at the end, "The Office of Personnel Management is further authorized, under such terms and conditions as it shall prescribe, to contract with the Commission for coverage as of the date of the Appalachian Regional Development Act Amendments of 1979 in such retirement and other employee benefit programs of the Federal Government, of any employee of the Commission not covered in such programs who gives written notice to the Commission of his desire to come within the purview of such coverage.".

(2) Paragraph (7) is amended by striking out "1979" and inserting in lieu thereof, "1983".

Sec. 105. Title 5, United States Code, is amended as follows:

(1) The last sentence of section 5445(a) of title 5, is amended by striking out "was a Federal employee immediately prior to such employment by a commission and".

(2) Such title is amended by inserting after section 6312 a new section as follows:

"§ 6313. Accrual and accumulation for former Appalachian Regional Commission and title 5 regional commission employees

"Services rendered as an employee of the Appalachian Regional Commission under section 106(2) of the Appalachian Regional Development Act of 1965, or of a regional commission established pursuant to section 502 of the Public Works and Economic Development Act of 1965, under section 506(2) of such Act, shall be included in determining years of service for the purpose of section 6303(a) of this title in the case of any employee as defined in section 6301 of this title. The provision of section 6308 of this title for transfer of annual and sick leave between leave systems shall apply to the leave system established for such employees.".

Sec. 106. (a) Section 201(g) of the Appalachian Regional Development Act of 1965 is amended by striking everything after "1979", and inserting in lieu thereof: "$400,000,000 for fiscal year 1980; $500,000,000 for fiscal year 1981; $550,000,000 for fiscal year 1982; $550,000,000 for fiscal year 1983; $550,000,000 for fiscal year 1984; $500,000,000 for fiscal year 1985; and $470,000,000 for fiscal year 1986.".

(b) The third sentence of section 201(a) of the Appalachian Regional Development Act of 1965 is amended by striking "three thousand twenty-five" and inserting in lieu thereof "three thousand one hundred".

(c) Subsection (h) of section 201 of the Appalachian Regional Development Act of 1965 is amended by striking "70 per centum" and inserting in lieu thereof "80 per centum" and by adding at the end the following: "Projects approved after March 30, 1979, and on or before the date of enactment of the Regional Development Act of 1979 may be adjusted to receive a Federal share not greater than 80 per centum.".

Sec. 107. Section 202 of the Appalachian Regional Development Act of 1965 is amended by adding the following new subsection:

"(f) (1) The Commission may make grants to the States, including grants for reasonable administrative expenses, for innovative projects and for demonstrations approved pursuant to section 303, of methods and techniques for meeting human services needs of individuals and families in the region which the Commission determines cannot reasonably be accomplished under other provisions of this title or other Federal programs, and shall give special emphasis to demonstrations serving people in the more remote and hard-to-reach areas of the region and in areas impacted by energy development.

"(2) States may carry out such demonstrations directly, or through the employment of private individuals or firms under contracts entered into for such purposes, or through arrangements with public bodies and private nonprofit organizations.

"(3) Demonstrations may be funded entirely from appropriations to carry out this Act or in combination with funds available under other Federal grant-in-aid programs or from any source. Notwithstanding any provision of law limiting the Federal share in any such other program, funds appropriated to carry out this subsection may be used to increase such Federal share as the Commission determines appropriate. No component of a demonstration shall receive financial assistance under this title after five years following the commencement of the assistance for such component.".

Sec. 108. (a) Section 207(c) (2) of the Appalachian Regional Development Act of 1965 is amended by—

(1) inserting "(including land acquisition)" after "reasonable site development costs";

(2) striking "10 per centum" each place it occurs and inserting in lieu thereof "25 per centum"; and

(3) adding at the end thereof "The Secretary (or a State acting under subsection (e) of this section) shall assure that reductions in the cost of housing units due to the acquisition of land pursuant to this section shall accrue to the benefit of ultimate purchasers or tenants of such housing units and not to the financial benefit of any profitmaking entity.".

(b) Section 207 of the Appalachian Regional Development Act of 1965 is amended by adding the following new subsections:

"(f) In furtherance of the purposes of this section, at the request of the Commission the Secretary of Agriculture is authorized to use all of the authority to acquire land under the provisions of section 601(c) of the Powerplant and Industrial Fuel Use Act (Public Law 95–620). Funds for such acquisition shall be provided under this section or by the affected State.

"(g) The Commission is authorized and directed to undertake a demonstration of appropriate incentives or programs to attract large scale housing developers to operate in the central Appalachian region. In conducting such demonstration, the Commission, after consultation with potential developers and to the extent practical, shall select at least three sites or areas, and the Commission is authorized to use the authority of this section or section 302 of this Act.".

Sec. 109. Title II of the Appalachian Regional Development Act of 1965 is amended by inserting after section 208 the following new section:

"BUSINESS, RAILROAD, AND ENERGY RESOURCE ACTIVITIES

"Sec. 209. (a) In order to assist in stimulating agriculture, mining, construction, manufacturing, commercial, and other economic activities in the region, including the development of indigenous arts and crafts, the Commission is authorized to make grants approved pursuant to section 303 to the States, including grants for reasonable administrative expenses, for—

"(1) Business related, technical assistance, including entrepreneurial development, management advice, market analyses, and utilization or financial feasibility studies.

"(2) Establishing revolving funds to be used for business, agricultural and forestry enterprise development loans, with special emphasis on loans furthering development opportunities for entrepreneurs that are identified through technical assistance activities under this Act.

"(3) Making grants for—

"(A) Projects for the acquisition of rail properties by public bodies where critical to a State investment program approved pursuant to section 303. No such grant for a project shall exceed 80 per centum of the cost thereof, and the non-Federal share may be in cash or in kind, fairly evaluated, including but not limited to equipment and services.

"(B) Projects for the rehabilitation, repair, and modernization of rail properties (except rolling stock) where critical to a State investment program approved pursuant to section 303. No such grant for a project shall exceed 50 per centum of the cost thereof, and the non-Federal share may be in cash or in kind, fairly evaluated, including but not limited to equipment and services.

"(4) Demonstration projects in connection with the development, production, utilization, and conservation of the region's energy resources, including site development where necessary for the feasibility of projects.

"(b) States may carry out such activities directly, or through the employment of private individuals or firms under contracts entered into for such purposes, or through arrangements with public bodies and private nonprofit organizations.

"(c) Assistance under this section may be funded entirely from appropriations to carry out this Act or in combination with funds available under other Federal grant-in-aid programs or from any service. Notwithstanding any provision of law limiting the Federal share in any such other program, funds appropriated to carry out this section may be used to increase such Federal share as the Commission determines appropriate.".

Sec. 110. The first sentence of subsection (c) of section 214 of the Appalachian Regional Development Act of 1965 is amended by striking "December 31, 1978" and inserting in lieu thereof "October 1, 1983".

Sec. 111. Section 401 of the Appalachian Regional Development Act of 1965 is amended to read as follows:

"Sec. 401. (1) In addition to the appropriations authorized in section 105 for administrative expenses, and in section 201(g) for the Appalachian development highway system and local access roads, there are authorized to be appropriated to the President, to be available until expended, to carry out this Act, $340,000,000 for the two-fiscal-year period ending September 30, 1981, and $380,000,000 for the two-fiscal-year period ending September 30, 1983.

"(2) No more than 25 per centum of the funds available for obligation in any fiscal year under this section shall be obligated for direct grants by the Commission to carry out the purposes of sections 202(f), 207(c), and 209.".

Sec. 112. Section 405 of the Appalachian Regional Development Act of 1965 is hereby repealed.

TITLE II

Sec. 201. This title may be cited as the "Regional Commission Act of 1979".

Sec. 202. (a) The Secretary shall recognize appropriate "development regions" within the United States upon the written request of the Governors of the States in which such region will be wholly or partially located if the Secretary finds that there are common cultural, economic, geographic, natural resource, and social relationships among the areas within such region.

(b) It is the intention of the Congress that every area of the Nation ultimately be included in a development region, but not in more than one.

(c) It is the intention of the Congress that every region consist of two or more States, except in the case of Alaska if the Secretary determines that a multistate approach is not practical.

(d) The boundaries of a region may be subsequently altered in the same manner as they were established.

ESTABLISHMENT OF REGIONAL COMMISSIONS

Sec. 203. (a) Upon the recognition of a development region, the States shall establish a regional development commission for such region. Any such commission shall be established and shall operate in accordance with section 502 (b) through (e) of the Public Works and Economic Development Act of 1965. Sections 505(b), 506, 507, and 508 of such Act shall apply to each such commission.

(b) Each regional commission established pursuant to the Appalachian Regional Development Act of 1965 or title V of the Public Works and Economic Development Act of 1965 shall continue in operation under this Act unless boundaries or State membership of such commission are altered pursuant to this Act.

Sec. 204. (a) In carrying out the purpose of this Act, each regional commission shall, with respect to its region:

(1) in accordance with title III of this Act, develop and implement a regional growth policy process which shall include the preparation of (i) a multiyear regional development plan with policies and priorities for action programs to guide Federal, regional, State, private, and substate investments, and (ii) annual regional investment strategies which include specific policies and investment proposals affecting Federal, regional, State, and substate participation in support of regional growth policies and priorities;

(2) develop and implement mechanisms for coordinating the development and growth management activities of State governments and substate entities with regional policy development, including, but not limited to, economic development, coastal zone management, comprehensive planning, environmental protection, energy conservation and development, transportation, outdoor recreation planning, and implementation programs;

(3) conduct, in cooperation with relevant Federal and State agencies and private resources, research on and analysis of interstate and shared problems, resources, and opportunities for advancing regional development;

(4) provide consultation to and continuing liaison with Federal Regional Councils and those Federal agency members whose planning and development activities bear on regional priorities, policies, and plans regarding the regional interest in such activities;

(5) advise Federal agencies that fund multistate organizations not covered by this legislation on the relevance of such funding to regional commission plans, priorities, policies, and programs and on the steps required to avoid duplication of activities;

(6) provide a working liaison (A) with private sector leadership, especially those which operate at the multistate level; (B) with other multistate organizations including other regional commissions; and (C) with substate entities engaged in functional or comprehensive planning which bears on the fulfillment of regional plans, priorities, and policies;

(7) engage in cooperative activities with other regional commissions established under this act, with other regional organizations, with local governments, and with Federal agencies.

(b)(1) As the Presidentially appointed Federal partner to the Governors, each Federal Cochairman has the dual responsbility of presenting the national perspective to the regional commission and of communicating the regional concerns of the State members to the Federal Government. Each Federal Cochairman is responsible for coordination and cooperation between the commission and Federal departments and agencies. As a member of a commission, each Federal Cochairman has the responsibility for fostering the development of a collaborative institutional setting in which both State and Federal members jointly determine regional development policy.

(2) Each Federal Cochairman shall—

(A) present, on behalf of the Commission, the regional development plan, annual investment strategy, growth policy recommendations, legislative recommendations, and reports on the activities of the Commission;

(B) encourage Federal departments and agencies to apply their programs and policies to support development plans, programs and priorities established by the Commission;

(C) involve Federal departments and agencies in the activities of the Commission, as appropriate;

(D) assist the Commission in its participation in the regional growth policy process;

(E) to the extent practicable, consult with appropriate Federal departments and agencies concerning significant programs and projects to be considered by the Commission prior to voting on such matters;

(F) represent, in dealings with the Commission, Federal policies affecting regional development established by the President and, except in the case of the Appalachian Regional Commission, the Secretary;

(G) take a leadership role in the preparation of the Commission budget for submission to the Office of Management and Budget and the Congress; and

(H) assure commission compliance with applicable Federal fiscal and management requirements established or identified under section 208 of this Act or, in the case of the Appalachian Regional Commission, established or identified by the Federal Cochairman.

Nothing in this Act shall preclude the Federal Cochairman from presenting the Commission's budget to the Office of Management and Budget or from communicating with appropriate committees of the Congress.

(3) When a Federal Cochairman dies, resigns, becomes disabled, is removed, or is absent from the country, a designated as-

sistant or the executive director of the commission shall perform the routine administrative duties of the Federal Cochairman not involving the exercise of the vote of the Federal Cochairman, until a successor is confirmed or the absence or disability stops.

(c)(1) Each commission shall employ an executive director as the chief administrative officer of the Commission and such other officers and staff as the Commission may determine. The executive director shall be responsible for carrying out the administrative functions of the Commission, for direction of the Commission staff and for such other duties as the Commission may assign. The executive director shall be appointed and may be removed by vote of the Commission. All other officers and employees of the Commission shall be appointed by the executive director under such rules of procedure as the Commission may determine.

(2) All appointments and promotions of officers and employees of the Commission shall be on the basis of merit and fitness and no test or qualification with respect to politics, race, color, sex, age, physical handicap, or religion shall be permitted or given consideration. Any officer or employee of the Commission who is found by the Commission to be guilty of a violation of this section shall be removed from office by the Commission.

SEC. 205. (a) An application for a grant or for any other assistance for a specific project under section 207 of this Act shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. No application for grants or other assistance for specific programs or projects under any provisions of this Act shall be approved unless it is certified by the State member and determined by the Commission, including the affirmative vote of the Federal Cochairman—

(1) to implement the Commission's regional development plan;

(2) to be described in the Commission's annual investment strategy;

(3) to be backed by adequate assurance and evidence that the project will be properly administered, operated and maintained; and

(4) to otherwise meet the requirements for assistance under this Act.

(b) Nothing contained in this Act shall be interpreted as requiring any State or political subdivision thereof to engage in or accept any project under this Act without its consent.

SEC. 206. (a) In addition to other activities authorized by this Act, the Secretary is authorized to provide to commissions technical assistance and incentive grants to aid the commissions in carrying out their responsibilities under this Act and to undertake new program and policy objectives. In general, such assistance may be provided directly through members of the Secretary's staff or through incentive grants to the commissions; or, indirectly, through the payment of funds authorized for this section to other departments or agencies of the Federal Government; through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes; or through grants to institutions of higher education or nonprofit organizations. Technical assistance may include studies and plans evaluating the needs of, and developing potentialities for, regional development; administrative management; inter-regional cooperation; research on improving the conservation and utilization of the human and natural resources of the region; planning, investigations and studies; economic and demographic information and analysis; and innovative projects, demonstrations, and training programs which will further the purposes of this Act. Special provision shall be made to assure that newly formed commissions are able to function fully and effectively as soon as practicable.

(b) In carrying out its functions under this Act, each commission is authorized to to engage in planning, investigations, studies, and to provide other technical assistance to States, substate areas and communities, both urban and rural, including the payment of administrative expenses to substate planning and development organizations (including economic development districts created under the Public Works and Economic Development Act), which will further the purpose of this Act, and which have been included in the approved annual investment strategy. Such activities may be carried out by the Commission through the payment of funds to departments, agencies, or instrumentalities of the Federal Government, or through the employment of private individuals, partnerships, firms, nonprofit corporations, or suitable institutions under contracts or grants entered into for such purposes or through grants-in-aid to agencies of State or local governments. Special provision should be made for the development and growth management requirements of small towns, counties, and substate districts.

(c) The Secretary is authorized to make incentive grants to commissions for the following purposes:

(1) Encourage and enable States to develop and improve mechanisms for coordinating State development programs and planning within each State and with commission development programs and planning, with substate development activities and with State budget processes. Such grants are to enable Governors to develop among State agencies and levels of government a unified set of development objectives for programs such as economic development, comprehensive planning, outdoor recreation, coastal zone management, transportation, and environmental protection.

(2) Encourage and enable commissions to develop procedures, including public hearings, consultations, and surveys program review, to enable Governors to participate in regional growth policy processes for the purpose of shaping Federal and State programs and policies necessary for the successful implementation of regional plans.

(3) Encourage commission and cooperative State actions augmenting national energy, export, urban, and rural community conservation, and similar policies whose effectiveness would be strengthened by commission and State participation.

(4) Encourage other special activities needed to strengthen the overall program including fostering interregional cooperation; creating regionally based systems for demographic and economic analysis; expanding activities of a multistate character; and increasing State Government financial and other support for commission plans.

SEC. 207. (a) In addition to any authority under the Appalachian Regional Development Act of 1965 or title V of the Public Works and Economic Development Act of 1965, each regional commission is authorized to provide financial assistance for projects which will further regional development, as defined in this Act. Such projects may include, but are not limited to, transportation, energy development and conservation, environmental and natural resource management activities, fisheries, agriculture, tourism, forestry, export promotion, business or industrial development, productivity improvements, community conservation and growth management, human resources, vocational, educational and training programs, promotion of arts and culture, and flood or other natural hazard protection activities.

(b) To the maximum extent practicable, each commission shall provide assistance under this section by transferring funds for programs or projects approved by the commission to the heads of Federal departments or agencies to be used for—

(1) all or any portion of the basic Federal contribution to programs or projects under any Federal grant-in-aid program authorized on or before September 30, 1983, and for the purpose of increasing the Federal contribution to programs or projects under such programs above the fixed maximum portion of the costs of such programs or projects otherwise authorized by the applicable law; and

(2) the Commission contribution to programs or projects and for grants management and technical assistance provided by the department or agency for projects at the request of the Commission.

Notwithstanding any other law, the heads of Federal departments and agencies are hereby authorized to accept such funds, to disburse them in accordance with policies adopted by the Commission, and to provide any assistance which may be necessary to carry out the approved program or project. The Federal portion, including the Commission portion, of the costs of each program or project assisted shall not exceed 80 per centum of such costs.

(c)(1) Each commission may make direct grants to the States or to qualified multistate organizations or regional organizations established by commissions for innovative projects and for demonstrations of unique methods and techniques for meeting the purposes of subsection (a) of this section which the Commission determines cannot reasonably be accomplished under subsection (b) of this section and are in accordance with the regional development plan.

(2) States may carry out such projects and demonstrations directly, or through the employment of private individuals or firms under contracts entered into for such purposes, or through grants with public bodies and private nonprofit organizations.

(3) Such projects and demonstrations may be funded entirely from appropriations to carry out this Act which are apportioned to the commissions by the Secretary or in combination with funds available under other Federal grant-in-aid programs or from any source. Notwithstanding any provision of law limiting the Federal share in any such other program, funds provided to carry out this subsection may be used to increase such Federal share as the Commission determines appropriate. No component of any such project or demonstration shall receive financial assistance under this Act, the Appalachian Regional Development Act of 1965 or title V of the Public Works and Economic Development Act of 1965 after five years following the commencement of any assistance for such component under one of the above Acts.

(4) Except as provided in subsection (d), grants for innovative projects and demonstration under subsection (c) may be made for up to 100 per centum of the costs of any project.

(5) No grant shall be provided for an innovative program or demonstration project unless the Federal Cochairman determines in what respect the project is innovative and what it is intended to demonstrate and certifies that there is a reasonable plan to evaluate the results of the innovation or demonstration by an independent source and to disseminate the results.

(d) Each commission is authorized to make grants for the operation of any project, including initial operating funds which comprise, among other things, the cost of recruiting and training qualified personnel. A grant for the operation of any project shall be made only if the project or facility is not operated for profit. Such grants may be made for up to 100 per centum of the costs thereof for the two-year period which begins, for each component facility or service assisted under any such operating grant, on the first day that such facility or service enters into operation as a part of a project. For the next three years of operation, such grants shall not exceed 75 per centum of such costs. No grants for operation of any project shall be made after five years following the commencement of such initial grant for operation of the project. No such grants shall be made unless the Commission is satisfied that the operation of the project will be conducted under efficient management practices designed to avoid operating deficits. The Federal contribution may be provided entirely from funds authorized under this section, or in combination with funds provided under other Federal programs.

(e) Financial assistance under this section shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law. Funds appropriated to carry out this Act shall be available without regard to any limitations on authorization for appropriation in any other Act.

(f) No financial assistance shall be provided under this Act to assist private establishments relocating from one area to another or to enable private contractors or subcontractors to undertake work theretofore performed in another area by other contractors or subcontractors. Sectin 704(e) of the Public Works and Economic Development Act shall apply to all financial assistance under this Act.

(g) The authorities and requirements of this section and section 206 of this Act shall supercede and replace the authority of section 505(a) of the Public Works and Economic Development Act of 1965.

COORDINATION

SEC. 208. (a) Taking into account all relevant national policies, the Secretary shall coordinate and provide for Federal policy guidance to the Federal Cochairmen.

(b)(1) There is hereby established the Regional Development Council, composed of the Federal Cochairmen of the regional development commissions, which shall serve as a mechanism for consultation regarding policy and administrative improvements in the program authorized by this Act. The Council shall elect one of its members to serve as chairman and one to serve as vice chairman. The council shall participate in the liaison and coordination responsibilities provided under secton 302 of this Act.

(2) There is hereby established in the Department of Commerce an Office of Regional Development, which shall be headed by a Director, appointed by the Secretary in consultation with the Chairman of the Regional Development Council, and composed of such staff as may be necessary to carry out its functions. Such Office shall perform such duties in support of the regional commissions as are requested by the commissions or as are prescribed by the Secretary, provide staff for the Regional Development Council, perform reviews and studies, assist the Federal Cochairmen in the preparation of the budget for the commission program, facilitate intercommission relationships, and provide supplemental technical and support services as necessary for the Federal Cochairmen. In addition such Office shall, subject to the provisions of this Act, assist States in initiating Regional Commissions or proposed boundary modfications, and assist the Federal Cochairmen in investigating the effects of the Federal Government's procurement, scientific, technical, and other related policies upon regional and area development.

(c) The Office, with the policy guidance of the Secretary and the Council, shall identify the basic areas in which minimum standards of fiscal responsibility and management must be adopted to assure that commission activities are consistent with the provisions of this Act. The Office shall specify such minimum standards and require each regional commission to adopt them as part of their internal regulations. In addition, the Office shall adopt, with policy guidance of the Secretary and the Council, procedures and regulations governing:

(1) the recognition of regions and changes in boundaries;

(2) records to be kept by commissions and recipients of commission funds;

(3) administrative policies and procedures developed by the commissions;

(4) the establishment and operation of a management information system covering activities authorized under this Act.

BONDING, INSURANCE, LIABILITY

SEC. 209. (a) The executive director of a commission and such other employees as the Commission requires shall be bonded in such form and amounts as the Commission may require. The Commission may pay the premium for the bonds.

(b) The Commission shall purchase insurance and pay the premiums therefor against loss or damage to any of its personal property and against liability for injury to persons of property. Such insurance coverage shall be in such form and amount as the Commission may determine, subject to the conditions of any grant from the Secretary.

(c) The Commission shall be responsible for claims arising out of negligent acts or omissions of its officers, agents and employees only to the extent prescribed by law generally with respect to officers, agents, and employees of the Government of the United States.

RECORDS AND AUDIT

SEC. 210. (a) Each Commission shall keep such records which will fully disclose the amount and disposition of the funds provided to the Commission, and such other records which will facilitate an effective audit. The records, books and accounts shall be available for audit by any member of the Commission, Secretary, and the Comptroller General of the United States or their duly authorized representatives.

(b) All recipients of assistance from a commission and all contractors of a commission shall keep such records which will fully disclose the amount and the disposition by each recipient of the proceeds of such assistance, the total cost of the project or activity for which such assistance is given or used, and the amount or activity supplied by other sources, and such other records which will facilitate an effective audit. The Secretary, the Commission, the Comptroller General of the United States or any of their duly authorized representatives shall have access for the examination and audit of any books, documents, and records of any and all recipients that are pertinent to assistance received under this title. Any recipient or contractor who fails to abide by this requirement or who refuses to readily make his books available for inspection and audit by those authorized to audit such records shall not be eligible for further funding under this title.

SEC. 211 (a) There are authorized to be appropriated to the Secretary to carry out this Act other than title I, to be available until expended, for each of the fiscal years 1980, 1981, 1982, and 1983, not to exceed $250,000,000.

(b) After deducting such amounts as are required for the administrative expenses of commissions other than the Appalachian Regional Commission, the Secretary shall distribute the remainder of the sums appropriated under this authorization for any fiscal year as follows:

(1) beginning in fiscal year 1981 any funds in excess of the sums appropriated for fiscal year 1980, but not to exceed 20 per centum of the total sum appropriated each year, to be set aside for the purposes authorized under section 206 (a) and (c) of this Act;

(2) the balance of the sums appropriated to be provided to the eligible commissions (other than the Appalachian Regional Commission) to carry out the activities authorized under sections 207 and 303 of the Act, according to a formula to be developed by the Secretary after consultation with the commissions and the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation.

TITLE III

SEC. 301. This title may be cited as the "Regional Growth Policy Process Act".

SEC. 302. (a) The President shall establish an interagency committee, or use an existing committee, composed of a senior White House official (who shall chair such committee) and senior officials of the departments and agencies concerned with regional development activities, to provide means for program coordination and support for the regional commissions and the Federal Government in determining policies and recommendations which will further the purposes of this Act.

(b) The President shall assure the provision of effective liaison between the Federal Government and the regional commissions and access to Federal funding and technical assistance for regional development activities.

(c) The recommendations contained in each commission's regional development plan and regional growth policy recommendations shall be brought to the attention of the heads of the Federal departments and agencies by the committee established under subsection (a) and its Chairman, acting together with the Federal Cochairman, and a schedule shall be established by the Chairman for review and response by the agencies and departments affected. The Chairman shall assure that discussions necessary to the resolution of any issues occur between representatives of the commissions and those of the affected Federal departments and agencies. The Chairman shall also attempt to identify and encourage solutions to regional issues which involve the participation of two or more departments or agencies. The Chairman, in transmitting such plans and policy recommendations to the Federal departments and agencies, shall assure that, to the extent practicable, adjustments in policies and procedures necessary to the successful implementation of each commission plan will be made.

(d) To the extent practicable, the Federal Cochairman of a regional commission shall be appointed as chairperson of the appropriate Federal Regional Council.

(e) Each Federal department or agency shall, consonant with law, cooperate with such commissions in assisting them in carrying out their activites under ths Act and, to the maximum extent practicable, adjust its procedures and policies in order to assure—

(1) its participation in developing and implementing each Commission's regional development plan; and

(2) coordination among development programs and planning activities within States and between State and regional development programs and planning activities.

(f) Federal departments, agencies, and instrumentalities undertaking or providing financial assistance for programs shall take steps to assure that, to the maximum extent practicable, such programs are not inconsistent with the goals, objectives, plans, and strategies established by the commissions pursuant to this Act.

(g) Each Federal department and agency shall consult with the appropriate commission or commissions in advance of providing financial assistance to any multistate organization engaged in activities related to the purposes of this title.

SEC. 303. (a) Each Commission shall set requirements for State members to prepare and submit for Commission approval a development plan for their States in the region. Such plan shall be revised annually. Each State development plan shall reflect the goals, objectives, and priorities established in any regional development plan, shall be built upon an assessment of State problems and opportunities that involves the participation of local governments, the private sector, and substate planning and development organizations, and shall—

(1) describe the State organization and continuous process for comprehensive development planning, including the procedures established by the State for the participation of development districts in such process; the means by which such process is related to State budget processes; and the method of coordinating development planning, policies, and programs in the State under this Act and other Federal and State programs.

(2) set forth the development goals, objectives, and priorities of the State and identify the needs and opportunities on which such goals, objectives, and priorities are based;

(3) describe the development program for achieving such goals, objectives, and priorities, including funding sources and recommendations for an implementing investment program, including specific projects to receive assistance under this Act, in sufficient detail to explain their contribution to the goals, objectives and priorities;

(4) describe the mechanisms established to assure appropriate opportunity for participation of the private sector in development planning and programing and to coordinate activities between public and private institution;

(5) set forth a system for evaluating the effectiveness of plans, programs, and projects affecting the attainment of the goals, objectives, and priorities of the regional and State plans and programs, including, to the extent feasible, quantified measures of impact.

(b)(1) Substate planning and development districts certified by the State under subsection (c) of this section provide the linkage between State and substate planning and development. In carrying out the development planning process, including the selection of programs and projects for assistance, States shall consult with local planning and development districts, local units of government, citizens, and private sector organizations, and take into consideration the goals, objectives, priorities, and recommendations of such bodies. The districts shall assist the States in the coordination of substate activities.

(2) Each Commission shall develop a plan for and as soon as practicable require the preparation and execution of areawide action programs which specify interrelated projects and schedules of actions together with the necessary agency fundings and other commitments to implement such programs. Such programs shall make appropriate use of existing plans affecting the area. To the extent permitted under this Act, State and substate planning processes shall be designed to coordinate and utilize to the maximum extent possible existing substate institutions and Federal, State, and local programs and projects in the affected areas and shall consider anticipated private as well as public investments.

(c) No entity shall be certified as a development district for the purposes of this Act, unless the Governor finds that—

(1) it is one of the following:

(A) a nonprofit public body organized or chartered under the law of the State in which it is located;

(B) an agency or instrumentality of a State or local government;

(C) an agency or instrumentality created through an interstate compact; or

(D) a combination of such bodies, agencies, and instrumentalities;

(2) the proposed district is geographically and politically structured to carry out a comprehensive planning and development program;

(3) the district and its governing body have responsibility for all or most of the relevant development planning activities being undertaken in its area;

(4) it is part of a single statewide system of development districts;

(5) the governing body of the district is local elected officials of general purpose composed of at least a majority of local governments from the affected area.

SEC. 304. (a) Within eighteen months after its establishment or after enactment of this Act, whichever is later, each regional development commission shall prepare in consultation with Federal, State, interstate, private, and substate development organizations and local governments, a multiyear development plan for its region. The plan shall reflect and accommodate the goals, objectives and priorities established in the State development plans accepted by the commission. The plan shall be built upon an assessment of regional problems and opportunities that involves the participation of State and local governments and the private sector in the regional development process and shall give due consideration to the planning and proposed activities of other Federal, State, interstate, substate, and local organizations and governments which may significantly affect the region. The plan shall include the following elements:

(1) A review of—

(i) prior regional studies of and plans for the region,

(ii) the current regional economy and the projected economy based on the best available data,

(iii) relevant plans of other public planning bodies and major private sector interests in the region,

(iv) multistate and shared problems requiring regional attention,

(v) the adequacy of existing Federal, State, and local programs and policies to meet the commission's goal and strategies;

(2) a framework for the continuing analysis of data needed to conduct effective regional development activities and to make decisions on programs and project selection;

(3) a determination of necessary and feasible regional goals, objectives, and priorities for regional development;

(4) a development program to achieve the commission's goals and objectives;

(5) strategies to implement the plan and recommended levels of Federal, State and local funding for implementing Commission programs to attain the goals, objectives and priorities; and

(6) criteria for the identification and selection of projects which are consistent with the goals of the Commission.

(b) Each Commission shall prepare an annual investment strategy on a Federal fiscal year basis to implement its regional plan. This strategy should include (i) identification of specific Federal, interstate, State, and substate programs and projects which will assist the commission in regional development activities; (ii) proposed funding of activities under this Act or the Appalachian Regional Development Act of 1965; and (iii) proposed policies which may be adopted by Federal Departments and agencies and State and local governments in order to reflect in the administration of their programs and regulations, insofar as applicable statutes permit, perspectives, conditions and approaches particular to each region and necessary to the successful implementation of the regional plans. Such strategy shall be transmitted to the committee established under section 302 and, except in the case of the Appalachian Regional Commission, the Secretary, prior to the start of the new fiscal year, shall be used as the basis of consultation with the heads of Federal Departments and agencies through the interagency mechanism described in such section.

(c)(1) Prior to a commission vote to approve a regional development plan or annual investment strategy under this section, the Federal Cochairman shall have a maximum of seventy-five days in which to review the plan or strategy and seek review by the Secretary in accordance with paragraph (2) of this subsection. The Federal Cochairman shall vote on the plan or strategy only after consultation with appropriate Federal departments and agencies, in order to assure that—

(A) the plan or strategy is consistent with national economic and social policies and trends,

(B) the plan or strategy addresses shared and interstate regional problems and solutions and provides a mechanism for project or program funding selection which adequately attends to such problems and needs, and

(C) the plan or strategy reflects interregional consistency and compatibility, so that the activities of a commission will not adversely affect the conditions in or plans of another region.

(2) Except in the case of the Appalachian Regional Commission, the plan described in paragraph (a) of this section shall be reviewed by the Secretary and may be disapproved within sixty days of transmittal, only if the Secretary determines that the requirements of paragraph (1) (A) and (C) of this subsection are not met by the plan.

(d) Each commission shall review its multiyear plan annually and undertake a formal assessment of such plan every five years.

(e) Notwithstanding section 205(a)(1) of this Act, for a period not to exceed eighteen months after the establishment of a commission or the enactment of this Act, whichever is longer, assistance may be provided under this Act on the basis of State development plans and commission annual investment strategies.

SEC. 305. (a) The development planning process and the regional growth policy process shall be ultimately based on the goals, objectives, priorities, and recommendations of development districts and local governments as reflected in State development plans. The regional development plan, and annual investment strategies shall be developed from and shall incorporate such goals, objectives, priorities, and recommendations. The State, in the preparation of a State development plan, and the Commission, in the preparation of the regional development plan and annual investment strategies, shall accommodate and to the extent practicable harmonize the diverse goals, objectives, priorities, recommendations, and needs identified by development districts and local governments.

(b) Public and private sector participation in the development of the goals, objectives, and priorities of regions, States, and development districts shall be provided for, encouraged, and assisted. Regional development commissions and member States shall prepare and publish guidelines to assure full opportunity for public and private sector participation in the establishment of such goals, objectives, and priorities.

Sec. 306. When used in this Act:

(1) The term "regional development" means the process of improving conditions and opportunities for individuals, communities, States, and regions through selective management of resources and activities toward the achievement of regional goals in the approved regional plan, including those goals affecting human resources, institutional, community, and economic development;

(2) The term "commission" refers to a regional development commission established pursuant to this Act, the Appalachian Regional Development Act of 1965, or title V of the Public Works and Economic Development Act of 1965, unless the context indicates otherwise;

(3) The term "Secretary" means the Secretary of Commerce;

(4) The terms "State", "States", and "United States" include the several States, the District of Columbia, the Commonwealth of Puerto Rico, the territories of the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Marianas, and the Trust Territory of the Pacific Islands;

(5) The term "Governor" includes the chief executive officers of the territorial and political units included in the definition of the term "State";

(6) The term "regional growth policy process" means the process of developing and communicating recommendations affecting shared and interstate problems of growth and decline set out in the regional plan and annual investment strategy with specific reference to policy recommendations applicable to the Federal, State, and local governments and necessary to the successful implementation of the plan and strategy;

(7) The term "substate planning and development district" is a multijurisdictional entity certified to a regional development commission either by the Governor or legislature of the State in which such entity is located, or by the State officer designated by State law to make such certification, as having responsibility for continuous, coordinated, comprehensive public facilities and services planning. Unless otherwise provided under State law, local development districts previously certified pursuant to the Appalachian Regional Development Act of 1965 and economic development districts designated pursuant to the Public Works and Economic Development Act of 1965 shall be recognized as substate planning and development districts certified pursuant to this paragraph; and

(8) The term "annual investment strategy" means the annual project packages, investment programs, or proposed funding elements of the member States as approved by the Commission and certified by such Commission to be consistent with and in furtherance of an approved regional development plan.

Sec. 307. (a) Each regional commission shall make a full and detailed report each fiscal year to the Congress, each State member, and the Secretary with respect to the commission's past and proposed activities. The first such report shall be made for the first fiscal year in which a commission has been in existence for more than three months after enactment of this Act. Such reports shall be printed and transmitted to the Congress not later than six months after the end of the fiscal year for which the report is made.

(b) Each biennium, each regional commission, with the assistance of the Secretary (except in the case of the Applachian Regional Commission), shall submit a report to the Congress of the economic trends, development inhibitors, growth opportunities, and other relevant economic and social data for each region.

Sec. 308. Within six months after the first biennium after enactment of this Act, the President shall conduct a comprehensive review of the commissions operating under the authority of this Act. This review shall include, among other things, an evaluation of the commissions' program effectiveness, a determination of the effectiveness of Department of Commerce management and support of commissions, any recommendations for preferred placement of the program in the executive branch, and an assessment of the progress made in unifying and coordinating federally assisted regional, State, and substate development programs and planning activities. Within eighteen months after enactment of this Act, the President shall conduct a review of the appropriateness of regional commission and Federal Regional Council boundaries. The President shall report the results of such reviews to the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation.

By Mr. MELCHER:

S. 836. A bill to amend the Rural Electrification Act of 1936 to provide for the financing of telecommunications facilities for broadband services in small towns and rural areas, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

● Mr. MELCHER. The Rural Electrification Act Amendments of 1979 amends the Rural Electrification Act to permit financing of broadband facility construction in small towns and rural areas.

This legislation will provide a program under the Rural Electrification Act which will assure that the citizens of our rural areas are able to receive the benefits of new technologies emerging in the telecommunications industry.

Recent developments in the areas of digital technology, electronic switching capacity, coaxial cables and, in the fairly short term, utilization of fiber optics, will soon make it possible for rural telephone systems, translators, and cable television systems, among others, to deliver a wide range of telephone and broadband services to their subscribers over a single facility at a small incremental cost over providing basic telephone service.

Without the REA telephone loan programs of the past, rural telephone systems of today would not be bringing telephone service to rural America.

The passage of this legislation will allow many of the material benefits available to people in urban areas of our country to accrue to the citizens in our vast rural areas through the delivery of information, education, entertainment, and social services over broadband facilities.

The rural telephone systems, the translator and cable television industries and many others are willing to undertake this dynamic challenge. Many of these individuals have basic facilities in place and their personnel are trained and competent.

The rural telephone systems, for example, are managed by a local area representative. These are people totally aware of area conditions and subscriber requirements.

The Rural Electrification Administration and the Administration appear to be strongly in support of the contention that joint provision of broadband facilities is the most economically efficient means of bringing these services to rural areas.

My introduction of this legislation is predicated on the belief that rural subscribers are not to be denied access to the broad range of telecommunications services promised by the advent of dramatic technological innovations in the United States.

Mr. President, I ask unanimous consent that the text of the bill along with a copy of a letter from the National Cable Television Association and a copy of a resolution of the National Rural Telephone Association approving this legislation be printed in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 836

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 201 of the Rural Electrification Act of 1936 (7 U.S.C. 922) is amended—

(1) by inserting "(a)" before the word "From at the beginning of such section;

(2) by striking out the last two sentences of such section; and

(3) by adding at the end of such section the following new subsections:

"(b) (1) In addition to the purposes for which loans may be made under subsection (a), the Administrator is also empowered to make loans under this subsection for the purpose of financing the improvement, expansion, construction, acquisition, and operation of lines, facilities, or systems to provide (separately or in conjunction with telephone service) broadband telecommunications service in any rural area, except that no loan may be made under this subsection to any person for the purpose of providing any broadband telecommunications service in any rural area unless the Administrator determines at the time the application for such loan is considered by him that there is no reasonable probability that the proposed service will be made available within such area by any other person. The Administrator may make loans under this subsection to persons now providing or who may hereafter provide any broadband communications service in any rural area.

"(2) The Administrator, in consultation with the National Telecommunications and Information Administration, Department of Commerce, and after holding public hearings during which interested parties shall be given the opportunity to be heard, shall prescribe specific standards to be followed by the Administrator in determining (A) which of any competing applicants should receive assistance under this subsection, and (B) the need and demand in the area concerned for the services and facilities proposed to be provided by applicants for loans under this subsection.

"(3) Whenever any application is made for a loan under this subsection for the purpose of improving, expanding, constructing, acquiring, or operating telecommunication facilities constructed for the purpose of providing any broadband telecommunications service to any rural area, the Administrator shall publish notice of such application in the area concerned. Such notice shall include, but not be limited to, notice of the specific type of facilities to be constructed, the specific services to be provided, and the approximate date that each specific service is expected to be available in such area. Such notice shall invite interested persons to comment on the desirability of approving the loan and shall also indicate that public hearings will be held on the question of approving the loan if such hearings are requested by those persons in the area in which the broadband telecommunications service is proposed to be offered.

"(4) In any case in which two or more persons make application for loans under this subsection, all such persons shall be given fair and equal consideration for the assistance requested under this subsection. Any person who directly or through an affiliate owns or controls poles, ducts, conduits or rights-of-way, used, in whole or in part, for wire communications shall, in applying for assistance under this subsection, certify that such person's rates for the use (by others) of such poles, ducts, conduits, or rights-of-way are regulated by the Federal Communications Commission. If such person's use rates are not so regulated he must make a prima facie showing to the Administrator that such use rates would have been in compliance with the just and reasonable standards provided for under section 224 of the Communications Act of 1934 (47 U.S.C. 224(d)) had such standards been in effect with respect to such rates and that the use rates of such person would be in compliance with such standards in the future should such standards be in effect with respect to such rates.

"(5) The Administrator, in consultation with the National Telecommunications and Information Administration, Department of Commerce, shall conduct field hearings in rural areas to inform interested persons of the availability of and the purposes for which broadband telecommunications loans may be made under this subsection and shall, on the basis of such hearings and other data (presently and readily available), determine and publish a description of those essential broadband telecommunications needs of rural areas which could be served through facilities constructed under this subsection.

"(6) In carrying out the provisions of this subsection, the Administrator shall, insofar as possible, obtain assurance from loan recipients that the broadband telecommunications service to be furnished by them with assistance under this subsection will be made available to the widest practical number of rural users.

"(c) (1) No loan may be made under this section unless the Administrator finds and certifies that in his judgment the security for such loan is reasonably adequate and that such loan will be repaid within the time agreed, nor may any such loan be made to provide (A) telephone service in any State which now has or may hereafter have a State regulatory body having authority to regulate telephone service and to require certificates of convenience and necessity to the applicant unless such certificate from such agency is first obtained, or (B) any particular broadband telecommunications service in any State which now has or may hereafter have a State or local regulatory body having authority to require specific authorization to provide each such service from any potential applicant unless all such required authorizations are first obtained.

"(2) Facilities constructed in whole or in part with funds loaned under this section may not be used to provide any service not initially indicated in the application for such loan unless the loan applicant has first submitted to the Administrator all State and local certificates or authorizations required by the State concerned for such service.

"(3) No loan may be made under this section in a State in which there is no State or regulatory body legally authorized to issue such certificates or authorizations to the applicant unless the Administrator determines (and sets forth his reasons therefor in writing) that no duplication of lines, facilities, or systems, providing reasonably adequate service will result from the making of such loan.

"(4) Any applicant for a loan under subsection (b) shall certify to the Administrator that such applicant has consulted with the governmental unit of the State concerned having jurisdiction over telecommunications and social services within the State and that such applicant is in compliance with all requirements of the State relating to telecommunications and social services.".

Sec. 2. Subsection (a) of section 203 of the Rural Electrification Act of 1936 (7 U.S.C. 924(a) is amended to read as follows:

"(a) As used in this title—

"(1) The term 'telephone service' shall be deemed to mean any communication service for the transmission of voice sounds, signals, pictures, writing, or signs of all kinds through the use of electricity or the electromagnetic spectrum between the transmitting and receiving apparatus, and shall include all telephone lines, facilities, or systems used in the rendition of service; but shall not be deemed to mean message telegram service or broadband telecommunications service.

"(2) The term 'broadband telecommunications service' shall be deemed to mean any telecommunications service requiring bandwidth capacity which is constructed for the purpose of distributing broadcast quality video and audio television signals, whether or not such service is actually provided. Such terms shall be deemed to include all facilities or systems used in the rendition of such service, including wire, radio, light, electromagnetic impulse or any other means.".

NATIONAL CABLE TELEVISION ASSN.,
Washington, D.C., March 21, 1979.

Hon. JOHN MELCHER,
1123 Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR MELCHER: The National Cable Television Association commends your efforts to provide rural areas with improved telecommunications service. Your proposed legislation authorizing the REA Administrator to fund the construction, operation, expansion, acquisition, or improvement of broadband telecommunications facilities is a major step toward accomplishing that objective.

We note that Senator Hollings' new Bill, S. 611, has similar, although not identical, provisions. We understand that there will be a joint referral of your Bill to the Commerce Committee so that the measure which ultimately reaches the floor is coordinated with Senator Hollings' comprehensive Communications Act amendments.

As you know, the cable television industry opposed earlier legislative efforts to provide loan authority because of provisions restricting these funds to telephone companies. As we understand your Bill, however, broadband funds would be equally available to all qualified parties, consistent with the goal of achieving the broadest range of communications service.

We are pleased to see that you have carried this throughout the Bill, directing the REA Administrator (NTIA) to develop standards to ensure maximum efficiency in the use of federal funds and to preclude the use of funds to provide duplicative or unnecessary service. Likewise, the Bill specifies equal treatment of all parties, requiring those entities which own or control the poles, ducts, conduits, or rights-of-way necessary for broadband communications to demonstrate that these facilities have been and will continue to be made available consistent with Section 224 of the Communications Act of 1934.

Your efforts to involve both state and local interests in decisions about broadband communications service are commendable, with the requirement that loan applicants receive all necessary state and local broadband approval an important consideration of the funding program.

We are optimistic that because of the leadership you and Senator Hollings are providing on the issue that legislation to improve rural telecommunications stands a good chance of becoming law. Consistent with the opinions expressed above, we support that goal.

Sincerely,

ROBERT L. SCHMIDT,
President.

RESOLUTION NO. D–21

From: Legislative Committee.
Approved by: Resolutions Committee.
Subject: Rural Telecommunications.

Technological innovation and population shifts have wrought many changes in rural America. The potential development of broadband telecommunications services in health, education, safety and security, energy conservation, and social services as well as entertainment television, holds promise of social and economic progress. We are concerned that this new communications potential not bypass the people of rural America, as central station electric service did early in this century.

To assure that rural telephone systems are permitted to continue their efforts to furnish modern communications facilities in their service areas, we urge Congress to authorize and appropriate loan funds specifically for broadband telecommunications under the Consolidated Farm and Rural Development Act of 1972, or to appropriate funds directly for this purpose to the Rural Telephone Bank or the Rural Electric and Telephone Revolving Fund (with loans from the latter being at the standard rate of interest), in such amounts as may be needed on an annual basis.●

By Mr. MELCHER:

S. 837. A bill to amend the Water Bank Act for the purpose of authorizing the Secretary of Agriculture to adjust payment rates with respect to initial conservation agreements and to designate certain areas as wetlands, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

IMPROVEMENT OF THE WATER BANK PROGRAM

● Mr. MELCHER. Mr. President, I am introducing S. 837, a bill to amend the Water Bank Act for the purpose of authorizing the Secretary of Agriculture to adjust payment rates with respect to initial conservation agreements, and to designate certain areas as wetland, and for other purposes.

The water bank program of the Agricultural Stabilization and Conservation Service in the Department of Agriculture is authorized by the Water Bank Act (Public Law 91–559) of December 19, 1970.

Its purpose is to conserve water, preserve and improve migratory waterfowl habitat, and other wildlife resources, and secure other environmental benefits through long-term land use agreements with landowners in important migratory waterfowl nestnig and breeding areas.

This excellent and proven program was the result of the work of many Members of Congress, but leadership in the Senate came from our distinguished colleagues from North Dakota, Mr. YOUNG and Mr. BURDICK.

Under the water bank program, the Secretary of Agriculture enters into agreements with landowners and operators for the conservation of specified wetlands. The agreements are for 10 years, with provision for renewal for additional periods. During the period of the agreement, the landowners agree not to drain, burn, fill, or otherwise destroy the wetland character of these areas. Under the present program, the Secretary makes annual payments to the landowners at rates he determines.

The Secretary of Agriculture carries out the program in harmony with wetlands programs administered by the Secretary of the Interior, and he uses the technical and related services of appropriate State, Federal, and private conservation agencies to assure coordination.

From the program's inception in 1972, through September of 1978, 4,608 agreements have been entered into on 503,000 acres of land in 155 counties. Last year, the Secretary of Agriculture entered into water bank agreements with landowners in Arkansas, California, Louisiana, Maine, Michigan, Minnesota, Mississippi, Montana, Nebraska, North Dakota, South Dakota, and Wisconsin. The program has also been used in Oregon and Washington.

The bill that I am introducing today does three things. First, it gives the Secretary of Agriculture the authority to reexamine contracts after the first 5 years to see if payments need to be adjusted because of inflation or other factors. Second, it expands the concept of the program beyond that of providing migratory bird habitat to include protection in all wetland areas. And, finally, the bill deletes the $10 million authorization limit.

This little program, which administration budgets invariably attempt to kill off, is growing in its importance, even if we do nothing to improve it.

There is a growing reluctance by the States to have the Federal Government purchase wetlands and other areas for wildlife habitat enhancement, taking those lands off the tax roll. The water bank does not have such opposition.

On February 18 of this year, the General Accounting Office published a report called, "Better Understanding of Wetlands Benefits Will Help Water Bank and Other Federal Programs Achieve Wetland Preservation Objectives."

We find that GAO thinks that the water bank is a good program that could be better. And we all know that GAO does not usually like things that cost money.

This is what the Comptroller General says about the water bank:

> The Department of Agriculture's Water Bank Program can be made more effective by changing the Water Bank Act to increase the Secretary of Agriculture's flexibility in administering the program. This should help preserve some wetlands and enhance their value.
>
> Also, information is lacking on many wetland values; emphasis has been on the values of wetlands to waterfowl, or other wildlife, while other wetland values, such as flood control, pollution and sediment control, and groundwater supply have been neglected.

The Comptroller adds:

> Other Federal wetland protection programs also suffer from a lack of information. This hampers Congressional decision-making on funding priorities among the programs. A coordinated data collection and research effort between the several responsible Federal agencies is required.

GAO says to Congress that it should change the Water Bank Act to give the Secretary of Agriculture greater discretion in assessing the suitability of certain wetlands. GAO says we should permit the Secretary to adjust payment rates during the course of a 10-year agreement to counter the high rate of terminations caused by inflationary pressures on landowners. And GAO says we should provide enough flexibility to reflect impending changes in the Department of the Interior's wetland classification system.

Those are all things which this bill attempts to do. And I might add that the Department of Agriculture, the Department of the Interior, and the Army Corps of Engineers agreed with the conclusions of this report, as did wildlife conservation organizations.

Ever since work first began on the Water Pollution Control Act, our Nation's wetlands have been a hot topic of legislative conservation.

Wetland preservation is being accomplished by the Government in a number of ways. The Federal Government goes out and buys land, taking the lands off the tax rolls, and has to provide permanent management, which creates costs to the Treasury. Second, the Army has been sending helicopters up in the air to spy on landowners to make sure there are no violations of section 404 of the Water Pollution Control Act which protects wetlands. And finally there is the water bank program, which has farmer-conservationists cooperating with their Government to protect wetland values, which gets results at reasonable cost without a lot of spying, overhead costs or tax roll disturbance.

Given these choices, I will take the water bank.

Mr. President, I ask unanimous consent to have S. 837 printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 837

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the third sentence of section 3 of the Water Bank Act (16 U.S.C. 1302) is amended to read as follows: "The Secretary shall reexamine the payment rates at the beginning of the fifth year of any such ten-year initial or renewable period in light of the then current land and crop values and make needed adjustments in annual rates for any such initial or renewal period, in any calendar year after 1978.".

SEC. 2. The fourth sentence of section 3 of the Water Bank Act is amended to read as follows: "As used in this Act, the term 'wetlands' means the inland fresh areas (types 1 through 7) described in Circular 39, Wetlands of the United States, published by the United States Department of the Interior (including artificially developed inland fresh areas which meet the description of inland fresh areas, types 1 through 7, contained in such Circular 39) or such other wetland types as the Secretary may designate.".

SEC. 3. Section 11 of the Water Bank Act (16 U.S.C. 1310) is amended by striking out the last sentence.●

By Mr. CHAFEE:

S. 838. A bill to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out the purposes of the act, and to initiate an emergency investigation on the striped bass in Atlantic coastal waters; to the Committee on Environment and Public Works.

ANADROMOUS FISH CONSERVATION ACT AMENDMENTS OF 1979

● Mr. CHAFEE. Mr. President, the authorization for appropriation for the Anadromous Fish Conservation Act expires June 30, 1979. Without extension of the authorization the Secretaries of the Interior and Commerce will be unable to carry out their responsibilities under the act.

I am today introducing legislation, on behalf of the Committee on Environment and Public Works to reauthorize this act for 4 additional years. I am pleased to have the distinguished chairman and ranking member of the committee, Senator RANDOLPH and Senator STAFFORD, the Resource Protection Subcommittee Chairman, Senator CULVER, and Senator BAKER join me in this effort.

I will explain in more detail the provisions of this bill in the latter part of my statement, but I would first like to discuss the emergency striped bass study provision which I have offered, to be included in this reauthorization bill. This section of the bill is of particular interest to me being from an Atlantic coastal region and will, I am sure, be important to my colleagues from other States on the Atlantic coast.

At the time the Senate Committee on Environment and Public Works held its hearings on this reauthorization bill I quite by accident was reading a most informative and interesting book by John N. Cole called Striper. The historical information in this book concerning the striped bass, one of the most important anadromous fish on the east coast, is quite astounding, but a look at the fish's present status and the prediction of its future chance of survival is disheartening to say the least. To get an idea of how the striper fared a long time ago, we can look back to John Smith, who in 1614 is quoted as describing the striped bass of New England in the following manner:

> The bass is an excellent fish, both fish and salt, one hundred whereof salted (at market) have yielded five pounds (sterling). They are so large, the head of one will give a good eater a dinner, and for dainteness of diet they excell the Marybones of Beefe. There are such multitudes that I have seen stopped in the river close adjoining my house with a sands out at tyde so many as will loade a ship of 100 tons. I myself at the turning of the tyde have seen such multitudes pass out of a pounde that it seemed to me that one might go out their backs drishod.

That description is about 350 years old and some of Smith's observations are as true now as they were in the 1600's. The striped bass is still one of the most succulent of all our Nation's seafare—I know the fishermen in my home State must think so or they probably would not expend the time, the effort and money that they do in pursuit of the "striper."

I am sad to say, however, that the optimism of Smith's observation has faded so drastically that Mr. Cole is forced to describe the present status of the striper in the following manner:

> This fish, once so abundant, it clogged river deltas, this resource of such economic importance that its sale helped found the first public school in America, this creature whose poetry has nourished the souls of men ever since the Indians, this natural preserve of a natural god is being destroyed.
>
> I am, along with many others, quite certain now that the striped bass is being destroyed by the effects of toxic chemicals which have penetrated every creek and tributary of the Chesapeake and every mile of the Hudson River accessible to the fish.

Using Cole's book as a basis for questioning in the hearing I was quite surprised to learn that there was only a minimal amount of coordinated or comprehensive effort being exerted at either the Federal or State level to determine the causes and extent of the problems facing the striped bass. Because of this funding, I along with other members of the committee decided to include a provision in this bill calling for a study of this situation, section 5 of this bill.

The central themes of the emergency striped bass investigation are to upgrade the quality of monitoring and research on the striped bass, to improve coordination of State-Federal efforts in carrying out these tasks. In addition, we sought to insure that an adequate amount of funding was directed toward these efforts.

Specifically, this provision directs two agencies, the National Marine Fisheries Service and the Fish and Wildlife Service to cooperate with the States and other independent groups to cooperate in an investigation with two parts:

> 1. *Monitoring the status of the bass population* in Atlantic coastal waters. Assistance from the states will be much needed in completing this part of the study and Federal money will be available to assist them in this effort.
>
> 2. Find the factors responsible for the decline of the striped bass, including specific investigations examining the extent of annual spawning;
>
> Extent and causes of striper deaths at various stages of their life cycle;
>
> What effects do pollutants have on striper eggs and larval fish;
>
> Survey of economic significance of striper to both recreation and commercial fishing.
>
> In carrying out this part of the study, the cooperating agencies can utilize their own personnel and capabilities and, in addition, may contract out these investigations.

Mr. President, now let me return to the basic provision of the reauthorization bill and a brief description of the act itself. The Anadromous Fish Conservation Act of 1965, authorizes the Secretaries of Interior and Commerce to enter into cost-sharing agreements with the States and other non-Federal interests for the conservation, development, and enhancement of the severely depleted anadromous fishery resources of the Nation. At the Federal level, the program is jointly administered by the Director of the Fish and Wildlife Service and the Director of the National Marine Fisheries Service. Federal funds up to 50 percent may be used to finance project costs. State fishery agencies, colleges, universities, private companies, and other non-Federal interests in 31 States bordering the ocean, the Great Lakes, and Lake Champlain may participate under the act. All projects must be coordinated with by the State fishery agency concerned. The law also provides that the Federal share of the project cost money be increased to a maximum 66⅔ percent when two or more States, having a common interest in a program, jointly enter into a cooperative agreement with the Secretaries.

Authorization for appropriations expires June 30, 1979. Without extension of the authorization the Secretaries of Interior and Commerce will be unable to carry out their out responsibilities under the act.

The legislation I am introducing today would: First, extend the authorization for appropriations for an additional 4 years; second, provide more flexibility in the maximum annual amount of funds that a State may receive; third, remove wording which places the burden for costs of operation and maintenance of facilities constructed under multi-State projects entirely upon the States; fourth, remove wording requiring all title of lands acquired under the act to rest in the Federal Government rather than to the State; and fifth, initiate an emergency research and monitoring program to investigate the sharp decline in the Atlantic coast's striped bass population as I discussed earlier. I have a detailed analysis of the bill which should be helpful in explaining the reasons for the suggested changes which are recommended in the bill. I ask that the text of the bill be included in the RECORD, together with the analysis.

In closing, Mr. President, I would urge all my colleagues to support the reauthorization of this valuable program, and ask in particular, that those Senators from the Atlantic coastal States consider cosponsorship in view of the tremendous recreational, commercial and economic importance of the striped bass to our home States.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 838

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that section 1(c) of the Act of October 30, 1965 (79 Stat. 1125), as amended (16 U.S.C. 757 et. seq.), is further amended by striking in its entirety the sentence, "Structures, devices, or other facilities, including fish hatcheries, constructed by such states under a cooperative agreement described in this subsection, shall be operated and maintained without cost to the Federal Government."

Section 2. Section 2(a) of the aforementioned Act, as amended (16 U.S.C. 757(b), is amended by striking out "United States" in the last sentence and inserting in lieu thereof, "cooperating States or other non-Federal interests".

Section 3. Section 4(a) of the aforementioned Act, as amended (16 U.S.C. 757(b), is amended to read as follows: "There is authorized to be appropriated for the purposes of carrying out this Act, not to exceed $10 million for the fiscal year ending October 1, 1980, not to exceed $11 million for the fiscal year ending October 1, 1981, not to exceed $12 million dollars in the fiscal year ending October 1, 1982, and not to exceed $13 million dollars in the fiscal year ending October 1, 1983.

Section 4. Section 4(b) of the aforementioned Act, as amended (16 U.S.C. 757(d) (b) is amended to read "Not more than $1,000,000 or twenty percent, which ever is greater, of the funds appropriated under this section in any one fiscal year shall be obligated in any one State."

Section 5. At the end of the aforementioned Act as amended (16 U.S.C. 757 et. seq.) add a new section 7 to read as follows: "The Secretary of Commerce acting through the Director of the National Marine Fisheries Service and the Secretary of Interior acting through the Director of the Fish and Wildlife Service in accordance with the authorities in the Act, are directed to cooperate with States and other non-Federal interests in conducting studies of:

(1) the status of the striped bass (Saxatalis Morone) population in Atlantic Coastal Waters, and;

(2) the factors responsible for the decline in the numbers of such fish which are available to the public for recreation and commercial use including, but not limited to

(A) a determination of the extent and success of annual spawning,

(B) an analysis of the extent and causes of mortality at successive stages in the life cycle of the striped bass,

(C) a determination of the effects of pollutants on viability and condition of eggs and larval fish and,

(D) a survey of economic significance of the striped bass to both recreational and commercial fishing."

(b) The Secretary of Commerce acting through the Director of the National Marine Fisheries Service and the Secretary of the Interior acting through the Director of the Fish and Wildlife Service is directed to make reports to the Congress concerning the progress of the studies conducted pursuant to subsection (a) of this section. Such reports shall be submitted annually and shall, where appropriate, contain recommendations as to how the Congress could improve the status of the striped bass.

(c) The Secretary of Commerce acting through the Director of the National Marine Fisheries Service and the Secretary of Interior acting through the Director of the Fish and Wildlife Service are authorized to employ such personnel as may be necessary to carry out the purposes of this section, and to cooperate with State and other agencies and institutions upon such terms and conditions as they deem appropriate.

(d) (1) There is authorized to be appropriated for the purposes of carrying out the study in subsection (a) (1) of this section not to exceed $500,000 in the fiscal year ending October 1, 1980; not to exceed $750,000 in the fiscal year ending October 1, 1981; not to exceed $1,000,000 in the fiscal year ending 1982; and not to exceed $1,000,000 in the fiscal year ending October 1, 1983.

(2) Any funds dispersed to the States and other non-Federal interests to this paragraph shall not exceed 66⅔ percent of the cost of conducting the study. There is authorized to be appropriated for the purposes of carrying out the study in subsection (a) (2) of this section not to exceed $500,000 in the fiscal year ending October 1, 1980;

not to exceed $1,000,000 in the fiscal year ending October 1, 1981; not to exceed $1,000,000 for the fiscal year ending October 1, 1982; and not to exceed $1,000,000 in the fiscal year ending October 1, 1983.

SECTION-BY-SECTION ANALYSIS OF THE ANADROMOUS FISH CONSERVATION ACT AMENDMENTS OF 1979

Section 1. Section 1(c) of the act is amended to remove the restrictions on use of Anadromous Fish Act funds for operation and maintenance costs of facilities constructed under multi-state projects. This restriction on Federal cost-sharing of operational expenses of facilities constructed under multi-state projects is an obvious inconsistency. An amendment in 1970 increased the Federal share of multi-state projects from 50 percent to 66⅔ percent to encourage the establishment of these cooperative projects. Operational costs can be and are shared by the Federal government under single-state projects conducted under terms of the Act. Thus, the present restriction placed on multi-state projects serves to discourage such projects, defeating the purposes of the 1970 Amendments.

Section 2. Section 2 (a) of the Act is amended to provide for vesting title of lands acquired under the Act to the cooperating States or other non-Federal interests rather than to the Federal government. The current wording does not encourage acquisition of necessary lands for purposes of the Act, nor is it in keeping with closely related legislation.

The amendment to vest title of lands acquired under the Act to the cooperating States or other non-Federal interests is needed to encourage purchase of necessary lands under the Act and to conform to other closely related Federal fish and wildlife grant-in-aid programs, namely the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669-669 l), the Federal Aid in Fish Restoration Act (16 U.S.C. 777-777k), and the Commercial Fisheries Research and Development Act (16 U.S.C. 779-779f). A number of restrictions governing the use and resale of lands acquired with Federal funds are contained in the Office of Management and Budget Circulars A-102 and A-110. These restrictions would be part of any cooperative agreement between the Secretary and any State or other non-Federal interests.

Section 3. Section 4(a) of the Act is amended to provide an extension of authorization for 4 years. Specifically, the bill provides the following annual authorizations for appropriations: for FY 1980, the sum of $8 million, for FY 1981, the sum of $9 million, for FY 1982, $10 million, and for FY 1983, $11 million. The Committee hearings evidenced that the above sums would be adequate to allow this program to respond to projected state matching grant requests over the four year period of the reauthorization.

Section 4. The restriction on Federal cost-sharing of operational expenses of facilities constructed. This section would amend Section 4(b) of the Act to modify the $1,000,000 limitation that a State may receive in any one year to $1,000,000 or 20 percent, whichever is greater, of the funds appropriated in any one fiscal year. This will allow the Federal government to increase the funds available to a state above the $1,000,000 limitation. In hearings before the Environment and Public Works Committee the administering agencies testified that the present limitation has in a few instances prevented Federal participation in worthy state projects. The agencies felt that this amendment would be of assistance in expanding this program to reach some of these state projects.

Section 5. This amendment would add to the legislation a new section initiating the state-federal striped bass investigation outlined earlier in this statement.●

By Mr. PRESSLER:

S. 839. A bill to provide for the maintenance of essential branch line rail service in rural areas through assistance for cooperative ownership of lines; to the Committee on Commerce, Science, and Transportation.

RURAL RAIL COOPERATIVE ACT OF 1979

● Mr. PRESSLER. Mr. President, today I am introducing legislation to promote cooperative ownership of the rail bed and track of branch lines subject to abandonment.

The Rural Rail Cooperative Act of 1979 establishes a Rural Transportation Office within the Department of Transportation which would provide long-term guaranteed loan assistance to local governments, grain companies, farm organizations, utility companies, coal mines, and other rail users to purchase and maintain the rail beds and track.

This assistance is designed to foster the development of cooperatives of rail users and to encourage participation by local banking entities in financing the acquisition of branch lines.

In South Dakota, almost all branch line rail service could be eliminated under reorganization of the bankrupt Milwaukee Road, which operates a network of about 10,000 miles of track in a number of Midwestern and Western States.

The Milwaukee has expressed its interest in withdrawal from its network west of Minneapolis/St. Paul. The "West Coast Extension" is made up primarily of lower density lines where operations are not financially feasible and impose a drain on the total revenues of the railroad.

The Milwaukee Road example is an illustration in microcosm of the total freight rail industry. Although there are a few strong rail companies, the freight industry averages a return on investment of less than 2 percent, far less than any other mode of transportation.

Regulation which has constrained flexibility in setting rates and enforced service along less profitable routes has been an important factor in the demise of the rail industry.

Pressure for permission to abandon operations along unprofitable lines continues to increase in spite of repeated public demands for improved service and opposition to abandonment. In addition, the physical condition of the lines and the quality of service continue to deteriorate.

The areas which stand to lose this vital service are precisely the low density, rural areas where highway networks are not adequate for support of the influx of truck traffic.

Few alternatives are available to shippers in communities that are dependent on rail service. This is exactly where help is needed and my bill is an attempt to deal with this problem in a meaningful way.

Certainly, it is vital that we support—through the branch line assistance program—those lines designed by state rail authorities as essential. In addition, it will be necessary to coordinate a program of increased highway assistance for upgrading roads that will bear heavier traffic.

However, in an era of fiscal restraint, it is not likely that assistance will ever be available for many of the branch lines serving small communities that stand to be abandoned.

As a consequence, we must provide alternatives to local rail users to maintain rail service.

In recognizing the transition in our rail industry and shifting the responsibility for maintenance of service, I have long advocated cooperative ownership of these lines by local users.

Experience with short line operations under alternative arrangements of public, municipal, and private cooperative ownership has shown great potential. Successful cooperative ownership operations currently exist in Vermont, Iowa, West Virginia, Virginia, and Michigan.

Because of reduced labor costs, more flexibility in management, and stronger commitments for use by community shippers—who are assured of more dependable service—short line operations can become viable and, in some cases, profitable.

This approach insures the vital service that profit-motivated railroad companies cannot provide. In addition, the maintenance of branch line service increases the traffic that is fed to main lines, increasing viability on those lines as well.

By providing guaranteed loans to rail cooperatives, Mr. President, we will allow an option to producers and businesses to preserve essential transportation services.

The concept of a Rural Transportation Office is based on the experience of the Rural Electrification Administration which has shown so much success in serving the needs of rural areas. We can build on that great success story that has meant so much to South Dakota and other Midwestern and Western States.

There are other measures we can take to facilitate the development of cooperative ownership: providing lower interest rates and tax assistance for such investments. The Rural Rail Cooperative Act I am introducing is the essential first step to establish alternative means for serving the transportation needs of our rural areas and preserving our branch rail lines.

It is a job that needs to be done. It is my sincere hope that the Senate Commerce Committee on which I serve as ranking member of the Surface Transportation Subcommittee can take a careful look at this proposal.

Mr. President, I ask unanimous consent that the text of the Rural Rail Cooperative Act of 1979 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 839

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That this Act may be cited as the "Rural Rail Cooperative Act of 1979".

FINDINGS AND DECLARATION OF POLICY

SEC. 2. The Congress finds that in order to provide alternatives to local rail users to maintain rail service in low density, rural areas which stand to lose this vital service, there shall be established a Rural Area Transportation Office to promote cooperative ownership of rail beds and track of lines through guaranteed loan assistance.

DEFINITIONS

SEC. 3. For the purposes of this Act the term—

(1) "Office" means the Rural Area Transportation Office established by section 4;

(2) "Director" means the Director of the Rural Area Transportation;

(3) "Secretary" means the Secretary of Transportation;

(4) "Class A or B branch line railroad" means a railroad which carries under 5 million gross ton-miles per mile of track annually;

(5) "actual cost" of commercial railroad equipment or facilities, as of any specified date, means the aggregate, as determined by the Director, of—

(A) all amounts paid by, or for the account of, the obligor with respect to such facility on or before that date, and

(B) all amounts which the obligor is then obligated to pay from time to time thereafter, for the construction, reconstruction, or reconditioning of such equipment or facility;

(6) "depreciated actual cost" means the actual cost depreciated on a straightline basis over the useful life of the property involved as determined by the Director;

(7) "obligation" means any note, bond, debenture, or other evidence of indebtedness issued for one of the purposes specified in section 6(a);

(8) "obligee" means the holder of any obligation;

(9) "obligor" means any person primarily liable for payment of the principal of or interest on any obligation; and

(10) "eligible applicant" means any local government entity, utility company, coal mine company, grain company, farm organization, feed or fertilizer company, local rail user or any combination thereof.

ESTABLISHMENT

SEC. 4. There is established within the Department of Transportation a Rural Area Transportation Office. The Office shall be headed by a Director appointed by the Secretary.

FUNCTION

SEC. 5. The Director may, with the approval of the Secretary, make loan guarantees to eligible applicants for the purpose of establishing independently owned and operated Class A or B branch line railroads. The Director in carrying out assigned duties under this Act shall act subject to the authority of the Secretary.

APPLICATION REQUIREMENTS

SEC. 6. (a) (1) The Director may, subject to the provisions of this section, guarantee, or make a commitment to guarantee, the payment of interest on, and the principal amount of, any obligation issued by an obligor for any of the following:

(A) the financing and refinancing (including reimbursement of amounts previously expanded) of the cost of constructing, reconstructing, or reconditioning of any railroad for the purpose of establishing such railroad as a Class A or B branch line railroad;

(B) the financing of the acquisition of used railroad equipment or facilities in connection with their reconstruction or reconditioning; and

(C) the refinancing of any existing obligation issued for any of the purposes specified in subparagraph (A) whether or not guaranteed under this section, including any obligation incurred for the purpose of obtaining temporary funds.

(2) Guarantees and commitments to guarantee may be made under this section without regard to section 3679 (a) of the revised Statutes of the United States (31 U.S.C. 665 (a)).

(3) The full faith and credit of the United States is pledged to the payment of all guarantees made under this section with respect to both principal and interest, including any interest which may accrue between the date of default under a guaranteed obligation and the payment in full of the guarantee.

(4) Any guarantee, or commitment to guarantee, made by the Director under this section shall be conclusive evidence of the eligibility of the obligation for such guarantee, and the validity of any guarantee, or commitment of guarantee, so made shall be incontestable.

(b) (1) Obligations guaranteed under this section—

(A) shall have an obligor approved by the Director as being responsible and possessing the ability, experience, financial resources, and other qualifications necessary for the adequate operation and maintenance of a Class A or B branchline railroad;

(B) shall be in an aggregate principal amount which does not exceed 87½ percent of the actual cost, or the depreciated actual cost, as determined by the Director, of construction, reconstruction, or reconditioning;

(C) shall have maturity dates satisfactory to the Director, but not to exceed 25 years;

(D) shall provide for payments by the obligor satisfactory to the Director; and

(E) shall bear interest (exclusive of charges for the guarantee and service charges, if any) at rates not to exceed such percentage per annum on the unpaid principal as the Director determines to be reasonable except that the Director may allow a rate of interest higher than otherwise allowable when the obligee conducts the basic economic feasibility and credit investigation for the Director's review and agrees to finance, on an unguaranteed basis, not less than 20 percent of the cost of construction, reconstruction, or reconditioning.

(2) No obligation shall be guaranteed under this section unless the obligor conveys or agrees to convey to the Director such security interest as the Director may require to reasonably protect the interests of the United States.

(c) (1) The Director may charge a fee for any obligation guaranteed under this section, the amount of which shall be established by the Director by regulation but which may not exceed 1 percent per annum of the outstanding principal balance of the obligation. Fee payments shall be made by the obligor to the Director when moneys are first advanced under a guaranteed obligation and at least 60 days before each anniversary date thereafter.

(2) The Director shall charge and collect from the obligor such amounts as may be reasonable for the investigation of the application for any guarantee, for the appraisal of properties offered as security for any guarantee, and for the inspection of such properties during construction, reconstruction, or reconditioning. Such charges shall not aggregate more than one-half of 1 percent of the original principal amount of the obligation to be guaranteed.

(3) All fees and other amounts received by the Director under the provisions of this subsection shall be deposited in the Fund established pursuant to section 7.

(4) Obligations guaranteed under this section, and agreements relating thereto, shall contain such other provisions with respect to the protection of the security interests of the United States (including acceleration and subrogation provisions and the issuance of notes by the obligor to the Director), liens and releases of liens, payments of taxes, and such other matters as the Director may prescribe.

(d) (1) In the event of a default, which has continued for 30 days, in any payment by the obligor of principal or interest due under any obligation guaranteed under this section, the obligee or his agent shall have the right to demand, at or before the expiration of such period as may be specified in the guarantee or related agreements, but not later than 90 days from the date of such default, payment by the Director of the unpaid principal amount of said obligation and of the unpaid interest thereon to the date of payment. Within such period as may be specified in the guarantee or related agreements, but not later than 30 days from the date of such demand, the Director shall promptly pay to the obligee or his agent the unpaid principal amount of the obligation and unpaid interest thereon to the date of payment. The Director shall not be required to make such payment if before the expiration of such period he finds that there was no default by the obligor in the payment of principal or interest or that such default has been remedied before any such demand.

(2) In the event the obligee does not make a demand on a defaulted installment before 90 days from the date of such default, that portion of the guarantee which represents the defaulted installment shall be lost but the remainder of the guarantee shall continue in full force and effect.

(3) Payments required to be made by the Director under paragraph (1) shall be made by the Director from the Fund established pursuant to section 7.

(4) In the event of any payment by the Director under paragraph (1), the Director shall have all rights in any security held by him relating to his guarantee of such obligations as are conferred upon him under any security agreement with the obligor. Notwithstanding any other provision of law relating to the acquisition, handling, or disposal of property by the United States, the Director may, under such terms and conditions as the Director prescribes or approves, complete, recondition, reconstruct, repair, maintain, operate or sell any property acquired by him pursuant to a security agreement with the obligor.

(5) After any default referred to in paragraph (1) the Director shall take such action against the obligor or any other parties liable thereunder that in his discretion, may be required to protect the interests of the United States. Any suit may be brought in the name of the United States or in the name of the obligee and the obligee shall make available to the United States all records and evidence necessary to prosecute any such suit. The Director may accept a conveyance of title to and possession of property from the obligor or other parties liable thereunder for an amount not greater than the unpaid principal amount of such obligation and interest thereon. In the event the Director receives through the sale of property an amount of cash in excess of any payment made to an obligee under paragraph (1) and the expenses of collection of such amounts, he shall pay such excess to the obligor.

(6) Whoever, for the purpose of obtaining any loan or advance of credit from any person with the intent that an obligation relating to such loan or advance of credit shall be offered to or accepted by the Director to be guaranteed, or for the purpose of obtaining any extension or renewal of any loan, advance of credit, or mortgage relating to an

obligation guaranteed by the Director, or the acceptance, release, or substitution of any security on such a loan, advance of credit, or for the purpose of influencing in any way the action of the Director under this section, makes, passes, utters, or publishes, or causes to be made, passed, uttered, or published any statement, knowing the same to be false, or alters, forges, or counterfeits, or causes or procures to be altered, forged, or counterfeited, any instrument, paper, or document, or utters, publishes, or passes as true, or causes to be uttered, published, or passed as true, any instrument, paper, or document, knowing it to have been altered, forged, or counterfeited, or willfully overvalues any security, asset, or income shall be punished by a fine of not more than $25,000, or by imprisonment for not more than 2 years, or both.

(e) The Director shall promulgate such rules and regulations as may be deemed necessary or appropriate to carry out the purposes and provisions of this section.

RURAL TRANSPORTATION DEVELOPMENT FUND

SEC. 7. (a) There is established in the Treasury of the United States a Rural Transportation Development Fund (hereinafter referred to as the "Fund"). The Fund shall be available to the Director as a revolving fund for the purpose of carrying out, and administering this Act. The Fund shall consist of—

(1) any sums appropriated to the Fund;

(2) any fees received by the Director in connection with any guarantee made under this Act; and

(3) recoveries and receipts received by the Director under security, subrogation, and other rights and authorities under this Act; All payments made by the Director to carry out the provisions of this Act (including reimbursements to other Government accounts) shall be paid from the Fund, only to the extent provided in appropriation Acts. Sums in the Fund which are not currently needed for the purposes of this Act shall be kept on deposit or invested in obligations of, or guaranteed by, the United States.

(b) If at any time the moneys in the Fund are not sufficient to pay any amount the Director is obligated to pay under subsection (d)(1) of section 6, the Director shall issue to the Secretary of the Treasury notes or other obligations (only to such extent and in such amounts as may be provided for in appropriation Acts) in such forms and denominations, bearing such maturities, and subject to such terms and conditions as the Secretary of the Treasury prescribes. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury shall purchase any notes and other obligations to be issued hereunder and for such purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under such Act, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury at any time may sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as a public debt transaction of the United States. Moneys borrowed under this subsection shall be repaid by the Director from the Fund.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 8. There is appropriated to the Fund, without fiscal year limitation, such sums as may be necessary to provide initial capital to carry out the provisions of this Act.●

ADDITIONAL COSPONSORS

S. 112

At the request of Mr. DOLE, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 112, a bill to repeal the carryover basis provision.

S. 193

At the request of Mr. TOWER, the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of S. 193, a bill to amend the Federal Trade Commission Act to provide for each rule proposed by the Federal Trade Commission.

S. 227

At the request of Mr. ROTH, the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 227, a bill to improve the operation of the adjustment assistance programs for workers and firms under the Trade Act of 1974.

S. 250

At the request of Mr. THURMOND, the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 250, a bill to amend chapter 41 of title 38, United States Code, to authorize the appointment of an Assistant Secretary of Labor for Veterans' Employment, and for other purposes.

S. 265

At the request of Mr. DOMENICI, the Senator from New Hampshire (Mr. HUMPHREY) was added as cosponsor to S. 265, the Equal Access to Justice Act.

S. 336

At the request of Mr. MATHIAS, the Senator from Maryland (Mr. SARBANES) and the Senator from Oklahoma (Mr. BELLMON) were added as cosponsors of S. 336, a bill to amend the Internal Revenue Code of 1954 to provide that married individuals who file separate returns may be taxed at the same rate as an unmarried individual.

S. 490

At the request of Mr. DOMENICI, the Senator from Missouri (Mr. EAGLETON) was added as cosponsor to S. 490, the Archeological Resources Protection Act.

S. 570

At the request of Mr. NELSON, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 570, the Hospital Cost Containment Act of 1979.

S. 582

At the request of Mr. NELSON, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 582, the Farm Entry Assistance Act.

S. 621

At the request of Mr. MATHIAS, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of S. 621, a bill to provide for further research and services with regard to victims of rape.

S. 791

At the request of Mr. CRANSTON, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 791, to establish the true location of a portion of the northerly boundary of the Los Angeles National Forest in California.

SENATE JOINT RESOLUTION 37

At the request of Mr. SASSER, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of Senate Joint Resolution 37, a joint resolution to authorize the President to proclaim May 1, 1979, as "National Bicycling Day."

SENATE JOINT RESOLUTION 41

At the request of Mr. BURDICK, the Senator from Mississippi (Mr. COCHRAN), the Senator from Arizona (Mr. GOLDWATER), the Senators from South Dakota (Mr. MCGOVERN and Mr. PRESSLER), the Senator from North Dakota (Mr. YOUNG), the Senator from Utah (Mr. HATCH), the Senator from Idaho (Mr. CHURCH), the Senator from Montana (Mr. MELCHER), the Senator from Kentucky (Mr. FORD), the Senator from Vermont (Mr. STAFFORD), the Senators from Indiana (Mr. BAYH and Mr. LUGAR), and the Senator from Florida (Mr. CHILES) were added as cosponsors of Senate Joint Resolution 41, authorizing the President to proclaim National Family Week.

SENATE RESOLUTION 49

At the request of Mr. SCHMITT, the Senator from Texas (Mr. TOWER) was added as a cosponsor of Senate Resolution 49, a resolution to disapprove Amtrak route terminations.

SENATE CONCURRENT RESOLUTION 9

At the request of Mr. GOLDWATER, the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of Senate Concurrent Resolution 9, relating to the restoration of the free exercise of religion in the Ukraine.

SENATE RESOLUTION 120, SENATE RESOLUTION 121, SENATE RESOLUTION 122, AND SENATE RESOLUTION 123—SUBMISSION OF RESOLUTIONS RELATING TO STANDBY EMERGENCY ENERGY CONSERVATION AND RATIONING CONTINGENCY PLANS

Mr. JOHNSTON submitted the following resolutions, which were referred to the Committee on Energy and Natural Resources:

S. RES. 120

Resolved, That the Senate approves the contingency plan numbered one (rationing plan relating to gasoline) submitted to the Congress on March 1, 1979.

S. RES. 121

Resolved, That the Senate approves the contingency plan numbered one (conservation plan relating to weekend gasoline sales restrictions) submitted to the Congress on March 1, 1979.

S. RES. 122

Resolved, That the Senate approves the contingency plan numbered two submitted to the Congress on March 1, 1979.

S. RES. 123

Resolved, That the Senate approves the contingency plan numbered three submitted to the Congress on March 1, 1979.

● Mr. JOHNSTON. Mr. President, today I am submitting resolutions of approval for the standby gasoline rationing plan and the three standby energy conservation contingency plans submitted to Congress by the President on March 1, 1979.

The three conservation plans deal with emergency restrictions on weekend gasoline sales: (plan No. 1); building temperatures (plan No. 2); and advertising lighting (plan No. 3). These plans are described in the Federal Register of March 8, 1979, beginning at page 12906. The proposed standby gasoline rationing regulations are printed in the Federal Register of March 14, 1979, beginning at page 15568.

I am submitting these resolutions so that a mechanism will be available to the Senate which is consistent with the requirements of section 552 of the Energy Policy and Conservation Act. This section prescribes the procedures for approval of the standby emergency energy conservation and rationing contingency plans required by title II of the act. My introduction of these resolutions in no way implies approval of the plans to which they relate on my part or on the part of the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources which currently has these plans under consideration.●

SENATE CONCURRENT RESOLUTION 17—SUBMISSION OF A CONCURRENT RESOLUTION FOR THE CREATION OF A COMMISSION ADDRESSING THE MISSING SERVICEMEN IN SOUTHEAST ASIA

Mr. DOLE (for himself, Mr. SCHMITT, Mr. DECONCINI, Mr. MCCLURE, Mr. DOMENICI, and Mr. DANFORTH) submitted the following concurrent resolution, which was referred to the Committee on Foreign Relations:

S. CON. RES. 17

Whereas approximately twenty-three hundred Americans remain unaccounted for in Southeast Asia since the cessation of the Vietnam conflict; and

Whereas learning the fate of those American servicemen and civilians listed as missing remains of utmost importance to the United States, and is considered as such during the negotiations between the United States and the Socialist Republic of Vietnam; and

Whereas the General Assembly of the United Nations adopted Resolution 3220 (XXIX) calling for assistance and cooperation in accounting for persons who are missing or dead in armed conflicts; and

Whereas such resolution recognized "that one of the tragic results of armed conflicts is the lack of information on persons—civilians as well as combatants—who are missing or dead in armed conflicts"; and

Whereas such resolution further states that "the desire to know the fate of loved ones lost in armed conflicts is a basic human need which should be satisfied to the greatest extent possible, and that provision of information on those who are missing or who have died in armed conflicts should not be delayed merely because other issues remain pending"; and

Whereas the Socialist Republic of Vietnam, despite assurances that it is conducting an extensive search for Americans listed as missing and for information that might indicate their fate, has provided but meager information concerning the fate of these missing Americans; and

Whereas present efforts to secure a full accounting of these Americans listed as missing are not productive and are ill-served by existing procedures and institutional framework. Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring). That it is the sense of Congress that the President should instruct the Secretary of State to seek the good offices of the Secretary General of the United Nations for the purpose of establishing a special investigatory commission charged with the responsibility of securing a full accounting of Americans listed as missing in Southeast Asia. The commission should be composed of individuals selected because of their impeccable credentials and their longstanding service to the principles embodied in the United Nations Charter. The commission should be authorized to hold hearings, receive written communications, and seek the full cooperation and the facilities of the Socialist Republic of Vietnam for purposes of verifying crash sites, confirming information on the last known whereabouts of missing Americans, and taking other appropriate measures to secure a full accounting of Americans listed as missing in Southeast Asia. The commission should be directed to submit a report summarizing its findings to the appropriate body of the United Nations.

CREATION OF COMMISSION ADDRESSING THE MISSING SERVICEMEN IN SOUTHEAST ASIA

Mr. DOLE. Mr. President, more and more we seem to be seeing a move in the administration to let go of the Vietnam era; to let go of our search for the still-missing American servicemen in Southeast Asia; to let it rest. Since 1973 our Government has been saying that there are no more Americans alive in Southeast Asia. However, just recently the return of Marine Pvt. Robert Garwood, captured by the Vietcong in 1965, has once again reminded us and rightfully so, that we never have gotten a satisfactory accounting of our MIA's and POW's from the socialist governments of Vietnam, Laos, and Cambodia. He also stated, although later denied, that he knew of 15 others still in POW camps. In addition, we have received numerous reports from Vietnamese refugees, testifying they have seen imprisoned Americans in Vietnam as late as 1978.

The final report issued by the House Select Committee concluded that the North Vietnamese do have information on a large number of Americans missing in Indochina which has not been presented to our Government. It is evident, therefore, that the information we have received in the past has not been adequate or even approaching complete, and the need to once again press the Vietnamese for information is apparent.

FORMATION OF A COMMISSION

I have long been concerned about the issue of MIA/POW's, having spoken out on this problem in various forums in the past and introducing legislation to address this concern. In 1976 I submitted a concurrent resolution to establish a Presidential task force on the POW/MIA issue to propose courses of action to achieve the fullest possible accounting for all Americans listed in a missing status in Southeast Asia. This resolution passed in the Senate, but unfortunately never got out of committee in the House.

Once again, I wish to submit a resolution which would address this concern and hopefully "put to rest" the suffering and tragedy of the Vietnam war. The resolution I am submitting today is in conjunction with a concurrent resolution introduced in the House of Representatives by Congressman GUYER in January of this session. The resolution calls for the establishment of a special investigating commission composed of "individuals selected because of their impeccable credentials and their longstanding service to the principles embodied in the United Nations charter." The purpose of this commission would be to secure a full accounting of Americans listed as missing in Southeast Asia. This commission would be more than a reaffirmation of congressional commitment to the families of our MIA's and POW's. It would actively promote a tangible force for seeking out remaining information about those never accounted for.

HISTORY SHOWS LACK OF ENTHUSIASM

There are still approximately 2,300 Americans still unaccounted for in Southeast Asia since the end of the Vietnam conflict and learning the fate of these missing men is of the utmost importance to the United States. Past efforts to obtain a reasonable and accurate accounting from the socialist governments of Vietnam, Laos, and Combodia have not been productive. Their governments have provided next to no cooperation in our demands for a thorough accounting. Despite assurances that the Socialist Republic of Vietnam is conducting an extensive search for Americans listed as missing, and for information that might indicate their fate, they have provided but meager information. The North Vietnamese have disseminated available information about our MIA's and POW's at sporadic intervals arbitrarily determined by no one but themselves.

Since the military and congressional inquiry teams have expired, there is a crucial need for some vehicle to continue the efforts to seek out the whereabouts of these men still in question, and to continue to push for cooperation from these governments. We have been witnessing a callous disregard for basic human rights of American MIA's and POW's and their families. The withholding of this information is a violation of rights to an accounting of the fates of American servicemen. I believe this commission could address these gross violations and promote a more acceptable level of cooperation from the Vietnamese, Laotian, and Cambodian Governments.

REMOVING BARRIERS

By obtaining more responsive cooperation and more satisfactory results, this could remove an important obstacle to improved relations with Vietnam, and could help to open the doors to discussions of trade, U.N. membership and U.S. recognition. It is vital that the United States sustain an active effort to achieve progress toward an accounting before agreeing to trade, aid, or formal diplomatic ties with Vietnam.

I believe the public as a whole understands that the Vietnamese are primarily interested in U.S. recognition, trade, and aid so they can proceed with plans to redevelop their devastated economy. It is becoming increasingly apparent that the

Vietnamese are hoping for an exchange of American bodies for American dollars. It must be made clear that there will be no aid forthcoming until we see better results in the long overdue accounting for these missing Americans. This commission which I am proposing could achieve this and thus remove a barrier to developing relations with Vietnam.

OBLIGATION TO FAMILIES

As I stated earlier, there is a school of thought that feels it is best to call an end to the Vietnam war in all aspects. However, I have seen more substantive evidence to suggest that the public is still concerned about these men and feel it is our responsibility to account for them; agreeing that it is important to reaffirm our Government's efforts to locate all available information on United States POW's and MIA's. In order to really close the final chapter on the Vietnam war, I submit the need for a full accounting is essential.

I have received pleas from many human rights organizations urging our continued attention to this matter. Most of our requests come from the families of U.S. servicemen still listed as "missing in action" in Southeast Asia, urging that steps be taken to achieve a full accounting. They do not want to let it go; they want to know and rightfully and understandably so. The desire to know the fate of loved ones lost in armed conflicts is a basic human need which should be satisfied to the greatest extent possible. This commission could finally resolve the doubts of these families and also assist the DOD reclassification efforts.

REALLY CLOSING THE FINAL CHAPTER

We know that there can never be a full accounting for all of these individuals. We are not expecting that. But what the American people do expect—and what we in Congress must insist upon—is a reasonable demonstration of cooperation on this issue. We have waited too long, and labored too hard for an honorable accounting and we are not going to be satisfied with lesser than full Vietnamese compliance. Time is running out for these men.

At a time when this administration addresses itself so eloquently to the matter of universal compassion for human rights, it seems only fitting that the same criteria of judgment be applied to Vietnam's treatment of the MIA/POW issue. We have a humane and compassionate obligation to family and friends and to the memory of the servicemen themselves. To close the final chapter on the Vietnam war and to heal the wounds it created, these worthy objectives can only be achieved by total consideration given to all those affected by the war, to our forgotten Americans and their families. I feel that an intensive investigation and coordinated policy guidance by a commission as I am proposing can achieve these highly worthwhile goals and close the final chapter of the Vietnam war with a deeper sense of honor and achievement.

AMENDMENTS SUBMITTED FOR PRINTING

COUNCIL ON WAGE AND PRICE STABILITY AUTHORIZATION—S. 349

AMENDMENT NO. 128

(Ordered to be printed and to lie on the table.)

Mr. PROXMIRE (for himself, Mr. JACKSON, and Mr. PRYOR) submitted an amendment intended to be proposed by them, jointly, to S. 349, a bill to increase the authorization for the Council on Wage and Price Stability, and to extend the duration of such Council.

AMENDMENT NO. 129

(Ordered to be printed and to lie on the table.)

Mr. ARMSTRONG submitted an amendment intended to be proposed by him to S. 349, supra.

NOTICES OF HEARINGS

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business will hold a hearing on Thursday, April 5, 1979, at 2 p.m., in room 424 of the Russell Office Building regarding the status of the Small Business Development Center program and title II of H.R. 90.●

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

● Mr. WILLIAMS. Mr. President, I wish to announce that the Subcommittee on Housing and Urban Affairs, which I chair on the Banking, Housing and Urban Affairs Committee has scheduled a hearing on Tuesday, April 10, 1979, at 9 a.m. in room 5302, Dirksen Senate Office Building, on S. 593, Elderly and Handicapped Housing Act of 1979; S. 740, Homeownership Opportunity Act of 1979; S. 745, Housing and Community Development Amendments of 1979; and other related proposals.●

SUBCOMMITTEE ON EDUCATION, ARTS, AND HUMANITIES

● Mr. PELL. Mr. President, I wish to announce that the Subcommittee on Education, Arts, and Humanities of the Committee on Labor and Human Resources has scheduled a hearing on Friday, April 6, 1979, at 10 a.m. in room 4232, Dirksen Senate Office Building, on the treatment of independent students in the proposed family contribution schedule for the basic educational opportunity grant program, as submitted to the Committee by the Department of Health, Education, and Welfare.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON PARKS, RECREATION, AND RENEWABLE RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Parks, Recreation, and Renewable Resources Subcommittee of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today beginning at 2 p.m. to hold an oversight hearing on the National Park Services concession policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSTITUTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on the Constitution of the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, April 3, to consider direct elections legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

JACK SCHWEPPE EXAMINES THE FUTURE OF AMERICA

● Mr. HELMS. Mr. President, among the Nation's most distinguished groups of civic, professional, and business leaders is the North Carolina Citizens Association, which was founded 38 years ago with headquarters in Raleigh.

Each year, the association holds an impressive daylong meeting, at which the Nation's leaders have appeared down through the years. This year's headliner was the Honorable William E. Simon, former Secretary of the Treasury.

Some 1,500 people attended the concluding dinner on the day's program on March 21. Bill Simon did an impressive job in discussing the problems and opportunities of our Nation.

The retiring president of the North Carolina Citizens Association is a very dear friend of mine. His name is J. V. (Jack) Schweppe, a prominent citizen of Shelby, N.C.

In handling over the gavel to his successor, Jack offered some eloquent observations about the true genius of America. I want to share these remarks with my colleagues, and I therefore ask unanimous consent that the text of Jack Schweppe's comments be printed in the RECORD at the conclusion of my remarks.

The text follows:

REMARKS BY J. V. SCHWEPPE

In just a few moments this 38th annual meeting will be history.

While you briefly remain a captive audience, I want to exercise my waning prerogative as President to offer a farewell thought or two.

Perhaps you would call this just a little pep talk from a fellow who claims no expertise whatever, but who does claim an abiding belief in his country, and an abiding concern for its future.

We all know that the productivity of the American people is in a state of decline. You've all read the figures: I don't have to cite chapter and verse.

In economic terms, and in the simplest possible definition, we think of productivity as the degree by which the value of goods produced exceeds the cost of their production. By that yardstick we are losing ground, and the statistics concern and alarm us.

I think of productivity as important to all of us in ways that are not specifically economic. I want to ask a question of all of us here tonight, myself by no means excluded.

Are you and I, in our own personal lives, producing for our communities, our state and our nation—are we producing from our own abilities and resources all of which we are capable?

I'm not speaking only of what comes from our production lines or our balance sheets. I'm speaking particularly of what comes out of our minds and hearts, our knowledge and our talents. Are we as involved as we could be in the vital public areas that need us? Are we as individuals providing all the input of which we are capable into the public decisions which affect us all, and which will determine our collective future?

Productivity is important in every area of life. I feel that each of us needs to search himself or herself to determine how we personally can offer more of ourselves, to add our personal contribution to the sum of national productivity.

I have read that we as a people seem to have become less daring, less adventuresome in our outlook toward life. We seem to have become preoccupied with personal security and less inclined to take the sort of risks that have helped to build our nation to its state of greatness.

Is that factor—the loss of adventuresomeness—one of the reasons that our economic and other forms or productivity have sagged? Have we misplaced that cherished part of our traditional American spirit?

To me, productivity is a moral issue. It isn't just the work ethic—important as that is. It is the moral obligation that every American citizen has to give the best that is in him—to his work, to his family, to his community, to his state, to his nation.

That's what I mean by productivity. If we can recapture that spirit in our personal and national lives, then there is no reason for concern about the future of America.●

WATERWAY USER CHARGES

● Mr. **DOMENICI**. Mr. President, late in the days of the 95th Congress, Public Law 95–502 was enacted. This is a law imposing for the first time a waterways user tax. While the tax will not take effect until October 1, 1980, the Pittsburgh Press recently carried an editorial expressing that paper's view that the law was unfair, for it was imposed only over a portion of the inland waterway system. I share this belief as I sought to argue when we debated this issue last year, for it is quite unfair that only 40 percent of the inland waterway mileage is covered by the new user tax.

While I have no intention of raising the issue of waterway user taxes during this Congress, I believe the inadequacy of the present tax—both its level and its coverage—needs to be addressed by a future Congress.

I request that this editorial be printed in the RECORD.

The editorial follows:

ON LOCKS AND DAMS

The locks and dams on Pittsburgh's rivers—like the area's roads and bridges—are showing their age.

Unless a rehabilitation and replacement program is undertaken soon, these waterways could dry up as viable arteries of industrial commerce.

Sounding the alarm is retired Col. Max R. Janairo, Jr., former Pittsburgh District engineer.

Employed now as a project manager for a district engineering firm, Col. Janairo says all 17 locks and dams on the Monongahela, Allegheny and Ohio rivers in Pennsylvania are antiquated and many need to be repaired or replaced.

But protracted debate leading up to the recent passage by Congress of waterway user fees has been the chief obstacle to undertaking a modernization program.

Although proponents argued that river users should pay for modernization through a fuel use tax, opponents maintained this levy would be a burden on the consumer.

Actually there's no way the consumer can escape the cost. He must pay—either directly in the form of higher taxes or indirectly in the form of higher prices on goods.

What's still arguable from Pittsburgh's standpoint is why user fees are being charged on some but not all inland waterways. This is inequitable and should be remedied.

Meanwhile both time and money are a-wasting.

The sooner work can be started on modernizing Pittsburgh area locks and dams, the sooner the work will be completed—and the cheaper the cost will be.

Now's the time to weigh anchor and cast off on this vital mission if Pittsburgh—as it must for its own good—is to retain its ranking as the nation's largest inland port.●

SMALL BUSINESS REACHES FOR THE BIG TIME

● Mr. **BAUCUS**. Mr. President, I would like to offer a few thoughts about the Federal government's responsibility to our Nation's small business community.

As a new member of the Select Committee on Small Business, I am concerned about the wide variety of Federal programs under way to strengthen our small business community. Also, since my other committee assignments, Finance and Judiciary, often deal with questions affecting small business, I find myself immersed in studies of small business activities.

What impresses me most about all of this is the strength and vitality of our small business community. Even under the most severe economic conditions, our small businesses manage to provide us with a standard of living, and a level of economic independence unmatched by any other nation.

But I am distressed by our Government's relationship with small business. Too often, the Federal Government has required too much of the small business sector. Like the man who wants to do everything he can to help his neighbor, except get off his back, our Government has consistently overburdened the small business community with excessive paperwork, taxes, and regulation. No one questions small businesses' responsibility to help support our Government, but when our Government is pushing small businesses out of existence, we have gone too far.

However, I believe this situation can improve. We in Congress are finally becoming more sensitive to the small businessman's plight, and I am convinced that we can get a better handle on our role in improving the atmosphere in the small business community.

Not surprisingly, this change in Congress corresponds to the increased activity of grassroot small business organizations. Our current actions to increase the effectiveness of the SBA, reduce taxes, and decrease Government regulation have been spurred on in no small part by their suggestions and initiatives. Congress operates best when it receives accurate input from informed sources, and I, for one, welcome this improved communication.

A particularly good analysis of this aspect of small business was offered in the National Journal several weeks ago. I would like to share it with my colleagues, with the hope that it will give them a good overview of our small business communities' goals, and legislative needs.

I ask that an article entitled, "The Small Business Lobby Is Reaching for the Big Time," be printed in the RECORD.

The article referred to follows:

[From the National Journal, Feb. 24, 1979]

THE SMALL BUSINESS LOBBY IS REACHING FOR THE BIG TIME

(By James W. Singer)

In an era when small is beautiful, the country's small business lobby is reaching for the big time.

A regional small business group recently was organized in Atlanta for the Southeast. Two organizational meetings have been held to set up a midwestern group.

Not long ago, a local small business group was formed in Fargo, N.D. A local group in Milwaukee is expanding throughout Wisconsin. Small business owners are considering organizing in Columbus, Ohio, Detroit, Minneapolis, Louisville, Albuquerque, N.M., and Los Angeles. Hundreds of these groups have sprung up in the past few years.

And in Washington, which sometimes responds to the public mood, more Democratic Senators—11—applied for the Select Committee on Small Business this year than any other committee. As a result, the size of the committee was increased from 9 to 17 members.

"Small business is involved in more decision-making arenas and there's more serious talk about its problems than ever before," said Milton D. Stewart, chief counsel for advocacy at the Small Business Administration (SBA). "We are moving from organizations to a movement. It may take two, five or ten years to get there, but we're on the way."

For years, federal policy makers paid only lip service to the demands of small business owners. But the mood of the public—fed up with big government, big labor and big business—has shifted and given new urgency to their complaints about an unfair tax system, stifling government regulation and decreasing competition in the marketplace.

Because of the number of small business owners, the small business lobby has always had enormous potential. But it has been difficult to forge a cohesive force from such an independent and diverse group of people. And only in the past few years have small business owners come to believe that they can make a difference in Washington.

Collectively, small business is big business in the United States. Although definitions vary, the SBA—applying different criteria to different business sectors—estimates that almost 97 per cent of the 10.6 million nonfarm businesses in the country are small. These businesses account for 56 per cent of private-sector employment and 43 per cent of the gross national product.

During the last Congress, the small business lobby achieved some significant victories. It played a key role in the defeat of labor law reform, common situs picketing and consumer protection agency legislation.

But more important, small business won something it had long been seeking—lower corporate income tax rates for earnings up to $100,000. The savings will allow small businesses, hard-pressed to obtain money to finance growth, to retain more of their earnings for this purpose.

Unlike most recent Administrations, the Carter Administration has been listening to the small business community. Members of the Council of Small and Independent Business Associations, an organization of nine small business groups, meet regularly with Stuart E. Eizenstat, President Carter's chief domestic aide.

While most small business representatives believe this increased contact has been beneficial, others say it has made little difference.

Carter is praised for his appointment of Stewart—who is highly regarded as an effective spokesman by small business—and for his decision to hold a White House conference on small business next January. The small business lobby views the conference as an opportunity to increase its visibility and influence.

On the other hand, Carter is criticized for his support of labor law reform and his pocket veto of an omnibus small business bill (H.R. 11445). Some small business representatives, however, concede that the bill contained some undesirable provisions.

In the current Congress, small business will be pushing for further changes in the tax laws and for a variety of measures to reduce the burden of government regulation.

In addition, the nine council members set up a task force earlier this month to work out a common plan to restructure the SBA, which has never been very effective and currently is being charged with gross mismanagement and possible fraud in connection with its minority business program.

The groups want the agency to concentrate on serving as an advocate for small business before Congress, the executive branch and the independent regulatory agencies, as well as on promoting business competition. They have not yet decided whether the SBA's other functions, such as its numerous loan programs, should be retained or transferred elsewhere.

Senator Gaylord Nelson, D-Wis., chairman of the Senate Small Business Committee, supports such a change, but the House Small Business Committee appears less ready to go along. However, one small business lobbyist said he believes the House panel will come around once the small business groups develop their plan.

The Administration, as part of its reorganization efforts, also has been looking at the SBA. Carter currently is reviewing proposals that would shift the SBA's economic development programs to an expanded Housing and Urban Development Department or to the Commerce Department, prospects that do not bother the small business lobby.

But Carter also received an alternative proposal that would abolish the SBA and transfer its functions to a reorganized Commerce Department. Small business interests strongly resist such a move and, in fact, that option has been dropped except as a topic for future study, according to Richard A. Pettigrew, Carter's assistant for reorganization.

Small business representatives doubt that Carter will want to antagonize their constituency by folding the SBA into another agency with a broader mission. Even if he does, they say, they believe they could defeat such a move on Capitol Hill. In any case, they add, he is unlikely to make such a decision before next January's White House conference.

UNIQUE PROBLEMS

While federal policy makers have been focusing their attention on other matters, problems have been mounting for small businesses. Government regulations have impeded growth, venture capital has dried up and big business has increased its share of the economic pie.

Part of the problem has been the tendency of policy makers to view and treat the business community as a single entity, with the same capabilities, interests and requirements. But that is a fallacy.

Big and small businesses have some common interests, such as a desire for economic prosperity and opposition to many of the objectives of organized labor. They also have very different capacities, concerns and priorities.

While both big and small business complain about regulatory overkill, the small business community contends that it suffers the most.

"It has neither the financial nor the human resources available to big business to examine, understand and fully comply with the precise obligations imposed by the regulators," the House Small Business Subcommittee on Antitrust Consumers and Employment stated in a report last November on the future of small business in America.

"Thus, this also exposes the small business to a greater risk of fines and penalties for violation of rules and regulations it may never fully understand," the subcommittee concluded.

In recent years, small companies have found it increasingly difficult to raise money to finance their growth. They have been frozen out of the capital markets and, even if they can borrow money, they must pay much higher interest rates than large companies. Lack of capital has not been such a problem for most large companies.

"It is alarming that venture and expansion capital for new and growing small businesses has become almost invisible in America today," an SBA task force on venture and equity capital stated in a January 1977 report.

In 1972, the task force found, companies with a net worth of less than $5 million raised $918 million by issuing stock in 418 underwritings. In 1975, there were only four such underwritings that raised $16 million.

"While this catastrophic decline was occurring, new money raised for all corporations in the public security markets increased almost 50 per cent, from $28 billion to over $41 billion," the task force reported.

One cause of this development, the task force stated, was the 1969 increase in the capital gains tax, which made investment in risky new ventures less attractive. The reduction in the capital gains tax approved by Congress last year should ease this problem.

But another impediment identified by the SBA task force remains—the Employee Retirement Income Security Act of 1974. Under that law, pension fund managers, who control about $500 billion in assets, are discouraged from making speculative investments.

In addition, large corporations have continued to improve their position in the marketplace at the expense of smaller companies—which are the competitive backbone of the economy.

"The role of small business in our economy is declining at an alarming rate," the House subcommittee report on the future of small business stated. "As the number of small businesses . . . declines and the concentration ratios increase, the continuing viability of small firms is severely threatened."

In its 28th annual report issued a year ago, the Senate Small Business Committee reported that, in 1950, the top 200 manufacturing corporations owned 46.1 percent of all manufacturing assets. Their share had increased to almost 60 per cent by 1977.

Moreover, the committee stated, large businesses have gobbled up smaller ones at an increasing clip. Between 1940 and 1954, the committee said, large companies acquired an average of 246 smaller firms a year. For the 1970s, the figure has risen to more than 2,000 a year.

ORGANIZING

To encourage government to deal with these problems, the small business lobby has been busy organizing—around the country and in Washington.

One of the key participants in the organizational drive has been Stewart, the SBA's chief counsel for advocacy. He's doing what the small business community had hoped would be done when it pushed Congress to set up the office three years ago.

Stewart's job was created because the small business lobby believed the SBA had been given so many things to do that it had neglected its advocacy function.

While working to open the doors of government agencies to small business, Stewart, who has been on the job seven months, also has been encouraging small business owners around the country to become active in business groups.

"I tell them they must wear three extra hats," Stewart said in an interview. "They should be involved in a trade association, a local business group concerned with the local business climate and a small business organization—local, regional or national."

The latest twist in the development of the small business lobby is the push to form regional groups, patterned after the successful and highly regarded Smaller Business Association of New England Inc. Formed 41 years ago, it represents 1,300 members in six states.

K. Michael Benz, vice president of a Cleveland group who is helping to form a midwestern association, said he and others want to establish associations in 10 regions around the country. "The more the merrier," he said.

After consulting with Stewart and others, James B. Rhoads, an Atlanta attorney, set up the Small Business Association of the South East Inc. last autumn to represent business owners in eight states. He said the group has about 30 members and has a "realistic" goal of reaching 1,000 members by the end of the year.

Rhoads, Stewart and others said the activities of the national groups and the local, state and regional assoications complement each other. "We don't want to replace or compete with the national groups," Rhoads said. "Our function is to educate our members and to bring real businessmen to Washington when necessary to relate their first-hand experiences."

Lewis A. Shattuck, executive vice president of the New England association, said: "We think regional groups offer something special. We live in the district, work in campaigns and speak in familiar accents. We have excellent access to our congressional delegation."

The small business lobby also has been setting up new groups in Washington in the past few years, in part to coordinate their activities more effectively.

The Chamber of Commerce of the United States set up a center for small business two years ago to focus on the concerns of the chamber's smaller members and to encourage its state and local affiliates to do the same.

Ivan C. Elmer, the center's director, said about 500 of the chamber's 2,500 affiliates have small business task forces or separate small business councils. "Two years ago, we had to encourage the formation of these groups," Elmer said. "We don't anymore."

At about the same time that the chamber's center was established, the National Small Business Association helped found the Small Business Legislative Council to present a unified position on behalf of associations whose members are small business owners. The council now has 68 associations as members.

The Council of Small and Independent Business Associations, the group of nine organizations that meets with Eizenstat, was formed in 1975 to promote cooperation among the groups.

VICTORIES, DEFEATS

Two years ago, at the beginning of the 95th Congress, the small business lobby defeated a proposal by a temporary select Senate committee to abolish the Small Business Committee. Small business considers that victory a watershed.

"We showed our firepower and proved ourselves in preserving the committee," said James D. (Mike) McKevitt, Washington counsel and chief lobbyist of the National Federation of Independent Business. "And we've come a long way since then, baby."

While the small business lobby obviously was not wholly successful in the 95th Congress, it did have an impressive string of victories.

In the tax area, after trying for years, small business finally succeeded in persuading Congress to reduce corporate income tax rates on the first $100,000 of earnings. The Senate Small Business Committee estimated that the new rates will save $800 million a year for the 1.5 million corporations with annual earnings of less than $100,000.

In addition, the capital gains tax was reduced, which small businesses hope will make it easier for them to raise money. "We think we did pretty spectacularly in the tax area," said Walter F. Stults, executive vice president of the National Association of Small Business Investment Companies.

The small business lobby also won passage of a law designed to increase the amount of business obtained by small firms as government contractors and subcontractors and was instrumental in defeating several bills supported by organized labor.

On the negative side was Carter's pocket veto of the omnibus small business bill that most small business groups supported. Among other things, the bill would have cost more than $2 billion more than Carter wanted through fiscal 1982 and would have continued a costly low-interest disaster loan program for farmers.

In explaining why he failed to sign the legislation, Carter also noted that the bill would have given responsibilities to the SBA's chief counsel for advocacy that should be performed by the SBA's administrator, A. Vernon Weaver. And he said the bill might have made the chief counsel too independent of the executive branch.

Small business also lost out on a measure that would have exempted businesses with 10 or fewer employees from inspections by the Occupational Safety and Health Administration (OSHA), a small business bugaboo. The bill, passed by the Senate, was rejected by a Senate-House conference committee.

The small business lobby also was unsuccessful in opposing the increase in the minimum wage and in the social security tax.

Members of Congress and congressional aides who have had contact with small business owners and lobbyists said the lobby is already an effective one and getting better.

"In the past, the small business lobbyists were just little groups of wandering people," said Sen. Dale Bumpers, D-Ark., one of the new members of the Senate Small Business Committee. "Now they're more organized and they're developing considerable clout."

David Boies, chief counsel and staff director of the Senate Judiciary Committee, said small business lobbyists know the issues and how to operate. He, too, said there has been a steady improvement in their performance and predicted that the small business lobby will do better in this Congress than in the last, and better still in the next one.

"They're getting grass-roots support and that makes the difference," said a longtime aide to the House Ways and Means Committee of the lobby's power.

The small business lobby's influence on Capitol Hill is restricted, however, by the limited legislative jurisdiction of the Senate and House Small Business Committees. Generally, both have jurisdiction only over the SBA.

As a result, small business lobbyists cannot concentrate their efforts on these committees and count on sympathetic members to resolve their problems. Instead, they must cover a number of committees, including Ways and Means and the Senate Finance Committee.

This presents a problem, admitted John J. Motley, deputy director of the Washington office of the National Federation of Independent Business. But the situation has improved, he said, since the Small Business Committees were made permanent and given legislative authority. This occurred in 1975 in the House and 1977 in the Senate.

Motley said the committees have more stature now and are more influential than their limited jurisdiction indicates. They sometimes are assigned bills that are technically outside their jurisdiction, he said, and can hold hearings on any subject that affects small business.

Members of the two committees have also been effective advocates for small business on other committees on which they sit. Nelson, for example, who chairs the Senate committee, pushes small business interests on the Finance Committee.

Nevertheless the small business lobby generally has not been very pleased with the performance of the Small Business Committees. It was particularly upset when members of the House committee would not go along with the OSHA exemption for small firms.

One explanation of the reason so many Democrats applied for the Senate committee this year is that it gives members a platform from which they can sound off about small business and win points with constituents without having to make the hard decisions that go with action on legislation. Membership also gives them a chance to provide advance notice to constituents who receive SBA aid or government contracts.

The small business lobby hopes that the committees will become more productive, and has been working to get more sympathetic Members to sit on the committees.

Of the seven new Democrats appointed to the Senate committee, for example, the national federation asked five to serve—Bumpers, Walter D. Huddleston of Kentucky, Jim Sasser of Tennessee, Robert Morgan of North Carolina and Donald Stewart of Alabama.

It also asked four of the five new Republicans—Orrin G. Hatch of Utah, Harrison (Jack) Schmitt of New Mexico, S. I. (Sam) Hayakawa of California and Rudy Boschwitz of Minnesota—to sit on the panel.

While the small business lobby is pleased with the membership of the Senate committee, it is not enthusiastic about the House Committee. Only 11 of its 39 members are new to the committee this year, and small business lobbyists believe it will take several more years to achieve a more sympathetic membership.

GOALS

For the 96th Congress, the small business lobby is setting an ambitious agenda that will test its strength and its perception that the public supports its goals.

Generally, small business will be seeking changes in the tax laws that would provide it with more money for growth. It also will be seeking to reduce its regulatory and paperwork burden.

A number of measures it will support were introduced in the last Congress and some were passed by one chamber. Several have already been reintroduced in the current Congress.

The small business lobby will make a major effort to restructure the SBA, but does not expect to decide precisely what to do in time to have a bill reported for action this year. For one thing, any such restructuring would require major shifts of budgeted funds, and under the congressional budget act, committees must report authorizing legislation by May 15.

As a result, the small business committees—and Congress—are unlikely to make any significant changes in the SBA this year. Nor is the Administration, which is not currently considering any major reorganization of the SBA, likely to propose any such plan before the White House conference next January.

The small business lobby wants the SBA—which has several missions and runs numerous programs—to concentrate on representing its interests throughout government and to act as a gadfly to encourage federal antitrust agencies to be more active in promoting business competition. Small business groups believe these efforts can produce the greatest benefits for the small business community.

At this point, the nine small business groups working on a plan to restructure the SBA have not decided whether the agency's other programs—such as its loan and management assistance efforts—should be handled by other government agencies or by the private sector. But they are considering such a proposal and could well end up making that recommendation.

The small business lobby believes these and other programs run by the SBA, while obviously important to the businesses that are assisted, have only a very limited impact throughout the small business community.

In the tax area, small business lobbyists will be pushing several old chestnuts.

These include extension of the lower corporate income tax bracket beyond the $100,000 level enacted last year, simplified accelerated depreciation that would allow a firm to write off the first $25,000 in assets purchased each year over a three-year period (S 110, HR 1600), and a rollover provision that would exempt the sale of a small business interest from the capital gains tax if the proceeds are reinvested in another small business within two years (HR 1600).

Small business also will be supporting a rollback in the scheduled payroll tax increases for the social security program. Employers pay half of the taxes for the huge program, the government's largest.

As it has for several years, the small business lobby will try again to exempt employers of 10 or fewer workers from OSHA inspections. Bumpers, for one, believes this is the year small business will prevail.

The lobby will push a number of other regulatory matters, including a proposed Regulatory Flexibility Act (S 299, HR 1745), which was passed by the Senate last year. The bill would authorize regulatory agencies to issue different sets of regulations and record-keeping requirements for large and small businesses.

It will also press for reform of the pension law to eliminate some of the paperwork requirements that some small businesses say have forced them to drop their pension plans.

The small business lobby also will back a proposal to create small business administrative review courts around the country. Instead of having to file costly court suits, small businesses could challenge enforcement actions by federal agencies at minimal expense. Decisions would be binding on both parties. Sen. Charles McC. Mathias Jr., R-Md., who sponsored the proposal in the last Congress, is expected to introduce a revised version soon.

Other measures supported by small business would authorize congressional review of agency regulations (HR 1776, S 104) and allow small business owners to recover court costs and attorneys' fees when they successfully defend suits brought against them by regulatory agencies (S 265).

In another area, small business will back the effort of Sen. Edward M. Kennedy, D-Mass., to promote competition by restricting large corporate mergers. Kennedy, the chairman of the Judiciary Committee, is expected to introduce such legislation soon.

Small business obviously won't get all that it wants. But the results of its efforts should bring the small business lobby a few steps closer to the big time.●

COMMUNICATIONS POLICY: A BLUEPRINT FOR THE FUTURE

● Mr. SCHMITT. Mr. President, on March 12, Senator GOLDWATER and I, along with Senator PRESSLER, introduced S. 622, the Telecommunications Competition and Deregulation Act of 1979. Hearings on S. 622 and S. 611, introduced by Senator HOLLINGS, will begin the week of April 23 in the Commerce Committee's Subcommittee on Communications.

Due to the complex nature of the subject matter treated in S. 622 and the far-reaching consequences of the telecommunications revolution which will alter the daily lives of all Americans, I shall submit for the RECORD, at the conclusion of my remarks, a short summary of the main concepts contained in S. 622.

To date, I am very encouraged by the favorable reception accorded S. 622. I believe that it represents an excellent basis from which, hopefully, a committee bill can be developed. Therefore, I look forward to the upcoming subcommittee hearings and would receive, with great interest and appreciation, further comments on S. 622 from interested parties.

The summary follows:

SUMMARY

1. FEES

S. 622. requires the Commission to impose fees on any person regulated under the Communications Act. These fees will be based on the direct and indirect costs of regulating the entities involved.

The Commission is directed to establish a fee schedule that reflects these cost-based fees within one year and is given the authority to waive fees for governmental entities, public telecommunications entities and noncommercial users of the spectrum.

2. DOMESTIC COMMON CARRIER

S. 622 recognizes that ATT's share of existing telecommunications markets and the need to maintain at the present time some form of essential service, make it undesirable for the Congress to deregulate the telecommunications industry. However, the FCC is directed to pursue policies that will encourage the growth of marketplace competition and eventually result in complete deregulation. These policies are structured as a transition plan which will allow the FCC flexibility in phasing out regulation. Full implementation of this plan will permit telephone companies to offer competitive telecommunications services in an unregulated environment.

While encouraging marketplace competition in all telecommunications services and the deregulation of such services, it is a legitimate Federal concern to ensure that the American people continue to have basic voice grade telephone service available at reasonable rates.

The bill permits this service to be offered by regulated monopolies at the local telephone exchange level and must include interconnection with telephone toll facilities.

Although telephone companies will be able to compete in the markets created by new technologies and consumer demand, the FCC must ensure through a cost accounting system and/or by requiring the creation of subsidiaries that the revenues of the monopoly service do not subsidize the competitive services.

Transition plan

FCC regulation will continue during a transition period to be completed within six years pursuant to a prescribed transition plan. Initially the Commission will determine the degree of regulation necessary, based on a classification of each carrier. In making the classification, the FCC will consider a carrier's market share in providing telecommunications services, price leadership in such services, relative overall financial resources, relative number of customers, number of common carriers in a market and any other relevant characteristics of a particular market. No regulatory barriers to entry are permitted that will preclude any common carrier from offering any competitive telecommunications services. If deregulation is not accomplished within six years, the FCC is required to explain its failure to meet the bill's objective to the Congress. The FCC will also report on whether additional legislation is necessary to accomplish complete deregulation.

The transition plan will include the establishment of an access charge, pursuant to the Joint Board mechanism, to be paid by carriers interconnecting their facilities with the facilities of the local telephone exchange. Such a charge, although based primarily on the cost of interconnection, will include, if necessary, a contribution to the maintenance of reasonable rates for basic voice grade telephone service.

The proceeds from the charge will be placed in a fund to be operated by the participating carriers under FCC oversight in a manner similar to the present separation and settlement procedures for allocating interstate toll revenues.

The FCC's transition plan must include a depreciation schedule to permit the telephone companies to accelerate the depreciation of existing plant.

The transition plan establishes rate parameters for interexchange telecommunications services within which rates can fluctuate with minimum FCC intervention. Rates will be relatively stable despite the institutional and economic changes that will be taking place as deregulation occurs. Any predatory or discriminatory pricing by ATT or any other carrier would be subject to FCC action.

The existing nationwide telephone toll network will be maintained in an environment of regulated competition. Although there will be competition in interexchange services, the management of the network will be the responsibility of ATT and the participating carriers.

FCC authorization to construct and operate new facilities is automatic, 90 days after application is made unless the Commission finds that a substantial and material question of fact exists as to whether the investment is in the public interest.

Carriers providing telephone toll service are not permitted to terminate service without FCC approval.

The FCC will review the progress of deregulation, adjusting it where there are marketplace deficiencies. Reports will be made annually on the status of competition and the program of deregulation.

S. 622 permits ATT, despite the 1956 Consent Decree between ATT and the U.S. Department of Justice, to provide any regulated or unregulated telecommunications service or engage in any other business, not otherwise prohibited by statute.

Finally, the bill requires the Commission to establish a separate Office of Deregulation which will monitor the Commission's progress in achieving deregulation and make recommendations when necessary.

3. INTERNATIONAL COMMON CARRIER

The most pressing problem for the U.S. in international telecommunications is the planning and construction of facilities. This problem exists primarily because the U.S. must deal with foreign telecommunications administrations. Achieving a unified U.S. position is difficult due to the fact that our industry structure and institutional arrangements require consultation and agreement among a number of private companies with sometimes conflicting interests. Thus, there is always the danger, that even if a single U.S. position can be developed those companies that disagree with it can challenge its legality or undermine it in international negotiations.

One solution to this problem would be to restructure our international telecommunications industry so that, like the European countries, there is a single U.S. representative whose sole responsibility would be to formulate and advocate the U.S. position. However, the planning process can be improved without such drastic action.

The objective of S. 622 is to ensure that the planning and consultation process begins at an early date so that the various U.S. interests can be accommodated. The bill mandates the steps of the process which will be carried out under the auspices of the FCC.

In addition, Section 222 of the present Act is amended to include Hawaii as a domestic communications point.

The gateway concept, which requires the routing of international traffic through a limited number of gateway cities, is eliminated. The FCC is responsible for deciding how domestic and international carriers interface to provide international communications services in this country. Whether Western Union should be allowed to offer international telecommunications services which it now cannot, is also a matter for FCC determination.

Representatives from private industry will be permitted to serve on U.S. delegations to international telecommunications meetings.

The President is directed to develop a policy to assure the free flow of information and telecommunications services across national boundaries.

4. BROADCAST POLICY

As in other areas of telecommunications, the public would benefit from more programming competitions in broadcasting.

However, rather than encouraging such competition through restructuring the industry or reallocating the spectrum, this bill will achieve that objective through deregulation of radio and television where possible. In conjunction with a cable policy that encourages the development of broadband services, greater programming diversity will be available to the public.

Radio

Radio, with over 8000 stations now on the air, is a programming service that can be largely deregulated. Although the FCC has been examining and continues to examine ways to deregulate radio, there are specific policy matters that must be addressed if there is to be true deregulation, i.e., fairness doctrine, program formats, program logs, and the advertising of legally available products (excluding cigarettes).

Under the policy established by S. 622, the marketplace will meet the needs of the listening public although the Commission will retain authority to establish and enforce technical operating rules and regulations, enforce Section 315, EEO requirements, and prevent fraudulent practices.

Radio station licenses are for an indefinite period subject only to revocation pursuant to Section 312 of the Communications Act. The Commission is prohibited from altering the status of clear channel radio operations.

Television

Because there are fewer television stations, the major thrust of S. 622 effecting television is toward stabilization of the industry and the promotion of experimental deregulation.

Lengthening the television broadcast license to a maximum of five years depending on market size would eliminate some of the regulatory burden. In addition, S. 622 establishes the policy under which the television broadcaster's license would be renewed. The standard created by this bill establishes a presumption that the public interest would be served by renewal of the broadcaster's license if he has substantially met the needs and interests of his community.

The Commission is directed to examine all of its present rules and regulations relating to television to determine which rules continue to be in the public interest. The FCC is required to report annually to Congress on its progress in identifying rules that can be discarded and if it seeks to increase regulation, it must notify the Congress of its intention to do so. Before such rules or policies go into effect, either House of Congress may veto such rules or policies by a majority vote.

Whenever there are competing applicants for frequencies that become available because a radio or television license has been revoked or new frequencies are assigned to the broadcast services, such frequencies will be distributed to competing applicants based on a system of random selection. The Commission is required to establish such a system of selection no later than six months after enactment.

The Commission will report to the Congress six years after enactment on the extent to which diverse programming material is being made available to the public by television broadcasters and other electronic media and recommend to what extent the statute should be amended to allow further deregulation of television. The office of deregulation, established by the Common Carrier Title, will monitor the deregulation of television.

5. CABLE POLICY

S. 622 recognizes that cable systems are engaged in interstate commerce. Cable systems would not be hindered by inappropriate federal regulation. The objective of S. 622 is to foster competition in the provision of programming and other broadband services and provide increased diversity in these services.

In doing so, S. 622 limits federal regulation to areas in which there is a need for a national policy. It prohibits both federal and state regulation in certain instances, and leaves the question of whether to regulate in the remaining areas up to the states.

Jurisdiction

Under this policy, federal regulation would be limited to:

(1) regulation of the carriage of television and radio signals;

(2) the carriage of national sports programming;

(3) the ownership of cable systems;

(4) preventing interference by cable systems to radio and television licensees;

(5) utility pole attachments as defined by 47 U.S.C. 224;

(6) protection of privacy of the cable subscribers; and

(7) guaranteed access to cable channels where a cable system is sole source of video programming;

Prohibitions on Federal or State Regulation:

(1) regulation of program content with exception limited to an equal time and reasonable access requirements;

(2) per channel rate regulation.

State regulation could extend to:

(1) all other areas not specifically covered by federal regulation.

Telephone companies are authorized to provide, on a nondiscriminatory basis, the broadband transmission facilities. They are prohibited from providing entertainment or news programming either directly or indirectly on their transmission capacity or any other transmission capacity. News and entertainment programming does not include other broadband services. These other broadband services could be provided by telephone companies in the same manner as they provide other competitive telecommunications services. However, a waiver policy is established to allow telephone companies to provide news and entertainment programming in rural areas. A telephone company is prohibited from owning a cable system either directly or indirectly.

Broadcast licensees are permitted to own cable systems or lease channels on cable systems without regard to whether such system is located within the service area of the broadcast licensee. Newspapers or publishing companies can own cable systems or lease channels on cable systems. Cable systems are allowed to own program transmission capacity and provide news and entertainment programming or other broadband services on such capacity.

Any cable system that is the sole source of video news and entertainment programming in a particular market is required to make channel capacity available to programmers having no financial affiliation with the owner of the broadband system.

The requirement applicable to broadcasters that they provide "reasonable access" for federal candidates to purchase commercial time is applied to cable systems.

6. LAND MOBILE

Because of the substantial, recurring backlog in processing applications in the land mobile and fixed services and the increasing numbers of such applications, S. 622 simplifies the licensing application procedure.

The bill recognizes the contribution that industry coordinating committees can make by resolving technical issues before the applications reach the FCC. Under S. 622, licenses will be granted automatically after 60 days unless the FCC acts. This will enable the Commission to retain its important authority over frequency allocation, but will resolve the license backlog problems on a long-range rather than an ad hoc basis.

The license term remains at five years because of the necessity of a periodic review of the use of these frequencies.●

INTRODUCTION OF S. 742—NUCLEAR WASTE MANAGEMENT REORGANIZATION ACT OF 1979

● Mr. GLENN. Mr. President, since the introduction of an earlier version of S. 742 several days ago, certain modifications have been made to this legislation which have resulted in the bill the Senator from Illinois introduced on Wednesday.

I should like to reiterate the remarks I made at the time of introduction of the earlier version, as they are equally pertinent to the present measure.

The introduction of the Nuclear Waste Management Reorganization Act of 1979, which I have coauthored with Senator PERCY, is a major new initiative in our Nation's long-term effort to address the problem of disposing of radioactive wastes safely and permanently. For the past 30 years, these lethal and long-lived byproducts of our nuclear weapons and civilian nuclear power programs have been accumulating at temporary storage facilities around the country and, as nuclear power expands in the decades ahead, the amounts of radioactive wastes generated, while not excessive now, will increase in almost geometric proportions.

Serious difficulties have plagued our efforts to develop methods for disposing of these dangerous materials, and numerous technical questions remain to be resolved even today. Only last week, for example, the Interagency Review Group on Nuclear Waste convened by President Carter a year ago reported that the "scientific feasibility of the mined repository concept remains to be established." Major research, development, and demonstration efforts will be needed to deal systematically with these outstanding issues.

One reason for our current lack of knowledge is that over the years the Department of Energy's predecessor agencies ERDA and AEC, gave relatively little attention to nuclear waste management and tended to minimize the overall difficulty of this task. Related research and development activities were funded at modest levels and were focused on a narrow range of waste disposal options; fundamental earth sciences questions—geology and hydrology—received little attention. Moreover, little or no account was taken of the research needs of other agencies, in particular the Nuclear Regulatory Commission and the Environmental Protection Agency, which are responsible for regulating U.S. nuclear waste disposal activities.

Uncertainty still plagues executive branch nuclear waste program planning today. DOE is proceeding with its Waste Isolation Pilot Plant in Carlsbad, N. Mex. despite the fact that the basic regulatory standards necessary to evaluate the WIPP site have not been issued by the

Nuclear Regulatory Commission and the Environmental Protection Agency.

This lack of coordination among concerned Federal agencies has had a counterpart in the area of Federal-State relations. In particular, the Federal nuclear waste disposal program has lacked adequate opportunity for State and local and public participation. Crucial siting and design decisions have been taken outside public view and, until recently, early consultation with individual States, even on such vital matters as the siting of a major nuclear waste repository within their borders, has often been nonexistent. In reaction to this history of Federal highhandedness, many States and municipalities have enacted laws restricting the storage or transport of nuclear wastes in areas under their jurisdiction. The result is a pattern of restrictions on Federal waste management efforts which may seriously hinder our attack on this problem.

The Nuclear Waste Management Reorganization Act of 1979, which Senator PERCY and I are introducing today, attempts to remedy these difficulties by:

Creating a Federal Interagency Nuclear Waste Coordinating Committee to insure an integrated governmentwide approach to nuclear waste management issues based on comprehensive, annual plans;

Creating a Nuclear Waste Management Planning Council, consisting of 11 State and local elected officials and four members of the public, to participate in the development of Federal nuclear waste management policy; and

Establishing a process to give States and localities, through a specially created Nuclear Waste Repository Review Panel, a dramatically increased role in decisions regarding the siting of individual nuclear waste repositories. This process would permit a State to ban further work on a repository until both Houses of Congress passed a resolution overruling the State's objections.

At the Federal level, the Coordinating Committee would insure the proper integration of all Federal waste management actions, including R. & D. activities, and its annual plan would provide a clear statement to the Congress and the public of the direction of the Federal program. State, local, and public views would be incorporated from the start via the advice provided by the Nuclear Waste Management Planning Council, one of whose members would sit on the Interagency Coordinating Committee, to provide continuous representation of the Planning Council. This would insure substantial State input on such crucial matters as repository site selection and the role of intermediate-scale facilities.

In addition, under the bill, individual States would be immediately notified of any contemplated Federal activities within their borders regarding the siting of a nuclear waste storage or disposal facility and State participation in any Federal evaluations would be encouraged. If, on the basis of such early studies, the Federal Coordinating Committee determined to proceed with development of a repository within a given State, the committee would prepare a repository development report on the facility. At the same time, the Governor of that State would convene a nuclear waste repository review panel to work with the Federal committee on the report being prepared and to review the final report.

If the Governor, who would chair the panel, objected to the report on the ground that it did not adequately protect State and local interests, no application for a license to construct the facility could be submitted to the Nuclear Regulatory Commission—or, if no license were required, no site preparation work could begin—until Congress passed a concurrent resolution stating that the report equitably balanced State, local, and national interests.

This mechanism will insure a full review of the State's concerns, while at the same time allowing the repository to go forward if that is found to be essential to the national interest. Negotiations between the Federal Government and the State could continue after the report and the State objections were submitted to Congress. Amendments to the report reflecting the outcome of such negotiations would be possible for the first 30 days of continuous session after the report was submitted.

I believe this mechanism, by giving the States the clear right to put a freeze on further Federal activity, and giving Congress the right to review the matter and to consider it in the context of the wide range of Federal programs affecting the States involved, will allow an orderly and timely resolution of this area of potentially serious State-Federal conflict.

Mr. President, the organizational structure and procedures created by this bill will insure that decisions on the ultimate disposal of nuclear waste will proceed in a scientifically careful and informed manner, and through political and social consensus. I urge the support of my colleagues for it.●

SENATOR CANNON RECEIVES THE MAXWELL A. KRIENDLER AWARD

● Mr. GOLDWATER. Mr. President, at the 16th Annual Air Force Salute in New York on the 24th of March, one of our colleagues was awarded the Maxwell A. Kriendler Award, which is the highest recognition that this group presents. Senator HOWARD CANNON received this award. The citation read as follows:

> For his thorough knowledge and profound support of military airpower evidenced while serving as the Chairman of the Subcommittee on Tactical Airpower of the Senate Armed Services Committee. Motivated by his experience in air combat and as a pilot of advanced fighter aircraft, he has been instrumental in the modernization of tactical airpower and the enhancement of national security.

He has certainly earned this award through his years of dedication to the improvement of our tactical airpower and aviation in general.●

PRESIDENT CARTER'S REGULATION REFORM ACT—A MILESTONE IN REGULATORY REFORM

● Mr. BENTSEN. Mr. President, the regulatory reform measures submitted Monday by President Carter are a welcome milestone in our efforts to improve the regulatory process and cut down on wasteful, conflicting and unnecessary Government regulations. The President's proposals form a comprehensive package of reform measures that will, if enacted, significantly reduce the inflationary impact of many Government regulations while still protecting the environment, and the health and safety of American consumers and workers.

Many of the ideas in the President's package were contained in legislation I introduced during the 95th Congress and at the beginning of this Congress. And I am very pleased to be a cosponsor of the President's bill. While the President's bill is not perfect, and I plan to work closely with my colleagues in the Senate to improve it, the proposals represent excellent progress toward a goal we all share—efficient and effective Government regulatory programs that achieve their goals with the least waste and at the least cost to the American taxpayer.

The President's main legislative proposal is the Regulation Reform Act of 1979, which substantially revamps the regulatory process. Under this measure, the regulatory agencies—both those in the executive branch as well as those that are independent—will have to conduct much more thoroughgoing analyses of their major regulations than is currently the practice. Agencies will have to consider and report on all the alternative ways available for achieving major regulatory objectives, along with the costs of each alternative. If an agency fails to choose the least costly way of achieving its objectives, it will have to submit a detailed report justifying the choice of a more costly alternative.

In addition, all major regulations that are currently on the books will have to be periodically reviewed to determine if they are still effective and needed. When looking at existing rules, the agencies that issued them will have to determine if any technological, economic or social changes have occurred in the interim that have made the rules obsolete or outmoded; this is sorely lacking today, when an agency can issue a regulation and leave it intact even if changes in the world have passed the regulation by. The agencies will also have to determine if their existing rules overlap or duplicate other regulations or policies, including those of other agencies. On the basis of these reviews, agencies will have to determine whether to rescind, amend or continue without change their major regulations.

The President's bill also expands the responsibilities of the heads of regulatory agencies. For example, all major regulations have to be personally approved by the head of the issuing agency, unless some other official has statutory responsibility for the regulation. Each agency head will have to set up rules for his or her agency to assure that all regulations are written so that they can be readily understood, that they achieve their objectives at the least cost, and that enforcement will not be capricious or overly difficult.

Some of these requirements were first issued last year in Executive Order 12044. This Executive order directed the executive agencies to revise their procedures for considering new regulations and began the review of existing regulations that is being carried on in today's legislation. The Executive order, however, did not apply to the independent regulatory agencies, because the President does not have the authority to do that. On October 16 of last year, I introduced a bill which would require the independent regulatory agencies to follow the procedures used by the executive agencies under EO 12044—the Independent Agencies Regulatory Improvements Act. This bill was reintroduced on the first day of the current Congress as S. 53 and was largely adopted by the President as the basis for the bill submitted today.

I am delighted to see that this bill also beefs up the original executive order by adopting two other ideas I introduced earlier this year.

First, the President's proposal focuses sharply on cutting out overlapping, duplicative and unnecessary regulations. In the past, there was little attempt to coordinate regulatory programs, and too many regulations have been duplicative or conflicting. Last spring during hearings before the Joint Economic Committee on the cost of regulations, witnesses pointed out instances where compliance with one regulation could only be accomplished by violating another regulation. In this year's Joint Economic Report, the JEC found:

> This not only puts businesses in unnecessary jeopardy, both legally and financially, it also reduces respect for the law and the Federal Government. Small businessmen are often hardest hit by the morass of conflicting and duplicative regulation because they cannot afford the necessary legal advice.

At the beginning of this Congress, I introduced S. 52—the Regulatory Conflicts Elimination Act of 1979—to reduce and, hopefully, eliminate duplicative and conflicting regulations. I am pleased to see that President Carter adopted many of the provisions of that bill in the Regulation Reform Act which was introduced Monday.

Second, the President's proposals today go beyond the Executive order by including provisions concerning the cost-effectiveness of Government regulations. In the President's bill, all the alternative ways of achieving the goals of a particular regulation must be considered by the issuing agency; if the least costly way is not chosen, the agency must issue a detailed report explaining why a more costly alternative was chosen. This was the major provision of S. 54—the Regulatory Cost Reduction Act of 1979—which I introduced on the first day of this Congress.

This way of controlling the cost of Government regulations should be a sign to the regulatory agencies that those of us who are interested in cutting regulatory costs are not interested in reducing the effectiveness of our regulatory programs. Many Government regulations, particularly those affecting health, safety, and the environment, have contributed significantly to the overall well-being of the vast majority of American consumers and workers. I have no interest in turning back the clock, because many regulatory policies have produced substantial benefits for the public. But the public is not well served if regulations are wasteful or ineffective. By adopting a cost-effectiveness test for Government regulations, we are saying that regulations should achieve their statutory purpose in the least costly, least wasteful way. Most Americans support regulation of the environment, health, and safety; if our regulatory programs were being run efficiently and effectively, without unnecessary waste and without contributing to our high rate of inflation, I believe these programs would gain even stronger support.

Overall, this is a good bill and I intend to support it. There are, of course, provisions that I do not completely support—for example, the funding of public participants with Government money should be dealt with on an agency-by-agency basis, and not through a blanket-permission provision as is contained in this bill. Overall, though, it is a good bill.

There is one major reform of the regulatory process that is not in this bill, but which could make a major impact on cutting the cost of unnecessary and wasteful regulations. This reform is the proposal I made at the start of this Congress for a regulatory budget. We need a regulatory budget, and we should begin working now to develop the methodology necessary to make a regulatory budget a reality in the future.

In its 1979 Joint Economic Report, the Joint Economic Committee pointed out that a regulatory budget could help Congress and the President get a good grip on the private sector costs of compliance with Government regulations. These costs, which amount to as much as $100 million annually, are omitted from the current budget of the U.S. Government. As a result, the Government's budget substantially understates the Government's command over resources for public purposes.

The Regulatory Budget Act of 1979, which I introduced on January 16, would require that a regulatory budget be developed and implemented as part of the existing congressional budget process. The President's bill should be expanded to include development of a regulatory budget.

Mr. President, I intend to support the Regulation Reform Act and work to improve it, so that by the time it passes the Senate, we will have a true regulatory reform bill.●

GUN CONTROL

Mr. DOLE. Mr. President, the newly released public opinion poll by Decision Making Information, which assesses the public's views on crime and gun control, reveals considerable insight into American voters' perceptions of firearms ownership and use in our country. I shall submit for the RECORD at the conclusion of my remarks the findings of the DMI research.

PUBLIC OPINION POLL

Mr. President, according to this comprehensive survey, gun ownership is acknowledged in 47 percent of voters' households. That projects to 45 million gun owners. Twenty-three percent of those polled, or about 21 million acknowledged owning one or more handguns.

While hunting is given as the major reason for gun ownership, the general public recognizes self-protection as a primary purpose, especially by those living in areas where crime is more common. And, as the DMI poll shows, many Americans have had direct experience with the use of firearms for protection of self, family, or property, either at home or at work. Thirteen million Americans live in households in which they or a family member have had to use a gun for defense of person or property. Furthermore, DMI reveals that some 9.5 million citizens recalled a situation in which they needed a gun for protection when none was available. The use of a gun in self-defense and defense of property is most common where controls are fewest, and having needed, but not had, a gun for self-defense is most common in big cities where controls on gun ownership are generally most stringent.

Whether or not the gun is ever fired in these situations, it is clear from the DMI findings that an overwhelming majority of Americans, 88 percent, believe they have an individual right to wear firearms be it for hunting, collecting, target shooting, or self-preservation; and it is of significance to the lawmakers of the land when considering restrictive firearms legislation, that DMI finds 5 voters out of 6, 83 percent, agreeing that "most people who have guns in their home feel safer because of it."

The findings are as follows:

GUN OWNERSHIP AND USE: VOTER ATTITUDES, 1978

GUN OWNERSHIP

The proportions of registered voters who acknowledge that they own a handgun or any gun have held steady at around 22–23% and around 47–48% in surveys during the last three years.

	October 1975	1978 averages
Handgun ownership	22	23
All gun ownership	41	47
Declined to state [1]	5	1

[1] Attitudes resemble those of gun owners.

Table 14 presents reasons given by gun owners for their ownership. As can be seen, there was little change between May-June and December in overall reasons for gun ownership—"hunting" remained by far the most noted objective, with self-defense at home second. More important, however, are the findings specifically explaining why people buy handguns:

TABLE 14

"I have a list of reasons why people own guns. Please listen while I read it and then tell me the most important reason you have a gun."]

[In percent]

	Opinions in May-June	Opinions in December 1978	When asked about handguns in December 1978
Self-defense at home	23	20	40
Protection at work	2	1	5
Law enforcement or security job	5	3	8
Part of a gun collection	4	7	14
Target shooting	12	10	17
Hunting	48	54	9
Just like to have one	3	3	6

Note: Summations are vertical.

Fifty-three percent of all registered voters who own handguns say that protection (including security jobs) is the main reason they own handguns—a fact which is clearly significant in any debate affecting handgun ownership.

About one in ten handgun owners state they have a handgun primarily for hunting.

WHY DO OTHER PEOPLE OWN GUNS?

In the May-June survey respondents were asked why, in general, people owned guns. Fifty-eight percent of the public sees guns as owned primarily for protection and self-defense, 23% see hunting as the main reason, and 12% see other sports, including target shooting, as the main motive. Thus, almost twice as many voters say guns are bought mostly for self-defense as say guns are bought mostly for sporting pursuits. This contrasts sharply with the reasons stated by gun owners, who mention protection only 29% of the time, while 64% say they own their guns primarily for sporting reasons. Breaking these responses down, and looking at various voter groups, we find that those voters most apt to think people buy guns mostly for protection tend to live in the Northeast and South, in big cities, and are either very young (18–25) or much older (over 65), or are women. This is an expected result; for instance, there is much less hunting in the Northeast, by big-city dwellers, and by women. These areas also tend to have the highest crime rates of the nation and going along with this, those over 65 and female would logically tend to think of guns more in terms of protection than sport. Those voters most likely to think people own guns for sporting reasons are in the Midwest and West, especially the West Central and Mountain states, and live in rural areas.

Further, it is apparent that non-gun-owning families think of guns much more in terms of protection than do gun-owning families.

Conclusions

The electorate sees gun ownership as widespread; registered voters nationwide think 60% of all families own guns, which is remarkably close to the 55% of men who say their household owns a gun; this 55% may well be the best single estimate of the extent of gun ownership among American voters' households today.

[In percent]

	Gun owning families	Nongun owning families
Why do people own guns?		
Protection	49	66
Hunting	29	16
Other sports	18	13
Other	3	[1] 3
No opinion	1	2

[1] Includes 0.8 percent "to commit crimes."

Note: Summations are vertical.

Self-defense is seen as the strongest motive for buying a gun, especially by non-gun-owners, and almost everyone (even 97% of non-gunowners) can think of a reason for a person wanting to own a gun.

A very important point to bear in mind in considering the intensity with which many voters oppose any form of gun regulation legislation: five voters out of six (83%) agree "Most people who have guns in their home feel safer because of it."

GUN USAGE

Seven out of every one hundred respondents (or 6.6 million Americans) indicated that they or a member of their family had used a gun at some time to protect self or property against another person. Additionally, nine out of every hundred (8.5 million) indicated that they themselves had been in a situation where they needed a gun to protect themselves, family, or property against another person, but none was available to them.

These data may understate the true use of guns in self-defense in this country because people may fail to recall episodes in the "distant past" where they used, or desperately needed but did not have, a gun. Thus, analysis of these questions should proceed from the premise that what is really being measured is "remembered" gun use.

Cross-tabulations were produced reporting the extent to which differing voter groups remember someone in their household's having used or needed a gun.

Gun use for self-defense has been most common among:

Southerners and Mountain State residents;

Rural residents; and

18 to 29 year olds.

The experience of having needed, but not had, a gun is more common among:

Blacks and Hispanics;

Big-city dwellers; and

18 to 29 year olds.

Looking at the data in terms of geopolitical regions, one can observe that:

Use of guns in self-defense and defense of property is most common where "controls" on guns are fewest; and

Having needed, but not had, a gun to use for self-defense is most common in big cities—where "controls" on gun ownership are generally most stringent. See Table 16.

GUN USE FOR PROTECTION

It is sometimes asserted that firearms in general, and handguns in particular, have limited use for defensive purposes. The May-June and the December surveys tested this assertion by measuring the frequency with which guns had been used for protection. The surveys found that almost 14 percent of the American electorate, or about 13 million Americans, could recall a time when they or another member of their household had used a gun for protection of person or property at home or at work. (Note that military service and police work were excluded in the question.)

Additionally, the May-June survey asked whether or not:

The gun had been fired in the incident;

The incident was important enough to report to the police; and

Anyone was injured or killed.

Of those who remember such an experience, 40 percent indicated that the gun was fired in the incident, 31 percent said that the incident was important enough to report to the police, and 9 percent responded that someone was injured or killed in the incident. It is clear that guns are frequently used for protection. In a substantial minority of those remembered instances of gun use, it was necessary to fire the weapon, although few such incidents resulted in injury or death.

The December survey carried the personal protection question a step further by asking whether the gun was used against another person or an animal. The last questions in the series on gun use for protection asked all respondents whether they were ever in a situation where they needed a gun but none was available—and, if so, whether protection was needed from a person or an animal.

Breaking down the 12% (approximately 11 million registered voters) who reported using a gun for protection, 56% said the protection was from a person and 58% said it was from an animal. (The percentage exceeds 100 because 14% of these respondents remembered using guns for protection against both persons and animals—see Chart 5.)

About 8.5 million voters, or 9% of the respondents, recalled at least one instance where they had been in a situation where they had needed a gun to protect themselves, family, or property (from a person) but none was available. Two percent could also recall needing, but not having, a gun to use for protection against an animal.

As Table 15 reflects:

Gun use for self-defense has been most common among Southerners and Westerners, gun-owning households, rural residents and 18 to 29 year olds.

The experience of having needed, but not had, a gun is more common among Blacks and Hispanics, big-city dwellers and 18 to 29 year olds.

More than one out of five (22%) Blacks and Hispanics said that there was a time when they needed a gun for self-protection but it was not available.

In regard to defense use of handguns and gun laws more specifically, it appears that:

Use of guns in defense of person and property is most common where legal restrictions on gun ownership are fewest and gun ownership is highest—in the Southern states and among rural area residents.

Having needed, but not had, a gun to use for protection is most common where laws limiting gun ownership are most stringent and ownership lowest—in the Northeast and in cities over a half-million population.

By combining the information of the May-June and December surveys (where the confidence interval tightens to ± 2.2 percent), it can be determined that:

Firearms have been used for protection of person or property by almost 14% of the households, representing some 13 million persons.

TABLE 15.—USE AND NEED OF GUNS FOR PROTECTION

[In percent]

	Have used a gun for protection (N=2,510)	Have used a gun for protection against a person (N=1,010)	Have needed a gun for protection (N=1,010)	Have needed a gun for protection against a person (N=1,010)
Aggregate	14	7	10	9
Urban/suburban/rural:				
Big cities	9	3	18	18
Other cities	15	12	10	10
Suburban area	12	6	8	7
Rural area	18	8	8	6
Geopolitical regions:				
Northeast	10	4	11	10
South	18	11	13	12
Midwest	12	3	7	7
West	15	10	10	7
Ethnicity:				
White (Anglo)	[1] 12	7	8	8
Minority	[1] 14	9	22	22
Gun ownership:				
Gun-owning household	20	18	12	10
Non-gun-owning household	8	7	9	9
Age:				
18 to 24	20	8	17	18
25 to 34	16	9	11	10
35 to 44	13	5	9	7
45 to 54	12	5	9	9
55 to 64	12	6	9	8
65 and older	8	8	8	7
Sex:				
Men	15	8	12	12
Women	13	5	8	7

[1] Percentages taken from December 1978 study only.

From Chart 5.—

"Have you yourself or a member of your household ever used a gun, even if it wasn't fired, for self-protection or for protection of property at home, at work, or elsewhere (except in military and police work)?" (Based on both surveys)

	Percent
Yes	14
No	86

Of those who used a gun for self-protection (asked only of gun users in the December survey):

Was this to protect against an animal or a person?

	Percent
Animals	58
Persons	56

(The percentage exceeds 100 because 14% of these respondents remembered using guns for protection against both persons and animals.)

And, have you, yourself, ever been in a situation where you needed a gun to protect yourself or your family or property but there was no gun available (all respondents, December only)?

	Percent
Needed to protect against person	9
Needed to protect against animal	1
Have never needed and not had	90

Although most who had used guns for protection were currently gun owners, with somewhat higher than normal handgun ownership rates, use of a gun for protection was also substantial among persons who did not report owning any firearms at the time the surveys were conducted.

These findings may tend to understate the use of guns for protection because the percentages reporting gun use represent the number of persons who remember such incidents, and the survey did not ask how many incidents each respondent recalled.

SENATORS NOW LOCATED IN PERMANENT SUITES FOR THE 96TH CONGRESS

● Mr. PELL. Mr. President, I am most pleased as chairman of the Committee on Rules and Administration to report to the Senate that today marks the last in many moves involving Senators being located in their permanent suites for the 96th Congress.

This is the earliest in memory that the difficult logistical problem of moving the offices of many Senators, almost half of the Senate, has been finished.

In the last Congress, 1977, it was not completed until May 5; in 1975, May 17; and in 1973, June 6. By these dates, this time we are from 5 to 10 weeks ahead.

What this achievement means, as so many of us know, particularly upon first arriving as freshmen Senators, is that the amount of delay and frustration involving changes and moves has been kept to a minimum.

And the actual moving program, a total of 45 shifts, could not have been accomplished this early in the year had not the complicated suite selection process also been completed in record time.

In fact, the process was completed before the current 96th Congress was convened. Usually, it has taken many more weeks, well into the beginning of a new Congress.

There was a record new class of 20 Senators to settle. In addition, 25 incumbent Senators from the last Congress decided to change their suites.

The suite selection process was begun immediately after the November elections, and each Senator was given no more than 24 hours in which to make a decision.

I want to thank the joint leadership of the Senate and all of the Senators and their staffs for the fine cooperation that was extended all the way around. Most of the Senators did not, of course, take their full 24 hours to decide.

As a result, the new Senators did not have to spend any more time than necessary in temporary and crowded quarters. There have been times in past years when the final moves were not completed until July or August.

Several persons played key roles in this most successful endeavor. I am referring particularly to Ray Nelson, professional staff member of the Rules Committee, who took the lead in this operation and did a fine job, as well as others. William McWhorter Cochrane, Rules Staff Director; Superintendent J. Lewey Caraway, Assistant Superintendent David G. Stevenson, Second Assistant Superintendent T. Barry Burns, and all the moving employees of the superintendent's office; the telephone personnel of the Office of the Sergeant at Arms, including Dick Lester and Leo McMullen, and John Swearingen, Director of Technical Services for the Rules Committee.●

CONGRESSIONAL ROUNDTABLE ON WORLD FOOD AND POPULATION

● Mr. BELLMON. Mr. President, I call to the attention of my colleagues the Congressional Roundtable on World Food and Population, which was inaugurated on January 23 at a dinner meeting for interested members of both the Senate and House. This series of presentations by distinguished authorities has been organized by Representative PAUL SIMON and myself with the assistance of the Congressional Research Service. It consists of 10 evening seminars for members and their wives, and a breakfast meeting for staff on the following mornings. It is a rare opportunity for members and staff to become familiar with the problems and opportunities associated with feeding a growing world population.

On January 23, Maurice Williams, Executive Director of the World Food Council, traveled from Rome to present an overview which emphasized the global structure of food production and distribution, population, malnutrition, economic development, and investment problems which face a large segment of humanity. With between 450 million and 1.3 billion people currently malnourished, depending upon the nutritional criteria used, the gravity and scope of the problem make it one of the most critical facing the governments of the world. Less arresting than the drama of international diplomatic maneuvers, it nevertheless constitutes a critical factor in the achievement of human well-being and world stability.

In the paper he prepared for participating members, Mr. Williams states:

> What essentially is causing the food problem in developing countries has been the

rate of increase in the demand for food which is a combination of a high rate of population growth, averaging 2.5 percent annually, and a high income elasticity of demand for food. The combined effect was to raise food demand by 3.3 percent annually—while food production in developing countries has been increasing at 2.6 percent annually over the period 1950–1975. This, then, is the reason for the rising food deficits, particularly in the last 15 years.

With the likely doubling of world population in the next 30 years, the problem promises to get worse, unless effective policies are adopted and implemented by many governments.

It is not a problem which can be solved by increased production and export of food by the developed countries alone. Mr. Williams suggests that in the next 15 years the demand for food grains from both developed and developing countries will increase by some 550 million tons, more than 2½ times the current U.S. production. Mr. Williams points out, "the United States cannot provide another 100 million tons of exports for the developing countries while at the same time meeting growing needs in the United States and other developed countries, as well as the probability of large import demand by the U.S.S.R. and China, without sharply increasing prices during the 1980's and beyond."

While these trends promise improving fortunes for our farmers, they should not mislead us into believing that our own production will solve the problems of food and population around the world. Mr. Williams writes:

> The United States and Canada cannot feed the world, nor should they attempt to do so. Already North America is on its way to becoming the bread basket for the world, with exports increasing from 34 million tons in 1960 to 100 million tons in recent years. The inflationary implications of current trends in world demand and supply of food grains are considerable, not only because of the risk that world demand will surge ahead of world production, but because of the almost certain increased costs of production in the United States resulting from the need to engage land which should not be put under intensive production and the use of scarcer water supplies, as well as the prospects of having to use even more intensive application of higher cost fertilizer and energy to gain increased yields.

It is clear that increasing capacities to produce food on the part of the developing countries is essential to the long-term solution to world food problems. It is also clear that effective population programs in the developing countries are needed to dampen demand.

According to Williams, "The essential decisions for alleviating hunger and malnutrition in the world are primarily political." What is uncertain is whether or not the needed political decisions will be made in a timely manner so that food production and distribution can keep pace with the demands of rising populations.

February 27 brought the second speaker for the roundtable, W. David Hopper, vice president for the South Asia Region of the World Bank. In the paper he submitted to members of the roundtable, Mr. Hopper pointed out that if present world food production were distributed equally, per capita availability for the world's 4.4 billion people would be about 750 pounds of grain and grain equivalent per year, enough for a diet of approximately 3,300 calories per day. However, the imbalances in consumption among rich and poor nations result in the population of the United States and Canada, approximately 240 million people, enjoying a food intake of about 2,000 pounds of grain equivalent per person per year, while in the poorest of the developing nations the average level of consumption is 530 pounds per person per year, about 2,300 calories per day. On the basis of present trends, the paper estimates a growth in the demand for food in the low- and middle-income developing countries of approximately 3 percent per year. About 2.5 percent will be required to feed an expanding population. The remaining .5 percent is necessary to accommodate a growth in food demand due to the slowly rising economic affluence of the developing nations' consumers who are benefiting from economic progress.

Mr. Hopper is optimistic concerning population growth. Over the next 20 years, the expansion in global numbers will likely slow from a present growth rate of over 2 percent per year to an average rate of not more than 1.5 percent per year and possibly less. The resulting rate of expansion will depend on the availability of family planning services in developing nations and the speed with which their economies grow and develop. Such an economic development will require increased investment in the quality of people through expanded opportunities for education and access to better health care.

In the conclusion to his paper, Mr. Hopper says:

> If we are serious about conquering hunger, the dream must be attained in the manner of reaching the moon: through persistence, through an organized will to accomplish, through the mobilization of talents and hardware, through organization, and through the expenditure of treasure. Not an easy prescription for a world of separate nations, but unless the task is begun, its difficulties will not be encountered and be overcome, and people will not realize the promise of abundance that lies so close at hand yet so far beyond their present reach. Malthus can be right or be wrong depending on how men of good will respond to this challenge of opportunity. It is not a question of food and population; it is really just a question of how much food do we, the world's people, wish to provide.

Roundtable members heard from Lester R. Brown, president, Worldwatch Institute, Washington, D.C., for the third presentation on March 20. Mr. Brown's paper asserted that agricultural land can no longer be treated as an inexhaustible source of land for industry, urbanization, and the energy sector. New cropland is becoming scarce. He points out that, historically, increases in agricultural productivity have come through expanding the amount of cropland in cultivation, and then through increasing and improving agricultural techniques that improve yields. Mr. Brown indicates that the world's usable cropland is largely under the plow now and that its area can be only minimally increased. Further, the backlog of agricultural technology in the industrial countries for increasing agricultural yields seems to be largely used up. It is Mr. Brown's suggestion that existing cropland must be protected from competing nonfarm uses.

This analysis suggests that the problem rests squarely in the political realm.

It is impressive to me, Mr. President, that each of the first three speakers before the roundtable have concluded that the problem of world food and population must be handled by appropriate, timely, and effective political action by the governments and leaders of the world's nations.

A remarkable opportunity will come at the April 24 meeting of the roundtable, when members will have a chance to hear from Sayyid Ahmad Mar'i, Assistant to the President of Egypt. Having met him, I think members will find Mr. Mar'i to be a fascinating person with a remarkable blend of political and substantive contributions to make. As President of the World Food Council from 1975 to 1977, he demonstrated his awareness of the common problems of developing countries in providing sufficient food for their growing populations. His service in Egypt as Minister of Agriculture, Deputy Prime Minister for Agriculture and Irrigation, Speaker of the People's Assembly, and now, Assistant to the President, has equipped him well to understand the programmatic and political elements necessary for successful development from the Third World perspective. His topic, "Agriculture in Transition," will be the first presentation heard by members from the perspective of a Third World leader.

Members who wish to attend are urged to indicate their intention by telephoning Beverly Bennett at the Library of Congress at 426-7904. Staff members wanting to attend the breakfast meeting at 8 a.m. on April 25 may also call that number. Both meetings will be held at the Whittall Pavilion, Library of Congress.

Subsequent sessions of the Congressional Roundtable on World Food and Population will provide additional opportunities for members to exchange views with leading experts. These sessions are follows:

April 24, Sayyid Mar'i, Assistant to the President of Egypt, "Agriculture in Transition".

May 22, Norman E. Borlaug, Director, International Wheat Research and Production Program, International Maize and Wheat Improvement Center, Mexico, "Exploiting Plants to Meet World Food Needs".

June 26, John Anthony Pino, Director for Agricultural Sciences, The Rockefeller Foundation, "Non-plant Protein Sources in Meeting World Food Needs".

Carl J. Sindermann, Sandy Hook Laboratory, National Marine Fisheries Service, U.S. Department of Commerce.

July 24, D. Gale Johnson, Provost, and Eliakim Hastings, Moore Distinguished Service Professor, University of Chicago, "Strategies for Rapid Agricultural Development."

Arthur T. Mosher, President, Agricultural Development Center, New York City.

September 25, Ray A. Goldberg, Moffett Professor of Agriculture and Business, Harvard Business School, "International Trade and Investment Policies Which Affect Agricultural and Economic Development."

Alonzo L. McDonald, Deputy Special Trade Representative, Delegation to the Tokyo Round, Multilateral Trade Negotiations, Geneva.

November 6, Steven Muller, President, The Johns Hopkins University, "Overview and Summation."

One additional session, on October 23, will be offered. Its subject and speaker are yet to be determined.

Mr. President, I wish to point out to all Members of the Senate that this is a fine opportunity to prepare to meet a coming challenge to our country and to the world. It is a challenge which has agricultural, humanitarian, balance of payment, foreign relations, and commercial implications, and it would be good if the Congress of the United States were ready to meet the challenge.●

CLOSING OF FIVE NUCLEAR POWERPLANTS

● Mr. JOHNSTON. Mr. President, in March the Nuclear Regulatory Commission closed down five nuclear powerplants supplying electricity to consumers in the East. I was very concerned at this action mainly because I had just spent many hours at hearings with the Department of Energy listening to how the administration proposed to deal with the Iranian petroleum shortfall. One of the interim measures outlined to respond to this shortfall was the wheeling of electric power that was generated from nonpetroleum sources; that is, nuclear and coal-fired plants. The closing of these plants not only would remove the possibility of saving the projected 100,000 barrels of oil a day by wheeling, the closing action now will require an additional 100,000 barrels a day to produce the same amount of electricity.

Because of the importance of these plants to whatever overall energy plan we have in this country to deal with a petroleum shortfall, I asked the Department of Energy to respond to some questions which I would like printed in the RECORD for consideration by my colleagues.

The material follows:

U.S. SENATE, COMMITTEE ON
ENERGY AND NATURAL RESOURCES,
Washington, D.C., March 15, 1979.

Hon. JOHN F. O'LEARY,
Deputy Secretary,
Department of Energy,
Washington, D.C.

DEAR MR. O'LEARY: In light of the Nuclear Regulatory Commission's decision of March 13 to close down five operating nuclear power plants, and the untimely nature and consequences of this event with respect to additional burdens on the already critical United States import oil requirements—not to mention the economic consequences to consumers, I request as soon as possible that the Department of Energy provide answers to the following questions:

1. In view of DOE's responsibility for energy supply, did the Nuclear Regulatory Commission consult with DOE before taking the recent action to shut down the five plants?

2. Are there or should there be administrative or other mechanisms in place which would have led to such pre-decision discussions?

3. What is DOE's assessment of the impact of NRC's shutdown of the five nuclear units cited in the Commission's order of March 13, 1979, with respect to increased oil consumption?

4. What is DOE's assessment of the NRC order on the reliability of power supply in the respective utility systems and power pools?

5. What is the likely impact of the shutdown of these nuclear units on the cost of generating electricity in the affected systems?

I am holding hearings on Monday and Tuesday of next week on DOE's proposed emergency contingency plans, and, therefore, the information I asked for in the above questions would be much appreciated before that time.

With kindest personal regards,

Sincerely,

J. BENNETT JOHNSTON,
Chairman, Subcommittee on Regulation.

DEPARTMENT OF ENERGY,
Washington, D.C., March 16, 1979.

Hon. J. BENNETT JOHNSTON,
Chairman, Subcommittee on Regulation, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of March 15, 1979. The answers to the questions you posed therein are as follows:

Question. In view of DOE's responsibilities for energy supply, did NRC consult with DOE before taking the recent action to shut down five nuclear plants?

Answer. No.

Question. Are there or should there be administrative or other mechanisms in place which would have led to such predecision discussions?

Answer. There are no administrative or other mechanisms which would have assured such discussions. It has happened that when NRC is contemplating an action affecting DOE's responsibilities, they have informally consulted with us. Examples of this are NRC/DOE consultation on safeguarding nuclear materials and on possible licensing of radioactive wastes. Other discussions regularly take place from time-to-time between our respective staffs on matters such as safety standards and reviews. Such discussions should also occur with respect to energy supply and reliability considerations.

Question. What is DOE's assessment of the impact of NRC's shutdown of the five nuclear units cited in the Commission's order of March 13, 1979, with respect to increased oil consumption?

Answer. The NRC order could result in as much as 100,000 bbl/day of increased oil consumption to compensate for the loss of generating capacity from three of the five units affected by the order which would have been operating over the next 2–3 months (Surry Unit 1; Fitzpatrick; Maine Yankee). This assumes a 100 percent capacity factor for this period. Additional oil use of 35,000 bbl/day of oil use could result from Surry Unit 2 being kept out of service beyond the time-frame required to complete boiler repairs currently in progress.

In the case of the PASNY and NEPOOL units, lost generation will be replaced directly by oil-fired generation in other portions of the systems. In the case of VEPCO and Duquesne Light Company, lost generation will be replaced through purchased power (both coal- and oil-fired) and oil-fired generation within the respective systems.

Question. What is DOE's assessment of the NRC order on the reliability of power supply in the respective utility systems and power pools?

Answer. The loss of nuclear generating capacity in the New York State Power Pool (Fitzpatrick Plant) and the New England Power Pool (Maine Yankee Plant) should not have any near-term effect on bulk power reliability in the respective systems since recover margins are considered adequate in these areas. The loss of nuclear generating capacity at VEPCO (Surry Units 1 and 2) and Duquesne Light Company (Beaver Valley) could result in more serious reliability problems if these units are not back in service during the summer peak-load periods and either system experiences: (a) the forced outage of another large generating unit; or (b) summer peak loads considerably in excess of those forecast. In such cases, selective load curtailment might be required during periods of peak load.

Question. What is the likely impact of the shutdown of these nuclear units on the cost of generating electricity in the affected systems?

Answer. The immediate economic impact of the loss of nuclear generating will depend on the precise sources of replacement power selected by each system. The higher fuel costs of oil-fired generation and the costs of imported power are generally flowed-through directly to customers under the fuel-adjustment and purchased power clauses of State utility tariffs. State regulatory agencies, however, may seek to exercise some degree of regulatory oversight on the increased costs resulting from the NRC order.

For the systems affected by the NRC order, electricity generated from oil-fired plants costs five to seven times as much as electricity generated in nuclear power plants (at the busbar assuming replacement power at 70 percent capacity factor). Coal-fired generation is less costly than oil-fired generation, but if wheeled across intermediate systems, is subject to additional transmission service charges. In either case, these additional costs are "rolled-in" with the costs of generation from the utility's other generating units. The loss of a typical 800 MW nuclear plant could add approximately $200,000 per day to the systems' operating costs.

If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

JOHN F. O'LEARY,
Deputy Secretary.●

THE CARTER ADMINISTRATION'S INFLATION POLICY

● Mr. DOLE. Mr. President, the Senate has before it a bill to extend and expand the authority of the Council on Wage and Price Stability. While I do not disagree with the function of the organization, I do not believe it has been very effective. Over a year ago, the administration identified inflation as a serious domestic problem. That assessment represents the highwater mark of the administration's efforts to combat inflation. Last month, prices increased at an annual rate of almost 15 percent. The inflation rate for the last 12 months has been 9.9 percent. The rhetoric about double digit inflation is not idle talk, but cruel reality.

The Council on Wage and Price Stability must bear much of the blame for this sad state of affairs. It has failed to provide the guidance and foresight necessary to lead us out of the inflationary quagmire. So it strikes me as ironic that today we are considering a 500-percent increase in staff and a 300-percent increase in budget for the council. President Carter campaigned on a promise of reducing the size of Government, and he has imposed so-called "voluntary" guidelines to limit wage and price increases. Yet after 2 years of failure, the governmental agency designated to fight inflation has decided that the only way to do its job is to triple its budget and increase by five times its staff.

The Federal Government is the major cause of the inflation problem. There is no question that substantial and persistent Federal deficit spending exacerbates inflation. When the Government runs a deficit, it pumps more money into private pocketbooks than it collects in taxes. Since more money is "chasing" the same number of goods, in the long run the price of goods must increase. Thus inflation tends to depress the stock market; it encourages labor to demand extremely high wage settlements. It is a cycle of failure, and only steps more positive than padding a Federal agency payroll will stop the cycle in its tracks.

One of the brighter spots in this particular legislation is the proposal of the distinguished chairman of the Banking Committee to limit Federal outlays to 20 percent of the Nation's gross national product by fiscal 1983. However, I believe Congress should do more. Unfortunately, in the last few days the Senate failed to adopt the Dole-Armstrong amendment for a balanced budget.

Mr. President, the American people want a balanced budget. They want stable prices. They want economic leadership. The proliferation of an agency to enforce what are largely viewed as ineffective policies may not be the answer.●

A FAIR BREAK FOR YOUTH

● Mr. **DURENBERGER**. Mr. President, this past Monday, many Members of the Senate attended the signing of the peace accords between Egypt and Israel at the White House. The ceremony was a major advancement in the development of international understanding and cooperation.

I recently attended another Monday ceremony at the White House. This ceremony was concerned with a domestic problem which is just as serious as international peace. The problem is unemployment, and the ceremony focused on probably the most intractable area of unemployment, that is joblessness among youth.

Control Data Corp. of Minneapolis, Minn., has been an innovative leader in the business community for developing new job opportunities. The White House ceremony involved the signing of a contract between the Department of Labor and Control Data to undertake a Job Corps training and employment project for disadvantaged youth. As Labor Secretary Marshall said:

> The significance of this experimental project is its reliance on a company directly training enrollees for its own work force. Moreover, these jobs are highly skilled at the beginning level, with ample opportunities for advancement. These are lifetime, productive jobs.

The private sector has to take a more active role in developing positive alternatives to public programs. Control Data is attempting to provide an alternative in the youth employment area. Their work should be applauded and encouraged.

I submit for the RECORD Secretary Marshall's remarks on the project. Also included is a New York Times article on the Control Data job training program and an article which was authored by William C. Norris, chairman of Control Data which discusses the unemployment situation in Minnesota.

The material follows:

MARSHALL STATEMENT ON CDC–JOB CORPS PROJECT

Let me extend my congratulations to the Control Data Corporation for joining in this innovative Jobs Corps project to train and hire disadvantaged youths.

This project is an outstanding example of how government and business can work together to solve structural unemployment. It is an example of many such projects funded under this Administration's youth initiatives. This year over $2 billion will be spent to provide year-round employment and training opportunities to over 200,000 youth, and to provide one million summer youth jobs.

The human dimensions of the structural youth problem are serious. For we are witnessing an entire generation of young people coming of age without steady, rewarding jobs—without a bright future before them. On those terms alone, we cannot neglect this problem.

But structural unemployment also has a very real economic impact. For despite high unemployment among youths, especially minority youth, skilled jobs all over the country are vacant. As long as we lack the skilled workers to fill these jobs, our economy will be that much less productive and more vulnerable to inflationary pressures.

The significance of this experimental project is its reliance on a company directly training enrollees for its own work force. Moreover, these jobs are highly skilled at the beginning level, with ample opportunities for advancement. These are lifetime, productive jobs.

The $3.3 million in Federal aid for the several years of this project are a wise investment in the future—for its help to about 300 young people, and for its help in making our private economy more productive.

President Carter has said many times that we can solve our national problems only through a partnership of government with business. This is one important way we are fulfilling that promise.

Finally, let me commend Control Data for a long and exemplary record of training and hiring the disadvantaged. This project is only one of several such efforts by CDC, and I extend my best wishes for your continued success.

$3.3 MILLION MULTI-YEAR PROGRAM OFFERS JOB CORPS YOUTH TECHNICAL COMPUTER TRAINING

The U.S. Department of Labor today awarded the Control Data Corporation a $3.3 million multi-year contract to prepare Job Corps enrollees for technical and entry-level careers with the CDC and its subsidiaries throughout the United States.

The Job Corps assists the most traditionally disadvantaged youth by helping them become responsible adults, prepare to get and hold productive jobs, return to school, or enter further training.

Under the contract, titled the Advanced Career Employment and Training (ACET) program, 100 qualified Job Corps enrollees will be selected to prepare for careers in the computer customer engineering and computer operator fields. Corpsmembers completing either of the two CDC programs will be employed by that organization at salaries prevailing at the time and will progress through normal career paths.

Trainees in both groups will be relocated to the Twin Cities (Minneapolis-St. Paul) area where they will be furnished full residential and support services by CDC.

About 100 other Job Corps enrollees will be brought into Control Data subsidiaries to prepare them for jobs at the entry level. Following a short work experience internship, participants will continue as permanent employees at an appropriate salary.

An additional 100 Corpsmembers will be provided with work experience and permanent employment to be provided by a consortium of Twin Cities employers other than CDC.

Most of the entry-level positions to be filed by the Corpsmembers have established career paths leading to jobs at higher wages.

Participants in the programs will be recruited by representatives of the Control Data Corporation and regional officials of the Job Corps. Plans call for visits to selected Job Corps Centers to begin immediately to ensure that the project meets its employment goals for the contractual period.

Control Data has been a leader in providing computer training around the country and has demonstrated exemplary capabilities in dealing with the disadvantaged in several training programs. Those projects have been operated in many cases solely by the organization as a contribution to the social welfare of the nation, and in some cases as cooperative ventures with the Department of Labor or other Federal agencies.

This experimental project is one of the first of many programs planned to bring about recognizable improvement in federally sponsored employment programs that will lead to better jobs and higher wages through close cooperation between the government and the private sector.

[From the New York Times, Jan. 7, 1979]

HOW CONTROL DATA TURNS A PROFIT ON ITS GOOD WORKS

(By Michael W. Fedo)

MINNEAPOLIS, MINN.—The Control Data Corporation undertakes some of its community-oriented projects because, as chairman William C. Norris puts it, "They are the right thing to do." But, he is quick to add, "We view the major, unmet needs of society as opportunities to pursue profitable business. This is, after all, the basic reason for the existence of business."

And that is the premise from which the giant technology company, based here, has built a broad spectrum of programs that successfully meld the profit motive with social responsibility. Among its projects:

The renovation of homes and building of plants—the fifth of these assembly facilities is now on the drawing boards—in depressed areas to provide sorely needed jobs, attract small businesses and encourage further renewal efforts in the inner city.

Fair Break, a program that uses the company's sophisticated computer systems to offer remedial education, counseling and paid work experience to inner-city youth between the ages of 16 and 22. The company now packages the program and plans to sell its methods via training kits and technical assistance to hundreds of other social agencies and companies throughout the country.

An unusual attempt to make the workplace more accessible to ex-offenders, under which the company provides and finances used cars on liberal credit terms to newly released offenders through its finance and auto-leasing subsidiaries, the Commercial Credit Company and Commercial Credit/McCullagh Leasing Inc.

Employee Advisory Resource, a 24-hour hotline that offers professional counseling and referral services to workers; E.A.R. is another of the company's projects that is sold to other companies.

Control Data officers say that large corporations ought to try to help the Government deal with social problems because in the long run, solutions benefit everybody. "If what we do can reduce costs of welfare or corrections, the business climate improves and taxes go down," Norbert Berg, senior vice president of administration and personnel, says.

Scouting out potential projects for the company is the Social Responsibility Committee, comprised of 15 people from all levels of the company. With a $3 million budget to fund its work, the committee is charged with developing programs once it has identified areas where the company can use its technology to alleviate problems.

"The pressing issue of the day is finding jobs for people," Mr. Berg adds. "We start there. Before any other rehabilitation can work, we feel people need to have worthwhile employment."

To that end, Control Data, which employs 46,000 people in 34 countries and whose sales last year topped $2.4 billion, has established modern plants in inner-city or depressed areas of Minneapolis, St. Paul, Washington, D.C., and Wolfe County, Ky. A fifth is planned for northern Manitoba. When all are completed, total employment at the facilities will exceed 1,500.

MAKING IT WORK

The first of the facilities was built in Minneapolis' Northside area in 1968. There were problems at first, but the company stayed with the project, and even had its attorneys wandering through jails on Monday mornings with bail money to obtain releases for those workers who had gotten in trouble over the weekend. Those lawyers also were retained to counsel employees with other legal or financial problems.

Since those early days, the Northside plant—a manufacturing facility involved in electronics parts assembly employing 200 to 300 workers—has become one of the most productive and profitable in the company, officials say.

Mr. Berg says, "It's a good company. We have an average tenure of 5 to 6 years, and vandalism there is nonexistent. We haven't had a broken window."

In response to a community's need for jobs with flexible hours, Control Data set up a bindery in the Selby area of St. Paul, that relies almost exclusively on part-time employees for its workforce of about 120. A large percentage of the workers are mothers of school-age children, who generally work the five hours from the time their children go to school in the morning until they arrive home, and high-school students who take the remaining three hours of the shift. While St. Paul has a minority population of about 7 percent, 90 percent of Selby's workers and all of the managers there are minority group members.

"The business helps the whole community because people living here have money to spend here," one worker there says.

The purchase and renovation of 10 rowhouses in Baltimore last year was one of the "right thing to do." The company paid undertakings characterized by Mr. Norris as $196,000 including renovation costs for the homes, which has been slated for demolition until Control Data's Commercial Credit subsidiary stepped in. The homes were sold back to community residents at an average price of about $15,500 each—$500 down, with mortgages from its own finance subsidiary offered at 6½ percent interest.

Since then, the city of Baltimore's housing department has begun to renovate 23 more homes for resale in a similarly low-priced, liberal credit package for the disadvantaged.

That's the aim of many of the company's projects, officials say: to stimulate further renewal and renovation efforts and attract businesses to depressed areas. As one executive put it, "If you can't get businessmen to build in the slum, you've got to get the slum out of the slum first. Then business will follow."

That credo underlies all of the company's programs, and explains why the major thrust of its efforts will continue in urban revitalization, which Mr. Berg calls the growth industry of the 1980's. As transportation costs soar, the company believes people will return to live in cities, if suitable housing can be found.

Efforts like this are necessary, says Mr. Berg, because "no company wants to build in a depressed area. You clean up housing and businesses move in. Everybody's satisfied."

LEARNING FROM PLATO

The Fair Break program utilizes a computer delivery system, called PLATO, developed by Control Data as a basic-skills teaching tool for school districts. At the company's center in St. Paul, 42 students—unemployed school dropouts from 16 to 22 years of age—spend two of their three hours a day there working at a PLATO computer terminal. PLATO has been especially successful in teaching the basics—math, reading, language arts—to so-called "turned-off" or under-achieving students, and has also worked well in penal institutions. Individuals can earn their high school equivalency diplomas after working with PLATO over periods ranging from a few weeks to a few months. The students spend the other hour daily with counselors or in group discussions.

Clifton Collins, operations manager of Fair Break, says that persons who have had negative experiences with traditional education, are enthusiastic about working with computers.

"Here are young people who've never been told they did something right," Clifton Collins, operations manager of Fair Break, said. "Positive reinforcement is vital, and PLATO gives them this. It immediately recognizes accomplishments, or tells the person what went wrong."

Consequently, the computer is often more effective in teaching these people than humans—a factor borne out by Fair Break enrollees. "I hated school," said one 19-year-old, with a minor criminal record. "But this is cool; I'm learning."

The remaining four hours of the students' day are spent at a parts assembly plant that was built especially to accommodate them near the center. Here their work habits are observed during scheduled production, and they are paid standard Control Data wages of about $1 an hour. The Federally funded program created by the Comprehensive Employment and Training Act picks up the cost of the computer time and the rent at the Fair Break center.

In marketing Fair Break to other corporations and social agencies, Control Data charges variable fees, depending on the services provided. The company can offer from two to 20 terminals for the remedial education work, and will supply all of the counseling services, or just a portion of them. Participating agencies include C.E.T.A, the city of Baltimore, Md., and the social services agency of Dakota County, Minn.

The success of the Fair Break program comes from its acceptance of the fact that "you don't just give a kid a job and let it go at that," as R. D. Connor, vice president for business development, says. "You have to learn about that kid—who he is, where he's coming from, then start to deal with him as an individual."

What started as a Fair Break center in Baltimore, is now called the Learning Center, because children with learning problems are involved as well as adults. Thirty-nine adults recently graduated from the center, and the current enrollment numbers 185 students.

PROVIDING "WHEELS"

Gene Baker, vice president for Human Resource Management Service at Control Data, oversees the cars for ex-offenders program. He describes it as a natural outgrowth of the company's long interest in corrections.

"One of the major hindrances in the ex-felon's attempt to secure and hold a job is his lack of transportation," Mr. Baker said. "Typically you find the man living downtown where he can afford lodging, but the jobs probably aren't there. Public transportation isn't thoroughly developed here yet, so the man has to have wheels if he's going to work."

Using Control Data's finance subsidiary, the Commercial Credit Company, newly released felons are able to purchase a good used car. Commercial Credit owns Commercial Credit/McCullagh Leasing Inc., one of the nation's largest auto-leasing companies, which handles about 42,000 cars and trucks coming off lease each year. These are normally sold at wholesale prices to dealers, but the company now offers cars to ex-offenders at the same terms dealers would get, with Commercial Credit financing the sales.

Through the end of 1978, about 150 former convicts had been provided cars in an arrangement that demands no payments for the first three months. The final payments are spread over 33 months—a longer period than most banks and finance agencies might generally offer on a 2-year-old used car.

Commercial Credit also helps the buyer obtain insurance, which is often a problem for a person with a criminal record. The company figures the insurance costs, taxes and license fees into the monthly payments, which average less than $100 a month.

Mr. Baker said that Commercial Credit will make at least a minimal return on its investment. "We're not concerned about a quick profit here."

Though corrections officials have offered to screen candidates for safe risks, Control Data refused the offer. The company says it wants the program to be as broad as possible to learn as much as it can about assisting the ex-offender. "We want to keep the man in his car," Mr. Baker said, adding that the company might deal differently with ex-offenders than a usual customer. "We might have to extend payment periods, or have to assist him with problems he has in getting and holding a job."

To deal with some of these problems, participants are given access to Control Data's Employee Advisory Resource (E.A.R.), a 24-hour hotline offering professional counseling and referral services to employees of Control Data.

E.A.R. is a spinoff of the Northside program, created when many of those workers had severe problems that affected their work. Now E.A.R. operates in nearly all of the company's locations and aids about 4,000 employees annually.

While company officials say it is difficult to assess the dollar value of E.A.R., they believe it reduces absenteeism and tardiness and improves job performance. Control Data has sold the E.A.R. concept to other corporations, grossing $130,000 from that marketing effort so far.

"Companies contact us, and we also conduct awareness seminars [about E.A.R.] in other cities," explains John Moe, who coordinates E.A.R. programs. Control Data's fee for E.A.R. is also variable. It may involve an hourly consulting rate, determined by the participating company's resources, or it could be quite inexpensive for businesses in the Twin Cities, who can simply plug into the existing program at Control Data. Fees are normally assessed at a per employee rate.

[From the Minneapolis Star, Jan. 29, 1979]

STATE'S JOBLESS FIGURE TELLS ONLY PART OF THE STORY

(By William C. Norris)

Notwithstanding Minnesota's much heralded unemployment rate of 3.5 percent, those who are unemployed or underemployed are justified in asking, "Does anyone care if I have a decent job?"

Justified because looking beyond the rate reveals an employment problem of startling magnitude. And it is accompanied by complacent attitudes that support a conclusion that most of us care but not really enough to do what could be done to provide more jobs—especially decent jobs.

Let's look further, starting with the unemployment rate. Just skimming the surface and removing the 9,000-plus federally funded (CETA) public service jobs in the state, which cost taxpayers over $70 million in fiscal year 1978, would raise the rate almost one-half of a percentage point.

In actual numbers of people, November's 3.5 percent unemployment rate stands for 71,400 men and women who were without work but who had done something toward finding a job in the previous four weeks. Roughly, the rate is determined by a count of the number of persons receiving unemployment compensation and estimates of a variety of other factors including those who had exhausted unemployment benefits, those failing to file claims, and those entering the work force for the first time.

The number of employed Minnesotans, totaling 1,962,600 in November, includes every person who has worked as little as one hour per week. Anyone receiving a wage is considered employed. Even those who are underemployed—working part-time and desiring full-time work, or those whose skills exceed the qualification for the jobs they hold—are counted among the employed.

The unemployment rate then does not include the number of discouraged workers who want employment but have given up looking. It does not include the more than 1,800 people who live in state correctional institutions who are unemployed (many of whom are there because of lack of jobs opportunities). Other large groups of persons who are unemployed and are probably not included in the unemployment rate include the handicapped and residents of halfway houses. And the 3.5-percent rate takes attention away from the excessive 11.1-percent rate of unemployment for youths in the state.

Besides understating sheer numbers, the unemployment figures fail to portray the severity of the unemployment situation not only for the handicapped and minority youth, but for certain other groups of people. It does not reflect the tragedy of the more than 7,000 American Indians over 16 years of age and without jobs who are living on the 11 reservations in the state. And little is known of the job status of the 7,000 more who are not living on reservations.

It does not reflect the trauma in the lives of the discouraged, unemployed workers and those underemployed whose earnings are low and intermittent. In 1976, federal statistics indicated that one of every 11 working heads of families made less than a poverty level income of $5,800 a year for a family of four.

No statewide assessment of the under-employment situation has been made but all indications are that the problem is immense and growing. Recent national surveys indicate that the number of people working part-time who want full-time work totals 25 percent of the work force. A Department of Labor survey found that 27.4 percent of all workers in the nation considered themselves over-qualified for the jobs they held. According to the state demographer, Minnesota is producing credentialed people faster than it is producing matching job opportunities. The result is that college-educated men and women seek employment in other states or settle for jobs not requiring their credentials.

These indicators lead to a conservative estimation that 25 percent of Minnesota's work force is underemployed. Hense, Minnesota's underemployed population would total near 500,000—more than seven times the number that make up the 3.5-percent unemployment rate.

There is litle evidence that the under-employment situation will be improving in the near future. According to the Office of Management and Budget, half of all jobs in the United States do not even require a high school education. In 1976, the Bureau of Labor Statistics projected that about 13.1 million college graduates will enter the civilian job market during the years 1974 to 1985 but only 12.1 million job openings requiring their training will be created.

Even less is known about discouraged workers. The Bureau of Labor Statistics estimates that for the third quarter of 1978 approximately 1 million people in the nation did not think they could get jobs.

Adding the totals of the unemployed, the underemployed and the discouraged workers provides a more accurate assessment of the true employment situation in the state. Clearly, a great deal of work needs to be done to upgrade the work opportunities in Minnesota and to bring the discouraged workers back into the jobs marketplace. It is especially important to act now because significant effects of actions taken now will not be felt for 10 to 15 years. However, without changes in attitudes they won't be taken at all.

The attitudinal problem starts with not really wanting to know the true dimensions of the employment problem. While few will admit to such indifference, that conclusion is nonetheless inescapable when one considers what the published rates overlook.

Reasons given for the reporting gap in employment are "too hard to get the data," or "too costly," but no estimate of the cost is made available.

It appears to me that most leaders in our society, including those in business do not know how jobs are created, or that small business is the source of over half the jobs in our country. Many church leaders seem more interested in crusades for human rights in other parts of the world, like South Africa and Communist countries, and advocate actions by business that have little practical effect on the causes they champion, yet diminish jobs at home. Politicians argue about a practical definition of full employment without adequate facts, and so on.

The toll of not caring enough and not knowing the true dimensions of the employment problem is great, both in human deprivation and suffering of those without jobs and monetarily to all of us who end up supporting them. The costs associated with unemployment, underemployment, and discouraged workers are staggering. Direct costs include welfare, unemployment compensation and employment programs. The costs to maintain correctional facilities are also related to the problem of unemployment.

Last year welfare in the state of Minnesota for Aid to Families with Dependent Children, general assistance, and food stamps totaled over $218 million. Employment programs under CETA in Minnesota cost another $117 million. Other costs include governmental expenditures for health care, rent assistance and social services.

Let's eliminate our complacency and inaction by coming face-to-face with the problem by determining its true dimension in Minnesota.

Our state is endowed with vast and creative talents residing in large corporations, foundations, educational institutions, state government and other organizations. By pooling these talents in a cooperative effort a practical survey method could be devised and implemented. While a survey would be difficult and costly, it is even more costly to continue to believe that our 3.5-percent unemployment rate tells the real story of employment. Instead, the 3.5 percent should be viewed as merely a starting point.

Once its dimensions are clearly understood, I believe that complacency would give way to widespread deep concern and broad-based action so that the unemployed and underemployed would begin to know that someone does care if they have decent jobs.●

NOTICE OF COMPLIANCE BY THE COMMITTEE ON VETERANS' AFFAIRS WITH SECTION 136 OF THE LEGISLATIVE REORGANIZATION ACT OF 1946, AS AMENDED

This is to give notice to all Senators and the public that the Committee on Veterans' Affairs is filing with the Senate its report on the committee's legislative and oversight activities during the 95th Congress, as required by section 136 of the Legislative Reorganization Act of 1946, as amended.

ADDRESS BY GOV. JOHN D. ROCKEFELLER IV ON COAL

Mr. PERCY. Mr. President, I recently read an outstanding speech by Governor Rockefeller of West Virginia, and would like to share it with my colleagues. The Governor gave this speech on March 7 to the Mining and Reclamation Council of America. In it he makes a compelling argument for greater support for the development of coal in this country.

This brilliant speech comes at a critical time, just prior to yet another OPEC price increase and the worst nuclear accident in history.

Over and over again the leadership of this country has said that we must rely more on coal. The goal of doubling our production to 1.2 billion tons a year by 1985 has been set by both the Carter administration and before that by the Ford and Nixon administrations. And yet the outlook for attaining this goal is profoundly gloomy.

Senator JENNINGS RANDOLPH and I both attended a seminar on Wednesday, March 21, on collective bargaining in the coal industry, held under the auspices of the President's Commission on Coal. This Commission is presided over by Governor Rockefeller and I am proud to be a member of it. At that seminar several constructive and intelligent papers were given by leading experts on the coal industry, including Dr. Robert B. McKersie, of Cornell University, and Dr. William H. Miernyk, of West Virginia University. This seminar underscored many of the same points made so forcefully by Governor Rockefeller in his speech on March 7.

Mr. President, I recommend Governor Rockefeller's speech to my colleagues and I ask unanimous consent that it be printed in the Record at this point.

There being no objection, the address was ordered to be printed in the Record, as follows:

Address by Gov. John D. Rockefeller IV

I have begun to feel, I must say, in the past year that maybe there are not all that many people who work in this city who do remember there is a coal industry out there which is trying to get some things accomplished. It amazes me from a substantive point of view of how the importance of coal to our National Energy Plan soars and then dies in popularity, much in the manner of a roller coaster.

I swear to you that it was not so long ago I thought I heard that coal was being talked about as the answer to America's energy problem. I might have been wrong, but I did think I heard that. And, I thought I heard that it was the major artillery weapon in the National Energy Plan's arsenal with which we are to do battle at the national and international level with an intensity that was to approximate "the moral equivalent of war."

The next minute, the next month, we find energy ignored with the exception of the word "solar" in the State of the Union message. I know that in my State of the State message, I spent about one-third of the entire speech talking about coal. And energy. And research. And technological development.

Now, I recognize the problems of West Virginia are slightly less complex than the problems of the nation, and much less complex than the problems of the world. But, nevertheless I would have thought better if I had heard about more than solar energy in the State of the Union. And then, to find that Secretary Schlesinger had something to say about nuclear power, (which I'll get into in a moment) or natural gas, because of the intrastate, post-NEP consequences, or "sunshine energy," or again nuclear energy—depending upon which day of the week, what you read, what the mood was, who the speaker was, who the cabinet secretary was, or which memorandum you were reading in the newspapers.

And we're left, therefore, with a sense of confusion and bewilderment about whether we do, in fact, have a national energy policy. Or, as Finnigan says to Flannigan—"Off again, on again, and gone again."

There was an English writer in the last century who said, "The world does not require so much to be informed, as *reminded*."

So I travel from my state capital to Washington in the 57th day of a 60-day session of our Legislature not to inform, but to "remind" of several points.

To remind Washington, that the coal reserves in the United States are equal to one-half of the known reserves in the entire world. And that they have five times the energy value of our recoverable oil and natural gas.

To remind Washington, that there is enough coal around to last this nation, at current rates of consumption, for over 360 years, and if allowed to develop that technology, we can recover and use even larger portions of our coal resources.

To remind Washington, that only a few short years have passed since we stood in long lines at gasoline pumps in the wake of the OPEC oil embargo.

And most of all, to remind Washington, that less than two years have elapsed since the President, in formulating a national energy policy, did in fact challenge us to double national coal production by 1985, declaring that the "two C's"—coal and conservation—will be the cornerstones of our new policy.

I take any President seriously. And, when he said that coal would be the cornerstone of the policy, I was prepared to believe him. And, I'm still prepared to believe him.

Why, then, having laid out a logical plan based upon common sense, having an act of legislation establishing the parameters within which we can reach our energy goals, do we now seem to be stuck and indecisive and self-contradictory? Why are you in such a state of gloom and lack of certainty?

The reason, in my judgement, is that this administration, which I support, has not chosen to effectively harness and control the forces of government which it is meant to control toward a working realistic energy policy. We cannot, in my judgment, endure the head of a government, at any level, telling us to switch to coal—thus lowering dependence upon foreign oil imports—and at the same time allow agencies of government following behind him with unrealistic and unprecedented rules and regulations that substantially limit us from mining coal and from burning coal. You do not, in principle and in practice, as a leader, call for action and then preside benignly over the creation of uncertainty in a key national area.

Admittedly, it is cheap stuff for politicians to stand up and spout rhetoric against regulators. It is the easiest thing in the world to do. As chairman of the Presidents' Commission on Coal, I have heard as much as anyone in this room.

I can understand it in large well-established departments in Washington, with long-standing traditions, where bureaucracies have grown and developed momentums of their own. They become the masters of others. But, that is not what we are faced with in the field of energy, and particularly in the field of regulation of energy development.

The recently-created departments which regulate are not old, are not well-established, and are in a position to be flexible and to be creative.

To date, in some measure, OSM has pushed for, and fought for many unprecedented, illogical and uninformed positions through rules and regulations relating to the mining of coal.

We, in West Virginia, have fought back on some of those. And, it is to the credit of OSM and its leadership that they have recognized and receded from some of those positions. But it strikes me as crazy for me, or for Director Dave Callaghan of our Department of Natural Resources, or for any other governor or senator or any other person with responsibility, to have to spend a year or so in brutal fighting. This is not necessary and not desirable, to eliminate a rule or regulation which should not have been put up in the first place.

It strikes me as not unreasonable to suggest that, in a democratic and rationally-run nation, a government either wants to produce coal, says so and makes its policies accordingly, or it does not choose to have that as a national policy, and makes its rules and regulations accordingly. On that, we ought to be clearly in something called the Energy Crisis.

Do we blame OSM—the easy target? I'm not necessarily sure that that is correct.

In my government, in my state, I take responsibility. The President, and the head of the Department of Energy, and the head of the Department of the Interior must control, must lead these people and not follow benignly in a trail of red-tape and regulations. The White House cannot have it both ways. They are no different from either you or me. The President cannot expect to keep all of his environmental constituency on the one hand and double coal production in the United States on the other.

But again, don't just blame him. I was not able to attend a recent National Governors' Association meeting, here in Washington, because of the Legislature back home. At the NGA meeting, Secretary Schlesinger talked at length about nuclear power and nuclear energy as a fundamental force for the future. And as I read it, and as I heard it, he went first from coal, then to natural gas, and then to nuclear energy, saying that it really was the safest, most economical long-term answer for this country.

And then, not a governor stood up to fight. Not a coal governor stood up to fight him. He said it. Senator Jackson said it. Nobody from the governors came forward to fight. And I regret I wasn't there.

But what is it that creates uncertainty? It is the lack of certainty. You cannot talk nuclear and at the same time talk coal, and expect certainty and expect Wall Street to react in favor of coal. There is no greater enemy than fear and uncertainty.

When you talk nuclear, which in my judgment is not wise and in no way a short-term answer, you cannot do that and send those mixed messages out to our people, and call that leadership and call that a rational energy policy.

The miners and operators of America will come together as well as they can to ease the burdens of our nation. But, we have every right to expect a commitment from our federal government, as the people in my state have a right to expect it from me, that the bureaucracy will act in accordance with stated national goals.

We expect a bureaucracy to cooperate, not to hinder efforts. We expect OSM and EPA and the Corps of Engineers and the myriad of other agencies whose rules and regulations we must observe, to cooperate with designated national goals.

In West Virginia we make it work. We have approximately the same number of permits for surface mining issued in 1978 and in 1977. And, I would have to say that those also were, for a period of time, operating under the temporary federal regulations. But, we try to make it work. We try to expedite. We try to have the bureaucracy conform to the coal imperative of that clearly coal-oriented state. I try not to send out mixed signals to anyone.

So what then do we do, and where do we turn? I suggest that we go back to basics—simple stuff.

The nation has an energy crisis. Coal can help solve that crisis. But, to help in the solution, the coal has to be mined. It has to be mined safely. It has to be mined properly, with proper reclamation, with proper expenditures in that area. It has to be mined with common sense.

I suggest that in the final analysis the problem can be defined on a national level as the absence of a cohesive, working national energy policy, and only the President is in a position to assert that policy to make it clear and to make it work.

Now let me make a couple of other comments. I don't want you to be pessimistic. If there is anything which we do not need, it is for people in coal to decide that the future is so gloomy and the signals are so mixed that they will give up.

Several things we must be very realistic about . . .

One, the rules and regulations promulgated by OSM are now permanent. They are fact. We accept them, we live with them, we don't pretend that they're not there; they are.

Let's accept another reality. You couldn't give me the job that Walter Heine has. He's got the toughest job in the United States. You don't know, but I do, the pressures that he is under as he tries to adjust and work within an extraordinarily difficult system. You don't know, but I do, that just this week he faced down, and gave hell to, the Sierra Club of this country on behalf of rational rules and regulations. But Walter Heine cannot operate all by himself. He was appointed to enforce laws. Walter Heine and the people who work with him cannot write one set of rules for West Virginia and another set of rules for another state. There has to be a common set of rules and regulations. And, it is true that through the 1960s, and maybe even into the first year or two of the 1970s, there were a lot of coal companies that were not doing the job. The legacy of that, the fact of that, the memory of that, the impact of that on environmental groups, on public people at all levels, lingers. And, that does not make the job of the OSM director any easier. Walter Heine is a reasonable man. He operates under extraordinary pressures. I have found that when I sit down with him, or when Dave Callaghan sits down with him to work out problems on a direct basis, that he is not difficult to deal with. He will tell me no sometimes. He will tell me yes sometimes. He will explain why. He is a fair man. To scream, to yell, to criticize, to engage in unnecessarily and unuseful cheap rhetoric is counter-productive.

In order to do it, we'd better all work together. We have a lot of good things going for us, you know. The coal is still there. We are in an adjustment period, a transition period. Everything is very complicated, very difficult. You want to have everything soft right now. You want to have things happen right now that cannot happen right now. So, we work together.

Last week, in my office in Charleston, for the first time, I would suppose in the history of that state, there sat the president of the United Mine Workers of America and three or four of his principal people from the state of West Virginia and some very key coal operators from the state of West Virginia, all complaining about the same thing, with the same intensity, with the same words, and with the same goals.

That, ladies and gentlemen, I submit to you, is extraordinarily historic and is progress by any definition because the UMW has discovered, only too recently, that in the rules and regulations and the federal surface mine act, deep mining also is affected. So, they want in on the deal. And the deal is that if we can't work rationally together, some of the UMW people are going to lose their jobs. And if you were president of a union in which the percentage of national production had gone from about 75 percent to about 48 percent in four or five years, you'd be worried too.

Arnold Miller is stronger now, more secure now, than he ever has been. He understands and is willing to work on some of the problems that you and I face together. That's progress.

I have discovered in recent years that operators are a lot more willing to deal with realities and work through the system more realistically than in the past.

It is a fact that the President's Commission on Coal is going to make substantial contributions to the whole focus on coal, to the resolution of some of the problems associated with coal—labor relations, collective bargaining, and environmental rules and regulations, which are key to your work. You have a Commission which is a good one, with a good staff, which is totally committed to focusing honestly and fairly on problems which directly affect you.

We mean to produce results, to focus on the problems and to be helpful in the national interest.

And, then to remember, that coal still is the answer. No matter what the problems are now, things will get better. They can't get a whole lot worse. They will get better.

Finally, I would say, be organized, hang tough, be persistent, and do what everybody else does. Work the system fairly, squarely, precisely, with your facts in hand and with your emotions in control, and with the sight on the target, which is—the coal is out there, and we've got to get to it. The country's going to need it and the country's coming after it. There are some problems now, and we will work them out. But, we keep our eye on the target. You do not allow yourselves to be clobbered by frustrations. You simply say that we have some problems now that we are working on—together—with the public process, with the labor process, with the private sector process.

I will help you carry that fight, wisely and fairly. It is my judgment the energy field is looking at the leaders in public life as well. I know the problems that you face. On the other hand, I also know the problems that government faces. And, I know the problems that our people face. And, I also have my eyes on the future of coal, just as you do. I am committed, as a person, as Chairman of the President's Commission on Coal, to honestly be helpful, to constructively be helpful. But, we will need to do that together, ladies and gentlemen because the world is a whole lot tougher than it was in 1973 and 1974. We can be sad about that, but we better accept it. With the coal in the ground, with the expertise in the audience, and with the proper leadership, there is not cause for gloom in this room.

GOVERNOR THOMPSON TAKES BOLD STEP TO IMPROVE ILLINOIS ROADS

Mr. PERCY. Mr. President, I am pleased to relay to my colleagues a bold, creative and courageous step that Governor Thompson of Illinois took recently to improve Illinois' roads.

Governor Thompson proposed a 1½ cent increase in the State gasoline tax, from 7.5 cents to 9 cents per gallon, and an increase in motor vehicle registration fees between $3 and $5 per year. This will cost individual motorists about $20 more a year than current taxes and fees. There is strong opposition to this proposal. But I congratulate the Governor on this sensible and farsighted policy and offer my full support.

Mr. President, the present highway user fees in Illinois were established 10 years ago. They are no longer adequate to maintain the State's highways and streets. Inflation, heavy use, age and a drop in growth of revenues from less gasoline used have all taken a toll. Furthermore, Illinois citizens will be the losers if their State forfeits Federal Highway grants because it has insufficient State matching funds. Poor roads, especially those filled with unrepaired pot-holes take a heavy toll in wear and tear on the family automobile—and the family budget.

Tax increases are unpopular, but a change is needed if Illinois is to protect its $50 billion investment in roads and streets. The investment is vital to the State's prosperity. I commend Governor Thompson for helping to protect the economic well-being of every Illinois citizen.

BYELORUSSIAN INDEPENDENCE DAY

Mr. PERCY. Mr. President, this week we commemorate the 61st anniversary of the declaration of independence of the Byelorussian Democratic Republic, an event which took place in Minsk on March 25, 1918. Soon after, a provisional constitution guaranteeing free elections and basic human rights was adopted.

We all know that Byelorussian independence was short lived. The following January, a Soviet republic was installed in Smolensk, and Byelorussian was forcibly incorporated into the Soviet Union.

As we recall these events, it is important that we express our continuing interest in the courageous people of Byelorussia who have somehow managed against all odds to maintain their identity and culture. At the same time, we can take this opportunity to mention our admiration for the constructive citizenship of the members of the Byelorussian American community.

HOSPITAL COST CONTAINMENT

Mr. PRESSLER. Mr. President, I would like to make a few comments at this time regarding hospital cost containment. This issue is of vital and symbolic importance to the President's war against spiraling inflation.

In South Dakota, our hospitals have done an excellent job of attempting to control the rate of growth in expenditures. To do this, they have worked together to form new delivery systems and cooperative agreements. These actions have been taken without the input of Federal agencies who possess massive technical resources. I applaud South Dakota's hospitals and their excellent administrators.

An excellent example of what independent ingenuity can accomplish, is a recent study prepared by Mr. David P. Gehant, administrator of the Ipswich Community Hospital. Mr. Gehant prepared his study for the Kellogg Foundation and the Hospital Research and Educational Trust.

The final result of Mr. Gehant's study was an annual savings in expenditures of $28,644 per year. This savings is quite significant in light of the size of the Ipswich Community Hospital—19 beds. Mr. Gehant's conclusion, that the multi-unit hospital system can save significant sums for many rural hospitals without the loss of individual autonomy, should be considered by other similar hospitals across the Nation.

It is my sincere belief, Mr. President, that the Federal Government should not attempt to mandatorily control hospital expenses. The Health Care Financing Administration, and other related agencies within the Department of Health, Education, and Welfare, should act as informational ombudsman for hospital administrators across the country.

Mr. Gehant's study helps to prove that adequate planning, organizational cooperation, and independent ingenuity, can adequately deal with the problems of increasing hospital costs.

THE SELLOUT OF TAIWAN: "MORE THAN A CRIME—A MISTAKE"

Mr. ARMSTRONG. Mr. President, I shall take only a moment to call the attention of our colleagues to an article on Taiwan written by the distinguished former Navy Secretary, J. William Middendorf, whose erudition is manifested by his understanding of U.S. policy on Taiwan as part of an administrative position which requires serious scrutiny.

Mr. President, I ask unanimous consent that Mr. Middendorf's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Weekly, Mar. 6, 1979]

THE SELLOUT OF TAIWAN: "MORE THAN A CRIME—A MISTAKE"

It was nearly the night before Christmas 1978 . . . and all through the House, and the Senate, nothing was stirring—everybody was home for Christmas.

But a frenetic activity was going on in the White House, at the other end of Pennsylvania Avenue. They were hard at work producing what many believe was an attempt to divert the attention of the American people from the fact that the so-called Carter Middle East "Breakthrough" had become the Middle East Breakdown. It became a breakdown because Rafshonnery is simply no substitute for facing such problems as the status of the West Bank of Jordan and East Jerusalem—issues dodged at Camp David.

So it appears another "breakthrough" was arranged—even though it has been described as a breaking of at least three of the President's campaign promises and a big question mark for America's credibility as the leader of the free world.

We ought never to forget Candiate Carter's second TV debate with President Ford—in which in addition to saying "I'll-Never-Mislead-You", he told the American people:

"I would certainly pursue the normalization of relationships with the Peoples Republic of China . . . But I would never let that friendship stand in the way of preservation of the independence and freedom of the people of Taiwan."

How long then is "never" in the reckoning of President Carter? At a news conference in Kansas City just ten days later, Candidate Carter elaborated on this subject:

"We are bound by a treaty to guarantee the freedom of Formosa, Taiwan, the Republic of China. I would like to improve our relationship—our diplomatic relationships with the PRC, mainland China; hopefully leading to normalization of diplomatic relations some time in the future. But I wouldn't go back on the commitment that we have had—to assure that Taiwan is protected from military takeover."

Just 425 days later—with no such assurance whatever from Peking—at night, when the Congress had left town, the hand that held the dagger plunged it into the back of one of America's most loyal allies, and most lucrative trade partners. Good-bye, Taiwan.

This was carefully noted—with expressions of joy—by the mob manipulators in Iran. For the betrayal of Taiwan enabled them to realize that being a friend and ally of the United States Government has become almost as dangerous as being a relative of the murderous King Herod—of whom the Emperor Augustus once observed: "I would rather be of Herod's pig than his son."

In came Bakhtiar, a new Kerensky, followed by Khomeini, another Potential Kerensky, described by Andrew Young in one of his traditionally questionable statements, as a "future Saint". Good-bye, Iran.

President Carter's alleged "China Breakthrough" was not merely the knifing of a friend and the utter disregard of the Dole-Stone Amendment, which by a vote 94 to 0 in the Senate requested consultation with Congress prior to any change in the Defense Treaty. The abandoning of Taiwan was not only wrong from the strategic point of view but, as we shall see later, unnecessary. It was an action that recalls the cynical classic of Talleyrand:

"C'est plus qu'un crime; c'est une faute."

Yes, it is more than a crime, it is a mistake. Just how much of mistake it was, has been well summarized by the former U.S. representative in Peking, and former Director of the CIA, George Bush.

Ambassador Bush notes that this Carter sellout "not only diminshed American credibility in the world, but has also darkened the prospects of peace."

Bush also recalls that with the leaders of mainland China, the so-called "liberation" of Taiwan was clearly secondary to the forty-five Soviet divisions poised on China's northern border.

And speaking of the word "liberation", is the Carter Administration prepared to claim that human rights are better observed on the mainland than on Taiwan?

They are not. The swimmers and the boaters always seem to be traveling *away* from Asia's communist paradises—never *towards*. In much the same way, it was not the capitalists of West Berlin who felt obliged to erect the Berlin Wall.

Ambassador Bush dissects the alleged Carter China triumph and finds it not only wanting, but ludicrous—a mistake, as Talleyrand put it, even greater than the moral crime of broken promises. For as Bush notes:

"The terms that the Carter Administration has accepted and even trumpeted, are the same terms that have been available for the past seven years. But they were always refused before because we knew, just as the Chinese knew, they were a figleaf for an abject American retreat . . . China, whose primary interest lies in a strong, steadfast American presence in the world, has now seen how easily we can be pushed around. The Chinese realize that we have given all and gained nothing . . . The United States has put an entire people adrift in a cruel, hostile sea—and for scarcely any purpose."

Just how much of a mistake it was, shows in a recent interview with President Carter that reveals a new dimension in what might be a monumental example of political amateurism. It is now apparent that neither Secretary of State Vance, nor National Security Adviser Brzezinski *did even ask* for the continuation of diplomatic relations with Taiwan and for guarantees from the PRC regarding Taiwan's security. It was just overlooked.

Those who spoke about some secret arrangements as to the necessity of giving up Taiwan in order to establish relations with the PRC were proven wrong by these revelations. Taiwan could have been saved but was lost because of sheer incompetence—no superior state reasons involved.

The whole situation is without sense—breaking diplomatic relations with Taiwan—a faithful ally—in order to please a country which, even in the best possible scenario, will in the long run unmistakably be a competitive super-power; leaving a small, successful democratic nation in the lurch for no cause; raising new question marks (even greater than after pulling out of Vietnam) regarding the reliability of the U.S. as an ally. Why couldn't the U.S. have diplomatic relations with both Chinas? So many countries have relations with East and West Germany, North and South Korea, North and South Yemen. Why did we have to offer the mainland Chinese a total victory? Leading Senators of both parties are now saying "we left something on the table" in our negotiations with Communist China.

Certain moments in history impose strange alliances—like the U.S.-Russian combat cooperative of World War II. But, I cannot see any reason why today the most powerful country in the world (if we are indeed that) should accept all the demands of an internationally isolated, underdeveloped and politically unstable country, even if it has the largest population in the world. To cave in so early is a sign of weakness, one which the Eastern mentality of the Chinese Communists will certainly not respect, to say nothing of our remaining "allies". The Communist Chinese themselves may well be privately asking of what permanent value is this newly created alliance. Indeed, the true beneficiary of this new "marriage of convenience" may be the Russians, because although we have just established a new "Molotov-Ribbentrop Treaty", we may have laid the groundwork for our final isolation from our most important allies who can see the handwriting on the wall.

It thus appears that a total diplomatic victory, with serious consequences for the credibility of the United States in the world, had been offered to the Communist Chinese. Were they in such a strong bargaining position? The facts do not seem to indicate this.

Despite a recent treaty with Japan and some exchanges of visits with European countries, China is still in the process of overcoming its international isolation of many decades. China needs international recognition, especially in view of present tension with its more powerful neighbor—Russia, and China's new war with Vietnam.

The Chinese economy is in a disastrous situation, 50 years or more behind the Western world; desperately in need of capital, technology and knowhow. It is now estimated that it may take 15 years and $350 billion of the West's money to finance their infrastructure and industry needs to bring China up to a level where she could be an effective counter to Russian "hegemony". We may find the Russian Bear wandering long before that, and we may also find China's low cost exports to us more than we bargained for in the future.

China's domestic political situation is still not crystallized and the more moderate faction led by Teng H'siao Ping needed the recognition of the U.S. badly.

There is an ominous parallel between the recently concluded agreement with China and the Molotov-Ribbentrop Treaty of 1939; within days after both agreements, war began—with new "security" alliances in hand, these adventurers proceeded with long held plans—aggression.

It is now clear that the PRC needed U.S. negotiation before attacking Vietnam.

In the meantime, the priorities of the Carter Administration are SALT arms limitations with Russia and diplomatic relations with China. Can we trust the Communists? Instead of remaining strong and building on our alliances for peace through combined strength, we may be putting our neck in one communist lion's mouth to escape another—or maybe putting our neck in the mouths of both.

Today, it appears that the central theme of our foreign policy is a President transfixed with SALT II. Our present policy of comparatively unilateral disarmament and inaction is an invitation to war. Just as a deer is rendered motionless by the headlights of a car on the road at night, Carter appears to be held hostage by the Soviet tactic of dangling goodies just beyond his reach, while they engage in ever bolder proxy aggressions all around the world. SALT II may turn out to be another abortive Washington Naval Conference of 1922 which was violated before the ink was dry and was a contributing cause to World War II.

The best guarantee for peace is a strong defense, discouraging any potential aggressor, or as the Romans put it two thousand years ago:

Si vis pacem, parat bellum (If you want peace, prepare for war.)

The Russians, sensing our weakness after their unopposed proxy victories in Angola, Ethiopia, South Yemen, Afghanistan and Cambodia, capitalizing on the turmoil in Iran, and watching us voluntarily give our own friends away in Taiwan, strategic South Africa, Korea, etc. must now feel the surge of destiny to be on their side.

So, while the Russians now challenge us openly in Iran, Africa, and the Arab world, the Chinese who still help the Palestinians and the guerrillas in South Africa and Rhodesia, have recently asked us to get out of South Korea.

Finally, the whole mosaic of these events and U.S. policy is coming into view. Ours are not the actions of a nation confident of the future, but one of defeat. It is becoming all too clear that we are, one by one, throwing out the children to the wolves, as in the old Russian sleigh-ride scenario. First Vietnam, now Taiwan and Iran. There is not much left to give away. Who may be next?

The betrayal of our commitments toward Taiwan is not only abhorrent to the tradition of honesty in the United States, but is also a very serious strategic mistake.

Credibility is the glue that holds together the governing structure of the United States and the system of alliances that defends the free world. It was credibility that seemed absolutely radiant in that enormous smile and softly-accented series of assurances by an ex-Governor of Georgia and active church official, who kept promising that he would never mislead us. That is what he said: over, and over, and over again in his campaign, which began in 1974, two years before he was nominated and then elected.

But Taiwan is not an isolated issue. The leaders of the free world are following with growing concern a series of actions of this Administration that affect the leadership role the United States used to play in the world.

For the titular leader of the party of Franklin Roosevelt has now adopted policies more akin to that advocated by Charles Lindbergh and Senator Burton Wheeler in 1940, and prior to December 7th of 1941.

Commander-in-chief Carter, the Annapolis graduate, has gutted the very Navy that educated him by recently cutting the Navy's five-year ship rebuilding by more than half. And this at a time of the continuing emergence of the largest Russian navy in history and despite the fact that it takes 3 to 10 years to build new Naval ships. Even if we begin today, we are in for scary times ahead because of the 1981–1985 gap when Soviet forces will clearly eclipse ours.

The Commander-in-Chief, who quite rightfully deplores our excessive dependence on imported petroleum, has just axed a nuclear carrier which needs no such petroleum, and can operate for thirteen years without refueling.

Without getting concessions from the other side, he has shot down the B-1 Bomber and shelved the Neutron Bomb. He has taken the lead in giving the Panama Canal to a Panamanian dictatorship which is the very antithesis of the human rights ideal to which Mr. Carter purports to be dedicated, and it is only now coming out that we will have to pay this dictatorship many millions of dollars to run it.

Carter's human rights policy has hardly been applied to the big, strong and most massively outrageous violators of human rights like the Soviet Union and its satellites. Instead the Carter Administration joins that immoral rabble at the United Nation in repeated stompings of such nations as Chile, South Korea, the Philippines—South Africa; all the while ignoring the comparatively mountainous violations of the Soviets and the battalion of dictatorships and one-party governments that afflict many countries in Black Africa.

President Carter may have gotten his Middle East Breakdown off the front pages last December, but this diversionary Taiwanese backstabbing has made the Middle East crisis more acute. For Israel is reappraising the value of American guarantees for its secrity in the light of the proposed Israeli-Egyptian treaty.

Comments in many other parts of the world are along the same line. Japan has for some time questioned the ability—or will—of the United States to repel a Russian attack against the Japanese Islands. So Japan is rearming, understandably, in view of the Jimmy Carter Retreat from Taiwan and from Korea and from moral and military leadership all over the world.

Saudi Arabia, perceiving the inadequate support given by the U.S. to the Shah of Iran is considering changing its so-far negative stance toward the Soviet Union.

Somalia, a major defection from the Soviet camp, has not received the help it needed from the West and there are indications it is quietly preparing to return to its former masters.

Certainly, Mexico did not seem to be impressed by our fidelity as a friend or by the role we have played in recent world affairs when it snubbed our President on his recent oil-groveling trip.

In an even more serious development, Western Europe seems to be on its way towards more independent, if not competitive, policy-making, disenchanged with U.S. indecisiveness in world political, economic and military affairs. There are a number of new initiatives. Deeply concerned with the chronic weakness of the dollar (to a large extent due to the lack of confidence of world business in the present Administration), the EEC announced the creation of a European monetary system. Due to their diminishing trust in the strength and determination of the U.S. military power, Western Europe has adopted for the past years a more conciliatory position towards the Soviet Union. Chancellor Helmut Schmidt of Germany recently advocated an even closer relationship with the Soviets. President d'Estaing of France has now suggested the formation of a new bloc that would include the EEC, Japan, the OPEC and the African countries, to counter-balance the U.S.-Soviet-Chinese influence and what they feel is a diminishing U.S. role in this triangle.

A badly managed foreign policy weakens the dollar and the competitive position of American business overseas and affects our economic life through the balance of payments. In the long run, a bad foreign policy can threaten the security of our country.

We are now obliged to face two rather burning questions, whose time has come—in what ought to be a moment of truth:

Is an end of the United States as a world power in sight? And, who stands behind us to carry the mantle of freedom? Are we in the end battle between forces advocating "Command" economies (socialists, communists and totalitarians that would dictate what the citizens needs should be), and "Demand" economies, that permit individual choice?

What is the solution?

In the best tradition of American democracy, we all have the right and duty to speak out on these issues and try to influence them through the established channels. We must begin today in the precious moments of freedom we may have left to rebuild our strength, as a clear signal to potential aggressors, so that we can indeed live in peace we must hug closer to us every potential ally. We would do well to reverse as soon as possible that attitude so widely held among our allies that we only embrace new "old enemies" and will sacrifice at the drop of the hat any "old friend" as long as it is expedient for us.

As Cicero said to Atticus:

Errare humanum est, perserverare diabolicum. (To err is human, to persist is diabolical).

HE'S RUN OUT OF GAS

Mr. METZENBAUM. Mr. President, for several weeks now, I have been making a weekly statement on the floor of the Senate in regard to the need for the resignation of Dr. James Schlesinger as our Secretary of Energy. Along with several of my colleagues, I have been critical of Dr. Schlesinger's leadership at the Department of Energy and especially of the constantly changing statistics that we receive from that Department. If we are to make the right decisions concerning our energy policy, it is imperative that we have the proper statistics on which to base our decision.

Time and again, over the past 2 years, the Department of Energy has found it necessary to change its figures and revise its studies pertaining to supply and demand of oil in the Nation. In the last few weeks, Secretary Schlesinger has led the parade of those who would tell us that we have a drastic shortage of oil at the moment and that Americans are not cooperating in the drive to reduce consumption. He would have us believe that from Maine to California, from Minnesota to Florida, Americans are literally driving the wheels off their cars, pushing demand to the outer limits.

Mr. President, once more today we find that Dr. Schlesinger's vaunted Department of Energy, with its multibillion-dollar budget and its thousands of employees, has no more of a "handle" on our energy problems than the average third grader.

This morning, in a Washington Post article by John M. Berry, entitled "United States Close to Oil Use Reduction Goals, DOE Aide Claims," it is once more evident that Dr. Schlesinger's leadership at the Department of Energy is almost nonexistent and that what the Secretary tells the American people is usually a far cry from what is actually happening.

Mr. President, I ask unanimous consent that the article be printed in its entirety at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DAILY USE TRIMMED 700,000 BARRELS

(By John M. Berry)

The United States is close to meeting President Carter's pledge to leaders of the world's industrial nations to cut American oil consumption by 5 percent, according to a top Carter administration energy official.

Although complaints still are being voiced about the American appetite for oil, Deputy Energy Secretary John O'Leary acknowledged this week that U.S. oil consumption has dropped 700,000 to 830,000 barrels a day—about 4 per cent of normal daily consumption.

Carter's pledge, in which most other industrial nations joined, was intended to counter foreign governments' criticism of American oil consumption and to tell oil-exporting nations that the United States would curb its oil consumption. The pledge was taken in the wake of the loss of six million barrels a day of Iranian oil exports.

Neither the president's promise nor the reduction in demand succeeded in heading off much higher oil prices, which now appear to be the principal legacy of that disruption instead of the continued shortages that were feared.

O'Leary said the shortage due to the Iranian situation was only about 1.7 million barrels a day because other countries increased production. Now that Iran has resumed exports of 2.5 million barrels a day, worldwide supply and demand are back in balance, he said.

O'Leary's comment, in an interview, contrasts sharply with statements only two weeks ago from Energy Secretary James Schlesinger who castigated Americans for using oil at a record rate of 21 million barrels a day.

Schlesinger's deputy was hardly challenging his boss's position, but the apparent discrepancy underscore how hard it is to determine whether there is a shortage of oil, and if there is, how large it may be. Similarly, it highlights the lack of adequate statistics on U.S. oil demand.

O'Leary said the oil savings come from three developments:

Electric power is being generated using coal and nuclear power in one part of the country and then transported to other parts—primarily on the East Coast—that would otherwise have to use oil to generate it locally. "We are saving about 250,000 barrels a day from wheeling power to the oil areas," O'Leary said.

Some large industrial and utility oil users, such as Consolidated Edison Co. in New York, are switching to natural gas under special new rules making gas available to them. These switches have cut oil consumption by between 150,000 and 180,000 barrels a day already, according to Energy Department estimates.

Most oil companies are making available to their wholesale customers only 85 percent to 95 percent of the gasoline and home heating oil they bought in a comparable month last year. This has meant shorter hours for gasoline station operations and some closings. O'Leary said this action has cut demand by 300,000 to 400,000 barrels a day during March.

O'Leary confidently predicted that it will not be necessary to use any of the possible mandatory conservation measures including gasoline rationing, stand-by-authority for which has been requested from Congress, to reach the promised 5 percent reduction.

The three types of savings already occurring, plus voluntary decisions to keep thermostats in nonresidential buildings higher in summer and lower in winter, and better enforcement of the 55 mile-an-hour speed limit, will allow the United States to meet its goal, he explained.

Moreover, this week's 9 percent increase in oil prices by the Organization of Petroleum Exporting Countries "may have the effect of drying up world (oil) demand to some degree," O'Leary added.

Keeping world supply and demand in balance will require a "rock-steady Iran," O'Leary cautioned. And, he added, "We have a debit to work off of more than 100 million barrels" in terms of stocks that were used during the Iranian shutoff.

O'Leary acknowledged that the record-high demand numbers, about which Schlesinger complained, do not conclusively show that use was actually that high. "All of our demand data are 'apparent consumption' data," he said. "We have no actual consumption data."

What the numbers show is what the experts call "disappearance from primary stocks"—basically changes in the level of crude oil and refined product supplies in pipelines, at refineries, or at oil company distribution plants. No one knows what is happening to the amount of gasoline in the tanks of the corner filling station, much less to the amount in each car's gas tank. Nor is there any information about the amount of oil most industrial users have on hand.

Many oil industry officials believe the surge in demand shown in the official numbers really indicates only that many oil users, including individual car owners, have been topping off their tanks out of fear of future shortages. Thus, the demand peak is only "apparent," not real, in their opinion.

O'Leary, however, thinks that much of the increase in the demand for gasoline, at least, is quite real. "The disappearance of gasoline is hard to explain in terms of stocking alone," he said, "I think we are driving more."

Mr. METZENBAUM. To me, Mr. President, this article is clear evidence of the problem we face due to the lack of leadership at the Department of Energy. In essence, the article tells us what many of us have suspected for some time—that there may not be a real shortage of oil in the Nation and that the figures that have been quoted by Secretary Schlesinger in regard to consumption may be questionable.

The article states that Deputy Energy Secretary John O'Leary, in an apparent contradiction of Secretary Schlesinger's statements, now says that U.S. oil consumption has dropped 700,000 to 800,000 barrels a day, about 4 percent of normal daily consumption. Only a few days ago, Secretary Schlesinger was telling us that domestic consumption was at an alltime high and that instead of lowering consumption, the American public was drastically increasing its use of oil.

To quote the article:

> The apparent discrepancy underscores how hard it is to determine whether there is a shortage of oil, and if there is, how large it may be. Similarly, it highlights the lack of adequate statistics on U.S. oil demand.

Mr. President, in this age of computers, with thousands of employees and billions of dollars at his disposal, I cannot for the life of me understand why the Secretary of Energy cannot demand and get accurate and complete figures from the oil industry. But, this has been the history of the Department of Energy and I see no evidence that anything will change as long as Dr. Schlesinger is at the helm.

I find it almost beyond belief that the Deputy Secretary of Energy acknowledged that there are no actual figures in hand. As the article states:

> O'Leary acknowledged that the record-high demand numbers, about which Schlesinger complained, do not conclusively show that use was actually that high. "All of our demand data are apparent consumption data," he said. "We have no actual consumption data."

Mr. President, I think that statement bears repeating: "We have no actual consumption data."

This is one Senator who has heard more varying statistics from the Department of Energy than I ever believed possible and it is not an isolated instance. The numbers game has been played over and over again to Congress and the American people, but always to a different orchestration. But the eventual result is nothing but more and more profits going to the oil companies and more and more inflation.

It is time to get actual consumption data. It is time to get actual production data. It is time to get the facts about energy. It is time to get the type of leadership that we need at the Department of Energy. It is time that the Government establishes credibility with the American people in the area of energy.

Those of us who have been calling for Secretary Schlesinger's resignation are not voices crying in the wilderness. Throughout the Nation, it is becoming more and more evident that new leadership is needed.

Last week, the St. Petersburg Times expressed the feelings of many Americans in an editorial entitled, "He's Out of Gas." I feel it sums up the growing dissatisfaction with the leadership being provided by Secretary Schlesinger. One paragraph in that editorial puts the whole issue in context:

> As energy boss, in short, Schlesinger seems to have run out of gas. What Carter's energy battle demands is precisely what Schlesinger lacks. That is credibility. Whatever public confidence Schlesinger may once have enjoyed, he now has frittered away.

Mr. President, I ask unanimous consent that the editorial be printed in its entirety in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HE'S OUT OF GAS

James R. Schlesinger is a former assistant budget director, a former chief of the CIA, a former chairman of the Atomic Energy Commission, a former secretary of defense, and some thoughtful members of Congress currently are nominating him for former secretary of energy.

This is to second that nomination.

Regretfully, we join in the suggestion to President Carter that he needs a new energy boss. We don't have any definite thoughts on who it should be. We conclude, however, that the senators are right when they say it definitely shouldn't be Schlesinger.

When Carter last year declared the moral equivalent of war on the energy shortage, he thought that in Schlesinger he had found a competent general. But after all these months the war has barely gotten started, and Carter has called his top advisers to Camp David today to discuss the fact that so far the shortage is winning.

That isn't all Schlesinger's fault, of course, or that of his Energy Department, with its 20,000 employees and its $10-billion annual budget. And goodness knows it isn't as if the general hasn't sounded the bugle. He has, repeatedly. But as the senators note, he keeps changing his tune until finally nobody listens. Also, some of the sour notes he has hit tended to make the public cover its ears.

Schlesinger came out for continued price regulation of natural gas. And when the going got tough on this issue in Congress, he reconsidered and came out against it. To save scarce oil and scarce natural gas, he proposed an industrial switch to plentiful coal. Lately he has pushed for a switch back to natural gas, which, lo and behold, is in surplus.

Early this year he proposed removing controls from the price of jet fuel, assuring Congress that this wouldn't cost more than a penny a gallon. Congress agreed. And in a couple of weeks the airlines were asking fare boosts to cover a fuel price rise from 60 cents to as much as $1.07 per gallon.

He said the nation needed an emergency oil supply for use in a crunch. So the government spent a few billion dollars stowing 70-million gallons in underground caverns. Smart move, no question about it. Because now all of a sudden the stuff is urgently needed. But guess what? Nobody thought to install any pumps. It will be months before they can pull out even a barrel.

Through it all, Schlesinger has issued periodic forecasts about gasoline prices approaching $1 and supplies running short any week now and surely by summer. After which, of course, pump prices jump another couple of cents, and drivers rush to top off their tanks.

We don't know for sure what finally persuaded Sens. Metzenbaum, Durkin, DeConcini, et al, but what convinced us was Schlesinger's latest suggested solution. Suggested? Nay, threatened. Unless Congress says no, he will outlaw Sunday gasoline sales, and if that doesn't do it, he will close the stations Saturdays, too.

It might not be obvious to a cloistered Harvard Ph.D., Phi Beta Kappa economist, which is what Schlesinger is, but the average high school dropout can see easily why that would be a disaster. Drivers would just line up at the station on Friday.

As energy boss, in short, Schlesinger seems to have run out of gas. What Carter's energy battle demands is precisely what Schlesinger lacks. That is credibility. Whatever public confidence Schlesinger may once have enjoyed, he now has frittered away.

Carter wouldn't need actually to give him the boot. He could promote him. Despite his previous record, there must be a federal job to which Schlesinger still hasn't been named. Make him chairman of something, so he can continue to ponder, pull on his pipe, and look wise on the TV interview shows. But put somebody else in charge of the energy battle.

S. 770: BAN FUTURES TRADING ON POTATOES

Mr. MUSKIE. Mr. President, for the past several years, Senator Church has introduced legislation to eliminate the trading of potato futures. I am joining him in that effort.

Maine farmers have said for years that futures trading has been subject to manipulation and has created a market which does not accurately reflect actual supply and demand.

These suspicions are not unfounded. I can recite a litany of problems which have occurred over the past few years. For example, there was manipulation of the price of the May 1971 potato futures on the Chicago Mercantile Exchange.

In May 1976, a major default occurred on the New York Mercantile Exchange. Serious violations of the exchange's rules as well as the violations of the Commodity Exchange Act occurred, and, as a result, the Commodity Futures Trading Commission (CFTC) had to suspend several individuals from trading. Of course, the individual that had to absorb the economic loss was the Maine producer. The result was severe economic loss to the growers in Aroostook County.

Most recently, just 2 weeks ago, at a meeting called at night, the New York Mercantile Exchange Board of Governors suspended trading on the April and May potato futures contract. Without question, this unprecedented halt in trading will have a tremendous adverse impact on the Maine potato industry. In addition to incurring substantial losses, the industry's cherished reputation as one of the Nation's leading producers of quality potatoes, has been unfairly tarnished by these latest difficulties with the potato futures contract. As one Maine farmer put it, "Maine farmers are caught in a battle between the bulls and the bears."

Equally discouraging has been the severe economic difficulties the farmers face as a result of extremely low prices on the cash market. Combined, these factors have persuaded the majority of farmers that futures trading does not serve their best interest, and that other market systems must be considered.

The farmers have stated their wishes by resolution through the National Potato Council and the Maine Potato Council that abolition of futures trading is in the best interest of the potato producers and the entire potato industry.

Under these circumstances, I am pleased to again support this legislation. This bill provides a useful vehicle to examine the impact of futures trading on the market and will give those on both sides of the question an opportunity to present their views and offer alternatives.

I ask unanimous consent that an editorial from the Maine Sunday Telegram of March 18, 1979, entitled "Dump the Futures" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Maine Sunday Telegram,
Mar. 18, 1979]

Dump the Futures

The belief that speculative trading in the future price of Maine potatoes ought to be banned continues to grow. For the second time in three years there is concern the potato market may have been manipulated.

In 1976 the failure of potato speculators to deliver 50 million pounds of Maine potatoes as promised produced the largest default in the history of the New York Mercantile Exchange. Last week the exchange ended trading in April and May futures claiming there weren't enough quality Maine potatoes to fulfill the contracts.

Both Maine senators, Edmund S. Muskie and William S. Cohen, immediately asked for an investigation to determine if "criminal misconduct" might have been involved in the latest escapade. Their concern is welcomed but we would have been happier still if both men had devoted their energies during the past two years to building support for a total bar to Maine potato futures trading.

Despite the general support of Aroostock potato farmers for a continuation of futures trading, there is growing evidence that we'd be better off without it. It can be argued that futures trading wildly distorts prices over the short term, reduces farmer prices over the long term, and invites attempts at market manipulation by speculators who have never seen the inside of a potato house.

THE 25TH ANNIVERSARY OF THE AIR FORCE ACADEMY

Mr. ROBERT C. BYRD. Mr. President, Calendar Order No. 1, Senate Concurrent Resolution 3, by Mr. Hart, a concurrent resolution commending the Air Force Academy on its 25th anniversary, was ordered to be placed on the calendar until March 30, 1979. That date, March 30, is a Friday. Inasmuch as the Senate is not going to be in session on tomorrow, I ask unanimous consent, on behalf of Mr. Hart, that the Senate now proceed to the consideration of that Calendar Order No. 1.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 3) commending the Air Force Academy on its twenty-fifth anniversary.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the concurrent resolution.

Mr. ROBERT C. BYRD. Mr. President. I ask unanimous consent, on behalf of Mr. Hart, that a statement by Mr. Hart, the author of the concurrent resolution, be printed in the Record at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Hart

The 25th anniversary of the Air Force Academy will fall on April 1, when the Senate is not in session. But I do not think that we will in any way diminish our expression of great appreciation and high regard for the Academy by acting on this Resolution today.

I would like to note that this Resolution is cosponsored by Senator Stevens and Senator Hollings. I am pleased to have these distinguished Senators join with me in expressing the high admiration we all feel for the Air Force Academy, its staff, its cadets and its graduates.

As I stated when I introduced this Resolution, April 1 of this year is the 25th anniversary of the founding of the Air Force Academy located in Colorado Springs, Colorado, an institution of which every American man and woman should be justifiably proud.

An institution whose pursuit of excellence should become a model in government and in academia.

An institution which has built tradition while maintaining a leading position in technology.

An institution where rigorous standards have been set and maintained.

Where leadership is the central focus.

Where the security of our nation is the primary underlying consideration.

I refer to the U.S. Air Force Academy at Colorado Springs, Colorado.

When Generals Eisenhower and Vandenberg and their distinguished colleagues sat down to design an academy for the youngest and most modern of our military services, they emphasized five points.

First, they stressed the need for officers to possess a broad and general education.

Second, they emphasized the importance of initiative, inquiry, and analytical skills.

Third, they charged the Academy with conveying theory and practical experience leading to development of sound professional knowledge.

Fourth, they specified that all activities at the Academy foster the sense of duty and loyalty essential to military leaders.

Last, and most important, they directed continued emphasis on the critical role of personal integrity within the cadet wing and within the officer corps.

Every facet of activity at the Air Force Academy is designed to meet these challenges. The record shows they have been met. Through a balanced program of academies, military training and athletics, Academy graduates have developed a sense of dedication, leadership, moral character, and courage which provides the cornerstone for their later lives and careers.

As chairman of the USAF Academy Board of Visitors, I have witnessed the Academy's programs firsthand. Men and women of the cadet wing have proven their mettle not only in the extremely demanding scholarly program at the Academy, but also in intense competition for scholarships against graduates of other great colleges and universities. Since 1958, when the first class graduated, 20 Rhodes scholars have emerged. Cadets and alumni have captured more than 300 other scholarships and fellowships. Several hundred hold doctorates.

The Academy curriculum has grown from 50 to nearly 400 courses, and cadets may major in any one of 23 fields ranging from basic and engineering sciences to social sciences and humanities.

The Academy faculty is a distinguished group of young scholars who are not only teachers of the finest order, but also dedicated officers whose knowledge, skill, and behavior the cadets emulate.

The military accomplishments of graduates from the Academy prove these young people are being provided the training necessary to defend our nation. There are 191 who have earned Silver Stars in action; 15 have been awarded the Air Force Cross; and 1, Capt. Lance P. Sijan, earned the Medal of Honor, awarded posthumously. He was among 143 graduates to die in combat. The 31 others were POW's and another 13 remain missing in action.

The careers of all these officers reflect well upon a code of honor they first accept when they arrive at the Academy. Adherence to this code is intended to provide a foundation for development of a broad sense of moral and ethical responsibility.

While more than 70 percent of Academy graduates are still on active duty, those who have chosen a civilian career also do honor to the nation. Graduates can be found as leaders in business, medicine, law, and government. Two examples right here in Washington are the Honorable John A. Hewitt, Jr., Assistant Secretary of the Air Force for Financial Management, who is a 1965 graduate, and Dr. Edward R. Jayne, II, Associate Director of the Office of Management and Budget, from the class of 1966.

In short, the men and women of the Academy, on the staff, in the faculty, and in the cadet wing constitute a uniquely valuable national resource. We owe our gratitude to all of them. They have met the challenge set for the Academy by its foresighted founders. The Academy's unrelenting pursuit of excellence guarantees preservation of the legacy of outstanding service established during its splendid first quarter century.

I salute the cadet wing and the faculty and staff of the U.S. Air Force Academy during this, the Academy's 25th year. And I am proud to introduce this concurrent resolution extending the appreciation of the nation to the Air Force Academy, its staff, cadets, and graduates for the immense contributions they have made to the defense of the nation in the 25 years of the Academy's existence.

Mr. President, I ask that the Senate agree to this Resolution.

Mr. HAYAKAWA. The resolution is acceptable to the minority.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States hereby extends to the Air Force Academy, its staff, cadets, and graduates on the occasion of the twenty-fifth anniversary of the founding of the Academy, the appreciation of the nation for the immense contributions they have made to the defense of the nation in the twenty-five years of the Academy's existence.

Sec. 2. The Congress expresses its appreciation to the Academy staff for its commitment to the great goals of our nation and to the values of scholarship, wisdom, and selfless patriotism, through which they have conveyed to cadets the spirit essential for the survival of our democracy.

Sec. 3. The Congress expresses its appreciation to the graduates of the Academy, who by their knowledge, spirit and self-sacrifice have mirrored the values of the institution and have served the nation valiantly.

Sec. 4. A copy of this concurrent resolution shall be promptly transmitted to the Superintendent of the Air Force Academy.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. HAYAKAWA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT—"CARRY-OVER BASIS BILL"

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the consideration of a bill repealing the "carry-over basis," no amendments shall be in order except one to be introduced by the Senator from New York (Mr. JAVITS), on which there shall be 1 hour, and one relative to a carryover amendment provision, on which there shall be 2 hours, with debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate to be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: Provided, that in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee.

I further ask unanimous consent that the bill be treated as a privileged matter, and that on the question of final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from Louisiana (Mr. LONG) and the Senator from Kansas (Mr. DOLE)—Mr. President, that the agreement be in the usual form. That takes care of all of it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may I ask someone the question, what do we mean by this phrase: that the bill be treated as a privileged matter? Does that mean it is to be treated as a conference report?

The PRESIDING OFFICER. It means that the motion to proceed to consider can be made at any time.

Mr. ROBERT C. BYRD. Is the motion debatable? Is the motion to proceed debatable?

The PRESIDING OFFICER. The motion would not be debatable.

Mr. ROBERT C. BYRD. Very well. Then I understand what is meant. That is the request. I ask the Chair to withhold for just a moment.

Mr. President, I strike from that phrase "in the usual form," and add:

Provided, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Chair.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed into executive session for not to exceed such time as the majority leader and the acting minority leader desire to consider the first nomination on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF STATE

The Senate proceeded to consider the nomination of Dick Clark, of Iowa, to be an Ambassador at Large and U.S. Coordinator for Refugee Affairs.

Mr. HUMPHREY. On February 28, the President appointed former Senator Clark to be Ambassador at Large in conjunction with the position of U.S. Coordinator of Refugee Affairs. On March 12, Senator Clark stated in prepared testimony before the Senate Judiciary Committee that, "among the most crucial elements of our refugee policy" would be certain activities, including:

Encouraging other governments to work with us in finding political solutions to regional political disputes that are causing refugees to flee;

Exerting diplomatic influence, in cooperation with other governments, to induce repressive states to moderate their practices.

As these functions are quite different from those of strictly coordinating refugee programs, the distinguished Senator from California (Mr. HAYAKAWA), sought from the State Department, information to clarify what he described as "certain ambiguous aspects surrounding the Clark appointment." He published his exchange with Assistant Secretary of State Douglas Bennet in the March 22 RECORD. Subsequently, the distinguished Senator from Idaho (Mr. MCCLURE), and I wrote a followup letter to Secretary of State Vance asking for further clarifications.

Our concern was to insure that the Senate understood exactly what the nomination entailed when it took up the matter. If the role was to be strictly that of a refugee affairs coordinator, that should be clear. On the other hand, if Senator Clark was intended to serve as a "super negotiator" on an international level with a possible emphasis on southern Africa, then that, too, should have been made plain.

In his reply to me, Secretary Bennet emphasized that Senator Clark's efforts will largely relate to refugee resettlement. He adds:

> At the present time, there are no plans for Senator Clark to be involved substantially in efforts "to induce repressive states to moderate their practices" or in "finding political solutions to regional disputes." However, I would point out that under the terms of the President's directive of February 28, Senator Clark will function under the direction of the President and the Secretary of State and, therefore, will be available to perform such other activities as they may direct him to undertake.

I interpret this to mean that for all practical purposes Senator Clark's only function will be the coordination of refugee programs on a domestic and an international level, and that he will not be involved in diplomatic efforts unrelated to resettlement programs for people who are already refugees. I believe that the February 28 directive cited by Secretary Bennet, moreover, strengthens this interpretation. Under the pertinent section of this document, Senator Clark is given the following authority:

> Representation and negotiations on behalf of the United States with foreign governments and international organizations in discussion on refugee matters and, when appropriate, submitting refugee issues for inclusion in other international organizations.

No allusion is made here to influencing the fundamental nature of governments or domestic policies of other countries except as these may relate strictly to the number of refugees they might be willing to absorb and the resettlement facilities they can provide.

I appreciate the cooperative spirit shown by the State Department in providing prompt answers to our inquiries, and particularly in officially establishing certain parameters for the position, thus clarifying any ambiguities that might have existed.

Mr. President, so that other Senators may have an opportunity to study the pertinent correspondence in greater detail, I ask unanimous consent that it be printed in full in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., March 22, 1979.
Hon. Cyrus Vance,
Secretary of State,
U.S. Department of State.

Dear Mr. Secretary: The Senate will shortly vote on the nomination of former Senator Dick Clark to be Ambassador at large in conjunction with the position which he currently holds as U.S. Coordinator of Refugees.

On March 20, a member of Senator S. I. Hayakawa's staff sent Assistant Secretary of State Douglas Bennet a series of detailed questions on diplomatic functions which some members of the Foreign Relations Committee had not heretofore realized were to be part of Senator Clark's role. On March 21, a reply from Secretary Bennet was conveyed to Senator Hayakawa, who has made the correspondence public.

We would like to pursue further some of the responses. Secretary Bennet affirms that certain statements made by Senator Clark with regard to inducing "repressive states to moderate their practices" and "finding political solutions to regional political disputes" were taken out of context. He states, "Taken in context, it is clear that he (Senator Clark) was speaking about the combined efforts of the U.S. government, rather than just his own role."

It is evident, however, no one suggested Senator Clark would be singlehandedly conducting U.S. negotiations with the African continent. The questions asked by the Hayakawa office, moreover, focus partially on precisely how his role will fit in with those of established State Department offices. So clearly the point that Secretary Bennet addressed himself to was not the focus of the inquiry in the first place. Furthermore, in assuring Senator Hayakawa that Senator Clark's role would be within context of the "combined efforts of the U.S. Government," he failed to answer the fundamental question of just what that role is to be.

Secretary Bennet also states that "it is difficult to separate out the budget and personnel requirements for Senator Clark's diplomatic role" and that "it is misleading to imply a distinction between diplomatic functions and the 'implementation of refugee programs.' "

The real point in the Hayakawa office memo seems to have been overlooked by the State Department. Secretary Bennet articulately explains that it is difficult to draw a line beween coordinating strictly internal refugee programs and serving as liaison with international relief programs and policies. But it was not the latter function that the Hayakawa memo was referring to in its inquiries about the scope of Senator Clark's diplomatic role. Rather, the reference was to the functions cited above of inducing "repressive states to moderate their practices" and "finding political solutions to regional political disputes."

These functions are worlds apart from that of establishing U.S. refugee quotas and overseeing the administration of resettlement programs, and it is valid to ask how much of Senator Clark's time is to be devoted to each. Certainly one cannot ask for a breakdown in hours and minutes, and the Hayakawa office makes no such request. At the same time, it is self-evident that certain priorities must have been established for Senator Clark's time, in however tentative a manner, as his role was being formulated.

The Senate shall probably vote on Senator Clark's nomination within a few days. Yet it cannot carry out its duties in a responsible manner unless it fully understand what his role is to be. The answers provided to the questions in the Haykawa memo fail to furnish us with the complete information we need to conduct our consideration in an intelligent manner; we would thus appreciate it if further information on the points cited in the memo could be provided to us. For your convenience, a copy of the questions is attached.

Sincerely,

Questions

1. Senator Clark states that part of his diplomatic efforts will be "to induce repressive states to moderate their practices." He would thus seem to have a role in the implementation of the U.S. human rights policy toward other countries. What will be the scope of his official policy-making power? What will be his role vis a vis the Office of Human Rights? Will his role be the equivalent of an ex-officio member? What specific functions might he be involved in in this capacity? Would he ever be sent on a troubleshooting mission to countries about whose human rights record the U.S. is concerned?

2. Senator Clark will also be involved in "finding political solutions to regional political disputes." I would like function to be defined with greater precision. Am I correct in presuming that the geographical emphasis of this aspect of his role will be in Africa? Asia? Europe? Eastern Europe? What precisely will his functions be? Would he serve in an adjunct capacity to Ambassador Andrew Young? In the future, will he assume the function of head U.S. negotiator in these "regional political disputes?"

3. What will be the budget and projected personnel requirements for his diplomatic role?

4. How much of Senator Clark's time is to be devoted to diplomatic functions and how much of his time is to be devoted to the implementation of refugee programs?

The Senate was given an important responsibility under its constitutional mandate to advise the President on diplomatic appointments. The answers to the questions I have outlined above will enhance our ability to reach our determination wisely and with full information.

Department of State,
Washington, D.C., March 28, 1979.
Hon. Gordon J. Humphrey,
U.S. Senate

Dear Senator Humphrey: Secretary Vance has asked me to reply to your and Senator McClure's letter of March 22 regarding the nomination of former Senator Dick Clark to be Ambassador-at-Large.

Senator Clark's testimony before the Judiciary Committee on March 14 outlined four areas in which efforts should be made by the United States Government to encourage other governments to assume a greater share of the refugee burden. These areas include:

Encouraging other governments to work with us in finding political solutions to regional political disputes that are causing refugees to flee;

Exerting diplomatic influence, in cooperation with other governments, to induce repressive states to moderate their practices;

Working with the international agencies, such as the UN High Commissioner for Refugees, to improve their programs and management of resources, and urging other governments to give their full support to these ends; and

Encouraging other governments to carry their own fair share of the burden, in terms both of providing resettlement opportunities and making financial contributions to international efforts.

Clearly, Senator Clark was discussing efforts to be undertaken by our government, rather than his own personal role.

However, in order to clarify any confusion that may exist, I should point out that Senator Clark's diplomatic activities are expected to involve primarily the final two of the four points listed. In other words, it is presently envisioned that Senator Clark's diplomatic efforts will be directed largely toward:

1. Encouraging other governments to increase resettlement opportunities;

2. Encouraging other governments to increase their financial contributions to multilateral refugee programs; and

3. Working with the appropriate international organizations to improve their ability to respond to the needs of refugees worldwide.

At the present time, there are no plans for Senator Clark to be involved substantially in efforts "to induce repressive states to moderate their practices" or in "finding political solutions to regional disputes." However, I would point out that under the terms of the President's directive of February 28 (copy enclosed), Senator Clark will function under the direction of the President and the Secretary of State and, therefore, will be available to perform such other activities as they may direct him to undertake.

I hope this clarifies your questions about Senator Clark's nomination.

Sincerely,
DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.

THE WHITE HOUSE,
Washington, February 28, 1979.

Memorandum to the Secretary of State, the Secretary of Defense, the Attorney General, the Secretary of Commerce, the Secretary of Labor, the Secretary of Health, Education, and Welfare, the Administrator of the Agency for International Development, the Director of Central Intelligence, the Director of the Office of Management and Budget, the Director of the ACTION Agency, the Assistant to the President for Domestic Affairs and Policy, the Assistant to the President for National Security Affairs.

Subject: Coordination of United States Refugee Policy and Programs.

I am nominating Dick Clark of Iowa as Ambassador-at-Large and United States Coordinator for Refugee Affairs.* Mr. Clark will also serve as Chairman of a new Interagency Committee on Refugee Affairs.

The U.S. Coordinator, under my direction and that of the Secretary of State, will be responsible to the fullest extent permitted by law for the:

(a) Development of overall United States refugee and resettlement policy;

(b) Coordination of all United States domestic and international refugee and resettlement programs with a view to assuring that policy objectives are met in a timely fashion;

(c) Design of an overall budget strategy to provide individual agencies with policy guidance on refugee matters in the preparation of their budget requests, and to provide the Office of Management and Budget an overview of all refugee related budget requests;

(d) Presentation to the Congress of the Administration's overall refugee policy and the relationships of individual agency refugee budgets to that overall policy;

(e) Advice to the Attorney General on the relationship of overall United States refugee policy to the admission of refugees to the United States;

(f) Representation and negotiations on behalf of the United States with foreign governments and international organizations in discussions on refugee matters and, when appropriate, submitting refugee issues for inclusion in other international negotiations;

(g) Development of effective and responsive liaison between the Federal Government and voluntary organizations, governors and mayors, and others involved in refugee relief and resettlement work to reflect overall U.S. Government policy; and

(h) Preparation of a new executive order and/or legislative proposal(s), for transmission by OMB for final agency review, concerning such reorganization of refugee and resettlement programs as may be necessary to insure a cordinated refugee effort.

I am establishing an Interagency Committee on Refugee Affairs to be chaired by the U.S. Coordinator. The committee members will include regular representatives at the level of assistant secretary or their equivalent from AID, HEW, Justice, Labor, and State. Other agencies may send observers as appropriate and shall have similar level special representation when relevant to the subject under consideration. The Committee will meet from time to time at the call of the Chairman to assist in the coordination and implementation of U.S. Government refugee policies, programs, and activities.

Mr. Clark will undertake this important assignment with a small staff located in the Department of State. I request each of you to assure that your department and agency provides full cooperation and assistance to him, and that you designate promptly the senior official who will serve as your regular or special representative on the Interagency Committee on Refugee Affairs.

These actions are necessary because we are now witnessing a dramatic increase in the number of refugees in virtually all regions of the world, and the United States has increased substantially the number of refugees it receives for permanent resettlement and the support it provides for refugees here and elsewhere.

This Administration attaches great importance to effective refugee policies and programs. I want to reaffirm my interest in having domestic and international refugee, migration and resettlement policies and programs fully coordinated so that the United States and other members of the international community provide prompt, equitable and effective humanitarian refugee assistance.

JIMMY CARTER.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nomination be confirmed; that the motion to reconsider be laid on the table and that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

Mr. HAYAKAWA. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF SECOND CONCURRENT BUDGET RESOLUTION ON APRIL 23, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate returns from the nonlegislative holiday period in April—to wit, on the date of April 23—the Senate proceed, immediately following routine morning business on that date, immediately to the consideration of the First Concurrent Budget Resolution.

The PRESIDING OFFICER. Is there objection?

Mr. HAYAKAWA. No objection from the minority.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the acting Republican leader is——

Mr. HAYAKAWA. He is awfully agreeable.

Mr. ROBERT C. BYRD. He is in fine form, he is most congenial, agreeable, affable, and I appreciate the splendid cooperation he is showing the majority leader.

Mr. HAYAKAWA. It is my pleasure, sir.

Mr. ROBERT C. BYRD. He taught me a new word, MIME. I did not know what relation that had to MIRV, or whether it had any.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY, APRIL 2, 1979

Mr. ROBERT C. BYRD. Mr. President, are there any orders for recognition of Senators on Monday?

The PRESIDING OFFICER. No; there are not.

Mr. ROBERT C. BYRD. I thank the distinguished occupant of the chair.

Mr. President, I ask unanimous consent that, on Monday, after the two leaders or their designees have been recognized under the standing order, there be a brief period for the transaction of routine morning business not to exceed beyond 30 minutes, with Senators permitted to speak therein up to 5 minutes each, and that at the conclusion of the period for routine morning business, the Senate resume the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

PURPOSE OF NO SESSIONS ON FRIDAYS

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in on Monday at 12 noon. There will be no session tomorrow, for the purpose of allowing committees to meet and thus enable them to meet the May 15 deadline. I hope that committees will take advantage of the opportunity to meet and report legislation. I hope that they will report all or as much legislation as possible that requires any budget waivers, especially, by or before May 15.

The date is rapidly approaching and the Senate is not coming in on Fridays for the reason only of accommodating committees, that they may meet, do their work, that the staffs may schedule the hearings, notify witnesses to appear.

Oftentimes, witnesses have to travel long distances only to have the meeting not scheduled because consent cannot be given for committees to meet while the Senate is in session.

So, to obviate all these possible problems, the Senate is not meeting on Fridays.

I would hope the committees would take advantage of these days when the Senate is not in session to get their work done and meet the May 15 deadline for the adoption of the first concurrent budget resolution and for the reporting of bills that need waivers, and so on.

So that is the purpose. I know that committees have been informed, and staffs of committees are informed. This is in accordance with their request, and I hope that days off on Friday will accordingly be taken advantage of.

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*For purposes of this Directive the term "refugee affairs" refers to the affairs of persons who have fled or been displaced from home or homeland by events other than natural disasters, and does not include normal immigration matters or questions of asylum sought by individuals.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will meet on Monday at 12 noon, and after the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business for not to exceed 30 minutes. Senators will be permitted to speak therein up to 5 minutes, to introduce bills, resolutions, petitions, memorials, speak up to 5 minutes, and at the conclusion of that period the Senate will resume its consideration of the bill, Calendar Order No. 43, S. 349, a bill to increase the authorization for the Council on Wage and Price Stability.

Rollcall votes may occur on motions or amendments in relation to that measure. Hopefully, the measure will be disposed of on Monday. If not, the Senate will return to the consideration of that bill on Tuesday and, hopefully, it can be disposed of on Tuesday.

It is desirable that the Senate make as much progress as possible while the opportunity presents itself, and it has done a right good piece of work this week. I want to compliment Members of the Senate for the several items this week, a very important conference report today, and I commend the Senate.

So that is about it for today.

RECESS TO MONDAY, APRIL 2, 1979

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 12 noon on Monday next.

The motion was agreed to; and at 4:54 p.m., the Senate recessed until Monday, April 2, 1979, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 29, 1979:

PEACE CORPS

Richard Frank Celeste, of Ohio, to be Director of the Peace Corps, vice Carolyn R. Payton, resigned.

THE JUDICIARY

Charles B. Winberry, Jr., of North Carolina, to be U.S. district judge for the eastern district of North Carolina, vice a new position created by Public Law 95–486, approved October 20, 1978.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 29, 1979:

DEPARTMENT OF STATE

Dick Clark, of Iowa, to be an Ambassador at Large and U.S. Coordinator for Refugee Affairs.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. Bennie Luke Davis, [redacted]-FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Andrew Philip Iosue, [redacted]FR, U.S. Air Force.

Maj. Gen. Richard Bodycombe, [redacted]FV, U.S. Air Force Reserve, for appointment as Chief, Air Force Reserve under the provisions of section 8019, title 10 of the United States Code.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Billy Martin Minter, [redacted]FR, U.S. Air Force.

IN THE ARMY

The U.S. Army Reserve officer named herein for appointment as a reserve commissioned officer of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3384:

To be brigadier general

Col. Albert Bryant, [redacted]

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be general

Gen. John Joseph Hennessey, [redacted], (age 57), Army of the United States (major general, U.S. Army).

The following-named Army Medical Department officers for appointment in the Regular Army of the United States, to the grade indicated, under the provisions of title 10, United States Code, sections 3284, 3306, and 3307.

MEDICAL CORPS

To be major general

Maj. Gen. Kenneth Ray Dirks, [redacted] Army of the United States (brigadier general, Medical Corps, U.S. Army).

Maj. Gen. Enrique Mendez, Jr., [redacted] Army of the United States (brigadier general, Medical Corps, U.S. Army).

MEDICAL SERVICE CORPS

To be brigadier general

Brig. Gen. James Julius Young, [redacted], Army of the United States (colonel, Medical Service Corps, U.S. Army).

IN THE AIR FORCE

Air Force nominations beginning Allen W. Boone, to be lieutenant colonel, and ending Richard D. Christensen, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 7, 1979.

Air Force nominations beginning Robert J. Bailey, to be lieutenant colonel, and ending Norman L. Paul, to be colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 7, 1979.

IN THE ARMY

Army nominations beginning George B. Hamilton, to be colonel, and ending David A. Gaule, to be second lieutenant, which nominations were received by the Senate on March 2, 1979, and appeared in the CONGRESSIONAL RECORD on March 5, 1979.

The nomination of Howard T. Prince II, to be permanent professor at the United States Military Academy, which nomination was received by the Senate and appeared in the CONGRESSIONAL RECORD on March 7, 1979.

Army nominations beginning Brent A. Clay, to be colonel, and ending Pedro P. Rodriguez, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 15, 1979.

Army nominations beginning Le Ester Alexander, to be major, and ending Willi P. Stephens, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 15, 1979.

IN THE NAVY

Navy nominations beginning Thomas Curtis Adams, to be captain, and ending Edward Albin Roethe, to be captain, which nominations were received by the Senate on March 2, 1979, and appeared in the CONGRESSIONAL RECORD on March 5, 1979.

Navy nominations beginning Joseph E. Adamonis, to be lieutenant (j.g.), and ending Sharon K. Crowder, to be lieutenant (j.g.), which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 7, 1979.

Navy nominations beginning Jerry S. Davidson, to be ensign, and ending Robert W. Lukens, Jr., to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 15, 1979.

HOUSE OF REPRESENTATIVES—*Thursday, March 29, 1979*

The House met at 11 a.m. and was called to order by the Speaker pro tempore (Mr. ROSTENKOWSKI).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
March 29, 1979.

I hereby designate the Honorable DAN ROSTENKOWSKI to act as Speaker pro tempore on Thursday, March 29, 1979.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, B.D., offered the following prayer:

Eternal God, grant that our hearts may be open to Your grace, to Your forgiveness and compassion. We know that before righteousness there is confession and before spiritual health there is contrition. We confess that we have fallen short of Your glory and have not lived as we ought. Yet, O Lord, we receive encouragement because Your grace is sufficient for us each new day.

May we go forward to serve this land with the assurance that Your word will lead us, Your love will surround us, and Your peace will sustain us. O Lord, our God, how excellent is Your name in all the Earth. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 1147. An act to extend temporarily the authority of the Secretary of the Treasury to waive the imposition of countervailing duties.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 8. Concurrent resolution providing for impartial observers of the forthcoming election in Rhodesia.

HISTORY MADE AT SIGNING OF PEACE TREATY BETWEEN ISRAEL AND EGYPT

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEASE. Mr. Speaker, it is rare indeed that any of us is able to witness a historic occasion. Yet that is what happened on Monday afternoon. All of us who were present Monday at the White House had the sense that history was being made at the moment of the signing of the peace treaty between Egypt and Israel.

No matter how difficult the negotiations which lie ahead, no matter how volatile the whole situation in the Middle East, here for the first time in 30 years there is hope for peace. There is no question about the significance of the vital first step taken on Monday.

Nor, Mr. Speaker, is there any question of who played the crucial role in bringing Egypt and Israel together. President Sadat and Prime Minister Begin were unanimous in their acclaim for the role of President Jimmy Carter. Every American can be proud this week of what an American President has accomplished.

In the wake of this peacekeeping triumph, commentators around the world are struck not only with President Carter's success but with the courage it took to even try. I can think of no other world leader who, considering the risks, would have made the attempt. It was President Carter who had the vision, the devotion to the cause of peace, the ability to gain the trust of two long-time enemies, the absolute belief that there are rational solutions to even the most difficult problems, the daring to risk his political future and even his life. President Carter is truly a remarkable person—a man of peace in every sense of the word.

LONG ANNOUNCES SUNRISE-SUNSET HEARINGS

(Mr. LONG of Louisiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LONG of Louisiana. Mr. Speaker, King Solomon, who along with President Carter seemed to do the impossible in achieving peace between Egypt and Israel, ranks among the great political leaders of history. The advice he gave in Biblical times remains just as sage and relevant today as it was then. Referring to the need for consultation before taking action, Solomon succinctly said, "He that giveth answer before he heareth, it is folly and confusion unto him." Not desirous of such an end, the Subcommittee on the Legislative Process of the Committee on Rules announces a series of hearings to begin the discussion of legislative proposals for systematic program review. This new subcommittee, which I have the honor to chair, will be considering H.R. 2, known as the "Sunset" bill, H.R. 65, known as the "Sunrise" bill, and other measures dealing with program review.

The objective toward which these bills aim goes to the center of the current debate over the performance and costs of Government. Voters are demanding more efficient and less costly Government, and it is the mandate of this Congress to examine and improve upon the present cornucopia of Federal programs before embarking upon new ones. Systematic program review embodies this new attention toward congressional oversight, but we are not sure of the best way to go about it. Do we sunrise first or sunset later? Do we evaluate every program to the penny or target our efforts to the largest programs? These are just a few of the many questions that need to be raised. As Solomon admonishes, we must "heareth" before we "giveth answers" in the form of legislative recommendations.

The proposed legislation is far-reaching and will affect the work of all Members and all committees. For this reason, we are actively seeking wide, bipartisan participation in our consideration of these measures to improve program review. The first hearing is scheduled for the morning of April 4, and I encourage all interested Members to participate. "Dear Colleague" letters have been sent to all Member offices with more detailed information. We hope to "heareth" from as many Members as possible.

□ 1110

THE HOTTEST CHILI FROM THE HOTTEST CHEF

(Mr. HYDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HYDE. Mr. Speaker, we have been talking about peace in the Middle East and the dismantling of our national railroad system. I would like to elevate the tone of discussion and talk about something really important.

I rise to inform the House that our colleague, the gentleman from Massachusetts (Mr. CONTE), whom we know as a fierce battler from his coaching of the Republican baseball team, has branched out into culinary competition. Tuesday night the gentleman from Massachusetts (Mr. CONTE) took on all comers and emerged triumphant in the Third Annual Congressional Chili Cook-off. That is right, a man from the chilly climes of New England bested some of the hottest chefs from the chili capitals of the world, including the South and West of this great country. Therefore, I am taking this occasion to sing the deserved praises of this gastronomic great.

The gentleman came up with a chili that was so eye-watering—I mean mouth-watering—that it left us breathless—I mean speechless. How hot was his chili? It was so hot that a teaspoonful was declared by Energy Secretary Schlesinger to be more volatile than gasahol. It was so hot that the EPA declared everyone's stomach lining to be endangered. It was so hot that Secretary of State Vance declared it off limits to Israelis and Egyptians sitting at the same table.

The judging was done by several ambassadors who have promptly reported to their governments that America has a new secret weapon. Whether Congressman CONTE's chili will add a complicating factor to our SALT talks, I do not know; but if there is one thing the gentleman from Massachusetts' concoction did not need, it was salt.

I am proud to make this announcement today, and congratulate the gentleman from Massachusetts (Mr. CONTE) and welcome him into the ranks of the epicurean elite.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. HYDE. I yield to the distinguished minority leader.

Mr. RHODES. I thank the gentleman for yielding.

I happen to have been one of the defeated candidates for that crown which the gentleman from Massachusetts (Mr. CONTE) received, and all I can say is that I agree with everything the gentleman from Illinois (Mr. HYDE) has said about the entry of the gentleman from Massachusetts. I add to the store of information concerning this by saying to the House that it has come to my attention that that product known as Alka-Seltzer has been used so freely by all the Members who were there that it is now classified as an endangered species.

Mr. HYDE. Yes, indeed. I thank the gentleman for his contribution and yield back the remainder of my time.

THE AMERICAN TAXPAYER GETS CUT IN HALF ON THE MIDEAST PEACE TREATY

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, the accolades that are pouring in for President Carter may or may not be deserved. I am one who thinks we ought to take a good hard look at the fine print before we start hailing the so-called Mideast peace.

In the first place, I think we should recognize that there are only two countries involved. There are 20 Arab countries which are not a part of this so-called Mideast peace treaty. I suppose, speaking for all interests except those of the taxpayer, there is progress when we change from a position of giving money to one side to where we now give to both sides. It seems that we are now making promises and commitments to both sides, and it seems that we are so sure of peace that we are going to offer military weapons to both sides. This may be progress, maybe not.

I think we might ask—and the American taxpayers certainly will ask—whether or not American taxpayers' money is the glue by which we can put together a peace in the Mideast. History does not speak kindly on this approach. I cannot help but wonder when the time comes that the PLO, the Iraqis, and the Syrians have strong disagreements, how much money this administration will go out and offer them as a part of a new and improved peace settlement.

One of my colleagues a little earlier referred to President Carter and likened him to King Solomon. I do not want to sound a sour note, but I think it ought to be clearly understood that the thing we remember best about King Solomon is that he offered to cut the baby in half.

About the only thing I have seen, as far as promises for peace in the Mideast, is that it looks like the American taxpayer is the one who is going to get cut in half.

EACH DAY'S DELAY OF DEBT LIMIT BILL COSTS TAXPAYERS $35 MILLION

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, yesterday when unanimous consent was sought for immediate consideration and approval of the Senate version of H.R. 2534, the debt limit bill, I objected. I did so because that procedure would have prevented the House from moving toward a balanced budget. Most of the Members of the House, certainly the Members on our side of the aisle, have sought language which would do that. The Senate version does not now contain such language.

In arguing for immediate consideration yesterday the gentleman from Illinois (Mr. ROSTENKOWSKI) noted that each day's delay cost the taxpayers $35 million. We Republicans are prepared today to consider and vote on this measure because we think we have a parliamentary procedure whereby we could bring up our amendment and have it included. However, I am informed that even though the debt limit expires Saturday night and the ceiling reverts from its current temporary level of $798 billion to $400 billion, the Democratic leadership has put off a vote until Monday. I wonder if they realize that on Monday a 2-year note worth $2.9 billion comes due and that the Treasury had planned to announce a new offering on Monday of $2.9 billion.

The SPEAKER pro tempore. The time of the gentleman has expired.

□ 1115

PARLIAMENTARY INQUIRY

Mr. RHODES. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. RHODES. Mr. Speaker, would it be in order for the minority leader to offer a unanimous-consent proposal to take from the Speaker's table the bill, H.R. 2534, to provide for a temporary increase in the public debt limit and for other purposes, with a Senate amendment thereto and ask for its immediate consideration? If it would be in order, I would so move.

The SPEAKER pro tempore. The Chair would not recognize the gentleman for that purpose.

NRC SHOULD EXPLAIN EVENTS AT THREE MILE ISLAND

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FISH. Mr. Speaker, the Nuclear Regulatory Commission has scheduled a briefing for Members of Congress on yesterday's accident at the Three Mile Island nuclear generating plant. This briefing will be held in room 2141, Rayburn, at 11:30.

Mr. Speaker, I hope that during the briefing the NRC will explain the sequence of events that has actually occurred at Three Mile Island. In the course of that explanation they must explain why there have been multiple failures of safety systems that have led to damage to the nuclear fuel resulting in the release of highly radioactive fission products in the reactor building.

I have been assured for years, and the NRC regulations require that the safety systems be adequate to prevent damage to the reactor fuel of the magnitude that has occurred at Three Mile Island. Even though it appears that most of the radioactive material has been contained within the reactor building, we are told the failure was mild, which raises the question what would have occurred if the safety systems were severely taxed.

I am concerned and want to understand what reason I now have in believing that other nuclear plants in the country are safe for the people living around those plants. I hope that the NRC will provide some specifics which will assure us that the situation in Three Mile Island is unique, is under control, and will not become worse. So far, I have not heard a single statement from the NRC with enough clarity, that the plant is under control at this time, more than 26 hours since the accident occurred.

PERSONAL EXPLANATION

(Mr. CLINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLINGER. Mr. Speaker, on March 22, 1979, I was absent from the floor of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 56: House Resolution 123, Committee on Post Office and Civil Service. The House agreed to the resolution, amended, to provide for the expenses of investigations and studies to be conducted by the Committee on Post Office and Civil Service, "no."

PERSONAL EXPLANATION

(Mr. LEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEE. Mr. Speaker, yesterday during rollcall No. 62, the vote on the adoption of the conference report on the United States-Taiwan Relations Act, I was unavoidably detained in a committee hearing on health.

Mr. Speaker, had I been present, I would have voted "nay."

THE TIME HAS COME FOR A CONSTITUTIONAL AMENDMENT TO BALANCE THE BUDGET

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, it is very clear that the people of this country are worried about inflation and high prices more than any other issue. It is very clear that they desire a balanced budget. Indeed, by an overwhelming majority, they even desire a constitutional amendment to require a balanced budget.

Those of us who believe in paying as you go and not burdening our children with debt believe that the time has come to offer an amendment which would require that the debt limit extension include provisions for a balanced budget.

We believe the time has come to act. We fear the people of the U.S. Government will act illegally on Monday in offering any additional debt when the debt limit reverts to $4 billion.

We should hate to see this Government act unconstitutionally and illegally and we call upon the leadership of the House to bring up the debt limit today.

□ 1120

Mr. CORMAN. Mr. Speaker, the gentleman who preceded me makes a very good point. We ought to balance the budget each year. In fact, the subcommittee I chair has one of the most difficult tasks in Congress—keeping within the budget limits while legislating programs for the poorest in the land. But we fully intend to keep our recommendations well below the 7-percent guidelines the President has proposed. If the Armed Services Committee could keep its recommendations on defense spending down as well, we could probably come close to balancing the budget.

Several proposals have been made that attempt to force Congress to balance the budget, but perhaps the most effective way would be to require us to adjust taxes in September when the final budget resolution is before us in order to balance the budget. If we had a deficit, we would have to impose a surcharge on the American people in order to raise the needed revenue. This increase could be shown clearly on the 1040 as necessary to balance the Federal budget. I believe we would have a balanced budget very quickly without any increase if we knew that any deficit would have to be made up in this harsh way. In fact, we might very soon be able to proudly announce that taxpayers would enjoy a tax cut because of a budget surplus and this, too, should appear on the 1040.

Let us not delude ourselves that this House is really going to find it easy to stay within the President's spending recommendations. There are some areas where we can and should cut. I suspect, however, that even that may be extremely difficult. Perhaps the threat of an automatic surcharge is the only way to make sure the line is held. First, though, we should heed the demands of State legislatures across the land for a balanced budget by eliminating general revenue sharing, the most wasteful of Government spending programs that will cost $6.8 billion this fiscal year.

INTERNATIONAL SECURITY ASSISTANCE ACT OF 1979

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules and on behalf of my colleague, the gentleman from Connecticut (Mr. Dodd) I call up House Resolution 184 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 184

Resolution providing for the consideration of the bill (H.R. 3173) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal years 1980 and 1981, and for other purposes

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3173) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal years 1980 and 1981, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. Moakley) is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes for the minority to the gentleman from Maryland (Mr. Bauman) pending which I yield myself such time as I may consume.

Mr. Speaker, the resolution makes in order the consideration of the bill (H.R. 3173) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal years 1980 and 1981, and for other purposes.

Mr. Speaker, this is a straight 1-hour open rule. I am aware of no opposition to the rule. What controversy there is over the bill itself can be dealt with under the rule which permits all germane amendments.

Mr. Speaker, the resolution was reported from the Committee on Rules by the distinguished gentleman from Connecticut (Mr. Dodd) who is momentarily delayed on official business. I would enter his prepared remarks, as designated floor manager for the committee, at this point in the Record:

Remarks of the Honorable Christopher J. Dodd on House Resolution 184

Mr. Speaker, House Resolution 184 provides for the consideration of H.R. 3173, a bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal years 1980 and 1981.

This rule provides for an open rule with one hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs. The resolution provides for one motion to recommit.

Mr. Speaker, H.R. 3173, the International Security Assistance Act of 1979, is a two-year authorization which provides $880.3 million for fiscal year 1980 and $865.3 million for fiscal year 1981 for military assistance, foreign military credit sales, international peacekeeping operations, international military training and education, and international narcotics control programs.

Mr. Speaker, as was the case in previous years, the largest portion of the security assistance program will go to nations in the Middle East. However, I should make clear that the funds in this bill for the Middle East do not include additional aid the administration is expected to request for Israel and Egypt as part of the recently signed treaty of peace.

Mr. Speaker, the major departure from our usual practice which is embodied in this bill is that this is the first time Congress will consider military aid on a two-year basis instead of only one, as the Committee on Foreign Affairs believes it will be better able to develop long-range perspective and oversight over our military aid to other nations with a two-year process.

I will leave it to the distinguished gentleman from Wisconsin, Chairman Zablocki, to fully explain the precise nature of the bill and its detailed provisions.

Mr. Speaker, as the floor schedule for today is quite crowded, I will reserve the balance of my time.

Mr. BAUMAN. Mr. Speaker, the gentleman from Massachusetts has adequately described the rule. I do think the membership ought to look closely at the legislation since it involves an authorization for 2 years rather than the customary 1 year, in amounts for 1980 of $880,317,000 and for 1981, $865,300,000. There are also provisions dealing with transfer of military related material to Taiwan as well as payments to a number of countries, some of which might be questionable such as the amount of money to be paid to the Guardia Nacional of the Republic of Panama, a question which might be better delayed until after this House acts upon the Panama Canal treaty implementing legislation for that country. I know of no opposition to the rule, however, and I have no requests for time and I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1125

Mr. ZABLOCKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3173) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal years 1980 and 1981, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. Zablocki).

The motion was agreed to.

The SPEAKER pro tempore. The Chair designates the gentleman from Florida (Mr. Fuqua) as Chairman of the Committee of the Whole and requests the gentleman from South Carolina (Mr. Holland) to assume the chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3173, with Mr. Holland (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Wisconsin (Mr. Zablocki) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. Broomfield) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. Zablocki).

Mr. ZABLOCKI. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I rise in support of H.R. 3173, the International Security Assistance Act of 1979.

H.R. 3173 authorizes fiscal year 1980 and 1981 appropriations for U.S. worldwide security assistance programs, certain international peacekeeping operations, and international narcotics control programs, and contains various provisions affecting the conduct and administration of our international security assistance programs and activities.

TWO-YEAR AUTHORIZATION LEVELS PROVIDED IN H.R. 3173

In response to the executive branch request for a specific dollar amount for fiscal year 1980 and "such sums as may be necessary" for fiscal year 1981, the Committee on Foreign Affairs recommends specific authorization levels for both fiscal years.

While a 2-year authorization is a departure from the practice in recent years of providing on a single fiscal year authorization for international security assistance programs, the committee saw two compelling advantages in adopting a 2-year authorization cycle for this and other legislation under our jurisdiction:

First, specific dual-year authorizations, which are envisioned by the Congressional Budget Act, will assist both the Congress and the executive branch in developing a much needed long range perspective on Federal budget planning.

Second, a 2-year authorization cycle would permit the committee to devote a full congressional session to an in-depth oversight review of the programs and activities under its jurisdiction.

With respect to the programs and activities contained in this legislation, a review of the authorizations for the past 5 fiscal years shows that the U.S. international security assistance program lends itself to a 2-year authorization cycle particularly well.

For example, the largest part of the total authorization in this legislation is for the foreign military credit sales (FMS) program. The largest area recipient of FMS credits is the Middle East and the largest single recipient is Israel. This situation, of course is not going to change over a 1-year period.

In the case of second largest part of the total authorization, grant military assistance (MAP), Congress mandated the phaseout of such assistance in the 1976 act except for those recipients specifically named in legislation. In practice those recipients have been and are today countries where the United States has important base rights such as Spain, Portugal, and the Philippines. The other recipient named in this bill, Jordan, is, of course, a politically moderate Arab State and plays a crucial role in the current Middle East peace process. This situation, too, is unlikely to change by fiscal year 1981.

Finally, the authorization levels for international military education and training and narcotics control programs have remained relatively constant over the past 5 fiscal years and should continue at approximately the same level.

Further, I am pleased to note that, in recommending a 2-year authorization, the committee is following the counsel of the House leadership, and the distinguished chairman of the Committee on Rules as well as that of the Budget Committee on this matter and is supported by the President.

H.R. 3173 authorizes a total appropriation of $880.317 million for fiscal year 1980 and $865.3 million for fiscal year 1981. These authorization levels represent decreases of $35.1 million and $50.2 million respectively in the total fiscal year 1979 authorization for international security assistance.

The committee's fiscal year 1980 recommendation is slightly higher, by $15 million, than the executive branch request, while our recommendation for fiscal year 1981 is exactly the same as the President's request for the coming fiscal year.

SPECIFIC AUTHORIZATION LEVELS FOR FISCAL YEARS 1980–81

The specific authorization levels for fiscal years 1980 and 1981 are as follows:

For the grant military assistance program, $110.2 million for each of the 2 fiscal years, the same as the President's request for 1980 and $23.3 million less than the fiscal year 1979 authorization;

For grant military education and training, $32.359 million for fiscal year 1980 and $32.9 million for fiscal year 1981, the former being $551 thousand less than the President's 1980 request and the latter the same as the 1980 request;

For the foreign military sales credit financing program, $675.9 million and $656.3 million for the 2 fiscal years respectively, with the 1980 recommendation slightly higher than the President's request and the 1981 recommendation kept at the same level as the President's request for the coming fiscal year;

For peacekeeping operations, $28.1 million for each of the 2 fiscal years or the same as the President's request for fiscal year 1980; and finally

For international narcotics control, the bill authorizes $51.578 million for fiscal year 1980, and $37.8 million for fiscal year 1981. The $13.9 million increase in the President's request for 1980 is recommended as a special effort to shore up Colombia's ability to combat illicit trafficking in narcotics. The fiscal year 1980 recommendation is the same as the President's request for the coming fiscal year.

Mr. Chairman, in addition to the authorization of appropriations, I would like to call to the committee's attention a few other important provisions contained in the bill.

As in past years, the bill earmarks an aggregate level of $1 billion in foreign military credit sales for Israel with $500 million of that credit forgiven. This authorization is, of course, apart from any additional request which in all likelihood will be forthcoming as a result of the peace treaty signed by Israel and Egypt yesterday.

The bill also:

Contains provisions in sections 9, 10, and 11 designed to facilitate NATO standardization and cooperative efforts;

Authorizes the establishment of defense stockpiles in Korea outside U.S. military bases;

Authorizes the transfer of U.S. war reserve materials on Taiwan to Taiwan; and

Raises the annual ceiling on the commercial sale of major defense equipment from $25 million to $35 million.

Mr. Chairman, in closing, H.R. 3173 is the product of 32 hearings by the Foreign Affairs Committee and its subcommittees. The bill, which has the bipartisan support of the committee, was favorably reported by a voice vote.

Its approval is vitally important to the conduct of U.S. foreign policy and to our security interests around the world.

I urge the adoption of the bill.

☐ 1135

Mr. Chairman, I reserve the balance of my time.

Mr. BROOMFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I endorse the comments of my distinguished colleague, Mr. ZABLOCKI, and rise in support of H.R. 3173, the International Security Assistance Act of 1979.

The legislation—which provides for a 2-year authorization in order to develop better oversight and longer range budget planning—is important to our national and collective security. In particular, the legislation provides for the maintenance of our worldwide security interests be they in Europe, Asia, or the Near East.

With the ever growing Soviet arms buildup, there is a great need for the United States to join its good friends and allies in seeking new and better ways to collective security. In this regard, the legislation before us today contains several important provisions designed to facilitate NATO standardization. As my colleagues know, since 1949—when the alliance was formed—NATO has been of great value to both the United States and the European community. The alliance has denied Moscow the opportunity to dominate Western Europe and has provided the West with a sense of security and confidence. Moreover, NATO has provided us with an opportuntiy to seek a gradual resolution of East-West differences on terms that can be more acceptable to the West.

The legislation we are considering today also helps to maintain our security interests in Asia by authorizing the transfer to Taiwan of U.S. war reserve materials located in Taiwan and by providing Korea with $225 million in foreign military sales credits in fiscal year 1980. Furthermore, the bill provides security assistance to the Philippines as an integral part of our military bases agreement.

In this regard I am extremely concerned about the human rights situation in the Philippines, and I know that many other Members of Congress feel the same way. In fact, President Carter addressed this concern in a March 21 letter to our colleague, LESTER WOLFF, chairman of the Asian and Pacific Affairs Subcommittee, a copy of which was distributed to the Foreign Affairs Committee.

In his letter, the President said:

> During the base negotiations we (the United States) maintained a continuing dialogue on human rights with the Philippine leadership including President Marcos and his defense minister. We have stressed the necessity of improvement in areas of the most serious concern such as mistreatment of detainees. Our position is well understood, and we see some modest improvement. We do not believe a cut in grant MAP would serve overall U.S. interests in the present circumstances.

While I continue to be disappointed in human rights conditions in the Philippines, I am not convinced that our national security interests would be served by a reduction in the grant military aid requested by the administration in connection with the bases agreement.

This legislation also serves our security needs in the near East by providing necessary support to such good friends and allies as Greece, Turkey, and Israel. In particular, the legislation provides foreign military sales credits to Greece and Turkey and authorizes one billion dollars in FMS financing for Israel in fiscal year 1980.

In summary, I believe the legislation we have before us is vital to our country's security interests. I therefore urge my colleagues to support H.R. 3173.

Mr. Chairman, at this time I yield 5 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, the Foreign Affairs Committee overwhelmingly approved H.R. 3173. In doing so, however, it left certain issues unresolved. Principal among these is its ceiling of $35 million for commerial sales of major American defense equipment. This arbitrarily low cap on exports in this category is unduly costly to U.S. exporters. It takes much longer for negotiations of sales contracts in this category than in ordinary commercial sales. By imposing this low ceiling, fewer contracts will be negotiated and our exporters will continue to lose foreign markets. Only about 1½ percent of total arms exports of major defense equipment falls in this category and the record shows that in 1975 and 1976 the items affected by the ceiling—which was higher than the new ceiling proposed in this bill—were unarmed aircraft, C–130 transport planes and CH–47 and CH–53 helicopters.

What we are doing by instituting the cap imposed by this bill is denying our aircraft industry, including, of course, their many workers, the benefit of foreign markets. The United States has just posted a record trade deficit. Instead of contributing to unfavorable trade balances, we should be working to improve the foreign sales situation for our manufacturers.

Foreign nations have certain minimum defense needs which they will strive to satisfy. They will buy arms to satisfy these needs (as they perceive them) whether or not we approve. The vacuum we create will be—is being—filled by foreign defense equipment exporters. Foreign suppliers, often nationalized firms, are already undertaking aggressive sales drives in Africa, South America, and elsewhere. Many of these markets should be ours—in consonance with our security interests.

It should be remembered that our arms program is basically a function of our foreign policy. Our own national security interests dictate that we help to maintain the defense capabilities of friendly foreign countries.

It is vastly more expensive to maintain a U.S. soldier abroad than a soldier in a friendly foreign country—about $10,000 to $15,000 a year more. It is in our own national interest to help maintain a rational arms program abroad which contributes to mutual security in the face of strategic threats, including a continuing—indeed mounting—Soviet buildup. Our defense arms program should be maintained and strengthened.

Mr. Chairman, in addition to the issues before us in this bill, I take this time to discuss with the Members the situation on Cyprus. More specifically, the provisions of the 1978 International Security Assistance Act and the requirement of 60-day Presidential reports.

It is clear that thus far, the President's 60-day reports have been used to circumvent Turkish compliance with the intent of Congress that action be taken in such vital areas as troop withdrawals, refugee resettlement, and the resumption of intercommunal talks.

Clearly the President's 60-day reports have not provided the measure of accountability that the Congress desired.

The President's 60-day report issued on March 23, 1979, regarding Cyprus makes it clear that there has been no progress on Cyprus.

In addition, the President's report is misleading in several respects:

First. Once again it makes no mention of the fact that the Greek Cypriots have unconditionally accepted the Secretary General's formula for the resumption of intercommunal talks while the Turkish Cypriots have not.

Second. It fails to reveal the hardening of the Turkish Cypriot position since the introduction of the administration's $300-million aid package for Turkey without fulfillment of the conditions set down by the Congress in the International Security Assistance Act of 1978.

Third. The hardening of the Turkish position was dramatically demonstrated by the conduct of Turkish military exercises in northern Cyprus during the week of March 19, 1979. The President's report failed to mention the Turkish military maneuvers.

The President's 60-day reports have sent the Turkish Government the wrong signals. If the President's 60-day reports fail to be objective about Turkish inaction vis-a-vis a Cyprus settlement, how can the Turkish Government possibly take the provisions of the International Security Assistance Act of 1978 seriously?

These reports have unfortunately become a subterfuge. We need specific conditions and timetable to the aid package which, if not met, would trigger a halt to the aid.

Conditions that the Turkish Government must meet in the context of a specific time frame must be incorporated into the law.

At an appropriate time, utilizing an appropriate legislative vehicle, specific conditions which must be met should be substituted for the present unworkable language.

These conditions should include the return of Greek Cypriots to their homes and properties in Famagusta and Morphou, with the U.N. peacekeeping forces having control of the area.

The Greek Cypriots hope to live in peace with the enjoyment of mutual prosperity with their Turkish Cypriot brothers. However, the practicality of such a development must include the removal of the Turkish colonizers who have come to the island since the partition.

Harmony between Greek and Turkish Cypriots will permit the removal of Turkish troops from Cyprus.

To sum up my position, I do not believe that Congress should require that the President continue to issue meaningless and distorted reports on Cyprus. The Congress must recognize that the vote taken on the 1978 International Security Assistance Act has not achieved its stated goal.

Many of the members of our freshman class will be new to this issue, and it is only fair that we alert them to the legislative action that is needed down the road.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, my colleagues, I am going to speak only very briefly of two of the provisions in the bill that I am concerned about. I was going to offer an amendment, or was at least considering it, that would provide for a change in a new program that the Department of Defense has proposed for starting up this year; a peacekeeping and arms control training program for the military in South America and in the Caribbean.

I think that is a very good idea. Latin America is a tense area—potentially explosive. There are threats of wars between Argentina and Chile, and between Chile and Peru, perhaps between Peru and Ecuador, under the basic law as it now stands. However, several of the major countries in South America, for example, Chile and Argentina, are precluded from military assistance or in any military training programs. Because of their reluctance to comply with what they, not I, consider to be onerous reporting requirements, other countries such as Brazil have refused to participate. We had proposed in the Subcommittee on Inter-American Affairs, for this very limited purpose, training for peacekeeping and arms control, that all countries, subject to the approval of the President of the United States, would be permitted to take part in the program on a reimbursible basis. They would have paid for it; and there would have been no taxpayers' dollars involved. That was knocked out in full committee and I regret that very much. I hope at some later date that defect can be remedied.

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There is another defect as well. Instead of having this military training program under the control of the Department of Defense, an amendment was adopted which puts it under the control of the Arms Control and Disarmament Agency, which has no facilities and no expertise in this kind of operation.

We were advised by them unofficially that they did not want this amendment. However, officially they will not say anything. The Defense Department does not want to have a fight about it.

Therefore, Mr. Chairman, I am not going to offer that amendment; but I do wish to express my concern about it.

● Mr. RANGEL. Mr. Chairman, I rise in support of the International Security Assistance Act of 1979.

I wish to draw your attention, and the attention of our colleagues, to the provision of the bill which provides for international narcotics control. To me, and to the members of poor communities around the Nation, this provision numbers among the most important in the bill.

Drug traffic on our streets brings disease, crime, and misery. Every family in Harlem is affected by some aspect of the drug trafficking. Children and their parents are openly solicited on the streets.

Neighborhoods deteriorate as addicts prey on the old and the weak.

Respect for the police, and for city and Federal officials, is eaten away as it becomes more and more apparent that we are powerless to hold the forces of organized crime at bay.

Despite all of our pronouncements, all our promises to rid the United States of illicit drugs, trafficking openly continues on the streets of neighborhoods all over the country, including, I am sad to say, my own.

Narcotics abuse is an acid which will slowly dissolve the fabric of our society. International efforts to stop the flow of narcotics into the United States must continue. The provisions in this proposal are heartening. Let us maintain our vigilance.●

● Mr. BUCHANAN. Mr. Chairman, I rise in support of this legislation, because I believe it is in our own national interest and I believe it to be in the interest of peace and stability in the world.

One might well question how a bill which provides so much military assistance to so many countries can contribute to peace in the world, but I think we have seen evidence just this week of how this can happen and has happened in the Middle East.

In my judgment, our strength is the world's best hope for peace. Our strength, reinforced by that of our allies can and does act as a strong deterrent to aggression and is a force for peace.

The bill before us today, as has been the case in the past, is heavily weighed toward the Middle East and toward military credit sales. With regard to this latter category, these sales must be repaid with interest at the current average interest rate.

To date, no nation has defaulted.

The lion's share of the foreign military sales program provides assistance to Israel which, despite the peace treaty signing earlier this week, is still confronted with a number of hostile neighbors.

Some $28 million is also authorized for our Middle East peacekeeping activities.

It is my sincere hope and prayer that additional treaties can be effectuated in the future so that the necessity for this type of assistance can be diminished.

We have also authorized the transfer to Taiwan of the U.S.-held war reserves on that island, amounting to some $11.6 million and it is my intention to support continued military assistance to the government on Taiwan.

As to the effects of this legislation here at home, I would call to the attention of my colleagues the inflationary impact statement on page 29 of the committee report which quotes a Congressional Budget Office study which concluded that foreign military sales, both cash and credit, result in an average budgetary cost savings of $560 million annually and will provide employment for approximately 350,000 people through 1982.

This includes not only individuals involved in the manufacture of weapons, but those in the steel and foundry industries in cities like my own Birmingham, Ala.

Another major portion of this bill provides some $51.7 million for international narcotics control. Drug abuse continues to be a major problem in our Nation, but it is not a problem we can attack alone. It is essential that we begin our efforts at the source of the problem—where the poppy, coca, and marihuana are grown. These funds will assist governments in such countries as Thailand, Colombia, and Mexico in their efforts to halt the production of dangerous drugs at their source.

I believe this legislation, which is tightly drawn, will contribute to our own defense and is in the best interests of our Nation. I, therefore, strongly urge the support of my colleagues for it.●

Mr. BROOMFIELD. Mr. Chairman, I yield back the balance of my time.

Mr ZABLOCKI. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "International Security Assistance Act of 1979".

The CHAIRMAN. Are there any amendments to section 1? If not, the Clerk will read section 2.

The Clerk read as follows:

CONTINGENCIES

SEC. 2. (a) The heading for chapter 5 of part I of the Foreign Assistance Act of 1961 is amended by striking out "CONTINGENCY FUND" and inserting in lieu thereof "CONTINGENCIES".

(b) Section 451 of such Act is amended—

(1) by striking out "CONTINGENCY FUND" and inserting in lieu thereof "CONTINGENCIES"; and

(2) by amending subsection (a) to read as follows:

"(a)(1) Notwithstanding any other provision of law, the President is authorized to use for any emergency purposes not to exceed $10,000,000 of funds made available to carry out any provision of this Act (other than the provisions of chapter 1 of part I) in any fiscal year to provide assistance authorized by this part in accordance with the provisions applicable to the furnishing of such assistance.

"(2) The President shall promptly report to the Speaker of the House of Representatives and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate each time he exercises the authority contained in this subsection.".

INTERNATIONAL NARCOTICS CONTROL

SEC. 3. (a) Section 482(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) To carry out the purposes of section 481, there are authorized to be appropriated to the President $51,758,000 for the fiscal year 1980 and $37,800,000 for the fiscal year 1981.

"(2) Of the amount authorized for the fiscal year 1980 by paragraph (1), $16,000,000 shall be available only for the Republic of Colombia for the interdiction of drug traffic. Such funds may be used only (A) for helicopters, patrol vessels, fixed radar equipment, transport vehicles, and fuel, which will be used exclusively for interdicting drug traffic, and (B) for training personnel with respect to the interdiction of drug traffic.

"(3) Funds appropriated under this subsection for the fiscal year 1980 or the fiscal year 1981 may not be used for a contribution to the United Nations Fund for Drug Abuse Control during either such year in an amount which exceeds the lesser of $3,000,000 or 25 percent of the total contributions by all countries to such Fund for the calendar year with respect to which the United States contribution is made.

"(4) Amounts appropriated under this subsection are authorized to remain available until expended.".

(b) Section 481(b)(2) of such Act is amended—

(1) by striking out "and" at the end of subparagraph (A);

(2) by striking out the period at the end of clause (iii) of subparagraph (B) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(C) the findings from a formal end-use monitoring system including an assurance that equipment provided under this chapter has been used in accordance with the requirements established at the time the agreement for such equipment was concluded and that none of the assistance furnished under this chapter has been used for purposes not related to the control of illicit drugs.".

MILITARY ASSISTANCE

SEC. 4. (a) Section 504(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1)(A) There is authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed $110,200,000 for the fiscal year 1980 and $110,200,000 for the fiscal year 1981.

"(B) Not more than the following amounts of funds available to carry out this chapter may be allocated and made available for assistance to each of the following countries for the fiscal year 1980:

"Portugal	$30,000,000
"Spain	3,800,000
"Jordan	30,000,000
"Philippines	25,000,000

The amount specified in this paragraph for military assistance to any such country may be increased by not more than 10 percent of such amount if the President deems such increase necessary for the purposes of this chapter.

"(C) Notwithstanding section 516(a) of this Act, military asistance may be furnished under this section for the fiscal year 1981 to such otherwise eligible countries (not to exceed five) and in such amounts as the President may determine. The countries receiving assistance under the authority of this subparagraph for fiscal year 1981 shall be deemed to be specified countries for purposes of section 515(b)(1) of this Act.".

(b) Section 506 of such Act is amended to read as follow:

"SEC. 506. SPECIAL AUTHORITY.—(a)(1) If the President determines and reports to the Congress in accordance with section 652 of this Act—

"(A) that an unforeseen emergency exists which requires immediate military asistance to a foreign country or international organization; and

"(B) that the emergency requirement cannot be met under the authority of the Arms Export Control Act or any other law except this section;

he may direct the drawdown of defense articles from the stocks of the Department of Defense and defense services of the Department of Defense and military education and training for the purposes of this part, in an aggregate value of not to exceed $10,000,000 in any fiscal year, subject to reimbursement from subsequent appropriations made specifically therefor under subsection (b).

"(2) The President shall keep the Congress fully and currently informed of all defense articles, defense services, and military education and training provided under this subsection.

"(b) There are authorized to be appropriated to the President such sums as may be necessary to reimburse the applicable appropriation, fund, or account for defense articles, defense service, and military education and training provided under subsection (a) of this section.".

(c) Section 516(a) of such Act is amended by striking out "until September 30, 1981," and all that follows thereafter and inserting in lieu thereof "shall remain available for a period of three fiscal years next following any fiscal year after the fiscal year 1977 for which assistance under this chapter has been authorized for a country, to the extent necessary to carry out obligations incurred under this chapter with respect to such assistance for such country on or before September 30 of such fiscal year.".

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 5. Section 514 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (b)(2), by striking out "$90,000,000 for the fiscal year 1979" and inserting in lieu thereof "$95,000,000 for the fiscal year 1980 and $95,000,000 for the fiscal year 1981";

(2) in subsection (c), by inserting "the Republic of Korea or" immediately after "stockpiles located in"; and

(3) by adding at the end thereof the following new subsection:

"(f) The President shall provide the Congress by December 31, 1979, a report on the feasibility and advisability of establishing, under existing stockpile authorities, a system of reserve stocks of defensive weapons for contingency use by specific participating friendly developing countries in military emergencies. The report shall include consideration of the conditions under which agreements could be entered into providing for the transfer of equipment from these stockpiles and the terms of such agreements, as well as illustrative procedures and formulas for the establishment and management of stockpiles under such a program.".

INTERNATIONAL MILITARY ASSISTANCE AND SALES PROGRAM MANAGEMENT

SEC. 6. Section 515 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (b)(1)—

(A) by striking out "fiscal year 1979" and inserting in lieu thereof "fiscal year 1980 and the fiscal year 1981"; and

(B) by inserting "Greece," immediately after "Panama,"; and

(2) in subsection (f), by striking out "December 31, 1977" and inserting in lieu thereof "December 31, 1978".

INTERNATIONAL MILITARY EDUCATION AND TRAINING

SEC. 7. (a) Section 542 of the Foreign Assistance Act of 1961 is amended by striking out "$31,800,000 for the fiscal year 1979" and inserting in lieu thereof "$32,359,000 for the fiscal year 1980 and $32,900,000 for the fiscal year 1981".

(b) Of the amounts authorized to be appropriated by this section, not more than $800,000 shall be available in any fiscal year for the purpose of providing education and training in peacekeeping, arms restraint, and arms control under a regional program for Latin America. The development and offering of such courses shall be accomplished in consultation with, and subject to the approval of, the Director of the Arms Control and Disarmament Agency.

PEACEKEEPING OPERATIONS

SEC. 8. Section 552 of the Foreign Assistance Act of 1961 is amended by striking out "$30,900,000 for the fiscal year 1979" and inserting in lieu thereof "$28,100,000 for the fiscal year 1980 and $28,100,000 for the fiscal year 1981".

TRANSFERS OF DEFENSE ARTICLES, RELATED TRAINING, AND OTHER DEFENSE SERVICES WITHIN THE NORTH ATLANTIC TREATY ORGANIZATION

SEC. 9. Section 3(d)(3)(C) of the Arms Export Control Act is amended to read as follows:

"(C) to transfers among members of the North Atlantic Treaty Organization and between the North Atlantic Treaty Organization and any of its member countries.".

RECIPROCAL QUALITY ASSURANCE, INSPECTION, AND CONTRACT AUDIT SERVICES

SEC. 10. Section 21 of the Arms Export Control Act is amended—

(1) by redesignating subsection (h) thereof as subsection (i); and

(2) by inserting the following new subsection (h) immediately after subsection (g):

"(h) The President is authorized to provide (without charge) quality assurance, inspection, and contract audit defense services under this section—

"(1) in connection with the placement or administration of any contract or subcontract for defense articles or defense services entered into after the date of enactment of this subsection by, or under this Act on behalf of, a foreign government which is a member of the North Atlantic Treaty Organization, if such government provides such services in accordance with an agreement on a reciprocal basis, without charge, to the United States Government; or

"(2) in connection with the placement or administration of any contract or subcontract for defense articles or defense services pursuant to the North Atlantic Treaty Organization Infrastructure Program in accordance with an agreement under which the foreign governments participating in such program provide such services, without charge, in connection with similar contracts or subcontracts.".

NORTH ATLANTIC TREATY ORGANIZATION COOPERATIVE PROJECTS

SEC. 11. Chapter 2 of the Arms Export Control Act is amended by adding at the end thereof the following new section:

"SEC. 27. NORTH ATLANTIC TREATY ORGANIZATION COOPERATIVE PROJECTS.—(a) For the purposes of this section, a 'cooperative project' means a project described in an agreement, entered into after the date of enactment of this section, under which—

"(1) the North Atlantic Treaty Organization, or one or more member countries thereof, agrees to share with the United States the cost of research on and development, testing, and evaluation of certain defense articles, and the costs of any agreed joint production ensuing therefrom, in order to further the objectives of standardization and interoperability of the armed forces of North Atlantic Treaty Organization member countries; or

"(2) the North Atlantic Treaty Organization, or one or more member countries thereof other than the United States, agrees to bear the costs of research on and development, testing, and evaluation of certain defense articles (or categories of defense articles) and to have such articles produced for sale to, and licensed for production within, other participant member countries including the United States, and the United States agrees to bear the costs of research on and development, testing, and evaluation of other defense articles (or categories of defense articles) and to have such defense articles produced for sale to, and licensed for production within, other participant member countries in order to further the objectives of rationization of the industrial and technological resources within the North Atlantic Treaty area.

"(b) The President may reduce or waive the charge or charges which would otherwise be considered appropriate under section 21(e) of this Act (and, in the case of agreements described in subsection (a)(2) of this section, may reduce or waive the charges for reimbursement of the costs of officers and employees of the United States Government which would otherwise be required) in connection with sales under section 21 and section 22 of this Act in furtherance of cooperative projects. Notwithstanding the provisions of section 21(e)(1)(A) and section 43(b) of this Act, administrative surcharges shall not be increased on other sales made under this Act in order to compensate for reductions or waivers of such surcharges under this section. Funds received pursuant to such other sales shall not be available to reimburse the costs incurred by the United States Government for which reduction or waiver is approved by the President under this section.

"(c)(1) Not less than thirty days prior to signature on behalf of the United States of an agreement for a cooperative project, the President shall transmit to the Speaker of the House of Representatives, the chairman of the Committee on Foreign Relations of the Senate, and the chairman of the Committee on Armed Services of the Senate, a numbered certification with respect to such proposed agreement, setting forth—

"(A) a detailed description of the cooperative project with respect to which the certification is made;

"(B) an estimate of the amount of sales and exports expected to be made or approved under this Act in furtherance of such cooperative project;

"(C) an estimate of the dollar value of any charges expected to be reduced or waived under this section in connection with such cooperative project, such dollar value to consist of expenses that will be charged against Department of Defense funds without reimbursement and amounts not to be recovered and deposited to the General Fund of the Treasury;

"(D) an estimate of the dollar value of the costs to be borne by the North Atlantic Treaty Organization or by the member countries thereof in connection with such cooperative project; and

"(E) a statement of the foreign policy and national security benefits anticipated to be derived from such cooperative project.

"(2) The provisions of subsection (b) of section 36 of this Act shall not apply to sales made under section 21 or section 22 of this Act, and the provisions of subsection (c) of section 36 of this Act shall not apply to the issuance of licenses or other approvals under section 38 of this Act, if such sales are made, or such licenses or approvals are issued, in furtherance of a cooperative project.".

REPORTS ON PRICE AND AVAILABILITY ESTIMATES

SEC. 12. (a) Chapter 2 of the Arms Export Control Act, as amended by section 11 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 28. REPORTS ON PRICE AND AVAILABILITY ESTIMATES.—(a) The President shall transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, within five days after the end of each calendar quarter, a report listing each price and availability estimate provided by the United States Government during such quarter to a foreign country with respect to a possible sale under this Act of major defense equipment for $7,000,000 or more or of any other defense articles or defense services for $25,000,000 or more. Each such listing shall specify the name of the country to which the estimate was provided, the defense articles or services involved, the quantity involved, and the price estimate provided.

"(b) Such reports shall also list each request received by the United States Government from a foreign country, during the quarter in question, for the issuance of a letter of offer to sell defense articles or defense services if (1) the proposed sale has not been the subject of a listing pursuant to subsection (a) of this section, and (2) the issuance of a letter of offer in accordance with such request would be subject to the requirements of section 36(b) of this Act. Each such listing shall include the name of the country making the request, the date of the request, the defense articles or services involved, the quantity involved, the price and availability terms requested.".

(b) Section 36(b) of such Act is amended by adding at the end thereof the following new paragraph:

"(4) In addition to the other information required to be contained in a certification submitted to the Congress under this subsection, each such certification shall cite any quarterly report submitted pursuant to section 28 of this Act which listed a price and availability estimate, or a request for the issuance of a letter of offer, which was a basis for the proposed sale which is the subject of such certification.".

FOREIGN MILITARY SALES AUTHORIZATION AND AGGREGATE CEILING

SEC. 13. Section 31 of the Arms Export Control Act is amended—

(1) in subsection (a), by striking out "$682,000,000 for fiscal year 1978 and $674,300,000 for the fiscal year 1979" and inserting in lieu thereof "$657,900,000 for the fiscal year 1980 and $656,300,000 for the fiscal year 1981";

(2) in subsection (b), by striking out "$2,152,350,000 for the fiscal year 1978 and $2,085,500,000 for the fiscal year 1979" and inserting in lieu thereof "$2,079,000,000 for the fiscal year 1980 and $2,063,000,000 for the fiscal year 1981";

(3) in subsection (c)—

(A) by striking out "fiscal year 1979" in the first sentence and inserting in lieu thereof "fiscal year 1980 and for the fiscal year 1981"; and

(B) by inserting "each" immediately after "financed for" in the last sentence; and

(4) in subsection (d), by striking out "$150,000,000" and inserting in lieu thereof "$250,000,000".

REPORTS TO THE CONGRESS

SEC. 14. (a) Section 36(a) of the Arms Export Control Act is amended—

(1) by striking out "thirty" in the text preceding paragraph (1) and inserting in lieu thereof "sixty";

(2) by inserting "and" immediately after the semicolon at the end of paragraph (7);

(3) by striking out "; and" at the end of paragraph (8) and inserting in lieu thereof a period; and

(4) by striking out paragraph (9).

(b) Section 43 of such Act is amended by adding at the end thereof the following new subsection:

"(c) Not later than January 15 of each year, the President shall submit to the Congress a report containing an analysis and description of the services performed during the preceding fiscal year by officers and employees of the United States Government carrying out functions on a full-time basis under this Act for which reimbursement is provided under subsection (b) of this section or under section 21(a) of this Act. Such reports shall specify the number of personnel involved in performing such services.".

(c) Section 36(b)(1) of such Act is amended by adding at the end thereof the following: "If the President states in his certification that an emergency exists which requires the proposed sale in the national security interest of the United States, thus waiving the congressional review requirements of this subsection, he shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate the immediate issuance of the letter of offer and a discussion of the national security interests involved.".

CEILING ON COMMERCIAL ARMS SALES

SEC. 15. Section 38(b)(3) of the Arms Export Control Act is amended by striking out "$25,000,000" and inserting in lieu thereof "$35,000,000".

DEFINITIONS

SEC. 16. Section 644(d) of the Foreign Assistance Act of 1961 and section 47(3) of the Arms Export Control Act are each amended by inserting "(except uranium depleted in the isotope 235 which is incorporated in defense articles solely to take advantage of high density or pyrophoric characteristics unrelated to radioactivity)" immediately after "source material".

TRANSFER OF WAR RESERVE MATERIEL AND OTHER PROPERTY TO TAIWAN

SEC. 17. (a) Notwithstanding any other provision of law, during the calendar year 1980 the President is authorized to transfer to Taiwan, under such terms and conditions as he may deem appropriate, such of the United States war reserve materiel as he may determine that was located on Taiwan on January 1, 1979.

(b) Notwithstanding any other provision of law, during the calendar years 1979 and 1980 the President is authorized to transfer to Taiwan, under such terms and conditions that he may deem appropriate, such rights of the United States in property other than war reserve materiel as he may determine that was located on Taiwan on January 1, 1979.

AMMUNITION SOLD TO THAILAND

SEC. 18. The Royal Thai Government shall be released from its contractual obligation to pay to the United States Government such amount as is due on or before October 30, 1979, as a condition precedent under the letter of offer accepted by the Royal Thai Government on April 12, 1977, to the transfer of title to the last increment of United States ammunition stocks sold to the Royal Thai Government under such letter of offer pursuant to the Memorandum of Agreement of March 22, 1977, relating to the storage of ammunition in Thailand.

ASSISTANCE FOR JORDAN

SEC. 19. Funds authorized to be appropriated for the fiscal years 1980 and 1981 by amendments made by this Act may be used to furnish assistance for Jordan only if the President determines and certifies to the Congress that Jordan is acting in good faith to achieve further progress toward a comprehensive peace settlement in the Middle East and that the expenditures of such funds will serve the process of peace in the Middle East.

EFFECTIVE DATE

SEC. 20. (a) The amendments made by this Act shall take effect on October 1, 1979, and to the extent that they provide new authorities whose exercise would involve the expenditure of appropriated funds, shall apply only with respect to funds appropriated after the date of enactment of this Act.

(b) Provisions of law amended by this Act which were specifically applicable to programs of assistance for the fiscal year 1979 shall remain in effect with respect to those programs.

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: Page 17 after line 3: The following new language: "None of the funds authorized by this Act shall be made available to the Republic of Panama or its agencies or instrumentalities.".

Mr. ZABLOCKI. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Wisconsin (Mr. ZABLOCKI) reserves a point of order against the amendment.

Mr. BAUMAN. Mr. Chairman, I would be glad to have the gentleman from Wisconsin (Mr. ZABLOCKI) air his point of order now if he wishes.

Mr. ZABLOCKI. Mr. Chairman, we do not have a copy of the amendment.

Mr. BAUMAN. Mr. Chairman, I regret that I do not have a copy of this amendment, but it was just drafted. The committee has moved with unusual dispatch this morning.

This amendment contains a simple prohibition against any of the funds in the bill being given to the Republic of Panama or its agencies.

Mr. ZABLOCKI. Mr. Chairman, I am not precluding the gentleman from Maryland from explaining his amendment. I am reserving a point of order against it.

The CHAIRMAN. The gentleman from Wisconsin (Mr. ZABLOCKI) reserves a point of order against the amendment.

The Chair recognizes the gentleman from Maryland (Mr. BAUMAN) for 5 minutes in support of his amendment.

Mr. BAUMAN. Mr. Chairman, the reason I offer this amendment, quite simply, is not intended in any way to cast a reflection on the Committee on Foreign Affairs. It is just that I do not believe the Republic of Panama should be receiving aid from the United States of America or its taxpayers since we are now engaged in the committee markup procedure on implementing legislation for the Panama Canal Treaty.

The Subcommittee on the Panama Canal of the Committee on Merchant Marine and Fisheries, of which I have the honor to be the ranking minority member, concluded that markup today. Our full Committee on Merchant Marine and Fisheries will now proceed with it on Monday. Three other committees of the House are now proceeding with the matter.

The financial arrangements under the Panama Canal Treaty indicate that in the first year of operation beginning October 1 of this year the Republic of Panama will receive a minimum of $65 to $75 million before any of the operating costs of the canal are paid, that money coming out of the tolls. That is new income direct to Panama.

Mr. Chairman, it is possible that within a matter of a few years, Panama could be receiving as much as $100 million annually based on the increased tonnage shipped through the canal.

Mr. Chairman, it is my feeling that until the House and the other body conclude their deliberations on the implementing legislation, it would be better for us to defer the question of authorizing any amount of money to the Republic of Panama, against the possibility that they may wish to use this enormously increased income from the canal to finance their own internal operations. This bill does contain, I am told, $2.5 million for military assistance to the Republic of Panama, most of which or all of which will go to the Guardia Nacional, their military police and the main force to keep the government in power.

Mr. Chairman, my principal reason is to defer these matters of funding until we see the final form of the implementing legislation if, indeed, any passes the Congress. I think we should not prejudge the matter at this time.

☐ 1145

Mr. ZABLOCKI. Mr. Chairman, I withdraw my point of order.

Mr. Chairman, in committee the amount for foreign military sales credits requested for Panama was cut by one-half—from $5 to $2.5 million. In the authorization of appropriations, the FMS credits for Panama are in no way related to the treaty. The purpose of the monies provided in this bill is to assist in the security of Panama. Indeed, the gentleman from Maryland (Mr. Bauman) would agree that the security of Panama is vital to the U.S. defense interests due to the strategic value of the Panama Canal.

The FMS credits provided for Panama are part of the Carter administration's effort to seek $50 million in FMS financing over a 10-year period. The funds are designed in part to provide for protection of the Panama Canal as Panama begins to take on greater responsibilities defending the canal. Deleting all of the funds, as the gentleman's amendment would provide, is unlikely to have any impact, I might say, as far as the treaty's implementation. We now have pending before four House committees implementing legislation regarding the treaty. The purpose of the cut in the committee, which was sponsored by the gentleman from California (Mr. Lagomarsino), was intended particularly as a signal to that country of our displeasure with its violation of human rights.

I personally believe, Mr. Chairman, that the amendment that the gentleman from Maryland (Mr. Bauman) proposes, although I do not question his sincerity will not have the effect that he expects. Mr. Chairman, adoption of the amendment would not be in our country's national or security interests. I am likewise concerned about the problems and the issues involved in the transfer of the canal to Panama, but I think this amendment would be a step in the wrong direction, and I hope that the amendment will be defeated.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding. I may be able to elaborate a little further on the concerns the gentleman from Maryland has, which I know are shared by a number of members of our Committee on Merchant Marine and Fisheries who have been dealing directly with this matter. We were told repeatedly when the treaties were to be ratified by the other body, by President Carter, Secretary Vance, Assistant Secretary Christopher, Ambassadors Linowitz and Bunker, and a number of other administration officals, that the Panama Canal Treaties' implementation would not cost the American taxpayer one single dollar.

Our hearings, which we have conducted since January indicate that in fact, extraneous to the amounts coming out of the tolls, these treaties will cost over their 22-year life to the end of this century approaching an amount of $4 billion in direct subsidies from the American taxpayers. In addition, as the gentleman has just said correctly, we promised a certain amount of foreign aid, housing assistance, guarantees from OPIC, and also military aid, which is what is before us today. In view of the fact that we were not told the truth, we were deceived by the administration, it would be the intention of a number of Members to reduce these amounts in all authorizing and appropriating legislation until the implementing legislation is before us in final form and we know, indeed, what it really will cost the taxpayers. But in the interim it is my position that we should not authorize any amount.

Mr. ZABLOCKI. Mr. Chairman, I fully understand the gentleman's position. I would personally hope that we would restore the amount as requested by the President, that is, the entire $5 million.

☐ 1150

I must also point out, Mr. Chairman, that we are now engaged in an effort to assure the smooth operation, maintenance, and defense of the canal. The small amount of funds available to Panama in this bill are intended to assist in achieving that goal.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. Zablocki) has expired.

(By unanimous consent, Mr. Zablocki was allowed to proceed for 2 additional minutes.)

Mr. ZABLOCKI. Mr. Chairman, it is true that the treaties give Panama a role in the defense of the canal. I must point out that there has been considerable cooperation between the Panamanian American military forces, including maneuvers by U.S. forces on a Panamanian base earlier this year.

Therefore, I believe that this modest amount is necessary if Panama is, indeed, going to fulfill its obligation in the joint defense of the canal.

I think it would be a mistake if we did not provide this amount and I hope the gentleman's amendment will be defeated.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was the one who offered the amendment in the committee to cut the FMS funds to Panama in half, from $5 million to $2.5 million. I do think that I should make clear to the House exactly why I offered that amendment.

There were two reasons. One, as the chairman has so very well pointed out, the human rights situation in Panama, which is regarded as not very good. In fact, last year Freedom House at that time one of the organizations the State Department relied on in making its human rights assessments, listed Panama as the worst human rights violator in the Western Hemisphere, including all the others that have a much more famous reputation in that regard. That was one of the reasons.

Another reason is that section 660 of the Foreign Assistance Act of 1961 reads:

> On or after July 1, 1975, none of the funds made available to carry out this Act and none of the local currencies generated under this Act, shall be used to provide training or advice, or provide any financial support, for police, prisons, or other law enforcement forces, for any foreign government or any program of internal intelligence or surveillance on behalf of any foreign government within the United States or aborad.

Note, it says "none" of the funds may be used to provide "any" support, it does not say "some."

In testimony last year, March 15 of 1978, Ambassador Ellsworth Bunker, who was one of the U.S. negotiators on the canal treaty, when asked the question by Mr. Bob Wilson in the Armed Services Committee said:

> That is true.
>
> I would like to ask you, have we said we are going to provide $50 million in foreign military sales credits over the next 10 years to Panama?
>
> Ambassador Bunker. Yes, that is correct.
>
> Mr. Wilson. I would like to know what that money is going to be used for. Is that for tanks or machine guns?
>
> Ambassador Bunker. No; it is for equipping the national guard which will be participating with us for the next 22 years in the defense of the Canal. It is a very small outfit now, as you know, really a police force, not a military force.

I would submit, Mr. Chairman, that this proposed assistance to Panama, that the gentleman from Maryland is seeking to eliminate would appear to be in clear violation of that section of law. I have heard no one say anything different.

The State Department was present at the committee markup and failed to refute my contention.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, first, I would like to reemphasize the point that the gentleman made, that he did by his amendment cut $3 million from the funds, so we are not speaking of a substantial figure.

I believe the point the gentleman from Maryland made is very valid, that if in the process of the implementing legislation involving Panama the House and presumably even the other body will really be stating policy, as well as dollars and cents, in what would be called our Panamanian position, then anything relating to Panama could well be handled in that measure; so in that case, I think the gentleman's amendment is very consistent with the realities of the situation, which would dictate a tremendous interest by Members of the House in anything relating to Panama.

Then, if the gentleman from California would permit me to continue, I think he would join me in complimenting the gentleman from Maryland on the leadership he is bringing to foreign affairs issues.

☐ 1155

The gentleman from Maryland is a great champion of a balanced budget and reducing the national deficit. He has become one of the great stalwarts in economic matters and his spirit and expertise and interest in foreign affairs is very welcome and we appreciate his interest in this bill and other measures that come before our committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1205

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Maryland (Mr. BAUMAN) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 272, noes 117, not voting 43, as follows:

[Roll No. 66]

AYES—272

Abdnor
Addabbo
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Boggs
Boland
Boner
Bonker
Bouquard
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Cavanaugh
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Donnelly
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Ga.
Evans, Ind.
Ferraro
Fithian
Flippo
Florio
Forsythe
Fountain
Frost
Fuqua
Gephardt
Gilman
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harkin
Harsha
Heckler
Hefner
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenrette
Johnson, Calif.
Jones, N.C.
Kastenmeier
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Luken
Lungren
McClory
McDade
McDonald
McEwen
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Ohio
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Neal
Nelson
Nichols
O'Brien
Oakar
Panetta
Pashayan
Patten
Patterson
Paul
Perkins
Pickle
Preyer
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rose
Roth
Rousselot
Rudd
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
St Germain
Stangeland
Stanton
Stenholm
Stratton
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Treen
Trible
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff, N.Y.
Wolpe, Mich.
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Zeferetti

NOES—117

Akaka
Annunzio
Ashley
Aspin
AuCoin
Barnes
Beilenson
Bingham
Blanchard
Bolling
Bonior
Bowen
Brademas
Brodhead
Brown, Calif.
Burlison
Burton, Phillip
Carr
Chisholm
Clay
Coelho
Collins, Ill.
Corman
Danielson
Dellums
Dixon
Dodd
Downey
Drinan
Eckhardt
Edgar
Edwards, Calif.
Fary
Fascell
Fazio
Fenwick
Findley
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Garcia
Giaimo
Gonzalez
Gore
Gray
Hall, Ohio
Hamilton
Hanley
Harris
Heftel
Howard
Johnson, Colo.
Kildee
Kogovsek
Kostmayer
LaFalce
Leland
Lowry
Lujan
Lundine
McCloskey
McCormack
McHugh
McKinney
Markey
Matsui
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moorhead, Pa.
Murphy, Ill.
Myers, Pa.
Natcher
Nedzi
Nolan
Nowak
Oberstar
Obey
Ottinger
Pease
Peyser
Price
Rangel
Ratchford
Richmond
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Seiberling
Shannon
Simon
Solarz
Spellman
Stack
Stark
Steed
Stokes
Studds
Traxler
Udall
Van Deerlin
Vento
Walgren
Waxman
Weaver
Weiss
Williams, Mont.
Wirth
Wright
Yates
Zablocki

NOT VOTING—43

Alexander
Anderson, Ill.
Biaggi
Brooks
Burton, John
Carter
Chappell
Conable
Conyers
Crane, Philip
Diggs
Emery
Evans, Del.
Fish
Fisher
Flood
Frenzel
Gaydos
Gibbons
Guarini
Hawkins
Hubbard
Hutto
Jenkins
Jones, Okla.
Jones, Tenn.
Lederer
Lehman
McKay
Maguire
Michel
Mikva
Moffett
Pepper
Runnels
Staggers
Stewart
Stockman
Thompson
Ullman
Vander Jagt
Vanik
Young, Mo.

☐ 1220

The Clerk announced the following pairs:

On this vote:

Mr. Jones of Tennessee for, with Mr. Pepper against.

Mr. Moffett for, with Mr. Hawkins against.

Mr. Maguire for, with Mr. Diggs against.

Mr. Staggers for, with Mr. Thompson against.

Mr. Vander Jagt for, with Mr. Conyers against.

Mr. Michel for, with Mr. Biaggi against.

Mr. Carter for, with Mr. Flood against.

Mr. Emery for, with Mr. Runnels against.

Mr. Evans of Delaware for, with Mr. Lehman against.

Mr. Frenzel for, with Mr. Guarini against.

Mr. Hubbard for, with Mr. Young of Missouri against.

Messrs. MURPHY of Pennsylvania, PERKINS, COLEMAN, and ALBOSTA, and Mrs. BOGGS changed their vote from "no" to "aye."

Mr. WILLIAMS of Montana changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

☐ 1225

AMENDMENTS OFFERED BY MR. STUDDS

Mr. STUDDS. Mr. Chairman, I offer a series of amendments, and I ask unanimous consent that they may be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. STUDDS:

Page 3, beginning in line 8, strike out "and $37,800,000 for the fiscal year 1981"; in line 19, strike out "or the fiscal year 1981"; and in line 21, strike out "during either such year ".

Page 4, beginning in line 23, strike out "and $110,200,000 for the fiscal year 1981 "; on page 5, insert a closing quotation mark and a period at the end of line 8; and strike out lines 9 through 16.

Page 7, line 14, strike out "and $95,000,000 for the fiscal year 1981".

Page 8, beginning in line 12, strike out "and the fiscal year 1981".

Page 8, beginning in line 23, strike out "and $32,900,000 for the fiscal year 1981"; and on page 9, beginning in line 2, strike out "in any fiscal year".

Page 9, beginning in line 13, strike out "and $28,100,000 for the fiscal year 1981".

Page 16, beginning in line 11, strike out "and $656,300,000 for the fiscal year 1981"; in line 15, immediately before the closing quotation mark insert ", of which amount for each such year"; in line 17, strike out "and $2,063,000,000 for the fiscal year 1981" and insert in lieu thereof ", of which"; and strike out lines 18 through 23 and insert in lieu thereof the following:

(3) in subsection (c), by striking out "fiscal year 1979" and inserting in lieu thereof "fiscal year 1980".

Page 20, line 3, strike out "years 1980 and 1981" and insert in lieu thereof "year 1980".

Mr. STUDDS (during the reading).

Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DAN DANIEL. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from Virginia.

Mr. DAN DANIEL. Mr. Chairman, I commend the committee for inclusion of sections 9 and 10 in this bill. These amendments address some of the problems the Armed Services NATO Subcommittee found in its investigation last year into the area of NATO standardization and interoperability.

I do, however, have some problems with section 11.

On February 18, the NATO Subcommittee issued its report of findings and recommendations following 26 hearings and 15 briefings. Subsequent to that date the Subcommittee on Europe and the Middle East held four meetings. Witnesses for the Departments of State and Defense thus should have been aware of the questions we had raised. We would be interested in knowing whether these points were addressed in your hearings on February 22, 26, 28, or March 1.

Specifically, the NATO Subcommittee found serious shortcomings in the administration's approach to arms cooperation, and especially the "family of weapons" concept. Following issuance of our subcommittee's report, Dr. William J. Perry, Under Secretary of Defense for Research and Engineering, and Ambassador R. W. Komer, Advisor to the Secretary of Defense on NATO Affairs, wrote separate letters, objecting to certain portions of the report.

Now, let me emphasize that neither of these gentlemen agreed with the subcommittee's findings. Dr. Perry wrote, in response to our statements that the—

> Family of Weapons is formless and undefined. It is designed to eliminate competition.

That the—

> Family of Weapons is an evolving concept. It does not lend itself to a neat and precise formula.

And earlier on November 16, 1978, he reported:

> There are important details to be worked out before we can begin development under the Family of Weapons Concept.

Ambassador Komer, in his letter, wrote:

> I would be the first to grant that we are all groping in a new, largely unexplored field. But the authors of the report seem to assume that at the beginning of a very complex undertaking we will be able to precisely specify the outcome.

These statements require us to conclude that the Congress might at this time be acting too quickly and perhaps unwisely to grant legislative waivers for proposals that those advocating the concepts concede are still in formative stages.

With respect to the family of weapons, none of the witnesses who appeared before our subcommittee could adequately respond to questions as to how the concept would be implemented or what the anticipated or acceptable costs to the United States should be. Nor could they agree on any dollar savings which would result.

Dr. Ellen Frost, Deputy Assistant Secretary for International Economic Affairs, said the real savings would come in procurement, not R. & D.; Dr. Perry said that each nation could produce the systems domestically, so that whatever savings there were would come in R. & D. Thus, two Defense Department witnesses testifying with 10 days of each other presented the Congress with a proposal which would appear not to offer real savings.

Satisfactory responses were not elicited, either, to the essential question of whether elimination of international competition would result in inferior weapons systems.

Other questions not answered involved responsibility for coordination of executive procurement policy. Many of the cooperative initiatives currently under consideration fall into a fuzzy area, where there are no precise jurisdictions and no clear precedents. For this reason, our subcommittee called upon Mr. Lester Fettig, Administrator of the Office of Federal Procurement Policy for illumination. His testimony was of little help, save to reinforce the finding that no coordination exists within the executive branch.

The Armed Services Committee recognizes that jurisdiction for the Arms Export Control Act rests with the Committee on Foreign Affairs. However, we have concern in this particular part of the legislation because weapons systems which come within the application of section 11 of this bill will have a considerable impact on the research and procurement decisions armed services must make.

It would therefore appear in order that any certification transmitted to the Congress under the new section 27(c) be transmitted as well to the Committee on Armed Services of the House, as will be the case in the Senate. I do not believe that it was the intent of the Committee on Foreign Affairs that such certifications not be also sent to the Armed Services Committee.

Mr. Chairman, I would like to commend the committee for inserting three sections on NATO: 9, 10, and 11. These sections deal with a matter which we covered last year in our hearings and I think they will be very beneficial.

There is one matter under section 27 (c) that has a reporting requirement which does not include the Committee on Armed Services.

Mr. Chairman, I would like the gentleman to yield to the gentleman from Wisconsin to clarify that.

Mr. STUDDS. Mr. Chairman, I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, I want to allay the fears of the gentleman that the reports in question would not be sent to the Committee on Armed Services. It is true that subparagraph (c)(1) on page 13 provides that the President shall transmit such reports to the Speaker of the House of Representatives, which is the way that all of our legislation requesting reports is worded. The Speaker then refers the reports to the appropriate committees. The Committee on Foreign Affairs is not specifically listed either.

Mr. STUDDS. That is correct.

Mr. ZABLOCKI. The Speaker would undoubtedly send these reports to the Committee on Armed Services, as well as to the Committee on Foreign Affairs.

Mr. DAN DANIELS. Mr. Chairman, I thank the gentleman.

Mr. ZABLOCKI. The Senate operates differently in that the recipient committees are identified explicitly in the legislation; but it is certainly intended that the Committee on Armed Services should also get the reports required in this section.

Mr. DAN DANIELS. Mr. Chairman, I thank the gentleman from Wisconsin.

Mr. STUDDS. Mr. Chairman, the amendment which I have offered is a very simple one. The bill as it comes before the committee constitutes, for the first time, a 2-year authorization for fiscal years 1980 and 1981.

What I have offered is a series of amendments which have the effect of deleting that second year authorization. All references to and all authorizations for fiscal year 1981 will be deleted in the event this amendment is adopted.

□ 1230

Mr. Chairman, I agree with the chairman of our committee that the idea of a 2-year authorization process is a sound one. I have no objection, as a concept, to the chairman's desire to move to a 2-year authorization schedule. I think that the idea of the chairman to move to a 2-year authorization process is a sound one, even in an area as unpredictable as security assistance. However, we have not reached a point where we are in a position responsibly to do that.

I serve on two of the four regional subcommittees of the Committee on Foreign Affairs. Neither of those subcommittees reviewed the 1981 figures included in this legislation, and during the full committee markup the chairmen of two additional regional subcommittees admitted that they had not done that either.

We did not have before us either in committee or now any requests from the administration for fiscal year 1981. We have no numbers whatsoever from the administration with respect to that second fiscal year.

The figures in this bill for fiscal year 1981 are nothing more than numbers. They are not based on any analysis of security assistance requirements for that year. They are not the product of one word of testimony before our committee and they were not discussed to any extent by the regional subcommittees of the Committee on Foreign Affairs. They are in effect guesses, nothing but guesses.

I ask the members of the committee whether you are certain at this point that you want to maintain security assistance for fiscal year 1981 at exactly the level for 1980 for Egypt, for Israel, for the Philippines, for the countries of Latin America, for South Korea, for Africa or anywhere in the world. That is possible, but I sincerely doubt it.

The world changes and it changes very rapidly. Even under the best conditions and after the most careful planning it would be difficult to project appropriate security levels 2 years in advance. To attempt to do it without administration advice or debate in committee, simply by picking numbers out of the air I suggest is not a responsible way to legislate.

It will be said in opposition to this amendment that this Congress should spend a great deal more time on oversight. I fully concur with that. We need to spend a great deal more time examining what it is we have done and what it is people downtown tell us that we have done. I do not believe anyone can seriously argue at this point, however, that the time for additional oversight should be obtained at the expense of an intelligent discussion of what we are authorizing in the first place.

Oversight will allow us to take a more professional approach to this job but nothing, I would argue, would be less professional than authorizing, in law, as a formal act of Congress nearly $1 billion in funds for which we have no intelligent justification whatsoever.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Studds was allowed to proceed for 3 additional minutes.)

Mr. STUDDS. We will be told I suspect, Mr. Chairman, that we will have an opportunity next year to change what we are authorizing here. If changes are likely we should not be passing a fiscal year 1981 authorization bill in the first place. If we decide next year there should be a change in the fiscal year 1981 authorization for one particular country, will we have to pass the "Country X Security Assistance bill" with all of the diplomatic connotations that might involve by singling out one country in a piece of legislation to make a change? This seems to me an ideal way to embarrass that country thoroughly in ways that are not in the interest of this country.

The simple fact, Mr. Chairman, is that one-half of the bill before us is simply not real. It has been pulled out of the air. It purports to represent the considered judgment of a committee of this House. It yearns for adoption as a product of considered judgment by the full House. It is neither. We ought to admit it. If we really want to go to a 2-year authorization on security assistance we ought to inform the administration we intend to do so and we ought to get their comments and their advice.

Let me say in conclusion, Mr. Chairman, I concur with the desire of Chairman Zablocki for reasons of oversight and general legislative efficiency that this is a direction in which we should move.

Let me assure my colleagues that this committee is not prepared to defend to any of you any of the numbers in this bill for 1981. We have no reason to have them there other than that they are simply there.

I yield to the gentleman from Nebraska.

☐ 1235

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. Mr. Chairman, I thank the gentleman for yielding, and I commend the gentleman for his succinct statement on the deficiency of this legislation in providing authorization into 1981.

The committee's own report to the Congress amply demonstrates what the gentleman has argued. Under the phase-out of the grant military assistance portion of the report, the committee advises the Congress that the authorization for fiscal 1981 is identical to that of fiscal 1980, except that the committee did not earmark the funds for specific countries. This was done for several reasons, the report says, the first of which was that the executive branch claims it was not in a position to determine the full 1981 requirements at this time.

That amply demonstrates that the committee has not had an opportunity to appropriately review the continuation of that program or any of the other programs contained in this legislation, and I commend the gentleman from Massachusetts (Mr. Studds) for making that point clear.

Mr. STUDDS. Mr. Chairman, I thank the gentleman from Nebraska (Mr. Cavanaugh).

Finally, let me say to the members of the committee that there is no way any of us can tell where peace may break out in the next year or two which would require new expenditures for security assistance somewhere in the world, and I would urge the Members not to proceed totally in the dark, as we would be if we were to authorize funds for a second year.

Mr. Chairman, I urge the adoption of the amendments.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, as I stated during general debate on this legislation, the action of the Committee on Foreign Affairs in providing for a 2-year authorization was taken in a very responsible manner.

I pointed out that most of the programs authorized in this legislation have been funded in a steady pattern over the past 5 fiscal call years. They have not risen or fallen dramatically. Moreover, we have given the executive branch the assurance that, if there are changing world situations, particularly affecting U.S. military security assistance programs, the executive branch merely has to propose legislation and the committee would consider it.

I am sure that some of the Members who support these amendments will agree with me that any executive branch request regarding the fiscal year 1981 authorization in this bill, would be to increase the amount. We feel that if an increase is requested, it should be justified.

The line item amounts we have provided were not taken out of thin air. On the contrary the executive branch formally presented the committee with a 2-year authorization request. Although the request for fiscal year 1981 was for "such sums as necessary," off-the-record discussions with the Departments of State and Defense indicated the program request for fiscal year 1981 was far beyond the "tentative stage." In these discussions, we were given proposed amounts for fiscal year 1981.

Based on this information, we provided an amount which is the same as the request for 1980. That is all we have done. We have not picked these figures out of the clear blue sky.

I hope the gentleman from Massachusetts (Mr. Studds) is not implying that our Committee on Foreign Affairs is so irresponsible as to take that kind of an action. We are trying to conform with the recommendations of the House leadership, the Committee on the Budget, and the Congressional Budget Act.

Indeed the transition to a 2-year authorization is consistent with the spirit of the Budget Act in developing a long-range perspective on Federal budget planning for both the Congress and the executive branch.

The 2-year authorization, Mr. Chairman, is exactly what the executive branch has requested in this legislation.

I might say that, although the executive branch did originally have some concern about an explicit fiscal year 1981 authorization in this bill it now supports a 2-year authorization. In a letter dated March 28, 1979, which I received from the Assistant Secretary of State for Congressional Relations he states as follows:

> The Administration earlier expressed support for the idea of a two-year authorization for State, ICA, Board for International Broadcasting and for development assistance programs.

But at that time, the letter states that the executive branch had "expressed reservations about the difficulties involved in developing reliable budgetary projections 2 years in advance for security assistance programs."

However, the committee has assured the executive branch that it is willing to consider any proposed changes in the fiscal year 1981 authorization levels if so requested.

Those assurances are referred to in the letter as follows:

> I understand that the Foreign Affairs Committee, in recommending two-year authorizations in the 1979 international security assistance bill, expressed its willingness to consider the President's FY 1981 requests should they differ from the amounts contained in the present bill.

Mr. Chairman, the letter continues as follows:

> I want you to know that the Committee's willingness to work with the Administration on this matter meets our principal concern, i.e., the need for flexibility in setting security assistance levels in a changing global and regional environment. Accordingly, the Administration will support this action taken by the Committee.

Mr. Chairman, the executive branch supports this 2-year authorization, the leadership supports such authorizations, and the Congressional budget process demands that we move in this direction. Therefore I cannot understand why the gentleman from Massachusetts (Mr. Studds) does not agree. I hope the gentleman's amendments will be defeated.

☐ 1240

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment. In so doing, I would like to point out what I consider to be the realities of the situation. Since we do have the annual appropriation machinery, since we do have the budget machinery, it seems to me quite practical to follow the course recommended by the chairman and the administration that we take the route of a 2-year authorization. We can use the time that to carry on legitimate legislative oversight.

In my years on the Committee on Foreign Affairs, I have found, frankly, that we have been much too involved in the details of annual authorizations. We have not been as effective in the field of oversight as we should be. Too often we react after the fact to some malfunction in the administration of misdirection of funds that is called to our attention, when, if we would pursue our oversight responsibilities more vigorously with the time we would have, I believe, overall, we would do a much better job.

I believe the chairman stated the case for the position in the bill quite effectively. I think it is in the interest of more efficient Government, more effective oversight, and, therefore, in the long run, more economy will be obtained by sustaining the position of the bill.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Alabama.

Mr. BUCHANAN. I thank the gentleman for yielding.

Mr. Chairman, I strongly support the gentleman's position. I will point out that, while this body does tend to do its work on time, and our House committee has produced regularly the authorizations within the time frame of the budget legislation's requirement, we have no control over what the other body does. If we have single-year authorizations, it means we will have longer delays, interference with the budget process, not through actions of this body or the House Committee on Foreign Affairs, but through the actions of the other body on the other side of the Hill.

There has been sufficient negative reaction to that basic situation, which I think is a bad situation. I think we ought to proceed with the 2-year authorization.

Mr. DERWINSKI. I thank the gentleman for his comments. The gentleman's point is very well made. For example, this bill before us will not be considered on the floor of the other body until June, and that lengthy process makes it difficult for legislative oversight responsibility. I commend the gentleman from Alabama (Mr. BUCHANAN) for his great perception of this problem.

Mr. MINETA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment and any other amendment which would seek to undo the work of the Foreign Affairs Committee in reporting a multiyear authorization bill.

Mr. Chairman, as chairman of the Budget Committee Task Force on the Budget Process, I am particularly concerned about the need to continue our efforts to improve the processes by which we authorize and appropriate funds; and am convinced that it is absolutely essential that we provide for dual-year or multi-year authorization whenever possible.

That fact was already recognized and spelled out in the conference report on the Budget Act, which the Congress adopted so overwhelmingly just 5 years ago. That conference report stated that careful consideration had been given "to all the elements in the budget calendar and particularly to the need for allowing adequate time for committee preparation and floor debate on each budget decision," and, to accomplish that goal it would "be necessary to authorize programs a year or more in advance of the period for which appropriations are to be made."

Mr. Chairman, I understand the reservations about advance authorizations as expressed in this amendment, but I do not agree with the gentleman from Massachusetts if he feels that such advance authorizations means that Congress loses control of the program. In fact, by moving ahead of the administration it seems to me you could argue that Congress is instead increasing its span of control over these programs.

Further, I would submit that Congress cannot effectively exercise its control over the legislative program unless it allows itself adequate time for careful consideration of each of the increasingly complicated decisions it is called upon to make.

So this bill should not be seen as an abdiction of control in this particular area, but rather as a vehicle to help Congress increase its control. I submit that in every instance where time is saved through a 2-year authorization, Congress gains in its increased opportunity for a more comprehensive oversight of ongoing programs.

Mr. Chairman, I think the Foreign Affairs Committee, and its distinguished chairman, is to be congratulated for taking the lead in this area of multivear authorizations. I think the committee should be encouraged to continue these efforts. Certainly it should not be discouraged, which it would be by the adoption of this amendment.

For these reasons, Mr. Chairman, I oppose the amendment and strongly urge that it be defeated.

□ 1245

Mr. STUDDS. Mr. Chairman, will the gentleman yield?

Mr. MINETA. I am pleased to yield to my colleague from Massachusetts.

Mr. STUDDS. I thank the gentleman for yielding. I agree with almost every word the gentleman has said with respect to the budget process in general. I think this Congress would indeed act far more responsibly if we were able to move to a multiyear authorizing process. But, would the gentleman not agree with me, in doing that, that Members of the House have a right to expect that a committee will bring to the floor bills that have had hearings on them, numbers that we have given some consideration to, requests and consultation from the administration. None of that has been done.

That is my only point in this case.

I agree with the gentleman fully that we ought to go to 2-year authorization, but we are not ready for it right now. Not one word of testimony was received by the Foreign Affairs Committee with respect to fiscal year 1981. None of us gave it a thought during the hearings or markup. We simply effectively straightlined, with some allowances more or less for inflation, the numbers for fiscal year 1980.

My only argument with the gentleman is that, in this instance with this bill at this time in this committee, we have not prepared ourselves to do responsibly what I agree fully with the gentleman we ought to do as a matter of general principle.

Mr. GIAIMO. Mr. Chairman, I move to strike the last requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, one of the main concerns of the Congress, which led to the establishment of the congressional budget process, was that something had to be done about the procedures by which Congress authorized and appropriated funds for the various Federal programs. As many of you remember, the system was in considerable disarray, particularly in regard to the timeliness of appropriations. In most years action was not completed on many major appropriation bills until long after the start of the fiscal year. That situation has been corrected by the extension of the start of the fiscal year until October 1, and by the discipline Congress has imposed upon itself by adherence to the congressional budget schedule.

Beyond correcting these mechanical problems however, the Budget Act envisioned other changes to improve the authorization and appropriations process.

As stated in the report accompanying this International Security Act, the congressional budget process which envisioned multi-dual-year, or multiyear, authorization cycles both to encourage long-range planning and to effect a more workable and efficient authorization appropriation cycle. In addition, as the committee report further indicates, a multiyear authorization cycle should mean a major reduction in the time spent in hearings, markup, floor activity and conferences. For the Congress as a whole, it will mean one less major bill to schedule, and often several days saved in floor debate on the bill itself and on the conference reports that follow.

Mr. Chairman, with regard to the appropriations authorized in the bill, I note that the totals for fiscal year 1980 are below those authorized last year, and the totals authorized for fiscal year 1981 continue that downward trend. Although our work on the first budget resolution for 1980 has not yet been completed, and we have not yet set our targets for the international affairs area, I can assure you the Budget Committee will be aware of the efforts at fiscal restraint that were evident in the committee's work on this bill.

Mr. Chairman, I applaud the work of the Foreign Affairs Committee, and its distinguished chairman, the gentleman from Wisconsin, for bringing to us a bill that adheres to the principles envisioned in the Budget Act. I urge you to support the efforts of the committee in that regard and to oppose any amendment which would attempt to turn this bill back into a 1-year authorization.

☐ 1250

The CHAIRMAN. The question is on the amendments offered by the gentleman from Massachusetts (Mr. STUDDS).

The question was taken; and on a division (demanded by Mr. STUDDS), there were—ayes 20, noes 14.

RECORDED VOTE

Mr. ZABLOCKI. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 201, noes 179, not voting 52, as follows:

[Roll No. 67]

AYES—201

Abdnor
Ambro
Anderson, Calif.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
AuCoin
Badham
Bafalis
Bauman
Beard, Tenn.
Bedell
Bennett
Bereuter
Bethune
Boland
Boner
Bonior
Bouquard
Brinkley
Brodhead
Burgener
Burlison
Burton, John
Byron
Campbell
Carney
Cavanaugh
Cheney
Chisholm
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Coughlin
Courter
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Deckard
Dellums
Derrick
Devine
Dickinson
Dingell
Dodd
Donnelly
Dornan
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
Emery
English
Evans, Ind.
Fish
Forsythe
Fountain
Fowler
Garcia
Gephardt
Gilman
Gingrich
Ginn
Glickman
Gore
Gramm
Grassley
Grisham
Gudger
Hagedorn
Hammerschmidt
Hance
Hansen
Harkin
Harsha
Heckler
Hinson
Holland
Holtzman
Hopkins
Huckaby
Hughes
Ireland
Jacobs
Jeffries
Jenrette
Johnson, Colo.
Kastenmeier
Kelly
Kindness
Kostmayer
Kramer
Latta
Leach, La.
Leath, Tex.
Levitas
Lewis
Livingston
Loeffler
Long, Md.
Lujan
Luken
Lundine
Lungren
McCloskey
McDonald
McHugh
McKinney
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mavroules
Mazzoli
Mikulski
Miller, Calif.
Miller, Ohio
Minish
Moakley
Moffett
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Myers, Ind.
Natcher
Neal
Nolan
Nowak
Oakar
Oberstar
Pashayan
Paul
Quayle
Quillen
Rahall
Ratchford
Regula
Richmond
Rinaldo
Ritter
Robinson
Roe
Roth
Rousselot
Rudd
Santini
Satterfield
Sawyer
Schroeder
Seiberling
Sensenbrenner
Shannon
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stack
Stangeland
Stark
Stenholm
Studds
Stump
Symms
Taylor
Thomas
Treen
Trible
Vento
Volkmer
Wampler
Watkins
Weiss
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wolpe, Mich.
Wylie

NOES—179

Addabbo
Akaka
Albosta
Annunzio
Anthony
Ashley
Aspin
Atkinson
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beilenson
Benjamin
Bevill
Bingham
Blanchard
Boggs
Bolling
Bonker
Bowen
Brademas
Breaux
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burton, Phillip
Butler
Carr
Coelho
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Crane, Daniel
D'Amours
Danielson
de la Garza
Derwinski
Dicks
Dixon
Dougherty
Edwards, Ala.
Erdahl
Erlenborn
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Frost
Fuqua
Giaimo
Gonzalez
Gradison
Gray
Green
Guyer
Hall, Ohio
Hamilton
Hanley
Harris
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holt
Horton
Howard
Hyde
Jeffords
Johnson, Calif.
Jones, N.C.
Kazen
Kildee
Kogovsek
LaFalce
Lagomarsino
Leach, Iowa
Lee
Lehman
Leland
Lent
Lloyd
Long, La.
Lott
Lowry
McClory
McCormack
McDade
McEwen
Madigan
Matsui
Mica
Mineta
Mitchell, Md.
Mitchell, N.Y.
Mollohan
Montgomery
Moorhead, Pa.
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Pa.
Nedzi
Nelson
Nichols
O'Brien
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Railsback
Rangel
Reuss
Rhodes
Roberts
Rodino
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Schulze
Sebelius
Sharp
Shelby
Simon
Spellman
Stanton
Steed
Stokes
Stratton
Swift
Synar
Tauke
Traxler
Udall
Van Deerlin
Walgren
Waxman
Whitten
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff, N.Y.
Wright
Wyatt
Wydler
Yates
Yatron
Young, Alaska
Young, Fla.
Zablocki
Zeferetti

NOT VOTING—52

Alexander
Anderson, Ill.
Andrews, N.C.
Biaggi
Brooks
Brown, Ohio
Carter
Chappell
Clay
Conable
Conyers
Crane, Philip
Davis, S.C.
Diggs
Duncan, Oreg.
Ertel
Evans, Del.
Fisher
Flood
Frenzel
Gaydos
Gibbons
Goldwater
Goodling
Guarini
Hall, Tex.
Hawkins
Hubbard
Hutto
Ichord
Jenkins
Jones, Okla.
Jones, Tenn.
Kemp
Lederer
McKay
Maguire
Michel
Mikva
Pepper
Runnels
Smith, Iowa
Staggers
Stewart
Stockman
Thompson
Ullman
Vander Jagt
Vanik
Walker
Weaver
Young, Mo.

☐ 1305

The Clerk announced the following pairs:

On this vote:

Mr. Maguire for, with Mr. Biaggi against.

Mr. Hubbard for, with Mr. Thompson against.

Mr. Jones of Tennessee for, with Mr. Pepper against.

Mr. Runnels for, with Mr. Guarini against.

Mr. FAZIO, Mrs. HOLT, Mr. HALL of Ohio, and Mr. WINN changed their vote from "aye" to "no."

Mr. NOLAN, Mr. RITTER, and Mrs. BOUQUARD changed their vote from "no" to "aye."

So the amendments were agreed to.

The result of the vote was announced as above recorded.

☐ 1310

Mr. BEDELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I had planned to offer an amendment to insert language which would have read as follows:

"REVIEW OF U.S. FORCE REQUIREMENTS IN EAST ASIA

"SEC. 20. The President or his designated representatives shall develop and review alternatives for the dispersal of United States armed forces now stationed in the Republic of the Philippines with a view toward lessening the dependence of the United States on military facilities now located within that nation. The study shall address the feasibility and desirability of a partial or total withdrawal of United States armed forces, the costs thereof, and prospects for continued access to military facilities located within the Republic of the Philippines. The study shall be submitted to Congress not later than June 30, 1981."

Mr. Chairman, I have talked with both the chairman and the ranking minority member of the Foreign Affairs Committee. It is my understanding that they will request such a study, and thus it will not be necessary for me to offer this amendment.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the chairman of the committee.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for yielding.

Indeed we had discussed the gentleman's proposal and recommendation. I can assure the gentleman that the committee will request such a study. I would hope that the gentleman would withdraw his amendment, because it will not be necessary in view of the fact that we intend to request such a study.

Mr. BEDELL. Mr. Chairman, I thank the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. Chairman, in view of the fact that the Members are desirous of finishing this legislation as soon as possible, I will not offer the amendment. I would, however, like to report to the House on a trip that I took to the Philippines in early January.

I would, first of all, like to say that everyone there was most cooperative with me, including President Marcos and other members of his government.

Mr. Chairman, my own personal perception of the current Philippine Government is that it violates its peoples' political and human rights. Everyone with whom I talked, with the exception of a few top governmental officials, agreed that the elections that were held last year were not free elections, and that there were many discrepancies in, and much tampering with, those elections. Also, since I left, the local elections which were to have been held were canceled by Mr. Marcos.

During my stay in the Philippines, I visited with people who were in prison. Some of these people had been in prison anywhere from 7 to 9 years, never having been accused, much less convicted, of any crime. Those people were also being tried under military courts rather than civilian courts, in which it was plain they should be tried. President Marcos promised he would rectify this situation. While some improvements in the judicial structure are finally becoming evident, it does not appear that those unfortunate individuals who have been incarcerated for many, many years will benefit.

Mr. Chairman, I am concerned about what history shows us is the "track record," and ultimate fate of, totalitarian regimes of this nature. I believe it is incumbent upon us, as lawmakers, to determine what sorts of contingencies there may be for U.S. action in the event that developments in the Philippines make locating of bases there unrealistic. An inseparable component of these determinations should be the strongest possible effort on our part to encourage President Marcos to give his people the freedom to plot their own political destiny. Recent events have shown us that failure in this regard can mean internal foment that is invulnerable to external control and which, ultimately, leads to the very destabilizing rearrangements of the power structure that we are so desperately trying to prevent.

It is important for us to develop, and conscientiously implement, a foreign policy that adequately addresses all of these concerns. There is a rich legacy of trust between the United States and the Philippines and it is in the interests of both peoples that U.S. policy pursue objectives that nurture that trust. Then, and only then, can we hope that the Filipino people, as well as their government, will support the U.S. presence in the bases, now and in the future.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to place in the Record an explanation. There are several Members that I know of who are going to want to use this explanation tomorrow. Those Members came on the floor, read the monitor, voted and left for important hearings on congressional business.

For some reason or other—and I understand it was a mechanical error—with roughly 6 minutes expended into the last vote, the monitor read as follows:

> That the vote before us was Studds on agreeing to the amendment. Amendments reduce total authorizations levels; limit the authorization to 1 year rather than 2 years.; restore $250,000 for Guatemala; increase funds for Panama from $2.5 million to $5 million and for Lebanon by $5 million; reduce funds for Philippines from $25 million to $17.1 million.

Of course, as I say, we now know that was an incorrect assessment of the vote before us. I personally know that the several Members, saw the Panama printout, and voted against the Studds amendments. I assume there are other Members who are in that same position.

With 8 minutes and 22 seconds remaining, the monitor was changed to read as follows: "Limit the authorization to 1 year rather than 2 years." That is a correct assessment of the vote that was before us.

Recognizing that the Congressional Record does not lend itself to explanations on votes of this type, I did want to enter this statement in the Record at this time, particularly for the benefit of those Members on our side, because even for those of us who are on the floor quite often or are here most of the time there was a great amount of confusion.

□ 1315

I do know personally of at least two Members who voted against the amendment because of their incorrect understanding of what was before the House. I do want the Congressional Record to show that. I think that those of us who have some concern about computers saw a basic danger in the system because of what happened on the last vote.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman for pointing out to the committee that indeed the monitor had incorrect information and, therefore, many of the Members, it is my understanding, voted contrary to their intentions. I want to commend the gentleman from Ohio (Mr. Ashbrook) for bringing this to the committee's attention. It is the intent of the gentleman from Wisconsin to ask for a separate vote later.

Mr. ASHBROOK. I thank my colleague.

Mr. ADDABBO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to express my concern and that of our Defense Appropriation Subcommittee over section 18 of H.R. 3173, which releases the Royal Thai government from its obligation to pay the balance of approximately $10 million for ammunition.

I certainly have no objection to helping the Government of Thailand, which has been our friend and ally for decades. I do not object to this provision per se, nor do I find fault with the purpose and objective of the section.

However, my colleagues and I have some concern over the potential impact of this section on future defense budgets and more particularly on the U.S. Army. Most of the ammunition involved must be replaced by the U.S. Army after it is transferred to the Government of Thailand. I believe the approximate cost will be about $8.5 million. The U.S. Army must budget that sum in fiscal year 1981 or thereafter. The remaining $1.5 million worth of ammunition is excess to Army requirements and need not be replaced.

My reading of section 18 of the bill fails to assure me that there is any provision made to reimburse the U.S. Army for the ammunition that needs to be replaced. If my assumption is correct, then future Defense budgets will in effect be used to subsidize military assistance to the extent of some $8.5 million. This means that the U.S. Army will be delayed in its modernization plans because it must budget to have these ammunition stocks replaced.

Our committee advised the Department of Defense and the administration last year that it will not permit the defense budget to be used to pay for what amounts to military assistance to any country. We have the necessary legislative and appropriation process to adequately execute the foreign assistance program without encumbering the defense budget with military assistance to our friends and allies.

I would like to ask my friend, the gentleman from Wisconsin and the distinguished chairman of the Committee on Foreign Affairs, if he too shares my concern and if so, would he be willing to cooperate in rectifying this matter, and do what he can in the future to arrange for reimbursement to the Department of Defense of U.S. military equipment transferred to other countries so that the Department need not budget for such equipment.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the distinguished chairman of the Committee on Foreign Affairs.

Mr. ZABLOCKI. I thank the gentleman for yielding, and I want to commend him for bringing this matter to our attention. When the Committee on Foreign Affairs dealt with this section, we requested from the executive branch a justification and explanation of the proposed forgiveness of debt. The executive branch said that the transfer would be handled under the terms of section 18. We honestly and respectfully stated in our committee report that, within the U.S. Government, the funding impact would be absorbed primarily by the U.S. Army. Mr. Chairman, I share the concern of the gentleman from New York, that, in cases where such forgiveness is involved, it should not impact on U.S. defense readiness. I think that such transfers should be handled in a reasonable and responsible manner.

It should be pointed out that the ammunition in question is stored in Thailand and, were the U.S. Government to remove it on its own, it would involve a considerable expense.

□ 1320

The Army did not actually replace the ammunition, but, if repayment for the final increment were paid, it could have been used for the purchase of new ammunition.

Aside from financial considerations, I would point out that the President agreed to seek legislative authority to make this transfer when Prime Minister Kriangsak was in the United States several months ago. The cost free transfer to Thailand which this provision authorizes is intended to support Thailand at a time when it is faced with new external and internal threats and is burdened by a crushing flow of refugees from Vietnam, Laos, and Cambodia.

This is the explanation we were given by the executive branch. Nevertheless, I must say, Mr. Chairman, that I share the concern of the gentleman from New York.

Mr. ADDABBO. I thank the gentleman.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, I want to join the gentleman from New York in expressing the concern that he has expressed. In this day and time, when we are having a real struggle coming up with enough dollars for defense, and the budget gets higher every year, and people groan when they see the increased defense budget, we cannot afford to carry these extra burdens on our backs as we try to do the job. I would want to work with the chairman of the committee and the gentleman from New York to find a way to keep this from happening in the future.

Mr. PEYSER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it had been my intention at this time to offer an amendment dealing with the moneys in this bill allocated to Turkey. It is not my intention now to offer that amendment. I have discussed this matter with the chairman of the Foreign Affairs Committee and other members of the committee to gain a fuller understanding of what is involved and what is at stake at this time.

However, Mr. Chairman, I do not want to pass up the opportunity of expressing at least my feeling—and I am convinced many Members of this Congress—on the displeasure which is, I think, a very mild word to describe the feeling of a lack of action by the Turkish Government in solving the Cyprus situation. Over the past several years, this Congress has voted numerous times on this issue, and in the overwhelming number of times it has voted not to grant aid to Turkey. But, in 1978, the Congress agreed to make this move, and now for reasons that are becoming increasingly important this bill does contain money for Turkey.

Mr. Chairman, I find it very difficult to understand why we continue in this effort without getting some firm indication and some real action on the part of the Turkish Government that they will move to do something to rectify what is still a grossly unfair, terrible situation that the people of Cyprus are faced with.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I will be glad to yield to the gentleman from Alabama.

Mr. BUCHANAN. Mr. Chairman, I would like to associate myself with the earlier remarks of the gentleman from Illinois (Mr. DERWINSKI) and with those of the gentleman in the well.

Less than a year ago when this legislation was before us, the majority of our colleagues voted to lift the military sales embargo against Turkey. I was not among that majority because of my concern over the lack of movement toward a resolution of the situation on Cyprus.

Regrettably, today, some 9 months later, there is still no movement.

Nearly 30,000 armed Turkish troops still occupy a substantial portion of Cyprus, preventing many thousands of Greek Cypriot citizens from returning to their homes.

More than 2,000 Greek Cypriots and at least 4 Americans are still listed as missing. There are still 35,000 Turkish colonizers on Cyprus.

I personally have serious questions about the completeness of President Carter's report which indicates that Turkey is acting in good faith, as required by section 13(a) of the International Security Assistance Act of 1978.

I find it passing strange that there is no mention of Turkish military maneuvers on Cyprus and that a judgment of good faith effort can be sustained when there has been no progress.

Why is it still necessary for the United States and the United Nations to provide substantial humanitarian assistance to the refugees on Cyprus if there has been movement?

Why is the economy on Cyprus still in a calamitous state if there has been movement?

In his initial certification report, President Carter said, and I quote:

> The termination of section 620(x) will remove what has become a significant psychological impediment to progress toward a solution to the Cyprus problem.

This impediment has been removed, but the solution remains to be attained.

I am deeply concerned that these continuing reports of movement when, in fact, there has been none, will send a signal to the Turkish Government that we approve of the level of its efforts to date.

Speaking as one Member who has in the past supported sales to Turkey and who has extended the hand of friendship to that country, I do not concur with the findings of these reports.

This Congress and the President showed good faith by lifting the embargo last year. It is my prayer that a true, good-faith response from the Government of Turkey will be forthcoming.

How long must the people on Cyprus wait. If two such long standing enemies as Israel and Egypt can sign a peace treaty, then surely peace can be achieved on Cyprus.

It cannot be beneficial to the Turkish economy to bear the burden of a substantial number of troops on Cyprus and it certainly serves as an impediment to improved relations with Turkey's neighbor and our other NATO ally, Greece.

It is time and past time, Mr. Chairman, for movement on Cyprus. Without such movement, Congress will sooner or later have to act again. The Committee on Foreign Affairs in the report accompanying this legislation expressed its strong concern. We reiterate it here today. Let Turkey hear and action follow without any further delay.

Mr. PEYSER. I thank the gentleman.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from New York.

Mr. WOLFF. I thank the gentleman for yielding.

Mr. Chairman, I want to join my colleagues in protesting the lack of progress on the Cyprus situation, and the enormous amount of funds allotted for Turkey in this legislation, $202 million in foreign military sales credits.

We have seen no progress toward Turkish withdrawal from Cyprus. In fact, recently, Turkey has been participating in military maneuvers on Cyprus which have had a terrorizing psychological effect on the ethnic Greeks there.

In last year's legislation the Congress clearly made its desire for substantial progress on the Cyprus issue known to the President. Indeed, the promise of such progress was the reason the Congress permitted the lifting of the arms embargo.

Nor would I characterize Turkey as a good friend to the United States. When the crisis erupted in Iran and the United States wanted to evacuate our American citizens, Turkey at first did not allow our helicopters to land there, because, in that crisis situation, we had not asked permission sweetly enough. The Turks finally did allow our helicopters to land, after precious time elapsed, time that could have been used evacuating Americans from a volatile and violent situation. This is not a new tactic; it repeats failure by the Turks during the Mideast crisis to permit either the use of our bases or their airspace.

While I do not plan to offer an amendment to delete these funds, I want to put the administration on notice that I do not favor large amounts of additional funds for Turkey, and would not be happy with a large supplemental request. I feel that our military aid almost amounts to a subsidy of the Turkish occupation of Cyprus.

Past history of our relations with Turkey have shown them to be an unreliable ally. We have not been able to rely on them in times of crisis, as the incident during the Iranian revolution demonstrated. It worries me to think that those who support increased aid to Turkey justify it by saying that Turkey is essential to our NATO defense. Since when has unreliability been essential for defense?

☐ 1325

Mr. PEYSER. Mr. Chairman, I thank the gentleman from New York (Mr. WOLFF) for his comments.

Mr. WOLPE. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I am glad to yield to the gentleman from Michigan.

Mr. WOLPE. Mr. Chairman, the comments of the gentleman from New York (Mr. PEYSER) are very well taken, especially in light of the recent article which appeared in the New York Times describing recent Turkish military exercises in Cyprus as puzzling the experts.

At the very moment when we are allegedly moving toward some solution in Cyprus, word is out that there have been military exercises by Turkish troops in the northern part of Cyprus. Clearly, that is not a helpful kind of gesture if Turkey is really serious about moving toward a negotiated settlement in Cyprus.

Again, Mr. Chairman, the remarks of the gentleman from New York in this House are very timely.

The CHAIRMAN. The time of the gentleman from New York (Mr. PEYSER) has expired.

(By unanimous consent, Mr. PEYSER was allowed to proceed for 2 additional minutes.)

Mr. WOLPE. Mr. Chairman, will the gentleman yield further?

Mr. PEYSER. I yield to the gentleman from Michigan.

Mr. WOLPE. Mr. Chairman, the words of the gentleman from New York (Mr. Peyser) are very timely, especially in the light of an anticipated administration request for a supplemental appropriation, providing military assistance to Turkey.

I think the Members of this House have an obligation to convince both our Turkish ally and our own Government that it is important and urgent that all parties honor the commitments entered into at the time of the lifting of the embargo.

Again, Mr. Chairman, I thank the gentleman from New York (Mr. Peyser) for bringing this matter to the attention of this body.

Mr. Chairman, I include in the Record the article from the New York Times of Sunday, March 25, 1979, describing recent Turkish military exercises on the Island of Cyprus:

Turks' Military Exercises in Cyprus Puzzle Experts

Nicosia, Cyprus, March 24.—A target-towing plane flew over an expanse of the Mediterranean, pursued by black puffs of antiaircraft smoke. Machine-gun fire rattled in olive groves, and the thud of mortar explosions came from behind a craggy range of hills.

The sounds were from one of the military exercises by Turkish troops in the northern part of Cyprus, exercises that accentuate the tensions between ethnic Turks and ethnic Greeks on the island.

They prompted the Greek Cypriot Government of President Spyros Kyprianou to accuse Turkey of trying to "exert psychological pressure" and to "terrorize the civilian population" in the Greek-controlled zone of the island.

Such statements have been frequent on Cyprus since Turkey occupied the north after its invasion in 1974 and regrouped the ethnic Turkish minority there. What concerned military experts more this time was the extent of the maneuvers at a time of the worst economic crisis in recent Turkish history.

LARGE UNITS INVOLVED

The maneuvers, which ended this week, were one of the rare exercises involving large tactical units in an army that in recent years has economized on fuel and ammunition and reduced the intensity of training.

Recent Western reports from Ankara, Turkey's capital, said there had been "very little training above unit level." In military terminology, a "unit" is a battalion of about 800 men.

Involved in the Turkish maneuvers were elements of the 28th and 39th Infantry Divisions, which are stationed on the island. Each division is backed by a battalion of 50 tanks of Korean War vintage.

Few details on the exercise were available, even to Turkey's allies, and there is some mystery about its purpose and timing.

Although on several occasions Turkey has announced withdrawal of some units from Cyprus, most seem to have been replaced. Still, from the peak of 40,000 troops just after the invasion, the Turkish force on the island has dropped to about 30,000. It is bolstered by some 4,000 men of the Turkish Cypriot "security forces," increasingly being equipped with heavy although obsolescent weapons.

An estimated 25 percent of the combined force is deployed along the line separating the Greek and Turkish zones.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I am glad to yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I commend the gentleman from New York (Mr. Peyser) for raising this subject. I discussed it briefly earlier.

I think the gentleman recognizes from his experience in this body that we have had a legitimate ongoing interest in these developments.

Just before the gentleman took the well, there were a number of Members who expressed their concerns over certain actions affecting our defense preparedness. It must be noted that the Government of Greece had wished to rejoin NATO and had been prevented from doing so by the use of the Turkish veto. That action weakens that flank of our NATO alliance.

Mr. Chairman, in October 1975 Prime Minister Karamanlis in a policy statement set forth the Greek Government's position on the return of Greece to the military structure of NATO on the basis of a special relationship.

In January 1977 Greece submitted to the NATO alliance her proposals for reintegration.

In March 1978 talks were held between NATO's Supreme Allied Commander, Gen. Alexander Haig, and Gen. Ioannis Davos, Chief of the Greek General Staff.

In July 1978 General Haig informed the NATO military committee that Greece's proposal was satisfactory.

Turkey vetoed Greece's reintegration into the NATO military command structure. All of the other allied governments agreed to Greece's reintegration in accordance with the satisfactory report of General Haig. NATO is an alliance of sovereign nations and requires unanimous consent of its members for such action.

Thus, Turkey is preventing the restoration of NATO's shattered southeastern flank. The Members should keep this in mind at the time military aid to Turkey may be an issue.

Mr. PEYSER. Mr. Chairman, I thank the gentleman from Illinois (Mr. Derwinski).

Mr. RUSSO. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Illinois.

Mr. RUSSO. Mr. Chairman, I commend my colleague, the gentleman from New York (Mr. Peyser), for raising this issue.

Every year we have been promised that if we allow arms sales to continue to Turkey there will be progress in Cyprus. But after 4 years all we have are just promises and not progress.

Last year we were sold the biggest bill of goods about removing the embargo. We know that no embargo ever really existed, in the first place, because sales were being conducted anyway, in contravention of congressional intent. Last year the House reversed itself again on the promise that something would be done about Cyprus; and absolutely nothing has been done.

Now, today we are being asked to support the International Security Assistance Act, which authorizes military assistance, foreign military credit sales, and funds to support a variety of military education and training programs. This bill presently contains $300 million for Turkey and $150 million for Greece. I oppose the administartion's plan to extend to the Government of Turkey additional hundreds of millions of American dollars without first requiring the Turks to comply affirmatively with American aid provisions. No progress has been made toward negotiating an equitable settlement of the Cyprus question. The Turkish Government, whose armed forces still physically occupy and divide Cyprus, has not met the standards required to enable it to continue to receive U.S. assistance.

Congress and the administration were more than generous when they partially lifted the so-called ban on American aid to Turkey. This action was intended to encourage Turkey to make a more flexible position and it was clearly understood that it would be tied to progress on Cyprus. Instead, the Turks continue to defy the will of the United Nations and world opinion. They continue to prevent hundreds of thousands of Cypriot refugees from returning to their homes, they continue to act as outlaws from the world community of peaceful nations. Is this how we reward their intransigence? Do we not have a moral obligation to the thousands of refugees who have been forced from their homes?

I cannot help but feel that in view of these continuing Turkish violations it would be foolhardy and counterproductive for the U.S. Congress to authorize and appropriate additional aid for Turkey. And this is only the beginning. It is very likely that within the next several weeks the administration will submit a supplemental budget request for Turkey for yet another $150 million. The supplemental request will be solely military in nature. It strikes me as ludicrous that considering Turkey's record of violating American assistance restrictions coupled with its refusal to negotiate a Cyprus settlement, that we are even standing here today debating whether they should receive that aid. It should be noted that U.N. Secretary Kurt Waldheim submitted to the two Cypriot parties an impartial draft United Nations formula for the resumption of negotiations which the Greek Cypriots have unconditionally accepted and the Turks have not. The decision is clear and there can be no compromise—we have tried the route of misguided generosity once and failed. I urge my colleagues to reject this legislation and in so doing, send a clear message to the Government of Turkey.

Mr. Chairman, I want to commend the gentleman from New York (Mr. Peyser) for bringing this matter to our attention.

The CHAIRMAN. The time of the gentleman from New York (Mr. Peyser) has expired.

(By unanimous consent, Mr. Peyser was allowed to proceed for 1 additional minute.)

Mr. PEYSER. Mr. Chairman, I appreciate the remarks of the Members who have addressed themselves to this important subject.

In closing, Mr. Chairman, I would like to urge that the President of the United States at this time, sensing the feeling in the House, will make a public demand on Turkey to respond and do something about the Cyprus situation. I think it is time that the Executive now speak out very clearly, sensing the problem which is facing future programs concerning Turkey. I think it is time to get results and to bring some freedom and some justice to the people on Cyprus.

Mr. Chairman, I yield back the balance of my time.

☐ 1330

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the last word.

I want to say, Mr. Chairman, that I share the concern of the gentleman from New York (Mr. PEYSER) about the lack of progress in Cyprus, but I think it would be well to point out that it would be unfair to accuse Turkey of being the only one who is involved. As the committee report points out:

> The parties must be persuaded to take the difficult but essential steps that alone can begin to solve the many political, practical, and humanitarian problems that exist on the island.

So I submit we should at least approach this serious problem in a manner that will bring about some result and not just merely point our fingers or call our allies names. Turkey certainly bears the major responsibility. They are the invading force. They are the ones who have troops on the island. But it does take two to make an agreement, and I would hope that our friends on the island of Cyprus and on the mainland of Greece do not misunderstand what we say. We do think they have a part to play as well.

I think also we must not lose sight of the fact that with the fall of Iran, Turkey assumes an even more important position than it has held in the past. It remains our only source of intelligence about Russian missile operations in that part of the world. I think we should be very careful how we handle this issue and what we do about it. But I would join the gentleman in urging the President to take even more and stronger steps to try to bring about some resolution of the problem.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank my colleague for yielding.

I do not think anybody in this House or in this country does not grieve over the situation of the people on Cyprus, an island so beautiful and at one time so peaceful, and now so full of hatred and violence. As my colleague has said, certainly both sides are involved in this. Turkey has soldiers there, 20,000, I believe, and Greece, I believe, has 8,000. Four times Turkey has submitted proposals which have been turned down. Greece herself has agreed to the U.N. proposal which was turned down by Turkey. We have had mutual and reciprocal turning away from peaceful negotiations and then, fortunately, sometimes turning toward them.

I think our colleagues should remember something. We imposed an embargo thinking that that might be effective, and it was. What did it produce? It produced for the first time in the history of the Soviet Union and Turkey aid from the Soviet Union—aid which is continuing.

This is certainly not something that contributes to the peace of the area or to our national interests or to the interests of the people of Greece, Turkey, or anybody else in the Mediterranean. We have a problem that is not going to be solved by calling people names and attacking them in public. It is only going to be solved with the most humble, understanding, and hard-working peace efforts, such as our President has shown in bringing together two ancient enemies as we have seen this week.

I hope no hasty and harsh action will be taken by this House, because we are dealing with the very serious matter of our national security.

I thank my colleague for yielding.

Mr. LAGOMARSINO. I thank the gentlewoman for her eloquent comments.

Mr. Chairman, I yield back the remainder of my time.

AMENDMENT OFFERED BY MR. RITTER

Mr. RITTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RITTER: On page 20, immediately after the last section add the following new section:

"MIDDLE EAST PEACE DEVELOPMENT FUND

SEC. 21. It is the sense of the Congress that the President take all appropriate steps to negotiate with other industrial nations an agreement for the creation of a Peace Development Fund whose purpose would be to underwrite the costs of implementing a Middle East peace with all the industrial nations contributing to the fund in general proportion to the oil they purchase from the Middle East."

Mr. ZABLOCKI. Mr. Chairman, I reserve a point of order on this amendment.

☐ 1335

Mr. RITTER. Mr. Chairman, I would like to thank the Chairman for reserving the point of order. I recognize that there is a possible germaneness problem, although the purpose of this amendment is consistent with the purpose of this bill, that is, the implementation of peace.

I defer to the Foreign Affairs Committee at this time in order that they can work together on this subject so as not to jeopardize any military security arrangements that the United States now has with other nations. I do want to state for the record my purpose in this amendment.

Mr. Chairman, all Americans have felt a sense of hope this week, as we witnessed the signing of a peace treaty between Egypt and Israel. After so many years of strife and bloodshed, we saw the courageous leaders of two nations take a historic first step toward what we pray will be a lasting comprehensive peace for the Middle East. And we also saw the President of the United States taking a constructive role in achieving that historic step toward peace.

Now that the treaty has been signed it is necessary for the Congress to turn our attention to the actual implementation of the treaty. As we now know, that implementation will not be without considerable cost. As my colleagues know, having heard from Prime Minister Begin and President Sadat earlier this week, those costs must be paid if the treaty is to move from words on paper to reality.

There have been differing reports of what those costs would be, most often mentioned as $5 to $6 billion. Yesterday, an Associated Press story indicated that the treaty would involve total costs of about $4½ billion.

But the one glaring fact about the costs of implementing the peace treaty, whatever those costs may turn out to be, is that the American taxpayer is being asked to pay them alone.

Mr. Chairman, if one thing is obvious about the long peace process of the past weeks, it is that the United States has already worked above and beyond the call of duty, so to speak, toward achieving a peace treaty. Our President, our Government, and our people have been as steady as a rock in pursuit of peace. This country has done its share many times over, and had it not been for the United States, there would be no peace treaty, certainly. Time and time again since the end of World War II the United States has stood up alone in defense of peace.

Yet it is just as obvious that the United States is by no means the only nation that benefits from this historic peace treaty. Even though, admittedly, problems still remain, the entire world benefits immeasurably from Middle East stability. The New York Times reported yesterday that "America's European allies are quietly endorsing President Carter's success," and Senator WILLIAM PROXMIRE correctly pointed out that "Japan, West Germany, Great Britain, Western Europe, and Africa all share the fruits of a peace in the Middle East."

That is true indeed. All nations, especially those which depend on oil from a stable Middle East, have a stake in the success of the peace treaty. Yet, of those nations, only one people—the American people—are being asked to bear the costly burden of peace.

I submit that is wrong, Mr. Chairman, and if the response I have gotten from my constituents is any indication, the American people agree with me. So I am today offering an amendment designed to bring the other nations who benefit from the peace treaty into a partnership with us to share the costs of implementing the treaty.

My amendment would establish a Middle East Peace Development Fund. Each industrialized nation, including our Western European allies and Japan, would be asked to contribute to the Fund in general proportion to the amount of Middle Eastern oil they import. Or, some other equitable means could be worked out to share the cost burden.

Since first introducing this concept as House Joint Resolution 85 on March 22, I have gotten tremendous and positive response from my colleagues and constituents.

I urge my colleagues to join with me today, by supporting this amendment, to urge the President to begin negotiations with other nations to do their part, and to stand with the United States in helping to assure the economic development and military security of the Middle East, and in sharing the weighty cost of peace.

I would like to thank Chairman ZABLOCKI for his graciousness, his understanding, and his asistance. And it is my purpose to offer this amendment to the Economic Assistance Act when the House considers it later next week.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania (Mr. RITTER) to withdraw the amendment.

There was no objection.

AMENDMENT OFFERED BY MR. RUDD

Mr. RUDD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RUDD: Page 16, line 11, delete "$657,900,000" and insert in lieu thereof "$658,150,000" and on line 17 delete "$2,079,000,000" and insert in lieu thereof "$2,081,500,000".

☐ 1340

Mr. RUDD. Mr. Chairman, this amendment will provide authority for $2.5 million in military credit sales for the country of Nicaragua during fiscal year 1980.

One of the best allies the American people have in Central America is the nation of Nicaragua.

There are currently efforts underway by Castro-supported guerrilla forces to topple the duly elected government of that country.

I believe that the United States has a moral obligation, in the interests of our own national security as well as that of Nicaragua, to allow purchase of arms from the United States, on credit, in order to protect the Nicaraguan people from the threat of Communist overthrow by forces being armed and trained by outside forces.

Mr. Chairman, this $2.5 million annual credit authority for Nicaragua is consistent with authority from Congress in fiscal year 1977.

It is also consistent with the recent capture of United States and Soviet-origin weapons in the possession of Sandinista guerrillas, which had apparently come to them by way of Costa Rica to aid them in their revolutionary efforts to topple the current duly-elected Government of Nicaragua.

If the Castro-supported guerrilla and terrorist activities against Nicaragua's Government are successful, a Communist government is the only choice we face in that country.

Such an eventuality will be a major inducement for further Soviet and Castro-inspired revolutionary activity that will threaten the stability and the governments of Honduras, El Salvador, and Guatemala.

Such instability and threats to duly constituted governments in Latin America will also pose a severe threat to our neighboring friend of Mexico.

I believe that the national security interests of the United States and all our allies in Central and Latin America require us to approve this military sales credit authority for Nicaragua.

I urge adoption of the amendment.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. RUDD. I yield to the gentleman from Wisconsin, the distinguished chairman of the Committee on Foreign Affairs.

Mr. ZABLOCKI. Mr. Chairman, I will say to the gentleman that, although I am in sympathy with the purpose of his amendment, I must unfortunately oppose it within the context of this bill. The gentleman's amendment would provide an additional $250,000 in the total authorization for foreign military sales (FMS) credits and an additional $2.5 million to the aggregate FMS ceiling. However, in view of the fact that the executive branch has not requested this amount, there is no assurance that these funds would even be utilized for Nicaragua's benefit. Moreover, the amendment would increase the total amount we have proposed to the Committee on the Budget for this purpose. I would hope that the gentleman's concern would be seriously considered by the executive branch but I would, at this time, hope that the gentleman would not press his amendment. The gentleman from Wisconsin would have to oppose the gentleman's amendment although he is personally in sympathy with the intent.

Mr. RUDD. Mr. Chairman, I respect the gentleman's remarks. I think this should be a message to the administration that we really have no choice but to support our friends in Latin America. The only choice we have is a Communist-dominated government, not only in the country of Nicaragua but as that spreads and induces further activity on behalf of international communism, Castro-supported guerrillas that will race northward to Honduras, El Salvador, and Guatemala and I can assure the chairman there are many responsible Mexicans who are concerned about the situation in Guatemala should the Government of Nicaragua be toppled. This would pose a great threat to the security of that country, of Mexico, and of course it need not be carried any further to realize what a threat it would be for our country and for the people of our Nation should that sort of activity take place and Communist governments topple these legally elected and constituted governments one right after another.

With due respect to the chairman's remarks, I will withdraw the amendment.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona (Mr. RUDD) to withdraw the amendment?

There was no objection.

The CHAIRMAN. Are there further amendments?

If not, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. NEDZI) having assumed the chair, Mr. FUQUA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3173) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal years 1980 and 1981, and for other purposes, pursuant to House Resolution 184, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. ZABLOCKI. Mr. Speaker, I demand a separate vote on the amendments offered en bloc by the gentleman from Massachusetts (Mr. STUDDS).

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The Clerk will report the amendments on which a separate vote has been demanded.

The Clerk read as follows:

Amendments: Page 3, beginning in line 8, strike out "and $37,800,000 for the fiscal year 1981"; in line 19, strike out "or the fiscal year 1981"; and in line 21, strike out "during either such year".

Page 4, beginning in line 23, strike out "and $110,200,000 for the fiscal year 1981"; on page 5, insert a closing quotation mark and a period at the end of line 8; and strike out lines 9 through 16.

Page 7, line 14, strike out "and $95,000,000 for the fiscal year 1981".

Page 8, beginning in line 12, strike out "and the fiscal year 1981".

Page 8, beginning in line 23, strike out "and $32,900,000 for the fiscal year 1981"; and on page 9, beginning in line 2, strike out "in any fiscal year".

Page 9, beginning in line 13, strike out "and $28,100,000 for the fiscal year 1981".

Page 16, beginning in line 11, strike out "and $656,300,000 for the fiscal year 1981"; in line 15, immediately before the closing quotation mark insert ", of which amount for each such year"; in line 17, strike out "and $2,063,000,000 for the fiscal year 1981" and insert in lieu thereof ", of which"; and strike out lines 18 through 23 and insert in lieu thereof the following:

(3) in subsection (c), by striking out "fiscal year 1979" and inserting in lieu thereof "fiscal year 1980".

Page 20, line 3, strike out "years 1980 and 1981" and insert in lieu thereof "year 1980".

Mr. ZABLOCKI (during the reading). Mr. Speaker, I ask unanimous consent that the amendments that were offered en bloc be considered as read and printed in the RECORD. These amendments offered en bloc provide for a 1-year authorization instead of the 2-year authorization which the Committee on Foreign Affairs has recommended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER pro tempore. The question is on the amendments.

The amendments were rejected.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMITTING SELECT COMMITTEE ON INTELLIGENCE TO CONDUCT CERTAIN HEARINGS

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up a privileged resolution (H. Res. 165) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 165

Resolution to amend the Rules of the House of Representatives to permit the Permanent Select Committee on Intelligence to vote to conduct certain hearings in executive session

Resolved, That clause 4 of rule XLVIII of the Rules of the House is amended by striking the period at the end of the clause and adding ", except that, notwithstanding the requirements of the first sentence of clause 2(g) (2) of rule XI, a majority of those present, there being in attendance the requisite number required under the rules of the select committee to be present for the purpose of taking testimony or receiving evidence, may vote to close a hearing whenever the majority determines that such testimony or evidence would endanger the national security.".

□ 1350

The SPEAKER pro tempore. The gentleman form Illinois (Mr. MURPHY) is recognized for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 165 is a privileged resolution providing for 1 hour of debate in the House. This resolution amends clause 4 of House rule XLVIII, the rule which establishes and provides the authority for the permanent Select Committee on Intelligence. House Resolution 165 would exempt the select committee in certain instances from the provisions of clause 2(g) (2) of House rule XI which requires that a majority of the committee be present in order to vote—by a rollcall vote—to close a hearing to the public.

Specifically, this amendment to the House rules would permit the select committee or one of its subcommittees to go into executive session if at least two members are present and vote to close the hearing for national security reasons. This is the number of members now required under the rules of the select committee to be present for taking testimony or receiving evidence. Let me repeat, this authority could only be invoked if the testimony or evidence to be received at the hearing would endanger the national security if received in open session.

The select committee was created by House Resolution 658 which was adopted by the House on July 14, 1977. The record will show that since its establishment the select committee has made every effort to hold its hearings in open session. For instance, by subcommittee on legislation has held nearly 90 percent of its hearings in open session.

However, in order to protect intelligence activities and programs, a considerable amount of the select committee's work must be undertaken in closed session. This is done strictly to protect the national security of our country. Thus, almost 75 percent of all subcommittee and full committee hearings last session were held in closed session. The select committee's Subcommittee on Program and Budget Authorization conducts fully 100 percent of its hearings in executive session. Since the 96th Congress convened, 90 percent of all the committee or subcommittee hearings have been closed. Since the creation of the committee, 63 of a total of 83 days of hearings have been closed to the public because of the sensitive nature of the material which was to be presented in evidence.

There are several reasons that the select committee has come to the House for this rules change. The committee's oversight responsibilities have not decreased. This Congress the memberhip of the subcommittees has been enlarged to six. House rules require that four members must be present before the subcommittee can vote to close a hearing, which places a heavy time burden on its members. Moreover, rule XLVIII requires that the select committee be composed of members from certain major committees. Thus, the time demands for these members, in particular, are great. Very simply, it has become increasingly difficult to get a quorum of the committee in order to vote to close a hearing. The fact that this committee is one of the most active in the House and meets frequently to keep its members abreast of intelligence matters, intensifies the problem.

It should be noted that the House adopted a rules change this Congress (clause 2(k) (5) of rule XI) which allows a hearing to be closed with only two members present, if the information to be received in evidence "may tend to defame, degrade, or incriminate any person."

New language was also adopted by the House this Congress (clause (2) (g) (2)) to allow a committee or subcommittee to vote to close a hearing with a quorum of no less than two members to discuss whether testimony or evidence received would endanger the national security. However, the committee may not hear testimony or evidence in closed session under those conditions.

The Permanent Select Committee on Intelligence by the very nature of its legislative and oversight jurisdiction has more specialized needs. Surely the House should allow this committee a similar procedure as the one adopted to protect individuals during investigatory hearings. In this instance the rules change would protect information that, if disclosed, could endanger the security of our Nation.

The rules change was agreed to unanimously by the members of the Select Committee on Intelligence during its organizational meeting on February 15, 1979. The Rules Committee favorably reported the resolution without amendment on March 21. I urge the adoption of House Resolution 165.

□ 1355

Mr. McCLORY. Mr. Speaker, will the gentleman yield to me?

Mr. MURPHY of Illinois. I will be happy to yield to the gentleman.

Mr. McCLORY. I thank the gentleman for yielding.

I have the privilege of serving on the Select Committee on Intelligence, on which the gentleman serves, and I want to concur in everything the gentleman has said. It is my understanding that if this amendment to the House rules is adopted, thereafter the select committee will adopt its own rule which will concur in this authority and will also add in the select committee's rule that of the two members who are required to be present at such a hearing that is ordered to be closed, for the taking of testimony or otherwise, one of the two members will be a minority member. Is that correct?

Mr. MURPHY of Illinois. That is correct.

Mr. McCLORY. I thank the gentleman.

Mr. MURPHY of Illinois. I appreciate the gentleman's comments. He is a valuable member of the Subcommittee on Legislation, and the gentleman is correct in stating that before we clase a meeting, a representative from the minority side and the majority side will be present to vote it closed or open.

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. MURPHY of Illinois. I yield to the gentleman from Wisconsin.

Mr. ASPIN. I thank the gentleman for yielding, and would like to compliment the gentleman on a very fine statement. I would like to concur in what he is saying. I myself have always been very leery of closed meetings and have always been very worried about the necessity for having closed meetings, but I have come to the conclusion, having served on the committee with the gentleman from Illinois, that what he is saying here is absolutely right; that this change in rules is not going to prevent the public from getting any more information than it would have otherwise gotten. It will make the operation of the committee a lot easier, and, more important, it will save people's time.

Both in the executive branch and in the legislative branch, we spend a lot of time sitting around. We cannot even start a meeting until we have a quorum, and we spend a lot of time waiting for quorums to appear. I think it is necessary in this case. I see no danger of any abuse in this language. I think it is carefully worked out so that there would not be an abuse. I concur with what the gentleman is saying.

Mr. MURPHY of Illinois. I would like to thank the gentleman from Wisconsin. I would like to add the fact that this committee even meets on Saturday mornings, Mr. Speaker, because there is so much work. BILL BURLISON, who is the chairman of the Subcommittee on Appropriations, is probably the hardest-working member. They meet almost every day and every afternoon, every spare hour, on getting the budget ready for the CIA and the NSA.

Mr. LATTA. Mr. Speaker, let me say that I support this resolution.

House Resolution 165 permits the permanent Select Committee on Intelligence or one of its subcommittees to close a hearing, if at least two members are present and a majority vote to close the hearing. This provision could be invoked only when the testimony or evidence to be received at the hearing would endanger the national security if received in open session.

In the hearing before the Rules Committee, the chairman of the permanent Select Committee on Intelligence stated that the committee unanimously endorsed this proposal at its organizational meeting on February 15. He further explained that the reason for the proposal is that it has been very difficult to assemble quorums to close committee and subcommittee hearings. The hearings have been frequent, and it has been necessary to close a large number of them. Since all of the members of the permanent Select Committee on Intelligence have other time-consuming committee assignments, the current quorum requirements in the House rules have created problems.

If there is any select committee of the Congress that needs to be continued and needs a rule change, such as that being proposed here, it is the permanent Select Committee on Intelligence. I, for one, think that too much of our intelligence gets outside and into unfriendly hands. If at any time, in the wisdom of the chairman of this committee, it becomes necessary to close a hearing—and I might say that the gentleman from Massachusetts, in my humble judgment, is a very good chairman, very fair—I would think that the committee hearings should be closed. I would not support such a change in the rules at this time for any committee other than the Select Committee on Intelligence. I would like to confirm what has been said here on the floor concerning minority representation among the two members of the committee required to constitute a quorum. We have the assurance from the chairman of the committee, Mr. BOLAND of Massachusetts, that one of these members would be a minority member; and it was with that thought in mind that the Rules Committee then acted on this resolution. That has already been pointed out here on the floor by the statement of the gentleman from Illinois (Mr. MURPHY) in answer to the question from the gentleman from Illinois (Mr. MCCLORY).

Mr. Speaker, I support the resolution and urge its adoption.

□ 1400

Mr. MURPHY of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MURPHY of Illinois. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore (Mr. KAZEN). Is there objection to the request of the gentleman from Illinois?

There was no objection.

ESTABLISHING A SELECT COMMITTEE ON THE OUTER CONTINENTAL SHELF

Mr. ZEFERETTI. Mr. Speaker, by direction of the Committee on Rules, I call up a privileged resolution (H. Res. 53), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 53

Resolved, That (a) there is hereby established in the House of Representatives a Select Committee on the Outer Continental Shelf (hereinafter referred to as the "select committee") which shall have jurisdiction—

(1) to conduct a continuing study and review of (A) problems, programs, and policies related to the management of energy resources in the Outer Continental Shelf, and (B) the impact of the exploitation of energy resources of the Outer Continental Shelf on the marine, coastal, and human environment, including, but not limited to, appropriate oversight of the implementation of the Outer Continental Shelf Lands Act Amendments of 1978;

(2) of any proposal to amend the Outer Continental Shelf Lands Act or the Outer Continental Shelf Lands Act Amendments of 1978; and

(3) of any related bill or matter on this subject which the Speaker determines falls within the jurisdiction of the select committee.

(b) The select committee shall be composed of Members of the House appointed by the Speaker pursuant to rule X, clause 6, so as to insure the expeditious and comprehensive consideration of matters described in subsection (a) of this section and the reporting of any appropriate legislation. The Speaker shall designate one of the Members as chairman.

SEC. 2. Insofar as applicable, the provisions of rule XI, clauses 1 and 2 shall apply to the select committee.

SEC. 3. To enable the select committee to carry out the purposes of this resolution, such committee is authorized to utilize the services of staffs of other standing committees of the House, and to employ investigators, attorneys, consultants or organizations thereof, and clerical, stenographic, and other assistants.

SEC. 4. (a) The select committee is authorized and directed to transmit findings and reports to the House on any matters which have been referred to it and on which it has acted as soon as practicable, but no later than the last day of the second session of the Ninety-sixth Congress.

(b) Any bill and accompanying report of the select committee shall be subject to the rules of the House in the same manner as though such bill and report had been reported from a standing committee of the House.

SEC. 5. The select committee shall expire upon the last day of the Ninety-sixth Congress.

SEC. 6. This resolution shall take effect on January 3, 1979.

Mr. ZEFERETTI (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That effective January 3, 1979, there is established in the House of Representatives a select committee to be known as the Select Committee on the Outer Continental Shelf (hereinafter referred to as the "select committee").

FUNCTIONS

SEC. 2. (a) The select committee shall not have legislative jurisdiction but shall have authority—

(1) to conduct a continuing study and review of (A) problems, programs, and policies related to the management of energy resources in the Outer Continental Shelf, and (B) the impact of the exploitation of energy resources of the Outer Continental Shelf on the marine, coastal, and human environment, including (but not limited to), appropriate oversight of the implementation of the Outer Continental Shelf Lands Act Amendments of 1978; and

(2) to provide appropriate support, assistance, and recommendations to any standing committee to whom is referred any bill or resolution to amend, or which is related to, the Outer Continental Shelf Lands Act or the Outer Continental Shelf Lands Act Amendments of 1978.

(b) Nothing contained in this resolution shall be construed to limit or alter the legislative and oversight jurisdiction of any standing committee of the House under rule X of the Rules of the House of Representatives.

APPOINTMENT AND MEMBERSHIP

SEC. 3. (a) The select committee shall be composed of eighteen Members of the House, who shall be appointed by the Speaker, one of whom he shall designate as chairman.

(b) Any vacancy occurring in the membership of the select committee shall be filled in the same manner in which the original appointment was made.

AUTHORITY AND PROCEDURES

SEC. 4. (a) For the purpose of carrying out its responsibilities under this resolution the select committee is authorized to sit and act during the present Congress at such times and places within the United States, including any Commonwealth or possession thereof, or elsewhere, whether the House is in session, has recessed, or has adjourned, and to hold such hearings as it deems necessary.

(b) The provisions of clauses 1, 2, and 3 of rule XI of the Rules of the House of Representatives shall apply to the select committee.

ADMINISTRATIVE PROVISIONS

SEC. 5. (a) Subject to the adoption of expense resolutions as required by clause 5 of rule XI of the Rules of the House of Representatives, the select committee may incur expenses in connection with its duties under this resolution.

(b) In carrying out its responsibilities under this resolution, the select committee may utilize the services of staffs of standing committees of the House and the select committee is authorized—

(1) to appoint, either on a permanent basis or as experts or consultants, such staff as the select committee considers necessary;

(2) to prescribe the duties and responsibilities of such staff;

(3) to fix the compensation of such staff at a single per annum gross rate which does not exceed the highest rate of basic pay, as in effect from time to time, of level V of the Executive Schedule in section 5316 of title 5, United States Code;

(4) to terminate the employment of any such staff as the select committee considers appropriate; and

(5) to reimburse members of the select committee and of its staff for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties and responsibilities for the select committee (other than expenses in connection with any meeting of the select committee held in the District of Columbia).

FINAL REPORT

Sec. 6. (a) The select committee shall report to the House, as soon as practicable during the present Congress, the results of its investigation and study, together with such recommendations as it deems advisable.

(b) Any such report which is made when the House is not in session shall be filed with the Clerk of the House.

TERMINATION

Sec. 7. The select committee and all authority granted by this resolution shall expire on June 30, 1980.

Mr. ZEFERETTI (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The gentleman from New York (Mr. Zeferetti) is recognized for 1 hour.

Mr. ZEFERETTI. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio (Mr. Latta), pending which I yield myself such time as I may consume.

Mr. Speaker, the phrase "effective January 3, 1979" was inadvertently left out of the committee report. This error, however, has no effect whatsoever on the resolution as reported since the language of the resolution contains the proper phrase.

Mr. Speaker, the Committee on Rules ordered favorably reported, with an amendment in the nature of a substitute, the resolution (H. Res. 53) to establish a Select Committee on the Outer Continental Shelf. This is a privileged resolution providing for 1 hour of debate in the House.

Mr. Speaker, House Resolution 53 stipulates the select committee shall not have legislative jurisdiction but shall have the authority to: First, conduct a continuing study and review of problems, programs, and policies related to the management of energy resources in the Outer Continental Shelf, and the impact of the exploitation of energy resources of the Outer Continental Shelf on the marine, coastal, and human environment, including but not limited to, appropriate oversight of the implementation of the Outer Continental Shelf Lands Act Amendments of 1978; and second, to provide appropriate support, assistance, and recommendations to any standing committee to which is referred any bill or resolution relating to or amending the Outer Continental Shelf Lands Act or the Outer Continental Shelf Lands Act Amendments of 1978. Nothing contained in this resolution shall be construed to limit or alter the legislative and oversight jurisdiction of any standing committee of the House under rule X (10) of the rules of the House of Representatives.

The provisions of clauses 1, 2, and 3 of rule XI (11) of the Rules of the House of Representatives shall apply to the select committee. In carrying out its responsibilities under this resolution, the select committee may utilize the services of staffs of standing committees and may appoint, either on a permanent or temporary basis, such staff as the select committee considers necessary. The select committee will be required to submit to the House the results of its investigations and study, together with such recommendations as it deems advisable.

Mr. Speaker, the Committee on Rules reported an amendment in the nature of a substitute so as to conform to language in the model resolution contained in the Rules Committee print, "Guidelines to the Establishment of Select Committees." Additionally the substitute addresses two concerns that were expressed during the hearings on the select committee.

First, the substitute contains a termination date of June 30, 1980. The committee believes Congress, through the select committee, can complete oversight of the regulation implementation process within this limited timeframe. This also makes it clear that the select committee will not be continued on a permanent basis.

Second, the resolution specifically points out that the select committee will not be permitted to have any legislation referred to it. The select committee will oversee the highly complex OCS Act to be sure it is properly implemented, as well as provide assistance to any standing committee involved with OCS jurisdiction. It is made clear in the resolution that the select committee will in no way interfere in the legislative and oversight jurisdiction of any standing committee.

Mr. Speaker, in April of 1975 the House of Representatives created the Ad Hoc Select Committee on the Outer Continental Shelf to coordinate in one body the expertise to find answers to problems involving accelerated development and production of OCS energy, while protecting the marine, human, and coastal environment. After 4 years of hearings and testimony the Outer Continental Shelf Lands Act amendments became public law. In December, the ad hoc select committee met for oversight hearings to see how the amendments were being implemented. It became apparent immediately that the Federal Government was in no rush. Of the approximate 26 sets of regulations involved in Public Law 95-372, only one had been promulgated. This is certainly not in step with the increased development that was the intent of Congress at the time of passage.

The Rules Committee reported this resolution because its members believe that accelerated OCS development is important and can lead to a decreasing dependence on foreign oil, and that proper implementation and vigilant oversight of the Outer Continental Shelf Lands Act can be most effective in helping us achieve this goal. Fragmenting jurisdiction between 11 committees of the House would only hinder and retard this process.

In the past two Congresses, the resolutions creating the ad hoc committee included oversight responsibilities. Additionally, House Administration Report No. 95-570, the funding resolution for the select committee last Congress, stated that—

> To facilitate the promulgation of regulations on the OCS which adhere to the intent of Congress, the committee must continue to stay in existence throughout the rulemaking and publication stages.

By reestablishing the select committee for this short period of time, we are not depriving any committee of jurisdiction. We are only letting the committee bring to conclusion the great work it has already accomplished.

I urge my colleagues to support House Resolution 53 to insure the expertise and proficiency we need in carrying out this important act.

□ 1405

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of House Resolution 53 is to create a Select Committee on the Outer Continental Shelf.

Let me begin by reviewing briefly the history which led up to this resolution. On April 22, 1975, a resolution creating the Ad Hoc Select Committee on the Outer Continental Shelf was adopted by unanimous consent.

During the 94th Congress the OCS Committee did bring a bill to the House and later moved it through conference. However, a motion to send the report back to conference was passed. No further action was taken on the measure in the 94th Congress since time constraints prior to adjournment prevented consideration.

On January 11, 1977, the House approved a resolution to reconstitute the OCS Committee for the sole purpose of continuing its efforts to coordinate revision of the Outer Continental Shelf Lands Act. Finally on September 18, 1978, the Outer Continental Shelf Act Amendments were signed into law by the President.

The resolution before the House today, House Resolution 53 was introduced by the gentleman from New York (Mr. Murphy) and the gentleman from New Jersey (Mr. Forsythe) on January 18, 1979, and was referred to the Committee on Rules. The Committee on Rules reported the resolution with an amendment in the nature of a substitute on March 21, 1979. The vote to report was 8 ayes and 6 nays.

Mr. Speaker, there are a number of significant differences between the amendment in the nature of a substitute and the original House Resolution 53.

For example, the amendment in the nature of a substitute provides the select committee will have no legislative jurisdiction. Under the resolution as introduced, the select committee would have been able to report bills.

The committee substitute provides

that the select committee will expire on June 30, 1980.

As introduced, House Resolution 53 provided for the select committee to expire with the present Congress just prior to noon on January 3, 1981.

The purpose of continuing the OCS Committee is to allow it to oversee the implementation of the legislation that it produced in the last Congress.

Mr. Speaker, I have no requests for time and reserve the remainder of my time.

PERMISSION FOR COMMITTEE ON FOREIGN AFFAIRS TO HAVE UNTIL 5 P.M., SATURDAY, MARCH 31, 1979, TO FILE A REPORT ON H.R. 3324, INTERNATIONAL DEVELOPMENT COOPERATION ACT OF 1979

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield for a unanimous consent request?

Mr. ZEFERETTI. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman for yielding.

Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs have until 5 p.m., Saturday, March 31, 1979, to file a report on H.R. 3324, the International Development Cooperation Act of 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

☐ 1410

Mr. ZEFERETTI. Mr. Speaker, I yield 5 minutes, for the purpose of debate only, to the chairman of the Committee on Rules, the gentleman from Missouri (Mr. Bolling).

CALL OF THE HOUSE

Mr. BOLLING. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 68]

Alexander
Anderson, Ill.
Andrews, N.C.
Archer
Ashbrook
Biaggi
Blanchard
Bouquard
Brinkley
Brooks
Brown, Calif.
Burton, Phillip
Campbell
Carter
Chappell
Chisholm
Clay
Clinger
Coleman
Conable
Conyers
Corman
Crane, Daniel
Crane, Philip
Danielson
Deckard
Diggs
Dingell
Drinan
English
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Fisher
Flippo
Flood
Frenzel
Fuqua
Gaydos
Gibbons
Goldwater
Goodling
Guarini
Gudger
Harkin
Harsha
Hawkins
Hillis
Horton
Hubbard
Hutto
Jenkins
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Lederer
Lujan
Lundine
McCormack
McDonald
McKay
McKinney
Maguire
Markey
Marks
Martin
Mathis
Matsui
Michel
Mikva
Mitchell, Md.
Moffett
Myers, Ind.
Neal
Nolan
Ottinger
Patterson
Pepper
Pursell
Railsback
Rangel
Roberts
Rodino
Rosenthal
Runnels
Santini
Satterfield
Scheuer
Seiberling
Shuster
Staggers
Stark
Stewart
Stockman
Thompson
Traxler
Trible
Ullman
Vander Jagt
Vanik
Walgren
Walker
Waxman
Whitehurst
Wilson, C. H.
Wright
Wydler
Young, Alaska
Young, Mo.

☐ 1425

The SPEAKER pro tempore. On this rollcall, 322 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

ESTABLISHING A SELECT COMMITTEE ON THE OUTER CONTINENTAL SHELF

The SPEAKER pro tempore. The Chair recognizes the gentleman from Missouri (Mr. Bolling).

Mr. BOLLING. Mr. Speaker, I very seldom seek to bother the Members of the House by inviting their presence on the floor by moving a call of the House, or by any other method. But this is a very controversial proposal. It came out of the Committee on Rules by a vote of 8 to 6. I voted against it and worked against it. It is to continue the Select Committee on the Outer Continental Shelf. It is a very curious situation, because this select committee did its job. It finished up. It passed legislation. But having passed the legislation, it sought to renew it so that it could do oversight. As far as I know, this is the first time I have ever seen a deliberate creation of dual jurisdiction for oversight. I do not think it is justified.

☐ 1430

One of the committees most involved in the actual function, the Committee on the Interior, has most vigorously opposed the recreation of this select committee. Now, I doubt if I would have been as exercised as I am now had it not been for my view of what was going on. My impression is that a good many matters were being acted on rather rapidly and going quickly to a final result. At least one author of one amendment was not notified that his amendment which had passed was going to be reconsidered, and at least one chairman of one committee who had vigorously expressed his opposition, had no notion that the matter was coming up at this precise time.

I would like at this time to yield to that chairman, my friend, the gentleman from Arizona (Mr. Udall), chairman of the Interior Committee.

Mr. UDALL. Mr. Speaker, I thank the gentleman for yielding.

I want to say that this involves three committees. I have no quarrel with Jack Murphy. He is a good chairman, an honorable Member, very effective, and he did a good job getting this legislation passed.

This select committee was created in 1975, carved out of jurisdiction that was largely in the Interior Committee. A piece of jurisdiction was in the Judiciary Committee, and the remainder in the Merchant Marine Committee. We agreed that there would be one Congress to do the job. That Congress passed, and we almost made it, but through no fault of the chairman and members we did not get there.

So, we cheerfully agreed that it would be renewed for a second Congress. In that second Congress we passed a good bill, and our labors were long and hard. We passed a good bill.

I am authorized today to state on behalf of Chairman Rodino of the Judiciary Committee, that he joins me in strong opposition today for the renewal of this select committee.

The only question now is oversight. We are prepared. We have been overseeing this program of offshore oil and gas development in the Interior Committee and the Interior Department for 25 years, all the development in Louisiana and Texas. This offshore development is handled now, today, by the Bureau of Land Management. Our committee has a great subcommittee chaired by John Seiberling of Ohio, the Subcommittee on Public Lands, which has some legislative and oversight jurisdiction. We have a very vigorous oversight jurisdiction and investigating subcommittee headed by Harold Runnels of New Mexico. We are prepared to do our job.

This is a day when committees are proliferating, subcommittees are proliferating, staff of the House is proliferating. We agreed in 1975 that there would be no staff on this select committee, that the staff would all be provided by the three committees involved in the jurisdiction of the OCS. The select committee was built up to about 13 members. They are asking now for a staff of 10, with a budget that over the next year and a half will be probably a half million dollars, a budget that will probably be almost a third of the budget of the Interior Committee itself.

If Members want to save the taxpayers some money and put an end to a committee that has done its job and does not need to be continued, they will vote against the select committee.

Mr. BOLLING. I thank the gentleman for his contribution, and I urge the Members to vote against this resolution.

Mr. BAUMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. Brown).

Mr. BROWN of Ohio. Mr. Speaker, I rise in support of House Resolution 53.

As you will remember, last year I supported H.R. 1614 which amended the Outer Continental Shelf Lands Act, and have supported an environmentally safe and accelerated off-shore leasing program for many years.

I am concerned, however, over events that have been brought to my attention by oversight hearings held by the OCS Committee last year and this year.

These hearings have shown that, as is all too often the case, the Federal agencies are dragging their feet in implementing the amendments which we passed to accelerate the off-shore leasing program. As the United States once again enters an energy crisis, further delay in exploring for, and developing our domestic resources is inexcusable. The actions of Federal agencies, such as the Department of the Interior, seem to indicate that the bureaucrats are attempting to accomplish through the regulatory process what Congress denied them last year by law. The Department of Energy is currently attempting to do the same thing with its proposed regulations to implement last year's Fuel Use

Act, part of the National Energy Act which Congress passed last fall. I do not believe that bureaucrats should be allowed to ignore congressional statutes or congressional intent as they so patently are by advancing by means of bureaucratic regulation DOE's own peculiar view of what Congress should have passed. It seems clear that the House needs to have aggressive oversight of this matter. The OCS Committee has the experience and the knowledge to do the most effective job of oversight.

It is important to remember that we are not proposing to continue the OCS Committee indefinitely—House Resolution 53 has a sunset provision—and the OCS Committee will terminate on June 30, 1980. House Resolution 53 also calls for a decrease in the legislative budget. The budget request of approximately $300,000 is $35,000 less than requested last year, and $50,000 less than requested in 1977.

The OCS Committee has served the House well since its inception in 1975. We created this committee because three standing committees of the House had jurisdiction of the Outer Continental Shelf issues in 1975, and those issues needed a coordinated and unified approach. Now, 11 standing committees of the House have jurisdiction of the OCS issues.

I believe that the House needs the OCS Committee to use its expertise to coordinate effective oversight of the implementation of last year's OCS legislation. I hope my colleagues join me in support of House Resolution 53, and let the OCS Committee finish its work.

□ 1435

Mr. ZEFERETTI. Mr. Speaker, I yield 5 minutes to the gentleman from Connecticut (Mr. DODD).

Mr. DODD. Mr. Speaker, I rise in opposition to the establishment of a Select Committee on the Outer Continental Shelf.

This is a unique occurrence for me in that I had the distinction and honor of serving on this committee for the past 4 years, with my good friend, the gentleman from New York (Mr. MURPHY).

Mr. Speaker, my firm belief is that this committee performed a very important and significant task in updating and amending the Outer Continental Shelf Lands Act of 1954. I think the members of that committee did an exemplary job in dealing with a very complicated and intricate issue which required extensive hearings and long hours of markup to complete that particular piece of legislation.

So, Mr. Speaker, I stand here before the Members today not as someone who feels as though a select committee, particularly in the case of a piece of legislation such as the Outer Continental Shelf legislation, is an opportunity where committees ought to come together and form one committee to deal with a specific piece of legislation.

Mr. Speaker, I think the creation of that select committee made eminently good sense. The question now arises, having passed that legislation and now that that particular piece of legislation is the law of the land, should a select committee be allowed to continue to operate and conduct oversight when another standing committee of the Congress which has jurisdiction over this matter and is willing to assume that responsibility can perform that function? Should we deny that standing committee the opportunity to perform its function? My feeling is that we should not.

Mr. Speaker, we make a mistake in the House if we proliferate the number of select committees and separate the functions of oversight and legislation. We should try in every possible instance to consolidate the legislative process and the oversight responsibility. We have the Committee on Interior and Insular Affairs of this House which is willing to assume not only the legislative responsibility, but the oversight responsibility as well.

When we established the Select Committee on the Outer Continental Shelf in the previous Congress, section 5 of House Resolution 97 said, and I will quote it, the following:

> The committee shall expire upon completion of the legislative process, including final disposition of any veto message with respect to all legislation reported by the committee.

With the signing of that particular piece of legislation on September 18 of 1978, an argument could be made, based on section 5 of that resolution, that the committee's functions ceased.

Mr. Speaker, I would argue and urge my colleagues today to recognize that it is important that we transfer to standing committees the obligation of conducting oversight and initiating legislation if it is necessary to deal with this important matter.

Mr. Speaker, I urge my colleagues to oppose and vote against this resolution.

□ 1440

Mr. ZEFERETTI. Mr. Speaker, I yield 1 minute to the gentleman from Georgia (Mr. GINN).

Mr. GINN. Mr. Speaker, I rise to support House Resolution 53 to reconstitute the OCS Committee as a select committee until June 30, 1980. I will be brief and limit myself to two key points. First and foremost, the issue before us today is whether or not we in the Congress are prepared to accelerate oil and gas production offshore. We have written the OCS statute under the able leadership of the gentleman from New York to do just that, and now that legislative package is in the hands of the bureaucracy.

All too often in the past, we in the Congress have surrendered to the bureaucracy under the rubric of "agency discretion." As we have discovered all too frequently, it is often difficult—if not impossible—to regain jurisdiction once that jurisdiction has been preempted by Executive agencies.

It now appears that the implementation of the complex Outer Continental Shelf Lands Act Amendments of 1978 will hinge on agency actions during the next 12 months. I submit that commonsense and the principles of good legislative management compel us to maintain the OCS Committee during that critical period of time. With the administration speculating about internal reorganization, that could affect Outer Continental Shelf development. It would be foolish for us to subdivide oversight among 11 standing committees; thereby creating a period of confusion, uncertainty, and delay.

The second point I wish to make is that this committee has been well managed in terms of cost to the taxpayer. The average number of staff employees has declined each year and last year, it is my understanding, the gentleman from New York returned $15,000 in unspent committee funds to the Treasury. In the last several days, we have seen requests for the continuation of select committees with proposed annual budgets ranging from $750,000 to $900,000. As I understand it, continuation of the OCS committee would cost $298,000 in this calendar year. This is a small investment in comparison to what we stand to lose if we further delay offshore production.

I should add that the funding request for this select committee will be lower than any of the standing committees—reflecting the prudence and frugality of the proposal.

In conclusion, Mr. Speaker, we are only deceiving ourselves and our constituents if we pretend that the termination of this committee will be an economical decision. On the contrary, the failure of this resolution will result in an unacceptable and foolhardy setback for a program that took 4 years to enact.

I applaud the work of the OCS Committee, and I urge my colleagues to support the resolution before us

Mr. BAUMAN. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. FISH).

Mr. FISH. Mr. Speaker, I served as the ranking minority member of the Ad Hoc Select Committee on the Outer Continental Shelf from its inception in April 1975 until January 3 of this year, when I resigned.

During the 4 years I served on the committee, I, as well as many other Members from both sides of the aisle, stated that many of the provisions of the amendments to the OCSLA were not needed, that they would create untold delays because they required numerous rules and regulations. Further, that some of the provisions would even be detrimental to the production of energy resources on the OCS.

It took 4 years of hard work and two attempts at passage before we finally had an acceptable piece of legislation.

In the 95th Congress, the House, at the urging of the minority, was successful in deleting or altering provisions that would have mandated Federal exploration and drilling; and would have given OSHA a free hand on the Outer Continental Shelf to move only two.

This bill went to conference with a Senate bill that took the opposite view on almost every major issue. In spite of this, the House conferees were extremely successful in retaining many of the House positions, particularly on the intent of the legislation.

On September 18, 1978, S. 9 was signed into law as Public Law 95-372.

I felt at that time that the minority,

as well as the House, had won a major victory, and so stated.

With this background, I had expected the committee to go out of business. I have recently learned to my regret, however, that our victory is in jeopardy. As is all too often the case, departments and agencies are attempting to accomplish, through regulations and delays, what they could not accomplish in the legislation.

The transcripts of the oversight hearings held by the OCS Committee on December 6 and 7, 1978, and on March 8, 14, and 20 of this year are startling. They are ample evidence that the OCS Committee and the expertise that the Members and staff have accumulated over the past 5 years is of more value to the House now than ever before.

The Federal departments and agencies must have their feet held to the fire and made to realize that Congress is not going to allow them to ignore its intent.

When H.R. 1614 was first under consideration by the House, I complained that it would create the need for some 25 to 40 sets of regulations. This was denied. The December 6 and 7 hearings revealed that a minimum of 26 regulations will be required, and 6 months after the OCS amendments were signed into law only 1 regulation has been promulgated.

I will not go into details on all of the problems the OCS Committee has uncovered. However, I do wish to bring a few of them to your attention.

One of the major issues during the conference on S. 9 were sections 21 and 22—the health and safety standards and enforcement.

Statutory language and congressional intent are clear that the Coast Guard has lead agency jurisdiction for health and safety standards and enforcement on the OCS, as long as they consult with and utilize the expertise of OSHA and other agencies. If the Coast Guard does not actively pursue its responsibilities, then OSHA, in accordance with numerous court cases, and section 4(B)(1) of its act may issue standards and enforce them. After that, the Coast Guard can adopt those standards as their own.

It now appears that, in spite of this, OSHA is interjecting itself directly into OCS activities, in spite of the fact that the Coast Guard is actively pursuing its responsibilities.

Another example pertains to the overall intent of the legislation.

The OCS Committee worked for 4 years to accomplish what three Presidents have called for—an accelerated OCS leasing program that protects the human, marine, and coastal environment; increasing and maintaining high levels of competition, and providing for a fair financial return for the leasing of our Nation's off-shore energy resources.

Instead of an accelerated OCS program, the Federal departments seem to be pursuing a policy of the status quo or worse.

In spite of the recommendations of the Department of Energy, which has the responsibility of establishing production goals, the Department of Interior has issued a leasing schedule that represents the status quo.

Instead of the seven lease sales a year which DOE recommended as optimum, the Department of Interior has recommended a 5-year leasing schedule which averages five sales a year. According to DOE statistics, DOI's schedule represents a loss in production of at least 1 billion barrels of oil over the life of the schedule.

The final point I wish to raise is the fact that the one regulation that has been promulgated, which is for geothermal leases, was categorized by the Department of Interior witnesses under questioning during the March 8 hearings as not being requested, not being needed, and not being useful at this time.

This Nation cannot afford this type of approach to meeting our domestic energy needs, particularly when you consider that Shell Oil Co. has estimated that up to 60 percent of our Nation's remaining oil reserves are on the OCS.

The potential energy on the OCS, which cannot be accurately estimated at this point, because of lack of information on the frontier areas, will not in itself solve our domestic energy problems. However, if we could increase the production of oil and gas on the Shelf, while increasing and bringing on line alternative energy sources, we would decrease our dangerous dependence on foreign nations for half of our domestic oil and go a long way toward solving our problems.

The ad hoc select committee represented the centralization of effort and expertise to deal with the complicated and politically sensitive issues involved in amending the 1953 OCSLA.

To scatter the provisions of Public Law 95-372 over the 11 standing committees that now have jurisdiction, as if they were unrelated and separate pieces of legislation, would deny the Congress the sharp oversight focus vital to implementation of the interest of this body.

House Resolution 53 does not give the select committee on the OCS any legislative authority; therefore, any legislation that comes from its investigations will be referred to the standing committee having jurisdiction.

Since all of the programs required by Public Law 95-372 will be in place no later than mid-1980, House Resolution 53 terminates the OCS Committee on June 30, 1980.

In my judgment, allowing the Select Committee on the OCS to finish the responsibilities it has been charged with, by passing House Resolution 53, would be a sound energy, financial, and management investment for the House, as well as the taxpayers of this Nation.

□ 1445

Mr. ZEFERETTI. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut (Mr. RATCHFORD).

Mr. RATCHFORD. Mr. Speaker, I rise to oppose the resolution. What we do not need is another select committee, a committee without permanence and a committee without statutory authority.

As a new Member of this body, I find the number of committees, subcommittees, select committees, standing select committees and joint committees, mind-boggling.

For example, as a member of the House Administration Subcommittee on Accounts, this week I have been told that we have eight committees or subcommittees working in the energy area; that we have seven committees or subcommittees working in the area of narcotics, and we are told today that we have 11 House committees or subcommittees or select committees dealing in the area of the Outer Continental Shelf.

Ridiculous, Mr. Speaker, ridiculous.

What we need, Mr. Speaker, is a strengthened and streamlined system of standing and permanent select committees.

Within the month, Mr. Speaker, we have strengthened both our fiscal capacity and oversight capacity in the Committee on the Interior by expanding its budget.

Within the past 2 weeks, Mr. Speaker, we have created a Committee on Committees to look at the whole confusnig area of committee jurisdiction.

Thus what we need, Mr. Speaker, are a strengthened and streamlined permanent committee process, clear jurisdiction, and fewer, not more, committees.

Mr. Speaker, for these reasons I oppose the resolution.

Mr. BAUMAN. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. CLAUSEN).

Mr. CLAUSEN. Mr. Speaker, I want to command the chairman and members of the select ad hoc committee for their outstanding efforts in the past; but there are clearly differences of opinion on this matter. Of course, it is our goal and responsibility as Members to state those positions of concern.

I gave my strong support to the establishment of this ad hoc committee back in the 94th Congress when it was established; however, today I rise in opposition to House Joint Resolution 53 which authorizes the continuation of the Select Committee on the Outer Continental Shelf.

I base my opposition on several separate grounds, each of which individually, I believe, would be sufficient justification.

First, as ranking minority member of the Committee on Interior and Insular Affairs, I believe it is my responsibility to protect and preserve the committee's jurisdiction set forth in the House rules. The Ad Hoc Committee on the Outer Continental Shelf was created in the 94th Congress for a single purpose—to formulate amendments to the Outer Continental Shelf Lands Act. It was created with the concurrence of the three standing committees which otherwise had jurisdiction—Interior, Merchant Marine and Fisheries, and Judiciary—on the basis that it was for a special circumstance and would have strictly limited duration. With passage of the OCS amendments in the 95th Congress, the justification for a special committee ceased to exist.

Second, the continued select committee has oversight responsibility only, which will create confusion and duplication with the aggressive oversight effort intended by the Interior Committee. As a Member whose district adjoins areas eligible for offshore leasing and as the ranking member of the Subcommittee on Oversight and Investigations, I have a vital interest in insuring an ongoing review is made of the agencies and departments relating to Outer Continental Shelf matters. The chairman of the full committee (Mr. Udall) and subcommittee (Mr. Runnels) share my concern and we have agreed to devote our best efforts to carry out the oversight mandate espoused by the Speaker and minority leader.

Third, it is my understanding that the budget for this select committee will be around $300,000. At a time when Congress is looking for ways to hold the line on spending, it seems very unwise to authorize this expenditure of funds for a special committee whose function can be ably carried out by standing committees which rightfully have jurisdiction.

In summary, I am opposed to House Joint Resolution 53, because it violates the agreement with standing committees made when the ad hoc committee was originally constituted; usurps the jurisdiction and responsibilities of the Interior Committee; it duplicates and confuses the oversight and legislative efforts relating to the Outer Continental Shelf; and finally, it is an unnecessary expense to the taxpayers.

For these reasons, I urge my colleagues to vote against this resolution.

☐ 1450

Mr. BAUMAN. I yield 4 minutes to the gentleman from Maine (Mr. Emery).

Mr. EMERY. Mr. Speaker, I strongly support the continuation of this Select Committee on the Outer Continental Shelf. We forget that the function of this select committee, as it is to continue, is an oversight function that was endorsed by report of the select committee last year and was in the rule that was passed allowing it to come to floor today.

Oversight function is not a surprise. It was planned, it is understood, and the oversight function is extremely important. If we expect to have an aggressive, effective offshore drilling and leasing program, it is absolutely essential that this Congress, and whatever bodies are charged to oversee the drilling and leasing operations, make sure that the law is followed in an aggressive manner, with all of the necessary questions asked to make sure that the Department of the Interior keeps this program on track and on target.

Already the oversight function of this select committee has pointed to some very serious flaws and delays in the implementation of the Outer Continental Shelf Lands Act amendments as passed last year. I had an opportunity to ask some questions during one of our hearings this year and one of these questions went to the heart of this matter. The question that I posed was just what are we doing on the Outer Continental Shelf? What are the Interior Department's plans for offshore leasing? I was told at that time that the plans had not yet been firmed up, that no leasing schedule had yet been prepared.

As a matter of fact, however, we learned the very next day that the information which had been given to me in committee was a misrepresentation of the fact; that, in fact, the Department of the Interior had proposed a leasing program based on an average of not more than 5 lease sales per year. Certainly not an aggressive program when you consider the need to lease and explore territories off the coast of Alaska, off the west coast of the United States, in the gulf, in the Baltimore Canyon, and, of course, off the east coast of New England.

With the energy crisis as important and as severe as we have been led to believe, I think that it is absolutely necessary that we keep this offshore drilling program on target. Without an aggressive oversight function just examine what we have to look forward to: a decelerated leasing program which may cost this country a billion barrels of oil between now and 1995 and perhaps $28.3 billion as a balance of payments deficit over the same period. These are figures reported by the U.S. Department of Energy.

The OCS Committee is now the only committee providing effective oversight for offshore leasing. Certainly the Committee on Interior and Insular Affairs has the capability, if it wishes to exercise it, but think any examination of that committee's record over the past few years would certainly point to a less than aggressive oversight function.

Mr. Speaker, there is one final point that I would like to make and that is that we are not talking about committee jurisdictions of just three committees but several more. I would like to read the names of the committees that now have partial jurisdiction over the recently passed OCS legislation: The Committee on Merchant Marine and Fisheries, the Committee on Education and Labor, the Committee on Foreign Affairs, the Committee on Interstate and Foreign Commerce, the Committee on Post Office and Civil Service, the Committee on Public Works and Transportation, the Committee on the Judiciary, the Committee on Small Business, the Committee on Science and Technology, and the Committee on Ways and Means. All of these committees will have some oversight jurisdiction over activities on the Outer Continental Shelf if we do not give the Select Committee on the Outer Continental Shelf the authority to exercise this consolidated oversight function in an efficient and orderly manner.

Certainly we are all in favor of eliminating unnecessary committees, but I think that the track record of this select committee proves undoubtedly that its operation and its oversight activity have been effective, and perhaps it is the only way that we can guarantee an aggressive offshore drilling and leasing program that will both protect the environment and produce the oil and gas that we need.

Mr. Speaker, I urge the Members of the House to support the continuation of this select committee on the Outer Continental Shelf.

Mr. ZEFERETTI. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. Hughes).

Mr. HUGHES. Mr. Speaker, I rise in strong support of House Resolution 53.

I am privileged to serve on the Ad Hoc Select Committee on the Outer Continental Shelf, having been designated by the dean of the New Jersey delegation, the chairman of the Committee on the Judiciary, Mr. Peter Rodino. I also serve on the Committee on the Judiciary.

I understand why Members have mixed emotions about reconstituting the ad hoc select committee; nobody feels any more strongly about the duplication and overlapping of committees than I do. We have seen a proliferation of committees over the years, and that does give me great concern.

The Ad Hoc Select Committee on the Outer Continental Shelf, however, was constituted because we were dealing with a subject of extreme importance, one that was highly complex and controversial, and one that was within the jurisdiction of a number of different committees.

Over the some 4 years that this committee has been in operation, we have developed the kind of expertise which needed to handle many of the complexities that are involved in Outer Continental Shelf development. I think at this stage it would be pennywise and poundfoolish not to reconstitute this committee, since I think another major function, the function of oversight after the regulations of the various agencies have been promulgated, has not been completed.

Just in the past 2 weeks we have had before our committee numerous witnesses testifying as to their understanding of the legislation, and I am just amazed at some of the interpretations. I think it is very important that the intent of the Congress be fully carried out. That will not happen without proper oversight at this time.

As the Members may recall, there were somewhere in the neighborhood of 150 to 175 amendments to the bill before our committee, and on the floor of the House in the 95th Congress there were some 150 amendments that were offered to this particular legislation. It is a highly complex and technical bill requiring the particular expertise of this committee during the process of implementation.

Mr. Speaker, I urge the Members to vote in favor of House Resolution 53 to reconstitute the committee.

Mr. BAUMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Alaska (Mr. Young).

Mr. YOUNG of Alaska. Mr. Speaker, as a member of the House Merchant Marine and Fisheries Committee, and as a member of the Select Committee on the OCS, I have been in a position to witness firsthand the apparent inability of the Department of Interior to have the wisdom or the foresight to recognize that this country has been going through an energy crisis unparalleled in our history.

DOI's policies and practices as pertains to the location and production of energy have not only been criticized by Members of this body, but they have been taken to task by the General Accounting

Office which has pointed out their mismanagement of various programs and specifically the petroleum reserve in Alaska.

Their lack of knowledge or understanding of the production of fossil fuels, and their lack of understanding of the energy problems we are facing has also been overwhelmingly proved by 5 days of oversight hearings held by the OCS Committee since December of last year. The Department of Interior has issued a 5-year leasing schedule that will lose this Nation over a billion barrels of domestically produced oil.

I am now thoroughly convinced, as I am sure many Members of this body are that have seen the facts, that the OCS Committee is needed now more than ever before.

We are not talking about increasing the legislative budget, but actually offering a potential decrease.

We are not usurping the jurisdiction of other committees, but are pursuing what we were directed to last year, oversee the implementation of the rules and regulations required by the 1978 OCSLA amendments.

The committee is also sunsetted since it will terminate at the end of its responsibilities which the Rules Committee has specified as June 30, 1980.

It has been said before, but I wish to repeat that a vote on House Resolution 53 is an energy vote, and to allow the continuance of the OCS Committee would be a good fiscal and budgetary investment.

I hope you will join me in voting overwhelmingly for passage of House Resolution 53 in order that the House can show its mandate that the OCS Committee get on with its work.

Mr. BAUMAN. Mr. Speaker, I yield 1 minute to the gentleman from Kansas (Mr. Sebelius).

Mr. SEBELIUS. Mr. Speaker, I would have to call this the mañana resolution. Mañana, mañana, mañana—we never seem to end anything. I oppose the resolution because it costs another $300,000. You mention pennywise. Then that means 30 million pennies is what we are going to spend here, which is something we do not need to spend.

I know it has a good purpose, and a lot of good people are working on it. A lot of what we do in this House has a good purpose. That is why this country is broke. We keep spending money for good purposes and do not put things in perspective. Here is an opportunity to save $300,000 and make the committee of jurisdiction do its job.

Mr. ZEFERETTI. Mr. Speaker, I yield 4 minutes to the gentleman from Louisiana (Mr. Breaux).

Mr. BREAUX. Mr. Speaker, I would just like to take this opportunity to explain to the Members, particularly the new Members of the House, that this is not a new select committee that we are talking about. It is a committee that has been around for 4 years. You might say, "Well, it is a good time that it should end." I take the contrary position, for a number of reasons.

We are really talking about being penny-wise and pound-foolish. This committee was created in 1975. Every year since its existence we have had fewer employees trying to do a job that 11 other committees are trying to do. This year we have a low budget. We are talking about $300,000. Every other committee in the House of Representatives far exceeds the Select Committee on the Outer Continental Shelf.

Why should it be continued? For a very important reason. This committee has labored literally a great deal on a very complex piece of legislation dealing with revenues worth billions and billions of dollars to the U.S. economy. We have a final product that was passed by the House and the Senate and signed into law. To defeat this resolution would tie the hands of the select committee and say to the people of this country that we do not care what the people who are writing the regulations are going to do. That is what we would be doing. Eleven committees would have jurisdiction at this point in the life of this legislation, and no oversight responsibility will be carried out the way this select committee can do it.

The members of the select committee have learned that bill. We know where the i's are dotted and where the t's are crossed. We know what the final product would be. If you terminate this committee at this time, you will have 11 committees trying to assert jurisdiction and none of the committees doing a good oversight job. We are not trying to continue the committee for legislative purposes, but only for that one purpose: Oversight; to see that the people who write the regulations in the bureaucracy do it like this committee intended it to be done.

I think $300,000 for a limited period of time, a final period of time, is a very wise investment. You are talking about billions of dollars of assets and revenues. Let us make sure they are properly handled and not messed up by Congress stumbling over itself and trying to assert jurisdiction in an area and getting it totally confused and messed up. This is one way the process can be settled, while this is being watched, to see how the regulations are being written.

Mr. BAUMAN. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey (Mr. Forsythe).

Mr. FORSYTHE. Mr. Speaker, let nobody misunderstand. This is an energy vote this afternoon. We are really in an energy crisis.

□ 1505

If we are going to even find out what we have on the Outer Continental Shelf, if we are going to have an accelerated program to insure development of any energy potential from the Outer Continental Shelf—and it has already been referred to as perhaps 60 percent of all the future oil resources of this Nation—we need the OCS Committee for this period of time to make sure that those purposes are not foiled by the bureaucracy.

We have now had oversight hearings in December, and again just this month. And we have found exactly what is going on. The intent of the Congress, and as a matter of fact even the statutory language of the OCSLA amendments, are being ignored by the bureaucracy. That, to me, is a very, very serious problem. It has been pointed out that we have a new committee, a Select Committee on Committees, that could straighten out this overlapping jurisdiction problem. But the work of that committee has not even begun. The OCS Committee will be long gone by the time the Congress can work on the recommendations of that committee. I hope they do do the job, because this problem of overlapping jurisdictions is one of the great problems facing Congress.

We certainly need to reduce this proliferation of committees, but we cannot afford to do it with this committee whose whole budget is equal to only about 5 days' rent of one rig on the Outer Continental Shelf. Any idea that we would save money by disbanding this committee, I think, is based on false premises. We need to spend these pennies in terms of that billion barrels of oil. And I think we have already begun to turn the administration around.

The Department of Energy had recommended a 5-year leasing plan that would have produced, according to their figures, a billion barrels more oil than the plan announced by the Department of the Interior. We need the heat from this committee to make sure the Department of Energy recommendations are followed. We know where the problems are in this legislation. We know the congressional intent. We can follow it and make sure that the regulation process does not foil that intent. We have to make sure that the regulations do the job, that the OCS program does get energy for this Nation.

This is a very serious problem, gentlemen. We could see dollar-a-gallon gasoline before the first of next year. We are more and more dependent upon foreign sources of oil. We cannot gain independence in our oil supplies. That is impossible. But the OCS is our only hope to stay even. That is the only way to have any position to bargain from in this world energy situation. We need it. We need this committee.

Mr. Speaker, I urge the Members to vote for House Resolution 53.

Mr. ZEFERETTI. Mr. Speaker, I yield 5 minutes to the distinguished chairman of the Ad Hoc Committee on the Outer Continental Shelf, the gentleman from New York (Mr. Murphy).

Mr. MURPHY of New York. Mr. Speaker, I thank my colleague from Brooklyn.

Mr. Speaker and Members of the House, I think perhaps we should put in perspective what has come out in this very interesting debate. I think we have seen some of the jurisdictional problems of the bureaucracy surface here. We saw the creation of the Department of Energy take away significant jurisdiction from the Department of the Interior. We saw the Department of the Interior rise up in arms over this. Then, we watched in our own Chamber as the Subcommittee on Energy of the Interstate and Foreign Commerce Committee took a lead in the energy bill last year, and of course there were about seven other committees involved in it. We saw the Speaker create a select committee to bring together those divergent viewpoints on energy, in the same way the previous Speaker brought together the divergent committees to expedite the Continental Shelf.

Let us not have the problems of conflicts between the Department of Energy or the Department of the Interior. Nor do we need the battle that is now developing over the creation of a Department of Natural Resources, which would remove certain functions from Agriculture and Commerce, and then put them back together again in the Department of the Natural Resources—confusing OCS jurisdiction.

House Resolution 97 in the last Congress clearly created the ad hoc committee for a second time to manage a very complex piece of legislation referred to it by the Speaker. That resolution explicitly stated that the legislative life of that committee should continue until the completion of the legislative process, and went on to stipulate that that included proper oversight.

☐ 1510

After 4 years and two Congresses, on September 28 of last year we finally, after 5 days of debate on this floor, passed a complex bill, accepted over 126 amendments, and we came up with a key energy bill, an energy bill to guide the development of the Outer Continental Shelves of this Nation for the next two decades.

Mr. Speaker, 22 percent of our natural gas and 9 percent of our crude oil come from the Outer Continenal Shelf. The committee wrote a bill to expedite the development of our shelf resources while bringing whose resources shoreside in a proper environmental manner and not to intrude improperly on the coastal zone or on the Coastal States, and to bring the Governors and the communities into the process.

I think we did succeed legislatively. We have not completed that job yet. We have not completed it, but 60 days after the President signed this legislation into law, I called the first oversight hearing on the 6th of December and the 7th of December. On the 5th of December we saw a flurry of activity in the Federal Register as the departments downtown tried to "play catch-up" and realized that they had not even read the legislation or had not even gotten into the 20 studies and reports required by the legislation. Moreover, they had not even considered the new bidding process and the many complex portions of this bill.

We waited another 90 days, held another oversight hearing, and once again there was a flurry of excitement downtown.

Mr. Speaker, it was only the activity of this select committee which has drawn together the jurisdictions of 11 standing committees such as the Committee on Education and Labor with its safety functions. We had eight men killed in the gulf on a platform just 2 weeks ago.

Yet, Mr. Speaker, in the 20 years the Outer Continental Shelf Lands Act has been on the books, neither the Committee of Interior and Insular Affairs, the Committee on Education and Labor, the Committee on the Judiciary, nor the Committee on Science and Technology held 5 minutes of oversight hearings on the Outer Continental Shelf, on safety, or the environment. That was not done until the Speaker put together from three major committees, the Committee on the Judiciary, the Committee on Interior and Insular Affairs, and the Committee on Merchant Marine and Fisheries, a committee to write a bill to accomplish that purpose.

We did not ask for big staffing. We drew staff from these three committees so that there would not be a big staff allowance for this committee. We are only asking for 10 people, minority and majority included, to finish up the oversight functions. We intend to draw on the other committee staffs, as we have in the past; and I just wish that the Members involved in this debate would have spent as much time in assisting and in abetting and in helping the passage of this legislation as they have in trying to kill the oversight functions of this committee.

The SPEAKER pro tempore. The time of the gentleman from New York (Mr. Murphy) has expired.

Mr. ZEFERETTI. Mr. Speaker, I yield 1 additional minute to the gentleman from New York.

Mr. MURPHY of New York. Mr. Speaker, to continue, the Governors of New York and of California came in personally and said, "We need this committee." The Federal circuit court of appeals in the Georges Bank decision, when it overturned Judge Greeley, said that the Outer Continental Shelf Lands Act amendments will fit the bill.

Mr. Speaker, it is a complex piece of legislation, but only if it is properly implemented, will it obviate the suits to delay development in those frontier areas.

Fellow Members of the House, I urge your support for House Resolution 53, which provides for the reestablishment of the Ad Hoc Select Committee on Outer Continental Shelf as a select committee until June 30, 1980 to allow the committee to continue critical oversight functions.

The select OCS committee was created to circumvent the overlapping and conflicting jurisdictions of the three standing committees with respect to OCS matters—the Committees on Merchant Marine and Fisheries, Judiciary, and Interior and Insular Affairs; and to develop a new national policy for the development and production of offshore oil and gas.

On September 18, 1978, President Carter signed into law S. 9, the Outer Continental Shelf Lands Act Amendments of 1978, culminating a 4 year legislative battle to update the outmoded Outer Continental Shelf Lands Act of 1953. This comprehensive act addresses every aspect of oil and gas development of the Outer Continental Shelf (OCS), and its enactment insures the establishment of a new and improved regime for OCS management. This historic achievement was largely made possible through the hard work and dedication of the Ad Hoc Select Committee on Outer Continental Shelf.

While the Congress can be proud of the accomplishment of the Select OCS Committee, the critical work to follow through on this achievement has only just begun. We must now proceed with the immensely challenging task of assuring the proper implementation of the 1978 OCS amendments through intense and extensive congressional oversight.

This complex act requires the development of rules and regulations of extraordinary intricacy and the filing and review of programs and reports. Numerous representatives from executive agencies, State and local governments, environmental organizations and industry groups—which had opposed OCS reforms—have spoken to the compelling need to continue the select committee.

The OCS amendments fall under the jurisdiction of roughly 11 standing committees of the House, and about 11 Federal departments. Such fragmented oversight would be totally inconsistent with the consolidated focus provided by the Congress when it created the OCS committee, and would be unwieldy and time consuming. The attendant delays could be disastrous, as there are currently over 10 lease sales scheduled for early 1979 and 1980, and the Department of the Interior has already indicated its concern over possible conflicting oversight responsibilities.

For the benefit of the new Members, I would like to briefly relate the arduous, but productive history of the select OCS committee. The creation of the Ad Hoc Select Committee on Outer Continental Shelf in the 94th Congress and its continuation in the 95th Congress resulted from public concern about the Department of the Interior's accelerated OCS leasing schedule under the authority of the OCS Lands Act of 1953; congressional concern that bills to amend the OCS law would have to be referred to three or more House committees; and the expressed desire to avoid parliamentary confusion and delay. Thus, many Members soon recognized the need for the formation of a special committee by the Speaker of the House for the sole purpose of considering OCS legislation.

In March of 1975, it was recommended to the Speaker that such a committee be created for the purpose of considering OCS legislation and reporting it to the full House. Thereafter, on April 22, 1975, Majority Leader Thomas P. O'Neill introduced House Resolution 412, requesting the establishment of the Ad Hoc Select Committee on Outer Continental Shelf. Membership of and staff for this special committee was drawn from the three parent committees.

On the same day, the Honorable Peter W. Rodino, Leonor K. Sullivan, and I introduced H.R. 6218, a comprehensive bill to amend the OCS Act. That day, the House passed House Resolution 412 by unanimous consent, the committee was established, and H.R. 6128 was referred to the select committee. During the 94th Congress, the committee engaged in 8 months of investigative work involving staff studies, visits to offshore oil drilling sites, briefings, and hearings. The members heard from more than 300 witnesses in 13 cities and compiled a hearing record totaling more than 8,000 pages. After 5 months of markup sessions, 5 days of floor consideration, and a hurried House-Senate conference, the legislation was brought before the House for final approval.

After lengthy consideration, a motion was offered to recommit the OCS report back to conference committee to make certain modifications. This motion was barely approved by a 198 to 194 vote, a vote attributable to the threat of a veto on the part of the Ford administration, a scheduling logjam on the House floor, a threat of a Senate filibuster, and a national advertising campaign against the bill on the part of foreign oil interests. Demands for OCS amendments and prompt action in the 95th Congress, including a call by then candidate Jimmy Carter for OCS reforms as one of this two key energy-environment proposals, compelled action in the 95th Congress.

As soon as the 95th Congress convened, the OCS reform legislation was introduced in both Houses becoming H.R. 1614 and S. 9. In January 1977, House Resolution 97 reestablished the committee to complete its mandate. As recognized in the March 1978 report of the Committee on House Administration, regarding the provision of funds for the Select OCS Committee, this mandate included important oversight functions:

> H. Res. 97, which established the Committee for the 95th Congress, authorized the committee to stay in existence "through the legislative process." This process clearly should include the oversight and monitoring of the promulgation of rules and regulations to implement the 1978 amendments to the OCSLA.
>
> Congressional oversight on the exploration, development and production of the Outer Continental Shelf is mandated by H.R. 1614. The Department of the Interior had indicated its interest in working closely with the Congress to develop regulations to revise and improve OCS supervision. . . . The Coast Guard and other affected Federal agencies have indicated their interest in having congressional input into the development of these regulations on a continuing and high-level basis.

The select committee held 4 more months of hearings and received testimony from 80 additional witnesses, compiling another 2,000 pages of testimony. This activity was followed by 2 months of lengthy markup sessions, about 1 week of consideration on the floor, and 3 months of thorough consideration in the House-Senate conference committee.

The OCS amendments that were finally signed into law this past September are lengthy and intricate. Among other things, the new act:

Introduces alternative bidding systems in order to enhance competition on the OCS;

Provides funds to the States to ameliorate the adverse effects of OCS activities;

Provides authority to insure expeditious activity; that is on the part of industry to find oil and to cancel leases for serious environmental threats;

Provides for increased involvement for State and local governments in the OCS decisionmaking process;

Requires the Secretary of the Interior to prepare a 5-year leasing program for orderly and timely OCS development;

Provides for environmental studies to collect baseline and monitoring information;

Requires exploration and development plans to be formulated by the lessees and approved by the Secretary of the Interior;

Provides for the consolidation of citizens' suits so that cases may be resolved quickly and fairly;

Provides for an information program in order to assess the Nation's OCS oil and gas resources;

Establishes crewing and manning requirements for vessels and rigs engaged in OCS activities;

Establishes a fund to compensate fishermen for damages due to OCS activities;

Provides for an offshore oilspill pollution fund to compensate the OCS-related damages; and

Requires the best available and safest procedures for all OCS activities.

During the next 2 years, new regulations are to be promulgated; new leasing programs prepared; new bidding systems established and applied; new oil spill, fishermen and coastal zone funds created or expanded; and other new provisions developed. During the next 2 years, most frontier areas will be leased and exploration in some frontier areas substantially completed.

The 1978 OCS amendments attempt to resolve many of the problems and conflicts involved in prior OCS leasing by detailing requirements for revision or promulgation of regulations. These regulations will generally be promulgated by the Department of the Interior, and some by the Coast Guard. Congress must insure that its intent, policies and purposes are being properly incorporated in new and revised regulations. Accordingly, Congress, through careful oversight, must be intimately involved in the preparation and implementation of rules and regulations.

As with all major pieces of legislation, the 1978 OCS Act seeks to facilitate proper implementation by providing for periodic reports on activities, programs and policies. Accordingly, the act provides for about 20 studies and reports, involving a multiplicity of departments and agencies: these reports include an annual report on the leasing and production program, and on OCS competition; a report on the management and administration of the oil spill liability fund; a detailed report on the Fishermen's Contingency Fund; a report on a proposed training program for OCS workers; reports on the bidding systems concerning each lease sale; a report on the availability of oil and gas resources on the OCS; detailed proposals prior to the use of new bidding systems not enumerated in the act; a proposed 5-year leasing program; an assessment of the cumulative effects of OCS activities on the human, coastal and marine environment; an annual report on all violations of safety and health rules with information on all major OCS-related accidents and deaths; a report prior to any proposed export of OCS oil and gas; a review of shut-in or flaring wells; a review of royalty payments; and a review of disclosures pursuant to the sunshine in Government provision.

The Department of the Interior and various other groups reiterated the desire for uniform congressional input and assistance, and urged the continued existence of the Select OCS Committee during its first round of oversight hearings held on December 6 and 7, 1978. The success of these oversight hearings can be gaged by the flurry of activity in the Federal Register just prior to and after the committee's hearings, as the various agencies responsible for implementation were spurred into action. This type of probing oversight should, and must, continue.

A serious question was raised during the oversight hearings over whether or not the law is being put into operation at the rate we had anticipated. Unusually, the environmental and the industry representatives who came to the committee were concerned that the delays in the implementation of the law would prevent emplacement of the act's safeguards. Industry restated their original fears that passage of the law would cause crippling delays in retrieving oil and gas which is desperately needed by this country.

Evelyn Murphy, the secretary of environmental affairs for the State of Massachusetts, stated:

> I hope this committee will monitor and supervise the agencies' progress—let me underline that. I think the kind of expertise of committees such as this is really imperative to indeed get good oversight, to get the executive branch to move quickly and expeditiously . . . and I would hope that the committee will continue in its function, and this will be the sole agenda of the committee.
>
> Further, this committee simply cannot sit back and allow another 25 years to pass before recognizing the need (for) additional change(s).

John Bednerik, director of government affairs for the International Association of Drilling Contractors, testified:

> Concerning the continued existence of the OCS Committee, while generally our membership favors the reduction of government and the elimination of temporary bodies when their mission has been completed. We would agree at this point that there is still much work to be done in the oversight area on the OCS and that expertise developed by this committee, its members and staff, should . . . be the continued focal point for that oversight function. So, we would endorse the continuation of this ad hoc committee.

Joseph Foster, president to Tenneco Oil Exploration and Production, added to the sentiment for strong oversight:

> Uncertainty occurs because we have too many . . . detailed rules, and have left little or no discretion with the local (OCS) supervisors. It will only get worse as the rules and regulations proliferate. Hopefully, better congressional oversight can slow, if not stop, this proliferation.
>
> This committee should not hesitate to impose the same sort of deadlines on the bureaucracy as it has imposed on itself. Unless this committee strongly and continuously asserts its oversight powers, the goals of the Outer Continental Shelf Lands Act Amendments of 1978 will not be met.

Finally, a distinguished colleague from the State of California, LEON E. PANETTA, joined in the chorus of support for reestablishment:

> Mr. Chairman, you have my commitment in supporting not only the effort to continue the oversight of the committee, but also to get the necessary funding to truly implement . . . the basic intent behind the OCS amendments.

Earlier this month, the committee held 3 days of oversight proceedings to assess progress within the executive agencies on OCS matters. Those hearings produced disturbing evidence of delay and uncertainty within the bureaucracy.

A study on the marine insurance industry and critical to the effectiveness of the oil spill liability fund—and any future superfund—will be delayed 9 months;

A 2-year study of obstructions on the OCS, vital to the operation of the Fishermen's Contingency Fund was not funded and may take 7 years to complete;

The State participation grants program, critical for the States to carry out their responsibilities under the act, was not funded; and

The DOE has had authority to implement alternative bidding systems since September 18, 1978, under the OCS Act. To date, no final regulations regarding alternate bidding systems have been promulgated in spite of the fact that they began sending recommendations to DOI for comment on September 28, 1978.

Time and time again, in recent years, we have seen the same end run. Congress passes a bill granting broad discretion to agencies and they proceed to write regulations as they see fit. The so-called fourth branch of Government rewrites congressional intent—while we look the other way.

Today, we have an opportunity to reverse that trend.

As I have said, the First Circuit Court of Appeals has characterized the 1978 OCS amendments as "extremely complex." Today, we can guarantee that the Federal agencies abide by the letter of the law by leaving oversight jurisdiction in the hands of the Members who actually wrote the present law.

Regrettably, the Congress did not hold a single day of oversight on OCS matters between 1953 and 1975. With 22 percent of our marketable gas and 9 percent of our crude oil originating in the OCS, we cannot afford to return to that sad pattern.

The resolution before us is a sensible compromise fashioned in the Rules Committee. Under its provisions, the OCS Committee will not have any legislative authority, and will exercise its oversight duties for a fixed period—until June 30, 1980. This would provide sufficient time to guarantee that the 26 sets of regulations comply with legislative intent.

The resolution has been drafted to leave the jurisdiction of standing committees intact and unimpaired. Furthermore, it provides an efficient and inexpensive alternative whereby oversight can be concentrated in one entity.

The budget for the OCS Committee will cost less than 5 days rental for a single offshore oil drilling rig.

Last year, the committee returned $15,000 in unexpended funds, and this year's request will be $36,000 less than last year's. The committee's average number of employees has declined annually since its creation.

While matters of internal House organization are of understandable concern, we must not forget that this is an energy issue of vital importance.

We now import 50 percent of the Nation's oil, and the OPEC cartel shows no sign of loosening its stranglehold on the world economy.

Alarmingly, the Department of the Interior has failed to accelerate OCS development. The difference between the Department of Energy's accelerated 5-year leasing schedule of seven sales a year and DOI's 5-year schedule of an average of five sales a year represents a loss of production of at least 1 billion barrels of oil, or twice what is in the Elk Hills petroleum reserve.

Stripped of all collateral matters, the issue is this: Are we to accelerate OCS oil and gas development?

If the answer is affirmative, then we must press the executive branch relentlessly until we have emplaced a regulatory regime which will fully develop all of our OCS resources. To do otherwise would be a surrender of our rights and obligations to the unelected, while playing into the hands of those who would subvert and undermine 4 years of hard work.

Mr. Speaker, I ask the Members of the House to constitute this committee only until June of next year so that it can finish the job and so that we do not have any end-runs being done on the Congress.

Mr. BAUMAN. Mr. Speaker, I have no further requests for time.

GENERAL LEAVE

Mr. ZEFERETTI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. ZEFERETTI. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. MURPHY of New York. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 194, nays 172, answered "present" 1, not voting 65, as follows:

[Roll No. 69]

YEAS—194

Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Archer
Ashbrook
Atkinson
AuCoin
Badham
Bafalis
Bailey
Barnard
Beard, Tenn.
Bethune
Bevill
Boggs
Boland
Boner
Bonior
Bonker
Bowen
Brademas
Breaux
Brinkley
Buchanan
Burton, John
Burton, Phillip
Campbell
Carney
Cavanaugh
Chisholm
Clay
Coleman
Collins, Tex.
Cotter
Courter
D'Amours
Daniel, R. W.
Davis, Mich.
Davis, S.C.
de la Garza
Derwinski
Dickinson
Dicks
Dingell
Donnelly
Dornan
Dougherty
Downey
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Evans, Ga.
Fary
Ferraro
Fish
Florio
Foley
Forsythe
Fountain
Fowler
Fuqua
Garcia
Gilman
Gingrich
Ginn
Goldwater
Gonzalez
Gore
Gramm
Grassley
Gray
Green
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Heckler
Hefner
Heftel
Hillis
Hinson
Holland
Horton
Hughes
Hyde
Ichord
Jeffords
Jenrette
Johnson, Calif.
Jones, N.C.
Kelly
Kemp
Kindness
LaFalce
Latta
Leath, Tex.
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Lott
Lowry
Lundine
Lungren
McClory
McDade
McDonald
McEwen
McHugh
McKinney
Madigan
Mathis
Mavroules
Mikulski
Mineta
Minish
Mitchell, N.Y.
Moakley
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Natcher
Nelson
Nichols
O'Brien
Panetta
Patten
Peyser
Pritchard
Railsback
Rangel
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Roe
Rostenkowski
Rousselot
Rudd
Russo
Satterfield
Scheuer
Shelby
Shumway
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stangeland
Stanton
Stokes
Stratton
Symms
Thomas
Treen
Trible
Van Deerlin
Wampler
Watkins
Waxman
White
Whitten
Wilson, Bob
Wilson, Tex.
Wirth
Wolff, N.Y.
Wright
Wyatt
Yates
Yatron
Young, Alaska
Young, Fla.
Zeferetti

NAYS—172

Abdnor
Andrews, N. Dak.
Applegate
Ashley
Aspin
Baldus
Barnes
Bauman
Beard, RI.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bingham
Blanchard
Bolling
Brodhead
Broomfield
Brown, Calif.
Broyhill
Burgener
Burlison
Butler
Byron
Carr
Cheney
Clausen
Cleveland
Clinger
Coelho
Collins, Ill.
Conte
Corcoran
Corman
Coughlin
Crane, Daniel
Danielson
Dannemeyer
Daschle
Deckard
Dellums
Derrick
Devine
Dixon
Dodd
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Erlenborn
Evans, Ind.
Fascell
Fazio
Fenwick
Findley
Fithian
Ford, Mich.
Ford, Tenn.
Frost
Gephardt
Giaimo
Glickman
Gradison
Grisham
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hightower
Holt
Holtzman
Ireland
Jacobs
Jeffries
Johnson, Colo.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
Kramer
Lagomarsino
Leach, Iowa
Lehman
Leland
Lloyd
Long, Md.
Lujan
Luken
McCloskey
Marlenee
Marriott
Matsui
Mattox
Mazzoli
Mica
Miller, Calif.
Miller, Ohio
Mitchell, Md.
Moffett
Mollohan
Montgomery
Mottl
Murphy, Pa.
Murtha
Neal
Nedzi
Nolan
Nowak
Oakar
Oberstar

Obey
Ottinger
Pashayan
Paul
Pease
Perkins
Pickle
Preyer
Price
Pursell
Quayle
Quillen
Rahall
Ratchford
Regula
Reuss
Roberts
Rose
Roth
Roybal
Sabo
Santini
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shuster
Simon
Skelton
Spellman
Stack
Stark
Steed
Stenholm
Studds
Swift
Synar
Tauke
Taylor
Traxler
Udall
Vento
Volkmer
Walgren
Weaver
Weiss
Whitley
Whittaker
Williams, Mont.
Winn
Wolpe, Mich.
Wylie

ANSWERED "PRESENT"—1

Howard

NOT VOTING—65

Alexander
Anderson, Ill.
Biaggi
Bouquard
Brooks
Brown, Ohio
Carter
Chappell
Conable
Conyers
Crane, Philip
Daniel, Dan
Diggs
Ertel
Evans, Del.
Fisher
Flippo
Flood
Frenzel
Gaydos
Gibbons
Goodling
Guarini
Gudger
Hawkins
Hollenbeck
Hopkins
Hubbard
Huckaby
Hutto
Jenkins
Jones, Okla.
Jones, Tenn
Leach, La.
Lederer
Lee
McCormack
McKay
Maguire
Markey
Marks
Martin
Michel
Mikva
Myers, Ind.
Patterson
Pepper
Rodino
Rosenthal
Runnels
Staggers
Stewart
Stockman
Stump
Thompson
Ullman
Vander Jagt
Vanik
Walker
Whitehurst
Williams, Ohio
Wilson, C.H.
Wydler
Young, Mo.
Zablocki

□ 1530

The Clerk announced the following pairs:

On this vote:

Mr. Howard for, with Mr. Rodino against.

Mr. Hubbard for, with Mr. Guarini against.

Mr. Young of Missouri for, with Mr. Maguire against.

Mr. Lederer for, with Mr. Jones of Tennessee against.

Mr. Thompson for, with Mr. Runnels against.

Until further notice:

Mr. Pepper with Mr. Ertel.
Mr. Staggers with Mr. Fisher.
Mr. Hawkins with Mr. Gibbons.
Mr. McCormack with Mr. Gudger.
Mr. Mikva with Mr. Huckaby.
Mrs. Bouquard with Mr. Jenkins.
Mr. Biaggi with Mr. Jones of Oklahoma.
Mr. Brooks with Mr. Rosenthal.
Mr. Chappell with Mr. Patterson.
Mr. Diggs with Mr. Ullman.
Mr. Flippo with Mr. Vanik.
Mr. Flood with Mr. Charles H. Wilson of California.
Mr. Gaydos with Mr. Zablocki.
Mr. McKay with Mr. Stump.
Mr. Conyers with Mr. Stewart.
Mr. Hutto with Mr. Markey.

Messrs. RAILSBACK, HINSON, GUYER, BETHUNE, RITTER, and BOB WILSON changed their vote from "nay" to "yea."

Mr. HOWARD. Mr. Speaker, I have a live pair with the gentleman from New Jersey (Mr. RODINO). If he were present, he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. HOWARD changed his vote from "yea" to "present."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H R. 2479) entitled "An act to help maintain peace, security, and stability in the Western Pacific and to promote continued extensive, close, and friendly relations between the people of the United States and the people on Taiwan."

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I take this time to inquire of my good friend, the distinguished majority leader, as to the program for the balance of the week and for next week.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the majority leader.

Mr. WRIGHT. Mr. Speaker, so far as voting is concerned, I should be glad to inform the distinguished minority leader that the vote just concluded completes the business for this week. Upon the conclusion of this colloquy I shall ask unanimous consent that when the House adjourns today, it adjourn to meet at 12 o'clock noon on Monday next. There will be no session tomorrow.

On Monday we will meet at noon. That will be the day for the call of the Consent Calendar. We have one bill scheduled under suspension of the rules, House Joint Resolution 199, concerning the Santa Ana Pueblo Indians.

Then we would move to consider House Resolution 183 to concur in a Senate amendment to H.R. 2534, which, of course, is the temporary debt limit increase. There will be votes on those bills on Monday. Those votes will not go over until Tuesday.

On Tuesday we will meet again at noon and take up the Private Calendar. There are no suspensions scheduled at this time.

Then we would consider H.R. 595 dealing with the disposal of tin from the national and supplemental stockpiles, under an open rule, with 1 hour of general debate.

On Wednesday we would meet at 3 o'clock. We will take up H.R. 3324, the International Development Cooperation Act, subject to the granting of a rule, and it will be anticipated that we would carry that over and conclude consideration of it on Thursday, when we would meet at 11.

□ 1535

The House will not be in session on Friday, April 6.

We will adjourn by 5:30 on all days except Wednesday. Conference reports, of course, may be brought up at any time, and any further program would be announced later.

Mr. RHODES. Mr. Speaker, the majority leader does not expect the House to come in early on Wednesday because of the controversial nature of the bill to be considered? In other words, the House will come in at the regular hour, which is 3 o'clock?

Mr. WRIGHT. If the gentleman will yield, I think the regularity of the schedule that has been established is something that is generally appreciated by the Members. If I am a judge of it, I think they like the predictability.

Therefore, it is our plan to come in at 3 o'clock, as has been our custom, on Wednesday, thus permitting committees to have a full schedule for Wednesday. We would expect to stay later than usual on Wednesday, and to conclude consideration of that bill on Thursday.

Mr. RHODES. I understand that the recess will begin at the close of business on Tuesday, April 10. Is that an accurate statement?

Mr. WRIGHT. The gentleman is correct. Because of the Passover season, the holidays, we have decided to give an extra day to that recess period. The home district work period would commence with the close of business on Tuesday, April 10. We would expect to come back on Monday, April 23.

Mr. RHODES. I thank the gentleman.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Speaker, I wanted to inquire of the gentleman from Texas (Mr. WRIGHT) whether the gentleman is sure that the debt limit increase bill will come up on Monday and not on Tuesday or, possibly, later today—because yesterday we were assured that absolutely, without question, it would come up today since it was an emergency matter and was costing $35 million a day, or so we were told.

The SPEAKER. The Chair will reply to the gentleman's question. It will be up on Monday. The Chair does not think there was any direct assurance yesterday that it was going to come up today. It was asked by unanimous consent, and any objection came from the gentleman's side of the aisle at that particular time.

Mr. BAUMAN. Mr. Speaker, if the gentleman will yield further, I would just say to the gentleman from Texas that we were assured directly and unequivocally by the gentleman from Illinois (Mr. ROSTENKOWSKI), speaking for the leadership, that it would be up today. I just want assurances that it would be up Monday, and I accept the assurance of the Chair.

Mr. WRIGHT. Mr. Speaker, the plan is to bring it before the House on Monday, and it will be brought on Monday unless it is changed.

Mr. BAUMAN. And I think that depends upon whether or not the first quorum call shows the gentleman has the votes to pass it.

Mr. WRIGHT. Mr. Speaker, I congratulate the gentleman from Maryland on the astuteness of his observation.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business otherwise in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT TO MONDAY, APRIL 2, 1979

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

TRIBUTE TO GILMAN G. UDELL, SUPERINTENDENT OF HOUSE DOCUMENT ROOM

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, today Gilman G. Udell, superintendent of the House document room, is retiring after more than 33 years of truly outstanding service to the House of Representatives. Gil, a native of Wisconsin, served in World War II following which he went to work in the House document room in 1946. He was later appointed superintendent by Speaker Rayburn, one of the four Speakers under whom he served. Gil is respected and loved by the Members of the House and his fellow employees for his ever cheerful, helpful manner, his loyalty to his work and the House and a strong spirit of optimism which is his trademark. As a result Gil was highly honored among House employees by being awarded the John W. McCormack Award of Excellence. While we will greatly miss Gil's cheerfulness and support in the years to come, we know that he will be enjoying new areas of endeavor and the pleasant company of his wife Bette and children Karen, Gilman, Jr. and Toni.

□ 1540

Mr. RHODES. Mr. Speaker, will the distinguished majority leader yield?

Mr. WRIGHT. I yield to the distinguished minority leader.

Mr. RHODES. Mr. Speaker, I want to associate myself with the remarks of the distinguished majority leader. Gil Udell really is one of the fine employees of the House, and a fine gentleman also.

I am not sure whether the majority leader mentioned this or not, but if not I would like to embellish a little bit and state that Gil Udell did receive the McCormack award as the outstanding employee of the House 2 years ago, an award which is of comparatively recent duration, but nevertheless is one of the really outstanding awards which an employee can receive.

So, we will miss Gil, and I join the majority leader in wishing him and his family the best in the future.

GENERAL LEAVE

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on the subject of Gil Udell.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISMISSING ELECTION CONTEST AGAINST BEVERLY BYRON

Mr. NEDZI, from the Committee on House Administration, submitted a privileged report (Rept. No. 96-78) on the resolution (H. Res. 189) dismissing the election contest against Beverly Byron, which was referred to the House Calendar and ordered to be printed.

Mr. NEDZI. Mr. Speaker, I ask unanimous consent for immediate consideration of the resolution.

The Clerk read the resolution, as follows:

> H. Res. 189
>
> *Resolved*, That the election contest of Melvin Perkins, contestant, against Beverly B. Byron, contestee, Sixth Congressional District of the State of Maryland, be dismissed.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. The gentleman from Michigan (Mr. Nedzi) is recognized for 1 hour.

Mr. NEDZI. Mr. Speaker, the rules of the House and title 2 of the United States Code place contested elections under the jurisdiction of the Committee on House Administration. This year five contested elections were filed with the committee.

In order to insure the timely and responsive handling of these election contests, so that all five might go forward simultaneously, the committee has established five three-member panels, consisting of two members of the majority and one member of the minority, with majority and minority legal staff assigned to support the panels.

Each panel examines the record of the particular case assigned to it, and then conducts hearings and factfinding as may be necessary. After considering the information presented by the parties, and after due deliberation, the election panel then recommends to the full committee what it considers to be the appropriate disposition of the contest. The committee then reviews the recommendation, makes a final determination, and refers its final action to the House. This procedure has been extremely successful in insuring that both the contestant and contestee have a timely and responsive forum for consideration of each contest.

The election contest before the House this afternoon is Perkins against Byron. It is the first of five which the House will consider under the elections panel procedure this Congress. Each of these contested elections is being considered under the provisions of 2 U.S.C. 381 et seq., which was enacted in 1969. The first contest decided under the 1960 act was Tunno against Vesey. There the contestant alleged various irregularities, and contestee moved to dismiss the contest. The committee examined the contestant's arguments, and his showing that the allegations, if true, would change the result of the election. However, notwithstanding contestant's allegations, he failed to demonstrate to the satisfaction of the committee that further proceedings would be fruitful. The committee then recommended, and the House adopted, a resolution dismissing the case, without a full presentation of the evidence, because contestant had failed to demonstrate that his allegations, if true, would have changed the results of the election. Such a failure is statutory defense to a contest.

The legislative branch is a policymaking body with a constitutional responsibility to determine its own proceedings, such as elections contests, impeachment matters and other similar pronouncements. The standards and procedures must, of course, be fair to all sides. However, the legislative branch is not the judicial branch, either in its constitutional duties or its procedures. In that regard, the House has determined by statute that it need not proceed to full presentation of evidence on the merits, when it is evident on the face of the allegations and supporting materials, that an elections contest is frivolous, or that the results of the election will not be changed. Thus the burden, on a motion to dismiss, properly rests on the contestant, who must demonstrate, by more than mere allegation, that there is some documentable basis for his allegations.

To quote the House report in Tunno against Veysey,

> It has been the experience of Congress that exhaustive hearings and investigations have, in the past, been conducted only to find that if the contestant has been required at the outset to make proper allegations, with sufficient supportive evidence that could most readily have been garnered at the time of the election, such further investigation would have been unnecessary and unwarranted.
>
> Under the new law, then, the present contestant, and any future contestant, must have presented, in the first instance, sufficient allegations and evidence to justify his claim to the seat in order to overcome the motion to dismiss.

Mr. Speaker, I yield 10 minutes, for the purposes of debate only, to the gentleman from New York (Mr. Peyser), the distinguished chairman of the Ad Hoc Elections Panel which reviewed the contest.

Mr. PEYSER. Mr. Speaker, I thank the gentleman from Michigan, the ranking member of the Committee on House Administration, for his clarification of the act.

This elections contest was filed by Mr. Melvin Perkins against Mrs. Beverly Byron for the seat in the Sixth Congressional District of Maryland. In the election held November 7, 1978, Beverly

BYRON received 122,374 votes to Mr. Perkins' 14,276 votes, a margin of 108,098 votes. The election results were certified by the Maryland State Board of Canvassers on November 30, 1978. BEVERLY BYRON was sworn in and took office on January 15, 1979, after presenting her credentials to the House.

On November 28, 1978, Melvin Perkins filed a handwritten notice of contest with the Clerk of the House. The notice of contest was somewhat ambiguous, and portions were illegible. But the general allegation was that Mrs. BYRON was improperly selected by the Democratic State Central Committee of Maryland to replace her husband, the late honorable Goodloe Byron, who was selected by primary election as the Democratic nominee for reelection, but who died before the date of the general election. The notice of contest asserted that a special election should be held to fill the vacancy during the unexpired term.

On December 28, 1978, Mrs. BYRON filed a motion to dismiss the contest and subsequently filed a supplemental motion to dismiss. The grounds for the motion were: First, improper service of the notice of contest; second, failure of the contestant to allege grounds sufficient to change the result of the election; and third, failure of the contestant to claim a right to contestee's seat—all statutory grounds for dismissing an election contest under the provisions of 2 U.S.C. 383.

On February 28, 1979, the ad hoc elections panel, consisting of myself as chairman, the honorable ED JONES, and the honorable CARROLL A. CAMPBELL, JR., held an open hearing for the purpose of receiving oral argument on the motion to dismiss. Contestant Perkins and his counsel were present, and counsel for Mrs. BYRON was present. Each side was provided 20 minutes to argue on the motion. Upon conclusion of the hearing, the election panel reviewed the record before it, and considered the oral arguments. After due deliberation, the panel adopted a motion, by a vote of 3 ayes and 0 nays, to recommend to the full committee that contestee's motion to dismiss be granted. On March 1, 1979, the full committee reviewed the panel's recommendation and by a rollcall vote of 23 ayes and 0 nays, adopted a resolution recommending dismissal of the contest to the House. That recommendation is before you now.

In assessing the record of the contest, the panel noted that contestant Perkins failed to provide documented proof of service of the notice of contest on Mrs. BYRON in accordance with the provisions of section 282 of title 2, United States Code, and that Mr. Perkins failed to state grounds sufficient to change the result of the election. The panel did not deem it necessary to reach the question of whether contestant failed to claim a right to Mrs. BYRON's seat.

Although contestant is not required to prove his case on a motion to dismiss, contestant must initially support his allegations and conclusions with documentary evidence, or provide some other showing which would change the result of the election.

Contestant Perkins failed to present any documentary evidence supporting his allegations, which claimed that the Maryland Democratic Central Committee failed to provide adequate notice of the meeting at which the successor to the late Honorable Goodloe Byron was nominated. Furthermore, Perkins failed to demonstrate that his allegations, if true, would have changed the results of the election.

The panel concluded that the case should be dismissed, because contestant Perkins failed to provide service of the notice of contest on Mrs. BYRON in accordance with the requirements of the act, and failed to support his allegations with evidence sufficient to meet contestant's burden in overcoming a motion to dismiss, and failed to demonstrate that his allegations, if true, would have changed the election results.

The decision is, therefore, based both on the procedural defect of lack of proper service, and on the substantive defect of failure to allege grounds, and to support such grounds with documentary evidence sufficient to change the election results.

☐ 1550

Mr. Speaker, I want the House to know that the ad hoc committee gave every opportunity to Mr. Perkins to present his case and to listen to him beyond the time normally allotted, and that the questioning was very careful and thoughtful. I particularly want to thank my colleague who served with me on that committee, the gentleman from South Carolina (Mr. CAMPBELL) who pursued a line of questioning that was very important in reaching a decision.

Mr. Speaker, I would be glad to yield at this time to the gentleman from South Carolina.

Mr. CAMPBELL. I thank the gentleman for yielding, and I thank him for his comments. As the gentleman has stated, the line of questioning was pursued, and there was no substantiation of the allegations that were made. The findings were that Mrs. BYRON was not properly served. We found that we did not have to go into the further motion for dismissal by Mrs. BYRON which alleged that a dismissal at that time should be made because of the failure to claim a right to the seat. That was not a matter that we had to bring up. It might also be pointed out, as the gentleman from New York (Mr. PEYSER) has so eloquently stated here, that there were no irregularities in the election vote whatsoever. Because of the hearings and because of the work of the chairman of the subcommittee who did such an outstanding job, I rise to support the resolution, and, as he has pointed out, it was a unanimous recommendation.

Mr. PEYSER. I thank the gentleman for his comments.

Mr. Speaker, I yield back the remainder of my time.

Mr. NEDZI. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

☐ 1555

EXPERIENCED PILOTS ACT OF 1979

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of California. Mr. Speaker, today I am introducing a bill to end the regulation of the Federal Aviation Administration which requires all pilots to retire at age 60, regardless of health and competence. I believe that the time has come to adjust this arbitrary requirement.

The FAA's regulation was first imposed in 1959. The main rationale was to guard against the risk of sudden incapacitation in flight, due to stroke or heart attack. Since 1959, medical science has made tremendous strides in developing techniques to predict the degree of risk of heart attack in a particular individual. These techniques may enable us to predict that a pilot over 60 has as low risk of heart attack as a much younger pilot.

In the last few years, we have come a long way toward recognizing that increased age does not automatically result in ill health or a lack of competence. I strongly believe that age alone is less important to safety than other factors of physical health and condition. We need to give serious consideration to whether advances in medical science permit us to enhance safety by judging each pilot as an individual.

☐ 1105

SAVING OUR RAIL PASSENGER SYSTEM

(Mr. FOWLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FOWLER. Mr. Speaker, last summer in Atlanta I appeared before a hearing conducted by the Interstate Commerce Commission on the proposed route restructuring of the Amtrak system. At that time I commented that the proposal reminded me of something H. G. Mencken once said. Mr. Mencken was quoted as saying, "for every human problem there is a solution that is simple, neat and wrong."

Today, after 51 hearings conducted nationwide and 18 months of study, this comment by Mencken remains applicable to the proposals for Amtrak made by the Department of Transportation.

At the end of January the Secretary of Transportation, Brock Adams, issued his "Final Report to Congress on the Amtrak Route Structure." The report calls for reducing the size of the Nation's rail passenger service by 43 percent. This plan will become effective unless this House or the other body votes a resolution of disapproval within the next 7 weeks.

In response to DOT attempts to force Amtrak to make service cutbacks early last year, the Congress, in authorizing the preparation of the final report, directed the Secretary to consider the following:

First. Any unique characteristics and advantages of rail service as compared to other types of transportation;

Second. The role that rail passenger service can play in helping meet the Nation's transportation needs while furthering national energy conservation efforts;

Third. The relationship of benefits to costs for given intercity rail passenger services, computing the benefits in passenger per train mile and revenues earned and computing the costs in loss or profit per route;

Fourth. The transportation needs of areas lacking adequate alternative forms of transportation;

Fifth. Frequency and fare structure alternatives and the impact of such alternatives on ridership, revenues, and expenses of rail passenger service; and

Sixth. The adequacy of other transportation modes serving the same points to be served by the recommended route system.

The DOT report does not recognize the unique ability of rail passenger service to accommodate large numbers of travelers at one time on existing rail lines and relieve highway congestion. Rail service is an attractive alternative mode of transportation for the elderly, handicapped, and others faced with the economic hardship of ownership, maintenance and operation of a private motor vehicle. I do not believe the Congress can approve an analysis which does not recognize these points.

The DOT recommendations seem to have been developed without any recognition of the enormous energy conservation potential of modern rail passenger service. A filled passenger train is six times as energy efficient as the automobile, twice as efficient as a bus, and as much as seven times as efficient as a 747 jumbo aircraft.

These dramatic facts cannot be ignored. Other countries have recognized this potential energy saving: The British operate a national rail passenger system over 11,258 miles of routes with over 17,000 modern passenger cars and locomotives; the French with 22,478 miles in their system and over 15,000 modern cars; and the Japanese with 13,218 miles and over 26,000 cars.

By contrast, this Nation's rail passenger service operates over a system of 26,000 miles with only 12,500 operational cars, and these are on the average nearly 20 years old. These cars are difficult and expensive to maintain, and operate infrequently (on some routes only once a day or less in each direction), offering limited passenger-carrying capacity. Even with these limitations the trains are sold out frequently. This report ignores the energy-conserving potential of rail service, a perspective so at variance with that of other advanced, highly industrialized nations, that the Congress must entertain serious doubts about its validity.

The DOT report presents detailed information on the ridership, revenues and costs of the trains over the past few years and based the discontinuance recommendations on those figures. By using data that describes the present inadequate system of service, DOT recommended elimination of many potentially attractive routes. For example, after introduction of new equipment, the Montrealer, which runs between Washington, D.C., and Montreal, recorded a 9-percent increase in ridership during the October–December period of 1978 compared to 1977. The DOT would kill a train that could soon be among the system's most popular routes.

The same reliance on historical cost and revenue profiles of trains led the Secretary to recommend the discontinuance of the New York-Atlanta-New Orleans train, the Southern Crescent. This is especially shortsighted considering Amtrak's new nationwide promotional advertising and daily operation of the train. Amtrak's effort to make this service more popular deserves an opportunity to be accepted or rejected by the traveling public.

The same ill-founded DOT logic led the Secretary to slam the door on the Chicago-Florida train, the Floridian. This is a train which operates over a circuitous route at low speeds and by any measure is one of the poorest performers in the Amtrak system. Two years ago, Amtrak's own board of directors favored the rerouting of this train through Atlanta to Macon to Savannah to improve its ridership. The DOT plan eliminates this option.

Missing from the report is any discussion of the impact of the Airline Deregulation Act of 1978. By the first week of February 1979, 184 communities had experienced decreases in the frequency of flights since February of 1978. In the past month and a half the increasing cost and spot-shortages of jet fuel have led to additional cutbacks. The DOT report fails to consider the hardships caused by this reduction of public transportation, which would be further compounded by the elmination of rail service.

The Congerss must not endorse the DOT's lack of attention to the critical problem of preserving mobility for the Nation's citizens.

These shortcomings lead me to believe that this report is so inadequate a basis for transportation planning that the only responsible course of action for the Congress is to work to disapprove and reject it. Congress requested a forward looking transportation document. Instead, DOT offered a blueprint for failure.

I request that my resolution be printed in the RECORD so that my colleagues may have a chance to review it.

H. RES. 190

Whereas the Secretary of the Department of Transportation failed to heed the guidelines set by law for his "Final Report to Congress on the Amtrak Route System";

Whereas the recent reduction in the frequency of passenger airline service at small- and middle-sized communities throughout our Nation has made rail passenger service all the more important and necessary;

Whereas the rapidly increasing price of oil is introducing uncertainty about this Nation's continued reliance upon gasoline-powered transportation when the energy thrifty attributes of rail transportation are well recognized;

Whereas the Final Report is solely a budget justification exercise when the development of an enlightened public transportation policy, critical to the Nation's international monetary soundness in a world of increasingly expensive petroleum, was called for by the Congress;

Whereas the striking increases in ridership on all of Amtrak's routes during the first quarter of fiscal year 1979, both short distance and transcontinental, show the improved passenger service now being operated, and to sever 43 percent of this system would be to deal a mortal disservice to the communities and people in those areas and;

Whereas the Final Report took no account of these factors, the direction of the Congress, and the needs of our Nation's citizens: Now, therefore, be it

Resolved, That the House of Representatives disapproves the final recommendations of the Secertary of Transportation designating the basic route system for the National Railroad Passenger Corporation, as submitted to the Congress, pursuant to section 4(e) of the Amtrak Improvement Act of 1978, on January 31, 1979 (Communication No. 520).

SNOWMOBILES TO THE RESCUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 15 minutes.)

● Mr. CLEVELAND. Mr. Speaker, on Sunday, March 4, 1979, the Boston Sunday Globe carried an article entitled "The Saving Grace of the Snowmobile." That article highlights the economic impact that snowmobiling has had from the point of view of the New Hampshire community of Twin Mountain.

I found the article of great interest. Its clear message is that snowmobiling has brought about an economic revival in many small rural communities, while, at the same time, providing a recreational outlet for many thousands of people in New Hampshire alone.

Interestingly enough, a separate study has indicated that snowmobiling brings the State of New Hampshire more than $980,000 in annual direct State tax and registration fee receipts. In addition, millions more are spent on trips and outings, and on snowmobile purchase and repair. This all adds up to a tremendous economic import.

But I would be remiss if I did not also comment upon the recreational aspect of snowmobiling. As a snowmobiler myself, I can speak with authority about the enjoyment derived from this winter sport. In addition, I make very practical use of my snowmobile by using it to bring in wood for my wood stoves and fireplace. I have also used my snowmobile to establish tracks for cross-country ski runs and races.

In addition to all of this, the snowmobile has been of great importance in numberless search and rescue operations, and for transportation during severe winter weather.

All these factors seem particularly relevant to me in view of increasing attempts by various Federal agencies to prevent snowmobiling on Federal lands. One case in point is the U.S. Forest Service RARE II wilderness proposal. Another is the increasing regulation proposed by the National Park Service.

In view of all of this, I firmly believe that the Boston Globe article is deserving of a wider distribution and I am submitting it for the RECORD:

THE SAVING GRACE OF THE SNOWMOBILE

(By Peter Anderson)

TWIN MOUNTAIN, N.H.—This was a good-weather town catering to tourists and hikers in summer, leaf peepers in October and hunters in November. In winter the town shut down except for two general stores and one garage. That was 10 years ago, before the snowmobiles came. A winter traveler could not get a cup of coffee in town then, before the marvelous snow machine made winter more fun and more profitable.

The White Mountain National Forest fronts this town on two sides. The forest trails would provide running room for snowmobiles, people in town figured. They hit on an idea to link the forest trails to all the businesses in town. They used chainsaws and borrowed bulldozers and did the work themselves, the men cutting, the women piling brush. They cut through six miles of woods in 1972, working Saturdays and Sundays for 2½ months. The trails they made joined the town to summer roads and logging trails of the forest. They had permission from the National Forest authorities but did the work themselves. They created about 140 miles of trail, most of it within the National Forest.

Harold Garneau, a garage owner, said: "It was in my mind that if we had facilities open and trails it would invite people up here. And it worked. If it hadn't worked, I'd be in trouble and a lot of other people in town would be in financial trouble too." Hilda Wynn, operator of Abnaki Lodge, said: "If we didn't have the snowmobilers this would be a ghost town."

Twin Mountain has more than 20 businesses open all winter now, and almost all are linked to the trail system. Trails run right up behind the motels and restaurants and garages and stores. Carl Carlson, a motel owner said: "They come to a lodge on Friday night, park their cars and (snowmobile) trailers and off they go." Some snowmobilers drive their machines to a restaurant, dine in their snowmobile clothes and resume their trail riding by moonlight. It is uncertain just how many snow machines are on the trails on a Saturday or Sunday. Some say 2000, some say 1500, or at least 1000. Everyone agrees there are a lot of machines.

Snowmobiling had a poor image a decade ago because the machines were noisy, because some snowmobilers drove through backyards and because people associated snowmobiles with motorcycles and flamboyant snowmobilers with motorcycle gangs.

This image lingers, but there are 1,640,793 machines registered in the United States, 34,905 registered in New Hampshire.

New Hampshire has 2600 miles of snowmobile trails. Only 600 miles of this is maintained by the state, the other 2000 miles by private clubs.

Snowmobiling, for all its success, will never be acceptable to some people, especially certain cross-country skiers. These skiers tell stories of being knocked aside by speeding snowmobiles, they tell stories of snowmobilers running through wintering deer herds. They talk of the noise and smell of the machines, the desecration of the wilderness.

Gregory DeBaryshe, a Boston area physicist and a cross-country skiing trip leader for the Sierra Club, said he was very nearly run down by a snowmobile while on a trail in the National Forest. He said: "I am opposed in principle to vehicles in areas where people are looking for quiet . . . I know there are a lot of family snowmobilers with kids, and they are decent. Also there is a group that is not that different than motorcycle gangs . . ."

Another Sierra Club trip leader, Judith Pickett, a Boston attorney, said: "Everytime we hear them (snowmobiles) we get off the trail, wave, and get back on. They're no trouble. In fact it's very convenient to follow a snowmobile tracks. I've always found people on machines fairly pleasant."

Snowmobiling and cross-country skiing were growing about the same time, about 10 years ago. The conflict between the two groups peaked about 1974. In the White Mountain National Forest the problem has been largely solved by separating the two: One set of trails for skiers, another set for snow machines. The philosophical differences between the two groups may never be solved. Some skiers, like sailors, are purists and think snowmobiles or motorboats are loud and dirty and profane. One skier even said of their economic benefit: "So are the whores beneficial to the Combat Zone."

In Twin Mountain there are no snowmobile opponents to speak of—and few people who break the rules. The 11 p.m. curfew for example. Snowmobilers are apt to be man and wife and children. They are apt to be prosperous.

Garneau, the garage owner and one of the originators of the trail system, said the average snowmobiler has changed since 1970. "People have either more time or more money to enjoy the sport. I see four to six machines in the same family. I've seen a guy up here twice this winter who has six snow machines . . . These average over $2000 a unit, and when you start adding up clothes and lodging . . .

"Whereas the guy who had a cheap machine and was riding double, they've dropped out. He can't afford to go in deeper and buy a second machine."

Twin Mountain had many summer and autumn motels before snowmobiling, and many of these motels have been winterized. Motels are fully booked every weekend, and holiday weeks. Carl Carlson, owner of a motel, has his 16 rooms already booked for next Christmas vacation week.

In the past four years there has been "a tremendous turnover of businesses," according to Carlson, who is head of the chamber of commerce. He said approximately 18 of 29 businesses have changed hands. "It's a seller's market, partly because snowmobiling has made property more salable."

New Hampshire now maintains most of the 140 miles of the trails on the Twin Mountain Snowmobile Club trail, but townspeople still volunteer to run the state's grooming machines. Four men are qualified equipment operators and between them spend about 12 hours each weekend packing down trails. Use of the trails is free. In cooperation with state workers, club members help keep trails free of brush. Club members completely maintain the three mile of feeder trails in town.

The arrangement of citizen-businessman working with the state on federal land seems to work well.

Twin Mountain Snowmobile Club President Edward Martin knows of only four accidents this year. One person hit a tree, broke an arm and suffered internal injuries; another was hit by an overhanging branch while not wearing a face shield, and two machines hit each other.

Martin makes about a dozen visits a year to smooth over things where machines have gone off the trail onto private property. The town's most strident snowmobile opponent has left town, a boon to the club. An underpass has been constructed under Rte. 302, a boon to safety.

Snowmobiling is difficult to explain to people who have not enjoyed the pleasure and excitement of it. Snowmobilers scoff at the idea that members of their clan would purposely run down a deer or a skier. "I just can't believe that anyone would run down an animal," said Garneau, the garage owner. "It's an idea they (environmentalists) use as a lever to sway people." John Lanier, wildlife specialist for the National Forest, said the Forest Service prefers snowmobile trails be kept away from wintering areas of deer. He also said there is evidence that a person walking silently by a deer alarms a deer as much as a snow machine.

Snowmobiles are like the horseless carriage. They will proliferate. It is a happy proliferation for Twin Mountain where about 125 of the 625 population are employed in winter because of snow machine business. Garneau enlarged his two-bay garage to a 6000-square foot building that can house eight or 10 cars. He used to employ one man. Now he employs four on weekdays, an extra two on weekends. "For myself, the snowmachine business alone generates somewhere around $80,000 (a year) . . . If we did not have the snowmobilers I guarantee you 90 percent of the businesses in town would close down."

FULL CITIZENSHIP FOR CITIZENS OF THE DISTRICT

The SPEAKER, pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. MCKINNEY) is recognized for 5 minutes.

Mr. MCKINNEY. Mr. Speaker, the second-class citizenship presently suffered by the citizens of the District of Columbia cannot long endure. Perhaps the most egregious breach of our democratic principles and the premier example of that second-class status is the continuing denial of the right of voting representation in Congress which this body in its infinite wisdom sought to correct with its positive vote on the D.C. voting rights amendment last Congress. However, as an American citizen and member of the legislative branch of our Federal Government, I am ashamed to say that there are other examples.

Today, in an effort to erase the injustices of the past and to bring down yet another barrier along the road to full citizenship for the citizens of the District of Columbia, I include a bill to amend section 1983 of the United States Code.

Title 42, section 1983 of the United States Code permits citizens of the United States to bring suit in the Federal district courts against individuals who, while acting under color of law of any State or territory, deprive a citizen of his rights under the Constitution. Although it would appear reasonable to assume that this fairly basic statute would also apply to the District of Columbia, the Supreme Court has ruled on the question and has instructed us that it does not. Since the District of Columbia is not a state nor a territory, the protection afforded every other U.S. citizen by section 1983 does not apply to the tax-paying citizens of the District of Columbia. Thus, providing further evidence of the fact that while shouldering the same responsibilities of the citizens of the States, the citizens of the District of Columbia seem to enjoy very few of the benefits.

The proposed legislation follows:

H.R.,3343

A bill to permit civil suits under section 1979 of the Revised Statutes (42 U.S.C. 1983) against any person acting under color of any law or custom of the District of Columbia who subjects any person within the jurisdiction of the District of Columbia to the deprivation of any right, privilege, or immunity secured by the Constitution and laws

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1979 of the Revised Statutes of the United States (42 U.S.C. 1983) is amended—

(1) by inserting "or the District of Columbia" after "any State or Territory"; and

(2) by adding at the end thereof the following new sentence: "For the purposes of this section, any Act of Congress applicable exclusively to the District of Columbia shall be considered to be a statute of the District of Columbia.".

SEC. 2. Section 1343 of title 28, United States Code, is amended—

(1) by inserting "(a)" before "The District courts"; and

(2) by adding at the end thereof the following new subsection:

"(b) For purposes of this section—

"(1) the District of Columbia shall be considered to be a State; and

"(2) any Act of Congress applicable exclusively to the District of Columbia shall be considered to be a statute of the District of Columbia.".

SEC. 3. The amendments made by this Act shall apply with respect to any deprivation of rights, privileges, or immunities secured by the Constitution and laws occurring after the date of the enactment of this Act.

FERROALLOY INDUSTRY IMPORT RELIEF NEEDED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. MILLER) is recognized for 5 minutes.

● Mr. MILLER of Ohio. Mr. Speaker, today I have introduced legislation which amends section 503(c)(1) of title V of the Trade Act of 1974 to add chromium, manganese, and silicon ferroalloys and related metals to the list of products exempt from the generalized system of preferences (GSP).

In effect the bill repeals the present duty free treatment given eight special products—low carbon ferromanganese, medium carbon ferromanganese, high carbon ferromanganese, siliconmanganese (ferrosilicon manganese), 60 to 80 percent ferrosilicon, ferrochrome silicon (ferrosilicon chrome), chrome metal and silicon metal having a purity between 99 and 99.7 percent. Second, the bill would prevent future inclusion under GSP of certain other ferroalloys, namely low and high ferrochrome, manganese metal, grades of ferrosilicon other than 60 to 80 percent grade and silicon metal whose purity is between 96 and 99 percent.

These various ferroalloys and metals are additive materials produced from various ores by electrometallurgical reduction. They are essential to the production of alloy and stainless steel, and almost all specialty steels and superalloys. For example, no steel at all can be made without a manganese ferroalloy. Silicon is necessary to produce iron and aluminum castings and many special steels and all silicon chemicals. In other words, the steel, iron and aluminum industries require ferroalloys and cannot produce without them. Because so much depends on ferroalloys, not the least of which is our national defense, our strategic and critical material stockpile contains substantial quantities of ferroalloys and ores.

Yet as a result of an incredible surge of foreign imports into this country, the domestic ferroalloy industry faces the very real prospect of collapse. Since 1976 much of the injury to U.S. producers has come from imports exempt from duty under GSP. Ferroalloy imports have grown from 143,000 tons in 1960 to 373,000 in 1970, and to an annualized total of 1,275,000 tons in 1978. Imports have climbed from 17 percent of U.S. consumption in 1970 to a level of 41 percent in 1975 and 52 percent in 1978.

Imports of GSP products from GSP countries have increased from some 40,600 tons in 1975 to 88,100 tons in 1976, to 179,500 in 1977 and to an annualized level of 197,400 tons in 1978. The share of U.S. consumption of these GSP imports has risen from 3.2 percent in 1975 to 13.8 percent in 1978. This post-1975 increase in GSP imports has come at a time in which U.S. production of GSP ferroalloys has fallen in spite of a 12.1-percent increase in that period of U.S. consumption of these products.

The explosive growth of duty-free GSP ferroalloys at the expense of domestic producers has not served the purpose of the GSP program. The principal beneficaries of American generosity have been countries with well established, growing ferroalloy industries. In other words, we are not talking about duty-free imports from developing nations with "infant industries." What we have, for example, are four beneficiary nations of GSP status—Brazil, Mexico, Portugal, and Yugoslavia—whose striving and competitive ferroalloy producers have reaped a bonanza in the American market.

Moreover, the U.S. industry's situation is made worse by the fact that the United States alone is extending GSP treatment to these products. The failure of Japan and the EEC to match America's GSP generosity on ferroalloys compounds the already damaging disparity between relatively low U.S. duties on ferroalloys and the relatively high duties assessed by the Japanese and Europeans.

Congress in approving the 1974 Trade Act said that GSP was not to be extended to any product which is import sensitive. Yet time after time the administration has rejected the ferroalloy industry's exemption petitions which detail its injury from the removal of normal duties. I submit that the record is conclusive that ferroalloys are indeed import sensitive, that GSP imports have surged dramatically and that consequently U.S. producers have been severely damaged.

The U.S. ferroalloy industry has a unique and serious GSP problem which at this time only the Congress seems capable of resolving. Section 503(c)(1) of the Trade Act specifies other products which are exempt from GSP. Indeed, one of these is the steel industry, the principal consumer of ferroalloys. It would be consistent with the intent and provisions of the 1974 act to add ferroalloy products to the list of products exempt from GSP.

CAPITOL HILL CARPOOL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, 5 years ago the Committee on House Administration established a computerized carpool program for use by all congressional employees. As a result, over 2,000 participants—from the House, the Senate, Architect's office, Library of Congress, Federal Home Loan Bank Board, Securities and Exchange Commission, and the Supreme Court—have taken advantage of this opportunity to share rides with others who work on Capitol Hill. Administration of the program is a responsibility of the Subcommittee on Personnel and Police.

Mr. Speaker, we are again inviting Members of the House and their staff to join the Capitol Hill carpool program and to make full use of this service by completing the new enrollment forms recently delivered to their offices. Answers to any questions about the program can be obtained by calling the subcommittee's office at 225-7552.

Everyone who completes the enrollment form, by using the attached grid map to describe the location of their home, will receive a list of persons living near them. We hope to deliver these lists by April 15. I therefore urge my colleagues and members of their staffs to return their enrollment forms as soon as possible.

The value of carpooling to the Nation was recently described in the following thought-provoking article written by columnist Sylvia Porter. I recommend it for reading by my colleagues:

CAR POOLING CAN SAVE EYE-POPPING AMOUNTS

(By Sylvia Porter)

What can you, as one of America's millions of commuters by automobile, do to help checkmate our nation's ever-more-obvious vulnerability to blackmail by the oil-producing countries?

How can you protect your pocketbook, already so battered by surging costs of other necessities—from food to medical care—against energy hijacking?

Stop kidding around about car and van pooling. Share your driving with other commuters and you'll save truly eye-popping amounts.

Even before the latest blows from the oil producers following the political shock waves in Iran, our gasoline demands were increasing, making the United States more vulnerable to outside pressures. Although foreign oil imports fell early in 1978—due to deliveries from Alaska's North Slope—they resumed their upsurge later. And for all of 1978, our demands for gas jumped 3 percent, the American Petroleum Industry says.

The Federal Highway Administration has developed significant statistics for commuters about the amount of money involved if you travel to and from work by driving alone, or by car pooling and van pooling.

They'll almost surely motivate you to save even more.

In addition, they'll also help curb the negative impact on another of our priceless national assets: Fresh air. And another benefit: A highway system with fewer vehicles that is a lot more pleasant to drive on.

The cost projections have been assembled on a conservative basis, using data from Highway Administration as well as Federal Energy Administration studies that antedate the latest round of inflationary price increases.

Meaning: The cost saving to you can be even greater than indicated.

At least two saving options are available:

1. Shared driving which assumes that each person shares use of his or her car. All cars must carry insurance based on being driven to work, but each car gets a 10 percent discount due to reduction in work mileage.

2. Shared driving in which one person's car is used. Costs for that car are shared equally among everyone in the car pool. Only that car must carry insurance based on being driven to work, but it does not get any discount due to reduction in work mileage.

To illustrate possible savings, say you drive a standard-sized auto alone for a 20-mile trip (40-mile round trip) to work. The federal government estimates your total costs at $1,301 a year, exclusive of the costs of parking or any extra-vehicle-ownership costs if another car is needed in your household, since the commuting vehicle is not available.

The Highway Administration estimates you could save $557 by alternating driving with only one person in a shared-driving car pool ($1,301–$744) or save $976 by being one of four persons in a shared-riding carpool ($1,301–$325).

You could save $1,045 as a member of a 12-person van pool ($1,301–$256).

Even with a subcompact, ride-sharing savings can be considerable. Thus, your 20-mile subcompact solo trip is projected at $858 yearly. With two persons, your costs drop to $494.

When four persons join in a shared-driving car pool, your costs drop to $276—a little over $1 a day to commute, as against nearly $3.50 a day when alone.

In a two-person shared-riding subcompact car pool, your costs are estimated at $429. With four in the same car pool, your annual costs drop to only $215.

Travel is based on an estimated 250 working days yearly. With the average nonwork trip mileage fixed at a constant of 6,667 miles, such fixed costs as insurance, taxes, etc., are based on the ratio to annual mileage. Parking is not included, because charges vary so widely. (Check these from your personal experience.)

And remember. These costs now are outdated. They were computed at gas prices of nearly 61 cents a gallon, against today's pump prices between 70 cents and 80 cents a gallon.

Get a worksheet with guidelines on how to tally your commuting costs by writing: Office of Public Affairs, Room 4208, Federal Highway Administration, 400 7th St. SW, Washington, D.C. 20590. It's free.

Also get a 1979 Gas Mileage Guide, prepared by the U.S. Department of Energy by writing: Fuel Economy, Consumer Information Center, Pueblo, Colo. 81009. It's free, too.●

AMENDING EMPLOYEE RETIREMENT INCOME SECURITY ACT TO PROTECT SURVIVING SPOUSE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

○ Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill to protect the pension rights of surviving spouses by amending the Employee Retirement Income Security Act of 1974 (ERISA).

The private pension system in this country has neglected women. Hailed for its long-overdue reform of private pensions, ERISA was developed to meet the needs of men and with little attention to the needs of women. It is time these needs were addressed.

One of the biggest problems with ERISA is that it severely limits the circumstances in which a surviving spouse is entitled to receive survivors benefits. Most surviving spouses are women. As the law stands today, a surviving spouse receives no benefits unless the covered employee dies after reaching retirement age. Consider the practical implication. For example, a woman whose husband has worked for the same company since he was 25 years old and whose plan meets ERISA requirements, providing for "joint and survivors" benefits and giving him a vested right to those benefits when he has been with his company for 15 years, is entitled to those benefits when he is 40 years old. But what happens to his widow if he suddenly dies at age 60? She gets nothing. He has to live until he is 65.

Although some places may provide for earlier retirement, in most cases retirement age is 65. This means that a man who has worked for a company for 15 or 20 years and whose benefits are fully vested by the time he is 45 or 50, had better remain alive for another 15 or 20 years if his wife is to receive any of those vested benefits. Even if he dies 1 day before receiving his first pension check, she will get nothing. A surviving husband is, of course in the same situation.

The problem is compounded because this gap in coverage is not evident. Most employees have a false sense of security, confident that once their benefits are vested, their spouse will be provided for regardless of when they die.

The bill I am introducing today addresses this problem. It will require a private pension plan to guarantee a widow or widower the survivors' benefits to which she or he would have been entitled if the employee had lived to retirement age. A surviving spouse will be eligible to receive benefits at the time that the employee would have been entitled to start receiving pension benefits had he or she lived.

Providing adequate survivors' benefits under private pension plans will help solve one of the most pressing needs of our over-65 population—the lack of income for older women. Women over 65 living alone comprise the poorest segment of our population.

I urge the speedy consideration of my bill. Pension plans must be more than a gamble and a bet on coverage; surviving spouses must be protected.

The text of the bill follows:

H.R. 3340

A bill to require private pension plans to provide survivor annuity benefits, based upon the participant's vested benefit, in the case of participants who die before the earliest retirement age under the plan

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENTS OF ERISA

(a) In General.—Subsection (b) of section 205 of the Employees Retirement Income Security Act of 1974 (relating to joint and survivor annuity requirement) is amended to read as follows:

"(b) A plan shall not be treated as satisfying the requirements of this section unless, under the plan, if the participant dies before the earliest retirement age under the plan, the plan provides a survivor annuity for the spouse (1) which begins on the annuity starting date (determined as if the participant had lived until such earliest retirement age), and (2) the payments under which are not less than the payments which would have been made under the survivor annuity to which the spouse would have been entitled if the participant had separated from the service on the date immediately preceding the date of his death."

(b) Technical Amendment.—Paragraph (1) of section 205(c) of such Act is amended to read as follows:

"(c)(1) In the case of a plan which provides for the payment of benefits before the normal retirement age as defined in section 3(24), such plan does not met the requirements of subsection (a) unless, under the plan, a participant has a reasonable period in which such participant may elect the qualified and joint survivor annuity form with respect to the period beginning on the latter of—

"(A) the date the participant reaches the earliest retirement age, or

"(B) the first day of the 120th month beginning before the date on which the participant reaches normal retirement age,

and ending on the date on which such participant reaches normal retirement age if such participant continues such employment during that period."

SEC. 2. AMENDMENTS OF THE INTERNAL REVENUE CODE OF 1954

(a) In General.—Subparagraph (B) of section 401(a)(11) of the Internal Revenue Code of 1954 (relating to qualified pension, profit-sharing, and stock bonus plans) is amended to read as follows:

"(B) A plan shall not be treated as satisfying the requirements of this paragraph unless, under the plan, if the participant dies before the earliest retirement age under the plan, the plan provides a survivor annuity for the spouse—

"(i) which begins on the annuity starting date (determined as if the participant had lived until such earliest retirement age), and

"(ii) the payments under which are not less than the payments which would have been made under the survivor annuity to which the spouse would have been entitled if the participant had separated from the service on the date immediately preceding the date of his death."

(b) Technical Amendment.—The first sentence of subparagraph (C) of section 401(a)(11) of such Code is amended to read as follows: "In the case of a plan which provides for the payment of benefits before the normal retirement age (as defined in section 411(a)(8)), such plan does not meet the requirements of subparagraph (A) unless, under the plan, a participant has a reasonable period during which such participant may elect the qualified joint and survivor annuity form with respect to the period beginning on the later of (i) the date the participant reaches the earliest retirement age under the plan, or (ii) the first day of the 120th month beginning before the date on which the participant reaches normal retirement age, and ending on the date on which the participant reaches normal retirement age (as defined in section 411(a)(8)) if such participant continues such employment during that period."

Sec. 3. Effective Date.

The amendments made by this Act shall apply with respect to plan years beginning after December 31, 1979.●

PANAMA CANAL: BRIDGE-ROAD FACILITIES AT ATLANTIC END

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, in the drive for the surrender of the U.S. Canal Zone to Panama one of the arguments frequently used in that propaganda was that the zone runs through the heart of that country and separates it into two parts. These facts were fully understood by the framers of U.S. Isthmian Canal policy early in the 20th century.

At that time, 1903–04, there was relatively little traffic between the two parts of Panama and that was handled by existing roads or small vessels. After opening the canal to traffic in 1914, the need for crossing facilities became increasingly apparent.

The first step in this direction was taken by Representative Maurice H. Thatcher, a former member of the Isthmian Canal Commission, 1910–13, during peak construction. In 1930, he secured enactment of legislation providing for a free ferry system across the Pacific end of the canal at Balboa and the construction of a highway connecting the western terminous of the ferry with road system of Panama. Both were named by the Congress in his honor.

This ferry system operated until 1962 at which time it was replaced by the Thatcher Ferry Bridge, also named by the Congress in his honor.

During World War II there was a second ferry system operated across Limon Bay at the Atlantic end of the canal from Cristobal to Fort Sherman to handle the heavy traffic of those years in connection with canal defense. In addition, there was constructed near the Miraflores Locks a rail-vehicular bridge for use in connection with the third locks project.

At the present time, there are no adequate crossing facilities at the Atlantic end of the canal. The only means for crossing the canal there is a small automobile bridge at Gatun Locks, which is not satisfactory for general use.

The time is rapidly approaching for the construction of suitable bridges and roads at the Atlantic end of the Canal Zone to connect with the road systems of Panama for the convenience of residents of both the zone and Panama.

To supply the indicated bridges and roads, I have introduced proposed legislation subject to the provision that it be done only within the framework of continued sovereign control of the Panama Canal and Canal Zone by the United States.

The indicated measure follows:

H.R. 1508

A bill to provide for construction of certain bridges, approaches, and roads in the Canal Zone within the framework of continued sovereign control of the Panama Canal and the Canal Zone by the United States, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to serve the needs of the Canal Zone and the Republic of Panama, the Governor of the Canal Zone, under the supervision of the Secretary of the Army, is authorized and directed—

(1) to construct, or cause to be constructed, across the Atlantic sea level portion of the Panama Canal, and maintain, a bridge clear of all locks and dams of the canal and with a clearance not less than the clearance of the Thatcher Ferry Bridge in the Canal Zone;

(2) to construct, or cause to be constructed, and maintain, a bridge at a suitable point across the Charles River in the Canal Zone; and

(3) to construct, or cause to be constructed, and maintain, such approaches to each such bridge, and such additional roads in the Canal Zone, as may be necessary to provide appropriate highway connection of each such bridge with the road system of the Canal Zone and the road system of the Republic of Panama.

(b) Such bridges, approaches, and roads shall be constructed and maintained for the accommodation of the public and shall be made available for use by the public free of tolls.

(c) In carrying out the purposes of this Act, the Governor of the Canal Zone may act and exercise his authority as President of the Panama Canal Company and may utilize the services and facilities of that Company.

(d) There are authorized to be appropriated such sums as may be necessary to finance the construction, operation, and maintenance of such bridges, approaches, and roads in accordance with this Act.

TEMPORARY SUSPENSION OF DUTY ON FLUORSPAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, I am today introducing legislation that would suspend the duty on fluorspar. U.S. tariff schedules on fluorspar, which reflect the situation of an earlier and more stable period for raw material acquisition, require the imposition of prohibitive duties on the various grades of fluorspar at a time in our history when it would appear to be in the national interest to establish firm sources of supply for any raw material that must be imported in lieu of domestic supplies.

The American steel, aluminum, and chemical industries are almost totally dependent on the free flow of fluorspar. This reliance on foreign imports has been gradually increasing for the last decade. Due to the fact that known domestic reserves are limited, and of lower quality, fluorspar imports will easily continue to maintain their high percentage of the domestic market until such time as technological innovations release us from our dependence on this material.

According to the Bureau of Mines, U.S. Department of the Interior, domestic production of fluorspar continued a second year of decline in 1978, falling to 130,000 tons, 23 percent less than the amount produced in 1977. Production from the Illinois-Kentucky district accounted for about 90 percent of the domestic total, with the remainder coming from Arizona, Nevada, and Texas. The other source of domestic primary fluorine-bearing material was from byproduct fluosilicic acid derived from the acid treatment of phosphate ores. This source contributed about 100,000 tons of fluorspar equivalent.

Domestic supplies, inadequate for domestic demand since the 1950's continued to be supplemented by imports of fluorspar, 67 percent of which came from Mexico. Imports had slackened about 9 percent from the previous year, however, with nearly all of the decrease taking place in metallurgical-grade material which accounted for about one-third of the fluorspar imports. Additional imports of flourine-bearing material came in the form of hydrofluoric acid and cryolite which together amounted to about 140,000 tons of fluorspar equivalent.

With respect to fluorspar import duties, acid grade is defined as fluorspar containing over 97 percent calcium fluoride. Under TSUS item 522.21 it bears a duty rate of $2.10 per long ton. It is principally used extensively in the manufacture of hydrofluoric acid, essential in aluminum production. Metallurgical grade is defined as fluorspar containing less than 97 percent calcium fluoride—usually between 60 to 85 percent content. Under TSUS item 522.24 it bears a totally unjustifiable duty rate of $8.40 per long ton. It is used primarily as a fluxing agent in steel production. Despite the huge disparity in duty rates assigned to fluorspar grades, both grades are in heavy demand in this country. The outlook for increasing U.S. production is poor, as U.S. reserves are of low quality and are being depleted.

If fluorspar duties are suspended, the small increment of consumption domestic producers account for will continue to be purchased from these domestic sources since U.S. consumers will continue to need their domestic sources of supply.

With the world fluorspar supply/demand ratio continually shifting between shortage and adequacy, and domestic requirements forecast at an increased rate of consumption, I urge the suspension of existing duties on fluorspar.

The bill reads as follows:

H.R. 3352

A bill to provide for the temporary suspension of duty on the importation of fluorspar

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately after item 912.10 the following new item:

"912.15	Fluorspar (provided for in items 522.21 and 522.24, part 1J, schedule 5)..........	Free	No change	On or before 6/30/82".

Sec. 2. The amendments made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, on or after the date of enactment of this Act.●

FAA PROPOSAL FOR "CONTROLLED VISUAL FLIGHT" RULES

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Connecticut (Mr. Cotter) is recognized for 5 minutes.

● Mr. COTTER. Mr. Speaker, the Federal Aviation Administration's notice of proposed rulemaking which would establish controlled visual flight rules has generated a great deal of controversy among small aircraft owners and operators, and I am certain that I am not the only Member who has been besieged with constituent requests to assure that the views of general aviation are taken into consideration when a final rule emerges.

In response to these requests, I presented the following statement to the Subcommittee on Aviation of the House Public Works and Transportation Committee in connection with their hearings last week on this proposal. I am inserting this statement in the Record for the benefit of my colleagues who are concerned with this issue:

Statement by the Honorable William R. Cotter

Mr. Chairman: I am pleased to submit this statement in behalf of the many constituents who have contacted me to indicate their concern with the Federal Aviation Administration's proposed "Controlled Visual Flight" Rules.

My state of Connecticut is historically an aviation state. Numerous small aircraft components and engine manufacturers make their home in Connecticut, and the financing, instruction, repair and insurance industries serving light aircraft represent a sizable financial investment of our people. Thus, it is no surprise that my office has been beset with letters and telephone calls from people who regard this proposal as an infringement on the rights of those in general aviation.

Many of my constituents are concerned with the creation of additional Terminal Control Areas. I understand that these areas are terminal airspace in which positive control is exercised over aircraft operating within the defined TCA airspace. If the FAA proposal were to be enacted as written, Bradley field in Hartford, Connecticut would become a Terminal Control Area. This would mean that all light aircraft which presently operates out of Bradley field would have to be equipped with a two-way radio, a VOR or TACAN receiver, and a transponder. For those aircraft owners who are not equipped with these instruments, the choice is to move to another air terminal or to purchase the required equipment. In many cases, this is not a simple choice, and is one which requires an investment of anywhere from $2,000–$4,000.

Another major concern is the lowering of the floor on Positive Control Airspace from 18,000 to 10,000 feet east of the Mississippi. This will impose an additional burden on those aircraft owners who presently have access to this airspace.

The Congressional mandate is clear with respect to the high levels of safety intended for passengers in air transportation. The Airline Deregulation Act of 1978 directs the Secretary of Transportation to complete a thorough review of the safety regulations applicable to air carriers in order to ensure that "all classes of air carriers are providing the highest possible levels of safe, reliable air transportation to all the communities served by those carriers".

I believe we must provide the safest possible air transportation to commercial passengers, as well as commuter airlines and general aviation passengers. However, these goals must be accomplished without imposing restrictions on general aviation which will make it almost impossible for small aircraft owners to continue operation.

The FAA has received many alternative proposals. Two such alternatives have been recommended by those who have contacted me as responsible alternates to the FAA proposal. They are the proposals of the Aircraft Owners and Pilots Association and the Experimental Aircraft Association.

I was pleased to note that Administrator Langhorne Bond emphasized in his testimony before this Committee that the FAA's notice of proposed rule making was just that: a proposal. He stated that this was only "one means" of accomplishing a reduction in the threat of midair collisions.

I trust, therefore, that he and other FAA officials will thoroughly study the recommendations which have been submitted in behalf of general aviation, so that the final proposed rule making will reduce the threat of midair collisions while at the same time protect the right of our citizens to enjoy recreational and business aircraft without being controlled and priced out of existence.●

LEGISLATIVE INITIATIVES FOR A COMPREHENSIVE NATIONAL POLICY FOR TOXIC POLLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LaFalce) is recognized for 20 minutes.

● Mr. LaFALCE. Mr. Speaker, as the Member of Congress who represents the city of Niagara Falls, N.Y., I have been dealing with the tragedy at the Love Canal for a long time. This notorious example of the pernicious effects of past mishandling of toxic wastes is but one such problem in my congressional district; there are at least 38 more similar situations in Niagara County alone.

I have been working on legislative suggestions to provide comprehensive Federal remedies for these situations and the people they harm. To provide a context for these recommendations, I would like to share some facts with you and our colleagues which should help you understand how urgent it is for Congress to act, and soon, on this problem.

On August 2, 1978, the New York State commissioner of health advised pregnant women and children under the age of two to evacuate the Love Channel area of Niagara Falls, which is in my congressional district. This order led to permanent relocation of 236 families immediately adjacent to the site. Why had this order been issued? Because health data had shown that the women living in this area suffered from a high rate of miscarriage, and children who were born to couples living there had a high rate of birth defects, ranging from cleft palates to mental retardation.

Again on February 8, 1979, New York's commissioner of health had to issue a similar order for a wider geographic area surrounding the Love Canal. This order involved the temporary relocation of approximately 50 families for the same reasons as were given in August of 1978. This time the families who had to move were those who lived along swales—old streambed paths—which formerly flowed out from the canal. These areas proved to be extremely permeable and leaching toxic chemicals flowed along these paths of least resistance.

What caused this horror story? The U.S. Environmental Protection Agency, with assistance from the New York State Department of Environmental Conservation and the New York State Department of Health, identified over 200 chemicals, many of which are suspected carcinogens, to be present in the soil and ambient air emanating from this abandoned landfill and polluting the environment in which these people lived. This terrible tragedy has brought fear, sickness, and serious personal injury to the innocent victims of toxic wastes which were indiscriminately buried in the Love Canal over 25 years ago.

But the Love Canal is not unique. Approximately 39 abandoned landfills have been identified in Niagara County alone, the Love Canal being only one of them. Last week, the House Interstate and Foreign Commerce Subcommittee on Oversight and Investigations held hearings on some of these sites in Niagara County. One which was discussed was the Hyde Park landfill, which sits in the midst of factories and a university. Workers from the factories testified that illnesses such as growths, skin lesions, childbirth defects, (one child being born with 3 ears), are now common among the workers and their families. It was made known that over the last 8 years more than half the workers in one factory have had serious health problems, and eight out of 60 workers have contracted cancer.

These stories are truly tragic. EPA has stated that there are perhaps close to 1,000 abandoned sites across the country which are imminent hazards to the health and welfare of the people of this Nation as well as our environment. EPA has also said that there could be as many as 30,000 abandoned sites "out there" waiting to be identified, and the costs of cleaning them up are staggering. Estimates are that approximately $20 to $25 billion will be needed to clean up the imminently hazardous ones, and an additional $24 billion to monitor those that need not be reclaimed, a total cost of $50 billion. The Love Canal price tag so far is approximately $13 million to abate the leachate, clean up the environment and temporarily relocate the affected families. This figure does not include the permanent relocation costs which the State of New York has chosen to assume for all those living within the geographic scope of the August order.

It is because we have these abandoned sites and we know that they are potential timebombs that I believe we should act on the issue of abandoned sites during the process of reauthorizing RCRA.

When Congress passed RCRA in 1976, we hoped to prevent such incidents by providing for a hazardous waste regulatory program; a program to eliminate open dumping; a program for financial and technical assistance for planning enhanced solid waste management systems; and authority for research, demonstrations and studies. Essentially, Congress passed a law which would regulate solid waste and track hazardous waste from "cradle to grave".

HAZARDOUS WASTE CONTROL ACT

However, RCRA dealt only with current and future handling of solid waste; it did not take into account the mismanagement of wastes that were generated in the past. It is this second issue which I wish to discuss first.

I have introduced a bill, H.R. 1048, the Hazardous Waste Control Act, which is intended to fill some of the gaps in RCRA which have become evident since its enactment 3 years ago. I hope this bill will serve as a basis for discussion during the reauthorization process.

My bill would amend RCRA by establishing a program for the identification, reclamation, and monitoring of abandoned hazardous waste sites; setting fees to be paid by private organizations which store or dispose of hazardous wastes, and providing a process for the selection of sites for future disposal of hazardous wastes.

More specifically, my bill would mandate a concerted effort to identify all abandoned landfill sites that do or may contain hazardous wastes (a program which, I am pleased to say, is currently being conducted in my own State of New York). Once they are identified, they would be reclaimed, if desirable and feasible. If reclamation is not feasible, they would be monitored to insure that public and environmental health and safety are not endangered.

Fees would be collected from permit-holding operators of hazardous waste treatment, storage or disposal facilities. Revenues from these fees would be placed in a reclamation and maintenance fund, which in turn would be used, in combination with State and Federal contributions, to deal with abandoned sites.

Another provision in the bill establishes a contingency fund for emergency assistance and payment of costs to clean up hazardous waste situations which threaten the health of the general public. This portion includes an authorization for the Government to bring legal action against those responsible for such emergencies to recover the cost of cleanup operations.

My legislation also deals with the question of where to locate new hazardous waste disposal sites, an issue not presenly covered by RCRA. When RCRA was passed in 1976, few foresaw the widespread public opposition to new hazardous waste disposal sites which has swept the Nation. The general public was not then fully aware of the large number of abandoned sites throughout the country, the deleterious effects they were having on people's health and safety, and their dire impact on the environment. Now that public awareness has grown, in part due to the Love Canal, the Valley of the Drums, and other such infamous sites. Citizens are understandably leery about the dubious honor of having a new site proposed for location in their backyards.

However, if we are to continue to accept the benefits from our highly technological society, we must provide for the selection of new hazardous waste disposal sites. Hazardous wastes continue to be produced at an exponential rate as byproducts of our manufacturing process, and they should be buried in safe sites instead of along the roads or in the ocean. Further, dangerous wastes from mismanaged older sites will have to be moved to new and safer locations.

EPA has estimated that municipal solid waste alone amounted to about 130 million metric tons in 1976, enough to fill two New Orleans Superdomes each day, 365 days a year. By 1980, the annual total is projected to increase to 180 million tons, almost 40 percent more in 4 years.

Industrial waste generation is estimated at 344 million metric tons a year, with a growth rate of 3 percent per year. EPA estimates that 10 to 15 percent of industrial wastes will be classified as hazardous under RCRA.

In addition, our municipal wastewater treatment systems generate waste known as sludge, and agriculture produces even more wastes. All these residues need to be recycled, incinerated or disposed of safely. My bill aims to provide a program to achieve safe future disposal by setting up a program for the siting of new hazardous waste disposal sites. This would be accomplished by having the EPA Administrator approve or disapprove an application after having consulted with the National Academy of Sciences, State and local governments, and a public hearing in the area affected.

The Comptroller General, in a report to Congress published on January 23, 1979, agreed with many of the concepts I have suggested for legislation to fill the gaps in RCRA. The report is entitled "Hazardous Waste Management Programs Will Not Be Effective: Greater Efforts Are Needed." It is, I believe, a careful analysis and agenda for action in this troublesome area.

TOXIC TORT ACT

Before I discuss other legislative initiatives relating directly to RCRA, I would like to take this opportunity to describe another bill I have introduced, which is relevant to the problem of hazardous waste disposal and its effects on people.

As we all know, perhaps the greatest tragedy of the Love Canal experience and most cases of chemical poisoning, is that those who suffer physical injuries and other damages have no effective means of obtaining compensation for their losses. The lack of scientific and medical knowledge relating exposure to toxic substances with human illnesses, when combined with traditional proof requirements of our judicial system, almost preclude compensation for injured persons.

I have, therefore, introduced the Toxic Tort Act, H.R. 1049, to address some of these problems. My bill would accomplish the following objectives:

First. It would create a Federal cause of action for victims of toxic substances, permitting them to seek redress against negligent manufacturers.

Second. It would establish an independent board within EPA to compensate victims of pollution-related injuries regardless of fault. This agency would function, in principle, like a workers' compensation system.

Third. It would require EPA to study the relationship between exposure to toxic substances and human disease and authorize EPA to make a "requisite nexus" finding. This would overcome the problem of proving causation with traditional proof requirements.

Fourth. It would modify the proof and time limitation requirements which claimants must meet in State workers' compensation proceedings and in court actions, permitting the use of the presumption based on EPA's "requisite nexus" findings.

Fifth. It would subrogate EPA to the rights of the injured party, enabling EPA to seek reimbursement from negligent parties.

COUNCIL OF ENVIRONMENTAL QUALITY STUDY

On March 20 I proposed an amendment to the Toxic Substances Control Act which would improve the Government's research into effects of toxic substances exposure. I am happy to say that the House Commerce Subcommittee on Consumer Protection and Finance adopted it on Thursday, March 22.

The amendment directs the Council on Environmental Quality to conduct a comprehensive study on the compensation of victims of exposure to toxic substances, authorizing $2 million to carry it out. The study would be done in consultation with other agencies, such as the Department of Labor, EPA, the Department of Health, Education, and Welfare, the Justice Department, and others, that are currently studying toxic substances questions. This study should be completed and submitted to Congress within 18 months after enactment. It is, I believe, the next logical step in a program to guard our health and our environment from unreasonable risk or injury caused by toxic substances exposure. The study will provide recommendations to improve the system of compensating innocent victims of toxic exposure, such as the residents of the Love Canal and Hyde Park areas in my congressional district; East Gray, Maine; Toone, Tenn.; Cancer Alley in New Jersey; Charles City, Iowa; and countless others. The amendment also provides a mechanism to collect much of the information which will be needed in order to implement the Toxic Tort Act. I urge all our colleagues to support this provision in the TSCA reauthorization bill.

OTHER LEGISLATIVE INITIATIVES

Other legislative initiatives which have been developed deal not only with abandoned sites—as my bill does—but also with existing and future sites. It is my hope that these two prongs of the hazardous waste problem can be melded together, along with funding concepts capable of dealing with both of them in a reasonable time frame, in one comprehensive program.

Many proposals suggest that the only way to insure a sufficiently large fund with which to handle all environmental calamities—such as oil spills, hazardous waste spills, and abandoned sites—is to develop an all-encompassing "superfund." This concept was raised during the 95th Congress by Senator MUSKIE; the Senate passed a bill including it, but the House rejected it.

The administration's position remains unclear, unfortunately. I am advised that EPA supports a "superfund" concept based on the concepts in section 311 of the Clean Water Act. Their fund would cover oil spills, hazardous waste spills, and abandoned waste sites. The Department of Transportation, with prime responsibility for oil spills through the Coast Guard, favors keeping a separate oil spill fund, rather than having a fund for multiple purposes. OMB, refereeing between these two, is awaiting the recommendations of a Justice Department coordinated task force, due in May, before developing a final administration position.

Knowing as I do how difficult and potentially costly a problem we face in trying to mount an effective effort in the area of hazardous wastes, I support the concept of a "superfund" to deal with a number of environmental calamaties. I would suggest, however, that it be structured to achieve a number of goals, rather than just as a means of raising the necessary funds without becoming an undue burden on the Federal budget.

This suggestion is based on my view that we ought to develop a truly comprehensive program to manage hazardous wastes, and to do so we ought to have a funding mechanism which not only generates sufficient revenue to do the job but which also encourages the private sector and others involved to keep future problems to a minimum.

The "superfund" concept generally uses a tax on oil, or on both oil and natural gas, as its revenue source. These are both appropriate, in my view, as oil and natural gas, in addition to being hazardous substances themselves, constitute primary natural resources in the manufacture of many chemicals and other dangerous materials.

But a broad tax on the natural resources alone would not achieve other goals which a funding mechanism can help greatly with, such as:

Conservation, and therefore reduction of waste;

Recycling of hazardous wastes into other manufacturing processes, thus reducing the quantity of wastes to be handled;

Otherwise reducing the amounts of wastes to be handled, treated or disposed of; and

Reducing the toxicity of wastes that cannot be eliminated.

My bill, in the funding mechanism suggested for dealing with abandoned sites, contained one approach which would help meet these goals. This is the suggested fee to be paid by those who store or dispose of hazardous wastes.

I am not wedded to this approach—there are many ways to achieve these same goals and I put mine forth as just one for consideration. But I do feel that a fee system which derives its revenues from both the producers of the raw materials, at the start of the production cycle, and from those who dispose of the wastes at the other end, can provide both needed revenues for a comprehensive program and desirable incentives to keep the dimensions of the problem to a minimum in the future.

So I propose that we combine the two revenue sources and then use them both, through a "superfund" concept, to deal with all of these problems. I would also suggest that the States be asked to supply at least some of the funds needed to deal with problems within their borders, inasmuch as they have benefited from having the industrial processes which produce wastes and they ought, therefore, to carry some of the societal burdens associated with them. My bill suggests 10 percent, but on reflection I think that perhaps 5 percent is more equitable.

In no way should any program we devise relieve past, present or future manufacturers or disposers of liability for negligence in dealing with hazardous substances. It is important that our actions find the proper balance between the need to encourage responsible entities in the private sector to take part in the disposal business and the need to assure that both victims and the government be able to hold irresponsible or negligent parties accountable for their actions.

If we do create a "superfund," then, it should be done in a way which permits the Government to step in, deal with a problem, and then seek reimbursement from those who caused the problem if negligece was indeed involved. This concept should apply to abandoned sites and to those future situations where, despite greater regulatory efforts to assure safe and careful handling of hazardous materials, problems may also arise.

Some of those involved in developing legislation in this area have expressed reservations about including damages beyond the costs of ameliorating the physical problems themselves within the funding mechanism. I understand these reservations, but I would suggest that unless we take third-party damages into account, and try to deal with them, we will not have tackled the entire problem.

Innocent victims are involved—people who have suffered personal injury, temporary or permanent loss of income, deep psychological scars and often severe reductions in the value of property. These damages are as real as if they were in an automobile accident or a fire, yet they are frequently left with no means of redress whatsoever.

I would recommend, therefore, that these third-party damages also be part of a "superfund" concept. Again, the Government would have the right of subrogation and could seek reimbursement from negligent parties. My Toxic Tort Act, described earlier, includes a punitive damages section for particularly flagrant instances of irresponsibility; the revenues from these damages would flow to the Government—another source for the "superfund."

RELATED LEGISLATION

By not having a program which regulates all aspects of solid waste, we have created a gaping hole in our national policy to reduce the amount of pollutants in the environment. Congress has passed other landmark legislation, including the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Safe Drinking Water Act and others. RCRA is only one link in the chain of environmental safeguards Congress has enacted. Yet, a chain is only as strong as its weakest link. Without full implementation and full funding for each of these laws, we will be unable to fulfill the promises they made to present and future generations of Americans.

EPA and the administration have been criticized, often with cause, for serious delays and other problems in implementing these and other laws. Yet, Congress has also been lax, in that we have not provided appropriations to fund many of the sections of these laws. My efforts to find sources of assistance for the Love Canal emergency provide examples of both administration and congressional reluctance to deal forcefully with hazardous waste issues.

The most likely source of assistance seemed at first to be the Clean Water Act, containing several sections which seemed relevant to the Love Canal. I discussed four of them—sections 201, 208, 311 and 504—with EPA Administrator Douglas Costle and OMB Director James McIntyre. I believe that each, if applied creatively, could have been most useful in dealing with the Love Canal and similar situations. Let me explain.

Section 201 provides for grants for construction of wastewater treatment works. It is a $40 billion program. The solution which has been designed for the cleanup of the canal is, in effect, a microsewer system. French tile drains are being laid so the leachate can be collected. The contaminated wastes will then be flushed through an onsite pretreatment plant, and eventually through the municipal sewage treatment plant. If EPA were to recognize the fact that this plan of action is, in essence, part of a municipal sewer system, then 201 funds could have been used in this innovative way. However, EPA resisted this approach, stating that it is not a "traditional" use of these funds. Love Canals are not traditional problems, and I think that EPA should be looking for innovative uses of its programs for new problems, as well as traditional ones.

Section 208 provides funds for State and areawide planning and management programs to address nonpoint source discharges. It provides for local input and localized planning; "208 agreements" must be certified by the Governor and no 201 grants can be awarded without the 208 agreement in place. It must be reviewed and updated each year as necessary.

I attempted to get New York State to use some of its funds for planning at the canal. This also met resistance, because it was unknown whether or not the toxic contaminants from the canal had yet polluted the groundwater or deep water aquifers. It seemed to me that the 208 planning program was ideally suited to addressing the questions first, whether water contamination had occurred and, if so, how to alleviate or second, if contamination had not taken place, how to make sure it did not in the future. This, I felt, would have been a creative use of an existing program, implementing laws to address problems of which we are only now becoming aware.

Section 311 provides for the designation of hazardous substances which, when discharged, present an imminent and substantial danger to the public health or welfare. It also provides penalties for discharges of such substances.

A national contingency plan is to provide for effective action to minimize damage from oil and hazardous discharges. A revolving fund is authorized to pay for clean up of spills of oil and hazardous wastes, with EPA's Administrator given authority to seek to recover costs from polluters through the judicial process.

The section provides the basis for the "superfund" concept which I discussed earlier. It is unfortunate that EPA has taken over 5 years to promulgate regulations for the hazardous substances portion of section 311. I am hopeful that the new set of standards—the first was thrown out in a court action—will take effect, as scheduled, at an early date.

Finally, section 504 authorizes EPA to provide assistance in emergencies caused by the release into the atmosphere of any pollutant or other contaminant including, but not limited to, those which present, or may reasonably be anticipated to present, an imminent and substantial danger to the public health and welfare.

This section addresses most fittingly situations such as the Love Canal. With the assistance of my Senate colleagues from New York, I tried to obtain funding for the canal under section 504 last year. Both Senator JAVITS and Senator MOYNIHAN, as well as Senator MUSKIE, spoke eloquently in support of the amendment to the supplemental appropriations bill to provide funds to clean up the Love Canal and abate the health and environmental emergency. However, OMB objected to funding under section 504 because it would open the proverbial "floodgates" for funding any situation. Thus far, not one penny has been appropriated under section 504 for use anywhere.

Section 504 is relevant to hazardous waste problems and a wide variety of other environmental problems. It would have been ideally suited to provide a flexible source of Federal help for the Love Canal and other such situations, and presumably this is why it was enacted. Yet, I regret, we have not appropriated one penny for it to date. Regardless of whether we succeed in devising a comprehensive way of dealing with toxic and hazardous wastes, I am hopeful that the 504 program will be funded this year.

Proponents of the "floodgates" argument expressed concern that providing funds for the Love Canal under this provision ran the risk of "busting the budget" when viewed in the context of the overall problem. However, Congress can easily control this by deciding precisely how much money it wishes to provide. EPA would then have to use that money selectively. We would be derelict in our duty to protect the health and welfare of American citizens if we once again fail to fund section 504.

The one area of law where we were able to convince the administration to provide more than the emergency assistance funds that were approved under the President's declaration of the Love Canal as a Federal emergency was under section 8001(a) of RCRA for a demonstration grant. OMB insisted that the $4 million provided in the supplemental appropriations bill for this purpose be matched by non-Federal—that is, State and local—funds on a 50-50 basis. Nevertheless, this was a breakthrough, as it was the first time section 8001(a) was funded. I hope it will not be the last.

CONCLUSION

My primary goal in this Congress is to help bring about the creation of a comprehensive program to deal with hazardous wastes, both those from the past in abandoned sites and those from the present and future in more effectively controlled means of disposal. The "superfund" concept discussed earlier, combined with the incentives I have tried to put in my suggested fee system for users and handlers of hazardous substances and wastes, offers one way of approaching the difficult questions of funding solutions to these problems. I hope that it or something similar can be enacted at any early date. In the interim, I will continue to urge funding for the provisions I have outlined here, for they can help, pending the comprehensive program I am convinced we need.

I have tried to emphasize that there is a greater role for Congress to play in controlling toxic substances in the environment, particularly with regard to their ultimate disposal. As Members of the national legislature, we have both moral and legal obligations to the citizens of this country to protect their health, environment and welfare. The people look to us to make sure that our world will be safe for them and for succeeding generations.●

SHATTER THE SILENCE, VIGIL 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. BRODHEAD) is recognized for 5 minutes.

● Mr. BRODHEAD. Mr. Speaker, I am pleased to participate in "Shatter the Silence, Vigil 1979," which is being sponsored by my colleague Congressman JIM HOWARD. This effort is the continuation of the "Vigil for Freedom for Soviet Jewry" which I sponsored last year.

I rise today, as I did almost a year ago, on behalf of Mr. and Mrs. Alexander Maryasin and their daughter, Faina. The Maryasins live in Riga, Latvian SSR and have sought since 1973 to join their eldest daughter in Israel.

Unfortunately, their wishes have been ignored. Repeatedly they have requested exit permission from Soviet authorities. Repeatedly, they have been refused, and no reasons for these refusals have ever been given.

I have written many letters to Chairman Brezhnev, Mr. Kosygin, and the OVIR offiffice in Riga (which is responsible for emigration matters) over the past 2 years. I had these letters translated into Russian before I sent them, but they have not even been answered.

Apparently because of his application for emigration papers, Alexander Maryasin lost his executive position at a Riga manufacturing plant and Faina Maryasin was expelled from the university she was attending. The family has experienced great hardships over the years, merely because of their desire to live where they choose.

Mr. Speaker, the statistics show that the Soviet Union is now permitting increased emigration. However, these figures do not reflect cases like the Maryasins. It is my hope that "Vigil 1979" will strengthen our resolve to assist them.●

SELECT COMMITTEE ON ASSASSINATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STOKES) is recognized for 5 minutes.

● Mr. STOKES. Mr. Speaker, on January 18, 1979, the House, in House Resolution 49, authorized me to act for it in completing the final report of the former Select Committee on Assassinations. The work was to be completed by March 31, 1979. I am pleased to inform the House that the work is finished, and I have filed with the Clerk of the House the committee's final report, along with separate and dissenting views. It only remains now to process the report and the hearings through the Government Printing Office for publications. I am informed that the printing process should be completed before the end of April. Those interested in the committee's report and hearings should contact the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, at that time. In any event, my responsibility is discharged and the work that remains is in the capable hands of the printers.

Mr. Speaker, the work completed these past 3 months will be a credit to the House, and it will justify the faith those Members of the House placed in the committee when, despite criticism, they supported the work of the committee. The final figures may vary somewhat, but the published materials of the committee should include:

Dr. Martin Luther King, Jr.: hearings, 16 volumes, 6,400 pages; witnesses, 53; and exhibits, 407.

President John F. Kennedy: Hearings, 9 volumes, 3,600 pages; and witnesses, 55; and exhibits, 619.

The final report of the committee itself should exceed 400 pages and be supported by more than 8,000 footnote references.

Mr. Speaker, it has been an honor and a privilege to chair the Select Committee on Assassinations in its efforts to realize the mandate of the House to inquire into all of the facts and circumstances surrounding the deaths of Dr. King and President Kennedy. I hope that the committee's work and the publication of its final report and hearings will have made a substantial contribution toward learning the truths concerning these two tragic deaths.●

H.R. 3333, THE COMMUNICATIONS ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. VAN DEERLIN) is recognized for 5 minutes.

● Mr. VAN DEERLIN. Mr. Speaker, I have introduced today H.R. 3333, a bill to revamp the communications laws of this country. I have been joined in this effort by Mr. COLLINS of Texas, the ranking member of the Communications Subcommittee, and by Mr. BROYHILL. The new bill is a redraft of legislation which I introduced in the last Congress joined, at that time, by our distinguished former colleague Lou Frey.

H.R. 3333, the Communications Act of 1979, is based on two key principles—competition and deregulation. At no other time in our Nation's history have we seen the on-rush of new technology that we see in the telecommunications industry today. It is appropriate that we allow full and fair competition to create new services and bring new choices to the consumer. It is also appropriate that we provide a diminished role for regulation, so that new technology will not be stifled.

The existing Communications Act, written in 1934, is based on two premises which are now largely obsolete—regulated monopoly in the telephone industry and scarcity of spectrum space for broadcasting. New services and new technologies cannot be properly dealt with within the framework of the 1934 act. H.R. 3333 looks to the future, rather than to the past.

A summary of major provisions in the bill follows:

THE COMMUNICATIONS ACT OF 1979

The proposed legislation is the first comprehensive revision of communications law and policy in 45 years. The bill covers several policy areas, with its general findings and purpose set forth in Title I, which is cited below. A summary of key provisions from other parts of the legislation follows.

GENERAL PROVISIONS

Findings and purpose

Sec. 101. (a) The Congress hereby finds that the regulation of interstate and foreign telecommunications is necessary, to the extent marketplace forces are deficient, in order to—

(1) make available to the people of the United States nationwide and worldwide telecommunications services which are diverse, reliable, and efficient, and which are universally available at affordable rates; and

(2) meet the needs of United States foreign policy, the national defense, and the safety of life and property.

(b) It is the purpose of this Act to establish certain requirements relating to the regulation of interstate and foreign telecommunications to the extent that marketplace forces fail to protect the public interest.

REGULATORY REFORM

Authorizes regulation of interstate and foreign telecommunications only when "marketplace forces fail to protect the public interest."

Abolishes the Federal Communications Commission, and replaces it with the Communications Regulatory Commission (CRC), a body of five commissioners appointed by the President to nonrenewable 10-year terms.

Establishes the National Telecommunications Agency, (NTA) as an independent agency in the executive branch charged with developing and implementing a national telecommunications policy, a responsibility now distributed among several federal agencies. The NTA replaces the National Telecommunications and Information Administration, in the Commerce Department.

Sets up a reimbursement program for participation in CRC tariff hearings and rulemaking proceedings. Available to both public and industry representatives, the program provides funds for persons who: (a) have an interest that would not otherwise be heard; and (b) could not afford to participate without such financial assistance.

Establishes a $10 million fund to increase minority ownership of television and radio stations. Two programs may receive funding: (1) a loan guaranty program administered by NTA; and (2) an investment program allowing NTA to purchase equity interest in Minority Enterprise Small Business Investment Corporations.

TELECOMMUNICATIONS CARRIERS

Finds that "competition shall be relied upon to the maximum extent possible to determine the variety, quality and cost of telecommunications services and facilities".

Finds that telecommunications services should be "universally available at affordable rates".

Allows local telephone companies to establish an access charge to assure that all intercity (interexchange) carriers make a fair contribution to maintaining low-cost local telephone service. States oversee access charges according to a fixed formula.

Deregulates all terminal equipment and establishes a customer's right to connect their own terminals.

Deregulates all intercity (interexchange) *carriers*, except for "dominant carriers" (defined so as to apply only to AT&T at present). Reduces and streamlines regulation of dominant carriers. Eliminates all regulation of intercity (interexchange) markets after 10 years.

Deregulates all intercity (interexchange) *services*, except those provided by a dominant carrier; provides for unregulated resale and shared use of facilities or services obtained from a dominant carrier.

Limits state regulation to basic voice telephone service; deregulates all other services offered by local telephone companies (interexchange carriers).

Allows carriers to provide any telecommunications service or facility, or any service or facility *incidental to* telecommunications—including provision of terminal equipment, data transmission, retransmission of broadcast signals, and electronic mass media services (with some restrictions).

Overrides restraints imposed AT&T and Western Electric by 1956 Consent Decree; requires AT&T and affiliated companies to deal with each other on arms-length basis and to make available to others products, services or facilities on the same terms which they provide to each other.

Establishes reimbursement program for consumer groups, users and small businessmen in all rulemaking or tariff proceedings related to telecommunications carriers.

INTERNATIONAL TELECOMMUNICATIONS

Abolishes gateway city concept allowing all international carriers to serve domestically (and vice versa, including Western Union); also abolishes the regulatory distinction between international voice and record services.

Affirms COMSAT's role as the U.S. designated entity for INTELSAT (as a carriers' carrier) and for INMARSAT (as a connecting carrier).

Allows COMSAT to establish a separate subsidiary for the provision of services to the public through both satellite and submarine cable facilities.

Creates a task force on International Telecommunications Facilities Planning; substitutes discretionary retrospective review of dominant carriers' international facilities for prior approval of construction of such facilities by the Commission; allows the President to veto the construction of international facilities for reasons of national security or foreign policy.

Requires carriers to file with the CRC and NTA copies of agreements entered into with foreign administrations.

RADIO

Deregulates radio stations in all markets immediately, eliminates Fairness Doctrine, equal time and EEO regulation by Commission.

Requires radio broadcasters to pay a fee based on spectrum use.

Provides for indefinite licenses which are subject to revocation only for violation of technical standards.

Eliminates current restrictions on the number of radio stations which can be owned by a single owner.

Restricts ownership of stations within a market to one AM and one FM.

Requires CRC to expand opportunities for new radio stations.

Eliminates comparative hearing.

Provides a random selection process for assigning new stations, eliminating delays which exist in the current comparative hearing process. Provides minority applicants with two chances in the random selection process.

Combines license application and construction permit, streamlining the process required to get a new station on the air and reducing paperwork.

Eliminates current ascertainment rules.

TELEVISION

Provides for two five-year licenses and then indefinite terms subject only to revocation (Petitions to deny are allowed at the time of the remaining renewals).

Requires the payment of a spectrum resource fee to cover the costs of regulation and the value of the spectrum being used; fixed by a formula in the legislation, the fee is phased in at the rate of 10 percent a year over ten years.

Reduces regulation of television by eliminating equal time requirements (except for paid time) and by limiting review under the Fairness Doctrine to renewal (rather than on a case-by-case basis).

Replaces "public interest" standard with a requirement that broadcasters provide news, public affairs and locally produced programs throughout the broadcast day.

Streamlines EEO enforcement, giving the CRC authority to enforce EEO for television licensees over a ten-year period.

Eliminates all regulation of television after ten years, when the spectrum resource fee is fully phased-in.

Limits multiple ownership to seven television stations (thereby enacting into law the existing Commission rule); permits the ownership of no more than one television station, one AM and one FM station in a market.

Requires the CRC to ensure that at least one VHF television station is assigned to each state and to expand the opportunities for new stations.

Replaces the comparative hearing with a random selection process for assigning frequencies; minority applicants are assured two chances in the random selection process.

Combines license application and construction permit, streamlining the process required to get a new station on the air and reducing paperwork.

Eliminates current ascertainment rules.

SPECTRUM RESOURCE FEE

Establishes an annual spectrum resource fee that is phased-in at 10 percent annually over a 10-year period. The fee is determined by the cost of processing a license application and the scarcity value of the spectrum used. Revenues from the fees go to the general fund of the U.S. Treasury.

Broadcasting

Scarcity value is a reflection of a broadcaster's gross annual revenues. The specific formula is:

"0.25 percent of annual revenues under $1 million plus 2.5 percent of annual revenues from $1 to $10 million plus 10 percent of annual revenues over $10 million."

Fees are phased-in at 10 percent a year for spectrum users During the first year, a user pays 10 percent of the scarcity value; during the second year, 20 percent, and so on.

Under the 10 percent phase-in plan, a television station grossing $20 million annuallly would pay $122,750 the first year for the scarcity value of the spectrum, $613,750 during the fifth year, and $1,227,500 at full phase-in, during the tenth year. (These estimates do *not* include the cost of processing license applications).

Under the formula, a radio station grossing $500,000 annually would pay $1,250 per year for the scarcity value of the spectrum used. A television station grossing $20 million annually, would pay $1,227,500.

In 1977, broadcasters' spectrum resource fees would have totaled approximately $150 million had the schedule been fully phased-in.

Land mobile users

Land mobile users are also subject to the 10 percent, 10-year phase-in. However, their spectrum resource fee has a "cap" and the CRC may assess below that cap.

The cap for land mobile users is 1/360 of the lowest spectrum resource fee paid by a UHF television station operating in the same area. The cap is based on the fact that one UHF channel is roughly equivalent to 360 land mobile channels.

In 1977 the average UHF station grossed $1.8 million, which yields a corresponding spectrum resource fee of $22,500. Under the fee formula, the *cap* for the average land mobile user would have been $22,500 divided by 360—or $62.50 per year per channel. Under the 10-year phase-in, a land mobile user would have paid $6.25 per channel during the first year and $62.25 per channel during the tenth year of full phase-in.

LAND MOBILE RADIO

Gives explicit recognition of this important radio service. Sets up rules for spectrum management and spectrum assignment in land mobile which take into account the differences between land mobile and broadcasting.

Preempts duplicative state regulation of land mobile equipment and facilities.

Gives the Commission flexible tools to deal with the special problems of land mobile. Such flexible tools include industry coordinating committees.

Imposes spectrum resource fees on all commercial users of the spectrum. A cap is placed on the spectrum fees charged land mobile users.

CABLE TELEVISION

Prohibits all federal regulation of cable, including signal carriage and pay services.

Preempts state and local regulatory authority over cable television, including rate regulation.

Allows cable companies to compete fully with telephone companies for the provision of all services, including basic voice service.

Permits cable operators to provide both equipment and programming services for a cable system.

Allows cable television companies to offer services that are incidental to telecommunications—such as, burglar alarms, fire alarms and data transmission—without regulation.

Provides expanded protection of cable operators' rights to attach their cable to telephone company poles by requiring access at "just and reasonable" rates, terms and conditions for pole attachments. Permits the CRC to regulate pole attachments when a state does not.

Prohibits retransmission or rebroadcast of a program without the express authority of the person who owns or controls exclusive rights to the program.

ADMINISTRATIVE AND JUDICIAL PROCEDURES; PENALTIES

Gives exclusive authority to the Commission rather than the United States Attorney to commence or defend all civil actions necessary to enforce the Act.

Substantially increases penalties and forfeitures for violations of the Act.

Lifts restriction that allowed appeals from some Commission decisions to be taken only to the United States Court of Appeals for the District of Columbia.

PUBLIC BROADCASTING

Creates a new statutory class of "public broadcast stations" to be operated on a nonprofit basis for educational and cultural purposes.

Abolishes the Corporation for Public Broadcasting after fiscal year 1983, replacing it with the Endowment for Program Development, a private nonprofit corporation that funds the development, production and acquisition of television and radio programs and services.

Endowment-supported programs are available exclusively to public broadcasters for one year after production; then, rights revert to the producer.

Provides for a five-fold increase in funding program production and acquisition through the Endowment.

Strenthens the insulation of public broadcasting from political interference by establishing new funding sources and Board-appointment procedures.

(1) Provides the Endowment with a *permanent* annual authorization of $1.50 for every U.S. resident. This would yield more than $330 million annually.

(2) Establishes a nine-member Endowment Board, with three members appointed by the President and six members appointed by the Board.

(3) Allows public broadcasters to become more self-sustaining by seeking limited advertiser support. Advertising may not interrupt programs; it is limited to not more than three percent of the broadcast day and must be clustered into no more than three periods daily.

Removes restriction that prevents public broadcasters from editorializing.●

OPPOSITION TO HOUSE RESOLUTION 165

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. Dodd) is recognized for 15 minutes.

● Mr. DODD. Mr. Speaker, I rise in opposition to House Resolution 165. This resolution proposes that the rules of the House be amended to allow the Permanent Select Committee on Intelligence or any of its subcommittees to close a hearing to the public when only two members are present. The House rules now require that a majority be present before closing a hearing with a majority voting to close.

The issue is wether the House should change its rules to make it easier to exclude the public for the convenience of the members of the committee. I believe that it should not.

The convenience of members and witnesses is a legitimate consideration in formulating the rules of the House, and we can all appreciate how difficult scheduling becomes for a member with numerous congressional responsibilities. Nevertheless, convenience must be sacrificed to some degree when it conflicts with an essential value, such as openness in government. It is, undoubtedly, easier to get two members present at a hearing than three or more, but it also is easier to get two members to agree to close a hearing than it is to get three or more to agree. Therefore, while this rule satisfies our interest in convenience, it may do so at the expense of the public's "right to know."

Without question the intelligence agencies must be allowed to operate in secrecy to a much greater degree than any other arm of government. In fact, the national security which they seek to protect allows them to function with a presumption that their operations remain secret. But this presumption of secrecy is unique to the intelligence community. The rest of the Government, particularly the legislative branch, has no such presumption. In fact, the reverse is true; Congress must operate with a presumption of openness. In an effort to accommodate the members of this committee, we come dangerously close to abandoning the presumption of openness.

This rule would create a precedent for other committees to seek similar rule changes. It only affects the Select Committee on Intelligence and only in matters of national security, but other committees have responsibility for matters of national security and other committees have trouble getting the requisite number of members of committee hearings. We are, therefore, embarking on a slippery slope.

Under the House rules, two members may close a hearing to protect an individual's reputation from undue injury, and it is argued that the national security deserves at least as much protection as an individual's reputation. History, however, points out the fallacy in this argument. As to reputation, the abuses of the past—particularly congressional abuses—were caused by irresponsible disclosure, not secrecy. The McCarthy era is not so long ago that we can afford to forget its lesson. On the other hand, the abuses of the intelligence community in the recent past are abuses of secrecy, not undue disclosure. And it is important to note that to the extent that the recent critism of the intelligence community is unjustified, the intelligence agencies only benefit from an open hearing on the facts.

Congress has consistently promised both the American people and the intelligence agencies that it would fulfill its obligation to oversee the operations of the intelligence community in order to prevent future abuses and to dispel any unjust criticism of the agencies. It is essential that the American people's confidence in the intelligence agencies be restored. We only create more suspicion and mistrust by adopting this two-member closing rule, and we, thereby, do both the American people and the intelligence community a disservice.

I would like to mention that the ACLU and Common Cause have communicated to me their opposition to the proposed rule change. The ACLU has sent a letter to myself and Congressman Don Edwards in which they express their concern that the proposed rule will result in fewer public meetings and fewer Members of Congress exercising the oversight jurisdiction of the Congress.

This rule makes it a little easier for Members to fulfill their responsibilities, while making it a little harder for the American people to be informed about the workings of Government, a little harder for the intelligence agencies to rebuild public confidence in their work, a little harder for abuses to be disclosed, a little harder for the American people to say, this is their Congress, their Government.

I submit we can all put up with a little inconvenience.●

ADMINISTRATION'S PRIVACY PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. Preyer) is recognized for 5 minutes.

● Mr. PREYER. Mr. Speaker, the President will shortly send a message to the Congress outlining the administration's privacy initiatives. The Government Information and Individual Rights Subcommittee, which I chair, will hold a hearing next Wednesday, April 4, to receive testimony from the administration on its privacy program. We will also begin an examination of specific parts of that program, including legislation dealing with medical records confidentiality.

Additional hearings on legislation to protect the privacy of medical records will be held on April 9 and 11. The hearing on April 9 will be in room 2203, Rayburn, the hearings on April 4 and 11 will be in room 2247, Rayburn.

Presently before the subcommittee is the Federal Privacy of Medical Records Act (H.R. 2979). An administration bill on this subject is expected next week. A summary of H.R. 2979 appears on page H1349 of the March 14, 1979, Congressional Record.

In its July 1977 report to the Congress, the Privacy Protection Study Commission explored the issue of recordkeeping in the medical care relationship and reached these general conclusions:

First. Medical records now contain more information and are now available to more users than ever before;

Second. Control over medical records once exercised by medical care providers has been greatly diluted by medical specialization, population mobility, third party demands for medical information, and malpractice suits;

Third. The comparative insulation of medical records from collateral uses, normal even a decade ago, cannot be entirely restored;

Fourth. As third parties press demands for access to medical information, the concept of freely given consent by the individual has less and less meaning;

Fifth. Despite the growing importance of medical information for a variety of decisionmaking, it is rare for an individual to be allowed to see a medical record about himself to check its accuracy, timeliness, or completeness; and

Sixth. Steps can be taken to improve the accuracy, timeliness, and completeness of medical records; enhance an individual's awareness of the contents and uses of a medical record; and control the conditions under which disclosures of medical information are made.

These hearings—the first in a series on privacy of medical records—will consider the validity of these conclusions. We expect to focus on general issues such as the growing use of medical records exercised by medical care providers. The need for and purpose of legislation, and the essential elements of that legislation. At later hearings, the subcommittee will begin detailed consideration of specific legislative proposals.

Witnesses at the hearings will include: Henry Geller, Assistant Secretary of Commerce for Communications and Information and the National Commission on Confidentiality of Health Records on April 4; the American Medical Records Association, the American Psychiatric Association and the Society for Epidemological Research on April 9; and Blue Cross and Blue Shield and the American Civil Liberties Union on April 11. All three hearings will begin at 10 a.m. Other witnesses may be announced later.●

SALT II

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. Fountain) is recognized for 5 minutes.

● Mr. FOUNTAIN. Mr. Speaker, Russian leaders operate under the assumption that nuclear war is winnable and survivable, and make their military plans—civil defense plans, too—accordingly. American leaders operate under the theory that nuclear war is almost unthinkable, too terrible for sane people ever to engage in, and make military plans reluctantly, figuring that if we just maintain the same number of launchers in the 1980's that we had in 1967, we will be OK.

These basic facts should be kept in mind as debate on the strategic arms limitations talks (SALT) continue. Sometimes it appears as if we are maneuvering with one hand tied behind our backs.

As for numbers, in 1977 the United States had approximately 240 percent of what the Russians had in warheads; that is, fewer ICBM's, but more warheads because more of ours are MIRV's; 35 percent of the megatons the Russians had; 75 percent of the SALT throw weight; and 160 percent of the Russians' hard target kill potential.

Unless the U.S. strategic force is properly modernized, by 1986 the strategic balance is expected to have U.S. percentages at 104 percent of Russia's warheads; 26 percent of the megatons; 48 percent of the SALT throw weight, and 26 percent of the hard target kill potential. The last percentage, 26 percent, shows an alarming decrease in U.S. strength, the kind of decrease which might encourage the Russians to think about starting a war.

However, if you concentrate on the first figures—for warheads—it appears that the United States has a fairly strong position. But, remember this also assumes that we would have enough planes and missiles and submarines left after a Russian first strike to hit back (second-strike capability).

American strategy assumes that if the horrors of nuclear war ever come, they will come only from the other side, not from us. Consequently, Russia alone has the option of the first strike. If war comes, all of our air and military bases, our western missile installations, and our industrial regions would have to absorb everything that Russia could throw before retaliating.

Can the Forces of the United States absorb a punishing nuclear blow and still have enough firepower left for a second strike? Disarmament bureaucrats (whose agency costs about $20 million a year) say yes, but I am not so sure.

Depending upon 1,054 ICBM's and 348 B–52's (almost 100 of these are about gone) and 41 nuclear submarines to work at 100 percent efficiency is unrealistic even in peacetime. What about wartime? When I think of those missiles buried in the ground, I cannot help but wonder how reliable they are even if they did cost billions.

What if our national security depended upon 1,054 cars, parked in a huge parking garage; what if our national security depended upon all these cars starting simultaneously. Even if we spent hundreds of millions of dollars a year keeping them tuned up, would they all start flawlessly on D-Day? How many would start after the enemy had a chance to bomb them out of existence?

If the Russians ever perceive—ever develop a firm belief at the highest levels of the Kremlin—that they can strike first and survive, then today's MAD policy (mutual assured destruction) will go by the boards and nuclear war will be much more likely.

We just cannot trust the Russians to think like Americans do. Russians are the product of 60 years of ruthless communism. Russians have an unbroken heritage of century after century of absolute dictatorship. Just because Americans think nuclear war is insane, cruel and barbarous, does not mean Russians think so. They do not and they will not. Their whole society is built upon war, threats of war, talk of war, militarism, and the very continuance of the Communist regime in power depends upon military force. Let us never forget they said, "We will bury you."

Consequently, the United States has no choice but to be prepared and on guard 24 hours a day, 7 days a week. SALT II must not be allowed to jeopardize our Nation's independence.●

RECLAMATION LANDS OPPORTUNITY ACT

(Mr. EDWARDS of California asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. EDWARDS of California. Mr. Speaker, I am pleased to add my name as a cosponsor to the bill being introduced by our colleague from Oregon, Jim Weaver. The Reclamation Lands Opportunity Act is an essential piece of legislation for all of us who are concerned about the food which we eat. For many years now, I have supported the enforcement of this act. Unfortunately, because the law is not specific enough, we have seen it twisted and contorted to such a state that now new legislation must be introduced to make the intent of the law perfectly clear. In California, my home State, we have the worst abuses of the reclamation law. In 1977, Senator Abourezk did a survey of three Federal projects in California where he found the average farm size ranged from 724 to 2,889 acres. More alarming though was the statistic that revealed that within California only 30 to 46 percent of the farms had resident farmers.

Much controversy has surrounded the enforcement of the Reclamation Act lately. I have heard arguments that small farms are not viable in America today. People have contended that America needs big machines and big farms in order to provide food for this country and the world. This could not be further from the truth. All the latest information I have read points out that small, labor intensive farms are much more productive than large farms. When the farmers came to Washington earlier this month, one theme was consistently reiterated, that small farms are much more productive than large ones. I have inserted several articles under the extension of remarks today which will provide Members with some perspective on this legislation.

I would like to make one final point. We are all eaters of fresh vegetables and fruits. Let me explain how this group of folks known as eaters will be affected by this new act. As eaters, we have a vested interest in seeing that our food supplies are not monopolized. With small, decentralized family farms, we eaters have a better chance of getting good food and a much better chance of paying a fair price for the food. Each week, 2,000 small farms disappear because of a variety of economic forces (GAO report, "Changing Character and Structure of American Agriculture: An Overview" p. 53).

While the debate continues here in Congress over support programs and parity schedules, one thing is certain, each year we see more and more of our small family farmers going out of business. The choice is left up to us, the Members of Congress, to do something about it. In my district we have close to 500,000 eaters who are very concerned over future food products and prices. The Reclamation Lands Opportunity Act allows us to correct a past situation of abuse, while providing for a healthier and more prosperous farming system in the future. This is why I am joining forces with Mr. Weaver of Oregon in supporting this act, which will see that Federal reclamation projects abide by the law and promote small family farms.

Mr. Speaker, I have included in the Record a series of articles which will provide background information and some perspective to Members on the need for new reclamation legislation. The first two articles come from the March 1979 edition of People, Food, Land put out by the National Land for People organization.

The first article, "Why Every American Eater Has a Stake in the Water Struggle," outlines the basic reasons why city dwellers have a vital interest in the policies governing the distribution of federally subsidized irrigation water and why urban Representatives like myself are cosponsoring this reform measure.

There are basically two very sound reasons for every urban Representative to support this measure. First, reclamation lands constitute only about 1 percent of the cropland in the country. However, they supply us with over 30 percent of the Nation's fresh and processed vegetables. Second, the irrigation water delivered to these lands is heavily and perpetually subsidized by taxpayers across the land.

The second article entitled, "New Water Law Now," gives the basic reason new reclamation legislation is needed. It cites the inadequacies of the current law to produce rules from the Department of the Interior which will effectively carry out the twin purpose of the act; to assure opportunity for small farmers and to protect the general public against the evils of a tax-subsidized food monopoly.

The next article which I will submit for the Record comes from the Los Angeles Times and has some bearing on the large-farm/small-farm debate. A noted anthropologist, Dr. Walter Goldschmidt, points out the economic and social contrast between communities surrounded by small farms and those surrounded by large farms. I think all Members should take a good look at this article, because it will provide some light on the effect the Reclamation Lands Opportunity Act will have on our entire economy.

An August 1972 article from Fortune magazine cites several sources and experiences tending to support the argument that small, independently run farms are more efficient than huge operations. The final submission is the conclusion from a University of Illinois study emphasizing that a small number of large farms would tend toward monopoly control to the disadvantage of all consumers.

These articles highlight the reasons why I have cosponsored the Reclamation Lands Opportunity Act introduced by Jim Weaver of Oregon. I hope that Members will take the time to read them and join with the other Members to lend their names as a cosponsor to this needed and fair legislation.

[From the Fresno (Calif.) Bee, Feb. 9, 1979]

Why Every American Eater Has A Stake In Water Struggle

Additionally, from reclamation land in the 17 western states come much fruit, cotton and feed for cattle.

What all this means is that every American in every corner of our country has a direct stake in the struggle over reclamation lands.

The issue is simple: the biggies want to monopolize the federally-subsidized land and water AND the products therefrom, which all of us eat and wear.

National Land for People (NLP) and its supporters want the land and water widely shared as promised by federal law so there will be many food and fiber producers, not a growing monopoly.

The water limitation fight is, therefore, not a local rural issue; it is a national issue of vital importance to the livelihood and wellbeing of us all.

Monopolies of any sort are inefficient because of their topheavy bureaucratic structures.

And in every case, when a few groups get control of a large share of any product, they try to fix prices at a very high level. We just have to ask ourselves what we think would happen to food prices and supplies if a handful of corporations controlled food as they now control oil?

Think about that question, the next time you buy western vegetables, fruits or nuts. Therein lies the direct stomach connection all of us have to reclamation land-water struggle. And therein lies the basic reason all of us should support NLP's fight to bring law and order and free enterprise to reclamation projects.

[From the Fresno (Calif.) Bee, Feb. 9, 1979]

No Help From Andrus: New Water Law Now!

New legislation is the only way small family farmers will ever have a chance to get some reclamation lands.

While the intent of the current law is clear and its language plain, it is not specific enough to arm its administrators against the sustained pressure and the convoluted logic of the biggies. Historically, even administrators friendly to small farmers stretched the limits of the law beyond breaking to enrich the biggies.

Our new legislation must allow administrators very little discretion. We must be specific so that it will be easy for the bureaucrats to say "no" to the biggies, and impossible to say "yes."

The only proposals that fit the bill are those advances by NLP in its Reclamation Lands Opportunity Act. All other proposals would allow the biggies—with government approval—to monopolize federal water and freeze-out small farmers.

Look and Andrus's policies . . .

In the first place, he wrote the new water rules, not because he didn't like the old rules, but because he was under court order (obtained by NLP) to change the Bureau of Reclamation's outrageous policies.

His proposals reveal that he came to this task out of duress, not commitment. Just a few examples:

(1) The law clearly states (see page 10) that recipients of permanent water rights must live "on the land or in the neighborhood." Andrus defines the neighborhood as anywhere within 50 miles of the property. Fifty miles is an open invitation to speculators and other non-farmers to pressure administrators into freezing-out small farmers again.

NLP says the residency provision should read "on the land or within 15 miles." That's a compromise position, but it would have the practical effect of keeping city speculators out of Westlands and Kings River-Pine Flat, the two biggest blocks of large landholdings in the entire West.

Andrus would let the investors in . . .

(2) Andrus proposes distributing reclamation lands by lottery EXCEPT that he would allow big landowners unlimited discretion to sell an unlimited number of 320 parcels to relatives, neighbors, and long-time employees. The practical effect would be no lottery, and the continuation of the inside deals (in slightly different forms) exposed by NLP over the last 20 years (see pages 26–47).

NLP proposes a lottery on all reclamation lands except: a total family absolute limit of 640 acres which can be distributed to relatives (who are or will become resident operating farmers) who do not have any interest in more than 640 acres (1 sq. mile) in any reclamation project area. That's real small farmer opportunity!

(3) Andrus proposes a farm size limit of 960 acres with no requirement that there be smaller acres for small farmers. History has shown that the biggies use the maximum figure parcels to put-together their inside deals, so a person would have to be a millionaire to buy-in, and would have less opportunity because there would be fewer parcels to bid on.

NLP proposes a varied acreage mandate with acreages as low as 20 acres. The average acreages would be 150–200, and the absolute largest in areas with long growing seasons would be 640 acres. In areas where there are less than 180 days, the absolute maximum would be 960.

[From the Los Angeles Times, Dec. 4, 1977]

Small Scale Farming: It's Good for Farmers—and the Nation

(By Walter Goldschmidt)

"What difference does it make to rural and local community life if farms are large-scale operations or family-sized units?"

That was the question I was asked in 1944 when my employer, the U.S. Department of Agriculture, commissioned me to determine what impact, if any, the limiting of farms to specific acreages would have on rural communities. The questions, which may be as old as this century, is particularly relevant today in light of the Interior Department's current proposals to enforce the 1902 Reclamation Act that puts a 160-acre limit on all farms receiving federally controlled irrigation water.

My research into the question eventually led me to conclude that, among other things, large corporate farms suppress business opportunity in nearby towns. Again, this evidence, determined in the 1940s, has considerable significance today as the owners of corporate and family-sized farms prepare to battle the 75-year-old law that threatens to break up their land.

In many early irrigation projects, farmers who owned more than 160 acres and who signed up to receive federal water were required to sell all land in excess of the prescribed acreage. But the government failed to follow up on this provision of the Reclamation Act, and both individuals and corporations continue to own large tracts that receive federally subsidized irrigation water.

During the 1940s, an interagency research program sought to determine whether the acreage provision should apply to California's Central Valley region, which was to receive subsidized water. Called the Central Valley Project Studies, the research program was an investigation that nowadays would be labeled an "environmental-impact" study.

Using my background in anthropology and help from economists and sociologists, I devised a study in two phases to discover if the quality of a community life becomes better or worse as the size of the farms grows. The study's first phase was to be a detailed, in-depth investigation of two towns; the second phase was planned as a shorter survey of all the towns in the upper San Joaquin Valley.

The Central Valley towns chosen for the detailed study were Arvin, representative of corporate-dominated agriculture, and Dinuba, typical of a family farming community. The towns were selected because, while the sizes of their surrounding farms differed widely, they were identical in economic value of agricultural production and similar in population.

After a two-month study, my colleagues and I discovered that the small-farm town differed considerably from its corporate counterpart in that Dinuba, with its individually owned farms, had a strong local government, supported 20% more people at a higher average annual income and offered a better standard of living to its citizens than did Arvin. Compared to the corporate farm town, Dinuba also had:

Nearly twice as many local businesses and over 60% more retail trade.

Nearly three times as many independently employed breadwinners.

More social amenities, such as paved streets, sidewalks and garbage and sewage-disposal facilities.

Four elementary schools and a high school, compared to a single elementary school in Arvin.

Three public parks, compared to Arvin's one loaned playground.

Twice as many civic and social clubs, as well as churches and youth-oriented activities (which were almost totally lacking in the corporate farming town).

Two newspapers, each larger than the single weekly in Arvin.

Considering all these differences, the citizens of Dinuba, not surprisingly, generally viewed their town as a desirable place to live, while Arvin residents tended to regard their town as a place to escape as quickly as possible.

(Some of the differences between Dinuba and Arvin, by the way, may have vanished during the intervening 33 years, although a study made in 1970 revealed that many of them still existed. The contrasts and comparisons, at any rate, are no longer appropriate, since the desert around Arvin has been cultivated, thanks to the irrigation efforts of the Central Valley Project. Because of these efforts, the total value of production from the farms of Arvin has grown enormously. Irrigation also benefited Dinuba, but it has not grown as much because it is hemmed in by other towns.)

But long before the results of the study were known, our work became highly controversial. Shortly after our research began, Associated Farmers, an organization of large landholders and business interests, made daily radio broadcasts attacking us and our work, until finally the station manager insisted that we be given time for rebuttal. The Associated Farmers went to the local press, exerted pressure on members of the U.S. Congress and carried their case to the secretary of agriculture. The result: We were prevented from completing the second phase.

Though the study remained incomplete, we did gather statistics on the size of farms in each of the 25 towns of the upper San Joaquin Valley. The statistics revealed that as a farm grows in size, fewer people are supported per acre of land. Every businessman and politician should take note of that fact, for it means that large-scale farming stifles business opportunity—a fact clearly demonstrated in San Joaquin's Westlands area, where there are virtually no towns at all.

Moreover, in towns surrounded by family farms, the income earned in agriculture circulates among local business establishments. My colleagues and I found that there was three times more circulation of money in Dinuba than in Arvin. The reason was that, in corporate farm towns, the income is immediately drained off into larger cities to support distant, often foreign, enterprises.

As it happens, a community of family farms is also highly democratic and egalitarian. A town in which agriculture resides in the hands of only a few large landholders loses that quality. Such a town is comprised of a few wealthy citizens, a large sector of poor and dependent laborers and a very small middle class.

Using data from the U.S. Census in the '60s, sociologist T. Lynn Smith, examining the rural class structure of the nation, found an almost entirely middle-class population in the Midwest. In other areas, however—and he singled out Southern California's Imperial Valley as one example—Smith determined that the rural population consisted of a small upper class, a large laboring class and hardly anyone in between.

This kind of imbalance would seem to deny the purpose of America's origins. Thomas Jefferson and Daniel Webster, after all, were aware that an economic democracy created by a population of independent freeholders was essential to the formulation of political democracy.

Assuming that this principle applies to the present-day health of our democratic system, then considerations for the welfare of the nation as a whole far outweigh the so-called "rights" of a few growers or corporate farmers. They claim these rights because the government has failed for years to enforce its laws. But the fact is that such laws were adopted in the first place as part of an old and deep tradition that is the very bulwark of social and economic democracy in America.

[From Fortune magazine, August 1972]

Why Bigger Is Not Better

The critical importance of close personal involvement helps to explain why independent farmers, agricultural economists, and even many corporate farm managers agree that the most efficient producing unit is a farm that can be run by its owner. Studies by the U.S.D.A. and agricultural schools across the country have concluded that economies of scale in farming end rather quickly. While optimum acreage obviously varies with the crop and can never be established with great precision, the figures suggested by most research are surprisingly low. A 1967 Agricultural Department report, for example, said that for California cling-peach growers average costs were minimized in orchards of 90 to 110 acres. Even for field crops such as cotton, alfalfa, and barley, which lend themselves to almost total mechanization, producers in the San Joaquin Valley were found to achieve lowest average cost at about 640 acres.

Most of the economies of scale in farming are achieved by such practices as buying supplies in discount quantities, keeping hired workers busy all of the time, and fully utilizing expensive mechanical equipment. A well-managed farm of moderate size can readily accomplish all of these things. But as soon as the operation grows beyond the ability of its owner to stay on top of his field operations, where critical decisions must be made daily, costs begin to mount. Overhead, in particular, can soar as extra layers of management are needed. And experienced supervisors, with no direct personal stake in the enterprise, will not only demand higher salaries than an owner might pay himself, but will almost certainly be less conscientious or willing to work long hours under unpleasant conditions.

A look at the experience of four large companies is revealing. One of them, S.S. Pierce Co., has abandoned farming except for a minority interest in a much smaller company that survived the bankruptcy of Pierce's farming subsidiary. Two others—Purex Corp. and United Brands Co.—are still operating after major setbacks, but with their ambitions as well as their operations sharply scaled down. And the fourth, giant Tenneco, has sold off 70,000 acres. Its main objective now is to establish its Sun Giant brand as a nationally known label on prepackaged fresh produce—80 percent of it grown by other farmers.

[Agriculture Extension Services Newsletter]

Who Will Control U.S. Agriculture?

CONCENTRATION VERSUS DISPERSION: CONSEQUENCES FOR CONSUMERS

Less is known about the effects of a concentrated versus a dispersed farming system upon consumers than upon any other affected group.

Advocates of concentration claim savings in cost of producing farm products. They promise that savings would be passed forward to consumers. Spokesmen for a dispersed agricultural organization system are skeptical.

Differences in food costs would probably be minor. A concentrated system may bring some economies but it may also have some added costs, as in management or possibly in hired labor. Spokesmen for a dispersed agricultural system point out the performance of traditional proprietary agriculture is not bad and that agriculture has adopted new technology and provided an abundant supply of high-quality food at reasonable prices.

Economies of size in production

Farming offers no great operating efficiency from large-size units. Scale economy in crop production is handicapped by space and distance—there are cost disadvantages in farming acreages located far from headquarters. Cost advantages for large-scale livestock and poultry production are partly offset by incidence of disease. The problems have been handled better in poultry and in cattle feeding than in hog production.

Corporate farming requires a sizable administrative staff. It leads to bureaucratic organization and the inefficiencies that accompany bureaucracy. Furthermore, if low wages have previously made some large farms look good, unionized labor in corporate farming would reverse that situation quickly.

Economies of size in merchandising

If farming were to become so highly concentrated that production and marketing of some farm commodities would be confined to a few firms, any economies of size in production would be partly or wholly denied to the consumer.

If production efficiency is to benefit the consumer, the marketing and merchandising system must itself be efficient and competitive.●

RESOLUTION EXPRESSING APPRECIATION FOR TENURE OF JOEL W. SOLOMON AS ADMINISTRATOR OF THE GSA

(Mr. JONES of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. JONES of Tennessee. Mr. Speaker, I rise at this time to speak for a few moments about the resolution I introduced yesterday expressing appreciation for the tenure of Joel W. Solomon as Administrator of the General Services Administration. The entire membership of the Tennessee delegation supports this measure wholeheartedly. Mrs. Bouquard, Mr. Gore, Mr. Ford, Mr. Duncan, Mr. Beard, Mr. Boner, Mr. Quillen, and I have the utmost respect for Mr. Solomon and the work he has done. We feel that his career at GSA has been exemplary, and we would like to urge the House to support this resolution to recognize the excellence with which he served.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Ertel (at the request of Mr. Wright), for today, on account of inspecting the nuclear accident at the Three Mile Island generating plant.

Mr. Hutto (at the request of Mr. Wright), for today, on account of official business.

Mr. Jones of Tennessee (at the request of Mr. Wright), after 12:30 p.m. today, on account of official business.

Mr. Lehman (at the request of Mr. Wright), for today, on account of illness in the family.

Mr. Pepper (at the request of Mr. Wright), for today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Hinson) to revise and extend their remarks and include extraneous material:)

Mr. Cleveland, for 15 minutes, today.
Mr. McKinney, for 5 minutes, today.
Mr. Miller of Ohio, for 5 minutes, today.
Mr. Collins of Texas, for 10 minutes, today.

(The following Members (at the request of Mrs. Byron) to revise and extend their remarks and include extraneous material:)

Mr. Weaver, for 10 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mrs. Holtzman, for 5 minutes, today.
Mr. Flood, for 5 minutes, today.
Mr. Rostenkowski, for 5 minutes, today.
Mr. Cotter, for 5 minutes, today.
Mr. LaFalce, for 20 minutes, today.
Mr. Brodhead, for 5 minutes,today.
Mr. Stokes, for 5 minutes, today.
Mr. Van Deerlin, for 5 minutes, today.
Mr. Dodd, for 15 minutes, today.
Mr. Preyer, for 5 minutes, today.
Mr. Fountain, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Hinson) and to include extraneous matter:)

Mr. Cheney in two instances.
Mr. Findley.
Mr. Jeffords.
Mr. Derwinski in two instances.
Mr. Lagomarsino.
Mr. Anderson of Illinois.
Mr. Paul in three instances.
Mr. Hillis.
Mr. Pursell.
Mr. Taylor.
Mr. Symms.
Mr. Coughlin.

(The following Members (at the request of Mrs. Byron) and to include extraneous material:)

Mr. Drinan.
Mr. Hamilton.
Mr. Zeferetti in two instances.
Mr. Stark.
Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. Fascell.
Mr. Kogovsek.
Mr. Mazzoli in three instances.
Mr. Peyser.
Mr. Rangel.
Mr. Ford of Tennessee.
Mr. Rostenkowski.
Mr. Gore in two instances.
Mr. Kildee in two instances.
Mr. Blanchard in two instances.
Mr. Barnes.
Mr. Dodd.
Mr. Danielson.
Mr. Jacobs.
Mr. Daschle.
Mr. Skelton.
Mr. Weiss.
Ms. Mikulski.
Mr. Gaydos.
Mr. Waxman.
Mr. Yatron.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 8. Concurrent resolution providing for impartial observers of the forthcoming election in Rhodesia; to the Committee on Foreign Affairs.

ADJOURNMENT

Mrs. BYRON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 56 minutes p.m.), under its previous order, the House adjourned until Monday, April 2, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred to as follows:

1118. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee, and insurance transactions supported by Eximbank during February 1979 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

1119. A letter from the Secretary of the Interior, transmitting a report on the status of general management plans for units of the National Park System, pursuant to section 12(b) of Public Law 91–383, as amended (92 Stat. 3518); to the Committee on Interior and Insular Affairs.

1120. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the Corporation's monthly financial report for December 1978, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

1121. A letter from the Comptroller General of the United States, transmitting a report on U.S. development assistance to the Sahel (ID–79–9, March 29, 1979); jointly, to the Committees on Government Operations and Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PEYSER: Committee on House Administration. House Resolution 189. Resolution dismissing the election contest against Beverly Byron (Rept. No. 96–78). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ZABLOCKI (for himself, Mr. Fascell, Mr. Hamilton, Mr. Wolff, Mr. Bingham, Mr. Solarz, Mr. Pease, Mr. Barnes, Mr. Gray, Mr. Buchanan, Mr. Winn, Mr. Gilman, and Mrs. Fenwick):

H.R. 3324. A bill to authorize appropriations for fiscal years 1980 and 1981 for international development and economic assistance programs, and for the Peace Corps, and for other purposes; to the Committee on Foreign Affairs.

By Mr. RODINO (for himself and Mr. Danielson):

H.R. 3325. A bill to amend section 207 of title 18, United States Code; to the Committee on the Judiciary.

By Mr. ANDERSON of California:

H.R. 3326. A bill to amend section 602 of the Federal Aviation Act of 1958 to prohibit any Federal officer or employee from imposing certain age restrictions on individuals seeking to serve as pilots of aircraft, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. BONER of Tennessee:

H.R. 3327. A bill to amend Public Law 94–484, the Health Professions Educational Assistance Act of 1976, as amended, relating to the immigration of foreign medical graduates; to the Committee on Interstate and Foreign Commerce.

By Mr. BRINKLEY:

H.R. 3328. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. BRODHEAD:

H.R. 3329. A bill to provide that all petroleum imported into the United States after September 1, 1979, shall not be available for purchase other than by the Government of the United States; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

By Mr. BONKER (for himself, Mr. Weaver, Mr. Lowry, and Mr. Swift):

H.R. 3330. A bill to promote the export of processed timber products by progressively limiting the export or sale for export of unprocessed timber from public lands in the Western United States, and of substitutes for such timber, and for other purposes; jointly, to the Committees on Foreign Affairs and Interior and Insular Affairs.

By Mr. BROWN of California (by request):

H.R. 3331. A bill to establish the National Professions Foundation; to the Committee on Education and Labor.

By Mr. CHENEY:

H.R. 3332. A bill to authorize the Secretary of the Interior to construct, operate, and maintain modifications of the existing Buffalo Bill Dam and Reservoir, Shoshone project, Pick-Sloan Missouri Basin program, Wyoming, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. VAN DEERLIN (for himself, Mr. Collins of Texas, and Mr. Broyhill):

H.R. 3333. A bill to establish certain requirements relating to interstate and foreign telecommunications, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. D'AMOURS:

H.R. 3334. A bill to amend the Merchant Marine Act, 1936, with respect to the appointment of representatives of U.S. flag-liner-carriers to the delegation of the U.S. Government to any international conference or meeting affecting liner ocean shipping; to the Committee on Merchant Marine and Fisheries.

By Mr. D'AMOURS (for himself, Mr. Boland, Mrs. Byron, Mr. Carr, Mr. Cleveland, Mr. Conte, Mr. Ertel, Mr. Gilman, Mr. Glickman, Mr. Gudger, Mr. Hance, Mr. Kostmayer, Mr. Luken, Mr. Lundine, Mr. McHugh, Mr. Mitchell of New York, Mr. Moakley, Mr. Murphy of Pennsylvania, Mr. Neal, Mr. Richmond, Mr. Robinson, Mr. Rose, Mr. St Germain, Mr. Scheuer, Mr. Simon, Mr. Vento, Mr. Charles Wilson of Texas, Mr. Wolpe, and Mr. Yatron):

H.R. 3335. A bill to amend the Internal Revenue Code of 1954 to provide that expenditures for woodburning stoves shall be eligible for the residential energy credit for energy conservation expenditures; to the Committee on Ways and Means.

By Mr. FAUNTROY (for himself Mr. Reuss, Mr. Harris, and Mr. Dellums):

H.R. 3336. A bill to amend the District of Columbia Redevelopment Act of 1945, and for other purposes; to the Committee on the District of Columbia.

By Mr. GREEN (for himself, Mr. Addabbo, Mr. Biaggi, Mr. Bingham, Mrs. Chisholm, Mr. Downey, Ms. Ferraro, Mr. Fish, Mr. Garcia, Mr. Gilman, Mr. Hanley, Ms. Holtzman, Mr. Horton, Mr. Kemp, Mr. LaFalce, Mr. Lee, Mr. Lent, Mr. Lundine, Mr. McEwen, Mr. McHugh, Mr. Mitchell of New York, Mr. Murphy of New York, Mr. Nowak, Mr. Ottinger, Mr. Peyser, Mr. Rangel, Mr. Richmond, Mr. Rosenthal, Mr. Scheuer, Mr. Solarz, Mr. Solomon, Mr. Stratton, Mr. Weiss, Mr. Wolff, Mr. Wydler, and Mr. Zeferetti):

H.R. 3337. A bill to amend title II of the Federal Water Pollution Control Act to extend the period from 24 to 36 months that funds allotted to a State for construction of treatment works shall remain available for obligation by the State; to the Committee on Public Works and Transportation.

By Mr. HANLEY:

H.R. 3338. A bill to provide training opportunities for employees of the Office of the Architect of the Capitol, the Botanic Garden, and the Senate restaurant; to the Committee on Post Office and Civil Service.

By Mr. HANLEY (by request):

H.R. 3339. A bill to provide for the employment and compensation of employees of the General Accounting Office and for other purposes; to the Committee on Post Office and Civil Service.

By Ms. HOLTZMAN:

H.R. 3340. A bill to require private pension plans to provide survivor annuity benefits, based upon the participant's vested benefit, in the case of participants who die before the earliest retirement age under the plan; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. JEFFORDS:

H.R. 3341. A bill to amend the Federal Salary Act of 1967 and the Legislative Reorganization Act of 1946 to suspend increases in the rates of pay of Congressmen until the Congress adopts a concurrent resolution on the budget which provides for a balanced Federal budget; to the Committee on Post Office and Civil Service.

By Mr. JONES of Oklahoma (for himself and Mr. Sawyer):

H.R. 3342. A bill proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact laws by voting on legislation in a national election; to the Committee on the Judiciary.

By Mr. McKINNEY (for himself, Mr. Edwards of California, Mr. Dellums, Mr. Mazzoli, Mr. Diggs, Mr. Fauntroy, and Mr. Marks):

H.R. 3343. A bill to permit civil suits under section 1979 of the Revised Statutes (42 U.S.C. 1983) against any person acting under color of any law or custom of the District of Columbia who subjects any person within the jurisdiction of the District of Columbia to the deprivation of any right, privilege, or immunity secured by the Constitution and laws; to the Committee on the District of Columbia.

By Mr. MILLER of Ohio:

H.R. 3344. A bill to amend the Trade Act of 1974 in order to prohibit the designation of certain ferroalloy articles as eligible articles for duty-free treatment under the Generalized System of Preferences; to the Committee on Ways and Means.

By Mr. MOAKLEY:

H.R. 3345. A bill to amend the Civil Rights Act of 1964 to make it an unlawful employment practice to discriminate against individuals who are physically handicapped because of such handicap; to the Committee on Education and Labor.

By Mr. MOTTL:

H.R. 3346. A bill to restore and promote competition in the petroleum industry and for other purposes; to the Committee on the Judiciary.

By Mr. Neal:

H.R. 3347. A bill to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal years 1980 and 1981; to the Committee on Banking, Finance and Urban Affairs.

By Mr. NEAL (by request):

H.R. 3348. A bill to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal years 1980 and 1981; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PAUL (for himself, Mr. Charles H. Wilson of California, Mr. Corrada, Mr. Weaver, Mr. Whitehurst, Mr. Addabbo, Mr. Jenrette, Mr. Clay, Mr. Flood, Mr. Won Pat, Mr. Derwinski, Mr. Mitchell of Maryland, Mr. Dannemeyer, Mr. Winn, Mr. Perkins, Mr. Hawkins, Mr. Fascell, Mr. Murphy of Pennsylvania, Mr. Ertel, Mr. Neal, Mr. Horton, Mr. Stokes, Mr. Seiberling, and Mr. Rangel):

H.R. 3349. A bill to direct the Secretary of the Treasury to strike and sell gold medallions to the general public; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 3350. A bill to repeal section 309 of title 37, United States Code, which authorizes additional pay for performance of administrative duty; to the Committee on Armed Services.

H.R. 3351. A bill to amend chapter 55 of title 10, United States Code, to authorize dependents of members of the uniformed services serving on active duty to use CHAMPUS inpatient cost-sharing rates for certain surgery performed on an outpatient basis; to the Committee on Armed Services.

By Mr. ROSTENKOWSKI (for himself and Mr. Conable):

H.R. 3352. A bill to provide for the temporary suspension of duty on the importation of fluorspar; to the Committee on Ways and Means.

By Mr. ROSTENKOWSKI (for himself and Mr. Vanik):

H.R. 3353. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of repayments of supplemental unemployment compensation benefits required by reason of the receipt of trade readjustment assistance; to the Committee on Ways and Means.

By Mr. STRATTON:

H.R. 3354. A bill to authorize appropriations for fiscal year 1980 for conservation, exploration, development, and use of naval petroleum reserves and naval oil shale reserves, and for other purposes; to the Committee on Armed Services.

By Mr. UDALL (for himself and Mr. Preyer):

H.R. 3355. A bill to amend the provisions of title 39, United States Code, relating to the use of the frank, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CHARLES WILSON of Texas:

H.R. 3356. A bill to protect the confidentiality of the indentities of certain employees of the Central Intelligence Agency; to the Permanent Select Committee on Intelligence.

By Mr. WRIGHT (for himself, Mr. Zablocki, Mr. Aspin, Mr. Rose, Mr. Mineta, and Mr. Robinson):

H.R. 3357. A bill to protect the confidentiality of the identities of certain employees of the Central Intelligence Agency; to the Permanent Select Committee on Intelligence.

By Mrs. SCHROEDER (for herself, Mr. Kogovsek, Mr. Wirth, Mr. Kramer, Mr. Johnson of Colorado, Mr. Duncan of Tennessee, Mr. Michel, Mr. Addabbo, Mr. Boland, Mr. Dickinson, Mr. St Germain, Mr. Fazio, Mr. Corrada, Mr. Rahall, Mr. Nedzi, Mr. Montgomery, Mr. Duncan of Oregon, Mr. Winn, Mr. Roe, Mr. Diggs, Mr. Ichord, Mr. Flood, Mr. Conte, Mr. Panetta, Mr. Erdahl, Mr. Ginn, Mr. Cavanaugh, Mr. Oberstar, Mr. Whitehurst, Mr. Dixon, Mr. Burgener, Mr. Downey, Mr. Fountain, Mr. Hall of Texas, Mr. Vento, Mr. Fary, Mr. Gudger, Mr. Horton, Mr. Weaver, Mr. Evans of Georgia, Mr. Won Pat, Mr. de la Garza, Mr. Derwinski, Mr. Lloyd, Mr. Perkins, Mrs. Holt, Mr. Wolpe, Mr. Hutto, Mr. Dan Daniel, Mr. Carr, Mr. McCormack, Mr. Symms, Mr. Pepper, Mr. Price, Mr. Howard, Ms. Mikulski, Mr. Gilman, Mr. Tauke, Mr. Richmond, Mr. Scheuer, Mr. Hughes, Mr. Thomas, Mr. Dornan, Mr. Nolan, Mr. Frost, and Mr. Maguire):

H. Con. Res. 90. Concurrent resolution commending the U.S. Air Force Academy on its 25th anniversary; to the Committee on Armed Services.

By Mr. SOLARZ:

H. Con. Res. 91. Concurrent resolution urging the Government of Syria, on humanitarian grounds, to permit Syrian Jews to emigrate; to the Committee on Foreign Affairs.

By Mr. FOWLER (for himself, Mr. Gore, Mr. Perkins, Mrs. Boggs, Mr. Kogovsek, Mr. Brinkley, Mr. Dellums, Mr. Jeffords, Mr. Jenrette, Mr. Beilenson, Mr. Stump, Mr. Hutto, Mr. Marlenee, Mr. Evans of Georgia, Mr. Jenkins, Mr. Ginn, and Mr. Barnard):

H. Res. 190. Resolution disapproving the final recommendations of the Secretary of Transportation designating the basic route system for Amtrak; to the Committee on Interstate and Foreign Commerce.

By Mr. GOODLING (for himself, Mr. Devine, Mr. Roe, and Mr. Jeffords):

H. Res. 191. Resolution establishing a Special Committee on Long Term Care for the Elderly; to the Committee on Rules.

By Mr. JEFFORDS:

H. Res. 192. Resolution amending rule XI of the Rules of the House of Representatives with respect to requiring a vote of the House to authorize foreign travel by Members; to the Committee on Rules.

By Mr. McKINNEY:

H. Res. 193. Resolution relating to the need to establish a City Museum of the District of Columbia for compiling, researching, and documenting the history of the planning, development, institutions, events, and resident population of the Nation's Capital; to the Committee on the District of Columbia.

H. Res. 194. Resolution relating to the restoration and use, as the City Museum of the District of Columbia, or a related appropriate public or commercial purpose, of the former Masonic Hall at Ninth and F Streets NW., Washington, D.C.; to the Committee on the District of Columbia.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOLAND:

H.R. 3358. A bill for the relief of Mrs. Mae Ferris; to the Committee on the Judiciary.

By Mr. FAUNTROY:

H.R. 3359. A bill for the relief of Doctor Halla Brown; to the Committee on the Judiciary.

By Mr. GOODLING:

H.R. 3360. A bill for the relief of Anthony P. Petrucci; to the Committee on the Judiciary.

By Mr. THOMAS:

H.R. 3361. A bill to establish the true location of a portion of northerly boundary of the Angeles National Forest, located in Los Angeles County, Calif., on the common line between sections 16 and 17, township 4 north, range 10 west, San Bernardino meridian, and to establish the center quarter corner of said section 16: to the Committee on Interior and Insular Affairs.

By Mr. WALGREN:

H.R. 3362. A bill for the relief of Ivy Gertrude Ramsaran; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 39: Mr. Guarini, Mr. Dixon, Mr. Leland, Mr. Luken, Mr. Matsui, and Mr. Stack.

H.R. 65: Mr. Andrews of North Dakota, Mr. Fithian, Mr. Gilman, Mr. Nedzi, Mr. Rose, Mr. Seiberling, Mr. Thomas, and Mr. Weaver.

H.R. 1307: Mrs. Snowe.

H.R. 1545: Mr. Thompson, and Mr. Kostmayer.

H.R. 1603: Mr. Bafalis, Mr. Hutto, Mr. Mitchell of New York, Mrs. Byron, Mr. Jeffords, Mr. Davis of Michigan, Mr. Baldus, Mr. Bethune, Mr. Whitehurst, Mr. Stenholm, Mr. Tauke, Mr. Cavanaugh, Mr. Stump, and Mr. Myers of Indiana.

H.R. 1714: Mr. Corcoran.

H.R. 1913: Mr. Hillis and Mr. Whitten.

H.R. 2074: Mr. Waxman, Mr. Mitchell of Maryland, Mr. Clay, Mr. McCloskey, Mr. Rosenthal, Mr. Rangel, Mr. Miller of California, Mr. Stark, Mr. Sabo, Mr. AuCoin, Mr. Barnes, Mr. Bingham, Mr. Beilenson, Mr. Brodhead, Mr. John L. Burton, Mr. Phillip Burton, Mrs. Chisholm, Mr. Conyers, Mr. Dellums, Mr. Diggs, Mr. Dixon, Mr. Edgar, Mr. Edwards of California, Mr. Fauntroy, Mr. Gray, Mr. Green, Mr. Hawkins, Ms. Holtzman, Mr. Lehman, Mr. Leland, Mr. Lowry, Mr. Markey, Mr. Mineta, Mr. Moffett, Mr. Ottinger, Mrs. Schroeder, Mr. Shannon, Mr. Studds, Mr. Weaver, and Mr. Yates.

H.R. 2416: Mr. English, Mr. Winn, Mr. Evans of Georgia, Mr. Andrews of North Dakota, Mr. Marlenee, Mr. Whittaker, Mr. Daschle, Mr. Stangeland, and Mr. Hansen.

H.R. 2550: Mr. Murphy of Illinois.

H.R. 2553: Mr. Bafalis, Mr. Collins of Texas, Mr. Dan Daniel, Mr. Davis of Michigan, Mr. Dornan, Mr. Edgar, Mr. Evans of Georgia, Mr. Gingrich, Mr. Grisham, Mr. Horton, Mr. Jones of North Carolina, Mr. Kindness, Mr. Mitchell of New York, Mr. Patten, Mr. Robinson, Mr. Roe, Mr. Runnels, Mr. Symms, Mr. Wampler, Mr. Wolff, Mr. Young of Alaska, and Mr. Goodling.

H.R. 2647: Mr. Lee, Mr. Downey, Mr. Luken, Mr. Robert W. Daniel, Jr., Mr. Dornan, and Mr. Pease.

H.R. 2648: Mr. Lee, Mr. Downey, Mr. Luken, Mr. Robert W. Daniel, Jr., Mr. Dornan, and Mr. Pease.

H.R. 2657: Mr. Dornan, Mr. Kemp, Mr. Kostmayer, and Mr. McDade.

H.R. 2679: Mr. Corrada, Mr. Whitehurst, Mr. Flood, Mr. Bedell, Mr. Lagomarsino, Mr. Evans of Georgia, Mr. Dornan, Mr. Dellums, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Andrews of North Dakota, Mr. Dan Daniel, Mr. Wampler, Mr. Bevill, Mr. Yatron, Mrs. Holt, Mr. Gilman, Mr. Stangeland, Mr. Leach of Iowa, Mr. Cleveland, Mrs. Spellman, Mr. Donnelly, Mr. Blanchard, Mr. Solomon, Mr. O'Brien, Mr. Wolff, and Mr. Ford of Michigan.

H.R. 2727: Mrs. Bouquard, Mr. Fithian, Mr. Zeferetti, Mr. Bethune, Mr. Jones of North Carolina, Mr. Thomas, and Mr. Tauke.

H.R. 2792: Mr. Giaimo, Mr. Harris, Mr. Mottl, and Mr. Yates.

H.R. 3105: Mr. Walker, Mr. Grisham, Mr. Devine, Mr. Stump, Mr. Whittaker, Mr. Kelly, and Mr. Whitehurst.

H.R. 3247: Mr. Stump.

H.R. 3263: Mr. Levitas.

H.J. Res. 144: Mr. Wolpe, Mr. Traxler, Mr. Burlison, Mr. Hance, Mr. Williams of Montana, Mr. Hightower, Mr. Stangeland, Mr. Stenholm, Mr. Kogovsek, Mr. Oberstar, Mr. Bonior of Michigan, Mr. Daschle, Mr. Leath of Texas, Mr. Albosta, Mr. Pickle, Mr. Cavanaugh, Mr. Davis of South Carolina, Mr. Hall of Texas, Mr. Scheuer, Mr. Perkins, Mr. Kildee, Mr. Barnard, Mr. Nichols, Mr. Flippo, Mr. Gramm, Mr. Ginn, Mr. Hubbard, Mr. Jones of North Carolina, and Mr. Fountain.

H. Con. Res. 54: Mr. Garcia.

H. Con. Res. 57: Mr. Flood, Mr. Badham, Mr. Skelton, Mr. Evans of Georgia, Mr. Mitchell of New York, Mr. Broyhill, Mr. Wyatt, Mr. Dougherty, Mr. McCloskey, Mr. Trible, Mrs. Bouquard, Mr. McDonald, Mr. Charles Wilson of Texas, Mr. Edgar, Mr. Spence, and Mr. Brown of Ohio.

H. Con. Res. 85: Mr. Anderson of Illinois, Mr. Andrews of North Dakota, Mr. Archer, Mr. Atkinson, Mr. Badham, Mr. Bailey, Mr. Beard of Rhode Island, Mr. Beard of Tennessee, Mr. Bereuter, Mr. Bethune, Mr. Butler, Mr. Carney, Mr. Coelho, Mr. Daniel B. Crane, Mr. Dannemeyer, Mr. Davis of Michigan, Mr. Devine, Mr. Dornan, Mr. Florio, Mr. Forsythe, Mr. Gingrich, Mr. Goldwater, Mr. Gradison, Mr. Grassley, Mr. Hagedorn, Mr. Hance, Mr. Hansen, Mr. Hightower, Mr. Hinson, Mrs. Holt, Mr. Hyde, Mr. Kindness, Mr. Lagomarsino, Mr. Lee, Mr. Levitas, Mr. Lewis. Mr. Lloyd, Mr. Long of Maryland, Mr. Lott, Mr. Lujan, Mr. Lundine, Mr. McClory, Mr. Montgomery, Mr. Myers of Pennsylvania, Mr. Mottl, Mr. Patterson, Mr. Roth, Mr. Sensenbrenner, Mr. Shuster, Mr. Skelton, Mr. Solomon, Mr. Symms, Mr. Synar, Mr. Trible, Mr. Walker, Mr. Watkins, Mr. Whitehurst, Mr. Whittaker, Mr. Winn, Mr. Wolpe, Mr. Yatron, Mr. Brown of California, and Mr. Murtha.

EXTENSIONS OF REMARKS

ST. JOSEPH'S MEMORIAL HOSPITAL, KOKOMO, IND.

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. HILLIS. Mr. Speaker, today the House Ways and Means Committee, Subcommittee on Health, is holding hearings on the President's hospital cost control proposal. One of the witnesses is Sister M. Martin McEntee, administrator of St. Joseph Memorial Hospital in Kokomo, Ind.

St. Joseph's is a 248-bed general acute hospital. It is a private hospital operated by the Sisters of Joseph of Tipton, Ind. I am quite familar with the hospital and can guarantee its high quality of care. Sister Martin has been the administrator there for 10½ years and is highly respected throughout Indiana for her work. She is presently the chairman of the Indiana Hospital Association.

I believe the testimony being presented today by Sister Martin should be brought to the attention of the entire House. Portions of her statement follow:

ST. JOSEPH MEMORIAL HOSPITAL, KOKOMO, IND.

Mr. Chairman, Members of the Committee, I am Sister M. Martin McEntee, Administrator of St. Joseph Memorial Hospital in Kokomo, Indiana.

As a participating member of the Indiana Voluntary Rate Review Program, our hospital already offers its patients quality care at a lesser cost than do other hospitals of our size. According to the AHA panel survey for the month of November, 1978, adjusted expenses per admission at SJMH were $1,267. This was 25 percent below the $1,679 average adjusted expenses of 54 hospitals our size in a five-state region.

Because of our efforts to manage effectively, we would be penalized by a mandatory system which uses a percentage increase applied to all hospitals. A 9.7 percent increase on our $1,267 average per admission would amount to $123, or a new average of $1,390.

A 9.7 percent increase on the $1,679 average of the 54 hospitals in our category would amount to $163, or a new average of $1,842.

In other words, while our expenses are already $400 or 25 percent below similar sized hospitals in our region, our allowable increase would be $40 less per admission to meet the same inflation and growth factors. As so many regulations tend to do, this proposal rewards past inefficiencies and penalizes the efficient. Having suffered through a similar experience during the Economic Stabilization Program, we do not welcome a repeat performance!

Kokomo, Indiana, now ranks 13th in the nation in household effective buying income. It is projected that by 1985 our county (Howard) will rank fourth in the nation in EBI. We are competing in a labor market that is highly industrialized, highly unionized, and fiercely competitive, and some 57 percent of our total expenses are attributable to salaries, wages and benefits. We are therefore especially vulnerable to increases in the minimum wage and in social security tax such as imposed by the government this year.

THE FEDERAL GOVERNMENT AS EMPLOYER

The government is a keen competitor in the labor market. A clerk typist would be employed at SJMH at a starting salary of $3.68 or at the Kokomo branch of the United States Post Office at $7, a difference of 90 percent. A registered nurse would be employed at SJMH at a starting salary of $5.69, or at the Marion, Indiana, Veterans Administration Hospital at $6.58, a difference of 16 percent. The maximum annual salary for the nurse would be $15,163 at St. Joseph's, or $25,041 at the VA—a difference of 65 percent.

We believe the Administration's proposed cost control program would only further complicate our efforts to recruit and retain qualified personnel.

THE FEDERAL GOVERNMENT AS REGULATOR

The federal government as regulator has been a primary cause for rising hospital costs. We have recognized the need for a cardiac diagnostic and rehabilitation program which would assist in the prevention and treatment of coronary disease. The Central Indiana Health Systems Agency has established a goal of reducing our area's death rate from heart disease from 379.6 to 323.6 per 100,000 population. We have postponed this program due to unbudgeted expenses necessitated by compliance with life safety codes enforced by governmental agencies such as OSHA. In 1978, for example, we spent some $50,000 to bring doors and stairwells into compliance. Building modifications required by the Rehabilitation Act have cost approximately $20,000 to date. Our benefit plans have been modified and become more costly in response to ERISA requirements.

It was decided that we could no longer postpone the establishment of the cardiac diagnostic and rehabilitation program. The program was planned, existing space reallocated, and equipment needs projected. An estimated cost of $204,600 was determined. An additional $10,000 is anticipated to meet life safety codes. $7800 has been expended in completing the application for the Central Indiana Health Systems Agency. Because of the 90-day delay, we estimate an additional $3,800 due to inflation, and loss of net income of $11,200. Thus an additional $32,800 or 16 percent has been added to the cost of the project as a direct result of governmental regulation.

The cost to gain planning approval merely to replace automated chemistry equipment in our laboratory when a seven year lease expired was estimated to be $2,500. The cost to gain planning approval to replace an obsolete telephone system was estimated to be $3,500. This project could be considered a capital expenditure only through a tortured interpretation of the regulations. We don't own the system, we didn't sign a lease, we'll just pay the monthly bill!

The federal government as regulator designed the program known as Professional Standards Review Organization. Cooperating fully and in good faith with our local PSRO, our hospital signed a contract with that group on December 27, 1978, and began "binding review" on January 16, 1979, at a negotiated contract price of $9.77 per admission (Medicare/Medicaid). On February 7, 1979, even prior to submitting our first claim to PSRO, we were notified that our reimbursement rate would be decreased from $9.77 to $5.37. In just 5 weeks the process had been revised—an action typical of governmental regulations and adding to increased costs.

I am not here today to object to ERISA, PSRO, OSHA, HSA's, etc., but only to demonstrate that they strongly, directly, and adversely affect hospital costs.

THE GOVERNMENT AS PAYOR

Since the passage of the Medicare/Medicaid Act in 1967, our government has told its citizens that health care is a right. People consequently expect and demand the most advanced care and equipment and are not reluctant to sue the provider if, in their opinion, such care is not provided.

The millions of dollars spent by the federal government for research in health, such as heart disease, cancer, stroke are reaping benefits. New discoveries and technologies are enabling the average American to live longer and longer. The Indiana State Board of Health in a Summer, 1978, publication estimates a 40 percent increase in the number of persons over 65 in the period between 1975 and 2000. The average life span increased by 4 years between 1950 and 1975; it increased 1.5 years between 1970 and 1975—twice the rate of increase for the previous ten years.

In my own hospital, patient days for persons under 65 years of age have decreased by 5.3 percent in the period 1973–78. Patient days for persons over 65 have increased during that same period by 14.4 percent. In 1973, Medicare patient days represented 31 percent of our total days; in 1978, that figure had risen to 36 percent.

We are privileged to care for the senior citizens of our community but suffer from a most inadequate Medicare reimbursement program. Our audited financial statements for 1978, prepared by Ernst and Ernst, show a Medicare Contractual Allowance of $705,000.

This is an increase of 348 percent over the 5-year period 1973–78. The $705,000 contractual allowance for 1978 represents dollars which Medicare will not pay for charity (including Hill-Burton), bad debts, asset replacement, needed improvements and renovation, and other disallowed but necessary overhead costs. Our non-Medicare patients are forced to subsidize the federal government at this rate, which amounts to a subsidy of $15.82 for every non-Medicare day. I have become a tax collector for the federal government and am, in effect, collecting a hidden tax from all non-governmental patients. An aging population will continue to increase the ratio of Medicare to non-Medicare patients and places an even greater burden on our hospitals and its patients.

SUMMARY

The federal government as employer, regulator, payor, has contributed significantly to rising hospital costs.

Our hospital has postponed needed programs in order to comply with questionable governmental regulations.

We are already well below our category average in adjusted expenses per admission. Mandatory cost controls placed on all hospitals would especially penalize hospitals like my own which have been cost conscious. We would again be forced to postpone needed services which could in effect promote better health and lessen the need for future hospitalization.

I urge you, our representatives to oppose such controls and to insist on Congressional review of the many burdensome regulations spawned by the Executive branch of our government.

I also ask that you seriously consider what has been done by several states having voluntary rate review programs. An HEW funded study has proven the effectiveness of the Indiana System.

I thank you most sincerely and respectfully for this opportunity.●

A PLAN FOR ENERGY INDEPENDENCE

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. PURSELL. Mr. Speaker, once again the crisis. And once again the crisis response. President Carter is scheduled to speak to the Nation next week on the subject of energy. He already has sent to Congress emergency standby legislation to deal with oil shortages, based on scenarios from a continuation of the Iranian shortage to more serious situations.

We are looking at proposals to ration gasoline to about 2 gallons per car per day, and conservation measures such as Sunday gas station closings, a ban on decorative lighting, and mandatory heating and cooling regulations for buildings.

The Iranian oil interruption has been costing the United States about 5 percent of its usual oil imports. The gas rationing plan is reportedly designed to go into effect only in the event of a much more serious squeeze in the neighborhood of a 20-percent shortage, but there are indications the plan might be implemented under less serious circumstances.

As these proposals came before us, the last oil tankers to leave Iran before the revolution had arrived at U.S. ports. We are not presently receiving additional oil from Iran, but the only shortages we have had up to this time have been anticipatory ones, with companies parceling out supplies in expectation of lean days ahead.

Our oil problems are not confined to the availability of oil. Perhaps even more serious is the imposition of additional steep price increases, further threatening the United States and world economies.

On Tuesday it was announced that the OPEC cartel would immediately increase prices by 9 percent, to $14.54 per barrel. This accelerates the threatened imposition of a price increase by a full 6 months, and was accompanied by an announcement that even higher prices would be extracted in some circumstances. They also announced that they would hold down production, purposely not meeting demand, which will inevitably force prices still higher.

Oil from various sources is already selling at higher levels, and spot sales between $20 and $25 per barrel have been recorded. Iran is seeking to sell to the highest bidder under its renewed production plan. The clear pattern is, at best, for continuing general price increases and, at worst, a uniform system of selling to the highest bidder. Any thought that the countries currently practicing oil extortion are going to take an altruistic interest in the economic plight of other countries is a myth.

Our own experience demonstrates the frightening magnitude of our virtually unchecked dependence on foreign oil supplies. The cost of U.S. oil imports has gone from $4.7 billion in 1972 (before the embargo) to $42.3 billion in 1978. With the current upward pressure in prices, our import bill could top $50 billion this year. That means that we will probably be paying $1 or more per gallon for gasoline before long and be thankful it is available even at that price.

But none of this should be any real surprise. The writing has loomed huge on the wall for 5 years now. The real question is why the technical genius of this Nation has not been focused in an all-out effort to eliminate our insanely dangerous dependence. Our startling failure to act is incompetent, unjustifiable, and inexcusable.

It is frustrating to see the United States walking the tightrope over a multitude of disasters, with no coherent plan to rid us of this intolerable burden.

We have to assign the highest priority to escaping this trap. But we have not done it yet. And the clock is ticking.

Last year, after much debate and compromise, Congress enacted the so-called National Energy Act, which emphasizes conservation, existing technologies, and taxes. One of the worthiest goals of that legislation is to provide incentives for increased domestic exploration and production of oil and gas. In this regard, I am pleased to note that the U.S. petroleum industry plans record capital expenditures this year—over 14 percent above 1978, with the number of wells projected to hit a 20-year high.

Of course the jury is still out on the merits of the National Energy Act; however, regardless of the verdict, Congress must take seriously the obvious need to develop alternative energy sources, as the "age of petroleum" enters its declining years.

There's little doubt that the greatest single threat of global warfare centers on energy supply. Various officials of the U.S. Government, including Defense Secretary Brown and Energy Secretary Schlesinger have made clear the possibility of U.S. armed intervention if vital fuel supplies were threatened.

Based on these and other facts, nothing could be more apparent than the need for the United States to move as rapidly as possible to free our Nation from dependence on foreign energy. How long will the United States allow itself to remain subservient to unconscionable economic blackmail? How long will we watch the world economy slip toward chaos before we decide to focus our full technical and scientific resources to end this stranglehold?

It does little good to raise these alarms without a solid proposal for helping America escape from this energy trap. Accordingly, on February 21, I introduced a bill—H.R. 2288—entitled, "The National Energy Trust Fund Act," to finance an intense program of research and development, patterned after the space program, to develop a broad variety of alternative energy systems. Under this trust fund, we would rapidly accelerate efforts in fusion, solar, geothermal, and related new energy sources.

President Carter has asked Congress to appropriate approximately $3 billion this year for research, development, and demonstration projects for alternative energy sources. My trust fund proposal would quadruple that effort over a 5-year period, by adding $2 billion to energy research in 1981, building the additional funding to a peak of $12 billion in 1985, and then phasing out the extra funding as the goals of the program are met.

In short, H.R. 2288 would include:

Establishment of a trust fund from the proceeds of any tax imposed specifically to promote energy supply or conservation. In that way, such taxes would directly fund new domestic energy supplies for our people. Otherwise the trust fund money would come from existing tax revenues, even if we have to temporarily divert some money from less urgent programs.

The availability of loans, contracts, and grants to qualifying individuals and organizations, including municipalities, colleges, universities, corporations, and other businesses, so as to insure a close partnership between the public and private sectors that would encourage maximum use of the technical and innovative resources of the Nation.

In my opinion, we simply cannot delay any longer. I urge my colleagues to join me in this effort to prepare our country for energy independence. Continued failure to develop a completely secure, domestic energy supply invites grave consequences.●

PEACE IN THE MIDDLE EAST

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. MAZZOLI. Mr. Speaker, as did many of my colleagues, I attended the March 26, 1979, White House signing of the peace treaty between Egypt and Israel. I also had the honor of visiting with President Sadat and Prime Minister Begin when they visited the House.

There is no nobler effort that mankind can engage in than the bringing of peace. The Middle East and Israel have been ravaged by wars for over 30 years, and, even more than any of us, the residents of that troubled area should appreciate the nobility of this peace effort.

From the words of President Carter, Prime Minister Begin, and President Sadat, it is clear that these three men worked hard for peace, in part at least, because they are men of faith who share a belief that they serve a peace-loving God.

This common belief motivated an effort that transcended political difficulties, and cultural and religious differences. This common belief has taken not only these men but the entire world a step closer to peace.

We must remember that there are still barriers to a complete and final peace in this troubled part of the world.

We must be prepared to support with our prayers the struggles, compromises, and efforts of will and spirit that our President and other leaders will be called upon to make in the service of peace.

No matter how difficult the course ahead may be, we must not lose sight of the opportunity for peace provided by this treaty. In the days ahead, ours must never be the course of despair or inflexibility.

In the words of Abraham Lincoln, caught in the midst of a terrible time of war, "it is rather for us to be here dedicated to the great task remaining before us * * *".

Peace, shalom, salaam.●

DANGER MINIMAL AT NUCLEAR PLANT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. PAUL. Mr. Speaker, when six or eight poor souls are crushed to death in a mine cave-in in West Virginia, no one suggests that we stop using coal to generate electricity.

But antiprogress reactionaries are using the accident at Three Mile Island nuclear powerplant near Harrisburg, Pa., to build up a critical mass of hysteria.

The Nuclear Regulatory Commission told my office this morning that the maximum dosage of radiation a person within 2½ miles of the plant could receive was 1 to 1½ milliroentgens an hour. This minute amount of radiation is no danger whatsoever, even if it were to continue for several days. And it will not.

A normal chest X-ray gives you up to 100 milliroentgens. Your own blood gives you an internal dose of 20 milliroentgens from the radioactive potassium-40 in it. A round-trip jet flight from Washington to Los Angeles gives you 10. My friend, Dr. Peter Beckmann, points out that just living in Colorado gives you 120. Your luminescent watch gives you one-half milliroentgen.

Nuclear energy is the safest wav of producing energy. Despite the accident at Three Mile, automatic control systems during the middle of the night shut down the reactor and turbine. A nuclear plant is the only type of energy facility with automatic controls that gives a second and a third and a fourth and a fifth chance to halt any problems. This is not true when there is a fire in an oil refinery or a dam breaks at a hydroelectric plant.

The plant functioned, dangerous radioactivity was caught in the containment building, as it is supposed to be.

Far from demonstrating the dangers of nuclear power, this accident shows its safety.

But no form of producing heat and light is entirely safe. The recent autopsy on the frozen body of an Eskimo woman dead thousands of years showed she died of black lung disease, from inhaling the fumes of oil lamps.

Let's cool down the emotional reaction and let the free market go full speed ahead on nuclear energy. We will need nuclear plants, if in the future we are not to shiver in cold, dark houses, out of work because of industries and businesses that have run out of power.

As a physician strongly concerned with health and safety, I prescribe more nuclear energy, not less, for the people of our country. The book that documents this brilliantly is "The Hazards of Not Going Nuclear," by Dr. Beckmann, a nuclear expert. I cannot recommend this excellent book too highly.●

DO WE NEED THE SOFT DRINK INTERBRAND COMPETITION ACT?

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. STARK. Mr. Speaker, within the past several weeks, the national soft drink industry has been in contact with Members of both houses of Congress expressing their concern over a ruling by the Federal Trade Commission (FTC) which struck down the exclusive franchise boundaries which have existed since the birth of the soft drink industry.

As a response to the FTC ruling, which is on appeal in the U.S. Court of Appeals for the District of Columbia, the National Soft Drink Association has persuaded numerous members to sponsor legislation known as the Soft Drink Interbrand Competition Act which would exempt the soft drink industry from certain provisions of antitrust laws and guarantee the legality of these boundaries.

The bottling industry is concerned that without the security of the franchise boundaries, small bottlers would be forced out of the business by larger competitors until only a few giant regional bottlers would exist.

In examining the bill proposed by the bottlers, and as a result of inquiries from bottlers in and around California's Ninth Congressional District, I asked the Congressional Research Service to look at the proposed measure and determine whether or not existing laws adequately protect the bottlers from predatory or unfair practices by larger bottlers.

The CRS analysis of existing antitrust laws in relation to the proposed soft drink bill follows. I trust it will be of interest to those members who have not yet taken a position on this issue.

LAWS PROTECTING SMALL BUSINESSES FROM PREDATORY PRICING PRACTICES OF LARGER COMPANIES

The soft drink industry currently operates under an exclusive territorial franchise system—exclusive because the manufacturer agrees that he will supply his product to a wholesaler in a certain district and also that he will supply his product to no other in that district; territorial because the manufacturer also requires that the wholesaler sell only within a certain territory. The FTC has recently ruled that this franchise system is illegal and has issued a cease and desist order. This ruling has been appealed by the syrup manufacturers to the Court of Appeals of the District of Columbia Circuit, but no decision has yet been handed down by the Court. Meanwhile, there have been numerous legislative proposals introduced to counteract the FTC's decision which would permit the soft drink industry's structure to remain, unless an absence of substantial and effective competition on the interbrand level is found.

The impetus behind such legislation is the fear that small bottlers will be put out of business if the territorial system no longer exists. This reasoning does not include the possibility of small bottlers protecting themselves from predatory pricing by bringing suit against competitors who use such tactics. The major federal statute invoked in situations of "below cost" pricing is the Robinson-Patman Act, 15 U.S.C. § 13, 13a, 13b, 21a (1970).

ROBINSON-PATMAN ACT

This statute was enacted June 19, 1936 principally to amend the price discrimination provisions of Section 2 of the Clayton Act. It imposes civil liability through governmental enforcement and private treble damage actions. By custom, not law, virtually all civil governmental actions have been brought by the FTC. The Department of Justice has concurrent authority with the FTC to enforce the Robinson-Patman Act. It has sole jurisdiction to enforce Section 3 of the Robinson-Patman Act, a seldom used provision, which makes it unlawful for any person engaged in commerce, in the course of such commerce:

"[1] to be a party to, or assist in, any transaction of sale, or contract to sell, which discriminates to his knowledge against competitors of the purchaser, in that, any discount, rebate, allowance, or advertising service charge is granted to the purchaser over and above any discount, rebate, allowance, or advertising service charge available at the time of such transaction to said competitors in respect of a sale of goods of like grade, quality, and quantity;

"[2] to sell, or contract to sell, goods in any part of the United States at prices lower than those exacted by said person elsewhere in the United States for the purpose of destroying competition, or eliminating a competitor in such part of the United States; or

"[3] to sell, or contract to sell, goods at unreasonably low prices for the purpose of destroying competition or eliminating a competitor.[1]

A fine of not more than $5,000 and imprisonment for not more than one year may be imposed for each violation. The Supreme Court has found that the civil sanctions of the Clayton Act—treble damages and injunctions—do not apply to violations of Section 3 of the Robinson-Patman Act.[2]

As already mentioned, treble damages (plus the cost of bringing suit and attorneys' fees) is the remedy available "to any person who shall be injured in his business or property"[3] by reason of anything forbidden in the Robinson-Patman Act or any antitrust law.

Section 2 of the Clayton Act, which imposes civil prohibitions is divided into six parts. It should be kept in mind that in order for these provisions to apply it must be proved that specified jurisdictional elements, such as the "in commerce" requirement, are present in the fact situation. A brief summary of these parts follows.

Section 2(a) is the heart of the Act. It prohibits sellers from discriminating in price. The plaintiff or enforcing authority must establish that goods "of like grade and quality" have been sold to different purchasers at different prices and the effect of this may be substantially injurious to competition. The factor of time must be considered in comparing two prices to see if there is a difference. If sales are made at different times, a variation in price between customers who do not buy simultaneously would not ordinarily be discriminatory. In determining whether competition has been injured, destroyed or prevented any one of three levels of competition can be examined for this effect: (1) competition with the seller who grants a favorable price-known as primary-level competition; (2) competition among the seller's customers, some of whom are charged less than others-secondary-level competition; and (3) competition with a person buying from a favored customer of the seller-tertiary-level competition.

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[1] 15 U.S.C. § 13a. These clauses have been assigned numbers for purposes of clarity.

[2] *Nashville Milk Co.* v. *Carnation Co.*, 355 U.S. 373 (1958).

[3] Section 4 of the Clayton Act, 15 U.S.C. § 15.

Primary-level competitive effect may be found even though the seller's competing customers are all treated alike.[4] For example, a seller who prices by territory may not affect buyers who compete with each other in reselling the product in the same locality since they both paid the same price; but the seller's own competitors may nevertheless be affected. There is no requirement that a seller had predatory intent in order to find primary-level injury.[5]

A violation of the Act may also be found when a seller's customers are not accorded like price treatment. In most cases, the favored and disfavored customers must be in actual competition in the resale of the seller's commodity for a difference in price to have any likely competitive effect at the secondary-level. There may, however, be a finding of price discrimination in "dual distribution" systems, e.g. where a wholesale sells in part to retailers and in part directly to consumers.

An example of tertiary-level injury to competition is where an oil company sold gas in tank car quantities to certain jobbers at a lower price than the tank-wagon price charged to direct buying retailers.[6] The FTC found tertiary-level competitive injury when one of these jobbers resold to retailers at a lower price than the oil company had charged its own retail customers.

Section 2(b) of the Robinson-Patman Act permits a seller to rebut a case of prima facie violation by showing that he acted in good faith to meet the equally low price of his competitors.

Other defenses recognized under this Act include: cost justification; changing market conditions; and the right of a seller to select his own customers.[7]

Section 2(c) prohibits a seller from paying a commission or brokerage, or any discount in lieu of commission or brokerage, to a buyer or to anyone acting for a buyer. It also prohibits a buyer from receiving the forbidden payment.

Sections 2 (d) and (e) have been construed as companion sections. Section 2(d) prohibits a seller from making any payment to a customer as compensation for service or facilities provided by the buyer in connection with the processing, handling, resale, or offering for resale of the goods purchased unless such payment is available on proportionally equal terms to all other competing customers. Section 2(e) prohibits the furnishing of services or facilities by a seller to a customer unless accorded to competing customers on proportionally equal terms.

Section 2(f) imposes buyer liability for knowingly inducing or receiving a discrimination in price prohibited by Section 2(a).

OTHER FEDERAL STATUTES WHICH COVER PREDATORY PRICING

Section 5 of the Federal Trade Commission Act[8] supplements the Robinson-Patman Act by prohibiting unfair methods of competition. This is particularly useful when collusive pricing is involved.[9] The Federal Trade Commission Act also covers the discrimination in the sale of services, while the Robinson-Patman Act only deals with the sale of commodities.[10]

Section 2 of the Sherman Act which bans monopolistic practices may also be applied to predatory price-cutting in local markets where the seller intends to gain monopoly power with an eye to raising prices later.[11]

STATUTES COVERING INTRASTATE TRANSACTIONS

As mentioned earlier, if transactions occur totally within one state the federal statutes do not reach sellers engaging in discriminatory or predatory pricing practices. Thirty-five states have by legislation or by case law prohibited unusually low prices or other acts whose purpose and intent is driving another out of business.[12] These state laws provide a cause of action to injured persons in the course of intrastate commerce. It is also possible, in cases where there is concurrent jurisdiction, i.e. transactions occurred in interstate commerce, to invoke the protection of both federal and state statutes.

In general, state sales-below-cost statutes prohibit sales, offers of sales, or advertisements of sales below the seller's cost, and provide both criminal and civil sanctions.[13] Most state statutes provide successful plaintiffs with the remedy of treble damages. The defenses of "cost justification" and "meeting competition" are available under most state statutes. With respect to predatory pricing, the most common provision found in the state statutes indicates that a sale below cost is not unlawful unless the proscribed purpose, intent or effect is shown. Specifically intent to destroy competition or to injure a competitor must be shown. Under most state statutes, the attorneys general are permitted to enjoin and prevent future violations; to sue to recover damages in a private suit; or to sue to punish violators under a provision which allows criminal sanctions.

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[4] *Federal Trade Commission* v. *Anheuser-Bush, Inc.*, 363 U.S. 536 (1960).

[5] *Utah Pie Co.* v. *Continental Baking Co.*, 386 U.S. 685. 703 (1967).

[6] *Federal Trade Commission* v. *Standard Oil Co.*, 355 U.S. 396 (1958).

[7] Section 2(a) of the Robinson-Patman Act, 15 U.S.C. § 13.

[8] 15 U.S.C. §§ 41–44.

[9] *Federal Trade Commission* v. *Cement Institute*, 333 U.S. 683 (1948).

[10] *Grand Union Co.* v. *Federal Trade Commission*, 300 F.2d 92 (2d Cir. 1962); see also *Federal Trade Commission* v. *Sperry & Hutchinson Co.*, 405 U.S. 233 (1972).

[11] 15 U.S.C. § 2. See *United States* v. *New York Great Atlantic & Pacific Tea Co.*, 67 F. Supp. 626 (E.D. Ill. 1946), aff'd., 173 F.2d 79 (7th Cir. 1949).

[12] *Antitrust Adviser* 351, 352 (2d ed. 1971).

[13] See Comment, 58 Michigan L. Rev. 905 (1960) for a general discussion of state below-cost-sales statutes; and McCarthy, "Whatever Happened to the Small Businessman?", 2 U. of San Francisco L. Rev. 165 (1968), for a discussion of the California Unfair Practices Act, Cal. Bus. & Prof. Code §§ 17000–17100 which is typical of many state statutes.●

JOE BARTLETT

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

Mr. JOHNSON of California. Mr. Speaker, it is a real personal pleasure to join my colleagues in this tribute to a very fine human being and a very loyal servant of the House of Representatives, Joe Bartlett.

We all know how Joe worked his way up through the ranks from his service as a page to become minority clerk of the House. We also know that if times had been different, there is a strong possibility that Joe would have been Clerk of the House of Representatives at some time.

An individual attains such responsibility only through hard work and dedication. Few could equal Joe on that score. He has always given his full effort to all he has done. We are going to miss him here in the House and we certainly wish him well as he turns his sights to other pursuits.

Thirty-seven years in any career is a landmark, but Joe has done more than put in his time. He has helped to make history and on many occasions has seen it firsthand.

Joe was always available to any Member who needed his advice or his assistance. He did his work with a smile and a sincere desire to be of help. He is a patriotic American and proud of it. For many years Joe also served in the U.S. Marine Corps Reserve, rising to the rank of general. Joe Bartlett has served his country well and deserves his well-earned retirement.

My wife Albra and I extend to Joe and his family our very best wishes for a long and happy retirement. We add our thanks for his long standing friendship. We will miss having him as an official member of the House staff, but know that he will continue to maintain his love for this Chamber and its people. May success and achievement continue to be his trademark.

THIRTY-NINTH ANNIVERSARY OF KATYN MASSACRE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. DERWINSKI. Mr. Speaker, at a time when the administration is about to renew the SALT agreement with the Soviet Union, despite the long history of Soviet duplicity, I wish to direct attention to the anniversary of one of the most diabolical of the Soviet Government crimes. I refer to the Katyn Forest massacre in which approximately 15,000 Polish Army officers were murdered by their Russian captors on March 30, 1940.

It was one of the major war crimes committed during World War II for which no one was ever punished, and it was largely overlooked by President Franklin Roosevelt in order not to offend the Soviet Union. However, the Soviet Union's method of eradication of leaders of the Polish military was followed by similar practices throughout Eastern Europe during and after World War II.

On December 22, 1952, a select committee of the U.S. House, after a thorough investigation, made its final report. It formally accused the Soviet Government of the Katyn crime and asked the State Department to present the case to the United Nations. Although, since that time, there has been occasional discussion of the event, the committee's groundwork has never been effectively implemented.

The Katyn massacre was, and remains, a classic example of the untrustworthiness of the Communists. It is especially important that we ponder the historic lesson of the Katyn massacre in view of the recent Soviet aggression in Afghanistan; their direct involvement with South Yemen's invasion into North Yemen; and the provocative political and military activities of the Soviets and their Cuban mercenaries in Africa.●

THE LESSON OF THREE MILE ISLAND

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. COUGHLIN. Mr. Speaker, early in the morning of March 28, the Three Mile Island nuclear power plant in Pennsylvania suffered one of this Nation's most serious nuclear accidents.

A cooling system failure, resulting when a Metropolitan Edison Co. operator mistakenly turned off the pumps driving the nuclear plant's emergency water cooling system, caused the reactor to overheat and ruptured the uranium fuel rods. The radiation released was detected as far away as Harrisburg, 10 miles from the plant, with further radioactive steam escaping during efforts to cool down the overheated fuel rods by flooding them with water.

The error apparently occurred at 4 a.m. when a pump driving the cooling water into the reactor broke down, causing the automatic shutdown of the nuclear reactor and initiating the emergency cooling system. An operator mistakenly turned off the emergency core cooling system, and then turned it back on again. With both cooling systems off, the reactor dangerously overheated, before the plant managers were able to flood the reactor with water to lower the temperature level.

Fifteen hours later the uranium fuel was still so hot that the plant managers had to vent the radioactive steam into the atmosphere to prevent an explosion inside the 4-foot-thick concrete dome protecting the reactor core. Radiation levels inside the reactor building registered 1,000 times normal.

With my long-time concern for nuclear power safety, the effect of a nuclear disaster cannot be understated nor can the future role of nuclear power be denied in this Nation's energy needs. I urge the Nuclear Regulatory Commission to launch an immediate field review of the operations of all other nuclear plants to determine whether conditions exist where another human error could initiate a nuclear accident. I find it frightening that an event which the nuclear power industry has long declared unlikely or even impossible, has occurred directly as a result of human error.

A full investigation of the time delay between the accident and the notification of State civil defense authorities should begin immediately. I sincerely hope that this incident at the Three Mile Island nuclear power plant, which fortunately resulted in no serious injury, will instill greater caution and prompt design and operation changes to make American nuclear reactors safer.●

TEXTILE IMPORTS: BAD FOR NEW YORK CITY AND THE NATION

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. ZEFERETTI. Mr. Speaker, one of the major factors contributing to our economic woes is the rising number of imports in many areas of manufacturing. This trend is particularly evident in America's textile and apparel industry. The textiles and apparel trade, which is the oldest and largest of the Nation's manufacturing industries, is vital to the economy of the United States. Including the businesses related to the garment industry, nearly 3 million of our workers depend on the textile, apparel, and fiber trades for employment.

The doleful state of the apparel industry has been aggravated by tariff loophole 807 of our tariff code that rewards the export of U.S. jobs and the exploitation of foreign labor. In the last Congress and in this one, I introduced legislation to repeal item 807 and urged the appropriate committee to take prompt action leading to the repeal of this item.

In light of this situation, I would like to share with my colleagues a timely article written for the New York Daily News by Pete Hamill. It speaks eloquently as a plea for understanding the plight of the 3 million textile and apparel workers in this country whose jobs are fast disappearing because of the heavy penetration of imports from many places around the world.

CLOTHING IMPORTS TAILORED TO MAKE US LOSE OUR SHIRTS

(By Pete Hamill)

First, you take care of your own. You can go down the block and ask the neighbors to stop fighting, but not if there's a fire smoldering in your basement. You can send food packages to distant friends, but not if your own children are going hungry. You can lecture foreigners about lawlessness, but not if your own neighborhood is collapsing into criminal disorder.

In the past 10 days, I visited Detroit, Cleveland, Chicago and Los Angeles, and if such a hurried trip contains any lesson, it is this: The United States must begin to take care of its own. Every one of these cities is afflicted with high unemployment and welfare. All of them are in trouble. It's wonderful that Egypt and Israel will sign a peace treaty today: but with a 15% annual inflation rate gutting our economy, it seems absurd for Americans to pay those countries $1 billion-a-year to stop killing each other, while our own people are hurting.

The United States today is a country with 20 million people on welfare or unemployment. A lot of our industries could use a billion a year. For example, the garment industry, which could use that kind of money for plant expansion, modernization and job training. In New York City, about 175,000 citizens work in the production of clothing. They are part of the largest private-sector industry in the city. But only a decade ago, that industry was employing 300,000 New Yorkers. The companies are now in flight, taking jobs with them, and if present government policies continue, the jobs will leave at an even faster rate in the next few years. They are jobs we cannot afford to lose.

"Who are the men and women affected by job erosion?" asks Sol Chaikin, president of the International Ladies Garment Workers Union. "By and large, they are persons with relatively low educational attainment, members of minority groups, women, hardcore unemployed. . . ."

Chaikin has provided a profile of garment workers drawn from government data. One of every five people in the industry failed to finsh grade school. Two of every three did not complete high school. Ten percent of those employed nationally are black, 9 percent Hispanic, percentages that are much higher in New York City. Over 40 percent are 45 or older. Eight out of every 10 are women, making the garment industry the largest single employer of women in the U.S. One third of those women are single, widowed, divorced, or separated, making them the sole support of their families.

"On the one hand," Chaikin says of the industry, "it provides the American people with a basic necessity. On the other hand, it it a source of jobs for a huge number of people who would otherwise be jobless."

The ILGWU, whose membership declined from 434,019 workers in 1970 to 330,391 in 1978, has been fighting hard for stricter tariff laws, and getting little help from the federal government. One of the most critical battles has been over Item 807 of the Tariff Schedules of the U.S. Under this item, garments that are cut in the U.S. and assembled in another country can escape American import duties.

This interpretation of Item 807 sent many garment producers into flight, starting in the 1960s. They went to underdeveloped countries where they could hire the locals at slave labor wages to assemble goods that had been cut in the U.S. They left behind such horrors as unions, the minimum wage, time-and-a-half for overtime, collective bargaining, Social Security, unemployment insurance, and workmen's compensation. They went for the quick buck and never looked back. If they had looked back, they'd have seen all those Americans on welfare and unemployment.

These foreign countries, with the help of the American lamisters who were exploiting their citizens, saw Item 807 as a hole in the American customs wall and drove through it like a Panzer division entering a convent. In the 11-year period from 1965 through 1976, the dollar volume of imported apparel entering the U.S. under Item 807 increased a staggering 14,880 percent. During the same period the dollar volume of our own garment industry shipments increased only 64 percent.

"The use of off-shore facilities to produce apparel out of fabrics cut in the U.S., is an out-and-out exportation of American jobs," Chaikin said. "On the form operations in and around the cutting room, per-average in an apparel plant, some 5% of workers performing such operations as making button holes. The other 95% of the work force perform all other operations. Thus, when cut piece goods are sent abroad to be completed there, the United

States loses in effect 19 out of 20 American jobs."

In other words, a company can qualify under item 807 by opening a small cutting room anywhere in the United States. The garments are cut, then shipped to, say, the Dominican Republic, where workers are paid 30 cents an hour. They return as American goods. The Dominicans are exploited; Americans are put out of work; the hustler gets rich.

There has been no slowdown in the foreign assault on this crucial American industry. Last year, clothing imports made from woven fabrics increased 38.8%; knitwear imports increased 10.7%. In 1977, all clothing imports to the U.S. totaled $4.5 billion (compared to $25 billion in imported oil). Clearly, these imported apparel goods are contributing to inflation, by helping to erode the dollar and adding to the huge imbalance of trade.

These imported goods appear to be a bargain at some department store counters. They are not. The consumer pays for his "bargain" at the other end: With higher gasoline prices (OPEC increases are usually pegged to the declining value of the dollar) and through that most sinister of taxes: inflation. As jobs are lost, and more Americans go to unemployment or welfare, the dollar is further damaged. A healthy economy must be based on work, not welfare. These imports are creating welfare.

The Carter administration is about to conclude a trade agreement with China, and this could finish off the garment industry as an employer of Americans. It is clear from reading Fortune, the Wall Street Journal and other business organs that we will send them computers; they will send us shirts. We will send them very expensive equipment, that the American businessman sees China as a bonanza, does not require the employment of large numbers of Americans. They will send us the products of the sewing machines of Shanghai and Canton. The result will be more Americans walking the streets with nothing to do.

The Carter administration should not be allowed to make any such deal. The garment industry is critical to this city and this country, and must be protected. As a start, Carter could plug all holes in the tariff walls. More important, he could ask the Congress for one single piece of legislation that would protect all American working people. He could ask for a law that insists that all imported goods must be made by members of internationally recognized unions. That's all. Not house unions owned by the local dictator. Not unions that are run by the state. Real unions, whose members are paid, real wages, arrived at through collective bargaining.

That would eliminate China, South Korea and Taiwan on the day the law was signed. It would take the cheap profits out of the flight of jobs. It would eliminate our part in the exploitation of foreign workers. And most of all, it would be a clear signal to the world that the government of the United States was taking care of its own kind. First.●

LEGISLATION PROVIDING FOR WYOMING WATER NEEDS

HON. RICHARD BRUCE CHENEY

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. CHENEY. Mr. Speaker, today I am pleased to introduce legislation that would authorize the modification of the Buffalo Bill Dam and Reservoir, located in northwest Wyoming.

The existing dam would be raised 25 feet in order that an additional yield of 74,000 acre-feet of water would be developed for irrigation, municipal, industrial, and minimum streamflow use. The State of Wyoming has indicated an interest in 50,000 acre-feet for municipal and industrial use and many irrigation districts have indicated an interest in 10,000 acre-feet.

Other modifications include enlarging the spillway, building a visitor center, and building dust abatement dikes and impoundments.

However, this legislation is not new to Congress. In 1969, Congress authorized the Bureau to conduct a feasibility study on this project. In August 1975, the regional director's feasibility report was completed. In January 1979, I requested the project's current status from the Bureau. In a letter dated February 14, 1979, the assistant commissioner said that the study is currently being revised for submittal to the Secretary of the Interior and "will be forwarded to the Office of Management and Budget for advice on the relationship of the project to the President's program."

The Bureau's lack of action disturbs me. The future of Wyoming relies on the development of water for agricultural, industrial, and municipal needs. The longer we wait the more inflation will increase the construction costs. We are ready in Wyoming to develop 74,000 acre-feet and put this water to beneficial use.●

INTERNATIONAL SECURITY ASSISTANCE BILL

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Ms. MIKULSKI. Mr. Speaker, I would like to join with my colleagues today in questioning why Congress should continue to increase the funds to Turkey through our military sales financing program when no progress has been made on Cyprus. Last year I joined with many of my colleagues to prevent the arms embargo against Turkey from being lifted. We failed in that effort, but we were assured then, by those who supported the lifting of the embargo that Turkey would be encouraged to devote herself wholeheartedly to settling the tragic situation on Cyprus.

The embargo has been lifted and very few improvements have been made. There are still: 27,000 armed Turkish troops on the Island illegally occupying 40 percent of that independent nation; at least 35,000 illegal Turkish colonizers on Cyprus; 200,000 Greek Cypriots unable to return to their homes; and 2,000 Greek Cypriots missing persons.

The facts are discouraging and these are not the only ones. President Carter has been required to submit reports to Congress every 60 days on the progress that is being made in Cyprus. No progress has been made, but from the Presidential reports one is led to believe that the Turks are making concessions on all fronts. U.N. Secretary General Waldheim has been making major efforts to try to resolve the Cypriot problem. His formula for peace has been accepted by the Greek Cypriots, but the Turkish Cypriots will not agree to it.

It is also clear that the Turkish position on Cyprus has hardened as a result of the military activity on the island. It makes no sense to continue to supply Turkey with military assistance since there has been no improvement to speak of on Cyprus. I hope that those of my colleagues who were confident that Turkey would make concessions on Cyprus once the embargo was lifted will look at the facts and reconsider their positions in the future.●

SOCIAL SECURITY SUBCOMMITTEE REPORTS DISABILITY LEGISLATION

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. PICKLE. Mr. Speaker, yesterday the Social Security Subcommittee formally reported to the Ways and Means Committee the Disability Insurance Amendments of 1979. The bill reported to the full committee is H.R. 3236, which incorporates all amendments made to the bill considered in subcommittee, H.R. 2054.

The legislation is designed to remove existing work disincentives in the social security disability insurance program. In addition, the bill would make important changes in the administration of the disability benefits program that are expected to reduce costs significantly.

The legislation stems from substantial review of the disability insurance system undertaken by the subcommittee in the 95th Congress. That review led to subcommittee passage of H.R. 14084 in September 1978. H.R. 3236 closely parallels many of the major provisions of last year's legislation.

A brief summary of the major provisions of H.R. 3236 follows:

SUMMARY

MAXIMUM FAMILY BENEFITS

Establishes for disability insurance beneficiaries a limit on the maximum amount of total benefits that may be paid to the disabled worker and his or her dependents. The limit would be 80 percent of the worker's average indexed monthly earnings (AIME) or 150 percent of the worker's primary insurance amount (PIA), whichever is lower. This maximum would never reduce a worker's own monthly insurance benefit, however.

The limit on maximum family benefits in the disability program would apply to workers initially entitled to benefits on or after January 1, 1980.

REDUCED DROPOUT YEARS FOR YOUNGER DISABLED WORKERS

Present law allows the 5 years of lowest earnings to be disregarded or "dropped out" in computing benefits for all social security beneficiaries. The Subcommittee bill links the number of low earnings years that a disabled worker is permitted to drop out of his or her benefit computation to the age of the worker, according to the following schedule:

Worker's Age:	*Number of Dropout Years*
Under 27	0
27 through 31	1
32 through 36	2
37 through 41	3
42 through 46	4
47 and over	5

The new schedule would apply to workers initially entitled to disability benefits after 1979. Beginning in 1981, younger disabled workers would be able to recover one dropout year for each year in which he or she provides principal care for a child under age 6 (up to a combined total of 5).

WORK INCENTIVES

The bill contains a number of provisions designed to encourage beneficiaries to attempt to return to work and leave the disability rolls. These would:

Provide that extraordinary expenses needed to permit a severely disabled person to return to work would not be counted as a part of the amount of earnings (current substantial gainful activity (SGA) level is $280 per month) that cause the person to lose benefits.

Extend the present 9-month trial work period to 24 months. In the last 12 months of the 24-month period, the individual would not receive benefits if he earned over the SGA amount, but would retain his eligibility for benefits if he finds he must return to the disability rolls.

Allow disabled widows and widowers to have the benefit of the trial work period.

Extend Medicare coverage for an additional 36 months to beneficiaries who have gone back to work but have been suspended or terminated from benefit status as a result of substantial earnings.

Eliminate the second 24-month waiting period for Medicare which a beneficiary presently must undergo if he tries to return to work but then finds he must return to the disability rolls.

Authorize the Social Security Commissioner to develop and carry out demonstration projects designed to encourage work activity by disabled beneficiaries.

STATE-FEDERAL STRUCTURE

Approved Administration proposal granting the Secretary of Health, Education and Welfare authority by regulation to establish procedures and performance standards for the States' disability determination processes. States would have the option of administering the program in compliance with these standards or turning over administration to the Federal Government. States which decide to administer the program must comply with standards set by the Secretary subject to termination by the Secretary.

REVIEW OF DISABILITY ALLOWANCES

Requires pre-decision federal review of at least 30 percent of state disability allowances by fiscal 1980, 60 percent by 1981, and 80 percent by 1982.

NOTICES TO DENIED CLAIMANTS

Requires that claimants for disability benefits who are denied be given a citation of the pertinent law and regulations, a summary of the evidence, and the reasons for the denial.

APPEALS PROCESS

Retains existing system of district court review on basis of substantial evidence rule, but requires the Secretary to show good cause in moving for remands before filing an answer in cases appealed to federal district court. Limits court discretion in ordering remands for taking of new evidence to those cases where good cause can be shown for its failure to be included in the record in prior proceedings.

Also provides that the factual record of the case will be closed at the Administrative Law Judge hearing level.

TIME LIMITATIONS ON DECISIONS

Requires the Secretary of Health, Education and Welfare to report to Congress by January 1, 1980 on appropriate time limits to be imposed in various stages of the adjudicative process.

REHABILITATION SERVICES

Provides that the states be given bonus payments on the basis of the number of disabled beneficiaries that are rehabilitated and work at SGA level for a period of 12 months.

Beginning in fiscal year 1981, places responsibility for rehabilitating social security beneficiaries on the regular State-Federal rehabilitation administration.

PAYMENT FOR MEDICAL EVIDENCE

Provides for cost of supplying medical evidence of record as is done in the SSI program.

PERIODIC REVIEWS

Requires that each disability case be reviewed at least once every 3 years unless there is a finding that the disability is permanent.●

JOE BARTLETT RETIRES

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. DERWINSKI. Mr. Speaker, I would like to take this time to salute my good friend and retired minority clerk, Joe Bartlett. Joe gave 37½ years of dedicated and faithful service to the House of Representatives and to his country. We appreciate the great inspiration and guidance he gave us.

Joe served the House in a number of capacities including page, reading clerk, and finally from May 11, 1970, through the 95th Congress, as minority clerk, and to these duties, Joe brought dedication and hard work. Joe Bartlett effectively carried out the assignments that he held through the years, utilizing at all times, sound judgment, patience, and perseverance.

With Joe's retirement, we have lost a valuable, experienced and conscientious individual. He was always accessible and always willing to be of assistance, providing good advice and wise counsel. Joe maintained, throughout his distinguished career, an unsurpassed reputation for loyalty and honesty in performing his duties, justly earning the esteem and confidence of the Members from both sides of the aisle. He will be missed by all of us.

Not only did Joe devote a great part of his life to his country by serving the House of Representatives, but proved he is a great American by continuing his service in the Marine Reserves. One of the many highlights of Joe's career came in 1975, when he was nominated and confirmed as brigadier general of the U.S. Marine Corps. Twice, he voluntarily left his position with the House to go on active duty with the Marines. With his unbounded energy and talent, Joe has been a great credit to both careers.

Joe is truly a solid citizen, a marine, and a patriot. I wish to express my sincere appreciation to Joe Bartlett for the dedicated work that he did as minority clerk of the House.

My wife, Pat, joins me in wishing Joe and his patient wife, Jinny, and their family, the very best in the years ahead.●

TRIBUTE TO PAUL C. RYAN

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. DRINAN. Mr. Speaker, I am pleased to share with my colleagues the remarks of Massachusetts Senate Minority Leader John F. Parker in tribute to Paul C. Ryan, the editor of the Commonwealth's State House News Service.

Paul Ryan devoted his life to news reporting, and earned the respect and admiration of all who worked with him. As Senator Parker so aptly stated, "His word was always good."

Senator Parker's thoughtful tribute follows:

REMARKS BY SENATE MINORITY LEADER JOHN F. PARKER, IN TRIBUTE TO THE MEMORY OF PAUL C. RYAN, EDITOR, STATE HOUSE NEWS SERVICE

Some 10 days ago, we were saddened to learn that an institution under this old Golden Dome had passed on. Paul C. Ryan, dean of the State House press corps had rolled his last story from his battered typewriter on the fourth floor in the State House News Service. He had died after a short illness.

For 57 of his 78 years Paul C. Ryan was a presence here at the State House and editor of the State House News Service for 35 of those years.

Paul Ryan devoted his life to news reporting, particularly in the field of politics and government which had a great fascination for him since, as a young man he pounded the State House beat as a reporter for the old Boston Telegram in 1922.

A variety of newspaper assignments with the Boston Journal, the Lynn Evening News, and other newspapers finally brought Paul Ryan to the State House as a reporter for the highly-regarded Copeland News Service.

Paul's ability and growing knowledge of government was so great that in 1937 he was appointed chief secretary for Governor Charles M. Hurley, returning to the Copeland News Service at the end of Governor Hurley's tenure.

Over the 35 years that Paul Ryan directed the State House News Service he did so with a simple personal code that he insisted also be the code of those who worked for him: "Get the story and get it right."

Paul Ryan always knew that a wrong quote, a slanted sentence, or a personal view could ruin a governor, senator, representative or whomever. Woe unto any of his charges who permitted their own views to take precedence over the truthful facts of the hearing, debate, or a press conference. We was a stickler for truth and fact.

"Personal views," said Paul, "are for the editorial writers. A reporter's job is to report the news clearly and concisely, just as it happens."

On more than one occasion he has dumped into the waste basket a glory story by some aspiring member of his staff, cautioning, in his rough but honest manner, "If you want to write editorials, get another job.

Paul Ryan had a life-time interest in freedom of information. He believed in the unfettered flow of news from public officials through the press to the people. The daily reporting of his State House News Service has been very often the only news reaching the public of the floor debates, committee hearings and other activities at the State House. He, himself, wrote hundreds of thousands of words for public consumption and always as accurate as a seasoned newsman could report.

Paul Ryan was a man of great intellectual integrity. He was a journalist of the old school, a good school, the school of fact and not fiction. He was sensible and discerning, able always to sift the right from the wrong and the wheat from the chaff. He was no bounty hunter. A lifetime of working with politicians on Beacon Hill had taught him that by and large they were honest people trying to do a good job in whatever their assignment. When one went astray, he disliked the task of writing the story, for he understood the weaknesses and pitfalls of political service.

More than 50 years of climbing the hill to the State House and listening to and reporting it all, including many years in the Senate, had developed a certain crust on Paul Ryan. What might have seemed cynicism and sharpness of tongue was usually a defense by Paul against the opportunists, the schemers, the know-it-alls and the like. He respected sincerity and capability among constitutional officers and legislators.

Paul Ryan was a partisan Democrat, yet when it came to reporting the news, there was no partisanship in the man. He believed in the political parties, stating often that they were the most effective institutions for translating the public will into public policy. He believed that political parties were the lifeblood of Massachusetts and America. He often spoke sadly of the decline of party government and the rise of individual politics, of mavericks and the like, commenting, "They have no purpose but personal advancement."

Cornelius Dalton, veteran reporter and columnist put it well when he said, "There are few people who knew more than Paul Ryan about what was going on. He was a quiet man with a good memory. A lot of people had confidence and trust in him. His word was always good."

Let it be then, as I speak of Paul Ryan, that for his 57 years in this State House, the final word said about him from a contemporary was that, "His word was always good."

In the business of politics, government and news reporting, those are the finest words that can be said about a person.

Paul Ryan was a professional. News reporting to him was the stuff of life. He was gifted, courageous, and tireless. He loved this old State House and all it stands for. He saw laughter and tears and victory and heartache, sadness, disappointment and failure. He reported it all, fairly, for 57 years.

It is my privilege Mr. President to pay this final honor to a great newsman and editor, a true friend and a man whose word was always good. ●

JOE BARTLETT

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. WYDLER. Mr. Speaker, Joe Bartlett is a fine person who served his country and our Congress well over the years. The contribution he made is one that those of us who spent our time on the floor of the House know very well. The rest of the people do not. The fact, is, however, that this great legislative body depends on many sources of strength, not the least of which are those who staff it and make it function smoothly and well. Joe Bartlett did a good job, and I am glad and proud to have known and worked with him. ●

A FEDERAL DEPARTMENT OF EDUCATION?

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. PAUL. Mr. Speaker, I would like to call the attention of my colleagues to an address delivered here in Washington, D.C., in 1926, over half a century ago. It seems that a Federal Department of Education was being considered at that time, also, and Dr. J. Gresham Machen, who must be regarded as one of the most farseeing theologians of the 20th century, took the occasion of his appearance to state the reasons for his opposition to the establishment of such a Department. I urge all Members of Congress to read his remarks, for they are quite eloquent and can hardly be improved upon, 50 years later.

SHALL WE HAVE A FEDERAL DEPARTMENT OF EDUCATION?[1] (1926)

(By J. Gresham Machen)

Mr. Chairman, Ladies and Gentlemen: I may say, if you will pardon a personal word, that the Chairman is incorrect in connecting me with Princeton University. As a matter of fact, I am connected with an institution which by some persons in certain fields is regarded as an opponent of liberty. But the charge is really very strange. I come, indeed, of a very strict sect, in company with my colleagues in the faculty of Princeton Theological Seminary; but I come of a sect that has always been devoted to the great principles of liberty. And to my mind one of the fundamental principles of liberty, which is involved in the present issue, is the principle of the right of voluntary association, the right of persons to associate themselves voluntarily for the propagation of their own views, however erroneous they may be thought to be by others, in the field of religion or in other spheres. You will find, I think, if you investigate the matter, that it is this principle of voluntary association which, strangely enough is being attacked by some persons in the name of liberty.

People seem to have a notion that a voluntary organization, religious or otherwise, is not free to exclude from the body of its official representatives those who hold principles which are diametrically opposed to its own. But as a matter of fact the principle of voluntary association, with maintenance of the purpose for which a voluntary association is formed, is at the very roots of human liberty.

But with that right of voluntary association goes insistence upon the most complete tolerance on the part of the State (which is an involuntary association) over against all other bodies, religious or social or whatever they may be, no matter how deleterious to the common welfare some men may think that they are.

It is time to come to the special subject upon which I have been asked to speak. Shall we have a Federal Department of Education?

One bill (S. 291—H.R. 5000) has been introduced to the present Congress which looks directly to the establishment of such a department. Another bill (H.R. 4097) not only provides for the establishment of such a department, but also provides in very radical form for the principle of federal aid to the States, laying down even very definite conditions on which that aid may be received.

Another bill (S. 1334) has been introduced, and various proposals, as you know, have been made looking to the reorganization of the federal departments. What the ultimate relationship between these measures and the establishment of a federal department will be, we cannot now tell; but I think that it is clear that just at the present juncture, in view of the very widespread support which the proposal has received, the question of a Federal Department of Education is very decidedly before the country.

Do we want a Federal Department or Education, or do we not? I think we do not. And I am asking your permission to tell you very briefly why.

We do not, I think, want a Federal Department of Education because such a department is in the interests of a principle of uniformity or standardization in education which, if put into practice, would be the very worst calamity into which this country could fall.

This measure cannot be understood unless it be viewed in connection with related measures, like the so-called Child Labor Amendment; or like the Sterling-Reed bill with its predecessors and its successor, which provided for federal aid to the States and which really would have taken away what measure of States' rights we possess.

People think very loosely in these days about receiving gifts. But on the basis of some observation of the reception of gifts in the educational field, I think I may give it as my opinion that a gift, in the educational field, always has a string tied to it. That may be observed with reference to various educational foundations. They provide ostensibly, sometimes, that the liberty of the institution to which they appropriate the funds is to be maintained. But in a very few years you will find that such institutions have become completely subservient to an outside board of control. And how much more obviously is the case when we are dealing with the federal government, an agency which in every way possible is encroaching upon the power of the States. Federal aid in education inevitably means federal control.

But the same result will be accomplished even by the measure that we now have directly in view. The establishment of a Federal Department of Education would be a step, and a decisive step, in exactly the same direction as those measures of which we have just been speaking.

We are indeed, sometimes actually asked to believe that a Federal Department of Education is a very innocent thing, that when it is established it will not do anything, and will not ask for any funds, except funds that are already provided for various federal agencies. But in this company I need not say that such modesty on the part of federal departments is hardly in accordance with precedent. As a matter of fact it seems to be the fixed habit of every federal bureau to ask for all the funds that it can get. I think that we may lay it down as a general principle that the more these bureaus get the more they want. And if we have a full-fledged Department of Education, with a secretary at a salary of $15,000, and with hosts of other officers below that, we shall have a great federal agency which is certain to embrace a larger and larger number of activities. And we shall have taken the really decisive step towards centralized control. It will be an extremely difficult, if not an absolutely impossible, thing to keep a Federal Department of Education as a merely paper affair and to prevent it from so extending its activities as to secure exactly the same results in the long run as the results that were aimed at by the so-called Child Labor Amendment and by the Sterling-Reed Bill.

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[1] An address delivered before the Sentinels of the Republic, Washington, D.C., January 12, 1926. Reprinted from *The Woman Patriot* (Feb. 15, 1926).

It is clear, therefore, that if we want to defeat this tendency in the educational field, now is the time to do it.

The reason why I am opposed to this proposal is that it represents a very ancient principle in the field of education, which, it seems to me, has been one of the chief enemies of human liberty for several thousand years—the principle, namely, that education is an affair essentially of the State, that education must be standardized for the welfare of the whole people and put under the control of government, that personal idiosyncrasies should be avoided. This principle, of course, was enunciated in classic form in ancient Greece. It is the theory, for example, that underlies the *Republic* of Plato. But the principle was not only enunciated in theory; it was also, in some of the Greek states, put into practice. It is a very ancient thing—this notion that the children belong to the State, that their education must be provided for by the State in a way that makes for the State's welfare. But that principle, I think you will find if you examine human history, is inimical at every step to liberty; and if there is any principle that is contrary to the whole genius of the Anglo-Saxon idea in government, it seems to me that it is this principle of thoroughgoing State control in education.

Of course, we have a great many prophets of it today. I suppose it is the basic idea of Mr. H. G. Wells, in his popular *Outline of History*. The solution of the problem of state, Mr. Wells believes, is in education; and by undertaking this problem in a more efficient way, possible because of increased ease of communication, the modern state can accomplish what the Roman Empire failed to accomplish.

I am willing to admit that in some fields standardization is an admirable thing. For example, standardization is an admirable thing in the making of Ford cars. But just because it is an admirable thing in the making of Ford cars it is a very harmful thing, I think, in the case of human beings. The reason is that a Ford car is a machine and a human being is a person. There are, indeed, a great many men in the modern world who deny the distinction. At this point we have an illustration of the utter falsity of the popular notion that philosophy has no practical effect upon the lives of the people, that it does not make any difference what a man believes in the sphere of ultimate reality. For the whole tendency that we are fighting today has underlying it a rather definite theory. Ultimately underlying it, I suppose, is the theory of the behaviorists—that the human race has at last found itself out, that it has succeeded in getting behind the scenes, that it has pulled off from human nature those tawdry trappings in which the actors formerly moved upon the human stage, that we have discovered that poetry and art and moral responsibility and freedom are delusions and that mechanism rules all. It is a mistake, we are told, to blame the criminal; the criminal is exactly what he is obliged to be, and good people are obliged to be exactly what they are. In other words, liberty is a delusion and human beings are just somewhat complicated machines.

It is probably not a thing which has come into the consciousness of very many people, but it is a fact all the same, that present-day education to a very large extent is dominated by exactly this theory, in one form or another. It is dominated partly by persons who hold the theory consciously; but it is dominated a great deal more by persons who have not the slightest notion what the ultimate source of their ideas in the field of education really is or what the result of them will be, but who are putting them into practice all the time.

What is the result of the application of this mechanistic theory in the sphere of education? I have no hesitation for my part in saying that the result is most lamentable. The result is simply intellectual as well as moral decline. It is obvious, I think, that there has been a moral decline; but what is not always observed is that there is also today a most astonishing and most lamentable intellectual decline. Poetry is silent; art is imitative or else bizarre; and if you examine the products of present-day education you will have to search far before you find a really well-stocked mind. I am not unaware, indeed, of the advantages of modern education; I am not unaware of the fact that a larger number of persons can read and write than formerly was the case. But despite all that I am still obliged to bring against the educational tendency of the present day in the sphere of public education the charge that the product is lamentably faulty. We are told, you know, that the old-fashioned notion of really learning things is out of date. Some time ago I heard one educator, a rather well-known man, tell a company of college professors that it is a great mistake to think that the business of the college professor is to teach the student anything; the real business of the college professor, he said, is to give the students an opportunity to learn; and what the student is in college to do is to "unify his world."

I am afraid that the students make a poor business of unifying their world—for the simple reason that they have no world to unify. They have not acquired a large enough number of facts even to practice the mental business of putting facts together; they are really being starved for want of facts. There has been an absurdly exaggerated emphasis on methodology at the expense of content in education; and the methodology that is actually advocated is based upon the false and vicious theory to which I have just referred—a false and vicious theory that destroys all the higher elements in human life.

With the persons who advocate this theory I cannot bring myself to agree. Somehow I cannot believe that the higher things in human life are delusions and that only the lower things are real. And therefore I do believe in freedom, and I do believe that persons are different from Ford cars.

What you want in a Ford car is just as little individuality as you can get. Sometimes, indeed—I may say that on the basis of my experience with a Ford car—sometimes you get entirely too much individuality. I soon learned by my own experience, before the days of self-starters, that sometimes a Ford will start and sometimes it won't, and that if it won't there is no use whatever in giving it any spiritual advice. Sometimes, in spite of what Mr. Ford can do, there has been an undue amount of individuality in the Ford car. But the aim of the whole activity at any rate, whatever the result may be, is to produce a thing that shall have just as little individuality as possible; the aim is that every Ford car shall be just as much like every other Ford car as it can possibly be made.

The aim of education, on the other hand, dealing, as education does, with human beings, is exactly the opposite; the aim of education is not to conform human beings to some fixed standard, but to preserve individuality, to keep human beings as much unlike one another in certain spheres as they possibly can be.

But that great aim of education, that personal, free, truly human aspect of education, can never have justice done to it under federal control. And that is the reason why the standardization of education that has already been carried on through the federal bureaus is deleterious. I have observed this in general: that when people talk about uniformity in education what they are really producing is not something that is uniformly high, but something that is uniformly low; they are producing a kind of education which reduces all to a dead level, which fails to understand the man who loves the high things that most of his fellowmen do not love. This degrading tendency is furthered I fear, by the present federal activities in education, and it will be given a stupendous impetus if the federal department is formed.

Just at this point, however, there may be an objection. I have been arguing, some men will tell me, against control of education by the State. But, it will be said, we already have control of education by the State, namely by the instrumentality of the individual States of our Union; and so—thus the objection runs—the authority of a federal department would not differ in principle from the authority which the State governments already possess. I have been talking about individuality; I have said something about the rights of individual parents, by implication at least. "Well now," it will be said, "are not those rights already subject to the control of the individual States. But if they are, is not all that is being accomplished by this federal measure merely the transference of this authority already possessed by government to an agency that can exercise it in a wiser and more efficient way? Does not the principle, then, remain exactly the same?"

With regard to this objection, I am perfectly willing to admit that the State governments have, in the sphere of education, in recent years committed some very terrible sins. We need think only, for example, of the Oregon School Law, which sought to take children forcibly from their parents and place them under the despotic control of whatever superintendent of education happened to be in power in the district where the residence of the parents was found. Or we need only refer to the Nebraska Language Law (similar laws being enacted in a number of other States), which provided that no language other than English should be taught in any school, public or private, up to a certain grade—in point of fact until the children were too old ever to learn languages well. That was a law which actually made literary education a crime. Or we may think of that one of the two Lusk laws in the State of New York which provided that every teacher in all classes, public and private, formal and informal, should take out a State license and become subject to state visitation and control. These laws were blows, it seems to me, against the very vitals of liberty.

But the fate of all these measures is illustrative of the safeguards which we shall have if we keep this important concern of education under the control of the individual states. The Lusk laws were repealed. The Oregon school law and the Nebraska law fell before the last bulwark of our liberty, the United States Supreme Court. As Justice McReynolds said in the great decision in the Oregon case, the child, in America, is not the mere creature of the state—a great principle which I think includes all that we are here endeavoring to maintain.

So it is to be observed that State measures—partly for reasons that have been brought out in what the previous speaker has said regarding the difficulty of securing a review of Congressional actions and partly for other reasons—are very much more likely to be checked, if they are oppressive and against the spirit of our institutions, than are federal measures.

Furthermore, there is a great safeguard in numbers. The beneficient fact is that there are forty-eight States in the Union. Some of them may become very bad in the sphere of education; but it is perhaps not likely that all of them will become utterly bad. Thus there is a great safeguard in the multiplicity of the States. For various reasons, then, I maintain that the principle is not the same when education is put under federal control as when it is placed under state control.

Personally, indeed, I am opposed to certain tendencies in the sphere of public education in the States; I am opposed to the tendency by which the public school is made to do things that parents ought to do, such as providing moral instruction and the like. I am opposed to "morality codes" in the public schools. I have examined some of them and I think they are vicious. They are not only faulty in detail, but they are wrong in principle. They base morality upon experience, instead of upon an absolute distinction between right and wrong. Despite the good motives of their compilers, therefore, they undermine the sense which children (and all the rest of us) ought to have of the majesty of the moral law.

That is, indeed, only a matter of personal opinion. I do not know whether it comes under the principles for which the Sentinels of the Republic stand. But you can take it for what it is worth. I, for my part, think that the functions of the public school ought to be diminished rather than broadened; and I believe that the public school ought to pay just a little bit of attention, perhaps, to that limited but not unimportant function which it is now almost wholly neglecting—namely, the impartation of knowledge.

Thus there are criticisms which I might make with regard to public education in the individual States. But those criticisms do not fall directly under the subject with which we are dealing here, and I am not sure whether I can claim for them the authority of the Sentinels of the Republic. In these matters, I am giving voice to my own personal opinion. But perhaps I have said enough to show at least that as citizens we have important questions to decide when we are dealing with public education in the individual States.

At any rate, in the light of what I have just said, I do maintain that the danger is very much greater when education is placed under the control of the federal government, than the danger which undoubtedly does prevail even now on account of a mistaken use of State authority. Federal control of education, despite what is often said, most emphatically is not the same in principle as control by the States. And so I believe that this measure which would establish a Federal Department of Education ought to be defeated.

But I think that a great deal more than that ought to be done. I think that not only this particular measure ought to be defeated but the whole tendency that is represented by this measure ought to be defeated, the tendency towards a centralized standardization in education.

At this point, it is true, some persons hold up their hands in horror. "Do you mean to say," they ask us, "that we are actually going to continue to turn this important matter over to forty-eight separate and distinct states, to say nothing of the idiosyncrasies of individual parents, who want to send their children to all sorts of peculiar private schools and church schools? What utter confusion we shall have if we permit this sort of thing! Why, if we have this unlimited freedom of private schools and so on, we shall make a perfect mess of it."

Well, with regard to that, I may say that I think it is a good deal better to have confusion than it is to have death. For my part, I believe that in the sphere of education there ought to be the most unlimited competition—competition between one state and another and competition between state school and private schools.

"But," it is said, "do you not believe in equal opportunity? Surely the federal government ought to help the States so that there will be equal opportunities for all the children in the whole country."

Now I am bound to say quite frankly, with regard to this matter of equal opportunity, that I am dead opposed to it. What ought you to do to a State that does not provide opportunities for its children equal to the opportunities that are provided by some other States? Ought you to tell the people of that State that it does not make any difference, because if they do not do the thing somebody else will do it for them? I think not. There ought to be unlimited competition in the sphere of education between one State and another State and between State schools and private schools. The State schools ought to be faced at every moment by the health-giving possibility of competition on the part of private schools and church schools. Only that will keep State education in a healthy way.

Of course, I understand perfectly well that competition in certain spheres has its disadvantages; and I am not going to talk about that. In some spheres it may have to be checked—we are not discussing that difficult question here. But when it comes to the sphere of the mind, I believe in absolutely unlimited competition. Anything else than that, it seems to me, will cause stagnation and death.

"But," people say, "how about efficiency?" Well, I think, if the truth must be known, that the word "efficiency" is one of the most misused words in the language. Many persons seem to suppose that the mere use of that word constitutes an argument; they seem to suppose that you ought to regard it as a sufficient argument in favor of anything whatever when that thing is said to be efficient.

I notice also another word that is used in a somewhat similar way. It is the word *"sincere."* It often seems to be supposed that it is an argument in favor of a person who disagrees with us, when the fact is established that "he is perfectly sincere." It seems to be supposed that the fact that he is sincere constitutes a reason why I ought to agree with the person in question. But how absurd that is! As a matter of fact, the more sincere a man is in his advocacy of a thing that is wrong, the more opposed to him I am—not the more opposed to him in my estimate of his moral character (I may respect him personally because he is sincere), but the more opposed to the measures that he advocates. The more sincere he is in favor of something that I regard as bad, the more dangerous he is likely to be.

It is somewhat the same with regard to this matter of efficiency. Some men think that it is admirable for its own sake. But surely efficiency involves doing something, and our attitude toward the efficiency all depends on whether the thing that is being done is good or bad.

A man does not admire efficiency very much when the efficiency is working to his disadvantage. You have all probably heard the story about the tramp that got up to the fourth floor of the department store. The floorwalker on the fourth floor kicked him down to the third floor; and there he fell foul of the floorwalker on the third floor, who kicked him down to the second floor; and then the floorwalker on the second kicked him down to the ground floor; and then the floorwalker on the ground floor kicked him outside. He landed on his back outside, and when he got up he remarked in great admiration: "My, what a system!"

I am unable to attain quite that measure of complete detachment that was attained by that tramp. Men want us to be overcome by admiration for a system that is working us harm. For my part, I flatly refuse. I am reminded of what Dr. Fabian Franklin said some years ago in an article in the Yale Review. Some persons, he said in effect, think that an objection to socialism is that it would not work. But so far as he was concerned, he said, his objection was rather that it might possibly work.

So it is with this federal control of education. The better it works the worse it suits me; and if these people had their way—if everything could be reduced to a dead level, if everybody could be made like everybody else, if everybody came to agree with everybody else because nobody would be doing any thinking at all for himself, if all could be reduced to this harmony—do you think that the world would be a good place under those circumstances? No, my friends. It would be a drab, miserable world, with creature comforts in it and nothing else, with men reduced to the level of the beasts, with all the higher elements of human life destroyed.

Thus I am in favor of efficiency if it is directed to a good end; but I am not in favor of efficiency if it is directed to something that is bad.

As a matter of fact, federal departments are not efficient, but probably the most inefficient things on the face of this planet. But if they were the most efficient agencies that history has ever seen, I should, in this field of education, be dead opposed to them. Efficiency in a good cause is good; but I am opposed to federal efficiency in this sphere because the result of it is a thing that I regard as bad—namely, slavery. And I am not inclined to do what a great many people do today; I am not inclined to write "freedom" in quotation marks as though it were a sort of joke. I believe, on the contrary, that it is something that is very real. *An ounce of freedom is worth a pound of efficiency.* I think, too, that we may discern within the last year just the beginning of the rise of the love of liberty again in our people. I hope therefore that this measure may be defeated, and that all measures may be defeated that look in the same direction, and that we may return to the principle of freedom for individual parents in the education of their children in accordance with their conscience, and to the principle of freedom for the States, and to the reliance upon the multiplicity of them for a preservation of those things that have made our country great.

It is to be hoped that the indications of a returning love of liberty which are just beginning to appear are not illusory, but that America, despite opposition, is going to return to the freedom that used to be the very atmosphere that she breathed. But let us be perfectly clear about one thing—if liberty is not maintained with regard to education, there is no use trying to maintain it in any other sphere. If you give the bureaucrats the children, you might just as well give them everything else. That is the reason why I think that every one of us ought to be opposed with all his might and main to the sinister legislative measure that we have been considering today. No, we do *not* want a Federal Department of Education; and we do not want, in any form whatever, the slavery that a Federal Department of Education would bring.●

THE FUTURE OF AGRICULTURAL EXPORTS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. SKELTON. Mr. Speaker, a recent headline in the Washington Star stated that the 1978 trade deficit was the highest in history. This is disturbing news for our Nation's economy. Today, I want to discuss this problem, and how agriculture can help solve it.

Before I go further, let me point out that the news behind the headline was not all bad. Although the 1978 deficit was a record for any one year, there was a significant improvement as the year progressed. For example, the trade deficit for the first quarter of 1978 was $7,584 billion, an annual rate of over $30 billion. However, the last quarter deficit was down to $1,342 billion, giving us a total deficit for the year of $15,961 billion. Some trade officials are hopeful that this deficit can be cut in half during 1979. The reason for the improvement during the latter part of 1978 and the optimism for 1979: increased exports.

As you well know, agricultural products lead the way in U.S. exports; 1978 was another record year for U.S. farm exports, as the total value of farm exports increased 24 percent over 1977 to a total of $29.4 billion. Moreover, this gain was mostly through increased volume of trade. The U.S. agricultural trade surplus, the difference between our agricultural exports and our agricultural imports, was also a record—$14.6 billion. This surplus figure clearly shows the value of agriculture as a key element in our Nation's goal of expanding foreign trade and reducing the trade deficit.

On the whole, the outlook for further expansion of agricultural exports is good. Rising populations and rising incomes in foreign nations have led to a demand for more and better food. This is a demand our country can supply, but I must add a note of caution. The competition for foreign markets is intense. If our farmers are to get a continuing and increasing share of those markets, Government and the agricultural community must work together in a concerted effort to achieve full development of overseas farm markets.

Fortunately, we have most of the tools we need to do this.

Since market development begins with the offering of high-quality products, the Federal Grain Inspection Act was a major step in the development of future export markets. Although there have been some problems with its administration, it has helped to insure the quality of U.S. grain being shipped to other nations.

Another helpful step in building up repeat export sales is a stable supply. On-farm crop storage programs such as those provided for in the Food and Agriculture Act of 1977 improve buying nations confidence that adequate grain and other products will be available in future years. This allows us to obtain long-term commitments to purchase our farm products.

Cooperation between Government and private associations in developing overseas markets has been used with success in the past and needs to be expanded. The classic example is the joint export promotion work of the American Soybean Association and the Foreign Agriculture Service of USDA which has helped bring about an increased demand for soybeans and soybean products in the world. Similar work is being done to help expand U.S. meat exports. We need more of this private-public cooperation in the future.

On October 21, 1978, President Carter signed into law the Agricultural Trade Act of 1978, legislation which I am pleased to have cosponsored. This important legislation promises to be the most significant development in U.S. Government efforts to promote export sales of farm commodities since the 1950's.

An important provision in this legislation gives the Secretary of Agriculture authority to establish between 6 and 25 agricultural trade offices in the most important commercial regions of the world. These offices are to be a "one-stop" center for export promotion and sales effort. At the present, I am concerned that the Secretary, citing budgetary limitations, has established only the minimum six offices. While I understand our tight fiscal situation, I think it is imperative that we move with haste to fully implement this legislation. We need to establish the maximum number of trade offices at the earliest possible date, and we need to staff these offices with knowledgeable, aggressive men and women who can promote and sell our agricultural products. I will be working in the House Agricultural Committee to see that this is done.

There are some other good signs for agricultural exports. Although it is too soon to say definitely, it is possible that the agreements reached at the multilateral trade negotiations will provide some meaningful gains for U.S. agriculture. When they are submitted to Congress for approval, I will examine them closely to make sure this is so. I want to see us make gains in areas such as Japan, where an affluent nation of 100 million consumers eats only 8 pounds of beef per capita yearly. The reason—their Government effectively keeps quality American beef out of their country. If the trade agreements can crack this barrier, I am sure the demand will grow tremendously. We also have great potential for agricultural exports in China and other developing nations which are seeking to improve their standard of living.

In conclusion, let me reemphasize that, although we have the potential and we have the tools, we can take nothing for granted. All of us, Government and the private sector, must work hard and fully use the tools available to us to develop our great export potential. The development of agricultural markets is a competitive business, and we Americans must not shy from this competition.●

IN PRAISE OF ALBERT W. JOHNSON

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. BONER of Tennessee. Mr. Speaker, I wish to rise today to recognize a great Tennessean and fellow Nashvillian, Mr. Albert William Johnson. It has come to my attention that he has recently received a Distinguished Fellow in Mortgage Banking Award presented by the National Association of Certified Mortgage Bankers. Mr. Johnson also is the newly elected president of the National Association of Certified Mortgage Bankers which is a professional organization composed of 100 certified mortgage bankers and 50 mortgage bankers with national reputations in the field and have worked in mortgage banking for over 20 years.

Mr. Speaker, Albert W. Johnson has a long and distinguished record of public service to Tennessee and his professional community. His past record of service in the real estate area includes: Mortgage Bankers Association of America, vice chairman, educational committee, Tennessee Mortgage Bankers Association, Nashville, Mortgage Bankers Association; National Association of Real Estate Boards, Tennessee Real Estate Board, Nashville, Real Estate Board; Nashville Home Builders Association; Apartment Owners & Developers Association. Mr. Johnson is active on behalf of the following clubs and associations: Board of Trustees, Scarritt College, Nashville, Tenn.; Board of Trustees, Winchendon School of Boys, Winchendon, Mass.; Nashville Rotary Club; Mortgage Banker Classification; International Committee on Foreign Relations; Middle Tennessee Heart Association, past director; Chamber of Commerce, United States; chamber of commerce, Nashville, Tenn.

Born on June 25, 1919 in Raleigh, N. C., Al Johnson is married to Peggy Hayes of Nashville and they have three sons, Albert Johnson II, Brian A. and Douglass S. A graduate of the University of North Carolina, B.S. 1940, Al Johnson entered military service on June 10, 1940 and began a distinguished career in the defense of this Nation. Entering service as an Aviation Cadet and honorably discharged in 1955 with the rank of colonel, senior pilot, Al Johnson saw combat service as a bomber pilot and commander in North Africa and Italy; was captured by the Germans and served as a POW for 13 months. After the war, he was assigned to NATO general staff headquarters in Paris, France accompanying General Eisenhower's efforts to organize NATO.

Al Johnson received numerous decorations and awards during the war, including, but not limited to, the Distinguished Service Medal (NATO tour); Silver Star (Germany); Distinguished Flying Cross with one oak leaf cluster (Germany and France); Air Medal with six oak leaf clusters (Germany, Italy, France, Balkan countries); and Presidential Unit Citation with two oak leaf clusters (Germany, Balkan countries).

After the war he cofounded Dobson & Johnson, Inc., a real estate and mortgage banking corporation in 1956 which has led to a distinguished career in the real estate and banking field. A trustee and/or member of the board of directors of 14 corporations and/or institutions, Mr. Johnson serves as a member, board of trustees of American Century Mortgage Investors (REIT) of Jacksonville, Fla.; member, board of trustees, chairman, Investment Committee, member, Executive Committee, member, Business Affairs Committee of Scarritt College for Christian Workers—Methodist College, Nashville, Tenn.; member, board of trustees of Winchendon School for Boys Winchendon, Mass.; past president, member, board of directors of Nashville Mortgage Bankers Association; chairman of the board and chief executive officer of Dobson and Johnson, Inc., Mortgage Bankers-Realtors, Nashville, Tenn.; chairman of the board, chief executive officer of Outdoor Resorts of America, Inc., Nationwide Investments; chairman of the board of Metropolitan Land Corp.; chairman of the board of Federal Title & Securities Corp., Investment Bankers; director of Fidelity Investment & Bond Corp.; director of Mutual Mortgage & Insurance Corp.; director of Plaza Lanes, Inc.; chairman of the board, chairman, executive committee of Donelson Shopping Center Corp.; director of Sugar Mountain Ski Resort and chairman of the board and chief executive officer of Albert Wm. Johnson Insurance Agency.

Mr. Johnson is trustee of approximately $150 million of mortgage investments for institutions. He is also mortgage banking trustee for 17 institutions including: Life Insurance Companies—Metropolitan Life Insurance Co., John Hancock Mutual Life Insurance Co., State Farm Life Insurance Co., United Benefit Life Insurance Co., Northwestern Mutual Life Insurance Society, Life & Casualty Insurance Co. of Tennessee, Phoenix Mutual Life Insurance Co., and Provident Mutual Life Insurance Co. New York Mutual Savings Bank and others—Franklin Savings Bank, the Greater New York Savings Bank, Empire Savings Bank, and the United Mutual Savings Bank.

Mr. Speaker, it is an honor to recognize such a distinguished Nashville resident. I wish Al Johnson well in his new position and know that we have not heard the last from this great individual.●

EDITORIAL CRITICISM OF AFGHANISTAN AID

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. GAYDOS. Mr. Speaker, I have made no secret of my dissatisfaction with the Federal Government's foreign aid program. I have long felt it is, for the most part, too old, too expensive and too inefficient, particularly with all the hullabaloo today about cutting Federal spending.

If spending is to be cut, and I believe it should be, I feel foreign aid is the place to start—not with domestic programs that benefit our Nation's young, old or sick. Unfortunately, that view is not shared by many of my colleagues.

But, I thought they might be interested in how tenderly the Government treats this parasitic program so I am inserting into the RECORD an editorial written by Mr. J. C. Pennington, assistant publisher of the Daily Messenger in Homestead, Pa. It deals with a reduction in aid to Afghanistan because of the pro-Communist leanings of the new government there. I agree with Mr. Pennington. Rather than reduce the funds we should suspend them entirely until it is determined what kind of a government we are dealing with there.

The editorial follows:

OFFER THE OTHER CHEEK

The White House has announced that U.S. aid to Afghanistan is being "severely" reduced. Why is it being continued at all?

It has been 10 months since a coup installed a new government in Kabul which promptly proclaimed its Marxist-Leninist intentions and opened the gates for a flood of civilian and military advisers from the Soviet Union. A friendship treaty with Moscow was signed in December.

Meanwhile, a $15 million U.S. aid program that included help with military training went rolling along, even as it became obvious that Afghanistan made an ideal staging area for whatever help the Russians might be giving to Marxist revolutionaries in Iran.

President Carter may have been hoping that Afghanistan would be less inclined to make itself a Soviet puppet if only our aid programs continued. We don't see any evidence that such hope was justified. Rather than cut back on the programs, the United States should suspend them altogether until it becomes more clear what kind of government we are dealing with in Kabul.●

JUDGE RAY W. CHURCHILL

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. FORD of Tennessee. Mr. Speaker, there is nothing more certain than the fact that our time on Earth is brief and transient. With this in mind, I wish to pay tribute to a man who used his time here to contribute to the good of his fellow human beings. I rise to pay tribute to, and to record with sorrow the passing of an outstanding citizen of Tennessee's Eighth Congressional District.

Ray Willard Churchill was an unselfish public servant who gave tirelessly of his time and energies for the common good. He was a man who was the source of many colorful stories and home-spun tales. In the many years that he practiced law and served on the bench in Memphis, Judge Churchill touched many lives and rendered many services. Everyone who came in contact with him, either inside or out of the courtroom, was left with a strong impression of Ray Churchill's ability to defend the interests of the common man.

Judge Churchill's years on the bench were marked with controversy. However, his willingness to deal with any issue, regardless of the opposition, accorded him the respect of enemies as well as friends. Judge Churchill was responsible for the institution of night court in Memphis, because he appreciated the right of people to earn a day's wage. He was also a defender of the indigent and the downtrodden as he often set realistic bonds for poor defendants.

As a crusader for justice, Ray Willard Churchill will be remembered as a champion of the people. His was a rare kind and he will be missed by all of us from Memphis.

I close with a quote from a Jewish prayer which I believe is especially appropriate to the memory of this outstanding man:

> The departed whom we remember has entered into the peace of life eternal; he still lives on earth in the acts of goodness he performed and in the memory of those who cherished him.●

SIXTY-FIRST ANNIVERSARY OF THE BYELORUSSIAN DEMOCRATIC REPUBLIC

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. BLANCHARD. Mr. Speaker, last Sunday, March 25, marked the sixty-first anniversary of the proclamation of the Byelorussian Democratic Republic. The occasion of this anniversary sadly coincides with the bitter memory of the Bolshevik October Revolution when the Byelorussian people were forceably overcome by the Red Army.

To this day, the people of Byelorussia continue to suffer under the yoke of Soviet oppression. In 1971 an intensive Russification effort was begun in the Soviet Union which is aimed at destroying the culture and character of the Byelorussian people. All aspects of their culture—religion, literature, the arts, and language—have been subjected to this Russification effort.

However, the proud Byelorussian people have boldly sought to maintain their distinctive cultural heritage. They have made it clear that they will not retreat from their quest for freedom of expression, and self-determination. They have responded to the Soviet Russification program with a renewed focus on their own national treasures and national heritage.

The Byelorussian-American community shares this strong commitment to bring back the rights to self-determination and to free expression of cultural heritage. Currently they are seeking to introduce the Byelorussian language into the programing of the Voice of America. We must support the efforts of the Byelorussian community to have their language broadcast over the airwaves that penetrate the walls of oppression.

I urge my colleagues on this sixty-first anniversary to join with me in expressing strong support for both the defense of the Byelorussian cultural heritage, and for the struggle for self-determination in Byelorussia.●

CONCERN EXPRESSED ON MILITARY AID TO TURKEY

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. KILDEE. Mr. Speaker, earlier today the House considered H.R. 3173, the international security assistance bill. I feel it necessary to express my concern over one of the provisions contained in this bill. Under section 13, $200 million in foreign military sales credits will be going to Turkey.

Last year, the House only narrowly voted to lift the arms embargo on Turkey. The administration assured us that such an action would reduce Turkish intransigence on a settlement of the tragedy of Cyprus. Many of us felt that lifting the embargo would amount to sanctioning the Turkish occupation of northern Cyprus. We warned that it would actually reduce American diplomatic leverage to achieve a settlement on Cyprus. In order to obtain the votes necessary to lift the embargo, a requirement was added that every 60 days the President should certify to the Congress that progress was being made toward a settlement on Cyprus.

This year the international security assistance bill is once more before us, and I feel compelled to ask: "What happened to the assurances we were given a year ago?" None of us can truthfully assert that the problems on Cyprus are any closer to resolution. After almost 5 years, more than 25,000 Turkish troops still occupy a portion of the sovereign nation of Cyprus. More than 200,000 Greek and Turkish Cypriots are still unable to return to their homes. The longer the process is drawn out, the closer we come to having de facto partition of the country.

The certification of progress has become a legalized fiction. Every 60 days the President dutifully informs us that progress has been made, and arms continue to flow to Turkey. None of us are misled. The committee report which accompanied this bill states:

> * * * no serious negotiations between the parties on Cyprus have commenced. During consideration of the International Security Assistance Act of 1978, the partial arms embargo against Turkey was lifted in part because the majority felt removal of the embargo would lead to serious negotiations toward a Cyprus solution and specifically the opening of the city of Famagusta.

Quite frankly, the whole certification process is like something out of the theater of the absurd. Every 60 days, we are informed of the progress being made when each of us knows that reality is something very different. The whole situation might be very comic if the implications were not so tragic.

Last year, many people were frustrated by the lack of progress and honestly believed that lifting the arms embargo might help achieve a solution. Such honest motivations cannot excuse our action this year. We are no longer under any illusions. By turning our heads and ignoring the issue, we may very well be accessories to a crime that has created great suffering.●

BASE CLOSINGS AND DEFENSE DIVERSIFICATION

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. DODD. Mr. Speaker, yesterday many Members of the House received visits from representatives of the Department of Defense. For the most part, these visits were unwelcome, for the Defense Department had come to officially inform Members that military bases and installations in their districts were going to be cut back or closed altogether. The closures and cutbacks are part of a massive DOD reorganization of 85 military facilities.

As is often the case in such situations, the first reaction of many was to see what could be done about saving the base or reducing the level of cutbacks. This is only natural. After all, many of us represent districts which are heavily dependent on military spending for their economic health.

However, those of us with defense-dependent districts are acutely aware that we live from day to day on the "feast or famine" nature of defense spending. Unfortunately, many Members of this body have just learned that their districts are about to enter the famine part of the defense cycle. Although no installations in my district are scheduled to be closed this time around, the people of my district have in the past experienced severe defense-related economic dislocations. I have long thought that the best way to deal with such economic dislocations is not to passively wait for the ax to fall but instead to attempt to plan ahead to meet such eventualities head on. This planning should involve efforts for defense-dependent communities to diversify their economic bases ahead of time and to institute alternative use plans for every military installation and defense industry. In this way, communities which could experience defense-related economic dislocations in the future will be better prepared to deal with that contingency.

I feel very strongly, Mr. Speaker, that decisions which we make concerning our national defense should be made on the basis of military need and not on the basis of domestic economic considerations. If defense-dependent communities are economically prepared to deal with base closings or cutbacks, then we will be better able to make decisions on what this Nation needs to defend ourselves and our allies on the basis of military need instead of domestic economics.

In fact, Mr. Speaker, yesterday I introduced a bill, H.R. 3300, to assist defense-dependent communities diversify their economies. My bill would create an Office of Economic Diversification within the Economic Development Administration. This office would provide technical assistance to communities to help them develop sound diversification plans and would also provide economic diversification implementation funding under certain circumstances for communities to actually begin reducing their dependence on defense spending.

However, for those Members who today find themselves facing base closings or cutbacks, long-range diversification planning is already too late. Instead, I would urge my colleagues who face such dislocations to contact two agencies who have done excellent work in helping impacted communities recover from closings or cutbacks. I am referring to the Office of Economic Adjustment in the Department of Defense and the title IX program in the Economic Development Administration. These two agencies can help communities develop alternative use plans for military installations with the aim of insuring that the economic health of the community is restored.

But, Mr. Speaker, if we are ever truly able to adequately deal with the problems generated by defense-related economic dislocations, then we must begin now to help defense-dependent communities diversify and to institute alternative use plans at military installations and industries.●

CONGRESSMAN DANIELSON CONGRATULATES MAYOR G. MONTY MANIBOG

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. DANIELSON. Mr. Speaker, on Saturday, April 7, a constituent of mine, Mayor G. Monty Manibog of Monterey Park, Calif., will be honored at a testimonial dinner at the Los Angeles Bonaventure Hotel.

Monty is a good friend whom I have known for many years as a hard-working lawyer and civic leader. He received a strong mandate from Monterey Park voters on his election to the city council in 1976, his first election to public office; he is the first person of Filipino heritage to be elected mayor of a major American city.

Monty attended the University of the Philippines College of Law. Coincidentally, while I was on a study mission to the Philippines not long ago, I met his law professor who quickly remembered Monty and spoke highly of him. While at the university, Monty also achieved prominence as an athlete and represented the Philippines in the 1952 World Olympics in Helsinki, Finland.

Mr. Speaker, Monty, his wife, Jean, and their children—Monty, Jr., Lisa, Lana, Ricky, Dean, and Darren—are a closely knit and caring family. You will recall having met them at their Monterey Park home last October at a reception my wife, Candy, and I sponsored in your honor.

As a concerned citizen, Monty has a deep interest in people and in cultural and civic affairs.

I ask my colleagues to join me in congratulating Monty Manibog on the occasion of the April 7 testimonial dinner, a well-deserved honor, and in wishing Monty, his wife, Jean, and their children success in all their future endeavors.●

LEGISLATION TO INCREASE PUBLIC PARTICIPATION IN GOVERNMENT

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. BARNES. Mr. Speaker, on March 5 I introduced H.R. 2596, the Public Participation in Federal Agency Proceedings Act of 1979, to allow greater participation in Government decisionmaking by individuals and organizations now shut out by the cost, complexity, and duration of the Federal regulatory process. The bill would amend the Administrative Procedure Act to authorize an experimental 3-year program of funding to reimburse those taking part in Federal rulemaking, ratemaking, and licensing proceedings for expenses incurred for preparation of materials, representation by counsel, use of expert testimony, and other costs related to participation. It would be my hope that this legislation would contribute to the quality of Federal Government decisions by providing a variety of competing viewpoints and insuring a more complete representation of interests than occurs at present. It could also serve to lend greater credibility and legitimacy to the actions of Government.

Many of us who serve in Congress have been deluged with requests to introduce legislation reversing actions taken by agencies Congress itself created and empowered to act. Since I do not believe the Congress has the time, inclination, or resources constantly to second guess the other branches of Government, one solution may be to improve the processes through which decisions are reached. Greater public participation can lead to better decisions and, ultimately, a Government more accountable to the people and more representative of the conflicting views that make up the so-called "public interest." It could also alleviate the need for the congressional veto, a mechanism too often written into legislation by Congress to express frustration with, rather than provide a workable solution to, problems in the operation of the Federal Government.

This legislation is a modest step toward these goals. The idea for public participation in Federal agency proceedings is by no means new. Several have limited programs in operation now and others have indicated interest in initiating them. The Federal Trade Commission, for example, has operated a limited program of reimbursement for public participation authorized by the Magnuson-Moss Warranty and Federal Trade Commission Improvements Act of 1975. Congress appropriated $750,000 for reimbursement funds for the FTC in fiscal 1979. The Civil Aeronautics Board recently finalized a rule to allow compensation of public participants. The Environmental Protection Agency has been authorized by Congress to provide reimbursement to public participants for proceedings under the Toxic Substances Control Act. Other Federal agencies which have established programs include the State Department, the National Highway Traffic Safety Administration, the National Oceanic and Atmospheric Administration, and the Consumer Product Safety Commission.

These limited experiments in public participation hold great promise for making a substantial contribution to better quality decisionmaking. But, up to now, Congress has not authorized a test of the concept on a broader scale.

During the 95th Congress, legislation for public participation was considered at length by the Administrative Law and Governmental Relations Subcommittee of the House Judiciary Committee, which reported it to the full Judiciary Committee. More than 90 Members of the House cosponsored some form of public participation funding during the 95th Congress. Past supporters of the concept have included the distinguished chairmen of the full Judiciary Committee and the Administrative Law Subcommittee, Mr. Rodino and Mr. Danielson. President Carter, in his general regulatory reform bill introduced in the House March 27 by Chairman Rodino (H.R. 3263), has approved a substantial authorization request for public participation reimbursement.

I am hopeful that with such a broad demonstration of support, the House will have the opportunity to consider public participation legislation in this Congress.

H.R. 2596 would provide for a limited program of public participation in fiscal 1980, 1981 and 1982. The bill is not intended to permit reimbursement for every individual or organization that has an interest in a Federal proceeding, since several criteria are provided to determine eligibility and evaluate both the degree of the contribution and the level of need of applicants for reimbursement. Any funding authorized would be subject to the appropriations process.

The legislation is aimed to encourage participation in proceedings which relate to major policy issues, rather than to actions affecting individuals, though reimbursement for participation in these would not be excluded if substantial questions of public interest were involved. It would not authorize funds merely for attending, as opposed to participating, in proceedings, nor would the bill create any new right to participate beyond what already exists by law.

H.R. 2596 provides criteria designed to ensure that funding reimbursement would be awarded only in cases where an agency determines that a substantial public interest is involved, where the participant represents a viewpoint which is relevant to the proceedings and which is not otherwise adequately represented, where an individual participant or members of a participating organization each have only a small pecuniary interest in the outcome (those with a substantial financial stake could ordinarily be expected to be represented in any event) and the participant could not otherwise contribute effectively.

Decisions as to eligibility for reimbursement would be made by agency personnel, but to avoid potential conflict of interest the determinations would be made by personnel not directly involved in a proceeding. I believe it is important that a role for agency personnel in decisions on reimbursements be maintained, since the agency has the most immediate degree of experience with the details of participation by applicants. While I am sensitive to the argument that agencies may not be unbiased judges, the use of nonparticipant personnel seems a reasonable step in assuring fairness. If it does not, Congress in its oversight of the public participation program could take appropriate corrective measures.

Judicial review of the reimbursement process is provided to give those aggrieved by an agency decision on reimbursement some recourse, but the review would not be permitted to interfere with the continuation of the proceeding or the implementation of agency decisions.

Congress would have to be informed annually of the nature and disposition of all reimbursements made under the program. The legislation also provides for notification by agencies to State and local governments interested in or affected by proceedings, so that notice of possible ratemaking, rulemaking, or licensing action would spread to the grassroots.

H.R. 2596 would also authorize, subject to strict guidelines, reimbursement for reasonable attorneys fees for intervenors in judicial review of agency proceedings on substantive matters. Reimbursement would be allowed, at the discretion of the court, if an intervenor substantially prevailed in court or in subsequent agency action, demonstrated financial need, and had only a small economic interest in the outcome of the proceeding. The court would also have to determine that the proceeding for judicial review served an important public purpose.

Mr. Speaker, based on my own personal experience as a member of the Maryland Public Service Commission, which regulates utilities and transportation, I can attest to the great need for legislation of this kind. Time and again, the work of the commission was, I believe, affected adversely because we did not receive the full range of information needed to make decisions. The lack of a public participation funding mechanism at the State level caused interested parties to withdraw from participation in our regulatory process because they could not afford the sometimes substantial costs involved. The same problem surely exists, and to a greater degree, at the Federal level. This legislation, if it proves effective, would hopefully encourage the States to experiment similarly and promote broader access to the governmental process.

I also believe that this bill, by encouraging improved access and providing new sources of information and expertise to Federal agencies, may provide some degree of cost savings to the Government. If public participation results in improved decisionmaking, we may perhaps be able to avoid some of the costly litigation that is so often automatically triggered at the conclusion of rulemaking, ratemaking, and licensing proceedings.

H.R. 2596 is a modest experiment that, I believe, could bring substantial benefits to the country. It is a step well worth taking in this Congress.●

CRESTED BUTTE: A TOWN FIGHTS FOR ITS HERITAGE

HON. RAY KOGOVSEK

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. KOGOVSEK. Mr. Speaker, the town of Crested Butte in my district in Colorado is known to skiers, conservationists, and historians alike. The town is currently in the midst of a battle with a multinational resources development company over mining rights.

In the March/April issue of Historic Preservation there is a detailed report of Crested Butte's fight to maintain its unique charm. I urge my colleagues to read the article as follows:

CRESTED BUTTE: A TOWN FIGHTS FOR ITS HERITAGE

(By Tom Huth)

Human settlement came to the Colorado Rockies only a century ago, and since then it has been a fitful affair. Towns have flickered on and off to the boom-and-bust spasms of mining interests, many becoming ghost towns or returning to the soil. The communities that survive, isolated by geography and unfriendly climate, have tended to preserve their whimsical false-fronted faces and high-kicking ways, keeping alive the Old West Romance.

Some of them, like Aspen, have been gaily rejuvenated as ski-resort towns. Others—Central City, Cripple Creek—are dressed up for the summer tourists. Some, like Leadville and Creede, remain as mining communities, raw and hard-working.

Crested Butte is a mixed breed from this lineage. A silver camp at first, then a coal mining town for 70 years, it went into a 10-year sleep before the ski boom came along in the 1960s. Each time Crested Butte has begun slipping into oblivion, a new force has emerged to restore a modest prosperity.

Today the town is being threatened once again. Only now the threat is not of being bypassed by economic progress, as in the past, but of being engulfed and swallowed by it.

AMAX, Inc., a multinational resources development company, has discovered the world's third largest known deposit of molybdenum buried in Mount Emmons, which overlooks Crested Butte's main street. AMAX owns the property and intends to mine the metal usually called moly.

Officials of the town of 1,200 are aghast. They liken the project to "an Aswan Dam in our backyard." They foresee "an occupation army" of thousands living nearby in vast trailer parks; the pollution and clamor of a 24-hour-a-day industrial giant only two miles away; a mine-sludge lake in a nearby valley that would grow to seven times the size of the town itself.

AMAX currently has 150 to 200 workers on the site at Mount Emmons, taking core samples running metallurgical and engineering studies and collecting the massive amounts of data required to satisfy the various government environmental regulations. National attention on the mining issue has brought visits to Crested Butte by Chris Delaporte, director of the Heritage Conservation and Recreation Service, U.S. Department of the Interior, and Douglas P. Wheeler, executive vice president of the National Trust; the Advisory Council on Historic Preservation is watching the situation. In June 1978 the Forest Service, the Colorado Department of Natural Resources and the Gunnison Board of County Commissioners signed an agreement that became the first step in developing a Colorado Review Process for Mining Development. Under this streamlined process, all the parties involved have been meeting jointly to try to resolve their differences.

AMAX views the review process as the most efficient means of hacking through the increasingly tangled jungle of official permits and clearances, and avoiding what it calls "government-by-ambush." Crested Butte officials see the process as their chance to point out irregularities, throw up legal roadblocks, alleviate the effects of the mine, delay it, even stop it.

Yet the prevailing mood in the streets is one of resignation, as of mere mortals up against a greater being. "It's an outrage," says a woman who has lived here 11 years, "but what can you do?"

Crested Butte thus is a dramatic example of the crunch between national energy and mineral demands and fragile local environments. The sensitivities are strongest here, among the residents whose eyes have not yet tired of pristine valleys and 19th-century street scenes.

Located at the end of the East River Valley, 32 miles removed from Gunnison and 8,885 feet in elevation, Crested Butte is known for its uncommonly harsh winters—an average of 300 inches of snow and many nights of 20 and 30 degrees below. Little wonder that it's always been a hard-drinking town.

The architecture is a pastiche of fanciful Victorian ornamentation, dark, aged planking, steep tin roofs, tall paned windows that cast squiggled reflections—a town of uneven lines—gently slumping rooflines, slightly cockeyed porches, grinning doorjambs, hand-cut picket fences, scalloped wood shingles, curious and sundry back-alley sheds. A town of miniature scale and vibrant texture. Houses huddled close against the cold, tight to the streets. Old men sitting around the coal stove at Tony Mihelich's hardware. Stefanic's General Store and the Old Rock Schoolhouse. Not a trace of neon.

Arthur Townsend, Colorado's state historic preservation officer, marvels: "It's original fabric in original condition." In 1975 Crested Butte was designated a National Register historic district.

Most of the present population—the guardians of this trust, as they see themselves—are young people who have arrived in the last five or ten years; part of the wave of college-educated refugees from cities and crowded coastlines who came to Colorado looking for a quieter pace of life, near to nature.

They have settled into the miners' vacant cabins and spruced them up. They have returned commerce to the yesteryear storefronts—bars and elegant restaurants, shops and a hot-tub bathhouse in a crusty log cabin. They appreciate the funky personality of Crested Butte and protect it with a stern architectural review board. And they cultivate a lifestyle that places more value on community than on career.

But newcomers have tripled the population since 1970, and Crested Butte is full-up now, long on jobs and short on housing. Lots that sold for $15 when the coal mines closed 30 years ago are now going for $25,000. The town is already losing the intimacy and innocence that made it so attractive.

It is in this context that the Mount Emmons Project, when AMAX announced it to a meeting of townspeople in August 1977, came as such a shock. Their valley, and the county of Gunnison with 10,000 residents, would be expected to accommodate anywhere from 5,000 to 10,000 more people in the next several years—first the mine construction workers and their families, who would then leave and be replaced by the hard rock miners.

"We've been working here to nurture community, and all they're into is extraction," complains town planner Myles Rademan. "All over the country people talk about community. And we've got it here. But it looks like we're being overwhelmed."

Arthur Townsend says, "Can you imagine the cacophony in a town where the loudest sound is an occasional drunk screaming or a dog barking?"

Crested Butte officials point to modern-day boomtowns such as Rock Springs and Gillette, Wyo., and Craig, Colo., with their transient populations, high unemployment and crime rates, and general social chaos. Gunnison County, it is noted, has had only two armed robberies in the last 40 years.

The Crested Butte mayor, W. Mitchell (who, like Rademan, grew up in the Philadelphia area), believes that "if we follow the lead of Craig or Rock Springs we would have none of the values we cherish in just a few years. And if we project that a little further, there will be no Rocky Mountains, as we now know them, in one hundred years."

He refers to the fact that more than 1,500 other mining claims were filed during 1978 in the high country areas around Crested Butte, mostly for uranium exploration. Backpackers report the wilderness staked out for survey, helicopters buzzing overhead.

Already the impact of AMAX is felt. Townspeople tick off the insults: A road cut into Red Lady Basin at the top of Emmons; two lights at the summit, burning there all night; seismic test explosions on Mount Axtell to find a route for a 12-mile-long conveyor belt system; AMAX's closure of the nearby springtime ski slope.

At the annual Fourth of July parade last year, there were six anti-AMAX floats. Anti-AMAX bumper stickers. T-shirts. A new song called "Molly Be Damned."

A visitor feels deeper emotional undercurrents to the debate, portending an uncomfortable clash of cultures if the mine is built. A young bartender says that "the miners who come in here are just ordinary slobs. They don't get along with the townspeople." A mechanic for a core-drilling company, sitting in the same bar, sneers at the townies: "Half of 'em are living on welfare or money their daddy sends 'em."

A woman hiker reports getting hooted at by AMAX workmen. A fight in town.

A longer perspective of the Mount Emmons Project is shared by the 100-and-dwindling core of senior citizens from the coal mining days—the people who are quaintly referred to by AMAX and city officials as The Old-Timers. Many of them are immigrants from the coal districts of Yugoslavia and their Crested Butte was a company town with low wages, coke ovens belching on the ridge and Saturday night polkas.

These are the natives of Crested Butte, and they know it to be a mining community—why the pretensions? A new mine means jobs. AMAX offers to employ 2,000 construction workers and as many as 1,400 miners.

A worker from the old Keystone mine explains: "If there's steak on the table and you don't eat it, it don't do you no good. That's the same as this mine if you don't develop it."

The old families stay in the background. It's not their town anymore. All the values have changed. To them, as to AMAX, a mountain is to be mined.

However, this is 1979 and Mount Emmons will not be a pick-and-shovel job. Molybdenum is a metallic element used primarily as a hardener of steel for jet and automobile engines, Arctic pipelines, stainless steel and even the lightweight frame of Myles Rademan's 10-speed bike. AMAX by itself, at its two mines at Climax and Henderson, Colo., unearths more than 40 percent of the western world's molybdenum. Half of AMAX's annual 75-million-pound production is exported, and the company's research labs in Ann Arbor are discovering new uses for moly every year.

The problem with mining molybdenum is that it constitutes only about four-tenths of 1 percent of the ore in which it is found. The remaining 99.6 percent of the rock has to be disposed of, somewhere. It is a process, literally, of moving a mountain—tearing it down from the inside out, hauling it piece by piece to a mill, extracting the moly and dumping the remains in tailing ponds. AMAX makes no apology for the method: It's the only way—a mountain can't be put back together again.

The Climax mine, at Bartlett Mountain south of Leadville, has been in operation since 1917, and by now it is an ecologist's nightmare. Motorists on the main highway over Fremont Pass witness miles and miles of alpine valley filled with the marshy sand-colored tailings. And Bartlett Mountain itself, after decades of being eaten away from beneath, has long since collapsed, forming a jagged rip in the mountainscape. The mining goes on, some of it open-pit. On the long drive from Denver to Aspen, the Climax mine is an awesome sight.

In the late 60s, when AMAX discovered the Henderson moly lode farther north in Colorado, the company took pains to make it a cleaner, and less noticeable, operation. It consulted environmentalists and, in order not to disturb a watershed, AMAX drilled a 10-mile tunnel through the Continental Divide to the other side, where the mill and tailings offered fewer drainage problems. AMAX is proud of Henderson—a half-billion-dollar "Experiment in Ecology," the largest privately financed engineering project in Colorado's history.

At Mount Emmons, AMAX is even more aware of what it calls "the immense problem" of gaining public acceptance. AMAX regards it officially as a significant challenge—"the first of a new generation of mines"—which with the proper local coordination will become a national model of harmonious industrial progress.

To show its willingness to cooperate, the company has announced a project to clean up the pollution in Coal Creek from previous mining at Mount Emmons. The company has agreed to contribute $100,000 toward a computerized county land-use system, to consider building a mine road that would bypass the Crested Butte town limits and to cooperate with all agencies to minimize the impact of the mine.

AMAX is also conducting an energetic public relations campaign, with goodwill offices in Crested Butte and Gunnison; expensive brochures and a new local paper, *The Moly News*; sponsorship of softball teams; guided tours of the mine site for VIPs and The Old-Timers; and wining and dining of local politicians at company headquarters in Greenwich, Conn.

Crested Butte officials acknowledge that AMAX is a "liberal" development company, open to negotiation. However, the corporate goal is clear. H. Stanley Dempsey, an AMAX vice president in Denver, told the Crested Butte *Chronicle*: "The fact that a mineral deposit that size exists means society will get at it one way or another at some point in time." Local objections might possibly delay the mine, Dempsey said, but he noted "guys get paid to figure out how to move these projects along in an orderly way."

The $2-billion moly deposit in Emmons is in the shape of an inverted bowl about 300 feet thick and half a mile in diameter, located about 1,500 feet below the summit. Tunneling in from the southwest side of Emmons (out of view of the town itself), AMAX would extract the raw ore by the traditional method of "block/panel caving," which means that explosives loosen the rock and gravity does the rest. The fallen ore, after going through a primary crusher, would move by conveyor belt to the mill and tailings site. Best bet for that site is the Alkali Creek basin, 12 miles down valley toward Gunnison in National Forest land.

In hollowing out Mount Emmons, there is the prospect of, as AMAX calls it, "subsidence." This is a phenomenon otherwise described by Judy Naumburg, a bar-and-restaurant owner in Crested Butte, as the total destruction of the mountain we look at when we get up every morning."

Arthur Biddle, the project's external affairs manager, says it is difficult to predict a collapse. AMAX's literature, though, grants that "an area of approximately one square mile will show some evidence of disturbance through subsidence." So it appears to be a matter of semantics.

"Present plans call for developing a mine at Mount Emmons as quickly as possible," the company declares. Yet, with a project of such magnitude, that still will take a long time. Core-drilling and feasibility studies will continue through 1979. The Forest Service's Environmental Impact Statement, which promises to be a truly encyclopedic effort with input from all sides, is not expected until the end of 1980. Even without delays, construction would not begin until 1981, and mining would not start until 1986.

Meanwhile, the Colorado Review Process goes on—all the participants debating baseline studies, externalized costs, wildlife habitat loss, highway obsolescence, alcoholism, growth impact, visual impact, impact on recreation, impact on ranching and on historic sites. The word being used is not "litigation" but "mitigation"—mitigating the unfortunate consequences of moly mining.

Arthur Biddle of AMAX characterizes the review process as moving along well in its early stages, the representatives getting to know one another's batting stance, as it were.

Myles Rademan of the Crested Butte team says, "It's like negotiating with the North Koreans"—which is not to cast stones at AMAX but rather to suggest the staggering complexity of the debate. He calls it "a process of polite extortion," and he does not know how it will turn out.

The Forest Service, the state government and the county, to whom AMAX eventually must turn for its permits and clearances, all appear considerably more receptive to the Mount Emmons Project than the town, which in fact has no official say in the matter and is invited to the review process meetings as a courtesy.

There is some hope among preservationists that "the cost of mitigation" in time and money will cause AMAX to put the Mount Emmons Project on the back burner. But not much hope. The operable federal mining law, dating back to 1872, is intended to encourage development.

Even if mitigated, the mine would have "a huge impact" on the historic town, says Rademan. A citizens' alliance has formed with 130 members to try to stop the mine outright. And the plucky mayor, Mitchell, has been flying around the country on his own money, barging in on influential people, trying to grab the attention of the big-time media.

Mitchell is fond of quoting ecologist Paul Ehrlich, who works in the Crested Butte area during the summers. The best use for molybdenum, according to Ehrlich, is to hold up old Mount Emmons.●

THE STRATEGIC OIL RESERVE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. PAUL. Mr. Speaker, on paper, the Energy Department's strategic oil reserve sounds impressive indeed: 1 billion barrels of oil stored in salt domes, including Bryan Mound, along the gulf coast.

In practice, it has been a fiasco.

In 1975, Senator Muskie estimated the total cost as well over $6 billion. The actual figure will be at least $25 billion, and cost expert A. Ernest Fitzgerald has said the whole program will probably be a "giant fiscal disaster."

President Carter had ordered a minimum of 250 million barrels to be in storage by the end of 1978. As of now, only 72 million are in the domes.

But some of the salt domes have leaked, and oil has been lost. Other domes have to be cleaned with water, and the resulting brine will have to be pumped out and piped into the Gulf of Mexico, to the outrage of environmentalists.

The cost of simply storing the oil has more than doubled, and because the project is so far behind schedule, the taxpayers will be buying far more costly oil.

And there is no way at the present time to retrieve the oil in storage. The Government promises to have pumps installed by autumn, but this is a new area technologically, and there may be unforeseen—and expensive—problems.

After the Arab oil embargo, American officials were rightly concerned with our Nation's vulnerability.

But the attempt to protect our country with more Federal intervention, spending, regulation, and giant projects has been a failure.

Just recently, a general from the Department of Defense told one of my subcommittees that our Armed Forces might not have enough petroleum in the event of another embargo.

Federal energy policy has not only been costly to civilians, it has also endangered our national defense.

All this makes imperative a free market energy policy for the 1980's. This would involve:

First. The immediate decontrol of all oil and natural gas prices;

Second. Continued nuclear energy development;

Third. Allowing American companies to buy natural gas and oil from Mexico without Government interference;

Fourth. Lifting all the onerous and expensive Government regulations on energy; and

Fifth. Eventually abolishing the energy bureaucracy in Washington, the best friend OPEC has.

These five steps would allow creative minds in the private sector to discover and provide the energy our country needs, without dependence on the Middle East.

Our country's military and economic security are at stake. Salt domes and Washington double domes can only make our problems worse. The answer is the free market.●

HELSINKI COMMISSION SETS HEARINGS ON U.S. DOMESTIC COMPLIANCE; LABOR SECRETARY MARSHALL AND AMBASSADOR GOLDBERG WILL TESTIFY

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. FASCELL. Mr. Speaker, the Commission on Security and Cooperation in Europe will hold public hearings April 3, 4, and 5 on U.S. domestic compliance with the Helsinki accords.

Labor Secretary Ray Marshall, Special Assistant to the President Sarah Weddington, and former Supreme Court Justice Arthur J. Goldberg are among those who will appear at hearings on U.S. compliance with the 1975 Helsinki accords April 3, 4, and 5, sponsored by the Commission on Security and Cooperation in Europe.

The hearings—being held in advance of the Commission's publication later this year of a comprehensive report on U.S. Helsinki compliance—will provide senior executive branch officials as well as representatives of private monitoring groups an opportunity to evaluate and comment on the U.S. record in terms of the 35-nation, East-West agreement.

The April 3 and 4 sessions will be devoted to reviewing the U.S. performance in the areas of civil and political and economic, social and cultural human rights. The final meeting on April 5 will focus on Helsinki-related criticism of U.S. visa laws and procedures.

The Commission's findings on U.S. compliance and implementation will be available for the next review conference of the international agreement scheduled for Madrid in 1980.

The hearing schedule is as follows:

APRIL 3

10:00 a.m., Room 1202 Dirksen Senate Office Building.

Peter Bell, Deputy Undersecretary, Department of Health, Education and Welfare;

Forrest Gerard, Assistant Secretary for Indian Affairs, Department of Interior; and

Louis Nunez, Staff Director, U.S. Commission on Civil Rights.

Panel of affiliates of the private Helsinki WATCH including representatives of the NOW Legal Defense Fund, NAACP Legal Defense Fund and the United Farm Workers of America.

APRIL 4

9:30 a.m., Room 2200, Rayburn House Office Building.

Ray Marshall, Secretary, Department of Labor;

Sarah Weddington, Special Assistant to the President; and

John Huerta, Deputy Assistant Attorney General for Civil Rights, Department of Justice.

Panel of affiliates of the private Helsinki Watch Committee for the U.S. including representatives of the ACLU National Prison Project, National Urban League, Indian Law Resource Center, Lawyer's Committee for Civil Rights Under Law—Alien Rights Project, Movement for Economic Justice and Micronesia Legal Services.

APRIL 5

10:00 a.m., Room 6226 Dirksen Senate Office Building.

Leonel Castillo, Commissioner, Immigration and Naturalization Service;

Barbara Watson, Assistant Secretary of State, Bureau of Consular Affairs;

John Edsall, Chairman, AAAS, Committee on Scientific Freedom, Harvard Professor; and

David Carliner, Immigration lawyer, Carliner and Gordon; General Counsel, ACLU.

Representatives of the trade unions and the business community.

Ambassador Arthur J. Goldberg, former Supreme Court Justice and Chief U.S. Delegate to the Belgrade CSCE Review Conference.●

BYELORUSSIAN INDEPENDENCE DAY

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. PEYSER. Mr. Speaker, I want to take this opportunity during the commemoration of the 61st anniversary of the proclamation of the Byelorussian Democratic Republic to express my support for the Byelorussian-American community and to recognize its role in striving to insure that those in its native land enjoy the human rights which are guaranteed under the Helsinki accords.

A Western Soviet republic 10 million strong, Byelorussia and its people have experienced the same oppression and denial of cultural, religious, and human rights as we have witnessed in other areas of the U.S.S.R. such as the Ukraine and the occupied Baltic States.

A cosignatory of the Helsinki accords on human rights, the Soviet Union continues to violate those accords and to harass and imprison those who would attempt to insure compliance with the accords.

I cite, for example, the case of Michal Kukabaka who, among other things, was imprisoned in the most horrible kind of Soviet prison—psychiatric—for merely giving his friends at work the Universal Declaration of Human Rights to read.

Such repressive measures are indicative of a nation bent on continued Russification of its minority groups and the resulting suppression of the cultural and religious heritage and human rights so vital to these nations and ethnic groups.

On this commemoration, we as a nation dedicated to the full protection of human rights offer our support to the efforts of the Byelorussian-American community and to their brethren in the U.S.S.R. who struggle under the yoke of oppression and who continue to strive for the guarantee of the full enjoyment of basic human rights.●

WON PAT HAILS PEACE ACCORD

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. WON PAT. Mr. Speaker, President Jimmy Carter is certainly the man without whom the signing of the Israeli-Egyptian Peace Treaty we witnessed on March 26, 1979, would not have been possible. It is amazing that only 60 days ago, the events of this week were not even a remote possibility. After the initial euphoria of Camp David it appeared that peace in the Middle East was rapidly becoming a concept that only Jimmy Carter accepted as having even the most remote chance of success.

Despite the overwhelming odds, he persevered. He won, and he has brought this Nation new recognition in the world as a peacemaker. This is what our forefathers wanted. And this is exactly what the American people desire. Truly, President Jimmy Carter is a leader of men. He has led two warring nations to the peace table. His mighty efforts deserve a lasting place among the highest accomplishments of human beings.

Equally deserving of our accolades are Menahem Begin, Prime Minister of Israel, and Anwar Sadat, President of Egypt. Joint holders of the Nobel Peace Prize for their efforts at Camp David, these two men have again proven to be leaders of the highest caliber. They have chosen peace for their people over the urging of those who desire continued strife in the Middle East. They have given their respective followers an opportunity to reverse the tides of time and put an end to 30 years of hostility between their countries. Finally, they have laid the groundwork for an end to an unstable situation which has threatened to engulf not only all of the Middle East, but perhaps the Western world. In many respects, the price of energy we pay in this country is a direct result of the conflict in the Middle East. The peace treaty signed this week can, if given the opportunity, be an important instrument in bringing about a resolution to the serious problems in the Middle East.

In the months to come, we in Congress will have an opportunity to vote for the package of aid President Carter has offered Egypt and Israel. I will support President Carter in this effort. My only regret, however, is that the billions in aid we are about to provide is so heavily burdened with instruments of war rather than instruments of economic development.

America stands ready to do its fair share to obtain a stable political situation in the Middle East. I call on the leaders of Israel and Egypt to carefully analyze their true requirements to ascertain whether or not their people would not be better off with other forms of economic assistance than that which is currently being proposed.

It has been said that peace is a blessing no man who has not experienced war can truly understand. I have experienced the horrors of war at firsthand and am confident that both the Israelis and Egyptians must desire an end to the years of senseless fighting.

I am proud of President Carter and his two esteemed colleagues in their unique and historical effort to bring this dream into the realm of reality. May they all continue to be successful in this effort. The future of the Middle East and perhaps of the civilized world may depend on their success. Thank you.●

NUCLEAR PLANT ACCIDENT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. WEISS. Mr. Speaker, yesterday's accident at the Three Mile Island nuclear power facility in Pennsylvania again demonstrates that we must exercise the utmost caution and care in legislating controls over nuclear power generation.

More than 60 atomic generating facilities are now in operation throughout the United States—many of them situated within a few miles of heavily populated urban areas. A serious mishap at one of these plants could well result in a public health and environmental catastrophe. Yesterday's incident at the Three Mile station, while apparently not of such magnitude, is nonetheless a warning which this Congress would do well to heed and consider.

The people of Harrisburg, Pa., which is some 10 miles from the facility, were exposed to radiation as a result of the cooling system failure at the plant. Officials also indicate that at least eight workers at the Three Mile station were likewise exposed to significant doses of radioactivity. This may have been a preview of a much more serious incident.

It is quite clear that nuclear power generation is not at all the fail-safe technology which its proponents maintain it to be. Like every form of technology, nuclear power exhibits the marks of human fallibility. Systems occasionally break down. Safety mechanisms sometimes fail. The unforeseen and the unlikely do in fact occur.

The potential for a major calamity with this type of technology is so great, however, that we must consistently question the claims of the scientists, the Government officials and the various experts who assure us that atomic power is the energy source of the future, that it is clean, safe, and inexpensive.

I urge my colleagues to adopt a more skeptical view of these assertions—a view which I believe is certainly warranted in the wake of the Three Mile Island incident and the many other accidents and mishaps which have occurred at other nuclear generating stations.

This Congress should begin to place a much greater emphasis on alternative sources of energy such as solar, wind, and tidal power generation. Nuclear powerplants are potentially the cause of an increase in cancer and genetic diseases in our Nation. Their radioactive byproduct is deadly and cannot always be sealed off from the environment.

We must begin now to reassess our reliance on nuclear power. I fervently hope that it will not take a major disaster to force Congress to revise our Nation's energy policy.●

ATTACKS ON OBSCENE PROFITS

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. MAZZOLI. Mr. Speaker, I would advise all who are denouncing as obscene and unconscionable the 1978 pre-tax profits earned by U.S. business to read the following editorials:

[From the Wall Street Journal, Mar. 19, 1979]

Pray for Profits

We haven't heard many attacks on obscene profits recently, which may mean either that populist demagoguery is going out of fashion or that the news of lush fourth-quarter corporate results hasn't penetrated Washington. Since choice two is more likely, we'll anticipate the outcry.

The first thing to say is that the President's economic aides should be thanking their lucky stars that corporate earnings registered such healthy gains (26 to 28 percent on average) from a year earlier. People with limited knowledge of the Nation's capital formation problems might think the companies are charging to much, undermining price "guidelines." But in fact that earnings surge came at a crucial time, taking pressure off credit markets at a time when it was essential that the Fed apply pressure. It thus helped, rather than hindered, the administration's anti-inflation endeavors.

The dollar was in sad shape indeed when the administration finally decided to come to its rescue last November 1. Since then, the Fed has been able to hold money growth to a minimal level (so far as can be determined from the conventional measures). The dollar is once again showing signs of health and if it continues to do so, there is every prospect that inflation will moderate.

The ability of the Fed to restrict money growth without causing an economy-jarring credit crunch depends upon a lot of things and there have been a lot of confusing variables in the money and credit markets lately. High interest rate savings certificates have been funnelling money into the housing sector, for example, and the traditional measures of money may have been distorted by the popularity of money market mutual funds.

But one thing is certain: The Fed comes under less pressure to create excessive money, and hence inflation, when U.S. generated savings are supplying a high percentage of the Nation's capital demands. And the principal source of savings in this economy right now is business.

One of the pernicious effects of chronic inflation is to discourage personal saving: not only is there less to save after paying bills but consumers opt for goods rather than money, knowing that it's better to be a debtor than a lender during inflationary times. With government running big deficits and consumers preferring borrowing to saving, corporations are left to supply the nation's savings. The combination of undistributed corporate earnings and capital consumption allowances accounted for between 75% and 80% of total savings generated in the U.S. economy last year. Corporate taxes also boost government revenues, reducing government borrowing needs. Had it not been for the fourth-quarter profits surge, the nation would have had a much harder time satisfying credit demands.

The biggest single source of credit demands, is, of course, the federal government. As economist H. Erich Heinemann of Morgan, Stanley noted recently in congressional testimony gross U.S. government demand for funds last year, including federal agencies, came to $92.8 billion, up about 10% from the year before. The federal government is hogging nearly 20% of the nation's capital at a time when economic activity, and hence total credit demand, is close to a cyclical peak. That's almost double the proportionate federal demand at the 1973 cyclical peak, he noted.

And despite the President's promises to hold the fiscal 1980 deficit to a mere $29 billion, the Salomon Brothers forecast for financial markets predicts that federal credit demands that must be absorbed by domestic private investors will rise further this year, not decline.

There are hopeful predictions that business will continue to show strong profit gains through the early part of this year, but there is far less certainty about the outlook for later in the year. Of course, if there is a recession, demand for credit will most likely fall as well. But that is harly something to cheer about.

It would have been far better if this government had managed its affairs in such a way as to not have hit the economy with huge credit demands in boom times. There would have been less inflation. Business generated capital could have been put to better use, for modernizing plants and improving the nation's total capital stock.

But having made such colossal mistakes of economic policy it would be particularly unbecoming for this government to mau-mau business about profits. Rather, Mr. Carter's inflation fighters should be praying for yet more profits in the months just ahead if they hope to see inflation defeated and the economy restored to a safe equilibrium.

[From the Washington Star, Mar. 25, 1979]

Are Profits Naughty?

As an exercise in political gesture, the furor over fourth-quarter 1978 profits is understandable. As an exercise in sober economic analysis, which must precede intelligent policy decisions, it is vacuous, not to say silly.

It started last week when the Commerce Department announced that before-tax U.S. business profits for the last three months of 1978 exceeded those of the corresponding period of 1977 by 9.7 percent: a figure which the press misleadingly ballooned into a "44 per cent annual rate." (The actual increase for the full year 1978 was 26.4 per cent.)

Ordinarily, the news that profits are soaring would be good—even as the contrary news would be bad. Or so you would think. Well, it might be good news in corpoarte boardrooms; but for the Carter administration, which is striving to contain wage settlements and prices at a counter-inflationary level, the news is both sweet and sour.

Before you could say "Adam Smith," President Carter's top political aid, Mr. Hamilton Jordan, called last year's profits excessive. But second thoughts quickly ensued. The White House press secretary, Jody Powell, denied that the administration has in mind an arbitrary platonic profit level, to exceed which is naughty. And Mr. Alfred Kahn hastened to say, with the nice discrimination of an economist, that rising profits can derive from other sources than "price-gouging," the offense with which Mr. George Meany of the AFL–CIO could hardly wait to charge business.

Mr. Meany apparently feels himself vindicated by the fourth-quarter profit figures, and is saying "I told you so." He has insisted for months that the "voluntary" wage-price guidelines are partial to business.

In fact, insofar as the news from the Commerce Department computers is ammunition for Mr. Meany, or for unions seeking to bust the 7 per cent wage-settlement guideline, it is a political liability for the administration. That is the sourness. And should it encourage widespread flouting of the wage guidelines, it will become an economic liability for everyone.

Notice, however, that nobody—except, perhaps, for a few government economists—was trying to explain what the news actually means. It means, essentially, that in October-November-December the U.S. economy was growing at a healthy rate—almost 7 per cent after adjustment for inflation. That rapid growth signals expanded demand, and it forces business to use idle capacity and thus to raise marginal efficiency and productivity.

This is not all it means, to be sure. It may also mean—or so some government economists suspect—that in the lower rungs of corporate size, well below the "Fortune 500" level now monitored by the Council on Wage and Price Stability, there may be some "price gouging": businesses jacking up prices well above rising costs in the hope of making a killing.

And if that is happening, it suggests the intractability of the inflation problem. To monitor price levels so far down the scale of businesses, assuming that to be desirable, would require more machinery, and more regulators, than are on hand now. And anyway, by comparison with monster wage settlements and arbitrary pricing in the largest business sectors, the macroeconomic effects are relatively slight.

Inflation has a hand in profit levels also. Book profits at a time of high inflation can be misleading, since the gap between "historical value" of plant and equipment and actual replacement costs is considerable and rising all the while; and it is the former figure that many businesses use when they figure depreciation costs and profit levels. The 9.7 per cent fourth quarter profit increases are pre-tax figures, unadjusted for inflation. A more accurate gauge of business profitability, some believe, is the profit rate on sales; and that continues to be modest: about a nickel on the dollar.

Mr. Meany, who is still trying to make a case for mandatory price-wage restraints, naturally chooses to emphasize the symbolic impact of rising profits rather than such mitigating details as the foregoing. But the anti-profit clamor suggests a desire to have things two ways. Rising profits are at least a symptom of economic vigor. They telegraph rising tax revenues and more jobs. Prosperity, as always, is not altogether a bad thing, even for organized labor—regardless of what you hear.

Can you imagine, in fact, what Mr. Meany would be saying about recent economic performance if profit levels were sinking—and, more, particularly, if receding profits seemed to signal the onset of a slump and higher unemployment?

We certainly can.●

OIL PRODUCTION STILL THE SAME

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. GORE. Mr. Speaker, a few weeks ago I released a report from the Library of Congress which suggested that, despite the loss of Iranian oil, the world oil production was essentially the same as it was during the first three quarters of 1978.

There is no question that this country must reduce its dependence on foreign oil producers. In addition, it is critical that America reduce its voracious appetite for energy. However, in evaluating the impact of the Iranian cutoff, it is essential that we have accurate information on the severity of the shortage. Exaggerating the shortage creates a very real "price crisis" which can have a devastating impact on the economy. I believe that, at the very least, this debate has underscored DOE's insensitivity to the impact of price on energy policies.

Apparently the New York Times and Business Week have reached similar conclusions. I would like to call to the attention of my colleagues two recent articles which I feel emphasize the frustration which many of us feel in dealing with these tough energy questions.

[From the New York Times, Mar. 8, 1979]

OIL "FACTS" DON'T QUITE MATCH THE RHETORIC

(By Richard Halloran)

WASHINGTON.—Bewildered by the continuing uproar over the supply of oil, or lack of same? You're in good company.

The Department of Energy says—Energy Secretary James R. Schlesinger testified so last week—that the nation is short 500,000 barrels a day, and creeping toward 800,000 barrels. The Congressional Research Service says the shortage is only 80,000 barrels a day. The big oil companies say that, worldwide, it's 2.5 million barrels a day and so they must parcel out deliveries to make sure everyone gets a fair share. The General Accounting Office, Congress' investigative arm, finds that puzzling. It says that the companies are cutting the United States back 10 to 15 percent while at the worst the loss of Iranian oil puts it down only 4 percent.

Such reputable challenges to the "official" figures from the Department of Energy and the American Petroleum Institute, the industry's trade association, suggests that the crisis talk is overblown—at least for now. During the three months since Iran's troubles turned off the tap on its exports, demand for crude oil and its refined products, such as gasoline, has risen only 1.9 percent, compared with the same period a year ago. Supplies are up a solid 3.4 percent. Conventional wisdom has it that the United States is dipping into its stocks 500,000 barrels a day more than normal. But the numbers show that an average of 250,000 barrels a day less than a year ago is being drained out, and at this point in the annual supply and consumption cycle, dipping into stocks is usual.

Moreover, the basic crude oil stocks appear to be quite sufficient. They are down from the level of a year ago—Government officials and oilmen agree they were abnormally high then—but they are above the level of the same period in 1977, a more nearly average year. The latest figures show that the slide that began last August may have bottomed in January, with stocks picking up now. Production of domestic oil is up; imports of crude are up—not down, despite the loss of 900,000 Iranian barrels a day; and imports of refined products are up.

Why then there should be shortages of refined products, especially of jet fuel? Although some oil companies have reported spot shortages of jet fuel and several airlines have cancelled flights, since December, demand has been almost exactly what it was a year ago, and the year before that. Indeed, airlines have been consuming the same amount of jet fuel they did back in 1973, before the Arab oil embargo, and jet fuel stocks are inside the range within which they have fluctuated for more than two years.

Gasoline is less mysterious. Americans are driving more. Even so, stocks appear healthy, dropping from last year's high to roughly the 1977 levels in December through February. The difficulties with unleaded gasoline are unrelated to Iran; the companies say refinery capacity is inadequate to keep up with demand, and they haven't built more because current price controls would not give them a reasonable return on their investment. But at the other end of the scale, distillate fuel, largely heating oil, is in trouble. Consumption is up and stocks have fallen to their lowest levels in more than two years, presumably because of the cold weather.

Outside of heating oil, why all the fuss? At first, many oil companies asserted that they had to ration their products because Iran meant their supplies of crude oil had shrunk. In recent weeks, however, the vocabulary has changed. Oil executives contend now that "prudent management" makes the allocations necessary. They say they must be ready for the driving season next summer and the heating season next fall. But some Government analysts speculate privately, as did the General Accounting Office publicly, that the oil companies are holding supplies out of the market because they expect, one way or another, that prices will go higher—and by doing so, they guarantee that prices will go higher. Some also suggest that the companies may have shifted supplies into the spot market, where a barrel of oil commands upward of $6 or more than the posted price of $14.

It has also become increasingly clear that the oil companies are using the current troubles as an argument for removing controls from domestic crude oil. The theme that runs through most oilmen's speeches and press releases today is that if controls are removed, the companies will spend the money at home to explore and produce more crude and to build more refineries, thus reducing the reliance on foreign oil.

The argument over decontrol is reportedly also running through the Administration, with a decision by President Carter expected soon. Secretary Schelsinger favors decontrol to stimulate production. But Mr. Carter's chief inflation fighter, Alfred E. Kahn, fears the consequences. Many economists and oilmen contend that, at least for the foreseeable future, consumption will continue up, no matter what prices are set. The President's domestic policy adviser, Stuart E. Eizenstat, is said to worry about the political consequences. The head of the Council on Environmental Quality, Charles Warren, is worried that removal of price controls will be linked with relaxed pollution restrictions to get more efficient use of fuel.

For now, Iran's new government is producing almost enough to cover what is supposed to be the worldwide shortfall. At the same time, new questions have arisen, the answers to which may determine whether American motorists wait in line this summer to buy gasoline: They include:

Will Saudi Arabia continue producing enough to overcome the potential shortage from Iran? The Saudis have cut back from the 10.4 million barrels a day they produced in December to 9.5 million barrels a day, withdrawing almost 1 million barrels a day from the world supply.

Will Libya, Iraq, and other big producers hold crude oil out of the market, breaking long-term contracts to sell in the spot market? The plans of the producing nations may become clear—along with their new prices—after their March 26 meeting in Geneva.

Will the agreement reached in the International Energy Agency work? The 19 members, including the United States and Japan, agreed two weeks ago to cut imports by 5 percent by conserving or producing more. But the plan is voluntary and vague about 5 percent of what and when.

Will a shortage of oil, or something else, produce a recession in the United States and the rest of the industrial world? No matter what the cause, less oil will most likely be consumed and thus ease the pressure on supplies.

Only one thing seems certain, and that is that the price of oil and gasoline will continue to go up. As an oil executive said over coffee the other day: "When Iranian oil went off the market, OPEC tacitly agreed to limit production. It's much simpler to limit production so that price increases are automatic. The OPEC nations are acting the same way the Texas railroad commission did for 30 years."

[From Business Week, Apr. 2, 1979]

An Exaggerated Shortage of Fuel

Ever since the shutdown of Iranian oil production four months ago, Energy Secretary James R. Schlesinger has gloomily predicted severe shortfalls of gasoline. But as U.S. refiners begin their seasonal shift to emphasize gasoline production, the shortfall is proving to be something of a mirage. Stocks of gasoline, heating oil, and crude are not seriously low by any measure.

Whether the shortfall is a mirage depends, of course, on continued production of oil at recent levels. And, ironically, many believe, it depends on the Energy Dept. itself. Peculiarities in its rules for gasoline allocations by refiners could precipitate a "shortage" similar to the one that occurred during the 1973 Arab oil embargo—worried consumers would line up to top off their tanks.

The stocks themselves are encouraging. To be sure, there is less gasoline than a year ago—some 10 percent or 26 million bbl. less. But stocks then were at record levels. Compared with 1977, a more normal year, gasoline supplies are down only by 4 percent. Crude stocks—also very high in 1978—are actually up 9 percent over the same time two years ago (chart). Concludes Lawrence Goldstein, senior economist of the Petroleum Industry Research Foundation Inc.: "There's no need this summer for draconian measures—rationing or even Sunday closings." Even Energy itself is swinging toward a more optimistic view of the situation. John F. O'Leary, Deputy Secretary, admitted in congressional testimony that "it may be that there really is no shortage."

DANGERS AHEAD

O'Leary cautions that this depends in part on the continued stability of present world oil production, estimated at 60 million bbl. per day. If Iran, expected to produce an average of 3 million bbl. a day for the rest of the year, shuts down again, or if members of the Organization of Petroleum Exporting Countries decide at their meeting on Mar. 26 to throttle back on production, the U.S. could quickly suffer shortfalls. "We're not out of the woods yet," says Kenneth W. Haley, an economist with Standard Oil Co. of California.

No matter what happens on the international front, however, it seems likely that the U.S. is headed for some spot shortages of gasoline, particularly of the unleaded variety. For one thing, the uncertain supply situation is forcing some refiners to trim their operations. Normally, at this time of year the industry's operating rate would be 90% or higher. Instead, it is only 84%. Refiners fear that they could exhaust crude oil inventories if they do not continue to receive adequate supplies. "You don't want to run all out right now if it's possible you'll be sucking air in two or three months," says Fred D. Dominey, Cities Service Co. economist.

Even if refiners' cautious attitudes are not enough to cause some shortages, many in the industry believe the cumbersome allocation system first enacted after the Arab oil embargo of 1973 could produce panic buying. In February, Energy attempted to streamline the allocations by changing the base year for refiners to calculate how much gasoline they allocate to their customers. Most refiners hailed the change of base years from 1972 to 1978, but the system still results in supply distortions. "The guy who sold 30,000 gal. a month last year but sells 50,000 a month now is allocated only last year's amount," says Dan Lundberg, editor of a gasoline industry newsletter.

Domino effect. Indeed, as many as 10% of the stations of a large Midwest refiner may have to close down before the end of the month because their allocations are much smaller than the amount of gasoline they now sell. Lundberg believes this will cause a domino effect as increasingly panicky motorists move from station to station.

Few believe that will happen this spring, but there is worry that a crunch will come in July, when, because of a quirk in the way Energy proposed the program, the base year shifts back to 1977. This would exhaust supplies sooner at many stations. O'Leary says that if the present rules create such problems, "we can straighten that out."

Even streamlining the allocations system might not be enough, however. Unless it is clear that adequate crude supplies are likely to continue, few refiners will quickly step up their refining runs. The result, warns James E. Barnes, an executive vice-president of Continental Oil Co., could be serious shortages of gasoline.

DRURY COLLEGE WINS NAIA

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. TAYLOR. Mr. Speaker, a lot of excitement has been created these past few weeks as we were treated to the NCAA and NIT basketball tournaments, and deservedly so. However, there was an additional tournament that caused just as much interest in our smaller colleges, the NAIA national basketball championship. It was won by the Drury College Panthers of Springfield, Mo.

Under the direction of head coach, Jerry Kirksey, in his first year at the Drury helm, the Panthers went 33–2 in the regular season. They were seeded third going into the tournament but overcame the odds and took the championship trophy with them back to Springfield.

It is for this reason I believe we should pay tribute to this team, their coaches, and fans. I am proud to represent the district within which they are located and I assure you they will be back next year defending the title they so diligently earned.●

A BALANCED BUDGET AMENDMENT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report from March 28, 1979, into the Congressional Record:

A Balanced-Budget Amendment

The most talked-about legislation in Congress today is a constitutional amendment to balance the federal budget.

Many balanced-budget amendments have been submitted in the past few years, but only recently have they received attention. Some of the amendments would require a balanced budget immediately; others would phase out deficits over a period of years. Certain amendments would specify that revenues must match outlays exactly; others would call for budget surpluses, with the excess to be applied to the national debt. Some of the amendments would set out guidelines for balancing the budget; others would leave open the options of spending cuts and tax hikes. In addition, almost all the amendments have provisions to permit deficits in emergencies.

The interest in a balanced-budget amendment runs very deep. More than 30 state legislatures, including Indiana's, have petitioned Congress to place controls on the federal budget. Recent opinion polls show an even stronger trend in the public at large: eight of every ten voters favor a balanced-budget amendment, and more than two-thirds of the electorate rate a balanced budget as "very important." Behind the interest in an amendment is the belief that deficits cause high inflation and government growth.

A balanced budget in a strong and stable economy has high priority on the national agenda. When the country is at peace and the economy is performing well, there is little reason for the government's books to show red ink. Two budget surpluses totalling $3.5 billion in the last 20 years do not constitute a record we can be proud of, and they demonstrate that spending restraint is necessary. The question for makers of policy, however, is whether an amendment to the Constitution is the best device to achieve and sustain sound fiscal performance. It seems to me that there would be several problems with any balanced-budget amendment. Let me briefly describe just a few of those problems.

First, a balanced-budget amendment would tie the hands of the government in cases where the security or economic health of the nation was threatened. Major military initiatives, or initiatives to stimulate the economy, normally depend at least in part on deficit spending. Almost all the amendments have emergency provisions, but these provisions may not be flexible enough. Some would demand a two-thirds or three-fourths vote of Congress before there could be a deficit, and others would go further by also requiring ratification in a majority (or more) of the state legislatures. Such degrees of consensus would be hard to forge in many situations. Seeking the consensus would be time-consuming as well.

Second, a balanced-budget amendment would introduce an element of real uncertainty into the government's budget process. The most serious problem would be the annual calculation of revenues and outlays on which we base our main budget decisions. Economic science has not advanced to the point where the calculation can be made with any assurance of accuracy, but with an amendment the calculation would have to be extremely accurate since the government could not run a deficit to make sure that its budget targets would be hit. Lacking an accurate calculation, it might be necessary for Congress to spend most of its already limited time reviewing and revising the budget in order to avoid unconstitutional action.

Third, a balanced-budget amendment would be difficult to enforce. The fundamental problem here is that there is no uniform definition of what the budget is. It can vary (and has in fact varied) greatly in size and substances, depending on the accounting practices that are followed in making it. For example, the government could follow the accounting practices of many states and businesses by establishing a separate budget for capital improvements. This entirely reasonable change would bring the operating budget closer to balance without any alteration in spending or taxation. The problem could be circumvented by writing a definition of the budget into the Constitution, but I hardly think that this would be a wise thing to do. The Constitution is not a law, and it is not intended to contain highly detailed provisions.

Finally, a balanced-budget amendment would probably not fulfill its promise. In the view of many respected economists, it would neither stop inflation nor hold down government growth. The present-day inflation has many causes, and deficit spending appears to be only one among them. Nations such as West Germany run big deficits with low inflation. Government growth, too, is not principally the result of deficits. State governments have grown rapidly in the last decade in spite of their large surpluses and strict budget controls. A balanced-budget amendment is no magic solution to all the problems of economy and government.

I am firmly committed to a balanced budget in a strong and stable economy. However, a balanced-budget amendment must be scrutinized with great care. It would not solve the real problem because it would not get us to the heart of the matter: fiscal restraint. We already have the tools of fiscal restraint in our hands. What we lack, and must develop, is the discipline to use them. Without discipline, an amendment is worthless. With it, an amendment is unnecessary.●

BUSINESS PROFITS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. COLLINS of Texas. Mr. Speaker, many headlines proclaim big business profits. I just read the General Motors annual statement and it was interesting to see that the earnings per share in real dollars were exactly the same in 1978 as they were in 1973. I am talking about real dollars, because the inflated dollars which are caused by Government overspending represent a responsibility of Congress.

In 1973 General Motors had sales of $36 billion. In 1978 General Motors reported sales of over $63 billion. The dollar figure indicated that General Motors was selling nearly twice as much. But in terms of real dollars, this was not true. And in terms of a real profit, the margin was not as good as the profit margin that they had in 1973. In 1973 General Motors made 6.7 percent on sales and in 1978 General Motors' net income was 5.5 percent.

But when you finally got to the bottom line, the earnings per share were $8.34 in 1973 and $8.34 in 1978.

Many years ago a leading American said, "What is good for General Motors is good for America." What he was saying was that it is necessary to keep big business moving forward.

Remember that half of the profit of General Motors are going to the U.S. Treasury as corporate income tax. We also know that last year social security spent $88 billion and only took in $80 billion. America needs all the profits General Motors can make, as the more they make, the more tax income for the Treasury.●

TRIBUTE TO JOE BARTLETT

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

Mr. MOORE. Mr. Speaker, although Joe Bartlett's tenure in public service to the House was established long before my election to Congress in 1974, I found his willingness to take me aside and explain the rudiments of floor procedure and interaction to be freely given when other requests for assistance from those he had known far longer were also on his note pad. His courtesy and responsiveness went far beyond the House floor as well in providing assistance to my staff. In a Congress where we often find it a major task to get a telephone call returned in a timely manner, Joe Bartlett excelled in speed and accuracy of information.

Along with this service of information, Joe always had a refreshing way about his conduct on the House floor. When others tired during the long hours of a legislative session, his humor and interaction with Members eased the tensions of the day. His memory of legislative battles that preceded my service in Congress provided insight on what to expect from others when presenting my own legislative initiatives on the House floor.

The record of Joe Bartlett in service to this Congress is a hallmark for others to follow. He will be missed professionally and as a friend, and I join my colleagues in wishing him well in his future endeavors.

ADMINISTRATION OF CONGRESSIONAL PUBLIC FINANCING

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. ANDERSON of Illinois. Mr. Speaker, the hearings held by the House Administration Committee have produced some controversy regarding the administration of a system of matching payments to House general election candidates. The American Institute of Certified Public Accountants has indicated in a letter to Chairman Thompson that the system proposed by H.R. 1 could be effectively administered without a need for a large amount of additional resources. According to this independent group, which sets acceptable standards for the accounting profession, techniques currently used by other Government groups could be established so that the Federal Election Commission could assure the integrity of the matching payment process. The letter follows:

WASHINGTON, D.C.,
March 21, 1979.

Hon. Frank Thompson,
Chairman, Committee on House Administration, U.S. House of Representatives, Washington, D.C.

Dear Mr. Chairman: You have asked us to comment on the certification, examination and audit provisions of H.R. 1, a bill to amend the Federal Campaign Act of 1971, and to suggest how CPA firms might be utilized in connection with Federal election campaign financial accounting and reporting.

We do not take any position on the overall issue of public financing of general election campaigns for the House of Representatives. Our comments are limited to the aforementioned provisions where we do have specialized technical knowledge and experience.

We believe those provisions of H.R. 1 could be effectively administered without a large increase in permanent personnel or expenditures by the Federal Election Commission (FEC), if the use of normal audit sampling and test-checking procedures is acceptable rather than verification of every transaction in every campaign. The FEC itself has indicated the latter approach (verification of every item) is not cost effective. However, we wish to emphasize that no procedures for the monitoring of campaign finances, be it 100 percent verification or statistical sampling, will guarantee that there cannot be some possible misapplication of campaign funds.

We would urge the Congress to accept techniques, in wide usage today, that rely upon sampling and test-checking to provide a reasonably reliable result. Any alternative is just too costly. This approach is, of course, already in use by the IRS in their program of autditing taxpayers' returns and by the SEC in connection with financial statements filed with it.

Consideration should be given to requiring that reports by candidates be reviewed by qualified independent parties—such as CPA's or licensed public accountants—as well as the certification by the candidate and campaign treasurer.

This review might include, for example, test-checking the supporting documentation relative to the source, timing and amount of contributions as well as other appropriate information.

We believe it is imperative that candidates and their campaign treasurers be provided with clear, concise explanations of the requirements and procedures to be followed in applying for matching funds and spending such public funds. This would facilitate the kind of expeditious examination and auditing proceures envisioned by H.R. 1.

There are undoubtedly several CPA firms in every Congressional district, and utilizing these firms might be an efficient way to accomplish the decentralized auditing that is needed for Congressional campaigns.

Finally, we would like to again emphasize our strong feeling that one of the prime ingredients of a sound system is the preparation of clear and precise rules setting forth the steps necessary to assure appropriate compliance with the provisions of the Act. The AICPA would be willing to provide such assistance as is appropriate in the development of applicable procedures and regulations.

We appreciate this opportunity to express our views on this important topic. We would be pleased to met with you and members of your staff to elaborate further on our comments.

Sincerely,

ROSCOE L. EGGER, Jr.,
Chairman, Federal Government
Executive Committee.●

THE GERMAN TAX MODEL FOR ECONOMIC GROWTH

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. KEMP. Mr. Speaker, from time to time we are reminded of the critical fact that how you tax is as important as how much you tax. As Henry George observed exactly 100 years ago:

> The mode of taxation is, in fact, quite as important as the amount. As a small burden badly placed may distress a horse that could carry with ease a much larger one properly adjusted, so a people may be impoverished and their power of producing wealth destroyed by taxation which, if levied in another way could be borne with ease.

A very able journalist on economic issues and trade, Oscar Boline recently compared the incidence and burden of taxation in the Commonwealth of Massachusetts and the Federal Republic of Germany, and came to a similar conclusion. I would like to share with my colleagues his enlightening analysis, which appeared in the New England Business Journal, and emphasize some of the important ideas he presents.

First, while it might seem that heavily taxing property would be a "progressive" form of taxation, too heavy a tax on property not only reduces the wealth of those who hold property—but also prevents those without property from acquiring it. This result—for example, the high cost of housing for the average family—is hardly socially progressive.

And second. one of the reasons for West Germany's greater productivity compared with the United States is that Germany provides greater incentives for employment and production, and fewer incentives for consumption. The tax system places a much lower burden on business and individual incomes, while fully 23 percent of government revenue is from the value-added tax—a sort of national sales tax—and 20 percent from excise taxes of all kinds.

The lesson of the German model is that a society which is more productive because its government leaves more incentives for work, saving, and investment is also a society which can afford to be socially more generous. If the United States has less progressive tax rates, it would be socially more progressive in its wealth and opportunity.

The article follows:

GERMAN MODEL IS THE KEY

(By Oscar Boline)

During the past months the Federal Reserve Bank of Boston, the Commonwealth's Board of Economic Advisors, and an assortment of college professors have hurled missiles at the Commonwealth's lopsided tax structure for placing an inequitable burden on real estate.

The Commonwealth real estate tax, the highest tax load in the world, makes it increasingly impossible for the average family to support a home of its own, consumes about 50% of the rent money paid by tenants of rented housing, and taxes industrial plants to the point where it is an important negative factor to any firm considering locating in the Commonwealth.

According to the Joint Economic Committee of the U.S. Congress only 15% of American families can now afford the average single family home. The average U.S. family income was $12,051 in 1974, whereas a family had to have an income of $23,000 to support the medium cost home. On these terms, less than 12% of families in the Commonwealth can support a home on these terms of the Committee.

RETROGRESSIVE

This tax consumes a greater share of the income of the poor, the workingman and those struggling to maintain a middle class existence than it does of the well-to-do.

For a State which prides itself on being a leader in "social gains" it seems highly inconsistent that such a high share of the costs of running the local and state government should be paid by a retrogressive tax.

Though real estate taxes are hidden in the rent payments of the vast majority of urban dwellers, there is a general absence of tax consciousness among them. Instead of taking a personal interest in holding down public expenditures and thus keeping down their rent payments, they let the politicians spend what they can and cuss out their landlord for raising the rent.

Ironically, most of these expenditures are going for what is labeled "social gains".

If the politicians want to dish out "social gains" they can do so at less cost to the taxpayers by merely creating an atmosphere conducive to the growth of our industrial base, and letting a free economy solve most of our basic social problems.

This can best be done by finding other means of taxation than real estate.

WEST GERMAN TAXES

West Germany is constantly held up to us as an example of a prosperous economy with a high degree of "social gains." It has no problem in attracting foreign investment and no problem exporting. In fact the Bundes Bank, the Germany equivalent to the Federal Reserve, has come out against OPEC investments in Germany.

One of Germany's key advantages is its tax system.

The total real estate taxes collected in Germany in 1973 amounted to $1.2 billion—and represent a mere 1 percent of the total tax revenues collected by all branches of the government.

In the U.S. in the same year a total of $43.2 billions was collected in real estate taxes. This represented 13% of all local, state and federal taxes collected.

The Commonwealth, with less than 10% of the inhabitants of West Germany collected $2 billion in real estate taxes, almost 70% more than West Germany.

In Germany, industry paid a mere $7.8 billion in taxes in 1973 or 6.5% of the total budget for all government operations, against American industry's $53.1 billion which represented 16% of the taxes collected by local and state and the Federal governments.

Corporate real estate in Germany paid $500 million in taxes in 1973 as against $16.4 billion in the U.S. Private property owners paid $750 millions in real estate taxes in Germany as against the $26.8 billion paid by American home owners.

Germany's taxes bear heavily upon the consumer with 75% of the tax revenue coming from taxes on income, services and goods. In the U.S. only 50% of the taxes are derived from these sources.

The Commonwealth, with less than 10% copy the German tax system.●

GREGORY PAUL DI LISIO—VERMONT WINNER OF 1978–79 VFW-SPONSORED VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. JEFFORDS. Mr. Speaker, I would like to take the liberty of inserting, for the benefit of my colleagues, an essay written by a very talented young man residing in my own great State of Vermont. Gregory Paul DiLisio is the Vermont winner of the 1978–79 VFW-sponsored Voice of Democracy scholarship program.

1978–79 VFW "VOICE OF DEMOCRACY" SCHOLARSHIP PROGRAM, VERMONT WINNER, GREGORY PAUL DILISIO, R.D. 1, WESTON ANDOVER ROAD, CHESTER, VT.

Will the future reveal our world controlled by computers and filled with brainwashed people? No! America sets and will continue to set a good example of the people's good individuality and freedom. I like the freedom of security America instills in all our minds, concerning our freedom to speak out our opinions. I, as a citizen, may possibly provide insight that would benefit a community. Elsewhere in the world, where people are repressed into silence, problems of the citizen are left unsolved and questions unanswered. Since everyone has unique thoughts and ideas, I am grateful that in America, I may express my opinions without fear of imprisonment by a repressive society. One major problem in every young man's life, that I am well familiar with, is the dilemma of choosing an occupation. I have been exposed to more people with diversified jobs, than a chicken has feathers. I've known cobblers, Monks, bankers, artists, teachers, you name it—it's mind bothering to think of how many jobs there are in America that I have not experienced. There is something for everyone in our great country. So many immigrants believe this and most found enjoyableness in American life. I am thankful for the broad vista of occupations in American life and my freedom to choose the one that I will enjoy the most. Although work is certainly necessary, I also care about America as a place to enjoy life. Many a tiring day has passed when I anxiously awaited for the sun to set and the stars to blanket the skies in tranquility.

There have been many times in my life overshadowed by sadness. We have all experienced these times. But there is always a rising sun, always something to look forward to in America. Holidays and free weekends bring joy to all. The traditional American holidays, such as Christmas, Easter, Thanksgiving and Halloween, are happy occasions. The 4th of July has always been my favorite, since all my relatives are free during the summer to travel to my grandparents home for one huge celebration, fire works and all. Sports can also be exciting for everyone. I have always enjoyed a good clean football game with a small group of friends. There is excitement and pleasure in catching a long pass, for a driving touchdown. Most American schools place emphasis on team effort and enthusiasm. This is good to involve everyone, even the fans. I know for a fact, that even the fans tax their vocal chords quite as much as the athletes tax their muscles during an exciting game. Perhaps because I live in a quiet rural area of America, I find that in traveling to visit big cities and new places is tremendously exciting. When I emerge from the depths of the Lincoln Tunnel, for example, I'm enveloped in the stunning complexity of New York City.

The people, the colors, the massive skyscrapers. It's amazing to think of how many feet have walked down 5th Avenue or Broadway of New York, Michigan Avenue in Chicago or Constitution Ave. in Washington, D.C. And then, of course, those who live in the cities may appreciate vacationing to the quiet and solitude of the American wilderness. I enjoy the wilderness more than any other parts of America. It's invigorating for me to sense the power and magnitude of nature, the pounding surf of the ocean, the canyons carved throughout history by raging rivers, like the Colorado. The predator stalking its prey. The view from the summit of a mountain. There are times when I need the calm and serenity of the wilderness. Like the soft autumn breeze rustling in aspen forest or a quiet stream banked by lavender-colored flowers, or maybe a graceful snowfall. I am immensely grateful for the beautiful American wilderness of today. I am proud of America and I must appreciate all that has been given me. I must preserve my freedom, my tradition, my land as other Americans have done before me. America will continue its individuality and constantly increase the good of mankind.●

TRIBUTE TO JOE BARTLETT

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. RODINO. Mr. Speaker, I want to join with my colleagues in recognizing an outstanding public servant who has given this House 37 years of competent, dedicated work. As Joe Bartlett enjoys his retirement after serving in this House since 1941, I want him to know that his many friends here, on both sides of the aisle, will miss him greatly.

I have had the privilege of knowing Joe personally for nearly three decades, and I am pleased that my colleagues have have seen fit to honor this man who has served so long and so faithfully.

The same courage and concern—and respect for the institutions of government—which helped make him a brigadier general in the Marine Corps also contributed to his effectiveness in the various roles he held in this House—serving as a page, then as chief of pages, reading clerk, and finally as minority clerk of the House.

Joe's dedicated service to the Congress and to the people of this country, while it may have gone unnoticed by the public, is highly deserving of our appreciation and of our praise.

I am happy to join my colleagues in sending Joe my gratitude and best wishes for a happy and healthy retirement.●

THE EASTERN SHORE OF MARYLAND: GOD'S COUNTRY

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. BAUMAN. Mr. Speaker, the First Congressional District of Maryland, which I have the honor to represent, is peopled primarily by men and women who live close to the land, who appreciate simple pleasures, and have a commonsense approach to life.

The rapid encroachment of modern life, though, threatens to change that lifestyle. Combined with the ever-present erosion that eats away at our very land, the people of our area face drastic changes in the character of our homeland.

One area that, in many ways, typifies the problems facing the region is the Eastern Shore of Maryland, my home, that body of land east of the Chesapeake Bay long renowned for its fine seafood and plentiful game. U.S. News & World Report's John S. Lang has captured the essence of our area's way of life and its problems, in a touching vignette that I would like to share with my colleagues. While I may not agree with all its conclusions, it contains a lesson for us all that, with progress, we sometimes threaten the foundations that gave this Nation its independent, democratic character:

EASTERN SHORE STRUGGLES AGAINST A MODERN TIDE

TILGHMAN ISLAND, MD.—A waterman's life is so hard it's funny, and that's why Donnie Cummings laughs about the time when he nearly drowned in the Chesapeake Bay.

It was the winter of '77 when the surface of the bay was frozen. Cummings and a friend took a truck onto the ice to cut holes and dredge for oysters. The ice gave way. If his partner hadn't yanked him to safety, Cummings would be dead today. But that's not important: "I," boasts Cummings, "am one of the onliest ones ever sunk a pickup in the middle of the bay."

Contradictory, anachronistic, daring and doomed, such men are the living spirit of the strange and quietly beautiful place that is called the Eastern Shore.

A 150-mile long thumb of land that separates the Chesapeake from the Atlantic Ocean and includes parts of Maryland, Virginia and Delaware, the Eastern Shore is a region undergoing rapid and sometimes terrible change.

Every day the winds and tides consume a little more of the fragile landscape. Storms wash houses into the water and erase entire islands. And yet the greatest danger is man. Pollution oozing down the Chesapeake is killing the crabs and clams and oysters that watermen need to survive. Developers and speculators are driving land values beyond the reach of farmers and villagers whose roots in this soil go back more than three centuries. A place long unknown to most Americans because of relative isolation, it has become a favorite weekend playground for politicians, businessmen and society figures from cities along the Eastern Seaboard.

MAGNET FOR GEESE—AND TOURISTS

These shores were first described in 1608 by Capt. John Smith, who said: "Heaven and earth never agreed better to frame a place for man's habitation."

Even today there are scenes and sounds of natural beauty that linger in memory like a photograph. Across the western reaches of the bay, the sun, enormous in reflected light, sets like a red-hot rivet. The stillness of dusk at No Name Cove on Harris Creek is broken by Canada geese in such thousands that they fill the sky—swirling like snowflakes in those little glass paperweights shaken by a child. Their song is bugling music, timed to the faraway thump of shotguns.

Still, the highways and towns are becoming cluttered with plastic and concrete filling stations, tacky gift stands, fast-food franchises and a glut of people. In summer, 10 million tourists come to Ocean City, Md., where condominiums and carnival rides sprawl along 10 miles of beaches.

To find a place relatively untouched by progress a visitor rides a ferry to the middle of the bay, to a home of the watermen, a low marshland known as Smith Island. None of the lanes that link the neat, white, clapboard homes there are named, because, as one housewife observes, "Honey, you can't get lost."

For 321 years, the people, mostly named Evans and Tyler, have lived on the island without finding a need for local government. There is a deputy sheriff of sorts, but he doesn't even have the power to write a ticket. The guiding force in these peoples' lives is religion. With a population of less than 700, Smith Island has three Methodist churches. No beer or whiskey is sold. For fun at night, men go to a grocery store and play dominoes.

That a mainlander finds this tame doesn't seem to occur to a native. A woman in the village of Ewell advises a visitor not to bother going to the settlement of Tylerton because "it's dead over there".

A LIVING, MORE OR LESS

Watermen in these parts are "patent tongers"—that is, they use hydraulic claws that drop to the bottom and grab whatever's down there, then lift the catch to a table on deck for culling. It's miserable, monotonous work. All day the wooden boats lurch in the waves. Cold water and grit trickle down gloves. Stiff sleeves of oilskin jackets chafe wrists. Twice a minute, the tongs deposit loads for watermen to paw through, chipping baby oysters off legal-sized shells with hammers.

At day's end, the deck of Capt. Jennings Evans's boat is piled with 20½ bushels. That's worth $126 from the "buy boat" that meets the fleet. Not bad money, but Evans notes that weather keeps him off the water many days, and at age 47 he knows he'll never get rich. Watermen feel the price they get for oysters is unfair. As they put it: "The merchants dollar you to death."

How this works can be seen at a restaurant in St. Michaels, Md., where the owner buys oysters from the watermen for $6 a bushel, then sells patrons a $2.25 sandwich made with two fried oysters between slices of white bread.

Yet watermen accept such terms, as they would the weather. These watermen! They plunder the bounty of the wild and are in turn exploited by softer men. They are shy before outsiders, yet address a stranger as

"Honey". They laugh at past dangers and shut their eyes to the future.

Economics will never rid the bay of watermen, optimists all. But man's waste—and relentless fishing—may. A century ago, schooners out of New England took 17 million bushels of oysters and 1 million pounds of sturgeon—with 100,000 pounds of caviar—from the Chesapeake every year. Today, the oyster catch is down to 2 million to 3 million bushels annually, and the sturgeon yield is just 17,000 pounds, worth only $3,000 at dockside.

SAVING THE BAY, MAYBE

The Maryland Department of Natural Resources insists the bay is making a comeback, due in part to better sewage-treatment plants. A spokesman contends: "It's one of the few places in the world where one can take an oyster out of the water and eat it right away without getting sick."

However, a waterman on Tilghman Island tells of crabbing off the mouth of the Susquehanna River in water so foul that a scratch would render his hand too stiff to use in a half-hour. And George Krantz of the University of Maryland's Center for Environmental and Estuarine Studies cites a computer study that projects a drastic decline in oysters in about one more year.

"The bay acts as a nutrient trap," says Krantz. "That is the nature of an estuary. Every time we flush a commode, we're putting more organic matter into the bay. We're doing in one year what Mother Nature would do in 50. . . . Like Delaware Bay in the '50s and Mobile Bay in the '60s, the Chesapeake is in decline."

This outlook is of growing worry to owners of waterfront properties. They tell of their coves turning yellow after every rainfall, with the overflow from fields and septic tanks killing eelgrass in which crabs breed. Erosion, too, is a constant threat. In Talbot County, a landowner has spent $65,000 to try to save 100 yards of shoreline.

Unlike the watermen, the gentlemen-farmers of Talbot County have money to resist the hungry waters. In a county of barely 23,000, there are by popular estimate 200 millionaires, including Du Ponts, Houghtons and Chryslers.

What makes the region so attractive to rich sportsmen is an unrivaled abundance of game. Each fall, waterfowl fly south from Canadian nesting grounds, and most, taking the Atlantic flyway south, stop on the Eastern Shore. Some 550,000 geese and 200,000 ducks winter in Maryland in an area of only 3,800 square miles. It is estimated that hunters kill 238,000 Canada geese in a year.

Wildlife authorities say this harvest doesn't cut into breeding stock. However, the easy shooting has turned some residents away from hunting. Thomas Hunter Lowe, a judge on Maryland's Court of Special Appeals, says: "I still kill a few geese to have my fellow judges down for a goose dinner each year, but if I could buy the wild ones, I'd never take my gun out of the rack. It gets to be no sport."

Lowe, a former Speaker of the Maryland House of Delegates, can trace his origins to the first settlers on the Shore. A Lowe captained one of the two square-riggers that brought the first English settlers to Maryland in 1634, and a multi-great-grandfather, Sir John Vincent Lowe, held a king's patent to 50,000 acres on the Shore.

There is little of the aristocrat about today's scion of that name. A judge who drives to court in a pickup truck and wears blue jeans and jogging shoes under his black robes, Lowe delights in iconoclastic quips. In his view: "How can you be proud of ancestors who didn't have enough sense to leave you anything?"

There are many on the Shore whose forebearers arrived with grand titles and fabulous wealth but who live today in modest circumstances or even hardship. The region, important in trade during colonial days, was bypassed by the nation's westward surge. Cut off by the bay, commerce and culture moved at a slower pace. Tangier Island watermen, scholars say, still speak a near-Elizabethan form of English.

James Hanretta, a New York native who operates Channel Bass Inn on Chincoteague Island, says: "I came because it was so natural and peaceful and found a village cut off from mainstream America for so long it had developed an approach to life all its own. The philosophy is so antigovernment that if you pay taxes you're a real idiot. Being here is like living in another country."

This sense of isolation—of being an age removed from Washington, which is actually just an hour-and-a-half drive away—is a magnet to many government leaders. Defense contractors and unions maintain posh hunting lodges to entertain the influential, and weekend homes are kept in Talbot County by men such as Senators Barry Goldwater (R-Ariz.) and George McGovern (D-S.D.).

Townsmen take pride that famous men feel they can let their hair down in St. Michaels and attribute it to their own tradition of living as they please. Ed Fluharty, a boatyard operator turned real-estate salesman, asserts: "We don't care because we were here before you came and we're going to be here when you're gone."

In fact, that may not be the case. The arrival in recent years of well-to-do retirees and rich people buying retreats is squeezing out many old families. A two-bedroom shingle house in need of repairs sells in St. Michaels for $35,000, and a waterfront home in the county costs nearly $100,000. A 100-acre farm on the water is priced at $350,000. Last year, foreigners snapped up 19 estates.

THE FUTURE: "TOKEN NATIVES"?

"Sometimes I think we're the token natives," says Billie Marshall, an employee of the utility company. "St. Michaels has fewer people now than in 1930. Before, we had families in town. Now we have streets with nothing but widows. I know of a street with only two men on it. Out of 11 people working for the utility company, only one can afford to live inside the town limits. Our next generation is in trouble."

Scientists contend that the economy of the region could be boosted, and watermen could increase their incomes tenfold, if seafood-harvesting methods were brought up to date. They believe the oyster catch could be greatly improved if oysters were cultivated on small leased plots. Research shows that cultivation could yield 5,000 bushels per acre—a vast improvement over hunting at random on a bay with an average growth of 11 bushels per acre.

This change is unlikely to occur, however. Judge Lowe, who championed the watermen's cause during his years in the Legislature, says: "Sure, the Japanese came to us 20 years ago and said, 'If you give us the bay between the two bridges, we'll feed the world.' Well, we know that. You can cultivate the bay just like you can cultivate a farm. But the problem is, how is it divided? My kitchen was packed with watermen every time a lease bill came to the Legislature. They know the big corporations will get the prime sites."

Besides, the dull life of a lease fisherman holds little allure for the likes of those who skim the waves in the dwindling fleet of big-sailed skipjacks, or prowl the marshes in shallow-draft punts catching whatever luck brings. Donnie Cummings, for one, will take his chances on the icy winter bay sooner than work ashore for better money with a boss telling him what to do. For the watermen have a credo: "Honey, when the last arster be found in that bay, there'll be a stampede of boats to catch it." ●

THE DEPARTMENT OF TRANSPORTATION

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. GORE. Mr. Speaker, I would like to call to the attention of the House of Representatives a newspaper article written by our esteemed colleague from Georgia, Representative Wyche Fowler, Jr.

Writing for the Atlanta Journal and Constitution last Sunday, Mr. Fowler presents a strong case for disapproval of the Department of Transportation's proposed route structure for Amtrak. I want to take this opportunity to congratulate Mr. Fowler for this thorough analysis of the shortcomings of the DOT plan.

We will soon be debating the DOT proposal on the floor of the House, and I urge my colleagues to read Mr. Fowler's arguments, which follows:

DOT Train Report Flawed With Error, Very Shortsighted

(By Wyche Fowler, Jr.)

During the next few months the fate of America's rail passenger service will be sealed. Unfortunately, the Congress, which must make this decision, has been offered shortsighted, poorly developed recommendations from the Department of Transportation.

At the end of January, DOT Secretary Brock Adams issued his final report to Congress on the Amtrak route structure. That report calls for reducing the size of the nation's rail passenger service by 43 percent. This plan will become effective unless either the House of Representatives or the Senate votes a resolution of disapproval within 90 legislative days.

The law which authorized the preparation of this report directed the secretary to consider.

(1) Any unique characteristics and advantages of rail service as compared to other modes of transportation;

(2) The role that rail passenger service can play in helping meet the nation's transportations needs while furthering national energy conservation efforts.

(3) The relationship of benefits of given intercity rail passenger service, computing the benefits in passenger-per-train-mile and revenues earned and computing the costs in loss or profit per route;

(4) The transportation needs of areas lacking adequate alternative forms of transportation;

(5) Frequency and fare structure alternatives and the impact of such alternatives on ridership, revenues, and expenses of rail passenger service;

(6) The adequacy of other transportation modes serving the same points to be served by the recommended route system.

I am troubled that the report does not address many important isues, and many of the elements it does contain are inaccurate. The DOT report does not recognize the unique ability of rail passenger service to accomodate larget numbers of travelers at one time on existing rail lines and relieve highway congestion. Rail service is an attractive alternative mode of transportation for the elderly, handicapped, and others faced with the hardship of ownership, maintenance and operation of a private motor vehicle.

The DOT recommendations seem to have developed without any recognition of the enormous energy conservation potential of modern rail passenger service. Competent analysis has shown that a filled passenger train is six times as energy efficient as the automobile, twice as efficient as a bus, and as much as seven times as efficient as a 747 jumbo aircraft. These dramatic facts cannot be ignored. Other countries have recognized this potential energy saving: The British operate a national rail passenger system over 11,258 miles of routes with over 17,000 modern passenger cars and locomotives; the French with 22,478 miles in their system and over 15,000 modern cars; and the Japanese with 13,218 miles and over 26,000 cars.

By contrast, this nation's rail passenger service operates over a system of 26,000 miles with only 1,250 operational cars, and these are on the average nearly 20 years old. These cars are difficult and expensive to maintain, and operate infrequently (on on some routes only once a day or less in each direction), offering limited passenger-carrying capacity. Even with these limitations the trains are sold out frequently.

The DOT report presents detailed information on the ridership, revenues and costs of the trains over the past few years and based the discontinuance recommendations on those figures. By using data that describes the present inadequate system of service, DOT recommended elimination of many outstanding routes.

For example, after introduction of new equipment, the Montrealer, which runs from Washington, D.C., to Montreal, recorded a 9 percent increase in ridership during the October–December period of 1978 compared to 1977. Thus, DOT would kill a train that would soon be one of the system's most outstanding routes.

The same reliance on historical cost and revenue profiles of trains led the secretary to recommended the discontinuance of the New York-Atlanta-New Orleans train, the Crescent. This is especially short-sighted considering AMTRAK's new nationwide promotional advertising and daily operation of the train. AMTRAK's effort to make this service more popular deserves an opportunity to be accepted or rejected by the traveling public.

The same ill-founded DOT logic led the secretary to slam the door on the Chicago-Florida train, the Floridian. This is a train which operates over a circuitous route at low speeds and by any measure is one of the poorest performers in the AMTRAK system. Two years ago, AMTRAK's own board of directors favored the rerouting of this train through Atlanta to Maconto Savannah to improve its ridership. The DOT plan eliminates this option.

Missing from the report is any discussion of the impact of the Airline Deregulation Act of 1978. By the first week of March, scheduled airlines had filed notices of suspension of service at airports in 90 communities with the Civil Aeronautics Board. The DOT report fails to consider the hardships caused by the complete elimination of public transportation at many of these communities and further compounded by the elimination of rail service.

I am equally concerned about future costs to the taxpayers of re-establishing rail passenger service if oil shortages reach a crisis state.

In summary, this report offers a dim perspective on the role to be played by rail transportation in the nation's transportation picture. It is a perspective so at variance with that of other advanced, highly industrialized nations, that I entertain serious doubts about its validity.

It is these doubts that lead me to believe that this report is so inadequate a basis for transportation planning that the only responsible course of action for me as a member of Congress is to work to disapprove and reject it. Congress requested a forward-looking transportation document. Instead, DOT offered a blueprint for failure.●

ASBESTOS CONTAMINATES MANY HAND HELD HAIRDRYERS

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. WAXMAN. Mr. Speaker, evidence developed by a team of investigative reporters from WRC–TV in Washington has documented the existence of a serious product safety hazard involving as many as 12 million hand-held dryers. The reporters disclosed yesterday that asbestos—a known cause of cancer and serious respiratory diseases—is still being used by some U.S. manufacturers as an insulating shield. Particles of asbestos can become dislodged with continued use and can become imbedded in the lungs.

The dryers of concern are primarily foreign made models which are sold in this country under the labels of U.S. manufacturers. Although as many as three safe insulating substances are available and in use, manufacturers such as Sears, Roebuck & Co., the Nation's largest retailer—have continued to use asbestos in their hand-held dryers despite overwhelming evidence of serious health risk.

The agency responsible for regulating product safety hazards is the U.S. Consumer Product Safety Commission. Although notified of the risk posed by these hair dryers several months ago, the agency waited until public airing of the WRC–TV broadcast to schedule an emergency meeting to determine the best course of action.

Delay is a trait characteristic of this health and safety agency. I think we all remember only to clearly the problems of Tris and other asbestos containing products like artificial fireplace ash and patching compounds. Once again, the agency has failed to take affirmative action until conclusive evidence of risk has been developed and presented to them by outside sources—this time by a television station.

Asbestos is one of the most dangerous substances in our environment. Extensive scientific tests over the past three decades have demonstrated that the health risks posed by asbestos are clear and irrefutable. There is no known level of exposure which can be considered safe.

It is my understanding that the Commission has scheduled an emergency meeting for this morning. It's clear the agency is embarrassed by the recent disclosures and who can blame them. Their response to this serious public health problem over the next few weeks will be a severe test of the agency's new leadership.

Action must be swift and comprehensive. Consumers must be informed quickly as to how to identify hairdryers with asbestos lining. Immediate steps should be taken to encourage voluntary recalls by the manufacturers and strict prohibitions on future manufacture and sale. If manufacturers refuse to exercise good faith by cooperating with a voluntary recall, compliance should be mandated by law.

As a member of the House Interstate and Foreign Commerce Committee and as chairman of its Health and Environment Subcommittee, I will closely follow the Commission's action in this case. The Commission now has the opportunity to demonstrate that they will not repeat the mistakes of the past.

Mr. Chairman, due to the enormous interest expressed by my colleagues, I request that a transcript of the WRC–TV special report and a list of hair dryer models presently known to contain asbestos linings be printed in the RECORD at this point. The list of hair dryers is not conclusive and only represents those dryers tested by an independent Rockville, Md., laboratory for WRC–TV. More detailed listing must be supplied by the Consumer Product Safety Commission.

HAIR DRYERS: THE HIDDEN DANGER

In a report broadcast by WRC–TV, the NBC owned and operated station in Washington, D.C., on March 28, 1979, it was disclosed that hand-held hair dryers lined with asbestos can pose a serious health hazard.

Laboratory tests commissioned by NewsCenter 4's "The Investigators" determined that the asbestos fibers can be discharged when the hair dryer is in use. There is no definitive list of which hairdryers contain the asbestos linings. However, "The Investigators" surveyed retail outlets representing more than 300 stores in the Washington, D.C. metropolitan area. A total of 24 different models tested by EMV Laboratories in Rockville, Maryland were found to contain an asbestos lining. This does not necessarily mean these models discharge asbestos particles. It does suggest though, that there is a potential for such discharge.

Conair 1200 Model 065.
Dandy, FS–344 (mini).
Davar (mini).
General Electric Power Turbo 1200, Pro 10/5115–013.
General Electric Super Pro 1400, Pro 6/5112–005.
General Electric Super Turbo 1400, Pro 11/5116–005.
Hamilton Beach 1200, Model 480.
Hamilton Beach Groomer II, Model 423.
Noble (mini).
Norelco 1000, Model HB 1700.
Penny's professional type 1000, Model 1050A.
Penney's 1,000-watt Rotary, Model 1121.
Penney's 1,200, Retail No. 064–1190.
Penney's 1400, Retail No. 064–1180.
Sanyei Mighty 1000, Model E–2095.
Sears Men's 1000, Model 253–6314.
Sears Men's 1000, Model 253–6385.
Sears Women's 1000, Model 253–8714.
Sears Women's 1000, Model 253–8736.
Sears Women's 1000, Model 253–8754.
Sunbeam Professionaire 1000, No. 52–9K.
Vornado, Model E42813.
Wards 1050, Model 52–6 196368.
Wards 1250, Model 52–6 19367.
Wards Variable Power 1400, Model 52–6 19361.

HAIRDRYERS: THE HIDDEN DANGER

(The following is a transcript of a report by NewsCenter 4's "The Investigators" on Wednesday, March 28, 1979 at 6 p.m.)

LEA THOMPSON "The Investigators." This is not a gun—it doesn't shoot bullets—but what comes out can be just as deadly.

This investigation started last July when a local photographer sent us his 5 year old hairdryer that he said was blowing fibers all over his prints. NewsCenter 4 tested that dryer. What we found coming out was asbestos.

The asbestos comes from the insulator used to prevent the plastic barrel of the dryer from melting. And "The Investigators" have found that this is not an isolated problem.

Based on government and industry figures for 1977, there were 25 million handheld hairdryers in use around the country, but no one in industry or government could or would tell us how many dryers have been made using asbestos components.

Yet our survey shows that out of 112 new and used dryers we looked at, 24 contained asbestos insulators. Most of the used dryers were provided by Goodwill Industries. We bought our new dryers at 7 retail chains representing 300 stores in the Washington metropolitan area. Twenty percent contained asbestos barrel linings. That's one out of every five we looked at.

We confirmed the presence and the extent of the asbestos hazard at EMV Laboratories in Rockville. Its scientists are experts in asbestos analysis. Insulation samples we selected from the dryers in our survey were examined. Samples from 24 different models tested positive for asbestos.

Then we selected six models and asked EMV to determine how much asbestos was being blown out.

JOHN WEHRUNG, executive VP, EMV Associates. "The older the hairdryer, and the more evident the amount of wear on the insulation material, the greater the amount of the discharge."

THOMPSON. The new machines used in the test were a Penney's 1400 watt Pro Gun, a 1000 watt Sear's men's dryer, and a mini dryer that goes by the name, Dandy. The used machines included older but similar Sears and Penney's models, and our photographer's Norelco.

The oldest hairdryers, the Norelco and Penney's, put out the highest concentration of asbestos. But in each and every case, the hairdryers discharged asbestos particles.

WEHRUNG. "Asbestos particles are being discharged. They're in a respirable size range. It is evident in our electron microscopy studies that they can be broken into many more smaller fibers after being discharged from the hairdryer."

THOMPSON. The results of the discharge test are particularly significant because the asbestos is being discharged near the face and usually in the confined environment of a bathroom.

To make matters worse, asbestos that settles in a room can be stirred up by many different means, including further use of a hairdryer.

THOMPSON. The Environmental Defense Fund sees itself as a watchdog, trying to get government to clean up matters EDF considers to be a danger to human health. EDF's Dr. Joseph Highland says News Center 4's tests show the amount of asbestos coming out of hairdryers can be compared to living near an asbestos mine and inhaling its dust . . . to many situations where people are actually working with asbestos . . . or to the levels of asbestos being released from some school ceilings.

JOE HIGHLAND. Environmental Defense Fund. "The levels in hairdryers that are coming out say, in an average weekly use in an average room, come forward in the same range and that's what we're finding in public schools and that level in public schools has been deemed a health hazard and has to be cleaned up according to the Environmental Protection Agency."

THOMPSON. This report, done for the Department of Health, Education and Welfare, cites study after study done over the past thirty years which confirms the link between asbestos and cancer, and the fact that if enough is inhaled, it can lead to the deterioration of the lungs—or worse—lung cancer, cancer of the chest or abdominal cavity.

The major concern is the accumulative build up of asbestos in the body and there are many manmade sources of asbestos already in the atmosphere. The demolition of older buildings, the release of asbestos from brake linings in cars, gravel containing asbestos on roads and driveways, talcum powder, even urban air itself carries concentrations of asbestos.

HIGHLAND. "The asbestos levels coming out of hairdryers are not insignificant. They're highly significant and they fall within ranges which we've associated in the past with the incidence of disease later in life."

THOMPSON. Is any amount of asbestos safe?

HIGHLAND. "No. There's no amount of exposure that can be considered safe. Every level of exposure increases the incidence of possible disease so every level is a concern."

THOMPSON. In 1977 the U.S. government estimated that because of past exposures to asbestos 58,-75,000 cancer deaths a year could be expected. How many of those can be attributed to hairdryers? No one knows. (The younger a person is when he or she is exposed to asbestos, the greater the likelihood of cancer later in life. Stuides show that after a period of 30 years from the time of exposure, cancer may develop.

Further, if one smokes cigarettes and is exposed to asbestos, the chances of getting cancer are greatly increased.

In the case of hairdryers it would be easy to eliminate the use of asbestos. There are other alternatives available, such as aluminum mica, space-age plastics, none of them adding significantly to the cost of a hairdryer. Indeed, in 80 percent of the hairdryers that we've looked at those alternatives are used.

Lets look at exactly where we are. There is no question that asbestos is a cancer causer. You should not breathe asbestos. And yet, one out of every 5 new hairdryers we looked at still has an asbestos lining in it. And every single one we tested for discharge spewed out asbestos. There is no need for asbestos insulation in hairdryers. There are plenty of alternatives, but it's there anyway.

So, where is the government in all of this? Well, we asked the U.S. Consumer Product Safety Commission about the use of asbestos in hairdryers nine months ago. We were told then that it wasn't a problem. A report done for the CPSC by Kerney Management Consultants indicates that only one manufacturer uses asbestos and that it is phasing out asbestos in favor of mica.

The manufacturers themselves were the source of information for the Kerney Report. One of them was General Electric. We found three different General Electric hairdryer models with asbestos liners on the shelves just two weeks ago. To show you just how easy it is to make hairdryers without asbestos, Jack Cloherty went to one of the few manufacturers of hairdryers here in the United States.

JACK CLOHERTY, "The Investigators." We're at American Electric in Culver City, California. This firm is one of the few left in the United States that manufactures hairdryers. Most of them now are manufactured in Southeast Asia. But here at American Electric they use mica board—like this—instead of asbestos in their product.

This company took asbestos out of its hairdryers because of the recognized health hazard. American Electric President, Ron Purer:

RON PURER, president, American Electric. "We find that our own test of other people's dryers—and I'm not going to mention any brands, that dropping it or rough handling will cause flaking depending on the composition of the asbestos—sometimes with a harder finish or a softer finish—the softer finish's tend to wear with the abrasion of the air and makes the fiber come off."

CLOHERTY. The nation's largest producer of hairdryers, Gillette, took asbestos out of its product in 1973. Gillette Director of Product Integrity, Robert Giovacchini:

ROBERT GIOVACCHINI, director of product integrity, Gillette. "The conclusion we came to was that if there was an alternative material that could be used, which was just as good, why run the risk of having asbestos fibers?

CLOHERTY. But asbestos dryers are still on the market. Where do the asbestos come from? Well, most of the ones we tested come from Southeast Asia. The Southeast Asian factories build the dryers to specifications given to them by the American companies. How then does asbestos get into the hairdryers? Well, U.S. firms point the finger at Underwriters Lab, the testing firm that sets standards for electrical appliances for government and industry clients.

Even though the hazards of asbestos have been known for years, Underwriters Lab here in Santa Clara, California still calls for asbestos in hand-held dryers. Here on page 17 of the standards it says: "insulating material and actual contact with the heating element shall be asbestos or other material resistant to combustion."

Apparently many manufacturers don't read past the word asbestos although it's clear from the U.L. Standards they have other options.

One company that still uses asbestos in its hairdryers is Sears.

JOANNE MATTIACE, Sears. "We have looked in the area at hair blowers and in fact a laboratory engineer has taken at least one hair blower, taken a look at it, and determined that based upon the amount of asbestos in the product, as well as the nature of that asbestos it presents no hazard whatsoever."

CLOHERTY. So based on that look at one hairdryer, Sears decided to keep selling asbestos-lined dryers in its stores. Its major competitor, Penney's and Montgomery Wards, also use asbestos. And NewsCenter 4 has learned that some General Electric, Hamilton Beach and Conair models still use asbestos as well.

Sunbeam says it stopped making this asbestos-lined dryer in 1976. We found it in a store two weeks ago.

When we asked major retailers why they were still selling hairdryers with asbestos, they either say that they didn't know it was there, or that Underwriters Lab recommended it.

Underwriters Lab officials refused to talk with us about their asbestos standards. But interestingly, since we started this investigation, things here at UL began to happen. Now they're talking about issuing a ruling removing the word asbestos. It's still a proposal, and they gave us this prepared statement on it. It concluded that "UL is in the process of prohibiting such use of asbestos in products listed by UL. Substitute materials are available and it is felt to be in the public interest to require their use. February 23, 1979."

So in its new proposed standard, UL implies that its old standard was not in the public interest. The question is, why did it take the lab so long to wake to the asbestos problem, and why hasn't the federal government done anything to stop the asbestos threat? Lea Thompson has been trying to get the answer to that question at the Consumer Product Safety Commission.

THOMPSON. The U.S. Consumer Product

Safety Commission lists asbestos as one of its top priorities, yet we have had a hard time getting it to take an interest in this issue. After we had that Norelco tested we turned our findings and the Norelco over to the Commission staff for testing. In January we obtained a copy of this CPSC Memo which says it looks like our hairdryer is putting out asbestos but that more testing is needed by electron microscopes.

Regardless, up until last weekend—two months later—nothing further had been done. That's when we turned over our electron microscope test data. Then things started to happen at CPSC.

Susan King, Chairman, U.S. Consumer Product Safety Commission. "The Commission has begun the procedures for the order of more sophisticated tests, as a result of the first hard data that we received this past weekend."

Thompson. That's the test results we gave them.

King. "And we are proceeding on that. We have found as early as Monday night that the hairdryers that we put under test on Monday at National Bureau of Standards do in fact, contain asbestos. We will proceed with the testing to determine the nature of fibers that are released and the degree of potential hazard to consumers in recently foreseeable use of the product."

Thompson. The CPSC staff feels our figure of 25 million hairdryers in use in this country is low. It projects 60 million. Based on its preliminary research this weekend, it thinks there may be 15 million asbestos hairdryers in consumers hands.

King. "We intend to consider later this week at a commission meeting the possibility of requiring from manufacturers an update and much more complete information as to the use of asbestos in both domestic and imported hairdryers.'

Thompson. Why did you wait so long? Why did you have to have our final test before you acted?

King. "Until we received the very hard data over the weekend that demonstrated that there were respirable fibers available from the products that you submitted to us we could not justify going forward on an emergency contract."

Retailers could take asbestos off the market voluntarily but realistically, only the government, specifically the Consumer Product Safety Commission can ban asbestos-lined hairdryers from the market place.

Jim Hartz. So, in the meantime Lea, what can people do to insure that they don't buy hairdryers with asbestos or aren't using one that has asbestos in it?

Thompson. Well, first Jim, I think it's important to know that the National Bureau of Standards tells us that a hand-held hairdryer can last as long as ten years, and of course our tests show the older the dryer, if it has asbestos, the more hazard there probably is.

Cloherty. The number one thing to remember is not to try to disassemble your hairdryer to find out if it has an asbestos lining. That can do more harm than good. Look down the barrel of your dryer in bright direct light. If the paper lining of the barrel or the board used to separate the heating element is made up of a white grayish material like this, it's probably asbestos. If there are fibers sticking out of the board, it is even more likely that it is asbestos. If there is any doubt, the safe thing to do is to discard the dryer for a new one. You might also try getting the manufacturer to exchange your dryer for one that doesn't contain asbestos.

Thompson. And Jack, it's important to remember that no definitiveness of hairdryers which have and don't have asbestos exists. However, we have prepared a list of those hairdryers we found in the Washington metropolitan area that EMV Labs has tested and confirmed contained asbestos. If you would like that list, send a self addressed stamped envelope to: Hairdryers, Box 4, Washington, D.C. 20044 and we'll try to help.

For further information contact: Robert Currie, Producer, 686-5883; David Nuell, News Director, 686-4242.●

WESTERNERS ARE OPPOSED TO THE PRESIDENT'S REORGANIZATION PLAN

HON. RICHARD BRUCE CHENEY

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. CHENEY. Mr. Speaker, many Wyoming citizens have written or called my office to express their opposition to the President's plan to create a new Department of Natural Resources.

These citizens do not want the U.S. Forest Service to be transferred to a new superagency. They do not want a new superagency to be created. They are satisfied with the current organizational structure of the public lands agencies, and I share their view.

The Casper, Wyo. Star-Tribune recently outlined in an excellent editorial the reasons why the President's plan should not be implemented, and I ask that it be printed in the Record for the information of my colleagues:

Another New Monster

Another massive reorganization of cabinet level agencies has been launched by President Carter to "promote efficiency and save taxpayers hundreds of millions annually."

Pardon us if we remain somewhat skeptical of the Administration move to create a huge new superagency titled the Department of Natural Resources.

The memory of DOE—the new Department of Energy—is too recent.

DOE, with 20,000 employes and a budget of $11 billion, spends more funds than all of the oil firms drilling for oil in the U.S., but does not produce one barrel.

This latest Carter move would take the Forest Service, bag and baggage, out of the U.S. Department of Agriculture, and bury it in the new super-agency, along with the Bureau of Land Management (BLM), National Park Service and other agencies issuing regulations on the public lands.

If Mr. Carter thinks this is wooing the West, he's sadly mistaken.

The political unrest is rising like yeastcake, particularly since the Forest Service is regarded as a grassroots friend of the West, with knowledgeable reps at district, state and regional levels to communicate with ranchers, recreationists, loggers, and individuals concerning multiple use of the land.

The BLM, on the other hand, is often regarded as a bureaucratic monster which can only regurgitate burdensome regulations in far-off Washington, and then only after interminable delays.

It would be far better to incorporate BLM in the Department of Agriculture. Perhaps the BLM boys could be taught communication at the grassroots.

Congress will have to act swiftly to halt this new bureaucratic monster.

It's already a reality. The reorganization takes effect within 60 days, unless Congress passes a resolution disapproving it.

In principal, the idea appears to have merit.

Why should not all the agencies dealing with public lands be incorporated in one department, and all the agencies regulating water be in the same Department of Natural Resources?

In principle, however, it concentrates most of the power over western public lands and water resources in an agency of the federal government. The states will have less and less to say about their own resources and economic development.

Whenever a new superagency is launched, the massive reorganization, switching of personnel and paper work is likely to cost $100 million, not to mention the great amount of time lost in the bureaucratic process commonly called "pecking order."

It would have been far better for Mr. Carter to have initiated legislation in Congress to reorganize cabinet level agencies like this, rather than foist it on the people without sufficient public hearings, or debate. Reorganization of this magnitude should not be rammed through Congress by Executive Order.

This is the time when Wyoming Congressmen and the western coalition should summon all of the political clout it can muster to defeat a proposal which affects state's rights adversely and in fact, would upset the working arrangements of existing federal agencies with state and private entities. It would lead to utter confusion for at least two years and cannot be justified by any cost-benefit ratio at this time—when the energies of the nation should be directed to solving more pressing problems like an impending fuel crisis, or an impending recession.●

CYPRUS SITUATION

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. YATRON. Mr. Speaker, the Foreign Affairs Committee on which I am privileged to serve, is recommending $202 million in military assistance to Turkey.

My colleagues will recall, that only 8½ months ago, this body lifted the 4-year-old embargo on arms to that country. That action was taken in the sincere belief that lifting the embargo would expidite a just settlement of the Cyprus dispute.

As many of my colleagues will remember, I opposed the lifting of the embargo at that time, and I rise today in opposition to the $202 million in military aid proposed for fiscal year 1980.

In each 60-day report which the President has submitted to the Congress since the embargo was lifted, he has certified that Turkey was acting in good faith on the Cyprus problem.

I take issue with that determination.

I would like to quote from the report of the Subcommittee on Europe and the Middle East.

"Although the President made that determination, the subcommittee finds that there is a lack of convincing evidence that those efforts by Turkey have led to progress toward the start of serious negotiations on Cyprus."

In fact, Mr. Speaker, I would submit, that Turkey has sought to reignite, rather than resolve tensions on Cyprus.

Just last week, Turkey conducted military exercises in the northern part of Cyprus. This in itself, is not new. What is new, is the extent of these maneuvers.

They involved large tactical units. And this, in an Army which has sought to economize in response to Turkey's economic difficulties.

These actions can only have been calculated to strike fear into the hearts, of an already terrorized Greek Cypriot population.

Furthermore, Turkish troops have not been withdrawn from Cyprus. While it is true, that some units have been removed, most of them have been replaced with fresh troops. Consequently, the strength of Turkey's occupying force, remains at 30,000.

Mr. Speaker, these are not acts of good faith. They are acts of antagonism. And as such, they are an affront, to this House.

I believe there is good reason to question, whether these military exercises were defensive in nature and whether American arms were involved.

I would hope that my colleagues, in the interests of a strong NATO and in the interests of the people on Cyprus, would join me in pressing the administration, to obtain meaningful concessions from Turkey, on the Cyprus issue, in the months ahead.

Thank you.●

AMENDMENT TO PROVISIONS OF PUBLIC LAW 94-484 RELATING TO FOREIGN MEDICAL GRADUATES

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mr. BONER of Tennessee. Mr. Speaker, it has come to my attention from constituents in the Fifth District of Tennessee, working with foreign medical graduates in the major hospitals in Nashville, that a situation merits the consideration of the Congress to amend the Health Professions Educational Assistance Act of 1976.

The adoption of Public Law 94-484, the Health Professions Educational Assistance Act, in 1976 made several changes to the immigration laws governing foreign medical graduates (FMG's). A fundamental stricture under the new law was the requirement that FMG's pass parts I and II of the National Board of Medical Examiners test or an equivalent to it (the visa qualifying examination has been so designated).

The restrictions imposed were intended to stem the tide of FMG's coming to the United States. However, these restrictions had the unanticipated effect of jeopardizing the status of many FMG's already in this country when the new law went into effect (January 9, 1977).

Many observers pointed out the unfairness of requiring FMG's already in the United States, who were already licensed by a State, to take an additional exam to remain in this country. Congress responded to this argument with the passage of Public Law 95-83 in 1977 which, in part, stated that an FMG, already in the United States, will be deemed to have met the examination requirements of Public Law 94-84 if that individual is (1) licensed by a State, (2) certified by a medical speciality board, and (3) practicing medicine in a State.

While this change helped FMG's, many who were licensed by a State had not yet become board certified through no fault of their own, especially since many specialty boards require a certain period of medical practice before certification.

Another problem with the board-certification requirement is that seeking board certification is a voluntary act by a physician. The use of this voluntary mechanism as a mandatory immigration requirement is an inappropriate use of board certification. Further, it discriminates against the FMG since U.S. trained physicians are not, by law, required to be board certified in order to practice medicine.

Licensure by a State should be a sufficient requirement for visa maintenance. Thus, the draft amendment would eliminate the requirement of board certification.

It should be noted that the amendment applies to physicians licensed by May 1, 1977. This date has been adopted so that FMG's who took the FLEX exam for State licensure in December 1976 will also be covered by this amendment. Even though these FMG's took their licensing exam prior to the effective date of the law, the delays in grading the exam meant that they did not receive their licenses until after the effective date of the law. As a result, many of these physicians are not subject to deportation. Since the delay in licensure occurred through no fault of their own, it is fair that they be covered under the draft amendment.

I offer this amendment to the Health Professions Educational Assistance Act as the first step in a congressional debate on this issue. I commend this amendment for discussion and resolution within the appropriate subcommittee and committee of the House of Representatives. A copy of my proposed amendment follows:

H.R. 3327

A bill to amend Public Law 94-484, the Health Professions Educational Assistance Act of 1976, as amended, relating to the immigration of foreign medical graduates

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS AND DECLARATION OF PURPOSE

SECTION 1. The Congress finds that—

(1) Graduates of foreign medical schools who are licensed by a state to practice medicine contribute to health care delivery and help alleviate health manpower shortages;

(2) Recent amendments to laws relating to the immigration of foreign medical graduates, recognizing the increased capacity of American medical schools, effected a change in the priority status of foreign medical graduates seeking entry to the U.S., but have had the unanticipated effect of prejudicing the position of many foreign medical graduates residing in the United States and licensed to practice medicine by a state;

(3) The requirement of that recent amendment (P.L. 95-83) that foreign medical graduates in the United States and licensed to practice medicine by a state as of January 9, 1977, be certified by a medical speciality board as a condition of maintaining their immigration status works a hardship on many of them through no fault of their own;

(4) Board certification is a voluntary standard and its use as a mandatory immigration requirement by the federal government is inappropriate; and

(5) Medical licensure by a state is a sufficient qualification to permit foreign medical graduates in this country and licensed by a state to maintain their status in the United States.

Therefore, it is the purpose of this Act to eliminate this unfair burden on foreign medical graduates in the United States who were licensed to practice medicine in a state as of May 1, 1977.

SEC. 2. Section 602 of the Health Professions Educational Assistance Act, Public Law 94-484 (Sec. U.S.C. 1182 note), as added by Public Law 95-83, is amended by

(a) deleting in paragraph (1) of subsection (a) the words "January 9, 1977" and inserting in lieu thereof the words "May 1, 1977," and

(b) deleting paragraph (2) of subsection (a), and

(c) inserting the word "and" at the end of paragraph (1), and

(d) renumbering paragraph (3) as "(2)."●

COMMENDING THE AIR FORCE ACADEMY ON ITS 25TH BIRTHDAY

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1979

● Mrs. SCHROEDER. Mr. Speaker, I am today introducing a resolution to commend the Air Force Academy in Colorado Springs, Colo., on its 25th birthday.

The Air Force Academy opened its doors on April 1, 1954. Since that time, the Academy has done an outstanding job. Its graduates are definitely some of the best and the brightest. It is the backbone of the Air Force and an integral part of the continuing effort to keep our military posture strong.

Moreover, I think the Academy—an all-male institution for 22 years—should be commended for becoming an equal opportunity employer in 1976 and accepting women into its ranks.

Representatives JIM JOHNSON, TIM WIRTH, RAY KOGOVSEK, and KEN KRAMER, along with 61 of our colleagues, join me in saluting the Academy on its 25th birthday.●

HOUSE OF REPRESENTATIVES—*Monday, April 2, 1979*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, B.D., offered the following prayer:

Lord, Thou hast been our dwelling place in all generations. Before the mountains were brought forth, or ever Thou hadst formed the Earth and the world, from everlasting to everlasting Thou art God.—Psalms 90: 1, 2.

Lord as in days long ago our Nation has been blessed by the bounty of Your grace, so bless us this day with Your abiding spirit. We receive comfort and assurance that Your presence has been sufficient in good times and in bad, in plenty and want, from generation to generation.

As we look to our responsibilities, grant that we may be conscious of the strength You have given through the years, that we will receive confidence in the present day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House, by Mr. Chirdon, one of his secretaries, who also informed the House that on March 30, 1979, the President approved and signed a bill of the House of the following title:

March 30, 1979:

H.R. 2301. An act to amend the Federal District Court Organization Act of 1978 with respect to certain administrative matters arising from the redrawing of the Federal judicial districts in the State of Illinois.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 3. Concurrent resolution commending the Air Force Academy on its 25th anniversary.

DISPENSING WITH CALL OF THE CONSENT CALENDAR TODAY

Mr. COELHO. Mr. Speaker, I ask unanimous consent to dispense with the call of the Consent Calendar today.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

HOLT-REGULA SUBSTITUTE BUDGET

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks).

Mrs. HOLT. Mr. Speaker, it has been said that President Carter proposed an austere budget for fiscal 1980. In reality, the best that can be said for it is that it represents only a moderate effort to restrain spending growth. We hope that Congress will do better.

The budget submitted by the President and updated in March proposes a 9.9-percent increase of budget authority and a 7.9-percent increase in outlays from estimated 1979 levels. We suggest to you that this is not austerity.

President Carter has estimated a 1979 deficit of $33.2 billion and a 1980 deficit of $28.4 billion, a decline of only $4.8 billion in deficit spending.

The gentleman from Ohio (Mr. REGULA) and I have prepared a substitute budget, which would allow for a 6.5-percent growth rate in both budget authority and outlays and reduce the 1980 deficit to $19.4 billion, fully $9 billion less than that proposed by President Carter.

We have managed to reduce his spending proposals by $6.7 billion, or 1.3 percent. We suggest that the Congress should be able to achieve that kind of reduction in the aggregate level of outlays. This is within reason.

The Holt-Regula budget would put us within striking distance of having a balanced budget for the 1981 fiscal year. The Carter budget makes that goal unattainable in 1981.

SAFETY OF NUCLEAR POWER

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, the troubles at Three Mile Island nuclear plant show the safety of nuclear power, not its dangers.

Even if the worst should happen, the people in surrounding areas will have had days of warning.

There is no advance warning if an oil or gas well blows up; if a petroleum refinery goes up in flames; if a hydroelectric dam breaks; if a coal mine collapses on miners.

If a ship full of LNG should explode in the Houston Ship Channel, we could have hundreds of thousands of casualties; and no warning.

The safety systems at Three Mile Island have given us precious time. And I want to congratulate President Carter for spending 40 minutes in the plant and 2 hours in the vicinity, for helping to cool some of the antinuclear hysteria that has been generated.

Nuclear energy is safe, and our country needs it for economic survival. We cannot depend on the Arabs.

The radiation from Three Mile Island is minimal, as far as any that has affected human beings.

Three Mile Island is proving the antinuclear reactionaries wrong. It must not be used to stop nuclear energy progress.

☐ 1205

IN OPPOSITION TO FORCED BUSING

(Mr. GRISHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRISHAM. Mr. Speaker, I rise to ask my distinguished colleagues to address the issue of forced busing. We can no longer shirk our responsibility to the American people regarding this important issue. We can no longer leave it buried in committee simply because it is controversial.

My distinguished colleague from Ohio (Mr. MOTTL) has a discharge petition on the desk of the Journal clerk. This petition would release his resolution calling for a constitutional amendment allowing students to attend their neighborhood schools. I ask that all Members join me in signing this petition: Discharge petition No. 1.

I am not asking Congress to impede integration, I am asking Congress not to stampede it. Integration is an honorable goal. Improving the quality of education is an honorable goal. But forcing children out of their neighborhood schools is not honorable. A government program which interferes with parents' rights to determine their children's education is not honorable. That the Federal Government has forced local schools to become laboratories for a social experiment which uses our children as guinea pigs is not honorable.

We cannot turn around a 300-year history of segregation with a court order. We have tried to deal with a complex problem cosmetically and not realistically. It is my hope that Congress correct the past abuses of our society, but not by the shotgun approach.

I ask that Congress allow the American people to decide if busing is the answer to integration. I ask Congress to be responsible enough to address this controversial issue. I ask that Congress allow House Joint Resolution 74 to come to the floor for a vote.

HOLT-REGULA SUBSTITUTE MEANS SAVINGS FOR TAXPAYERS

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. REGULA. Mr. Speaker, today we have heard from my colleague, the gentlewoman from Maryland, MARJORIE HOLT, about the proposed Holt-Regula substitute budget.

If you are one of the Members who campaigned—and I think that includes most of us—on reducing Federal expenditures, this will be good news. This will give each of us an opportunity to redeem our campaign pledges.

The Holt-Regula substitute is a realistic budget. It will lead to a balanced budget in 1981, in time to keep our campaign pledges before the next election.

Holt-Regula saves the taxpayers $9 billion, as compared to the budget proposed by President Carter. It saves almost as much, in comparison to that of the majority members of the Committee on the Budget. It restores the Carter cuts in social security; it increases the budget of the Veterans' Administration by $500 million.

More good news from the Holt-Regula budget: Budget authority will be down $19 billion if this proposal is adopted. This is hope for the future. There can be a balanced budget in our Nation's future if we start now.

ANNOUNCEMENT OF SPECIAL ORDER ON DEVELOPMENTS AT THREE MILE ISLAND

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, many of our constituents are questioning the future of nuclear power generation, especially in light of recent developments at Three Mile Island.

I have, therefore, reserved a special order for Tuesday, April 3, at the end of legislative business, to review the status and future of nuclear power in this country.

Following are some of the many questions we hope will be addressed:

Should nuclear power production be halted?

Should development of the nuclear industry be encouraged?

What are the risks of nuclear facilities?

What are the health hazards related to nuclear power?

I am one Member who has expressed very serious concerns about nuclear power, but regardless of one's continuing concern with or confidence in nuclear power, I urge all Members of the House to participate in this crucial discussion.

PRESIDENT COMMENDED FOR VISIT TO THREE MILE ISLAND

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, I have been one of those Members of Congress who in the past has been very quick to criticize the President of the United States, Mr. Carter. Today I would like to be just as quick to compliment him on what I think was an extremely proper and bold action that he took yesterday in coming to Three Mile Island.

The people I represent in central Pennsylvania, as much as anything else, need reassurance right now that the condition there is stabilizing, and that experts are beginning to get the situation in hand. That has been the case.

I have been to the island myself on several occasions over the past several days. The President's visit yesterday was a direct reassurance to the people in my area that they are in fact having the best technological help sent to them, and that technological help has assured the President of the United States to such an extent that he felt confident in coming to the island.

Mr. Speaker, when President Carter and Mrs. Carter came to Three Mile Island yesterday, as far as I am concerned, it was a move of courage and a move of compassion.

☐ 1210

SANTA ANA PUEBLO INDIANS

Mr. UDALL. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 199) to amend the act of October 21, 1978 (92 Stat. 1675; Public Law 95–498).

The Clerk read as follows:

H.J. Res. 199

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of October 21, 1978 (92 Stat 1675; Public Law 95–498) is hereby amended by inserting in section 1(b)(2), before the phrase "Section 5:", the heading "Township 13 North, Range 4 East".

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from Arizona (Mr. UDALL) will be recognized for 20 minutes, and the gentleman from Colorado (Mr. JOHNSON) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a very simple bill. In the 95th Congress, we passed legislation providing that 16,000 acres of public land would be held by the United States in trust for the Indian Pueblo of Santa Ana of New Mexico.

The lands were transferred to protect the right of the Pueblo Indians to use and protect numerous religious sites on the land. In addition, the lands would enhance the economic potential of the tribe.

Through inadvertence, the legislation, as enacted into law, omitted a range and township heading from a land description. The effect would be to place some of the land in the wrong township.

House Joint Resolution 199 simply amends the act to correct this erroneous land description.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation now under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. JOHNSON of Colorado. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Arizona (Mr. UDALL) has discussed the nature of the legislation. Actually, all we are adding is this description: "Township 13 North, Range 4 East."

The SPEAKER. The question is on the motion offered by the gentleman from Arizona (Mr. UDALL) that the House suspend the rules and pass the joint resolution, House Joint Resolution 199.

The question was taken.

Mr. UDALL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 336, nays 0, not voting 96, as follows:

[Roll No. 70]

YEAS—336

Abdnor
Addabbo
Akaka
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashley
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bowen
Brademas
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Butler
Campbell
Carney
Carr
Carter
Cavanaugh
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Collins, Ill.
Collins, Tex.
Conable
Corcoran
Corman
Coughlin
Courter
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dixon
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Findley
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hansen
Harris
Hawkins
Heckler
Hefner
Hightower
Holland
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
LaFalce
Kazen
Kelly
Kemp
Kogovsek
Kildee
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler

Lott
Lowry
Lujan
Lundine
Lungren
McClory
McCormack
McDade
McDonald
Madigan
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oberstar
Ottinger
Panetta

Pashayan
Patten
Paul
Pease
Perkins
Peyser
Pickle
Preyer
Price
Quayle
Quillen
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Rudd
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shumway
Shuster
Simon
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence

St Germain
Stack
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stratton
Studds
Stump
Swift
Symms
Synar
Thomas
Traxler
Treen
Trible
Udall
Ullman
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

NAYS—0

NOT VOTING—96

Albosta
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Ashbrook
Aspin
Atkinson
Badham
Bedell
Biaggi
Bouquard
Breaux
Brooks
Burton, Phillip
Byron
Chappell
Coelho
Coleman
Conte
Conyers
Cotter
Crane, Daniel
Danielson
Davis, S.C.
Dellums
Dingell
Dodd
Edgar
Erdahl
Evans, Ga.
Fenwick

Fish
Flippo
Flood
Garcia
Goldwater
Gonzalez
Goodling
Guyer
Hance
Harkin
Harsha
Heftel
Hillis
Hinson
Hollenbeck
Jenkins
Kastenmeier
Kindness
Long, La.
Long, Md.
Luken
McCloskey
McEwen
McHugh
McKay
McKinney
Maguire
Mathis
Michel
Moakley
Moorhead, Pa.
Mottl

Nolan
Oakar
Obey
Patterson
Pepper
Pritchard
Pursell
Rahall
Railsback
Rhodes
Roth
Rousselot
Runnels
Satterfield
Shelby
Skelton
Spellman
Staggers
Stockman
Stokes
Tauke
Taylor
Thompson
Van Deerlin
Watkins
Whittaker
Williams, Mont.
Williams, Ohio
Wyatt
Wydler
Wylie
Zeferetti

□ 1230

The Clerk announced the following pairs:

Mr. Pepper with Mr. Anderson of Illinois.
Mr. Biaggi with Mr. Fish.
Mr. Brooks with Mr. Pritchard.
Mr. Chappell with Mr. Ashbrook.
Mr. Flippo with Mr. Goodling.
Ms. Oakar with Mr. Railsback.
Mr. Long of Louisiana with Mr. Goldwater.
Mr. McHugh with Mr. Badham.
Mr. Moakley with Mr. Coleman.
Mr. Stokes with Mr. Luken.
Mr. Thompson with Mr. McCloskey.
Mr. Moorhead of Pennsylvania with Mr. Watkins.
Mr. Zeferetti with Mr. Wyatt.
Mr. Obey with Mr. Wydler.
Mr. Ambro with Mr. McKinney.
Mrs. Bouquard with Mrs. Fenwick.
Mr. Phillip Burton with Mr. McEwen.
Mr. Maguire with Mr. Wylie.
Mr. Mottl with Mr. Williams of Ohio.
Mr. Dingell with Mr. Shelby.
Mr. Cotter with Mr. Rousselot.
Mr. Danielson with Mr. Roth.
Mr. Van Deerlin with Mr. Harsha.
Mr. Staggers with Mr. Guyer.
Mrs. Spellman with Mr. Hillis.
Mr. Runnels with Mr. Hollenbeck.
Mr. Roybal with Mr. Conte.
Mr. Garcia with Mr. Daniel B. Crane.
Mr. Flood with Mr. Williams of Montana.
Mr. Gonzalez with Mr. Whittaker.
Mr. Alexander with Mr. Hance.
Mr. Breaux with Mr. Bedell.
Mr. Dellums with Mr. Aspin.
Mr. Davis of South Carolina with Mr. Tauke.
Mr. Dodd with Mr. Taylor.
Mr. Patterson with Mr. Evans of Georgia.
Mr. Albosta with Mr. Andrews of North Carolina.
Mr. Atkinson with Mrs. Byron.
Mr. Coelho with Mr. Edgar.
Mr. Conyers with Mr. Erdahl.
Mr. Harkin with Mr. Long of Maryland.
Mr. Kastenmeier with Mr. Hinson.
Mr. Heftel with Mr. Kindness.
Mr. Mathis with Mr. McKay.
Mr. Jenkins with Mr. Skelton.
Mr. Nolan with Mr. Pursell.
Mr. Satterfield with Mr. Michel.

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C., *April 2, 1979.*

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Under Rule III, Clause 4 (Section 647) of the Rules of the House of Representatives, I herewith designate Mr. W. Raymond Colley, Deputy Clerk, to sign any and all papers and do all other acts for me under the name of the Clerk of the House which he would be authorized to do by virtue of this designation, except such as are provided by statute, in cases of my temporary absence or disability.

If Mr. Colley should not be able to act in my behalf for any reason, then Mr. Benjamin J. Guthrie, Assistant to the Clerk, shall similarly perform such duties under the same conditions as are authorized by this designation.

These designations shall remain in effect for the 96th Congress or until revoked by me.

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

REORGANIZATION PLAN NO. 1 OF 1979 TO CREATE OFFICE OF FEDERAL INSPECTOR FOR ALASKA NATURAL GAS SYSTEM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–83)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Government Operations and ordered to be printed:

To the Congress of the United States:

I am submitting to you today Reorganization Plan No. 1 of 1979 to create the Office of Federal Inspector for the Alaska Natural Gas Transportation System and establish the position of Federal Inspector. Creation of this Office and the transfer of appropriate Federal enforcement authority and responsibility is consistent with my September 1977 *Decision and Report to the Congress on the Alaska Natural Gas Transportation System.* This decision was approved by the Congress November 2, 1977.

The Alaska Gas Transportation System is a 4,748-mile pipeline to be constructed in partnership with Canada. Canada completed legislation enacting a similar transfer last year and has already appointed an official to coordinate its activities prior to and during pipeline construction. The Northwest Alaska Pipeline Company has been selected to construct the pipeline, with completion scheduled in late 1984. Estimated construction costs are $10–$15 billion, to be financed by private investment.

Natural gas is among the Nation's most valuable fuels. It is in the national interest to bring Alaskan gas reserves to market at the lowest possible price for consumers. Construction of a gas pipeline from the Prudhoe Bay reserves in Alaska through Canada to points in the West and Midwest United States will provide a system which will deliver more Alaskan natural gas at less cost to a greater number of Americans than any alternative transportation system. Every effort must be made to ensure timely completion of the pipeline at the lowest possible cost consistent with Federal regulatory policies.

As a result of our experience in construction of the Trans-Alaska Oil Pipeline, we recognize the need for the Federal government to be in a strong position to manage its own role in this project through prompt, coordinated decisionmaking in pre-construction approval functions and in enforcing the terms and conditions of the permits, certificates, leases, and other authorizations to be issued by various Federal agencies. We must avoid duplicating the delays and cost escalations experienced in the construction of the Trans-Alaska Pipeline System. The Plan I am submitting would establish clear responsibility for the efficient functioning of Federal enforcement activities by assigning the Federal Inspector authority to carry out these responsibilities.

The Alaska Natural Gas Transportation Act of 1976 only provided for monitoring the construction of the pipeline. The Plan transfers to the Federal Inspector the authority to supervise the enforcement of terms and conditions of the permits and other authorizations, including those to be issued by the Departments of Agriculture, Interior, Transportation, and Treasury, and the Environmental Protection Agency, the Federal Energy Regulatory Commission, and the U.S. Army Corps of Engineers. The Plan provides for the Federal Inspector to coordinate other Federal activities directly related to the pipeline project. Federal agencies retain their authority to issue permits and related authorizations, but enforcement of the terms and conditions of these authorizations is transferred to the Federal Inspector. Transfer of enforcement authority from Federal agencies to the Federal Inspector is limited in scope to their participation in this project and in duration to the preconstruction, construction, and initial operation phases of the project.

The *Decision and Report* to the Congress recommended an Executive Policy Board with policy-making and supervisory authority over the Federal Inspector. I plan to sign an Executive Order upon approval of this Plan by the Congress which will create an Executive Policy Board which will be only advisory, but which will enhance communication and coordination among Federal agencies and with the Federal Inspector. The Plan modifies the *Decision and Report* in that regard. The Federal Inspector will use the policies and procedures of the agencies involved in exercising the transferred enforcement responsibilities to the maximum extent practicable. The Board provides the opportunity for agencies to contribute to the policy deliberations of the Inspector and exercises an oversight role to insure that pipeline activities are carried on within existing regulatory policy. The Board is required to review the budget of the Office of the Federal Inspector and periodically report to me on the progress of construction and on major problems encountered. I am convinced that the Federal Inspector must have authority commensurate with his responsibilities.

Each of the provisions of this proposed reorganization would accomplish one or more of the purposes set forth in Section 901(a) of Title 5 of the United States Code. The appointment and compensation of the Federal Inspector is in accordance with the provisions of the Alaska Natural Gas Transportation Act of 1976, and the Reorganization Act of 1977. The provisions for appointment and pay in this Plan are necessary by reason of a reorganization made by the Plan. The rate of compensation is comparable to rates for similar positions within the Executive Branch. This reorganization will result in a reduction in the cost of construction for the pipeline system and ultimately in savings to American consumers. A small increase in cost to the Federal government will result from the creation of the Office of the Federal Inspector. The Plan requires that the Office and the position of Federal Inspector will be abolished upon the first anniversary date after the pipeline becomes operational.

JIMMY CARTER.

THE WHITE HOUSE, *April 2, 1979.*

PROPOSALS TO PROTECT PRIVACY OF INDIVIDUALS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-84)

The SPEAKER laid before the House the following message from the President of the United States; which was read, and, together with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed:

To the Congress of the United States:

I am announcing today sweeping proposals to protect the privacy of individuals.

"The right to be let alone," Justice Brandeis wrote 60 years ago, "is the right most valued by civilized men." That right is built into our Constitution, which forbids unwarranted searches of citizens and their homes. At the time the Constitution was written—a time when private conversations were conducted face-to-face or through the mail and most private records were kept at home—those protections seemed adequate.

The growth of society and technology has changed all that. We confront threats to privacy undreamed of 200 years ago. Private conversations are often conducted by telephone. Many personal records are held by institutions, such as banks and government agencies, and the Supreme Court has held that the individual has no constitutional rights over such records. Important judgments about people—such as the decision to extend credit or write an insurance policy—are often made by strangers, on the basis of recorded data.

Whenever we take out a loan, apply for insurance, receive treatment at a hospital, obtain government assistance, or pay our taxes, we add to the store of recorded information about our lives. That store is growing exponentially: in 1940, for example, 1.2 billion checks were written—in 1970 it was 7.2 billion. Personal information on millions of Americans is being flashed across the nation from computer to computer.

These changes are not the product of any plan to invade our privacy. They have developed naturally with the growth of our economy, the expansion of public and private institutions, the mobility of our citizens and the invention of computers and telecommunications systems.

Modern information systems are essential to our economy. They contribute to the comfort and convenience of our lives. But they can be misused to create a dangerously intrusive society.

Our challenge is to provide privacy safeguards that respond to these social changes without disrupting the essential flow of information.

Much has already been done. Laws are in place to restrict wiretapping. Last year Congress strengthened those protections by legislating restrictions on national security wiretaps. The Privacy Act of 1974 set rules for Federal agencies' record keeping. The Fair Credit Reporting Act and related Acts gave consumers the right to know information about themselves contained in the records of credit-reporting bureaus. The Family Educational Rights and Privacy Act gave students the right to see personal records held by educational institutions. Last year, the Congress passed the Financial Privacy Act, placing controls on Federal agencies' access to bank records.

These protections are a good beginning, but they were adopted piecemeal and have limited scope. It is time to establish a broad, national privacy policy to protect individual rights in the information age, as recommended by the Privacy Protection Study Commission.

I propose a privacy policy based on two principles:

—*Fair Information Practices.* Standards must be provided for handling sensitive, personal records. Individuals should be told what kind of information is being collected about them, how it will be used, and to whom it will be disclosed. They should be able to see and obtain a copy of the records and correct any errors. They should be told the basis for an adverse decision that may be based on personal data. And they should be able to prevent improper access to the records.

—*Limits on the Government.* Government access to and use of personal information must be limited and supervised so that power over information cannot be used to threaten our liberties.

The policy I am proposing will not disrupt the flow of information needed for legitimate business operations. Businesses gain by establishing good record-keeping systems and by keeping the trust of their customers and employees.

Nor will this policy prevent government agencies from collecting the information they need to enforce the laws. It will strengthen, not impede, the ability of reporters to cover the news. It will not impose heavy costs, and it will not create any new regulatory structures. Instead, it will establish a framework for private and government activity to prevent privacy abuses.

The responsibility for implementing this policy should be shared by the Federal government, by state and local governments, and by private institutions. I propose that the Federal government concentrate on improving its own activities and on setting standards for non-Federal record systems that contain particularly sensitive data and either involve Federal funding or require nationwide, uniform rules. We are submitting three bills to Congress today to address these areas, and a fourth major proposal will follow soon.

State and local governments should build on this base to ensure that their own record systems are properly protected. In addition, a key element of the policy I am proposing is voluntary action by private businesses and organizations.

I. FAIR INFORMATION PRACTICES

To establish privacy safeguards for key record systems, I have these proposals:

MEDICAL RECORDS

The "Privacy of Medical Information Act" is being submitted to you today. It establishes privacy protections for information maintained by almost all medical institutions. The Act will give individuals the right to see their own medical records. If direct access may harm the patient, the Act provides that access may be provided through an intermediary. This legislation allows the individual to ensure that the information maintained as part of his medical care relationship is accurate, timely, and relevant to that care. Such accuracy is of increasing importance because medical information is used to affect employment and collection of insurance and other social benefits.

The Act also limits the disclosure of medical information, and makes it illegal to collect medical information under false pretenses. The legislation allows disclosure when it is needed for medical care and other legitimate purposes, such as verifying insurance claims, and for research and epidemiological studies. In such cases, redisclosure is restricted.

FINANCIAL RECORDS

The Administration will soon submit the "Fair Financial Information Practices Act." This bill will expand the laws on consumer credit and banking records to provide full fair information protections. It will ensure that consumers are informed about firms' record keeping practices and thereby help them decide which firm to patronize. Specific requirements will be tailored to fit the varying information practices of the industries.

The bill will also provide, for the first time, national privacy standards for insurance records. This is a major step forward into an area where individuals have few such protections. The bill is not intended to change the existing pattern of regulating insurance at the State level, and it allows State regulators to oversee compliance. However, it will minimize the danger that a welter of differing State privacy standards will confuse the public and impose heavy costs on the insurance industry.

In addition, this bill will restrict disclosure of data from electronic funds transfer (EFT) systems. Although the emergence of EFT is relatively recent, its potential impact on our lives is enormous. Americans are benefitting from EFT in a variety of ways: automatic deposit of a paycheck in a bank account; automatic payment of a mortgage installment; cash dispensing machines; and so on. EFT terminals have the potential to supplant cash, checks and credit cards in a broad range of consumer transactions, from supermarket purchases to auto rentals. Such systems are efficient, but they pose major privacy problems. Not only do they contain extensive personal data on individuals, but they can be used to keep track of people's movements and activities. This legislation will erect safeguards against misuse of these systems while allowing flexibility for commercial and technological innovation.

RESEARCH RECORDS

Federally-supported reseach collection is vital for improved medical care, for cost-effective regulations, for economic analysis, and for many other purposes. In most cases, the information collected for these purposes is submitted voluntarily, is quite personal, and is collected on an express or implied pledge of confidentiality. That pledge is often essential to obtain individuals' cooperation in providing the information and ensuring its accuracy and completeness. However, in most cases there is no legal basis at present to guarantee the promise of confidentiality.

The "Privacy of Research Records Act" is being submitted today. This bill will ensure that personal information collected or maintained for a research purpose may not be used or disclosed in individually identifiable form for an action that adversely affects the individual.

We are also developing separate legislation to reduce the amount of information government collects in the first place through improved oversight and through carefully controlled sharing arrangements.

OTHER RECORD SYSTEMS

The Privacy Commission recommended against Federal legislation on employment records and proposed instead that employers be asked to establish voluntary policies to protect their employees' privacy. I agree.

Many employers are already adopting the standards established by the Commission. Business groups, including the Business Roundtable, the Chamber of Commerce, and the National Association of Manufacturers, are encouraging such voluntary action. I urge other employers to take similar action, and I have instructed the Secretary of Labor to work with employer and employee groups in the implementation of these standards.

The Commission did urge one piece of legislation in the employment area—limits on the use of lie detectors in private employment. Such legislation already has been introduced in this Congress, and I urge you to proceed favorably with it.

I also urge commercial credit grantors and reporting services to adopt voluntary fair information standards, to avoid any need for Federal legislation in this area.

It is critical that the privacy of those who receive public assistance and social services be adequately protected. I call upon the states to move forward with legislation to provide such protections, consistent with the Privacy Commission's recommendations and the need to prevent fraud in these programs. I have instructed the Secretary of Health, Education and Welfare to develop minimum privacy standards for these Federally funded programs.

I also urge the states to act on other state and local record systems, particularly those of criminal justice agencies.

II. FEDERAL GOVERNMENT ACTIVITIES

I am also announcing measures to strengthen safeguards on Federal investigations and record-keeping.

The bills on medical and financial records will ensure that the government obtains access to such records only for legitimate purposes. In most cases, the individual will be notified and given an opportunity to contest such access. I have these additional proposals:

GOVERNMENT ACCESS TO NEWS MEDIA FILES

The Supreme Court's decision last year in *Zurcher* v. *Stanford Daily* poses dangers to the effective functioning of our free press. I announced in December that we would develop legislation to protect First Amendment activities from unnecessarily intrusive searches while preserving legitimate law enforcement interests. Although regulations already restrict Federal officers' investigation of the news media, the problems raised by the *Stanford Daily* case require new, stringent safeguards against Federal, state and local governmental intrusion into First Amendment activities.

I am submitting this legislation today. It will restrict police searches for documentary materials held by the press and by others involved in the dissemination of information to the public. With limited exceptions, the bill will prohibit a search for or seizure of "work product"—such as notes, interview files and film. For documents which do not constitute work product, the bill requires that the police first obtain a subpoena rather than a search warrant. This ensures that police will not rummage through the files of people preparing materials for publication and that those subject to the subpoena have the opportunity to contest the government's need for the information.

WIRETAPPING

The privacy of personal communication is an important civil liberty. Americans are entitled to rely on that privacy, except where a legitimate and urgent law enforcement or national security purpose creates an overriding need. The fact that the person who is the target of surveillance is usualy unaware of it argues for the tightest controls and for public accountability for the officials who authorize surveillance.

Title III of the Omnibus Crime Control and Safe Streets Act of 1968 governs the use of electronic surveillance of wire and oral communications except in matters involving foreign intelligence and counterintelligence. The National Commission for the Review of Federal and State Laws Relating to Wiretapping and Electronic Surveillance has studied the experience under Title III and has issued findings and recommendations.

I am transmitting to Congress today a letter which sets forth my detailed views concerning those recommendations. In general I endorse the recommended adjustments which would strengthen Title III's protections for individual privacy.

I do not, however, support the recommendation to amend the law to allow Federal officials below the rank of Assistant Attorney General to apply to the courts for wiretaps. Such a change would diminish accountability and increase the danger of misuse. Also, I am not convinced that the list of criminal statutes for which electronic surveillance orders may be obtained should be expanded. I have asked the Attorney General to consult with the Secretary of the Treasury and with the Congress on those Commission recommendations.

FEDERAL RECORDS

The Federal Government holds almost four billion records on individuals, most of them stored in thousands of computers. Federally-funded projects have substantial additional files. This information is needed to run the social security system, collect taxes, conduct research, measure the economy, and for hundreds of other important purposes. Modern technology, however, makes it possible to turn this store into a dangerous surveillance system. Reasonable restrictions are needed on the collection and use of this information.

The Privacy Act of 1974 established privacy safeguards for Federal records. It prevents agencies from collecting certain kinds of information, such as information about political beliefs; requires public notice whenever a new data system is established; gives individuals the right to see and correct their records; and limits disclosure of personal information.

While the Privacy Act is working reasonably well and is too new to decide on major revisions, I have ordered a number of administrative actions to improve its operation.

We are issuing today final guidelines for Federal agencies on the use of "matching programs." These programs compare computerized lists of individuals to detect fraud or other abuses. Such programs are making an important contribution to reducing abuse of Federal programs and are thereby saving taxpayers' money. However, safeguards are needed to protect the privacy of the innocent and to ensure that the use of "matching" is properly limited The guidelines, which were developed with public participation, will ensure that these programs are conducted:

—only after the public has been notified and given the opportunity to identify privacy problems; with tight safeguards on access to the data and on disclosure of the names of suspects identified by matching;

—only when there are no cost-effective, alternative means of identifying violators.

I have also directed that action be taken to:

—extend Privacy Act protections to certain data systems operated by recipients of Federal grants;

—strengthen administration of the "routine use" provision of the Privacy Act, which governs discolsures of personal information by Federal agencies;

—ensure that each Federal agency has an office responsible for privacy issues raised by the agency's activities;

—improve the selection and training of the system managers required by the Privacy Act;

—improve oversight of new Federal information systems at an early state in the planning process; and

—limit the amount of information the government requires private groups and individuals to report.

The Office of Management and Budget, as the unit responsible for overseeing Federal agency record-keeping, will implement these actions. I have assigned the Commerce Department's National Telecommunications and Information Administration to be the lead agency on other privacy matters and to work with Congress on the continuing development of privacy policy.

INTERNATIONAL PRIVACY ISSUES

The enormous increase in personal data records in the U.S. has been matched in other advanced countries. Throughout Western Europe, as well as in Canada, Australia, and Japan, records of personal data have grown at explosive rates. Our concerns about privacy are shared by many other governments.

International information flows, however, are increasingly important to the world's economy. We are, therefore, working with other governments in several international organizations to develop principles to protect personal data crossing international borders and to harmonize each country's rules to avoid needless disruption of international communications. Enactment of the proposals I have outlined will help speed this process by assuring other countries that the U.S. is committed to the protection of personal data.

Privacy is a permanent public issue. Its preservation requires constant attention to social and technological changes, and those changes demand action now.

I ask the Congress and the public to join me in establishing a comprehensive framework of reasonable privacy protections. Together we can preserve the right to privacy in the information age.

Jimmy Carter.

The White House, *April 2, 1979*.

☐ 1235

UPDATED REPORT ON THREE MILE ISLAND NUCLEAR ACCIDENT

(Mr. McCORMACK asked and was given permission to address the House for 1 minute.)

Mr. McCORMACK. Mr. Speaker, I have just talked with the Nuclear Regulatory Commission headquarters and have the following report on the Three Mile Island nuclear accident:

The volume of hydrogen gas in the reactor vessel has been reduced from an estimated 1,100 cubic feet maximum to a calculated 30 cubic feet at this time. This is a very large reduction. These numbers are, of course, being validated.

The gas concentration in the containment structure outside the reactor vessel is calculated to be such that a hydrogen burn or explosion is not possible. The recombiners to remove the hydrogen from the containment have been tested and are operable. The temperatures throughout the system are coming down and the reactor is at one-quarter of 1 percent of its power level. The next step, which I hope will come soon, will be to transfer the reactor to residual heat removal and cold shut down.

This was a serious accident. There are still many questions to be answered, and there are many uncertainties for the coming hours. However, as Harold Denton, the NRC Director of Nuclear Reactor Regulation, says, "Time is on our side."

CONCURRING IN SENATE AMENDMENTS TO H.R. 2534, TEMPORARY DEBT LIMIT INCREASE

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 183 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 183

Resolution concurring in Senate amendments to the bill (H.R. 2534) to provide for a temporary increase in the public debt limit, and for other purposes

Resolved, That upon the adoption of this resolution the bill (H.R. 2534) to provide for a temporary increase in the public debt limit, and for other purposes, together with the Senate amendments thereto, is taken from the Speaker's table to the end that the Senate amendments be, and the same are hereby, agreed to.

The SPEAKER. The gentleman from Missouri (Mr. Bolling) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. Latta). Pending that I yield 5 minutes to the distinguished chairman of the Committee on Ways and Means (Mr. Ullman).

Mr. ULLMAN. Mr. Speaker, this could be the most important vote that any of us cast in this session of Congress. We have come to the time when we are either going to keep this Government in operation or we are going to set into motion a chain of events that could erode the very foundation of our Government.

Let me describe very quickly the actual legislative situation.

☐ 1240

The debt limit bill (H.R. 2534) was passed by the House on March 15 as a debt limit and debt management bill. It has returned from the Senate with no change in the House bill's provisions, but with the addition of two amendments designed to help Congress achieve balanced budgets in fiscal years 1981 and 1982.

I would like first to summarize House and Senate action on the bill to date and then to analyze the amendments and to discuss the Treasury's present financial situation.

HOUSE-PASSED BILL

On March 15, the House passed this bill. It contained three provisions: First, an increase in the temporary public debt limit from $798 billion, which expired on Saturday, March 31, to $830 billion through September 30, 1979; second, an increase in the authority to issue long-term bonds with interest rates above 4¼ percent from $32 billion to $40 billion; and third, discretionary authority for the Secretary of the Treasury, with the approval of the President, to raise the interest rate on U.S. savings bonds to rates within a range of 6 to 7 percent.

There was a substantial effort on the House floor 2 weeks ago to add to the bill an amendment to the House rules that would require a two-thirds majority in each House in September 1980 to approve a budget resolution providing for a budget deficit in fiscal year 1981 before a bill could be taken up to increase the public debt limit for that period.

The effort to add this amendment—the Gramm-Lott-Jones amendment—was defeated by a narrow margin in a vote on the previous question on the rule.

SENATE ACTION

On the Senate floor, no question was raised about the provisions of the House-passed bill which dealt with the increase in the public debt limit and the two debt management changes. Instead, Senators Armstrong and Dole sought to add their version of the Gramm-Lott-Jones amendment to this bill, and this effort and the attempts by other Senators to modify that amendment was the major focus of the Senate debate. The Senate resolved the debate by accepting the Long and Packwood amendments instead of the Armstrong-Dole amendment.

The Packwood amendment requires the President to submit alternative balanced budget proposals for fiscal years 1981 and 1982, if his budgets call for deficits.

The Long amendment applies to the congressional budget process and requires the Budget Committees to report by April 15, 1979, budgets for fiscal years 1981 and 1982 that shall be in balance. In each of these 2 years, the Budget Committees shall also report balanced budgets for the same two fiscal years; a balanced budget for fiscal year year 1981 by April 15, 1980, and a balanced budget for fiscal year 1982 by April 15, 1981.

I will offer a more comprehensive explanation of the Long amendment in a moment.

HOUSE ACTION TODAY

Since the provisions of the bill passed by the House were accepted by the Senate without question, the debate in the House today should focus on the Packwood and Long amendments to the bill and on today's financial outlook for the Government.

The Packwood amendment instructs the President to submit alternative budget balancing proposals in his next two budgets; the administration has agreed to this amendment after recommending modifications which were accepted by Senator Packwood. Under the Packwood amendment, for fiscal years 1981 and 1982 the President would have to submit alternative budget proposals to indicate how he would balance the budget, if his regular budget submission calls for a budget deficit. These alternative budget proposals would not have to be in the same detail as the regular budget, but they would have to be accompanied by a clear explanation of the specific differences between the President's regular budget and the alternative balanced budget.

Under the Long amendment, the Budget Commitees of both Houses would have some additional obligations, although there would be no changes to the congressional budget process itself.

By April 15, 1979, the Budget Committee would have to make projections of how Congress could achieve a balanced budget in fiscal year 1981 and fiscal year 1982. These projections could be part of the Budget Committee's report accompanying the first budget resolution for fiscal year 1980, or they could be in a separate document. Possibly, the committee could conclude that the best way to balance the budget in 1981 or 1982 would be to require some changes in outlays or receipts in fiscal year 1980. If so, the committee would indicate these changes as part of its projections. Even though they would not be part of the Budget Committee's recommendation, as expressed in its report first budget resolution, Members could offer them as amendments to the first resolution on the House or Senate floor.

This process should provide a better mechanism for achieving a balanced budget in 1981 and 1982 by helping Congress to make the decisions needed this year to balance the budget in the future.

By April 15, 1980, if the Budget Committee recommends a first budget resolution for fiscal year 1981 that is not in balance, it will also be required to state, either in the report accompanying the first resolution or in some other document, how it thinks the budget might best be balanced in fiscal year 1981; that is, how the Budget Committee would go about balancing the budget if it were required to do so. These budget balancing proposals would be available to be offered as amendments to the Committee's recommended first budget resolution on the House or Senate floors. Thus, by knowing not only the Budget Committee's recommended budget resolution but also its judgment of how the budget might best be balanced, Congress would be able to make an intelligent decision about whether to balance the budget in 1981 because it would know precisely what would be involved in achieving a balanced budget.

The budget process for the fiscal year 1982 budget would be the same as for fiscal year 1981.

In each case in which the Budget Committees are required to show how they would balance the budget, they would also be required to explain the effects of their balanced budget, compared to those of the reported budget which they recommend, on revenues, Federal spending, employment, inflation and national security.

It should be emphasized that these amendments in no way change the basic congressional budget process except to require additional information from the Budget Committees. There is no change in the relationship between the Budget Committees and the authorizing committees, the appropriations committees or the tax-writing committees.

NEED FOR FAVORABLE ACTION TODAY

The temporary debt limit which expired at midnight on Saturday, March 31, was not sufficient during the second half of March to permit Treasury to carry out financing programs to meet current needs. As a result, five public debt issues were postponed, and today's regular weekly auction of Treasury bills will be delayed unless this bill is passed promptly and early today.

In order to meet today's obligations, the Treasury Department announced on Friday, that: First, today's auction of $6 billion in 3- and 6-month bills, has been postponed; second, all sales of savings bonds, beginning today, are suspended; third, all tax and loan accounts have been withdrawn from commercial and savings banks and transferred to Treasury accounts at Federal Reserve banks; fourth, the maximum borrowing from the Federal Reserve possible under the expired debt limit was completed Friday; fifth, the Federal Reserve dividend payment to Treasury was advanced to today; sixth, net cash inflows to trust funds cannot be invested in Federal securities and earn interest.

Under the most favorable estimates and including the steps I just spelled out, the Treasury Department probably can meet the Federal Government's cash obligations today.

It will not be able to meet the demands for cash on Tuesday, even under the most favorable assumptions about payments and receipts.

In other words, for the first time in the history of the United States of America, it will default on its obligations unless the bill with its provisions to increase the public debt limit is passed by the House today and is sent to the President for his signature.

The Members of the House must be warned that the public debt limit issue now is more important than the sincere concerns about balancing the budget in the next fiscal year. The prospect of default faces us as soon as tomorrow's dawn. Without this bill today, we cannot pay all our bills tomorrow, Tuesday, April 3, 1979. Tomorrow's date appears on the April social security checks, which exceed $7 billion; social security trust fund reserve are more than adequate but they are invested in U.S. securities which cannot be redeemed unless there is cash in the Treasury.

In addition, checks issued to beneficiaries of the civil service retirement program, the Veterans' Administration and Railroad Retirement Board and cashed tomorrow will not be redeemed by the banks tomorrow night. The same predicament will prevail for businesses which have sold, in good faith, goods and services to this Government. That is, not unless the bill passes today.

These are other effects that will follow if the U.S. Government cannot pay its bills tomorrow. The domestic money market will find itself in substantial turmoil because of the inability to refund maturing Federal debt issues and the uncertainty about when routine financial procedures can be restored. How the money market will react to this uncertainty is not predictable, other than to say that the Federal Government's finances will be the loser.

Even greater uncertainty is associated with foreign exchange markets. Default by the U.S. Government because Congress failed to pass an increase in the public debt limit when there is no fiscal choice is something absolutely incredulous in foreign countries.

The choice of the House is clear. The debt limit must be increased today for the rest of this fiscal year in order to pay the bills which Congress authorized last year.

Those Members who believe that action on a balanced budget is overdue must understand that we cannot make that adjustment retroactively. It must be made prospectively. And the time and place for those legislative matters is the House floor after April 15, 1979, when the first budget resolution for fiscal year 1980 will be taken up and will be followed by the appropriations bills for next year.

The Dole amendment which the minority seeks to add to this bill is the same as the Jones amendment, except that the required majority vote in September 1980 on a budget resolution with a budget deficit is reduced from two-thirds to three-fifths. Both the Jones and Dole amendments were defeated. Narrowly, it is true, but defeated nevertheless.

But the Dole amendment does nothing to assure a balanced budget for fiscal year 1981—18 months from now. The Dole amendment says that if a majority in each House approves a budget resolution for 1981 which calls for a budget deficit, a minority of 40 percent or two-fifths in each House can prevent consideration of a nincrease in the public debt limit.

In other words, if 59 out of 100 Members think a budget deficit would be appropriate in the situation for 1981—even a tiny deficit, then 41 Members will be able to prevent the House from considering and approving one of the ways to pay the bills under that resolution.

I urge the House to act favorably on this public debt limit bill now.

The SPEAKER. The time of the gentleman from Oregon (Mr. ULLMAN) has expired.

Mr. BOLLING. Mr. Speaker, I yield 3 additional minutes to the gentleman from Oregon (Mr. ULLMAN).

Mr. MITCHELL of Maryland. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I yield very briefly to my friend, the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, as of Friday of last week, I had made up my mind not to vote for this proposition. I had decided not to vote for it because of the dangers that I see in attempts to balance the budget.

However, after a meeting this morning, I, like all the other Members in that meeting, was significantly impressed by the fact that this Nation stands on the brink of disaster if we do not act on this issue today. The message was spelled out very clearly, and that was sufficient for me to change my mind on this issue. We will fight the battle over a balanced budget later, but for God's sake, let us not destroy this country, as it will be destroyed if we do not act on this issue today.

Mr. Speaker, I thank my friend for yielding.

□ 1245

Mr. ULLMAN. My friend has taken a very responsible position. I urge every single Member of the majority party to take the same position, and I urge my friends in the other party not to go along with their leadership recommendation; that leads to the road to disaster. What you are saying is that you can recommend a budget with a majority vote, you can recommend any kind of a deficit you want with a majority vote, but then when it comes time to take up the debt limit bill, you want to say that will need first a 60-percent vote on the budget resolution. That is not responsibility. That is not the right way to do it. The right way to do it is in this bill. As they make up that budget downtown and as we present the budget resolution here, we have put into focus for us the issue of the balanced budget which gives the House a chance to act upon it. And that is responsibility.

Mr. PICKLE. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Speaker, I would like to point out to the House, as chairman of the Subcommittee on Social Security, matters of great importance. The U.S. Postal Corporation plans to mail out millions of social security checks tomorrow. If they do, and if we do not raise this debt ceiling, all of the millions of checks will not be honored. That is a situation that is unthinkable, and we must take appropriate action here today.

Mr. Speaker, it is imperative that the debt limit bill be passed without delay in order for the U.S. Government to meet its current obligations, including the honoring of some $8 billion in social security benefit checks due to be mailed out tomorrow. Social security benefit checks are entitlement payments which must be honored. There is no doubt about that. The cash flows into the social security trust funds, along with other trust funds, have ceased earning interest as of today.

The present situation demonstrates that it is questionable that the social security trust fund operations be subject to the Federal debt limit. But this is the result of the decision made some 10 or 11 years ago to include the trust funds in the unified budget of the United States. I was just informed today that the U.S. Postal Service will send out the social security checks tomorrow as scheduled. The Federal Government has no other choice but to send them out, in my opinion.

Mr. ULLMAN. Mr. Speaker, the consequences of failing to act today are unthinkable. The Government will be out of cash. They will have no option but to renege on their basic obligations in meeting Federal payrolls and in paying social security benefits, in doing all of the sequence of things normally involved in Government operations. Failure to do this will have an adverse reaction on the international markets and on the financial markets of the world of a magnitude that could be unbelievable.

What you are doing is playing with dynamite and the future of your country. For God's sake, let us not take that road. Let us leave that kind of a battle for another day. But this is a day of crisis. You have to vote for the previous question and to vote for the most reasonable kind of compromise, the responsible way, the fiscally responsible way.

The SPEAKER. The time of the gentleman from Oregon (Mr. ULLMAN) has expired.

Mr. LATTA. Mr. Speaker, I yield 2 additional minutes to the gentleman from Oregon.

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Speaker, I am really concerned about this social security problem, and I am wondering now, what happened to the social security trust fund, the moneys that were put in the fund to guarantee that those millions of Americans that paid into the system, who have expected to finish out their lives receiving benefits from the system, what happened to their protection under the trust fund if it can be manipulated by someone in the Treasury Department by taking that money and using it for some other purpose?

There is something wrong with this.

Mr. ULLMAN. The way it is being manipulated is politically irresponsible, by refusing to allow the Government to meet its obligations. All we have to do is pass this resolution, and there is no problem whatsoever about having enough cash to pay social security bills.

Mr. PICKLE. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Speaker, several years ago, perhaps 10 years ago, the social security trust fund was made a part of the budget. I believe it was made in order by a motion of a Member on the other side of the aisle. It is a part of the budget, and we have no choice about it. It is not a separate, individual choice you make. But do not kid yourselves. Those checks will fail to flow if you fail to pass this bill today.

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield further?

Mr. ULLMAN. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Speaker, I still keep coming back to that same very basic argument: What happened to the protection that was promised those millions of Americans on social security? What happened to that protection? What is the value of the trust fund if those funds are no longer guaranteed to the people who are expecting to get those dollars?

Mr. ULLMAN. Those funds are fully and totally guaranteed as long as we have the courage to face up to our obligations and pass this bill before us today so that the Government can meet its obligations.

Mr. YOUNG of Florida. I thought we did that last year when we raised the social security tax to make sure the trust fund had enough money. I think the people on social security are being blackmailed by someone in the Treasury Department on this very issue.

□ 1250

Mr. ULLMAN. The day is now. Vote for those social security payments by voting for this bill.

Mr. PICKLE. Let me make an additional statement, that the trust funds do have the securities. We just do not have the cash to honor them. That is the problem.

Mr. YOUNG of Florida. What happened to the money that was put into that fund by the people that paid the social security tax? That is what I want to know. Where did the money go? Where did that protection go?

Mr. ULLMAN. The money will not flow if we do not pass this bill today.

Mr. YOUNG of Florida. Well let me tell you something. There are going to be a lot of senior citizens on social security who are going to be burned up about this attempt at blackmail and holding them hostage to a bill to increase the debt limit, and rightly so.

Mr. ULLMAN. Do you know who they will be burned up at? At the people who failed to pass this bill.

Mr. YOUNG of Florida. By the people who took the money that was guaranteed to them, that is who they are going to be burned up with.

Mr. LATTA. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, let me say at the outset to the gentleman from Oregon, I do not believe anybody is advocating that we reject this bill completely today, nor are we advocating that we support something that the Senate put in that does not amount to anything. We can complete some meaningful action on this legislation today by voting down the previous question to permit the offering of a meaningful amendment. All this scenario that has developed is something that we see quite frequently around here. We operate in a state of crisis from time to time. I realize that we have a problem here, but the Treasury did get through today. The gentleman probably knows this.

The Treasury Department has redeemed securities in the exchange stabilization fund to allow it to borrow $3 billion from the Federal Reserve without exceeding the current debt ceiling. So, we do not have a crisis today, but we might have it tomorrow if something is not done. I am not about to say that something meaningful cannot be done.

Now what precisely was done in the Senate or attempted to be done? Well, they came up with the gimmick of two budgets, and even provided by the Packwood amendment that the President send down a second budget.

But nothing says that second budget sent down here by the President or the second concurrent resolution reported out of the budget committees, should be with their recommendations.

So what do we have? We have a proposition where the President, to balance the second budget, could take all of the money needed to balance it out of defense, or he could take it all out of the social security fund. He could take it all out of these CETA programs. He could take it out of a lot of mandatory programs that would cause Members to vote against it for that reason.

The same thing could occur in the Budget Committee. It would not have to recommend it, nor is it required that this House vote—vote—on a balanced budget. So what do we have? We have an obvious attempt to pass something here that is meaningless and say, "Look what we have done. We have passed something for a balanced budget." The only thing good about it, they recognize for the first time on that side of the aisle that we are in trouble. We need a balanced budget.

Mr. ULLMAN. Will the gentleman yield?

Mr. LATTA. I will be happy to yield to my friend from Oregon.

Mr. ULLMAN. You see what it does; it sets out the components of a balanced budget, and any one Member on the floor can offer that as a substitute—and I am sure the gentleman would be there to do it. So you obviously would have a vote on that.

Mr. LATTA. Let me say to my friend from Oregon, the gentleman from Ohio would not offer the President's second budget that he might send down here. For example, as I pointed out, and I am sure the gentleman was listening, if he were cutting it all out of defense or cutting it all out of social security, I would not support it.

☐ 1255

I do not know how many Members of this House will want to do that, but he could comply with the language in the Long amendment, which include the Packwood amendment, by doing precisely that. We have to get that straight because that is what we are talking about.

I might say that an article which appeared in the Baltimore Sun of March 28 pretty well points out what is happening here. The article said, "The Senate yesterday moved to defuse the drive for a balanced budget constitutional amendment," and so forth.

The attempt was made over in the Senate. We got pretty close here the other day in this House with a vote of 199 to 201 to give us a meaningful amendment and it scared the pants off of some of the big spenders in this House. I think we are getting close to the passage of a balanced budget amendment, so an obvious attempt was made in the Senate to defuse that drive.

No one can say that there is something in that Senate amendment when it is not there. Surely, they have to report it. They do not have to recommend it, nor do they have to present it here so that this House can vote on it.

Neither the President nor the Congress would be bound by the terms of the legislation either to endorse or pass a balanced-budget resolution. That is what we are faced with. Are we going to go through that meaningless gesture of passing something which was passed in the Senate to defuse the drive for a balanced budget; or are we not?

The SPEAKER. The time of the gentleman from Ohio (Mr. LATTA) has expired.

Mr. LATTA. Mr. Speaker, I yield myself 5 additional minutes.

Mr. Speaker, here is what we are talking about, and the gentleman from Oregon (Mr. ULLMAN) well knows this: Just since 1969 the national debt has gone up more than double. The gentleman's own committee figures and the Treasury figures point it out. In 1969 the statutory debt limitation was $358 billion, and in this bill before us now it is $830 billion. That is what we are talking about, how fast an escalation we have had in the national debt just during the 1970's. We want to slow it down. That is what we are talking about.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I am happy to yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Speaker, may I say to the gentleman from Ohio (Mr. LATTA) that in only two of those years which the gentleman mentioned were there Democrats in the White House, in only two of those years.

Mr. LATTA. I know, but my friend well knows that whether it is a Democrat or a Republican President in the White House, that President does not spend 1 red cent that is not first appropriated by this Democrat-controlled Congress; and the Democrats were in control of the Congress all during that time. Let us not kid ourselves. The gentleman can well remember that Members on that side of the aisle even took a Republican President to the Supreme Court to force him to spend money which he did not think should be spent.

Mr. ULLMAN. If the gentleman will yield further, Mr. Speaker, if the gentleman's so-called alternative there is nothing in the world which requires the Committee on the Board or the President to send up a balanced budget, nothing in the world. Here, at least, you are forcing them to offer, in substance, the components of a balanced budget as they submit their regular budget.

Mr. LATTA. I have not even offered anything yet. We are talking about the proposition on the gentleman's side of the aisle. I have not even gotten around to what we are going to propose.

Let me say also that the spending has increased tremendously since the President sent up his budget, as have the revenues, during the last quarter of last year, the fourth quarter of 1978, which was the first quarter of 1979. During that time tax receipts increased at an annual rate—yet that—at an annual rate of 20.9 percent. Expenditures increased at an annual rate of 17.7 percent. This contrasts sharply with the President's claim that Federal spending will increase by only 9.4 percent during fiscal year 1979.

If the President is to achieve anything but double-digit growth, he must slow spending growth by two-thirds, to about 6.5 percent for the remaining three quarters of fiscal year 1979, in order to do what the President said he was going to do. I think it is high time that we helped the President to do what he said he was going to do, and also to do what is now the law. Remember the Byrd amendment. We are supposed to balance the budget as a matter of statute in fiscal year 1981. That is now the law. It has not been repealed. Public Law 95–435, the Bretton Woods Act of 1978, incorporated that provision. That is now the law. Therefore, does the gentleman not think that we ought to comply with the law? I think we should. So what will we propose, if you vote down the previous question, is the Dole amendment with a three-fifths vote necessary to go over a balanced budget and go into deficit financing.

Senator DOLE offered this amendment with a two-thirds over there, and it was rejected. We are reducing that to three-fifths. That is a fair compromise if we want to do something that we are telling the American people we want to do, and that is to balance the budget.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I will be happy to yield to the gentleman from Connecticut.

Mr. GIAIMO. I thank the gentleman for yielding.

I think the gentleman has put his finger on the heart of this debate. This debate really is not one to balance the budget; it is to try to determine whether or not programs are going to pass by a majority vote or in order to make the minority feel a little stronger or be a little stronger, whether programs are going to be passed with a two-thirds or a three-fifths vote. That is at the heart of this debate. Let us not fool the American people. Both sides here want to balance this budget as quickly as possible, and if we work together, we will balance the budget. But the essence of this disagreement, both here and in the other body, is whether or not we are going to take the compromise proposal which is before us today, which gives us a direction to go toward.

The SPEAKER. The time of the gentleman has expired.

Mr. GIAIMO. Will the gentleman yield?

Mr. LATTA. Maybe the gentleman can get a minute on that side.

Mr. BOLLING. I yield the gentleman from Connecticut (Mr. Giaimo) 1 minute.

Mr. GIAIMO. I thank the gentleman for yielding.

The question is whether or not we are going to work together toward a balanced budget as the compromise proposal suggests by coming forth next year with the first budget resolution and, in addition thereto, a balanced budget which can be part of the report or part of anything else. It can be considered on the floor if the Members wish. The question is whether we are going to go that way or go the way which the minority is trying to go in trying to undo the poll results of last November. What they cannot win by elections they are trying to do here through budget gimmickry of saying we cannot pass spending programs by a majority vote; we must pass them by a three-fifths vote or a two-thirds vote, obviously strengthening the hands of the minority. The minority is not going to get away with this kind of hocus-pocus. The people are not going to fall for it. Let us work together in trying to get spending under control, and we will balance the budget in 1981 or 1982.

Mr. LATTA. Let me pose a question to my friend. It seems as though he is hung up on the three-fifths. Would he support the Dole amendment if it were reduced to a clear majority?

Mr. GIAIMO. If the gentleman will yield, I will support majority rule.

Mr. LATTA. Would the gentleman support the Dole amendment if it were only a clear majority?

Mr. GIAIMO. I will support majority rule.

Mr. LATTA. Would the gentleman support the Dole amendment if it were only a clear majority?

Mr. GIAIMO. Under the Constitution and what the American people want. That is the minority's hangup. The hangup is that they cannot get their way in the minority so they want to change the rules of the game and say, "Let us not do it by a majority."

Mr. LATTA. Would the gentleman support the Dole amendment if it were only a clear majority?

Mr. GIAIMO. They want three-fifths or three-quarters or whatever. It will not wash.

Mr. LATTA. Mr. Speaker, apparently the gentleman from Connecticut does not want to answer that question as to whether or not he would support the Dole amendment if it were changed to a clear majority. If he wants to answer, I will yield to him. Apparently he does not, but I am going to give him an opportunity in the Committee on the Budget markup which starts tomorrow to vote for some very meaningful cuts in the President's budget. We have an accumulated $22 billion worth that we are going to be proposing during this week's markup.

The SPEAKER. The time of the gentleman has expired.

Mr. LATTA. Mr. Speaker, I yield myself 1 additional minute.

And we will have a rollcall vote so we can find out how many people, including the gentleman from Connecticut (Mr. Giaimo), really want to balance this budget. We are going to give them the opportunity this week in the Committee on the Budget.

With that, Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi (Mr. Lott).

Mr. LOTT. Mr. Speaker, I would first like to emphasize that, as was proven week before last when we voted on this same issue, it is not a partisan issue. There were a number of our colleagues on the other side of the aisle who voted to try to open this question up so we could readily debate whether or not this House is going to respond to the people's demands across the country to put in place a balanced-budget amendment process, an orderly step-by-step process.

I want to make just a couple of points crystal clear here. First of all, we are not asking for a vote yes or no on the debt ceiling at this point. We are asking for a no vote on the previous question so that we can then get to direct debate on some action on the balanced-budget amendment process.

□ 1305

We have not debated that in the House. The Senate debated it last week and they came within two votes, 46 to 44 of approving the Dole amendment, which was very similar to the language which the gentleman from Oklahoma (Mr. Jones), and the gentleman from Texas (Mr. Gramm) and I worked on week before last and which got within two votes of passing this body.

All we are asking is defeat the previous question, let us discuss and vote on the balanced budget process and then we will have a subsequent vote on the debt ceiling.

Mr. Speaker, the Long amendment is meaningless. I urge my colleagues to take a look at it. It is not binding in any way; in fact, it would only confuse the issue, as the gentleman from Ohio pointed out. There is no connection between the Long amendment and the debt ceiling. It only applies to the first budget resolution. It is only a guideline.

The Dole amendment is the same approach we used last time. It would provide a step-by-step process in which we would require a balanced budget by fiscal year 1981.

Mr. Speaker, I urge my colleagues to defeat the previous question so that we can genuinely debate this issue of a balanced budget.

Mr. MITCHELL of Maryland. Mr. Speaker, will the gentleman yield for a moment?

Mr. LOTT. I would be glad to yield to the gentleman.

Mr. MITCHELL of Maryland. Mr. Speaker, just one brief question. Has the gentleman entered into any discussion at all with the Secretary of the Treasury concerning the immediate gravity of the situation this Nation confronts?

Mr. LOTT. I recognize the gravity of this. We have had plenty of time to consider a balanced budget amendment and go forward with the debt ceiling.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank my colleague.

Mr. LOTT. Mr. Speaker, I will take back my time and just answer the gentleman's question.

We can vote on a balanced budget amendment here and still go forward with the debt ceiling. There is no dilatory process involved. We will have a vote on this issue today.

Mr. MITCHELL of Maryland. We are now, I say to my dear colleague, counting hours. It is that dangerous; and I, for one, will not be a party to anything that will bring about the downfall of this country and its prestige around the world. If we fail to act on this today, if we delay many more hours, we are in trouble.

Mr. Speaker, I thank the gentleman for yielding.

Mr. LOTT. Mr. Speaker, we have had plenty of time to vote on this issue; in fact, 3 weeks or a month ago, if this body, if the leadership had allowed us to clearly debate this issue and accept a balanced budget amendment. This whole issue would have been already resolved and we can still do it today in plenty of time before any further emergency develops.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Speaker, the record plainly shows that this matter came back over here on Wednesday of last week and objection was heard. They wanted to bring this matter up by unanimous consent. It went to the Committee on Rules on Wednesday and came back down the same day. We were ready to vote last Thursday.

As a matter of fact, the minority leader asked the Chair if he would be out of order to propose a unanimous consent to bring the matter up last Thursday. It was the democratic leadership that decided to put the matter over until today. The Republicans were ready last Thursday to vote on this issue. We did not delay it until today.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the majority leader, the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, I want to say something with respect to the gravity of the situation that confronts us. I think it may not be fully understood by all the Members.

I hope that I have never engaged in scare tactics. I trust that I do not have the reputation of attempting to frighten people. But the question right now, today, is not whether or not we want a balanced budget. We can discuss that on another occasion. We can determine that in its proper forum, as the gentleman from Ohio has suggested he intends to do in the Budget Committee and in the budget resolution that will be before us.

The question today is something entirely different than that. The question today is whether we are prepared for the U.S. Government to default on its obligations for the first time in more than 200 years of the history of this Republic. It is that grave.

If we do not enact this resolution today—today, the Government of the United States will be in default for the first time in the more than 200 years of its history. So that is the question.

It only partly involves whether or not we are prepared for some $8 billion worth of social security checks to be returned unhonored as "hot checks." It does have something to do with that, I think. It has something to do with whether we are prepared for railroad retirement benefits to be dishonored, not paid. It has to do with whether we are prepared to dishonor the veterans benefit payments that this Nation has ordained in its gratitude for the service of those who have given of their wholeness for the defense of our country. But it goes far beyond that.

The question we are confronted with is the question whether we are prepared for the full faith and credit of the United States of America to be dishonored for the first time in American history.

☐ 1310

I cannot repeat with sufficient emphasis that if we fail to enact this resolution today that will be the situation. I cannot predict for you with any absolute accuracy what will happen in the money markets. It is incalculable. But I think any of us who seriously examine the prospect would have to conclude that our failure to honor our obligations today would put domestic money markets in serious turmoil and even more seriously affect foreign exchange rates.

The value of the dollar on world markets has been recovering since the first of the year. I think it is predictable that it would take a very serious nose dive as a result of our failure to enact this legislation today.

I can assure the gentlemen who are interested in achieving a systematic means of attaining a balanced budget that I share that goal. I would agree that the Long amendment incorporated into this legislation on the Senate side does not mandate a balanced budget. It does, however, guarantee an opportunity for the consideration of a balanced budget, both one submitted by the President of the United States and one submitted by the House Committee on the Budget. That is what it does and that is all it does.

Let me assure my friends on the Republican side that I personally could go further than that. If it were up to me I would be willing to create a system that would automatically mandate an annual budget balance unless the Congress should take the initiative to set aside that requirement for a specific period by reason of international or domestic emergency. I would insist, however, that a majority of this House should be permitted to work its will.

Mr. LATTA. Will the gentleman yield?

Mr. WRIGHT. Of course, I yield to my friend from Ohio.

Mr. LATTA. You have just made a very important statement and I would be happy to work with you if we could possibly work something out and get it down on this floor so we could debate it.

Mr. WRIGHT. It might interest the gentleman that I have been working on various approaches to that goal. I have two separate versions in my office that I would like to share with him. Some of us on this side of the aisle have been trying to see what we could do that would have some teeth in it, something that would commit us to the proposition of a balanced budget as a general rule but would allow a majority to work its will when we had a real emergency. I would not be in favor of permitting a third of the Members, or 40 percent of the Members, to enthrone themselves in such a way as to thwart the will of the majority.

The SPEAKER. The gentleman's time has expired.

Mr. BOLLING. I yield the gentleman from Texas 1 additional minute.

Mr. WRIGHT. May I reclaim my time and simply say, in good faith, that I believe there are many on this side of the aisle who will work with the gentleman of the minority in a bipartisan effort to try to achieve the mechanism by which this House could balance a budget, not this year but by fiscal 1982.

Mr. LATTA. Are we talking about 1981?

Mr. WRIGHT. I would suggest 1982 as a realistic and attainable goal. But I want to emphasize that this vote today is something entirely separate, entirely urgent. If we fail to pass this resolution today, the U.S. Government will be in serious default. The consequence over the next 5 or 10 years could be that the additional amount we would have to pay in interest on Government securities—in event this Government were to go into default—might cost us $300 million or $400 million more because of our failure to assume a responsible position and pay our debts today.

☐ 1315

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, the gentleman from Maryland has been in this House only 6 years, but he hears this same "crisis" argument made every time we come to the question of increasing the debt limit. We are always told that millions of people are going to go without pay and benefits, that social security checks will not be honored, and that we are on the brink of fiscal disaster because the Government cannot pay its bills. If that were true I would be most concerned.

But if that is the case, let us place the blame where it belongs. The majority leadership had the power to bring this matter to the floor last week, but it was held up until the votes were available. It was held in the other body for 2 weeks, and last week, because some Members were more concerned with hobnobbing with Teng Hsiao-ping than doing something to help the old people of this country and the other people who are struggling to pay their bills, we were told we could not bring it up on Thursday. The House was denied the opportunity to act. So by calculated design, it is brought to us at this last possible moment, and in an effort to create a crisis.

The House by one vote came close to adopting a balanced budget amendment a few weeks ago, but we now are told that we must act today. I say to you, we can act today on both the debt limit and a balanced budget concept.

But we should understand the strategy that is revealed to us today.

The majority leadership does not want a balanced budget. They want to kill it. That is the strategy of the liberal leadership of this Congress. And this performance today is part of that strategy. The White House also has adopted this killer strategy, fearful that the desire of the American people to have a balanced budget might succeed.

For years now, the liberals on my side of the aisle and the liberals on the other side have joined in a coalition to spend money beyond our means and they have nearly bankrupted this Nation. That fiscal insanity has been taking place for more time than I can remember.

What these liberals really fear is a balanced budget. My God, what would this do to the liberal faction itself and its pet programs? A balanced budget would alleviate our 10-percent inflation rate, it would help the old people and others on a fixed income who are dependent on our now nearly worthless currency. That is what it would do. No wonder it is upsetting to the liberal leadership when we come so close to adopting a balanced budget process. But to save this country we must bring our national budget into balance.

That is why we must fight this battle today.

I spoke of a national strategy to kill the balanced budget. The son of our distinguished Speaker, Tom O'Neill, the Lieutenant Governor of the State of Massachusetts, is heading a national lobbying group to try to stop the balanced budget. Like his distinguished father he cannot believe that we would have a balanced budget. It would give relief to the American taxpayer's pocketbook, the

Government would have to live within its income, the bureaucracy would have on its shoulders the same obligations as ordinary people have each month when they sit down to pay their bills. Would that not be impossible? And to supplement the O'Neill lobby the White House has set up a special task force to stop the balanced budget. Using taxpayer's money illegally, White House staffers are working to kill the balanced budget.

We hear that this amendment set us by the other body is just the ticket. The amendment from the other body is not worth the paper on which it is written. It is no more than a pious hope and a foolsome expression that some day in the netherland, way down the yellow brick road, Congress just might possibly balance the budget. Do not hold your breath, my colleagues.

You do not want to balance the budget, Mr. Speaker. The liberal leadership does not want to balance the budget. You all want to continue your deficit policies that have destroyed our economy.

So, Mr. Speaker, I urge all my thinking colleagues, not just conservatives, but middle-of-the-road Members on both sides of the aisle to join together and save this country from further economic madness. This is our chance.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. MARKS).

Mr. MARKS. Mr. Speaker, the question is, What is the responsible thing to do today as Americans, and not merely as Republicans or as Democrats?

I was interested in the comments of my colleague, the gentleman from Maryland (Mr. BAUMAN), in which he said that if we do not vote down the previous question, we will be bringing ourselves to the brink of disaster in this country, and he asks, "If that is the case, where does the responsibility lie?" He first points to the Democratic side and says, "It is all your fault over there."

But then he says, "It is really not just your fault; it is the fault of whoever are the liberals on both sides of the aisle."

I suggest to my very articulate colleague, the gentleman from Maryland (Mr. BAUMAN), that he and whoever are the colleagues with whom he classifies himself on the so-called conservative side have been just as responsible for this as anyone else.

☐ 1320

The important thing is not the "Baumanisms" that he can send out at this time as to whose responsibility it is, but what is the responsibility of this Congress, what is the responsible thing to do today? And may I suggest that I as a Republican do not believe it would be the responsible thing to vote down the previous question. I think it is almost irresponsible for the Republicans to take the position that we are going to vote this down in hopes that we can go to the American people and say that we have a greater degree of fiscal responsibility than the other side. I suggest that that will not happen. It never has. It never will. I can tell you who would be delighted to have us do that, and that is the demagogic California Governor.

The SPEAKER. The time of the gentleman from Pennsylvania (Mr. MARKS) has expired.

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania.

Mr. MARKS. May I suggest to the Members that those who are laughing on this side, and who want to help that demagogue out in California, that this is the way you can do it. He is the one who would be happy if we go out of here and say we pile Republican vote upon Republican vote and bring about brinkmanship or disaster today. May I say that brinkmanship went out with John Foster Dulles. This is the end of the line. We have the responsibility today as Americans, not as Democrats or Republicans, to see to it that this position that we take is responsible.

CALL OF THE HOUSE

Mr. BOLLING. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 71]

Anderson, Ill.
Andrews, N.C.
Archer
Ashbrook
Atkinson
Badham
Bedell
Biaggi
Bonker
Breaux
Brooks
Buchanan
Burton, Phillip
Chappell
Coleman
Conyers
Crane, Daniel
D'Amours
Daschle
Davis, S.C.
Dellums
Diggs
Dingell
Dornan
Drinan
Eckhardt
Edgar
Fish
Flippo
Flood
Foley
Goldwater
Goodling
Guyer
Harkin
Harsha
Heftel
Horton
Jenkins
Long, Md.
Luken
McCloskey
McEwen
McHugh
McKay
McKinney
Martin
Mathis
Mazzoli
Michel
Miller, Calif.
Moffett
Moorhead, Pa.
Mottl
Nelson
Nolan
Oakar
Ottinger
Pepper
Prichard
Rahall
Railsback
Rhodes
Rodino
Rousselot
Runnels
Santini
Satterfield
Scheuer
Shuster
Skelton
Staggers
Stark
Steed
Stockman
Stokes
Tauke
Taylor
Thompson
Udall
Van Deerlin
Waxman
Whittaker
Williams, Ohio
Wilson, Bob
Wydler
Wylie
Zeferetti

☐ 1335

The SPEAKER pro tempore (Mr. NATCHER). On this rollcall 344 Members have recorded their presence by electronic device.

Under the rule, further proceedings under the call are dispensed with.

CONCURRING IN SENATE AMENDMENTS TO H.R. 2534, TEMPORARY DEBT LIMIT INCREASE

The SPEAKER pro tempore. The Chair now recognizes the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. LUNGREN).

Mr. LUNGREN. Mr. Speaker, we have heard this debate about the fact that we are in trouble if we do not pass this resolution as presented to us, but the fact of the matter is this: The real trouble facing the American people is the increase in the national debt which requires us now to pay 10 percent of the budget just for interest on the national debt. Ten percent of all our entire funds cannot go to help a sick person, cannot go to help an aged person, cannot go to help the minorities in this country, cannot go to help the poor in this country.

☐ 1340

Why are certain Members of this House so afraid that we might attach amendments to this resolution which would require us to address the question of a balanced budget?

Indeed, it seems to me the weakness of the argument of the majority is revealed by the fact they have brought this to us in terms of an induced crisis. We were ready to vote last week. We were ready to discuss the issue last week. Indeed, it was postponed by the majority side to bring it here today so that now we have to confront the question whether or not the social security payments are going to be made, whether some of these other things are going to be done; when, in fact, the decision as to which bills ought to be paid is a decision to be made by the Treasury Department.

Frankly, where has the passion been on the other side? Where have they been in terms of talking about this issue for the last 2½ months? Why do we come to it now in crisis proportions?

Frankly, I think we should resent the fact that we are victims of attempted blackmail, that some are attempting to use social security recipients as blackjacks against us, so we will not consider the serious problem.

If we look at the Senate amendment, it is nothing. It is nothing but hokum and a fraud. It is nothing but rhetorical gimmickry that does absolutely nothing. Those of us who ran last year and told the American people we were concerned about a balanced budget had better put our words together with real action and not perpetrate such frauds on the American people.

It is a very good thing for the supporters of this resolution that we do not have to deal with the truth in packaging law, because this legislative package would not pass the test.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the distinguished Speaker of the House, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, time has run out on the debt limit legislation. Let me explain the parliamentary situation as it exists. If the previous question were not to prevail, then the Republicans would have the time. If they are to put the motion forward that they suggested 2 weeks ago, they know that it might not be germane and a point of order might lie, because there are so many precedents.

Now, what about a vote with regard to a balanced budget? You are going to get votes on a balanced budget. This is going to be like the abortion issue. Everywhere it can be placed, it is going to be placed, and neither the Speaker not anyone else will be able to stop it; so I assure you, that along the line, you are going to have your vote on a balanced budget.

Now, there are those over on this side of the aisle who say we should not use the pulmotor on the sick patient because the doctor could have administered effective medicine last week. The truth is, the crisis is now. The crisis is immediate. Everybody wants a balanced budget; sure, it is easy to get up here and say, if we were not paying this huge interest we could do more for the needy, the indigent and all those others who need assistance. Everybody likes a balanced budget.

You put the issue to the American people, 88 percent say they want a balanced budget.

Do you want to cut out programs for the senior citizens? Eighty-eight percent say no, do not cut out money for the senior citizens. Do not cut funds for the poor. Do not cut our programs for education.

It is easy to vote for a matter of a balanced budget. When it comes down to the issue of where you are going to cut, it is a different issue. I repeat, it is a different issue. You can speak out of one side of your mouth one day and the other side of your mouth another day; but now is the time of crisis.

I talked Friday and I talked Saturday with the Secretary of the Treasury, Mr. Blumenthal, and where are we? Well, he said on Saturday, and I say this to my friends from Pennsylvania, he was called and asked to release $55 million worth of funds, social security funds in Harrisburg, and he could not do it.

□ 1345

He could not do it. That is the position in which he found himself, unable to help Harrisburg where a real emergency exists.

Now where are we as of today? "Deficit" means this, not according to me but according to the U.S. Secretary of the Treasury: Approximately $3.3 billion in Treasury bills maturing on April 3 will be not paid when due. Approximately $8 billion of social security, wire transfers and checks already mailed will not be honored.

Now the gentleman from Florida wants to know why. Do we not have a social security trust fund? Are we blackmailing? Why, by commonsense, you should know that answer.

You know, I have three grandchildren. When each one of them was born I gave him a Treasury bond because I have confidence in the future of this country. You know, when somebody gets married I send him a Treasury bond. It is a custom that the O'Neills use. When the children become 1 year old or 2 years old I give them a bond. I am investing in them and in the future of this Nation.

Where is the security trust fund? It is in the bonds of this Nation. The bonds of this Nation. Unless you increase your debt limit you cannot release the social security funds. That is elementary. That is elementary, and you people on that side know it as well as the people on this side.

Other checks that will be presented for payment beginning April 3 will not be paid. They include civil service retirement benefits, veterans benefits, railroad retirement benefits and various other payments for the Government for goods and services.

Now these are the words of the Secretary of the Treasury:

> The United States has not defaulted on any of its debt obligations since the founding of this Republic. Hence, this country possesses the strongest credit in the world. The full consequences of a default by the United States are impossible to predict and awesome to anticipate. Degradation of the full faith and credit of the United States would have an incalculable effect on the domestic money markets and the value of the dollar in exchange markets. The Nation cannot afford taking the risk involved in this default.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BOLLING. I yield the gentleman 3 additional minutes.

Mr. O'NEILL. I say act with responsibility, vote the previous question.

I have been in public office 40 years. I have never seen this body, I have never seen the people of America, whether it is business, whether it is labor, whether it is the people themselves, ever not work together in a crisis. How do you think you had 20 years of the greatest economy in the history of the world? Because in 1946 labor and business and legislative bodies of the Congress got together because they remembered the dark ages of the 1930's. The greatest economy this Nation ever had. We have had a cooling-off period. I have confidence in this Nation. We are a great Nation and we are going to move forward. Let us not play politics at a time like this. America is in a time of crisis.

I ask today, Members on both sides, to vote the previous question.

□ 1350

Mr. LATTA. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, let me say that the Speaker attained his usual eloquence, but he overlooked one thing, and that is that we could complete action on this matter today.

We do not have to go into default. Nobody wants to go into default on the Speaker's side or on our side, but we could complete action on this today if the will was in this House and in the Senate to do so. And the Senate is in session.

No. 2, the Speaker has indicated he would rule the Dole amendment out of order. I have a substitute I could offer, one that has already been checked by the Parliamentarian and which he says is in order, that would amend the Long amendment to make it mean what it is attempting to say. We are not at a standstill, even if the Speaker rules the Dole amendment out of order. We have had such an amendment in reserve and we are prepared to offer it when we reach that point. We are prepared to present that amendment, which will be in order, should the previous question be defeated and the Dole amendment is ruled out of order.

Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Speaker, it is always fascinating to find ourselves at this moment of crisis and to try to peer behind it and see what is going on here in the Chamber and understand what forces are at work here.

If there is a crisis, who created it?

I have been fascinated to see that every Member who has spoken from the majority side has spoken to the Republicans as though we were responsible, as though we were the ones, first of all, who did the budgeting, who spent the money, who set the schedule, who delayed the vote until the last minute, and who brought us to the brink of crisis. They say that in order to try to shame us.

For what purpose? Not because crisis is the issue, but for the purpose of letting as many Democrats off the hook as possible.

You people have two-thirds of the House; we have one-third. And yet we are blocking the debt ceiling increase? Now, is that not remarkable?

That says something about the power to govern in this country, does it not, and about where it resides?

One-third of the House can create a terrible crisis because two-thirds cannot get together to prevent it.

Mr. Speaker, I will tell the Members that if I were part of that two-thirds, I would be ashamed.

Let us just talk about what the one-third wants that is so terrible. We want to create a little presumption in favor of fiscal discipline. I repeat, all we want to do is to create a presumption. That is all we can do short of a constitutional amendment. And I am not sure that such a thing can be effectively designed, but if it can, perhaps that would then bring us to the point where we would really be without discretion and would have to have a balanced budget. Until that time, all we can do is create a presumption and create it by the kind of amendment that we are trying to add to the debt ceiling increase.

What is the vote that is coming up? The vote that is coming up is on the previous question. It is not even a vote on the debt ceiling. It is not aimed at the debt ceiling vote, but at the issue of a balanced budget. Even there, it would not force a balanced budget, but make it easier to achieve one.

We would like to be able to create that presumption, and we are being told in different ways, "No, we can't go along with that because it might impose a presumption in favor of a discipline we don't want to accept."

Our distinguished Speaker himself acknowledges that 88 percent of the American people want a little discipline in this body. Yet all this squirming is only designed to avoid the public will.

We all know that the politics is on the side of a little fiscal discipline. Knowing that, as good politicians you on the majority side want to let as many of your people off the hook as possible, and you want to do it by trying to shame a minority of one-third into giving you as many votes as we can be shamed into giving you. Well, we are not buying it.

The SPEAKER pro tempore. The gentleman from New York (Mr. Conable) has consumed 4 minutes.

● Mr. FRENZEL. Mr. Speaker, as usual, the majority party, with nearly two-thirds of the House, is blaming the one-third minority for its inability to pass the debt ceiling amendments.

The majority authorized the spending against the wishes of the minority, appropriated the money against the wishes of the minority, and now wants the minority to bail it out by helping to borrow the money to pay for the spending.

The majority has refused every effort to install a little fiscal responsibility into our budget and appropriation process. But the very people who vote for all the big spending seem afraid to vote for the borrowing necessary to sustain it.

The only possible way, except for a constitutional amendment, to put some discipline into our spending would have been to defeat the previous question and then to amend the resolution to provide for a balanced budget target by fiscal year 1981. Because the majority group here cannot stand fiscal discipline, the chance to move toward the balanced budget has again been lost.

I must vote against the resolution. I am not anxious to precipitate financial crises for our country. Rather I am anxious to prevent further financial crises of inflation for our people. I mourn the unwillingness of this House and this Congress to stand up for fiscal responsibility. This unusual procedure today gives ample evidence of that unwillingness, and this vote clearly identifies the spenders.●

The SPEAKER pro tempore. The Chair recognizes the gentleman from Missouri (Mr. Bolling).

Mr. BOLLING. Mr. Speaker, may I inquire of the Chair whether the minority has used all its time?

The SPEAKER pro tempore. The Chair would like to advise the gentleman that the minority has used all its time. The gentleman from Missouri (Mr. Bolling) has 7 minutes remaining.

□ 1355

Mr. BOLLING. Mr. Speaker, I yield myself the balance of the time, and I hope not to use all of it.

Mr. Speaker, I was briefed on this matter late last week, and I spent the weekend worrying about it. I have been frightened by what I have heard and seen in this Chamber. I do not think I have ever cried havoc or tried to scare anybody. I think we should have acted on this last week. But we did a check, and we found that we would be badly defeated last week. It was the better part of wisdom to postpone it, even though we knew there would be a crisis.

The Speaker spoke rather strongly about that crisis. He did not state it as strongly as it could be stated, because nobody really knows whether we are going to run out now or at midnight or tomorrow. The facts are that last week the Secretary of the Treasury ordered that $2,600 million in refund checks not be sent on Friday. We have heard about the $50 some million that was held in connection with the Harrisburg situation. The margin this day, if they are right in their estimates, sounds like a lot of money, $1.3 billion, but their margin of error is $2 bilion on a daily estimate. Tomorrow we will be in default by $6.2 billion, according to the estimate. This is not a crisis that we tried to create. This is a crisis which grows from the bipartisan, bicameral legislative process, and it is real.

I would like to try to address a couple more things that I think are pertinent. The only difference that I can detect on what our friends on the left seek from the present statute, the so-called Byrd balanced budget by 1981 amendment, is the numbers of how many are necessary, what percentage is necessary to trigger the mechanism. I think it is clear that this country has survived rather well through majority rule, and the super majority, although it exists under certain special circumstances, does not make sense in terms of regular legislative process.

I would like to address myself to this business of partisanship, to this business of who is responsible. I have had a rather long career here. I was raised, if you want to put it that way, by two men, a Republican Speaker and a Democratic Speaker.

Of course, the Democratic Speaker had a little more influence with me than Joe Martin did, but I was raised with the notion, legislatively, that we all had a responsibility, regardless of whether we were in the majority or in the minority. I have served in the minority. On a great many occasions I have helped provide the majority for a Republican President enough times so that I have gotten in trouble on the Democratic side. And I have done it on economic issues, on defense issues and on foreign policy issues across the board.

Nobody gives up their full responsibility as a Representative in Congress to a party. Nobody is anything but a Congressman. And I really have been frightened, as I looked at some of the faces. I know how strongly many of my friends over there feel, and I sympathize with them. But this is a crisis. It is not a crisis of party; it is a crisis of the country. I think that anybody who fails to recognize that does himself, his district and his country a disservice.

Mr. Speaker, I urge the Members to support ordering the previous question. I urge an enormous vote for the passage of the resolution that then comes next.

□ 1400

GENERAL LEAVE

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution, House Resolution 183.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

Mr. LATTA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 216, nays 160, not voting 56, as follows:

[Roll No. 72]

YEAS—216

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beilenson
Benjamin
Bennett
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bowen
Brademas
Brinkley
Brodhead
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Corman
Cotter
D'Amours
Danielson
Daschle
de la Garza
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edwards, Calif.
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gray
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hanley
Harris
Hawkins
Hefner
Hightower
Holland
Holtzman
Howard
Huckaby
Hughes
Hutto
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, La.
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Lowry
Lundine
McCormack
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nowak
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Rangel
Ratchford
Reuss
Richmond
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Seiberling
Shannon
Sharp
Simon
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Stark
Steed
Stewart
Stratton
Studds
Swift
Synar
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
Whitley
Whitten
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Yates
Young, Mo.
Zablocki

NAYS—160

Abdnor
Andrews, N. Dak.
Applegate
Archer
Bafalis
Bauman
Beard, Tenn.
Bereuter
Bethune
Bouquard
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Campbell
Carney
Carter
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Fenwick
Findley
Forsythe
Frenzel
Gilman
Gingrich
Gradison
Gramm
Grassley
Green
Grisham
Hagedorn
Hammerschmidt
Hance
Hansen
Heckler
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Johnson, Colo.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDade
McDonald
Madigan
Marlenee
Marriott
Martin
Mica
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Nichols
O'Brien
Pashayan
Paul
Pursell
Quayle
Quillen
Regula
Rinaldo
Ritter
Robinson
Roth
Rudd
Santini
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stump
Symms
Thomas
Treen
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Wilson, Bob
Winn
Wyatt
Wydler
Yatron
Young, Alaska
Young, Fla.

NOT VOTING—56

Anderson, Ill.
Andrews, N.C.
Ashbrook
Atkinson
Badham
Bedell
Biaggi
Breaux
Brooks
Chappell
Conyers
Crane, Daniel
Davis, S.C.
Dellums
Edgar
Fish
Flood
Goldwater
Goodling
Guyer
Harkin
Harsha
Heftel
Jenkins
Long, Md.
Luken
McCloskey
McEwen
McHugh
McKay
McKinney
Mathis
Michel
Moorhead, Pa.
Mottl
Nolan
Oakar
Pepper
Pritchard
Rahall
Railsback
Rhodes
Rousselot
Runnels
Satterfield
Skelton
Staggers
Stockman
Stokes
Tauke
Taylor
Thompson
Whittaker
Williams, Ohio
Wylie
Zeferetti

☐ 1415

The Clerk announced the following pairs:

On this vote:

Mr. McHugh for, with Mr. Mottl against.

Mr. Pepper for, with Mr. Chappell against.

Mr. Jenkins for, with Mr. Runnels against.

Mr. Rahall for, with Mr. Atkinson against.

Mr. Flood for, with Mr. Rhodes against.

Mr. Biaggi for, with Mr. Michel against.

Mr. Dellums for, with Mr. Whittaker against.

Mr. Conyers for, with Mr. Tauke against.

Mr. Moorhead of Pennsylvania for, with Mr. Anderson of Illinois against.

Mr. Nolan for, with Mr. Guyer against.

Ms. Oakar for, with Mr. Taylor against.

Mr. Staggers for, with Mr. Rousselot against.

Mr. Stokes for, with Mr. Ashbrook against.

Mr. Thompson for, with Mr. Daniel B. Crane against.

Mr. Luken for, with Mr. Goldwater against.

Mr. Bedell for, with Mr. Williams of Ohio against.

Mr. Edgar for, with Mr. Goodling against.

Mr. McKay for, with Mr. Wylie against.

Mr. Skelton for, with Mr. Fish against.

Until further notice:

Mr. Brooks with Mr. Breaux.

Mr. Harkin with Mr. Heftel.

Mr. Satterfield with Mr. Zeferetti.

Mr. Mathis with Mr. Long of Maryland.

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER. The question in on the resolution.

The question was taken; and the Speaker announced that the ayes appear to have it.

Mr. LATTA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 209, nays 165, not voting 58, as follows:

[Roll No. 73]

YEAS—209

Addabbo
Akaka
Alexander
Annunzio
Anthony
Applegate
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beilenson
Benjamin
Bennett
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Brinkley
Brodhead
Brown, Calif.
Burlison
Burton, Phillip
Byron
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conte
Corman
Cotter
Danielson
Daschle
de la Garza
Derrick
Derwinski
Dicks
Diggs
Dingell
Dixon
Dodd
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edwards, Calif.
Ertel
Fary
Fascell
Fazio
Ferraro
Fisher
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gramm
Gray
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harris
Hawkins
Hefner
Hightower
Holland
Holtzman
Howard
Hughes
Hutto
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, La.
Lederer
Lehman
Leland
Long, La.
Lowry
Luken
Lundine
McCormack
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Nedzi
Nelson
Nowak
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Rangel
Ratchford
Reuss
Richmond
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Seiberling
Shannon
Sharp
Simon
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Stark
Steed
Stenholm
Stewart
Stratton
Studds
Swift
Synar
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Whitley
Whitten
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Yates
Zablocki

NAYS—165

Abdnor
Ambro
Anderson, Calif.
Andrews, N. Dak.
Archer
Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Bereuter
Bethune
Bouquard
Bowen
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, John
Butler
Campbell
Carney
Carter
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Devine
Dickinson
Donnelly
Dornan
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ind.
Fenwick
Findley
Fithian
Flippo
Forsythe
Fountain
Frenzel
Gaydos
Gilman
Gingrich
Gradison
Grassley
Grisham
Guyer
Hagedorn
Hammerschmidt
Hansen
Heckler
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Huckaby
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jones, Tenn.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Lott
Lujan
Lungren
McClory
McDade
McDonald
Madigan
Marlenee
Marriott
Martin
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Neal
Nichols
O'Brien
Pashayan
Paul
Pursell
Quayle
Quillen
Regula
Rinaldo
Ritter
Robinson
Roth
Rudd
Santini
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stump
Symms
Thomas
Treen
Trible
Vander Jagt
Walker
Wampler
Watkins
Weiss
White
Whitehurst
Wilson, Bob
Winn
Wydler
Yatron
Young, Alaska
Young, Fla.

NOT VOTING—58

Albosta
Anderson, Ill.
Andrews, N.C.
Ashbrook
Atkinson
Badham
Bedell
Biaggi
Breaux
Brooks
Chappell
Conyers
Crane, Daniel
Davis, S.C.
Dellums
Edgar
Evans, Ga.
Fish
Flood
Goldwater
Goodling
Harkin
Harsha
Heftel
Jenkins
Long, Md.
McCloskey
McEwen
McHugh
McKay
McKinney
Mathis
Michel
Moorhead, Pa.
Mottl
Nolan
Oakar
Pepper
Pritchard
Rahall
Railsback
Rhodes
Rousselot
Runnels
Satterfield
Sawyer
Skelton
Staggers
Stockman
Stokes
Tauke
Taylor
Thompson
Whittaker
Williams, Ohio
Wylie
Young, Mo.
Zeferetti

☐ 1430

The Clerk announced the following pairs:

On this vote:

Mr. HcHugh for, with Mr. Chappell against.
Mr. Pepper for, with Mr. Mottl against.
Mr. Biaggi for, with Mr. Atkinson against.
Mr. Jenkins for, with Mr. Runnels against.
Mr. Flood for, with Mr. Tauke against.
Mr. Rahall for, with Mr. Michel against.
Mr. Staggers for, with Mr. Anderson of Illinois against.
Mr. Stokes for, with Mr. Taylor against.
Mr. Dellums for, with Mr. Whittaker against.
Mr. Thompson for, with Mr. Wylie against.
Mr. Skelton for, with Mr. Williams of Ohio against.
Ms. Oakar for, with Mr. Daniel B. Crane against.
Mr. Moorhead of Pennsylvania for, with Mr. Badham against.
Mr. Nolan for, with Mr. Ashbrook against.
Mr. Heftel for, with Mr. Rousselot against.
Mr. Conyers for, with Mr. Goldwater against.
Mr. McKinney for, with Mr. Sawyer against.
Mr. Mckay for, with Mr. McCloskey against.

Until further notice:

Mr. Albosta with Mr. Bedell.
Mr. Brooks with Mr. Breaux.
Mr. Harkin with Mr. Long of Maryland.
Mr. Davis of South Carolina with Mr. Satterfield.
Mr. Edgar with Mr. Zeferetti.
Mr. Mathis with Mr. Evans of Georgia.

Mr. DE LA GARZA changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I was granted leave to be absent from the session of the House held on Thursday, March 15, 1979, in order to attend a family funeral.

Had I been present, Mr. Speaker, I would have voted against the previous question on House Resolution 158, the rule to accompany H.R. 2534, the debt limit increase bill. I was, in fact, paired against the motion. I would have voted against the motion in order to allow the consideration of alternative versions of the bill which eventually did pass the House.

I would also have voted against the bill on final passage, Mr. Speaker. Increasing the debt limit year after year only allows us a temporary escape from facing a fundamental fact of life—we cannot go on forever spending more than we take in. I was also paired against that bill.

VACATING SPECIAL ORDER

Mr. GILMAN. Mr. Speaker, I wish to withdraw the special order that had been granted for tomorrow.

The SPEAKER. The gentleman's request will appear in the RECORD.

□ 1435

NATION FACED WITH CRITICAL DECISIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. RITTER) is recognized for 5 minutes.

Mr. RITTER. Mr. Speaker, the recent accident at the nuclear reactor at Three Mile Island, Pa., has brought into sharp and dramatic focus the fact that our Nation is faced with critical decisions about real-life risks and choices, not just abstracts.

In the case of nuclear power, those decisions boil down to a question of how we should balance the dangers of a particular energy source against the dangers of other sources, and the dangers of not having energy at all. As a result of what happened at Three Mile Island, we will certainly see a long, intensive, and serious national debate about the comparative risks of nuclear power and its alternatives.

As the Washington Post so well put it in an April 1 editorial, the choices that confront us can be described as "the ethics of risk."

If any good can come out of the Three Mile Island accident, it is this new awareness of the need for Americans and their Government to more openly debate the comparative risks of different energy alternatives.

Yet I would suggest, Mr. Speaker, that the legacy of Three Mile Island can be more than just an increased awareness of the ethics of choosing between energy risks. Because the fact is that energy is by no means the only area in which a more open, commonsense balancing of risks will lead to more healthy decisionmaking. The same applies to areas like environment, nutrition, health, safety, and economics.

What I am suggesting, Mr. Speaker, is that Three Mile Island is a symbol and that we can turn it to our advantage, as a society for the common good. It can be a symbol of the need to put comparative risks of Government actions—in many areas—on the table, in plain terms, so the public can help their Government make the right choices.

Toward that end I introduced on March 15 a bill that would require the Environmental Protection Agency and the Food and Drug Administration to balance risks likely to result from proposed regulations before imposing them.

In light of the events at Three Mile Island, I am today introducing the same legislation to apply specifically to the Nuclear Regulatory Commission.

Quite simply, my legislation will require the NRC to give the public a better chance to know the alternatives before it takes an action affecting our energy future and public safety. It is designed to open up the NRC decisionmaking process to the view of the people who have most at stake—the public.

There is no doubt in my mind that, with the facts about comparative risks on the table, in understandable terms, the public will be much better equipped to help their Government balance risks and choose between energy alternatives than has been the case thus far. I am afraid that lately, too often, our Government has fallen into the habit of assuming that critical decisions belong only to the regulators and the special interests who have access to them. As the post pointed out, "there are larger * * * decisions to be made here than the NRC's engineers and regulators can be expected to approach."

Speaking as one who has a scientific background myself, I heartily agree. These choices are too important to be left to the Government's experts alone.

So, Mr. Speaker, I invite my colleagues to join me in the effort, through this "comparative risk" legislation, to inject a new openness into our decisionmaking about risks and choices. If we do so, we will have turned Three Mile Island into the beginning of something positive.

□ 1440

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New Jersey (Mrs. FENWICK) is recognized for 5 minutes.

● Mrs. FENWICK. Mr. Speaker, when the House passed House Resolution 118 on March 20, 1979, authorizing the Select Committee on Committees, my vote was not recorded. I opposed the resolution at the time, in the floor debate, and should have been recorded as voting "no". If my vote had been recorded, the final vote would have been 208 to 201 in favor of the resolution.●

BILL SIMON—INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 10 minutes.

● Mr. COLLINS of Texas. Mr. Speaker, the average man on the street is worried about inflation. Inflation is stifling his life. He does not understand that overspending in Congress resulting in big deficits has caused his cost of living to rise so fast.

With the present administration we lost the services of Bill Simon as Secretary of the Treasury. Simon will go down in history along with Alexander Hamilton as our greatest Secretaries of the Treasury. When Bill Simon spoke as Chairman of the Economic Policy Board, he always said to get on with a balanced budget. We miss Bill Simon in Washington. Simon's brain, delightful smile, friendly personality, and outspoken Americanism are needed in the Capitol today.

I was proud to see the Smith Kline Co. run a full page ad in the Wall Street Journal and state Bill Simon's views on the cause of inflation. More business should sound off.

There was so much commonsense in Bill's quotes and statements. Let me just call five paragraphs to your attention. He quotes Lenin and Keynes. Then we hear some of Bill Simon's economics. Will America wake up? Here are some Simon thoughts to consider:

"The best way to destroy the capitalist system is to debase the currency."—NIKOLAI LENIN.

"By a process of inflation, governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens. By this method they not only confiscate, but they confiscate arbitrarily; and while the process impoverishes many, it actually enriches some. . . . There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction and does it in a manner that not one man in a million is able to diagnose."—JOHN MAYNARD KEYNES.

Since 1930, government spending at all levels has risen from ten percent to forty percent of total national income. The Federal government has already become the dominant force in our society. It is the biggest single employer, the biggest consumer and the biggest borrower.

The average American must now work until mid-May of each year to pay Federal, state and local taxes. But burdensome taxation and debt are only two of the Federal government's three ways of sustaining its pointless spending spree. The third is printing money.

The answer lies in human nature—in the same immense forces of self-interest that the free enterprise system benignly channels into the creation of wealth. It lies, specifically, in insatiable appetites for power and position—the appetites of politicians who hold that nobody was ever reelected by promising less, and who have discovered that popular spending need not be financed with unpopular new taxes as long as there is deficit spending, money creation, and the resultant cruel and hidden tax of inflation.

We must make all Americans aware of the fact that the fundamental guiding principles of American life have been reversed, and that we are careening with frightening speed toward socialism and away from individual sovereignty, toward centralized coercion and away from free choice.●

WHO IS TO BLAME FOR INFLATION?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

● Mr. KEMP. Mr. Speaker, understanding what causes inflation is essential before we can correct the Nation's economic problems. This noon I participated in a public policy seminar on the subject, sponsored by the Brookings Institution, and I would like to share some observations on inflation with my colleagues:

REMARKS OF CONGRESSMAN JACK KEMP OF NEW YORK BEFORE A BROOKINGS INSTITUTION SEMINAR ON PUBLIC POLICY, APRIL 2, 1979

"Who is to blame for inflation?" Many people in and out of government have some rather definite ideas on the question, but the answers depend on whom you ask. Business blames labor. Labor blames business. Consumers blame OPEC. Some economists blame consumers.

If you feel confused, you're in good company. Treasury Secretary Blumenthal has explained that "inflation is caused by a number of factors that act together and interact in strange and mysterious ways."

The administration has determined that everybody is to blame for inflation. President Carter summed up this belief last week when he said that February's inflation rate of 14.4 percent is "a warning and a message to government, business, labor and consumers: this must be a time of restraint."

In other words, we have inflation because too many workers are working too much, business is doing too much business, consumers are consuming too much, producers are producing too much. And besides, certain commodity prices seem to be rising spontaneously.

The administration's answer to inflation is perfectly logical, given its premise. Everybody should do less of whatever it is they're doing. Slow down the economy until inflation subsides.

There are many examples of this idea in practice already. Let me give a few. Housing starts have dropped recently by one-third, from an annual rate of 2.1 million to 1.4 million, the result of a deliberate effort to slow down the housing industry. The administration has made money market certificates less attractive than Treasury bills, and thereby dried up much of the saving available for housing loans. President Carter explained the reasoning at his press conference last week: "We have sustained in the last couple of years a very high level of home construction, about 2.2 million homes per year, and because of the demand for houses, we're just short of supply." The funny thing is, when housing starts dropped in February, housing prices jumped by the biggest amount since the beginning of the last recession.

Second, the Wall Street Journal ran a story a couple of weeks ago outlining the administration's thesis that a falling stock market is anti-inflationary. According to an unnamed administration economist, when the stock market falls, it's a good thing, because "falling stock prices 'reduce wealth' and leave people less to spend, 'so you still work through the stock market to get at the consumer.' "

Third, we are all familiar with the administration's campaign to hold down real wages. Adam Smith grasped the general idea when he wrote "Whenever the law has attempted to regulate the wages of workmen, it has always been to lower them rather than to raise them." Alfred Kahn has said that even if everyone goes along with the administration's seven-percent solution, workers will have to accept real cuts in pay for several months; Barry Bosworth has warned that, assuming compliance with the anti-inflation program, workers cannot look forward to any increases in real wages "for the next several years."

The notion that foregoing real wage increases will stop inflation tends to puzzle the factory workers in my district, who, by this definition, have been fighting inflation since 1968. That's the last time they had a real raise in take-home pay without losing it all to bracket creep. Nationally, the real take-home pay of the average worker is lower today than in 1972.

Fourth, a lot of businessmen went along with the administration's guidelines when they were first announced—especially the wage guidelines. About a week ago, they learned that the administration now has its eye on profits, too. Hamilton Jordon raised an uproar over the fact that if profits had risen during all of 1978 at the rate they did in the fourth quarter, profits would have increased 44.8 percent. Of course, they didn't. What struck me about the Commerce Department's figures was not how good, but how bad they were. Despite a good fourth quarter, business profits in 1978, adjusted for phony inventory appreciation and underdepreciation of capital actually fell 4.6 percent after taxes, while retained earnings available after dividends for reinvestment fell 17.1 percent in real terms.

Finally, we seem to be entering another phase of blaming our economic problems on OPEC. Barry Bosworth was quoted yesterday as saying, rather pointedly, that the government is at the mercy of other countries in determining our economic policy. This is puzzling to a country like Saudi Arabia, which knows that when oil prices are quoted in dollars which have a half-life of seven years, it is absurd to say that raising oil prices causes inflation.

In fact, when prices are set quarterly or yearly by Heads of State, instead of daily by the market, it means that hard currency countries like Germany and Japan are getting some free oil as the dollar depreciates between price-fixings.

I must point out that a lot of people agree with the administration's ideas on inflation. Yesterday's New York Times, for example, called the second successive decline in the index of leading economic indicators "a good piece of economic news for the administration . . . perhaps signaling a hoped-for slowdown in the economy."

And the chief economist of the National Association of Manufacturers goes even further. George Hagedorn was quoted recently as saying that a slowdown would be ineffective in stopping inflation, and that recession is the only cure for inflation. "There's no other way to do it," he said. "We have to go through a painful period if we are going to stop inflation."

So not many eyebrows were raised at President Carter's reply last week to a woman from Michigan who asked him why the administration blames inflation on workers and business. She said, "doesn't the primary responsibility for inflation really lie with the Federal Government and just filter down to the rest of us?"

President Carter replied, "The answer is no."

This simply is not true. The answer is yes.

Inflation is not caused by workers working, business doing business, consumers consuming, or producers producing. Wages, prices and profits don't cause inflation any more than wet streets cause rain.

Inflation is a monetary phenomenon. Rising prices are caused by a rise in the supply of money relative to the supply of goods. Even the administration knows this. Alfred Kahn said recently: "Nobody denies we could stop inflation in its tracks if we were willing to cut the rate of growth in the money supply and tighten Federal spending. But that would cause—as far as we can tell—serious unemployment."

The problem is not finding out what causes inflation. Inflation is the Government's failure to maintain the value of its currency. The question is not whether we can stop inflation, but whether we can restore a non-inflationary monetary policy without unacceptable social costs.

The answer is: Yes—in fact, we could improve the general welfare with a non-inflationary money policy—but not with the administration's approach.

The Phillips-curve tradeoff between inflation and unemployment is not an economic law, but a consequence of our economic policies.

To put it simply, we have our fiscal and monetary policies backwards. Monetary policy is supposed to prevent inflation, and fiscal policy is supposed to provide incentives for economic growth. Instead, our high tax rates and burdensome regulations are slowing down economic growth and increasing the demand for spending on social welfare programs. This leaves our monetary authorities to try and compensate for stagnation by inflating the money supply.

Recession is not the answer to inflation. Slowing down the economy will not stop inflation. If we reduce both supply and demand by the same amount, we will have less of everything except inflation. Our worst inflation in three decades took place precisely at the depth of the last recession. Is it any coincidence that the inflation rate has spurted from 9 percent to 14 percent precisely in the time that the economy's growth has slowed from nearly 7 percent in the last quarter of 1978 to only 2 percent in the first quarter of 1979?

Restraining money creation and the excessive growth of Federal spending is a good idea, but the idea is also catching on in both academic and political circles that we can reduce inflation by increasing production and supply. We can produce our way out of inflation.

One of the most encouraging pieces of evidence of this change in economic thought is contained in the joint economic report of 1979—the first consensus report of the Joint Economic Committee in 20 years. To quote Senator Lloyd Bentsen, the committee chairman:

> "This report illustrates an emerging consensus in the committee and in the country that the Federal Government needs to put its financial house in order and that the major challenges today and for the foreseeable future are in the supply side of the economy. The report focuses on the underlying issue of the capacity of the economy over the long run to increase the standard of living for the average American who wants to work, and to help hold down the cost of living by increasing the goods on the shelves of the nation's businesses."

This report captures the essence of the economic debate in Congress last year, and outlines the subject of debate in the 96th Congress. The extraordinary consensus of the Joint Economic Committee establishes the fact that we can reduce inflation by encouraging the supply side of the economy. I am extremely enthusiastic about this emerging consensus. This year's debate will center, I believe, on the best methods for encouraging supply. On this question there is still some disagreement.

The joint economic committee recommended tax breaks for business, but not for individuals. This was apparently based on the belief that cutting tax rates for business would encourage capital formation and increase supply, while cutting tax rates for individuals would increase only consumption and demand.

This is not true. Excessive business tax rates are only one part of the barrier to capital formation. It's true that business is getting killed by the combined effects of inflation and our outdated tax laws. We need to exclude from taxable income the paper profits on inventory appreciation, and to permit replacement cost accounting instead of historical cost depreciation of capital.

But if we stop with cutting tax rates only on business, we haven't gotten far enough. Cutting tax rates on business profits helps primarily large business more than small business, existing business rather than new business, and businesses which are already turning profits rather than those which are marginal.

Excessively high tax rates on personal income are an even greater obstacle to increasing production than business taxes. Some income flows through business. But all income flows through individuals, whether from wages and salaries, dividends, interest, capital gains, rents, royalties or pensions. Individual work, saving, investment, and enterprise—the ultimate source of improved productivity—are extremely sensitive to incentives. Our unnecessarily high and rising tax rates on the individual income of both labor and capital are encouraging unemployment, consumption and leisure, and discouraging employment, saving and entrepreneurial activity.

Then there is the problem of minority unemployment. Why is no one any longer appalled that 12 percent of the adult minority workers and 40 percent of black teenagers don't have jobs? I think it would be a big mistake for the administration or Congress to downplay the acute problem of minority unemployment in the name of fighting inflation. For one thing, this unemployment is a major source of pressure to increase Federal spending. This pressure will remain as long as people have to eat and there are no jobs. Increasing incentives for private employment does us a double favor: It reduces the demand for Federal spending while increasing the tax base of Federal revenue.

But the overriding consideration is that to permit the waste of human potential is simply intolerable, whether it caused inflation or not. Happily, Margaret Bush Wilson of the NAACP is absolutely correct that "inflation is not caused by too many people working."

Operating on traditional Keynesian theory, the Joint Economic Committee notes that white male unemployment is rather low, and recommends "targeted" programs for reducing minority unemployment, rather than general incentives for employment. The reasoning, apparently, is that minority unemployment is a special case, and a general reduction in unemployment would be inflationary.

I believe this is incorrect. There are no entry-level positions on the economic ladder unless everyone is moving up the rungs. The answer is not to establish a separate, smaller minority ladder which leads nowhere. The answer is to get everyone moving up the same economic ladder.

The question facing us is not rich vs. poor, any more than it is labor vs. capital. The typical family of four on welfare faces a higher marginal tax rate, between losing Government benefits and paying taxes on wages, than a millionaire pays on interest income.

Exactly as the wealthier individual will shelter income in unproductive investment and choose leisure when the after-tax return is too low, a poor person in this unfavorable climate will prudently shelter income in transfer payments and leisure when the investment of a full year's effort will only net at most a few hundred dollars.

We need an urban policy which is based on incentive and private employment instead of debt and welfare. Such a program might include a teenage differential minimum wage, low-income marginal rate reduction to make up for loss of transfer payments, reduced payroll tax rates on both employer and employee, and possibly "free enterprise and jobs zones" with reduced tax rates and regulations, for locating and employing workers in a depressed area. This kind of program would do a lot more for our cities to revive the South Bronx of Buffalo than expensive, isolated public spending projects.

To summarize, I would say that debate in the 96th Congress must center on specific proposals to reduce the Government wedge between effort and reward, the restoration of incentive again for growth and production.

Cutting personal income tax rates for both labor and capital. The Kemp-Roth 30-percent rate reduction is one method. Senator Long's value-added tax to replace the social security tax and part of the income tax is another proposal based on the same principle maximizing revenue with the lowest possible tax rate on the broadest possible tax base.

Indexing the rates on both capital gains and personal income to prevent automatic tax increases caused by inflation pushing people into higher tax brackets. I expect the administration to continue to argue that indexing is a "surrender to inflation," because bracket creep is the primary financing mechanism of the 1980 budget. But without indexing, the tax drag on the economy will continue to increase.

Tax incentives for business: permitting replacement cost accounting of inventories and capital consumption combined with lower tax rates on business income.

Reducing the burden of regulation, which is indistinguishable from taxation in its effect on the economy. There are proposals to permit a one-house veto of federal regulations, and the joint economic committee has made a very promising recommendation that the government establish a "regulatory budget" to recognize the fact that the burden of government regulation now exceeds $100 billion annually. Regulations not in the public interest must be reduced and removed.

Instituting a real urban policy based on incentives for employment. Along with reducing the personal tax rate, I believe increasing private minority employment would be the most dramatic anti-inflationary step the government could take.

Decontrolling the price of energy to encourage production. Attempts to decontrol the price of energy but tax away all or most of the profit increase will work only on the demand side and force conservation without encouraging supply. This will keep energy artifically foreign, scarce and expensive.

Reducing barriers to international trade to open new markets to American goods.

Finally, I believe that all of these measures would permit the federal reserve to restore at the same time a monetary policy which guarantees a constant value for the dollar without reaping the blame for causing a recession. They would also show the growth of federal spending which I strongly advocate.

To return to the question, "who is to blame for inflation?" I would say that only the government can cause or cure inflation. But this is not to say that the answer is to blame President Carter or individual administration officials, who, I am convinced, are sincere but mistaken.

The blame lies not with individuals or our labor and capital but with misguided economic policies and notions. These notions can be corrected and our policies changed. To me, it is a hopeful discovery that our anti-inflation policy does not have to rely on a voluntary program to change human nature.

Restoring incentives for real growth in America means hope and opportunity not only for all Americans, but for other countries who look to us as an economic and political model. The economic ideas we have been exporting for the past few decades are not the ones which made this country great. America did not become what it is by spending its way to prosperity, but through a climate of economic freedoms and incentives for individual achievement. Other countries have prospered—like Japan and West Germany—only by rejecting our recent advice, while others have taken our advice, and suffered for it including our friends in less developed or 3rd world nations.

Our interdependence dictates that labor cannot prosper unless capital also prospers but capital cannot prosper unless labor prospers. The fortunate cannot reach their full potential unless the least fortunate also have opportunity for fulfillment. And the United States cannot measure up fully to its greatness unless the rest of the world shares in our prosperity. Economic growth is not a zero-sum game in which one person wins only when another loses. As President

Kennedy said, a rising tide lifts all the boats. I believe that it's time to get our economic tide rising, not just for some but for all.●

A MORATORIUM ON THE COMMERCIAL KILLING OF WHALES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AuCoin) is recognized for 5 minutes.

● Mr. AuCOIN. Mr. Speaker, today I am introducing a House concurrent resolution to urge that the International Whaling Commission adopt an indefinite moratorium on the commercial killing of whales at its July meeting.

Unique in form and intelligence, the whale is one of nature's most precious gifts. Noble and peaceful by nature, the whale swims in our oceans at the mercy of whaling pirates and sanctioned industry harvests which far exceed the ability of the present whale population to replenish itself. We must apply more stringent conservation measures to our present management regime if we hope to enjoy the company of this life form in years to come.

Estimates of the current whale population are unreliable. At best, they represent an approximate census, one which might be viewed as questionable given that many of the figures are supplied by commercial whaling operators. The biases prevalent in the industry reports, compacted with the degree of outlaw whaling which accounts for 20 percent of the world's whale kill, leave no doubt in my mind that the IWC's current management program is not sufficient to prevent the eventual extinction of these creatures.

In increasing numbers, concerned people from around the world are voicing their frustration at the continued and massive slaughter of the magnificent whale. There is consensus among the global conservation community that the IWC's proposed 10-year moratorium on commercial whale killing will be an inadequate response to the present situation.

The United States can offer substantial leadership in obtaining a truly international commitment to saving the remainder of these animals by adopting this resolution unanimously.●

GILMAN G. UDELL RETIRES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Annunzio) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, as chairman of the Subcommittee on Personnel and Police, I had the opportunity to observe over the last 6 years the loyal and dedicated service of Gilman G. Udell who, on March 31, 1979, retired after over 32 years as the superintendent of the House of Representatives' vitally important document room. Gil skillfully managed the document room with a minimum number of employees and he has always extended to the staff of the Personnel and Police Subcommittee his complete loyalty and cooperation.

Gil began his career of service in 1946 as document room assistant and 3 years later was promoted to the assistant superintendent of the document room. On July 25, 1957, he became document room superintendent, a position which now includes the supervisory responsibility for the activities of 28 employees.

Mr. Udell performed his duties with outstanding dedication over the years, beginning at 8:30 every morning and working until the Congress adjourned, whether at midnight or throughout the following day as is sometimes required during the rush for adjournment late in a congressional session. With great tact and creative independence, he served Members of Congress and the public in devotion to the highest standards of excellence. He was always a man who "went that extra mile," and in filling requests for a bill, the system he devised enabled him and his staff to immediately locate the bill along with related documents, even though their numbers may not have been known by those requesting them.

Anyone acquainted with his work would agree that Gilman Udell earned the respect due a congressional employee who gave his best in preparing, authoring, and publishing the important compilations of statutes so necessary to the proper functioning of Congress. His enthusiasm was contagious to those around him even under the most adverse of circumstances.

The vast scope of his work is reflected by the masses of documents he was responsible for organizing, storing, and distributing: 26,566 bills were introduced in the 89th Congress, the Congress to which I was first honored to be elected, and 810 of those bills became public laws; 29,133 were introduced in the 90th Congress, with 640 becoming public laws; 29,041 in the 91st Congress, 696 public laws; 25,354 in the 92d, 607 public laws; 26,222 for the 93d, 651 public laws; 24,284 bills in the 94th, with 588 public laws; and 22,313 in the 95th Congress, along with 633 public laws. To be sure, these figures do not include the hundreds of private bills and laws, as well as the hundreds of thousands of House and Senate documents, committee reports, and other supporting materials.

The increase in the volume of the document room's work is staggering when compared to its 1946 workload during Mr. Udell's first year there. During the 79th Congress only 7,239 bills were introduced, 2,728 committee reports were issued, and 733 public laws and 892 private laws were enacted. All this activity was handled by a staff of 14 with 2 telephones. They received about 250 calls a day and some 100 pieces of mail. By 1978, the staff had increased to 28 persons, who handled 1,100 phone calls daily, and 550 pieces of mail, and some 400 service counter requests per day.

Gil's wife, Elizabeth, retired recently from Capitol Hill service, and one of his daughters still works in the office of a Congressman. His other daughter is a policewoman, and his son is a policeman.

Gilman G. Udell was always capable and dedicated in his work, and he has certainly earned the respect and admiration of those who know him. Whatever his endeavors in the future, I know he will excel, and I want to join the majority leader and the minority leader in extending my very best wishes to him, and to his devoted wife, Elizabeth, in their retirement, and for an abundance of good health and happiness.●

OVERSIGHT HEARINGS ON NATIONAL CEMETERIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. Montgomery) is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, as chairman of the Subcommittee on Compensation, Pension, Insurance, and Memorial Affairs of the Veterans' Affairs Committee, I am pleased to announce the subcommittee will hold two hearings on national cemeteries.

The first hearing will be held on April 23, at which time the subcommittee will review the operation of overseas military cemeteries and memorials, which are administered by the American Battle Monuments Commission. The subcommittee will then hear from the Veterans' Administration, Members of Congress, and other appropriate witnesses to review the status of a site selection for the establishment of a national cemetery in Federal region IV, or one of the Southeastern States.

The subcommittee had tentatively scheduled a field hearing in Atlanta, Ga., on the establishment of a national cemetery in the Southeastern States. This hearing, which was tentatively scheduled for May 11, has now been canceled. I am taking this opportunity to let all of the Members and interested parties know that the field hearing in Atlanta has not only been canceled, but instead, the subcommittee will be receiving testimony on this issue at the scheduled subcommittee hearing on April 23.

The Veterans' Administration has three sites under active consideration for the Southeastern States. They are Fort Mitchell; Ala.; Fort Jackson, S.C.; and Fort Gillem, Ga. A preliminary environmental impact statement has been issued on the three sites.

The second hearing on national cemeteries is scheduled for May 2, 1979. At that time the Veterans' Administration will review the national cemetery system, and the Department of the Army will review the operation of Arlington National Cemetery.

Both hearings will be held in room 334, Cannon House Office Building, Washington, D.C. Interested persons who desire to attend these hearings or submit testimony for the hearing record, should contact the clerk of the Veterans' Affairs Committee at 202/225-3527.

EXPORT TASK FORCE ARTICLE NO. 5: HIRING AMERICANS ABROAD? DON'T

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Arkansas (Mr. Alexander) is recognized for 5 minutes.

● Mr. ALEXANDER. Mr. Speaker, one of the great hidden mysteries of U.S. export trade is the unfair treatment by the U.S. Government toward American nationals employed overseas.

A recent study entitled "The Expatriate Employee" has concluded that compared with seven of our leading trade competitors, the United States treats its citizens living and working abroad less favorably. The seven nations compared to the United States were France, Japan, Italy, West Germany, Sweden, Switzerland, and the United Kingdom.

The following article written by Jane M. Friedman appeared in the International Herald Tribune, March 17–18, 1979. The article vividly illustrates a problem which up to now has remained in the shadow of the U.S. foreign trade deficit. I recommend it highly to my colleagues:

Hiring Americans Abroad: "Too Damned Expensive" for U.S. Firms

(By Jane M. Friedman)

Paris.—The United States treats its citizens living abroad less favorably than do seven other selected nations, according to a recent study. In the end, the study says, that is extremely costly to U.S. corporations.

The 260-page report, "The Expatriate Employee," was assembled by Consulatex S.A. and Business International, Geneva-based international research firms. It is being distributed to the Carter administration and to congressmen in a campaign to expand the rights of U.S. citizens living overseas. It is also being sold to corporations—for $8.50 a copy—as a primer in the costs of hiring foreign-based citizens from various nations. (The report is titled unfortunately; the word "expatriate" better refers to one who lives in a foreign country and who has renounced allegiance to his native country.)

"The conclusion is: Don't hire an American overseas," said Andrew Sundberg, the report's author and a founder of Consultex and of American Citizens Abroad, the latest group fighting for rights of U.S. citizens who are foreign-based.

"The American abroad is too damned expensive," Sundberg said. "The United States doesn't pay one single penny for the education of American children overseas. There are obligations—and no benefits."

ACA, founded four years ago in Geneva, has been instrumental in pushing legislation through Congress for the benefit of overseas U.S. citizens. It recently submitted to the White House a list of 50 specific areas in which U.S. laws discriminate against Americans living abroad. ACA is pushing for a special presidential commission to sudy the situation of foreign-based U.S. citizens.

The study appears to be the first nongovernmental attempt to set in multinational context the plight faced by these citizens. It examines the laws that govern them and compares their situations with those of foreign-based citizens of France, West Germany, Italy, Japan, Sweden, Switzerland and the United Kingdom. It examines the rights, benefits and obligations they accrue when they move abroad, particularly their tax obligations.

U.S. corporations, alone among those of the nations studied, objected to their government's policies on its foreign-based citizens. Many firms apparently indicated that they would continue their policy of repatriating Americans, replacing them with other nationals, particularly Britons and Canadians. The study gives no figures on that trend, however.

Of the nations studied, the United States is the only one that taxes citizens who live and work overseas. In general, U.S. corporations have footed the extra tax bill of U.S. citizens who live abroad through tax-equalization programs.

Because of U.S. income taxes, according to the study, a single American living in a country with no local income tax would have to earn $170,000 to net $100,000. An expatriate from another of the countries studied would not be liable to home-country income taxes, and therefore would net all of a $100,000 salary. To net $150,000, the American would have to earn $270,000 because of the U.S. tax burden.

U.S. companies often extend cost-of-living, housing and education allowances to Americans working overseas to compensate for added costs. In calculating how expensive an U.S. employee (compared with other nationals) is to a U.S. company overseas, the study cites several examples of Americans working overseas.

An overseas U.S. employee with a $150,000 salary, for example, might receive $60,000 a year in cost-of-living and other allowances. Of his $210,000 gross, he would be liable, under the 1978 U.S. tax code, for $112,000 in taxes.

The study assumes that the corporation will reimburse the employee for the total tax, and notes that the reimbursement will be counted as taxable income. If the corporation then reimburses the employee for the subsequent extra tax, that compensation will also be taxed by the U.S. government. In the end, that employee would cost the corporation $434,510 for one year of work.

The report assumes that the corporation will pick up the entire tax burden of the overseas employee but that it will not extend cost-of-living allowances to any other nationals.

Most corporations do not pay the entire extra tax burden, however. And the comparative tables do not take into account the subtleties of other nations' tax laws, which sometimes tax its foreign-based citizens on a portion of their income while they are abroad.

The report concludes: "U.S. expatriates simply cannot compete on an equal footing" in overseas markets.

According to the report, the U.S. fails to treat its citizens well on other issues, including subsidies for primary and secondary education (although under the 1978 tax law, U.S. citizens overseas can take a tax deduction for educating their children), Social Security coverage and the transmission of citizenship to children born overseas. The United States, however, permits overseas residents to vote in national elections.

A total of 970,000 French citizens live abroad, 1.83 percent of the French population. There are 341,000 Swiss overseas, 5.3 percent of Switzerland's population.

Italy, of the countries studied, has the most citizens living abroad, with more than 5 million (nearly 10 percent of its populace) The United Kingdom is second, with 2.5 million Britons, 4.56 percent of the population. The United States is third, with 1.79 million, including nonmilitary governmental employees and dependents—but that is only .83 percent of the U.S. population.

Of the governments studied, the French and the Swiss hold their expatriate communities in highest regard. The report says that foreign-based French citizens are protected by the constitution of the Fifth Republic. They are represented in the government by six overseas senators elected by an electoral college chosen by foreign-based citizens.

Employees of French companies overseas continue to receive social benefits, including health care and unemployment compensation. If they work for non-French companies, they can still benefit from these systems by making payments.

The French government subsidizes the education of French children overseas. In 1976, it spent $100 million on overseas teacher salaries and on the operation of more than 400 overseas French schools, thereby obviating French companies' having to make large outlays to help overseas employees educate their children. The French can vote in national elections from abroad. With special exceptions, foreign-based citizens do not pay French income tax.

Switzerland is also benevolent in the treatment of its foreign-based citizens, who are seen as promoting Swiss trade. According to the report, overseas Swiss are considered a "fifth Switzerland," a reference to the nation's linguistic groups, German, French, Italian, Romanish.

Although foreign-based citizens are not represented in the Swiss legislature, the Commission of Overseas Swiss is regularly consulted by the government. Several government officials sit on the commission.

Swiss foreign-based citizens are exempt from military service and from most tax obligations. Additionally, the government supports the Solidarity Fund for Swiss Abroad, an insurance policy against possible losses from expropriation and political upheaval.

In general, all the countries except the United States minimize tax and military obligations for foreign-based citizens, while insuring most citizenship rights and some benefits.

The report notes that many of the countries—including Switzerland, Germany and Britain—discriminate against women in the right to transmit citizenship to children while abroad. The United States and France do not.

According to Sundberg, the U.S. "dumps" on its overseas nationals. "The United States takes the attitude that the numbers of Americans abroad is irrelevant to whether the United States sells abroad. Only Americans have to compete with a handicap. The question is: Why are we doing this? Nobody knows."

The report has been sold to about 60 corporations. Sundberg hopes that it will educate congressmen on what he considers an unfair situation. "No longer," he says, "will they be able to say they don't know." ●

ELIMINATING FEDERAL REVENUE SHARING PAYMENTS TO STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. White), is recognized for 5 minutes.

● Mr. WHITE. Mr. Speaker, as one of the House's staunch proponents of the growing conviction that a balanced Federal budget needs to be constitutionally mandated to establish a norm for the Nation's fiscal policy, I am often asked the question: "Where would you propose to cut the budget to bring it in balance?"

While there is an abundance of rather glaring areas where budget cuts could be effected without damaging the country and its citizens, I am today proposing legislation which offers at least one specific answer to that question. The bill I am introducing is a companion to S. 263 which call for an end to Federal revenue sharing with the States. This legislation was authored by by good friend and colleague on the Texas delegation, the Hon. Lloyd Bentsen.

Like Senator Bentsen, I should like to emphasize that this legislation would eliminate Federal revenue-sharing payments to the States only, and not to local jurisdictions. This proposal is most compelling from one simple standpoint: The States, mainly, are in fiscally sound condition with many of them showing substantial budget surpluses, while the Federal Government is facing yet another massive deficit of between $30 and $40 billion. And I would dare say, Mr. Speaker, that one of the reasons the States in general are fiscally sound is that many of them have chartered or statutory requirements for balancing their budgets.●

OFFSET OF SOCIAL SECURITY BENEFITS IS A COSTLY MISTAKE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

● Mr. HARRIS. Mr. Speaker, today I, along with Ms. SPELLMAN and Mr. LLOYD, am introducing a bill to eliminate the offset provision from the recently enacted Social Security Financing Amendments of 1977 (Public Law 95-216). This provision requires a dollar-for-dollar reduction of social security dependents and survivors benefits earned by one spouse by the amount of Federal, State, or local retirement income received by the other spouse. Specifically, my bill will repeal language in section 202 of the Social Security Act relating to the offset of these benefits for spouses receiving Government pensions. In so doing, it will prevent the reduction or loss of a significant portion of rightfully earned benefits for thousands of people nearing retirement age.

OFFSET UNFAIR, DISCRIMINATORY

One of my fundamental objections to the offset provision is that it will force serious financial hardships on people who have paid into the social security system for years and who are counting on receiving their full share of social security benefits to see them through retirement. In my view, it is unfair to attempt to shore up the social security system by depriving people of benefits they worked for and earned, because their spouses happened to work for the Government.

The apparent rationale behind the offset provision is that men who receive a public pension would be getting some sort of a "windfall" if they also receive benefits on their wives' social security coverage. To clarify this intent, an exemption is provided for women who will become eligible to retire from the Government within 5 years. Men can only get permanent exemptions if they received, or were eligible to receive, social security benefits prior to enactment of the offset provisions, or if they can "prove" their dependency on their wives.

Last March, in the Goldfarb against Califano case, the Supreme Court ruled that men need not prove their dependency in order to receive dependents and survivors benefits earned by their wives under social security. The offset provision attempts to make an exception to this ruling for men who receive public pensions, by requiring them to prove that they were eligible to receive social security benefits prior to the Supreme Court decision. I feel it is blatantly discriminatory to require dependency tests only for men who receive public pensions, when we do not—and constitutionally cannot—require proof of dependency from men who worked in the private sector.

PROVISION CONTRADICTORY

Ironically, while portions of section 334 of the new law appear to reverse the Supreme Court ruling on dependency tests for men with public pensions, other portions of the same section contain language upholding the so-called Goldfarb decision. For this reason, my bill removes only the language relating to the offset provision, retaining language which prohibits any sort of dependency tests for men.

EXEMPTIONS INEQUITABLE, OFFER LITTLE PROTECTION

Because it was agreed that the offset provision, retaining language which propact on women than men, a special exemption is allowed for women who will become eligible to retire from their Government jobs in 5 years. This provision is designed to protect women who earned significantly smaller incomes than men during their years of Government employment from having to face drastic cutbacks in their retirement income. I would like to point out that this exemption, while understandable, will offer only shallow protection for women nearing retirement age, while offering little or no protection for men who worked in lower paying Government jobs.

The authors of the offset provision realized that providing a special exemption for women was likely to be challenged in court, and added a clause that would repeal the exemption entirely if it is ruled to be discriminatory. This means that both men and women could be penalized for their social security benefits, regardless of the size of their Government pensions, within the next 5 years.

OFFSET NEVER FULLY CONSIDERED

The offset provision originally appeared in the Senate's version of the Social Security Financing Amendments of 1977. There was no similar provision in the House bill, and consequently, the House never had the opportunity to vote on or debate the offset as a separate issue.

Moreover, the final language of the offset provision was agreed to only 1 day before the conference report on the social security financing bill was scheduled for floor action, due to a waiver of the usual 3-day layover for conference reports. This gave Congress very little time to understand the complex modifications that had been in the offset provision during the conference, and no time to discuss its potential and drawbacks.

It seems to me that there are a number of problems with this controversial provision; its constitutionality is questionable, it is inequitable, and it will cause people inordinate financial hardship. In light of the fact that Congress has never addressed these questions fully, we should repeal the offset language from section 334 of the Social Security Amendments of 1977 and have thorough legislative consideration of this issue.●

NATIONAL FOREIGN LANGUAGE WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, President Carter has designated the week beginning April 2, "National Foreign Language Week." Below I have included a copy of President Carter's announcement of this event, and I have elaborated on some of my own thoughts on this important topic.

President Carter's statement follows:

THE WHITE HOUSE,
Washington, D.C.

NATIONAL FOREIGN LANGUAGE WEEK, 1979

Thanks to the technology and enterprise of television and the desire of other peoples to communicate with our citizens, the voices of many nations are heard almost daily in American living rooms.

In an increasingly interdependent world, National Foreign Language Week is a fitting reminder to our citizens of the importance to our national well-being and international goodwill of language instruction in our schools. And it is also a tribute to the teachers who undertake this difficult task.

During this year's National Foreign Language Week, the President's Commission on Foreign Language and International Studies will be in the midst of its yearlong series of hearings and investigations into ways of improving language education. Language teachers throughout the country are contributing to the Commission's study. I fully expect that the Commission's report later this year will give us all a greater appreciation of the value of language study and of the role of language teachers in helping us to fulfill our global obligations more easily and effectively.

I welcome the opportunity of this annual observance to urge all Americans to broaden their knowledge of foreign languages for both their personal self-fulfillment and our national well-being.

JIMMY CARTER.

In his statement President Carter urged all Americans to broaden their knowledge of foreign languages "for both their personal self-fulfillment and our national well-being." I want to applaud the President for expressing that very sound thought. The relationship between the international awareness of our citizenry and our national well-being is clear and cannot be stressed too much. Without an electorate attuned to the nuances and complexities of a changing world environment, a world with limited resources and changing power alinements, our policymakers both in Congress and within the administration will surely be limited in terms of the range of policy alternatives actively under consideration at a given point in time. An aware constituency adds needed flexibility to the many painful decisions which must be made if our Nation is to succeed in steering a viable course in the troubled waters of international diplomacy.

As one of three House Members serving on the Presidential Commission mentioned in the President's statement, I have become increasingly alarmed at the lack of foreign language and area knowledge of far too many Americans at a time when our Nation requires these abilities if we are to cope with the pressures of a shrinking world. I am especially concerned about the inability of so many of our media and business representatives and Government officials abroad to even speak the language of the local people with whom they must deal and upon whom they so often depend for cooperation and information.

The image of our Nation in the eyes of foreigners is shaped by many factors, but none is more vivid or potent than the impressions gained by face-to-face contacts with Americans, in particular with official representatives of the U.S. Government. I believe our relations with many countries could improve almost overnight if we made it a matter of national policy to require that our officials who deal directly with foreign nationals possess a useful knowledge of the language and culture of the people with whom they must deal. This is certainly true given the complex world today in which perceptions, emotions, and nationalism often play such a prominent role in the relations between states.

Foreign nationals are impressed when the Americans they meet or work with have taken the time to learn their language or to study the nuances of their culture. The simple face is that most people in the world are proud of their national heritage and desire others to recognize that heritage. Foreign nationals are understandably offended when Americans demonstrate an unconscionable ignorance of their country, its ways and aspirations.

Mr. Speaker, this week I plan to offer an amendment to the International Development Cooperation Act (H.R. 3324) to require the Secretary of State, in coordination with other affected departments and agencies, to designate every relevent Federal position dealing with a foreign country whose incumbent should have a useful knowledge of the language or dialect and the history and culture common to that foreign country. The intent of this amendment is clear: To insure that our representatives who deal directly with foreign nationals are able to speak the language and understand the culture of the country with which he or she deals. Considering that this is National Foreign Language Week, I think this is an especially propitious time to Congress to express its concern in this area by adopting my amendment to H.R. 3324. A copy of my amendment follows:

FOREIGN LANGUAGE AND AREA KNOWLEDGE REQUIREMENT

SEC. 602. The Secretary of State, in coordination with the heads of other affected departments and agencies, shall designate every personnel position in the United States Government involving activities with respect to a foreign country which are authorized by this Act, the Foreign Assistance Act of 1961, the Agricultural Trade Development and Assistance Act of 1954, the Peace Corps Act, or the Arms Export Control Act, whose incumbent should have a useful knowledge of the language or dialect and the history and culture common to such country. Each position so designated shall, within two years after the enactment of this Act, be filled only by an individual with appropriate language and area knowledge, except that the Secretary of State may make exceptions to this requirement when special or emergency conditions exist. The Secretary, in coordination with the heads of other affected departments and agencies, shall establish foreign language and area studies standards for officers and employees of the United States Government who are assigned duties with respect to a foreign country under such Acts and shall arrange for appropriate language training or area studies for such officers and employees.●

THE NATION'S CABLE TV STATIONS WILL OFFICIALLY BEGIN CARRYING PROCEEDINGS OF HOUSE TOMORROW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. ROSE) is recognized for 15 minutes.

Mr. ROSE. Mr. Speaker, tomorrow we begin a historic chapter in the House of Representatives. Tomorrow the organization formed by the Nation's cable television stations will officially begin carrying the proceedings of the House of Representatives into some 6 million American homes. Right now, at this very moment, the proceedings of this body are going out of the Capitol to a satellite ground station in Fairfax County, Va., and they are being beamed up to that satellite which is some 22,000 miles above the Equator, and then redistributed down all across the United States of America.

Mr. Speaker, the organization known as CSPAN is the Congressional Satellite Public Affairs Network; and on tomorrow morning their directors will be in Washington to meet and visit with Members of Congress at a reception which they are holding here for us. However, the important thing is that people all across this country will for the first time in the 200-year history of this Nation be able to watch the proceedings of their Congress.

Mr. Speaker, I am sure that there are many thousands of people who watched today as we debated in a very hotly contested argument the question of raising the limit on the national debt. It is simply not possible for all of the people of this country to be able to come here to this body and watch these proceedings, but now that possibility will exist for people all across this country and especially those who are in areas served by cable television.

□ 1445

I would like to add just one personal note to what we begin tomorrow, and that is a word of thanks to the people who run the cable television system in my home town of Fayetteville, N.C., and for Ray Fraley and his people who have brought the cable system there that will carry the House proceedings beginning tomorrow.

I believe that we are entering an exciting new part of the history of bringing Congress closer to the American people, and I thank the Speaker for his vision in being willing to go forward with this experiment.

Mr. Speaker, I yield back the remainder of my time.

ATOMIC PLANT CRISIS—A BLOW TO CREDIBILITY OF NUCLEAR POWER INDUSTRY

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, about the best that can be said of the handling of the Three Mile Island atomic plant crisis is that, so far, there appears to have been no massive release of radiation into the surrounding countryside. Unfortunately, we still have no assurance that such a tragedy will not occur. Furthermore, since all radiation is injurious to living things, even the amount already released may have injured hundreds of individuals in ways that will be nonetheless real because they are difficult to measure.

There is no uncertainty, however, that the credibility of the nuclear industry has been massively damaged by the incident and the way the industry has reacted to it. The statement by Metropolitan Edison's vice president and official spokesman, John G. Herbein, are so strikingly like the conduct of the public relations director of the nuclear power company in the film "The China Syndrome" as to appear to be following the same script.

For example, at an 11 a.m. news conference on Saturday, Mr. Herbein stated:

> I personally think the crisis is over.

One hour later, Mr. Harold R. Denton, head of the Nuclear Reactor Regulation Division of the Nuclear Regulatory Commission, stated:

> The crisis won't be over until we have the core in the cold shutdown mode . . . that won't be for at least several days.

As we now know, the crisis is not over and no one knows exactly when it will be over.

The Nuclear Regulatory Commission was not even informed of the start of the accident until 3 hours after it began and the residents of the surrounding area were not told about it for several hours more. At that time, they were told the danger was over. It was not.

On Wednesday at 12:45 p.m., Don Curry, a Met Ed spokesman stated:

> There was no measurable release of radiation into the atmosphere. The plant is cooling down in an orderly manner with no consequences to the public.

Four days later, the reactor still had not cooled and no one was willing to say when it would.

On Wednesday at 1 p.m., Mr. Herbein stated:

> I wouldn't call it at this point a very serious accident.

At that very time, radiation leakage was continuing and Federal officials have correctly called it the worst accident in the history of America's nuclear industry.

On Thursday, Mr. Herbein said:

> We didn't injure anybody. We didn't overexpose anybody.

On Saturday, he acknowledged that four workers were overexposed to radiation.

Perhaps the most incredible statement of all, from an industry that for a long time has been attempting to lull the public into believing that nuclear power hazards were remote and unlikely, came not from Met Ed but from James Dodson, Ohio Edison's nuclear power spokesman, who was reported in Friday's Akron Beacon Journal as having said:

> The nuclear industry never said this thing in Pennsylvania would never happen. With the amount of time reactors have been operating, it was time for it to happen. It shows our predictions were pretty good—that should be reassuring to the public.

I wonder if that includes the public that lives in the Harrisburg area.

Mr. Speaker, although its procedures which have led to this crisis are certainly open to question, the NRC appears to be taking a straightforward and responsible approach to the handling of the crisis. It is too bad that it did not do so earlier. If so we might not have had the deceptive Rasmussen Report, recently withdrawn by NRC, which was used so effectively to convince the last Congress that the Price-Anderson Act limitations on nuclear plant liability should be continued. Obviously, the Price-Anderson Act should now be reexamined along with NRC's plant licensing and monitoring procedures.

Mr. Speaker, following these remarks I offer two articles from the Sunday editions of the Akron Beacon Journal and the Washington Post setting forth details of the conflicting public statements that have thus far surrounded the handling of the crisis by Met Ed and NRC:

[From the Akron Beacon Journal, Apr. 1, 1979]

FAULTY WATER PUMP SETS OFF EVENTS AT POWER PLANT

HARRISBURG, PA.—Trouble at ground zero. The problems at the Three Mile Island nuclear power plant—sitting majestically in the Susquehanna River—began when a faulty water pump shut down the turbine that creates electricity for nearly a half million customers in New Jersey and Pennsylvania.

In a control building less than 100 feet from the Unit 2 reactor, six men monitored a futuristic panel of lights, dials, switches and computers. Hollywood's movie makers had that panel down pat.

Few dramatics there. A red light flashed on one panel. A buzzer sounded. One man reached over and silenced the alarm.

Across the river, in Goldsboro, John and Holly Garnish were in bed. They heard a loud gush of steam.

To hear Garnish tell it, anytime there is any problem at the plant you hear that loud gush of steam.

A backup pump system designed to get the turbine running again failed for a reason that's still not known. The buzzer went on again. The red light glowed insistently.

Within seconds, temperatures in the reactor soared from 580 degrees Fahrenheit. How high, nobody knows. Immediately control rods, made of metals like cadmium, dropped into place. The splitting of atoms stopped.

With the extreme heat, pressures built inside the reactor, shaped like a railroad tank car turned on end. An automatic relief valve opened to relieve pressure, then failed to close.

It was the first step in the nuclear accident.

The sudden drop in pressure, caused by the stuck valve, formed a bubble of radioactive steam at the top of the reactor. To fix the problem, the men manually opened valves and released radioactive water—the first human error.

Part of the water turned to steam and ruptured a disc in a waste tank, flooding the basement of the reactor building with more than 60,000 gallons. The water rose as high as eight feet. It triggered an automatic system that pumped the highly radioactive water into an adjacent auxiliary building and some radiation was released into the atmosphere.

Wind carried it adrift. It left traces as far as 16 miles.

The bubble allowed the temperatures in some parts of the fuel to rise so high that the zirconium tubes—in which the uranium pellets are contained—cracked and warped. Some of them may have melted.

An emergency cooling system began injecting water into the core. The Nuclear Regulatory Commission suggests that the system was shut off manually for an unspecified period.

If so, it was the second human error.

Harrisburg was stirring.

Gov. Dick Thornburgh began his day unaware that a power plant, scarcely 10 miles from the ornate Pennsylvania Capitol, was lacing the air with the most frightening substance in the lexicon of 20th Century man.

You can't see the evil. You can't feel it. You can't hear it.

At 6:50 a.m.—17 minutes short of three hours after the red light flashed—the engineers inside the control room finally determined that radiation had spewed skyward. They declared a site emergency.

At 7, Neal Herneisey, a foreman, showed up for work. "Within a half hour I knew something was seriously wrong," he said.

"We found out we were getting excessive radiation. They locked the north gate, not to keep anybody in, but to keep employees from coming in. You don't want to compound something by having more people on the island."

At the same time, state Civil Defense radiologist Clarence Deller was notified. He began alerting Goldsboro, Middletown, Bainbridge, Royalton and Yocumtown—all the communities likely to be in the path of danger.

"I got called at 7:37 and told about the emergency, and that no local action was required," said Butch Ryan, the fire-police dispatcher at Middletown, four miles from the plant.

A second call came at 8:35. In the cryptic shorthand of officialdom, Ryan was told "emergency stabilized." He notified Mayor Robert Reid, then teaching a class in government at the high school.

By then, Gov. Thornburgh also had been told. He said he immediately contacted Col. Oran K. Henderson, the state Civil Defense director. Henderson told the governor that evacuation plans were in place, if needed.

Residents of Harrisburg and the surrounding area were told by television and radio about the accident, but little of the complicated details. "It wasn't until they said the danger was over that we learned there was any danger at all," said Mary Galli of Halifax.

The danger wasn't over, but you couldn't tell that by listening to officials.

Wednesday, 12:45 p.m.—Don Curry, a Met Ed spokesman: "There was no measurable release of radiation into the atmosphere. The plant is cooling down in an orderly manner with no consequences to the public."

(Four days after the accident, the reactor still hadn't cooled. Saturday, no one was willing to say when it would.)

Wednesday, 1 p.m.—Met Ed Vice President Jack Herbein: "I wouldn't call it at this point a very serious accident."

(Radiation leakage continued. State and federal officials eventually called it the worst accident in America's nuclear industry, which now operates 72 plants.)

Wednesday, 4:30 p.m.—Lt. Gov. William W. Scranton: "The utility has ended venting contaminated steam into the air."

(The venting will continue into this week, prompting Thornburgh on Friday to order the evacuation of pregnant women and preschool kids from a five mile radius of the crippled reactor.)

Conflicting reports. Lots of conflicting reports.

"I was very upset because I was in the dark," said the Middletown mayor. "I couldn't tell the people anything."

Officials made ready for an evacuation of a four-county area—upward of 950,000 people. As the crisis continued, the general public heard a word that was familiar to those who saw "China Syndrome"—meltdown.

Meltdown, officials said Friday, was remote, but still a possibility.

Meltdown is the ultimate nuclear plant disaster—uncontrolled heating of nuclear fuel so that it destroys its protective container and allows massive radiation to escape.

Thornburgh called President Carter. Carter called his nuclear advisers. And Thornburgh made the decision—evacuation wasn't needed. Nevertheless, many people loaded their cars and headed south.

Perhaps they heard the siren that startled Harrisburg a little before noon Friday. It was one of those small human errors—a fireman thought he heard an evacuation order that he didn't.

Still, hundreds of families, those with small children or pregnant women, took advantage of a state offer for temporary shelter.

By Saturday afternoon, Met Ed officials said engineers had finally reduced the dangerous gas bubble, speeding the cooling-off process. The fuel-core temperature, they said, was stable at 280 degrees Fahrenheit. "We don't appear to have an explosion problem in the reactor system," said Met Ed's Jack Herbein. However, federal officials denied that there was any significant change in the size of the bubble.

On Thursday, Herbein had said, "We didn't injure anybody, we didn't overexpose anybody and we certainly didn't kill anybody." On Saturday he acknowledged that four workers were overexposed to radiation.

[From the Washington Post, Apr. 1, 1979]

U.S., FIRM DIVIDE SHARPLY ON "FACTS" OF PLANT MISHAP

(By Bill Richards)

MIDDLETOWN, Pa., March 31.—Amid the complexities of trying to understand what has happened at the crippled Three Mile Island nuclear plant near here, the sharp conflict between government and utility spokesmen has developed into an issue of its own.

The conflicting statements by the spokesmen have caused frustration and anger among local and state officials here. Pennsylvania Gov. Richard Thornburgh expressed some of that anger the other day when he told reporters "there are a number of conflicting versions of every event [at the reactor] that seems to occur."

The sharp disagreement between the federal nuclear experts and the utility, which operates the plant, was all the more evident during back-to-back news conferences conducted by Metropolitan Edison and the NRC here today.

During those conferences, spokesmen for the two groups have these widely differing accounts of what was taking place to crowds of reporters who have poured into this little community from all over the world:

An explosion, apparently from collecting hydrogen gas in the malfunctioning nuclear reactor, occurred after the start of the accident early Wednesday. Company officials said today the potentially dangerous blast went off at 2 p.m. Thursday. The NRC says it is certain the blast occurred not long after the start of the nuclear accident at 4 a.m. Wednesday, 34 hours earlier.

Company officials say they have been in close contact with federal experts since the accident. The NRC's Denton said no one from Metropolitan Edison bothered to tell his crew about the hydrogen blast until 10 a.m. Friday, more than two days after it occurred. During that time additional hydrogen gas was still collecting in the reactor, officials said.

Utility official Herbein assured reporters today that the dangerous and delicate process of removing hydrogen gas from a 1,000-cubic-foot potentially explosive bubble just above the reactor's overheated core was started Friday evening and that the degasification of the bubble was "the first step" in resolving the tricky problem of shutting down the reactor.

Denton—who assured another news conference Friday that no shutdown steps would be taken for several days and not without notifying the public—said he did not learn about the degasification until this morning, over a dozen hours after it began.

Herbein told reporters today that the gas bubble decreased one-third in size overnight because of the degasification. That statement, if correct, would substantially lower possible danger to the reactor from the bubble.

But in the following press conference Denton said the bubble's size was "essentially unchanged." He dismissed the degasification as a potentially dangerous and unacceptable solution to the shutdown problem. According to the two spokesmen the degasification was an agreed-upon first step in the shutdown process [Met Ed] or an "experiment" [NRC.]

Since the chaotic events began after the accident, the utility and federal and state officials have also disagreed over the potential danger from the crippled reactor, the amount of radiation escaping into the surrounding neighborhood and the need for evacuation of people living nearby.

By themselves the disagreements could be dismissed as routine bureaucratic wrangling over who is running the show here as more than a hundred nuclear experts converge on the Three Mile Island site.

But with the threat of a lethal radioactive release continuing for nearly one million nearby residents, the conflicts in public statements have raised both confusion and uneasiness here in south central Pennsylvania.

Metropolitan Edison president Walter M. Creitz indicated that some of the confusion might be cleared up soon. Creitz said this morning that his company had decided to stop holding news conferences and would issue information only through prepared news releases.

Future news conferences on the Three Mile Island situation would be handled by the NRC, Creitz said.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. DELLUMS (at the request of Mr. WRIGHT), for today, on account of illness.

Mr. TAUKE (at the request of Mr. RHODES), for today, on account of weather conditions.

Mr. WHITTAKER (at the request of Mr. RHODES), for today, on account of official committee business.

Mr. PEPPER (at the request of Mr. WRIGHT), for today, on account of death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. JEFFRIES) to revise and extend their remarks and include extraneous material:)

Mr. RITTER, for 5 minutes, today.

Mrs. FENWICK, for 5 minutes, today.

Mr. COLLINS of Texas, for 10 minutes, today.

Mr. KEMP, for 10 minutes, today.

Mr. GILMAN, for 60 minutes, on April 9, 1979.

(The following Members (at the request of Mr. SHELBY) to revise and extend their remarks and include extraneous material:)

Mr. AUCOIN, for 5 minutes, today.

Mr. WEAVER, for 10 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

Mr. ALEXANDER, for 5 minutes, today.

Mr. NICHOLS, for 5 minutes, today.

Mr. WHITE, for 5 minutes, today.

Mr. HARRIS, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. ROSE, for 15 minutes, today.

Mr. BAILEY, for 5 minutes, today.

Mr. WEISS, for 60 minutes, on April 3, 1979.

Mrs. SPELLMAN, for 60 minutes, on April 3, 1979.

Mr. O'NEILL, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. JEFFRIES) and to include extraneous material:)

Mr. SYMMS in four instances.

Mr. SCHULZE.

Mr. PAUL.

Mr. WHITEHURST.

Mr. LUJAN.

Mr. DERWINSKI in two instances.

Mr. MICHEL.

Mr. DORNAN in two instances.

Mr. RUDD.

(The following Members (at the request of Mr. SHELBY) and to include extraneous material:)

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mrs. BYRON in 10 instances.

Mr. ROSENTHAL in 10 instances.

Mrs. BOUQUARD in five instances.

Mr. HAMILTON in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Ms. HOLTZMAN in 10 instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. CAVANAUGH in five instances.

Mr. ROSTENKOWSKI in two instances.

Mr. CONYERS in three instances.

Mr. EDWARDS of California.

Mr. IRELAND.

Mr. ASPIN.

Mr. D'AMOURS.

Mr. YOUNG of Missouri.

Mr. JACOBS.

Mr. MCDONALD in five instances.

Mr. GARCIA.

Mr. ERTEL.

Mrs. COLLINS of Illinois.

Mr. WON PAT in two instances.

Mr. STUMP.

Mr. DE LA GARZA in 10 instances.

Mr. MURPHY of Illinois.

Mr. HARRIS in two instances.

Mr. HAWKINS.

Mr. GORE.

Mr. BOLAND.

Mr. STACK.

Mr. GEPHARDT.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 3. Concurrent resolution commending the Air Force Academy on its 25th anniversary; to the Committee on Armed Services.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1147. An act to extend temporarily the authority of the Secretary of the Treasury to waive the imposition of countervailing duties;

H.R. 2479. An act to help maintain peace, security, and stability in the Western Pacific and to promote the foreign policy of the United States by authorizing the continuation of commercial, cultural, and other relations between the people of the United States and the people on Taiwan, and for other purposes; and

H.R. 2534. An act to provide for a temporary increase in the public debt limit, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on March 29, 1979, present to the President, for his approval, a bill of the House of the following title:

H.R. 2439. To rescind certain budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96–46), transmitted pursuant to the Impoundment Control Act of 1974.

ADJOURNMENT

Mr. SHELBY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 46 minutes p.m.), the House adjourned until tomorrow, Tuesday, April 3, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1122. A letter from the Secretary of Agriculture, transmitting the second annual report on the Nation's agricultural research, extension, and teaching activities, pursuant to section 1410 of Public Law 95-113; to the Committee on Agriculture.

1123. A communication from the President of the United States, transmitting requests for supplemental appropriations for fiscal year 1979 and amendments to the request for appropriations for fiscal year 1980 for refugee assistance (H. Doc. No. 96-85); to the Committee on Appropriations and ordered to be printed.

1124. A letter from the Secretary of Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, to repeal sections which impose certain restrictions on enlisted members of the Armed Forces, and on members of military bands; to the Committee on Armed Services.

1125. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend section 6956 of title 10, United States Code, to eliminate the dates for submission of nominations to the U.S. Naval Academy; to the Committee on Armed Services.

1126. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Air National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

1127. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Army National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

1128. A letter from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting a report that during calendar year 1978 no use was made of the authority to make payments to officers holding positions of a critical nature, pursuant to 37 U.S.C. 306(f); to the Committee on Armed Services.

1129. A letter from the Director, Selective Service System, transmitting his semiannual report for the 6 months ended September 30, 1978, pursuant to section 10(g) of the Military Selective Service Act, as amended; to the Committee on Armed Services.

1130. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting proposed regulations implementing the Electronic Fund Transfer Act, pursuant to section 904(a)(4) of the Consumer Credit Protection Act, as amended (92 Stat. 3730); to the Committee on Banking, Finance and Urban Affairs.

1131. A letter from the first vice president and vice chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction with Singapore Airlines Limited exceeding $60 million, pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

1132. A letter from the first vice president and vice chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction with Viacao Aerea Rio-Grandense (VARIG S.A.) exceeding $60 million pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

1133. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the National School Lunch Act, and the Child Nutrition Act of 1966 to revise Federal payments for paid lunches, income eligibility standards, and eligibility for the special milk program; to define State responsibilities in program administration; to reduce fraud and abuse by restricting the eligibility of certain service institutions to operate the summer food service program for children; and to provide that the summer food service and child care food programs be administered by the State educational agency or an alternate agency designated by the Governor; and to reduce the authorization for the special supplemental food program; to the Committee on Education and Labor.

1134. A letter from the Chairman, National Advisory Council on the Education of Disadvantaged Children, transmitting the Council's annual report, pursuant to sction 148(c) of the Elementary and Secondary Education Act of 1965, as amended; to the Committee on Education and Labor.

1135. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting project performance audit reports prepared by the International Bank for Reconstruction and Development, and the Group of Controllers of the Inter-American Development Bank, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

1136. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense services to Saudi Arabia (transmittal No. 79-18), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1137. A letter from the Inspector General, Department of Health, Education, and Welfare, transmitting the annual report of his office for calendar year 1978, pursuant to section 204(a) of Public Law 94-505; to the Committee on Government Operations.

1138. A letter from the Administrator of General Services, transmitting the annual report on the investigations of the cost of travel and the operation of privately owned vehicles to Federal employees while engaged on official business, pursuant to 5 U.S.C. 5707(b)(1), and the determinations of the average actual cost per mile for the use of a privately owned automobile, motorcycle, and airplane, pursuant to 5 U.S.C. 5707(b)(2); to the Committee on Government Operations.

1139. A letter from the Chairman, Federal Election Commission, transmitting the Commission's 1978 annual report, pursuant to section 311 of the Federal Election Campaign Act, as amended; to the Committee on House Administration.

1140. A letter from the Secretary of the Interior, transmitting the annual Federal coal management report for fiscal year 1978, pursuant to section 8B of the Mineral Lands Leasing Act, as amended (90 Stat. 1089); to the Committee on Interior and Insular Affairs.

1141. A letter from the Clerk, U.S. Court of Claims, transmitting a copy of the court's judgment order in docket Nos. 15-N, -O, -Q, and -R, *Prairie Band of the Potawatomi Tribe of Indians, et al.*, docket Nos. 29-L, -M, -O, and -P, *Hannahville Indian Community, et al.*, and docket Nos. 128, 309, and 310, *Citizen Band of Potawatomi Indians of Oklahoma*; to the Committee on Interior and Insular Affairs.

1142. A letter from the Clerk, U.S. Court of Claims, transmitting a copy of the court's judgment order in docket No. 27, *The Delaware Tribe of Indians* v. *The United States*; to the Committee on Interior and Insular Affairs.

1143. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual reports of the National Center for Health Statistics and the National Center for Health Services Research, pursuant to section 308(a)(1) of the Public Health Service Act, as amended; to the Committee on Interstate and Foreign Commerce.

1144. A letter from the Chairman, National Diabetes Advisory Board, transmitting the second annual report of the Board, pursuant to section 436A(j) of the Public Health Service Act, as amended; to the Committee on Interstate and Foreign Commerce.

1145. A letter from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to amend section 225 of the Federal Salary Act of 1967, as amended; to the Committee on Post Office and Civil Service.

1146. A letter from the Secretary of Agriculture and the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to protect the public health by providing flexibility in the regulatory process to prevent the occurrence of botulism if prohibition of nitrites and nitrates becomes necessary and would be warranted by studies of their carcinogencity or other toxic effect; jointly, to the Committees on Agriculture and Interstate and Foreign Commerce.

1147. A letter from the Comptroller General of the United States, transmitting a report on the problem of absence without leave in the military services (FPCD-78-52, March 30, 1979); jointly, to the Committees on Government Operations and Armed Services.

1148. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting a copy of the Commission's letter to the Office of Management and Budget on the revised draft of the proposed "Regulatory Improvement Act of 1979," pursuant to section 27(k)(2) of the Consumer Product Safety Act; jointly, to the Committees on Interstate and Foreign Commerce and the Judiciary.

1149. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize an additional Assistant Secretary of Commerce; jointly, to the Committees on Interstate and Foreign Commerce and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Submitted Mar. 31, 1979*]

Mr. ZABLOCKI: Committee on Foreign Affairs. H.R. 3324. A bill to authorize appropriations for fiscal years 1980 and 1981 for international development and economic assistance programs and for the Peace Corps, and for other purposes (Rept. No. 96-79). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FASCELL (for himself, Mr. Zablocki, Mr. Bowen, Mr. Gray, Mr. Buchanan, Mr. Derwinski, Mr. Pritchard, Mr. Barnes, Mr. Bonker, Mr. Diggs, Mrs. Fenwick, Mr. Findley, Mr. Solarz, Mr. Studds, Mr. Winn, Mr. Wolff, Mr. Wolpe, and Mr. Yatron):

H.R. 3363. A bill to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communications Agency, and the Board for International Broadcasting; to the Committee on Foreign Affairs.

By Mr. FOLEY (by request):

H.R. 3364. A bill to protect the public health by providing flexibility in the regulatory process to prevent the occurrence of botulism if prohibition of nitrites and nitrates becomes necessary and would be warranted by studies of their carcinogenicity or other toxic effect; jointly, to the Committees on Agriculture and Interstate and Foreign Commerce.

By Mr. AMBRO:

H.R. 3365. A bill to amend the Federal Aviation Act of 1958 relating to the filing of certain tariffs and the authority of the Civil Aeronautics Board to regulate liability of freight claims for interstate and overseas air transportation of property; to the Committee on Public Works and Transportation.

H.R. 3366. A bill to require that most Federal programs, agencies, and tax expenditures be reviewed and their funding be reauthorized each 6 years, and to establish a citizens' commission on the efficiency of Federal programs; jointly, to the Committees on Government Operations, Rules, and Ways and Means.

By Mr. CAVANAUGH:

H.R. 3367. A bill to require that the Federal Reserve banks shall keep verbatim transcripts of all meetings of their Boards of Directors and make them public under certain limitations; to the Committee on Banking, Finance and Urban Affairs.

H.R. 3368. A bill to direct the Secretary of Agriculture to conduct research with respect to the effects of nitrites on animals and with respect to possible nitrite substitute and to prohibit the Secretary of Agriculture and the Secretary of Health, Education, and Welfare from prohibiting the use of nitrites as a food preservative on the basis of any carcinogenic effect nitrites may be represented to have until completion of research on nitrite substitutes, which research is to be completed within one year; jointly, to the Committees on Agriculture and Interstate and Foreign Commerce.

By Mr. COLLINS of Texas:

H.R. 3369. A bill to amend title II of the Social Security Act to repeal (with respect to individuals who have not yet attained age 65) the provisions which presently provide higher old-age insurance benefits for individuals who delay their retirement; to the Committee on Ways and Means.

By Mr. DAVIS of Michigan (for himself, Mr. TRAXLER, Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. CONYERS, Mr. FORD of Michigan, Mr. BROOMFIELD, and Mr. PURSELL):

H.R. 3370. A bill to make a supplemental appropriation to the Secretary of Agriculture for purposes of carrying out title III of the Federal Meat Inspection Act; to the Committee on Appropriations.

By Mr. ENGLISH:

H.R. 3371. A bill to amend the Food and Agriculture Act of 1977 relating to increases in the target prices of the 1979 crops of wheat, corn and other crops, under certain circumstances, and for other purposes; to the Committee on Agriculture.

By Mr. FINDLEY (for himself, Mr. SYMMS, Mr. MARRIOTT, Mr. ERLENBORN, Mr. MCCLORY, Mr. SIMON, and Mr. RAHALL):

H.R. 3372. A bill to amend the Internal Revenue Code of 1954 to allow any State taxing authority which receives Federal tax return information to disclose such information to a State auditing agency for the purpose of auditing the activities of the taxing authority; to the Committee on Ways and Means.

By Mr. ADDABBO:

H.R. 3373. A bill to amend the Trade Act of 1974 to provide that the procedure for congressional consideration of bills implementing trade agreements shall only apply to bills affecting programs under the Small Business Act or requirements of the Buy American Act; to the Committee on Ways and Means.

By Mr. GEPHARDT:

H.R. 3374. A bill to amend the Internal Revenue Code of 1954 to increase the excise tax on cigarettes and impose a tax surcharge with respect to excise taxes on alcoholic beverages, and to amend the Social Security Act to provide for the use of revenues from such increase and surcharge to assist in financing the disability insurance program under title II of the Social Security Act, and to make appropriate adjustments in OASDI tax rates to reflect the use of such revenues; to the Committee on Ways and Means.

By Mr. GILMAN:

H.R. 3375. A bill to amend the Internal Revenue Code of 1954 to eliminate the age requirement for eligibility for the one-time exclusion of gain from the sale of a principal residence; to the Committee on Ways and Means.

By Mr. GRASSLEY:

H.R. 3376. A bill to require that Federal agencies charge a fee for parking at facilities owned or controlled by the United States, and to ban construction or acquisition of parking facilities by Federal agencies, under certain circumstances; to the Committee on Public Works and Transportation.

By Mr. HAGEDORN:

H.R. 3377. A bill to define the authority of the Secretary of Agriculture regarding the use of nitrites or nitrates as preservatives in meat products for a period of 3 years, and for other puposes; to the Committee on Agriculture.

H.R. 3378. A bill to amend the Federal Food, Drug, and Cosmetic Act to delete certain requirements applicable to food additives and color additives; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRIS (for himself, Mr. LLOYD, and Mrs. SPELLMAN):

H.R. 3379. A bill to amend title II of the Social Security Act to eliminate the offset against social security benefits in the case of spouses and surviving spouses receiving certain Government pensions; to the Committee on Ways and Means.

By Mr. HINSON:

H.R. 3380. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, or sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

By Mr. JACOBS:

H.R. 3381. A bill to amend the Comprehensive Employment and Training Act to permit special purpose local governments and experienced nonprofit service agencies to serve as prime sponsors under that act; to the Committee on Education and Labor.

By Mr. LEACH of Iowa:

H.R. 3382. A bill to protect the public health by providing flexibility in the regulatory process to prevent the occurrence of botulism due to a precipitous ban on nitrites and nitrates; jointly, to the Committees on Agriculture, and Interstate and Foreign Commerce.

By Mr. McDONALD:

H.R. 3383. A bill to provide that the Internal Revenue Service may not implement certain rules relating to the determination of whether private schools have discriminatory policies until Congress provides specific guidelines for such determinations; to the Committee on Ways and Means.

By Mr. PRICE (for himself and Mr. BOB WILSON):

H.R. 3384. A bill to authorize the disposal of industrial diamond stones from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

H.R. 3385. A bill to authorize the disposal of silver from the national stockpile; to the Committee on Armed Services.

By Mr. QUAYLE:

H.R. 3386. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

By Mr. RITTER:

H.R. 3387. A bill to require the Nuclear Regulatory Commission to prepare a comparison of risk prior to the promulgation of any rule or regulation; to the Committee on Interior and Insular Affairs.

By Mr. ROBERTS (by request):

H.R. 3388. A bill to amend title 18, United States Code, with respect to the protection of certain officers or employees of the United States, and for other purposes; to the Committee on the Judiciary.

H.R. 3389. A bill to amend chapter 19 of title 38, United States Code, to permit the unrestricted assignment of a beneficiary's interest in the proceeds of a Government life insurance policy in cases involving contested claims, and to increase the amount an attorney may receive for representing a claimant in such cases; to authorize the Administrator to establish a program of dividends for certain types of national service life insurance; to authorize the Administrator to use a flexible interest rate in cases where the beneficiary of Government life insurance receives the proceeds of such insurance under certain settlement options; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. STARK (for himself, Mr. STOKES, Mr. RODINO, Mr. FAZIO, Mr. COELHO, Mrs. FENWICK, Mr. MURPHY of Pennsylvania, Mr. HAWKINS, Mr. JOHNSON of California, Mr. WINN, Mr. GRISHAM, Mr. MARKEY, Mr. GUARINI, Mr. BRODHEAD, Mr. WOLFF, Mr. ANDREWS of North Dakota, Mr. BEVILL, Mr. WEISS, Mr. ZEFERETTI, Mr. EDGAR, Mr. MOORHEAD of Pennsylvania, Mr. MARLENEE, Mr. PEASE, and Mr. NEAL):

H.R. 3390. A bill to amend title XVI of the Social Security Act to provide that an individual who applies for supplemental security income benefits on the basis of disability shall be considered presumptively disabled if he has received social security or supplemental security income benefits as a disabled individual within the preceding 5 years; to the Committee on Ways and Means.

By Mr. WAXMAN (by request):

H.R. 3391. A bill to amend and extend provisions of law concerned with nurse training, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WEAVER:

H.R. 3392. A bill to develop and test various methods of brush and vegetation control on National Forest System lands to enhance reforestation in an environmentally safe manner; to the Committee on Agriculture.

By Mr. WEAVER (for himself, Mr. EDWARDS of California, Mr. BEDELL, Mr. BEILENSON, Mr. PHILLIP BURTON, Mr. HAWKINS, Mr. DELLUMS, Mr. NOLAN, Mr. STARK, Mr. VENTO, Mr. JEFFORDS, Mr. MCCLOSKEY, Mr. HARKIN, and Mr. ROYBAL):

H.R. 3393. A bill to supplement and clarify the Federal reclamation laws, to promote the settlement of family farmers in Federal irrigation projects, to provide for acreage equivalency between class 1 lands and lands of lesser productive capability, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WHITE:

H.R. 3394. A bill to amend the State and Local Fiscal Assistance Act of 1972 to terminate the State government share of funds allocated to the States beginning with fiscal year 1980; to the Committee on Government Operations.

By Mr. WON PAT:

H.R. 3395. A bill to provide that a person who is awarded fair compensation under section 204(a) of the act of October 15, 1977, may be allowed interest on the amount of such fair compensation; to the Committee on Interior and Insular Affairs.

By Mr. ADDABBO:

H.J. Res. 285. Joint resolution authorizing the President to proclaim May 1, 1979, as International Unalienable Rights Day; to the Committee on Post Office and Civil Service.

By Mr. JONES of Oklahoma (for himself and Mr. Sawyer):

H.J. Res. 286. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact laws by voting on legislation in a national election; to the Committee on the Judiciary.

By Mr. SYMMS:

H.J. Res. 287. Joint resolution proposing an amendment to the Constitution of the United States to provide that total taxation by the Federal Government of the people of the United States shall not exceed 15 percent of the gross national product, and to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. AuCOIN:

H. Con. Res. 92. Concurrent resolution urging a moratorium on the commercial killing of whales; to the Committee on Foreign Affairs.

By Mr. COLLINS of Texas:

H. Con. Res. 93. Concurrent resolution expressing the sense of the Congress with regard to compliance with laws relating to equal employment opportunity in the competitive service of the Federal civil service; to the Committee on Post Office and Civil Service.

By Mr. RODINO:

H. Con. Res. 94. Concurrent resolution to provide for the revised printing of the House document entitled "The Constitution of the United States of America, as amended"; to the Committee on House Administration.

H. Con. Res. 95. Concurrent resolution to provide for the printing of the brochure entitled "How Our Laws Are Made"; to the Committee on House Administration.

By Mr. MURPHY of New York:

H. Res. 195. Resolution providing funds for the Select Committee on the Outer Continental Shelf; to the Committee on House Administration.

By Mr. RODINO:

H. Res. 196. Resolution to provide for the printing as a House document of the publication entitled "The Celler-Kefauver Act: The First 27 Years"; to the Committee on House Administration.

By Mr. WEAVER (for himself, Mr. Kostmayer, Mr. Markey, Mr. Vento, Mr. Carr, Mr. Kogovsek, Mr. Johnson of Colorado, and Mr. Bonker):

H. Res. 197. Resolution directing the Chairman of the Nuclear Regulatory Commission to submit to the House of Representatives all available information on the recent incident at the Three Mile Island Nuclear Generating Plant and on the danger of similar incidents occurring at other nuclear generating plants; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARNARD:

H.R. 3396. A bill for the relief of George David Maxwell, M.D.; to the Committee on the Judiciary.

By Mr. KAZEN:

H.R. 3397. A bill for the relief of Roland Karl Heinz Vogel; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Mr. Hightower, Mr. Won Pat, Mr. Davis of South Carolina, Mr. Zablocki, and Mr. Mathis.

H.R. 54: Mr. Stangeland.

H.R. 117: Mr. Hinson, Mr. Rose, and Mr. McClory.

H.R. 135: Mr. Lloyd, Mr. Oberstar, Mr. Hall of Texas, Mr. Lott, Mr. Whitehurst, Mr. Leach of Louisiana, Mr. Brinkley, Mr. Kazen, Mr. Charles Wilson of Texas, Mr. Bob Wilson, Mr. McDonald, Mr. Mitchell of New York, Mrs. Holt, Mr. Jones of North Carolina, Mr. Wolff, Mr. Corrada, Mr. Bafalis, and Mr. Ichord.

H.R. 601: Mr. Grassley.

H.R. 789: Mrs. Schroeder, Ms. Ferraro, Mr. Rahall, Mr. Kildee, Mr. Long of Maryland, Mr. Rangel, Mr. Seiberling, Mr. Bonker, Mr. Studds, Mr. Waxman, Mr. Mitchell of Maryland, Mr. Bonior of Michigan, Mr. Wolpe, Mr. Garcia, Mr. Maguire, Mr. Simon, and Mr. Stark.

H.R. 1041: Mr. Mitchell of Maryland.

H.R. 1675: Mrs. Bouquard, Mr. Corrada, Mr. Frenzel, Mr. Mitchell of Maryland, Mr. Mottl, Mr. Nolan, Mr. Ottinger, and Mr. Vento.

H.R. 1676: Mrs. Bouquard, Mr. Corrada, Mr. Frenzel, Mr. Mitchell of Maryland, Mr. Mottl, Mr. Nolan, Mr. Ottinger, and Mr. Vento.

H.R. 1677: Mr. Addabbo, Mrs. Bouquard, Mr. Carr, Mr. Ertel, Mr. Frenzel, Mr. Grassley, Mr. Hughes, Mr. Ichord, Mr. Kindness, Mr. Lott, Mr. Mathis, Mr. McClory, Mr. Mikva, Mr. Mottl, Mr. Nolan, Mr. Nowak, Mr. Ottinger, Mr. Richmond, Mr. Vento, Mr. Walgren, Mr. Whitehurst, and Mr. Young of Missouri.

H.R. 1678: Mrs. Bouquard, Mr. Carr, Mr. Downey, Mr. Frenzel, Mr. Glickman, Mr. Mottl, Mr. Nolan, Mr. Ottinger, Mr. Vento, Mr. Whitehurst, and Mr. Young of Missouri.

H.R. 1860: Mr. Downey and Mr. Ottinger.

H.R. 1861: Mr. Conyers and Mr. Ottinger.

H.R. 1862: Mr. Ottinger.

H.R. 1863: Mr. Ottinger.

H.R. 1864: Mr. Ottinger.

H.R. 1865: Mr. Ottinger.

H.R. 1866: Mr. Ottinger.

H.R. 2115: Mr. Edwards of Oklahoma, Mr. Heftel, Mr. Young of Alaska, and Mr. Cavanaugh.

H.R. 2126: Mr. Ambro, Mr. Coughlin, Mr. Dornan, Mr. Ford of Tennessee, Mr. Kastenmeier, Mr. Kildee, Mr. LaFalce, Mr. Lee, Mr. Long of Maryland, Mr. Luken, Mr. Maguire, Mr. Price, Mr. Rahall, Mr. Rinaldo, Mr. Traxler, and Mr. Wolpe.

H.R. 2233: Mr. Williams of Montana.

H.R. 2410: Mr. Lagomarsino, Mr. Howard, Mr. Burgener, Mr. Bafalis, Mr. Sensenbrenner, Mr. Erdahl, Mr. Rahall, Mr. Solomon, and Mr. Pritchard.

H.R. 2553: Mr. Evans of the Virgin Islands and Mr. Bob Wilson.

H.R. 2762: Mr. Bonior of Michigan, Mr. Pickle, Mr. Conyers, Mr. Weiss, Mr. Wolpe, Mr. Mitchell of Maryland, Mr. Vanik, Mr. Applegate, Mr. Rahall, Mr. Whitehurst, Mr. Mottl, Mr. Richmond, Mr. Brodhead, Mr. Guarini, Mr. Vento, Ms. Holtzman, Mr. Moakley, Mr. Andrews of North Dakota, Mr. Lott, Mr. Solomon, Mr. Neal, Mr. Davis of Michigan, and Mr. Cavanaugh.

H.R. 3064: Mr. Barnes, Mr. Rahall, Mr. LaFalce, Mr. Kindness, Mr. Studds, Mr. Edgar, Mr. Luken, Mr. Goodling, Mr. Cavanaugh, and Mr. Glickman.

H.R. 3275: Mr. Burgener.

H.R. 3337: Mr. Carney.

H. Con. Res. 85: Mrs. Byron, Mr. Clinger, Mr. Ichord, Mr. St Germain, Mr. Barnes, Mr. Clausen, Mr. Dan Daniel, Mr. Edwards of Oklahoma, Mr. Erdahl, Mr. Glickman, Mr. Grisham, Mr. Hall of Texas, Mr. Kemp, Mr. Leach of Iowa, Mr. Lungren, Mr. Quayle, Mr. Railsback, Mr. Stenholm, and Mr. Thomas.

H. Res. 34: Mr. Gilman and Mr. Solarz

H. Res. 58: Mr. Corrada, Mr. Downey, Mr. Gephardt, Mr. Gudger, Ms. Holtzman, Mr. Long of Maryland, Mr. Mitchell of Maryland, and Mr. Roe.

SENATE—*Monday, April 2, 1979*

(Legislative day of Thursday, February 22, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. Lawton Chiles, a Senator from the State of Florida.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, whose holy apostle has taught us that labor without love is incomplete, we beseech Thee to prosper and bless all who love and serve their fellow men with a pure heart—those who heal and those who teach, those who protect us and those who minister in civil affairs, those who assist the poor and those who pray and preach. Be especially near to all people in imminent danger this day. Guide the President and all our leaders in the decisions which make for civil order and enhance the safety, health, and welfare of the Nation. In this Chamber keep us mindful of who we are and whom we serve. May Thy Spirit so pervade the affairs of men and nations as to set forward Thy kingdom on Earth.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Magnuson).

The legislative clerk read the following letter:

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

U.S. Senate,
President pro tempore,
Washington, D.C., April 2, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Lawton Chiles, a Senator from the State of Florida, to perform the duties of the Chair.

Warren G. Magnuson,
President pro tempore.

Mr. CHILES thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I reserve the remainder of my time, unless the acting Republican leader is yielding back his time, in which case I will yield back mine.

RECOGNITION OF ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I yield to the distinguished Senator from Arizona (Mr. Goldwater).

Mr. GOLDWATER. Mr. President, I thank the Senator from Alaska.

USE OF PUBLIC BROADCASTING SERVICE LIST FOR POLITICAL PURPOSES

Mr. GOLDWATER. Mr. President, from time to time, as Members will recall, I have raised serious question about the close relationship existing between the Carter White House and the Public Broadcasting Service, but only recently have I discovered how very cozy and intimate that relationship actually is. I recently received through the mail an invitation to contribute to the Democrat Party through something called "The President's Club." The letter came on White House stationery and was signed "Jimmy Carter." About the same time, Mr. President, I received an invitation to contribute to the Public Broadcasting Service, and I was struck by the similarity of the address plate on that letter to the one on the White House letter. I did not think too much of this at the time; but later, I began to hear from other people who had noticed this curious similarity. One woman showed me a letter from the White House on which her name had been misspelled and with it a communication from PBS in which her name was misspelled in identical fashion. In another instance, a street address had been misspelled on a letter from the White House and misspelled in identical fashion on a letter from the Public Broadcasting Service.

I point out that when stories of this fund appeal first appeared in the newspaper, it was stated that the whole operation was conducted for the White House by the Democrat National Committee and that the appeals were mailed to names culled—and I quote the Washington Post on this—"from various magazine subscription lists." Apparently, the fundraisers did not stop with that the people who donated tax-free just magazine subscriptions.

Mr. President, I have now concluded contributions to maintain the PBS are now being subjected to fund-raising appeals from the Carter administration. It is obvious that PBS has made its mailing list available for political purposes, and I believe this constitutes a disgraceful if not actually an illegal operation.

I am forced to ask why people who wish to support an independent activity like public broadcasting should have to pay for their generosity by receiving "junk mail" from the White House. I believe this whole situation requires some kind of an explanation from the officials at PBS. To whom did they give or sell their mailing list and for how much? Was it directly to the political operators in the White House, or was it to President Carter's friends at the Democrat National Committee? And can the people who contribute to PBS expect further solicitations on behalf of Jimmy Carter as the 1980 election approaches? Or was the "President's Club" pitch a one-shot deal?

Mr. President, I would like to hear what justification PBS has for allowing its mailing list to be used for political purposes—and for partisan political purposes, at that.

Mr. President, since I prepared these remarks, I have heard from PBS that, as an organization, they do not maintain a mailing list. I will admit that the communications I have made reference to came from the PBS local membership station, WETA. I do not know what difference this should make, inasmuch as WETA is, in effect, the local operating arm of the Public Broadcasting Service. I am certain that anyone who is asked to contribute to WETA understands and believes he is being asked to contribute to public broadcasting. I repeat that I feel it is a shabby practice for a PBS member station to make available its contributors list to the White House for political purposes, and I believe it is even shabbier for the White House to make use of such a list in order to raise funds under the name of Jimmy Carter.

THE WISDOM OF SOLOMON

Mr. STEVENS. Mr. President, recently, the administrator of the General Services Administration, Joel (Jay) Solomon, resigned from his position to return to private life in his home of Chattanooga, Tenn. I was pleased to join Senators Baker and Sasser in a resolution of commendation for this outstanding public servant.

In the March 31, 1979, edition of the Washington Post, Wolf von Eckhardt focused on one of the more outstanding aspects of Mr. Solomon's leadership of the General Services Administration. In light of the continuing interest we have in improving the esthetic quality and usability of Federal Buildings, and in tribute to Mr. Solomon's foresight in this area, I ask unanimous consent to have Mr. Von Eckardt's article printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Wisdom of Solomon

(By Wolf Von Eckardt)

Jay Solomon is a hard act to follow.

He is not only the first General Services administrator who had the guts to tackle the long-suspected, far-reaching corruption of the agency that supplies the federal government with paper clips and buildings.

He also is the first General Services administrator to recognize that the quality of federal paper clips and buildings has enormous influence on the quality of life in this country.

Big words, I know, but justified by the enthusiasm and effectiveness with which Solomon has improved GSA's architecture, design, historic preservation efforts and willingness to make public buildings public.

Solomon apparently has displeased some politicians, who, in turn, displeased the president's men. They encouraged his resignation, effective today.

And they discouraged America's intelligentsia about the Carter administration.

The White House obviously did not realize that, quite aside from his whistle-blowing, Solomon was the symbol of the administration's interest in culture—particularly since the Carter-appointed leaders of the National Endowments for the Arts and Humanities are not exactly charismatic leaders.

To replace Solomon, the president has nominated Rear Adm. Rowland G. Freeman III, commandant of the Defense Systems Management College at Fort Belvoir who, I am sure, can be counted on to keep paper-clip purchases shipshape.

The admiral, who is a defense procurement expert, is pledged to continue Solomon's herculean effort at cleaning GSA's Augean stable. The question is whether, with the help of the Justice Department and honest investigators, he also will try to go beyond the stable hands to the big horse traders outside.

The almost equally important question is whether the admiral has the imagination, or even the interest, to revive the Jeffersonian tradition of making government buildings, offices and graphics not only the pride of the community but also symbols of the dignity and good taste of the American government.

An inspired and inspiring federal image is not the computer output of sophisticated cost-benefit programming. Nor does it come naturally, even to honest bureaucrats. Some of the shockingly ugly buildings GSA gave us before Solomon were the results not of corruption, but of honest stupidity and bad taste.

One of the inspired and inspiring things Solomon has ventured is his effort to bring the crafts back into building. At his instigation, crafts persons are working closely with the architects on a $21-million federal court and office building in San Jose, Calif. The idea is that wood and stone carvings, ceramics, metal work, handwoven fibers and other works of individual craftsmanship are not pasted on or installed after the building is completed. but worked into the building's design as an integral part of the structure.

Pioneering ideas such as this, which may have a profound effect on future architecture, are not stimulated by sophisticated procurement systems but by sophisticated minds. Solomon cares that things are done not just efficiently but also creatively.

One of the first moves Solomon made when he became head of GSA was to restore the mandatory expenditure for artistic embellishment of a public building to half of 1 percent of the total construction cost. His predecessor wanted to reduce the amount to three-eighths of 1 percent. Financially, the difference is hardly significant, particularly in these days of cost overruns and costly design mistakes.

But on a $20-million federal building the difference between half of 1 percent and three-eighths of 1 percent amounts to $250,000—an amount that, I am sure, exceeds what Michelangelo was paid for his "David."

Another example of Solomon's concern for culture and livability are his efforts to save and restore historic landmark buildings by adapting them to federal use. Legislation to make this possible was passed before Solomon took office. But Solomon's personal flair and intelligent enthusiasm has made the restoration of the old post offices in Washington and St. Louis, the Union Railroad Station in Nashville, Tenn., the old Customs House in New York and others, national examples and catalysts. In disputes about the integrity of the old building versus the new use, the Solomonic judgment favored historic integrity, a judgment I applaud.

Contrary to what bureaucratic convenience and conventional management wisdom consider "cost effective," Solomon chose architects for important commissions on the basis of limited design competitions, involved interested members of the public in the discussion of design and planning problems, and opened federal buildings to public use for neighborhood and ethnic festivals, art exhibitions and other community events.

But perhaps even more important than this "living buildings" program and the integration of crafts into architectural design is Solomon's innovation of an architectural "post-occupancy evaluation" of federal buildings. It means simply that architects, contractors, managers, psychologists and others go back a year or so after a building is completed to see how it works and what can be learned from its failures and successes.

Oddly enough, this rarely is done, certainly not in a systematic manner. Our refusal to look back is one reason we see so little advancement (in contrast to fashionable changes) in our building design.

With all these innovations and more, Jay Solomon has restored meaningful and lasting efficiency—as opposed to seeming, short-range efficiency—to a small but important part of the federal government.

We hope Adm. Freeman seizes these innovations and moves them forward, full steam ahead.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield such time of mine as he may desire to the distinguished Senator from Delaware.

Mr. BIDEN. I thank the majority leader.

SERVICE LIFE EXTENSION PROGRAM FOR "FORRESTAL" CLASS AIRCRAFT CARRIERS

Mr. BIDEN. Mr. President, on Thursday, March 22, my distinguished colleague from Virginia, Senator WARNER, addressed the Chamber on SLEP—the service life extension program, which will extend by 5 years the life of four *Forrestal* class aircraft carriers.

The Senator from Virginia informed the Senate of an amendment he introduced before the Armed Services Committee which would award the *Saratoga* to a shipyard on the basis of least cost as determined by a study performed in 1978 by the General Accounting Office.

Mr. President, I rise today to offer an alternative viewpoint on this issue.

The SLEP program, scheduled to begin in 1980, will enable the Navy to count on 12 deployable carriers at least up to the year 2000. The program is therefore of great importance to our national defense.

The Department of Defense is trying hard to keep the SLEP on schedule, and this amendment would have the effect of delaying the program, possibly postponing it to the point where we can no longer salvage these carriers through overhaul.

As far back as 1976, the Navy recommended selection of the Philadelphia Naval Shipyard as the site for this program, and this decision was formally announced last spring.

The decision was based on many considerations, without inflicting a long and technical discussion on my colleagues, who are in the Chamber for the RECORD.

I will point out that the Philadelphia Navy Shipyard has a longstanding record of finishing projects on time, which I should note, parenthetically, is a bit of an exception in the entire industry, staying within budget, which is equally as admirable, maintaining a stable and highly skilled work force, and performing a high quality of modernization and overhaul.

A public yard like Philadelphia is primarily designed to do the work which is particularly required by this program. Maintaining a high level of skilled manpower in our public yards is a critical consideration for our national security at a time of crisis or emergency.

On the other hand, private yards, such as the one at Newport News, specialize in building new ships. They do not have our national defense as their highest priority, as do our public shipyards.

And I do not mean that as an insult that they are not concerned about national defense. They clearly are. But their first priority as a private yard is to maintain the business enterprise of that yard; whereas the first priority of a public shipyard is to national defense.

Mr. President, since the decision to base SLEP in Philadelphia was made nearly 3 years ago, a dispute has developed that has touched on many issues: private versus public shipyards, cost, Navy morale, national security.

All these are important issues, and they are all part of an overriding concern that the Navy may be in the best possible shape at all times to defend our Nation and our Nation's interests.

These are all important issues, but they are all part of one overriding concern—that the Navy be in the best possible shape at all times to defend our Nation and our national interests.

I have been in close contact with Defense Department officials, and I am aware of their concern that SLEP be permitted to begin on schedule, at the site selected as the most appropriate by the Navy. I share that concern.

However, the amendment my colleague from Virginia has introduced to S. 429, the defense supplemental authorization bill, will further delay the implementation of SLEP and may impede the successful modernization of the U.S.S. *Saratoga* and her three sister ships.

Such a delay would seriously and adversely affect the Navy's capability of performing its mission in defense of this country, in my opinion.

Now, I can appreciate why my distinguished colleague from Virginia would like SLEP to be performed at Newport News. But the idea of awarding a major defense contract solely on the basis of a GAO study, which has itself been seriously questioned, seems to me to be, at best, questionable.

First of all, as all of us following this matter know well, the figures available on the costs of SLEP are really soft. As the distinguished Senator's own floor statement says, "final cost estimates for the SLEP cannot be developed because the complete SLEP work package has not been defined."

Yet the Senator's own amendment requires the Navy to make a decision on the basis of one specific least-cost estimate, when he himself acknowledges that that estimate at best is soft.

Mr. President, there are several other "least-cost" studies—which I will be happy to share with my colleagues—and I will be around to their office to share those with them—that determine Philadelphia to be the least costly site. So cost is simply not the issue here in the sense that it is impossible to determine the absolute least cost because the figures are so soft and there are conflicting cost studies.

The estimated figures are too preliminary, as the Navy openly admits, to base such a critical decision as this one on merely those studies.

To my mind, promoting high-quality work at public shipyards should be of greater concern to my colleagues here in the Senate. There are important national security reasons for keeping a large-scale project like the SLEP program in public yards.

The skill and expertise to be gained and maintained in modernizing the *Saratoga* aircraft carrier may someday be called upon at a time of national emergency and crisis, when quite possibly the private shipyards may be completely contractually filled. We may not have sufficient shipbuilding capacity in this Nation if in fact we do not maintain in the public yards the high-quality standards and performance capabilities of those public yards.

It is the mission of the public yards to maintain themselves in such a state of readiness. They can respond more quickly in times of crisis than can the private yards, which are businesses that must balance many competing interests in order to show a profit.

Mr. President, I acknowledge that the private shipyards are an important adjunct to national security—but it is the public yards that must stand ready at all times to meet the Navy's emergency needs.

We must not allow their capabilities and capacity to decline.

We must not allow parochial considerations, no matter how well intended to divert elsewhere work the public yards are best equipped to do.

I know the Navy is deeply concerned that SLEP should begin on schedule. If it does not, the Navy will have to make alternative arrangements—more costly and more time consuming—to keep our carrier fleet in shape at this particular time and on station.

I should note, parenthetically, Mr. President, the need for our carrier force has been graphically demonstrated as a consequence of the recent developments in the Middle East and in the Far East. We could not afford to have the limited number of our aircraft carriers off station and ill-prepared during the upcoming decade.

I urge my colleagues to look at the service life extension program for the *Saratoga* and her sister ships in the context of our national defense readiness when this amendment comes before them for their consideration.

At that time, Mr. President, we will have ample opportunity to explore many of these critically important issues at much greater length.

But I did want my colleagues to know for the RECORD that I stand prepared at the time that supplemental appropriations bill with this amendment attached comes to the floor, assuming it does, to have an extensive and full debate on this subject and hopefully point out to my colleagues the critical nature of this particular program not only to the Navy, not only to the public shipyards, but also to the Northeast and its development and maintenance of a critical link for the Navy and the economy of the area.

I think we will be ill-advised to allow the public shipyards in this country to be put in the position of no longer being able to maintain their readiness at a time when all of us in this Chamber are beginning to discuss and most of us are beginning to question whether or not we have made enough of a commitment to naval construction and what our conventional force capability should be in the upcoming decade.

I thank my colleague from West Virginia, the distinguished majority leader, for yielding to me, and I will now yield the floor with the comment, once again, reiterated that I will be back to the floor on this issue and hopefully we will have to air it in more detail.

Thank you very much.

The ACTING PRESIDENT pro tempore. Does the acting minority leader yield back the remainder of the minority leader's time?

Mr. STEVENS. I thank the President. Yes, I do yield back the remainder of our time.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there now will be a period for the transaction of routine morning business for not to exceed 30 minutes with statements therein limited to 5 minutes each.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 12:45 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 12:45 p.m. today.

There being no objection, the Senate, at 12:21 p.m., recessed until 12:45 p.m., whereupon the Senate reassembled when called to order by the Acting President pro tempore (Mr. CHILES).

CHANCELLOR SCHMIDT'S REMINDER OF GENOCIDE

Mr. PROXMIRE. Mr. President, in last Friday's Washington Post it was reported that West German Chancellor Helmut Schmidt has appealed to his Parliament to abolish the statute of limitations on murder. The purpose of this action is to make it possible to prosecute Nazi war criminals still at large after 1979. As Chancellor Schmidt stated:

> The destruction of human life cannot be undone by the passage of time.

Mr. President, this action should be applauded—applauded because it provides justice for the millions who died in the brutal genocide of the holocaust.

West Germany is a country which has every reason to want to forget the destruction perpetrated by the Nazi. The anguish they have endured over the years is immense, yet they persevere in the pursuit of war criminals. They persevere because they have not forgotten. But Mr. President, have we forgotten the holocaust?

Despite endorsement by President after President, the Genocide Convention is still awaiting Senate ratification. The Genocide Convention is the only international treaty which serves to prevent and punish the most hideous of crimes.

Chancellor Schmidt's parliamentary appeal is a timely reminder of a responsibility we owe to ourselves and to humanity. We must act now to ratify the Genocide Convention.

Mr. President, I yield the floor.

ORDER FOR RECOGNITION OF SENATOR DANFORTH ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the two leaders are recognized under the standing order, the Senator from Missouri (Mr. DANFORTH) be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. It there further morning business? There being none, morning business is closed.

COUNCIL ON WAGE AND PRICE STABILITY AMENDMENT OF 1979

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the pending business, S. 349, which the clerk will state by title.

The legislative clerk read as follows:

> A bill (S. 349) to increase the authorization for the Council on Wage and Price Stability and to extend the duration of such Council.

The Senate resumed consideration of the bill.

AMENDMENT 127

(Purpose: To Repeal the Credit Control Act)

The ACTING PRESIDENT pro tempore. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I have an amendment numbered 127 at the desk which I call up and ask to have stated.

The ACTING PRESIDENT pro tempore. The clerk will state the amendment.

The assistant legislative clerk read as follows:

> The Senator from North Carolina (Mr. HELMS) proposes an amendment numbered 127.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

> At the end of the bill add the following:
> SEC. 4. The Credit Control Act (title II of Public Law 91–151; 12 U.S.C. 1901–1909) is repealed.

Mr. HELMS. Mr. President, this amendment would repeal the Credit Control Act of 1969. I wish to make five essential points in support of my amendment.

First. The theory of credit controls is economic gibberish. The controls authorized by this act have no economic justification.

Second. Growing concern in the financial markets of this Nation require that the Credit Control Act be repealed now in order to stop those markets from becoming more destabilized.

Third. The political implications of the Credit Control Act are more typical of an authoritarian despot than a democracy. As Arthur Burns has said:

> The Credit Control Act gives the Federal Reserve Board dictatorial powers over every sector of the economy.

Fourth. The philosophy of controls is alien to our society. The Credit Control Act curtails a person's ability to do what he wants with the rewards of his labors. It can be viewed as a massive abrogation of economic freedom and personal rights.

Fifth. The arguments against repeal are shallow. The Treasury Department has set up a "straw-man" in an effort to protect this potentially destructive and pervasive power.

NO ECONOMIC JUSTIFICATION OF CREDIT CONTROL

First, let us examine the economics of the Credit Control Act: This Act requires that—

> Whenever the President determines that such action is necessary or appropriate for the purpose of preventing or controlling inflation generated by the extension of credit in an excessive volume, the President—one man, the President—may authorize the (Federal Reserve) Board to regulate and control any or all extensions of credit.

It makes almost no sense to say that inflation is caused by the issuance of credit. Inflation is caused by inordinate expansion of the money supply. Inflation is caused by the Federal Reserve System monetizing Federal deficits. To turn around and give the Federal Reserve Board the power to control the financial system of the Nation in order to stem inflation—which the Federal Reserve has caused in large measure—is inconsistent and illogical. Thus, the very premise of the Credit Control Act is wrong. What follows from that premise is similarly wrong. The solutions put forth in the Credit Control Act are far worse than the problems they are intended to solve.

The Credit Control Act states that controls can be imposed whenever the President thinks they are "necessary or appropriate for the purpose of preventing or controlling inflation generated by the extension of credit in an excessive volume." If the Federal Reserve System increases the money supply or allows it to increase faster than real output, there will be inflation—controls or no controls. Saying that the extension of credit generates inflation is like calling the inordinate multiplication of cells in a tumor the cause of cancer.

By imposing controls, Government disrupts the economy in three ways. First, it takes the pressure off the Federal Reserve Board to restrain money growth. When wage and price controls were imposed in 1971, the Federal Reserve Board opened up the money gates.

Second, Government stops the market from performing the most important function of allocating credit. Political judgments are substituted for economic judgments. The "needs" of politically powerful groups are substituted for the high bidder in the market.

Third, Government adds to inflation—the very problem that controls are supposed to be solving. When the economy's ability to allocate credit on a national basis is crippled, it loses efficiency. Costs go up, and output tends to stagnate. Given any specific rate of money supply growth, reduced output will mean higher price levels—more inflation.

Perhaps the Credit Control Act was forced on the Nation by a rationalization of the following nature:

One. Inflation is bad.

Two. Certain uses of credit are bad.

Three. Therefore, those uses of credit are inflationary.

As Prof. Robert Meyer of the University of California states:

> When one looks at what are described as inflationary uses of credit, it turns out to be a peculiar listing, one based on a populist dislike of finance rather than on economic analysis.

Recently, a group of distinguished economists known as the "Shadow Open Market Committee" issued a statement calling for some substantive means of getting at inflation—moderating the money supply growth. At the same time, they took the opportunity to call for the repeal of the Credit Control Act, because of its ineffectiveness and its destructive potential.

Mr. President, in the very enlightening colloquy on the bill under consideration, the capable manager of the bill, the Senator from Wisconsin, along with everyone else participating in the debate, said that compulsory wage and price controls wouldn't work. It was said that it would take a hundred thousand bureaucrats or more to administer a program of compulsory wage and price controls.

These able legislators were, of course, correct. Compulsory wage and price controls do not work. The laws of economics cannot be voided by an act of the legislature, even if the police powers of the Government are put behind them. Credit controls are no different.

THE NEED TO ACT NOW

The second major reason we must repeal this act now is the condition of our financial markets. Every day, I receive reports that the money markets in this country are growing more unstable, in part because of fears that the administration may impose controls under the Credit Control Act of 1969.

Financial Analyst Donald Conlan predicts a 40-percent likelihood of credit controls. Morris Cohen says such controls seem more probable now. Alan Greenspan has said interest rates are at "politically acceptable limits." Barron's editor, Robert Blieberg, predicts a 60-percent chance of credit controls. And, recent rumors on Wall Street suggested that controls would be imposed in 2 months. Such rumors and predictions are having an adverse effect on efforts to stabilize the markets.

Only repeal of this law can quiet this unrest. Indeed, failure to repeal the law will accelerate speculation about control implementation.

To stabilize financial markets, it is vitally important that we act quickly to repeal the standby authority to impose massive, arbitrary controls on our financial system.

POLITICAL OBJECTIONS

The third aspect of this law is political. The Credit Control Act grants the President broader powers than those wielded to control credit during World War II and the Korean war. It provides blanket authority for:

Registering any or all extensions of credit and licensing all lenders; such lenders would be subject to regular fees as well as penalties for violations of regulations promulgated under this act;

Prohibiting any credit for purposes deemed inappropriate by the Federal Reserve and prescribing maximum amounts of credit that may be extended with any loan or purchase;

Establishing maximum rates of interest, minimum down payments on purchases, and conditions for repaying loans.

The statute is so loosely drawn and confers such vast powers upon the President and, through him, upon the Federal Reserve Board that no credit transactions would be outside the purview of the law, once the authority is invoked by the President. The invocation of virtually unlimited power by the President is hardly consistent with the post-Watergate mood of Congress, with the desire of the Congress to limit the powers of the President and to regain those of its own which it had delegated.

In the 94th Congress, Public Law 94–412 repealed or greatly modified numerous laws which gave the President great powers under "emergency" statutes such as the War Powers and Trading With the Enemy Acts. The Credit Control Act should have been considered in this context but was, apparently, overlooked.

If it could be argued that credit controls may become necessary under certain economic conditions, they should first be justified in the light of those conditions. Congress should know to whom they would apply and how.

Should they apply only to consumer and housing credit as in World War II or the Korean war? What types of consumer and housing credit? Should they apply to small business as well as big business? Should limitations or conditions apply only to the down payment and duration, or to other conditions as well?

The Credit Control Act is a blank check of proportions seldom measured in the history of our Nation.

PHILOSOPHICAL OBJECTIONS

The fourth objection we should have to the continued presence of the Credit Control Act as part of the United States Code has to do with philosophical principles. Perhaps they are not often enough discussed in the context of economics, but the philosophical questions struck me very deeply when I began researching this legislation.

The Credit Control Act is based on an assumption that Government regulators can properly direct how people should act. It is an assumption that one kind of resource—in this case, financial—should be allocated through the use of the power of the Federal Government.

The Credit Control Act can be used to violate the freedom of people to enter into a broad variety of private agreements which they might find desirable. It violates the rights of owners of resources who are instantly deprived of the ability to use their own resources as they see fit. Insofar as it destroys some of the value of those resources, it deprives people of that value without due process of law.

I respect the views of those who feel this kind of authority is needed; and, in some respects, I understand the logic. When there is a perceived problem, there seems to be a natural tendency in Washington to find a Government solution to it. The solution is, inevitably, more controls. The great banker and former head of the Federal Reserve Bank of St. Louis called this the "regulatory reflex." He said;

> The regulatory reflex operates in the following manner. Upon observation of what some individuals deem an undesirable result produced by the free enterprise system, government officials or the press suggest that this is an area in which the government should "do something." This usually has meant the creation of a powerful new government agency, or an increase in the powers of an existing one. Such an agency is empowered to make decisions regarding the allocation of resources according to its own interpretations of what is best, rather than leaving the out come to determination by the market process. Unfortunately the desired end sought by a group of regulators is frequently not the same as that which the members of society would choose for themselves. The process often results in some group of zealots determining that others should not have what they want, but rather shall accept that which the regulators consider "best" for them. . . . The seemingly beneficial effects are direct, immediate, and visible. On the other hand, the undesirable effects are often gradual and indirect, and are frequently considered only when they actually occur, if even then. However, the ignored longrun costs of such intervention eventually show up. And, when they do, there is a call for more short-run intervention to correct the problems which arose as a result of the earlier policies. Over a long period of time there is a cumulative and disastrous effect which erodes freedom and detracts from the efficiency of the economy.

The "regulatory reflex" may explain the motivations of those who which to utilize or even maintain the credit control on the book. It does not make their solution workable.

NO GOOD REASON TO KEEP IT

The final, fifth, reason to repeal the Credit Control Act is a negative one. It is the lack of substantive reasons for keeping the Credit Control Act on the books.

Last year, I asked the Chairman of the Federal Reserve Board, the Honorable William E. Miller, for his views on the proposed repeal of the act. He agreed with me that the dislocations caused by credit controls would be disruptive and costly to the economy. He felt, however, that standby controls should stay in place, saying:

> The distortion which such wide-ranging credit controls would produce, both during and after the period when they were in effect, makes them unacceptable except under the most exigent circumstances. You have questions whether the present authority should even be on the books.
>
> In my view, the shortcomings of mandatory credit controls are so well known as to assure that they would be used only in an emergency situation. If such a situation arose, and selective credit controls appeared to be necessary, it would be helpful to have the authority for such controls already in place. Moreover, the fact that mandatory controls could be imposed may well contribute to the success of voluntary guidelines, which of course are a much better means for generating desired flows of credit. For these reasons the standby authority contained in the Credit Control Act probably serves a useful purpose.

If there are voluntary guidelines on credit allocation and interest rates, in accordance with the self-contradictory present system of voluntary wage and price controls, I am not aware of them. I think that voluntary credit guidelines are more disruptive than so-called voluntary wage and price controls.

I am glad that Chairman Miller agrees with this assessment that the controls would impose massive costs on the economy. But his arguments in favor of standby credit controls could easily be used in support of standby controls over wages and prices. I do not believe that the Chairman of the Fed has advocated such controls, but there may be some inconsistency in not advocating them. He has said, and I agree, that standby wage and price control authority is disruptive to the pricing system for labor and goods. Is standby credit control authority any less disruptive to the financial markets?

The Treasury Department was asked its views on the matter by my friend, the able chairman of the Senate Banking Committee (Mr. Proxmire). Treasury replied that the Credit Control Act should remain. Treasury opposes repeal, because the authority cited in the law is only for controling inflation. But this authority cannot control inflation. The authority can control one symptom of inflation—one symptom of inordinate expansion of the money supply.

Treasury opposes repeal, because the Credit Control Act authority is only "for a limited duration." Unfortunately the Treasury is wrong. The act states specifically that the controls can be imposed by the President "for such time as he may determine." That period of time could be forever.

Treasury opposes repeal because the authority "may be all that stands between stability and widespread dislocation in the short term." But it is the existence of the standby authority that is causing—I repeat: causing—instability. The imposition of wage and price controls in 1971 hurt more than it helped; it is inflation and controls themselves that cause dislocation. Controls do not prevent it.

And finally, Treasury says it opposes repeal, because—

> It is better to have the authority in place for use in emergency circumstances than to have to request it when needed.

This rationalization should be decried by everyone who believes Congress should exert its proper role in our Government. The Treasury Department's simplistic justification for dictatorial powers has been rejected by recent Congresses which drastically limited the exercise of broad Presidential powers by requiring congressional approval of certain acts.

I understand that both Secretary Blumenthal and Chairman Miller have both been lobbying against my amendment. I can understand that. But what is interesting are the arguments which they have been using for justifying continuation of the Credit Control Act. As in the letters I have seen, they both want the authority on hand in case "some emergency" comes up. They want the vast powers contained in the Credit Control Act so as to deal with an upheaval or an emergency which they do not describe and seem unable to describe.

I find their arguments enlightening, and I also find it to be testimony as to why this act should be repealed. The Credit Control Act is so loosely drawn so as to be invoked with only a superficial statement by the President that credit is causing inflation. It is not for the purpose of fighting inflation that the potential wielders of this power want to keep the Credit Control Act in place—it is for something else.

And that is what concerns me. The Federal Reserve and Treasury carefully avoid saying that they want the power to fight inflation. Therefore, it makes absolutely no sense to keep this act on the books if its purpose is something beyond what is, at best, a false and implicit promise.

The level of economic sophistication in Congress is probably higher than it was 10 years ago. We should know that the Credit Control Act is not a device to control inflation.

I do not suggest that Mr. Miller or Mr. Blumenthal would willingly seek to exercise all the power granted under the Credit Control Act. But, it is a potentially massive power, great enough to destroy any and all freedoms in our financial system, and with that, in our economy.

We must repeal this onerous law. If it can be justified, or if even portions can be justified, then let us enact them precisely and thoughtfully at some future time. We stand in danger of losing too much by allowing this act to remain part to the United States Code.

We have in the Credit Control Act a question of Government control versus the operation of the marketplace. We have a question of regulation versus deregulation. We have a clear question of coercion versus freedom.

To me, this Senator from North Carolina, the choice is clear, and I urge adoption of the amendment.

Mr. PROXMIRE. Mr. President, I think the Senator from North Carolina deserves much credit for bringing this amendment to the floor. I have no question about it, that credit controls are, as he points out, not in keeping with a free enterprise system. They do represent controls. They do represent interference with the free market by bureaucratic action. I think he has made a very, very powerful case against credit control.

As he says, the theory of credit controls in a free system is virtually absent. The credit markets are upset by the presence of the potential that credit controls may be used at any time. They do, as he said, and as Arthur Burns—who was chairman of the Federal Reserve Board—has indicated, give dictatorial power to the Federal Reserve Board, power that the Federal Reserve Board, at least under Arthur Burns, did not want to have. I think that the case made by the Senator is a very powerful one.

The difficulty with this amendment, however, Mr. President, is that we may, in spite of the powerful case made against credit controls, need them as a weapon against inflation.

I am inclined to feel this would be a very poor weapon to use and that the amendment by the Senator from North Carolina should be given very careful consideration. But, Mr. President, the difficulty I have is that we have not had hearings on this. We had no debate in our committee when we marked up this bill, although I understand there was some thought given by some Senators to possibly introducing such an amendment. It was not introduced.

So there is no record on whether or not credit controls would be a useful and wise measure, certainly in the event we move into a period of demand pull inflation, where we have unemployment that perhaps drops below where it is now.

Under those circumstances, an ability by the Federal Government to require, for example, that downpayments be increased and that payments over the life of a credit obligation, instead of being 3 years or 4 years for an automobile, for instance, be made 2 years or 18 months, or something of this kind, might be a moderate way to deal with a demand which is running away and driving up prices.

On the other hand, I think when we look at this matter from a practical standpoint, credit controls would have to be imposed on the housing industry and on the automobile industry in a way that would possibly diminish unemployment and production. It would interfere with efficiency, and that would be strongly resisted.

For these reasons, I think I would give very careful and sympathetic consideration to the proposal by the distinguished Senator from North Carolina if it should come before our committee. But I think, as an amendment to this bill on the floor at this time, without hearings, taking away from the President a power which Congress has given him in the past, taking it away at a time when inflation is getting much worse, including 1973–74, it seems to me would be too precipitous.

I am saying that the Senator has a proposal which may be very sound, but we need to develop a record on it, give the administration an opportunity to appear and testify, give business people and others an opportunity to testify, and give their views. We do not have a record now, and we should have it before we act on legislation that is this far-reaching.

Mr. GARN. Mr. President, I rise in support of the amendment of the distinguished Senator from North Carolina. I am in total sympathy with what he has to say about the Credit Control Act. I do think it should be repealed. However, I am also in sympathy with the distinguished chairman of the Banking Committee and the fact that we have not held hearings.

I would suggest that we could promise the distinguished Senator from North Carolina some hearings in the very near future, as rapidly as we could possibly schedule them, so we could build a record and then be able to report a bill repealing the Credit Control Act back to the floor for consideration here on the floor. If we could do that, I think it would be very helpful. If not, then I am prepared to argue and debate for a good long time on why it ought to be repealed today.

Mr. PROXMIRE. Mr. President, I discussed this with the staff director of the Banking Committee. He tells me that the committee does have a very full agenda up through May 15 because of the requirement that we have to report all our housing legislation and other legislation by that time.

As soon after that as possible, certainly during the next month, we would schedule hearings if the Senator would not press his amendment at this time. As I indicated before, I would be very sympathetic toward the objective the Senator is trying to reach.

We would welcome him to lead off those hearings if he would be interested in submitting a bill to be referred to our committee.

Mr. HELMS. Will the Senator yield?

Mr. PROXMIRE. Yes, indeed.

Mr. HELMS. Mr. President, as always, I am encouraged by the remarks of the distinguished Senator from Wisconsin and my friend from Utah. They are able Senators and they understand the problem. There is no disagreement whatsoever among us, and I have no wish to press an amendment that the distinguished Senator from Wisconsin and the distinguished Senator from Utah think ought to be given hearings.

As a matter of fact, I agree that as much as I differ with the Treasury Department in its "explanation" of why we should keep this law on the books, I do feel it should be given an opportunity to testify formally and to be questioned formally in hearings.

With the assurance of both of the able Senators that we can have hearings on the bill, S. 35 which I have introduced; very shortly if we can have hearings some time in the month of May and have the bill reported, and then let the Senate work its will, I would be glad to withdraw the amendment and follow the procedures suggested by the two Senators.

Mr. PROXMIRE. I thank my good friend from North Carolina very much. He is, as always, most thoughtful and accommodating.

I can assure him we will have hearings in the committee after May 15 and, as I said, I will be very sympathetic toward his objective. We think it is a good objective.

Mr. HELMS. I thank the Senator.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER (Mr. MELCHER). The Senator has that right. The amendment is withdrawn.

Mr. HELMS. I thank the Chair.

Mr. GARN. Mr. President, I ask unanimous consent that Robert J. Kabel of my staff be granted privilege of the floor during debate on S. 349.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that Judith Davidson and Martin Jensen be granted privilege of the floor during consideration of S. 349.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the role.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 58

Mr. BENTSEN. Mr. President, I have an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Texas (Mr. BENTSEN) proposes an unprinted amendment numbered 58.

Mr. BENTSEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill insert the following: Strike Section 3(a)(5) of the Council on Wage and Price Stability Act and insert in lieu thereof the following:

"(5) focus attention on the need to increase productivity in both the public and private sectors of the economy, focus attention on the need to move toward full employment, and the Council shall take into consideration the need to stimulate productivity in monitoring wages to determine compliance with promulgated standards;"

Mr. BENTSEN. Mr. President, my amendment is designed to clarify the treatment of productivity gains under the voluntary wage guidelines administered by the Council on Wage and Price Stability.

Congress is concerned, even alarmed, with our plummeting national productivity. From 1950 to 1967, it rose a healthy 2.4 percent annually; from 1967 to 1972, productivity rose only 1.1 percent annually—a 60-percent decline in the rate of growth. From 1972 to 1977, the growth rate fell even further, down to only six-tenths of 1 percent annually. And despite the robust 4 percent real GNP growth our economy experienced last year, the slump in productivity persisted, rising at that same disappointing six-tenths of 1 percent. The prospects are no better for 1979.

Economic stagnation from negligible productivity growth is an engine of inflation. Unable to capture higher real incomes simultaneously, organized groups—business, labor, public employees, veterans, Governors, and mayors—compete with one another to raise taxes, prices, and wages fastest. The result is inflation, with far more losers than winners.

It is a new day and a sobering one that we largely face alone. For we stand alone with far and away the worst productivity record of all our major trading partners over the last decade. The Joint Economic Committee's annual report for 1979 examined the productivity experience of Japan, West Germany, Italy, France, Canada, and the United Kingdom. I ask unanimous consent to have a table of these comparisons from that report printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

AVERAGE ANNUAL PERCENT CHANGE IN PRODUCTIVITY AND CAPITAL FORMATION, RELATIVE TO GROSS DOMESTIC PRODUCT

	Average annual percent change in productivity [1]				Fixed capital formation as a percent of GDP
	1950–67	1967–72	1972–77	1950–77	
Japan	7.4	9.2	3.5	7.0	33.0
West Germany	5.0	4.8	3.5	4.7	24.3
Italy	5.3	5.0	1.0	4.4	21.0
France	4.7	4.5	3.1	4.3	23.2
Canada	2.5	2.8	.8	2.3	22.2
United Kingdom	2.2	3.0	1.2	2.2	18.6
United States	2.4	1.1	.6	1.8	17.8

[1] Measured by growth in real domestic product per employed civilian, using own country's price weights.

Source: Department of Labor, Bureau of Labor Statistics; Department of Commerce.

Mr. BENTSEN. Mr. President, the table reveals that productivity in each of these other nations grew at least 2½ times faster than here at home from 1967 to 1972. In the United Kingdom, productivity grew about three times faster; and in Japan over an astounding eight times faster.

From 1972 to 1977, the results were similar.

These striking numbers are not secret, although I sometimes wish they were to spare us embarrassment.

Many reasons have been offered to explain our falling productivity, ranging from inadequate capital investment to a changing work force to low research outlays. Most experts agree, however, that Government regulations have certainly played a major role by deflecting capital and managerial efforts from productivity related activities. One study by Dr. Edward F. Denison suggests that a handful of Federal regulations have alone cut productivity growth by over one-third during the past 5 years.

The Federal Goverment, I believe, has the responsibility to attack the causes of our poor productivity performance. But with the very notable exception of the General Accounting Office, nothing is being done. The newly formed National Productivity Council holds promise, but it currently is a toothless tiger with little staff or resources.

Even worse, the Federal Government has actually raised barriers to productivity increases.

EXPLANATION OF AMENDMENT

My amendment is designed to reduce one of these barriers. It clearly and succinctly calls upon the Council on Wage and Price Stability not to apply the President's voluntary wage and price guidelines in a manner which discriminates against productivity increases.

COWPS presently does permit wage settlements in two specific instances to exceed its guidelines when justified by productivity gains:

First, when wage increases for individuals are based on documentable increases in physical output such as piecework or sales volume.

Second, when higher wages, as a consequence of union-management negotiations, are granted directly in exchange for work rule changes that result in productivity gains. This narrow case applies only to instances when a company has no alternative means of eliminating outdated work rule restrictions other than a "buy-out" using wage increases.

COWPS, therefore, recognizes the wisdom of retaining flexibility in its guidelines when necessary to stimulate productivity gains. However, it does so too narrowly.

For example, companies seeking to reward nonunion labor for documented productivity gains are presently prevented from doing so if their wage increases would exceed the guidelines.

Companies able to document productivity gains among unionized workers in other than buy-out situations are in an identical situation.

The proposed amendment will address these situations. It calls upon the Council to consider variations in its wage standards where productivity gains will thereby be stimulated. The intent is for such gains to be demonstrably linked to increased effort or diligence on the part of individual workers.

This provision will help reduce inflation by promoting increased productivity. And in any instance where the nominal wage guidelines may be exceeded, any variations will be offset at worse by matching increases in physical per capita output. Consequently, they will not be inflationary.

This amendment, incidentally, is, in part, a response to concerns raised by Dr. C. Jackson Grayson, former Chairman of the Price Commission and now chairman of the American Productivity Center. I believe it reflects a genuine problem confronting companies and unions sincerely seeking to comply with the President's voluntary guidelines while also seeking to raise productivity.

These objectives are compatible. They are commendable. I, for one, want to see that the Government helps firms meet these dual objectives. The proposed amendment will do just that.

Mr. President, I know that the Senator from Wisconsin is deeply concerned with this problem and has been doing his utmost to try to help resolve it. I am talking about the problem of productivity in this country.

Our Nation is faced with one of the biggest trade deficits in its history—some $28 billion last year. That results in a constant decrease in the value of the dollar. One of the major contributing factors to it has been the decline in the increase in productivity in this country. Last year, the increase in productivity was six-tenths of 1 percent. The Japanese, for example, had 8 percent, over 10 times as much of an increase in productivity. This year they are estimating that our increase in productivity will be four-tenths of 1 percent, a further decline.

If you look at the overall productivity of American workers in this country as compared to that of other countries, you will find we are still out front in most lines of industry. But the trend lines are a matter of great concern to us and we can see that they are moving up on us and ahead of us in some respects. It is time that we turned that around.

The major problem confronting this

country, too, is inflation and how do we overcome it. Productivity is one of the ways that we accomplish that.

In the wage and price guidelines as they are administered today, we see too narrow a construction given on how you take care of stimulating productivity, what kind of recognition you give to productivity in the wage and price increases that would be allowed, and that is what this amendment addresses.

This amendment would give consideration for increases in productivity. At the present time you have a narrow exception on wage negotiations that give consideration to increases in productivity where you have it between management and a labor union. This would go beyond that and give that kind of increase to all increases in productivity and this in turn would help us, I believe, in fighting inflation and help us, in turn, in trying to help us on our balance of trade.

The intent of my amendment is to encourage the Council on Wage and Price Stability to give greater consideration to productivity gains when assessing compliance with its wage and price guidelines.

I ask its consideration, Mr. President, by the manager of the bill.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, I say to the distinguished Senator from Texas I think this sounds like a very useful amendment. Does his amendment attempt to set new wage or price standards higher than those currently administered by the Council?

Mr. BENTSEN. No, it does not. It is designed to let the Council know that the Senate is concerned about our lagging productivity, and that it should not administer the guidelines in a manner to stifle productivity gains. It does not require the Council to grant exceptions or waivers to its guidelines based on productivity gains. It does not require that. It is done in a discretionary way where they can go look on it on a case-by-case basis.

Mr. GARN. Is it the Senator's expectation that the Council will respond to your amendment by granting wholesale waivers to its guidelines based on productivity?

Mr. BENTSEN. No. Mr. Bosworth has made it clear that he will not do that. What I do expect is that he will on a case-by-case basis permit exceptions to the price and wage standards where necessary to stimulate productivity gains.

Mr. GARN. Has the Senator discussed this amendment with Mr. Bosworth, Chairman of the Council on Wage and Price Stability?

Mr. BENTSEN. Yes, I have. And it is my understanding that he can live with—work with—my amendment. It is permissive, not mandatory, and will not result in a weakening of the guidelines.

Mr. GARN. Does the Council not already permit variations from its guidelines, under section 705B-10, for productivity gains?

Mr. BENTSEN. Yes; a precedent does already exist. However, the exception is a very narrow one, applying only to negotiated wage settlements that are a tradeoff for work-rule changes that yield notable gains. So the Council recognizes the wisdom of permitting—on a case-by-case basis—exception to the guidelines based on productivity; it just does so far too narrowly.

Mr. GARN. What situations then would be covered by his amendment?

Mr. BENTSEN. It encourages the Council to consider exceptions to its wage and price standards whenever documentable, individual worker productivity gains are linked to higher wages or prices. It would cover union, nonunion, piecework, any situation.

The intent is for such gains to be demonstrable, linked to increased effort for diligence on the part of individual workers.

I know the Senator from Utah has also been one who has demonstrated his deep concern and interest in the increase in productivity in this country.

I am delighted to have a chance to have this kind of an exchange and colloquy with him.

Mr. GARN. I am sure the distinguished Senator from Texas would not expect his amendment to be applied to one side or the other, wages or prices, but to both in a fair and equitable manner.

Mr. BENTSEN. Absolutely, wherever they can demonstrate that by doing this they have an increase in productivity that really helps curb inflation and makes this country more competitive in the world.

Mr. GARN. I thank the Senator for these clarifications.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. BENTSEN. I yield.

Mr. PROXMIRE. I congratulate my good friend from Texas on this amendment. There is no question. Productivity is absolutely essential in this economy. It is the only way we can improve our standard of living. There is no other way. Otherwise, it is an illusion. People sometimes think if they get a higher wage they are better off. They are only better off if they also improve their productivity because if they do not, the higher wage is translated into higher prices and the real wages are exactly the same. At least that is the way it affects the economy as a whole.

So I think the Senator has a very good amendment here that can be helpful.

I am concerned about one aspect of it. I am glad he has made it permissive because the difficulty is this: There are some industries, as the Senator knows, that are highly technologically oriented. They are industries that have year after year excellent increases in productivity. The computer industry is one example, and there are others. On the other hand, there are other industries like the food processing industry where productivity increases are low just because the nature of the industry is low.

Obviously, Mr. President, if you follow a policy of permitting wage increases to be higher as productivity increases you get an imbalance here. You will get wages going up very sharply in some industries, automobile, computer, and so forth, and held down severely and unjustly as far as the hardworking employee may be concerned in the other industries.

For that reason, I understand, then, the Senator is not saying that it would be an excuse for permitting a wage increase to exceed 7 percent and be as high as 8 or 10 percent simply because productivity in that industry or that company was higher.

Mr. BENTSEN. I agree with the Senator. He has been a distinguished chairman of the Joint Economic Committee and he is one who has spent so much time in this field, obviously he has stated the case well, and I would be very much in agreement. That was the reason for making it discretionary because we cannot anticipate all the conditions, and you have to allow some discretion and judgment on the part of the administrators.

Mr. PROXMIRE. I thank the Senator, and I am very happy to join my friend from Utah in supporting the amendment.

Mr. BENTSEN. Mr. President, I ask favorable consideration of the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. PROXMIRE. There is no time so far.

Mr. BENTSEN. I am delighted to yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas.

The amendment was agreed to.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Texas.

Mr. TOWER. I am opposed to S. 349, a bill extending the life of the Council on Wage and Price Stability and increasing its funding.

This legislation would result in a 300-percent increase in the funding of the Council on Wage and Price Stability so that it can carry out the President's wage-price guidelines. Those guidelines are unwise, unworkable, and the forerunner of mandatory controls. Moreover, they are becoming more and more questionable every day as the administration manipulates them to accommodate large wage demands at the same time it is tightening the price standards.

The Council was created in 1974 without any authority to impose mandatory controls. It was designed to monitor wage and price developments in the private sector of the economy, and to review Federal programs and policies for their inflationary impact.

But, the Council must be viewed in an entirely different light today because of its role in implementing the President's wage and price guidelines. In my opinion, those guidelines are very unwise because they have put us back on the road to mandatory controls, in spite of all the pronouncements by the President and his advisers to the contrary.

I feel somewhat justified in being skeptical about statements from the White House that mandatory controls will not be sought. In September 1977, I asked the President for clarification regarding his intentions to seek mandatory controls or voluntary wage and price guidelines. I was assured at that time that the President had ruled out mandatory controls. But, the White House also stated in writing to me that: "It is our judgment that a program under which the Federal Government promulgates formal numerical guidelines such as those of the early 1960's would not be a desirable or effective remedy for inflation." Yet, 1 year later the President imposed such guidelines. Moreover, those guidelines have a mandatory element to them in the form of Federal sanctions to be imposed in situations where the guidelines are not adhered to by the private sector. I am very opposed to the use of such sanctions, and there is a growing body of opinion that those sanctions are based on questionable legal authority. In view of the administration's turn around on the question of wage and price guidelines and the mandatory nature of those guidelines, one can only wonder about the administration's true intentions regarding mandatory controls.

Administration spokesmen already appear to be following the script toward mandatory controls by blaming business, and the public, for the failure of the guidelines to effectively slow down inflation. They are even including the small businessman in this latest indictment, saying that new enforcement procedures will include the smaller firms of the Nation. As if the small businessman of this country was not already about to drown in a sea of Federal regulatory redtape, we are now about to make sure he goes down for the third time. But, the largest corporations have also just come in for a new round of criticism. With the release of the latest figures on corporate profits, the administration has immediately seized the opportunity to pit labor against business by saying that the "huge" profits will make labor less willing to comply with the "voluntary" 7 percent wage hike restriction.

Events over the weekend have even raised more questions over the appropriateness of giving the Council more money to implement the guidelines. As everyone knows, the negotiations between the Teamsters and the trucking industry have now broken down over the size of a wage agreement. According to press accounts, the Teamsters were asking for a wage and benefit increase of 35 percent over the next 3 years, far in excess of the wage guidelines. This is bad enough, but the administration has added insult to injury by expressing its willingness to bend the wage guidelines in order to accommodate an inflationary wage and benefit increase for the Teamsters.

At the same time, however, the administration was taking a tougher stance on prices. According to the Council's Director, Barry Bosworth, the price standards have been "too lenient." This statement was being made at the same time that the wage standard was being relaxed for the Teamsters. As the New York Times put it: "Mr. Bosworth and the administration have taken to talking and acting as if compliance with the price standards is mandatory, not voluntary." All of this raises serious questions over the administration's intentions to administer the guidelines fairly and the appropriateness of using the "voluntary" guidelines in a way that resembles mandatory controls.

The answer to solving the inflation problem lies in the form of a balanced Federal budget, a moderate rate of growth in money and credit, the elimination of inflationary Federal legislation such as the Davis-Bacon Act, postponement of the increase in the minimum wage and the removal of tax and regulatory burdens which discourage private investment in job-creating capital.

I am particularly concerned over the inflationary effects of the Davis-Bacon Act and the scheduled increase in the minimum wage. It has been estimated that the Davis-Bacon Act imposes an inflationary burden of $2.7 billion on our economy each year. This is intolerable at a time when inflation is ravaging the incomes of American families. The Davis-Bacon Act adds $741 alone to the cost of the average American home. Repeal of that act would result in a saving to the taxpayers averaging $48 per household. If Congress would repeal that act, it might thus indicate that it is serious about really dealing with the problem of inflation.

As for minimum wages, the increase in the minimum wage of 9.4 percent this last January—that is almost 2.5 percent above the President's 7 percent wage-price guideline—makes a mockery of the administration's wage standard under the guidelines. The legislated increases from 1978 through 1981 represent close to a 10 percent annual rate of increase, well above the 7 percent private sector wage growth posted in recent years. The scheduled increase for next January is highly inflationary and should be postponed. I hope Congress will approve legislation I have introduced to postpone the next two increases and show the Nation that it is serious about reducing inflationary wage increases.

Finally, I am concerned that the wage and price guidelines will be viewed as a cure-all for the problem of inflation and that the Council will be upgraded to implement those guidelines in the misguided belief that they will solve the problem of inflation. I am therefore opposing S. 349.

I believe that under the circumstances, the Council on Wage and Price Stability is treating symptoms and not the disease. In my view, it is a little bit ironic that they should ask for a 300-percent increase in appropriations and I think something like a 500-percent increase in personnel, which is in itself an inflationary action. The tendency of Government to spend more money has been identified as one of the principal causes of inflation in this country. We are not going to solve the problem of inflation until we get at some of the basic causes.

We are not going to hold down wages, hospital costs, or any of those things, by trying to place a lid on top of them. We have to get to the basic causes. I see no disposition on the part of the Council on Wage and Price Stability, the administration, or, for that matter, the Congress, to get at the basic causes. To do so, we would have to do some things that are politically unpopular, that would not appeal to some powerful interests in this country. So I am not terribly optimistic that we are going to solve our inflation problem this year, or perhaps next.

UP AMENDMENT 59

(Purpose: To restrict use of funds by the Council on Wage and Price Stability)

Mr. HEINZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. HEFLIN). The amendment will be stated.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ) proposes unprinted amendment No. 59.

Mr. HEINZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 15, after "September 30, 1980", delete the period and add the following: "; provided, however, that any expenditure exceeding $3,476,000 for fiscal year 1979 and $4,241,500 for fiscal year 1980 must be used solely for the purpose of implementing Section 3(a)(7) of the Council on Wage and Price Stability Act."

Mr. HEINZ. Mr. President, the purpose of this amendment is to require that a specific share of the Council's expenditures be used to implement section 3(a)(7) of the Council on Wage and Price Stability Act. That section of the act authorizes the Council to "review and appraise the various programs, policies, and activities of the departments and agencies of the United States for the purpose of determining the extent to which these programs and activities are contributing to inflation." Under this amendment, one-half of the Council's expenditures would have to be used for this purpose.

This amendment is badly needed to assure that the Council will give adequate time and attention to the inflationary impact of Federal programs and policies. The Council's attention to this problem is important because the Federal Government has been identified as a major source of inflationary pressures in the economy. Indeed, it has been estimated that the Federal Government has become the major source of cost-push inflation in the United States. According to the U.S. Chamber of Commerce, policies adopted by the Federal Government during 1977–78 alone have increased consumer prices by at least 1.7 percent during 1978, and they are projected to increase consumer price levels 3.3 percent in 1979 and 4.7 percent by 1980. This means that if the administration's objective of reducing the rate of inflation to 6½ percent is going to be met, one-half of that inflation will reflect Government-mandated price increases in 1979 and an even higher percentage in 1980. Clearly, that 6.5 precent is going to be a tough number to achieve.

The influence of Government regulation on the rate of inflation has been the subject of a great deal of study in recent years. One student of this subject, Dr. Murray L. Weidenbaum, director of the Center for the study of American Business at Washington University in St. Louis, has estimated that the cost of government regulation was $66 billion in 1976. This included the $3.2 billion in administrative costs and $62.9 billion in compliance costs, and those costs have undoubtedly risen substantially since then.

As Dr. Weidenbaum has put it:

> [T]he public does not get a "free lunch" by imposing public requirements on private industry. Although the costs of government regulation are not borne by the taxpayer directly, in large measure they show up in higher prices of the goods and services that consumers buy. These higher prices, we need to recognize, represent the "hidden tax" which is shifted from the taxpayer to the consumer.

According to the Council's testimony before the Senate Banking Committee, only 24 of the total 233 staff members to be employed by the Council, when completely staffed, would be engaged in a review of Federal programs. This is only 10 percent of the Council's staff, and, clearly, represents a woefully inadequate allocation of the resources of the Council on Wage and Price Stability.

This amendment will assure that the Council's efforts will be equally divided between reviewing Federal programs, on the one hand, and inflationary developments in the private sector, on the other hand.

Mr. President, when President Carter announced the voluntary wage and price anti-inflation program last October, it was, in his explanation, to combine explicit wage and price standards with prudent fiscal and monetary restraint and measures to insure that Government actions are accomplished efficiently and that economic regulations would not impede fair competition.

In my estimation, the Council serves a useful role in providing us with the figures so that we can determine where the greatest escalation of costs is and, in this way, permit us to act in a responsible fashion. Much of what we have already learned is that the monitoring of essential needs of our citizens—nutrition, health care, shelter, and energy—is largely out of our control. No amount of monitoring by the Council on Wage and Price Stability, nor any voluntary wage and price guidelines, is likely to restrain OPEC, nor decrease the number of families who need housing, nor produce more meats and vegetables, nor decrease disease.

We do know, however, that Federal spending and Federal programs have an inflationary impact. Chairman PROXMIRE, the distinguished chairman of the Banking Committee, specifically recognized this in offering his amendment to limit Federal spending as a percentage of the gross national product. His amendment was adopted by the Banking Committee and is a part of the bill before us today.

The committee also in its report, stated that a "significantly greater effort" should be undertaken by COWPS to monitor the inflationary impact of the policies and regulations of the Federal Government.

That, of course, Mr. President, is what this amendment seeks to do; indeed, we know that, without this amendment, it is extremely unlikely—indeed, most unlikely—that any significant action will be taken. That is why it is quite significant that the committee has determined that the Council's role in monitoring and making recommendations in the one area in which the President and the Congress are in a good position to react has been minimal—namely, the very small, modest allocation of resources to date or planned for the future to monitor the impact on inflation by the Federal Government's actions.

Mr. President, the Congress has realized the importance of the Federal Government's impact on inflation since it adopted the Wage and Price Stability Act in 1974. The Congress has, this year, given strong indications that it is heeding the public's desire for reduced Federal spending, particularly for that spending which causes further erosion of the value of our take-home income. This reduction has been a fundamental goal of President Carter's policy and of the Banking Committee.

To help implement this policy, the oversight role of the Council on Wage and Price Stability could be invaluable. What agency could possibly be in a better position to advise us which Federal spending programs are the most inflationary in impact? What agency could do a better job advising us? What changes in Federal spending could have the most beneficial effect on reducing inflation?

There is, of course, an equally important function which COWPS could provide. For, beyond Federal spending, the Federal Government imposes substantial burdens on the private sector, burdens and costs I might add, which COWPS does not provide for in its monitoring of the private sector. Could this burden be refined or alleviated? I think we all know if we did a better job the answer is that it could. What are the impacts of Federal burdens on productivity in the private sector? The answer is that we do not know everything we ought to know, and we should know the consequences of our action.

The committee, in its deliberations, consideration, and action on the administration's request for this supplemental and extension specifically called for a greatly increased role by COWPS in monitoring regulations and policies of the Federal Government as they relate to an adverse impact on inflation. But, more importantly, the committee called on COWPS to assume a new role in the monitoring of the Federal sector. In its report, the committee called upon the COWPS staff to develop proposals to reduce the inflationary impact of Government programs, policies, and regulatory actions.

Because this last part is a significant addition, and one on which the committee felt strongly, I believe that there should be a significant effort made on the part of the council to insure that there is adequate staff to provide new insights and new ingenuity into helping the Federal Government to reduce, rather than increase inflation.

Without the amendment that I offer today, Mr. President, we will have a report that sounds good, but does not work.

Without allocating the money I have offered in the amendment to monitor Federal spending, what is likely to happen in the Federal bureaucracy is that the rich will get richer and the poor will get poorer. And who are the rich in this example?

The rich are the existing bureaucracy that now monitor the private sector. They will outstaff, outmaneuver, and outbureaucratize those people who might like to monitor the Federal Government and its inflationary actions. As a result, these rich will run off with 90 to 95 percent of the money in this authorization, leaving the inflation-wracked citizens of this country poorer.

If we allow them to do that, we become a party to a very unfortunate act. That act would be to say to the American people, "Yes, we relinquish all control, all interest in trying to direct the executive branch to monitor and to make recommendations to us on how we can, as people participating in government, mitigate our impact on the Nation's No. 1 issue"; namely, inflation.

There is not a single person, according to the public opinion polls, who does not believe that Government is more a part of the problem than a part of the solution.

We look at the variety of amendments on which members are asking the Federal Government to take action, such as the amendment to balance the budget. There are some who want us to have a constitutional convention to force Congress to do something to pass an amendment to the Constitution mandating each and every year a balanced budget.

I have seen no signs in this body that we are taking what the people are asking for seriously.

We continue to pass absolutely meaningless, absolutely worthless exercises in deception on the public when we say that we want to have a balanced budget a year from now, or 2 years from now, but we never do anything to bring it about. We set goals, but never provide roadmaps.

There are amendments to limit spending, but the next Congress is elected and cannot be bound by those amendments. The next thing we know, we are up to some new, higher level of spending.

People say we should try to figure out how to keep the Federal Government out of our lives and yet, so far, Congress has rejected every effort to try and bring about a congressional veto over regulations that go too far and are not within the range of what we would otherwise have thought a reasonable interpretation of our regulations.

We have talked for the last 3 years about passing sunset legislation, and maybe the fact that we have not passed it means it is not as good as we say it is. Maybe the fact we have not passed it means it would be better than we say it is.

But the fact remains that as of today the Congress has not passed, and the President has not signed into law, sunset legislation, be that as it may.

We talk a lot about deregulating industry. Indeed, I think there is one small feather in the cap of the Congress—the deregulation of the airline industry—where our acts appear to live up to our stated convictions.

But what about the deregulation of all the other industries? Where is that legislation? Where are those actions by the executive branch or by the Congress?

The answer to all these small, rhetorical questions, Mr. President, is that until there is much stronger leadership, until there is much better understanding, until that understanding is premised on careful analysis from what we would believe to be a relatively unbiased source with a mission, that we can all agree upon as a valid mission, namely, the fighting of inflation, then, frankly, I am and will continue to be pessimistic about the progress that we are going to make in this body or in the Nation's Capital about fighting inflation.

We all know what the latest wholesale price index numbers were for the last month. We know what they were the month before that, and the month before that. We have heard that administration officials despair as to what they might do about that.

We have heard from a variety of economists that it is going to be very difficult for the President to meet his deficit goal of $30 billion. It could be substantially above that. It could be $40 billion.

What are we doing about that in this body? The answer is, if we pass this bill the way it is without this amendment, all we are doing is adding to a bureaucracy that is going to request more information and more paperwork from the private sector, while turning our back on the people who generate all that paperwork in the first place, the bureaucrats of the many agencies of the Federal Government.

When we deal with inflation, there are so many intangibles, so many costs which are not under anyone's control. But, we do have an opportunity, we in the Congress and the administration in this one area to make a significant contribution. Instead of having the Government be a big brother, the Government has an opportunity to assume a creative leadership role. Instead of pointing our fingers at the private sector and ignoring our own duties, here we have an opportunity to show that the Government can actually take positive steps to reduce inflation. If the people of this country feel we are serious and committed, and if they see results, then we will see an effective, voluntary, anti-inflation program. If we continue in our present path, however, of not acting in the one sector where we could have an effect, and we ask the private sector to assume the burden of fighting inflation, then I think we will have abdicated our role of responsible leadership.

To be effective, the council needs a good staff and enough staff. By this amendment, I am seeking to provide adequate assistance to COWPS to help this country combat inflation.

Mr. President, I hope my colleagues will adopt this amendment. I cannot imagine any Member of this body being against it. I am confident that my colleagues would want to see it adopted.

Mr. President, I yield the floor.

Mr. PROXMIRE. Mr. President, much of what the Senator from Pennsylvania has said I can agree with, and I think all Members would agree with.

In fact, the committee report, at the instigation of the Senator from Utah (Mr. GARN), included a statement that a significantly greater effort should be undertaken by the Council to study the inflationary impact of the policies and regulations of the Federal Government.

We pointed out that at present the personnel to do that on this Council is inadequate. I point out, however, that the Council already has increased resources and personnel that are directed to concentrate on the inflationary impact and to try to correct it.

I also point out that the principal purpose for this legislation is to provide for a wage and price monitoring. Prior to the announcement of the anti-inflation program, the Council had operated with a single staff of pay and price monitors made up of 10 economists, 5 researchers, and some clerical support—a total of 39 people to provide an inflation watchdog for this enormous and tremendously complicated economy of ours.

The increase, which is about 233, is a big percentage increase, but it is still an extremely modest number of people when we consider how complicated the problem is.

Furthermore, Mr. President, the increase provided here for monitoring what the Federal Government does is in about the same proportion as the increase for the private sector.

In 1978, the personnel assigned by the Council on Wage and Price Stability to report on the inflationary impact of the public sector, of the governmental sector, the Federal Government sector, were five. This year, it is going to be increased to 13, if we enact this legislation, and next year to 24, if we enact this legislation. That is almost a fivefold increase. That is a larger proportionate increase than the increase in the number of people who will be hired by the agency altogether.

Furthermore, the purpose of the authorization in this bill is to permit an increase in personnel in monitoring of wages and prices. So far as the Federal Government is concerned, there is only one employer, not 5 million. In the private sector, there are 5 million employers, and of course an enormous variety of policies have to be monitored.

We have passed legislation in the Congress that has limited pay increases for Federal employees to 5.5 percent, well within the President's 7 percent wage guideline. That takes care of the wage aspect of Federal employees.

So far as the price increase aspect is concerned, we do not have prices the way they do in the private sector. We do, however, have an effect, and a very serious effect, as the Senator from Pennsylvania has said, on inflation.

I point out that there are six Federal agencies that analyze the effectiveness of Federal regulations, which is the principal inflationary effect the Federal Government has. They are not only the Council on Wage and Price Stability, but also the Council of Economic Advisers, the Office of Management and Budget, the Federal Regulatory Council, the Regulatory Analysis Review Group, and the Congressional Budget Office. All six have the responsibility of following up regulations to be sure that we do our best to hold down the inflationary effect of the Federal Government.

In the aggregate, I think there probably are more personnel assigned to this responsibility for holding down the Federal effect on inflation than we have in the Council on Wage and Price Stability, in trying to monitor wages and prices; and there is only one agency, the Council on Wage and Price Stability, the only game in town, the only one that monitors wage and price developments in the private sector.

I also point out that proposed legislation is pending before the Governmental Affairs Committee to require all agencies to do cost-benefit analysis of their regulations. This likely will be reported this year, and that would be additional personnel that would be given the responsibility of seeing that the Federal Government is very conscious of the effect it can have on prices and that the Federal Government act to diminish its inflationary effect.

Mr. President, if the amendment by the distinguished Senator from Pennsylvania is accepted, it will mean that the personnel available and the resources available to monitor this entire complicated system of ours will be cut virtually in half. With 233 people, one could make a case that those people would not be enough to monitor the steel industry alone, let alone the steel industry, the automobile industry, the housing industry, and any number of other industries.

So that if it is argued that we should require—and that is the thrust of the amendment by the Senator from Pennsylvania—that half of the resources, half of the personnel, be devoted to monitoring the Federal Government, at a time, as I say, when we have six agencies that already do it, at a time when the Federal Government's own wage policy already has been fixed by law, and at a time when we have such a tremendously urgent need for doing our best to hold down wage and price increases in the private sector, it clearly would gut the bill, and there is no way that I could accept it. I must, unfortunately, resist the amendment by my friend from Pennsylvania.

Mr. GARN. Mr. President, I support

the amendment of the Senator from Pennsylvania.

I asked for report language in the committee suggesting that the Council on wage and Price Stability do a great deal more with existing Federal regulations.

So the chairman is correct in that this places in statute what we talked about. However, it has been my experience, since I have been in the Senate, that report language is basically ineffective. Federal regulators usually ignore us, unless you put it in statute and mandate them to do a particular series of events.

In my opinion, the major cause of inflation in this country is government, not the private sector. With this 300 percent increase in personnel and 500 percent increase in budget for the Council on Wage and Price Stability, we are not talking about gutting their present staff. If you increase it by 300 percent, that is 150 percent each way, and that still is 50 percent more than they have been monitoring currently.

The mathematicians would say that you add the 300 to the 100 and that it would be 400, and that would be 200 percent for each side, depending on how you play with the figures.

In any event, the Council on Wage and Price Stability would be getting additional personnel for current monitoring efforts even if the amendment by the Senator from Pennsylvania were adopted.

I think it is high time that we start recognizing in Congress that Government is the No. 1 cause of inflation, not the private sector. I hope the Senate will vote for this amendment.

Mr. PROXMIRE. Mr. President, will the Senator from Utah yield?

Mr. GARN. I yield.

Mr. PROXMIRE. Is it not true that the Council on Wage and Price Stability would increase the personnel in accordance with the report language of the Senator from Utah, increase the personnel assigned to Government inflation, by about fivefold; that they would go from 5, which is the number in 1978, to 13 this year and 24 next year?

So it seems to me that would certainly be, as the Senator indicated in his very useful report language, a substantial increase of personnel, a very high percentage increase, and a higher percentage increase than we assign to the private sector.

Mr. GARN. It is a high percentage increase, but the chairman in arguing in favor of this extension talked about how minuscule the dollars were, that they were high in terms of percentages and it was a small amount to pay.

I turn the argument back around. The increase from 8 to 13 or to 24 people next year is high, but to have only 24 people monitoring the monstrosity of the Federal Government is ridiculously low. So it is helpful, and I hope they will follow my report language. It will be much more hopeful if we had statutory language like the Senator from Pennsylvania wishes to put in it that mandated them to put more in monitoring the Federal Government.

Mr. PROXMIRE. But it is not just 24 people. It is 24 people from the Council on Wage and Price Stability, plus personnel from the Congressional Budget Office, the Regulatory Analysis Review Group, the Federal Regulatory Council, the Office of Management and Budget, and the Council of Economic Advisers. If you add all that up, and none of these have responsibility for monitoring the private sector—all of them do in the Federal Government sector—the resources and the personnel assigned to holding down the inflationary effect of the Federal Government exceeds the amount that we are providing for the private sector.

Mr. GARN. The distinguished Senator from Wisconsin and I have served for 4 years together on the Banking Committee. For 4 years I have heard about these agencies monitoring the Federal Government and the entire 4 years I have seen the regulatory activity of the Federal Government increase dramatically year after year after year. So you can recite that they have the responsibility. I would simply say they have not performed. They have not cut down the regulatory burden one bit. There is an increase tremendously.

Mr. PROXMIRE. I think there is no man in public life of whom I know who has been more persistent than the Senator from Utah in arguing it is the fault of Congress. After all, what do you expect the administration to do, any administration, Republican or Democratic? We pass legislation establishing regulatory agencies, the EPA and the consumer agencies, and others. They have no alternative except to follow the law. So I think the Senator is certainly right that the Federal Government as a whole has done this, but it is not the administration that is responsible here, any administration. It is the responsibility of Congress here.

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HEINZ. Could the Senator from Wisconsin cite a large number of cost-benefit studies done by the EPA, OSHA, and other agencies within recent memory other than those recently demanded by the President over the shouts, screams, and threats of hari-kari by some of the people in some of the agencies?

Mr. PROXMIRE. I am glad my friend from Pennsylvania has raised that point because the Governmental Affairs Committee has legislation to do precisely that before it. We will have an opportunity to act on that legislation this year. I am confident we will pass it and should. That is the way to get it.

Mr. HEINZ. Mr. President, will the Senator yield further?

Mr. PROXMIRE. Yes, indeed.

Mr. HEINZ. Why should it be necessary for Congress to mandate something the executive branch should be doing all along? There is no law on the books that prevents EPA, OSHA or anyone else from doing an analysis of the benefits as opposed to the costs. And here we are, if I understand the Senator, we are going to have to give the color of law to such analysis when in fact it is merely good management.

Now the Senator from Wisconsin is one of the rare human beings in the Senate that I know. He is a graduate of an institution second to none, the Harvard Business School. He is the recipient of one of the highest degrees, a masters in business administration.

Mr. PROXMIRE. Thanks, my friend.

Mr. HEINZ. A recipient of that premier institution's degree. And I know the Senator knows that a good manager does not have to be told to measure the benefits versus the costs. The amendment which Senator GARN, Senator PROXMIRE, and I have been discussing is aimed at making sure that the Council on Wage and Price Stability puts the necessary effort into rectifying what has probably been several decades of congressional neglect and several decades of executive branch neglect in looking at the inflationary consequences of Government action.

Mr. PROXMIRE. If the Senator will yield on this point, we agree wholeheartedly that we should do this. The question is how we should do it. I suggest there is legislation pending in the Governmental Affairs Committee to get at it. There are other agencies that already do it to some extent, but the trouble is that we have a limited and very limited number of people who have responsibility now of monitoring the wage and price control system which is vital to our inflation fight. What the amendment of the Senator from Pennsylvania does is it takes about half of that personnel out of the act of monitoring wage and price performance in the private sector and requires that they do something that should be done in other ways.

I think the Senator would agree with me that we do not have a problem of monitoring wage increases for the Federal Government. We passed a law limiting those wage increases to 5½ percent. We do not have a pricing system for Federal services, at least not comparable to what we have in the private sector. So if the Senator is going to come in on this bill and take out, yank out, the resources we have that really are limited and put those resources, concentrate those resources in doing a job that should be done elsewhere, the effect of it is going to be that he is just going to gut the monitoring of wages and prices and holding down prices and holding down wages so that we can get on top of inflation which all of us agree is the No. 1 economic problem facing this country.

Mr. HEINZ. If the Senator will yield further, he will know if I wanted to gut the bill I would seek to reduce the amount of money available for the monitoring of the private sector.

Mr. PROXMIRE. There are all kinds of ways to skin a cat. This is one of them.

Mr. HEINZ. My amendment allows a vast increase this year and next year in the amount of money to go for monitoring the private sector—more than double. What does the Senator want, quadruple, quintuple? When will the Senator be satisfied?

Mr. PROXMIRE. Come on. What we are doing is going from $2 million to $7 million or $8 million. We are not talking about a billion or hundreds of millions, nor talking about tens of millions.

We are talking about really a modest amount when you consider the colossal responsibility that this agency has with the tremendously complicated economy that we face.

I think most people would say with 233 people there is no way you can monitor the private sector—no way. But we are trying to do it with about 200 people and allocating the rest of the Government sector. The Senator says to take half of those people and have them do their best to discipline the inflationary effect of regulatory policy and other governmental policies.

Mr. HEINZ. If the Senator will yield one last time, how is the administration doing it now? We know how the administration is doing it now. The administration is borrowing people from the other agencies. What is wrong with that? If the administration needs more effort, time, bodies, people to be applied against monitoring the private sector, they have the opportunity. Should they need to augment that, they can do one of two things. They can either come back to this body and say, "We need more people, and we are going full blast at what you asked us to do, which is trying to get a handle on appraising Government programs and regulations that might impact on inflation," from page 3 of our report. Or they can simply borrow more people from the other agencies. And what is wrong if they borrow?

Mr. PROXMIRE. The Senator from Pennsylvania knows very well what is wrong. That is the worst possible way to operate a government. When we establish the budgetary process we are supposed to mean what we say. We are not supposed to provide that a certain amount of resources will go into a certain area and then they go over and double, triple, quadruple the amount of resources they use if they want to do so. That certainly violates any kind of principle of trying to discipline the governmental process and bring it in accordance with the law.

Mr. HEINZ. I am glad the Senator mentioned the law because that brings me to one final point and that is, as I think the Senator knows, there is a lawsuit filed by the AFL–CIO to which Congressman KEMP, other Congressmen, other Members of the Senate, and myself are amici curiae, which seeks to discover and indeed asserts that the Council on Wage and Price Stability and the actions of the administration are going beyond their authority in using, under the guise and color of monitoring, what are essentially coercive techniques.

Now I ask the Senator this question: Is the Senator convinced that if that lawsuit is found to be meritorious, if it is found that the President and the Council on Wage and Price Stability are exceeding their authority by doing what they are trying to do with people who are not in compliance with wage guidelines, that all the people the Senator says are needed are, in fact, going to be needed? Would not the Senator anticipate that there would be a reduction?

Mr. PROXMIRE. That may well be the case. As the Senator knows, this case is likely to take several more months; it may take longer than that.

The Senator also knows it was an amendment in committee—I supported it, maybe it was not mine, it was Senator KASSEBAUM's—I strongly supported the amendment to cut down the time from 2 years, which the administration requested, to 1 year.

That means in the event there is a change of the kind the Senator describes we will be in position to reduce the personnel assigned to the agency if, as the Senator indicates, the court should decide that way.

But to prejudge that case by reducing personnel now on the ground that the court is going to find that what they are doing is not legal, it seems to me, is very bad policy.

It is much better, as we did in committee, and as the Senate is going to do, and I understand the House did it on the floor, to limit the life of this agency to 1 year.

Mr. HEINZ. I do not think the Senator though would feel or argue that it is good public policy to fund an activity which might turn out to be illegal.

Mr. PROXMIRE. Well, the opinion we have—we have to go to the opinions we have. The Justice Department tells us this is not illegal. The Justice Department tells us this is legal.

This, as you know, has been used for years. It was used back in 1962 by the Kennedy administration with respect to the steel industry when it was indicated we would withhold our procurement from those firms that did not comply with the guidelines at that time, so it is something that has a clear precedent.

It has the support of the legal authority of this Government, the Justice Department. Under those circumstances, it would seem logical that we can proceed now. Of course, we never know what the courts are going to do. They may support the position taken by the Senator from Pennsylvania and the AFL–CIO.

Mr. HEINZ. The Senator, I am sure, is aware that the Justice Department is a part of the Carter administration and has taken initial positions that have been, in fact, perhaps lightly taken in the first instance. I can think of the Attorney General's insistence, going back last year and the year before to the episodes involving the former director of the Office of Management and Budget, that it would be improper to have anything remotely like a special counsel or special prosecutor. We now have——

Mr. PROXMIRE. They have taken the same position the Kennedy administration and the Johnson administration took. It is a policy we have taken for a long, long time, that the Federal Government can use its procurement power, withhold procurement, to try to enforce its wage-price guidelines. Maybe that is wrong. But, as I say, it has strong precedent. We have historically done it, and I think it is perfectly proper for the Congress to assume, on the advice of the Justice Department, that this is legal.

If it is not, then it is a new ball game, and that is why we have limited the life of the agency to 1 year.

Mr. HEINZ. Mr. President, I have great respect for the Attorney General and his opinions. However, in this case there is a considerable divergence between what the Attorney General has given as his advice and what the three other rather significant authorities have given. I refer to the legal experts at the Library of Congress, legal experts at the General Accounting Office, and legal expertise of the American Bar Association's Economic Resources Committee.

All three organizations, I believe, Mr. President, are thought to be independent, nonpartisan, and quite expert. Yet all three of those organizations believe, and have so stated on the record, that the President clearly has overstepped his authority in trying to use coercive techniques to implement his so-called voluntary wage-price control program.

Of course, that is the basis for the suit, and one of the reasons, too, I think that it makes very poor public policy to try to gear up for something that three such independent authorities believe, to the best of their understanding and analysis, to be illegal.

I think it also serves as a reminder that it is unwise to rush ahead with legislation without getting all points of view and that in the instance it precluded the Congress from considering the legal issues involved. Senator GARN, I, and others called for one additional day of hearings to hear from the American Bar Association, to hear from the Library of Congress, to hear from the General Accounting Office. I am convinced that had we taken that little bit of extra time, we, in the committee, would have been, afforded a considerable amount of additional insight and wisdom into what is going on here through that expert testimony. I am convinced that if we had had that opportunity this legislation would not be before us in its present form.

Mr. GARN. Mr. President, will the Senator yield?

Mr. HEINZ. I am happy to yield.

Mr. GARN. Along this very point, I stressed in my opening remarks on Thursday the other legal authorities. But, at the time we held the hearings, I sent a letter to the General Accounting Office asking them a specific question: As has been pointed out several times during the debate on this bill the use of procurement authority, OSHA and NEPA regulation review, and so forth, to enforce compliance with the administration's voluntary wage-price guidelines has dubious legality.

At the very least, it sets a very bad precedent. It brings to mind the same sort of abuses of authority of which the Nixon administration was often accused. Once this process is begun, there is no telling where it will stop, what further might be used to try to force compliance, particularly as the program appears less and less successful.

With this in mind, and in conjunction with the Banking Committee hearings on export controls, I sent a letter asking a question of the GAO. I asked what would be the legality of using export controls to enforce compliance with the President's wage-price guidelines.

Permit me to quote from the question and the written reply by the GAO:

> Q. The GAO has already released an evaluation of the legality, or lack thereof, of the Administration using its procurement authority to enforce compliance with its wage-price guidelines. Could you state what, in your view, would be the legality of the Administration using its power to influence exports in order to enforce compliance with President Carter's inflation program?
>
> Are you aware of any such policies of the Administration either by the White House, or any of the Executive Departments or agencies?
>
> A. There are only three statutory criteria which justify the denial of export license: considerations of national security, foreign policy, or the fact that the commodity to be exported is in short supply in the United States (50 U.S.C. app. 2402, 3 as amended). Under the Export Administration Amendments of 1977 (Pub. L. No. 95-52, June 22, 1977), applicants must be informed in writing of the specific statutory basis for the denial of a license. In explaining the reasons for this requirement, the House Committee on International Relations stated:
>
> "This provision will end the Commerce Department's present unsatisfactory practice of informing applicants that a license has been denied under the Export Administration Act is not a criterion for denying license applications." (H. Rept. No. 95-190, April 6, 1977).
>
> There is a similar statement in Senate Report No. 95-104, April 26, 1977.
>
> Thus, denial of a license because an exporter refused to comply with domestic wage or price guidelines established to control inflation would not be legally justified unless such failure of compliance also can be shown to have a direct adverse impact on our foreign relations or to threaten national security.
>
> We know of no specific policies at present to use export controls in this manner. However, we note that Executive Order 12002, July 7, 1977, authorizes the Secretary of Commerce to refer export license matters to the Export Administration Review Board, and the Board to consider "the domestic economy" in making recommendations on export license policies.

So despite their opinions at other times which they expressed to us, here is a specific request on my part in answer to which they said, "No, the President does not have the authority to do that," in the opinion of the General Accounting Office.

Now, if I could for a moment get back to what we were talking about in these percentage increases and how much it would go, I would like to quote the report language:

> It is the committee's opinion that a significantly greater effort ought to be undertaken by the Council to study the inflationary impact of the policies and regulations of the Federal Government. At present, the Council's limited staff has allowed it to undertake only cost-benefit analysis of prospective Federal regulations. We would expect that with the availability of new staff as authorized by this bill, the Council would assume the task of analyzing the inflationary impact of Federal Government regulations already in effect.

I am a little bit puzzled by the chairman's opposition to this amendment because the language said "significantly greater effort," and that is what the Senator from Pennsylvania's amendment talks about, putting it into the law "a significantly greater effort."

As far as the chairman's comments on gutting the extension, I refer to the testimony of Barry Bosworth, the Director of the Council on Wage and Price Stability before our committee on February 9.

He lists maximum staff members by divisions. The current allocation under Government programs is 19. I realize that by using some borrowed staff, the distribution from an additional 90 positions they are requesting is five in Government programs, coming to a total of 24. So the way my arithmetic adds up, the current staff has been redirected at 13 percent, according to the Commissioner of Wage and Price Stability; so, rather than going to 24, that is less than 10.

So, with all these new people, he is requesting a lower percentage that would go to monitoring Government programs.

I would think, of all the people in the U.S. Senate, the Senator from Wisconsin, as the author of the Golden Fleece Awards each month, would want more than any of us to cut down on Government waste and spending, and that the author of the Golden Fleece Awards ought to be supporting this amendment to cut down on wastes and abuses of Federal regulatory agencies.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from Missouri (Mr. EAGLETON), the Senator from Ohio (Mr. GLENN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from North Carolina (Mr. MORGAN), the Senator from New York (Mr. MOYNIHAN), the Senator from Maine (Mr. MUSKIE), the Senator from Wisconsin (Mr. NELSON), the Senator from Florida (Mr. STONE), and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

I further announce that the Senator from Idaho (Mr. CHURCH), the Senator from Hawaii (Mr. INOUYE), and the Senator from Connecticut (Mr. RIBICOFF) are absent on official business.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK) and the Senator from North Carolina (Mr. MORGAN) would each vote "nay."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Oregon (Mr. HATFIELD), the Senator from California (Mr. HAYAKAWA), the Senator from Maryland (Mr. MATHIAS), the Senator from Idaho (Mr. MCCLURE), the Senator from Illinois (Mr. PERCY), and the Senator from Wyoming (Mr. SIMPSON) are necessarily absent.

The PRESIDING OFFICER (Mr. MCGOVERN). Have all Senators in the Chamber voted?

The result was announced—yeas 36, nays 41, as follows:

[Rollcall Vote No. 33 Leg.]

YEAS—36

Armstrong
Boschwitz
Byrd,
  Harry F., Jr.
Cochran
Cohen
Dole
Domenici
Durenberger
Garn
Goldwater
Gravel
Hatch
Heflin
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Lugar
Nunn
Packwood
Pressler
Roth
Schmitt
Schweiker
Stafford
Stevens
Talmadge
Thurmond
Tower
Wallop
Warner
Weicker
Young
Zorinsky

NAYS—41

Baucus
Bayh
Bentsen
Biden
Boren
Bradley
Bumpers
Byrd, Robert C.
Cannon
Chafee
Chiles
Cranston
Culver
Danforth
DeConcini
Durkin
Exon
Ford
Hart
Hollings
Jackson
Javits
Johnston
Leahy
Levin
Magnuson
Matsunaga
McGovern
Melcher
Metzenbaum
Pell
Proxmire
Pryor
Randolph
Riegle
Sarbanes
Sasser
Stennis
Stevenson
Stewart
Williams

NOT VOTING—23

Baker
Bellmon
Burdick
Church
Eagleton
Glenn
Hatfield
Hayakawa
Huddleston
Inouye
Kennedy
Long
Mathias
McClure
Morgan
Moynihan
Muskie
Nelson
Percy
Ribicoff
Simpson
Stone
Tsongas

So the amendment (UP Amendment No. 59) was rejected.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. GARN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 60

(Purpose: To extend the Renegotiation Board)

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Wisconsin (Mr. PROXMIRE) for himself, Mr. MAGNUSON, Mr. JACKSON, Mr. METZENBAUM, and Mr. PRYOR, proposes unprinted amendment numbered 60.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> At the appropriate place in the bill, insert the following:
>
> SEC. . (a) The paragraph in title V of the Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1979, under the heading "RENEGOTIATION BOARD, SALARIES AND

EXPENSES" is amended by striking out "March 31, 1979" and inserting "June 30, 1979"

Mr. PROXMIRE. All this amendment does is extend the life of the Renegotiation Board to June 30, 1979—nothing else. It may be confusing to some Senators because an amendment had been prepared that would have provided for a longer authorization period and for a longer period of appropriations, but this extends it only to June 30.

As Senators may know, the Renegotiation Board funding expired last Saturday night. If we fail to act on this amendment today, it will mean that in all likelihood, there will be no prospect of reviving the Renegotiation Board.

There has been a good deal of controversy over the renegotiation program. I believe the controversy the program has drawn has served an excellent purpose. It has focused the attention of Congress and the general public, for the first time in a long time, on this program.

The Renegotiation Board, which implements the renegotiation program, is a small independent agency with a single function, namely, to recapture for the taxpayer excessive profits made on defense and defense-related contracts.

AN AGENCY THAT COLLECTS MORE THAN IT SPENDS

As a story in the Washington Post pointed out on March 22, the Renegotiation Board is one of those rare Government agencies that returns more money to the U.S. Treasury than it spends. It is thus ironic, to say the least, that some Members of Congress who want to see the Federal budget balanced are also going along with the movement to abolish the Renegotiation Board.

It is doubly ironic that many of the same Members who are concerned about inflation are also turning their backs on one of the few Government programs that does act against one of the causes of inflation.

Efforts to do away with the Board or to terminate or sustain the program are misdirected. They are misdirected for a fundamental reason:

Defense contractors are entitled to reasonable profits. But they are not entitled to unreasonable, excessive profits.

THE ONLY GAME IN TOWN

There is no other agency of the Federal Government—none—that has the legal authority to reduce the amounts of a defense contract solely because of excess profits. As far as the excess profit problem is concerned, the Renegotiation Board is the only game in town.

Thus, if we are to assure taxpayers that they are not paying for excess defense profits in addition to the high costs of defense, the renegotiation program must continue to function.

To dismantle the only machinery that exists for recapturing excess defense contracts would be a disastrous mistake for Congress and the taxpayers.

THE PROGRAM IS COST EFFECTIVE

Let me cite some facts about the Renegotiation Board.

Last year, in the fiscal year ending September 30, 1978, the Board made excessive profit determinations of $34.4 million. Of this amount, $8.7 million were for voluntary settlement agreements entered into by defense, space and related contractors. The Board's total expenses for fiscal year 1978 were $6,158,720. The voluntary refund alone exceeded the Board's expenses by more than $2.5 million.

In the 25 years of its existence, the Board's excessive profit determinations total more than $1.3 billion. Board's expenses were a tiny fraction of that sum, something around $100 million. In other words, this is a board that has paid back $10 for every dollar it cost.

The Board has been a highly cost effective operation, partly because it is a relatively small operation. Since 1962, it has never had much more than 200 people on its payroll, including professional and administrative employees.

THE DETERRENT FUNCTION

In addition to the amount that has actually been returned to the Treasury, the Board has also served a deterrent function. The mere existence of the Board has also deterred the taking of excessive profits. Although it is not possible to quantify the deterrent value, it has been significant. That is a point made in the lead editorial in the New York Times on March 28.

THE DEFENSE CONTRACTORS'S LOBBY EFFORT

Several newspapers attribute the opposition to the Board to a strong lobbying effort by the defense contractors. The newspapers are right. The Christian Science Monitor said it well in its editorial on March 26, and I quote:

> Lobbyists for America's huge and influential defense industry are aiming their guns at a tiny, obscure federal agency that has had the temerity to challenge the excess profits of big defense contractors.

The Monitor went on to say, "For finally doing what Congress created it to do 28 years ago—after a long period of relative ineffectiveness—the Renegotiation Board with its 140 employees, now is threatened with extinction."

Of course, the attitude of the contractors is understandable. If I were a defense contractor I might also be lobbying against an agency that was supposed to act as my watchdog.

But that does not mean the elected Representatives should join the lobbyists. Our job is to represent the taxpayers' interests and the national interest.

The Renegotiation Board, by its mere existence, causes resentment among some defense contractors. They do not want a watchdog. They do not want an independent agency keeping tabs on defense profits.

PRESIDENT CARTER AND SECRETARY BROWN SUPPORT THE BOARD

It is significant that President Carter supports the Board. President Ford supported the Board.

Defense Secretary Harold Brown supports the Board.

Independent procurement experts such as Admiral Rickover support the Board.

The General Accounting Office supports the Board.

The Government Commission on Government Procurement did the most exhaustive study of procurement in recent decades. It supported the Renegotiation Board.

Mr. President, the fact is that there have been four studies of the Renegotiation Board and, in every single case, the recommendation was to continue it. There is not one unbiased study—there are studies made by defense contractors that are contrary—but there is not one unbiased study that does not say we need the Renegotiation Board.

Mr. President, I hope that Senators at least give this Board a chance. That is all we are asking here. The fact is that the Board is only being extended to June 30. That means that there will be an opportunity for the Appropriations Subcommittee and the full Appropriations Committee to come before the Senate with a recommendation to abolish the Board or to maintain the Board. If the Appropriations Committee at that time recommends its abolition, the Senate, of course, might very well do it. But it is my plea that we should not do it just by letting it die. That is what we are doing here. We should give it a chance.

As I say, it is supported by the President of the United States, the Secretary of Defense, and by every study that has been made of it. To let this Board that brings in more money than it costs, the only agency that I know of in the Federal Government that does, die just because we do not give the committees an opportunity to make a thoughtful, serious recommendation on it, I think would be a serious miscarriage.

EXCESS DEFENSE PROFITS AN HISTORICAL PROBLEM

There is strong support among knowledgeable persons for the renegotiation program because they understand the nature of the problem that it was established to handle.

The problem of excessive defense profits reaches far back into our history. It has only been since the establishment of the Board and its predecessor agency during World War II that this problem has been brought under control.

All of us have perhaps been lulled into complacency because of the effectiveness of renegotiation. We forget the scandals and the disclosures of profiteering that rocked Washington and the nation so often in our past. But those of us who forget the scandals of the past may have to live through them again. It would be a foolish act of short-sightedness and forgetfulness if Congress were to allow the Renegotiation Board to be abolished by default.

I predict that, if this happens, many of us will be back here one day wondering how in the world Congress permitted the abolition of the only program in our entire history that has effectively controlled excess defense profits.

HOW THE PROGRAM WORKS

Here is how the program works.

Under the act, firms whose renegotiable sales exceed $1 million on a fiscal year basis, are required to report their sales and profits or Government contracts to the Renegotiation Board. In addition to gross sales under $1 million, certain types of sales are exempt from renegotiation, including agricultural commodities, raw materials and competitively awarded construction contracts. The Board screens the filings and may refer questionable cases for further investigation. If, after an in-depth inquiry, a contractor is found to have realized excessive profits, the Board may make an appropriate determination. The Board's decisions are appealable to the Court of Claims.

STATUTORY DEFINITION OF EXCESS PROFITS

The act requires the Board, when making its determinations, to give favorable recognition to the efficiency of the contractor, with particular regard to attainment of quantity and quality production, reduction of costs, and economy in the use of materials, facilities, and manpower. The act also directs the Board, when considering whether a firm has realized excessive profits, to take into account the reasonableness of the contractor's costs and profits, the net worth employed, the risk assumed, the contribution to the defense effort, the character of the business, the extent of subcontracting, and the rate of turnover. The statutory definition of excessive profits is thus intended to achieve a fair and equitable result with each contractor.

It was intended as an alternative to the rigid, mechanical definition of profits under the Vinson-Trammell Act. That act fixed the maximum profit rate at 10 percent of the costs, in the case of ships, and 12 percent in the case of aircraft.

The Renegotiation Act, in contrast, recognizes that the reasonableness of profits will differ with the type of work and other circumstances. That approach is much more sensible than the older approach.

RENEGOTIATION DURING PEACETIME

Opponents of renegotiation allege that the program originated in the wartime emergency of World War II, and was intended to meet the abnormal procurement situation, and that with the many improvements in Government contracting and procurement procedures, renegotiation is no longer necessary. According to the arguments made, the present contracting process practically precludes the possibility of contractors earning excessive profits. The argument attaches great weight to the effects of the Truth-In-Negotiation Act and the Defense Department activities that oversee defense contracts.

This argument demonstrates a lack of understanding of the renegotiation function and how it relates to the procurement process. For example, it overlooks the fact that Congress enacted legislation to control defense profits in the 1930's, before the war, that the Renegotiation Act was reinstated in 1948, after the war, that President Eisenhower urged its continuance in 1955, that President Ford supported it and that President Carter urges its continuance today.

Past Congresses and Presidents have supported the program in wartime and peacetime for a compelling reason: Renegotiation is the best program that has been devised to guard against the possibility of excessive defense profits.

We are all familiar with the problems of cost overruns and the tendency of the Defense Department to bail out contractors when they get into financial difficulties. Bailouts and changes in the terms of the contracts made after they are awarded create excess profit opportunities.

THE TRUTH-IN-NEGOTIATION ACT

The Truth-in-Negotiation Act does not perform the same function and cannot be a substitute for renegotiation. The purpose of truth-in-negotiation is to assure that when the Government negotiates a contract with a private firm, the firm will supply accurate information about its costs. The information assists the Government in negotiating a reasonable price. The Government may later reduce the price, if it discovers that it was given misleading information when the contract was negotiated. But a contract price cannot be reduced under the Truth-in-Negotiation Act solely because of the existence of excessive profits. When bailouts take place or fixed price contracts are turned into cost plus contracts, the Truth-in-Negotiations Act offers little protection.

Excessive profits often arise because of market conditions or other circumstances that provide a contractor with windfall, exorbitant profits. In a seller's market, the Government may be forced to purchase goods at unreasonably high prices because there is no alternative. This typically occurs during wartime when increased defense purchases may push defense industries to capacity. For this reason, renegotiation is needed in wartime to offset the seller's advantage, but the same conditions can and do prevail in peacetime.

With the level of defense procurement in excess of $40 billion annually, and with rapid surges in defense purchases occurring frequently, many sectors of the defense industry do enjoy a seller's market. In addition, a seller's market is a permanent fixture in portions of the defense industry because of structural reasons. There is a high degree of concentration in many areas of defense production giving a handful of large companies control of those areas. In some categories of defense equipment, one company may have a monopoly.

SOLE-SOURCE CONTRACTS

More than 50 percent of the dollar amount of annual defense contracts are awarded to sole-source suppliers. In many of these negotiations, as the General Accounting Office has pointed out, the contractors maintain a take-it-or-leave-it attitude. The Government may have no choice other than to award a contract which may, in retrospect, provide excessive profits. Here is what GAO has to say about the problem of sole-source contracts:

> The only means of recovery of excessive profits in those cases is through the Renegotiation Act. It provides a means of moderating unreasonable demands where the Defense Department has to deal with sole-source contractors that maintain a take-it-or-leave-it position.

By urging the dismantling of the program, the opponents of renegotiation are saying that the Government and the taxpayer should just take it whenever a private contractor makes an unreasonable demand and is in a sole-source or monopoly position.

Excessive profits can arise because of the absence of competition, whether or not we are in a war or other national emergencies. They can be concealed through a corporate takeover of a low-profit firm. Whatever the reason, the Renegotiation Board is the only Government agency empowered to recover excessive profits.

COSTS OF COMPLIANCE

The defense contractors argue that the Board's regulations impose huge costs of compliance on private firms that exceed the amounts recovered in excess profits.

This argument is designed to appeal to those who are concerned about unnecessary Government regulations. But the argument just does not apply to the Renegotiation Board.

I asked the GAO to investigate the allegations of high compliance costs. GAO found that the contractors could not substantiate their charges.

Here is what the Comptroller General, Elmer Staats, concluded about GAO's investigation:

> In general, we have concluded that some costs are necessarily incurred by contractors to comply with Renegotiation Act requirements. We are unable, however, to determine the magnitude of such costs or to what extent they are incremental to other financial data costs. The primary problem in determining and verifying such costs was that the contractor' accounting systems are not designed to identify and segregate such data.

In other words, the contractors were unable to substantiate their allegations of high costs of compliance. When GAO examined the books and records for evidence of high costs, there was little to be found. The inability of the contractors to back up their charges is all the more striking because most of them are among the relatively small group whose filings with the Board have been referred for indepth investigation. In such cases, the cost of compliance are necessarily higher than the costs incurred by the average contractor.

One defense contractor, Hewlett-Packard, claims an annual compliance cost of $200,000. GAO examined $181,000 of Hewlett-Packard's alleged costs. GAO found that of the $181,000 in alleged annual costs of compliance which it examined, about $147,000 relate to activities which are recurring. GAO then states:

> Generally, we were unable to identify the incremental cost associated with these recurring activities because most of the Hewlett-Packard Company staff involved in renegotiation devote a relatively minor portion of their total time to this activity.

What is known is that Board determinations of excess profits have averaged about $30 million annually since 1961 and that the Board has spent less than $4 million annually in the same period. Even allowing for costs of appeals and reductions in Board determinations by the courts, the cost-benefit ratio is very favorable. If the deterrent benefits of having the Board were quantifiable, the advantages to the taxpayer would be still more apparent.

The allegations of extraordinary costs of compliance were raised by the contractors. As shown by the results of the GAO investigations, the allegations are not supported by the facts.

It needs to be emphasized that there is no objection to contractors earning reasonable profits on their defense contracts. The system of contracting to private firms for defense needs presupposes that the firms will earn reasonable rates of return. But it should be kept in mind that the profits as well as the costs are paid from taxpayers' moneys. There is no justification for asking taxpayers to pay more than reasonable profits.

The fact that there is room for improvement in the program is no reason for dismantling it. The fact that procurement procedures have undergone change over the years is no reason to abandon renegotiation. As Defense Secretary Harold Brown says in his letter to the chairman:

> Although there are other safeguards in the procurement system, none of them provide statutory authority to recapture excessive profits for the U.S. Treasury. Only the Renegotiation Board has that authority.

Mr. FORD. Will the Senator yield for a question?

Mr. PROXMIRE. I am happy to yield to my friend from Kentucky for a question.

Mr. FORD. On the last vote, there were five or six agencies that are looking after too many regulations by the Federal Government as it relates to moving into the lives and businesses of all Americans. Am I to understand that this is the only commission that has any ability to renegotiate or save money or look into the contracts that the Federal Government has entered into?

Mr. PROXMIRE. With respect to excess profits, that is correct. If this board should die, then we have the Vinson-Trammell Act, which provides for a limit on the profits which can be made by shipbuilders and aircraft builders. Only those two procurements would be limited, but they would be limited to 10 and 12 percent, it is my understanding, respectively. That is a very clumsy limitation, of course. It requires a tremendous amount of paperwork. We might very well have to repeal the Vinson-Trammell Act, or maybe not; maybe modify it in some way. It would be very complicated. At the present time, this is the only board that has some responsibility for reviewing and renegotiating excess profits.

Mr. FORD. With all the support the Renegotiation Board has, apparently, listening to the Senator's statement, is there any doubt in his mind that the Appropriations Committee is going to fund this?

Mr. PROXMIRE. Yes, there is plenty of doubt in my mind. There is strong opposition to it in the Appropriations Committee.

Mr. FORD. If there is a strong possibility that that is not going to be refunded in the future, why not let them die and let that money go back into the general fund? I do not think that would hurt to let it go into the general fund.

Mr. PROXMIRE. Well, for two reasons. One, because nobody knows what the Appropriations Committee will do. I am hopeful they will have a positive attitude toward it.

At any rate, the second point is that once the Renegotiation Board expires for a substantial period, weeks or months, then the prospect of trying to revive an effective Board, without the kind of personnel and legal experts and procurement experts, is going to take a long time.

Mr. FORD. Is the Senator saying to me that if we let it die now and the Appropriations Committee does do something positive about reinstating it, we have lost all this expertise, all these people to some other agency?

Mr. PROXMIRE. It would be much more difficult.

If the implication is that we can always hire people, I think the Senator may be correct, but the difficulty is that we are likely to have much more trouble getting the competent people we need.

We should have tried and saved this Board a week or two ago, but the situation on the floor——

Mr. FORD. Has the time already expired?

Mr. PROXMIRE. Yes, last Saturday, 2 days ago.

Mr. FORD. For all practical purposes, they are out of business right now?

Mr. PROXMIRE. The Senator is correct.

I am just saying, if there is still the prospect of reviving the body, breathing a little life into it, if rigor mortis sets in for a couple of weeks, we are really in trouble.

Mr. FORD. Two of the best days this country has had this year were the 2 days it snowed. Nobody could get in here to do anything.

What really disturbs me is that we are trying to cut out commissions, we are trying to cut out boards, we are trying to reduce employment, we are trying to get to a balanced budget. Yet we come up with all these grandiose statements about every time we try to eliminate one, it is so good and saving so much money, we just cannot get rid of it.

Sometimes I think we just ought to get rid of one.

Mr. PROXMIRE. I think the Senator is correct. But to pick the one and only board that brings in more money than it costs——

Mr. FORD. That is like gasoline rationing, "Don't do it to us, do it to them." Recreational vehicles, close the service stations. I listened to them. Whenever we say to close something, the people that do not want it closed come in.

But when you want to do away with anything, sometime, some place, we will have to say we want to start to do away with all.

Mr. PROXMIRE. I have all kinds of caveats. I have 16 agencies—I will give the Senator the list—that I think ought to be abolished.

But, certainly, do not abolish the only agency that brings in more money than it costs, $10 for every dollar we put in.

Mr. FORD. If it already expired, we were not able to have it reinstated, and they are already in limbo, rigor mortis has already set in, it should have been done last week, whether we try to revive the body, and the Senator says there is tremendous opposition in the Appropriations Committee——

Mr. PROXMIRE. I just say that the Appropriations Committee is divided on it. I cannot speak for them any more than anybody else can.

Mr. FORD. I have listened to the chairman.

Mr. PROXMIRE. Well, the chairman can undoubtedly speak with some authority. I cannot.

At any rate, we just do not know. I say give it a chance.

Mr. FORD. How long has it been in existence?

Mr. PROXMIRE. I am only asking for 90 days.

Mr. FORD. How long has it been in existence?

Mr. PROXMIRE. Twenty-five years. It brought in $1.3 billion. It has cost about $100 million.

Mr. FORD. Times change over 25 years. It has been in existence 25 years. The Senator said, just give it a chance, another 90 days.

I bring some points up for a purpose.

Mr. PROXMIRE. Very good.

Mr. FORD. For a purpose. This may be one place we swallow a camel and choke on a gnat. But it is about time we start backing up what we say we intend to do about reducing bureaucracy, balancing the budget, instead of funding——

Mr. PROXMIRE. This is a great way to balance the budget.

If we could do it, it would bring in $6, $8, $10, for every dollar it costs.

Mr. FORD. We will look at the cost and see why they get their money back. I think maybe it is an overpayment and we could stop that.

Mr. PROXMIRE. Let me just make another point, Mr. President. I am sure the point will be raised, what we do not include is the cost of the contractors to comply with the law. Some claim it costs them hundreds of thousands of dollars to comply with paperwork.

That was examined thoroughly by the GAO. They found no support for that position at all. The GAO made a study and they found most of the alleged costs of complying with the Renegotiation Board could not be substantiated.

They have to file with the IRS. They have to file in all kinds of cases, reports with other agencies. Renegotiation does not add significantly to their burden, at least not anything like the amounts claimed.

So this is a cost effective agency we ought to continue.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I rise to oppose the amendment for continuation of the Renegotiation Board for 90 days. I want to review at the outset the chronology of events concerning the Renegotiation Board that put this issue in perspective before offering arguments to support my position.

For some time the Board has been suspect in this body and in the House of Representatives.

In October of 1976, the Renegotiation Board lost authority to review contracts completed after September 30, 1976, when the Senate Finance Committee failed to report new authorizing legislation. This was almost 3 years ago.

In February of 1977, jurisdiction over the Renegotiation Board was transferred to the Senate Banking Committee under provisions of Senate Resolution 4.

On May 9 of 1977, the House Banking Committee reported H.R. 5959, the Renegotiation Reform Act of 1977, to the House Calendar, but it was never brought to a vote, because of an unfavorable vote count against it.

On June 10, 13, 14, 17, the Senate Banking Committee held hearings on S. 1594, the Renegotiation Reform Act of 1977.

On July 21 of 1977, our chairman, Senator PROXMIRE, postponed the markup of S. 1594 at request of the minority, because GAO audit of Hewlett-Packard and other firms to verify cost of compliance had not been completed at that point.

On September 10, 1977, GAO completed audit of Hewlett-Packard and others, verifying 90 percent of Hewlett-Packard's costs of complying with renegotiation. Extrapolated on an industrywide basis, this would mean it costs $200 million per year to comply with a board which has recovered at best $40 million in 1976 and $19 million in 1977.

Therefore, on September 15 of 1977, the Senate Banking Committee reported out LUGAR, CRANSTON, and Brooke's S. 2790 and S. 2791 as substitutes for PROXMIRE's S. 1594.

The situation in the committee that day was that a continuation of the Renegotiation Board was clearly not the will of the committee and two approaches were taken. One offered by Senator CRANSTON was to provide a small business cutoff, that is, businesses with less than $5 million in renegotiable sales, would not be subject to Renegotiation Board subsequently.

The bill I suggested, which Senator CRANSTON strongly supported, in fact, simply put the Renegotiation Board in mothballs until a national emergency might create a need for the audit of arms sales.

Those were the responses of the Banking Committee.

Interestingly enough, those two bills were not debated by the full Senate throughout the 95th Congress. There were attempts from time to time to get time limitations in order to discuss those pieces of legislation, one of which would have severely curbed renegotiation, and the other to put it in mothballs. They simply did not come before this body due to the press of urgent business and the lack of a time agreement.

On January 27, 1978, however, eight Senators wrote to the Renegotiation Board asking it to postpone final promulgation of new regulations which would bring foreign military sales under Board review authority.

On January 31, 1978, the Board went ahead with proposed publication of final regulations.

On March 22, 1978, S. 2790 and S. 2791 were reported to Senate calendar but did not come up for vote because of inability to get a time limitation from opposition. These were the Lugar, Cranston, Brooke bills.

On April 12, 1978, the GAO sent a letter report on the Renegotiation Board's new foreign military sales regulations. The GAO finds the Board's regulations of questionable "Legal Sufficiency" and recommends that the Congress review this matter through the authorizing and appropriating process.

On April 27, 1978, during appropriation hearings, Chairman Goodwin Chase estimated that the new regulations would require triple the current staff of 200 to review 25 percent of the new backlog created.

On June 8, 1978, the GAO issued a letter report on Renegotiation Board's charge that Lockheed shipbuilding improperly billed the Government for 100 million pounds of steel. It found the allegation false and based on faulty accounting methodology on the Board's part.

On July 26, 1978, at the State, Justice, Commerce Appropriations full committee markup, a decision was made on a voice vote to fund the Renegotiation Board only through March 31, 1979, and to direct the board to cease operations thereafter. March 31, 1979, was set as the termination date at the subsequent House-Senate conference.

In September, the House and Senate both passed State, Justice, Commerce Appropriations Act with little debate, upholding the decisions of their Appropriations Committees to terminate the Renegotiation Board.

On January 30, Goodwin Chase, Chairman of Renegotiation Board resigned, leaving only two members of the original five-man Board; hence, the absence of a quorum.

March 31 was the scheduled termination date for Renegotiation Board.

That is the juncture we have reached today—or, more appropriately, last Saturday.

Mr. President, the facts of life with regard to the Renegotiation Board are that the issue has been before this body and the House of Representatives on several occasions. It has not been possible, sadly enough, to act in a straightforward manner on legislation that would have severely curtailed the operations of the Board.

The fact is that the Renegotiation Board is a bureaucracy that has outlived its usefulness. During the 1950's, the Board was an important part of the procurement process, serving as the watchdog that saved taxpayers millions of dollars. In recent years, however, it has become a superfluous and counterproductive bureaucracy which spends more money auditing defense contractors than it collects in the form of excess profits. It has frustrated efforts to administer our defense-industrial base in an efficient and effective manner.

Recent studies by the General Accounting Office, the Conference Board, and others have indicated that there are, indeed, significant incremental costs associated with compliance with the Renegotiation Act.

For example, in the case of Hewlett-Packard, the firm most closely audited by GAO, the costs associated with compliance amounted to one-half of 1 percent of renegotiable sales.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. LUGAR. I yield.

Mr. PROXMIRE. Can the Senator quote this any place in the GAO report that indicates there are substantial incremental costs they were able to ascertain on the part of defense contractors? I read from the report:

> Generally, we were unable to identify the incremental cost associated with these recurring activities because most of the Hewlett-Packard Company staff involved in renegotiation devote a relatively minor portion of their total time to this activity.

Also, the Senator indicated earlier that something like 90 percent of the Hewlett-Packard costs were provided. The fact is that they examined 90 percent and they found that almost all of that, about $147,000, was involved in other compliance and not involved in compliance with the Renegotiation Board. So the GAO position was that there is no verifiable evidence that the Renegotiation Board imposes this burden on the defense contractors.

Mr. LUGAR. I appreciate the point made by the distinguished Senator from Wisconsin. In fact, the GAO report can be read, I presume, with several negative inferences.

It appears to the Senator from Indiana that the GAO was essentially saying that Hewlett-Packard, indeed, has spent sizable sums of money which Hewlett-Packard alleges was spent to meet compliance with the Renegotiation Act. GAO, it seems to me, was not able to rebut the assertion by Hewlett-Packard that the moneys had been spent and that these were essentially the reasons why they were being spent.

The point made by the Senator from Wisconsin is a good one. Arguing back the other way, as to precisely what the people were doing and what the incremental changes were, the GAO was not able to establish that, either.

So I suppose one is left with the fact that Hewlett-Packard spent a lot of money, and they claim that a good bit of it was mandated, was associated with trying to comply. GAO cannot rebut that, nor can they establish the increments involved.

Mr. PROXMIRE. GAO did find that the $147,000 referred to were for activities which are recurring, which means activities such as complying with the

General Revenue Service and other governmental agencies that require reports, anyway, which they would have to do whether the Renegotiation Board is alive or dead.

Mr. LUGAR. I appreciate that point. I think the basic point that is being made—and admittedly difficult to quantify—is that substantial sums of money are spent by firms such as Hewlett-Packard; and this was taken as a cause celebre of the hearings to comply with the act. The assertion usually made on behalf of the Renegotiation Board by its backers is that it saves money for the taxpayer, and the claim is made that moneys are recovered, and that we do not spend that much for the Board—$6 or $7 million a year to get back to $19 million, for example.

Mr. PROXMIRE. You get back at least $30 million. That is the least I have heard from anybody.

Mr. LUGAR. If the chairman will yield, with regard to those citations, I think he will grant, also, the usual point in the debate, that almost all cases involving excess profits under the Renegotiation Act which are appealed are heard de novo, and the Renegotiation Board does not save much of anything.

The point I am attempting to make is that the bureaucracy, the paperwork, the endless forms, and the turmoil caused in trying to comply with this act cost something. As a matter of fact, it is worth tens of millions of dollars. As I pointed out in the case of the GAO report, they were attempting to establish whether you can extropolate from the whole defense costs and it would come to $200 million. Whether it comes to $100 or $200 million, the fact is that it is substantially more than the amounts saved before appeal. Therefore, the Renegotiation Board simply does not save money, as one takes a look at the totality of it.

Mr. PROXMIRE. That is an argument. The Senator takes $100 or $200 million out of the air.

In the Barnes Engineering case GAO could substantiate the allegations:

> Barnes Engineering estimates $16,000 to comply with filing requirements for 1976. Included in the amount, however, are costs which GAO found would be incurred by the company if there were no Renegotiation Board, because of other Federal regulations, and one item which upon examination was found to have been mistakenly submitted. The questionable items comprise about half of Barnes' alleged costs of compliance. GAO was unable to trace the remainder to company financial records or determine what portion could be considered incremental.

The point I am making is that the Renegotiation Board has perhaps imposed some additional costs, but the GAO was unable to find verification of any specific amount. To say $100 or $200 million—why be a piker? Say $1 billion; say $10 billion. There is just no basis for these wild figures.

Mr. LUGAR. If the Senator will allow this counterargument, clearly there is a cost to American industry in trying to comply with the act. I think we have to grant that point.

The Senator's point is that GAO cannot establish the incremental amount to comply with renegotiation over and above the IRS, filling out various returns, and so forth. Hewlett-Packard and others, in the figures they gave to GAO, tried to establish a substantial number of costs that appeared to be associated. A reasonable assumption is that a great deal of time and effort is spent in this regard.

If the Senator from Wisconsin is suggesting that the figures which are produced for other activities can be replicated at no additional cost, I think that assertion is incorrect.

Mr. PROXMIRE. At some additional cost.

However, the Senator leaves entirely out of this discussion the fact that having a policeman on the beat acts as a deterrent. This is one of the reasons why the President of the United States, the Secretary of Defense, and every objective agency that has studied this—every one, without exception—has said that we need the Renegotiation Board and that it serves the national interest. There is no exception.

Mr. LUGAR. I shall respond briefly, because other Senators are eager to get into this.

If, in fact, the Renegotiation Board were the only policeman on the beat, even if it were a very efficient policeman on the beat, in those cases there might be a case to be made. But, in fact, the procurement procedure of the Government has changed substantially, and this is sort of an old argumentation.

But it is quite true that the procurement procedures have changed and in fact the Renegotiation Board has not been an efficient instrument. Even its backers point out that it has often been a graveyard for persons who have not found jobs elsewhere in Government.

The President has been given some credit in trying to revive it from this current status but even during these last few days the Senator from Wisconsin is trying to revive an agency that does not even have a quorum to do business.

The facts of life are that this vote is a litmus test of an agency whose time has come and gone. It ought to be declared dead. It died last Saturday and should not be revived.

The case simply cannot be made for any economy on behalf of the taxpayers. It can be made that the defense business has been severely dislocated by the procedures where it is hard to find competitors for many situations.

For the moment, I yield to my distinguished colleague from California, Senator CRANSTON, who has fought the good fight in the Banking Committee and whose efforts I applaud.

Mr. CRANSTON. I thank the Senator very much.

Mr. President, I am glad the Senate has the opportunity today to vote on applying a final coup-de-grace to the badly floundering Renegotiation Board.

The vote we are about to take will test the Senate's willingness to apply, in real life, a concept most of us agree to in the abstract. That is: Sunset.

If ever a Government bureaucracy deserved to be sunsetted out of existence, the Renegotiation Board is it. It is an outmoded and unnecessary agency that is supposed to save the taxpayers' money. In practice, it costs the taxpayers more than it saves. And it burdens business with needless Government interference and redtape.

Congress voted last October to terminate funds for the Board effective March 31—last Saturday. We now face a last-ditch effort to resurrect the agency from the bureaucratic graveyard.

If the Senate does not stick to its decision to terminate the Board, we will raise a legitimate question in the public mind as to whether Congress—when push finally comes to shove—ever will vote a Federal agency out of existence.

This matter has dragged on for over 30 months and the Board has made only minor progress in accelerating its snail-pace approach to winding-up its backlog of business. It is time we complete the job of disposing of the Board.

The full chronology of events in the winding up of the Board has been distributed to all Senators. I need not repeat that list here.

One argument has been made on behalf of the Board which I will address, however. It is urged by some that the Board is the "cop-on-the-beat" protecting the Government against ripoffs by defense contractors.

That simply is not the case.

First, the argument assumes that only the threat of renegotiation deters defense contractors from seeking to get excess profits out of the Government.

This assumption completely overlooks the forceful role of the Federal Government in negotiating contracts and the fact that Government negotiators not only drive a hard bargain but are assisted by the Truth-in-Negotiations Act which requires contractors to make full and honest disclosure of their costs and prices in bidding on the contract.

The Government also has the power and the ability to audit and verify the contractor's disclosure figures. Intentional misrepresentation by the contractor subjects him to criminal penalties.

It is clear that the cop-on-the-beat is the Truth-in-Negotiation Act, not the Renegotiation Board.

Second, the argument avoids completely the question of what is an "excess profit" anyway and, perhaps the most important question of all, How did it come about?

Given the presence of the Truth-in-Negotiation Act and the Cost Accounting Standards Act and other defense procurement procedures, it is difficult to understand why the Federal Government should ever enter into an excess profit contract in the first place.

Should the situation arise—and even the Board's reports show that excess profit situations are not common—the relevant questions ought to be how did it come about and how can we prevent it from recurring in the future?

An analysis of excess profits situations shows these basic groupings:

First. A large profit is earned because everything that could possibly go right went right. In other words, the contractor performed in an extremely efficient manner.

Second. A large profit is earned because of truly unforeseen economic circumstances, such as may occur in windfall situations.

Third. A large profit is earned because the contractor uses a sole source of supply position to force the Government to pay his price.

Fourth. A large profit is earned because of sloppy negotiations by the Government.

In the first case, where the contractor performs efficiently, I believe our economic system should allow the contractor to reap his or her reward. Excellence should be rewarded; just as inefficiency and poor performance should not be paid for by the Government.

In the case of windfall profits, these can be anticipated to some degree by the inclusion of a price redetermination clause in the contract. Another, and perhaps preferable method, is to include an under-run sharing clause under which the contractor is bound to share any cost under-runs with the Government. Of the two, the under-run sharing clause promotes, rather than penalizes, efficiency and is, therefore, preferable.

The sole source contractor is the most difficult to deal with from the Government's point of view. Price-gouging under these circumstances occurs primarily with small contracts and subcontracts which are not negotiated vigorously by the Government nor monitored carefully. The best response of the Government is to seek alternative and competitive sources of supply or alternative solutions. Should this problem become serious—and again the contract redetermination figures supplied by the Board suggest the problem is not widespread nor common—carefully targeted legislation might be in order.

But across-the-board renegotiation for all contractors simply because the possibility exists that a few might gouge the Government is not called for. We can do better than use a blunderbuss loaded with redtape and reports burdening the innocent majority.

Sloppy negotiations and poor contract monitoring by the Government is inexcusable. If this situation exists, the answer is more training and upgrading of Government negotiators. In fact, the defense procurement agencies have been engaged in major training and upgrading programs for several years. These are producing great savings for the taxpayer.

In short, Mr. President, the Renegotiation Board was a solution designed in 1951 for emergency wartime procurement conditions. That is when you rushed to sign contracts to get production for war. In those kinds of times certainly a renegotiation board and process is in order. But this approach is not tailored to today's needs. I have outlined briefly those situations in which contractors can earn large profits as well as the problems which need to be addressed in contract pricing. The Renegotiation Board and the Renegotiation Act simply are not the appropriate responses.

I urge my colleagues to support the action of the 95th Congress which voted to sunset the Renegotiation Board on March 31 this year—that is at midnight last Saturday.

This is not a vote to ignore price gouging by defense contractors.

It is a vote to end an expensive, inefficient, and wasteful way of dealing with the problem.

It is a vote in support of seeking sensible and cost-efficient ways to assure that the Government obtains the best possible price.

Mr. President, I ask unanimous consent to print in the Record at this point a letter from the American Bar Association strongly opposing the effort to keep the Renegotiation Board going as incompatible with the responsible requirements of Government procurement during peacetime.

There being no objection, the letter was ordered to be printed in the Record, as follows:

American Bar Association,
April 2, 1979.

Hon. Alan D. Cranston,
Russell Senate Office Building,
U.S. Senate, Washington, D.C.

Dear Senator Cranston: On behalf of the American Bar Association, I express concern over the reported plan of Senator Proxmire to offer, this week, a Floor Amendment to other legislation to revive and extend the Renegotiation Act of 1951 notwithstanding that the Act and the Renegotiation Board finally expired on March 31, 1979.

The American Bar Association strongly opposes such an effort as incompatible with the reasonable requirements of government procurement during peacetime. In August 1978 the Association adopted the following resolution:

"*Be it resolved*, that the American Bar Association urges the Congress of the United States not to renew the Renegotiation Act nor to provide any new similar authority for renegotiation during peacetime."

We solicit and appreciate your continuing leadership in opposing any reintroduction of renegotiation during peacetime. To that end we welcome your release of this letter as you deem appropriate.

Sincerely,

George M. Coburn.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield.

Mr. PROXMIRE. The Senator argues that the Senate has voted to sunset the Renegotiation Board as of last Saturday. What happened, as the Senator knows, is that the Senate simply decided to provide that time for the Appropriations Committee and the Senate as a whole and the House of Representatives as a whole to act on this legislation.

To say that we sunsetted it is a real catch-22. The amendment I have now sunsets the Board, I suppose you can say, because it puts it out of existence on June 30. I think those voting for it will not view it as the objective. It is certainly not my objective. I just want to give it a chance so we can decide whether to vote it up or down. That is what we did in the appropriations bill. We decided to provide funds until March 31. It was not the intention of those who voted for the appropriation bill to say we are going to end the Renegotiation Board. Let me also say to my friend——

Mr. CRANSTON. Let me say I think the intent of the Senate has been clear and I think the Senate will make that clear again.

Mr. PROXMIRE. We will find that out shortly.

Mr. CRANSTON. We will.

Mr. PROXMIRE. The second point: The Senator said the real cop-on-the-beat is the Truth in Negotiations Act. I do not know anyone else who maintains that is the case. The Truth in Negotiations Act serves a useful purpose. It is to elicit the facts about the estimated costs of the contract when it is negotiated. But a contract price cannot be reduced by using the Truth in Negotiation Act if excess profits are found. When bailouts take place or fixed price contracts are turned into cost-price contracts the Truth in Negotiation Act offers little protection. One more point.

Mr. CRANSTON. I think the main thing we need is a revelation of the facts. When those facts are revealed——

Mr. PROXMIRE. What do we do when the facts show excess profits? Are we going to say the taxpayer simply has to take it, that the Federal Government is going to have to give in? Do we repudiate the President and the Secretary of Defense both of whom say we need this?

Mr. CRANSTON. As I have indicated upon occasion excess profits can result from efficiency. I do not think we want to penalize those people.

Mr. PROXMIRE. That is right. If they result from efficiency that is quite something else. As the Senator knows, renegotiation is a long process. Before profits are reclaimed, the case may have to go to court. It must be established that they are truly excess.

One more point: The Deputy Comptroller General of the United States in a letter to me said the following:

> Contractors can and do insist on very high prices in certain circumstances. The only means of recovering excessive profits in those cases is through the Renegotiation Act. It provides a means of moderating unreasonable demands where the Defense Department has to deal with sole-source contractors that maintain a take-it-or-leave-it position. In summary, we believe the Renegotiation Act is essential to provide one last opportunity to assure that contractors are making no more than a reasonable profit.

As the Senator knows there are many cases where there is only one source from which the Federal Government can procure the weapons systems it needs. It is not as if we have a vast number of competing suppliers.

As a matter of fact, advertised competitive bidding constitutes about 8 or 10 percent of our procurement. Most of our procurement is not by advertised competitive bidding. So, under the circumstances, if we really believe in doing something effective about excess profits, it seems to me this is the very least we can do.

Mr. CRANSTON. On the sole source, the correct redetermination figures supplied by the board suggests the problem was not widespread or common. But, if it is, I think careful, targeted legislation would be in order to deal with the sole source aspect of excess profits. But we do not need——

Mr. PROXMIRE. The Senator may be correct, and I do think we might very well improve, modify, change the Renegotiation Act. But I would suggest that to kill it, just let it die, and have nothing in its place, is the wrong way to go.

I thank the Senator.

Mr. CRANSTON. I thank the Senator.

Mr. THURMOND addressed the Chair.

Mr. PROXMIRE. Mr. President, will the Senator yield for us to get the yeas and nays on the amendment?

Mr. THURMOND. I yield.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, I rise today to oppose unprinted Amendment 60 to S. 349. This amendment would reauthorize the Renegotiation Board.

The Renegotiation Board was created in 1951 as an emergency measure to prevent excessive profits in Government defense contracts during the Korean war. The fact that it was to be temporary was evidenced by its original expiration date, which was set for 2 years after the bill's enactment. However, the Board's life has been extended 13 times in the past 25 years.

In the last Congress, the Banking, Housing, and Urban Affairs Committee carefully considered whether to again extend the life of the Renegotiation Board. After extensive deliberation, the Committee reported a bill which would have suspended the Board's power to review defense contracts until the President deemed it necessary to reconstitute the Board during a national emergency. This Renegotiation Abeyance Act was never considered by the full Senate because there was no time agreement for floor debate. The current expiration date, which was March 31, 1979, was reached through the appropriations process.

Mr. President, it is time for the Renegotiation Board to be put to rest. The Board has become a prime example of ever-growing, intrusive Federal bureaucracy. Since 1951, the Government has instituted procurement procedures through legislation and regulation which abolish the need for the Board. Further, improved contracting and auditing practices like the Cost Accounting Standards and the Truth in Negotiations Act have helped replace the function of the Board.

Other factors urge the abolition of the Renegotiation Board. The Board costs the American people more than it saves them. While the Board may claim to have reclaimed some $30 million while expending only $6 million in 1978, these figures do not tell the whole story. Recent studies reveal that the true price tag for American taxpayers, in compliance costs and allowed tax write-offs, is closer to $150 million a year. Some estimates run as high as $350 million annually. We cannot expect the American people to pay for such unnecessary extravagence any longer.

Mr. President, the Board has long outlived its usefulness. We see here a story that is all too often repeated in the Federal Government. When a counterproductive bureaucracy is about to be laid to rest, Congress is asked to resurrect it just one more time. This amendment is a true litmus test for the sunset concept, and represents a challenge to a return to at least a modicum of reason to Federal spending. The elimination of the Renegotiation Board is a step in the right direction for accountability and sense in the Federal budget.

Mr. President, the Washington Star had an excellent editorial on this on Monday, March 12, 1979, entitled "Renegotiating the Board." I just want to read one excerpt from it:

> The administration not only wants to continue the board's existence but is asking Congress for $2 million more in fiscal 1980 than the board will spend in the current year.
>
> If Congress goes along, it will perpetuate a government agency that sometimes has been used by presidents as a dumping ground for minor politicians and that piles up enormous backlogs of unfinished business. Some of the board's current backlog of 15,000 cases goes back seven years.
>
> As government agencies go, the Renegotiation Board is not large—200 employees and a budget this year of about $5.4 million. But getting rid of it would add a bit of substance to the president's promise to reduce the size of government and would eliminate an agency whose harassment of business outweighs any benefits from its continued operation.

Mr. President, I think the editorial from the Washington Star is apropos to the situation here and that this board should be eliminated.

For these reasons, I plan to vote against amendment 60, and I urge others also to oppose the reauthorization of the Renegotiation Board.

Mr. METZENBAUM. Mr. President, without relinquishing my right to the floor, I yield 1 minute to the Senator from Arkansas.

Mr. PRYOR. Mr. President, I thank the Senator from Ohio for yielding to me, and I applaud the effort of the distinguished Senator from Wisconsin for his attempt to revive and to keep on the statute books and keep working for the taxpayers of this country the Renegotiation Board.

It is most regrettable that this true friend of the taxpayer, which has done its job of saving the Government and our citizens millions of dollars, could be so easily done away with. In a time of Government inefficiency and waste, the Renegotiation Board has done its job and done it well. And yet if we do not take action, we are about to allow it to expire. It is my hope that we will be able to take action to rectify this injustice.

In serving to guard against excessive profits being paid to Government contractors, the Board in the past 12 months has made determinations of $82.2 million in excessive profits while operating at an expense of only $6.2 million to the taxpayers. Presently pending before the Board are 11 cases in which it is estimated that excessive profits will be found amounting to $11 million. In addition, cases involving $162 billion in contracts are currently awaiting examination by the Renegotiation Board. It can be estimated that of these backlogged cases, excessive profits may be found to be as high as $650 million. If the Renegotiation Board is terminated, the Government's ability to recover these excessive payments will be lost forever. We must also consider that the very existence of the Renegotiation Board serves as a deterrent against profiteering and saves the U.S. Government untold amounts each year. One can hardly find a reason for not continuing the work of such an agency.

The need for the Renegotiation Board is clear. The Department of Defense in fiscal 1977 awarded $55.5 billion in defense contracts. In the first half of fiscal 1978, defense contract awards totaled $32.6 billion. Of these contract awards, well over half were to sole-source suppliers. When the proportion of Government defense contracts awarded to sole-source suppliers is this high, whatever protection competition may usually afford is lost, the opportunity for excessive profits is great, and renegotiation is essential.

Today our citizens require that the Government be fiscally responsible. We would be hard put to find another agency which has been able to provide a return of money to the Government, such as the Renegotiation Board had done. The benefits of this Board by far outweigh the costs. Not only in terms of dollars, but in terms of Government efficiency.

I find it beyond my comprehension that we could allow this much-needed agency to be in danger. It is this type of "watchdog" agency that is essential. Instead of allowing the Renegotiation Board to fall by the wayside, we should be looking to other areas where similar agencies could be effective. If this agency could function so well in overseeing defense and space contracts, why could not similar boards be established to oversee other Government contracts? It would be good for the Government, and it would be good for the American taxpayer.

I feel that it is imperative that we reauthorize and provide for the continued funding of the Renegotiation Board. It is this type of efficient, result-producing agency that should be made more prevalent in our Government. We should take steps to insure its existence rather than its demise. Mr. President, I have been a longtime supporter of the Renegotiation Board and have been familiar with its activities since my service in the House of Representatives. I strongly urge Senate approval of this amendment at the earliest opportunity. The Renegotiation Board is needed.

Mr. METZENBAUM. Mr. President, I rise to join the Senator from Wisconsin in urging passage of this important amendment.

Over a period of years, the Senator from Wisconsin has fought for the continuation of the Renegotiation Board. He has fought the defense contractors in their efforts to make unconscionable profits and he has recognized the inequity of sole-source procurement and the Defense Department's failure to use competitive bidding. Today, he again is one of the few Senators willing to stand up and say that the people of this country are entitled to a fair shake in the way defense contracts are procured and the way excessive defense industry profits are recouped.

Under most circumstances, the taxpayers of this country would have cause to celebrate the termination of a Federal agency.

Under most circumstances, the end of a Federal agency would mean savings for the Government, and might be cause for a party.

But in this case, the agency that has been terminated—the Renegotiation Board—is one of the very few agencies of this Government whose sole purpose is to take in money, not to spend it. If it dies, we ought not to have a party, but a wake.

It is the agency that is charged with seeking out and recovering for the Treasury excess profits gleaned by defense and space contractors.

And it is an agency that could, with proper backing from the administration, save tens of millions of dollars for the people of this country.

Time and time again I have urged the Secretary of Defense to use competitive bidding, to oppose renegotiated contracts, and to have concern for the people of this country. I have urged the Secretary to guard against wasteful spending of Federal tax dollars. Time and time again I have been rebuffed in my efforts.

I am the first to admit that the Renegotiation Board has not been as aggressive as it could and should be in protecting the public interest.

I am very well aware that the Board has been accused of concentrating its attention on smaller contractors and looking the other way where the major firms are concerned.

And I am aware as well of the argument made by the defense industry that enactment of the Truth-in-Negotiations Act has made renegotiation irrelevant. I reject that argument.

The Truth-in-Negotiations Act, which is designed to eliminate fraud, does little to cope with the many situations in which defense contractors can, in effect, dictate their own prices.

Truth-in-Negotiations does little to correct the abuses that are inevitable when the Department of Defense spends over 63 percent of its procurement dollars through sole source contracts.

And in the absence of a rational, businesslike procurement system at the Department of Defense, it makes no sense whatever to abolish the only watchdog agency we have that is charged with reexamining the contracts awarded by a department that has a well-earned reputation as the home of the freest of the free spenders in this Government.

I do not believe that we can afford to permit the Renegotiation Board to go out of business.

I believe that we should keep the Board. I believe that we should strengthen it, and that we should make it more effective.

And I believe also that the Senate should be aware that at this time, the Board has a $162 billion backlog of unprocessed cases that consists of contracts performed prior to September 30, 1976, when the Renegotiation Act expired. If the Board expires, so will the prospect that contractors may have to refund to the Government any excessive profits included in that monumental sum.

And there is every reason to believe that excess profits would, in fact, be found.

Since 1953, the Renegotiation Board has made over 4,700 determinations of excess profits. Of these, approximately 4,000 have been settled by agreement between the contractor and the Board.

Since 1953, the Board has found $1.3 billion in excess profits. Approximately $590 million has been or may eventually be recovered. And while it is true that many Board determinations have been appealed, and that actual dollars recovered by the Government have fallen short of original determinations, we must not overlook the fact that the very existence of the Board may in some cases deter contractors from overcharging in the first place.

It is also important to take note of the Board's recent activities. Lately it is clear that the Renegotiation Board has become increasingly effective in its pursuit of defense industry profiteering. In the past 12 months alone, the Board has made determinations of excess profits of $82 million. And unlike Board determinations in previous years, these include actions against some of the biggest defense contractors.

Indeed, Admiral Hyman Rickover has observed that the defense industry's lobbying campaign against the renegotiation Board is directly related to the Board's increased activities with respect to the big defense contractors. In testimony he recently gave before the House Subcommittee on General Oversight and Renegotiation, Admiral Rickover made his case as follows:

> As long as the Board was recovering only a few million dollars each year, mostly from small contractors,

The admiral said:

> the defense lobby was not much concerned about renegotiation. But faced with the prospects of a more effective renegotiation process. The defense lobby mobilized. Instead of strengthening renegotiation, Congress has been manuevered to the point where it is now on the verge of killing it.

"I also doubt," Admiral Rickover observed:

> that what motivates the lobbyists is the prospect of eliminating 200 Federal employees. If they were genuinely interested in cutting back the Federal bureaucracy, they would focus on large agencies such as the Pentagon or the Department of Health, Education, and Welfare. What they really want is to abolish the Government's statutory right to recoup excessive profits on defense contracts.

The taxpayers of this country cannot afford to have Congress stand back and let this happen. We cannot allow huge defense profits to be made at the expense of the Government and the taxpayers. And we cannot in good conscience abolish the Renegotiation Board unless and until competition in defense procurement becomes a reality.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. METZENBAUM. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I congratulate the Senator from Ohio on his excellent speech, and I particularly want to thank him for doing something we should have done long ago, which is to mention that the number one expert on procurement we have ever had in our Government is Adm. Hyman Rickover. He has had 50 years in the Navy, most of it spent in procurement. I think most of us know of his extraordinary intelligence, his rock-like integrity, and his zeal in the service of his country. He is strongly in favor of the retention of the Renegotiation Board.

Mr. President, we could not go to a more qualified, more intelligent, more thoughtful, wiser, or more experienced person in this area than Adm. Hyman Rickover.

Rickover's position just could not be stronger.

As the Senator may know, he appeared before the Senate Banking Committee on this issue, and he appeared just a few days ago before the House Banking Committee. He made an excellent presentation. He was before them for 2 hours, answering questions in great detail. I think Members of the Senate should be aware of the very, very strong position this great man, who has been so dedicated to procurement and to building up a stronger military force, has taken that this agency is essential.

Mr. METZENBAUM. I thank the Senator from Wisconsin. I could not agree more. Admiral Rickover stands like a pillar, stands out like a beacon, in his efforts to protect the taxpayer's dollar against rapacious defense contractors.

In these days, we hear much talk about reduced Government spending and increased Government efficiency. Passage of this amendment is a way for us to show that we mean what we say.

These days we hear a lot of talk about constitutional amendments to balance the budget, about proposition 13, and about reducing Federal expenditures. I would ask some of my colleagues, how can you truthfully tell the taxpayers of this country that you are fighting the battle against wasteful Federal spending and then turn around and vote to abolish the Renegotiation Board, the only watchdog we have against excessive profits in defense expenditures? How can you tell the taxpayers they are getting a fair shake and then leave in the hands of defense contractors possibly hundreds of millions of dollars of Vietnam windfall profits? Why do many Members find it easy to talk about reduced funding for Federal programs that benefit the old, the young, the poor, and the sick, and so difficult to talk about proposals that would affect our Nation's most powerful corporations?

I believe it is time to show the American people that the U.S. Senate does not succumb to the blandishments of powerful lobbyists. I believe it is time to show the American people that the U.S. Senate will not ask them to make sacrifices, yet help rich corporations become richer through unconscionable profits on defense contracts.

This amendment is the test. This amendment only extends the Renegotiation Board for 90 days. But, at least, it allows us to show the American people that we are not going to let this needed Federal agency die. It allows us to show all who are watching that we in the U.S. Senate do care about wasteful Federal spending even if it means stepping on the toes of some of our Nation's largest corporations.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, I ask unanimous consent that Jill Porter of my staff be granted the privileges of the floor during the course of this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, much more is at stake in this decision which is now before the Senate than the mere continued life of a bureaucratic agency of the Federal Government. More is at stake than whether or not the President will have a few more jobs to fill. In fact, at stake here is whether or not one of the greatest ironies that could happen will occur—when the man who is the author of that great and important award which gets attention from all over the United States, the Golden Fleece Award for fleecing the taxpayer, when the author of that award should himself earn it by being a sponsor of an amendment which fleeces the taxpayers.

The distinguished author of this amendment, my colleague from Wisconsin—does the Senator seek recognition?

Mr. PROXMIRE. I wonder what the Senator means by f-l-e-e-c-e? Does he mean that this rips off the taxpayer when it brings in 6 times or 10 times as much as it costs?

Mr. MATHIAS. Yes.

Mr. PROXMIRE. Can the Senator name a single agency that does better than this? If so, will he name it?

Mr. MATHIAS. If the Senator will have a little patience, I think we will show how this agency actually fleeces the taxpayers, costs the taxpayers money in the long run. If, in fact, that were not the case, I would be with the Senator from Wisconsin in demanding the maintenance of it. But I think it is a rip off.

Mr. PROXMIRE. I hope the Senator will vote for the amendment.

Mr. MATHIAS. I think it is a rip off and I think if we continue this agency the taxpayers will have been fleeced.

Mr. PROXMIRE. Will the Senator yield for one more question?

Mr. MATHIAS. Yes.

Mr. PROXMIRE. Will the Senator name a single, objective, unbiased study that does not call on us to continue the Renegotiation Board? Will the Senator recognize that of the four studies that have been made in detail, made over a period of substantial time, made by qualified agencies such as the GAO and others, they all recommend we continue the Renegotiation Board, that we need it?

Mr. MATHIAS. My good friend knows, because we have discussed this subject together before, that the GAO report is not without some ambivalence. Those who want to read it one way have read it that way and those who want to read it the other way have read it the other way. I think if we just look at the facts here it will come clear.

The last Chairman of the Board, Mr. Goodwin Chase, said that the Renegotiation Board, as it has been directed to function in the past, is a disgrace to the American people.

Here is the Chairman of the Board who says that the agency over which he presides is a disgrace to the American people.

Why would the chairman of an agency say that about his own agency? Just look at the backlog there. It has been running in the neighborhood of $150 billion, which is an amount which is five or six times its normal annual product.

The Senator from Wisconsin is extremely good in monitoring agencies on the basis of their work product. He and I have shared the responsibility of looking over some agencies, of looking at their work product. I know how valuable his work is in that respect.

But it seems to me that here is a situation where even if we gave this agency 6 more years of life and said, "You do not have to take on a single new case," they would consume that 6 years in just trying to catch up to where they ought to be today.

That is not a very good record. That is not a record of very good efficiency or effectiveness.

It would take them 6 years without a single new case to catch up to where they ought to be today. That is one of the reasons I say that I do not think it is a very good bargain to the taxpayers.

Some of the filings that were on record when the Board closed its doors were 10 years old. What does that do to business? What does that do to the whole procurement scene when cases are 10 years old? How do you know whether you have won or whether you have lost, Mr. President? How do you know whether you have an asset of a liability? How do you figure what you are going to bid on your next job? Is not the chilling effect of that kind of a way of doing business to say, "Well, I am not going to bother to bid on the next job because it is just too much hassle." Therefore, we lose the competitive effect which has been so valuable to this country. The taxpayer loses the benefit of competition, and the taxpayer is not well served.

Let me say that I want to join with the Senator from Wisconsin in his praise of Admiral Rickover. I share his great respect for Admiral Rickover.

In fact, I spent a large part of today in Rickover Hall at the U.S. Naval Academy in Annapolis, Md., which is a fitting tribute to Admiral Rickover's contribution to the Navy and to this country.

One of the reasons Admiral Rickover is so great is his high standards of performance and the kind of standards of performance that he imposes on other people. We have about 200 nuclear reactors at this moment activated in the U.S. Navy. Largely thanks to the very high standards that Admiral Rickover has imposed, we expect that those reactors will perform without danger and as they are designed to perform. To date, Admiral Rickover has given us 100 percent performance on the Navy nuclear program—100 percent.

Now, let us judge the Renegotiation Board's performance against that high Rickover standard. More than half the Board's decisions are reversed in the courts—more than half are eventually reversed in Federal court, a shocking appeal rate. What has been the pattern in the last few years is that the Board increasingly concentrated its efforts on small contractors in order to come up with any measurable results at all. So I think the appeal rate is another example of the fact that the taxpayers are not getting their money's worth out of this institution.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. MATHIAS. Certainly.

Mr. PROXMIRE. This is one of the most remarkable speeches I have ever heard and I have heard some remarkable speeches. The Senator from Maryland is a great and valued friend, but I must say, I cannot follow the logic of giving us this fulsome praise of Admiral Rickover——

Mr. MATHIAS. I am saying Admiral Rickover's standards are 100 percent performance and this institution happens to have a 50-percent rate of performance.

Mr. PROXMIRE. He acknowledges that. He points out that there have been timesavers, that there has been incompetence on the board, that there has been not enough staff, that it has not been backed up. But what position does Admiral Rickover take on the Renegotiation Board, this man who has devoted his life to it, who, as the Senator has said, is deeply intelligent? What does he say? He says keep the Renegotiation Board, we need the Renegotiation Board, we should have the Renegotiation Board. That is his position. He does not say to abolish it.

I cannot understand the Senator's saying, "Here's a man who knows the answer," then saying therefore we ought to kill the position that he favors. It does not make any sense.

Mr. MATHIAS. I think the admiral may have overlooked this one little thing.

Mr. PROXMIRE. The Senator says the admiral never made a mistake.

Mr. MATHIAS. I say the admiral's standards are 100 percent, and I want to apply the Rickover standards to the Renegotiation Board and when he does that, my dear friend from Wisconsin will see that its performance falls short by one-half.

Let us explore that. The Senator from Wisconsin said this was an agency that was designed to take in money. Let us look at that. Of the 40 companies found to have excess profits in 1976, 40 percent had less than $10 million in Government business, so the results were minimal. From 1971 through 1976, the Board determined that there were $271 million in excess profits, and 48 percent of that amount had already been collected by the Treasury in taxes, which reduces the recovery. If the Board's awards were, in fact, realized in cash, there would have been an optimum return of $139 million during the 6 years preceding

1977. I think you have to compare that with the costs and this is where we get to this question of whether or not this is a good deal for the taxpayer.

The Board's budget for these 6 years was $29 million, but there are some not-so-deeply-hidden additional costs. The Senator from Wisconsin said just a moment ago that it is sort of speculating as to what these hidden costs were, but I would think that a very conservative estimate is around $100 million over this 6-year period. That cost is a cost which ultimately comes back and is paid by the taxpayer, because it is a cost of doing business. It gets folded into the price that the taxpayer ultimately has to pay.

Mr. PROXMIRE. Will the Senator yield for a question?

Mr. MATHIAS. Yes.

Mr. PROXMIRE. Where does he get $100 million? He just pulls it out of thin air—from nowhere. The Senator from Indiana made a similar statement.

Mr. MATHIAS. I heard that exchange.

Mr. PROXMIRE. Maybe that is the reason. Why not take any figure?

Mr. MATHIAS. Would the Senator from Wisconsin make an estimate of what it costs a Member of the Senate to write a letter and mail it to a constituent? Does he think there is no cost to that?

Mr. PROXMIRE. Oh, no, there are some very meticulous calculations as to how much that costs.

Mr. MATHIAS. Fine.

Mr. PROXMIRE. But there are not any such careful estimates with respect to the Renegotiation Board. None.

Mr. MATHIAS. When the Renegotiation Board sends its auditors into a business, when it engages in prolonged correspondence with a business, when they go through days of hearings, when they go to litigation, all of which is part of the process through which the Renegotiation Board goes, it is adding to the cost of doing business.

Now, we have as the Senator well knows, in the Hewlett-Packard case, some rather concrete estimates of what the costs to the contractor were in that particular case. But I have just made what I think is a very conservative estimate. There are others who would estimate much, much higher than $100 million. But knowing what it costs just to write a letter here, in your own office in the Senate, estimate what this kind of long process of the Renegotiation Board costs.

Mr. PROXMIRE. If the Senator will yield just a moment on that point?

Mr. MATHIAS. Yes.

Mr. PROXMIRE. On the Hewlett-Packard case, the GAO has said, explicitly:

> Generally, we were unable to identify the incremental costs associated with these recurring activities—

Referring to the renegotiation activities required by the Board—

> because most of Hewlett-Packard Company's staff involved in renegotiation devote a relatively minor portion of their total time to this activity.

In other words, they said they could not determine.

Mr. MATHIAS. Also, they could not determine that the estimates were not right, either.

Mr. PROXMIRE. Well, they said the time is relatively minor and that time is the principal cost involved here.

Mr. MATHIAS. I suspect we are not going to agree on that. That is something that lies in dispute between us. What I think the Senator will agree on is that the United States Government had about $15 million in litigation costs over and above the costs of the Board itself. So when you talk about a recovery of $139 million after taxes if you cashed it in and you have to pay about $100 million more as a result of the business cost of this activity, you pay $29 million more for the direct costs of operating the Board; and if you pay $15 million on top of that for the costs of litigation, you have not made a profit.

Now, in 1976, the Board determined $40 million in excess profits. But a year later, only $4 million had been collected and the rest was on appeal. That is just a typical example of the way this thing has run.

Half of the cases go on appeal. I think that is one of the critical parts of this whole story. That is what the Senate must look at, what happens on appeal, because we cannot say, "Well, let's go ahead and let this Board continue to do business" on the basis of what is done in the Board itself. I think we have to talk about a process in which the Board is only one of the stops

As of September 1977, 218 cases having been appealed between 1971 and 1976, only 12 of those cases had been determined.

I think we, as a legislative body, have to take some responsibility for what is happening there; 12 out of 218 cases settled by the courts in a 5-year period.

The Board reversed on 6 out of the 12 cases, which is not a very good batting average. That is over Admiral Rickover's 100 percent standard of performance.

If the litigation record remains consistent with the total return, then the case that I cited in which we might hope for a return of $139 million, which would be just a kind of break-even figure, would be cut in half after the courts got through with it.

So the taxpayers, instead of having a profit, which started out to be, I think, $271 million, which is reduced by taxation to $139 million, then is finally reduced when the Board is reversed 6 times out of 12, will become a $70 million loss to the taxpayers. The whole operation ends up with a loss.

So that is why, Mr. President, I started out by saying that I thought the taxpayers would be fleeced if we continued the operation of the Board. I feel very strongly that this is so. It is an agency which had a function when it was established a number of years ago, when there was a good deal of cost-plus business in this country.

Thanks to the effort of the Senator from Wisconsin, efforts for which I greatly admire him, the procurement practices in this Government have been altered. We no longer are procuring as we did in the depths of the Korean war, when we had to do a lot of things fast, and cost-plus was an acceptable way of doing business and we needed an agency such as the Renegotiation Board for that particular business climate and that particular kind of procuring.

If, God forbid, we ever go back to that kind of situation, I would hope to join with the Senator from Wisconsin and see the proper kind of watchdog was revived for that period.

But, for the moment, it can go in mothballs. I think it is in the interest of the taxpayer to have it go into mothballs.

The question has been raised, I think perhaps by the Senator from Ohio, as to what would happen to whatever backlog exists today.

Mr. President, it seems to me this is a case where we can say that the Board is dead, but the dead is alive, and there are plenty of ways debts, if they exist, can be collected. That is a responsibility, again, on which I will be happy to bear my share of the burden in devising whatever steps are necessary to permit collection.

But we are fortunate, I believe, that the Board finally ran out of gas, that it is out of business. I think we ought to let it rest in peace. The taxpayers are ahead as a result and if we put this Board back into business, if we reappoint the employees of the Board, if we reappoint the members of the Board, the taxpayers will be fleeced, and I am against that.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I want to follow up earlier argumentation with a quote that comes from the GAO report often quoted throughout this debate. It gets back to this business of compliance, and cost compliance by American business with the Renegotiation Act.

We have mentioned already the Hewlett-Packard Co., which was a major focus for the GAO report. Renegotiation member Harry Van Cleve charged, after Hewlett-Packard had indicated $160,000 of identifiable expenses in compliance in 1976, that Hewlett-Packard had "no incremental cost of complying with renegotiation whatsoever."

Essentially, this is about the assertion that is being levied by Chairman PROXMIRE in this debate today. Chairman PROXMIRE is willing to concede there are probably some expenses, but that it is hard to document them and that GAO was hard pressed to find them.

Board member Harry Van Cleve said there is "no incremental cost of complying with renegotiation whatsoever."

Hewlett-Packard responded by requesting a GAO audit, and the audit reported on September 10, 1977, condemning the Van Cleve statement and the board's methods, is as follows:

> The company's approach to developing the estimate appeared reasonable . . . we found the company does expend considerable effort and costs in filing with the Board.

I think after Hewlett-Packard heard that, they took another look at their situation, and at least the record shows they revised their estimate up from $160,000 to $197,000.

Whatever the case may be, there are identifiable costs. GAO found there is considerable effort involved in complying, and that is, of course, the gist of the argument today.

The amount of defense business reviewed by the Board has been substantial, $24 billion worth, for example, in 1976. Only $40 million in profits were found to be excessive out of all of that amount.

It is interesting, I think, to note the argument that these are excessive profits of large corporations, and that assertion was made, as I recall, by the Senator from Ohio (Mr. METZENBAUM). In fact, the table of the 1977 annual report from the Renegotiation Board shows 22 companies, and there were only 22 involved. It does not list any Fortune 500 types. These are very modest companies, to say the least.

The amounts involved in terms of both sales and profits were very modest. The basic thrust of the Board's activity has been on small business. This is why when Senator CRANSTON, in the Banking Committee's deliberations, suggested an exemption of $5 million in renegotiable sales as a cutoff point, very clearly, that would have terminated the vast bulk of all the Board's business, and that has been the focus.

Finally, Mr. President, I want to make what I think is the point that may have been missed in the debate, or if it has been touched upon, has been touched on far too lightly.

Essentially, the thought conjured up by this debate was that defense contractors in this country have been making unconscionable profits, if not unconscionable, very large profits, if not very large, at least above average profits.

The facts of life are that defense business has not been as profitable generally as commercial producers of durable goods.

As a matter of fact, during the period of 1970–74 in a study made prior to our Banking Committee's deliberations, a pretax profit on sales of commercial producers of durable goods averaged 6.7 percent. For those who were involved in the defense contracting business, the profit margin was only 4.7 percent.

The diffculty of the Renegotiation Board situation is that its focus has been on profits and not on costs. In a very perverse way, it has been searching for those companies that in fact did the best job of minimizing costs, of bringing about better efficiency, and therefore had larger profits, when in fact the whole focus should be on costs.

The problem of our country today, as we discovered during the Banking Committee hearings, is that one reason there are not multiple bidders and competitive business is not going on is that a great number of companies in America simply cannot afford the hassle and the very real expense. It has been denied a number of times during this debate that there is any expense involved in filing with the Board, but that is not the way the companies look at it, and they do not bid.

To a great extent, the taxpayers of this country are at the mercy of this system, fostered and aided by the Renegotiation Board, to discourage competition, to discourage people from coming in to bid on defense business. It simply has not been a profitable course of action for American industry.

We all pay the costs of that eventually. We all pay for the fact that there are not the suppliers of goods and services that we need in order to make our defense situation a more competitive and viable business.

For these reasons, Mr. President, I hope this body will note the substantial costs that are borne finally by the taxpayers, which the Renegotiation Board has fostered, the inefficiency of the Board's operations, the tremendous problems it has had in terms of its personnel over the course of time, the numbers of reviews by committees of both bodies of Congress that have passed on this Board, and passed negatively.

This is a last gasp debate, and it offers a good chance to finish it off. I hope that, for once, Congress will kill an unneeded agency. We have that opportunity today, in a straight up and down vote, and I hope the vote will be "nay."

Mr. STEVENS. Mr. President, it was last September 12, in a conference report from the Appropriations Subcommittee for State, Justice, Commerce, and the Judiciary, that we directed that the Renegotiation Board be terminated and cease all its activities on March 31, 1979. I was unaware that this was not going to happen, until I heard from my good friend in the other body, the Representative from the 12th District of California, PAUL "PETE" MCCLOSKEY. In a "Dear Colleague" letter he has sent out, he has done an excellent job in summarizing the case against continuing this Board.

One of the points he made—which I am sure has been made here again and again—is that the Defense Contract Audit Agency, the Defense Supply Agency, and the Defense Contract Administration Services employ 54,000 people, including 9,000 auditors, who deal with the precise area that the Renegotiation Board deals with in a redundant manner.

I see no reason to reverse the decision that was made last year, and I join my colleagues who oppose the continuation of this Board.

I ask unanimous consent that the "Dear Colleague" letter of March 25 and its attachments, sent to us by Representative MCCLOSKEY, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MARCH 22, 1979.

DEAR COLLEAGUE: Don't be misled by the Washington Post's article this morning that the Renegotiation Board is making money for the government.

I enclose two fact sheets, one prepared in 1978 and one this year, based on the Board's own reports. Note that no major defense contractors are involved.

The Post article omits to mention:

(1) The cost to businesses for compliance with the Board's regulations exceeds $200 million per year.

(2) Of Board determinations, 61 percent were appealed since 1953 and probably 80 percent are now being appealed. Those appeals have been successful in 11 of the last 14 cases. Two charts are enclosed showing the results in these case.

(3) Of the ultimate recovery by the government of allegedly excess profits, 48 percent would be recovered anyway in income taxes.

(4) The costs of the court procedures in seven recent cases have exceeded the recovery by the government (these costs, in the case of the businesses involved, being also written off against taxable income).

Thus, for the year 1977, for example, the Board assessed roughly $18.15 million in excess profits. Forty-eight percent of this sum, roughly $9 million, would have come to the government anyway in income taxes.

The Board's costs of operation were $6.3 million, reducing the net assessments to approximately $2.8 million. But, if the court appeals are taken into account, this figure is reduced almost to zero.

There were seven court appeals decided during an equivalent period, in which Board determinations of $3.83 million were reduced to $1.58 million (roughly 60 percent); the legal fees and costs to the companies were approximately $.95 million, with an estimated equal cost for the government of $.95 million. Thus, there was $1.9 million in costs to business and the government, which exceeded the $1.58 million actually recovered in these seven cases.

Result: The Board costs business in excess of $200 million per year, and in at least one year of its operations we have carefully reviewed, its net recovery to the government was nearly zero.

For these reasons, it seems fair to assume that this turkey should be abolished.

Sincerely,

PAUL N. MCCLOSKEY, Jr.

FACTS ABOUT THE RENEGOTIATION BOARD'S OPERATIONS

1. Cost of Compliance.—The estimated annual cost of compliance with Renegotiation Board regulations is between $200 and $255 million. Net recoveries to the government per year over the past 5 years has been less than $10 million.

2. Fractional Recovery Rate.—Some 4,500 defense contractors and subcontractors are required to do the extra bookkeeping to comply with Board regulations. But no more than 30, less than six-tenths of 1 percent, are asked to refund excessive profits each year.

Since 1970, the Board has screened more than 20,000 filings. More than 70 percent of these filings were cleared. Of 1,601 filings received during FY 78, 72.3 percent or 1,157 filings, were cleared.

3. Overwhelming Rate of Appeals.—Since 1953, the Board issued 805 orders directing returns of excessive profits from contractors. 61 percent of the Board's orders were appealed as of September 30, 1978. Of 364 renegotiation appeals closed by the Court of Claims as of September 30, 1978, 56 percent of the Board's determinations were reduced by the Court. The dollar amount of the Court's reductions was $53 million.

4. Cost of Appeals Process.—From July 30, 1975, to February 22, 1978, 79 renegotiation

cases were closed by the U.S. Court of Claims. Excess profits determinations by the Board were reduced by the Court for 66 percent of these cases. Of the final excess profits determinations, 41 percent were for amounts less than or equal to $100,000. It is estimated that an appeal costs the government at least $100,000.

5. Declining Productivity.—While the number of filings assigned to the regional boards declined from 1977 to 1978, regional board backlogs have been increasing steadily since 1974. The regional boards' backlogs in 1974 amounted to 1,041 filings. By September 30, 1978, the backlogs at the regional boards had doubled to 2,049 filings.

6. Increasing Inefficiency.—Five years ago, it took headquarters an average of 196 days to complete a case. During FY 78, it took an average of 625 days. During FY 78, it took headquarters an average of almost 2 years (683 days) to screen filings. Getting filings assigned to the regional boards and back to headquarters for final review took an average of 49 months, or more than 4 years. Interestingly, the Board's filings received in 1978 were one-fourth of the 1974 load.

7. Attempting to Survive on the Backlog.—The current backlog is 5,424 cases, and the Board is finishing only about 500 per year. At this rate, it would take about 12 years to complete the backlog.

8. Discouraging Competition and Harassing Small Firms.—By renegotiating profits during a peacetime environment, the Board effectively discourages innovation, efficiency, and competition. A review of FY 77 and FY 78 excess profit determinations by the Board reveals that small firms are bearing the brunt of the Board's peacetime activities. You will not find McDonnell-Douglas, Lockheed, Grumman, or Hewlett-Packard. You will find So-Sew Styles, Inc., Tan-El Enterprises, Inc., ABC Food Service, Inc., and Pembroke, Inc.

9. Existing Procurement Safeguards.—Since the Board was originally conceived in 1942, the Truth in Negotiations and Defective Pricing Act, Cost Accounting Standards regulations, and Armed Services Procurement regulations have been in effect.

10. Existing DOD Contract Auditing and Monitoring Agencies.—DCAA (Defense Contract Audit Agency), DSA (Defense Supply Agency), and DCAS (Defense Contract Administration Services) employ 54,000 people, including 9,000 auditors. In 1977, DCAA negotiated away from contract costs $1.6 billion. By contrast, the Renegotiation Board made excessive profit determinations of $40 million ($20 million after taxes), $35 million of which were appealed to the U.S. Court of Claims.

TEN FACTS ABOUT THE RENEGOTIATION BOARD'S PERFORMANCE IN 1977

1. Fact: The Renegotiation Board's statutory authority ended September 30, 1976. Congress has refused to extend or expand its authority and a Senate Committee voted to abolish the Board until the next war or national emergency.

2. Fact: The Board is nevertheless asking for its largest appropriation in history, an unprecedented $7.3 million.

3. Fact: In 1977, despite a 14 percent decrease in the number of filings from the previous year, the Renegotiation Board's backlog before its Regional Boards increased 50 percent (from 1,276 cases pending to 1,930 cases pending!).

4. Fact: Despite the Board's claim that its backlog has been escalating due to "manpower constraints," the Board's regional offices in 1977, with 83 employees, completed only 253 cases as against 626 cases completed the previous year with 81 employees!

5. Fact: Five years ago, it took the headquarters office an average of 196 days to complete a case. Last year, it took an average of 718 days.

6. Fact: In 1977, although the Board spent more money than ever before in its history, it reached a ten-year low in excess profits determinations; only ⅓ of 1 percent of the total allowable profits were found to be excessive. The companies involved were not exactly America's largest. Of the 3,628 contractors forced to meet the Renegotiation Act's paperwork burden, only 22 companies were claimed to have made excess profits, and then only to the amount of $18 million. (The companies are listed below.)

7. Fact: In June, prior to the Senate Committee's vote to terminate the Board's existence until another national emergency, Chairman Goodwin Chase made a highly-publicized attack on Lockheed Aircraft Corporation, citing their case as a prime example of the need for the Renegotiation Board's services. The Chairman made false accusations against the advice of his staff, who warned he was grossly misrepresenting the truth. Subsequently, Chase was forced to admit he had made a serious error.

8. Fact: Defying Congressional stipulation that FY '78 appropriations be used solely to handle its backlog, the Board has spent considerable time and money attempting to expand its authority by new regulations.

9. Fact: Last year, one U.S. company, Hewlett-Packard, testified that its own costs of compliance with the Renegotiation Act were not less than $160,000 in 1976. Renegotiation Board member Harry Van Cleve charged that Hewlett-Packard in fact had had "no incremental cost of complying with renegotiation whatsoever." Hewlett-Packard responded by requesting a GAO audit. The GAO reported on September 10, 1977, condemning the Van Cleve statement and the Board's methods:

"The company's approach to developing the estimate appeared reasonable . . . we found the company does expend considerable effort and costs in filing with the Board."

* * * * *

"The Renegotiation Board developed the estimate of contractor costs of compliance by selecting three contracts that it believed were representative of the small, medium, and large contractors performing renegotiable business. None of the contractors was made aware of the fact that it was included in the study and none was asked by the Board what it estimated its individual costs of compliance to be. The estimate of contractor costs were made *solely* on the knowledge casually picked up by Renegotiation Board personnel during their prior contracts with respect to the contractors filing." (Emphasis added) From GAO Report, September 10, 1977.

In fact, H–P revised its estimate upward from $160,000 to $197,000. The company's total renegotiable sales totaled approximately $30 million, pegging this cost of compliance at about ½ of 1 percent of renegotiable sales. If the same percentages are applied to total national renegotiable sales, cost of compliance to industry could be roughly $255 million annually.

10. Fact: The Board's operating cost in 1977 ran to approximately $6 million. At the very most, its 1977 net return to the government would be $9 million (50% of excess profits). If $255 million in compliance costs are imposed on American business, the total cost to the public is roughly $244 million.

TABLE I.—CONTRACTORS

[Dollar amounts in thousands]

Name of company	Address	Fiscal year(s)	Product or service	Alleged excessive profits determinations
1. Milan Box Corp	Milan, Tenn	1974	Ammunition boxes	$100
2. ABC Food Service, Inc	El Paso, Tex	1974	Franchiser and services	80
3. Overseas National Airways, Inc., SII to Automated Terminals Inc.	Jamaica, N.Y	1970	Terminal operation	263
4. Rexnord, Inc., SII to Nordberg Manufacturing Co	Milwaukee, Wis	1970	Diesel engine parts	40
5. Aerodex, Inc. (CONS)	Miami, Fla	1967	Aircraft components	1,500
6. Fairchild Industries, Inc. (CONS)	Germantown, Md	1967	do	1,400
7. Oso Corp	Corpus Christi, Tex	1972	Equipment leasing	100
8. Medico Industries, Inc	Wilkes-Barre, Pa	1969, 1970	Helicopter rockets	975
9. E. P. Stephenson & Blake Whitesell. SII to All American, Inc	Muscle Shoals, Ala	1970	Ammunition box hardware distributor	40
10. David B. Lilly Co., Inc., SII to Delaware Fastener Corp	Wilmington. Del	1967. 1967, 1968, 1969	Manufacturers' representative. bomb fin parts distributor.	1,100
11. Robert M. Hadley Co., Inc	Los Angeles, Calif	1975	Electronic transformers	47
12. Marvel Manufacturing Co	Washington, D.C	1968, 1969	Propeller balancing instruments	100
13. Windsor Manufacturing Co	Windsor, Conn	1974	Precision metal machining	80
14. Pembroke, Inc	Egg Harbor City, N.J	1974	Coats and overcoats	150
15. American Manufacturing Co. of Texas	Fort Worth, Tex	1966, 1967, 1969, 1971	Bomb bodies and projectiles	1,800
16. Industrial Park Supply Co	do	1969, 1970	Bomb body material distributor	375
17. General Industrial Corp	do	1968, 1969, 1969, 1970, 1971.	do	950
18. Manpower, Inc	Glendale. Wis	1973	Mess attendant services	80
19. Plastoid Corp	Long Island City, N.Y	1966, 1967, 1968	Wire and cable	1,700
20. Lawrence Engineering & Supply, Inc	Burbank, Calif	1974	Fasteners distributor and manufacturer	125
21. Service Equipment Co., Inc	Washington, D.C	1972	Manufacturers' representative	35
22. LaPointe Industries Inc., SII to Northeastern Engineering, Inc	Rockville, Conn	1569	Frequency counters	40

From the Renegotiation Board's 1977 Annual Report (pp. 23–24).

CASES IN 1978

Company	Board determination	Court decision	Fiscal years covered
1. Chrome Alloy	$4,327,222	$4,327,222	1966–68
2. Stylecraft Clothes	636,787	636,787	1967–68
3. Galleon Amco, Inc	1,256,312	[1] 736,252	1967–69
4. Camel Manufacturing Corp	1,322,698	[1] 811,997	1966–68
5. Mills Manufacturing Corp	$999,483	[1] $622,484	1967–69
6. Page River-Curran	1,200,000	[1] 778,036	1963
7. Manufacturers' Service	418,279	[1] 235,990	1967–69

[1] Reduced.

EXHIBIT C

ALL CASES DECIDED BY THE COURT OF CLAIMS SINCE JAN. 1, 1976

Company and location	Product	Court of Claims No.	Board determination	Court decision	Case duration	Legal fees and court costs of company	Other costs (administration, accounting, etc.) estimate of company	Total cost to business	Equivalent Government expense	Net gain (or loss) to Government and company
1. Butkin Precision Manufacturing, Milford, Conn.	Parts for gas turbine engines	641–71 and 484–73.	$986,000	0	1968–76	$96,000	$76,000	$172,000	$192,000	($344,000)
2. Dynasciences, Blue Bell, Pa	Defense research and development.	62–72	125,000	$67,000	1967–77	70,977	21,000	91,977	91,977	(24,977)
3. Aero-Spacelines, Inc., Santa Barbara, Calif.	Supplier of "outsized" air cargo transportation for NASA rockets.	589–71	250,000	0	1966–76	80,000	80,000	160,000	160,000	(320,000)
4. Hills Manufacturing Co., Asheville, N.C.	Parachutes	607–71, 655–71 and 697–7).	1,200,000	750,000	1969–78	140,000	125,000	265,000	265,000	122,500
5. Major Coat Co., Bridgetown, N.J	Clothing	31–72	740,760	560,000	1968–76	50,000	43,500	93,500	93,500	186,500
6. A. C. Ball, San Carlos, Calif	Wheels, screws, etc. for Air Force.	588–71	250,000	50,852	1967–76	53,000	33,000	86,000	86,000	(113,000)
7. Blue Bell, Inc., Greensboro, N.C	Clothing	603–71	275,000	150,000	1967–77	53,790	53,000	106,790	106,790	(163,580)
Total			3,826,760	1,577,852		543,767	431,500	975,267	975,267	(657,057)

Mr. MATHIAS. Mr. President, will the Senator from Indiana yield?

Mr. LUGAR. I yield.

Mr. PROXMIRE. Mr. President, will the Senator permit me to call the attention of the Senator from Alaska to one point?

Mr. MATHIAS. Yes.

Mr. PROXMIRE. That explicit point was made by the Comptroller General when he said this:

> This is in reference to your letter dated June 8, 1977. You indicated that several persons have alleged, in support of the argument that the Renegotiation Board is no longer necessary, that improvements in Government procurement procedures and the large number of procurement and contract administration personnel virtually eliminates opportunities for excess profits. The number of Government personnel involved in procurement actions is alleged to be 54,000. The material was originally developed to show the various elements or steps in the procurement process. It does not purport to show the Federal employees involved in preventing excess profits.

Then he goes on to say, and concludes:

> Contractors can and do insist on very high prices in certain circumstances. The only means of recovering excessive profits in those cases is through the Renegotiation Act. It provides a means of moderating unreasonable demands where the Defense Department has to deal with sole-source contractors that maintain a take-it-or-leave-it position. In summary, we believe the Renegotiation Act is essential to provide one last opportunity to assure that contractors are making no more than a reasonable profit.

No other agency does this. Nobody else is in a position to do it, although the Senator is correct in saying that there are a large number of procurement personnel involved in auditing, and so forth. But with sole-source procurement, the only way you can get at the excess profits is with the Renegotiation Board.

Mr. STEVENS. I respond to my good friend from Wisconsin by saying that I was impressed with the argument made by the Representative from California, that the Board's costs to the Government in 1978, and he documents it, are more than could possibly have been returned to the Government, not even taking into account the costs of the court appeals which he estimates to be about $100,000 per case.

Beyond that, however, this is not a board that is dealing with massive defense contractors; it is dealing with the smaller contractors.

It seems to me that the main reason we are opposing the continuation of this Board, and the main reason we opposed it last year in the Appropriations Committee report, is that the Board is an extra burden on the Government. We are putting more and more of a paperwork burden upon the people who are doing the job for the Government, by virtue of the fact that we have these redundant audits and redundant procedures with which they must comply, and which forces up the cost of Government procurement.

I would like to start looking at a few other agencies that could be terminated. As a matter of fact, it seems to me that it was the pledge of the President of the United States to do away with the unnecessary agencies of Government. I find it very surprising that the administration now wants to breathe new life into an agency which the Congress found last year to be wasteful and unnecessary.

Mr. MATHIAS. Mr. President, before I put my question to the Senator from Indiana, I say to the Senator from Wisconsin that I am disturbed by his representation of the Renegotiation Board as the court of last resort, that it is the last place. I would like to think that we had a more reliable system than that, in an era of fixed price contracts, in an era in which procurement procedures have undergone the overhaul they have.

Again, I want to pay tribute to the Senator from Wisconsin for his part in seeing that that happened. It would be very disappointing to think that our hopes rested on an agency whose score in the appeals courts was less than 50 percent.

I hope that no procurement office anywhere in the U.S. Government is letting down its effort on the theory that "Oh, well, there's the Renegotiation Board out there. They are going to rescue us if we make a mistake." I think we all look to each procurement official and to each procurement agency to do its job in the best possible way. If we need a safety net, let us devise a good one, with a better record than the Renegotiation Board has.

I ask the Senator from Indiana if he agrees with me that the figures I cited would indicate that, given the low rate of success on appeals in the U.S. courts, the operation of the Renegotiation Board is a losing proposition for the taxpayers of the United States, if you assign any reasonable cost to the procurement community, the business community, of coping with the procedures that are created by the Board.

In the judgment of the Senator from Indiana, is it in the long-range interests of the taxpayers that we reappoint this Board, restaff it, put it back into position, or will it in fact cost the taxpayers more money than they are likely to receive?

Mr. LUGAR. Mr. President, I appreciate the question of the distinguished Senator from Maryland.

In fact, in its report on S. 2791, the Renegotiation Abeyance Act of 1978, the Senate Banking Committee, on page 3, responds to the Senator's question by saying:

> Among the most convincing arguments against the reauthorization of the Renegotiation Board in today's procurement environment are the following: With its focus on profits rather than costs, it is counter-productive to the goal of keeping defense costs down. Because of the uncertainty it creates, it aggravates the serious problem of capital shortfall in the defense industry. It discourages contractors from seeking improved productivity or other cost-reducing features. It keeps new or additional contractors away from the market, thus stifling competition and most probably increasing costs to the Government.

It seems to me that in four succinct comments the report of the Banking Committee on S. 2791 does respond that the Renegotiation Board costs the taxpayer substantially more money.

If I may expand that answer to the Senator from Maryland for a moment, I wish to make a comment on a letter that has come into my hands in preparation for this debate. It is written to the President, dated March 28, 1979, by the Honorable JOHN SLACK, chairman of the Subcommittee on State, Justice, Commerce, and the Judiciary for the House of Representatives Committee on Appropriations. And Representative SLACK says:

> DEAR MR. PRESIDENT. The continued existence of the Renegotiation Board and appropriations therefore has been a troublesome matter for several years. As I am sure you are aware, the statute which authorized the renegotiation process expired on September 30, 1976. Since that time, the work of the Board has been confined to the processing of filings related to contratcs in effect on or prior to that date.
>
> The position of the subcommittee which I am privileged to chair has been well known since April 1978, when we marked up the 1979 appropriation bill containing funds for the Board. We maintained at that time that funds should expire on March 31, 1979, unless extension of the renegotiation statute were enacted. That position was supported by the House and the Senate, and the bill was signed into law (P.L. 95-431) on October 10, 1978, with no comments on this matter.
>
> Mr. President, I have a letter signed by 225 members of the House asking that our subcommittee deny any additional funding for the Renegotiation Board after March 31.

I say parenthetically 225 Members of the House of Representatives have signed a letter asking for no additional funding.

And I go back to the letter now.

> After receiving that letter and after discussions with Mr. Stuart Eizenstat, I consulted the House leadership on the matter. I also discussed this with the House leadership again today.
>
> It is highly unlikely that legislation to extend the life of the Board could even get out of the Appropriations Committee and it is obvious that there is insufficient support in the full House for the passage of such a measure. Under the circumstances, it would seem unwise on my part to make any further effort to continue the Board.
>
> With best wishes.
>
> Sincerely,
>
> JOHN SLACK,
> *Chairman, Subcommittee on State, Justice, Commerce, and the Judiciary.*

Mr. President, I submit that the House Members have spoken and Chairman Slack certainly summarized that point of view, I think, succinctly.

We may for the sake of argument, and it has been a useful one, be involved in a last-gasp debate. But the theory is that and the large majority of the House of Representatives has spoken, and we are hopeful that a large majority of the Senate will speak in a few moments when we have a vote.

Mr. MATHIAS. I thank the Senator.

● Mr. HART. Mr. President, I intend to support a 1-year extension of the Renegotiation Board. However, I regard this extension not as a reaffirmation of the Board's current practices, but rather as a period of probation.

I believe it is desirable to have oversight over defense contracts and defense profits. We cannot, in a time of inflation and of pressure to reduce the budget, give a blank check to defense contractors to maximize their profits. There is such a thing as profiteering, and we have a responsibility to prevent it. The Board has served a useful function in this regard, and may be able to continue to do so.

At the same time, it can be legitimate for a business to exceed a certain median level of profitability in its defense contracting, if its profits are justly attributable to high efficiency. Such efficiency can benefit both the taxpayer and the contractor, and must not be discouraged. Indiscriminate renegotiation which fails to account accurately for the source of profits can be harmful. Equally harmful can be a requirement that contractors furnish more data than is needed, creating redtape which must ultimately be paid for by the taxpayer.

In the next 12 months, I intend to oversee carefully the work of the Renegotiation Board to ensure it does not abuse its charter by creating redtape or denying legitimate profits. If it can act legitimately, I believe it should be continued in its watchdog role. If not, it should be abolished.●

THE RENEGOTIATION BOARD PROTECTS THE AMERICAN TAXPAYER

● Mr. McGOVERN. Mr. President, the administration's anti-inflation program received a major setback recently when it was announced that corporate profits during the last 3 months of 1978 rose at an annual rate of 45 percent. Unless Congress acts to renew the authority of the Renegotiation Act and to provide funding for the Renegotiation Board, corporate profits once again will have triumphed over the public interest as a whole.

The Board's function is to guard against excessive corporate profits in defense and space industries. If these industries were truly competitive, there might be no need for the Board. But, in fact, in 1978 63.8 percent of all defense contracts were awarded on a "sole source" basis. This lack of true competition—as well as the close ties between the military and industrial sectors—creates the opportunity for excessive profits.

The Board does uncover a sizable amount of excessive profits. In the 12 months since March 1, 1978, the Board has found excessive profits of $82 million. Since its inception in 1953, the Board has found $1.4 billion in excessive profits—a substantial saving for the American taxpayer.

While these sums are significant, the real value of the Board's activity probably is its deterrent effect. Corporations are more likely to exercise some restraint if they know a public agency will be scrutinizing their performance than if they have a totally free hand. Therefore it will be important to the anti-inflation fight not to dismantle this watchdog agency at a time of rising military budgets. The United States spends more on defense procurements now than we did during the Vietnam war. The President's 3 percent real growth in military spending for NATO is largely committed to the procurement accounts. For example, the President's military budget for fiscal year 1980 requested real growth of 43 percent for Army aircraft, 83 percent for Army missiles and 10 percent for Air Force aircraft. To abolish the Renegotiation Board under these circumstances would be like abolishing the Government's assayer's office during the gold rush.

Successful renegotiation can reduce inflationary pressures by holding down unnecessary Federal spending and by restricting the flow of defense dollars which, as many economists have pointed out, are among the most inflationary of all Government spending. The Renegotiation Board presently has a backlog of cases whose value is approximately $162 billion. If the Board is allowed to expire on March 31, this $162 billion of defense and space contractor sales will remain largely unchecked and any potential excessive profits would be lost to the Government.

Mr. President, the fight against inflation is not only an economic issue—it is also a political question. Can the powers of Government be marshaled on behalf of low- and middle-income families—or must we be dominated by big special interests? We have the opportunity here to show that giant corporations can be held in check. The Renegotiation is a small agency attempting to exercise rational, limited oversight over the Lockheeds, the Boeings and the other corporate giants. We cannot allow them to extinguish the Board at the expense of the American public.

It was a South Dakota Senator, Senator Francis Case, who many years ago stood here as an original sponsor of the Renegotiation Act in 1951 to prevent profiteering during the Korean war. I am proud to succeed him as a sponsor of this renewal legislation to prevent profiteering in our war against inflation.

I submit for the RECORD two articles on the subject from the Washington Post.

RENEGOTIATION UNIT, RARE PROFIT-MAKER, SPEEDS TO EXTINCTION

(By T. R. Reed)

Amid the growing clamor on Capitol Hill to eliminate the budget deficit, Congress is about to kill one of the few federal agencies that takes in more money than it spends.

The victim is the Renegotiation Board, a small watchdog office created to guard against profiteering on defense and space contracts.

The board's impending demise is the result of an intense lobbying campaign by the defense industry—a campaign that was supported by many of the same members of Congress who now are most vocal in calling for a balanced federal budget.

But the agency has suffered as well at the hands of its friends, including President Carter, who pledged to strengthen the board as part of his first anti-inflation program early in 1977 but has mainly ignored it since.

The board's job is to review government contracts for defense and space equipment after all work on the contract has been completed. If it finds that the contractor has earned "excessive" profits on its government sales, the board can order that the excess be paid back to the government.

In fiscal 1978, the board spent $6.2 million to do its work, and recouped $34.4 million in excess profits, for a yearly "profit" of $28.2 million. Some of the repayment orders, however, are likely to be challenged in court.

The General Accounting Office says the board is worth more to the government than its operating "profit" because, by its very existence, it deters contractors from inflating prices in sole-source contracts.

But the board's existence will end in 10 days unless Congress acts before then to reverse legislation passed last fall to cut off the agency's operating funds as of March 31.

The board's leading champion in the House, Rep. Joseph G. Minish (D-N.J.), has scheduled a hearing today before his general oversight subcommittee to try to stir some last-minute movement that might save the agency, but even he agrees that the chances are miniscule.

The Renegotiation Board was created in 1951 as a "temporary" response to the Korean War buildup. Its authorizing statute was extended by Congress 13 times until September 1976, when the last extension ran out. Since then, the board has continued to work on its backlog, with no authority to review new contracts, while Congress has battled over its future.

When Carter entered the White House in 1977, he gave the agency a tough new chairman and promised his "full support" to improve its operations. That April, he told the nation he would "insist upon a strengthened Renegotiation Board which bears down hard . . ."

But then Carter's budget office turned down the board's requests for staff and funding increases, and the president failed to nominate anyone to fill the board's two vacant seats. Despite appeals from the board's supporters in Congress, the White House never launched a sustained lobbying effort to extend the authorizing legislation.

Carter's hand-picked chairman, Goodwin Chase, undermined the board's credibility in Congress by publicizing what he called "classic case" of profit-gouging by a big defense contractor—and then being forced to admit that he had the profit figures wrong. Chase also antagonized Congress by adopting regulations that considerably expanded the board's authority—at a time when the agency did not have an authorizing statute.

Meanwhile, defense contractor associations organized a grass-roots lobbying effort, with participation from at least one contractor or subcontractor in every congressional district. The firms told their Congress members that the board was a useless engine of red tape and harassment that discouraged many companies from dealing with the government and thus drove up the cost of defense equipment.

In Congress, the campaign to abolish the board was pushed by such conservatives as Reps. John H. Rousselot (R-Calif.) and James H. Quillen (R-Tenn.) and Sen. Richard G. Lugar (R-Ind.), all of whom are advocates of a balanced federal budget.

The board had continued to receive appropriations to work on a $200 billion backlog of pre-1976 cases, but then, last year, Congress voted to end all funding as of March 31.

The board's demise may have an ironic twist for some defense contractors because its termination will automatically revive the Vinson-Trammel Act, a 1934 statute that prohibits profits above 10 percent on ship contracts and above 12 percent on planes. Any excess profits are to go to the Internal Revenue Service.

Accordingly, the IRS has ordered ship and plane manufacturers to start filing profit data as of April 15. Meanwhile, the contractors have started lobbying to abolish Vinson-Trammel.

MEANY CRITICIZES "PROFIT-GOUGING," URGES CONTROLS

(By Art Pine)

Organized labor, reacting sharply to reports that industry profits are soaring, warned yesterday that workers will reject President Carter's wage guidelines if the White House does not move quickly to limit prices and earnings.

In an acid-tinged statement, AFL–CIO President George Meany blasted the fourth-quarter profit figures as "the grossest demonstration of profit-gouging since the opening days of the Korean War."

Meany said unless there are "effective and enforceable controls on prices and profits, workers cannot be expected to seek wage increases that do not catch up with lost buying power and maintain their families' standard of living."

The escalation of labor's cold war on the guidelines issue came as the White House attempted to steer a middle course on the profits question.

At a briefing for reporters, Carter's press secretary, Jody Powell, said the president was dismayed by the figures Tuesday but would not try to determine "an exact proper level for profits."

On Tuesday, presidential assistant Hamilton Jordan had told a National Press Club audience that profits were "unnecessarily high" and vowed the White House would "take steps to deal with this."

Yesterday, key economic officials were more muted over the profits issue. Several strategists confirmed that Carter had agreed generally to become "more visible" in the inflation fight but had not decided how to do it.

Anti-inflation chief Alfred E. Kahn and other aides have urged Carter to "jawbone" more frequently by calling business and labor leaders to the White House to lecture them generally about wage and price increases.

However, some officials indicated yesterday it was unlikely the chief executive would become involved as a mediator in individual price hike or contract actions. "It would be asking for trouble," one insider said.

The developments came as, separately, the administration received news of movement in two important labor negotiations—the Teamsters union talks now under way and the International Ladies Garment Workers Union bargaining.

Sol C. Chaikin, ILGWU president, indicated that while his union would seek a "substantial" wage boost in its current talks, the contract most likely would come in under the administration's 7 percent wage guideline.

And the trucking industry submitted a contract proposal that insiders said is within the administration's guideline.

Meanwhile, the Commerce Department reported a modest bit of good news—that the U.S. current account deficit narrowed last quarter, resuming the gradual improvement that was interrupted last fall (Details on Page D10).

And, in another report, the department said new orders for durable goods rose only 0.3 percent in February, providing another bit of early evidence that the economy finally may be beginning to slow down.

Analysts both in and out of government have been fretting recently that the economy is overheating—a condition in which excess demand intensifies inflationary pressures. The profits surge was in part linked to this.

The Commerce Department reported Tuesday that corporate profits rose a hefty 9.7 percent in the final three months of 1978—an annual rate of 44.8 percent. The rise brought profits to a level of 26.4 percent above the same period a year before.

Carter's apparent decision to become "more visible" in the anti-inflation fight reflects concern by his top advisers that voters may be perceiving him as too wrapped up in foreign affairs at the expense of domestic concerns.

Recent political polls have shown many voters believe Carter's Middle East peace efforts have taken up too much of his time and want him to devote more of his attention to the anti-inflation fight.

Among the moves suggested by Kahn and other advisers are that the president summon corporate chieftains to the White House and chide them about large profit increases and meet with both sides in advance of key wage talks.

One source said Jordan's reaction may have been influenced by sharp criticism of the administration's stance on profits by Sen. Edward M. Kennedy (D-Mass.), a possible challenger to Carter.●

Mr. PROXMIRE. Vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Louisiana (Mr. LONG), the Senator from Washington (Mr. MAGNUSON), the Senator from North Carolina (Mr. MORGAN), the Senator from Wisconsin (Mr. NELSON), the Senator from Alabama (Mr. STEWART), the Senator from Florida (Mr. STONE), and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

I further announce that the Senator from Idaho (Mr. CHURCH), and the Senator from Connecticut (Mr. RIBICOFF) are absent on official business.

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF) would vote "yea."

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "nay."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oregon (Mr. HATFIELD), the Senator from California (Mr. HAYAKAWA), the Senator from Idaho (Mr. McCLURE), and the Senator from New Mexico (Mr. SCHMITT) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) and the Senator from New Mexico (Mr. SCHMITT) would each vote "nay."

The PRESIDING OFFICER (Mr. PELL). Is there any Senator in the Chamber who has not voted?

The result was announced—yeas 28, nays 56, as follows:

[Rollcall Vote No. 34 Leg.]

YEAS—28

Baucus
Bayh
Biden
Bradley
Burdick
Culver
Glenn
Gravel
Hart
Jackson
Kennedy
Leahy
Levin
Matsunaga
McGovern
Metzenbaum
Moynihan
Muskie
Pell
Proxmire
Pryor
Riegle
Sarbanes
Sasser
Stennis
Stevenson
Talmadge
Williams

NAYS—56

Armstrong
Bellmon
Bentsen
Boren
Boschwitz
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Cranston
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Exon
Ford
Garn
Goldwater
Hatch
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Lugar
Mathias
Melcher
Nunn
Packwood
Percy
Pressler
Randolph
Roth
Schweiker
Simpson
Stafford
Stevens
Thurmond
Tower
Wallop
Warner
Weicker
Young
Zorinsky

NOT VOTING—16

Baker
Church
Eagleton
Hatfield
Hayakawa
Huddleston
Long
Magnuson
McClure
Morgan
Nelson
Ribicoff
Schmitt
Stewart
Stone
Tsongas

So the amendment (UP No. 60) was rejected.

UP AMENDMENT NO. 61

Mr. JAVITS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The Senate will be in order.

The amendment will be stated.

The second assistant legislative clerk read as follows:

> The Senator from New York (Mr. JAVITS) proposes an unprinted amendment numbered 61.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 62

(Purpose: To direct the Council on Wage and Price Stability to review its policies with respect to productivity growth)

Mr. JAVITS. Mr. President, I send to the desk a substitute amendment.

The PRESIDING OFFICER. Without objection, the first amendment is withdrawn.

Mr. JAVITS. Mr. President, the purpose of this amendment, which I offer on behalf of myself and Senator PERCY, is simply to——

The PRESIDING OFFICER. The clerk will state the substitute amendment.

The assistant legislative clerk read as follows:

> The Senator from New York (Mr. JAVITS), for himself and Mr. PERCY, proposes an unprinted amendment numbered 62.

The amendment is as follows:

> On page 2, between lines 15 and 16, insert the following:
>
> Section 3 of the Council on Wage and Price Stability Act is amended by adding the following new subsection at the end of subsection (b):
>
> (c) The Council is directed to review its policies with respect to the national interest in promoting greater productivity growth and shall submit a report of its findings and recommendations to the Congress by July 1, 1979. Such review shall include, but not be limited to, the need for flexibility in determining compliance with pay and price standards based upon documentable productivity gains resulting from improved efficiency of the work force.

Mr. JAVITS. Mr. President, the purpose of the amendment is to fix the attention of the wage and price authorities on the productivity issue, which was substantially not dealt with at all in the legislation when it was reported to us. But in an amendment which the Senator from Texas (Mr. BENTSEN) sponsored, and which is now incorporated in the measure, section 3(a)(5) now adds the following:

> And the Council shall take into consideration the need to stimulate productivity in monitoring wages and prices to determine compliance with promulgated standards.

Our amendment, Mr. President, is complementary to the Bentsen amendment, but actually calls upon the wage and price authorities to give us a report within a relatively short time as to what can be done, feasibly, to make productivity an element in the wage and price guidelines, based upon encouraging greater efficiency in the work force.

In the midst of this debate on extending the authority for the Council, I hope that the Senate will not lose sight of the long term underlying causes of our economic troubles. A key factor directly related to our major economic difficulties, and to spiraling inflation in particular, is the abysmal, decade-long decline in the productivity growth. If not reversed, stagnant productivity in the United States virtually guarantees that inflation will not be brought under control through artificial restraints on wages and prices—whether they are in the form of guidelines, voluntary standards, or mandatory controls—or even if we fix Federal expenditures to some particular percentage of the gross national product.

At the very least we should expect that wage and price standards not be administered so as to impede productivity growth, but that is exactly what the Council is doing. COWPS has established a standard which, in the context of a recent return of double-digit inflation, fails to accommodate any productivity improvement and, in my judgment, this failure helps to explain the general dissatisfaction with the voluntary standards and the gloomy, widespread predictions of their early demise.

My amendment directs the Council to review its standards in light of productivity growth and report back to the Congress promptly.

Surely the Council cannot continue to ignore the fact that the return to double-digit inflation threatens the viability of the 7-percent pay standard. The 1.2-percent increase in consumer prices last month, the largest monthly increase in 4½ years, which translates into a more than 15-percent annual increase, has undercut the pay standards established last fall. Council Chairman Kahn's recent statement that there are no plans to change the standards is regrettable. How can one expect even partial success from a program of voluntary standards if they do not reflect real economic conditions?

I believe it is instructive to recall that when the Kennedy administration adopted a 3.2-percent voluntary guideline, this figure was based solely on the then historical rate of productivity growth and included no inflation factor. Future pay increases were to be based solely on assumed future productivity growth. Then, under the Nixon administration's mandatory controls, adopted at a time of high rates of inflation, a 5.5-percent pay standard was adopted, based upon a 2.5-percent inflationary expectation and an additional 3 percent for productivity.

I recognize, of course, that this time around the Council began with a comparable approach and based its standards on an assumption of 1¾ percent future productivity growth and 5¼ percent as expected inflation. Unfortunately, the basic problem is that the economy has not behaved according to the Council's earlier hopes and expectations and, unless a dramatic turnaround occurs later this year, the cost of living is likely to rise at least 9 percent in 1979. Consequently, the room set aside in the 7-percent pay standard for expected productivity growth has been preempted by the extraordinary inflation rate of recent months. Therefore, the present pay standard, in failing to accommodate any increases in industry productivity, deprives us of an incentive to be more productive—and at a time when that incentive is needed desperately.

The Council seems to comprehend the problem, but seems unable to prescribe a remedy. Even before the February CPI increase was reported, Mr. Kahn himself, in the context of the earlier report of the increase in Producer Price Index, said to the Senate Banking Committee on February 9, 1979:

> And with the kind of evidence that we had this morning about the way inflation is going for the next few months and may be expected to go, with bad news in food and bad news in fuel, we have to ask ourselves how long will union labor be willing to settle for 7 percent when our own official projections are 7.5 and when it looks as though, if anything, that will be on the low side, without the prospect that they will receive some sort of recognition and protection at least for a limited time if they are alone and other people don't follow.

I would point out to Mr. Kahn that the impact of inflation makes no distinction between union and non-union labor. Every wage earner in the country has a stake in the battle against inflation.

I believe that absent a specific statutory framework for curtailing wage and price increases, the Congress must at least share responsibility for correcting basic deficiencies in the administration's program. Given the Council's present attitude, and the fact that the program is already 6 months underway, the Council need not necessarily undertake a sweeping overhaul of the standards. I am certainly not suggesting that the pay standard now be increased to reflect the actual inflation rate. If the 7 percent is to remain intact, however, it can be of value only as a target for wage increases in the absence of other compelling factors, to wit: Productivity.

More specifically, I am suggesting to the Senate that it ask the Council to review its full performance to date under the present standards and, in particular, that it study the idea of taking productivity into account in permitting particular noninflationary deviations in these standards. Thus far, the Council has made only one very narrow concession to productivity contributions.

A variation in the pay standard will be permitted only where a unit of unionized employees has made specific contractual work rule changes resultinig in demonstrated productivity increases. This not only ignores any broader conception of work practice improvements by nonunion labor, but also penalizes unions which facilitate cooperative work practice changes with employers outside of actual collective bargaining agreements. Just last year the Senate adopted the Labor-Management Cooperation Act, a measure that I sponsored to recognize and promote the enormous value to productivity and the quality of working life that can result from cooperative efforts undertaken through the establishment and operation of joint labor-management committees on a plant, area or industry-wide basis. These kinds of activities should not be discouraged by the operation of the Council's standards. Instead, I believe that the Council must take steps to accommodate a much broader concept of work rule and work practice changes by permitting variations in the standards based on demonstrated productivity improvement.

Moreover, the Council has ignored, and therefore discouraged, the productivity contributions of employee incentive plans. This subject is not new to the Congress. In 1971 we amended the Economic Stabilization Act of 1970 to require that the then mandatory wage controls not operate so as to "preclude the payment of any increase in wages * * *. paid in conjunction with existing or newly established employee incentive programs which are designed to reflect directly increases in employee productivity." That provision stemmed from an amendment offered by Senator Percy in which Senators Proxmire, Ribicoff, and I joined. As Senator Percy then said:

> We certainly should not try to freeze wages if by doing so we remove the incentive for increasing productivity.

Under this amendment the Council should also examine and report to the Congress on the idea of general variance in the pay standards based upon productivity increases on an industry-by-industry basis, subject to some appropriate overall limitation.

What COWPS could look at might be a procedural change, so that in administering its general pay standard (which presently does not accommodate productivity growth), selective upward adjustments would be permitted in particular industries if they are justified by recent actual and demonstrable productivity experience in that industry. Such pay increases would, of course, be entirely consistent with decelerating wage inflation since they would be confined to those situations where the above standard pay increases were absorbed completely by productivity improvements and, thus, where unit labor costs would not be increased.

In order to prevent substantial disparities in wage rate increases that could result from adopting this new approach, such productivity increases might be made subject to some limitation. Such limit would appropriately be based on historical levels of aggregate productivity growth in the U.S. economy, which would be no more than 2 to 3 percent. Thus, in an industry experiencing 4 to 6 percent annual productivity growth, employee compensation could be increased up to one-half of that rate above the general pay standard.

In looking at that approach, I expect the Council would go beyond considerations of whether individual workers "deserve" increases based on the productivity of the particular firm or industry in which they are employed, as if workers were just another factor in production costs. Nor should it assume that it can administer pay standards as if the U.S. economy conforms to notions of a perfectly competitive model. The recent failure to decelerate price increases should be evidence enough. We are going to have to accept new approaches to stimulating productivity, some of which may not now be quantifiable. For example, should we not consider that pay increases which tend to be greater in more highly productive industries will tend to attract workers with the best skills and talents and thereby further promote productivity?

We do know, of course, that if productivity increases along with wage gains we will have made a great impact on inflation. Holding down unit labor costs should be a prime objective, and the key to doing this is in increasing productivity. This amendment, therefore, calls on the Council to review its standards in this light and to consider how it can promote this objective through its wage and price standards.

I recognize that attempting to relate wage policies to productivity presents some problems due to inadequate productivity measurement in certain areas, and that the data available are more detailed in some sectors than in others. But I do not believe that these problems should prevent the study of this approach since data are available for all major sectors of the private economy and we can only expect that the best available official estimates will be used.

Mr. President, I am attempting through this amendment to call attention not only to flaws in the wage-price standards of the administration, but to the overriding interest we must take in spurring higher productivity growth if we are to avoid the grave dangers our economy faces in the years ahead. For we should clearly understand that wage and price standards themselves cannot correct the underlying economic weaknesses. Our deteriorating productivity performance over the past 20 years must be reversed through a wide range of efforts, including greater capital investment, removing harmful trade barriers, increased research and development, and improving the employment conditions, the education and skill levels, and the basic confidence of our Nation's work force.

I urge that we begin now.

Therefore, Mr. President, I discussed this matter with the Wage and Price Council representatives here, and worked out the text of this amendment. I have also discussed it with the managers of the bill, and hope very much that they may find it acceptable. Without endeavoring to do something arbitrary, that is, crank in a provision right here and now, in view of Senator Bentsen's present provision which I have just read, I think it will unable us to appraise what can and should be done, and to fix specific attention on this great issue—probably the greatest business issue before our country is productivity—if we honor this and have this report on the first of July, and I hope very much that it may be found acceptable to the managers of the bill.

In the meantime, I also urge others who have studied this issue to submit their views and recommendations to me and other Senators, just as Mr. Jackson Grayson has done through his efforts with the American Productivity Center.

I now yield to my cosponsor, the Senator from Illinois (Mr. Percy).

Mr. PERCY. Mr. President, I appreciate the Senator's yielding on this particular point. I think probably the two greatest worries that American business has today are the lack of responsiveness to research and development, shown by the declining number of patents issued in the United States and the increase in expenditure for research and development by other countries; and, second, the stagnant rate of productivity increases in the United States, in contrast with years past when, year after year after year, American industry preeminently increased in productivity beyond other countries, and we were able to pay substantial increases in wages and still keep our unit costs of production down, and hold down inflation, so much so that between the years 1955 and 1965 increases in inflation only averaged 1.5 percent. That was primarily because productivity increases offset wage increases. Wages increased but as wages went up, productivity went up even more, therefore allowing prices to stay relatively stable.

But when we have a condition today with wages going up 7, 8, 9, or 10 percent on the front pages of the papers today in one industry, those wage increases, offset by a negative increase in inflation, or two-tenths of 1 percent or a half of 1 percent, literally means that prices must go up 9 and 10 percent a year.

What is the reason for this? I think Senator Javits, as one of the Senate's foremost students of American productivity and its lagging growth rate, put his finger right on the principal point today.

Earlier this year, in a floor statement, Senator Javits hit the nail on the head when he pointed out that "the inadequacy of capital investment is chiefly responsible, in my judgment, for the dismal productivity performance of the United States in the decade of the 1970's * * * The problem is that we are deficient—and this will or should amaze many people who just read and run—in after-tax profits in this country. Real after-tax profits have grown very slowly over the past decade—thus limiting internal cash flow available for capital spending. Furthermore, permissible depreciation write-offs have been limited to historical replacement costs, which means that true replacement costs which are much higher are a claim on current profits."

The Senator from New York spoke those words several months ago, but it would be good to remember them now, in light of the release a few weeks ago of fourth-quarter profits. Considerable debate has been generated across the land about the reported 26 percent increase in profits. White House spokesmen have decried the increase; businessmen and some journalists view the report with cautious optimism.

We should, in fact, be gravely concerned about the performance of American industry and we should not forget that these profits are the mainstay of a healthy economy, the source of jobs and the best means for private industry to finance future expansions.

Robust economic growth and progressive increases in productivity are essential elements in our fight against inflation. That is why I strongly support—indeed, am a cosponsor of—the Senator's amendment. We cannot do enough to increase our productivity and this amendment is a small step toward acknowledging the importance of productivity in our fight against inflation.

Under the pending amendment, the Council is required to report to Congress by July 1, 1979 on the "need for flexibility in determining compliance with pay and price standards based upon documentable productivity gains resulting from improved efficiency of the work force." In other words, we are simply asking the Council to look and see if it would be feasible to incorporate productivity increases into the stadards. The Senate is strong on precedent, and certainly we have prededent in this case.

Mr. President, in 1971 I offered and Senator JAVITS cosponsored—and the Senate passed—an amendment to the Economic Stabilization Act directing the Pay Board to permit pay increases that reflected bona fide employee compensation programs directly related to productivity increases. Senator JAVITS and I had the support of the Pay Board and Treasury Department. Consideration of productivity increases was good policy and appropriate 8 years ago and I believe it is even more so today.

The very thought of labor being told, "All you can have is a 7-percent wage increase regardless of what happens," is one thing. We know if prices go up 9 percent, 8 percent, or 10 percent, they are running hard to stand still. But how much better for workers to feel they have in common with management an objective. Our objective is not to mandate and hold down wages. What we are trying to do is hold down inflation, which hurts everyone. If workers, together with management, can increase productivity sufficiently, even in the light of wage increases, so that price increases do not occur, why would the Government want to hold down those workers, wages? There is no sense in it.

We said at the time, and we put this amendment in in 1971, let the sky be the limit as far as wage increases are concerned, so long as workers, together with management, devise means to increase productivity so prices do not have to increase. This became the most popular feature in an otherwise utterly unworkable, impossible, bureaucratic jungle that we were working through.

This was clear. This really worked. Industry after industry understood if they got together and worked around the same table toward a common objective, increased productivity, they could remove the onerous hold over wages and, of course, prices would not have to increase because costs did not increase.

Mr. President, passage of this amendment is the least we can do to show our support for productivity gains. We do not want to find ourselves in the position of discouraging firms and workers from making strides in productivity that will help reduce the price of goods and services. We have a chance here to provide an incentive for cutting costs and increasing productivity. It is far better to work through these channels than to look toward restraints and controls as a salvation. That road would lead us nowhere and would only create inequities and shortages that would plague us for years. The use of controls is a case where the cure would be far worse than the disease. And yet we can accomplish our goals if we allow wage increases for those workers and firms that have made genuine contributions to lowering costs and increasing output.

I have always felt the marketplace was the best incentive, and so it is in this case.

In recent weeks we have seen the vicious cycle of inflation at work. Profits—in current, not real, dollars—jumped 26 percent in the 4th quarter of last year, leading some economists to hit at the need to control profits. Should such a harmful course be taken, American firms would have even less to invest in plant and equipment than at present. And this would, in turn, only exacerbate inflation.

As the Wall Street Journal pointed out last week, that after adjustment for the impact of inflation on depreciation on inventory valuations, 1978 pretax profit was only 10.7 percent. What is more, 1978 corporate profits, viewed as a percentage of our gross domestic product, were only 5 percent, lower than in 1977 and considerably below the average return to industry from 1947–65 of 8.6 percent.

This pace is simply not keeping up with the needs of American industry, and is one reason that our trade balance has shown increasing imports of foreign-made machinery and consumer goods. Despite the dollar devaluations, many foreign producers are still ahead of us in terms of their productivity growth and their goods are more attractive and more competitive. The American Council for Capital Formation has recently described the dilemma that faces us in terms of the understatement of corporate profits. I ask unanimous consent to have that article printed at the conclusion of my statement, and commend it to my colleagues.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PERCY. In simple terms, Mr. President, what is happening with the Treasury Department requiring for the calculation of taxes that it not be the replacement cost of industry but the actual cost of industry to be taken into account? It is not the replacement cost of equipment or real depreciation taking into account long write-off periods, but it is an artificial, very low valuation on depreciation and amortization. Those so vastly overstate our profits and understate our real costs as against our competitors in Japan and Germany that it penalizes industry, reduces their ability to invest in research and development, and certainly reduces their ability to invest in labor-saving equipment and machinery that can increase productivity.

Through the years, organized labor has fought rapid amortization and depreciation; through the years, they have realized they were wrong. I now see almost support—if not support, at least they are relatively quiet—about not any longer calling this a ripoff and not standing in the way of improving and making much more realistic the capital that must be invested behind every worker.

In manufacturing, the average capital invested for every single worker is $40,000, and it is rapidly going up. That is what is necessary to keep American workers with American wages competitive in the real world in which we live. That is why emphasis upon productivity, I think, would be a highly desirable thing. I hope the managers of the bill will see fit to accept the Javits amendment.

EXHIBIT 1

THE CASE FOR EXPENSING CAPITAL ASSETS

Increased productivity is the lifeblood of economic wellbeing, yet the rate of productivity increase in the U.S. is declining. Much of this slowdown stems from an inadequate level of investment. One reason for the lack of investment is that actual rates of return on business investment have dropped in recent years. This has happened partly because of general price inflation, which has caused the real value of depreciation allowances to decline.

Depreciation accounting was developed to provide for future replacement of existing equipment. Current depreciation law requires accounting calculations to be based on the original cost of equipment rather than on replacement cost. This practice assumes the real world to consist of stable prices and predictable technological obsolescence. However, although depreciation is a deductible expense, during periods of inflation undervaluation of equipment leads to understatement of the real cost of production, and thus to overstatement of taxable profits. Dr. Martin Feldstein, President of the National Bureau of Economic Research, estimates in the January, 1979, issue of *Tax Review* that in 1977 "Corporations paid a tax of $35 billion on phantom profits because of understated depreciation. This caused a 30 percent increase in their total tax bill, a tax increase equal to nearly one-third of current after-tax profits." Clearly, to any rational businessman, a tax on phantom profits is a disincentive to further investment .

The complexity of the present system is a nightmare for many small businessmen who are faced with no-win alternatives such as hiring expensive outside accounting/legal talent to comply with the law or consuming their own time trying to learn to comply with the Code requirements. The final alternative, of course, is to choose not to invest.

It is widely agreed that the U.S. needs a higher rate of real economic growth, a higher rate of employment and a lower rate of inflation. These goals can only be reached through increased capital investment, which will only occur when some of the tax disincentives are removed. Once it is understood that inadequate capital recovery provisions are a major part of the investment problem, solutions can be developed. Indexing for inflation or creating a hybrid consisting of shortened depreciable lives and improved investment tax credits would go far to offset the tax bias against saving and investment. The best solution, however, would be to allow the immediate expensing of capital items for tax purposes, a move which would provide neutral tax treatment for the savings invested in productive capital, and thus largely solve the problem of inadequate investment. Expensing would allow investors to recover the value of their investment in full without a tax loss, would greatly simplify the Internal Revenue Code, and would greatly reduce compliance and record keeping costs.

In addition, there are other advantages stemming from expensing capital investment. First, the system conforms to the discounted cash flow method of measuring investment worth. Second, it treats all investments equally, without creating mystical or artifical distinctions based on Treasury promulgations. Third, firms with the greatest need for expansion monies, i.e., small viable companies which find it difficult to tap organized capital markets, would benefit most from expensing.

It has been argued that expensing of capital equipment violates accepted accounting practices, in which the cost of an asset is written off over its useful life. This argument fails to distinguish between the goal of tax policy, which is to raise revenue for the government; and the goal of traditional accounting practice, which is to provide management and owners with the best possible financial understanding of their operations. Tax policy should not serve to misallocate resources, nor should it dictate management decisions based on Treasury tax rule bookkeeping.

Expensing of equipment would also provide consistency and neutrality in the treatment of other types of long-term investments which are currently expensable. Long-term investments are defined as those investments whose timing is highly discretionary, whose cost is borne at present, and whose benefits will accrue in the future. Examples include expenditures for research and development, advertising, and employee and executive training.

Immediate expensing of capital equipment has the further advantage of reducing the uncertainty of investment, which would increase the amount of investment. It would also somewhat mitigate the current necessity on the part of management of anticipating technological change and forecasting the future rate of inflation.

Mr. PROXMIRE. Mr. President, I congratulate the Senator from New York and the Senator from Illinois on this amendment. I think it is a good amendment, it is a thoughtful amendment. It is an amendment which goes to what we really have to do if we are going to provide for a higher standard of living and have an effect on the fight against inflation. I think the Senator from Illinois and the Senator from New York have clearly explained the amendment.

The heart of the amendment, as I understand it, is a report that will come back to us on July 1 of this year and will help to solve a very, very difficult problem; that is, how productivity can be taken into account in the guidelines without widening the guidelines. The difficulty there is that there are some high-technology industries where productivity is bound to improve. Some people have jobs where productivity is going to improve sharply. If we give people who are in those high-technology, high-productivity improvement jobs wage increases that are 8 percent, 10 percent, or 12 percent, obviously it is not fair to those people who are in relatively low-technology jobs—food distribution, for example.

I think the Senator from New York has met that very well by framing his amendment as he does. He requires a report which, as I understand it, would call on the Council to try to solve this problem. One way they might do it is to have different levels of productivity, different standards of productivity in different industries. That might be one way, possibly. Possibly, that is too complicated. They might have to do it another way.

But I think the Senator is dead right to focus our attention, as he has, on productivity if we pass this bill. Without it, it will be a weaker bill.

Mr. JAVITS. I thank the Senator very much. He, himself, has helped very much. I point out that the amendment refers to gains "resulting from improved efficiency of the work force." I have also suggested that the Council consider a cap on the extent of the variance, which could be the most feasible means of dealing with excessive disparities that might otherwise result.

The Senator is perfectly right. We thought we would leave it to the people who know all the ins and outs, but to have them take into account what is important to our Nation and what we are so seriously deficient in pursuing. We thought that was the best course. I extend not only my gratitude but the thanks of the country for the Senator's openness and willingness to consider and to accept this.

Mr. GARN. Mr. President, I am happy to accept the amendment on behalf of the minority.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GARN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 63

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an unprinted amendment numbered 63.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 4, insert before the first period the following: ", or the lowest level consistent with national needs and priorities: *Provided*, That policies and programs for achieving the goal specified in this clause shall be designed so as not to impede achievement of the goals and timetables specified in subsection (b)(1) for the reduction of unemployment".

On page 3, line 11, insert before the first period the following: ", or the lowest level consistent with national needs and priorities: *Provided*, That policies and programs for achieving the goal specified in this paragraph shall be designed so as not to impede achievement of the goals and timetables specified in subsection (b)(1) for the reduction of unemployment".

Mr. PROXMIRE. Mr. President, I have discussed this with the distinguished minority manager of the bill and he has agreed to it. It modifies an amendment which the committee has proposed and accepted. It modifies it in two ways. The original amendment I had put in, sets a goal for reducing the percentage of gross national product accounted for by Federal spending to 20 percent or less to be achieved by 1983, goes into a section of the law which also provides for an unemployment objective and for an inflation objective. However this particular amendment, as adopted by the committee, does not do what the inflation amendment did that we adopted when we passed the Humphrey-Hawkins bill, which is the basic law involved here. This particular amendment does not subordinate the spending objective to the unemployment objective, and it should do that, because that was the understanding that we had when we passed the Humphrey-Hawkins bill. It seems to me we should do that here as well as with respect to inflation.

This amendment also gives the President the opportunity, if he comes back to us and states that the 20-percent objective by 1983 is one that he cannot achieve, to explain it in terms of its not being consistent with achieving the lowest level of spending consistent with national needs and priorities. The President would have to use language like that anyway. The main thrust of the amendment, however, is preserved. That thrust is to try to achieve a level of spending that is lower than it is now in relation to the gross national product. We have a numerical objective, 20 percent, which we have not had before. It requires the President, if he varies that, to come back and explain why. That is what the amendment did originally. I am hopeful that the Senate will accept the amendment.

Mr. DOMENICI. Mr. President, I have no intention of delaying the matter. I just want to say to my good friend that I wholeheartedly support his effort. However, I do believe that I would recognize that we need eventually to have a stronger approach to making this a reality.

Mr. PROXMIRE. I agree with that wholeheartedly. As a matter of fact, the Senate has acted at least once in overwhelmingly passing the Nunn amendment to the tax bill last year, which indicated that if we are going to have tax cuts in the future, we have to reduce the percentage of Federal spending in relation to the gross national product. I think 19 percent was what he had. This would be greater not only in terms of number but also in terms of percent. It seems to me this is consistent with that. It requires the President of the United States to stand up and explain to the country why he cannot achieve that objective For that reason, I think it is worth adopting.

Mr. DOMENICI. I do, also. I just want to say that I think ultimately, the way to get from where we are to where the Senator would like to be—whether the 21 or 20 is right could be debated over and over again—it seems to me we have to put in the budget process for this country a mandate that the first concurrent and second concurrent resolutions bring expenditure limits to the Senate and the House that are inhibited by and controlled by the Senator's percentage desires.

I commend him for them. I personally think that the Budget Act is going to have to be amended soon to force something like this on Congress, unless we want the people to push it as hard and as fast as it appears to be moving now to get it in the Constitution, which I do not favor at this point.

While I commend the Senator for it and will support it wholeheartedly. I do not have the confidence that it will become the main measurement of our budgetary approach, which I think it must be. Eventually, we have to measure our budget against some percentage of GNP or we shall continue to strip America of its vitality. That is what taking too much of our GNP unto government does. It makes America less able to solve its growth problems, its productivity problems, that were discussed in the previous amendment.

I commend the Senator for it and hope we shall ultimately be serious enough about it to make it part of the budgetary law of the land.

Mr. GARN. Mr. President, the minority has no objection to this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 64

Mr. PROXMIRE. Mr. President, I send a technical amendment to the desk, and ask unanimous consent that it be considered.

The PRESIDING OFFICER. The clerk will state it.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an unprinted amendment numbered 64.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

After the word "wages" insert the words "and prices."

Mr. PROXMIRE. Mr. President, this amendment is really an amendment to the Bentsen amendment which was accepted by the Senate earlier. The technical amendment adds the words "and prices" immediately after the word "wages".

That was the intention of Senator BENTSEN, but it was simply left off his copy. It is not a substantive change. He explained the amendment as including prices. Therefore, I hope the Senate can accept it.

The PRESIDING OFFICER. Is there objection?

Mr. GARN. Mr. President, we have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, I rise today to oppose S. 349, which would reauthorize the Council on Wage and Price Stability. This bill encourages the administration in its misuse of power and only superficially deals with inflation.

The Council on Wage and Price Stability was established in 1974 to serve in an advisory capacity. The Council was to "analyze, review and monitor" Federal procurement and private sector activities which might increase inflation.

Now, Mr. President, we learn that the present administration is planning to use the Council to implement its wage and price controls in a mandatory fashion. This is an unauthorized and uncalled for application of the Council on Wage and Price Stability. The act which created the Council in 1974 expressly stated: "Nothing in the Act . . . authorizes the continuation, imposition, or reimposition of any mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends or any similar transfers." Any reauthorization of the Council through S. 349 would completely overrule the original authorizing act. Such a step is not to be taken lightly.

My opposition to S. 349 is twofold. First, this bill really glosses over the issue of inflation by simply dealing with symptoms while ignoring causes. Inflation is the Nation's No. 1 problem, and the No. 1 creator of inflation is the Federal Government. Federal deficit spending and excessive monetary growth, which increases demand more than the economy increases real output, are the twin driving forces behind inflation.

Another federally created source of inflation is the burgeoning regulatory process. The cost of Federal regulation in this year alone will likely exceed $100 billion. This means that a family of four will have to pay almost $2,000 because of Government regulation, much of which is confusing and unneeded. How can the American people have faith in the Federal Government to solve the inflation problem when the Federal Government is the culprit? We need to first clean our own house, by checking uncontrolled Federal spending and doing away with intrusive and needless Federal regulation.

Mr. President, I also oppose S. 349 because of the way the administration has chosen to misguidedly deal with inflation. The administration is seeking an additional allocation of $4.7 million for this fiscal year, and then another $8.4 million in fiscal year 1980. With this 300 percent increase in funding, the Council proposes to increase its staff by 500 percent. It is unthinkable to me that the very agency which is seeking to insure adherence to the current wage and price guidelines of less than 10 percent is seeking increases of over 30 times that amount.

Some economic implications of enacting S. 349 are:

It would impose additional costs at a time when we are trying to cut Government spending. It would add $4.7 million for fiscal year 1979 and $8.4 million for fiscal year 1980. Also, this is a most unusual request for funding in mid-year—for fiscal year 1979—and with no expanded role designated by Congress through legislation.

There is no assurance or justification that the increased level of funding and additional personnel will be any more effective in fulfilling the statutory role of the Council. No clear evidence has been found that the guidelines for wages and prices have been effective. The request for more funds appear to lead to the probably imposition of mandatory controls. Only as a temporary—that is a few months—expedient will wage and price controls work without drastically disrupting the competitive market mechanism.

Wage and price controls have no effect on the supply of dollars, but may actually reduce the supply of goods and distort market signals to the detriment of free enterprise economy.

The present program of the Council on wage and price guidelines is poorly designed, and its implementation is especially bad. Such a situation gives us particular concern since, at best, the program cannot really be effective and, with its current approach, it creates more and severe problems than it solves.

An enlarged role for the Council will bring even more changes, rules, regulations, reports—at a time when the business community is already reeling under constantly changing programs by the Council.

An enlarged role for the Council would almost assuredly be the signal to the Council—that is the administration—to open the door to extending its role and power even further beyond its statutory role.

With respect to identifying the specific numerical goals for reducing the share of GNP accounted for by Federal outlays (Sec. 3 or S. 349), this has no logical place in this Council bill. This is already being handled in a more appropriate manner in other legislative proposals.

Some economic implications of not enacting S. 349 are:

We recognize that the wage and price guidelines are not working and that they will not work.

Wage and price policy applied over any long period of time are completely impractical. Such policy, however, may have some very limited usefulness during a short period if the inflation can be conquered quickly (which we know it cannot). At best, it can be merely a very weak supplement to overall fiscal and monetary measures.

More and more thoughtful citizens seem to feel that a mandatory wage and price policy is temporarily needed to speed the transition from rapid inflation to general price stability. Properly executed, such a policy could possibly change the psychological climate and temporarily improve the state of confidence in the economy. But lasting benefits cannot be expected from a mandatory wage and price control program. Actually it would probably be helpful if the Congress renounced any intention to allow mandatory controls, so that businesses and trade unions could look forward with confidence to the continuance of free markets.

And finally, paraphrasing from Dr. Arthur Burns' comments:

> Fiscal and monetary policies alone cannot be expected to achieve our economic goals in the current economic and financial environment. * * * We should * * * be asking also what government policies * * * are most likely to strengthen the hope and confidence of our people. These are some policies outside the monetary and fiscal area that, in my judgment, can make a significant contribution to the restoration of full employment and also to correcting the long-run inflationary bias in our economy.
>
> First, governmental efforts are long overdue to encourage improvements in productivity through larger investment in modern plant and equipment.
>
> Second, we should face up to the fact that environmental and safety regulations have in recent years run up costs and prices and have held up industrial construction across the land.
>
> Third, a vigorous search should be made for ways to enhance price competition among our business enterprises.
>
> Fourth, governmental policies that affect labor markets cry for review.
>
> Under current conditions, . . . we will have to depend rather heavily on structural policies that serve to reinvigorate competition and release the great energies of our people. Such policies are not, however, a substitute for responsible fiscal and monetary actions. In order to strengthen the confidence of people in their own future and the future of our country, we in government will need to work constructively on all three policy fronts—fiscal, monetary, and structural.

In addition, there are serious questions about the method the Council will use to make these voluntary guidelines mandatory. The administration has threatened to modify regulations, intervene in decisions of commercial regulatory agencies and to withhold Government contracts from firms which do not comply with the standards. All of these actions would directly contravene the congressional prohibition against mandatory controls. If the Council is to impose mandatory controls, then it should do so with a clear and explicit mandate from Congress, not by virtue of its acquiescence to the questionable administration program.

With respect to extension of the Council, its lack of effectiveness thus far, and its look of a basis for any expectation of an improved approach or outlook for the Council in the future, it should be allowed to expire (under its current $2.2 million funding level) on September 30, 1979. To the extent that the President has extended the Council's role and powers beyond that specified in the original statute, those extended actions should be stopped.

If, however, at some later time, prior to September 30, 1979, an adequate justification is presented to extend the Council, then it should be extended for another 2 years (if it can be justified at all, it can be justified more strongly for 2 years than for 1 year). Furthermore, if extended, the $2.2 million level of funding (or only slightly higher, say 7 percent per year) should be authorized and specific direction stated that the Council will operate completely within the legislative statute.

Mr. President, I firmly believe that it is time for Congress to reassert its leadership and fulfill its responsibility. We must act to deal with the causes of inflation and we must not allow an uncertain administration to overstep its authority in the battle against inflation. For these reasons, I plan to vote against S. 349 and its exorbitant budget requests. I urge others to join with me in taking this first step toward making sense in our efforts against inflation.

Mr. KENNEDY. Mr. President, section 3 of the pending bill contains some major provisions designed to reduce Federal spending as a percentage of gross national product. Specifically, the section sets forth a goal of reducing Federal outlays to 21 percent of GNP in 1981 and to 20 percent in 1983.

If Congress is to control Federal spending in a meaningful way, all forms of Federal spending must be subject to the same strict scrutiny. In addition to the Federal outlays that take place through the so-called unified budget, there are at least two other significant forms of Federal outlays—spending through offbudget Federal entities, and spending through the tax laws.

Unless these other forms of Federal spending are also brought under control, the achievement of the goals in section 3 of the bill will have little real significance, since other major forms of Federal spending will continue uncontrolled.

In addition, the language of section 3 itself is ambiguous, since the term "outlays" can have a broad or narrow meaning, depending on the inclusiveness of the definition. Probably, most Members of the Senate would interpret "outlays" in the narrow sense in which it is used in the unified budget. But outlays could also properly be given a broader definition that would include offbudget spending and tax spending.

If so, the specified goals of 21 percent in 1981 and 20 percent in 1983 would become extremely difficult or impossible to achieve. But if the definition of outlays is not all-inclusive, it is likely that future Federal spending will increasingly take the form of offbudget spending and tax spending, in order to avoid the controls on unified budget spending.

I believe that it is of particular importance for the spending targets to be based on a definition of outlays that includes tax spending. In its annual report issued on March 19, the Joint Economic Committee emphasized the need for examination of tax incentives as part of this overall effort to achieve fiscal restraint. The report, the first in 20 years to be issued with the unanimous support of both the majority and the minority members of the committee, contained the following statement:

> We also believe that efforts to reduce federal spending should not be limited only to direct expenditure programs. Tax incentives should be examined to make sure they are effective in meeting their objectives.

The Senate Budget Committee has also been in the forefront of efforts in Congress in recent years to insure that the analysis of spending includes not only the Federal spending programs carried out through the appropriations process, but also the Federal spending programs carried out through the tax laws.

Each year, the reports of the Budget Committee on the budget resolutions identify tax spending programs related to each budget function. In addition, the committee published last September an excellent compilation describing each of the many different tax spending programs and other spending programs in 17 major areas. Further, largely as a result of the analyses of the Budget Committee, the full Senate was able to give thorough consideration last year to the choice between tuition tax credits and student grants as alternative methods of providing additional Federal aid to education. In addition, a major effort is also being made to include tax expenditures in the landmark sunset legislation now being considered in Congress.

In this period of budget austerity, direct spending programs should not be required to bear the full brunt of necessary reductions in the level of Federal spending. In almost every budget function, there are significant amounts of Federal spending in the form of both direct expenditures and tax expenditures.

In most budget functions, the level of direct spending exceeds the level of tax spending. In two functions, however—"Commerce and House Credit," and "General Purpose Fiscal Assistance"—the level of tax spending actually exceeds the level of direct spending.

In recent years, Federal spending through the tax laws has risen even more rapidly than direct spending. Since 1971, direct spending has increased by 151 percent, whereas tax spending has increased by 229 percent. Currently, there are 90 different tax spending programs in the Federal budget. The increase of tax spending is especially dramatic for fiscal years 1979 and 1980, when, as a result of the major tax subsidy legislation enacted in the period 1976–78, tax spending has grown fully twice as fast as direct spending. If Congress is concerned about runaway Federal spending, it obviously has to be concerned about these rapid recent increases in spending through the tax laws.

With little effort, it is possible to recast any direct spending program as a tax spending program, as last year's debate over aid to education and tuition tax credits demonstrated. Inevitably, if tax expenditures are exempted from the strict scrutiny given other Federal spending programs, or if the scrutiny of tax expenditures is perceived to be less rigorous, then pressures will escalate in Congress to bypass the budget process through enactment of new tax expenditures designed to avoid the curbs imposed on other forms of Federal spending.

For fiscal year 1980, direct Federal spending would total approximately $544 billion at current policy levels, and tax spending would total approximately $170 billion. In principle, therefore, it would be appropriate, as a matter of budget policy, to allocate any necessary cuts in spending in the ratio of approximately 3 to 1 between direct spending programs and tax spending programs.

If, for example, it is necessary to reduce Federal spending by $12 billion from current policy levels to reach the desired targets for fiscal restraint and the budget deficit, the reduction could be achieved by cutting direct spending programs by $9 billion and tax spending programs by $3 billion.

For technical reasons, however, it is unlikely that changes in most tax laws can be accomplished in time to produce significant reductions in tax spending for fiscal year 1980. The effective date of changes made this year in the tax laws is likely to be January 1, 1980. As a result, the principal revenue effects of such changes would not be obtained until fiscal year 1981.

It is essential, therefore, to begin the process now for fiscal year 1981. The adoption of the Long amendment on the Debt Ceiling Act last week was a step in the right direction, because it will require the Senate to consider the 1981 budget this year, at the same time we consider the 1980 budget. In this way, the Senate will have the opportunity to work its will on this important question of budget priorities. The budget process itself will be strengthened, and the goal of a balanced budget will be brought closer to attainment.

Mr. President, I submit for the RECORD three tables. Table I shows Federal spending as a percentage of GNP according to broad or narrow definitions of GNP. Table II analyzes unified budget spending and tax spending in each of the budget functions. Table III shows the increases in unified budget spending and tax spending since 1971.

The tables follow:

TABLE II.—FEDERAL SPENDING IN FISCAL YEAR 1980

[In billions of dollars]

Budget function (1)	Direct spending[1] (2)	Tax spending[2] (3)	Total (2) plus (3) (4)
National defense	125.8	1.6	127.4
International affairs	8.2	2.3	10.5
General science, space and technology	5.5	1.8	7.3
Energy	7.9	4.3	12.2
Natural resources and environment	11.5	1.0	12.5
Agriculture	4.3	1.3	5.6
Commerce and housing credit	3.4	72.9	76.3
Transportation	17.6	.03	17.6
Community and regional development	7.3	.8	8.1
Education, training, employment and social services	30.2	13.0	43.2
Health	53.4	14.1	67.5
Income security	179.1	36.2	215.3
Veterans benefits and services	20.5	1.2	21.7
Administration of justice	4.4		4.4
General government	4.4	.1	4.5
General purpose fiscal assistance	8.8	19.1	27.9
Interest	57.0	.6	57.6
Allowances	1.4		1.4
Undistributed offsetting receipts	−19.0		−19.0
Total	531.6	170.3	702.0

[1] Outlays recommended by administration in the fiscal year 1980 budget (Jan. 22, 1979).

[2] Joint Tax Committee; revenue estimates for 90 tax expenditures for individuals and corporations (Mar. 15, 1979).

TABLE I.—FEDERAL SPENDING AND THE GROSS NATIONAL PRODUCT (1971–82)

[Dollar amounts in billions]

		Unified budget[1]		Off-budget Federal entities		Tax expenditures[2]		Total Federal spending	
Fiscal year	GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP
1971	$1,019.3	$211.4	20.7			$51.7	5.1	$263.1	25.8
1972	1,110.5	232.0	20.9			59.8	5.4	291.8	26.3
1973	1,237.5	247.1	20.0	$0.1		NA	NA	NA	NA
1974	1,359.2	269.6	19.8	1.4	0.1	82.0	6.0	353.0	26.0
1975	1,457.3	326.2	22.4	8.1	.6	92.9	6.4	427.2	29.3
1976	1,621.7	366.4	22.6	7.3	.5	98.5	6.1	472.2	29.1
1977	1,834.0	402.7	22.0	8.7	.5	114.5	6.2	525.9	28.7
1978	2,043.4	450.8	22.1	10.3	.5	124.4	6.1	585.5	28.7
1979 (estimated)	2,289.4	493.4	21.6	12.0	.5	150.7	6.6	656.1	28.7
1980 (estimated)	2,505.7	531.6	21.2	12.0	.5	170.3	6.8	713.9	28.5
1981 (estimated)	2,758.6	578.0	21.0	11.5	.4	192.7	7.0	782.2	28.4
1982 (estimated)	3,025.2	614.9	20.3	11.1	.4	216.3	7.1	842.3	27.8

[1] Source: U.S. Budget in Brief; fiscal year 1980; p. 83.

[2] Publications of the Joint Committee on Taxation, 1972–79.

TABLE III.—INCREASES IN DIRECT SPENDING AND TAX SPENDING

	Direct spending			Tax spending		
Fiscal year	Amount (billions)[1]	Index (1971=100)	Percent increase over prior year	Amount (billions)[2]	Index (1971=100)	Percent increase over prior year
1971	$211.4	100.0		$51.7	100.0	
1972	232.0	109.7	9.7	59.8	115.7	15.7
1973	247.1	116.9	6.5	NA	NA	NA
1974	269.6	127.5	9.1	82.0	158.6	NA
1975	326.2	154.3	21.0	92.9	179.7	13.3
1976	$366.4	173.3	12.3	$98.5	190.5	6.0
1977	402.7	190.5	9.9	114.5	221.5	16.3
1978	450.8	213.2	11.9	124.4	240.6	8.6
1979	493.4	233.4	9.4	150.7	291.5	21.2
1980	531.6	251.5	7.7	170.3	329.4	13.0

[1] The U.S. Budget in Brief; fiscal year 1980; p. 83.

[2] Source: Publications of the Joint Tax Committee 1972–79.

● Mr. STEVENSON. Mr. President, I shall vote for a 1-year extension of the Council on Wage and Price Stability unenthusiastically. The Council has not proved to be an effective agency in combating inflation. We are all familiar with the dismal economic statistics that are reported month after month and signal the steady march of inflation. Recently the Labor Department reported an alarming 1.2-percent monthly rise in consumer prices—or a 14.4-percent annual rate. The situation is particularly serious given the fact that the increase was led by food and housing costs.

The reasons are many—lack of discipline in bringing Federal expenditures into line with revenues, failure to increase productivity, the pricing of energy imports by a foreign cartel and unreasonable price and wage increases in noncompetitive sectors.

But more can and should be done by the governmental entity which is responsible for monitoring inflation. The present Council relies on voluntary compliance with its guidelines and threats of public disclosure for the firms which violate these guidelines. Dr. Kahn is an able man, but he has said that his role is primarily that of a "Cassandra and educator."

Mr. President, I introduced S. 359 in this Congress to put some teeth into the inflation-fighting program. The bill would establish an independent inflation Review Board to replace the Council on Wage and Price Stability. The Board would be insulated from political and economic pressures. It would have the power to require prior notice of wage and price increases in the largest industries. Increases which would have serious inflationary consequences could be temporarily delayed while they are being examined and while public opinion has time to commend restraint. The Board's independence would also permit monitoring the activities of both the executive and legislative branches, which are responsible in no small part of the present high prices of goods and services.

While I continue to believe such an independent Board is necessary, I am, of course, mindful that S. 359 was not accepted by the Senate Banking Committee last month. Therefore, I shall not offer it again at this time. If, however, the Council on Wage and Price Stability, with its increased staff, is not able to improve substantially the inflationary situation over the next few months, I shall urge the Congress to adopt the stronger approach of an independent Inflation Review Board. I do not want mandatory wage and price controls because I do not believe they work. I do want the Government to face up to the inflation in a realistic and courageous way.●

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 2283, that the Senate amend H.R. 2283 by striking all after the enacting clause and inserting in lieu thereof the language of S. 349 as agreed to by the Senate, that further consideration of S. 349 be indefinitely postponed, and that H.R. 2283, as amended. do pass.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Without objection, the yeas and nays will be transferred to H.R. 2283.

The question is. Shall the bill pass? The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Louisiana (Mr. LONG), the Senator from North Carolina (Mr. MORGAN), the Senator from Wisconsin (Mr. NELSON), the Senator from Alabama (Mr. STEWART), the Senator from Florida (Mr. STONE), the Senator from Massachusetts (Mr. TSONGAS), the Senator from Florida (Mr. CHILES), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that the Senator from Idaho (Mr. CHURCH) and the Senator from Connecticut (Mr. RIBICOFF) are absent on official business.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) and the Senator from Connecticut (Mr. RIBICOFF) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Oregon (Mr. HATFIELD), the Senator from California (Mr. HAYAKAWA), the Senator from Idaho (Mr. MCCLURE), and the Senator from New Mexico (Mr. SCHMITT) are necessarily absent.

The PRESIDING OFFICER (Mr. EXON). Is there any Senator in the Chamber who has not voted?

The result was announced—yeas 62, nays 22, as follows:

[Rollcall Vote No. 35 Leg.]

YEAS—62

Baucus
Bayh
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Cohen
Cranston
Culver
Danforth
DeConcini
Domenici
Durenberger
Durkin
Exon
Ford
Glenn
Goldwater
Gravel
Hart
Heflin
Heinz
Hollings
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Levin
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Riegle
Sarbanes
Sasser
Schweiker
Stafford
Stevenson
Talmadge
Warner
Williams
Young

NAYS—22

Armstrong
Baker
Bellmon
Boschwitz
Cochran
Dole
Garn
Hatch
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Lugar
Roth
Simpson
Stevens
Thurmond
Tower
Wallop
Weicker
Zorinsky

NOT VOTING—16

Chiles
Church
Eagleton
Hatfield
Hayakawa
Huddleston
Long
McClure
Morgan
Nelson
Ribicoff
Schmitt
Stennis
Stewart
Stone
Tsongas

So the bill (H.R. 2283) was passed, as follows:

H.R. 2283

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Council on Wage and Price Stability Act is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1980".

SEC. 2. Section 6 of the Council on Wage and Price Stability Act is amended by striking out "and not to exceed $2,210,000 for the fiscal year ending September 30, 1979" and inserting in lieu thereof "not to exceed $6,952,000 for the fiscal year ending September 30, 1979, and not to exceed $8,483,000 for the fiscal year ending September 30, 1980".

SEC. 3. Section 3 of the Council on Wage and Price Stability Act is amended by adding the following new subsection at the end of subsection (b):

"(c) The Council is directed to review its policies with respect to the national interest in promoting greater productivity growth and shall submit a report of its findings and recommendations to the Congress by July 1, 1979. Such review shall include, but not be limited to, the need for flexibility in determining compliance with pay and price standards based upon documentable productivity gains resulting from improved efficiency of the workforce."

SEC. 4. (a) Section 3(a)(2)(A) of the Employment Act of 1946 is amended by inserting "Federal outlays as a proportion of gross national product," after "productivity,".

(b) The first sentence of section 4(b) of such Act is amended—

(1) by striking out "and" after the semicolon at the end of clause (1);

(2) by striking out the period at the end of clause (2) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(3) reducing the share of the Nation's gross national product accounted for by Federal outlays to 21 per centum or less by 1981, and to 20 per centum or less by 1983 and thereafter, or the lowest level consistent with national needs and priorities: *Provided*, That policies and programs for achieving the goal specified in this clause shall be designed so as not to impede achievement of the goals and timetables specified in subsection (b)(1) for the reduction of unemployment.".

(c) Section 4(c) of such Act is amended by adding at the end thereof the following:

"(3) Upon achievement of the 20 per centum goal specified in subsection (b)(3), each succeeding Economic Report shall have the goal of establishing the share of an expanding gross national product accounted for by Federal outlays at a level of 20 per centum or less, or the lowest level consistent with national needs and priorities: *Provided*, That policies and programs for achieving the goal specified in this paragraph shall be designed so as not to impede achievement of the goals and timetables specified in subsection (b)(1) for the reduction of unemployment.".

(d) The first sentence of section 4(d) of such Act is amended—

(1) by striking out "and" after the word "unemployment" and inserting in lieu thereof a comma; and

(2) by inserting after the word "inflation" the following: ", and Federal outlays as a proportion of gross national product,".

SEC. 5. Strike section 3(a)(5) of the Council on Wage and Price Stability Act and insert in lieu thereof the following:

"(5) focus attention on the need to increase productivity in both the public and private sectors of the economy, focus attention on the need to move toward full employment, and the Council shall take into consideration the need to stimulate productivity in monitoring wages and prices to determine compliance with promulgated standards;".

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GARN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of Senate amendments to H.R. 2283.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I compliment the distinguished Senator from Wisconsin (Mr. PROXMIRE) for his leadership in connection with the legislation that has been passed today. He has shown unusual hard work and demonstrated his usual skill and dedication, and I highly compliment him.

I also compliment the distinguished Senator from Utah (Mr. GARN) on helping to manage the bill and on his fine cooperation and the many courtesies that he extended to the leadership and to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I thank my good friend from West Virginia, the majority leader, for his gracious remarks, and I also compliment the Senator from Utah. It is especially difficult for the Senator from Utah because he was not enthusiastic about the bill, but he was always courteous, thoughtful, and helpful, and I think that only with his help were we able to move this through much more quickly than we could otherwise.

I think everyone had an opportunity to speak and to propose amendments who wanted that opportunity if they wished.

The PRESIDING OFFICER. The Chair recognizes the Senator from Tennessee.

Mr. BAKER. Mr. President, I thank the Chair.

I wish to join with the distinguished majority leader in commending both the Senator from Wisconsin and the Senator from Utah for the excellent management of this bill and for their diligent attention to detail.

I know the nature of this undertaking. I know it is a controversial bill. I know even the matter of scheduling it was controversial. But there was good cooperation, and I wish to pay my special respects to the Senator from Utah as well as the distinguished Senator from Wisconsin.

The Senator from Utah voted against this bill, as did I, but he handled it in a responsible way as he always does.

I think the years of service that Senator GARN has given us in the Senate have been useful, not only to him and the State of Utah, but to all of us by the example of responsibility that he sets, and I wish to express my appreciation to him for that service.

I thank the majority leader.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business for not to exceed 30 minutes with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REORGANIZATION PLAN NO. 1 OF 1979—MESSAGE FROM THE PRESIDENT—PM 48

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

I am submitting to you today Reorganization Plan No. 1 of 1979 to create the Office of Federal Inspector for the Alaska Natural Gas Transportation System and establish the position of Federal Inspector. Creation of this Office and the transfer of appropriate Federal enforcement authority and responsibility is consistent with my September 1977 *Decision and Report to the Congress on the Alaska Natural Gas Transportation System.* This decision was approved by the Congress November 2, 1977.

The Alaska Gas Transportation System is a 4,748-mile pipeline to be constructed in partnership with Canada. Canada completed legislation enacting a similar transfer last year and has already appointed an official to coordinate its activities prior to and during pipeline construction. The Northwest Alaska Pipeline Company has been selected to construct the pipeline, with completion scheduled in late 1984. Estimated construction costs are $10–$15 billion, to be financed by private investment.

Natural gas is among the Nation's most valuable fuels. It is in the national interest to bring Alaskan gas reserves to market at the lowest possible price for consumers. Construction of a gas pipeline from the Prudhoe Bay reserves in Alaska through Canada to points in the West and Midwest United States will provide a system which will deliver more Alaskan natural gas at less cost to a greater number of Americans than any alternative transportation system. Every effort must be made to ensure timely completion of the pipeline at the lowest possible cost consistent with Federal regulatory policies.

As a result of our experience in construction of the Trans-Alaska Oil Pipeline, we recognize the need for the Federal government to be in a strong position to manage its own role in this project through prompt, coordinated decisionmaking in pre-construction approval functions and in enforcing the terms and conditions of the permits, certificates, leases, and other authorizations to be issued by various Federal agencies. We must avoid duplicating the delays and cost escalations experienced in the construction of the Trans-Alaska Pipeline System. The Plan I am submitting would establish clear responsibility for the efficient functioning of Federal enforcement activities by assigning the Federal Inspector authority to carry out these responsibilities.

The Alaska Natural Gas Transportation Act of 1976 only provided for monitoring the construction of the pipeline. The Plan transfers to the Federal Inspector the authority to supervise the enforcement of terms and conditions of the permits and other authorizations, including those to be issued by the Departments of Agriculture, Interior, Transportation, and Treasury, and the Environmental Protection Agency, the Federal Energy Regulatory Commission, and the U.S. Army Corps of Engineers. The Plan provides for the Federal Inspector to coordinate other Federal activities directly related to the pipeline project. Federal agencies retain their authority to issue permits and related authorizations, but enforcement of the terms and conditions of these authorizations is transferred to the Federal Inspector. Transfer of enforcement authority from Federal agencies to the Federal Inspector is limited in scope to their participation in this project and in duration to the preconstruction, construction, and initial operation phases of the project.

The *Decision and Report* to the Congress recommended an Executive Policy Board with policy-making and supervisory authority over the Federal Inspector. I plan to sign an Executive Order upon approval of this Plan by the Congress which will create an Executive Policy Board which will be only advisory, but which will enhance communication and coordination among Federal agencies and with the Federal Inspector. The Plan modifies the *Decision and Report* in that regard. The Federal Inspector will use the policies and procedures of the agencies involved in exercising the transferred enforcement responsibilities to the maximum extent practicable. The Board provides the opportunity for agencies to contribute to the policy deliberations of the Inspector and exercises an oversight role to insure that pipeline activities are carried on within existing regulatory policy. The Board is required to review the budget of the Office of the Federal Inspector and periodically report to me on the progress of construction and on major problems encountered. I am convinced that the Federal Inspector must have authority commensurate with his responsibilities.

Each of the provisions of this proposed reorganization would accomplish one or more of the purposes set forth in Section 901(a) of Title 5 of the United States Code. The appointment and compensation of the Federal Inspector is in accordance with the provisions of the Alaska Natural Gas Transportation Act of 1976, and the Reorganization Act of

1977. The provisions for appointment and pay in this Plan are necessary by reason of a reorganization made by the Plan. The rate of compensation is comparable to rates for similar positions within the Executive Branch. This reorganization will result in a reduction in the cost of construction for the pipeline system and ultimately in savings to American consumers. A small increase in cost to the Federal government will result from the creation of the Office of the Federal Inspector. The Plan requires that the Office and the position of Federal Inspector will be abolished upon the first anniversary date after the pipeline becomes operational.

JIMMY CARTER.

THE WHITE HOUSE, *April 2, 1979.*

PROPOSED PRIVACY OF MEDICAL INFORMATION ACT—MESSAGE FROM THE PRESIDENT—PM 49

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Government Affairs and the Committee on the Judiciary, jointly, by unanimous consent:

To the Congress of the United States:

I am announcing today sweeping proposals to protect the privacy of individuals.

"The right to be let alone," Justice Brandeis wrote 60 years ago, "is the right most valued by civilized men." That right is built into our Constitution, which forbids unwarranted searches of citizens and their homes. At the time the Constitution was written—a time when private conversations were conducted face-to-face or through the mail and most private records were kept at home—those protections seemed adequate.

The growth of society and technology has changed all that. We confront threats to privacy undreamed of 200 years ago. Private conversations are often conducted by telephone. Many personal records are held by institutions, such as banks and government agencies, and the Supreme Court has held that the individual has no constitutional rights over such records. Important judgments about people—such as the decision to extend credit or write an insurance policy—are often made by strangers, on the basis of recorded data.

Whenever we take out a loan, apply for insurance, receive treatment at a hospital, obtain government assistance, or pay our taxes, we add to the store of recorded information about our lives. That store is growing exponentially: in 1940, for example, 1.2 billion checks were written—in 1970 it was 7.2 billion. Personal information on millions of Americans is being flashed across the nation from computer to computer.

These changes are not the product of any plan to invade our privacy. They have developed naturally with the growth of our economy, the expansion of public and private institutions, the mobility of our citizens and the invention of computers and telecommunications systems.

Modern information systems are essential to our economy. They contribute to the comfort and convenience of our lives. But they can be misused to create a dangerously intrusive society.

Our challenge is to provide privacy safeguards that respond to these social changes without disrupting the essential flow of information.

Much has already been done. Laws are in place to restrict wiretapping. Last year Congress strengthened those protections by legislating restrictions on national security wiretaps. The Privacy Act of 1974 set rules for Federal agencies' record keeping. The Fair Credit Reporting Act and related Acts gave consumers the right to know information about themselves contained in the records of credit-reporting bureaus. The Family Educational Rights and Privacy Act gave students the right to see personal records held by educational institutions. Last year, the Congress passed the Financial Privacy Act, placing controls on Federal agencies' access to bank records.

These protections are a good beginning, but they were adopted piecemeal and have limited scope. It is time to establish a broad, national privacy policy to protect individual rights in the information age, as recommended by the Privacy Protection Study Commission.

I propose a privacy policy based on two principles:

—*Fair Information Practices.* Standards must be provided for handling sensitive, personal records. Individuals should be told what kind of information is being collected about them, how it will be used, and to whom it will be disclosed. They should be able to see and obtain a copy of the records and correct any errors. They should be told the basis for an adverse decision that may be based on personal data. And they should be able to prevent improper access to the records.

—*Limits on the Government.* Government access to and use of personal information must be limited and supervised so that power over information cannot be used to threaten our liberties.

The policy I am proposing will not disrupt the flow of information needed for legitimate business operations. Businesses gain by establishing good recordkeeping systems and by keeping the trust of their customers and employees.

Nor will this policy prevent government agencies from collecting the information they need to enforce the laws. It will strengthen, not impede, the ability of reporters to cover the news. It will not impose heavy costs, and it will not create any new regulatory structures. Instead, it will establish a framework for private and government activity to prevent privacy abuses.

The responsibility for implementing this policy should be shared by the Federal government, by state and local governments, and by private institutions. I propose that the Federal government concentrate on improving its own activities and on setting standards for non-Federal record systems that contain particularly sensitive data and either involve Federal funding or require nationwide, uniform rules. We are submitting three bills to Congress today to address these areas, and a fourth major proposal will follow soon.

State and local governments should build on this base to ensure that their own record systems are properly protected. In addition, a key element of the policy I am proposing is voluntary action by private businesses and organizations.

I. FAIR INFORMATION PRACTICES

To establish privacy safeguards for key record systems, I have these proposals:

MEDICAL RECORDS

The "Privacy of Medical Information Act" is being submitted to you today. It establishes privacy protections for information maintained by almost all medical institutions. The Act will give individuals the right to see their own medical records. If direct access may harm the patient, the Act provides that access may be provided through an intermediary. This legislation allows the individual to ensure that the information maintained as part of his medical care relationship is accurate, timely and relevant to that care. Such accuracy is of increasing importance because medical information is used to affect employment and collection of insurance and other social benefits.

The Act also limits the disclosure of medical information, and makes it illegal to collect medical information under false pretenses. The legislation allows disclosure when it is needed for medical care and other legitimate purposes, such as verifying insurance claims, and for research and epidemiological studies. In such cases, redisclosure is restricted.

FINANCIAL RECORDS

The Administration will soon submit the "Fair Financial Information Practices Act." This bill will expand the laws on consumer credit and banking records to provide full fair information protections. It will ensure that consumers are informed about firms' record keeping practices and thereby help them decide which firm to patronize. Specific requirements will be tailored to fit the varying information practices of the industries.

The bill will also provide, for the first time, national privacy standards for insurance records. This is a major step forward into an area where individuals have few such protections. The bill is not intended to change the existing pattern of regulating insurance at the state level, and it allows state regulators to oversee compliance. However, it will minimize the danger that a welter of differing state privacy standards will confuse the public and impose heavy costs on the insurance industry.

In addition, this bill will restrict disclosure of data from electronic funds transfer (EFT) systems. Although the emergence of EFT is relatively recent, its potential impact on our lives is enormous. Americans are benefitting from EFT in a variety of ways: automatic deposit of a paycheck in a bank account; automatic payment of a mortgage installment; cash dispensing machines; and so on. EFT terminals have the potential to supplant cash, checks and credit cards in a broad range of consumer transactions, from supermarket purchases to auto rentals. Such systems are efficient, but they pose major privacy problems. Not only do they contain extensive personal data on individuals, but they can be used to keep track of people's movements and activities. This legislation will erect safeguards against misuse of these systems while allowing flexibility for commercial and technological innovation.

RESEARCH RECORDS

Federally-supported research collection is vital for improved medical care, for cost-effective regulations, for economic analysis, and for many other purposes. In most cases, the information collected for these purposes is submitted voluntarily, is quite personal, and is collected on an express or implied pledge of confidentiality. That pledge is often essential to obtain individuals' cooperation in providing the information and ensuring its accuracy and completeness. However, in most cases there is no legal basis at present to guarantee the promise of confidentiality.

The "Privacy of Research Records Act" is being submitted today. This bill will ensure that personal information collected or maintained for a research purpose may not be used or disclosed in individually identifiable form for an action that adversely affects the individual.

We are also developing separate legislation to reduce the amount of information government collects in the first place through improved oversight and through carefully controlled sharing arrangements.

OTHER RECORD SYSTEMS

The Privacy Commission recommended against Federal legislation on employment records and proposed instead that employers be asked to establish voluntary policies to protect their employees' privacy. I agree.

Many employers are already adopting the standards established by the Commission. Business groups, including the Business Roundtable, the Chamber of Commerce, and the National Association of Manufacturers, are encouraging such voluntary action. I urge other employers to take similar action, and I have instructed the Secretary of Labor to work with employer and employee groups in the implementation of these standards.

The Commission did urge one piece of legislation in the employment area—limits on the use of lie detectors in private employment. Such legislation already has been introduced in this Congress, and I urge you to proceed favorably with it.

I also urge commercial credit grantors and reporting services to adopt voluntary fair information standards, to avoid any need for Federal legislation in this area.

It is critical that the privacy of those who receive public assistance and social services be adequately protected. I call upon the states to move forward with legislation to provide such protections, consistent with the Privacy Commission's recommendations and the need to prevent fraud in these programs. I have instructed the Secretary of Health, Education and Welfare to develop minimum privacy standards for these Federally funded programs.

I also urge the states to act on other state and local record systems, particularly those of criminal justice agencies.

II. FEDERAL GOVERNMENT ACTIVITIES

I am also announcing measures to strengthen safeguards on Federal investigations and record-keeping.

The bills on medical and financial records will ensure that the government obtains access to such records only for legitimate purposes. In most cases, the individual will be notified and given an opportunity to contest such access. I have these additional proposals:

GOVERNMENT ACCESS TO NEWS MEDIA FILES

The Supreme Court's decision last year in *Zurcher* v. *Stanford Daily* poses dangers to the effective functioning of our free press. I announced in December that we would develop legislation to protect First Amendment activities from unnecessarily intrusive searches while preserving legitimate law enforcement interests. Although regulations already restrict Federal officers' investigation of the news media, the problems raised by the *Stanford Daily* case require new, stringent safeguards against Federal, state and local governmental intrusion into First Amendment activities.

I am submitting this legislation today. It will restrict police searches for documentary materials held by the press and by others involved in the dissemination of information to the public. With limited exceptions, the bill will prohibit a search for or seizure of "work product"—such as notes, interview files and film. For documents which do not constitute work product, the bill requires that the police first obtain a subpoena rather than a search warrant. This ensures that police will not rummage through the files of people preparing materials for publication and that those subject to the subpoena have the opportunity to contest the government's need for the information.

WIRETAPPING

The privacy of personal communication is an important civil liberty. Americans are entitled to rely on that privacy, except where a legitimate and urgent law enforcement or national security purpose creates an overriding need. The fact that the person who is the target of surveillance is usually unaware of it argues for the tightest controls and for public accountability for the officials who authorize surveillance.

Title III of the Omnibus Crime Control and Safe Streets Act of 1968 governs the use of electronic surveillance of wire and oral communications except in matters involving foreign intelligence and counterintelligence. The National Commission for the Review of Federal and State Laws Relating to Wiretapping and Electronic Surveillance has studied the experience under Title III and has issued findings and recommendations.

I am transmitting to Congress today a letter which sets forth my detailed views concerning those recommendations. In general I endorse the recommended adjustments which would strengthen Title III's protections for individual privacy. I do not, however, support the recommendation to amend the law to allow Federal officials below the rank of Assistant Attorney General to apply to the courts for wiretaps. Such a change would diminish accountability and increase the danger of misuse. Also, I am not convinced that the list of criminal statutes for which electronic surveillance orders may be obtained should be expanded. I have asked the Attorney General to consult with the Secretary of the Treasury and with the Congress on those Commission recommendations.

FEDERAL RECORDS

The Federal Government holds almost four billion records on individuals, most of them stored in thousands of computers. Federally-funded projects have substantial additional files. This information is needed to run the social security system, collect taxes, conduct research, measure the economy, and for hundreds of other important purposes. Modern technology, however, makes it possible to turn this store into a dangerous surveillance system. Reasonable restrictions are needed on the collection and use of this information.

The Privacy Act of 1974 established privacy safeguards for Federal records. It prevents agencies from collecting certain kinds of information, such as information about political beliefs; requires public notice whenever a new data system is established; gives individuals the right to see and correct their records; and limits disclosure of personal information.

While the Privacy Act is working reasonably well and is too new to decide on major revisions, I have ordered a number of administrative actions to improve its operation.

We are issuing today final guidelines for Federal agencies on the use of "matching programs." These programs compare computerized lists of individuals to detect fraud or other abuses. Such programs are making an important contribution to reducing abuse of Federal programs and are thereby saving taxpayers' money. However, safeguards are needed to protect the privacy of the innocent and to ensure that the use of "matching" is properly limited. The guidelines, which were developed with public participation, will ensure that these programs are conducted:

—only after the public has been notified and given the opportunity to identify privacy problems;

—with tight safeguards on access to the data and on disclosure of the names of suspects identified by matching;

—only when there are no cost-effective, alternative means of identifying violators.

I have also directed that action be taken to:

—extend Privacy Act protections to certain data systems operated by recipients of Federal grants;

—strengthen administration of the

"routine use" provision of the Privacy Act, which governs disclosures of personal information by Federal agencies;

—ensure that each Federal agency has an office responsible for privacy issues raised by the agency's activities;

—improve the selection and training of the system managers required by the Privacy Act;

—improve oversight of new Federal information systems at an early state in the planning process; and

—limit the amount of information the government requires private groups and individuals to report.

The Office of Management and Budget, as the unit responsible for overseeing Federal agency record-keeping, will implement these actions. I have assigned the Commerce Department's National Telecommunications and Information Administration to be the lead agency on other privacy matters and to work with Congress on the continuing development of privacy policy.

INTERNATIONAL PRIVACY ISSUES

The enormous increase in personal data records in the U.S. has been matched in other advanced countries. Throughout Western Europe, as well as in Canada, Australia, and Japan, records of personal data have grown at explosive rates. Our concerns about privacy are shared by many other governments.

International information flows, however, are increasingly important to the world's economy. We are, therefore, working with other governments in several international organizations to develop principles to protect personal data crossing international borders and to harmonize each country's rules to avoid needless disruption of international communications. Enactment of the proposals I have outlined will help speed this process by assuring other countries that the U.S. is committed to the protection of personal data.

Privacy is a permanent public issue. Its preservation requires constant attention to social and technological changes, and those changes demand action now.

I ask the Congress and the public to join me in establishing a comprehensive framework of reasonable privacy protections. Together we can preserve the right to privacy in the information age.

JIMMY CARTER.

THE WHITE HOUSE, *April 2, 1979*.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a message received today from the President of the United States, relative to the privacy of individuals, and transmitting draft legislation on that subject, and the bill when introduced, be referred jointly to the Committees on Governmental Affairs and the Judiciary.

The PRESIDING OFFICER. Without objection, it is so ordered.

WIRETAPPING AND ELECTRONIC SURVEILLANCE—MESSAGE FROM THE PRESIDENT—PM 50

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on the Judiciary:

To the Congress of the United States:

In accordance with Section 6(b) of the Federal Advisory Committee Act (PL 92-463), I am pleased to report to the Congress my views concerning the recommendations contained in the "Report of the National Commission For The Review of Federal and State Laws Relating to Wiretapping and Electronic Surveillance."

The Commission was charged by the Congress to study and evaluate the effectiveness of Title III of the Omnibus Crime Control and Safe Streets Act of 1968 (PL 90-351; 18 U.S.C. Sec. 2510-2520) which governs the use of electronic surveillance of wire and oral communications, except in matters involving foreign intelligence and counterintelligence.

From my viewpoint, the most significant findings of the Commission in carrying out this Congressional mandate are that the provisions of Title III are an indispensable aid to law enforcement, particularly in obtaining evidence of offenses committed by organized criminals; that the procedural requirements of Title III have effectively minimized the invasion of individual privacy in electronic surveillance investigations by law enforcement officers; and that Title III has reduced the incidence of illegal interceptions through its controls on the manufacture, sale, and advertising of wiretapping devices and its criminal sanctions for their use.

It is particularly reassuring to note the Commission's finding that the carefully designed Title III controls and procedures have effectively minimized the invasion of individual privacy in electronic surveillance investigations by law enforcement officers, and that there were no cases among the many studied by the Commission in which law enforcement authorities sought a Title III court order for an apparently corrupt purpose. From the very inception of its use in criminal cases, the Department of Justice has developed a highly centralized review system for the approval of Title III authorization requests as well as detailed instructions governing execution of court orders designed to protect the substantive rights of both innocent persons and those under investigation. In this connection I am pleased to note the Commission's finding that Federal officials responsible for administering wiretap application review procedures have shown a commendable concern for adhering to the requirements of Title III.

We must always bear in mind that Title III both permits law enforcement officials to fight crime while it protects citizens against unjustified invasions of privacy. It is clearly a criminal statute designed both to prohibit private citizens from conducting illegal interceptions and to regulate governmental conduct by prohibiting law enforcement officials from violating or disregarding specific procedures for conducting wiretaps.

The Commission has made a number of findings and recommendations which it believes will both improve the effectiveness of the use of court-authorized electronic surveillance in criminal investigations and will also strengthen enforcement of Title III strictures against illegal electronic surveillance. In general, I support the objectives of most of these proposal. I am, however, strongly opposed to a few and believe others to be unnecessary.

I support the Commission's recommendation that misdemeanor and civil penalties should be included in Title III for the prosecution and punishment of nonprofessional electronic eavesdroppers. At present the only sanction applicable to the nonprofessional who engages in electronic surveillance is the felony provision of 18 U.S.C. Sec. 2511. In many instances it is simply too severe a sanction for the offense committed and has resulted in considerable judicial distaste for prosecutions brought under Section 2511 against nonprofessionals. Such persons frequently indicate a desire not to contest such charges, yet still proceed with a contested trial in the absence of the alternative of pleading guilty to a misdemeanor.

The Commission's recommendation that Title III should be amended to explicitly allow the disclosure of illegal interceptions when relevant in a prosecution for illegal interceptions is sound. I also agree with the Commission that judges should retain the discretion to deny admission of the evidence where relevance is outweighed by undue loss of privacy to the victim. While it is often possible to pursue such a prosecution without playing any of the illegal tapes, situations occasionally arise where a portion of such a tape is critical to the Government's case. A violator should not escape punishment by hiding behind the exclusionary rule embodied in 18 U.S.C. Sec. 2515, which appears on its face to allow him to move to have such evidence excluded from his trial.

In addition, I support those Commission proposals recommending that a court order for electronic surveillance expressly authorize entry upon a private place or premises to install an eavesdropping device if such entry is necessary to execute the warrant and that the Congress undertake studies of encroachments on individual privacy by new forms of the art, such as computer technology. Similarly, periodic comprehensive studies and reviews of the operations of Title III would help to determine their continuing effectiveness in law enforcement and in stemming illegal surveillance. Congressional studies also are needed to determine whether some form of notice should be required to assure that customers whose conversations and actions are monitored in the ordinary course of a business, have given their implied consent based upon some reasonable public understanding of the need for such monitoring.

On the other hand, I am strenuously

opposed to those proposals of the Commission which recommend that Title III be amended to authorize the Attorney General to designate by name, any United States Attorney or any Federal Strike Force Chief to authorize applications for court-ordered wiretapping, and that the Department of Justice consider some decentralization and streamlining of procedures for the review and approval of such applications by greater delegation of screening requests and decision-making responsibility to United States Attorneys or Federal Strike Force Chiefs.

The statute (18 U.S.C. Sec. 2516) permits the Attorney General to delegate application authorization to any Assistant Attorney General and the Attorney General has delegated this authority to specified Assistant Attorneys General. As the legislative history of this statute indicates, this provision centralizes in a publicly responsible official subject to the political process the formulation of law enforcement policy on the use of electronic surveillance techniques. It thus avoids the possibility that divergent practices might develop and insures that if abuses occur the lines of responsibility will lead to an identifiable person subject to the political process. Any further delegation of this authority would greatly attenuate this centralized control and responsibility which the Congress determined was essential to its use. Further delegation of such authority to the field level would also likely result in a greater number of application requests and court orders. While under existing procedures application requests are currently reviewed by United States Attorneys and Federal Strike Force Chiefs in the field, the final review and approval authority must remain the responsibility of the Assistant Attorneys General designated by the Attorney General to approve such applications.

The Commission has recommended that the Congress consider expanding the list of Federal crimes for which electronic surveillance orders may be obtained to include such crimes as customs offenses, manufacture, sale, and interstate shipment of illegal firearms, and fencing of stolen goods affecting interstate commerce. In view of the expression of Congressional concern respecting the limitation of Federal criminal jurisdiction which was demonstrated by the extensive debate during formulation of this provision (18 U.S.C. Sec. 2516) on the floor of the Congress, I believe that a more up-to-date examination of the experiences of the Treasury and Justice Departments in investigating these crimes should be made before the recommendation of the Commission is either endorsed or rejected. I have asked the Attorney General to consult with the Secretary of Treasury on this matter.

Finally, although I support the substance of certain other of the Commission's important proposals, I do not believe that any remedial legislation in this area is necessary since the essence of these recommendations has been implemented by administrative controls adopted by the Department of Justice as a result of its experience with Title III or in response to court decisions interpreting the statute. Recommendations in this area include amending Title III to require an additional showing of facts in order to obtain an extension of a Title III court order and that the explanation of exhaustion of alternative investigative techniques include consideration of the case under investigation insofar as practicable.

The Commission's final Report and its five volumes of supporting materials constitute the most exhaustive compilation of information on the subject of wiretapping and electronic surveillance ever assembled. The record of the Commission stands as an enduring monument to the difficult and conscientious work of its distinguished members and dedicated staff. While its conclusions may be subject to differing degrees of public acceptance, there can be no doubt that the Commission has rendered outstanding service to the American public by its thorough and sensitive exposition of the conflicting demands of law enforcement and individual privacy which inhere in the use of court-authorized electronic eavesdropping.

The Commission's Report has reaffirmed my belief that the Federal Government has used this extraordinarily effective investigative technique in the investigation of serious crimes in a highly responsible and circumscribed manner, and that so used, it has preserved and will continue to preserve the delicate balance that must be maintained between the needs of law enforcement and the demands of personal privacy.

JIMMY CARTER.

THE WHITE HOUSE, *April 2, 1979*.

MESSAGES FROM THE HOUSE

At 12:02 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1786. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes;

H.R. 1787. An act to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development; and

H.R. 3173. An act to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal years 1980 and 1981, and for other purposes.

ENROLLED BILLS SIGNED

At 1:05 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the Speaker has signed the following enrolled bills:

H.R. 1147. An act to extend temporarily the authority of the Secretary of the Treasury to waive the imposition of countervailing duties; and

H.R. 2479. An act to help maintain peace, security, and stability in the Western Pacific and to promote the foreign policy of the United States by authorizing the continuation of commercial, cultural, and other relations between the people of the United States and the people on Taiwan, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore (Mr. MAGNUSON).

At 2:53 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendments of the Senate to H.R. 2534, an act to provide for a temporary increase in the public debt limit, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

H.R. 2534. An act to provide for a temporary increase in the public debt limit, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. MAGNUSON).

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 1786. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Commerce, Science, and Transportation;

H.R. 1787. An act to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development; to the Committee on Commerce, Science, and Transportation; and

H.R. 3173. An act to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal years 1980 and 1981, and for other purposes; to the Committee on Foreign Relations.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-977. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the National School Lunch Act, and the Child Nutrition Act of 1966, to revise Federal payments for paid lunches, income eligibility standards, and eligibility for the Special Milk Program; to define State responsibilities in program administration; to reduce fraud and abuse by restricting the eligibility of certain service institutions to operate the Summer Food Service Program for Children; and to provide that the Summer Food Service and Child Care Food Programs be administered by the State educational agency or an alternate agency designated by the Governor; and to reduce the authorization for the Special Supplemental Food Program; to the Committee on Agriculture, Nutrition and Forestry.

EC-978. A communication from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of December 1978, relating to (1) total itemized revenues and expenses, (2) revenues and expenses of each train operated; and (3) revenues and total expenses attributed to each railroad over which service is provided; to the Committee on Commerce, Science, and Transportation.

EC-979. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that the Commission is unable to render a final decision in Docket No. 36746 (Sub-No. 77), Nonyl Alcohol, Baton Rouge, Louisiana, to Brownsville, Tennessee, within the initially-specified 7-month period; to the Committee on Commerce, Science, and Transportation.

EC-980. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of such Act for fiscal years 1980 and 1981, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-981. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982; to the Committee on Commerce, Science, and Transportation.

EC-982. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to extend the appropriation authorization for the Commercial Fisheries Research and Development Act of 1964, as amended; to the Committee on Commerce, Science, and Transportation.

EC-983. A communication from the Secretary of Agriculture, reporting, pursuant to law, concerning the expansion of the Redwood National Park in the State of California; to the Committee on Energy and Natural Resources.

EC-984. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report listing the status of general management planning; to the Committee on Energy and Natural Resources.

EC-985. A communication from the Chairman, Board of Directors, Tennessee Valley Authority, transmitting, pursuant to law, a report entitled "The Structure of the Energy Markets: A Report of TVA's Antitrust Investigation of the Coal and Uranium Industries," February 26, 1979; to the Committee on Environment and Public Works.

EC-986. A communication from the Chairman, United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report on selection and training of Atomic Safety and Licensing Board Panel Members; to the Committee on Environment and Public Works.

EC-987. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend title 13, United States Code, to exempt the Bureau of the Census from the provisions of section 332 of the Act of June 30, 1932; to the Committee on Environment and Public Works.

EC-988. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "U.S. Development Assistance to the Sahel—Progress and Problems," March 29, 1979; to the Committee on Foreign Relations.

EC-989. A communication from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, reporting, pursuant to law, on AID's progress in implementing Section 133 of the International Development and Food Assistance Act of 1977; to the Committee on Foreign Relations.

EC-990. A communication from the Administrator, General Services Administration, reporting, pursuant to law, on the cost of travel and the cost of operating privately owned vehicles to employees while engaged on official travel; to the Committee on Governmental Affairs.

EC-991. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize an additional Assistant Secretary of Commerce; to the Committee on Governmental Affairs.

EC-992. A communication from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to amend section 225 of the Federal Salary Act of 1967, as amended; to the Committee on Governmental Affairs.

EC-993. A communication from the Executive Secretary, National Mediation Board, transmitting, pursuant to law, the Board's annual report, including a report of the National Railroad Adjustment Board; to the Committee on Labor and Human Resources.

EC-994. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 10 of the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 to extend the authorization of appropriations for fiscal years 1980 and 1981; to the Committee on Commerce, Science, and Transportation and the Committee on Environment and Public Works, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication from the Secretary of Commerce, transmitting proposed legislation to amend section 10 of the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 to extend the authorization of appropriations for fiscal years 1980 and 1981, be jointly referred to the Committee on Commerce, Science, and Transportation and the Committee on Environment and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

EC—995. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend Section 204 of the Marine Protection, Research, and Sanctuaries Act of 1971 to extend the authorization for appropriations for fiscal years 1979, 1980, and 1981; and proposed legislation to amend Section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to extend the authorization for appropriations for fiscal years 1979, 1980, and 1981; to the Committee on Commerce, Science, and Transportation and the Committee on Environment and Public Works, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication from the Secretary of Commerce, transmitting proposed legislation to amend sections 204 and 304 of the Marine Protection, Research, and Sanctuaries Act of 1972 to extend the authorization for appropriations for fiscal years 1979, 1980, and 1981, be jointly referred to the Committee on Commerce, Science, and Transportation and the Committee on Environment and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

EC-996. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for the National Sea Grant College Program Act for fiscal years 1981 and 1982 at such sums as may be necessary; to the Committee on Commerce, Science, and Transportation and the Committee on Labor and Human Resources, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication from the Secretary of Commerce, relative to authorizing appropriations for the national sea grant college program, be referred jointly to the Committee on Commerce, Science, and Transportation and the Committee on Labor and Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-129. A resolution adopted by the Legislature of the State of Hawaii; to the Committee on Banking, Housing, and Urban Affairs;

"HOUSE RESOLUTION No. 204

"Whereas, the reserve requirements of the Senate and House bills that are now being considered by the 96th Congress would have far more negative effect upon the banking industry of Hawaii than upon that of any other State; and

"Whereas, Hawaii, by virtue of its great capital needs and its short capital supplies, is less able than other states to stand the impact of having its banks' lendable funds reduced by such reserve requirements; and

"Whereas, a combination of these factors would cause severe hardship on the Hawaiian economy; and

"Whereas, the distance of Hawaii from the mainland United States makes it difficult and unnecessary for banks in Hawaii to integrate their operations into a national banking system; and

"Whereas, the geographic isolation of offshore areas of the United States has been and in many ways still continues to be recognized in the banking laws of the country; now, therefore,

"Be it resolved by the House of Representatives of the Tenth Legislature of the State of Hawaii, Regular Session of 1979, that the Congress of the United States is requested to exempt Hawaii's banks from the reserve requirement provision of any Federal Reserve membership legislation which it should pass; and

"Be it further resolved that certified copies of this Resolution be transmitted to the Speaker of the House of Representatives, the President of the Senate of the United States, the respective chairmen of the United States Senate and House Banking Committees, and to each member of Hawaii's delegation to the United States Congress."

POM-130. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on the Judiciary:

"RESOLUTION—COMMONWEALTH OF MASSACHUSETTS

"Whereas, Unfortunately, there appears to be a part of the new United State immigration policy which is neither just nor equitable toward the Irish, and as a practical matter, the average Irish person who desires to come and settle in the United States will no longer be allowed to do so; and

"Whereas, If the present immigration law had been in our statutes one hundred and fifty years ago, at least ninety per cent of the Irish presently in America would not have been allowed to enter the United States; and

"Whereas, It is recognized that the previous immigration law was unjust and unfair to some nationalities other than Irish, but that the 1965 immigration Act substituted a law which is as unfair to Ireland as the previous law was to other nationalities; and

"Whereas, Irish priests, nuns and brothers have for many years staffed schools, hospitals, orphanages and rest homes for the aged in our nation and these religious groups who desire to come here to continue this work must now be turned away under the terms of the new immigration Act; and

"Whereas, In nineteen hundred and sixty-five, the Irish ranked fifth among the nationals immigrating to the United States and now ranks below tenth. Irish immigration is at an all time low. In nineteen hundred and sixty-seven, two thousand six hundred and sixty-five Irish were admitted to the United States. Since the enactment of the present law in July, nineteen hundred and sixty-eight, a total of one thousand and seventy-six persons applied for visas and through November thirtieth, nineteen hundred and sixty-eight, only seventy-two were issued; therefore be it

"Resolved, That the General Court of Massachusetts respectfully urges the Congress of the United States to enact such legislation as may be necessary to allow greater immigration to the people of Ireland; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the Clerk of the House of Representatives to the President of the United States, to the presiding officer of each branch of Congress and to the members thereof from this Commonwealth."

REPORT OF A COMMITTEE SUBMITTED DURING THE RECESS

Under authority of the order of the Senate of March 29, 1979, the following report of a committee was submitted on March 30, 1979:

By Mr. CHILES, from the Committee on Aging:

Special report entitled "Part 1, Developments in Aging: 1979" (Rept. No. 96–55).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Special report on "Oversight Activities of the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, 95th Congress" (Rept. No. 96–56).

ORDER FOR JOINT REFERRAL OF S. 838

Mr. CHAFEE. Mr. President, I ask unanimous consent that S. 838, the anadromous fish bill, introduced on Thursday, March 29, 1979, and referred to the Committee on Environment and Public Works, be jointly referred to the Committee on Environment and Public Works and the Committee on Commerce, Science, and Transportation. This request has been cleared on both sides of the aisle.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CHILES:

S. 841. A bill to amend the Solid Waste Disposal Act with respect to the effective date of certain provisions, and for other purposes; to the Committee on Environment and Public Works.

By Mr. COCHRAN:

S. 842. A bill to amend the Internal Revenue Code of 1954 to exempt from taxation the pay received by members of the National Guard or of reserve components of the Armed Forces to the extent that such pay does not exceed $5,000; to the Committee on Finance.

By Mr. SASSER:

S. 843. A bill for the relief of Shoo Scien Wang; to the Committee on the Judiciary.

By Mr. MELCHER (for himself, Mr. STEVENS, Mr. BAUCUS, Mr. BELLMON, Mr. BURDICK, Mr. DOMENICI, Mr. GRAVEL, Mr. MCGOVERN, Mr. PRESSLER, and Mr. SCHMITT):

S. 844. A bill to amend Civil Service retirement provisions as they apply to certain employees of the Bureau of Indian Affairs and of the Indian Health Service who are not entitled to Indian employment preference and to modify the application of the Indian employment preference laws as it applies to those agencies; to the Committee on Governmental Affairs.

By Mr. MATSUNAGA:

S. 845. A bill to amend the Tariff Act of 1930 to increase from $250 to $600 the amount for informal entry of goods; to the Committee on Finance.

By Mr. DECONCINI:

S. 846. A bill to amend title 10, United States Code, to authorize the Secretary of an armed force to comply with the terms of a court decree, order, or property settlement in connection with the divorce, annulment, or legal separation of a member or former member of such armed force who is entitled to military retired pay; to the Committee on Armed Services.

By Mr. TALMADGE:

S. 847. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for each barrel of oil produced from shale and for natural gas produced from geopressured brine; to the Committee on Finance.

S. 848. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for the production of energy from nonconventional sources; to the Committee on Finance.

By Mr. BENTSEN:

S. 849. A bill to provide financial assistance for school construction to local educational agencies educating large numbers of immigrant children born in Mexico; to the Committee on Environment and Public Works.

By Mr. MCGOVERN (for himself, Mr. EXON, Mr. ZORINSKY, and Mr. CULVER):

S. 850. A bill to authorize the Secretary of Agriculture to guarantee loans for the construction and operation of fuel alcohol plants, to provide for a secure supply of feedstocks for the operation of such plants, to amend the Agricultural Act of 1949 with respect to the set-aside program for feed grains, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BUMPERS (for himself, Mr. PRYOR, and Mr. MELCHER):

S. 851. A bill to amend Section 44C of the Internal Revenue Code of 1954; to the Committee on Finance.

By Mr. DECONCINI (for himself and Mr. GOLDWATER):

S. 852. A bill to extend the period of assistance for school districts within Grand Canyon National Park; to the Committee on Labor and Human Resources.

By Mr. JACKSON (for himself, Mr. MORGAN, and Mr. GOLDWATER) (by request):

S. 853. A bill to amend the Act of July 2, 1940, as amended, to increase the amount authorized to be appropriated for the Canal Zone Biological Area; to the Committee on Rules and Administration.

By Mr. BAYH (for himself and Mr. MELCHER):

S. 854. A bill to protect the rights of individuals guaranteed by the Constitution of the United States and to prevent unwarranted invasion to their privacy by prohibiting the use of polygraph type equipment for certain purposes; to the Committee on the Judiciary.

By Mr. BAYH:

S. 855. A bill to limit governmental search and seizure of materials possessed by persons involved in First Amendment activities, to provide a remedy for persons aggrieved by violations of the provisions of this Act, and for other purposes; to the Committee on the Judiciary.

By Mr. HART (for himself and Mr. THURMOND) (by request):

S. 856. A bill to authorize certain construction at military installations, and for other purposes; to the Committee on Armed Services.

By Mr. HART:

S. 857. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for each barrel of oil produced from shale; to the Committee on Finance.

S. 858. A bill to ensure that oil shale operations are conducted in an environmentally sound manner, and that government and the public have adequate information on the environmental effects of oil shale operations; to the Committee on Environment and Public Works.

S. 859. A bill to regulate the surface mining of oil shale, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HEINZ:

S. 860. A bill to authorize the States to use certain unobligated allocations for the Federal-aid highway systems for the repair of certain weather-related damage to highways and urban mass transportation systems due to severe weather in the winter of 1978—1979; to the Committee on Environment and Public Works.

By Mr. DOLE:

S. 861. A bill to extend the exemption from Federal excise tax on the use of gasohol, and for other purposes; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 862. A bill to eliminate the age limitation of 70 years for chief judges of the district courts and chief judges of the circuit courts; to the Committee on the Judiciary.

By Mr. HATCH:

S. 863. A bill for the relief of Peti Elini Falupenga Mosa'Anti; to the Committee on the Judiciary.

By Mr. CRANSTON:

S.J. Res. 53. A joint resolution to proclaim October 8–14, 1979, as "National Renewable Energy Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHILES:

S. 841. A bill to amend the Solid Waste Disposal Act with respect to the effective date of certain provisions, and for other purposes; to the Committee on Environment and Public Works.

AMENDMENT OF THE RESOURCE CONSERVATION AND RECOVERY ACT OF 1976

● Mr. CHILES. Mr. President, in 1976, the Congress passed a law which embodies as fundamental congressional goals: First, the protection of health and the environment from the adverse effects of uncontrolled disposal practices, and second, the conservation of valuable materials and energy resources.

This law is the Resource Conservation and Recovery Act of 1976 (RCRA) (Public Law 94–580), which completely revised the Solid Waste Disposal Act. I strongly agree with the national goals set forth in this legislation. Certainly, the mass material discarded and wasted by our highly technological and industrial society presents a serious problem and threat to our national health and environment. The recovery and conservation of such waste materials can result in more efficient resource utilization and a reduction in our dependence on nonrenewable energy sources and on foreign resources.

One part of the Resource Conservation and Recovery Act added section 6002 to the Solid Waste Disposal Act. Section 6002 addresses the role of Federal procurement in achieving these national goals. It establishes that Federal procurement shall be effected in a manner that maximizes the use of recovered materials.

This section is potentially a strong tool to accomplish the materials conservation goal. It has a clear objective: to utilize the economic incentive of Federal procurement to increase the number and type of products which contain recovered waste materials. Moreover, this effort will demonstrate the technical and economic feasibility of these products through utilization by Federal, State, and local agencies.

Using Federal procurement as a tool to accomplish social, environmental, and economic goals is not new to Congress. For example, we have passed such laws with respect to small business concerns, minority contractors, and items produced by handicapped persons. We in Congress must use great care, however, in creating a system aimed at achieving a social end. We must insure that the system we create is the most reasonable, rational, and efficient one we can devise within the bounds of practicality. We must not lose sight of our other equally important priorities.

The Federal procurement section of the Resource Conservation and Recovery Act presently instructs all Federal, State, and local procuring agencies, using Federal money, to purchase products composed of the highest percentage of recovered materials practicable consistent with maintaining satisfactory levels of competition, technical equivalency, and availability at a reasonable price. This section of RCRA also requires the procuring agencies to review existing specifications to remove any restriction against the inclusion of secondary materials to the maximum extent possible without jeopardizing the end use of the item. The goals of this section are significant and valuable pursuits.

A critical problem has arisen, however, because the procuring agencies have no guidance on how to comply. Nor do they have the resources necessary to determine what is reasonable procurement in terms of technical equivalency, availability, cost, and competition. When Congress passed RCRA in 1976, it set October 21, 1978, as the date by which procuring agencies are required to procure items composed of recovered materials. This 2-year time frame is unreasonable, indeed, impossible as far as developing the data required to make rational procurement decisions and to review and alter the more than 50,000 product specifications that exist. Thus, as now written, this section of RCRA is untenable and will needlessly raise the cost of Government procurement.

By requiring the procuring agencies to purchase items containing the "highest percentage of recovered materials practicable consistent with maintaining competition" without providing these agencies with any information, resources, or guidance as to how this goal can best be achieved. Congress has precipitated mass confusion in Federal procurement. Procuring agencies desiring to comply with the October 21, 1978, deadline the pursuing independent, inconsistent, and counterproductive procurement policies. Contracting officers now have no sound basis for carrying out the mandate of this section.

There are still so many unanswered questions. What is an unreasonable price? What is a satisfactory level of competition? No guidance is offered. Many products, such as weapon systems, are composed of many different materials and components which may have come through many subcontract levels. Manufacturers have no way to ascertain the percentage of recovered material in their end product. The very definition of recovered material is unclear and can vary greatly. Any award decisions based on the use of recovered materials will be subject to immediate challenge by unsuccessful competitors. Little factual basis exists on which to adjudicate these disputes. Operating in such an informational vacuum leads only to uncoordinated costly procurement policies and often arbitrary decisions.

Moreover, the paperwork implications of this section of RCRA as it is now written are overwhelming. Vast quantities of paperwork will be generated by procuring agencies that are requiring Federal contractors to certify that their products contain x amount of recovered materials when neither the procuring agency nor the bidder is capable of making those determinations. Such paperwork containing meaningless numbers and information greatly hinders procurement.

The Government is now in the position of demanding detailed information from all bidders—information that the Government is not equipped to utilize effectively. It makes this demand of all bidders without knowing what percentage of recovered material is technically and economically feasible and available in a reasonable amount of time, and is produced by enough companies to maintain satisfactory levels of competition. For thousands of products, it is a useless endeavor to rewrite the applicable specifications. Moreover, section 6002 requires procuring agencies to review all 50,000 product specifications and to revise such specifications so that they require reclaimed materials to the maximum extent possible. With some products, it is doubtful that Federal procurement will serve to increase the amount of recovered materials because, for example, a particular product might have minimal impact on the solid waste stream or the Government might be so small a purchaser so as to have no effect at all.

Competition is essential to effective, responsible Federal procurement. Unreasonable implementation of the policies contained in RCRA has had a detrimental effect on competition and thus on procurement. Small businesses are truly handicapped in selling to the Government by agency demands for information on recovered materials in their products. It is often impossible for them to collect such data. For example, one small tool manufacturer sells the Government handtools weighing about 1 pound and containing over 63 separate parts. Most of these parts are purchased from outside vendors who purchase their materials from someone else. Due to the small size of their orders from their suppliers, small businesses are unable to obtain the kind of data which the procuring agencies request. The natural result of these Government requirements is to deter and exclude small businesses from selling to the Government, thus, reserving Government business for large firms.

The Environmental Protection Agency is charged under RCRA with developing guidelines for the use of procuring agencies in complying with this section. While the procuring agencies sorely lack the expertise and resources to do this job, EPA possesses the essential expertise and resources. EPA has approached its guidance role in a rational manner by focusing its efforts on those products which show reasonable potential for success. Data-gathering efforts in the areas of paper products, construction materials, and composted sewage sludge are almost complete. Product areas are selected by EPA based on three primary criteria:

First, they are significant portions of the national waste stream;

Second, recovery processes exist to remove them from the waste stream and convert them into usable raw material substitutes; and

Third, the Government buys the products in some quantity.

The amendment to RCRA that I am introducing today will bring some order into this process of procuring products containing recovered materials. This amendment basically delays compliance until the information necessary to effective implementation is developed and guidelines are issued by EPA. It will help avoid unnecessary paperwork—paperwork that is generated without contributing to the purposes of RCRA. It is also intended to permit this section to be most effective in achieving its goals without sacrificing the integrity of the Federal procurement process.

Mr. President, I have the utmost respect for the RCRA's goals. I believe that we should require full implementation of this section when there are EPA guidelines containing the kind of information necessary for valid responsible decision-making by procuring agencies. In this way, we will preserve the laudatory goals of RCRA while not doing unnecessary damage to our system of Federal procurement and also avoiding the creation of undue paperwork. I do not attack the goals of RCRA, but rather the counterproductive means. I would take our good intentions expressed in RCRA and implement them in an informed, productive manner.

Mr. President, I ask that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 841

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) (1) section 6002 (c) (1) of the Solid Waste Disposal Act (42 U.S.C. 6962 (c) (1)) is amended by striking out "After two years after the date of enactment of this section," and inserting "After the date specified in any applicable guidelines prepared pursuant to subsection (e) of this section,".

(2) Section 6002 (c) (1) (C) of such Act U.S.C. 6962(c) (1) (C)) is amended by striking out "clause (ii)" and inserting "subparagraph (B)".

(b) (1) Section 6002 (d) (1) of such Act (42 U.S.C. 6962 (d) (1)) is amended by striking out "item" and inserting "items" and by striking out "in reviewing" and inserting "in drafting or reviewing".

(2) Section 6002 (d) (2) (C) of such Act (42 U.S.C. 6962 (d) (2) (C)) is amended to read as follows:

"(C) after the date specified in any applicable guidelines prepared pursuant to subsection (e) of this section, such specifications shall be revised to require recovered materials to the maximum extent practicable without jeopardizing the intended end use of the item.".

(c) (1) The second sentence of section 6002 (e) of such Act (42 U.S.C. 6962 (e)) is amended by inserting "performance," immediately before "availability," and by inserting immediately before the period a comma and the following: "and, if appropriate, shall provide recommended minimum levels of recovered material content.".

(2) Section 6002 (e) of such Act (42 U.S.C. 6962 (e)) is amended by inserting "(1)" immediately before "The" and by adding at the end thereof the following:

"(2) Each such guideline shall specify a date by which agencies will be required to comply with the provisions of subsections (c) and (d) (2) (C) of this section.

"(3) The Administrator shall select items for inclusion in guidelines based on criteria which consider (A) the effect of Federal procurement of the item on the solid waste stream and (B) the technical and economic feasibility of use of recovered materials in the item.".●

By Mr. COCHRAN:

S. 842. A bill to amend the Internal Revenue Code of 1954 to exempt from taxation the pay received by members of the National Guard or of Reserve components of the Armed Forces to the extent that such pay does not exceed $5,000; to the Committee on Finance.

● Mr. COCHRAN. Mr. President, I am introducing today a measure designed to help bring our Selected Reserve Forces to the level of strength required for them to fulfill their role as an effective backup to our active duty forces.

A great deal of attention has been focused recently on whether our All Volunteer Forces (AVF) are adequately manned. In the near future, it is expected that Congress will consider whether some form of draft system should be reinstated.

It seems to me equally important that we examine the adequacy of our Reserves.

Our Reserve Force, comprised of seven components—Army National Guard, Army Reserve, Naval Reserve, Marine Corps Reserve, Air National Guard, Air Force Reserve, and Coast Guard Reserve—augments the active duty force during mobilization. The Selected Reserve Force is an essential part of our total force. Both combat and support units in the Selected Reserve would be deployed in the early phases of a major European war.

In a report on the AVF issued by the Office of the Assistant Secretary of Defense at the end of last year, it is stated that—

> The enlisted selected reserves, particularly the Army components, have not fared as well as the active force under AVF. This is in large part due to a lack of attention during the early years of the AVF when most of the management efforts were focused on the active force and, in part, to past reserves manning practices. For example, many people enlisted in the reserves during the Vietnam conflict to avoid the draft and most of these have not reenlisted, causing higher than normal turnover.

According to the report, the annual turnover rate has risen from 19 percent in 1973, when AVF was implemented, to 33 percent in 1977. And, according to the Department of Defense, our Selected Reserves currently fall about 150,000 short of peacetime objectives. Whereas Reserve strength in 1973 stood at 919,000, that strength is now down to around 810,000.

This information is of great concern to me. Not only are we falling short of our needs in terms of pure numbers, we are having trouble retaining experienced personnel. Something needs to be done to reverse this situation.

The bill that I am introducing today attempts to do this. My bill provides for a tax exemption on the first $5,000 of income from Reserve pay. This economic incentive will serve to attract Reservists and to retain enlisted ones as well.

We must not underestimate the need for strong, capable Reserves. The present shortfalls threaten our ability to support active units during the first 30 days of a NATO war.

Some steps to resolve this problem have been taken already—professional recruiting, increased advertising. My bill goes hand-in-hand with these efforts, and I urge expeditious passage.●

By Mr. MATSUNAGA:

S. 845. A bill to amend the Tariff Act of 1930 to increase from $250 to $600 the amount for informal entry of goods; to the Committee on Finance.

● Mr. MATSUNAGA. Mr. President, today I am introducing a bill to increase the current $250 informal entry limitation for imported items to $600.

Under the Tariff Act of 1930, as amended, the Secretary of the Treasury may prescribe rules and regulations for the declaration entry of merchandise when the aggregate value of the shipment does not exceed $250 in value. All other merchandise must be formally entered. This provision allows small importers to avoid the time-consuming formal declarations that are required and the provision also saves the Treasury Department from the time-consuming administrative process in clearing small shipments.

Since the enactment of the $250 informal entry limitation, inflation, and the devaluation of the dollar have greatly reduced the real value of this limitation. Many small importers now find themselves ensnared by the requirements for formal entry of small shipments that had previously entered under the informal entry limitation. Furthermore, the Treasury is unnecessarily required to expend more man-hours to process these small entries.

For these reasons, I am introducing a bill to increase the informal entry limitation to $600. A bill in the last Congress, H.R. 8149, also provided for a similar increase in the formal entry limit. This provision received the support of the Treasury.

I urge the Senate to act on this measure to lessen the paperwork burden on small importers and also to save unnecessary administrative cost.●

By Mr. DeCONCINI:

S. 846. A bill to amend title 10, United States Code, to authorize the Secretary of an armed force to comply with the terms of a court decree, order, or property settlement in connection with the divorce, annulment, or legal separation of a member or former member of such armed force who is entitled to military retired pay; to the Committee on Armed Services.

● Mr. DeCONCINI. Mr. President, today I am introducing legislation to require the Secretary of Defense to comply with the terms of a valid State court decree, order, or settlement in connection with the divorce, annulment, or legal separation of a member or former member of the Armed Forces, in regard to military retirement pay.

Legislation introduced in the 95th Congress by my distinguished colleague Senator Sasser, provided that the Civil Service Commission comply with a court decree awarding Federal retirement pay in a domestic case. That bill was enacted into law as Public Law 95-366.

The loophole that remains in Federal law would be plugged by the provisions of this bill. A nonemployee spouse who was awarded a portion of his or her spouse's military retirement as community or marital property cannot now directly receive payment from the Secretary of Defense. Rather, he or she must rely on the employee spouse or seek a court order against that spouse. This results in further legal fees and expenses, loss of time, and frustration to the spouse who already has a judgment in his or her favor.

My bill would correct this situation by requiring the Secretary of Defense to honor the decrees and make payment directly to the judgment creditor-spouse, when proper documentation as required by the Secretary is submitted.

Mr. President, this legislation has been endorsed by the family law section of the American Bar Association, and is currently being considered for endorsement by the full body of that organization. Furthermore, the Congress has approved the concept by enactment of Public Law 95-366, which provides the same procedures for civilian retirement benefits.

This legislation would remedy a most unfortunate situation that is created by our federal form of government. I strongly urge my colleagues to support this measure as a much needed improvement in the enforcement of State court decrees.

I ask unanimous consent that the text of the legislation be printed in the RECORD:

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 846

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title 10, United States Code, is amended by adding after chapter 71 a new chapter as follows:

"Chapter 72.—EFFECT OF COURT DECREES ON PAYMENT OF RETIRED PAY

"Sec.
"1421. Payment of retired pay in accordance with court decrees.

"§1421. Payment of retired pay in accordance with court decrees

"(a)(1) The payment of retired pay or retainer pay which would otherwise be made to a member or former member of the armed forces shall be paid (in whole or in part) by the Secretary concerned to another person if and to the extent expressly provided for in the terms of any court decree of divorce, annulment, or legal separation, or the terms of any court order or court-approved property settlement agreement incident to any court decree of divorce, annulment, or legal separation. Any payment under this paragraph to any person bars recovery to any other person.

"(b) The provisions of subsection (a) shall apply only to payments of retired pay or retainer pay made after the date of receipt by the Secretary concerned of written notice of such decree, order, or agreement, and such additional information and documentation as the Secretary of Defense (or, in the case of the Coast Guard, by the Secretary of Transportation when the Coast Guard is not operating as a service in the Navy) may prescribe.

"(c) As used in this section, the term 'court' means any court of any State or the District of Columbia.".

(b) The table of chapters at the beginning of subtitle A of such title and at the beginning of part II of such subtitle are each amended by adding after the item relating to chapter 71 a new item as follows:

"72. Effect of Court Decrees on Payment of Retired Pay---------------- 1421.".

SEC. 2. The amendments made by the first section of this Act shall apply only to payments of retired or retainer pay made after the date of the enactment of this Act.●

By Mr. TALMADGE:

S. 847. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for each barrel of oil produced from shale and for natural gas produced from geopressured brine; to the Committee on Finance.

S. 848. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for the production of energy from nonconventional sources; to the Committee on Finance.

SHALE OIL AND NATURAL GAS PRODUCTION TAX INCENTIVE ACT OF 1979 AND THE ALTERNATIVE ENERGY PRODUCTION TAX INCENTIVE ACT OF 1979

● Mr. TALMADGE. Mr. President, during the 95th Congress, this body debated for hundreds of hours perhaps the greatest issue facing this Nation—the energy crisis. This debate was brought fourth as a direct result of President Carter's courageous efforts to legislatively address this continually compounding problem. Until President Carter sent his comprehensive national energy plan to Congress, we in the Senate and our colleagues in the House had taken many well-intentioned, but piecemeal steps to try to cut this economic and political Gordian knot. We had met with little success.

In fact, even as President Carter's national energy plan made its way through Congress, it became apparent that a consensus had not been reached in Congress on how to solve this national problem. Many Senators and Congressmen in good faith argued strongly that this country should take drastic steps to encourage conservation wherever possible. Other Members of Congress argued persuasively that what was needed was stronger incentives for the production of our vast untapped natural resources in hard to get crude oil, natural gas, coal, geopressurized methane, and shale oil deposits.

As is so often the case, both were right in part. Dramatic and firm steps need to be taken to eliminate unnecessary waste of our increasingly precious energy resources. The day of cheap, plentiful, easy to find gas and oil deposits is gone. Gone are the days when producers simply flared off natural gas that was considered an inconvenience and annoyance that must be suffered in the quest for crude oil. Gone are the days when American families could leave their home thermostats untouched when they go off on a weekend jaunt. Gone are the days when we all expected the Government to entice and cajole us into conserving energy.

Mr. President, for years we have assumed that Iran was a rock of stability and a secure, reliable source of oil for this country. Unfortunately, recent events clearly demonstrate such assumptions cannot be made and we must increase our domestic oil supply or we will not be masters of our own fate.

At a time when potentially hostile Islamic revolutions are occurring in parts of the Middle East—toppling the government in Iran and threatening other historic suppliers of oil imports to America—we have been put on notice—put on notice that our great economy can be brought to a sudden screeching halt by the Arabs simply shutting off a few oil taps. We currently import over 40 percent of the oil consumed by our entire country. There is absolutely no way we can quickly adjust, after the fact, to a massive Arab embargo. It would devastate us. It would bring us to our knees and threaten not only our peace and security, but that of the entire free world.

Recently, an article appeared in the Washington Star describing an energy report issued by the Treasury Department. It stated that United States dependence on foreign oil is a growing threat to national security and that actions are required to reduce U.S. oil consumption and increase domestic energy production. This report is telling us all what we already know, but sometimes a good can be served by stating the obvious. I ask unanimous consent that this article by Washington Star staff writer Lee M. Cohn be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OIL DEPENDENCE CALLED THREAT TO NATIONAL SECURITY

(By Lee M. Cohn)

U.S. dependence on foreign oil is a growing threat to national security, partly because of political instability in the Middle East, the Treasury warned in a report released today.

The report, which assessed the energy outlook in fairly bleak terms, said actions are required to reduce U.S. oil consumption and increase domestic energy production. But it offered no specific recommendations.

Most of the report's conclusions reiterated the substance of previous warnings by the Carter administration about the seriousness of the energy problem.

After a year-long study, the report made obvious points about the threat to national security, such as the fact that the United States depends on oil supplies from a relatively small number of faraway countries.

Noting the vulnerability of Middle Eastern oil supplies, the report quoted the CIA: "There is a high probability that acts of nature, human error or deliberately targeted terrorist attack will interrupt the flow of oil in one or more of the oil-exporting nations during the next several years."

The Defense Department was quoted as warning that "the concentration of oil production facilities in the (Middle East) area presents the major physical risk."

The Treasury report concluded: "The overall potential for an embargo or other interruption has not decreased since the embargo of 1973, nor since the 1975 finding by the Secretary of the Treasury that such a risk threatened to impair the national security.

"On the contrary, developments in Iran demonstrate that U.S. oil imports can be seriously affected by internal disruptions in a country even if it is not a primary supplier of the U.S. oil imports.

"Disruption in any source of supply serves to concentrate U.S. reliance on the other supply sources and, at a minimum, leads to unscheduled price increases, thereby increasing the nation's vulnerability."

Since the risk of supply interruption has not lessened and U.S. dependence on imported oil has grown,the Treasury said, "The threat to the national security is thus greater now than at any time in the past."

Aside from national security in the conventional sense, the report said U.S. dependence on oil imports "makes the dollar more vulnerable to downward pressures" and creates obstacles to achieving U.S. economic objectives. These "monetary repercussions" threaten national security "even apart from the possibility of supply interruptions," the report said.

Furthermore, it said, "the impression of vulnerabilty created by the nation's seeming inability to control its increasing dependence on oil imports directly affects the nation's defense and foreign policy."

Growing U.S. reliance on foreign oil is perceived by other countries "as a sign of weakness and of a lack of internationally cooperative behavior," the report said.

Treasury Secretary W. Michael Blumenthal ordered the study a year ago to update a 1975 report by his predecessor, William E. Simon.

In a memo to President Carter transmitting the report by Robert H. Mundheim, the Treasury's general counsel, Blumenthal recalled that Simon "found that the nation's dependence on imported oil was so great as to threaten to impair the national security and recommended to President Ford that action be taken to remove the threat."

"That conclusion is, unfortunately even more valid today," Blumenthal told Carter.

Mr. TALMADGE. Mr. President, I believe what we need to do is embark upon a crash program for domestic energy production. Recent press reports indicate that the administration may be considering just this sort of thing by way of allowing domestic energy producers to get the same price for their product that we pay the Arabs for theirs. This would be a giant step for this country although it is admittedly fraught with many political landmines and economic dangers. Any such move for domestic energy production must be accompanied by an excess profits tax to assure that a large part of the increased revenues for the energy producers are put right to work producing more energy in this country.

Mr. President, we must accelerate the timetable for construction of safe nuclear plants in this country. Currently, it takes us twice the time it does the Japanese because of our own governmental redtape. We must redouble our efforts in research and technology to find new and better ways to produce energy from new and exotic sources including solar, wind, geothermal, and even the production of hydrogen from seawater. We must not leave a stone unturned. Energy is the lynchpin of our prosperity. To deny it will spell the end of our civilization as we know it.

Mr. President, as my colleagues who served with me in the 95th Congress know, I have been outspoken regarding the need to bring one particular resource into the marketplace immediately. That resource is the oil that we can produce from shale rock. The orderly development of a shale oil industry will take time, but in time, it will do much to help free us from foreign oil dependence. Therefore, we cannot delay; we must start now. According to Government estimates, there are at least 1.8 trillion barrels of high grade shale oil contained in the Green River formation in Colorado, Utah, and Wyoming. If only 600 billion barrels, or one-third, of the shale oil were ultimately recovered, that figure is still 20 times our Nation's presently proven crude oil reserves. In terms of sheer quantity, 600 billion barrels could support production at the present import level, about 9 million barrels per day, for nearly 200 years. Even at much lower production levels, however, each barrel of shale oil produced from these gigantic reserves will be a secure, domestic barrel that will reduce our reliance on less secure oil from abroad.

Mr. President, as Dr. Ruth M. Davis, Deputy Under Secretary of Defense for Research and Advanced Technology, recently testified before the Subcommittee on Economic Stabilization of the Senate Committee on Banking, Housing, and Urban Affairs, shale oil production has important direct implications on our national defense. Dr. Davis said unequivocally:

> Of the various fossil fuel energy alternatives to petroleum, oil shale must be considered the most attractive near term source of defense mobility fuels. Within the United States several oil extraction technologies have been developed and tested in equipment ranging from one-tenth to one-fourth commercial scale. Compared to other synthetic sources of liquid hydrocarbon fuels, oil shale appears to be more economically viable; however, it has not yet shown itself sufficiently viable to muster the required private investment for the commercialization of an oil shale industry.

Mr. President, I believe it is significant that the Defense Department which has tested shale oil products in its mobile weapons systems, has concluded that a commercial shale oil industry could provide a meaningful secure domestic fuel source. As Secretary Davis pointed out, the promising economics of shale oil production have not yet generated private investment in pioneer commercial production facilities.

Industry representatives have testified that a $3 per barrel production tax credit would give them the needed incentive to move ahead and make the huge expenditures necessary for large-scale commercial production. The front end cost is approximately a billion dollars for a plant that would produce in the neighborhood of 50,000 barrels per day.

The Senate approved the concept of production tax credits during its consideration of the energy tax portions of the President's national energy plan in the 95th Congress. Although this approach met with considerable sympathy from many of the House conferees in the conference committee, the production credits for shale oil, geopressurized methane gas, and tight-rock natural gas formations were withdrawn from the conference by the Senate conferees with the understanding that the approach would again be pursued by its Senate proponents, including myself.

Mr. President, today I am introducing legislation that will offer production incentives for not only shale oil, but also for natural gas from geopressurized brine, crude oil from coal or tar sands, synthetic solid fuels from coal or tar sands, energy fuels from biomass, and electrical power from hydrothermal or hot dry rock geothermal resources. These tax credits are designed to bridge the economic gap between current energy prices and that needed to bring these new energy resources into the marketplace. All of these energy resources I have proposed production credits for would eventually be brought into the marketplace, but we need them now to make us energy independent.

Among other things, by providing a credit for the production of fuel from crops, the biomass provision of the bill will encourage increased reliance on gasohol. Under the bill, a producer of alcohol would be entitled to a production tax credit based on the energy value of his alcohol output which is actually used as fuel. This will encourage the substitution of alcohol for conventional petroleum fuels. More than anything else I know, gasohol has captured the imagination of the American people as a potential solution to the energy crisis. We, as legislators, should not fail to make this renewable energy resource economically attractive to the American consumer.

Mr. President, the beauty of the energy production tax credit approach is that it will not cost the American taxpayer "one red cent" unless energy is produced. For every barrel or unit of energy produced as a result of the tax credit, energy that has to be imported from foreign sources will be reduced. The production will be in this country, the money will stay in this country, and the jobs created as a result will be here and not in some foreign and potentially hostile land.

As I have said, this body has already specifically considered and acted favorably upon production tax credits for oil from shale rock and methane gas from the geopressurized domes. I am hopeful that the Finance Committee and the full Senate will quickly reaffirm their support for this type of incentive for shale oil and geopressurized methane gas. As far as the other proposed production tax credits are concerned, I am in great hopes that they will be fully considered and that they too will receive favorable action. I welcome any constructive input as to how these incentives might be improved upon from my colleagues or from experts in each of their individual fields.

Certainly, as America comes to grips with the energy crisis, necessary and substantial efforts must be made to insure that low income Americans do not do without such energy which is essential to their well-being. Ways must be found to assist those who cannot assist themselves meet the rising energy costs that must follow. Steps were made in this direction by portions of the President's national energy plan as signed into law last year. Certainly, I will support whatever further changes in the law which prove to be necessary in this regard.

Mr. President, I ask unanimous consent that an explanation of the changes I proposed in the shale oil tax credit, as passed by the Senate in the 95th Congress, be printed in the RECORD. Also, Mr. President, I ask unanimous consent that documents explaining how the amount of the production tax credits I propose for biomass, geothermal, and coal liquefication were arrived at. I would like to point out that these three areas of energy development are highly controversial insofar as economic estimates and assumptions are concerned. The figures I relied upon were the best that I could obtain in consultation with experts in each of these fields. In some cases, they could more appropriately be described as "guesstimates" rather than estimates. They are intended to be a starting place for discussion of the appropriate amounts of production tax credits needed in these fields rather than exactly the guaranteed economic incentive that will ultimately be needed to bring these energy sources into the marketplace.

There being no objection, the material was ordered to be printed in the Record, as follows:

Explanation of Talmadge Shale Oil Production Tax Credit

The Talmadge bill to provide a $3 per barrel tax credit for the production of shale oil is based on the provision which was adopted by the Senate as part of the Energy Tax Act of 1978. The bill differs from the measure originally proposed by Senator Talmadge and previously adopted by the Senate in the following respects:

1. PHASE-OUT FORMULA

The measure previously adopted by the Senate was indefinite in duration and would phase out only as a result of the decreasing value of the $3 credit caused by general inflation. The bill contains a phase-out formula based on the prevailing price of imported oil. Specifically, the credit would begin phasing out when the average cost of imported oil reaches $25 per barrel and would be eliminated entirely when the average cost reaches $300. The average cost of imported oil would be calculated in terms of constant dollars to eliminate the effect of general inflation.

The purpose of the phase-out formula is to allow the credit to be decreased or eliminated when the market price for shale oil reaches the estimated cost of shale oil production. Because shale oil has not been produced in commercial quantities, it is impossible to establish with certainty a trigger price which would assure recovery of production costs under all of the promising oil shale technologies which are ready for commercialization. The Department of Energy has estimated that the cost of production could range up to $25 per barrel, and the attached bill would begin the phase-out at that level.

The high side of the estimated cost range for shale oil production is used to encourage all potential developers and to take into account the uncertain and shifting regulatory requirements which place upward pressure on production costs. For example, oil shale projects must obtain more than 150 permits from federal, state, and local agencies, which can cause construction delays and resulting cost overruns. Commercial oil shale projects also face the problems (and cost uncertainties) of applying new and evolving environmental and reclamation standards to a new industry. All of these considerations would indicate that it is only prudent to presume that actual production costs will be on the high side of current projections.

2. ADJUSTMENTS OF CREDIT FOR INFLATION

While the phase-out mechanism will prevent the credit from applying when it is no longer needed to close the gap between production costs and market price, it is important that the credit remains at an effective level until the time market prices make it unnecessary. Therefore the present bill provides for an adjustment of the $3 credit amount in the future to take into account the effects of inflation. The inflation adjustment is based on the implicit GNP price deflator as published by the Commerce Department.

Since the present bill has a specific phase-out provision not contained in the measure previously passed by the Senate, it is not necessary to rely on the declining value of a fixed credit amount as an automatic limiting mechanism over time. The same inflation index is used to adjust both the credit amount and the average import cost on which the phase-out is based.

Current escalation in the cost of construction make these inflation adjustments necessary in order for the credit to encourage the heavy long-term investment required for a commercial shale oil plant. In the case of road-building costs (which involve many components similar to an oil shale plant), an analysis by the Department of Transportation found that inflation approached a 70-percent rate in 1978.

3. CARRYBACK AND CARRYOVER

The attached bill also provides for the carryback and carryover of the production credit to the extent it is not used in the current year. This feature was not contained in the bill as previously adopted by the Senate but is necessary to make the credit fully effective.

Since investors in commercial shale oil plants must anticipate 3 to 4 year construction periods, they will not be certain of the extent to which their tax liability will allow them to benefit from the credit at the actual time of production. The carryback and carryover will provide potential developers with some protection against loss of the credit during yearsof inadequate tax liability and will enhance the effectiveness of the incentive. The bill permits an unused credit amount to be carried back 3 years and forward 7 years, which conforms to the carryover and carryback periods for net operating losses under existing law.

SRC I Production Tax Credit

LOW SULFUR COAL BASIS

Coal cost of high sulfur coal, $1.25 per million Btu's.

Cost of conversion to SRC I, $1.75 per million Btu's.

Total cost of SRC I, $3.00 per million Btu's.

Price of low sulfur coal, $2.00 per million Btu's.

Difference, $1.00 per million Btu's.

Production Tax Incentive (assume 50% tax paying entity), $.50 per million Btu's.

HIGH SULFUR COAL BASIS

Cost of SRC I, $3.00 per million Btu's.

Coal cost of high sulfur coal, $1.25 per million Btu's.

Capital and operating savings from using SRC in retrofit situation, .75.

Total value of SRC I to utility, $2.00 per million Btu's.

Difference, $1.00 per million Btu's.

Production Tax Incentive (assume 50% tax paying entity), $.50 per million Btu's.

Assuming approximately 6,000,000 Btu's per barrel equivalent, tax credit equals $3.00 (6 million × $.50).

Justification for Geothermal Power Production Credit

In order to make the fuel change for a hydrothermal type geothermal resource immediately competitive with oil, a production tax credit of 5 mills/kwh would be required (based on kwh of electricity actually generated). This can be calculated as follows:

Price of oil = $14/barrel.

Fossil plant heat rate = 10,000 BTU/kwh.

Heat content of oil = 6 million BTU/bbl.

Fuel cost (oil-fired plant) = 14 × 10,000/6,000,000 = $.023/kwh (= 23 mills/kwh).

Cost of geothermal fuel (typical hydrothermal field such as East Mesa) = 33 mills/kwh; difference (10) mills /kwh.

Production tax credit required (assume 50% tax paying entity), (5) mills /kwh.

Biomass Production Tax Credit

Example is based on experience with municipal solid waste.

Net cost of processing 1 ton of refuse, $34.

At 4500 Btu/lb., one ton of refuse = 9 million Btu's assuming a 60% energy recovery, one ton of refuse produces, 5.4 million Btu's/ton.

Revenue necessary, $34.

Sales value of Btu's as steam at $3 per million Btu's ($3 × 5.4 million Btu's) $16.20.

Value of refuse service to local government 12.40.

Total revenue from refuse, $28.60.

Difference, $5.40 per/ton.

$5.40/5.4 mill. Btu'/ton = $1 per mill. Btu's Production Tax Credit required (assume 50% tax paying entity) $.50 per million Btu's.

Assuming approximately 6,000,000 Btu's per barrel equivalent, tax credit equals $3.00 (6 million × $.50).

Mr. TALMADGE. Mr. President, I ask unanimous consent that the text of my two bills be printed at this point in the Record.

There being no objection, the bills were ordered to be printed in the Record, as follows:

S. 847

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Short Title.

This Act may be cited as the "Shale Oil and Natural Gas Production Tax Incentive Act of 1979".

Sec. 2. Credit for the Production of Shale Oil or Certain Natural Gas.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by inserting after section 44C the following new section:

"Sec. 44D. Production of Shale Oil or Certain Natural Gas.

"(a) General Rule.—

"(1) Allowance of credit.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(A) the production credit carryovers carried to such taxable year,

"(B) the amount of credit determined under subsection (b) for such taxable year, plus

"(C) the production credit carrybacks carried to such taxable year.

"(2) Application with other credits.—The credit allowed by paragraph (1) for a taxable year shall not exceed the tax imposed by this chapter for such taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43.

"(b) Amount of Credit for Current Taxable Year.—The amount of credit determined under this subsection for the taxable year shall be an amount equal to the sum of—

"(1) $3 (as reduced in accordance with subsection (c) (2) and adjusted in accordance with subsection (c) (3)) multiplied by the number of barrels of shale oil produced during the taxable year which are attributable to the taxpayer, and

"(2) 50 cents multiplied by the number of thousand cubic feet of natural gas produced from geopressured brine during the taxable year which is attributable to the taxpayer.

"(c) Limitation and Adjustment of Credit for Current Taxable Year.—

"(1) Credit reduced by proportion of federal grant funding.

"(A) In general.—The amount of credit

determined under paragraph (1) of subsection (b) shall be reduced by an amount equal to the aggregate Federal shares attributable to the barrels of shale oil taken into account under that paragraph.

"(B) Federal share per barrel.—The Federal share attributable to a barrel shall be equal to—

"(i) an amount which bears the same ratio to the amount of credit which (but for this paragraph) would be determined under paragraph (1) of subsection (b) with respect to such barrel, as

"(ii) the total amount of grants made by the United States which was used to acquire any equipment, facilities, or reserves used in the project which produced such barrel bears to the total cost of all equipment, facilities, and reserves used in such project.

"(2) Credit reduced based on increases in adjusted reference price.—

"(A) In general.—In the case of a taxable year for which the adjusted reference price exceeds $25.00, there shall be substituted for '$3' in paragraph (1) of subsection (b) the applicable amount determined in accordance with the following table:

"If the adjusted reference price is:	The applicable amount is:
Over $25.00 but not over $26.00.	$2.50
Over $26.00 but not over $27.00.	$2.00
Over $27.00 but not over $28.00.	$1.50
Over $28.00 but not over $29.00.	$0.50
Over $29.00 but not over $30.00.	$1.00
Over $30.00-------------	0

"(B) Presidential authority to modify applicable amounts in subparagraph (A).—If the President determines that petroleum is being imported into the United States in such quantities or under such circumstances so as to threaten or impair national security, he may, for such period he deems appropriate, prescribe a dollar amount which shall apply in lieu of the amount which (but for this subparagraph) would apply under subparagraph (A). Any dollar amount so prescribed by the President shall not exceed the amount which would have been applicable without regard for subparagraph (A).

"(3) Credit adjusted based on inflation.—The amount '$3' in paragraph (1) of subsection (b), or the amount substituted therefor pursuant to subsection (c)(2), shall be adjusted by multiplying such amount by the inflation adjustment factor for the calendar year in which a taxable year begins.

"(d) Definitions and Special Rules.—For purposes of this section—

"(1) Only production within the United States taken into account.—Shale oil shall be taken into account under this section only if it is produced from property which is located within—

"(A) the United States (within the meaning of section 638(1)), or

"(B) a possession of the United States (within the meaning of section 638(2)).

"(2) Computation of inflation adjustment factor and adjusted reference price.—

"(A) In general.—The Secretary of Energy shall, not later than March 1 of each calendar year, determine and publish in the Federal Register the inflation adjustment factor and the adjusted reference price for such year in accordance with this paragraph. Such publication shall include a reasonably complete explanation of the calculations and data on which such determinations are made.

"(B) Inflation adjustment factor.—The term 'inflation adjustment factor' means, with respect to a calendar year, a fraction the numerator of which is the GNP implicit price deflator for the calendar year immediately preceding such calendar year and the denominator of which is the GNP implicit price deflator for the calendar year 1978. The term 'GNP implicit price deflator' means the implicit price deflator for the gross national product as computed and published by the Department of Commerce.

"(C) Adjusted reference price.—The term 'adjusted reference price' means, with respect to taxable year, the reference price for the calendar year in which the taxable year begins, divided by the inflation adjustment factor for such calendar year.

"(D) Reference price.—For purposes of this paragraph, the term 'reference price' means, with respect to a calendar year, the average refiner acquisition cost of a barrel of imported crude oil during the calendar year, immediately preceding such calendar year, as determined by the Secretary of Energy.

"(3) Production attributable to the taxpayer.—

"(A) Shale oil.—Shale oil production from a property shall be attributable to the taxpayer for the taxable year in an amount which bears the same ratio to the total production of shale oil from such property during such year as the amount of the taxpayer's gross income from such property for such year from such production bears to the aggregate gross income from such property for such year from such production. For purposes of the preceding sentence, gross income from a property shall be taken into account to the extent that such income is taken into account under section 613(a).

"(B) Natural gas.—The production attributable to the taxpayer for natural gas produced from any property during a taxable year shall be equal to the amount which bears the same ratio to the total production of natural gas from the property during the year as the amount of the taxpayer's gross income from the property for the taxable year under section 613(a) on account of such production bears to the aggregate gross income from the property of all parties having an interest in the property.

"(4) Fractions of a barrel.—For purposes of determining the amount of credit under paragraph (1) of subsection (b) in the case of a fraction of a barrel, the dollar amount which (but for this paragraph) would be applicable to such barrel shall be reduced by an amount which bears the same ratio to such dollar amount as the excess of a barrel over such fraction bears to a barrel.

"(e) Carryback and Carryover of Unused Credits.—

"(1) Allowance of credit.—If the sum of the amount of the production credit carryovers to the taxable year under subsection (a)(1)(A) plus the amount determined under subsection (a)(1)(B) for the taxable year exceeds the amount of limitation imposed by subsection (a)(2) for such taxable year (hereinafter in this subsection (referred to as the 'unused production credit year'), such excess attributable to the amount determined under subsection (a)(1)(B) shall be—

"(A) a production credit carryback to each of the 3 taxable years preceding the unused credit year, and

"(B) a production credit carryover to each of the 7 taxable years following the unused credit year,

and, subject to the limitations imposed by paragraphs (2) and (3), shall be taken into account under subsection (a) in the manner provided in such subsection. The entire amount of the unused production credit for an unused production credit year shall be carried to the earliest of the 10 taxable years to which (by reason of subparagraphs (A) and (B)) such production credit may be carried and then to each of the other 9 taxable years to the extent, because of the limitations imposed by paragraphs (2) and (3), such unused production credit may not be taken into account under subsection (a)(1) for a prior taxable year to which such unused production credit may be carried.

"(2) Limitation on carrybacks.—The amount of the unused credit which may be taken into account under subsection (a)(1) for any preceding taxable year shall not exceed the amount by which the limitation imposed by subsection (a)(2) for such taxable year exceeds the sum of—

"(A) the amounts determined under subparagraphs (A) and (B) of subsection (a)(1) for such taxable year, plus

"(B) the amounts which (by reason of this subsection) are carried back to taxable years preceding the unused production credit year.

"(3) Limitation on carryovers.—The amount of the unused credit which may be taken into account under subsection (a)(1)(A) for any succeeding taxable year shall not exceed the amount by which the limitation imposed by subsection (a)(2) for such taxable year exceeds the sum of the amounts which (by reason of this subsection) are carried to such taxable year and are attributable to taxable years preceding the unused production credit year.

"(f) Other Definitions.—For purposes of this section—

"(1) Barrel defined.—The term 'barrel' has the meaning given such term by section 613A(e)(4).

"(2) Shale oil.—The term 'shale oil' means a liquid hydrocarbon fuel produced from oil shale.

"(3) Natural gas produced from geopressured brine.—The term 'natural gas produced from geopressured brine' includes all gas referred to in paragraph (2) of section 107(c) of the Natural Gas Policy Act of 1978.

"(g) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this section.".

(b) Technical and Conforming Amendments.—

(1) The table of sections for such subpart A is amended by inserting after the item relating to section 44C the following new item:

"Sec. 44D. Production of shale oil or certain natural gas.".

(2) Subsection (b) of section 6096 of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44C" and inserting in lieu thereof "44C, and 44D".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1979.

Sec. 3. Application With Other Laws.

The credit allowed by section 44D of the Internal Revenue Code of 1954 shall not be considered a credit, exemption, deduction, or comparable adjustment applicable to the computation of a Federal tax for purposes of subsection (d) of section 107 of the Natural Gas Policy Act of 1978.

S. 848

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Short Title.

This Act may be cited as the "Alternative Energy Production Tax Incentive Act of 1979".

Sec. 2. Credit for the Production of Energy From Nonconventional Sources.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by inserting after section 44C the following new section:

"Sec. 44D. Production of Energy From Nonconventional Sources

"(a) General Rule.—

"(1) Allowance of credit.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(A) the production credit carryovers carried to such taxable year,

"(B) the amount of credit determined under subsection (b) for such taxable year, plus

"(C) the production credit carrybacks carried to such taxable year.

"(2) Application with other credits.—The credit allowed by paragraph (1) for a taxable year shall not exceed the tax imposed by this chapter for such taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43.

"(b) Amount of credit for Current Taxable Year.—The amount of credit determined under this subsection for the taxable year shall be the sum of the following amounts to the extent that the production is attributable to the taxpayer—

"(1) $3 multiplied by the number of barrels of oil or petroleum substitute produced during the taxable year by converting coal or tar sands into synthetic liquid fuel,

"(2) $3 multiplied by the number of units of petroleum substitute containing 5.8 million British Thermal Units produced during the taxable year by converting coal or tar sands into synthetic solid fuel,

"(3) $3 multiplied by the number of units of fuel or energy containing 5.8 million British Thermal Units produced during the taxable year by converting biomass into a fuel or into useful energy such as steam, electricity, or hot water, and

"(4) $.005 multiplied by the number of kilowatt hours of electrical power generated during the taxable year from a hydrothermal or hot dry rock geothermal resource.

"(c) Proportionate Reduction of Credit for Federal Funding.—The amount of the credit allowable for the taxable year under subsection (b) shall be reduced by an amount equal to the Federal cost share attributable to the taxpayer. The Federal cost share of any project is an amount which bears the same ratio to the amount of the credit allowable under subsection (b) as the sum of the amounts of payments made by the United States (other than the payment of a refund of an overpayment of taxes) which were used to acquire equipment, facilities, and reserves used on the project bears to the total cost of such equipment, facilities and reserves. This subsection shall be applied on a project-by-project basis and the Federal cost share attributable to the taxpayer shall be determined under rules similar to the rules under subsection (d).

"(d) Production Attributable to the Taxpayer.—For the purposes of subsection (b), the production attributable to the taxpayer for fuel or energy produced from any property or project during a taxable year shall be equal to the amount which bears the same ratio to the total production of fuel or energy from the property or project during the year as—

"(1) for purposes of paragraph (4) of subsection (b), the amount of the taxpayer's gross income from the property for the taxable year under section 613 (a) on account of such production bears to the aggregate gross income from the property of all parties having an interest in the property, or

"(2) for purposes of paragraphs (1), (2), and (3) of subsection (b), the amount of the depreciation deduction allowable to the taxpayer under section 167 with respect to the equipment and facilities used in the project bears to the aggregate depreciation deduction allowable to all parties having an interest in such equipment and facilities.

In any year for which no depreciation deduction is allowable with respect to a project, the share of production attributable to the respective taxpayers having an interest in such project under paragraph (2) shall be calculated as if a depreciation deduction for the project were allowable.

"(e) Definitions and Special Rules.—For purposes of this section—

"(1) Biomass.—The term 'biomass' includes, but is not limited to, animal and timber waste, municipal and industrial waste, sewage, sludge, and oceanic and terrestrial crops.

"(2) Production within the United States.—The credit allowed under subsection (A) shall apply only with respect to fuel or energy which is produced from a property or project located in or offshore of the United States (within the meaning of paragraph (1) of section 638) or in or offshore of, a possession of the United States.

"(3) Barrel; fractions.—

"(A) Barrel.—The term 'barrel' has the meaning given such term by section 613A (e) (4).

"(B) Fractions.—In determining the amount of the credit under subsection (b) in the case of a fraction of a barrel, kilowatt hour, thousand cubic feet, or other unit of fuel or energy, the amount of credit shall be the like fraction of the amount allowed with respect to a whole barrel, kilowatt hour, thousand cubic feet, or other unit.

"(f) Carryback and Carryover of Unused Credits.—

"(1) Allowance of credit.—If the sum of the amount of the production credit carryovers to the taxable year under subsection (a) (1) (A) plus the amount determined under subsection (a) (1) (B) for the taxable year exceeds the amount of limitation imposed by subsection (a) (2) for such taxable year (hereinafter in this subsection referred to as the 'unused production credit year'), such excess attributable to the amount determined under subsection (a) (1) (B) shall be—

"(A) a production credit carryback to each of the 3 taxable years preceding the unused credit year, and

"(B) a production credit carryover to each of the 7 taxable years following the unused credit year, and, subject to the limitations imposed by paragraphs (2) and (3), shall be taken into account under subsection (A) in the manner provided in such subsection. The entire amount of the unused production credit for an unused production credit year shall be carried to the earliest of the 10 taxable years to which (by reason of subparagraphs (A) and (B)) such production credit may be carried and then to each of the other 9 taxable years to the extent, because of the limitations imposed by pargraphs (2) and (3), such unused production credit may not be taken into account under subsection (a) (1) for a prior taxable year to which such unused production credit may be carried.

"(2) Limitation on carrybacks.—The amount of the unused credit which may be taken into account under subsection (a) (1) for any preceding taxable year shall not exceed the amount by which the limitation imposed by subsection (a) (2) for such taxable year exceeds the sum of—

"(A) the amounts determined under subparagraphs (A) and (B) of subsection (a) (1) for such taxable year, plus

"(B) the amounts which (by reason of this subsection) are carried back to taxable years preceding the unused production credit year.

"(3) Limitation on carryovers.—The amount of the unused credit which may be taken into account under subsection (a) (1) (A) for any succeeding taxable year shall not exceed the amount by which the limitation imposed by subsection (a) (2) for such taxable year exceeds the sum of the amounts which (by reason of this subsection) are carried to such taxable year and are attributable to taxable years preceding the unused production credit year.

"(g) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this section.".

(b) Technical and Conforming Amendments.—

(1) The table of sections for such subpart A is amended by inserting after the item relating to section 44C the following new item:

"Sec. 44D. Production of energy from nonconventional sources.".

(2) Subsection (b) of section 6096 of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44C" and inserting in lieu thereof "44C, and 44D".

Sec. 3. Application With Other Laws.

The credit allowed by section 44D of the Internal Revenue Code of 1954 shall not be considered a credit, exemption, deduction, or comparable adjustment applicable to the computation of a Federal tax for purposes of subsection (d) of section 107 of the Natural Gas Policy Act of 1978.

Sec. 4. Effective Date.

The amendments made by this Act shall apply with respect to taxable years beginning after December 31, 1978, and before December 31, 2009.

By Mr. BENTSEN:

S. 849. A bill to provide financial assistance for school construction to local educational agencies educating large numbers of immigrant children born in Mexico; to the Committee on Environment and Public Works.

SOUTHWEST BORDER EDUCATION ASSISTANCE

● Mr. BENTSEN. Mr. President, I am introducing legislation today that will provide a one-time authorization of $45 million to provide emergency assistance to Southwest Border State school districts impacted by the enrollment of legal alien children. This legislation is identical to S. 2997 which I introduced on April 26 last year.

There is an urgent requirement for this legislation, Mr. President. Frequently overlooked in our concern with illegal immigration along the Mexican border is the fact that this country admitted 187,000 legal aliens from the Western Hemisphere last year, 44,000 of them from Mexico. Many legally admitted Mexican immigrants tend to settle in Southwest border communities, which are among the poorest and least advantaged regions of this country. In Texas border counties, for example, the average personal income is only about 60 percent of the national average, while unemployment is generally twice the national figure.

This influx of legal immigration from Mexico, in other words, places real and substantial hardships on communities least able to afford the expense of educating additional children, many of whom do not speak English.

Our Government has traditionally provided substantial assistance to communities impacted by the children of Government and military employees, on the theory that such children are present in the various jurisdictions because of Federal Government policy and employment practices. I would submit that the same logic should apply to the Southwest Border communities. Legal immigrants are admitted to this country, and rightfully so, as a result of official Government policy. To the extent that they cluster in specific areas, such as the border communities, the Government has an obligation to help relieve the costs incurred by local jurisdictions.

Almost 10 percent of the children enrolled in the 13 Texas border counties are legally admitted aliens. These children have a right to the quality education that will be their passport to employment, success, and a better, more productive future in their new country. Unfortunately, the cost of providing this education falls disproportionately on communities that simply lack the resources to respond adequately. Such a system is inherently unfair to both legal alien and American children of the region, and both groups suffer accordingly.

Under the terms of the legislation I am proposing today, a one-time authorization of $45 million would be made available for emergency assistance to Southwest border school districts that have (a) a minimum enrollment of 7 percent Mexican alien children; and (b) at least 20 such alien children enrolled. The program would be administered by the Southwest Border Regional Commission. Eligible schools would receive $1,000 per alien child, with the funds to be used for the purchase, renovation, or construction of additional classroom facilities.

Mr. President, there is a clear and urgent requirement for this legislation. It is consistent both with past practice and with the ideals for which we stand as a nation. I strongly urge that it be enacted into law at the earliest possible date and I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 849

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title V of the Public Works and Economic Development Act of 1965 be amended by adding the following new section:

"SOUTHWEST BORDER EDUCATION ASSISTANCE

"SEC. 518. (a)(1) The Southwest Border Regional Commission established under this title (hereinafter in this section referred to as the 'Commission') shall, in accordance with the provisions of this section, make a grant to each eligible local educational agency for the construction of school facilities in order to assist such agencies in providing education to immigrant children.

"(2) The amount of the grant to which a local educational agency is entitled under this section shall be equal to the number of immigrant children aged five to seventeen, inclusive, who are enrolled at the schools of that agency and for whom that agency provided free public education during the school year 1978-1979, multiplied by $1,000.

"(3)(A) A local education agency shall be eligible to receive a grant under this section if the number of immigrant children enrolled during such school year at the schools of that agency is equal to or greater than twenty and is equal to 7 per centum or more of all children aged five to seventeen, inclusive, who are enrolled at such school during each year.

"(B) No immigrant child may be counted for the purpose of this section by any local educational agency unless—

"(i) the parents of such child reside within the school district of such agency,

"(ii) the guardian of such child resides within the school district of such agency,

"(iii) the individual having lawful control of the immigrant child resides within the school district of such agency, or

"(iv) such child resides within the school district of such agency.

"(C) Determinations with respect to the number of immigrant children by the Commission under this section shall be made, whenever actual satisfactory data are not available, on the basis of estimates. No such determination shall operate, because of an under estimation, to deprive any local educational agency of its entitlement to any payment (or the amount thereof) under this section to which such agency would be entitled had such determination been made on the basis of accurate data.

"(b) Notwithstanding the other provisions of this section, a local educational agency shall not be eligible for a grant under this section if the Commission determines that the amount determined for such agency under subsection (b) is not adequate to provide such agency with any meaningful assistance in the education of immigrant children.

"(c)(1) In addition to sums available under section 509 of this title, there are authorized to be appropriated to the Southwest Border Regional Commission not to exceed $45,000,000 for grants pursuant to this section.

"(2) If the sum appropriated for making grants under this section is not sufficient to pay in full the total amount which local educational agencies are entitled to receive under this section, the entitlements of such local educational agencies shall be ratably reduced to the extent necessary to bring the aggregate of such entitlements within the limits of the amount so appropriated.

"(d)(1) No local educational agency shall be entitled to any grant under this section unless that agency submits an application to the Commission at such time, in such manner, and containing or accompanied by such information, as the Commission may require. Each such application shall—

"(A) provide that the grant made under this section be used for the construction of school facilities to be administered by such agency;

"(B) provide assurances that the application will be submitted to the appropriate State educational agency for comment;

"(C) provide that such fiscal control and fund accounting procedures will be established as may be determined by the Commission to be necessary to insure the proper disposal of, and accounting for, Federal funds paid to the agency under this section; and

"(D) provide for the furnishing of such other information and reports as the Commission may reasonably require to perform its functions under this section.

"(2) The Commission shall approve an application which meets the requirements of paragraph (1) of this subsection. The Commission shall not finally disapprove an application of a local educational agency except after reasonable notice and opportunity for hearing to such agency.

"(3) Whenever the Commission after a reasonable notice and opportunity for a hearing to any local educational agency, finds that there is failure to meet the requirements of this section, the Commission shall notify that agency that further payments will not be made to the agency under this section until the Commission is satisfied that there is no longer any such failure to comply. Until the Commission is so satisfied no further payment shall be made to the local educational agency under this section.

"(e) As used in this section—

"(1) the term 'construction' means (A) erection of new or expansion of existing structures, and the acquisition and installation of equipment therefor; or (B) acquisition of existing structures not owned by any agency making application for assistance under this section; or (C) remodeling or alteration (including the acquisition, installation, modernization, or replacement of equipment) of existing structures; or (D) a combination of any two or more of the foregoing;

"(2) the term 'elementary school' means a day or residential school which provides elementary education, as determined under State law;

"(3) the term 'secondary school' means a day or residential school which provides secondary education, as determined under State law;

"(4) the term 'free public education' means education which is provided at public expense under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State;

"(5) the term 'local educational agency' means a public board of education or other public authority legally constituted within a State which is a member of the South West Border Regional Commission, for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivisions of such State, or such combination of school districts or counties as are recognized in such State as an administrative agency for its public elementary or secondary schools, and such term also includes any other public institution or agency in such State having administrative control and direction of a public elementary or secondary school;

"(6) the term 'immigrant child' means a child born in the Republic of Mexico and who has legally immigrated to the United States, or born of parents who have legally immigrated from the Republic of Mexico and are not citizens of the United States (other than a child in a family which is in the United States for the purpose of representing another government in a diplomatic or similar capacity), and who is provided free public education by a local educational agency of a State:

"(7) the term 'school facilities' includes classrooms and related facilities; and initial equipment, machinery, and utilities necessary or appropriate for school purposes; but such term does not include athletic stadiums, or structures or facilities intended primarily for athletic exhibitions, contests, or games or other events for which admission is to be charged to the general public; and

"(8) the term 'State educational agency' means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.".●

By Mr. McGOVERN (for himself, Mr. EXON, Mr. ZORINSKY, and Mr. CULVER):

S. 850. A bill to authorize the Secretary of Agriculture to guarantee loans for the construction and operation of fuel alcohol plants, to provide for a secure supply of feedstocks for the operation of such plants, to amend the Agricultural Act of 1949 with respect to the set-aside program for feed grains, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

NATIONAL FUEL ALCOHOL AND FARM COMMODITY PRODUCTION ACT OF 1979

● Mr. McGOVERN. Mr. President, I am pleased to introduce today the National Fuel Alcohol and Farm Commodity Production Act of 1979. I am introducing this legislation on my behalf and that of Senators EXON, ZORINSKY, and CULVER. It is gratifying to have the support of these distinguished colleagues who have also devoted their efforts to the development of alcohol fuels through farm programs. I might add that just last week Senator EXON and others met with the Secretary of Agriculture on this very subject.

Mr. President, due to the avalanche of conflicting information we have received from the Department of Energy in recent weeks, the American people have no way of knowing whether or not our Nation is actually facing an imminent energy supply crisis. Increasing numbers of Americans have lost confidence in Federal energy decisionmaking as they experience drastically increased energy prices with no apparent resolution of overall energy supply problem in sight. The public's frustration is justified. Despite these programs designed to force conservation through higher prices, there has been no significant alteration of our consumption habits, especially in the transportation sector.

Energy needs for transportation in this country are critical. Unlike many European nations founded on the concept of public transit, this Nation was literally built on wheels. Public transit in the United States has been developed as an afterthought, with little consideration given to sparsely populated regions. However, the administration's attempts to force motor fuel conservation and increase the use of mass transportation through higher prices has left our driving habits virtually unaltered.

Yet, conservation in the transportation sector can potentially provide us with the greatest benefits. Much of the light crude oil we import from the OPEC nations is used for the production of motor fuels. A decline in light crude consumption for transport purposes can be directly translated into fewer imports. Although the public has rightly questioned the administration's energy policies, the vast majority of Americans are convinced that we must lessen our dependence on foreign fuels.

Therefore, I am convinced that we must now make a strong commitment to the development of alternate domestic energy sources, especially for use in the transportation sector to achieve this goal. In addition, the development of such resource technologies creates direct benefits for other sector's of our Nation's economy.

The National Fuel Alcohol and Farm Commodity Production Act is a great step in this direction. The legislation has already been introduced in the House by my distinguished colleague BERKLEY BEDELL and is receiving widespread support. Mr. President, this proposal comes to grips with two serious problems. The first is the worsening economic plight of our Nation's farmers and the family farm system. Although farm prices have edged up slightly in recent months, wheat and corn prices remain critically low at little more than 50 percent of parity. With such low farm income recent record harvests mean little to our Nation's farmers.

Even worse, our Federal agricultural policies are dependent upon the expenditure of hundreds of millions of taxpayer dollars to induce the world's most efficient producers to idle acreage every year. Such expenditures clearly underlines the need for additional markets for farm products. The conversion of agricultural commodities to scarce fuel resources will create the necessary outlet to stimulate farm income.

Second, the development of fuel alcohol to supplement or replace certain kinds of motor fuels can have a tremendous impact on the amount of light crude oil we are presently importing from the OPEC nations. The ability to lessen our dependence on such fuels would provide sizable national economic benefits through decreasing the Federal trade deficit and perhaps providing a more efficient and less costly fuel for transportation needs.

This bill speaks to the heart of both issues through the stimulation of farm income and the development of a viable alcohol fuels industry. The act would promote the construction and operation of privately owned alcohol fuel plants through federally guaranteed loans and secure reasonable supplies of feed stocks for at least the initial startup period. Perhaps most important to those of us who represent the agricultural producing heartland, this legislation would substantially improve farm sector income by creating a viable outlet for agricultural commodities that are now in such surplus that market prices are substantially below the farmer's cost of production.

Although this legislation, as presently drafted, only addresses the use of feed grains, new information is now available indicating the efficiency of utilizing other farm commodities and wheat in particular in this program. Amendments are already being drafted in the House and Senate to expand this legislation to other commodities in order that as many agricultural producers as possible would be able to experience the benefit of additional markets.

Essentially the proposal would abolish the present feed grain program. The current set-aside/land-diversion controls would be eliminated. Each producer would be guaranteed $2.50 per bushel for every bushel of corn produced with a $2.10 loan. The established price of $2.50 per bushel would be adjusted each year in relation to the cost production index already contained in the law.

Eligibility for income protection would be predicated on meeting two requirements. First, the producer must adhere to basic soil conservation and best management practices put forth by the Secretary. This provision is designed to prevent the plowing up of marginal land, and to deal with the alarming soil and water degradation of our Nation's resources base. Second, each participating producer must agree to make available to the Secretary a full 10 percent of his total production. On this portion of his production, the producer will receive the established price; on the remaining 90 percent of his production, however, he is free to take advantage of the market price or the established price, whichever is higher.

The legislation would direct the Secretary to utilize this 10 percent takeover of corn for one purpose, and one purpose only—as feed stock for private alcohol fuels plants that produce ethanol primarily for use as an extender for unleaded gasoline (gasohol). The Secretary would be authorized to charge plants no more than 50 percent of the established price for this takeover corn. This subsidized price virtually guarantees the ethanol plants of being able to sell their product at a profit. The Secretary is authorized to enter into contracts with these plants, not to exceed 5 years. This will provide the incentive needed to establish a private alcohol fuels industry by reducing the uncertainty on the supply side.

Further incentive for ethanol plant construction would be afforted by a provision which would authorize the Secretary to make available federally guaranteed loans to qualified applicants; $600 million would be authorized to establish a seed fund for this purpose. Included in the language is the requirement that a 1-cent tax must be paid on every gallon of ethanol produced from any plant that has either received a loan guarantee or the Federal Government-subsidized feed stock. The receipts from this tax are to go back into the seed fund to be used for reducing the need for Government outlays for further guarantees, as well as to cover any defauts that might arise.

In summary Mr. President, the National Fuel Alcohol and Farm Commodity Production Act of 1979 addresses the issues of energy supply and farm income in a way that acknowledges the interdependence that exists between them. It provides a new direction in agricultural policy and it is a direction that will come to grips with our need to find additional farm product markets. Moreover, it provides substantial benefits that cannot be realized through our existing energy policies. Through this legislation we can also achieve improved natural resource conservation measures, the foundation for a viable renewable liquid fuel and ultimately lessen our dependence on foreign fuel imports.●

Mr. EXON. Mr. President, it is a privilege to join with my distinguished colleague from South Dakota in sponsoring the National Fuel Alcohol and Farm Commodity Act of 1979. This legislation is designed to provide guaranteed loans for the construction and operation of privately owned fuel alcohol plants and to insure a dependable supply of farm products for the operation of these plants. This bill, which as currently drafted only utilizes feed grains which I hope will be expanded to include other farm products, will allow 10 percent of a farmers total feed grain production to be used exclusively as feedstock for private alcohol fuel plants. This alcohol will then be blended with gasoline and used exclusively as a fuel extender, "gasohol" for which Nebraska has been a leader in development.

Mr. President, especially during recent months the need for this legislation has become imperative. Coupled with the serious state of certain sectors of agriculture has come intensification of the fuel shortage accompanied by higher prices. Gasohol is one of our best sources of alternative fuel and one which will significantly reduce our dependency on foreign oil and help improve our staggering trade deficit.

This legislation does more than just reduce this nation's dependency on foreign oil. This bill redirects the current farm program from one which provides subsidies to farmers not to produce to one which adjusts this expenditure of Federal dollars into a program which will have lasting beneficial effects for the farmer and the American people. Instead of the negative approach of cropland set-asides to solve the surplus problem, I believe that we must establish a positive approach by using our great production capability for other purposes. This bill does just that. It allows farm products to be used to manufacture alcohol to provide a source of energy for automotive use. Mr. President, I doubt there is one among us today that would not agree that a healthy and stable food plant which is also a major contributor of a stable and renewable source of energy would be an economic blessing for our Nation.

Let it be clearly understood, Mr. President, this measure is not a "farm bill" as such. This is an energy measure which I believe to have great merit.

Now, Mr. President, I know my distinguished colleague (Mr. McGovern) has, as always provided an excellent explanation of this act in detail which I believe every Member of this body will find interesting. Instead of reviewing these provisions again, I want to touch on an area of the utmost importance to the complete understanding of this bill by those who will have the charge of implementing its provisions: The U.S. Department of Agriculture.

Mr. President, during the consideration of the Food and Agriculture Act of 1977, an amendment was offered on the floor of the U.S. Senate on May 23, 1977, which provided for loan guarantees to four alcohol producing plants. The U.S. Department of Agriculture has completed its selection of these four plants will utilize agricultural and forest products as feedstocks for the production of this alcohol. This brings me to my point, Mr. President. When this amendment was offered, it was the clear intent of its sponsors, one whom is my distinguished colleague from Nebraska (Mr. Zorinsky) that the alcohol produced from these plants be used as a fuel extender, or as gasohol for use in automobiles. To my great alarm, the alcohol to be produced by the four plants which received loan guarantees from USDA under the 1977 farm bill will be used primarily for industrial purposes and not as automotive fuel extenders. The Department of Agriculture must understand that this is gasohol legislation, pure and simple. I am sorry that the measure passed in 1977 was unfortunately vague on this point.

As the good Senator from South Dakota has stated, this legislation only covers feed grains at this time. My colleagues and I are very interest in expanding this to cover other commodities such as wheat and sugar beets, to name only two. Additional information is coming in daily and we are all hopeful that other commodities will be included at a later date, quite possibly during Agriculture Committee consideration of this bill. I am aware of Senator McGovern's interest in expanding this bill to cover other farm products and stand ready to work with him to amend this important bill to accomplish this end.

Finally, Mr. President, must relate to the Senate the heart of my recent meeting with Secretary Bergland on this matter of gasohol and, in particular, this bill. I was very pleased to learn that the Secretary responded favorably to this legislation. I firmly believe that we can expect the administration to support this bill, possibly with some amendments that we can agree to during the hearing process. It is my opinion that we must continue our farm programs and support programs for the major portion of our production that will continue to be employed for other than fuel additive uses. With this legislation we begin realistically to blend in agricultural resources to help solve our energy problems.

Mr. President, as a U.S. Senator from Nebraska, the State which piloted much of the research we now have on gasohol, I strongly urge my colleagues in the Senate to give their support to this measure, reminding all, once again, that this is an energy bill which employs the ever-renewable products of American farmers and their production genius to help this Nation once again in its time of critical need.

Mr. PROXMIRE. Will the Senator from Nebraska yield?

Mr. EXON. Yes.

Mr. PROXMIRE. I congratulate the Senator from Nebraska on the statement he just made. I think it is very significantly, as he says, an energy measure. There is no question that energy is our principal economic problem right now. We also know that, as the Senator has said, we can produce a tremendous amount of crops that can be used for this purpose.

It is very practical. It is being used right now. I know a number of people who drive their automobiles right now, powered with gasohol. I think that the prospects for extending this are excellent and I think what the Senator from Nebraska just told the Senate is most useful. I want to do all I can to be as helpful as possible in this legislation.

Mr. EXON. I thank the Senator from Wisconsin.

● Mr. ZORINSKY. Mr. President, I am pleased to join my colleague from South Dakota, Senator McGovern, in introducing today a comprehensive bill to foster the development of grain-based gasohol. The proposed legislation was originally introduced in the House of Representatives by Congressman Berkley Bedell. It represents a new approach to two of our country's most pressing economic woes—the price-depressing surfeit of grain, and the inflation-feeding dependence of our country on expensive imported oil.

The introduction of this bill, Mr. President, is timely. Two weeks ago, the administration announced the selection of the fourth and final pilot plant loan guarantee authorized in the 1977 Food and Agriculture Act. The choice was a severe disappointment to me and to my colleagues from grain-producing States. Of the four plants designated to receive loan guarantees of up to $15 million, none will use either of this country's principal grains to produce alcohol. Only one of the proposed plants will be, in fact, a conventional ethyl alcohol distillery as envisioned by Congress.

The Secretary of Agriculture's news was rapidly succeeded by an announcement of the Organization of Oil Producing Countries. OPEC's proclamation that imported oil prices will soon rise by a minimum of 9 percent has sent waves of concern throughout the Nation. Every citizen will be affected by this new round of price hikes. Our country's already unsteady economy will be rocked anew by yet another tidal wave of oil-induced inflation.

It is not a new problem, Mr. President. More than 5 years have passed since the OPEC nations inflicted its first crippling blow of 300 percent increase in oil prices. But old solutions have been ineffective. Half-hearted energy conservation measures and tortuous regulation of the industry have failed to quell the rampages of energy cost inflation. Nor have they sparked the necessary search for alternate domestic sources of energy.

Similarly, our country's current system of target price payments, price support loans, and voluntary cropland set-asides have been insufficient to deal with the predicament of a depressed agricultural sector and surplus grain supplies.

In short, the administration's current policies have proven themselves inadequate. It is time to discard these stale remedies and to seek out new approaches to the problems. The bill my colleagues and I offer today is not a cure for all of our country's ills. It is not a panacea which will wash away America's economic troubles. It is a new and innovative approach to easing two of those problems, energy and agriculture.

The bill proposes a new agricultural program designed to provide another major market outlet for American corn, while simultaneously boosting the supply of domestically produced energy. The farm provisions of the bill will take advantage of our Nation's ability to produce grain efficiently rather than to overcome the American farmer's productivity. Production of corn to the maximum level possible, within the constraints of good conservation practices will be encouraged. Target prices of $2.50 a bushel will be paid to all producers who participate in the program, thus offering a measure of income protection to the farmers. Price support loans will be established at $2.10 a bushel.

The excess grain will be channeled into the production of alcohol to be used in gasohol. Participating farmers must make 10 percent of their crop available to the Secretary of Agriculture, at $2.10 a bushel. The grain will be employed solely as seed stock for ethanol plants.

To insure an adequate incentive for gasohol development, the Secretary will sell the reserved grain to private ethanol plants for one-half the Government's cost, at $1.25 a bushel. In addition the Department of Agriculture will offer loan guarantees to these plants to aid construction. The bill proposes an initial authorization of $600 million for the loan guarantee seed fund. A 1-cent-per-gallon tax would be levied on any ethanol produced in a plant receiving either a loan guarantee or the subsidized grain supplies, in order to continually replenish the loan fund.

There is little doubt, Mr. President, that this proposal would initially be more expensive than current farm programs. But to reject the bill on that basis would be shortsighted, and would cheat the American taxpayer in the long run.

Mr. President, I believe that in a few years, the investment of additional cost involved in initiating the National Fuel Alcohol and Farm Commodity Production Act of 1979 would be returned to the American economy many times. American consumers would receive the direct benefit of lower fuel costs, as well as the less tangible advantages of a fully employed and productive agricultural sector. Our country's dependence upon imported oil for motor fuels could be measurably reduced by adding domestically produced ethanol to gasoline.

The proposed bill is not intended to be a final solution. Rather it is a fresh start, a jumping-off place for new legislation to deal with the issues of energy and agriculture. I hope to see the bill expanded, to include wheat, and perhaps other commodities. Further, refinements of the mechanism to acquire the grain and resell it to the alcohol plants may be necessary. Nevertheless, Mr. President, this bill provides a much needed base for development. I urge my colleagues to examine it closely and to begin soon that process of refinement and eventual congressional enactment.●

By Mr. BUMPERS (for himself, Mr. PRYOR, and Mr. MELCHER):

S. 851. A bill to amend section 44C of the Internal Revenue Code of 1954; to the Committee on Finance.

Mr. BUMPERS. Mr. President, I rise to introduce a bill to amend section 44C of the Internal Revenue Code to allow a tax credit for taxpayers who convert their cars to using alcohol fuels.

As this body is only too well aware, the energy crisis is becoming worse. As the international market tightens, the price increases. OPEC recently met to increase prices by 9 percent plus a fairly open-ended surcharge. We are told that that increase must be considered modest, because of the moderate members of OPEC restrained the greater demands of their greedier partners, but OPEC will meet again in June, and will the moderates prevail again?

The answer to that question will have an enormous impact upon the U.S. economy and life-style. Such meetings will never have a beneficial impact until the United States frees itself of dependence upon OPEC oil. My proposal would promote such freedom by stimulating the use of alcohol fuels, allowing a tax credit for those who convert their cars to use alcohol fuels. This credit is consistent with the removal of the excise tax upon gasoline used in gasohol, which was mandated by the Energy Tax Act.

Gasohol, however, merely extends available supplies of oil. By comparison, alcohol fuels can free us of dependence upon oil, because they use no oil. Moreover, they can be manufactured domestically from purely domestic products, including waste products. Finally, there are no technological barriers to the current production and environmentally safe use of alcohol fuels, unlike other alternatives to oil. The production techniques are well known, and existing automobiles can be readily converted to alcohol fuels.

The only barrier to greater use of alcohol fuels, and thus to greater freedom from foreign oil, is the economic one of stimulating their production and use. There already is a tax credit for those who purchase equipment to produce alcohol fuels. There is no stimulus for those who want to use them. My proposal would cure that omission by providing a 50 percent credit, up to $500, for amounts expended in converting an automobile to alcohol fuels.

This sort of tax expenditure is well-worth the cost. Our dependence upon foreign oil is pulling us ever deeper into a Middle Eastern involvement which could prove far more expensive than any tax credits. During the height of the war in Vietnam, we spent an average of $72 million per day on armaments. We are already spending large amounts in the Middle East to stabilize that area and to protect oil production. If we become involved in military action, we could incur expenditures of Vietnam-like magnitude. It is far more preferable to spend money in the form of tax expenditures to free us from such entanglements, which might already be inducing us to choose a foreign policy which we otherwise would not adopt.

Therefore, Mr. President, I am introducing a bill to amend the Internal Revenue Code to provide a tax credit to stimulate the conversion of automobiles to using alcohol fuels.

Mr. President, as I earlier stated, this bill deals with the energy problems of this country which are becoming increasingly monumental and complex. This bill would allow up to a 50 percent tax credit of the cost required to convert an automobile from gasoline to any of the so-called "hols," ethanol, methanol, and alcohol.

A man in my home State has two automobiles, both of which have been driven over 70,000 miles, and both of which cars have separate tanks, one for gasoline and one for alcohol. Even while driving, at a speed of, I will say, 55 miles an hour. He can switch the engine in that automobile from the use of gasoline to alcohol. There is absolutely no change in engine performance, and he gets as good, or better, mileage on alcohol as gasoline.

Incidentally, the engine will run on any kind of distilled alcohol. So this bill would allow closed distilleries to reopen.

The conversion costs approximately $1,000. This man has converted all the forklift trucks, about 100 of them, in the Whirlpool Manufacturing Company's warehouse in Fort Smith, Ark. They pay about 70 cents a gallon for it. Not only does this relieve them of the dependence on petroleum products, but the emissions are probably less than 1/20th those resulting from petroleum products.

My amendment would allow a tax credit of up to 50 percent of the cost of converting an automobile to alcohol, up to $500. The normal cost will be about $1,000, but it would probably cost the car manufacturers only about half that amount.

The beauty of this is that ethanol can be produced from urban waste. Alcohol or ethanol can be produced from timber waste, with which my State is abundantly blessed. Most of that timber waste is left in the forests to decay. Thus wastes can be productively used. I am not talking about corn, which yields only 2.6 gallons of ethanol per bushel. The cost of the raw material alone is $1 a gallon, and, adding the cost of processing it, it is clear that corn converted to alcohol is still not an economic possibility for the country.

There is no such barrier to converting the urban wastes which are buried, the wastes lying and decaying in the forests, or a lot of agricultural waste.

Finally, Mr. President, I want to make this point: We, as every Member of this Senate knows, have not even begun to deal significantly with the energy problems with which this country is confronted. We are, however, sending $400 million worth of weapons to North Yemen.

Such weapons seem to outlast our alliances. They usually wind up being turned against us or against our friends, or creating an unstable situation somewhere.

That same $400 million, which is intended to protect Saudi Arabia's south flank and assure a continued supply of oil from the Middle East, from the Persian Gulf region, could be used to produce 800 million gallons of alcohol fuels in this country, which is about 1 day's supply of gasoline.

Saudi Arabia could be our next Vietnam. Some in this body would not now hesitate—maybe I would join them under the right circumstances—to send troops to Saudi Arabia if that was necessary to assure a continued supply of oil from the Middle East.

We spent $72 million a day in Vietnam. We could be producing 25 to 40 million gallons of alcohol a day in this country for what we spent to maintain the Vietnam war. We just simply have never faced up to some of these concerns in a meaningful way.

Mr. President, we cannot produce enough alcohol from all sources, grain or otherwise, to replace gasoline. We have already removed the 4-cent excise tax on gasoline used in gasohol, to make gasohol competitive with gasoline.

That was a step in the right direction. We ought to remove all taxes and prohibit the States from imposing taxes on alcohol as a further incentive to get more alcohol into usage. Certainly, this bill would be an incentive to people to convert their automobiles, either to a dual use of both gasoline and alcohol or alcohol alone, although it would not be a full incentive. It would stimulate the use of alcohol fuels and alleviate the suffering in this country from an impending gasoline shortage.

Mr. PROXMIRE. Will the Senator yield?

Mr. BUMPERS. Yes, I am happy to yield.

Mr. PROXMIRE. Earlier today, the Senator from Nebraska (Mr. EXON) spoke on a similar subject. Is the Senator familiar with the bill Senators EXON and McGOVERN are introducing to encourage the development of gasohol?

Mr. BUMPERS. I am not.

Mr. PROXMIRE. Is the Senator familiar with materials other than grain feeds, including the lumber or timber waste that the Senator from Arkansas was talking about?

Mr. BUMPERS. I am not familiar with those, but there have been other bills last year and this year on this same subject.

Mr. PROXMIRE. These are very, very good suggestions. They make all the sense in the world to this Senator. As the Senator from Arkansas has pointed out, these are renewable resources. They are wasted now. As I understand it, the process of producing gasohol is not complicated and has great promise.

Mr. BUMPERS. Mr. President, first, I thank the Senator very much for his comments.

Second, I have done a quick study of this subject. We are having a problem with alcohol, particularly methanol—which can be converted from coal. We have an abundant supply of coal, which could produce a substantial amount of methanol.

Yet we have not been able to convert coal to other energy forms, such as methanol or ethanol without losing too much energy in the process.

In short, the conversion of automobiles to the use of alcohol fuels only becomes attractive, so far as solving the Nation's problems is concerned, if those fuels are made from items such as agricultural waste, timber waste, or urban waste, that are going to decay and rot anyway. Making those same fuels from coal or from corn, for example, involves different economies.

I thank the Senator very much for his comments.

By Mr. DECONCINI (for himself and Mr. GOLDWATER):

S. 852. A bill to extend the period of assistance for school districts within Grand Canyon National Park; to the Committee on Labor and Human Resources.

FINANCIAL ASSISTANCE FOR GRAND CANYON SCHOOL DISTRICT

● Mr. DECONCINI. Mr. President, my distinguished senior colleague from Arizona, Senator GOLDWATER, and I are introducing legislation to extend Public Law 95-244, which provides financial assistance to the Grand Canyon district. This law was enacted just over a year ago after initially being introduced by Senator GOLDWATER and myself as S. 778. The bill that subsequently passed the Senate was S. 2076.

Ultimately the House passed a substantially different version of the Senate bill. In order to secure passage: Payments to the district were made subject to appropriations, a ceiling of $1.5 million was added, the ceiling must be reduced by the amount of impact aid funds received by the district, and a 2-year sunset provision was included. Because of the severe financial difficulties being experienced by the district and the need for timely assistance, the Senate receded to the House amendments.

Thus, unless extended, the law will terminate after September 30, 1980. This bill will extend Public Law 95-244 for an additional 10 years—until 1990.

Financial conditions being experienced by the Grand Canyon School District are no less severe today than when the law was enacted. The entire district lies wholly within the Grand Canyon National Park, which results in a very low tax base. Over 80 percent of the district's students are dependents of people who pay no property taxes, so the remaining small percentage is, in effect, subsidizing the education of these Federal and concessionaire employees. Further, the largest taxpayer, the Atchison, Topeka, and Santa Fe Railroad is presently negotiating to sell its rights-of-way. When the sale takes place, the rights-of-way will revert to the status of untaxable Federal land dealing a crushing blow to the remaining taxpayers who will have to make up the loss.

Those who have questioned the validity of special funding for the district contend that existing Federal programs, such as impact aid and in lieu of tax payments, provide sufficient funds to sustain the Federal Government's responsibility. However, the district receives no funds from the in-lieu-of-tax program, and for the 1977-78 school year received just $114,000 in impact aid funds.

Approximately the same amount of impact aid funds is expected for the current school year—if Congress maintains a similar appropriations level as last year. While the district is spending approximately $1,200 per elementary student and $2,700 per high school student, the Federal Government is reimbursing the district at the rate of approximately $587 for each dependent of a Federal employee. It is quite evident that impact aid falls far short of meeting the Federal Government's obligation to the Grand Canyon School district.

To date, the district has received $500,000 under Public Law 95-244. With only 1 additional year of authorization left, the district will receive minimal assistance from the statute. Extension of the public law will continue to correct an inequitable financial situation and improve the quality of education available to the district's students.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 852

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1(a) of Public Law 95-244 (relating to the authorization of appropriations for school districts located in the Grand Canyon National Park) is amended by—

(1) striking "two-year period" and substituting "12-year period"; and

(2) striking "1980" and substituting "1990".

(b) Section 1(c) of such Act is amended by inserting "and for each of the next 10 succeeding fiscal years" after "1980".●

By Mr. JACKSON (for himself, Mr. MORGAN, and Mr. GOLDWATER) (by request):

S. 853. A bill to amend the Act of July 2, 1940, as amended, to increase the amount authorized to be appropriated for the Canal Zone Biological Area; to the Committee on Rules and Administration.

● Mr. JACKSON. Mr. President, on behalf of Senator GOLDWATER, Senator MORGAN, and myself, I introduce a bill on behalf of and at the request of the Regents of the Smithsonian Institution. Senators GOLDWATER, MORGAN, and I serve as the Senate Members of the Board of Regents. The legislation we are introducing today has been approved by the Board of Regents to meet the needs of the Institution in relation to its responsibilities for Barro Colorado Island in the Panama Canal Zone.

By the Act of July 2, 1940 (54 Stat. 724) the Congress set aside Barro Colorado Island in order to preserve and conserve its national features for research purposes, and authorized the appropriation of $10,000 for necessary administrative and maintenance expenses related to the island. Subsequently, Public Law 89-280, approved October 20, 1965, increased the authorization to $350,000.

At its meeting on January 22, 1979, the Board of Regents requested its congressional members to introduce and support legislation raising the ceiling on appropriations from $350,000 to $750,000. Although current obligations are within the present statutory limit, the pressure of increasing costs and the need for improvements to the Canal Zone biological area maintained by the Smithsonian on the island indicate that the limit will be reached in the near future.

On March 17, 1977—also at the request of the Board of Regents—Senator PELL, who was then a Regent, Senator GOLDWATER, and I introduced S. 1031 raising the ceiling to $600,000. That bill was amended in the Rules Committee to increase the authorization level to $750,000 and passed the Senate in May 1977. However, the other body did not complete action on the measure.

The bill introduced today would raise the authorization ceiling to $750,000—the figure recommended by both the Smithsonian and the Senate Rules Committee—and approved by the Senate in the last Congress.●

By Mr. BAYH (for himself and Mr. MELCHER):

S. 854. A bill to protect the rights of individuals guaranteed by the Constitution of the United States and to prevent unwarranted invasion of their privacy by prohibiting the use of polygraph type equipment for certain purposes; to the Committee on the Judiciary.

POLYGRAPH CONTROL AND CIVIL LIBERTIES PROTECTION ACT OF 1979

● Mr. BAYH. Mr. President, today the President is delivering his Message on Privacy, the result of many months of careful study of the threats on personal privacy present in our society, and of the appropriate approach to protecting against such intrusions. I am pleased that one of the recommendations the President has seen fit to make in this report is for the proposed legislation I reintroduced today, a bill to control the use of lie detection equipment in the employment context. A very similar proposal has also been introduced in the House this past week.

During the past 2 years I have had occasion to chair 4 days of hearings before the Judiciary Subcommittee on the Constitution on polygraphs and similar devices and how they are used in employment. It has not been a particularly pleasant education.

Our popular perception of the polygraph has been of an instrument of law enforcement. We think of it as a machine that can be found with criminal suspects in police interrogation rooms. The image is changing. For more and more Americans, the lie detector has entered their lives as a feature of the workplace and a condition of getting or keeping a job. But while the criminal suspect is protected by the law from much of the possible misuse of the polygraph, the citizen in the workplace is not.

The polygraph in a commercial setting is nothing more or less than kangaroo court, with the examiner the investigator, prosecutor, judge, and jury. For the job applicant or the employee, unlike the criminal suspect, a polygraph can possess an awesome power.

As the lie detection industry's own representatives testified before the subcommittee, refusal to take a test will almost invariably mean that the applicant will not be hired or the employee will be fired. A recent article in Business Week explained the dilemma: "Agree to it and the consequences range from loss of privacy to loss of a job. Decline and you could get fired from a job or turned down as an applicant." An examination taken and failed, for whatever reason, will mean that you are out of a job.

The hearings also produced a great deal of conflicting testimony about the purported accuracy of "lie detection." The results were disturbing, for whatever the widely varying estimates of their ability to measure "honesty," it became clear that with most employers polygraphs were being regarded as infallible.

To my mind, the most impressive figure that came out at hearings, however, did not deal with accuracy as such. Polygraph industry representatives told the subcommittee that 90 percent of the recommendations made by examiners to hire or fire are derived not from what the machine tells them, but from information—personal or whatever—which the person being examined has given them under questioning.

This explanation of the process clearly puts polygraph testing into another category than simply a scientific instrument. Its function becomes that of an admission machine and the examiner becomes a personnel decisionmaker.

Whether the machine can, in fact, detect deception with accuracy becomes unimportant in practical terms, except insofar as those taking the test and those using the test believe it is infallible.

There seems to be little doubt that theft by employees is a major problem for many businesses. The American Management Association estimates that employee pilferage may run as much as $5 to $10 billion out of the possible $30 to $40 billion total lost in crimes against business each year. These are certainly not figures to take lightly. However, the question is whether the polygraph or "cops and robbers" approach is the best or even an effective approach to controlling the problem.

The results are out, but there are many leading businesses who today are willing to say that it is not, and who in fact will suggest that the use of lie detection may be counterproductive in terms of employee resentment and distrust of the employer. There remain better personnel selection methods and improved management controls techniques as ways of controlling a serious problem without intruding on the privacy of employees with machines which purport to tell the truth and often do not. It is significant that the Business Round Table in its December 1978, policy paper on the issue of privacy in employment, Fair Information Practices, A Time For Action, also recommended against the use of polygraphs on employees.

Far more than with most business decisions, the conclusion by an employer to use lie detection equipment imposes a social cost, costs in terms of working people who can be hired or fired on the judgment of a machine and its operator—a machine purported to be able "to verify the truth". I am pleased that the President today is recommending legislative action to control the use of lie detection in employment.

Mr. President, I ask unanimous consent that the bill and section-by-section analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 854

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 13 of title 18, United States Code, is amended by adding at the end thereof the following new section:

§ 247. Polygraph testing in connection with employment

"(a) For purposes of this section—

"(1) 'polygraph test' means any examination administered to an individual by mechanical, electrical, or chemical means to measure or otherwise examine the veracity or truthfulness of such individual; and

"(2) 'employee organizations' includes any brotherhood, council, federation, organization, union, or professional organization made up in while in whole or in part of employees and which has as one of its purposes dealing with departments, agencies, commissions, independent agencies of the United States, or with businesses and industries engaged in or affecting interstate commerce, concerning the conditions and terms of employment of such employees.

"(3) 'Intelligence Community' means Intelligence Community as defined in Section 4–207 of Executive Order 12036, or any succeeding statute or executive order defining 'intelligence community'.

"(b)(1) Any officer or employee of the United States or any person acting for or on behalf of the United States who requires or requests any officer or employee of the United States, or any individual seeking employment as an officer or employee of the United States, to take any polygraph test in connection with his or her services or duties as an officer or employee, or in connection with such individual's application or consideration for employment shall be subject to the penalties and provisions of subsection (c) of this section.

"(A) nothing in this section shall apply to polygraph tests—

(1) administered by officers or employees of the Federal Bureau of Investigation;

(2) administered by any organization within the Intelligence Community to protect the security of the intelligence, counterintelligence, or national security functions of such organization; or

(3) administered by any organization within the Intelligence Community to contractors or to employees of contractors who are selected to perform intelligence, counterintelligence, or national security functions, or support or security duties related to such functions.

"(2) Any person engaged in any business or other activity in or affecting interstate commerce, or any individual acting under the authority of such person who—

"(A) requires or requests any individual seeking employment in connection with such business or activity to take any polygraph test in connection with his application or consideration for employment; or who accepts or uses the results of any polygraph test in connection with such application; or

"(B) requires or requests any individual employed by such person to take any polygraph test in connection with his or her services or duties as an employee; or who accepts or uses the results of any polygraph test, unless the employee freely and expressly requests to take such a test and the request is not a product of coercion or intimidation by the employer;

shall be subject to the penalties and provisions of subsection (c) of this section.

"(c)(1) Whoever willfully and knowingly violates subsection (b) of this section shall be guilty of a misdemeanor and shall be punished by a fine not exceeding $1,000, or by imprisonment not exceeding one year, or both.

"(2) Whoever violates subsection (b) of this section shall be subject to a civil penalty not exceeding $10,000, to be payable to the United States.

"(3) Upon violation of subsection (b) of this section, any employee or officer of the United States, or any person seeking employment in the executive branch of the United States Government, or any individual seeking to establish civil service status or eligibility for employment in the United States Government, or any individual seeking employment in connection with any business or activity engaged in or affecting interstate commerce, or any individual employed by a person engaged in such business or activity, who is aggrieved by this violation of subsection (b) of this section, may bring a civil action in his or her own behalf or in behalf of himself or herself and others similarly situated, against the offending officer, employee, or person in the United States district court.

The district courts of the United States shall have jurisdiction to try and determine such civil action irrespective of the actuality or amount of pecuniary injury done or threatened, and without regard to whether the aggrieved party shall have exhausted any administrative remedies that may be provided by law, and to issue such restraining order, interlocutory injunction, permanent injunction, or mandatory injunction, or enter such other judgment or decree as may be necessary or appropriate to prevent the threatened violation, or to afford the plaintiff and others similarly situated complete relief against the consequences of the violation.

"With the written consent of any person aggrieved by a violation of subsection (b) of this section, any employee organization may bring such action on behalf of any such person, or may intervene in such action.".

(b) The analysis of chapter 13 of such title is amended by adding at the end thereof of the following new item:

"Sec. 247. Polygraph testing in connection with employment."

Sec. 2. The amendments made by this Act shall become effective thirty days after the date of enactment.

SECTION-BY-SECTION ANALYSIS OF POLYGRAPH CONTROL AND CIVIL LIBERTIES PROTECTION ACT

Sec. 247(a) sets out the definitions to be used for purposes of the Act. The term "polygraph test" is included to mean any mechanical, electrical or chemical testing device which is designed to measure the veracity or truthfulness of an individual. "Employee organization" includes such groups as unions or professional organizations which represent the interest of their membership in dealings with federal departments or agencies or with private businesses engaged in interstate commerce. The "Intelligence Community" is defined in accordance with Section 4–207 of Executive Order 12036.

Sec. 247(b) describes the violations established by the Polygraph Control and Civil Liberties Protection Act. The Act prohibits any officer or employer of the federal government from requiring or requesting an employee, or an applicant for employment, to submit to a polygraph test as defined in Section 247(a). There is a specific exception for the FBI and any organization within the Intelligence Community or its contractors. The Act also prohibits nongovernmental businesses engaged in interstate commerce from requiring or requesting their employees or applicants to take such tests. The Act does not prohibit an individual who is employed by such a business from requesting a polygraph test if the request is one which the employee has made on his or her own initiative and is not the product of coercion or intimidation on the part of the employer.

Sec. 247(c) sets out the penalties which may be imposed for a violation of Sec. 247 (b) of the Act. The penalties include a misdemeanor punishment of one year inprisonment or a fine of $1,000 or both for a person who willfully and knowingly violates the Act. A civil penalty of up to $10,000 payable to the United States may be imposed for one who commits a violation but does so without a willful intent to violate the statute. The act also establishes a private cause of action to allow a person who has been the victim of a violation of the Polygraph Control and Civil Liberties Protection Act to seek relief against the violator in the appropriate United States District Court.●

By Mr. BAYH:

S. 855. A bill to limit governmental search and seizure of materials possessed by persons involved in first amendment activities, to provide a remedy for persons aggrieved by violations of the provisions of this Act, and for other purposes; to the Committee on the Judiciary

FIRST AMENDMENT PRIVACY PROTECTION ACT OF 1979

● Mr. BAYH. Mr. President, I am pleased to be able to introduce the President's First Amendment Privacy Protection Act of 1979. This bill is being introduced in response to the Supreme Court's decision in the case of Zurcher against Stanford Daily. In that decision the majority held that the police armed with a warrant could, forcibly and without notice, search a person's home or office for evidence of a crime even if that person was in no way suspected of criminal activity.

Mr. President, I believe the Zurcher decision has left us with a serious potential for governmental abuse of our right to privacy—the most fundamental and comprehensive of all constitutional rights. Shortly after the Supreme Court handed down this case, in May of last year, therefore, the Subcommittee on the Constitution, which I have the honor to chair, began a series of hearings on the decision and the implications it may have on our right to privacy in general as well as the particular dangers it poses on our first amendment freedom of the press. In addition, I introduced the Citizens Privacy Protection Act to establish special procedures for searching and seizing evidence when that evidence is in possession of a person not implicated in criminal activity.

Mr. President, the right to privacy is the keystone of our Bill of Rights and our concept of civil liberties. It is the one concept more than any other which separates our society from those authoritarian systems which do not recognize the supremacy of the individual. In large part, the very independence of this Nation can be traced to the desire for individual privacy from unannounced and unwarranted governmental intrusion. Our founders drew up the Bill of Rights in order to secure for themselves and succeeding generations the individual dignity, security, and privacy inherent in a government of free people. I believe it is our responsibility today to carefully nurture and protect that heritage.

Through the years, the American society has reflected a delicate balance between the rights of individual citizens and the rights of the public at large. I believe it is one of the most important functions of Government to protect that balance—to insure that the rights of individuals are not ignored in our haste to meet the needs of the public.

Many citizens today, Mr. President, are concerned that this balance is being lost. At times the raw power of government, the size of the bureaucracy, the blizzard of regulations, and the burden of taxation seems to overwhelm the individual. With the Stanford Daily decision we have encountered a new and even more disturbing issue—the right of the Government to search through confidential information for evidence of someone else's crimes.

Mr. President, through our hearing process we learned that the implications of the Stanford Daily decision pose a particular threat to the media and their constitutionally protected functions of news gathering and dissemination. By their very nature the news media conduct investigations of possible criminal activity by a wide variety of people and organizations. The fruits of these investigations could almost routinely be considered "evidence" relating to crimes and would therefore, be subject to seizure in unannounced police raids of newspapers, radio and television stations.

A search warrant obtained without notice or an opportunity to be heard would allow police to rummage through the files of a newsroom inspecting every letter, notebook, film and document until they found those they are authorized to seize. Throughout this process, of course, the authorities will see and inspect many more documents than the ones named in the warrant. When potential sources of information become aware that the "confidentiality" of their identities are subject to police browsing of reporters' files, the confidential news source will become a journalistic relic. It can only be a matter of time before a free and vigorous press finds their constitutionally protected functions hampered by the resultant limitation of information. Moreover, the issues which are most important for the public to be made aware of are all too often precisely those which will become more difficult to discover and reveal. Journalists have indicated to our subcommittee that, under the procedures outlined in Stanford Daily, the Watergate affair and the Pentagon Papers revelations might still be unknown to the American people.

Because of this tremendous potential for harm to our first amendment freedoms, I am pleased that the President's First Amendment Privacy Protection Act seeks to protect newsrooms from unannounced searches. I particularly welcome the President's support for the application of these safeguards to local, State, and Federal law enforcement agencies. The application to all levels of law enforcement is a key ingredient of the Citizens' Privacy Protection Act and I believe it is crucial to any action taken to redress the Supreme Court decision in the Stanford Daily case.

I am somewhat concerned, however, that the administration's approach does not extend to other innocent third parties. Our hearings have demonstrated that these protections are particularly necessary for the proper maintenance of other confidential relationships recognized by our traditions and laws such as those between a patient and a doctor or a client and a lawyer.

Despite these reservations, I am tremendously encouraged that the administration has come as far as it has in supporting this effort to shore up some of our most basic constitutional rights and protections. I salute the President for his concern for privacy in general and his efforts in the Stanford Daily controversy in particular and I look forward to working with him to quickly perfect legislation that will protect our privacy without burdening law enforcement.

Mr. President, I ask unanimous consent that the text of the bill, together with a section-by-section analysis be printed in the Record.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follow:

S. 855

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "First Amendment Privacy Protection Act of 1979".

UNLAWFUL ACTS

Sec. 2. (a) Notwithstanding any other law, it shall be unlawful for a government officer or employee, in connection with the investigation or prosecution of a criminal offense, to search for or seize any work product materials possessed by a person in connection with a purpose to disseminate to the public a newspaper, book, broadcast, or other similar form of public communication, in or affecting interstate or foreign commerce; but this provision shall not impair or affect the ability of any government officer or employee, pursuant to otherwise applicable law, to search for or seize such materials, if:

(1) there is probable cause to believe that the person possessing the materials has commissioned or is committing the criminal offense for which the materials are sought:

Provided, however, That a government officer or employee may not search for or seize materials described in subsection 2(a) under the provisions of this paragraph if the offense for which the materials are sought consists of the receipt, possession, communication, or withholding of such materials or the information contained therein (but such a search or seizure may be conducted under the provisions of this paragraph if the offense consists of the receipt, possession, or communication of information relating to the national defense, classified information, or restricted data under 18 U.S.C. 793, 18 U.S.C. 794, 18 U.S.C. 797, 18 U.S.C. 798, 42 U.S.C. 2274, 42 U.S.C. 2275, 42 U.S.C. 2277, or 50 U.S.C. 783); or

(2) there is reason to believe that the immediate seizure of the materials is necessary to prevent the death of or serious bodily injury to a human being.

(b) Notwithstanding any other law, it shall be unlawful for a government officer or employee, in connection with the investigation or prosecution of a criminal offense, to search for or seize documentary materials, other than work product, possessed by a person in connection with a purpose to disseminate to the public a newspaper, book, broadcast, or other similar form of public communication, in or affecting interstate or foreign commerce; but this provision shall not impair or affect the ability of any government officer or employee, pursuant to otherwise applicable law, to search for or seize such materials, if:

(1) there is probable cause to believe that the person possessing the materials has committed or is committing the criminal offense for which the materials are sought:

Provided, however, that a government officer or employee may not search for or seize materials described in subsection 2(b) under the provisions of this paragraph if the offense for which the materials are sought consists of the receipt, possession, communication, or withholding of such materials or the information contained therein (but such a search or seizure may be conducted under the provisions of this paragraph if the offense consists of the receipt, possession, or communication of information relating to the national defense, classified information, or restricted data under 18 U.S.C. 793, 18 U.S.C. 794, 18 U.S.C. 797, 18 U.S.C. 798, 42 U.S.C. 2274, 42 U.S.C. 2275, 42 U.S.C. 2277, or 50 U.S.C. 783); or

(2) there is reason to believe that the immediate seizure of the materials is necessary to prevent the death of or serious bodily injury to a human being; or

(3) there is reason to believe that the giving of notice pursuant to a subpoena duces tecum would result in the destruction, alteration, or concealment o fthe materials; or

(4) the materials have not been produced in response to a court order directing compliance with a subpoena duces tecum, and

(A) all appellate remedies have been exhausted; or

(B) there is reason to believe that the delay in an investigation or trial occasioned by further proceedings relating to the subpoena would threaten the interests of justice. In the event a search warrant is sought pursuant to this subparagraph, the person possessing the materials shall be afforded adequate opportunity to submit an affidavit setting forth the basis for any contention that the materials sought are not subject to seizure.

INAPPLICABILITY OF THIS ACT TO SEARCHES AND SEIZURES CONDUCTED TO ENFORCE THE CUSTOMS LAWS OF THE UNITED STATES

Sec. 3. This Act shall not impair or affect the ability of a government officer or employee, pursuant to otherwise applicable law, to conduct searches and seizures at the borders of or at international points of entry into the United States in order to enforce the customs laws of the United States.

REMEDIES

Sec. 4. (a) A person aggrieved by a search for or seizure of materials in violation of this Act shall have a civil cause of action for damages for such search or seizure:

(1) against the United States, against a State which has waived its sovereign immunity under the Constitution to a claim for damages resulting from a violation of this Act, or against any other governmental unit, all of which shall be liable for violations of this Act by their officers or employees while acting within the scope or under color of their office or employment;

(2) against an officer or employee of a State who has violated this Act while acting within the scope or under color of his officer or employment, if such State has not waived its sovereign immunity as provided in paragraph (1). It shall be a complete defense to a civil action brought under this paragraph that the officer or employee had a reasonable good faith belief in the lawfulness of his conduct.

(b) The United States, a State, or any other governmental unit, liable for violations of this Act under paragraph 4(a)(1), may not assert as a defense to a claim arising under this Act the immunity of the officer or employee whose violation is complained of or his reasonable good faith belief in the lawfulness of his conduct, except that such a defense may be asserted if the violation complained of is that of a judicial officer.

(c) The remedy provided by paragraph 4(a)(1) against the United States, a State, or any other governmental unit is exclusive of any other civil action or proceeding for conduct constituting a violation of this Act, against the officer or employee whose violation gave rise to the claim, or against the estate of such officer or employee.

(d) A person having a cause of action under this section shall be entitled to recover actual damages but not less than liquidated damages of $1,000, such punitive damages as may be warranted, and such reasonable attorney's fee and other litigation costs reasonably incurred as the court, in its discretion, may award: *Provided, however,* That the United States, a State, or any other governmental unit shall not be liable for interest prior to judgment.

(e) The Attorney General may settle a claim for damages brought against the United States under this section, and shall promulgate regulations to provide for the commencement of an administrative inquiry following a determination of a violation of this Act by an officer or employee of the United States and for the imposition of administrative sanctions against such officer or employee if warranted.

(f) The district courts shall have original jurisdiction of all civil actions arising under this section.

DEFINITIONS

Sec. 5. (a) "Documentary materials", as used in this Act, means materials upon which information is recorded, and includes, but is not limited to, written or printed materials, photographs, tapes, videotapes, negatives, films, outtakes, and interview files.

(b) "Work Product", as used in this Act, means any documentary materials created by or for a person in connection with his plans, or the plans of the person creating such materials, to communicate to the public, except such work product as constitutes contraband or the fruits or instrumentalities of a crime.

(c) "Any other governmental unit", as used in this Act, includes the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, and any local government, unit of local government, or any unit of State government.

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED "FIRST AMENDMENT PRIVACY PROTECTION ACT OF 1979"

INTRODUCTORY COMMENT

The premise underlying this legislation as a whole is that, absent extraordinary circumstances, such as those when life is in danger or where (in the case of non-work product documentary materials) there is a risk of destruction or concealment of evidence, the appropriate means of obtaining evidence in the hands of persons involved in First Amendment activities who are themselves not implicated in the commission of the crime under investigation is through the use of a subpoena duces tecum rather than a search for and seizure of materials in the homes and offices of these persons.

By requiring, in most cases, that persons involved in the dissemination of information to the public shall have an opportunity to produce the materials which are sought, disruptive searches for documentary materials which in their execution often require examination of files and papers irrelevant to the investigation in question, and the attendant chilling effect these searches may have on the ability to obtain and publish information, may be avoided.

In addition, this proposed legislation recognizes that materials whose very creation arises out of a desire to communicate to the public (these materials are defined as "work product" in the statute) generally should not be subject to search and seizure by law enforcement officers, even in the face of the possessor's noncompliance with a subpoena duces tecum, as long as the possessor himself is uninvolved in the commission of the crime under investigation. Such noncompliance may subject the possessor to sanctions arising out of contempt proceedings against him, but resort to search and seizure is deemed an inappropriate remedy for such noncompliance when "work product" is involved.

Section 2. Unlawful acts.

Briefly, this section provides, with limited exceptions, that it is unlawful to search for or seize materials possessed by persons in connection with a broad range of First Amendment activities. When the materials sought for consist of work product, as defined in subsection 5(b), a general no-search rule is applicable. When the materials sought constitute documentary materials other than work product, a subpoena-first rule is generally applicable.

Scope of searches and seizures prohibited by this section:

First, the proposed legislation reaches only searches and seizures conducted by government officers and employees. It is the use of governmental authority to search and seize which is to be limited by this statute. Private citizens are obviously not cloaked with the authority to conduct such searches and seizures, and existing law provides sufficient remedies to deter, punish, and redress intrusions by private citizens into the homes and offices of other persons.

Second, the statute is intended to restrict searches and seizures conducted "in connection with the investigation or prosecution of a criminal offense". Thus, the statute does not reach searches and seizures in civil matters, such as the seizure of assets to satisfy the payment of taxes owed to the United States or a State, nor does it apply to searches and seizures which occur in the course of foreign intelligence operations.

Third, it is searches for documentary materials (of which "work product" is a subcategory) which are limited, since it is searches for these sorts of materials which would often require the searching officer to closely examine, and thus ascertain the contents of, other irrelevant documentary materials in order to determine which papers, films, or tapes were those to be seized. On the other hand, a search for non-documentary materials, such as a weapon or narcotics, generally would not require any scrutiny of documentary materials, and so is outside the scope of the protection afforded by this statute. If, however, an officer who had obtained a warrant to search for non-documentary materials were to depart from the permissible scope of his search by embarking on an unnecessary examination of documentary materials, that aspect of his search would be in violation of the statute.

Scope of the materials protected:

The sorts of materials protected from search and seizure by the statute are documentary materials "possessed in connection with a purpose to disseminate to the public" various forms of public communication. This encompasses materials held by persons engaged in a broad range of First Amendment activities. Thus the files and papers of not only the press or members of the news media, but also those of authors, academicians, researchers, and others involved in the dissemination of information to the public, fall within the protections of the statute. (The distinction between "work product" and other documentary materials is reserved for discussion in the explanation of definitions which appear in section 5.)

The phrase "in connection with a purpose to disseminate to the public . . . a form of public communication" reaches not only materials which are to be disseminated to the public or which contain information that is to be incorporated in a form of public communication, but also materials which are gathered in the course of preparing such a publication, yet are at some point determined to be unsuitable for publication. For example, a reporter may prepare an article which his editor decides should not be published; nonetheless, the reporter's interview notes and draft of the article would remain protected by the statute. Similarly, all of an author's research notes would be protected, although only part of the research was ultimately included in the published product.

In order to qualify for the statute's protections, the materials must be possessed in connection with a *purpose* of disseminating some form of public communication. Materials which are prepared or collected for other purposes are not protected. Thus, business records or reports which are required to be filed with government agencies would not be protected, even though the public might be able to gain access to the materials through such means as a request under the Freedom of Information Act.

The term "form of public communication" is designed to have a broad meaning. The fact that a local newspaper, for example, has a small circulation does not preclude application of the statute to searches of the files of the newspaper. The internal memoranda or records of a business, however, would not constitute a form of public communication, inasmuch as they are not intended to be disseminated to members of the general public.

Subsection 2(a) Unlawful search and seizure of work product.

This section makes it unlawful to search for or seize materials which fall into the category of work product as defined in subsection 5(b). There are two exceptions to this general rule, which appear as paragraphs 2(a)(1) and 2(a)(2), under which a search or seizure of these materials, which is otherwise lawful, may be permitted.

Paragraph 2(a)(1) Suspect exception.

The purpose of this statute is to limit searches for materials held by persons involved in First Amendment activities who are themselves not suspected of participation in the criminal activity for which the materials are sought, and not to limit the ability of law enforcement officers to search for and seize materials held by those who have committed the crime under investigation. This statute recognizes this distinction, but, in light of the importance of protecting First Amendment values, it places a heavy burden on law enforcement officers wishing to invoke the suspect exception provided by this paragraph by requiring that they show *probable cause* to believe that the person possessing the materials has committed or is committing the criminal offense for which the materials are sought.

The standard enunciated for application of this exception is the same as that which would be required to obtain a warrant for the arrest of the possessor of the materials. Present law governing the issuance of search warrants contains no such requirement that the officer show probable cause to believe that the possessor of the materials which are the subject of the search warrant has or is committing the offense under investigation.

The suspect exception may not, however, be invoked if the only offense of which the possessor is suspected is the receipt, possession, communication, or withholding of the materials of the information contained therein. Thus, a law enforcement officer may not use this exception to obtain materials from a reporter who merely receives or possesses unlawfully obtained materials, although the receipt or possession of these materials would constitute a crime. However, if the reporter participated in the unlawful act through which the materials were obtained, the suspect exception could be used to obtain a search warrant for the materials.

A search or seizure, if otherwise lawful, may be conducted under this exception if the offense for which the materials are sought consists of the receipt, possession, or communication of information relating to the national defense, classified information, or restricted data. The specific offenses involved are listed at the end of paragraph 2(a)(1).

Paragraph 2(a)(2) Life-in-danger exception.

This exception allows an otherwise lawful search for the materials described in subsection 2(a) if there is reason to believe that the immediate seizure of the materials is necessary to prevent death or serious bodily injury.

The reason to believe standard which appears in this exception, and in exceptions 2(b)(3) and 2(b)(4)(B) concerning search of non-work product materials, is intended to be considerably less stringent than the standard of probable cause which appears in the suspect exception embodied in paragraph 2(a)(1). See, for a similar recent employment of the "reason to believe" test, the Right to Financial Privacy Act of 1978.

Subsection 2(b) Unlawful search and seizure of documentary materials other than work product.

This subsection makes it unlawful to search for or seize documentary materials other than work product. (The definitions of "work product" and "documentary materials" are discussed below.) There are four exceptions to this rule, which appear as paragraphs 2(b)(1) through 2(b)(4), under which an otherwise lawful search and seizure of these materials is permitted. It is due to the exception found in paragraph 2(b)(4) that this subsection is characterized as a subpoena-first rule. The exceptions provided by paragraphs 2(b)(1) and 2(b)(2) are identical to the suspect and life-in-danger exceptions provided in paragraphs 2(a)(1) and 2(a)(2), respectively.

Paragraph 2(b)(1) Suspect exception.

See the discussion of the suspect exception under paragraph 2(a)(1).

Paragraph 2(b)(2) Life-in-danger exception.

See the discussion of the life-in-danger exception under paragraph 2(a)(2).

Paragraph 2(b)(3) Destruction exception.

This paragraph permits an otherwise lawful search for non-work product documentary materials if there is reason to believe that the notice provided by a subpoena duces tecum would result in the destruction, alteration, or concealment of the materials. In such cases, it is essential to the interests of effective law enforcement that we retain the ability to obtain and preserve evidence necessary to the prosecution of crime.

Paragraph 2(b)(4) Failure to comply with a subpoena duces tecum.

This paragraph provides that if, after a proceeding resulting in a court order directing compliance with a subpoena duces tecum, the possessor of the materials still refuses to produce the materials sought, a search warrant may be obtained if either all appellate remedies have been exhausted, or there is reason to believe that the delay occasioned by further proceedings regarding the subpoena would threaten the interests of justice.

If a warrant is sought prior to the exhaustion of all appellate remedies upon a showing of a threat to the interests of justice under subparagraph (B), the person possessing the materials must be given an opportunity to submit an affidavit setting forth the basis for any contention that the materials sought are not subject to seizure. The affiant could assert that the materials were "work product" and thus not obtainable under this paragraph, that the interest of justice would not be threatened by his further pursuit of appellate remedies, or that, in any event, there was not the requisite probable cause to obtain a warrant.

Instances in which a delay would threaten the interests of justice might include difficulty in meeting the time constraints imposed by the Speedy Trial Act, statutes of limitation, or the expiration of grand juries, if exhaustion of all appellate remedies were permitted.

Section 3 Inapplicability of the Act to searches and seizures conducted to enforce the customs laws of the United States.

This section states that the limitations on governmental search and seizure provided by this statute are not to apply to searches at the borders of or at international points of entry into the United States pursuant to the enforcement of the customs laws of the United States. These searches are generally of a routine, non-intrusive nature, and are designed to prohibit the introduction of contraband or unlawful materials into the United States, and to facilitate the assessment and collection of duties and tariffs.

Section 4 Remedies.

Subsection 4(a) Civil action for damages.

The remedy provided for violations of this Act is a civil cause of action for damages. Such an action may be brought by a person aggrieved by a violation of the statute. It is not the intent of this proposed legislation to expand current law concerning which persons have standing to bring an action for an unlawful search or seizure. Thus, if materials held by a member of the press containing information relating to another person are seized in violation of this statute, it would be the member of the press, and not the party to whom the information seized related, who would have standing to bring an action under these provisions. The goal of the statute is to protect persons engaged in First Amendment activities from governmental intrusions which would unnecessarily subject their files and papers to search and seizure. Consequently, it is these persons who may avail themselves of the remedy provided by the statute.

Paragraph 4(a)(1) Liability of government units.

When a government officer or employee has violated this statute while acting within the scope or under color of his office or employment, the government employing the officer shall be liable for the violations of the officer, except in those cases in which the officer or employee is employed by a State which has not waived its immunity under the Eleventh Amendment of the Constitution.

The remedy against the government unit in such cases is exclusive. The plaintiff may not recover from both the government and the officer; the government alone is liable for the violation of the statute. The exclusivity of the remedy against the government is specifically stated in subsection 4(c).

Paragraph 4(a)(2) Liability of State officers.

Because of limitations on the liability of the States under the Constitution to satisfy judgments for money damages, this subsection provides that when a violation of this statute is committed by an officer or employee of a State which has not waived its immunity under the Constitution, the officer shall be personally liable for the violation.

It is noted that this statute does not provide a remedy for violations committed by officers, whether State, Federal, or local, whose actions are not within the scope of *and* not under color of their office or employment. In such cases the officers would be acting solely as private citizens, and existing law provides sufficient remedies for their unlawful actions.

Subsection 4(b) Limitation of defenses.

If a government unit is liable under paragraph 4(a)(1) for a violation of this statute committed by one of its officers or employees, it may not assert as a defense to the action brought against it the immunity of the officer committing the offense (whether that immunity is derived from a statute or the common law) or the good faith belief of the officer in the lawfulness of his conduct. The traditional doctrine of judicial immunity, however, is preserved and available to the government sued. Both immunity and good faith are available as defenses to individual officers sued under paragraph 3(a)(2).

In the past, the good faith defense has often precluded recovery for unlawful searches and seizures. Prohibiting the use of this defense when the government unit is the defendant in a suit brought under this statute is not only a fair means of assuring compensation for damages resulting from unlawful governmental searches, it will also significantly increase the number of cases in which the plaintiff may recover, and hence will enhance the deterrent effect of the statute.

Subsection 4(c) Exclusivity of remedy against a government unit.

This subsection provides that the remedy against a government unit which is provided by subsection 4(a) is exclusive of any action against the offending officer for the same violation of the Act. However, this section does not preclude the plaintiff from bringing a claim against the officer for wrongful acts other than a violation of the statute which occur in the same course of events. Thus, even though the government unit is liable for damages for a violation of this statute, the plaintiff could, for example, proceed against the officer for trespass, destruction of property, or a violation of civil rights.

Subsection 4(d) Damages.

This subsection provides that a plaintiff bringing an action under section 3 of the statute may recover actual damages resulting from a violation of the provisions of the Act, but that in any event he is entitled to recover liquidated damages of not less than $1,000. The provision for a minimum amount of liquidated damages is essential because it often will be difficult for a plaintiff to show more than nominal actual damages.

Punitive damages may also be awarded if warranted, as well as attorneys' fees and litigation costs. Since governmental units are exclusively liable for violations which occur when the officer is acting solely under color of office, and these are the instances in which awards of punitive damages are most likely to be warranted, it is appropriate that the governmental unit be liable for punitive damages. Governmental defendants are thus liable to the same extent as individual defendants, except that they are not liable for interest prior to judgment.

Subsection 4(e) Settlement of claims against the United States and commencement of administrative proceedings against officers of the United States violating this Act.

The purpose of subsection 4(e) is twofold. First, it simply gives the Attorney General the authority to settle claims for damages brought against the United States under the provisions of the statute. Second, it requires the Attorney General to promulgate regulations to provide for the commencement of an administrative inquiry if it is determined that an officer of the United States has violated the Act, and to provide for the imposition of administrative sanctions if they are warranted.

Subsection 4(f) Jurisdiction in the district courts.

This section provides that the district courts of the United States shall have jurisdiction to hear civil causes of action for violations of this statute. This provision is designed to overcome the $10,000 amount in controversy requirement of 28 U.S.C. 1331 (which provides jurisdiction over causes of action arising under the laws of the United States) which applies when suing a party other than the United States or an officer or employee of the United States in his official capacity.

Section 5 Definitions.

Subsection 5(a) "Documentary materials".

The term "documentary materials" encompasses the variety of materials upon which information is recorded. Included within the definition are not only written and printed materials such as reports, records, interviews and research notes, but also films, photographs, tape recordings, and videotapes.

Subsection 5(b) "Work product".

"Work product" is a subcategory of documentary materials which merit the more stringent protections against search and seizure provided by subsection 2(a) of the statute. "Work product" is distinguished from other documentary materials by the fact that it is created for the very purpose of communicating information to the public. Thus, for example, financial records of a business which are held by a member of the press, are not work product inasmuch as they are not created in connection with plans "to communicate to the public". However, a report prepared by a member of the press based on those financial records would constitute work product, as would such a report prepared by a whistleblower who intended that the contents of the report be made public.

The definition of work product is also designed to reach situations in which the organization or assembly of non-work product gives such insight into the import of the individual documents and represents such a creative effort that the materials which have been subjected to analysis should qualify as "work product." Thus, for example, although individual ledger sheets would not constitute work product, if a reporter were to organize them in a file in such a way as to reveal a pattern of fraud not apparent from examination of isolated sheets, the file itself would be work product, although the documents contained therein would not individually qualify as work product.

The concept of "work product" as used in this statute is derived from and in many ways is analogous to the concept of attorney "work product." Thus it is intended that the extensive body of case law concerning attorney "work product" is to be used to aid in the determination of which materials constitute "work product" for the purposes of this legislation.

A significant feature of the definition of work product is that it is not necessary that the person possessing the materials himself have created or solicited the creation of the materials in order for them to qualify as work product, and in this respect work product, as used in this bill, is of broader scope than the concept of attorney work product. Even unsolicited materials may be work product if the creator of the materials or the person directing their preparation planned that they be used in connection with a communication to the public.

Work product does not include contraband, or the fruits and instrumentalities of a crime. These kinds of evidence are so intimately related to the commission of a crime, and so often essential to securing a conviction, that they should be available for law enforcement purposes, and, therefore, must fall outside the no-search rule that is applied to work product. Although it would be rare that contraband, or the fruits and instrumentalities of a crime would in fact meet the definition of work product since they generally would not be created for the purpose of communicating to the public, an example would be a ransom demand sent by a kidnapper to a newspaper for publication, or a fraudulent advertisement which was the instrumentality through which a fraud on the public was effected.

Subsection 5(c) "Any other governmental unit".

"Any other governmental unit" is intended to reach all those governmental units which enjoy no immunity from suit under the Eleventh Amendment to the Constitution. Included are local governments and units thereof, and units of State government. Current law concerning which units of State government are considered part of the State for Eleventh Amendment purposes will be utilized to determine which subdivisions, agencies, and instrumentalities of State government constitute a "unit of a State" which may be liable under the provisions of the statute absent a State's waiver of its immunity under the Constitution. Since neither the District of Columbia, the Commonwealth of Puerto Rico, nor the territories and possessions of the United States enjoy the limitations on liability afforded by the Eleventh Amendment to the States, these governments are included in the definition as well.●

By Mr. HART (for himself and Mr. Thurmond) (by request):

S. 856. A bill to authorize certain construction at military installations, and for other purposes; to the Committee on Armed Services.

MILITARY CONSTRUCTION AUTHORIZATION ACT, 1980

● Mr. HART. Mr. President, by request, for myself and the senior Senator from South Carolina (Mr. Thurmond), I introduce for appropriate reference a bill to authorize construction at military installations and for other purposes. With the understanding that we are in no way bound by the programs or funding levels appearing in this bill, we are privileged to introduce it at this time.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation explaining its purpose be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Washington, D.C.,
February 1, 1979.

Hon. Walter F. Mondale,
President of the Senate,
Washington, D.C.

Dear Mr. President: There is forwarded herewith a draft of legislation "To authorize certain construction at military installations and for other purposes."

This proposal is a part of the Department of Defense legislative program for FY 1980. The Office of Management and Budget has advised that its enactment would be in accord with the program of the President.

Appropriations in support of Titles I through VIII of this legislation are discussed in the Budget of the United States Government for the FY 1980.

Titles I, II, III, and IV of this proposal would authorize $1,944,780,000 in new construction for requirements of the Active Forces, of which $749,590,000 are for the Department of the Army; $479,490,000 for the Department of the Navy; $492,700,000 for the Department of the Air Force; and $223,000,000 for the Defense Agencies.

Title V contains legislative recommendations considered necessary to implement the Department of Defense family housing and homeowners assistance programs and authorized $1,698,425,000 for costs of those programs for FY 1980.

Title VI contains Authorization of Appropriations and Administrative Provisions generally applicable to the Military Construction Program. Title VIII contains nonrecurring general provisions applicable to the Military Construction Program.

Title VII totaling $78,151,000 would authorize construction for the Guard and Reserve Forces, of which $14,537,000 is for the Army National Guard; $19,824,000 for the Army Reserve; $12,790,000 for the Naval and Marine Corps Reserves; $23,500,000 for the Air National Guard; and $7,500,000 for the Air Force Reserve. These authorizations are in lump sum amounts and will be utilized in accordance with the requirements of chapter 133, title 10, United States Code.

Title IX provides authorization as may be necessary beginning for FY 1981 and meets the basic requirements of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344).

Additionally, included in Title I, pursuant to section 138 of title 10, United States Code, as amended, is authorization for construction of production base support at Army Ammunition Facilities, for which appropriations are being requested.

The projects that would be authorized by this proposal have been reviewed to determine if environmental impact statements are required in accordance with Public Law 91-190. Required environmental statements will be submitted to the Congress by the Military Departments.

Sincerely,

Deanne C. Siemer.●

By Mr. HART:

S. 857. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for each barrel of oil produced from shale; to the Committee on Finance.

S. 858. A bill to insure that oil shale operations are conducted in an environmentally sound manner, and that Government and the public have adequate information on the environmental effects of oil shale operations; to the Committee on Environment and Public Works.

S. 859. A bill to regulate the surface mining of oil shale, and for other purposes; to the Committee on Energy and Natural Resources.

OIL SHALE LEGISLATIVE PACKAGE

● Mr. HART. Mr. President, I am today introducing a package of three bills dealing with oil shale. The first bill will provide a tax credit for oil shale development. The second bill will insure air and water pollution problems associated with oil shale development are addressed under existing law. The third bill will control disruption of the land and water by oil shale mining and processing.

I will also introduce, later this week, another bill to mitigate the problems caused by rapid population growth associated with sudden development of energy resources, including oil shale. Although this bill is not targeted specifically at oil shale, it should also be considered part of the comprehensive oil shale package.

Together, these bills will encourage the development of our vast, but untapped, reserves of this energy source, and will insure the development takes place in an environmentally and socially sound manner.

The need for developing oil shale is clear.

We are well aware of the diminishing and insecure supply of our major energy sources. Two stark facts are important. First, half of the energy we consume comes from petroleum. Second, almost half of the petroleum we consume comes from foreign countries.

The recent curtailment of our petroleum supplies from Iran and price increases by the OPEC cartel vividly demonstrate the grave dangers of this situation. We are dependent on foreign countries which respond primarily to their own self-interest, not to ours. Our energy supplies are continually threatened by forces over which we have little influence.

We need a broad range of Government action to bring our energy consumption back in balance with domestic production. Obviously, we must accelerate domestic energy production. This, however, can be no more than a partial solution over the short run, since the United States has only 5 percent of the world's proven crude oil reserves yet uses one-third of the world's production. More important answers lie in increasing the efficiency of our energy use and finding new supplies to meet our needs. The most attractive of these new supplies are the renewable energy resources, such as solar and wind power, which are compatible with small-scale technology and are relatively free of destructive side effects such as pollution.

But we cannot rely just on these energy supplies to meet our future needs, especially since our greatest need is for liquid fuels. Almost all of our energy needs are now met by fossil fuels, and we must continue to rely on them for many of our future needs. Fortunately, the United States is blessed with fossil fuel resources. Considering all major categories of fossil fuels—oil, natural gas, coal, and oil shale—we have one-third the world's fossil fuel deposits.

Our oil shale deposits are particularly abundant. Our known resource totals about 10,000 quadrillion Btu's. This is a staggering figure, which should be put in perspective. Our annual petroleum consumption (which accounts for half of our total energy consumption) is under 40 quadrillion Btu's. In other words, our oil shale reserves might prove sufficient to satisfy all needs we now meet with petroleum, at current rates, for about 2½ centuries.

We should not create a false impression that oil shale will provide much of our energy in the near future. But its potential is so great, and our need is so clear, that we must take the first sure steps to develop thoroughly the resource.

The oil shale industry is still in an early, tentative stage. So far, a few companies have tested various technologies for removing the oil from the shale deposits. These pilot tests have been promising, but investors are unwilling to commit themselves to commercial oil shale production despite increased oil prices. The demonstrated processes are expensive. Further, the technology is still evolving and subject to unforeseen difficulties as it is scaled up. Without some incentive to overcome this marketplace reluctance, commercial ventures are unlikely to take place at any early enough date to be helpful.

To provide this incentive, I am introducing the Oil Shale Testing and Prototype Commercialization Act, the first bill in this legislative package. It will provide a $3 per barrel tax credit for companies producing oil from oil shale. Various companies have indicated this credit will sufficiently overcome the financial obstacles to oil shale development, allowing them to finance prototype facilities of the size needed for commercial operations.

When this tax credit is passed, I expect three to six companies to begin commercial ventures. They will start relatively modestly, with a single below-ground chamber or above-ground retort to extract the oil. Each company will gradually expand its operations by adding more chambers or retorts. If this expansion occurs as the industry expects, by the late 1980's they would each produce about 50,000 barrels of oil per day.

Of course, this size industry will only provide a relatively small amount of our national oil needs. But it will be sufficient to demonstrate at a commercial scale the various technologies for extracting the oil from shale. Then, we will be able to greatly expand oil shale production in the 1990's, when the world petroleum supply will likely be very limited compared to world needs. Without the tax credit to encourage the early steps now, the industry would still be in the testing stage, and would be unable to contribute then to our energy needs.

I have included two limits on the tax credit so it serves its purpose without unduly burdening the Federal Treasury. First, it will automatically phase out as the world oil price increases. The credit will begin to shrink when that price reaches $20.50 per barrel, and will end entirely when the price hits $23. The industry will then be on its own to compete in the international market. Second, the bill has an automatic sunset expiration of 1999.

This tax credit bill will encourage the oil shale industry to enter into commercial production in an orderly manner, greatly increasing the chance that oil shale production will be available to replace petroleum before the turn of the century. Production of oil shale, however, will not be without adverse side effects. It would be irresponsible to encourage that development without taking simultaneous steps to mitigate associated environmental and social problems. So I am introducing necessary companions to the tax credit bill. Congress should not adopt the tax credit bill without also adopting these bills.

The second bill in this legislative package is the Oil Shale Environmental Protection Act. Its purpose is to ensure oil is removed from shale in an environmentally sound fashion, and that Government and the public have adequate information to evaluate the environmental effects of oil shale operations.

Without adequate controls, oil shale facilities adversely affect air and water quality, including aquifers. The plants must operate within existing environmental laws. If those laws are adequately enforced, the operations should not endanger the public health and welfare.

The Oil Shale Environmental Protection Act will make sure that the Environmental Protection Agency acts promptly to apply existing environmental laws to oil shale plants, that we gather more information on the environmental effects of the plants, and that pollution from the plants does not endanger the public health.

The Oil Shale Environmental Protection Act will:

Direct the Environmental Protection Agency to establish performance standards for oil shale operations, under the existing provisions of the Clean Air Act and the Clean Water Act. These standards will limit the amount of air pollution and water pollution from oil shale facilities. These limits will be based upon the best available demonstrated methods of pollution control;

Require oil shale companies, under EPA regulations, to monitor the effects of their operations on the environment, and to make that information available to the public;

Require EPA to report annually to Congress on the environmental effects of oil shale operations;

Provide access to oil shale operations, subject to EPA regulation, for legitimate research on the environmental effects of oil shale development; and

Allows citizen suits to force EPA to perform nondiscretionary duties under the act.

This act will not add new regulatory authority, but instead will make sure existing laws apply to the full range of likely pollution problems.

Another set of environmental problems associated with oil shale development deserves separate legislation. This is the effect on land and water resources by surface mining for oil shale, and by surface activities associated with underground mining and by processing of oil shale.

The third bill, the Oil Shale Surface Mining Control and Reclamation Act, establishes a regulatory program for control of surface mining for oil shale, and of the surface effects of underground mining for and of processing of oil shale.

The regulatory program would be similar to that established for coal mining in the Surface Mining Control and Reclamation Act. The program would include:

Requirements of advance approval of a company's reclamation plans before it begins oil shale operations;

Measures to insure a company's compliance with its reclamation plans;

Minimum environmental standards to protect land and water (including both surface and subsurface water);

Protection of the owners of surface rights over oil shale deposits;

Designation of lands unsuitable for oil shale operations; and

State assumption of the program upon adoption of its own regulatory program.

Together, these two bills will insure oil shale operations occur only within appropriate environmental constraints. The Oil Shale Environmental Protection Act will insure the quality of air and water is adequately protected. It will also insure we gather more information on the environmental effects of oil shale development, so we can adopt our regulatory programs to address any unforeseen problems. The Oil Shale Surface Mining Control and Reclamation Act will extend Federal controls, similar to those under the coal strip mining law, to surface disruptions and subsurface water contamination caused by oil shale operations. This will close the last major gap in environmental safeguards for oil shale operations.

Although I am not introducing it today, the Inland Energy Impact Assistance Act is an essential element of this overall strategy for oil shale development. The social and economic disruption caused by rapid energy development is well documented. Sudden population growth at the site of energy resources can greatly upset small, stable rural communities. Demands suddenly increase for housing, sewage treatment, roads, schools, and other Government services. While the new energy development can bring increased revenues to help the communities deal with these problems, the critical needs are as the energy development is just beginning, before the revenues are available.

The Inland Energy Impact Assistance Act, which I first introduced in 1977, will provide limited Federal seed money for State revolving loan programs to provide assistance to communities suffering from rapid energy development. More importantly, it will also provide a mechanism for coordinating existing Federal programs that can help meet the communities' needs. I have been working with the administration on redrafting this bill from last year, and will introduce it later this week.

The Federal Government has a unique responsibility for providing this impact assistance. Our oil shale and other domestic energy resources are largely on national lands. We must accelerate the development of these national resources, by national policies, to meet national needs. But in doing this, we must insure that we do not destroy the lives of those who happen to live near the energy resources.

In summary, I am introducing a three-part legislative package for oil shale. Tax credits will speed industry's tests of the technologies with prototype commercialization plants. This economic incentive will provide the foundation for the profitability and environmental safety of several alternative processes during the mid and late 1980's. If the prototype operations are successful, as planned, the processes will be used to supply a significant amount of our national needs in the 1990's.

Mr. President, oil shale resources can potentially contribute much to our domestic oil needs. I am proposing legislation to accelerate the future development of this important industry. As it accelerates, the environment and quality of life in Colorado must be protected. This approach is balanced, and also protects the taxpayer from excessive or permanent subsidy of a new energy industry. I hope my colleagues will support these three proposals.●

By Mr. HEINZ:

S. 860. A bill to authorize the States to use certain unobligated allocations for the Federal-aid highway systems for the repair of certain weather-related damage to highways and urban mass transportation systems due to severe weather in the winter of 1978–1979; to the Committee on Environment and Public Works.

EMERGENCY HIGHWAY REPAIR ACT OF 1979

● Mr. HEINZ. Mr. President, the role of the Federal Government in establishing a national highway system has been almost exclusively confined to assistance to the States for new highway construction. The Federal Highway Administration has spent over $116 billion since the establishment of the highway trust fund in 1956 to create one of the world's finest highway systems. The duty of maintaining this system has been left to the States.

It is now time to reexamine this philosophy. Due to the unusually severe weather of the past three winters, we now face a crisis in our national road system. The extensive, winter-related deterioration of our highways poses a serious threat to the safety of our Nation's drivers, robs them of millions of dollars each year in wasted fuel and automobile repairs, and burdens the State highway departments with tremendous maintenance expenses. We have made a commitment to a strong national highway system. We have made a substantial investment in this system, and we should take steps to assure that this investment is protected. The legislation I introduce today, the Emergency Highway Repair Act of 1979, is such a step.

Congress has already recognized the need to provide assistance to the States to maintain the Federal highway system. The 1976 Highway Act established a temporary program providing assistance to the States for resurfacing, restoring, and rehabilitating deteriorated segments of Interstate highways (the 3R program). The Surface Transportation Assistance Act of 1978 elevated that program to permanent status. The Emergency Highway Repair Act of 1979 is simply an extension of that philosophy.

This bill will give the Secretary of Transportation the discretion to allow a State to use not to exceed 10 percent of such State's unobligated apportionments for the fiscal year ending September 30, 1979, for noninterstate highways. The Secretary must find that the State's highways have been damaged by severe weather during the winter of 1978–79. The bill authorizes States to use funds under this program on a 100-percent basis to repair winter-related damage to any highway on the Federal-aid system.

The Emergency Highway Repair Act of 1979 is responsive to a severe national problem, a deteriorating highway system, which threatens the safety of the traveling public. Congress has adopted a policy of creating a sound national highway system. Keeping that system in good repair is the only option that makes sense.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 860

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Highway Repair Act of 1979."

Sec. 2. As used in this Act the term—

(1) "Secretary" means the Secretary of Transportation;

(2) "State" means any one of the fifty States, the District of Columbia, or Puerto Rico; and

(3) "highway" means the surface of any paved road, street, parkway, bridge, tunnel, or railroad highway crossing, which is under the jurisdiction of and maintained by a public authority and open to public travel.

Sec. 3. (a) The Secretary shall enter into a contract with any State to use not to exceed 10 per centum of such State's unobligated apportionments for the fiscal year ending September 30, 1979, pursuant to section 104 of title 23 of the United States Code for the Federal-aid systems, other than the Interstate System, to pay 100 per centum of the cost of repairing weather-related damage to highways in any one of the four Federal-aid systems (within the meaning of section 103 of title 23, United States Code) in such State. Such damage must be attributable to the weather during the winter of 1978–1979, and must be in a State in which the Secretary finds that weather conditions sufficiently severe to cause such damage occurred during such winter, except that no payment shall be made under this Act for any damage of the type authorized to be repaired or reconstructed by section 125 of title 23, United States Code.

(b) Every contract entered into under this Act shall be a contractual obligation of the United States for payment to the State of the agreed amount. The State must obligate such amount for repairs authorized by this Act not later than July 1, 1979.

(c) Each contract entered into with a State under this Act shall contain such conditions as the Secretary determines necessary to insure that the expenditures authorized by this Act shall be in addition to, and not in substitution for, expenditures by such State from its funds for the type of repairs authorized by this Act.●

By Mr. DOLE:

S. 861. A bill to extend the exemption from Federal excise tax on the use of gasohol, and for other purposes; to the Committee on Finance.

GASOHOL TAX EXEMPTION ACT OF 1979

● Mr. DOLE. Mr. President, I am introducing today the Gasohol Tax Exemption Act of 1979. This bill would extend the gasohol Federal gasoline tax exemption for 5 years from 1984 to 1989.

The oil crunch in the United States has sparked renewed interest in gasohol. Some 500 filling stations (mostly in Iowa and Illinois) sold 6 million gallons in January—up from 2.6 million gallons the month before according to recent news reports.

I was a sponsor of the original gasohol tax exemption bill that exempted gasohol from the 4 cents Federal gasoline tax from 1979 to 1984.

With the sharp increase in gasoline prices, many groups are becoming interested in building plants to produce alcohol from agricultural products.

New plants will require the commitment of huge capital expenditures. Commitments made today to invest in alcohol plants will take months before the plants can be completed and additional years before a return on investment could be realized.

Some plants could not be completed before 1984, just at the time the present exemption runs out. The present exemption is not long enough to allow the necessary research to be completed and private agricultural produced alcohol plants to be constructed.

An exemption from the Federal gasoline tax until 1989 would give additional encouragement to private groups to undertake the construction of alcohol plants now. Some groups are concerned about the investment, because it is not known what Congress will do in 1984 about extending the exemption.

I believe an additional exemption is needed now to show private industry that Government is serious about finding alternative energy sources and willing to make long-term commitments to help develop these new sources.

Government expects private industry to invest millions in plants that will take years to pay out from an investment viewpoint. To make these long-run investments private industry needs long-run legal decisions from the Federal Government.

I believe it is necessary this year to extend the exemption for an additional 5 years to provide private industry with the incentive they need to invest in a new energy source. I believe 10 years of tax exemption are needed instead of 5 to develop a viable alcohol industry.

The private source of nonpetroleum-based alcohol is excess agriculture products. The United States presently has a surplus of many feed grains including wheat. The use of wheat or corn to produce the grain alcohol will result in a new market for farmers, a new industry for agricultural areas and a more efficient fuel for motorists. Gasohol produces less pollution than regular gasoline.

Wood can also be used to produce gasohol and this would be of great benefit to forestry regions like New England, North Carolina, Georgia, and the Pacific Northwest.

Alcohol blends for use in autos will improve the U.S. economy by reducing dependence on oil imports. With this limited tax incentive until 1989 gasohol can be made more competitive, plants can be built, and a net energy saving can be realized by America.●

By Mr. MOYNIHAN:

S. 862. A bill to eliminate the age limitation of 70 years for chief judges of the district courts and chief judges of the circuit courts; to the Committee on the Judiciary.

● Mr. MOYNIHAN. Mr. President, today I am introducing a bill that would eliminate the age limitation of 70 years for chief judges of the district and circuit courts. That age limit was imposed in 1958 by a Congress which thought that chief judges ought to be relieved of their administrative duties and set free again to devote their entire time to the law work of the courts. Behind this thought lay, of course, the judgment that chief judges at that age could not perform their administrative duties adequately.

The present rule, in effect for only 20 years, has serious defects—serious enough, in my view, to justify scrapping the rule altogether. In the first place, chief judges should not be considered incapable of performing their duties simply because they have reached a certain birthday. Here in the Senate we certainly do not ask a colleague to relinquish a committee chairmanship when he attains his 70th year. To do so would cause lasting harm to this body. I dare say the same is true of our courts.

In the second place, the age limitation weakens the authority of a chief judge in his late sixties. He is effectively reduced to a lame duck status. The title of chief judge is now too frequently regarded as an honor accorded at the end of a judicial career and carrying few responsibilities or prerogatives. A chief judge who might wish to introduce long-needed reforms hesitates because the brevity of his tenure would prevent him seeing them through. Administrative leadership cannot exist when this office is only a titular one passed from judge to judge. Necessary precedural and substantive changes in a court take time and require authority that an age limit of the kind we now have undermine.

I hope that my colleagues will join me in this effort. I find the logic for this change compelling and I know the Judiciary Committee will give it careful consideration.●

By Mr. CRANSTON:

S.J. Res. 53. A joint resolution to proclaim October 8–14, 1979, as "National Renewable Energy Week"; to the Committee on the Judiciary.

NATIONAL RENEWABLE ENERGY WEEK

● Mr. CRANSTON. Mr. President, I am today introducing a joint resolution to proclaim the week of October 8–14, 1979, as "National Renewable Energy Week."

Each barrel of foreign oil that we can displace by bringing on available energy alternatives will be a step away from continued vulnerability, dependence, and economic disaster.

I believe we can, by the year 2000, derive as much as 25 percent of our energy needs from solar and related renewable energy sources.

I am committed to aiding the effort to reach that goal. I will have additional comments on this subject very soon.

Specifically, solar energy can now meet many needs for hot water and space heating in commercial and residential buildings. And these two uses of energy constitute 21.3 percent of the total U.S. energy demand.

But under our present policies only 6 percent of all homes and only 5 percent of new commercial buildings will be solar heated by the turn of the century.

To achieve maximum use of solar energy by the year 2000, we must have an aggressive solar program now, which tilts the balance more in favor of solar development, and which awakens public attention to the solar energy sources that are currently available.

I recently chaired a conference in Los Angeles which brought together State and Federal solar officials and representatives of financial institutions, the solar industry, utilities, labor, and builders to review the progress of solar energy development.

One of the conclusions that emerged from that meeting was that while solar technology is presently available, and at attractive costs for some uses, the public is either unaware of its availability or has been misled as to its cost.

Clearly, we need to refocus and reaffirm our national commitment to rapid transition from nonrenewable to renewable energy sources.

The President and the Federal Government are in a position to elevate, quickly and inexpensively, public awareness of the need for this transition, and the possibilities now at hand to begin that transition.

This campaign to escalate public awareness should involve cooperation of the Government with the willing resources of the private sector, especially those national citizen groups—like the Alliance To Save Energy, which I have the honor to cochair along with the distinguished Senator from Illinois (Mr. PERCY), or the Solar Lobby, to name only two—which are committed to similar goals.

Mr. President, the International Energy Agency has already designated the month of October 1979 as "International Energy Conservation Month."

The United States has pledged to that agency that it will attempt in the next year to cut its oil demand by 5 percent.

The resolution I am introducing today attempts to begin the campaign to increase public awareness of the need and opportunities for solarization.

It dedicates the second week of "International Energy Conservation Month" to a special kind of energy conservation—the saving of fossil fuels by substituting renewable energy sources.

It requests the President to call on the public, industry, and labor, to participate in this period of reaffirmation of our commitment to renewable energy development.

It provides additional opportunity for pledging accelerated implementation by the Federal Government of the requirements of the National Energy Conservation Policy Act for using solar hot water and space heating in its future building construction, and by its example heightening public awareness.

It provides a convenient opportunity for the announcement by the administration of a deeper, more promising, more aggressive, more thoughtful commitment to solar energy, if by then this commitment has not already been made.

Mr. President, if these opportunities are fully utilized—as I sincerely hope—perhaps "National Renewable Energy Week" will usher in the beginning of what may become the "Age of Renewable Energy," when our dependence on foreign oil is finally overcome, and our energy crisis is finally over.●

ADDITIONAL COSPONSORS

S. 25

At the request of Mr. BAYH, the Senator from Indiana (Mr. LUGAR), and the Senator from New Jersey (Mr. BRADLEY), were added as cosponsors of S. 25, to designate the birthday of Dr. Martin Luther King, Jr., as a national holiday.

S. 55

At the request of Mr. BENTSEN, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 55, the Meat Import Act of 1979.

S. 79

At the request of Mr. HELMS, the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of S. 79, a bill to amend the Internal Revenue Code of 1954 to reinstate the nonbusiness deduction for State and local taxes on gasoline and other motor fuels.

S. 94

At the request of Mr. BENTSEN, the Senator from Alaska (Mr. GRAVEL) and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 94, a bill to amend the Internal Revenue Code of 1954 to allow individuals to compute the amount of the deduction for payments into retirement savings on the basis of the compensation of their spouses, and for other purposes.

S. 100

At the request of Mr. PACKWOOD, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 100, a bill to amend the Internal Revenue Code of 1954 to provide a deduction for expenses incurred for reforestation, and for other purposes.

S. 196

At the request of Mr. THURMOND, the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of S. 196, a bill to provide chiropractic treatment when requested for veterans eligible for outpatient medical care.

S. 219

At the request of Mr. MOYNIHAN, the Senator from New Hampshire (Mr. DURKIN) and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 219, a bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions.

S. 223

At the request of Mr. DANFORTH, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 223, a bill to amend the Antidumping Act, 1921, the Tariff Act of 1930, section 801 of the Revenue Act of 1916, and for other purposes.

S. 264

At the request of Mr. HEINZ, the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 264, the Fair Trade Act of 1979.

S. 336

At the request of Mr. Mathias, the Senator from Indiana (Mr. Bayh) was added as a cosponsor of S. 336, a bill to amend the Internal Revenue Code of 1954 to provide that married individuals who file seperate returns may be taxed at the same rate as an unmarried individuals.

S. 414

At the request of Mr. Bayh, the Senator from North Dakota, (Mr. Burdick), was added as a cosponsor of S. 414, the University and Small Business Patent Procedures Act.

S. 450

At the request of Mr. DeConcini, the Senator from Wyoming (Mr. Wallop) was added as a cosponsor of S. 450, the Supreme Court Jurisdiction Act of 1979.

S. 475

At the request of Mr. Wallop, the Senator from Wyoming (Mr. Simpson) was added as a cosponsor of S. 475, a bill to authorize the Secretary of the Interior to construct hydroelectric powerplants at various existing water projects.

S. 489

At the request of Mr. Packwood, the Senator from South Dakota (Mr. Pressler) was added as a cosponsor of S. 489, a bill to amend title XVIII of the Social Security Act to eliminate certain restrictions and limitations imposed for the receipt of home health services and to make more accessible home health services to those in need, and for other purposes.

S. 503

At the request of Mr. Javits, the Senator from New Jersey (Mr. Bradley) was added as a cosponsor of S. 503 the Privacy Act Amendments of 1979.

S. 620

At the request of Mr. Durkin, the Senator from Michigan (Mr. Riegle) was added as a cosponsor of S. 620, to amend the Social Security Act to provide that shelter support furnished in kind shall not be included as income, and shall result in certain reductions in benefits when the value of such support exceeds the amount of shelter costs paid by the individual.

S. 623

At the request of Mr. Kennedy, the Senator from Michigan (Mr. Levin) was added as a cosponsor to S. 623, a bill to provide for the public financing of general elections for the U.S. Senate and for other purposes.

S. 625

At the request of Mr. Wallop, the Senator from Nevada (Mr. Cannon), the Senator from Mississippi (Mr. Cochran), the Senator from Missouri (Mr. Danforth), the Senator from Arizona (Mr. Goldwater), the Senator from Oregon (Mr. Hatfield), the Senator from Iowa (Mr. Jepsen), the Senator from South Dakota (Mr. McGovern), the Senator from South Dakota (Mr. Pressler), the Senator from Wyoming (Mr. Simpson), and the Senator from Georgia (Mr. Nunn) were added as cosponsors of S. 625, a bill to amend the Federal Mine Safety and Health Amendments Act of 1977.

S. 669

At the request of Mr. Bayh, the Senator from Kentucky (Mr. Ford) and the Senator from Nevada (Mr. Laxalt) were added as cosponsors of S. 669, industrially funded personnel.

S. 686

At the request of Mr. Biden, the Senator from Wisconsin (Mr. Proxmire) was added as a cosponsor to S. 686, the Tax Expenditure Control Act of 1979.

S. 697

At the request of Mr. Sasser, the Senator from South Carolina (Mr. Hollings), the Senator from Alabama (Mr. Stewart), the Senator from Kentucky (Mr. Ford), the Senator from Nebraska (Mr. Exon), and the Senator from Oklahoma (Mr. Boren) were added as cosponsors of S. 697, to reduce by $500 million the amount which may be obligated for travel and transportation of officers and employees in the executive branch during 1980.

S. 720

At the request of Mr. Durkin, the Senator from New Jersey (Mr. Williams) was added as a cosponsor of S. 720, to amend the Internal Revenue Code to make certain wood burning equipment eligible for the residential energy tax credit.

S. 783

At the request of Mr. Melcher, the Senator from Texas (Mr. Bentsen) and the Senator from New Mexico (Mr. Schmitt) were added as cosponsors of S. 783, a bill to amend the Federal Food, Drug, and Cosmetic Act to provide for quality control for drugs purchased by the United States or paid for with Federal funds, and to provide for a Formulary of the United States.

S. 795

At the request of Mr. Heinz, the Senator from Oregon (Mr. Packwood) was added as a cosponsor of S. 795, the Farmland Protection Act.

S. 825

At the request of Mr. Javits, the Senator from Rhode Island (Mr. Pell) was added as a cosponsor of S. 825, a bill to reform unemployment insurance financing.

SENATE JOINT RESOLUTION 4

At the request of Mr. Lugar, the Senator from Pennsylvania (Mr. Schweiker) and the Senator from South Carolina (Mr. Thurmond) were added as cosponsors of Senate Joint Resolution 4, proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds vote of both Houses of the Congress if the level of outlays exceeds the level of revenues.

SENATE JOINT RESOLUTION 43

At the request of Mr. Durkin, the Senator from Michigan (Mr. Riegle), and the Senator from Hawaii (Mr. Matsunaga) were added as cosponsors of Senate Joint Resolution 43, entitled "National Energy Education Day."

SENATE RESOLUTION 33

At the request of Mr. Roth, the Senator from Tennessee (Mr. Baker) and the Senator from Nevada (Mr. Laxalt) were withdrawn as cosponsors of Senate Resolution 33, authorizing payment of the expenses incurred by Senators and officers of the Senate in attending the memorial services for the former Vice President Nelson A. Rockefeller.

SENATE RESOLUTION 62

At the request of Mr. Leahy, the Senator from Vermont (Mr. Stafford) was added as a cosponsor of Senate Resolution 62, to disapprove final recommendations of the Secretary of Transportation designating route systems for Amtrak.

SENATE RESOLUTION 78

At the request of Mr. Domenici, on behalf of Mr. Hatfield, the Senator from Tennessee (Mr. Baker), the Senator from Maryland (Mr. Mathias), and the Senator from Rhode Island (Mr. Pell) were added as cosponsors of Senate Resolution 78, expressing the sense of the Senate with respect to the immediate need for energy emergency preparedness in the United States, in light of world oil supplies and the situation in Iran.

SENATE RESOLUTION 87

At the request of Mr. Warner, the Senator from Arizona (Mr. Goldwater), the Senator from California (Mr. Hayakawa), and the Senator from Colorado (Mr. Armstrong) were added as cosponsors of Senate Resolution 87, to once again express the sense of the Senate with respect to the allocation of necessary energy sources to the travel and tourism industry.

SENATE CONCURRENT RESOLUTION 10

At the request of Mr. Heinz, the Senator from South Carolina (Mr. Thurmond) and the Senator from Hawaii (Mr. Inouye) were added as cosponsors of Senate Concurrent Resolution 10, relating to the authorization for Army airborne units to wear the red beret.

AMENDMENT NO. 58

At the request of Mr. Durkin, the Senator from Iowa (Mr. Jepsen) was added as a cosponsor of Amendment No. 58, intended to be proposed to S. 333, an Act to combat international terrorism.

AMENDMENTS SUBMITTED FOR PRINTING

HOUSING AND COMMUNITY DEVELOPMENT AMENDMENTS OF 1979—S. 745

AMENDMENT NO. 130

(Ordered to be printed and referred to the Committee on Banking, Housing, and Urban Affairs.)

Mr. TOWER submitted an amendment intended to be proposed by him to S. 745, a bill to amend and extend certain Federal laws relating to housing, community, and neighborhood development and preservation and related programs, and for other purposes.

DEPARTMENT OF STATE AND RELATED AGENCIES AUTHORIZATIONS—S. 586

AMENDMENT NO. 131

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. HART submitted an amendment intended to be proposed by him to S. 586, a bill to authorize appropriations for the Department of State, International Communication Agency, and Board for International Broadcasting for fiscal years 1980 and 1981, and a supplemental authorization for State for fiscal year 1979, and for other purposes.

• Mr. HART. Mr. President, I am pleased to introduce today an amendment to S. 586, the Foreign Relations Authorization Act, fiscal years 1980 and 1981, to authorize the International Communications Agency to release the film "Aspen." The city of Aspen, through Mayor Stacy Standley and the Aspen Chamber of Commerce have requested the film for use in a community education project and have agreed to pay the entire amount necessary to release the film.

Aspen, a resort community in the Colorado mountains, is renowned for its magnificent skiing and winter sports. But there is another season in Aspen's year that begins when the snow melts. "Aspen," an excellent educational and creative piece produced for promotional use by the U.S. Travel Service, elaborates on the activities and programs available during the summer months in Aspen. This film should prove invaluable in the education of Aspen's employees and residents on the area's many summer activities.

Tourism is an essential component of Colorado's growing economy. And Aspen is one of Colorado's most famous resort areas. Through the use of the film "Aspen," Mayor Stacy Standley and the Aspen Chamber of Commerce hope to improve the already excellent services provided by the employees and residents to the thousands of tourists visiting Aspen each year.

I look forward to favorable consideration and inclusion of this amendment into the Foreign Relations Authorization Act, fiscal years 1980 and 1981, by the Senate Foreign Relations Committee.•

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

• Mr. JACKSON. Mr. President, on Thursday, May 10, and Tuesday, May 15, the Committee on Energy and Natural Resources will hold hearings on S. 685 and related bills. This legislation addresses the problem of storage of spent fuel from civilian nuclear powerplants; the establishment of a Federal policy for the disposal of nuclear wastes; and improvements in the nuclear siting and licensing procedures.

These hearings, which will be chaired by Senator JOHNSTON, will begin at 10 a.m. in room 3110 of the Dirksen Senate Office Building. Questions about these hearings should be directed to Benjamin S. Cooper of the committee staff at 224-9894.•

COMMITTEE ON THE JUDICIARY

• Mr. BAYH. Mr. President, the Committee on the Judiciary has rescheduled hearings on Senate Joint Resolution 28, proposing a constitutional amendment for the election of the President and Vice President. The hearings are presently scheduled for Tuesday, April 3, 1979, at 1:30 p.m. in room 2228, Dirksen Senate Office Building. They were previously scheduled for 2 that same day.

Any persons wishing to submit written statements for the hearing record should send them to Marcia Atcheson, Subcommittee on the Constitution, suite 102B, Russell Senate Office Building, Washington, D.C. 20510.•

SUBCOMMITTEE ON THE CONSTITUTION

• Mr. BAYH. Mr. President, the Subcommittee on the Constitution, Committee on the Judiciary, will hold 2 days of hearings on oversight of the Speedy Trial Act of 1974, title I provisions, which require speedy trials for persons charged with Federal criminal offenses.

The hearings will commence on April 25, 1979, and May 2, 1979, at 9:30 a.m. in room 2228, Dirksen Senate Office Building. Anyone wishing to submit testimony for the hearing record should send their statement to Mary K. Jolly, Subcommittee on the Constitution, 102B Russell Senate Office Building, Washington, D.C. 20510.•

SUBCOMMITTEE ON AGRICULTURAL CREDIT AND RURAL ELECTRIFICATION

• Mr. ZORINSKY. Mr. President, I wish to announce that the Subcommittee on Agricultural Credit and Rural Electrification has scheduled a hearing on S. 261 on Friday, April 6. S. 261 would authorize loans for the construction and improvement of subterminal storage and transportation facilities for some agricultural commodities.

The subcommittee will hear from a list of invited witnesses beginning at 9 a.m. in room 324, Russell. Written statements for the record are welcome.

Anyone wishing further information should contact Denise Alexander of the Committee staff at 224-0014.•

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Energy Research and Development Subcommittee of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today, beginning at 2 p.m., to hold a hearing on the jurisdiction of the DOE budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

VIGILANTE JUSTICE—OR LAW

• Mr. DECONCINI. Mr. President, I commend to my colleagues an article in the April 3 edition of the Washington Weekly by Patrick Buchanan. It catches the growing sense of futility with our system of justice that I find more and more prevalent in the public mind. How many times does it seem we have read about violent crimes being committed by persons with previous lengthy criminal records? Over and over, we hear of victims who have been assaulted, or in the case of Maureen McGrath, killed, by attackers who are on probation or free on their own recognizance. Too often procedure runs roughshod over substance—uncoerced confessions or other incriminating statements are thrown out on tenuous "due process" grounds.

I fear what this disrespect for our courts and justice system bodes. It may well be as Buchanan states that we have reached the point where people will revert to vigilante justice in frustration at the incapacity of the Government to maintain the public safety. The time has come to think about the thousands of law-abiding citizens who are literally prisoners in their homes at night, behind barred windows and doors, fearing for life and property. We must start to think more of the victims of crime and these innocent "captives" of crime. And it is the weak in society—the senior citizen and the poor—who are disproportionately intimidated and victimized by crime. We must all channel our efforts toward insuring the protection of the innocent.

If the Government, by rule of law, does not take steps in this direction, I fear that rule of law might degenerate into rule by the mob.

I ask to have the Buchanan article printed in the RECORD.

The article follows:

THE CIVIL RIGHTS OF MAUREEN MCGRATH

WASHINGTON.—Last Saturday, in a fashionable shop on Wisconsin Avenue, an 18-year-old Georgetown University coed, Maureen Alison McGrath, was strangled and stabbed to death.

On Wednesday, George Bonzille Kebe Jr., 21, apprehended after a jewelry store holdup, reportedly began blabbing to detectives about "that murder over in Georgetown." He was subsequent charged with homicide.

What makes the case interesting is that Kebe, when arrested, was on probation from a federal penitentiary in Florida and free on his own "personal recognizance" from the District of Columbia jail, where he had been held after being arrested for larceny.

In our national absorption with human rights, what is needed is a greater perspective, a clearer sense of the significant and the trivial.

The primary human right is the right to life. The civil right would seem to be the right to the free from domestic violence. For these reasons, governments are established.

Unfortunately, millions of violations of these human and civil rights, annually, attract nothing like the national publicity a handful of Dartmouth Indian students can garner complaining publicly they are victimized by undergraduate insults.

The murder of Maureen McGrath was an atrocity. And a society which can take these things in stride while being shaken to its core by the televised pummeling of a few civil rights demonstrators at the five-and-dime is sick; its category of concerns has been stood on its head.

Indeed, as the shock of Maureen McGrath's murder subsides, as predictable as the cherry blossoms, some civil libertarian will emerge to inquire politely of the police if Kebe was informed of his right to remain silent. If the detectives neglected to mention the matter, then Kebe's admission, and any evidence gathered therefrom, are inadmissible in court.

What a strange society we have become.

Writing in National Review, Ernest Van Den Haag relates the tale of a beautifully turned-out boy of 20 named Davereaux Wiggins.

Wiggins was convicted of robbing an airline stewardess who testified that he held a knife to her throat and then hurled her in front of a subway train. Though both her legs were fractured, she climbed back on the platform, whereupon she was kicked in the face and sent reeling back into the tracks. With the train almost on her, she narrowly escaped—as did three other alleged victims of Wiggins' subway m.o., including a 90-year-old man. Allowed to plead guilty to the lesser charge of robbery, Wiggins was given a sentence that will make him eligible for parole in a shorter period of time than Gordon Liddy served in prison for rifling the files of Larry O'Brien.

The criminal justice system in this country appears to be collapsing. As Yale Law Professor Joseph W. Bishop writes, ". . . the incarcertion of the most obviously guilty criminal is a task comparable to landing a barricuda with a trout rod and dry fly."

Only 1 percent of our major crimes result in incarceration.

Poverty is not the cause; it is the convenient excuse in an affluent society where crime is five times as common as it was in the Depression when a third of the nation was poor and a fourth of its labor force out of work.

There is a simpler explanation. Crime has tripled in two decades, because crime pays. It is the nation's growth industry because it is an exciting, enjoyable profession where the criminal element runs little risk of being forced to pay an unacceptable price. In a decade, tens of thousands of men, women and children have been murdered. In retaliation, our defender, the state, has executed exactly one killer.

What's to be done?

How do we protect the Maureen McGraths from being murdered on a Saturday afternoon in the heart of the Georgetown shopping district, when the government cannot?

On the old frontier, the answer would have been simple, direct and instructive: a rope and a tree for the perpetrator, a hired gun for the town.

Given the manifest failure of the system "to establish justice," we should anticipate a proliferation of gun sales, more militant opposition to gun control, and an occasional reversion to vigilante justice which, though uncivil and crude, is preferable to no justice at all.

Only a fool would voluntarily disarm himself and his family in this urbanized jungle—erected to the specifications of our leading sociologists and civil libertarians.●

HOOSIER BASKETBALL

● Mr. BAYH. Mr. President, I would like to take this opportunity to salute the considerable accomplishments of Indiana basketball teams during this past season. Indiana State, Indiana, Purdue, and Notre Dame all distinguished themselves in the two major college basketball tournaments, the NCAA and the NIT.

Notre Dame University, located in South Bend, was ranked in the top 10 by both the AP and the UPI polls. At one point in the season, they held the No. 1 position in both of these polls. They qualified for the NCAA Tournament and they were not eliminated until the final game of the Mideast regional, losing to the eventual champions, Michigan State. They appeared on national television several times during the year, allowing millions of people across the country to view their basketball prowess. Their coach, Digger Phelps, has been called one of the finest young coaches in college basketball today. They certainly deserve their Top Ten ranking.

First year coach Lee Rose led Purdue University to one of its finest years ever. The Boilermakers tied for first place in the toughest conference in the country, the Big Ten. They were invited to the National Invitational Tournament in New York, where they defeated every team they faced except one, Indiana University. They won more games this year than in any previous year, and have been called perhaps one of the greatest Purdue University basketball teams in history.

Indiana University surprised all the basketball "experts" this year by finishing one game out of first place in the Big Ten. Their scrappy play and gutsy determination personified the illustrious basketball history of Indiana University. They traveled to the finals of the NIT where they were matched against the traditional rivals, the Boilermakers of Purdue. With four seconds left, junior guard Butch Carter scored to give the Hoosiers a 53–52 victory and the championship of the National Invitational Tournament.

But the most amazing story in college basketball was that of the Sycamores of Indiana State University. Led by college basketball's player of the year, Larry Bird, ISU was rated No. 1 in the final regular season polls. They were victorious in 33 consecutive games before losing to Michigan State in the final game of the NCAA tournament. Coach Bill Hodges, who replaced former coach and current Athletic Director Bob King, compiled the finest record of any rookie coach in the history of college basketball. The talent and discipline of the Sycamores has given Indiana fans hours and hours of pleasure over the season.

As a Hoosier, I can testify to the excitement that college basketball generates in Indiana. "Hoosier Hysteria" has been magnified fourfold by the fine play of these teams. The players, coaches, and the student bodies should all be congratulated for their fine behavior. They have demonstrated that the State of Indiana is the capital of basketball in this country.●

CONSTITUTIONAL CONVENTION RESOLUTION

● Mr. LUGAR. Mr. President, the Indiana Legislature has just passed a resolution calling for a Constitutional Convention to propose an amendment to balance the Federal budget. Indiana is the 29th State to have called for a balanced budget amendment, leaving the number just five short of the 34 States required to call a convention.

Mr. President, the legislators of Indiana are to be commended for their courage in passing this resolution in the face of threats to cut Federal aid to the states. Passage of the resolution was a bipartisan effort in the legislature, reflecting the broad bipartisan support that a balanced budget amendment enjoys in the Nation.

Mr. President, it will be necessary for the States to continue to express their support for a balanced budget amendment. The Congress has made it perfectly clear that it will not adopt a balanced budget amendment unless it is compelled to do so by the States and the American people. A particularly insightful analysis of the attitude of the Congress is provided by Mr. James M. Perry. I request that the full text of his article "The Budget-Balancing Stall" be printed in the RECORD.

The article follows:

THE BUDGET-BALANCING STALL

(By James M. Perry)

Dean Smith, coach of the University of North Carolina basketball team, has perfected the four-corners offense in which his disciplined players move the basketball around endlessly without ever taking a shot. It used to be called a stall.

Here in the Congress, opponents of a constitutional amendment to balance the federal budget are taking a leaf out of Coach Smith's play book: They are going into their own version of the four-corners offense. The idea is to toss the ball around for weeks, even months, until the fervor for the amendment fades or until they can convince the American people that locking the government into a balanced budget is a bad idea.

"A handful of strong-arm types are trying to thwart the will of the American people," complains George Snyder, national director of the Balance the Budget Amendment Committee, an arm of the National Taxpayers Union.

In fact, most polls indicate the American people do favor an amendment to balance the budget. Moreover, 28 states now petitioned the Congress to get moving. They want the Congress to propose the amendment itself or, failing that, to issue a call for a constitutional convention to write the amendment. If 34 states—a two-thirds majority—petition for a convention, Article V of the Constitution says, it must be held.

JUDICIARY COMMITTEES

The ultimate fate of the amendment rests in the judiciary committees of the House and the Senate, and that's where the four-corners offense is now being played.

In the House, Rep. Peter Rodino of New Jersey, the committee chairman, has assigned consideration of the amendment to his own monopolies subcommittee. A separate consideration—laying the groundwork for a constitutional convention—is in the hands of Rep. Don Edwards and his Subcommittee on Civil and Constitutional Rights.

Mr. Edwards, a California liberal, says his committee won't consider the business until 34 states have sent their petitions to the Congress. To act any earlier, he says, might encourage the people who favor the amendment. Mr. Edwards, of course, opposes it. "We propose not to do anything," he says.

So now the ball is in Mr. Rodino's hands.

"Mr. Rodino is serious about this and he will schedule hearings," says one of his associates. It is expected the hearings will be held late this month or early next month, lasting a total of two days. But then, Mr. Rodino's associates say, consideration of the amendment will be put off for a month or more so the committee can consider budget bills for the Department of Justice and other agencies. The committee might be able to get back to the amendment in May.

Then, says one of the opponents of the amendment with a barely concealed smile, "who knows what might happen? We need to take a careful look at this matter. It is serious business to amend the Constitution. These hearings might last for months."

Rep. Robert McClory of Illinois, the ranking Republican on the House Judiciary Committee, favors an amendment. He says he's "challenged" Mr. Rodino to get on with the hearings. "But I know," Mr. McClory says, "that the chairman wants to defuse the subject by hearing it to death."

Over on the Senate side, the amendment is before Sen. Birch Bayh's Subcommittee on the Constitution, where its future ought to be a little rosier. Three of the seven members of the subcommittee have introduced budget-balancing amendments. Two more support the concept, one way or another. That leaves Howard Metzenbaum of Ohio, who is flat-out opposed, and Mr. Bayh, who has "serious doubts" about it.

Mr. Bayh is on the spot. He's up for reelection next year and a budget-balancing amendment is popular back home in Indiana. His Republican colleague, Sen. Richard Lugar, is a sponsor of the most popular amendment pending in the Senate. His most likely opponent next year, Republican Gov. Otis Bowen, the most popular politician in Indiana, supports it. The Indiana legislature is working out some details before sending its petition for an amendment on to the Congress.

"Eventually," an Indiana Republican says, "Birch has to let the amendment out of his committee."

First, though, are hearings, Mr. Bayh, alone in the Congress, already has held some hearings. He will hold more—many, many more.

A problem for the proponents of the amendment is that there are so many proposals before the Congress. In the Senate alone, according to a recent count, there were four bills and 13 resolutions. Testimony will be taken on all of them.

But even before that can happen, the subcommittee staff says it has other matters to consider—legislation on police searches of newspaper offices, patent legislation, the speedy trial act, a proposal to limit terms for members of Congress.

There is also the question of ego. The ranking Republican on the Senate Judiciary Committee is Strom Thurmond of South Carolina, who has been proposing balance-the-budget amendments for years.

"He has his proposal back this year," says a Senate Republican. "The trouble with it is that it's drafted more as a talking point than a real amendment. But we can't ask him to step aside. It's his baby and he wants to keep it that way."

Among other things, Mr. Thurmond's proposal would provide a device to wipe out the national debt.

Chances for passage of an amendment in the full Senate Judiciary Committee, whose chairman is Edward Kennedy of Massachusetts, are not so good. Of the 17 members, one count indicates only eight favor the amendment. Mr. Kennedy is seriously opposed to it.

"Bayh's best bet," says a Republican in favor of the amendment, "is to stretch out the hearings as long as he can and then dump the whole business on Kennedy and let him take the heat."

"Implicit in the four-corners strategy is the assumption that the proponents of the amendment won't be able to get the last handful of states that would put them over the top. The National Taxpayers Union had been counting on Montana and Indiana to get them up to 30, four away from victory. Last Thursday, though, the Republican-controlled Montana state senate voted 31 to 18 against the resolution, Nine Republicans voted with the Democrats to kill the proposal in Montana for the next two years. Indiana, where support for the proposal is strong, is expected to pass the resolution this week.

Mr. Snyder, director of the Taxpayers Union field force, concedes Montana was a serious setback. But he says Rhode Island is looking good. Vermont and Missouri are possibilities. Connecticut is listening, finally, and Maine would pass the resolution, if only the speaker of its house wasn't another "strong-arm type thwarting the will of the people."

"Sure," Mr. Snyder says, "the closer we get the tougher the opposition gets. But we still say we will have 34 states by the end of the year."

BACK-UP STRATEGIES

If 34 states do sign on, opponents of the amendment in Congress aren't finished, because they have a series of back-up strategies. The first is to challenge the validity of the petitions which, experts say, should be worded pretty much alike. Some of the petitions, lawyers for the judiciary committees suggest, are plainly out of step. The Delaware petition, for example, says, in language unlike any other state's, that the convention should be called to adopt an amendment declaring that the cost of operating the federal government shall not exceed its income, except in the event of a declared war. It says, too, that the convention shall be called when 33 other states have passed "similar" resolutions. In another section, it says the other states must pass "identical" resolutions.

So, the staff people say, you can throw out Delaware.

And how about Colorado, which used the term "memorialize," not a meaningful term in "the art of the law" at all? Or Nevada, where the governor vetoed the work of the legislature? And you can't count North Carolina now because its resolution gives Congress until Jan. 1, 1980, to take action on its own.

"Nit picking!" says Mr. Snyder. Anyway, he adds, "we'll have Delaware redo its resolution."

There are still other stop-the-amendment strategies.

Some constitutional experts—Charles Black of Yale University among them—argue that petitions from all the states should be thrown out. Article V, these experts say, provided for the call of a constitutional convention to make general, or sweeping, changes in the Constitution. Congress itself—and only Congress—was to propose specific amendments, like the budget balancer.

And congressional opponents to an amendment even have a back-door play in their offense. Who is to say that if at last it came down to calling a convention, Congress couldn't appoint its own members as delegates to that convention?

North Carolina's Coach Smith would be proud of this team.●

HELPING ELDERLY AND POOR FAMILIES COPE WITH RISING UTILITY BILLS

● Mr. CULVER. Mr. President, I have long been interested in and supported the Federal Government's programs to help elderly and low-income families deal with escalating heating costs. And I would like to share with my colleagues a recent article from the Wall Street Journal about the harsh impact high utility bills are having on people living on fixed incomes.

I have had the opportunity to visit the homes of several elderly Iowans which were being insulated with Federal funds, and to see firsthand the value of our low-income home winterization program. Few Federal programs can boast of such broad benefits in three areas of national priority—conserving energy and reducing our dependence on foreign oil; alleviating the financial plight of hundreds of thousands of low-income and elderly families by reducing their monthly heating bills; and creating tens of thousands of productive jobs.

For about $250 per home—which is the average winterization cost—heating fuel consumption can be cut by at least one-third, or roughly 200 gallons of fuel oil a year. And in a rundown home, complete insulation can cut heating fuel use by as much as two-thirds to three-quarters. To date, approximately 500,000 homes nationwide have been winterized under this program.

Another Federal relief measure which offers more immediate, short-term assistance is the current $200 million crisis intervention program. This emergency fuel assistance is designed to respond to crisis situations where heating fuel is unavailable, utility bills cannot be paid, or serious hardship is inflicted by payment of prohibitive heating bills. I have had numerous communications from Iowans over the past several months inquiring about the status of this program, reflecting the need for this type of fuel cost assistance.

The following Wall Street Journal article conveys the intolerable burden costly heating bills impose upon elderly and poor families, the tragic choices some senior citizens must make between warmth and food, the drastic steps people feel forced to take to reduce their utility bills or attempt to pay for them and, indeed, the life-threatening danger posed to senior citizens by home temperatures below the sixties. The article also puts into perspective the relatively modest level of the present Federal Government's $200 million commitment to the low-income home winterization program, as evidenced by the fact that only about 6 percent of the substandard homes in need of winterization have been insulated thus far.

Mr. President, in light of the increasingly widespread and severe hardship inflicted by runaway heating bills, the recent winters of record cold and snowfall, spiraling oil and fuel prices, and the pressing need for effective energy conservation, I believe we must reexamine the adequacy of the winterization program's present funding level. Whether one approaches this program from the standpoint of hard-nosed realism and cost-benefit analysis—thus concentrating on its energy savings potential—or from the standpoint of humanitarian concern—focusing on the must-needed relief it offers—I am convinced the conclusion is the same: We must reaffirm a strong Federal commitment to this worthy low-income home winterization program.

Mr. President, I request that the following article from the March 21, 1979, Wall Street Journal be printed in the RECORD.

The article follows:

COST OF KEEPING WARM POSES A REAL HARDSHIP TO MILLIONS OF THE POOR

(By John R. Emshwiller)

For most Americans the "energy crisis" is just an annoyance. But Clara Bowers of Lancaster, Pa., felt its full force on a recent cold Sunday.

That day, the 62-year-old, partially blind widow ran out of kerosene for her space heater. Money to buy more had run out earlier. Mrs. Bowers needed about $60 a month for fuel and, what with the cost of rent, food and other necessities, she couldn't scrape it up from her $267 in monthly disability and pension payments. She was forced to leave her home of 42 years and live with her daughter.

Thanks to an emergency fuel shipment arranged through Lancaster County s Office of Aging, Mrs. Bowers is back in her home. But she is worried about the future. "I don't want to leave my home, but it's hard to keep going," she says. "I'm only human and I have to stay warm."

For millions of low-income Americans, it is a struggle just to heat and light their homes. "Poor people are being stretched to the breaking point," says George Grier, a private consultant in Washington who has done a number of studies on the energy problems of the poor.

SIMPLE ARITHMETIC

The reason for this is simple arithmetic. Energy costs are rising far faster than poor people's ability to pay for them. There are roughly 25 million Americans who live below the federal poverty level—$3,140 a year for a single person living in a city ($64 less than Mrs. Bower's annual income). Among these people it now is common in many parts of the country during the winter to spend 20% to 30% of monthly income on heating and utility bills.

In thousands of cases, that figure approaches 50%. A study by a federally funded antipoverty agency in Milwaukee last winter found that 800 particularly hard-hit households were paying an average of 45% of their monthly income on heat and utilities. When rent or mortgage payments were counted, these people paid an average of 93% of their income on shelter costs. In one case, the study said, a couple living on $348 a month had $10 left for food and other essentials.

Many poor people, who are often elderly, "must choose between heating and eating," says Bruce Ratner, commissioner of the New York City Department of Consumer Affairs. Each winter, many poor people simply freeze to death.

This squeeze seems certain to get worse as a result of the present fuel-price surge brought on partly by the hiatus in Iran's oil exports. While those at the bottom of the economic ladder bear the brunt of the suffering, others are starting to feel the repercussions.

"PEOPLE NEED HELP"

Michigan Consolidated Gas Co., which sells natural gas to about 960,000 residential customers in the Detroit area, says writeoffs for unpaid bills have risen nearly fivefold since 1974. That has contributed to a sharp decline in the company's earnings. "We are reaching the point where a lot of people are honestly unable to pay their bills and need help," says a spokesman for American Natural Resources Co. which owns Michigan Consolidated.

So far, help has reached relatively few. Government programs to help poor people pay their utility bills and improve the insulation in their homes have been attacked as underfunded and poorly executed. "Nobody has yet come to grips with the problem," says Richard Saul, chief of energy programs for the Community Services Administration, the federal antipoverty agency.

That's partly due to the speed with which the problem has struck. The cost of home heating oil, for example, is nearly three times what it was in 1970, a rise that dwarfs the increases of the prior two decades.

For most Americans, the impact has been cushioned by the extremely low base that energy costs started at. While higher energy prices are taking bigger chunks of almost everybody's budget, studies indicate that middle-income Americans are still paying only about 5% to 10% of their incomes on heating and lighting.

DRASTIC MEASURES

But the poor never had much of a cushion, and now whatever cushion there was is, in many cases, completely gone. Some poor people are forced to take drastic measures.

Take 59–year-old Rudolph Alexander of Elmira, N.Y., a widower who lives with his ailing mother. With gas and electric bills taking about half his $206-a-month income, Mr. Alexander has cut back to one meal a day to make sure his mother has food. He also never burns more than one light at a time.

A Pennsylvania woman says she has had to sell some of her furniture to meet rising utility bills. "Some of these things have been in my family for 50 years," she says. She asks that her name be withheld to avoid embarrassing her relatives.

More people have started tampering with their electric and gas meters to avoid being charged. Consumer groups tell of women stealing food and clothing for their children because they can't afford to buy them after paying for heat and light. One elderly woman reportedly tried stealing $200 from a bank to pay for her utilities.

Poor people try to cut home energy consumption, but this is often difficult and can be dangerous. Many live in substandard homes that leak heat almost as fast as the radiator turns it out. The Department of Energy estimates that eight million homes of poor people have little or no insulation. For the elderly, letting the temperature in the house drop even into the low sixties can be deadly.

That's because many older people are susceptible to "accidental hypothermia," a rapid drop in body temperature that can be fatal. While firm statistics don't exist, there are estimates that thousands die each year from the condition.

Some relief efforts are being tried. Consumer groups and federal officials are pushing state public-utility commissions to ban cutoffs of heat and light during the winter for nonpayment of bills.

Such shutoffs have increased sharply in many areas. Public Service Electric & Gas Co., which serves most of New Jersey, says its shutoffs last year totaled 70,000, a 69% rise since 1973. Cutoffs by Michigan Consolidated Gas have nearly tripled in the past five years.

While winter shutoffs have been curbed in many states, there are few outright bans. Opponents argue that under outright bans, some people who can afford to pay their bills will avoid paying them. "We don't want to give deadbeats a hunting license," says a spokesman for the New York Public Service Commission.

Some of the curbs on cutoffs seem to be dictated by a curiously arbitrary compassion. For instance, Illinois won't allow service to be halted on days when the temperature is 20 degrees or under. However, shutoffs can be made at any temperature above that. "You can still get pretty cold at 21 degrees," says Henry Scheff of Chicago, who represents a coalition of consumer groups, churches and labor unions pushing for state cutoff bans around the country.

Regulators are also trying to alter rate systems that penalize those who use less energy. For instance, a typical Consolidated Edison Co. customer in New York City who uses 150 kilowatts of electricity pays $15.63 in the winter while another customer using 250 kilowatts, 67% more, pays only 54% more.

New Jersey regulators have been unsuccessfully grappling with proposals to reduce rates for the poor, possibly by charging higher rates to others. But it is estimated that such an effort would cost the state or the other customers of the utility $100 million a year. "There is a question of whether we have the power to charge others more because some people can't afford to pay their bills," says Edward Hynes, a commissioner on the New Jersey Board of Public Utilities. "It is a tremendous dilemma."

Given the magnitude of the problem, large-scale federal help is essential, many observers contend. So far, relatively little has come.

Some adjustments have been made, though, in such existing federal welfare programs as food stamps. And for the past three years Congress, largely through the efforts of some Northeastern legislators, has appropriated $200 million annually to help poor people meet their energy needs during the winter. This program although it reached some 2.7 million people last year, has been widely criticized.

The main complaint is that the funding level doesn't come close to meeting the need. "It is a $200 million non-solution to a problem that needs billions," says Mr. Saul of the Community Services Administration, which administers the program.

The federal government also has a program to improve insulation of homes of the poor. So far, it has made only limited headway. Since 1973, about 500,000 substandard homes have been "weatherized"—about 6% of those estimated to need it. As things stand, it could take decades to do the rest.

The level of future aid is uncertain. The Carter administration is proposing to slash the funds for helping the poor with their winter heating needs to $40 million from the $200 million level of the past three years. Government officials contend that the lower level should be enough to meet a narrower objective currently given the program. That objective, one official says, "is only to deal with emergency situations that pose a danger to people's health and safety."

As for the continuing problem of rising energy bills for the poor, federal policy makers don't believe there are any simple answers. They note that over the past several years, increases in some programs, such as Social Security and welfare, have helped offset energy cost increases. They contend that further help should come through a comprehensive revision of the state-federal welfare system, including higher benefit levels.

Only yesterday an advisory committee to the Department of Energy made public a draft report calling for a new $3.2 billion annual program to help the poor with their home energy needs. "We concluded that current programs are woefully inadequate," says Anthony Maggiore, an antipoverty official in Milwaukee and member of the advisory committee.

But some observers doubt that large amounts of new help will come any time soon. "Programs for poor people were never popular " says Alan S. Davis, director of energy projects for the National Consumer Law Center. "With the Proposition 13 mentality now in the country, they are probably at their lowest elb." ●

"LADY KATIE" SKIPJACK CRUISES ON THE CHESAPEAKE BAY

● Mr. MATHIAS. Mr. President, few joys can surpass the sheer delight of a day under sail on Chesapeake Bay. Last August, as we labored through the dog days of summer, I called to the attention of my colleagues the delights of cruising the bay aboard the *Lady Katie*, one of the remaining few of the vanishing class of vessels called the skipjack.

These unique sailboats were built mainly by hand and eye, an art that died out many years ago. When the few that remain are gone, probably within 10 to 15 years, a part of our history will have been lost.

In order that the opportunity does not again slip by us, I remind my colleagues that the *Lady Katie* has been made available again this summer through the Calvert Marine Museum. I submit for the Record the cruise information for the *Lady Katie* for the reference of my colleagues and their staff members who may wish to take advantage of this unique and delightful opportunity.

The information follows:

"LADY KATIE" SKIPJACK CRUISES SPONSORED BY CALVERT MARINE MUSEUM

Time was when sailing the Chesapeake on a skipjack would have been an everyday occurrence rather than an "exciting happening." Not too many years ago there were as many as 500 skipjacks on the Bay. Today only 28 remain to please the eye with their classic lines and spectacular mainsail. And though such a sight is rare these days, it is one you will never forget.

The skipjack is a native design developed in our area as a workboat. In the winter they "drudge" for oysters by pushing on Monday and Tuesday and by sailing the rest of the week. It's hard work with few comforts and it breeds hardy folks. But it also brings abiding satisfactions that a softer way of life cannot provide.

The "Lady Katie" was built along with two other skipjacks, the "Martha Lewis" and the "Rosie Parks" at Wingate, Maryland by Bronza Parks. Completed in 1956 she measures 60 feet and carries 665 square feet of sail. Her pushboat, when not in use, is carried in davits astern. When the wind fails the "Little Katie," lowered into place and held securely against the stern takes over as its huge auto engine purrs into action.

The "Lady Katie," like the rest of the fleet, oysters in season but in summer is available for charter. She is equipped with a large galley, a head, and bunks below deck for 6 to 8 persons plus the crew—nothing fancy but clean and comfortable.

The Calvert Marine Museum has chartered the skipjack for two weeks for each of the last two summers as a part of its educational program. Trips of different lengths have provided opportunities for one day sailors as well as more hardy souls who go for two days or more. A typical overnight trip will visit St. Mary's City, a 27-mile run down the Bay, or it may cross over to Oxford, St. Michaels, Tilghman, or Smith Island. On longer trips, a new port is visited each night.

The day is spent reading charts and spotting navigational aids, watching for landmarks ashore, picture taking, or having a turn at the wheel—and best of all—just unwinding. When port is made there is time for a walking tour or a swim and shower before dinner ashore—which is always a memorable occasion.

SAILING SCHEDULE FOR 1979

One day cruise: May 19, June 9, July 14, July 22.

Two day overnight cruise: May 26 and 27, June 10 and 11, June 16 and 17, July 15 and 16, July 20 and 21.

Three days, two nights cruise: May 20, 21, 22; May 23, 24, 25; July 17, 18 and 19.

Four days, three nights cruise: June 12, 13, 14 and 15.

To be scheduled as needed: August 11 to 19

All trips leave museum dock 8:30 a.m. and return at approximately 4:30 p.m.

The cost of $45.00 a day includes breakfast, lunch, snacks, and non-alcoholic beverage, bed linens, and auto parking. Dinner ashore is at your own expense. Overnight accommodations ashore, if desired, cost $10–15 additional.

Early reservations are necessary. Space is limited. A $45.00 deposit will hold reservations until one month prior to departure at which time entire fee is due. No refunds after 21 days prior to departure unless space can be filled.

Contact: Calvert Marine Museum Programs, P.O. Box 97, Solomons, Maryland 20688.●

STANDBY RATIONING AND CONSERVATION PLANS

● Mr. BAYH. Mr. President, over the past few weeks many words have been spoken in this Chamber, and in our offices and hearing rooms, about the questionable effectiveness and equity of the standby rationing and conservation plans the Administration has sent to the Congress.

I have been hesitant to speak out in opposition to these plans because of my firm conviction that this country needs a set of emergency plans on the books in case we are faced with a sudden cutoff of foreign oil supplies.

I have also been hesitant to oppose these plans because I do not want to send the wrong signal to the American people.

The public is already skeptical about the extent to which current shortages are real. Many are not aware of the fact that we import almost half our oil from foreign countries. Public opinion polls show that most do not believe we are vulnerable to a sudden cutoff of supplies.

I believe this skepticism stems partly from the self-serving and erratic behavior of the major oil companies over the past decade. For years our citizens have heard doom and gloom predictions from the majors when it served their purposes, but rosy predictions about future supplies when it was in the interests of the major oil producers.

I myself share the public's doubts about the self-serving behavior of the majors, and their apparent inclination to manipulate supplies in order to raise consumer prices and their own profits. Right now, they are reducing allocations to service station dealers by 10 to 15 percent, while our shortfall from Iran is 2 to 3 percent at most. This has resulted in significant price increases at the pump for American motorists, and encouraged the OPEC nations to raise their prices for the second time this year. In my opinion, the size of the major oil producers, their relationship to the OPEC nations, and the fact that they control our oil from the time it is pumped out of the ground to the time it enters our gas tanks, gives them too much control over energy policy in this country. But that is an issue for another day.

Mr. President, while I share these doubts about the majors' behavior, I have no question at all that this country could be brought to its knees as a result of a sudden halt in oil exports by our foreign suppliers. It is always going to be hard to bite the bullet and put a plan in place—to deal with emergency situations—that is, of necessity, going to pinch somebody. However, the evidence is mounting daily that the proposals the administration has sent us are far wide of the mark.

The express purpose of developing emergency plans is to substitute effective and equitable contingency measures that can be implemented in a timely fashion, for the chaos that would undoubtedly ensue without planning for an unanticipated cutoff of supplies. Regrettably, the proposals the administration has forwarded to the Congress, in my estimation, do not meet the mark.

Therefore, I have joined with Senator Bentsen and a number of my colleagues in cosponsoring Senate Resolution 98, a measure urging the President to withdraw the gasoline rationing plan submitted to the Congress last month, in order to rectify the glaring interstate inequities that would result from implementation of this plan. Further, I have also written to Secretary of Energy Schlesinger, expressing my strong reservations about the rationing plan as well as proposed bans on weekend gasoline sales and outdoor advertising, which we have also been requested to approve.

Mr. President, I am particularly concerned about the impact of these plans on my State of Indiana. As now drafted, the rationing plan allocates gasoline between States on the basis of national consumption rates, rather than average figures for each State. Further, within States, it allocates gasoline on a per vehicle basis, without meaningful priority allotments for those dependent on their automobile for occupational reasons, or for those who deliver vital goods and services to the public.

A fairer system could be developed by basing allocation on historical use in each State, or purchase patterns that have grown over time and accurately reflect the comparative need for gasoline by residents of different States. Further, I would hope that a revised plan will address the needs of industries or individuals who need gasoline to provide vital services to the public, such as the Nation's farm community. I could easily see farmers tied up in redtape under this plan, trying to get approval for extra coupons, while their crops spoil for lack of energy to fuel their tractors or run their trucks to market.

Mr. President, it also seems to me that taxicab companies ought to be granted priority classification along with other modes of public passenger services under a rationing plan. The taxicab industry is estimated to provide 40 percent of the public transportation services of the country, but uses only 1 percent of the Nation's gasoline. In my State, taxicab companies have already made considerable strides toward energy conservation by purchasing more fuel efficient vehicles, encouraging consumers to participate in shared rides, and using radio communication rather than cruising aimlessly around wasting gasoline. They frequently are the only source of public transit in medium and small-sized towns, and are relied on heavily by our senior citizens, the handicapped, and unemployed, and lower income citizens.

Putting them out of business by forcing them on the white market to get gasoline for their cabs—when they consume only 1 percent of the Nation's demand for gasoline—certainly seems counterproductive to me, and I hope the administration modifies the plan to give our taxicap owners and drivers a chance to serve the public during an energy shortage, and maybe keep them out of their cars rather than in them.

Mr. President, under the administration's plan, those in need of gasoline beyond their per vehicle allotments will have to buy coupons from those allocated gasoline in excess of their needs. This will amount to a Government mandated income transfer program, with millions of dollars flowing out of the pockets of those living in rural areas, or towns and cities without mass transit, or those dependent on their automobile for occupational reasons, to those less dependent on the automobile.

Mr. President, I am not asking for special consideration to be given to my constituents. They will have to tighten their belts like everyone else, should we have an energy emergency. I do not believe, however, that they should be required to carry a heavier burden than others just because they happen to live in Indiana.

According to the Department of Energy's own figures, citizens in half of the States will profit off this plan, in some States to the tune of over $20 million per month, while citizens of other States, my own included, will pay through the nose. Citizens in Indiana are no more wasteful than other Americans. They just need to travel further, in some instances, to get to work, or to the store, or to the doctor. They do not enjoy the luxury of a spanking new Metro system, or other mass transit systems. Many of them live in smaller sized cities or towns or in rural areas. Therefore, they depend more heavily on their cars than do citizens in New York City, or San Francisco, or Boston, or Washington, D.C.

By allocating rationing coupons on the basis of national average consumption figures, and not State figures, the Government will impose an incredible financial burden on my constituents. The costs to Hoosier consumers could be staggering under a rationing plan—and unfairly so. Assuming rationing under a 20-percent shortfall, with coupons costing $1.22, as the Department of Energy does, the cost of this plan to Indiana residents will be over $17 million per month, or nearly $213 million per year. If the shortfall were to exceed 20 percent, or white market coupons were to exceed $1.22 per coupon, the costs would be even greater.

I also have a special concern about the administration's weekend closing proposal because of the heavy concentration of the recreational vehicle industry in my State. I am sure all of you have seen reference to an internal DOE study indicating that weekend gasoline sales restrictions should be discouraged, or even prohibited, in an energy shortage situation, because of their minimal energy savings and inconvenience and cost to the public. Inexplicably, the administration went ahead and recommended restricted weekend sales anyway. All of us have constituents that would suffer needlessly under such a program. But, there is no doubt that Indiana and the recreational vehicle industry would be very adversely affected by such a proposal.

Indiana is the Nation's leader in manufacture of recreational vehicles, producing 28 percent of the 526,800 units built in the United States last year, and the RV industry is a major contributor to the vital economy of northern Indiana. Those dependent on the health of this segment of our economy should not be asked to make disproportionate sacrifices that will do little to help us out in an emergency situation. The same comments apply to the administration's proposal for restrictions on outdoor lighting, which would harm retail and other small businesses, while resulting in virtually no oil savings, according to the administration's own figures.

Mr. President, we are facing an unusual parliamentary situation. By statute, we have only until May 10 to vote these plans up or down. Procedurally, we will not be able to amend the administration's proposals through the normal legislative process. We must take them or leave them. Only the administration can make changes in them at this point.

Mr. President, I hope the Department of Energy will take the time between now and May 10 to engage in a constructive dialog with the public and Members of Congress. Only such an exchange will result in a sensible and equitable set of contingency measures on the books should we be faced with a sudden interruption of our oil supplies. It is always difficult to anticipate the ramifications of proposals as complex as these. I am sure the administration has received many thoughtful comments from the public since submitting these plans, as have all of us. Careful consideration of these comments now is well worthwhile and will pay off later should they need to be implemented in an emergency situation.

Mr. President, for the information of my colleagues, I request that a copy of my letter to Secretary Schlesinger and the text of Senate Resolution 98 be printed in the RECORD at the conclusion of my statement. I have taken these actions in the hope that a frank discussion and exchange of views at this point in time will contribute to a sensible resolution of these difficult questions.

The material follows:

U.S. SENATE,
Washington, D.C., March 30, 1979.

Hon. JAMES SCHLESINGER,
Department of Energy,
Washington, D.C.

DEAR MR. SECRETARY: I am writing to express my concern about certain aspects of the standby rationing and energy conservation plans the Administration has forwarded to Congress for its consideration. I hope that the Department will use the time remaining between now and May 10, when the Congress must vote these plans up or down, without the possibility of amending them, to engage in a constructive dialogue with the public, and members of Congress. Only such an exchange will result in a sensible and equitable set of contingency measures on the books should we be faced with a sudden and severe interruption of our oil supplies.

It is always difficult to anticipate all of the ramifications of proposals which address complex and difficult issues such as those raised by the spectre of severe and sudden energy shortages. Since the plans were submitted to Congress on March 1, I am sure you have received many thoughtful comments from the public, as have we here in the Congress. Careful consideration of these comments, while time-consuming, will be well worth the effort now, so that we can handle an emergency situation in the least disruptive manner possible should it develop.

At the outset, I would like to express my firm conviction that this country needs a set of emergency plans to deal with the ramifications that would flow from a sudden interruption in our oil imports. The turmoil in Iran, a country which supplies a relatively small portion of our liquid fuel needs has reminded us once again how very vulnerable we are as a result of our dependence on foreign oil. Since the interruption in Iranian oil production and exports, the majors have cut down drastically on their allocation of crude oil products to service station dealers, independent refiners and oil marketers. Prices on the spot market have soared, the OPEC nations have increased their prices further, and the uncertainty surrounding future supplies of gasoline and other petroleum products has already had an impact on industries sensitive to gasoline prices and availability.

There is no question that effective and equitable conservation plans, able to be put into effect in a timely fashion, are far preferable to the chaos experienced during the oil embargo of 1973. However, if the purpose of drawing up contingency plans is to substitute an effective and equitable plan for the chaos that would ensue without planning, I must say that the plans the Administration has forwarded to the Congress, in my estimation, do not meet the mark.

As I am sure you are aware, the Administration's rationing plan has been controversial for a number of reasons. First, the plan allocates coupons on the basis of national average gasoline consumption figures rather than average consumption figures for the individual states. The result of this approach is a major inequity between states, with those more heavily dependent on gasoline penalized unfairly relative to those less dependent on gasoline.

I fully understand that the kind of shortage that would trigger implementation of the rationing plan would require all of us to share the burden of reducing our consumption of oil products. It would only be resorted to in a severe emergency. However, these burdens should be shared equally by all of our citizens, without citizens of particular states bearing the brunt of the burden due to accidents of demography or geography. Differences between the states, such as the distances people must travel to work, the needs of farming and rural communities, the absence of mass transit services, and the like, are very real and cannot be ignored.

Under the Administration's rationing plan, the only way the public can compensate for these differences is for individuals in need of more gasoline than they are allocated to buy coupons on the "white market" or qualify as a "hardship case." According to the Department of Energy's own estimates, based on the assumption of a 20% shortfall and a value of $1.22 a coupon, citizens in my state will end up paying out over $17 million per month, to secure essential fuels under these conditions, while citizens in other states, which are more highly urbanized and have substantial mass transit systems, will make a profit off the white market.

While this plan may have been simple for the Administration to develop, it permits glaring inequities between the different states and will result in a large transfer of income out of the pockets of my constituents into the pockets of their fellow Americans who, by an accident of birth, happen to be living in areas which can more easily accommodate large petroleum product shortfalls.

Other fundamental features of the rationing plan which trouble me are the allocation of coupons on the basis of vehicle registration, instead of demonstrated need, and the absence of priority treatment for firms and individuals who deliver essential goods and services to the public.

The provisions relating to farmers in the plan offer no meaningful priority status, and could tie up farmers in red tape—requesting additional allocations—while their crops are denied to the nation because of lack of fuel for their farm equipment, or the vehicles they use to bring their products to market.

Another example of the plan's broad brush approach is the absence of any special status for the taxicab industry. Taxicabs are the only form of public transportation not accorded priority allocations under this plan, despite their clear role as a public passenger transit service. According to Department of Transportation figures, taxicabs provide 40% of the public transit services in this country, but account for only 1% of the nation's gasoline consumption. They serve many small cities and towns without other public transit systems, catering especially to those with limited mobility—the handicapped, elderly, and unemployed or lower income citizen.

I also have strong reservations about the advisability of approving the Department's proposed bans on weekend gasoline sales and outdoor advertising lighting. The justification for implementing these measures is weak at best, and there is no doubt in my mind that they would inconvenience the public without reducing enery consumption in a meaningful fashion. They will also have a severe impact on industries associated with the automotive industry, such as recreational vehicle manufacturers and distributors, service station dealers and those involved in the tourist industry.

Shortly after the Administration submitted its plans to Congress, the results of an internal Department of Energy study, strongly recommending the discouragement, if not prohibition of weekend closings, appeared in the Washington Post. The study concluded that the long lines weekend closings would cause throughout the rest of the week, as well as the gasoline it would waste, make this measure the least desirable of many other plans. If limited gasoline sales are a necessary element of emergency conservation measures, other approaches, such as staggered sales, would seem to make a lot more sense than severely restricted weekend sales.

Likewise, the Administration's proposed restrictions on illuminated advertising signs and window displays would likely hurt many but achieve very little in the way of energy savings. The Administration's own estimate is that this proposal would cut down on an insignificant amount of oil consumption per day. However, it could have a significant adverse effect on those involved in manufacturing illumination devices and severely impact on small businesses, who cannot afford to invest in mass media advertising. I feel confident that the small business community would be willing to bear its proportionate share of an emergency energy conservation program, but it seems obvious to me that measures aimed at reducing energy consumption in this sector should be tailored so as to have the least possible impact on normal business operations.

In closing, I would like to emphasize my hope that the Administration will use the time between now and May 10 to develop modifications to the plan the Department has submitted to Congress, so that we can act responsibly and have a sensible set of emergency plans on the books should we suddenly be faced with a severe interruption of our oil supplies. On March 1, at the time you appeared before the Senate Interior Appropriations Subcommittee, I submitted a series of questions to the Department inquiring about the options the Department considered, which would take account of the points I have raised. I look forward to receiving your answers and working with the Administration on this most difficult issue.

Best regards,

Sincerely,

BIRCH BAYH, *U.S. Senator.*

S. RES. 98

Whereas, any Stand-by Gasoline Rationing Plan should reduce gasoline consumption equally for all consumers to the extent administratively possible;

Whereas, the Stand-by Gasoline Rationing Plan submitted to the Congress on March 1, 1979, would result in an unnecessarily inequitable reduction in gasoline consumption by residents of the various States;

Whereas, this inequitable reduction in gasoline consumption would create a substantial and unwarrahted redistribution of income between States;

Whereas, adequate data and administrative mechanisms are available to equalize gasoline curtailments from rationing on a state-by-state basis; and

Whereas, the Congress desires that gasoline curtailments be imposed to the extent possible in an equitable and fair manner on each State should gasoline rationing be necessary: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President withdraw the Standby Rationing Gasoline Plan submitted to the Congress on March 1, 1979 and resubmit such plan amended to remedy the interstate inequities with regard to the distribution of gasoline rationing coupons.●

OFFICE OF HISPANIC AFFAIRS ACT OF 1979, S. 788

● Mr. DECONCINI. Mr. President, I am pleased to join Senators DOMENICI and TOWER in cosponsoring S. 788, the Office of Hispanic Affairs Act of 1979. This legislation is designed to address the needs of the Hispanic community by clarifying problems and obstacles which present this unique segment of our population from sharing in the opportunities of the American experience, and assuring the consideration of Hispanic needs and interests in the design and implementation of Federal programs. Whether it be housing, social services, manpower, community development, or education, I believe it is in our best interests to incorporate the Hispanic viewpoint into planning procedures. This will guarantee that the cultural concerns of a growing segment of our society are given the consideration they deserve, while allowing the Federal Government to take full advantage of the Hispanic perspective.

As we reflect over the last decade on efforts to integrate Hispanic Americans in our Nation's work force, the statistics are less than overwhelming. For example, in 1970, 2.8 percent of the total Federal work force was of Hispanic descent; however, two-thirds of these were blue-collar positions. Nine years later, Hispanics represent only 3.5 percent of the total Federal work force—a gain of only seven-tenths of 1 percent in almost a full decade. Some favorable changes in the composition of the Hispanic work force have been made—a higher number are entering white-collar positions, several hold Subcabinet offices, some are heads of agencies, and many more are in senior level positions. However, much more can and should be done. And, I believe it is important to point out that while several Federal agencies and departments have favorable records of recruiting and retaining qualified Hispanic Americans, opportunity gaps are still prevalent with the Federal Government.

The Office of Hispanic Affairs, Mr. President, will serve to underscore and strengthen the Federal Government's commitment to full Hispanic participation, while eliminating the hit and miss approach which now exists. The Office will provide a mechanism for identifying problems and developing solutions where appropriate, thus allowing for more effective and efficient management of Federal resources. We can do no less than to insure that equal opportunities for Hispanic Americans are guaranteed in all areas of Federal assistance and I urge my colleague's support of this vital legislation.●

AMERICA, INC.

● Mr. STEVENSON. Mr. President, a recent article by the former Undersecretary of Commerce, Sidney Harman, states well the need for a structural response by the United States to a radically changed, highly competitive global marketplace. More economic and political orthodoxy are not likely to triumph over the aggressive marketing and industrialization of more pragmatic nations. I ask that his article from the March 12 issue of Newsweek be printed in the RECORD.

The article follows:

[From Newsweek, Mar. 12, 1979]

FOR AN "AMERICA, INC."

(By Sidney Harman)

When the Japanese Government decided in 1971 that having only 6 percent of the world's computer business was inadequate and unsatisfactory, the Ministry of International Trade and Industries "urged" the six principal manufacturers to work out a system of cooperation on research and development for both hardware and software. This led the six to create three cartels and ultimately, in 1975, when a second consolidation occurred, the reduced the three to two.

In 1976, the two combines were provided with funds to finance joint research and development of very large-scale integrated circuits as the basis for a new generation of computers to compete with IBM's anticipated new series.

Meanwhile in the United States, we have just celebrated the tenth anniversary of the continuing case of the *U.S. v. IBM,* "the Methuselah of antitrust trials"—a case effectively designed to dismember the nation's principal computer manufacturer, which funds an overwhelming percentage of its own research.

In pointing up the contrast, I mean neither to defend IBM nor to argue that the Japanese address is best. I wish to emphasize that Japan proceeds from a coherent industrial policy and that we do not. One may argue that antitrust *is* our policy, but, if so, it is too narrow, too provincial. It has not jurisdiction outside the U.S., and the action is increasingly outside the U.S.

STRENGTH AND STRATEGY

All this is rather strang and anomalous. The United States emerged from World War II as the world's most powerful military and industrial nation. We enjoyed many advantages: a massive domestic market as well as technological and financial strength so overwhelming as to foreclose any serious competition. As a result, until recently there seemed little need for an industrial strategy in the U.S.

By contrast, "industrial policy," as a set of practices or programs in which government is more intimately connected to industry than as the mere provider of the broad economic and legal settings in which business operates, has spread throughout Europe since World War II. Initiated by the French and Italian determination to develop industrial parity with their more advanced northern neighbors, industrial policy has since become a definable part of national policy throughout the Common Market.

In Japan, industrial policy has become so clear and coherent that the integration of mental organizations and planning has become known around the world as "Japan, Inc."

Both the Europeans and the Japanese long ago determined that reliance on the workings of impersonal, so-called free markets was not adequate to produce economic growth and economic security at a socially acceptable pace and in socially acceptable ways. These nations identify high-growth industries and support the applicable technology with education, research and related social policy. Capital support is provided by intervention in the credit markets. Similar interventions help declining industries over competitive shocks. Firms in the same industry are often encouraged to merge (as in the Japanese computer example) in order to achieve economies of scale in marketing, research and development, and production. Occasionally, firms in related industries are pressed to merge to achieve strength through increased size and diversification.

Selected industries are further supported by importing of foreign technology and know-how and through administrative procedures and other nontariff barriers, subsidies and tax measures.

While all this has been going on in Japan and Europe, we have done virtually nothing to develop and articulate a coherent, explicable and consistent industrial policy of our own. We go to the Tokyo round of the multilateral trade negotiations with no overarching policy to guide our negotiators. We have lost our once vast technological advantage and with it our TV and high-fidelity industries. Our role in oil refining, electrical equipment, light engineering, clothing and automobiles has eroded. National consortiums threaten our commercial-aircraft supremacy.

NEW REALITIES

We produce ad hoc programs in response to heavy political pressure in steel, shoes and men's clothing, but each is addressed as though no other exists or ever will. Few regard these programs as any thing but responses to squeaking wheels.

Everyone seems to argue for free markets and free enterprise for everyone else. Industries and firms complain that they are injured by unfair foreign competition, but we can't really tell whether they have been unfairly injured or whether their own poor management has made them vulnerable to that competition.

In the absence of a U.S. industrial policy, strong protectionist sentiment is building. It is a destructive impulse. Rather than propping up moribund industries, we would be better served by government helping them to revitalize themselves structurally so that they can compete. In the end, it is not government involvement that business fears; it is government incompetence.

As Congress prepares to examine our antitrust legislation, I do not argue for its abandonment. Nor am I arguing for national policy that blindly builds big and bigger business. I do urge thorough reconsideration to determine whether our laws serve the national interest, given the world's new realities, for the world has changed dramatically and we have not changed in corresponding or appropriate style.

A national industrial policy should and could strengthen the best in us; it can mobilize our innovative genius and ultimately free us from playing without a team strategy in a crucial game in which the other players know exactly what they want to do—and how they plan to do it.●

REFORESTATION: THE UNITED STATES SHOULD FOLLOW BRAZIL'S SUCCESSFUL EXAMPLE

● Mr. PACKWOOD. Mr. President, small, private timber owners hold nearly half of the Nation's commercial timberlands. This tremendous potential for timber production, however, has never been fully realized to a large extent because reforestation and timber stand improvements are not being performed on much of this land. The land, in short, is not put back into production as soon as it should be.

Forestry experts estimate that as much as 25 million acres of land in the United States owned by small woodlot operators are in need of reforestation; 125 million acres could benefit economically by timber stand improvement. Yet these private landholders do not, at present, have the financial resources or an incentive to make the long-term investments needed to increase the yield of private forests.

Large timber corporations have recognized the econcmic necessity of reforestation and TSI. They have also been eligible to capitalize their investments and receive accompanying tax breaks. Small woodlot owners, however, are put off by the long wait between investment and return. Because of this delay, the existing tax break on capital gains offers them little incentive to invest in their forests.

I have sought to eliminate this obstacle with the introduction of S. 100, the Forest Preservation Act. This legislation, which has been cosponsored by 23 of my colleagues, offers an above-the-line deduction for reforestation on TSI expenses. In this way, smaller timber owners would have the encouragement necessary to grow more trees and to improve their sites to increase the yield.

In the January 1979 issue of the Forest Farmer, the journal of the Forest Farmers Association, writer Harry Murphy illustrates the success that Brazil has found by establishing tax incentives for private timber owners. Since the Brazilian program went into effect in 1967, jobs have been provided for over 400,000 people, 125 tree planting companies have been created, and more than 9 million acres of land have been reforested. It is my greatest hope that the successful Brazilian experience can take root in the United States as soon as possible.

I submit the article in its entirety for the RECORD.

BRASIL ACHIEVES FOREST DEVELOPMENT BREAKTHROUGH WITH TAX INCENTIVES

(By Harry E. Murphy)

In recent years Brasil has recorded an outstanding forestry success story. It offers an approach the United States might consider for encouraging small, private landowners to grow more trees.

In the mid-1960's, Brasil was faced with two serious timber-related problems. The country had only limited forest resources and was spending too much of its hard currency on imported forest products. Brasil had the necessary land base, but there was little incentive to develop its forest resources.

A major forestry development followed enactment of an innovative forestry incentives law in 1967, which met with widespread response by landowners. This law permitted landowners to deduct all site preparation, reforestation and management costs up to a maximum of 50 percent of their gross income. These provisions are applicable for the first five years of stand establishment. Actually, response was so great that in order to stabilize the amount of reforestation, the law subsequently has been modified, but not before it proved beyond a doubt that this approach would work.

Most of the Brasilian pine and Eucalyptus plantations were established under this unique federal tax incentive program. This tax stimulus has resulted in probably the most intensive reforestation program in the world today. Since the United States is concerned with motivating the nonindustrial private landowner to reforest and manage his timberlands, Brasil's achievements through a tax incentve program warrant examination.

The national forestry organization of Brasil states that since application of the law in 1967 over nine million acres have been planted by the private sector. Work has been provided for over 400,000 people and 125 tree planting companies created. These companies, which we would term vendor firms, are all registered with the government of Brasil. The reforestation tax incentive program approved for 1978-1979 should result in planting of yet another million acres.

To receive approval for tax incentive, the landowner applies to the government forestry agency. He presents a forestry plan which outlines the area in which he intends to plant, site preparation proposed, species and number of trees to be planted, and five-year program of protection. A review of his proposal includes consideration as to whether it is within the designated forest district in which the government desires to encourage forest plantations, approval of the species for the site and acceptance of the cost in relationship to the "norm" as developed by the federal forestry service.

Once his plan is approved the landowner is free to proceed with his reforestation program. When the work is completed he notifies the government, and the plantation is inspected for compliance.

Average cost of site preparation, planting and five-year management is approximately $250 per acre. Trees to be planted cost $36 per acre and are grown in containers which are generally thin sheets of veneer. When the seedlings are about six to eight inches in height, the container is taken to the field and planted.

The tax incentive method to stimulate and develop industry is not confined to the forestry sector, but has been used successfully in promoting the establishment of other industries, such as tourism, fishing and chemicals. Among the objectives that the Brasilian government desires to achieve through the tax incentive approach and development and strengthening those industries which are defined as basic to the national economic interest; provision of jobs in rural communities thus helping to minimize migration to the cities; internal finance of their key industries without dependence on foreign financial markets; and limiting foreign purchases of basic commodities which can be produced in Brasil. Development of forest plantations has significantly met these criteria.

In 1964, most paper, board and pulp had to be imported into Brasil from developed countries, which meant that Brasil had to make purchases in hard currencies. Total pulp capacity of Brasil in 1965 was 574,000 short tons. In 1977, total pulp, paper and board production exceeded 3,912,000 metric tons—a 650% increase in 11 years. This capacity exceeds the production of such developed nations as Australia, Austria, Czechoslovakia, France, Mexico, the Netherlands, New Zealand and Norway.

One measure of an improved standard of living is the per capita consumption of paper and paperboard. In 1966, Brasil utilized 23 pounds of paper and paperboard per person. In 1977, Brasil utilized 48.5 pounds per person, over 100 percent increase in 11 years.

In 1966, Brasil had very limited forest resources suitable to produce pulp and paper. Development of a domestic supply of pulp and paper was economically critical. Having its own paper industry would also avoid expenditure of hard currencies in purchase of these products to meet Brasil's needs. Development of such an industry required establishment of forest plantations, thus the tax incentive method was offered to landowners and private corporations. Though the greater percentage of planting is with eucalyptus, emphasis has been to encourage planting pine to obtain the long fibers necessary for high strength paper. Now these pine plantations are meeting domestic demands for high strength paper. Now these pine plantations are meeting domestic demands for high strength lumber, poles and veneer.

There are large forest plantations in Brasil, some exceeding 125,000 acres in one block. Many of these plantations are beginning not only to produce cellulose, but sawlogs, veneer, poles and construction lumber.

An idea of the impact of Brasil's tax incentive program on reforestation can be seen at the Agri-Florestal Company of the Freudenberg Group, located at Aqudos, about 150 miles west of Sao Paulo, largest city in South America, Agri-Florestal's plantations are among the largest and oldest managed pine forests in the western hemisphere.

They are under management of Francisco Bertolani, a distinguished Brasilian forester who has maintained a very complete set of records on the origin, growth, yield and quality of these plantations. Source studies and superior orchards of tropical pine species have also been established.

These plantations cover an area of 35,000 acres and are primarily *Pinus carbaea* and *P. oocarpa*, the sources being Central America and Caribbean area. Since southern slash and longleaf pines are, in a way, first cousins to these species, it is valid to study them in comparison with what is being done in the United States.

Growth of tropical pines is absolutely phenomenal. The oldest plantation at 18 years of age averages over 85 feet in height, 16 inches in diameter breast height, and has an average growth of four to five cords per year on each acre. The density or specific gravity of a 12-year-old plantation averaged 0.47 for *P. oocarpa* and 0.41 for *P. caribaea*. Certainly the best form is that of *Pinus oocarpa* which is very similar to American longleaf. *Pinus caribaca* has some sweep to its profile, similar to that found in loblolly. This characteristic sweep is seen in nearly all sources from which the *P. caribaea* seed has been obtained, however, Cuban source has the least sweep and the slowest growth of all *P. caribaea* sources.

Source studies show that tropical pines are suitable for the central and northern parts of Brasil, whereas the deep south of Brasil is best suited for loblolly and slash.

Brasil has tremendous problems, yet it is addressing many of them aggressively and successfully. In doing so it has utilized the private enterprise system sometimes as a mixed capital venture. Many of its national economic policies, particularly in forestry, could well be considered by the United States.●

MAIN STREET U.S.A.

● Mr. CULVER. Mr. President, we have become more aware in recent years of the vital need to preserve the downtown commercial centers of our small towns and cities. The traditional "Main Street U.S.A." has been threatened by commercial development, which often ignores the unique character of a community or region, and by the ubiquitous shopping mall, which may deny the community's real and distinguishing heritage.

Many communities throughout our country have resisted this trend and sought ways to preserve the original appearance and nature of their downtowns. One organization which has contributed significantly to this movement is the National Trust for Historic Preservation. Through its year-old "Main Street" program, the trust has studied three midwestern cities—Galesburg, Ill.; Madison, Ind.; and Hot Springs, S. Dak.—to determine what can be done to help communities preserve their commercial centers.

The current issue of Historic Preservation, the bimonthly publication of the trust, includes an article about the "Main Street" program. This is a valuable article which should be helpful to other communities, and I ask that it be printed in the RECORD.

The article follows:

MAIN STREETS GET STREET-WISE

(By Patricia Leigh Brown)

The face of Galesburg, Ill., surprised me at first. Flying in from Chicago, past the hundreds of blue prefab grain elevators that dot the squares that subdivide some of the richest farmland in the country, I hadn't really expected it to move me, but it did. Though cosmetic aluminum, glazed tile and glass panel "false fronts" don't disguise the fact that Galesburg looks a bit haggard and weary, I couldn't help being struck by the names above the storefronts: Eichhorn's. Lindstrom's. Bloomquist's. Roger's. Names of *people*—people you can still meet in Galesburg. Not one "Mr. Do-Nut," "Mr. Music" or "Mr. Fixit" in sight.

"Main Street was the face of a town, the expression of its identity," writes Carole Rifkind in her book, *Main Street: The Face of Urban America* (Harper & Row, 1977). "The form of each Main Street was a unique configuration: buildings of every size and shape, a skyline silhouette; built forms and open spaces; the rhythm of windows and walls . . . a singular expression of time and place."

It is no accident that Rifkind uses the past tense throughout much of her book. Despite the tenacious presence of family businesses in small town America, traditional Main Street U.S.A.—the Main Street Sinclair Lewis satirized, Norman Rockwell immortalized and Walt Disney commercialized—is in trouble. Highways, urban renewal, suburban sprawl, lack of access to investment capital, the ubiquitous commercial strip and the equally pervasive shopping mall have caused many Main Streets to be abandoned or defaced beyond recognition. To many people, Main Street represents economic decline.

But in hundreds of small towns around the country, citizens have decided to work to keep their Main Streets vital. Having painted their Bicentennial fireplugs, people in these towns are now rediscovering the value of their own communities. Small-town America is beginning to concentrate on making Main Street a vital social and commercial center once again.

The Midwest Regional Office of the National Trust for Historic Preservation received so many inquiries from towns wishing to revitalize their Main Streets that, in 1976, it launched a demonstration program to explore small-town economic development within the context of historic preservation. Called "The Main Street Project," the program, now in its second year, seeks to show that preservation pays—that sprucing up architecturally distinctive central business districts can result in economic gains as well as in a dramatic visual enhancement of the area. The brainchild of Midwest Regional Director Mary Means, the project is being financed by a substantial grant from Bird & Son, Inc., East Walpole, Mass., and by grants from the National Endowment for the Arts, the Bush Foundation, St. Paul, Minn., and other organizations.

Though Main Street preservation efforts have been carried out before in Chillicothe, Ohio, Woodstock, Ill., Corning, N.Y., and elsewhere, the National Trust Main Street Project is the first program to attempt a statistical appraisal of the economic success of commercial area revitalization.

Can small-town Main Streets compete with malls? Should towns attempt to halt the flight of larger stores to the malls? How can downtown be marketed as historic without resorting to fake history and period pieces? How can preservation and commercial development work together?

The Main Street Project focuses on these issues through the production of a film on Main Street revitalization and through onsite economic and design analysis, development of recommendations by skilled consultants, and in-depth local work by a project manager in each of the three "demonstration" communities: Hot Springs, S.D. (population 5,000), Madison, Ind. (population 13,600) and Galesburg, Ill. (population 38,000).

Hot Springs, Madison and Galesburg were selected from a field of 70 midwestern applicants because, according to Mary Means, "they represent problems every small town in America has to face." For example, Galesburg's Main Street has experienced economic hardship compounded by the development, three years ago, of a 70-unit enclosed mall; Hot Springs is facing booming population growth which will result in planning and zoning problems; the traditional commercial core of Madison must now compete with new local and regional retailing centers. The towns were also chosen for their architectural character (all three central business districts are listed in the National Register of Historic Places), relatively stable economy and commitment to the goals of the project.

The guiding principle of the Main Street Project is an almost Victorian insistence on self-help—a nurturing of local abilities rather than imposing solutions from the outside, according to Susan R. Garber, the project's administrator. To stimulate a commitment to the goals of the project, each town was required to contribute $11,000 of its own money. The project does not include funds for actual rehabilitation—these must be generated by downtown tenants and property holders or by the muncipality through means available to all communities. What the project does provide is a support system of economic and design consultants and project staff who will help Main Street merchants help themselves. The Trust wants to demonstrate a strong economic incentive for preservation. Through its experience with the project, the Trust will share technical economic and design advice with other communities considering Main Street revitalization and, based on experience gained in the demonstration communities, the Trust will present its conclusions in a handbook and two national conferences.

In a sense, historic preservation is being redefined in Hot Springs, Madison and Galesburg. "Store mix," "extended hours," "joint advertising and promotion" and "retail sales volume" are concepts usually associated with shopping malls, not historic preservation, but in Mean's words, "preservationists are having to learn some new tricks." This does not imply the imposition of unrelated "historical" gimmicks, but it does mean that small towns can learn some lessons from the mall and can successfully adopt its strategies.

"What we're trying to enrich and preserve on Main Street is more than just the quality of the buildings," explains Means. "It's the quality of life on Main Street—its traditional role as a place where people meet each other, argue with their newspaper editor, and so on. But Main Street must be economically thriving in order to keep the buildings going. So, as preservationists, we must look at what the business people and civic officials are doing or not doing that's causing the place to die. Look at how—without radical surgery—we can incrementally upgrade Main Street and bring it back to life."

The first year of the project was spent researching and analyzing each town. Overall economic analyses were prepared by Shlaes & Co., consultants to the project, for use in monitoring the project's effect on each town's economy. In cooperation with project staff, Shlaes developed recommendations on each town ranging from organizational strategies for merchant associations to general marketing, retail mix, joint promotional approaches and other economic development techniques. The design consultants (Preservation/Urban Design/Inc., for Galesburg and Hot Springs and Miller, Wihry & Lee for Madison) provided specific design recommendations according to the needs of each community. The National Trust has placed a staff member as a local project manager in each Main Street community to coordinate the intricate process of local implementation over the next two years and to encourage local leadership for long-term continuation of the program.

HOT SPRINGS

To project manager Scott Gerloff, Hot Springs is "a place where man and nature work well together." Hot Springs almost looks like a sand castle town, with its castellated Romanesque facades built of native sandstone—but it has proved to be far more durable. Settlers came here in the 1890s to partake of the views and the natural hot spring waters; today, Main Street's imposing, rugged facades evoke the West.

When health spas become passé in the early 1920s, the fortunes of Hot Springs began to decline. Today, the town itself has no major industry, but its location in the southern Black Hills, within driving distance of Wind Cave and Mount Rushmore, makes it a natural stopping-off point for tourists. Consultant reports stress the need for more active recruitment of tourist shoppers, but Main Street business must prepare for increased tourism.

In response to this need, Gerloff is working with Hot Springs merchants on enhancing their already striking buildings. Freed's Furniture, the Char-Chief Cafe and The Stylist Beauty Salon, to name a few, will receive face-lifts in the coming year consisting mainly of facade cleaning and maintenance and new sign design. Other general design recommendations include landscaping to soften the look of the stark cement flood control wall that runs parallel to Main Street along the river, and using tasteful graphics to draw attention to Hot Springs historic structures. The project manager is involved with planning issues (the population may double its size in the next 10 years if nearby mining activity increases), grantsmanship and business strategies. Downtown merchants are currently working on improving the mix of shops, extending store hours and expanding merchandise selection.

While professionals tend to the more technical side of the preservation effort, residents are busy upholding a remarkable tradition of volunteer preservation activity. Symbolic of this commitment is the old Evans Hotel, now being converted to housing for the elderly after passage of a $400,000 bond issue by an almost unheard-of 70 percent majority (although later unneeded due to the involvement of a private developer). Even the little things get preserved in Hot Springs—a successful "Adopt a Duck" program was launched last year to bring ducks back to the Fall River (they disappeared several years ago). Community consciousness, atypical of most towns, is a way of life in Hot Springs.

MADISON

Madison has some of the most magnificent architecture in the Midwest. Nestled in the Ohio River Valley, its rows of graceful Italianate commercial buildings reflect the prosperity and aspirations of the 19th-century western expansion. Historic Madison, Inc., a nonprofit preservation organization, has been an important force in the community since it first began restoring Madison's distinctive Federal and Greek Revival houses in 1960.

Madison was a bustling port town in the mid-1800s but suffered gradual economic decline when railroads replaced steamboats as the major transportation system. Recently, downtown has experience competition from strip development in newer areas of town and from retail areas in nearby Louisville and Cincinnati.

Of the 110 storefronts in the downtown Madison project area, one-third have already had some sort of design assistance from the Main Street Project. "In most cases our proposals are for a kind of 'enlightened maintenance' rather than actual restoration," reports project manager Tom Moriarity. "We're working on a sign ordinance, landscaping and careful color coordination and facade improvements. Part of our goal is to show that good design costs no more than bad design."

In the long run, Madison hopes to bring back the array of business that characterized the old Main Street: "If you can't get your shoes fixed and eat lunch and go to the movies," says Moriarity, "then its isn't really downtown."

Another concern in Madison is planning for increasing tourism. With three large population centers nearby, Madison's attractions—its southern country charm and its outstanding architectural character—can draw many tourists. Preserving Main Street depends, to a large degree, on protecting traditional businesses such as Knoeble-Bird's clothing store and Steinhardt-Hanson's office supply and avoiding the touristy boutiques and the butcher block-macrame-asparagus fern phenomenon. Already one local realtor is advertising "Main Street USA" commercial property.

GALESBURG

Galesburg is an everyday town. It doesn't have the breathtaking backdrop of a Hot Springs or the architectural importance of a Madison. It is in many ways typical of midwestern communities, with rows of brick facades rudely punctuated by "modern" beige-and-turquoise false fronts of every size and description.

It is in Galesburg, Ill., that the Main Street Project will come up against its toughest challenge. Unlike Madison and Hot Springs, which have experienced gradual economic decline since the 1920s, Galesburg's hardships have been sudden and quite recent. When the Sandburg Mall was built several years ago, Main Street lost five of its six major department stores with two moving to the mall, two going out of business and one moving elsewhere. Currently there are 18 vacant storefronts downtown. The mall has sapped Main Street's commercial vitality and, now, remaining merchants are beginning to work together to develop methods of marketing downtown without the benefit of anchor stores. Yet Galesburg has several economic factors in its favor, including a largely untaped student market in the nearby Knox College and a collection of long-established furniture retail stores on Main Street.

The team of consultants the Main Street Project sent to Galesburg suggested a more unified image for downtown. At least a dozen merchants and property owners (including Kline's Department Stores, The Hill Arcade, Irv's Lunch and the Seminary Street Station Commercial District) are working with project manager Clark Schoettle on such preliminary building improvements as new paint schemes, awnings and signs as well as the removal of false fronts.

The most important product of the Main Street Project in Galesburg, however, is something difficult to define and even more difficult to stimulate: a sense of collective pride. Though Galesburg residents like to boast about the town's vidid past (Galesburg was an abolitionist stronghold and a station on the underground Railroad, the site of a Lincoln-Douglas debate and the birthplace of Carl Sandburg) and its historic residential architecture, the community seems to be suffering from an identity crisis. There is a general unwillingness to change—from the merchants who have resigned themselves to the bargain-basement look (and attendant tactics) as a lure for customers, to the customers who have abandoned Main Street because they say the storekeepers are unfriendly and uninterested in their patronage.

With its strong tradition of family businesses, its variegated building fabric, its standing as an important local industrial center and its history, Galesburg has much to make of its past.

To help residents and business-people "rediscover" the town's assets, Clark Schoettle is planning a series of walking tours, lectures and conferences that will highlight Main Street's historical and architectural heritage. Last year, a preservation slide show was met with great enthusiasm. "For the first time," says Schoettle, "people are able to understand what historic preservation is and how it relates to Galesburg." Relevant business tactics will also be discussed. Right now, Main Street has two major drawbacks from the customer's viewpoint—its stores do not stay open late enough for working people, and its merchants are still trying to convince them that the miniskirt is the rage. Resolving such seemingly trivial problems adds up to something much larger: a sense that people care about both the fate of Main Street and each other.

Physical changes in Galesburg, as in Hot Springs and Madison, may not be apparent for some time, but spiritual changes are occurring every day.

On a warm day last summer, dozens of children carted their tricycles to Main Street to participate in Galesburg's second annual "Big Wheel Day" bike race. The crowd and the bustle momentarily transformed the old Main Street. There was a sense, that day, of a new spirit making inroads in the community.●

U.S. POPULATION INCREASES

● Mr. PACKWOOD. Mr. President, I wish to report that, according to Census Bureau approximations, the total population of the United States as of yesterday, Sunday, April 1, 1979, was 220,266,986. Despite the widely publicized reductions in our fertility level, this represents an increase of 1,691,012 since April 1 of last year. It represents an increase of 167,400 in just the last month.

During the past year, therefore, we have added more than enough people to fill the city of Houston, Tex. And during the past month alone, we have added more than enough people to fill the city of Anchorage, Alaska.●

APPROPRIATIONS FOR THE COOPERATIVE EXTENSION SERVICE

● Mr. BAYH. Mr. President, the Cooperative Extension Services, funded through the Department of Agriculture, have been an important feature in the continued development of American agriculture. Through the land-grant universities, the programs help people with farm, home, and community problems.

Although originally focused on the rural community, the Cooperative Extension Service has expanded its areas of concern in recent years and more emphasis has been placed on the needs of urban dwellers and society as a whole. The Cooperative Extension Service is an excellent investment, Mr. President, as we have found in Indiana, and I am sure my colleagues have found in their own States.

Last week, Mr. Howard Diesslin, the director of the Indiana Cooperative Extension Service, testified before the Subcommittee on Agriculture Appropriations in support of this vital program. Mr. Diesslin is also the chairman of the Legislative Subcommittee of the Extension Committee on Organization and Policy. I submit, Mr. President, a summary of Mr. Diesslin's testimony and an accompanying chart to be printed in the RECORD for the information of my colleagues.

STATEMENT OF HOWARD DIESSLIN

The construction and maintenance of a highly efficient American agriculture has been a national objective of both the Land-Grant institutions, with their research and Cooperative Extension Services, and the United States Department of Agriculture. Our outstanding success in meeting this national objective has given this nation not only the most highly efficient agricultural production plant in the world which has not only assured the consuming public the availability of adequate high quality food supplies at reasonable prices, but has released 95 percent of the population to be engaged in other pursuits giving us the highest level of living in the world. The maintenance of a highly efficient agriculture in this country is also a necessary ingredient in our international relations and balance of payments situation.

Cooperative agricultural extension work was established by the Smith-Lever Act of May 8, 1914, as amended. The legislation authorizes the United States Department of Agriculture to provide, through the Land-Grant Colleges, instruction and practical demonstrations in agriculture and home economics and related subjects and to encourage the application of such information by means of demonstrations, publications, and otherwise to persons not enrolled or in residence in the colleges.

The basic objective of the Cooperative Extension Services is to help people identify and solve their farm, home, and community problems through use of research findings of the United States Department of Agriculture and the State Land-Grant Colleges, and programs administered by them.

State and county extension programs are financed from Federal, State, County and local sources. These funds are used within the States for the employment of county agents, home economics agents, 4-H club agents, state and area specialists, and others who conduct the joint educational programs adapted to local problems and conditions.

This work is carried out through State and County Extension offices in each state, Puerto Rico, Guam, the Virgin Islands, and the District of Columbia.

PRESENT SITUATION

The development and maintenance of a highly efficient agriculture with its associated rural homes and communities was an initial primary responsibility of Extension programs and continues to warrant a major, but in no sense an exclusive concern.

The Cooperative Extension Service, with its lay advisory and leadership groups, has recognized the interrelationships existing between the rural and urban elements of our communities. Changes in program effort include (1) expanded programs in home economics work in town as well as country and with an increasing emphasis on nutrition and basic family factors as related to society; (2) a redirection in youth activities with greater emphasis towards leadership and citizenship training that will better permit our younger citizens to accept responsibilities in a mobile, changing society, and; (3) educational activities in public affairs that result in a greater recognition and knowledge of the total problems and opportunities of the entire community.

The Cooperative Extension Service has also recognized areas of changing national emphasis in its response and has made major contributions towards mobilizing the resources of the Land-Grant Universities, the U.S. Department of Agriculture and other private and public resources for meeting such national problems as resource development and the problems of the economically disadvantaged.

Changing and expanded programs involving both rural and urban people are requiring greater staff competency. Every possible effort is being made to obtain this competency by the recruitment of staff members with better training, by providing additional training opportunities for existing staff members and by the retention of trained and experienced staff members. Limited resources are a serious handicap in all states in meeting and retaining their staffing goals.

Meeting the evolving program requirements is also requiring new organizational and staffing trends.

The need to concentrate greater resources on specific problems is indicated by a continued increase in area positions and specialized state positions. Because of the higher cost of recruiting and retaining staff members with more specialized training, limited resources are seriously curtailing realignment of desirable staffing patterns.

The Extension Service respectfully requests your favorable consideration and approval of the specific requests outlined in the detailed portion of this document so that our organization can more effectively meet its obligations in each of the states and to permit the Extension Service to perform the function expected of it in view of new and expanding national programs.

The FY '79 budget for the Cooperative Extension Services totals $263.9 million. The FY '80 Executive Budget recommends $258.0 million for consideration by Congress—a net decrease of $5.9 million in FY '80. By contrast P.L. 95–113 authorizes $300 million in FY '80 for the Cooperative Extension Services under the Smith-Lever Act plus an additional authorization for Small Farm Research and Extension and the Forestry Renewable Resources Extension Act of 1978 (P.L. 95–306).

The current status of federal appropriations to Cooperative Extension Services along with the repercussions if the FY '80 Executive Budget is not increased significantly are as follows:

1. Normal salary increases for staff, similar to the Federal Pay Schedule, must be appropriated under Smith-Lever 3(b) and (c) each year. Our Smith-Lever 3(b) and (c) increases over the past eleven fiscal years have fallen below the federal increase in seven of the eleven years, including FY '77, FY '78 and FY '79. FY '80 recommends no increase against an estimated federal pay increase of 5.5 percent.

2. With no increase in EFNEP funding since FY '73 we will have more than 50 percent fewer nutrition aides than in FY '71 by FY '80. In essence, our effort will have been cut in half by FY '80 in an area on which Title XIV places major emphasis (Human Nutrition).

Further, placing EFNEP under Section 1425, P.L. 95–113, along with a recommended $1.25 million decrease means increased appropriations for eleven urban states (territories) and significant decreases in the remaining states throughout the United States.

3. Our Civil Service Retirement appropriation will be funded at a $5 million deficit by FY '79—certainly a $6 million plus deficit by FY '80.

4. The estimated position cuts mandated by the FY '80 Executive Budget nationally—which equates to 641 positions—total four percent (4 percent) of the current Extension professional staff throughout the United States.

5. The decline in purchasing power of federal appropriations to the Cooperative Extension Services in recent years has declined more than 13.5 percent since FY '73.

Ever since the creation of land-grant universities an essential ingredient (certainly the most visible) has been the acceptance by each land-grant institution of the mission to conduct agricultural research and to carry out continuing education programs through the Cooperative Extension Service.

The two are functionally intertwined because of the basic requirement that problem solving educational programs be based on research knowledge. Thus, the research and extension functions have been institutionalized in the land-grant university. Therefore, ECOP is equally concerned that the Agricultural Experiment Stations, funded under the Hatch Act, remain a strong and viable partner in this joint undertaking of national and international significance to the United States.

COOPERATIVE EXTENSION APPROPRIATIONS AND PURCHASING POWER,[1] FISCAL YEAR 1972 THROUGH 1979

[In thousands of dollars]

Fiscal	Federal		State		County		Nontax		Total	
	Actual dollars	Purchasing power	Actual dollars	Purchasing power	Actual dollars	Purchasing power	Actual dollars	Purchasing power	Actual dollars	Purchasing power
1972	172, 279	172, 279	136, 090	136, 090	63, 582	63, 582	6, 167	6, 167	378, 118	378, 118
1973	194, 331	181, 110	148, 218	138, 134	66, 387	61, 870	7, 382	6, 880	416, 318	387, 994
1974	204, 073	172, 359	161, 897	136, 737	71, 744	60, 595	8, 206	6, 931	445, 920	376, 622
1975	215, 523	166, 170	181, 848	140, 207	79, 126	61, 007	8, 539	6, 584	485, 036	373, 968
1976	228, 935	166, 256	205, 981	149, 587	91, 805	66, 670	8, 839	6, 419	535, 560	388, 932
1977	241, 906	164, 450	220, 906	150, 174	93, 612	63, 638	11, 612	7, 894	568, 036	386, 156
1978 [2]	257, 562	163, 635	245, 638	156, 060	111, 019	70, 538	14, 787	9, 395	629, 006	399, 623
1979 [3]	263, 899	156, 710	270, 047	160, 360	119, 193	70, 780	14, 607	8, 674	667, 746	396, 524

[1] By use of implicit deflator for Government purchases of goods and services (U.S.Department of Commerce), 1972=100.

[2] Deflator estimated to increase 7 percent from fiscal year 1977 to fiscal year 1978.

[3] Deflator estimated to increase 8 percent from fiscal year 1978 to fiscal year 1979.●

OIL DEREGULATION

● **Mr. DOMENICI.** Mr. President, on the 21st of March, I made a statement as to my opinion regarding a practical oil energy program in the United States.

The Christian Science Monitor recently published an editorial which reiterates the major points I stressed. Namely, the challenge before us is to force conservation while boosting production without causing a shock to the economy.

Deregulation of oil is necessary not only to reduce consumption but to spur production.

The challenge will be in constructively averting a windfall bonanza to multinational oil companies with free enterprise restriction and at the same time using these funds to alleviate the effect on the poor who are hardest hit by increasing energy costs.

I request the accompanying article be printed in the RECORD in its entirety.

The article follows:

WHO'S GREEDY?

Let us first dispose of US Senator Henry Jackson's feisty outburst that the OPEC nations are "greedy." If he will pardon our mentioning it, the American public thinks the term is quite applicable to US oil companies and most people around the world, including the Europeans, believe it is the precise description for the habits of Americans. OPEC's latest oil price increase may be unpleasant for all of us but a sober look at the facts (again) rather than rhetorical name-calling is the more helpful course.

The blunt fact is that the United States still is consuming oil as if it were living in fairyland. With 5 percent of the world's population it uses 30 percent of the world's energy. Its consumption per million dollars of GNP, one scholar estimates, is 44 percent higher than that of West Germany, 74 percent higher than Japan, and 86 percent higher than France. And, while some modest progress has been made in curbing Americans' appetites, US oil imports this year will be 7 percent above the level last year. Thus the term "greedy" had best be avoided.

Washington is publicly miffed about the price rise (although the Wall Street market shot up because the increase was less than expected). But, from OPEC's view, there is short-term economic logic behind the move. With Iranian supplies curtailed and with prices being bid up on the spot market, the oil producers apparently see no reason why the profits should go to the middle men. They simply want to capture the windfall themselves.

Normally Saudi Arabia has effectively resisted unreasonable OPEC price increases; even in this case it warns that the surcharges which individual oil nations may impose on top of the base increase could destabilize the market. But there seems little doubt the Saudis used this early opportunity to indicate their and their Arab colleagues' unhappiness with US policy in the Middle East. The price increase cannot but be seen in part as a response to the Egyptian-Israeli treaty which, to the Arabs, falls far short of a just deal.

President Carter now confronts his next (though perennial) challenge: how to push through an energy program that toughly forces conservation while boosting production—and without causing a shock to the economy. Since probably nothing he will do will please everyone, he will have to display uncommon toughness to get the country moving on the energy front. But the nation seems poised for this. The American people already sense that $1-a-gallon gasoline is around the corner and even the US Congress now appears ready to go along with some form of oil price decontrol which the President apparently is considering.

Deregulation of oil prices is the way to go, in our opinion. One reason the US has consistently wasted so much energy is because much of the energy is not priced at its true cost to society. It is inevitable that these costs should rise to world market levels and the only questions now are: one, whether a sudden or a gradual deregulation would cause less economic trauma and two, how to distribute the price increase equitably. One merit of sudden decontrol is that the costly regulatory apparatus could be dismantled and prices would sooner reach their proper level, making economic planning easier and spurring energy production. But would this cause too great an inflationary shock? That needs to be carefully weighed.

In the matter of profits, however, it is already evident that a tax on windfall profits would be needed to avert a bonanza for the multinational oil companies and blunt public criticism. Consideration would also have to be given to alleviating the burden which huge price increases would have on lower-income groups. MIT economist Lester Thurow calculates that an energy price rise to world levels would result in a real-income loss of 3 percent to the richest 10 percent of American families; a loss of about 6 percent to the average family, and a whopping loss of almost 18 percent to the poorest 10 percent of families. A windfall profits tax could perhaps be used for a tax credit or reduction to those hardest hit.

In sum, it is hard to see how the US can much longer delay coming to grips with the energy dilemma without inviting further difficulties—from its Western allies, from the OPEC nations, and from the world.●

MARION COUNTY BANS STEEL LEGHOLD TRAP

● **Mr. BAYH.** Mr. President, on Monday, March 26, the city-county council of Indianapolis/Marion County, by the wide margin of 22 to 6, passed a resolution to ban the use of the steel leghold trap on public lands within the county limits. The city of Indianapolis banned this trap within its limits in 1973 so this was a logical extension of that action. I applaud the passage of the resolution and hope that other counties in my State and in other States will take similar steps in the immediate future.

Ever since 1972 I have introduced legislation to ban the use of the steel leghold trap. Although the Senate did not move on these bills in earlier years, I am hopeful that action will occur on S. 536 which I introduced this session. In 1975 the House Committee on Merchant Marine and Fisheries held hearings on the trapping question and an unusually large number of concerned persons from all over the country attended and participated. The ban on the use of the barbaric steel jaw trap in Marion County is a step toward ending the unnecessary cruelty inflicted upon the many animals who are sought for their furs or are caught accidentally in traps.

I would like to congratulate the many hard working citizens who brought this matter to the attention of the city-county council. Mrs. Barbara Dean and the many fine folks from the Marion County Humane Society worked through the legislative process to see their goal become a reality. Their concern for the unnecessary pain inflicted upon furbearers and the dogs, cats, and birds accidentally caught motivated their actions. Because of their dedication toward banning this trap, no child will inadvertently step into one of these cruel devices. Before the council's action, this was a very real possibility in so populated an area.

I again applaud the action of the city-county council and the concerned citizens that brought this matter to the attention of Marion County residents. At this point, Mr. President, I request that testimony and other pieces of information submitted to the city-county council be printed in the RECORD.

The material follows:

TESTIMONY OF BARBARA DEAN

I've been sending you lots of background material on trapping in general—which, I trust, you have absorbed every detail. But, now, it is necessary to mentally shift gears, so to speak, and consider the cruelty of the leg-hold trap, in relation to dogs, cats, birds, and other non-target animals. By non-target, I mean animals not meant to be captured for the value of their fur. Now—as someone once said—"I want to make one thing perfectly clear—We are not here to ban trapping . . ."

After I became involved in this trapping business, I received numerous calls about pets being injured and suffering great pain—being accidentally caught in leg-hold traps. At the present time, anyone can put a trap anywhere outside the old city limits—along Pleasant Run Parkway, White River, the Canal, Fall Creek—any open field or woods. You can see how dogs, cats and birds get caught. Dogs shouldn't be running free, of course, I agree. All of the Humane Society's tasks would be easier if that were true. But in fact, it isn't. Thousands run free—probably many of your neighbor's pets do.

Birds being caught in steel traps are another big part of the problem—song birds, owls, some scarce species—I hesitate to say "endangered" in Marion County, but certainly in the state, eagles and other species have been caught. Rarely can you save the birds, unless a Humane Society or veterinarian gets them in time. Cats very often have to be euthanized and many, many dogs lose a leg and not painlessly.

ANN FULTON'S TESTIMONY

Leg-hold traps subject all animals to intense suffering and I am very concerned about that—but, because people become attached to pets and feed and watch birds, *more* people are concerned with their suffering.

We should keep in mind a very important point—There is a state law against cruelty to animals. In the law, it is stated to *exclude* "hunting, fishing and trapping." Although I disagree with the exclusion of trapping, still it can be assumed that it means "wild animals" and cruelty to domestic pets constitutes cruelty. Just as shooting is permitted, we can assume it doesn't mean "hunting" dogs and cats except as predators. Since we're dealing primarily with pets in Marion County, the cruel leg-hold trap should be unlawful anyway.

One of the most important reasons I feel the Council should ban the leg-hold trap is—simply—a policy one. We have Uni-Gov, with its shared services throughout the County. (I am, of course, not including any of the excluded cities.) It seems logical and orderly to make as many rules and ordinances universal to all of Marion County, as possible.

I think it would make for easier enforcement, which, at best, is extremely difficult, because traps are not required to have any identification. This is like driving a car without a license plate! That is something I hope to get changed—with the Fish and Wildlife Department.

Probably the most important reason to ban leg-hold traps is the urban quality of most of Marion County and the close proximity in which we all live. Marion County is not quite, but almost, a city and becoming more so constantly. Which, of course, is diminishing the wild animal population, in itself—so domestic animals and birds are the real victims of trapping here! Obviously, this is taken care of in the 6 states in America and all 19 western European countries where the leg-hold traps has been abolished.

Another point I'd like for you to mark well in your minds is that trapping is not a useful tool for controlling rabies in Massachusetts, where the leg-hold trap has been banned—in 1978, there was *one* case of rabies—and that was a bat. Not even a case in skunks. Skunks and bats are the most frequent carriers of rabies. The National Academy of Science has issued a statement saying that trapping is of no value in the control of rabies.

I would like to present to you over 100 petitions—filled with names of the many residences who hope, as we do, that—after you have heard all the testimony—you will consider this carefully and agree and support this amendment.

I am probably more conservative than anyone here when it comes to limiting government interference and making regulations on our private lives. Even so, I feel the city and state levels are the best places to do what regulating has to be done. As you men know well, every month of the year, you are trying to make it possible for people to live in harmony—close together and this requires rules.

One question, always asked is, what to do about predators—the fox who gets in the chicken coop. Shooting is legal in Marion County and this is by far the best way to dispatch the predator.

Before I close, I would like to thank all of those supporters who came here tonight, at an inconvenient time, in rush hour traffic. I hope you won't have parking tickets and cold dinners!

Thank you all so very much—and we all thank you for your patience.

INDIANAPOLIS HUMANE SOCIETY

Mr. Chairman and Members of the Committee, my name is Kenneth Aldrich. I am Executive Director of the Indianapolis Humane Society. The Indianapolis Humane Society is a non-profit, non tax supported organization dedicated to the welfare of all the animals in Marion County. In 1978 we handled in excess of 17,000 animals. I think you will agree that this qualifies me to speak against trapping in Marion County.

Before you is Proposal #116, 1979 which amends Code Section 6–5 concerning the trapping of animals and birds to include the entire Consolidated County. Through our rescue service at the Indianapolis Humane Society and with the help of the citizens of Marion County, we have had a number of animals, fur-bearing, domestic and fowl brought to our shelter showing the incarceration and agony of leg-hold traps. The pain, the despair, the suffering these animals are subjected to reflect nothing more than man's desire to acquire wealth no matter at whose cost, or "just for the sport of it." This is more than one persons testimony, it is the plea of life from one being for another.

The Indianapolis Humane Society believes that to ban trapping in Marion County will not only stop this wasting of life, but will free us from the fear we may encounter when a child comes into contact with a trap. I think you will agree, this fear far outweighs all other fears.

I respectfully request a do pass recommendation by this committee.

QUESTIONS AND ANSWERS USED ON "NEWS WITNESS" TELEVISION SHOW

1. Question: We got calls and inquiries after the rebuttal by the trapper (Mr. John Hoyt, President of American Trapping Association) saying that the trap he used on television was a fake. Could you explain this and show us a trap? And just who are traps for, anyway?

Answer: Traps are for capturing fur-bearing animals, the object being to sell the pelt. Here is a steel leghold trap. Before demonstrating it, we'd like to give more background information. It is staked to the ground and baited. When the animal goes for the bait, he is caught by the leg. It instantly clamps tight, often breaking his leg. As he struggles, it tears the flesh, making the pain even more intense. He is held in the trap 'til the trapper returns to club him to death or stomp on his neck to strangle him or to shoot him. Aside from the pain, the animal experiences fear, terror, panic, frustration, exposure to the very elements animals normally seek cover from. He's at a disadvantage for predators, extremely cold, since trapping is always in winter, hunger, thirst, stress, etc.

2. Question: How do you know animals really object to being caught?

Answer: Very often the animal chews its leg off—only to bleed to death later. My veterinarian saw the rebuttal to your editorial and said that the trap shown couldn't have held the leg of any animal. The trapped animal often breaks his teeth trying to chew at the trap, and sometimes tears his tongue off on the frozen metal! It's not a pretty picture! Muskrats have it a little better since they are trapped underwater and drown before they can chew their legs off. They are not trapped under water for humane reasons—only because they would chew their legs so fast they would escape! If a trap is strong enough to hold an animal at all, it is bound to be extremely painful—and stressfull! Incidentally, pain perception is the same in all vertebrates. If you have a pet, you know animals feel pain just as we do. Trappers say they sometimes return to traps to find animals lying quietly, indicating they don't mind their suffering! Nonsense! They are exhausted from struggling! They also dig deep holes in an attempt to get free. No one—nothing—wants to be painfully and forcibly held!

3. Question: Do steel leg-hold traps have teeth? (Or I notice this trap does not have teeth.)

Answer: No—three years ago, trappers themselves banned them. To be more humane? No. Trappers said the teeth caused the animal's bones to break more raggedly—enabling it to chew its leg off easier and escape. No. 5. Also interesting to note, in a trapper's handbook I have, there are good hints on how to keep the blood off the fur, so it will be more saleable and valuable!

4. Question: I see lots of ladies in mink coats. Minks are raised on farms, or mink ranches, aren't they?

Answer: 60 percent of all mink are from wild mink. Farms are inhumane, too—as it is cruel to cage any animal for any length of time. Particularly his lifetime!

5. Question: What about excess population of animals? Don't we need to control it?

Answer: Studies have shown (I have documentation for this—and all other statements here today) that the muskrat populations, for example, are commonly several times greater in fall, than in spring and decline in the spring. These changes occur with or without trapping. Unless animals are trapped to the point of extinction, trapping as a means of population control, is ineffective. No. 14.

6. Question: How many animals are trapped annually?

Answer: A minimum of 13 million—Beavers, Lynx, Squirrels, Wolves, Fox, Muskrat, Raccoons. Add rabbits by the millions and millions of non-target animals. No. 1.

7. Question: What can be done? What is a humane method of trapping?

Answer: Quick-kill traps, which are, at least, quicker. It may not sound very humane, but remember the animal will be killed anyway and our concern is that he shouldn't suffer needlessly and endlessly. Quick-kill traps should be placed in trees, for tree-climbers, like raccoons, under-water for muskrats and beaver. Predators, coyotes and foxes should be shot.

Another humane trap is the line or box cage. This removes one dimension—the pain. The animal is still exposed to the fear, stress and elements, etc.

8. Question: Does this mean people can't use mousetraps? (If you ban steel leg-hold.)

Answer: Mousetraps are quick kill. The prototype of all traps. Almost always kills the mouse.

9. Question: Do any other states prohibit leg-hold traps?

Answer: 5 states in the United States and all European countries. There is legislation pending in Tennessee, Georgia, Oregon and many other states right now. And there are 4 bills in front of U.S. Congress at present time! No. 4.

10. Question: Is there a bill in the Indiana Legislature now?

Answer: There was—it died in Committee. Next year we'll be back, much better prepared. We've found that the very people who could help a lot are against us, because they get their revenue from licenses—Fish and Wildlife Department, Natural Resources Department, etc. The trappers do not contribute to research on finding more humane methods. Their money goes to increase habitat. (which is a necessary province) but only so the animals and birds will be more abundant—for more killing! It's a viscious circle—make more habitat, have more animals, so more can be killed! Taxes on the sale of pelts and fur coats go to state treasuries, but do not benefit wildlife in any way. So, whole issue there becomes political.

11. Question: Do you have any other immediate plans?

Answer: Yes—to completely ban trapping in Marion County. Dogs, cats, pets, children are being caught daily. (Read parts of Dr. Beery's statement on operating on child's hand.) I can't tell you how many calls I've had since getting involved in this. If you ask among your friends, you'll probably find more than one who have had a bad experience with a pet being accidentally captured. Some say pets shouldn't be allowed to run—I agree with that, but realistically, many do. And many hunters will testify to their bird dogs misfortunes in traps.

12. Question: Who would want trapping in a populated area like Marion County?

Answer: Anybody who traps—for extra pin money. There are traps set along Williams Creek and the River, for instance, near lovely homes—with, I'm sure, lovely pets in them! Trappers are lots of people, regular working people, farmers, anybody. Very, very few professionals in the U.S. and I'm sure, none in Marion County.

13. Question: Why are some people against a ban on trapping?

Answer: Because of money. Furs are very popular now. Pelts are bringing the highest prices, because furs are so fashionable now.

14. Question: Is trapping illegal in the city limits of Indianapolis?

Answer: Yes, since 1973, when the Humane Society of Indianapolis was successful in getting it banned. This is why, with Uni-Gov and so many joint city-county services, it seems logical and orderly to ban it in the county, too.

15. Question: (Directed to Barbara) What do you get out of working this hard?

Answer: Satisfaction and sleeping better at night! Certainly, no money! It is costing me personally, quite a bit and I won't accept money from the Humane Society, although they, of course, are supporting this. They need their money! It is worth my time and cost *if* it helps the animals suffering. We have *no* concern other than animal's welfare. I wonder why people get more excited about dogs and cats suffering, when all animals, wild or not, suffer equally—in leghold traps.

16. Question: What can viewers do to help—if they agree with you?

Answer: People can write or call the City-County Councilman from their district—sometime in the next few weeks. It only costs a 15¢ stamp. Call the City Clerk's office at 633-3877 to find out who your councilman is. If not that, just write to City-County Council. Tell them you think Marion County needs a trapping ordinance. Also, if you have had or know of a pet caught in a leg-hold trap, *please, please* write about that, too, to your Councilman. If possible, send a copy of your letter to the Indianapolis Humane Society also. In addition, write to your State Senator and Representative—for next year. They will still be in office.

Also watch newspaper for notice of hearing at City-County Building in next couple of months—then *appear* and make a good crowd for the animal's side!

LEG-HOLD TRAP INJURIES

In our three-man small animal practice, we see an average of three to five injury cases monthly in small animals (cats and dogs) due to leg hold traps. These injuries are usually limb injuries ranging from minor lacerations to compound fractures. In many cases extensive surgery is required; sometimes leading to amputation of a limb. It is our opinion in all cases that some degree of pain is inflicted either by the trap itself or self mutilation in an effort to escape the trap.

R. C. DUNCAN, DVM.

FEBRUARY 22, 1979.

To Members of the City-County Council for Indianapolis, Marion County:

Our cat Casey was caught in a game trap on Christmas Eve, 1977. She spent that cold night with her front leg crushed in the trap. She was released at eleven o'clock Christmas morning. As a result, she developed serious infection and our veterinarian advised amputation of the whole leg or she would die. Because Casey was clever, independent, a free spirit who loved climbing our trees and napping in the canoe which hangs in our garage, we could not relegate her to a life indoors; we had her put to sleep. I had come home from the hospital after surgery on that day of Christmas Eve and was hardly able to cope with such tragedy.

We live in a countryish area of Marion County near the river at 1314 East 72nd Street. We do have a few raccoons, rabbits, possums, chipmunks and squirrels. We have lots of moles and field mice, and a cat is the greatest solution to that problem.

We believe that trapping in Marion County should be forbidden by law. It is inhumane whether by a holding trap or the crushing variety, and, in terms of quantity of game, can certainly bring little of value to the trapper. Marauding dogs roaming free keep down any excess population of wild game in Marion County.

Game traps and hunting with guns should be abolished in Marion County. They are a menace to children, to pets and to the few wild animals left to us to enjoy in this increasingly populated area.

ANN C. FULTON.

U.S. DEPARTMENT OF AGRICULTURE,
AMERICAN EMBASSY,
London, March 14, 1979.

MRS. JOHN G. DEAN,
7550 Central Avenue,
Indianapolis, Ind.

DEAR MRS. DEAN: This is in repsonse to your letter of February 19 in which you ask about the trapping laws operative in the UK.

I wonder, first of all, if there is some misunderstanding about this country's fur industry. The UK does not export a great deal of fur except for sheep and lamb skins and a small amount of coypu (nutria) furs. In fact there is virtually no trapping or other form of slaughter practised in the UK for the sake of fur pelts. The most common indigenous predator is the fox which is hunted with hounds in the country districts or shot. There are quite a number of "farms" for the production of mink but the mink is not a native animal and when escapes occur, the animal's fur is then valueless because the food it manages to survive on is not suitable for good quality pelts. The other major pest is the rabbit and control of these is usually by shooting or gassing. The British Ministry of Agriculture, Fisheries and Food has provided us with a number of advisory leaflets for you on the control of pests including rabbits, coypus, rats and water voles. Also enclosed is a copy of the Spring Traps Approval Order 1975 which describes the traps which are permitted and the animals against which they may be used. Any trap which is not listed is not permitted.

Sincerely,

WILLIAM L. RODMAN,
Agricultural Attaché.

LEGHOLD TRAPPING—CASE REPORT AND MEDICAL ASPECTS

I am Dr. John Beary, a physician from Camp Springs, Maryland.

Thank you for the opportunity to speak today. I want to report a case involving one of my patients and I hope the information will be useful as you make your decision. The patient is a 4 year old right-handed girl who sustained a crush injury to her right hand as a result of getting it caught in a 2 leghold trap that had been set near her home. The injury caused disruption of the tendons in the three involved fingers necessitating reconstructive surgery. Her outlook for complete recovery is limited and she will likely always have impairment of fine motor skills in that hand.

I am told that proponents of the leghold trap often sit with one clamped on a finger for several minutes as a demonstration of its harmlessness. However this is a deception and is simply a bit of visual drama to mislead those unfamiliar with traps. I grew up on a farm and am familiar with the basics of trapping.

Newton's second law of motion (F–ma) states that a force is dependent on two things: 1. the resting mass of an object and 2. acceleration. Therefore, trap action should be considered in two phases: (1) The maximum force pulse which is generated at closing and (2) the static holding force which is applied for an average of 6 to 12 hours in animal trapping.

At hearings such as these you will always find someone willing to stick his hand in a trap. This is similar to those individuals in India who can lie on a bed of nails or walk on hot coals. . . . It is possible but not recommended.

Getting one's fingers caught in a trap is somewhat similar to slamming them in a car door. It hurts but it would rarely amputate them unles there is prolonged exposure to the injurious device. The leghold trap causes injuries which result in pain and disability. Key factors which influence the severity of the injury are (1) The size of the child or animal and (2) The length of time it is in the trap.

I doubt that the trappers arguments will be strong enough to convince one of you committee members to set off my No. 2 trap on your fingers and hold it there for even two hours.

DEMONSTRATE

(1) Passively generated holding force with a No. 2 trap (for a 15–20 pound animal)

(2) Actively generated closing force

The closing force plus some shearing force that is generated as the victims struggles to escape results in major soft tissue damage and sometimes bony damage as well. Nerves, arteries, and tendons are superficial structures in the extrembities and are very vulnerable to injury.

DEMONSTRATE

1. bone, 2. extensor tendon, 3. artery and 4. nerve

Aside from causing severe pain, the damaged structures are difficult to repair, particularly if associated skeletal fractures deprive the physician of a stable support for reconstruction.

I will comment on two other issues within my province which usually come up at trapping hearings. First is the claim that animals don't suffer. This is nonsense. The nervous system of animals is similar to that of humans. In fact, much of our knowledge of the human nervous system was derived from animal studies. Pain perception has the same purpose in all species i.e. avoidance of the agent causing pain if possible.

Second is the claim that trapping is necessary to control rabies. The National Academy of Sciences studied this question in 1973 and concluded that trapping was of no value. Massachusetts has had a ban on land use of the leghold trap for one year and the only reported cases of rabies have been in bats.

In conclusion, I recommend that you ban the use of these painful and dangerous traps.●

THE COMMITTEE ON ETHICS

● Mr. STEVENSON. Mr. President, a recent editorial in the Washington Star restores some balance to recent comments about the Ethics Committee's initial review of matters relating to former Senator Edward Brooke. I ask that it be printed in the RECORD.

The editorial follows:

THE ETHICS COMMITTEE AND MR. BROOKE

When a politician loses an election, there is a tendency all too often to look for a scapegoat. Former Sen. Edward Brooke has found one in the Senate Ethics Committee.

After a 10-month investigation, the committee decided that Mr. Brooke had violated Senate regulations, but that the violations were not serious enough to justify the "severe disciplinary action" specified in Senate rules—censure, expulsion or stripping of seniority. Since Mr. Brooke is no longer in the Senate, none of the sanctions could have been applied, anyway.

Mr. Brooke was quoted the other day as saying that the committee investigation had cost him his career. "The committee," he said, "is going to have to review its procedures. Presumably, anybody can say anything about a senator at any time, including just before an election, and thereby set off a damaging investigation."

Mr. Brooke's political career has indeed been ruined, which may be unfortunate because he was an able senator as well as a symbolic one in that he was the only black member of the Senate. But it was not the Senate Ethics Committee that did him in but rather his own messy divorce case, from which most of the allegations and a huge amount of publicity flowed.

It also ought to be pointed out that while the Ethics Committee cleared him on several allegations of misconduct, it did not exonerate him completely. It found that in a deposition in connection with the divorce case, he gave "false testimony" under oath regarding a loan he had made. Although he filed correct information on the loan with the Senate, the committee concluded that his false testimony elsewhere "reflects unfavorably on the United States Senate."

The committee also found that he failed to report several of his assets and liabilities as required by Senate rules, although the committee chalked most of this up to the "careless fashion in which the reports were prepared."

The timing of the allegations, coming during his campaign for re-election, were unfortunate for Mr. Brooke, but the Ethics Committee had no control over the timing of Mr. Brooke's divorce case or disclosure of his sworn testimony.

Whether Massachusetts voters were swayed one way or another by what the committee was doing is debatable. In any event, the committee's work cannot be guided by the possible effect its investigations may have on the careers of politicians.

We see no reason in the Brooke case for the committee to change its procedures. Its duty is to investigate allegations of impropriety by senators, and so it did. A committee can hardly be faulted for doing its duty.●

ITALY AND THE UNITED STATES: A STRATEGY OF COOPERATION

● Mr. PELL. Mr. President, our Ambassador to Italy, Richard N. Gardner, addressed the Industrialist Association of Brescia, Italy, on February 14 on the question of U.S. cooperation wth Italy in a number of areas.

Ambassador Gardner stated on that occasion that the essential spirit of the present period of Italian-American relations can be summed up in the phrase "the strategy of cooperation." He went on to provide details relating to 10 major areas of United States-Italian cooperation and to explain the importance of each to United States and Italian interests.

In view of the close ties that exist between the United States and Italy, I believe that my colleagues would find the information and views provided by Ambassador Gardner to be most interesting and useful. I, therefore, request that the full text of his remarks be printed in the RECORD.

The remarks follow:

ITALY AND THE UNITED STATES: A STRATEGY OF COOPERATION

Since my arrival in Italy as U.S. Ambassador I have often had the occasion to discover that our two countries are bound by very special and very profound ties. Your warm reception this evening provides an ideal framework for me to explain once again what I mean by special relations, and to illustrate the fundamental elements on which those relations are based: ties of friendship, culture, kinship and political alliance.

The relations between our two peoples have always been characterized by a particular warmth and affection. This is the tie of friendship.

In building our nation, we have benefitted from Italian civilization, wisdom and culture. We are indebted to Italy for its contribution to Western civilization, which after all would not have been possible without Italy. These are links that span the ocean, forming a framework of interests, values and principles which bind our destinies in common cause. This is the tie of culture.

If the United States is today a great nation, it is indebted to the more than twenty million Americans of Italian origin who have helped make it so. It was their labors, together with the labors of all other Americans, which took the best from the old and melded it with the best of the new.

In our difficult time of Watergate, for example, two great Italo-Americans, Congressman Peter Rodino and Judge John Sirica, played the key roles in defending our constitutional system. Today, Americans of Italian origin are playing an evergrowing role in our society—for example, Joseph Califano is our Secretary of Health, Education and Welfare; Angelo Giamatti is the President of Yale University; and there are 34 Italian-Americans in Congress. This is the tie of kinship.

In view of these ties, it is not at all surprising that Italy and the United States have joined in common cause with other like-minded nations to create the type of partnership which the NATO Alliance is, a model of its kind in the history of relations among nations.

There is full agreement between our two countries on the importance of the North Atlantic Alliance as an instrument which has guaranteed the security of its members, strengthened international stability, and enhanced confidence among nations. In this way NATO has encouraged detente and broader contacts among the peoples of the world.

The American government is well aware that Italy is a key member of NATO. While it is true that the military threat to the partners in the Alliance is directed primarily, and most immediately, at central Europe, the focus of the world's current economic and political difficulties has shifted more and more to the Middle East and Africa. Not only because of her geographic position, but also because she is economically the most advanced country in southern Europe, Italy inevitably possesses great influence throughout the Mediterranean region and adjacent areas. These circumstances give added scope and importance to Italy's contribution to NATO and to her role as interlocutor between the industrial world and the less developed countries of the southern hemisphere.

From what I have said, it should be clear that the United States attaches great importance to Italy. A strong, democratic Italy working closely with its like-minded allies and friends within the Atlantic framework is a primary interest of both our countries.

The essential spirit of the present period of Italian-American relations can be summed up in the phrase "the strategy of cooperation." We believe that actions speak louder than words and have, therefore, undertaken concrete programs that will provide tangible benefits to both our countries.

While we are cooperating in almost all fields, we are concentrating our efforts in ten sectors of particular importance to our two countries: energy health and environment labor and social security trade and investment taxation and corporate regulation agriculture law and the judiciary reciprocal language training and area studies exchange of leaders and scholars and a student loan program.

The list is too long to examine each program in detail but I would like to give you an idea of the kinds of activities that we are supporting. Many of the projects I will describe are new initiatives. Others are based on existing programs which have been strengthened or redirected. All concern crucial problems. All demand our best efforts.

ENERGY

Cooperation between Italy and the United States in the energy field is concentrated in five principal sectors: solar energy, coal, geothermal energy, conservation, and nuclear energy. The overall aim of our cooperation is to reduce the dependence of both countries on imported petroleum by developing indigenous energy resources, diversifying energy supplies, and conserving energy. A bilateral Italian-American Energy Working Group was formed in May 1975 to help promote cooperative projects, and a number of projects are underway or proposed.

In the field of solar energy, specific joint projects have been developed in the three areas: photovoltaic conversion, high-temperature thermal conversion systems, and low temperature applications such as storage systems, heating and cooling, passive design of buildings, and industrial process heat applications. The highest priority project is likely to be a field experiment using both photovoltaic and high-temperature thermal systems of matched electrical output. This experiment would allow a direct comparison of the ability of these two different systems to generate electricity for a remote village or cluster of farms at a site to be selected in Sicily, Sardinia, or Calabria.

The resources of private industry in both countries are also being tapped. The recent signing of an agreement between Solarex Corporation of America and Montedison for the production of photovoltaic panels in Italy using technology developed by Solarex is an example of the potential for fruitful joint ventures and licensing arrangements in this area.

After a recent visit of American coal technology experts, six major areas of possible cooperation in the field of coal have been identified. These include technical and economic analysis of Sardinian coal by Italian technicians in U.S. laboratories, techniques for disposal of coal fly ash, power plant operational procedures, research in fluidized bed combustion (a process by which pollution caused by the burning of coal is substantially reduced), development of a coal transhipment terminal, and study of U.S. solvent refined coal (which may be burned more efficiently) in Italian laboratories. These activities will help make more economical the exploitation of existing coal deposits in Italy.

In the sectors of geothermal energy and energy conservation, Italy is sharing its advanced capabilities with America. A joint data bank on geothermal energy resources is being created. FIAT has been awarded a contract by the U.S. Jet Propulsion Laboratory for a preliminary design study of a hybrid gasoline/electric vehicle. Two FIAT "Totems," devices that generate both heat and electricity, may be installed in a Department of Energy pilot project.

The United States Government is also cooperating with Italy in developing nuclear energy. As a result of a commitment made by President Carter to Prime Minister Andreotti in their July 1977 meeting in Washington, the U.S. Export-Import Bank has promised to consider favorably an Italian request for financing a substantial part of the Italian nuclear reactor program. The Export-Import Bank will also help in obtaining additional private financing from U.S. commercial sources.

Further, the two countries are cooperating in the vital field of reactor safety. Experts have recently held bilateral consultations on radioactive waste management and on the environmental problems arising from nuclear fuel reprocessing.

HEALTH AND ENVIRONMENT

The program of research grants and fellowships administered by the National Institutes of Health of the United States (NIH) has a thirty-year history of success. While the amount of the NIH grants decreased in the late 60s and early 70s, it is again on the upswing with a present commitment of over 2 million dollars annually. In fiscal year 1977, 44 younger Italian scientists won fellowships for advanced research training at NIH.

A program of 60 cooperative biomedical research projects administered by the U.S. National Science Foundation and the Italian Consiglio Nazionale delle Ricerche (CNR) covers a wide range of subjects, with particular emphasis on cancer therapy and immunochemistry.

An agreement signed in November 1977 by the Italian Minister of Health and the U.S. Secretary of Health, Education and Welfare created a program of cooperation in practical health matters to complement the existing research program. The 1977 Memorandum of Understanding specifically mentions the following areas: health aspects of environmental pollution; foods, especially the safety of additives and colorants; pharmaceuticals, prevention of heart disease; cancer; drug abuse; and biomedical communications. The program is to be implemented through coordinated scientific research, exchange of specialist delegations and information, discussions, scientific conferences and lectures.

LABOR AND SOCIAL SECURITY

In the area of labor, Italian-American cooperation has included government-to-government exchanges on problems such as youth employment and structural unemployment, and contacts between American unions and their Italian counterparts. In addition, the two countries have begun implementation of a pioneering agreement which eliminates double social security contributions and unifies credits for benefits.

Delegations of governmental experts have already been exchanged, and areas of interest have been identified. Italy will study U.S. experience in analyzing and predicting labor supply and demand, vocational training programs, and employment creation programs for youths, women, school dropouts, and other groups that usually have difficulty finding jobs. The United States will study Italian methods of assessing the effectiveness of teachers in youth training programs, and the techniques used in follow-up studies of these programs.

TRADE AND INVESTMENT

The $3.5 billion worth of goods which flow annually each way between the United States and Italy give the countries a natural basis for cooperation in trade and investment. Decisions in these fields are basically made by the private sector, and the role of the two governments is limited to offering facilitation and encouragement. Nevertheless, active intervention is sometimes helpful. One case in point was the successful effort to avoid American tariff increases on Italian shoe exports. Multilaterally, both countries will benefit by liberalized international trade, and cooperation between the two governments in the Tokyo Round of GATT trade negotiations has been of the closest sort.

The U.S. International Marketing Center in Milan is the focal point of efforts to make available to Italy information on high-technology products which Italian industry needs to maintain its world competitiveness. Events such as a forthcoming exhibit on energy system and a symposium on conservation technology contribute to development of the Italian technological base. The Embassy's commercial section works in close contact with the Italian Foreign Trade Institute (ICE), and the efforts of both institutions are important in the continuing growth of bilateral trade.

The accumulated U.S. investment in Italy is nearly $3 billion. Despite well-publicized Italian economic and public order problems in 1976 and 1977, the flow of new U.S. investment did not stop. In part, this was because the Embassy, in its contacts with American businessmen, helped put the situation, with its opportunities as well as its risks, into perspective.

During 1978, the picture brightened with the announcement of agreements between Boeing and Aeritalia for the joint development and production of major components of the B-767 wide-bodied commercial transport. This agreement, which over the next decade will bring thousands of jobs to the South of Italy and produce over a billion dollars worth of new exports, complements earlier Aeritalia co-production ventures with McDonnell-Douglas. In December, IBM announced a decision to invest $36 million to build a data-processing equipment plant at Santa Palomba south of Rome. The facility will bring 500 jobs to the employment-short Mezzogiorno region. High technology licensing agreements between U.S. and Italian firms also continue to grow.

In the field of defense, an agreement concluded in September 1978 opens many new possibilities for both countries. The new Memorandum of Understanding will enable Italian industry to compete for U.S. defense contracts to the benefit of both countries. Italian defense industries will gain new markets and the U.S. defense establishment will gain new sources for defense items it needs. The program of maintenance of U.S. Navy ships in Italian shipyards is another example of cooperation in the defense field. In the last four years alone, the U.S. Navy has spent $20 million for maintenance, and the program is expanding.

TAXATION AND CORPORATE REGULATION

Italy and the United States are exchanging information and experience in the fields of taxation and financial regulation of corporations. In the area of taxation, the two governments are concentrating on the use of computer technology, criteria for the selection of tax returns for audits, and compliance. In the field of financial regulation, members of the United States Securities and Exchange Commission have had discussions with commissioners of the Commissione Nazionale per le Socieleta' e la Borsa about the possibility of sharing experiences in security regulations in an effort to help Italy further develop its capital market.

AGRICULTURE

U.S.-Italian cooperative projects in the agricultural area have the overall objective of helping to increase the efficiency of Italian agriculture, particularly in the livestock production sector. This is aimed at assisting Italy in countering its animal, meat and livestock products trade deficit which has totaled over $5 billion annually in recent years. This objective is also of interest to the U.S. inasmuch as Italy typically imports more than half of its corn, soybeans and soybean meal from the U.S.

The bulk of the work is carried on under joint contracts between the U.S. Department of Agriculture and U.S. farmer-industry financed agricultural commodity trade associations such as the U.S. Feed Grains Council, the American Soybean Association and the American Holstein-Friesian Association. These in turn undertake specific, jointly-financed projects of direct interest to Italian farmers as well as agriculturally-related businesses and regional and national governmental and private organizations. Extensive use is made of highly specialized U.S. and foreign experts in such diverse areas as animal breeding, and management techniques. Some of activities undertaken in 1978 include:

(a) Beef feedlot and cow-calf demonstrations in the Po Valley aimed at decreasing Italian dependence on imports of young cattle for fattening (which totaled about 2 million head in 1978) by increasing the number of calves produced in Italy and by decreasing the unacceptably high mortality rate of both domestic and imported calves.

(b) The introduction of techniques in Umbria and the Marche to eliminate the high cost of drying corn by using properly ensiled moist corn in feeding swine.

(c) Supplying computer analyses and comparisons of feed and other input data collected by a select group of medium-sized swine breeders and feeders in Umbria.

In addition the Embassy's Attache assisted in arranging on-the-job farm training in the U.S. for 10 young Italian farmers in cooperation with the Coltivatori Diretti and the Confagricoltura and various U.S. agricultural organizations. The Attache also helped in arranging exchange visits of young Italian and American farmers under the International Farm Youth Exchange program which is sponsored by the American 4–H Clubs and the Italian Young Farmers Organization "3–P."

LAW AND THE JUDICIARY

This program of cooperation, now in its early planning stages, will bring together

Italian and American lawyers, law professors and judges for a discussion of three high-priority problems identified by Italian jurists: implementation within the next two years of Italy's new penal code with its novel element of avdersary trial process, improvement in the administration of the judicial system, and the functions of constitutional courts.

CULTURAL AND EDUCATIONAL EXCHANGE

Prime Minister Andreotti and President Carter, in one of their first meetings, agreed to a program in which Italy will help the United States to strengthen its programs of Italian language training and Italian studies in American high schools and universities, and the U.S. will contribute to improving English language and American studies programs in Italy. An agreement on this program has been reached and signed by HEW Secretary Califano and Education Minister Pedini and is already bearing fruit. In July of last year, 35 Italian teacher-training specialists travelled to the U.S. for an intensive 9-week specialized course in teaching methodology. They are now beginning to put their new knowledge into practice in training courses for "scuola media" teachers. We calculated that within a few years as many as 20,000 teachers may benefit from this program. Another seminar in the U.S. is planned for the coming summer.

EXCHANGE OF LEADERS AND SCHOLARS

I am also pleased that my government, in recognition of the vital importance of Italo-American relations, has agreed to reverse the trend of the last 20 years which has seen a reduction in the resources available for cultural and intellectual exchange. A 32% increase in funding will allow us to substantially inrcease the opportunities for rising young Italian leaders from various sectors to visit the U.S. for consultations with their American colleagues. Similarly, we hope in the future to be able to do much more in university exchange through the Fulbright program and we are undertaking a major effort to make American culture and history known to the Italian public. To this end we have already obtained a 40% increase in the American contribution to the Fulbright Commission's programs.

STUDENT LOAN FUND

I regret to report that the number of Italian students in the U.S. is lower, on a per capita basis, than from any other country of Western Europe. The scholarships granted by our two governments and by private sources are limited in number. This new program, which is now in the organizational phase, will insure the issuance of loans—not grants—to highly qualified university graduates who want to continue their studies in the U.S. in fields of particular interest to our two societies and who otherwise would not be able to face the heavy expenses.

I'm also very happy to report that the response of American and Italian banks and commercial firms to this idea, which has the personal support of Prime Minister Andreotti and President Carter, has been more than comforting. We hope—I think realistically—that approximately a dozen of the most important Italian financial institutions will agree to grant low-interest loans and that about 50 Italian and American companies will join together to constitute a subsidy fund to alleviate additional financing burdens for the students. As a result, we hope that at least 200 Italian students annually will be able to receive assistance to continue post-graduate studies in the U.S. starting in September 1980. An official announcement of this program will be made in the not too distant future.

These, then, are ten programs that form the heart of our Strategy of Cooperation. In very practical ways, they are helping our two countries strengthen their economies, educational systems, and democratic institutions. They are helping to demonstrate to the Italian and American peoples that our close relationship brings mutual benefits. Finally—and no less important in the long run—they are building new friendships and professional ties between a new generation of Italian and American leaders in business, the professions, science, and culture.

Relations between our two countries have endured for more than 200 years. This long friendship, however, should not lead us to rest on our laurels. We cannot take anything for granted. We should conduct ourselves in such a way that this history of fruitful cooperation will continue to develop and prosper.

And while working toward this end, we should not think simply in terms of our two governments, but rather in terms of our two peoples, united by ancient traditions, ties of friendship and an ever closer network of common interests.●

THE WASHINGTON METRO SYSTEM

● **Mr. McGOVERN.** Mr. President, the Senate is now being asked to consider a further Federal contribution to the Washington Metropolitan Area Transit Authority (Metro) under the provision of S. 828, presently under consideration by the Senate Committee on Governmental Affairs.

This new legislation is ambitious and costly. It calls for Federal contributions of $400 million each year from fiscal year 1982 to fiscal year 1985 for construction, Federal exposure of some $670 million on the retirement of the principal of revenue bonds previously issued and, beginning in fiscal year 1980 an annual Federal contribution of some $20 million until fiscal year 1987 to defray operating expenses that are in excess of anticipated revenues.

This bill envisions, then, Federal payments of about $2.5 billion for the Metro system. This is in addition to the approximately $2 billion in Federal loans, grants, and guarantees that were provided in the past—for a total Federal financial presence in Metro of about $4.5 billion for all phases of construction, debt retirement, and operational expenses. The close relationship of Metro to the Federal Government is brought into sharp focus as well, when we recognize that the new Metro general manager and his predecessor both came to their assignments from the U.S. Department of Transportation.

I personally feel that Metro has been good for the Washington area and will be even better when the system is finally completed. But, by the same token, we must recognize that the Federal share of this impressive project is more direct and perhaps more costly than the Federal Government's financial involvement in similar or related projects in other parts of the country. I would remind the Senate—that we are not just obligating area funds here—but moneys that have been raised by taxes collected throughout the country.

With that in mind, I want to surface my concern that the local support and commitment for Metro has a rather fragile base. The jurisdictions involved are not always marching to the same drum in terms of system contributions or end product projections of what Metro is expected to achieve.

Perhaps more importantly, however, has been the multijurisdictional failure to take appropriate steps to strongly encourage Metro use which will, in turn, reduce area reliance on the private automobile.

I must say that we in South Dakota have a selfish interest in seeing that this is done. If we can convince areas such as Washington to use the public transportation that our tax dollars are helping to build, maintain and operate—there may be more fuel for South Dakota and other rural States where the mass transit option is not available. But it is clear that left to his own devices—the average commuter is not going to abandon his normal pattern of going to and from work. He will not leave his automobile at home, unless he has a strong economic incentive to do so coupled with a convenient public transportation alternative.

It seems to me that before the Senate acts affirmatively on this legislation (S. 828) we have a right to question what steps, if any, Metro and the sponsoring jurisdictions are or will take to increase ridership and diminish individual reliance on private transportation.

I make no claim to being anything other than a casual observer of Metro; but some problems come immediately to mind:

First. It is very difficult for the potential rider or Washington visitor to obtain information on Metro. Even when the entrances are eventually discovered, the graphics are poor and confusing—and the fare card/add fare system would defeat an electronic engineer.

Second. The bus/Metro interface is not working as well as it should either in terms of transfer convenience, fare interchange or informational materials on how the entire system operates.

Third. The cost for Metro riders continues to increase to the point where it is actually cheaper to drive, with no corresponding increase in driving costs. There has been a reduction in commuter parking availability in the District—including the Federal Government's spaces. Those that remain, should be paid by users at full commercial rates.

Fourth. Metro must closely examine its outreach bus system to insure that commuter areas are properly served with convenient schedules.

Fifth. Metro must be able to make a convincing showing that the system will, over time, be able to generate sufficient revenues to meet its maintenance and operational costs. There must be a realistic plan that will accomplish this goal without having to come to the Federal Government year after year for this purpose. If the local jurisdictions and riders cannot support the system—then it is in deeper trouble than was initially perceived.

There are obviously other steps that can and should be taken to strongly encourage Washington area commuters to utilize the mass transit system that is already in place.

I very much hope to be able to support S. 828 when it clears the committee and is reported to the Senate for action. Whether those of us in rural States can support it, however, will depend to some extent on whether Metro can affirmatively address these and related concerns.●

NOMINATION OF DICK CLARK AS U.S. REFUGEE COORDINATOR

● Mr. PELL. Mr. President, I rise in support of the confirmation of a former colleague, Dick Clark of Iowa, to be Ambassador at Large and U.S. Coordinator for Refugee Affairs. As a member of the Foreign Relations Committee, Senator Clark exhibited great leadership and imagination as chairman of the Africa Subcommittee; and I am delighted that he has agreed to continue his career in public service by serving as U.S. Coordinator for Refugee Affairs.

The refugee situation throughout the world has become very serious, as I found out when I attended a United Nations Refuge Conference in Geneva last December as the Senate adviser to our delegation. I have been personally involved and interested in refugee affairs for many years. As the head of the European office of the International Rescue Committee that provided help to the Hungarian refugees in 1956, I know how important good organization is to an effective refugee program.

Currently many Federal Government agencies and private voluntary organizations are involved in aiding refugees. Within the Federal Government there has not, until now, been a central coordinating office to insure the development and execution of U.S. refugee policy. Such a mechanism has recently been created by President Carter, and he is to be commended for that action as well as for choosing Dick Clark to be the first head of this central coordinating office. I enthusiastically support the nomination of Dick Clark and urge my colleagues to join in confirming him today.●

SPACE PUTTING SPINOFFS TO WORK

● Mr. STEVENSON. Mr. President, in this time of frustration over the Government's inability to control inflation, it is heartening to discover evidence of governmental activity that brings real benefits to citizens as well as improving the productivity of the U.S. economy. I note the recent article, "Space: Putting Spinoffs to Work," by Patrick Ziska that appeared in the American Federationist, published by the AFL–CIO. Mr. Ziska, an associate editor of the Machinist, examines the economic benefits from space science and application projects and discusses how space strengthens the country's technology base and enhances our quality of life. Few, if any, Government activities yield such broad benefits without associated controversial or deleterious effects. Mr. Ziska's article is also valuable in that he, as a member of organized labor, perceives how the Space Shuttle and related applications programs will make space an extension of man's working environment to be used for industrial, commercial, economic, and exploration activities.

Mr. President, I ask that the text of Mr. Ziska's article, "Space: Putting Spinoffs to Work," be printed in the RECORD.

The article follows:

SPACE PUTTING SPINOFFS TO WORK

On July 20, 1969, humankind broke through the cocoon that had confined it to one planet for 4.5 million years. On that day we humans stopped being an earthbound colony and started becoming space-destined butterflies. On that day two Americans walked on the surface of the moon, while millions of other Americans watched with awe in their homes. And on that day the once wild fantasies of science fiction began being translated into the realities of practical science applied.

For many thousands of American workers, the moon walk was of special interest and unique pride. They and their skills had helped make the moment possible. Their contributions had demonstrated to even the skeptical that as the future becomes the present, science and craftsmanship have found a way to catch up with what had been space fiction.

In the years since that historic moon mission, America's fascination with the final frontier propelled space adventure into almost a second national pastime. For instance, interest in space fiction, which somehow seems to cease being fiction and start being fact with the passage of time, has made the movie Star Wars into the biggest box office attraction ever, grossing $220 million in its first year of release. The sale of Star Wars memorabilia such as T-shorts and bubble gum has grossed another $200 million. And when space fans are not watching such adventures, they are reading about them. This year Americans spent $45 million on space books, fact and fiction, compared with only $1.5 million in 1968.

While Americans have made space adventure a hobby, more than 100,000 workers have quietly nudged space technology from adventure to practical application. These workers, members of nearly every U.S. union, are part of the team that has brought us from Explorer I to the moon. Now these skilled workers are moving the nation closer to the final frontier with their work on space labs, space freighters and—sooner than many now believe—to space colonies.

In the first two decades of space technology since America's first satellite, Explorer I. went hurtling into space, this team has contributed both to the nation's economy and its technology.

Dr. Robert A. Frosch, administrator of the National Aeronautics and Space Administration (NASA), described some of the contributions of organized workers this way: "This is the team which took us from Sputnik to the moon in an incredible dozen years; which so precisely soft-landed the Viking spacecraft on Mars: which has dispatched the Pioneer and Voyager probes on their long planetary explorations; which created the High Energy Astronomy Satellites whose sensors are investigating the far universe; and which is developing the Space Transportation System, throwing the door to space wide open for the decade of the 1980s and beyond."

Frosch notes that NASA spends more than 80 percent of its budget on labor intensive contracts and current programs employ more than 100,000 workers.

But the jobs impact is only one factor in the nation's ongoing space program. Equally important is the maintenance of U.S. technological leadership in the world community. Space research also has helped improve the current generation of commercial aircraft for the nation's travellers and is laying the foundation for the more advanced planes now on the drawing board to replace a generation of aircraft growing old. This technology will enable aerospace companies to advance their technology to meet the needs of the nation's airlines for an estimated $75 billion in new planes in the next decade.

Besides these obvious benefits, thousands of indirect benefits from secondary applications of space technology occur.

These benefits, or spinoffs as they are called by NASA, range from simple conveniences to major systems that help solve critical problems. They can save the seriously ill from death. They include satellites which beam sports and cultural events from Europe to our homes. They include life-saving, two-way communications transmitting a heart attack victim's cardiogram from an ambulance to a hospital. NASA calls these spinoffs a "tale of technology twice told."

Space technology has been transferred to medicine, tansportation, public safety, energy and pollution solutions, construction, communications, industrial and agricultural processes, sports and recreation and to nearly every avenue of every day life.

And within these broad categories, there have been thousands of individual spinoffs.

Critics of the space program point out some of the more frivolous applications such as the crystal candy which when dissolved in water forms a gravity free beverage.

But they either ignore or are unaware of the many more serious spinoffs. In the field of medicine, space technology has provided life saving equipment aiding humanity from birth to brushes with death.

The technology developed primarily to heat faceplates for pressure units in space are now adapted and used in post-delivery care of infants born prematurely or with respiratory problems. Automated blood pressure measurement, another spinoff, enables untrained personnel to monitor ill relatives and friends. Space communications systems aid patients enroute to hospitals after heart attacks and other medical emergencies, saving vital time particularly when the scene of the emergency is remote from the hospital. Similar systems enable nurses to monitor large numbers of patients in intensive care units.

Heated transparency technology, originally developed for use on space vehicle faceplates and cockpit canopies, is now working to save burn patients discomfort and more serious complications. An important factor in burn treatment is keeping the patient warm to counter hypothermia, a state of low body temperature characteristic of burn patients. Sheets and blankets cannot be used and until the development of the special canopy, it was necessary to suspend coverings over hoops encircling the patient's bed. Even so, burn victims complained of cold. The problem involved more than discomfort Shivering uses up large amounts of energy needed to fight infection and renew damaged cells. The Apollo Radiant Warmer, an over-the-bed canopy, provides the warmth without the discomfort or danger of infection or unwanted weight loss caused by excessive shivering. The heat is provided by emitting uniform, controlled radiant heat to the patient.

Space technology applied to medicine is used in scores of other ways, to analyze X-ray films, in hearing aids and testers and in other areas of preventive, diagnostic and curative medicine.

Workers exposed to microwaves have a new tool to detect microwave radiation hazards. NASA technology has now made commercially available a new, inexpensive device to measure the radio emissions of extremely high frequency. Thus workers can determine if they are being exposed to more than the allowable threshold set by the Occupational Safety and Health Administration (OSHA).

Secondary applications of safety devices first used in space cover everything from fire detection equipment to heat resistant paint to life rafts which cannot be overturned. Because of safety features on manned spacecraft, homeowners, miners and other workers are enjoying sophisticated early-warning fire detection sensors. Space technology also provides other danger detectors including one to "read" carbon monoxide levels. It has also developed an instrument which protects against electrical shock in home and workplace.

Home protection is improved by yet another detector, this one to pinpoint an intruder. Still another space development with life-saving potential is the satellite search and rescue system, a method of monitoring and locating distress signals from downed aircraft or troubled ships. This package picks up beacon signals, measures their direction of source and relays it to a rescue coordination center.

Space scientists were not surprised by last year's water shortage on the West Coast. Landsat photos had shown the watershed inventory was dwindling well before it happened. Landsat is an earth survey satellite whose sensors detect light waves reflected from the earth. These waves are then translated into images that allow analysts to view the surface of the globe in new perspective. Large portions of the earth may be studied at one time and terrestrial features that cannot be seen by the human eye are studied for changes of earth conditions. Thus they can take watershed inventories, study changing ocean conditions and forecast conditions for shipping, fishing and oil industries. Such satellites can also foresee other changing earth conditions such as imminent earthquakes and warn of impending hurricanes and tornadoes. The list of applications in this area is lengthy and growing. It includes pollution detection, plotting changes in ecology after disasters such as forest fires and improving the accuracy of maps.

Space technology has also provided for a better leisure life. Fans of the Detroit Lions, for instance, do not worry about game day weather. Their Pontiac Stadium has a domed, air supported, fabric roof that admits light but protect the playing field and patrons from the elements. The 80,000-seat stadium is the world's largest fabric-covered structure, and aerospace technology played an important role in its construction. The Detroit "cover" cost $10 million and enabled the city to build its stadium for under $56 million compared with a cost of $168 million for the Superdome in New Orleans. The flame resistant, all-weather material used in Pontiac was a fabric adopted from Apollo astronauts' space suits.

Perhaps the most vital potential benefit from space technology is providing an energy deficient earth with electricity from the sun.

The key to making this proposal a reality is the solar power satellite. While other sources of energy—nuclear, coal and other fossil fuels—are being mined, the nation is looking toward the sun as a potential energy donor.

By harnessing its rays in space, and transforming this power into electricity useable on earth, the nation could tap a power as durable as humankind. The potential for accomplishing this feat is the solar satellite, a spacecraft the size of a small city. The satellite would be able to produce twice as much useable power as that generated by the nation's largest hydroelectric dam at Grand Coulee on the Columbia River in Washington state. Forty-five such satellites could match the present total electrical generating power of the nation. If they were in operation, oil, coal and their derivatives would be freed for other uses. As envisioned by space planners, the satellites would be deployed 22,000 miles above the earth's equator. They would work by transforming the sun's rays into electricity and convert this to microwaves which would be beamed to large antennas on earth. These antennas would reconvert this power, providing electricity for the nation's power grid.

Experts calculate that the initial cost of such a space powerhouse would be about $7.6 billion in 1974 dollars. Each subsequent satellite would cost less. The total investment could be repaid with about 60 satellites.

Before these satellites can be built and used, questions about ecology and practicality must be answered. Although many aerospace companies have studied the feasibility of solar satellites and offered plans on how to construct them, much research is still needed. That is why some AFL–CIO unions pushed for legislation in the 95th Congress to appropriate and authorize $25 million for research and development of a satellite system. Among the questions such research would have answered was whether the microwave transmission of energy could be accomplished safely. The bill passed the House, but died before the Senate could act on it. The same bill will be introduced in the 96th Congress.

Obviously, if research shows that satellites are economically and environmentally feasible, the next question would be where to build them. Such spacecraft, measured in miles rather than feet, cannot be launched like an Apollo mooncraft. The solar satellites would have to be constructed either in low earth orbit for later shipment to the higher orbit, or would be constructed directly at the higher orbit site.

Whichever way were chosen, a space freighter would have to convey the personnel and material. That's where the space shuttle would come in.

The development of the shuttle marks what many observers consider the second space era, less glamorous than the walk on the moon, but much more practical. The second space era has been likened to the discovery of the wheel. The era will highlight space transportation, leading to energy pumping satellites and space colonies.

The past two decades brought the feat of a man stepping on the moon as 500 million viewed it on television or listened on the radio. In the dawning second space era, man will transport laboratories, satellites and colonies (and their colonists) and many more millions will benefit.

In this way, the space industrial society will begin, marking what may be the most significant wonder in human history. The bridge that will carry us to this era is the space shuttle. Its first manned orbital flight is now less than a year away. The shuttle will carry a cargo or payload of 65,000 pounds. Its mission will be to deliver this payload into high earth orbit or into lunar or planetary trajectories.

This cargo will be carried in the shuttle's orbiter. The orbiter spacecraft is about the size of a DC 9 commercial jetliner. It weighs about 75 tons and measures 122 feet in length. The orbiter can carry, along with the cargo, a crew of seven, including scientific and technical personnel.

Because the orbiter will provide for a standard sea level atmosphere inside, any reasonably healthy space worker or other person can be a comfortable passenger. On the first missions, the orbiter will be able to remain in orbit for up to seven days. Then it will return to earth, be refurbished and be ready for another launch within 24 hours. Other shuttle components besides the orbiter are an external tank and two solid rocket boosters. The external tank contains the ascent propellant. Both the orbiter and the boosters are reuseable. The orbiter is good for at least 100 missions. The boosters, which burn in parallel with the orbiter's main propulsion system, are separated from the orbiter when the vehicle is about 24 miles high. Then the boosters are dropped by parachute into the ocean about 150 miles from the launch site at Kennedy Space Center. When the orbiter's mission of delivery to space satellites or maintenance of such satellites is finished, re-entry is made into earth's atmosphere. The orbiter is then landed with a horizontal approach and touchdown similar to that made by conventional aircraft. Workers are now swarming over the huge launch complex at Kennedy preparing for the next exciting chapter of space history. That launch is now scheduled for mid-September 1979.

The shuttle then will be more than just a space freighter. It will be used to retrieve payloads from orbit, to service and maintain satellites and to operate space laboratories. NASA officials also look toward the day when the shuttle will be carrying workers to space colonies.

As envisioned by Dr. Gerard K. O'Neill, professor of physics at Princeton, this could happen as early as the 1990s.

Several designs for permanent space stations already have been developed. One design calls for a station comprised of cylinder type modules. Eight of these modules joined together could accommodate a workforce of 50. One such module could easily fit into the cargo bay of the shuttle now being prepared for launch.

Our ability to put people into space and to maintain them there in good health began with the Apollo moon landing project. The Skylab project of the early 1970s extended the time limit for astronauts in space to three months.

According to O'Neill, the maintenance of life for "a time of as many months as would be necessary for a voyage to the asteroids, presents no problems which are new in principle."

The asteroids, thousands of small planets most lying between Mars and Jupiter, are rich in ores. If these asteroids could be mined, as futurists now propose, the earth could benefit with a 200-year supply of nickel and enough steel for many years.

Using the shuttle as the primary means of transpatial travel, much as the wagon trains were the first mode of trans-continental transport. O'Neill sees the possibility of traveling through space in "a tugboat and a string of barges. In space there is no drag," he says, "the tugboat would be needed only at the start and end of each trip, and during the long months of the orbit . . . could travel unmanned."

O'Neill also writes a scenario about a husband and wife living near the close of the 20th Century on a space colony. There they work and live, coming back to earth for periodic vacations.

In a "letter" back to friends on earth, O'Neill's space couple writes: "It's a comfortable life here. Fresh vegetables and fruit are in season all the time, because there are agricultural cylinders for each month of the year, each with its own day-length. We growth avocadoes and payas in our own garden, and never need to use insecticide sprays. Of course we like being able to get a suntan without ever being bitten by a mosquito. To be free of those pests, it's worth it to go through the inspections before getting aboard the shuttle from earth."

The fictional writer of the "letter" is a construction worker and his letter indicates that space colonies will have the same problems as earth communities. The need for space trade unions is apparent.

If, as O'Neill and many other space experts predict, workers will be living on space colonies by the year 2000, there may well be delegates from such exotic places as Space Colony Alpha at the 21st Century's first AFL–CIO Convention.

If that sounds farfetched in 1978, so did the concept of men walking on the moon when it was proposed 22 years ago.●

THE MYTHS OF NATIONAL SECURITY

● Mr. McGOVERN. Mr. President, the Senate will soon be debating next year's military budget and, most likely, the SALT II Treaty. The outcome of these debates may shape national security policies for the next decade. The irony may be, however, that even successful consideration of these important issues will not necessarily lead to greater security for our people. Whether the military budget is increased or lowered by a few billion dollars will not have much impact on the success of American foreign policy. Fluctuations in our military forces tend to be irrelevent to the short-term frustrations we seem to be facing in Iran, the Middle East, in Africa, and elsewhere. Similarly, the outcome of the SALT debate may be both a ratified treaty and continued escalation of the nuclear arms race since each side is likely to keep on building the weapons which most threaten the other side.

How have we arrived at this disturbing and unacceptable state of affairs in which the centerpieces of our national security policy actually may be increasing our insecurity? A large part of the answer is that in recent years our national security debate has focused almost exclusively on hardware issues and procurement priorities while the more fundamental policy issues of strategy, doctrine, the function of military power, and so on have been ignored. Dr. Richard Barnet has just published an incisive analysis of the major myths of national security—that is, the gaps between our old security policies and new world conditions. I hope that the budget and SALT debates in the coming months will generate this kind of deep rethinking so that we can come to grips with our serious dilemma, of how security policies are not making us more secure.

I submit Dr. Barnet's article, "Challenging Myths of National Security," from the New York Times Magazine of April 1, 1979, be printed in the RECORD.

The text of the article follows:

CHALLENGING THE MYTHS OF NATIONAL SECURITY

(By Richard J. Barnet)

National security is a modern incantation. As in any incantation the words have both power and mystery. In the name of national security, all things can be threatened. All risks can be taken. All sacrifices can be demanded. Break-ins, wiretaps, deception of Congress, assassination attempts on foreign leaders—indeed, the Watergate cover-up and the intervention in Vietnam—were all ordered in the name of national security.

The ultimate catchall term, it can mean anything the user chooses it to mean. Thus, while admirals believe that nuclear aircraft carriers are essential to national security, Air Force generals feel the money could be better spent on new bombers.

"National security" emerged in the nation's consciousness in 1947—the year of the National Security Act, which created the National Security Council and the "national security" justifications for a whole set of new institutions, from loyalty checks to covert intelligence operations. It does not seem to matter that at no time has there been a national debate on what constitutes national security or how it can be achieved.

By any measure—military vulnerability, economic strength, social stability, morale—the United States is a substantially less secure society than it was 30 years ago. In the 1940's, the United States alone had the atomic bomb; today, the United States can be utterly destroyed by Soviet nuclear weapons. We are now dependent upon foreign oil and other critical raw materials. Whole continents subject to American influence and control 30 years ago have become increasingly independent and have discovered that their interests do not necessarily coincide with ours.

And while the Carter Administration hopes to achieve national security through a projected military buildup over the next decade—to the tune of more than 1.5 trillion, on top of the close to $2 trillion we have already spent since 1945—Americans feel increasingly insecure. Older Americans are insecure about being able to pay their bills in their retirement years. Middle-class Americans feel squeezed by taxes and inflation. In the urban centers, Americans fear violence on the streets, in subways and buses, in their homes. A growing minority of Americans—some of whom have worked with the military establishment for a generation—fear that their children are likely to die in a nuclear war.

Nevertheless, those who decide on national security policy do not appear to recognize the radical changes that have taken place in America and throughout the world over the last few decades. These decision-makers are still operating along the lines of the cold-war strategists of the 40's and 50's, and national security still rests on three pillars: (1) maintaining a military "balance," that is, having more nuclear weapons and more advanced technology than the Soviet Union or anyone else; (2) maintaining alliances around the world that promise, or imply a promise that the United States will resist by force any changes in the status quo that would favor the Soviet Union, and (3) maintaining a worldwide presence through military bases, arms shipments, private investment, covert operations and, increasingly, private banks and multilateral lending institutions, such as the International Monetary Fund—the whole complex designed to keep as much of the world as possible respectful of American interests, hospitable to American investment, and available for the exploitation of natural resources.

Over the years, critics, myself included, have argued that disarmament and arms control provide a sounder basis for security than an unending arms race; that a Hitler-like bid to conquer Europe (which our military establishment is primarily designed to repel) is not the most likely threat to national security. These critics have proposed that it is in the long-term interests of the United States to share more power and wealth with developing countries, to encourage a greater range of social and economic experimentation in the third world, and even to help create an international environment in which they might succeed.

Every President has, in one way or another, echoed the words of John F. Kennedy: "Mankind must put an end to the arms race, or the arms race will put an end to man." Why then does the arms race continue? It enjoys the support of powerful political and economic forces in both the United States and the Soviet Union. Millions of bureaucrats in and out of military uniform go to the office every day to build nuclear weapons or to plan nuclear war. Millions of workers depend on the system of nuclear terrorism for their jobs. Undergirding the military-industrial complex, of course, is the conviction that peace requires preparation for war, that leaders are too sensible to start a war in a world armed to its teeth.

For 30 years, catchwords ("The Russians only understand strength"), historical analogies ("the culture of appeasement") and appeals to elemental fear ("The Russians are coming") have been used in public discussions of national security. A reasoned discussion of the options available to the United States has been shunned because it would expose the astounding myths that guide our national-security policy.

The first myth is the Myth of Defense. The moment we eliminated the Department of War and acquired a Department of Defense we began deceiving ourselves. The Pentagon is still quite capable of waging war, but several years ago it lost the ability to defend the nation. *There is no defense,* if we use the word "defense" to mean "protection" or "warding off an attack."

The Soviet Union has about 4,000 nuclear weapons capable of being dropped on or hurled at the United States, about 150 of them deployed at any one time on submarines at sea (That the United States maintains more efficient submarines with some 3,000 nuclear weapons capable of striking the Soviet Union does not make this country any more defensible.) A decade ago, Secretary of Defense Robert S. McNamara stated that 100 nuclear weapons falling on the United States or the Soviet Union would kill at least 35 million people and destroy almost two-thirds of the industrial capacity of either nation.

In 1972, the United States and the Soviet Union concluded, after each had spent billions on research and development, that an effective antiballistic missile system could not be built. Fallout shelters might increase the number of survivors of a nuclear attack and swell that part of the population fated to die a lingering death from radiation, but "civil defense" is a misnomer—the population cannot be protected. The leaders of the United States and the Soviet Union acknowledge, on occasion, that a civil-defense race will not fundamentally change this reality.

Proponents of the arms race are marketing the fantasy that a resolute people rising from irradiated ashes can survive and even triumph over the rest of the smoking world. Since the beginning of the nuclear age, the military has consistently underestimated even low-level radiation hazards and ignored the ecological and social catastrophe that would follow a nuclear exchange. Senator Richard Russell once voiced the fervent prayer that an American Adam and Eve would rise from the rubble to start the Free World all over again.

It is not difficult to understand why we base our national-security policy on nostalgia rather than reason. The power of the modern nation state that appeared some 400 years ago has been based on its warmaking capacity. The international order was determined by which nation could impose its will on the others in a contest of arms. It made a substantial difference whether Germany or France had more troops, whether Britain had more dreadnoughts than Germany. But even before the dawn of the nuclear age, the destructiveness and expense of warfare had grown to such a point that victory on the battlefield was a hollow triumph. Britain exhausted itself "winning' World War I, and the sun set forever on the British Empire after it repeated the triumph almost 30 years later. The nations defeated in World War II, Germany and Japan, have done better than the victors. When we contemplate nuclear war, we reach back for historical analogies from simpler times and fall into the trap of thinking about stockpiles of city-destroying bombs as if they were a protection, like a wall.

The second myth is the Myth of Deterrence. Policymakers make promises about "defending" the country, but all they mean is that they are trying to deter an attack. Protection in a nuclear age is not so much physical as psychological. MAD, the ghoulish acronym for "mutual assured destruction," is the Pentagon's name for the balance of terror. According to the theory of deterrence, the billions spent on nuclear weapons are designed to frighten the Soviet leaders into acceptable behavior, to keep them from launching or threatening to launch a nuclear attack on us or our allies.

The two atomic bombs that were dropped on Hiroshima and Nagasaki were used as weapons of war; it was only after the cold war began that the United States began to assemble a nuclear arsenal. As the bombs came off the assembly lines at the rate of about three a day, they were justified as necessary instruments of peace.

The problem, as the nuclear theorists see it, is how to dissuade political leaders from seeking the fruits of war through nuclear blackmail. Although there are countless "scenarios" for an outbreak of nuclear war, they boil down to two standard nightmares. In the first, the Kremlin leaders decide that war with the United States is inevitable and that the most favorable moment to launch it has arrived. They estimate their casualties to be somewhere between 10 million and 50 million, decide that running a world with the United States out of the way is worth it, and push the button. In the second nightmare, the Soviet Union amasses an overwhelming nuclear striking force and then delivers an ultimatum to the United States and its allies: Get out of Africa! Take your troops out of Europe! Stop giving honorary degrees to Solzhenitsyn!

We harbor these nightmares even though Soviet leaders have been quite circumspect about issuing threats against the West. It is true that in the last 1950's Nikita Khrushchev resorted to the politics of bluff and warned the British and French at the time of the Suez invasion that "the missiles would fly." But Soviet politicians generally are a sober, conservative lot. They are not slow to use military force when the results are reasonably predictable, as in the Czech invasion of 1968, and they are increasingly willing to project their military power far from their shores, as in Africa, but they are not adventurers when it comes to risking the Soviet homeland. Nevertheless, the specter of the Soviet leader waiting by the button until the computer predicts an "acceptable" casualty level is a convenient Pentagon fantasy to support an unending arms race.

In the world of war games, the "decision-makers" are always in command of their "options," but in the real world things do not work that way. Public opinion is one constraint that limits the options of American leaders. To gain public acceptance of large military expenditures, our leaders must be able to point to an enemy who is at once dangerous and evil. It is a familiar cycle, and a dangerous one. At the start of the Cuban missile crisis of 1962, Robert F. Kennedy reminded his brother, the President, that he would be impeached if he did not take firm military action. John F. Kennedy and Khrushchev were, as the Soviet premier put it in an almost hysterical cable at the height of the crisis, like two tightrope walkers. The trapped feeling of being on an uncontrollable course jumps out of the memoirs of the participants in the events of that fateful week. Nuclear war by design has become implausible in a world of overkill, but nuclear war by miscalculation is a frighteningly real possibility.

In recent years, the deterrence system is rapidly becoming less and less of a deterrent. Both sides are procuring "war-fighting" nuclear technology—missiles designed to destroy missiles; more accurate warheads; improved guidance systems; devices that will permit much greater control over the size, timing and type of explosions; better data processing and targeting capabilities.

There are developments in the offing that could upset the balance of terror—charged particle beams, interceptor satellites and advanced technologies that could affect the survivability of submarines. These are all in the early research stage, but the very existence of research and development programs is destabilizing, for they create an edgy military environment in which military planners think seriously about hair-trigger responses. In maintaining a precarious peace through deterrence, therefore, the risks inevitably increase and the margin for error steadily narrows.

The Myth of Military Power—that the United States can control political and economic developments around the world by a projection of massive military might across the planet—is the third element of our national-security strategy. Most of the military budget is spent in support of these "general purpose forces," especially the divisions in Europe. It was once true that the United States could exert its influence far from its shores through military and paramilitary operations. Until the Vietnam War, in fact, we carried out such operations on an average of once every 18 months—in Iran, Guatemala, Indonesia, Lebanon, Laos, Cuba, the Congo, British Guiana, the Dominican Republic and Vietnam. But the gunboat diplomacy in modern dress that characterized the first postwar generation has become an anachronism. The huge array of U.S. military hardware in Iran did not keep the oil flowing.

Anti-colonial nationalist consciousness in the world is now sufficiently strong—a majority of contemporary nation states were, until recent times, colonies—to make an American military intervention unacceptable almost anywhere. A generation ago, it was enough to wave the banner of anti-Communism to gain support of most of the non-Socialist nations, even from some of those that called themselves "non-aligned." But that was a time of large U.S. aid programs and an American dominance of the world economy, a dominance that is now gone. Today, there is no anti-Communist consensus. While there is little enthusiasm for the Soviet Union, few countries still see the United States as the sheriff of the world and the Soviet Union, the outlaws.

Furthermore, the complexity and volatility of politics throughout most of the world make it extremely unlikely that traditional U.S. military and paramilitary interventions can succeed. When, as in Indochina, complex political forces deeply rooted in the local society are in motion, military intervention can be neither quick nor decisive.

Intervention by proxy—funneling arms to our allies—is likely to be no more successful than was the massive military support of the French in Indochina in the early 1950's. The "allies" invariably have too many conflicting interests, and the risks are too great that the United States would be drawn into an ever-increasing commitment of arms, then advisers, and finally troops.

The network of bases the United States maintains at enormous cost is becoming obsolete. The forward bases surrounding the Soviet Union were established as launching points for a nuclear attack on the Soviet Union, but in an age of long-range bombers and the ICBM, these are no longer necessary. Rather, they are the worst sort of military "asset" because they are provocative and vulnerable at the same time, as recent events in Iran have shown.

Many of the bases in the third world were established in order to exert local influence. They, too, worked in the past but now have less and less meaning. For years, the United States had a base in Ethiopia; we have nothing to show for it today. The former U.S. military base at Cam Ranh Bay, one of the most strategically situated natural ports in the Western Pacific, was built by the United States for $145 million; the Carter Administration is now concerned that the Soviet Union might establish a naval facility there. Indeed, some remaining U.S. bases give local governments more influence over U.S. policy than the other way around. To protect Clark Air Force Base in the Philippines, for example, the U.S. Government must appease President Ferdinand Marcos, one of the more flagrant violators of human rights in office today.

Economy is the fourth myth. It holds that high levels of military spending do not damage the economy but serve, instead, as a necessary stimulus. This theory did not always have the currency it has today. The budget cutters of the Eisenhower Administration, including the President, believed that deficits caused by building aircraft carriers and maintaining extra divisions were just as harmful to the economy as big welfare budgets. But the military Keynesians prevailed in the late 1950's. Spending money on the military was as good a way as any to pump cash into the economy and to stimulate demand. Furthermore, no other spending in the public sector was politically so acceptable.

Is military spending good or bad for the economy? After 30 years we have some answers: In the short run, military spending is good for the economy—if you can't think of a better way to invest huge amounts of capital and to employ large numbers of people. In the long run, however, such a program has a disastrous effect on the economy.

Since the Korean War, periodic cuts in military spending have regularly been followed by recessions. At the height of the Korean War, the United States was spending 13 percent of the Gross National Product on the military; by the late 1950's, the proportion was down to 9 percent and we were in a recession. Because of the great increase in the G.N.P., the military share never again rose above 9 percent—even at the height of the Vietnam War. But when President Nixon cut it to about 6 percent in 1973, we went into another recession. In the last two years, according to the Department of Defense, more than 200,000 defense-related jobs have been added as a result of Pentagon procurement programs.

Military spending is a peculiarly inefficient way to create jobs. Defense contracts purchase the services of those who are the most employable on the civilian market—high-technology engineers, systems managers and skilled workers. The technology is capital-intensive, so that the number of jobs created for a given investment compares unfavorably with almost any other kind of project. Several studies have calculated that $1 billion spent on such national needs as environmental control, alternative energy development or mass transport would yield a far greater number of jobs than $1 billion spent on military programs.

It is true that military research and development have produced a "fallout" in the civilian economy. Boeing was able to produce the 707 jetliner as a direct outgrowth of its Pentagon-financed development of the KC-135 tanker. Indeed, assistance from the Pentagon was important in giving American corporations their technological lead over European corporations in the early postwar years. But direct support of technological innovation is cheaper and more efficient than indirect support through military programs, for the technologies usually do not overlap.

Escalating military budgets have made it possible to give us inflation and unemployment at the same time. There is no identifiable single cause for either phenomenon, but the crucial role of military spending cannot be ignored. The heavy procurement of military goods contributes to inflation in several ways. Weapons systems use scarce resources, especially certain skills in short supply, but they are nonproductive in that they do not produce good for civilian use. When employment rates are high, as in the Vietnam War years, the annual injection of $50 billion or so into the economy has the effect of raising demand in the civilian sector without providing a comparable increase in the production of civilian goods. Prices therefore go up. In the war years from 1965 to 1969, the inflation rate more than tripled.

According to Lloyd Dumas, professor of industrial and management engineering at Columbia University, the Government's preempting of somewhere between one-third and one-half of all engineers and scientists in the United States for military research and development has had "serious long-term effects on the health of the civilian economy." American producers of heavy machinery and a variety of high-technology civilian products—including chemicals, electronic equipment and shipbuilding—have run into stiff competition from Germany, Japan and other industrialized countries that do not have a heavy military burden to bear and have been able to concentrate their innovative talent on the civilian market. In some cases, American firms have been compelled to buy foreign technology; in others, they have simply lost out to the foreign competition.

Finally, there is another connection between high military costs and our deepening economic woes. Between 1960 and 1970 the cumulative balance-of-payments deficit was $35 billion, and U.S. military expenditures abroad accounted for 86.6 percent of that figure. For a long time, the balance-of-payments deficit caused no problems for the United States because Europe and Japan agreed to accept U.S. Treasury bills, rather than gold, in settlement of our payments deficit. But by the early 1970's the dollar, having been officially devalued, began to slide. European and Japanese central banks no longer agreed to maintain a huge line of credit to the United States, and shifted to yen, marks and other strong currencies.

The effect was to raise the cost of imported goods in the United States, notably massive quantities of imported oil, and to worsen inflation in the United States. Because of inflation, social services became much more expensive, and with the rise of taxpayer resistance, many of those services were cut. That further reduced the attractiveness of major cities to large industry and contributed to the exodus of jobs from the United States.

Mounting evidence appears to confirm what common sense would suggest: A country which, year after year, spends more than $100 billion annually to support a bureaucracy of four million people who produce nothing, and which buys hundreds of thousands of machines that make nothing is not on the road to prosperity.

One hundred nations will know how to acquire nuclear weapons. Whether or not America will achieve national security in the true sense of the words will depend upon how quickly it can adjust to the realities of a new age. Societies die when they fail to adapt rapidly enough to the changes around them. In a violent and unstable world, it is not easy to design a national-security policy that will help preserve and develop democracy at home while promoting a world economy in which American prosperity can be maintained. The starting point is to examine and then to reject myths which may have brought us comfort in the past but which are threatening to destroy us.

The arms talks started from the premise that the nuclear arms race could be controlled instead of ended. But the only hope of reversing the arms race is to make it clear that both sides intend to stop and to begin a real process of arms reduction. We could begin such a process by negotiating an agreement with the Soviet Union to stop all new nuclear weapons systems, to pursue more aggressively the reduction of conventional forces in Europe, and to open discussions, as Leonid Brezhnev has proposed, on a reduction of Soviet intermediate-range missiles and other nuclear forces in Europe.

Nuclear terrorism, like slavery in the last century, is an evil system that cries out for abolition. Progress toward arms reduction with the Soviet Union could give us many times the security we now have—at a fraction of the cost.

A real confrontation with the perils of the arms race and the myths that undergird it would require the following:

Setting as a serious political goal the ending of the nuclear arms race.

Developing a comprehensive staged disarmament program.

Reducing unnecessary, wasteful and provocative military forces as an independent national-security policy.

Establishing a moratorium on weapons-testing and nuclear tests.

Creating a National Commission on Conversion, with local branches in every community now affected by significant military production, to apply our wasted resources to the creation of constructive job opportunities and to meet basic human needs in the United States and abroad.●

SENATORS DOMENICI AND SCHMITT SAY "NO" TO A DEPARTMENT OF NATURAL RESOURCES

● Mr. TALMADGE. Mr. President, I submit the following editorial from the Albuquerque Journal to be printed in the Record:

Don't Move Forest Service

On paper, President Carter's proposal to form a new Department of Natural Resources with components from three other departments would appear to have merit. The West, however, is certain to regard such a reorganization with suspicion.

The president has proposed moving the U.S. Forest Service from the Department of Agriculture and the National Oceanic and Atmospheric Administration from the Department of Commerce into a new department that would consist largely of the present Department of Interior.

The administration claims the proposal would eliminate bureaucratic overlap and save taxpayer money. It would have an initial budget of $7.3 billion and would employ 89,000 persons. The administration claims it would save $100 million and 2,000 jobs (through attrition) in the first two years.

The administration also claims that the proposal would resolve jurisdictional disputes between the Forest Service and Interior's Bureau of Land Management, which often manage adjacent public lands.

Another administration claim is that users such as timber companies and cattlemen who often have trouble meeting the different requirements of the two agencies now would be better served by the DNR.

Sixteen western senators, including New Mexico Senators Pete Domenici and Harrison Schmitt, are opposed to the reorganization plans. Among other reasons, the western senators say members were not consulted about the plan which will affect their states. They also argue no useful purpose will be served by moving government employees around. They say that if the basic problem is with laws on the books, the laws should be amended rather than shuffling the agencies and personnel around.

The timber industry reportedly is alarmed at the prospect of the Forest Service, which manages public forest areas used by loggers, being moved out of Agriculture. They fear the new department would be too preservationist.

The history of the Department of Interior in dealing with the nation's natural resources has been marked by scandal and mismanagement. Changing the name of the department and adding two more important agencies to it seems unlikely to improve either the image or the performance.

Before a Department of Natural Resources will be acceptable in the West as a replacement for the Forest Service and the Department of Interior, the Carter administration will need to demonstrate that the new department will be able to do a better job than is being done now.●

CATTLE RAISERS SAY "NO" TO A DEPARTMENT OF NATURAL RESOURCES

● Mr. TALMADGE. Mr. President, I submit a resolution by the Texas and Southwestern Cattle Raisers Association, which opposes the creation of a Department of Natural Resources, to be printed in the Record.

The resolution follows:

Resolution

Whereas, agriculture, as the most basic and necessary industry in the United States or any other nation, deserves full and strengthened cabinet level status in our government.

Now, therefore be it resolved that Texas and Southwestern Cattle Raisers Association strongly opposes reorganization proposals that would transfer the U.S. Forest Service and other agencies to the Department of Interior and recommends that the Bureau of Land Management be transferred to U.S.D.A. to improve its technical capability and combine all land management related agencies in one department.

Adopted at the 102d Annual Convention of Texas and Southwestern Cattle Raisers Association, March 13, 1979, Houston, Tex.●

THE NATIONAL ASSOCIATION OF COUNTIES SAYS "NO" TO A REORGANIZATION OF THE FARMERS HOME ADMINISTRATION

● Mr. TALMADGE. Mr. President, one of the elements of the President's efforts to reorganize the Federal Government deals with moving the business and industrial loan program from the Farmers Home Administration to the Commerce Department.

Such a move would, of course, violate the spirit of the Rural Development Act of 1972, which made the important point that industrial and business development must go hand-in-hand with building better communities.

I request that the following resolution by the National Association of Counties, which opposes the transfer of the program, be printed in the Record.

The resolution follows:

Resolution No. 1: Rural Development Reorganization

Whereas, The Department of Agriculture bears primary responsibility for many important functions and services impacting on the well being of our nation's rural counties; and

Whereas, These programs provide crucial assistance for the rural development activities of county governments; and

Whereas, The programs of the Department of Agriculture also include protection for farmers, the conservation and enhancement of our renewable resources, protection, safety and wholesomeness of the nation's food supply, and enhancement of the nutritional well being of all Americans through research education, and food distribution; and

Whereas, A strong and vigorous agriculture and abundant food supply is essential to the welfare of the nation; and

Whereas, The counties and people of rural America regard the Department of Agriculture as their prime source of advocacy and assistance; and

Whereas, The proposed transfer of the $1.1 Billion Business and Industrial Loan Program out of FmHA would reduce its rural development loan authority by close to 50%; and

Whereas, This transfer would significantly curtail the ability of FmHA to continue its broad range of services to rural communities; and

Whereas, Our Nation's rural counties are in strong need of the services and programs provided by the Department and the Farmers Home Administration;

Therefore, be it Resolved, The National Association of Counties urges:

The strength and vitality of the Department of Agriculture be assured as vital to the economic well being and existence of the nation's rural counties;

The Department of Agriculture and Farmers Home Administration aggressively implement its responsibilities and fulfill its mandate to assist the nation's rural areas;

The Business and Industrial Loan Program be preserved within the Farmers Home Administration.

Adopted by NACo Rural Affairs Committee Sunday, March 11, 1979.●

AUBURN UNIVERSITY OFFICIAL SAYS "NO" TO A DEPARTMENT OF NATURAL RESOURCES

● Mr. TALMADGE. Mr. President, I submit a letter I have received from the chairman of the Department of Forestry at Auburn University be printed in the RECORD.

AUBURN UNIVERSITY,
DEPARTMENT OF FORESTRY,
March 26, 1979.

Senator HERMAN TALMADGE,
Russell Building,
Washington, D.C.

DEAR SENATOR TALMADGE: The purpose of this letter is to express my strong opposition, personally and professionally, to the President's proposed transfer of the U.S. Forest Service to a new Department of Natural Resources. This proposal seems to be based on purely political motives. I can see no way in which such a move would strengthen the federal forestry programs. In fact, I can see a number of ways in which federal forestry assistance to rural Americans would be weakened. I hope you will do everything possible to reverse this proposal when it comes to the Congress.

Very truly yours,

EMMETT F. THOMPSON,
Department Head.●

GEORGIA FARM BUREAU FEDERATION SAYS "NO" TO A DEPARTMENT OF NATURAL RESOURCES

● Mr. TALMADGE. Mr. President, I request that a wire I have received from the Georgia Farm Bureau Federation be printed in the RECORD.

[A Farm Bureau Speedline message]

GEORGIA FARM BUREAU FEDERATION,
Macon, Ga., March 27, 1979.

Hon. HERMAN E. TALMADGE,
U.S. Senate,
Washington, D.C.

DEAR HERMAN: President Carter has announced his intention to create a Department of Natural Resources. This proposal would transfer the U.S. Forest Service, all functions of the Department of Interior, and the National Oceanographic Atmospheric Administration to a new Department of Natural Resources. Farm Bureau feels that this is the first step in an effort to dismantle the U.S. Department of Agriculture as a Cabinet-level agency. We oppose any reorganization plan that would transfer any responsibility of USDA to any other agency.

Sincerely,

ROBERT L. NASH,
President.●

ENTIRE NORTH CAROLINA CONGRESSIONAL DELEGATION SAY "NO" TO A DEPARTMENT OF NATURAL RESOURCES

● Mr. TALMADGE. Mr. President, I submit a letter to President Carter from all members of the North Carolina congressional delegation be printed in the RECORD.

CONGRESS OF THE UNITED STATES,
Washington, D.C., March 23, 1979.

Hon. JAMES E. CARTER,
President, The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The North Carolina Delegation would like to voice its unanimous opposition to your announced plans to consolidate Federal natural resource programs into a renamed Department of Interior. While we strongly endorse your efforts to improve the efficiency and effectiveness of the Federal Government, it seems the opposite effect will more likely be the result of removing the Forest Service from the Department of Agriculture.

The Forest Service is a working partner with sister agencies in Agriculture. Its State and Private Forestry, National Forest System, and Research arms are integral parts of the coordinated agricultural and forestry services routinely available to landowners. These activities support a network of technical and financial programs which are implemented locally by the Cooperative Extension Service, the Soil Conservation Service, the Farmers Home Administration, the Agricultural Stabilization and Conservation Service and State Foresters, each being a necessary link to the chain which provides for America's food and fiber needs. This network of services extends to every county in the United States and to virtually every interested citizen.

This partnership is particularly important when one considers forestry is inextricably tied to American agriculture. The bigger share, 60% of the commercial forest land in America, is held in small, non-industrial, private ownerships—largely farm woodlots. Early on, this relationship between farms and forests was recognized by the Congress who gave national leadership for both agriculture and forestry to USDA.

The three arms of the Forest Service, State and Private Forestry, Research, and the National Forest System, are most complementary to this relationship, each contributing a share. Through its State and Private Forestry cooperative programs, the Forest Service works closely with the fifty State Foresters, funding authorized programs, assisting the States in organizational management, land use planning, rural development, and statewide inventories of forest resources. Additionally, State and Private Forestry is the focal point and the National catalyst for technology transfer to forestland owners and managers.

Management of the 187 million acre National Forest System produces more than a fourth of our timber output, is home for 50% of America's big game animals, accommodates more than half of all recreation visits on federal lands, protects the headwaters of the nation's major river systems, and provides abundant grazing for livestock.

These highly productive forests and rangelands are frequently intermingled with privately-owned farms and forests, and the goods and services produced from both the public and private sectors must be carefully integrated at local and regional levels if stable viable economies are to result. Only USDA has the rural development responsibilities and the in-place talents necessary to coordinate these complex needs. Disrupting this process would be counter-productive.

The National Forests are also the proving grounds for new forest management approaches, and are the heart of the Research Program with its network of research forests. In addition to direct research conducted by Forest Service scientists, this arm of the Service administers research funds and grants made available to land grant colleges and others to explore problems associated with Forestry. State and Private Forestry, with the lead role for Forest Service technology transfer, then works with timber organizations and individuals to develop pilot research application programs, and to move proven research results back through the system directly to users.

Attesting to the effectiveness of USDA programs, is the almost total lack of support shown by the agricultural and forestry communities for the proposed reorganization effort. Obviously, the USDA's well developed, integrated programs for agriculture and forestry are meeting the needs of the individuals, the industries, and the state and local governments served.

It would seem, if the intent is to build on "centers of excellence" as noted by the Reorganization Committee, the wiser decision would be to move BLM from Interior to Agriculture and place it under the wing of the Forest Service which certainly has earned that badge. This then, would bring the "multiple-use" natural resource lands under one agency.

"Single-purpose" lands would remain in Interior, and the healthy competitive differences regarding public land policies would be retained. The differing philosophies that have existed between Interior and Agriculture should be viewed as constructive, as they offer the public greater voice in the running of government. This healthy competition was pointed out by Senators McGovern and Dole in recent remarks before the Senate on the proposed reorganization, when they noted:

"General Motors, which I think we will agree has had some business success, is organized along competitive lines. The Oldsmobile Division competes with the Buick Division, which compete with the Chevrolet Division, for customers of automobiles. This organizational success, and others like it, would seem to indicate that—while there is a definite need to streamline the Government and eliminate excessive overlap of functions—there is something to be said for having agencies compete with one another. A merging of agencies on a purely functional basis could certainly lead to departmental complacency and bureaucratic laxity. If you have the only store in town, it is easy to forget about customer services."

We echo and endorse this philosophy.

Re-creating the capabilities already well developed in USDA in a new Department of Natural Resources seems both duplicative and wasteful. It would not eliminate any part of the present USDA delivery system, which would continue to serve agricultural and forestry needs, but your reorganizational proposal would necessitate another agency having to develop a new infrastructure to facilitate interacting with this existing system. The result would surely be a reduction in effectiveness, as it would have to work without the close kinship of sister agencies.

We implore you to reconsider your plans to disrupt the functions of USDA, an enormously effective and well-respected leader in American government. Rather, we encourage you to strengthen the existing system building upon the proven capabilities of USDA and the Forest Service.

Very truly yours,

Senator Jesse Helms, Rep. L. H. Fountain, Rep. Walter B. Jones, Rep. Charles Rose, Rep. Ike Andrews, Rep. W. G. Hefner, Rep. Lamar Gudger, Senator Robert Morgan, Rep. James T. Broyhill, Rep. Richardson Preyer, Rep. James G. Martin, Rep. Stephen L. Neal, Rep. Charles O. Whitley.●

GEORGIA SCHOOL OF FOREST RESOURCES SAYS "NO" TO A DEPARTMENT OF NATURAL RESOURCES

● Mr. **TALMADGE.** Mr. President, I request that the following mailgram to me from the Dean of the School of Forest Resources at the University of Georgia, Dr. Allyn M. Harrick, be printed in the RECORD.

[Mailgram]

SCHOOL OF FOREST RESOURCES,
Athens, Ga., March 29, 1979.

Sen. HERMAN TALMADGE,
Russell Senate Office Building.,
Washington, D.C.

Please understand that the faculty and supporters of the School of Forest Resources at the University of Georgia are strongly opposed to the movement of the U.S. Forest Service out of the Department of Agriculture to a new "interior-dominated Department of Natural Resources. Your support of this position will be important to Georgia and the entire country.

ALLYN M. HERRICK,
School of Forest Resources.●

DO NOT REPEAL THE CARRYOVER BASIS RULE

● Mr. **KENNEDY.** Mr. President, as Members of the Senate are aware, an effort is underway to repeal the "carryover basis" rule adopted as part of the Tax Reform Act of 1976.

I believe that such repeal would be extremely unwise, and I urge members of the Senate to oppose the current effort.

The "carryover basis" rule was adopted in 1976 as the first serious effort by Congress to close what was then the most notorious loophole in the Internal Revenue Code—the failure to tax gains in the value of property transferred at death.

Enactment of the carryover basis reform was part of an agreement of the Senate-House conferees in 1976, under which a large increase in the estate tax exemption (from $60,000 to the present $175,000) are also enacted. Now, the champions of wealthy interest groups are seeking to go back on the 1976 agreement, by repealing the carryover basis reform and restoring the old tax loophole—but retaining the large estate tax exemption.

I am opposed to a return to the old rules that provided a permanent income tax exemption for gains in property transferred at death. President Carter has stated that no bill is veto proof that includes a repeal of the carryover basis reform. I strongly support the President's position on this critical issue of tax justice.

Repeal of carryover basis would be a $1 billion a year tax giveaway to the richest individuals in the Nation. If Congress has a billion dollars a year to spend there are far higher priorities than additional tax subsidies for the wealthiest Americans.

Mr. President, I submit for the RECORD a series of questions and answers that set forth the issues involved and reasons for opposing the repeal of the carryover basis reform. I urge all members of the Senate to reject the effort to reinstate what, prior to 1976, was rightfully called "the worst loophole in the Internal Revenue Code."

The questions and answers involved follow:

CARRYOVER BASIS—QUESTIONS AND ANSWERS

1. What is "basis"?

It is a technical term in the tax laws that is used in measuring gain in the value of assets like stock, real estate, and other property. In general, the basis of an asset is equal to its cost, although adjustments are often made in the basis, such as to reflect deductions for depreciation.

If a person buys shares of stock for $100,000 and sells them for $150,000, the basis for the stock is $100,000. The taxable capital gain resulting from the sale is equal to the selling price minus the basis, or $50,000. The basis of the stock for the new owner is $150,000.

2. What is "carryover basis"?

It is a shorthand description for one method by which the basis of an asset is determined when the property is transferred by gift or by death to another person, and the property is later sold. In general, two rules are theoretically possible:

The new owner of the property retains ("carries over") the basis of the original owner; or

The new owner gets a new ("stepped-up") basis, equal to the value of the property at the time of the transfer.

In general, carryover basis is used in the tax law where a transfer of property is tax free. A stepped-up basis is usually available only when the transfer is taxed (as in the case of the sale in Question 1).

3. What was the rule for assets transferred at death prior to the 1976 Act?

The basis of the asset was stepped-up to fair market value, even though the transfer was not taxed. As a result, the entire gain that accrued while the owner held the asset during his life was permanently exempted from income tax. For example, assume that the original owner had purchased an asset for $10,000, and that it was worth $100,000 at his death. If his heirs then sold the asset for $110,000, under the old law, there would have been a taxable gain of only $10,000 ($110,000–$100,000); the remaining $90,000 of gain was tax free.

4. Why did the 1976 Act repeal the rule for a step-up in basis at death?

The stepped-up basis rule had three major problems:

Tax Equity: A person who could afford to hold appreciated property until death could transfer that property to his heirs free of income tax. On the other hand, a person who built up an amount of property through savings from wages and salaries could only pass on to his heirs the amount of property left over after paying income taxes. As a result, the tax laws contained a serious discrimination against ordinary taxpayers and in favor of wealthy persons who could afford to live on dividends and other income from appreciating property they never had to sell.

The step-up rule involved only a relatively small number of extremely wealthy taxpayers, but incredible tax savings were possible. The Treasury, for example, has documented four recent cases involving amounts of tax-free appreciation ranging from $1.8 million to $6.6 million.

Lock-in: Because the tax exemption was available only if the asset was held until death, elderly people had a strong tax incentive to hold on to their appreciated property, even though from an economic or a financial planning standpoint, it would have been preferable to sell the property and re-invest the proceeds in other assets.

Distribution of Revenue Loss: The exemption for gains at death produced an annual revenue loss of some $8 billion, over two-thirds of which went to the 1.4% of taxpayers with the highest incomes in the country.

5. What did the 1976 Act do?

The step-up in basis exemption was replaced with the carryover basis rule. Thus, in the example in Question 3, the heirs would take as their basis the $10,000 cost of the property. The full $100,000 of gain would be taxed when the property was sold.

6: Is carryover basis a new idea?

No. Carryover basis has been the rule for property transferred by lifetime gifts since 1921. If A buys stock for $10,000, gives it to B when it is worth $100,000, and B sells it for $110,000, then B's basis is $10,000 and he pays tax on the entire gain of $100,000. That is current law. The 1976 Act merely extended this rule to gifts transferred at death.

7. Isn't carryover basis inherently unworkable?

No. It has worked smoothly and without any discernible difficulty in the case of lifetime gifts for 58 years. The question is, why are tax lawyers, trust officers and accountants apparently so befuddled by a tax rule that has been around for six decades? After all, the amount of gifts involving carryover basis has been substantial. For example, in the four years 1959, 1961, 1963 and 1966 (the most recent years for which data are available) the following total amounts of carryover basis gifts were made:

	Billion
Corporate stock	$6.0
Real Estate	1.6
Bonds	0.3
Other Property	1.0
Total	8.9

That is a lot of property for tax lawyers and trust officers to have handled without being able, as they now profess, to work with the tax rules on carryover basis.

It is estimated that about $5–6 billion of the above gifts were made in trusts. So, contrary to the impression being heavily lobbied today, the trust officers of the American Bankers Association do know how to apply carryover basis rules.

Of course, it is true that in the years cited, substantial estate tax savings were made possible by gifts. Perhaps for the ABA, carryover basis is workable when a tax saving is involved, but unworkable when it may bring a tax increase.

8. Doesn't carryover basis impose excessive record-keeping burdens?

Obviously, cost records must be kept, just as they have had to be maintained for gifts of property made over the past 58 years. But the special transition rules adopted by Congress in 1976 eliminated the record-keeping problem for existing assets since these assets get a step-up in basis to reflect gains through 1976 (the so-called "fresh start" provision). Those who acquire assets in the future are on notice that records must be kept. The courts with some regularity send tax evaders to jail in cases involving failure to keep adequate records; that failure can hardly be used to justify a tax exemption.

Moreover, those who seek to repeal carryover basis are in many cases the same members of Congress who are advocating that the basis of capital assets be adjusted for inflation. But the inflation adjustment can work only if the identical records are maintained which these opponents of carryover basis say cannot be kept. Senators who advocate both inflation adjustments for capital gains and the repeal of carryover basis are adopting a position that is inherently inconsistent.

9. Isn't carryover basis too complex?

Not with the "clean up" simplifications that have been developed by the Treasury, working with members of the legal and accounting professions. The Treasury, for example, has suggested that the level of the exemption from the carryover basis rule be increased from the $60,000 figure in the 1976 Act to $175,000. This change alone would take all estates below $175,000 out from under the rule. The Finance Committee has only just begun to consider the change and the many other suggestions involved in the "clean up" package.

Moreover, it must be remembered that much of the complexity arises from adjustments demanded by lobbyists. If these taxpayer relief adjustments were dropped—and they are generally not present in the carryover basis provisions for lifetime gifts—the rule would be quite simple indeed.

10. Isn't carryover basis unfair to family farms, small business persons, and others who are not "rich," but who hold property with huge appreciation and who may be forced to sell it?

No. The carryover basis rule does not require the sale of any property. The rule itself imposes no income tax on the gain in value at the time of death. It applies only *if* the property is later sold for other reasons.

The question of estate tax liability is a separate issue. It is unlikely that such property will have to be sold to pay the estate tax; the 1976 Act enacted rules providing special relief to owners of farms and small businesses. If the experience under the 1976 Act indicates that additional relief may be needed here, the issue should be considered further by Congress.

11. Won't carryover basis produce additional stress on fiduciaries in handling estates?

Tax issues are no different in nature from other issues that fiduciaries have been handling for years. Indeed, some trust officers and tax lawyers have even become famous by writing articles on "post mortem" estate planning—the development of highly sophisticated techniques by which fiduciaries can reduce income and estate taxes *after* death. Carryover basis will be a factor to consider in this planning, but so was stepped-up basis prior to the 1976 Act. And the fiduciaries are extremely well paid for their efforts in such planning.

12. Won't carryover basis exacerbate the lock-in problem?

No. A better solution to the lock-in problem would be to tax gains at death in full. Carryover basis is an acceptable, but second best, solution, and it alleviates the lock-in pressure on the original owner of an appreciated asset.

Moreover, repeal of carryover basis would be inconsistent with the actions that Congress took on capital gains in the Revenue Act of 1978, Capitol gain rates were reduced in 1978 to "unlock" capital assets and encourage sales by reducing the bite of the capital gains tax. Reintroduction of a step-up in basis at death would increase the lock-in by encouraging persons to hold assets until death. It would thus undermine what the 1978 Act was supposed to have accomplished for capital gains.

13. What revenues are involved?

Because of the "fresh start" provision, which means that gains accruing only since 1976 will be taxed, the revenue effects are small at the beginning, but gradually rise to $1 billion a year.

A major irony of the current budget-busting repeal effort is that its strongest advocates are those who have been among the strongest supporters in the Senate of balanced budget amendments.

14. Hasn't Congress just provided large amounts of tax relief for capital gain?

Yes. In the Revenue Act of 1978, passed last October, Congress enacted a major reduction in the rate of tax on capital gains, worth $2.2 billion in fiscal year 1980. Repeal of carryover basis would add another $1 billion a year to this exclusive kitty.

15. Doesn't this mean that death is being treated as a tax loophole?

Under the pre-1976 law, death *was* a tax loophole—and a very lucrative one—for large numbers of wealthy taxpayers, as well as for the huge industry of lawyers, trust officers, and financial advisers that has sprung up around them.

In a play by Paddy Chayefsky, the hero is told by his adviser that he has used all but one of the available tax shelters, and that the only thing left for him to do, if he wishes to do more, is to die.

16. Is there a compaign financing "connection" on this issue?

"Bank PAC," the political action committee of the American Bankers Association, contributed a total of $207,675 to 232 Senate and House candidates in the 1978 elections, or an average of $895 per candidate Bank PAC was the tenth largest contributor to the 1978 elections among all political action committees in the FEC's category of "Trade/Membership/Health" committees.●

DEATH OF DR. LELAND J. HAWORTH

● Mr. MATHIAS. Mr. President, for many years I have listened with respect to the voice of Dr. Leland J. Haworth, one of our country's foremost physicists. Dr. Haworth died on March 5, 1979 and I would like to share with my colleagues an account of his many achievements. He was perhaps best known for his role in developing the Brookhaven National Laboratory into one of the world's finest research facilities for high energy physics. He was its director for 13 years. The laboratory, of course, was established as a research center for peacetime application of nuclear energy. The Laboratory well earned its international reputation and Dr. Haworth must be credited in large measure. I submit for the Record a March 6, 1979 New York Times obituary on Dr. Haworth which recollects his many accomplishments:

LELAND HAWORTH DIES; PHYSICIST WAS A BROOKHAVEN LAB DIRECTOR

(By Thomas W. Ennis)

Dr. Leland J. Haworth, a physicist who had a leading role in the development of the Brookhaven National Laboratory in Upton, L.I., and was its director for 13 years, died yesterday at St. Charles Hospital in Port Jefferson, L.I. He was 74 years old. His home was in Belle Terre. Port Jefferson.

Dr. Haworth also was a former director of the National Science Foundation and was a member of the Atomic Energy Commission in the Kennedy Administration.

He was director from 1948 to 1961 of the Brookhaven laboratory, which was established by the Government in 1946 as a research center in nuclear energy for peacetime application. It is one of the world's leading scientific research centers, especially in high-energy physics.

Dr. Haworth was also chairman of the accelerator development group at Brookhaven, working on new and more powerful machines used in nuclear research, and was known as the man who brought the "big machines" to Brookhaven.

EXPANDED LAB FACILITIES

Many of the major facilities that gave Brookhaven international renown were designed and put into operation under Dr. Haworth's direction. Among them were a graphite research reactor that was the first nuclear reactor designed for peace-time research; a cosmotron that was the first particle accelerator to achieve proton energies of more than one billion electron volts; and an alternating gradient synchrotron, for many years the world's most powerful accelerator and still among the more productive accelerators in high-energy research.

Dr. Haworth left Brookhaven in 1961, when he was appointed by President Kennedy to the Atomic Energy Commission. While a member of the commission, he became a powerful figure who combined his scientific prestige and political acumen to fashion a sphere of influence that extended from the White House to the commission staff.

His scientific and administrative experience led to Dr. Haworth's appointment in 1963 as director of the National Science Foundation, a Federal agency, established in 1950, that is the Government's principal backer of basic research.

A spokesman for the foundation said yesterday that Dr. Haworth had brought the foundation to maturity while guiding the development of a program that increased the number of high-quality research institutions across the country. He also directed the foundation's efforts to link fundamental science to applied science and technology.

RETURNED TO LAB IN 1969

When he left the foundation in 1969, Dr. Haworth returned to Associated Universities Inc., a nonprofit organization of Eastern universities that operates the Brookhaven laboratory for the Government. He became special assistant to Dr. Gerald F. Tape, president of the operating organization. Dr. Haworth had been vice president of A.U.I., as it is known, from 1951 to 1960, while serving as the laboratory's director, and its president from 1960 to 1961. He retired from A.U.I. in 1975.

Leland John Haworth was born in Flint, Mich., where his mother's family lived, and was raised in West Newton, Ind. His father was a professor of history at Butler University in Indianapolis.

Dr. Haworth began his career as a high-school physics teacher in Indianapolis. He had received a bachelor's degree in 1925 and a master's degree in 1926 from Indiana University, and a doctorate in physics from the University of Wisconsin in 1931. He was an instructor at that university from 1930 to 1937. During his graduate work and until 1934, Dr. Haworth conducted research in solid state physics, specializing in the surface structure of metals. He switched to nuclear physics in 1934.

A FELLOW AT M.I.T.

In 1937, he was appointed a Labor Fellow in Physical Chemistry at the Massachusetts Institute of Technology. In 1938, he was appointed associate professor of physics at the University of Illinois and became a full professor there in 1944. In 1941, Dr. Haworth, on a leave of absence from the University of Illinois, joined the staff of M.I.T.'s technology radiation laboratory, which was developing microwave radar for use in World War II. He returned to Illinois in 1946, and in 1947 joined the Brookhaven Laboratory as assistant director in charge of special projects.

Dr. Haworth is survived by his wife, the former Irene Benik, and two children from his marriage to Barbara Mottier, who died in 1961, Barbara J. Beck of Daytona Beach, Fla., and John J. Haworth of Attleboro, Mass., four grandchildren, and a sister, Anna R. Wallace of Bloomington, Ind. There will be no funeral service. A memorial service is being planned.●

S. 250—FULL ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT

● Mr. BOREN. Mr. President, I am today joining my colleagues, Senator Thurmond and Senator Percy, in cosponsoring S. 250, which will elevate the office of Deputy Assistant Secretary of Labor for Veterans' Employment to that of a full Assistant Secretary.

In 1976, when the Senate passed the Veterans' Education and Employment Assistance Act, section 601 contained a provision calling for the appointment of a full Assistant Secretary. However, through the process of negotiation, the position was down-graded to that of a Deputy Assistant Secretary.

Congress intended that the Deputy Assistant Secretary should have direct access to the Secretary of Labor to advise him on the aspects of veterans' employment. In reality, the Deputy Assistant Secretary has been unable to function as an adviser to the Secretary of Labor on budget and policy decisions because the position was placed so low in the bureaucratic structure.

As a result, the Department of Labor has been unable to effectively implement and administer the laws which were intended by Congress to improve employment services to the veterans, especially the disabled and the Vietnam era veterans.

The very nature and importance of the many laws affecting employment of veterans fully justifies a spokesman for nearly 30 million veterans at the highest policy level within the Department of Labor.

It would seem logical that if Congress mandates a variety of laws to remedy veterans' employment, they should also create a position that is influential enough to deal effectively with policy spokesmen in other governmental departments and to have full responsibility for program planning, including funds and utilization of personnel. The inability of the Deputy Assistant Secretary to have input in the Department of Labor's budget has created problems with fully implementing congressionally mandated requirements dealing with veterans unemployment.

With the appointment of an Assistant Secretary of Labor for Veterans' Employment, steps can be taken to help those who have faithfully served our country in the Armed Services, especially in the areas of disabled and minority veterans where the unemployment rate has been as high as 40 percent.

Mr. President, I appreciate this opportunity to join as a cosponsor of S. 250 with my colleagues and fully support these efforts at helping our unemployed veterans.●

ROSE MARY CURRAN, COMMUNITY ACTIVIST

● Mr. HEINZ. Mr. President, the Steel Valley chapter of the NAACP in Pennsylvania will honor Miss Rose Mary Curran on April 20 at their third annual human rights banquet.

Miss Curran will receive the NAACP Humanitarian Award by unanimous decision of the awards committee for her outstanding contributions to her community over the past 50 years.

Miss Curran studied education at the Indiana Normal School (now known as Indiana State University) and received her B.A. in education from Duquesne University in Pittsburgh in 1949. She taught in the Homestead public school system for many years, and retired in 1964. She lives with her invalid sister Rita in Homestead, Pa., and in addition to supervising her sister's care is an active member of her community. Among her many community services are her church activities, including teaching catechism classes and arranging ladies guild programs at St. Mary Magdalene Church.

The NAACP Humanitarian Award will be given to publicly acknowledge her contributions to her community and her efforts to advance and improve the self-image of black students in her classes. The award notes that "Rose Mary Curran believes and practices the brotherhood of man every day of her life." In giving her this award the black community of Homestead is expressing their appreciation for her lifetime of activity.

Miss Curran's accomplishments are of particular interest to me because one of my longstanding concerns has been the lack of interest and action people give to their community, and the decline of voluntarism as an American value. Miss Curran's active work in her community and in the schools demonstrates that the spirit of "pitching-in" is not dead and that it is appreciated by the members of her community.

I would like to join the people of Homestead in saluting Rose Mary Curran on this occasion.●

S. 219—CHARITABLE DEDUCTIONS

● Mr. DURKIN. Mr. President, I am pleased to join my distinguished colleagues from New York and Oregon, Senators Moynihan and Packwood, in support of S. 219. This legislation allows all taxpayers, including those who file the so-called "short form," to claim charitable deductions. At present, these deductions are restricted to taxpayers who itemize deductions.

As we are all aware, the effect of the many tax changes voted by Congress over the past decade has been to encourage most Americans to file short-form returns. I believe that by and large these changes have been favorable to the average American. However, one unfortunate result of these changes has been to make it virtually impossible for these Americans to claim the charitable deductions that were originally set up to encourage just this sort of giving. The result has been to reduce the incentive for many Americans to make charitable contributions.

This bill, simple in concept, will give an important boost to charitable and other volunteer organizations that are totally dependent on increasingly scarce private contributions. I firmly believe that the cost of this measure will be repaid many times over in increased charitable giving, in lessened public burdens, and in a general stimulation of the charitable impulse.

Mr. President, this country has always relied heavily on voluntary organizations to meet the basic needs of our communities. But in the past few decades this spirit has been stretched, though not yet broken, by two factors: The increasingly important role of Government in taking over some social services, and second, the escalating inflation rate that has cut the funds available for giving at the same time as it has skyrocketed the costs of serving.

We can best answer the first problem by improving the partnership between government and the charitable organizations. And we can best help the second problem through this bill.

Mr. President, I do not believe that only the rich should be able to get a tax break for their charity.

I urge the Senate Finance Committee to act expeditiously on this bill so that we can all vote for it on the floor.●

NUCLEAR ACCIDENT AT THREE MILE ISLAND

● Mr. HART. Mr. President, the accident at the Three Mile Island nuclear power plant near Harrisburg, Pa., is the most serious setback to date in the regulation and control of nuclear energy in our Nation. The accident poses questions of enormous consequence with respect to the health and safety of the public and to the energy security of the Nation.

As chairman of the Subcommittee on Nuclear Regulation, I wish to assure my colleagues I intend to move swiftly, forcefully and effectively to inquire into the activities of the Nuclear Regulatory Commission in anticipating and responding to the emergency situation. I will also develop legislative proposals to help insure the risk of repetition of this kind of accident is very low and that we as a Nation are better prepared to deal with it.

Over the weekend, I announced my intention to introduce legislation requiring the Nuclear Regulatory Commission to maintain a continuous remote monitoring of nuclear power plants across the country and to assume immediate control of a plant in the event of an emergency.

I am deeply disturbed the NRC waited several days before requiring its concurrence with all utility decisions affecting the situation at Three Mile Island. I am also very concerned with the delays in the reporting of vital information by the utility to NRC officials and responsible State and local authorities. There was a 3-hour delay in the reporting of the initial emergency situation last Wednesday, and a 3½ hour delay in the reporting of unplanned releases of highly radioactive gases into the atmosphere the following day.

There have also been serious conflicts between the information given to the public by the NRC and the utility on the degree of overall danger, whether the releases of gas were intentional or accidental, the degree of damage to the nuclear fuel, levels of radiation in the plant and in the surrounding communities, procedures being taken to stabilize the nuclear reactor core, and most seriously, the need for evacuation.

Even at this early stage of the present emergency, it is clear we must reform the crisis management system that now exists. This reform should come in three areas. First, every plant should be continually monitored remotely by the NRC for safety problems. It is my understanding computer and satellite technology now exists to make such monitoring possible. I intend to consult with the Office of Technology Assessment, as well as other experts in the field, to determine the feasibility of this plan. As I envision it now, the monitoring would be done by high-level public employees who would have the authority to determine when a crisis exists and then to dispatch a group of Federal experts—a sort of nuclear swat team—to take over complete control of the reactor in an emergency situation. Such a team would include NRC employees who are licensed to operate the particular reactor. I was shocked to learn, while the NRC licenses utility operators of nuclear powerplants, the agency has no employees who are licensed to operate these reactors in an emergency.

I shall submit for the Record an article from the New York Times of April 1, 1979, describing this legislative proposal.

Second, I am proposing the Nuclear Regulatory Commission take immediate steps to reduce substantially the power output of all Babcock and Wilcox reactors of similar design to the Three Mile Island plant. This would be a precautionary measure to help insure these plants could be shut down safely if there is a defect in the design or components that might lead to a similar emergency at these plants. This is a more prudent course than the shutdown of any of these plants, since we still do not know the cause of the Three Mile Island accident. It is essential the NRC proceed as rapidly as possible to determine the cause of the Three Mile Island accident so any changes in design or components can be made swiftly in other Babcock and Wilcox plants.

Finally, the accident at Three Mile Island also demonstrates there are grave deficiencies in the capabilities of State and local authorities to respond effectively to a civilian nuclear accident. Therefore, I am also proposing that all States with nuclear powerplants be required by the NRC to have nuclear emergency response and evacuation plans readied and tested within 30 days. These plans should be sufficient to meet all present NRC requirements. I was distressed to read in a recent report of the General Accounting Office that only 10 of the 24 States with nuclear powerplants have plans which meet all the essential NRC-required elements. The GAO reported the NRC has found that only 10 States have all the essential elements that are required in these plans. According to the GAO, some 41 States have some type of peacetime emergency nuclear plan, but that only 9 have tested their plans in full scale drills, 16 have had drills involving some but not all of the people who have to respond to an emergency, while 16 have not tested their plans at all. Pennsylvania was one of the States that had not tested its emergency plan.

This situation has led the GAO to conclude: "That there is some doubt on whether effective actions would be taken to protect the public, should a nuclear release extend outside facility boundaries." This report was written before the Three Mile Island accident, and it surely identifies an area that requires immediate remedy.

I also submit for the Record the digest of this report, "Areas Around Nuclear Facilities Should be Better Prepared for Radiological Emergencies."

Mr. President, the essential issue raised by the accident at Three Mile Island nuclear power plants is the integrity of the system. The American people deserve to have a clear understanding of who is in charge during a nuclear emergency and of the reliability of information they receive about the degree of danger and the need to evacuate. I hope very much, Mr. President, that the reactor at the Three Mile Island plant can be stabilized without the need for evacuation and without any further danger to the public health and safety. If that happens, we can all breathe a sigh of relief and regard this near-nuclear catastrophe as an early warning signal. We must use this opportunity to review serious problems in our nuclear regulation and response systems and proceed rapidly to effect reforms. I am determined to proceed with this urgent effort with all due speed.

The material follows:

[From the New York Times, Apr. 1, 1979]

Atom Power Curbs Pressed in Capital

(By David Burnham)

Washington.—The nuclear accident at the Three Mile Island reactor station in Pennsylvania prompted demands today for new laws and regulations tightening Federal control over the operation of atomic reactors and brought suggestions for new emphasis upon coal as an energy source.

The chairman of the Senate Subcommittee on Nuclear Regulation, Gary Hart, said that he would introduce legislation requiring the Federal Government to maintain a continuous monitoring of reactors and to assume full control immediately in the event of a crisis.

The Senate Democratic leader, Robert C. Byrd of West Virginia, said that the Pennsylvania accident raised "serious questions" about the safety of nuclear power. He urged a shift toward greater reliance on coal and transferring research funds from nuclear energy to coal.

CARTER SEES REASSESSMENT

In remarks made public today, President Carter told a group of visiting editors yesterday that the Pennsylvania accident "certainly will make all of us reassess our present safety regulations and precautions and will probably lead inexorably toward even more stringent safety design mechanisms and also standards."

Senator Hart said he was astounded that the existing laws and regulations concerning nuclear emergencies were "so vague." He said he was "deeply disturbed that utility officials, whose primary responsibility is to their stockholders, are making decisions with far reaching consequences to the public health and safety."

The Colorado Democrat discussed his legislative proposal for a central Federal station to monitor the vital signs of the 70 nuclear reactors now licensed to operate in the United States as an informal consortium of experts from industry and a variety of Federal agencies sought to determine how to deal with the crippled reactor in Pennsylvania.

"We must reform the crisis management system that now exists," Mr. Hart said.

"Every plant should be monitored remotely by the N.R.C., perhaps by satellite," he said, referring to the Nuclear Regulatory Commission.

"The monitoring would be done by a high level public employee who would have the authority to determine when a crisis existed and then to dispatch a group of Federal experts—a nuclear SWAT team—to take over complete control of the reactor," the Senator declared.

NEW PLANNING AGENCY

In another development, the President signed an executive order centralizing much of the Federal emergency planning in a single new agency. Under the order, however, primary responsibility for radiological accidents would remain where it is now, with the N.R.C.

The proposed legislation of Senator Hart and the comments of Mr. Carter came as the investigating arm of Congress, the General Accounting Office, released a report that said the local and state authorities in the areas surrounding most nuclear facilities were not prepared for a mass evacuation in the event of a serious accident.

"Presently, there is only limited assurance that the people near most fixed nuclear facilities will be adequately protected from the radiological consequences of a serious nuclear accident," the G.A.O. said in its report, in preparation for more than a year and made public at this time only by coincidence.

CURB ON NEW PLANTS

One key recommendation of the report was that the Nuclear Regulatory Commission should allow new nuclear power plants to begin operations only where state and local emergency response teams have met all Federal requirements.

The N.R.C., in a response to this recommendation, prepared several months ago, opposed a link between the granting of an operating license and the development of adequate emergency plans on the ground that sufficient margins of safety already existed at each nuclear facility.

Senator Hart said that, based on information gained from Federal officials this morning, the commission still had not exercised a right given it by the Atomic Energy Act to assume legal control over the Three Mile Island reactor.

"It is an amazing oversight, however, that under the law the Federal Government does not have any experts who are legally licensed actually to run this or any of the other commercial reactors," he said.

ROLE OF COMPANY OFFICIALS

Senator Hart also said he felt it was not appropriate for officials whose major obligations were to the stockholders to be making decisions during an event such as the Pennsylvania nuclear accident. He noted that their decisions could have an important impact on the lives of the public.

"What is at issue here is the integrity of the entire system," Mr. Hart said. "What is very clear is that there are inadequate answers to the questions of who is in charge during a major crisis, and who is responsible for making necessary decisions and providing accurate information."

The new agency established by President Carter's executive order is the Federal Emergency Management Agency. A three-paragraph statement accompanying the order said that Gordon Vickery, 58 years old, administrator of the United States Fire Administration, had been appointed acting director.

The agency combines the Defense Civil Preparedness Agency, the Federal Disaster Assistance Administration, the Federal Preparedness Agency, the Federal Insurance Administration and the National Fire and Control Administration.

The new office will coordinate disaster relief after floods, hurricanes and other storms, and will organize preparations to counter such natural disasters as possible nuclear attack.

Areas Around Nuclear Facilities Should Be Better Prepared for Radiological Emergencies

Today, 43 States have sizable fixed nuclear facilities within their boundaries. These include nuclear powerplants, military installations, and other Federal nuclear research reservations.

There is only limited assurance that persons living or working near these nuclear facilities would be adequately protected in case of a serious—although unlikely—nuclear accident. Most facilities GAO visited appeared prepared to respond to radiological releases within their boundaries, but deficiencies in planning and preparedness cast some doubt on whether effective actions would be taken to protect the public should a nuclear release extend outside facility boundaries.[1]

The Nuclear Regulatory Commission and the Departments of Defense and Energy own or regulate all major fixed nuclear facilities in the United States. GAO visited 11 of the facilities, all of which have the potential for accidentally releasing radioactive material that could be above the levels the Environmental Protection Agency believes might warrant action for protecting public health and safety. GAO also talked to officials in State and local governments near the facilities visited and sent questionnaires to the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico to obtain data on the status of their emergency planning and preparedness. All the States responded.

The Nuclear Regulatory Commission has the primary responsibility for assisting State and local governments in developing emergency response plans for radiological releases from nuclear facilities. As part of its planning assistance to States, the Commission reviews State plans to determine whether they contain what the Commission considers to be essential planning and preparedness elements. The Commission has found only 10 State plans that have all the essential elements. But it continues to license nuclear power reactors in other States.

Federal law does not require States to have peacetime nuclear emergency plans, nor does it require States with plans to test them. Even so, 41 States have some type of peacetime nuclear emergency plan.

Nine have tested their plans in full-scale drills.

Sixteen have had drills involving some, but not all, people who would be expected to respond to an emergency .

The remaining 16 have not tested their plans.

Problems found with plans that were tested indicate that an untested plan would probably be ineffective in an emergency situation. (See pp. 17 to 19.)

Emergency planning zones around commercial nuclear reactors are much smaller than the area that could be affected by a large radiological release. The zones are usually areas within 5 miles or less of reactors and are based on Nuclear Regulatory Commission radiation exposure criteria,[2] which were intended as guides for selecting nuclear powerplant sites but not for carrying out emergency actions to protect the public. An Environmental Protection Agency/Nuclear Regulatory Commission task force has recommended that emergency planning zones around nuclear reactors be increased to about 10 miles. Based on a review of potential accidents at nuclear reactors, the task force believes this is the most likely area where immediate emergency actions, such as evacuation, might have to be taken for large accidental releases. GAO concurs. (See pp. 20 to 22.)

Emergency preparedness at the local level appears almost nonexistent around Departments of Defense and Energy facilities. Facility operators believe their facilities pose no threat to surrounding communities and, therefore, do not inform local authorities of their expected response in the event of an emergency. Department of Defense officials said that informing local authorities of potential hazards would violate certain Department of Defense security policies. (See pp. 22 to 27.)

One of the most important steps during a nuclear emergency is for facility operators to promptly notify State and local authorities of an accident. Departments of Defense and Energy facilities were not adequately testing their communication systems with State and local officials. (See pp. 11 to 13.)

Department of Energy facilities did not use simulated accident conditions while testing their emergency response capabilities, nor did they conduct comprehensive tests of their plans. Also, Energy headquarters has made no complete review of overall facility emergency plans.

People living near fixed nuclear facilities are not well informed about potential hazards nor about the actions that may be necessary to avoid or minimize radiation exposure. Some local government agencies have attempted to encourage the dispensing of information on hazards; but, on the other hand, some facility operators have discouraged efforts to inform the public.

The Federal Emergency Management Agency is being established to bring together the major responsibilities for both peacetime and wartime emergency planning. This new agency is to serve as a focal point for State and local governments' emergency planning and preparedness activities; but it will not be responsible for peacetime radiological emergency response planning. The Nuclear Regulatory Commission will retain this responsibility unless the Federal Emergency Management Agency assumes it through administrative actions.

RECOMMENDATION TO THE DIRECTOR, FEDERAL EMERGENCY MANAGEMENT AGENCY

The Director, Federal Emergency Management Agency should:

Assume the responsibility for making policy and coordinating radiological emergency response planning around nuclear facilities. The Director should broaden radiological emergency planning assistance to State and local governments around Departments of Defense and Energy facilities that have a potential nuclear hazard.

RECOMMENDATION TO THE CHAIRMAN, NUCLEAR REGULATORY COMMISSION; THE SECRETARY OF DEFENSE; AND THE SECRETARY OF ENERGY

The Chairman, Nuclear Regulatory Commission, and the Secretaries of Defense and Energy should:

To the extent that national security is not jeopardized, require that people living near nuclear facilities be periodically provided with information about the potential hazard, emergency actions planned, and what to do in the event of an accidental radiological release.

RECOMMENDATIONS TO THE CHAIRMAN, NUCLEAR REGULATORY COMMISSION

The Chairman, Nuclear Regulatory Commission, should:

Allow nuclear powerplants to begin operation only where State and local emergency response plans contain all the Commission's essential planning elements. In addition, the Commission should require license applicants to make agreements with State and local agencies assuring their full participation in annual emergency drills over the life of the facility.

Establish an emergency planning zone of about 10 miles around all nuclear powerplants as recommended by the Environmental Protection Agency/Nuclear Regulatory Commission task force, and require licensees to modify their emergency plans accordingly.

RECOMMENDATION TO THE SECRETARIES OF DEFENSE AND ENERGY

The Secretaries of Defense and Energy should:

To the extent that national security is not jeopardized, require facility commanders at Department of Defense facilities and Department of Energy facility operators to develop formal, explicit agreements with State and local government agencies having emergency responsibilities. These agreements should clearly delineate the roles, responsibilities, and capabilities of each party in the event of a radiological emergency involving the area outside the facility. They should also include provisions that State and local emergency response agencies will be encouraged to participate in annual drills with the facilities.

RECOMMENDATION TO THE SECRETARY OF DEFENSE

The Secretary of Defense should also:

Develop methods of working with States in peacetime nuclear emergency response planning where its nuclear facilities' classification is justified on national security grounds. For example, Defense could deal with a few key State and local officials on a classified basis. Another alternative would be to establish emergency notification procedures and arrangements with all State and local jurisdictions where military installations have, or have the potential for, nuclear capabilities, without confirming or denying the existence of nuclear materials.

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[1] See app. II, Comparison of Emergency Response Planning and Capability at or Near Nuclear Facilities.

[2] The Commission's radiation exposure criteria are five times higher than the exposure levels the Environmental Protection Agency believes might require emergency action to protect the public in the event of releases of radioactivity from nuclear facilities.

RECOMMENDATION TO THE SECRETARY OF ENERGY

The Secretary of Energy should also:

Require major nuclear materials production and research reservations under Energy's control to perform radiological emergency response drills at least annually. These drills should be comprehensive (site-wide) and should test emergency response plans against simulated accident conditions that are realistic.

Require periodic complete headquarters review of each facility's emergency plans.

AGENCY COMMENTS

The Departments of Energy and Defense, General Services Administration (Federal Preparedness Agency), Nuclear Regulatory Commission, and Office of Management and Budget provided comments on this report.

Appendix III contains GAO's responses to those substantive comments not incorporated into the report. The full texts of the agencies' comments are in appendices IV through VIII.

The Department of Energy generally agreed with the report and said it planned to take actions on the problems identified.

The Department of Defense did not take issue with the findings, conclusions, or recommendations but did suggest that a discussion of the complete Federal emergency response organization should be included in the report.

The General Services Administration generally agreed with the report's findings. However, it expressed concern that linking the nuclear powerplant licensing process to State and local peacetime nuclear emergency response plans might present a major obstacle to the licensing process.

The Nuclear Regulatory Commission agreed that some improvements were needed in State and local peacetime nuclear emergency preparedness, but said that the general tone of the draft report exaggerated the problems. The Commission disagreed with the recommendation that nuclear powerplant licensing should be made contingent on emergency response plans containing all the Commission essential planning elements. The Commission said that State and local plans are not essential in determining whether nuclear powerplants could be operated without undue risks to public health and safety.

GAO believes that only by linking the adequacy of the State or local capabilities to implement offsite protective actions to the licensing process can there be sufficient assurance that the public will be protected in the event of a major emergency at a nuclear powerplant. The possibility of not being able to have this matter resolved after a powerplant is licensed would render such an alternative unacceptable. Thus, if State or local authorities are unable to provide such assurance, then a potential site should be eliminated from consideration during the licensing process.

The Office of Management and Budget did not comment on specific findings and recommendations, but expressed support for the concept of having the new Federal Emergency Management Agency assume responsibility for policymaking and coordination of radiological emergency planning.

DEATH OF BENJAMIN B. ROSENSTOCK

● Mr. MATHIAS. Mr. President, to be known as a "lawyer's lawyer" is high praise indeed. But Attorney Benjamin B. Rosenstock was honored far beyond the legal community in Maryland.

This respected Frederick citizen, who died on March 16, 1979, could always be counted on for advice, counsel, and support of civic improvement projects. The Frederick Post said:

> Mr. Rosenstock found great pleasure in working for good in everything he undertook.

Mrs. Mathias joins me in expressing our sympathy to Mrs. Rosenstock and to their daughters.

Many will remember him as a former member of the House of Delegates in the Maryland General Assembly and as a past president of the Maryland Bar Association. I would like to share with you the March 17, 1979, editorial of the Frederick Post on this most eminent Marylander and ask that it be printed in the RECORD.

The article follows:

BEN ROSENSTOCK

When we speak of pillars in the community, in Frederick for more than a half-century of active leadership we speak of Ben Rosenstock.

Attorney Benjamin B. Rosenstock died late Friday afternoon in Frederick Memorial Hospital. He was 77.

He leaves his wife, Edna Rose Cahn Rosenstock; twin daughters, Mrs. Janet Cahn Rosenstock Greenwald of Cleveland and Mrs. Susan Brafman Rosenstock Nolan of Frederick; seven grandchildren, and a sister, Mrs. Adelaide R. Silberstein of Baltimore.

(The family will receive friends today and Sunday at the Rosenstock home, Rose Haven, east of Frederick. A memorial service will be held at 11 a.m. Monday at Rose Haven. Memorial contributions may be made to Frederick Memorial Hospital.)

Ben Rosenstock made an indelible mark on the Frederick community and in the State of Maryland during his extensive legal career, rising to the top in his profession which he served almost until the end.

This Frederick native, a son of one of our oldest families, the late Jacob and Nettie Brafman Rosenstock, also made his mark in community service, in public office, in his religion and his fraternal obligations. In every respect, Ben Rosenstock was an outstanding leader; a man in whom others sought and found good counsel.

Less than two months ago, though ailing, Mr. Rosenstock on Jan. 29 was honored by the Frederick County Bar Association in the Circuit Courtroom as a "lawyer's lawyer,' marking his more than 50 years' service to the profession.

He said at that presentation that in his life as a lawyer he didn't know of a better profession, one that gave him such great pleasure in dealing both with the courts and his fellow members of the bar. He had served as counsel for a number of major concerns, and was a director and general counsel of Farmers & Mechanics National Bank of Frederick at the time of his death.

But Mr. Rosenstock found great pleasure in working for good in everything he undertook. Not only did he rise to head the county and state bar associations, but he also accepted the challenge and responsibility of leadership in government, serving in the Maryland House of Delegates and, as a delegate to the Constitutional Convention of Maryland (1967–68); for 30 years he gave his time and energy as president of Independent Hose Company No. 1; and was a president of the Historical Society.

A member of Beth Sholom Congregation he served as a trustee and was vice president. He had also served as president of the Maryland-D.C. Association of B'Nai B'rith, and headed B'nai B'rith in Frederick.

He was a 50-year Master Mason and was elected Worshipful Master of Columbia Lodge No. 58, AF&A Masons, on Dec. 15, 1930. He was also a past Venerable Master of the Frederick Lodge of Perfection in the Scottish Rite, and was a Shriner, a noble of Ali Ghan Temple, Cumberland.

Mr. Rosenstock was also a past exalted ruler of the Frederick Elks Lodge 684.

As his many accomplishments would indicate, Ben Rosenstock was also a man other men respected. His manner was warm and informal, and with a favorite pipe in hand, usually dressed in a plaid jacket, he lent an attentive ear to what people had to say.

His mind was keen, and his actions decisive. His opinions were respected, and his advice sound.

Frederick is a better community because of Ben Rosenstock. He will be missed, and he will be remembered. May his soul, through the Mercy of God, rest in peace—"in that house not made with hands eternal in the heavens."●

A PLEA TO SPARE THE LIFE OF FORMER PAKISTANI PRESIDENT BHUTTO

● Mr. PELL. Mr. President, I am shocked and disgusted with the treatment President Zia-ul-Haq is giving former President Zulfikar Ali Bhutto.

According to usually reliable press reports, Mr. Bhutto has been confined in a small cell with no clean clothes, toilet, or running water. He has also had no opportunity to see his lawyer or family except through bars. This is inhumane treatment and violates the general perception of Pakistan as a civilized nation. Whether or not Mr. Bhutto is guilty of the charges made against him, there is no justification for treating him in such an inhumane manner.

For a political victor to treat a vanquished adversary in such a degrading manner is truly disgusting. It is my hope that the people of the world or at least the people of the United States will make their views known on the treatment accorded to Mr. Bhutto and avoid contact with Pakistan as long as that unfortunate country is under its present leadership. I know that I would be reluctant to visit Pakistan or to have any contact with that country unless Mr. Bhutto is treated humanely and his death sentence commuted.

Last year, I wrote to the Pakistani Ambassador in Washington expressing my concern for the treatment being given to Mr. Bhutto and urging clemency regarding a possible death penalty. The Carter administration has also urged clemency for humanitarian reasons. All of these appeals have gone for naught so far, but I wish to take this occasion, now that the matter is going down to the wire, to once again appeal for the sparing of Mr. Bhutto's life. What possible good can be served by executing him? ●

S. 625—AMEND THE FEDERAL MINE SAFETY AND HEALTH AMENDMENTS ACT OF 1977

● Mr. NUNN. Mr. President, I have today requested that my name be added as a cosponsor of S. 625. a bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of that act shall not apply to stone mining operations or to sand and gravel mining operations. This bill was introduced on March 12 by Senators

WALLOP, **BUMPERS**, **KASSEBAUM**, and **PRYOR**.

I have taken this action for several reasons. First, I continue to be most concerned with the overall effects of excessive Government regulation on our Nation's economy. As a member of the Senate Select Committee on Small Business, I am particularly troubled with the impact of the uniform application of Federal regulations and their accompanying paperwork and reporting requirements on our Nation's small business community.

Government regulations and paperwork are difficult enough for any business to cope with; but small businesses generally lack the resources and the legal and interpretive expertise needed to meet compliance requirements. Yet, they are usually expected to comply with the same requirements imposed on our Nation's largest firms. I cannot help but think that a Fortune 500 company is going to be much better equipped to deal with the paperwork requirements of a new regulations than a small business operation.

What are the results? The costs of compliance must either be absorbed or passed on to the consumer. However, SBA estimates that about 60 percent of small businesses cannot pass on costs mandated by Federal regulation. This means that, when Federal paperwork and reporting requirements are uniformly applied, the result is the creation of costs that are invariant to output. The cost curves of all firms are raised, which often causes small businesses to be put at a relative disadvantage on a unit cost basis. We all praise the benefits of a competitive free enterprise system, and yet, through Federal paperwork and redtape, we are helping, in effect, to increase economic concentration and thereby threatening competition.

The current situation involving the Mine Safety and Health Administration (MSHA) would appear to be a prime example of this unfortunate tendency. For example, using the Small Business Administration's size standards, almost 98 percent of sand and gravel mining operations qualify as a small business, based on the most recently-available Census Bureau statistics. However, they will be faced with virtually the same regulatory and paperwork requirements as the very largest coal mining operations.

Mr. President, the stone mining and sand and gravel mining operations are different from deep underground mining in many respects. In fact, if one considers the kind of equipment used in the former, such as dump trucks, bulldozers, scrapers, front end loaders, shovels, fork lifts, and so on, stone mining and sand and gravel operations are actually more like the construction industry than the coal mining industry. It is bad enough when Federal regulations make no distinctions between the largest and the smallest member of the same regulated sector of the economy; when this approach goes so far as to blur the very real distinctions that exist between differing industries, something must be done.

Another reason for my cosponsorship involves the regrettable trend that appears to be developing within MSHA to emphasize punishment for violations rather than assistance toward compliance. OSHA has evidenced this tendency in the past, and it has only been after repeated urgings by the Congress that OSHA now allows onsite consultation agreements. Unfortunately, under MSHA, it is my understanding that an inspector must cite all violations and a fine must be levied, upon any visit to a site, thereby effectively prohibiting MSHA inspectors from serving as safety advisors or consultants to mining operations. When such compliance inspections are the only onsite contact between MSHA and an employer, the punitive nature of the act is emphasized rather than the congressional goal of greater safety in our Nation's workplaces. MSHA's fiscal year 1980 budget request appears to reinforce this perception by cutting the number of personnel involved in education and training.

I have therefore cosponsored S. 625 as a means of indicating my firm belief that modifications must be made in the present activities of MSHA. Frankly, I am somewhat concerned that, to the extent that an exemption avoids a problem rather than attempting to solve it, this bill may well prove to be less than the best possible approach to the problem. For example, other mining operations that differ substantially from deep underground coal mining, such as clay—a very important segment of Georgia's mining industry—will continue to be subjected to MSHA's punitive approach. I am, therefore, hopeful that S. 625 can provide the basis for a thorough investigation of this matter by the appropriate congressional committees, and that relief can be provided that is in the best interests of both employees as well as employers.●

NEED A LIFT?

Mr. **STEVENS**. Mr. President, each year the American Legion publishes a booklet entitled "Need A Lift?" which is an invaluable source of information to graduating high school seniors. This publication lists sources of information on vocational and technical schools, career opportunities, and scholarships.

Although this booklet was originally prepared for children of deceased or disabled veterans, the American Legion recognizes that all students need assistance in furthering their education. Additional copies of the "Need A Lift?" handbook may be ordered from: The American Legion, "Need A Lift?" P.O. Box 1055, Indianapolis, Ind., 46206.

I ask unanimous consent that pages 2 to 15 of "Need A Lift?" be printed in the RECORD.

There being no objection, the pages were ordered to be printed in the RECORD, as follows:

GENERAL INFORMATION FOR THE STUDENT

You're smart to continue your education beyond high school.

You are interested in going to college or you wouldn't be reading this. Good for you! While the average male high school graduate will earn about $479,000 in a lifetime, the average male college graduate will earn $711,000. Getting a college education makes good sense and money too.

CAREER INFORMATION AND SCHOLARSHIPS

The American Legion's Education and Scholarship handbook, *Need A Lift?*, lists sources of information about many careers on pages 5 through 15. A postcard sent to the address of the careers that appeal to you will bring helpful information about where to study, courses to select, job opportunities, pay, etc. Also included in *Need a Lift?* you will find information about sources of many scholarships; however, thousands of others are available. Some may exist in your local community while others may be found in the publications described on the last pages of *Need a Lift? After you have selected your course of study and the school you wish to attend, write to the Admissions Officer to determine the scholastic standards required and the possibility of qualifying for a scholarship offered through the school.* The U.S. Office of Education has estimated that during 1978–79, the Basic Education Opportunity Grant Program will provide $2,168 billion for approximately 2.398 million undergraduate students; the Supplemental Educational Opportunities Grants, $270,093,000 to an estimated 464.000 needy students; approximately 853,000 students will take advantage of the $605,614,000 (of which $310,500,000 is new Federal capital) loans and, the College Work Study Program will provide $477,812,000 (gross) ($435,000,000 Federal) for approximately 796,000 students. In addition, there are several hundred million in scholarships and loans provided each year through colleges, individual states, corporations, endowments and other organizations. Total sources of scholarships, loans and part-time jobs to help students annually are estimated by The American Legion's Education and Scholarship Program to be in excess of $4,000,000,000.

AND IF I DON'T?

If, for some reason, you don't get a scholarship, don't give up. Nearly every college or vocational school has loan funds at its disposal. Many organizations also offer loans. Most loans provide for repayment plans following graduation. Someone once said, "A man is a fool who won't bet on himself." You're betting on yourself when you borrow to further your education. If you'll look at those increased income figures above you'll agree that it's a good bet. In addition to scholarships and loans, there are plenty of opportunities for part-time jobs. Colleges, universities and vocational schools usually have machinery working to find such a job for you. You probably won't want to work your first year. You may need to spend full time on your studies so you'll make a good beginning record and get used to college. If you really want to continue your education beyond high school—you can do it. *Start planning early*. Seek the advice of your parents, teachers, counselors, and friends. Know what you want and go get it. Good luck!!

PLANNING YOUR FUTURE

Here are some suggestions to help you prepare for the future and particularly for your education beyond high school. Discuss your plans and problems with your parents, counselors, and teachers.

1. Know Yourself.

Achievement, abilities, interests, and ambitions are important factors to be evaluated in setting your goals. Initiative, responsibility and personality will determine your degree of success. (Discuss this with your counselor.)

2. The World of Work.

Explore the many occupational fields prior to entering high school—evaluate this information as it relates to your self-evaluation. Don't select an occupational field or goal just because "Uncle Charlie" is successful or thinks it is for you.

3. Plan for your vocation as early as possible.

Start planning your future upon entering high school. Get some experiences in the various occupations which interest you. Find out all you can about these occupations. Talk to people actually doing the work in which you are interested. For instance, talk to your teachers about contacting people in careers that appeal to you.

4. Select your college or vocational school.

Investigate the schools which offer training in the field of your choice. Talk to people who have attended these institutions if possible. If you don't know such a person ask the Education and Scholarship Chairman of your local American Legion Post or Auxiliary Unit and they will arrange for you to meet someone following the career in which you are interested. Find out the cost of your proposed course and what scholarships the school you selected offers. Learn about projected demands for the field of employment you select.

5. Plan your high school program.

Certain courses are required for entrance to college. The catalogue of your chosen school will tell you what courses you should take. Your counselor will help you.

6. Learn to study.

Your teachers can help you learn good study habits for various subjects. Work hard to constantly improve your study habits. You'll be glad you did.

7. Make good grades.

Grades of "B" or better are called "recommended" grades. You must have recommended grades to be eligible for most scholarships. Good grades are important. If you are not getting recommended grades, talk to your teacher about your difficulty. Make frequent visits to your public library.

8. Become a well-rounded individual.

Develop hobbies and participate in school, community, and church activities. Broaden your fields of interest through reading and contacts with people.

9. Planning Finances.

Parents and students should consider the combination of savings, scholarships, loans and part-time student jobs when planning the financing of higher education. (Do not secure your information from old publications.)

10. Learn about college acceptance.

Most degree granting institutions require applicants to take admission examinations of some kind. Read next page to learn more about when, where, and how to prepare for tests.

11. Prepare for scholarship and application early.

Get references, transcripts, and other material in order long before the deadline. Obtain scholarship application blanks by *December 1* of the year before you expect to start college.

WHERE TO START LOOKING

There are three general sources of scholarships, loans, and other educational aids. First, there are the colleges, universities and vocational schools themselves. There is scarcely a school in the United States without a scholarship fund, loan fund, or other service such as a student employment office. If you have already picked the school you want to attend, inquire regarding financial or job help available. Second, many state governments and the federal government offer educational aids. Some of these will be outlined in this booklet. The State Guidance Director generally will be able to give you more detailed information concerning your own state if it is not available at your local high school. Third, a vast number of private clubs and societies in your own home town, state associations and national organizations offer scholarships and loans. Your high school counselor should be your first stop for help toward higher education. Many posts of The American Legion and units of the American Legion Auxiliary have scholarship and loan funds. Talk to the Education and Scholarship Chairman of the local post or unit to see what help they can give.

THE BEST INVESTMENT

Your educational level when you enter the labor force will be important in determining your future income, personal satisfaction and ability to contribute to your family, community, state and nation. It's your decision to make now.

The 1974 Current Population Reports, Consumer Income, Bureau of the Census, once again confirms the "money-value" of a college education. As can be seen from the table, four years or more of college means extra lifetime earnings, on the average, of over $279,000. Where else can one invest, say $12,000 with reasonable assurance that will return over 22 times the cost.

Lifetime Income Grows as Education Levels Rise.

Years of School Completed and 1972 lifetime income for men age 18 to death:

Elementary, 8 years	344,000
High School, 4 years	479,000
College:	
1 to 3 years	543,000
4 years	711,000
5 years or more	824,000

Source: Current Population Reports, Consumer Income, Series P–60, No. 92, March 1974, Bureau of the Census, p. 4.

"No student should decide he cannot afford to continue his education beyond high school."

SOURCES OF CAREER INFORMATION

The American Legion believes that many more students will continue their education if they are given the opportunity to learn about careers and to select a field of interest during their first two years in high school. Where students are in doubt about the career they wish to follow, the organizations listed below, which represents over 300 careers will provide helpful information about where to study, courses to select, job opportunities, pay, etc.

The National Association of Trade and Technical Schools, 2021 L Street, N.W., Washington, DC 20036, has available free upon request, an updated Directory of over 400 accredited trade and technical schools and the courses being offered. Schools are listed geographically with a career cross-reference.

The National Home Study Council, 1601–18th Street N.W., Washington, DC 20009, will mail upon request a directory of accredited home study schools and the subjects offered by the schools.

The Association of Independent Colleges and Schools has many member schools which offer general work or service, and funded scholarships to eligible students—subject to the controls of the Association. Some member schools also offer work-study programs. For a list of the approximately 500 AICS schools and for further information, please write to the Guidance Department, Association of Independent Colleges and Schools, 1730 M Street, N.W., Washington, DC 20036.

State private school associations have been established in most states to provide information concerning schools, details of course offerings, schedules, tuition and fee payments. For further information and address of your state association, contact your school counselor.

Accounting Administration, Economics & Statistics, U.S. Department of Agriculture Economic Research and Statistics Service, Personnel Division, Room 1459, South Building, 14th & Independence Ave., S.W. Washington, D.C. 20250.

Accounting, Amer. Inst. of Certified Public Acc'ts. Attn: Mrs. Beatrice Sanders, 1211 Avenue of the Americas, New York, NY 10036.

Accounting, Assoc. of Independent Colleges & Schools, 1730 M Street, N.W., Washington, D.C. 20036.

Accounts Receivable Clerk, Hospital Financial Management Assoc., 666 North Lake Shore Drive, Chicago, Illinois 60611.

Admitting Officer, Hospital Financial Management Assoc., 66 North Lake Shore Drive, Chicago, Illinois 60611.

Advertising. American Association of Advertising Agencies, 200 Park Avenue, New York, N.Y. 10017.

Advertising & Communications, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Advertising Design, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Aeronautical Technology, Academy of Aeronautics LaGuardia Airport Station, Flushing, New York 11371.

Aerospace Engineering, American Institute of Aeronautics and Astronautics, Director of Students Programs, 1290 Avenue of the Americas, New York, New York 10019.

Agricultural Engineering, American Society of Agric. Eng., Box 410, St. Joseph, Mich. 49085.

Agricultural Management, Farmers Home Administration, U.S. Department of Agriculture, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Agriculture, U.S. Department of Agriculture, Office of Personnel, Room 1087-S, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Agricultural Commodity Grader, U.S. Department of Agriculture, Food Safety and Quality Service, 123 East Grant Street, Minneapolis, Minnesota 55403.

Agricultural Marketing Service, U.S. Department of Agriculture, Personnel Division, Room 1726-S, 14th & Independence Avenue, SW., Washington, D.C. 20250.

Agricultural Research Service, U.S. Department of Agriculture, Science and Education Administration, Personnel Division, Room 560, Center Building No. 1, Hyattsville, Maryland 20784.

Agricultural Stabilization & Conservation Service, U.S. Department of Agriculture, Personnel Division, Room 4752-S, 14th & Independence Avenue, SW., Washington, D.C. 20250.

Agronomy. The American Society of Agronomy, Inc., 677 South Segoe Road, Madison, Wisconsin 53711.

Air Conditioning, Refrigeration and Heating. Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Aircraft (A & P) Mechanic, Braniff Education Systems, Inc., P.O. Box 45174, Dallas, Texas 75245.

Air Transport Rating, Braniff Education Systems, Inc., P.O. Box 45174, Dallas, Texas 75245.

Animal Husbandry, National Association of Animal Breeders, Inc., 401 Bernadette Drive, P.O. Box 1033, Columbia, Missouri 65201.

Anthropology, American Anthropological Association, 1703 New Hampshire Avenue, NW., Washington, D.C. 20009.

Anthropology, Society for American Archaeology, 1703 New Hampshire Avenue, NW., Washington, D.C. 20009.

Apparel Industry, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Appliance Service Technician, Association of Home Appliance Manufacturers, 20 North Wacker Drive, Chicago, Illinois 60606.

Appliance Service Technician, Practical Schools, 1650 Babbitt, Anaheim, California 92805.

Apprenticeship, Bureau of Apprenticeship and Training, U.S. Department of Labor, 601

D Street, NW., Room 5000, Washington, D.C. 20213.

Archaeology, Society for American Archaeology, 1703 New Hampshire Avenue, NW., Washington, D.C. 20009.

Architecture, Careers: American Institute of Architects Schools: Association of Collegiate Schools of Architecture, Registration: National Council of Architectural Registration Boards, Junior Colleges: Association of Student Chapters/AIA, Accreditation: National Architectural Accrediting Board, 1735 New York Avenue, NW., Washington, D.C. 20006.

Astronomy, American Astronomical Society, 211 FitzRandolph Road, Princeton, New Jersey 08540.

Audiology, American Speech and Hearing Association, 10801 Rockville Pike, Rockville, Maryland 20852.

Audit Clerk, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Auto Mechanics, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Automotive Engineering, Land, Air, Sea and Space, The Society of Automotive Engineers, Inc., 400 Commonwealth Drive, Warrendale, Pennsylvania 15086.

Avionics, Academy of Aeronautics, LaGuardia Airport Station, Flushing, New York 11371.

Bacteriology and Microbiology, American Society for Microbiology, 1913 I Street, NW., Washington, D.C. 20006.

Banking, American Bankers Association, Bank Personnel Division, 1120 Connecticut Avenue, NW., Washington, D.C. 20036.

Barber, National Association of Barber Schools, Inc., 338 Washington Avenue, Huntington, West Virginia 25701.

Barber, National Barber-Styling Career Center, 3839 White Plains Road, Bronx, New York 10467.

Body and Fender Repair, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Bookkeeper, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Boys' Clubs, Recruitment & Placement Service, Boys' Clubs of America, 771 First Avenue, New York, N.Y. 10017.

Bricklaying, Brick Institute of America, 1750 Old Meadow Road, McLean, Virginia 22101.

Business, National Business Career Center, 3839 White Plains Road, Bronx, New York 10467.

Business and Administration, American Assembly of Collegiate Schools of Business, 11500 Olive Street Road, Suite 142, St. Louis, Missouri 63141.

Business Office Manager, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Business Schools, Assoc. of Independent Colleges & Schools, 1730 M Street, N.W., Washington, D.C. 20036.

Camp Fire Girls, Camp Fire Girls, Inc., 4601 Madison Avenue, Kansas City, Missouri 64112.

Carpentry, United Brotherhood of Carpenters and Joiners of America, 101 Constitution Avenue, N.W., Washington, D.C. 20001.

Cartography, American Congress on Surveying and Mapping, 210 Little Falls Street, Falls Church, Virginia 22046.

Chamber of Commerce Management, American Chamber of Commerce Executives, 1133 15th St., N.W., Suite 620, Washington, D.C. 20005.

Chemistry, American Chemical Society, Educational Activities Department, 1155 Sixteenth Street, N.W., Washington, D.C. 20036.

Chemistry, Community Relations, The B. F. Goodrich Company, 500 South Main Street, Akron, Ohio 44318.

Chiropractic, Foundation for Chiropractic Education and Research, 3209 Ingersoll, Des Moines, Iowa 50312.

Chiropractic, International Chiropractors Association Education Commission, 741 Brady Street, Davenport, Iowa 52803.

Church Occupations, National Council of the Churches of Christ in U.S.A., Professional Church Leadership, 475 Riverside Drive, Room 770, New York, N.Y. 10027.

Serra International, Catholic Priestly and Religious Vocations, 22 W. Monroe Street, Chicago, Illinois 60603.

Clerical, Assoc. of Independent Colleges & Schools, 1730 M Street, N.W., Washington, D.C. 20036.

Club Management, Club Managers Assn. of America, 7615 Winterberry Place, Washington, D.C. 20034.

Coal Industry, Education Division, National Coal Association, Coal Building, 1130 17th St., N.W., Washington, D.C. 20036.

Commercial and Domestic Air Conditioning, Heating and Refrigeration, Education Dynamics Institute, 2635 North Decatur Boulevard, Las Vegas, Nevada 89108.

Community Organization, United Way of America, 801 North Fairfax Street, Alexandria, Virginia 22314.

Computer Programming, American Federation of Information Processing Societies, Inc., Headquarters, 210 Summit Avenue, Montvale, New Jersey 07645.

Computer Programming, Empire Technical Schools, Inc., 576 Central Avenue, East Orange, New Jersey 07018.

Computer Programming and Technology, Control Data Institute HQA02J, Corporate Headquarters, 8100 34th Avenue South, Box O, Minneapolis, Minnesota 55440.

Construction Opportunities, Associated General Contractors of America, Construction Education Division, 1957 E Street, N.W., Washington, D.C. 20006.

Cosmetology, National Association of Cosmetology Schools, 808 Main Street, Boonton, New Jersey 07005.

Cosmetology, National Beauty Career Center, 3839 White Plains Road, Bronx, New York 10467.

Court Reporting, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Crime and Delinquency, National Council on Crime and Delinquency, Continental Plaza, 411 Hackensack Avenue, Hackensack, New Jersey 07601.

Crop Science, Crop Science Society of America, Inc., 677 South Segoe Road, Madison, Wisconsin 53711.

Customer Engineering for Electric Typewriters, Empire Technical Schools, Inc., 576 Central Avenue, East Orange, New Jersey 07018.

Dairy Industry, Dairy Research, Inc., 6300 North River Road, Rosemont, Illinois 60018.

Data Processing, American Federation of Information Processing Societies, Inc., 210 Summit Avenue, Montvale, New Jersey 07645.

Demography, The Population Association of America, Inc., P.O. Box 14182, Benjamin Franklin Station, Washington, D.C. 20004.

Dental Assistants, American Dental Assistants Assn., 211 East Chicago Avenue, Suite 1230, Chicago, Illinois 60611.

Dental Hygiene, American Dental Hygienists' Assn., 211 East Chicago Ave., Suite 1616, Chicago, Illinois 60611.

Dental Laboratory Technology, National Association of Dental Laboratories, 3801 Mt. Vernon Avenue, Alexandria, Va. 22305.

Dentistry, American Association of Dental Schools, 1625 Massachusetts Ave., N.W., Washington, D.C. 20036.

Dentistry, American Dental Association, Division of Educational Measurements, Council on Dental Education, 211 East Chicago Avenue, Chicago, Illinois 60611.

Diesel, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Dietetics, The American Dietetic Association, 430 N. Michigan Ave., Chicago, Illinois 60611.

Display and Exhibit Design, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Domestic Refrigeration, Practical Schools, 1650 Babbitt, Anaheim, California 92805.

Draftsman, Public Relations Staff, 1-101, General Motors Corporation, Detroit, Michigan 48202.

Draftsman, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Driving Occupations, American Trucking Associations, Inc., Educational Services, 1616 P Street, N.W., Washington, D.C. 20036.

Drycleaning and Laundry, The Registrar, International Fabricare Institute, 12251 Tech Road, Montgomery Industrial Park, Silver Spring, Maryland 20904.

Ecology, Ecological Society of America, Department of Biology, Rutgers University, Camden, New Jersey 08102.

Electronic Data Processing, American Federation of Information Processing Societies, Inc., 210 Summit Avenue, Montvale, New Jersey 07645.

Electronic Data Processing Management, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Electronics, Bell & Howell Schools, Administrative Offices, 2201 West Howard Street, Evanston, Illinois 60202.

Electronics, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Electronics, United Electronics Institute, Director of Admissions, 3950 Dixie Highway, Louisville, Kentucky 40216.

Electronics—TV and Sound Repair—C.B. Technicians and Digital, Practical Schools, 1650 Babbitt, Anaheim, California 92805.

Energy, American Gas Association, 1515 Wilson Boulevard, Arlington, Virginia 22209.

Engineering (Consulting), American Consulting Engineers Council, 1155 Fifteenth Street, N.W., Washington, D.C. 20005.

Engineering, Engineers' Council for Professional Development—Guidance, 345 East Forty-Seventh Street, New York, New York 10017.

Engineering, National Society of Professional Engineers, 2029 K Street, N.W., Washington, D.C. 20006.

English, Occupational Outlook Service, U.S. Department of Labor, 441 G Street, N.W., Room 2916, Washington, D.C. 20212.

Entomology, Entomological Society of America, 4603 Calvert Road, College Park, Maryland 20740.

Fashion Buying & Merchandising, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Fashion Design, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Fashion Illustration, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

F.B.I., Federal Bureau of Investigation, Department of Justice, Washington, D.C. 20535.

Federal Civil Service Careers, Job Information Center, Washington Area Office, U.S. Civil Service Commission, Washington, D.C. 20415.

Fine Arts, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Fire Protection Engineering, Society of Fire Protection Engineers, 60 Batterymarch Street, Boston, Massachusetts 02110.

Flight Engineer, Braniff Education Systems, Inc., P.O. Box 45174, Dallas, Texas 75245.

Floristry, Society of American Florists, 901 North Washington Street, Alexandria, Virginia 22314.

Food and Nutrition Service, U.S. Department of Agriculture, Food and Nutrition Service, Employment and Employee Relations Branch, Room 711 GHI, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Food Retailing, Food Marketing Institute, 1750 K Street, N.W., Suite 700, Washington, D.C. 20006.

Food Inspection, U.S. Department of Agriculture, Food Safety and Quality Service, 123 East Grant Street, Minneapolis, Minnesota 55403.

Food Service Careers, Scholarships, Courses, Natl. Institute for the Foodservice Industry, 120 S. Riverside Plaza, Chicago, Illinois 60606.

Food Service Management, Educational Institute of the Hotel and Motel Association, Stephen S. Nisbet Building, 1407 South Harrison Road, Michigan State University, East Lansing, Michigan 48823.

Food Technology, Institute of Food Technologists, Scholarship Center, 221 North LaSalle Street, Chicago, Illinois 60601.

Foreign Agricultural Service, U.S. Department of Agriculture, Personnel Division, Room 5627-S, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Foreign Languages, Occupational Outlook Service, U.S. Department of Labor, 441 G Street, N.W., Room 2916, Washington, D.C. 20212.

Foreign Service, Department of State, Board of Examiners, Washington, D.C. 20520.

Forester, Society of American Foresters, Wild Acres, 5400 Grosvenor Lane, Bethesda, Maryland 20014.

Forest Products, Wood Industry Careers Program, National Forest Products Assoc., 1619 Massachusetts Ave., N.W., Washington, D.C. 20036.

Forest Service, U.S. Department of Agriculture, Personnel Division, Room 910 RPE, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Funeral Directors, National Funeral Directors Association, 135 West Wells Street, Milwaukee, Wisconsin 53203.

Gemology, Gemological Institute of America, 1660 Stewart Street, Santa Monica, California 90406.

Geography, The Association of American Geographers, 1710 Sixteenth Street, N.W., Washington, D.C. 20009.

Geological Sciences, American Geological Institute, 5205 Leesburg Pike, Falls Church, Virginia 22041.

Geophysics, American Geophysical Union, 1909 K Street, N.W., Lower Level, Washington, D.C. 20006.

Geophysics, Society of Exploration Geophysicists, P.O. Box 3098, Tulsa, Oklahoma 74101.

Girl Scouting, Girl Scouts of the U.S.A., Human Resources Department, 830 Third Avenue, New York 10022.

Grain Inspection and Weighing, U.S. Department of Agriculture, Federal Grain Inspection Service, Personnel Division, Room 1721-S, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Health Fields, National Health Council, Inc., Box 40, Radio City Station, New York, New York 10019.

Home Economics, American Home Economics Association, 2010 Massachusetts Avenue, N.W., Washington, D.C. 20036.

Horticulture, American Association of Nurserymen, 230 Southern Building, Washington, D.C. 20005. (send stamped self-addressed envelope).

Hospital Accountant, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Hospital Administration, American College of Hospital Adm., 840 North Lake Shore Drive, Chicago, Illinois 60611.

Hospital Admitting Clerk, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Hospital Controller, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Hospital Financial Management, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Hotel and Motel Administration, Educational Institute of the Hotel and Motel Association, Stephen Nisbet Building, 1407 South Harrison Road, Michigan State University, East Lansing, Michigan 48823.

Illumination Engineering, Illuminating Engineering Society of North America, 345 East 47th Street, New York, N.Y. 10017.

Insurance Clerk, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Interior Design, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Internal Revenue, Accounting, Law, Law Enforcement, Treasury Enforcement Agent, (Contact local address listed in yellow pages of your telephone book).

Jewelry Design, Fashion Institute of Technology, 227 West 27th Street, New York, New York, 10001.

Journalism, The Newspaper Fund, Inc., P.O. Box 300, Princeton, New Jersey 08540.

Journalism, The Society of Professional Journalists, Sigma Delta Chi, 35 East Wacker Drive, Chicago, Illinois 60601.

Landscape Architects, The American Society of Landscape Architects, 1900 M Street, N.W., Suite 750, Washington, D.C. 20063. (Send label on self-addressed envelope).

Law, American Bar Association, Information Services, 1155 East 60th Street, Chicago, Illinois 60597.

Law Enforcement, Law Enforcement Assistance Administration, U.S. Department of Justice, Washington, D.C. 20531.

Law Librarian, American Association of Law Libraries, Secretary, 53 West Jackson Boulevard, Chicago, Illinois 60604.

Librarian, American Library Association, Office for Library Personnel Resources, 50 East Huron Street, Chicago, Illinois 60611.

Life & Health Insurance, American Council of Life Insurance, Education Services, 1850 K Street, N.W., Washington, D.C. 20006.

Loss Prevention/Security, Empire Technical Schools, Inc., 576 Central Avenue, East Orange, New Jersey 07018.

Machinists, National Machine Tool Builders Association, 7901 Westpark Drive, McLean, Virginia 22101.

Management, Assoc. of Independent Colleges & Schools, 1730 M Street, N.W., Washington, D.C. 20036.

Manufacturing, Manufacturing Chemists Association, Manager of Education, 1825 Connecticut Avenue, N.W., Washington, D.C. 20009.

Marine Science and Technology, Marine Technology Society, 1730 M Street, N.W., Washington, D.C. 20036.

Marketing, Sales & Marketing Executives Int'l Carter Education Division, 380 Lexington Avenue, New York, N.Y. 10017.

Material Handling, The Material Handling Institute Educational Foundation, Inc., 1326 Freeport Road, Pittsburgh, Pennsylvania 15238.

Mathematics, Occupational Outlook Service, U.S. Department of Labor, 441 G Street N.W., Room 2916, Washington, D.C. 20212.

Mathematics Teacher, National Council of Teachers of Mathematics, 1906 Association Drive, Reston, Virginia 22091.

Medical Laboratory, Certified Laboratory Assistant, Medical Laboratory Technician, Medical Technologist, Histologic Technician, Cytotechnologist, Nuclear Medicine Technologist, Specialist in Blood Banking, Technologist in Chemistry, Technologist in Hematology, Technologist in Microbiology, ASCP Commission for Medical Laboratory Personnel, ASCP Board of Registry, P.O. Box 4872, Chicago, Illinois 60680.

Medical Record Administrator, American Med. Record Association, 875 N. Michigan Ave., Suite 1850, Chicago, Illinois 60611.

Medical Record Technician, American Med. Record Association, 875 N. Michigan Ave., Suite 1850, Chicago, Illinois 60611.

Medical Record Transcriptionist, American Medical Record Association, 875 N. Michigan Ave., Suite 1850, Chicago, Illinois 60611.

Medical Secretary/Transcription, Empire Technical Schools, Inc., 576 Central Avenue, East Orange, New Jersey 07018.

Medicine, American Medical Association, Careers, 535 N. Dearborn Street, Chicago, Illinois 60610.

Menswear Design and Marketing, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Metallurgy, American Society for Metals, Metals Park, Ohio 44073.

Mortgage Banking, Mortgage Bankers Association of America 1126 Fifteenth Street, N.W., Washington, D.C. 20006.

Morticians, National Foundation of Funeral Services, 1600–1678 Central Street, Evanston, Illinois 60201.

Music, Music Educators National Conference, 1902 Association Drive, Reston, Virginia 22091.

Music Therapy, National Association for Music Therapy, Inc., P.O. Box 610, Lawrence, Kansas 66044.

National Park Service, Department of the Interior, Career Employment. National Park Service, 18th & C Streets, N.W., Washington, D.C. 20240.

Naval Architecture and Marine Engineering, The Society of Naval Architects and Marine Engineers, One World Trade Center, Suite 1369, New York, New York 10048.

Nurse Anesthetist, American Assn. of Nurse Anesthetists, 111 E. Wacker Drive, Suite 929, Chicago, Illinois 60601.

Nursing, National League for Nursing, Inc., 10 Columbus Circle, New York, New York 10019.

Nursing–Practical, National Association for Practical Nurse Education and Service, Inc., 122 East 42nd Street, New York, New York 10017.

Nursing–Professional, American Nurses' Association, 2420 Pershing Road, Kansas City, Missouri 64108.

Occupational Therapy, American Occupational Therapy Assn., Inc., 6000 Executive Boulevard, Suite 200, Rockville, Maryland 20852.

Oceanography, Marine Technology Society, 1730 M Street N.W., Washington, D.C. 20036.

Optometric Assistant/Technician, American Optometric Association, Paraoptometric Program, 243 North Lindbergh Boulevard, St. Louis, Missouri 63141.

Optometry, American Optometric Association, Career Guidance, 243 North Lindbergh Boulevard, St. Louis, Missouri 63141.

Osteopathic Medicine, American Osteopathic Association, Office of Osteopathic Education, 212 East Ohio Street, Chicago, Ill. 60611.

Packinghouse Worker, Amalgamated Meat Cutters and Butcher Workmen of North America, 2800 North Sheridan Road, Chicago, Illinois 60657.

Paleontology, The Paleontological Society, Attn: Dr. Walter C. Sweet, Department of Geology, Ohio State University, 155 South Oval Drive, Columbus, Ohio 43201.

Paperhanging, United States School of Professional Paperhanging, Inc., 16 Chaplin Avenue, Rutland, Vermont 05701.

Paper Industry, American Paper Institute, 260 Madison Avenue, New York, New York 10016.

Park Police, Department of the Interior, National Park Service, National Capital Region, 1100 Ohio Drive, S.W., Washington, D.C. 20242.

Pathologist, Intersociety Committee on Pathology Information, 9650 Rockville Pike, Bethesda, Maryland 20014.

Pattern Making Technology, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Payroll Clerk, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Petroleum Engineering, Society of Petroleum Engineers of Aime, 6200 North Central Expressway, Dallas, Texas 75206.

Pharmacology, American Society for Pharmacology and Experimental Therapeutics, Inc., 9650 Rockville Pike, Bethesda, Maryland 20014.

Pharmacy, American Association of Colleges of Pharmacy, Office of Student Affairs, 4630 Montgomery Avenue, Suite 201, Bethesda, Maryland 20014.

Photography, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Physical Therapist, American Physical Therapy Association, 1156 15th Street, N.W., Washington, D.C. 20005.

Physical Therapist's Assistant, American Physical Therapy Association, 1156 15th Street, N.W., Washington, D.C. 20005.

Physics, American Institute of Physics, 335 East 45th Street, New York, New York 10017.

Physiology, The American Physiological Society, 9650 Rockville Pike, Bethesda, Maryland 20014.

Plant Quarantine & Pest Control, U.S. Department of Agriculture, Animal & Plant Health Inspection Service, Room 514 Presidential Building CB-3, Hyattsville, Maryland 20782.

Plastering, National Plastering Industry's Joint Apprenticeship Trust Fund, 1000 Vermont Avenue, N.W., Washington, D.C. 20005.

Podiatry, American Podiatry Ass'n., 20 Chevy Chase Circle, N.W., Washington, D.C. 20015.

Power System Engineering, University of Illinois, 112 Engineering Hall, Urbana, Illinois 61801.

Printing Industry, Education Council of the Graphic Arts, Inc., 4615 Forbes Ave., Pittsburgh, Pa. 15213.

Process Measurement & Control, Process Measurement & Control Section (SAMA), 370 Lexington Avenue, New York, New York 10017.

Professional Chefs and Cooks, The Culinary Institute of America, Placement Office, North Road, Hyde Park, N.Y. 12538.

Property and Liability Insurance, Insurance Information Institute, 110 William Street, New York, New York 10038.

Psychiatry, American Psychiatry Association, Joint Information Service, 1700 18th Street, N.W., Washington, D.C. 20009.

Psychology, American Psychological Ass'n., Education and Training, 1200 17th St., N.W., Washington, D.C. 20036.

Public Accounting, National Society of Public Accountants, 1717 Pennsylvania Avenue, N.W., Washington, D.C. 20006.

Public Health, Parklawn Personnel Office, Parklawn Building, 5600 Fishers Lane, Room 4-35, Rockville, Maryland 20852.

Public Relations, Public Relations Society of America, Career Information Service, 845 Third Avenue, New York, N.Y. 10022. (Single copies $0.25. Bulk rates available on request.)

Purchasing Management, National Association of Purchasing Management, Inc., 11 Park Place, New York, New York 10007.

Radio, National Assn. of Broadcasters, 1771 N Street, N.W., Washington, D.C. 20036.

Real Estate Principles and Practices, Education Dynamics Institute, 2635 North Decatur Boulevard, Las Vegas, Nevada 89108.

Recreation, Parks & Leisure Services, National Recreation & Park Association, 1601 N. Kent Street, Arlington, Virginia 22209.

Reservations/Ticketing, Braniff Education Systems, P.O. Box 45174, Dallas, Texas 75245.

Respiratory Therapy, American Association for Respiratory Therapy, 1720 Regal Row, Dallas, Texas 75235.

Retail Meat Cutter, Amalgamated Meat Cutters and Butcher Workmen of North America, 2800 North Sheridan Road, Chicago, Illinois 60657.

Roadbuilding, American Road and Transportation Builders Association, 525 School Street, S.W., Washington, D.C. 20024.

Rubber Industry, Community Relations, The B. F. Goodrich Company, 500 South Main Street, Akron, Ohio 44318.

Rural Electrification, U.S. Department of Agriculture, Rural Electrification Administration, Personnel Division, Room 4072-S, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Safety Professional, American Society of Safety Engineers, 850 Busse Highway, Park Ridge, Illinois 60068.

Sales and Marketing, Sales and Marketing, Executives-International, Career Education Division, 380 Lexington Avenue, New York, N.Y. 10017.

Science, Scientific Manpower Commission, 1776 Massachusetts Avenue, N.W., Washington, D.C. 20036.

Science, Occupational Outlook Service, U.S. Dept. of Labor, 441 G St., N.W., Room 2916, Washington, D.C. 20212.

Science Teaching, Nat'l. Science Teachers Ass'n., 1742 Connecticut Avenue, N.W., Washington, D.C. 20009.

Secretarial, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Secretary, Assoc. of Independent Colleges & Schools, 1730 M Street, N.W., Washington, D.C. 20036.

Shorthand Reporting, National Shorthand Reporters Association, 118 Park Street, S.E., Vienna, Virginia 22180.

Social Science, Occupational Outlook Service, U.S. Department of Labor, 441 G Street, N.W., Room 2916, Washington, D.C. 20212.

Social Security Administration, College Relations Officer, Employment Branch, 5401 Security Boulevard, Baltimore, Maryland 21235.

Social Work, National Association of Social Workers, Social Work Career Information Service, 1425 H Street, N.W., Suite 600, Washington, D.C. 20005.

Soil Conservation, U.S. Department of Agriculture, Soil Conservation Service, Personnel Division, Room 6219-S. 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Soil Service, Soil Science of America, Inc., 677 South Segoe Road, Madison, Wisconsin 53711.

Speech Communication, Speech Communication Association, 5205 Leesburg Pike, Falls Church, Virginia 22041.

Speech Pathology, American Speech and Hearing Association, 10801 Rockville Pike, Rockville, Maryland 20852.

Statistics, American Statistical Assn., Suite 640, 806 15th St., N.W., Washington, D.C. 20005.

Student Research Participation, U.S. Department of Energy, Oak Ridge Associated Universities, P.O. Box 117, Oak Ridge, Tennessee 37830.

Surveying, American Congress on Surveying and Mapping, 210 Little Falls Street, Falls Church, Virginia 22046.

Systems Analyst, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Teaching Blind Children, Association for Education of the Visually Handicapped, 919 Walnut Street, 4th Floor, Philadelphia, Pennsylvania 19107. (Send stamped, self-addressed envelope).

Teaching Retarded Students, Nat'l. Assn. for Retarded Citizens, 2709 Avenue E. East, P.O. Box 6109, Arlington, Texas 76011.

Television, National Assn. of Broadcasters, 1771 N Street, N.W., Washington, D.C. 20036.

Textile Design, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Textile Technology, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Tool and Die, Natl. Tool, Die & Precision Machining Association, 9300 Livingston Road, Washington, D.C. 20022.

Traffic Management, Academy of Advanced Traffic, Inc., One World Trade Center, Room 5457, New York, New York 10048.

Translators, American Translators Association, P.O. Box 129, Croton-on-Hudson, New York 10520.

Travel Agent, Braniff Education Systems, Inc., P.O. Box 45174, Dallas, Texas 75245.

Truck and Bus Mechanics, American Trucking Associations, Inc., Educational Services, 1616 P Street, N.W., Washington, D.C. 20036.

Truck and Bus Mechanics, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Trucking Industry, American Trucking Associations, Inc., Educational Services, 1616 P Street, N.W., Washington, D.C. 20036.

United States Air Force Academy, Director of Admissions Liaison, USAF Academy, Colorado 80840.

U.S. Air Force Careers, Air Force Liaison Representative, Air Force Opportunities Center, Box 800, Valley Forge, Pennsylvania 19481.

U.S. Air Force Community College (CCAF), Air Force Liaison Representative, Air Force Opportunities Center, Box 800, Valley Forge, Pennsylvania 19481.

U.S. Air Force Nurse, Air Force Liaison Representative, Air Force Opportunities Center, Box 800, Valley Forge, Pennsylvania 19481.

U.S. Air Force ROTC, Air Force ROTC, Advisory Service, Maxwell AFB, Alabama 36112.

U.S. Department of the Army, Commander, U.S. Army Recruiting Command, Attn: USARCASP-D, Ft. Sheridan, Illinois 60037.

U.S. Army ROTC, DCSROTC, U.S. Army Training & Doctrine Command, Fort Monroe, Virginia 23651.

United States Coast Guard Officer, United States Coast Guard Academy, Director of Admissions, New London, Connecticut 06320.

United States Marine Corps Officer, Headquarters, Marine Corps, (Code MRRE-3), Washington, D.C. 20380.

U.S. Merchant Marine Officer, Admissions Officer, U.S.M.M. Academy, Kings Point, N.Y. 11024.

United States Military Academy, Director of Admissions, United States Military Academy, West Point, N.Y. 10996.

United States Naval Academy, Candidate Guidance Office, U.S. Naval Academy, Annapolis, Maryland 21402.

United States Navy Officer, Commander Navy Recruiting Command, 4015 Wilson Boulevard, Arlington, Virginia 22203. NROTC (Code 314), Medical Programs (Code 315), Officer Candidate School (Code 312), Enlisted Programs (Code 33), Aviation Programs (Code 311), Nuclear Power Programs (Code 312).

Veterans Administration, Personnel Office of any VA Hospital or Regional Office, or Veterans Administration, Office of Personnel (054), Washington, D.C. 20420.

Veterinarian, American Veterinary Medical Association, 930 North Meacham Road, Schaumburg, Illinois 60196.

Veterinarian, U.S. Department of Agriculture, Food Safety and Quality Service, 123 East Grant Street, Minneapolis, Minnesota 55403.

Watch Repairing, American Watchmakers Institute, Box 11011, Cincinnati, Ohio 45211.

Welding, American Welding Society, 2501 N.W. 7th St., Miami, Florida 33125.

Welding and Welding Technology, Hobart School of Welding Technology, Trade Square East, Troy, Ohio 45373.

Youth Services, Boy Scouts of America, Professional Recruiting, North Brunswick, New Jersey 08902.

In addition to the above listed careers we recommend that each student carefully review the 1978-79 edition of *Occupational Outlook Handbook* compiled by the Bureau of Labor Statistics which contains updated information on about 850 occupations and 30 industries. A copy of this publication should be available in your school or city library, counselors office, or may be purchased for $8.00 paperback, $11.00 clothback by writing to the Bureau of Labor Statistics, 230 South Dearborn Street, Chicago, Illinois 60604.

THE BRUTAL ASSASSINATION OF AIREY NEAVE IN LONDON

Mr. KENNEDY. Mr. President, on Friday in London, Airey Neave, one of the senior members of the Conservative Party in the British Parliament, was assassinated by a car bomb as he drove from the parking garage of the House of Commons. Responsibility for the murder was claimed by factions of the Irish Republican Army which are seeking through a campaign of violence and terror to force Britain out of Northern Ireland.

I condemn this wanton and brutal murder and the organizations responsible for it. Mr. Neave's assassination is a cowardly atrocity that deserves the strongest possible condemnation by all civilized persons on earth.

Nothing is more calculated to destroy the chance of peace and reconciliation in Northern Ireland than these vicious tactics of terror.

In this critical period, I unequivocally urge all persons in Northern Ireland to repudiate these abhorrent tactics. I urge restraint by all sides and support for all appropriate law enforcement efforts to apprehend and punish the persons who have committed this shocking murder.

I also extend my deepest sympathy to Mr. Neave's family at this difficult time.

THE CONDITION OF THE AMERICAN ECONOMY AND REFLECTIONS OF AN ECONOMIC POLICYMAKER

Mr. THURMOND. Mr. President, in these times when all manner of problems seem to besiege our American economy and when we, at times, may feel discouraged and frustrated as we attempt to find solutions to these problems, it is indeed refreshing and reassuring to review some of the recent writings by that great and distinguished American, Dr. Arthur F. Burns.

My colleagues here in the Senate will recall that it was just a few weeks ago that I commended to their reading a truly outstanding article by Dr. Burns titled, "The Future of the Free Enterprise System." Now, as a follow-up to that article, I feel privileged again to commend two even more recent writings by Dr. Burns to my colleagues' attention.

Through these writings, Dr. Burns displays, in his usual candid but scholarly and thought-provoking manner, his unique talents and unusual perception in identifying the condition and the problems of the American economy. Most importantly, however, he effectively calls upon his vast knowledge and broad experience to suggest practical approaches to solve these problems.

Rather than my taking further time to discuss details of these recent contributions by Dr. Burns, I feel it would be more appropriate to refer you to preface and review comments by others who have formally reviewed these writings. One of the contributions by Dr. Burns, printed recently by the American Enterprise Institute, is titled, "The Condition of the American Economy," with a preface by Mr. William J. Baroody, Jr., president of that institute.

The other major contribution to which I refer is Dr. Burns' recently completed book, titled, "Reflections of an Economic Policy Maker," also published by American Enterprise Institute. An excellent review of this book is presented by Mr. Frank Vogl, U.S. economics correspondent of the Times of London, in the March, 1979 issue of Financier, The Journal of Financial Affairs.

Mr. President, as I have stated on other occasions, we are indeed most fortunate to have dedicated American leaders such as Dr. Burns to whom we can turn for advice and counsel. In order to share with my colleagues the summary substance of his outstanding contributions in the two publications, I ask unanimous consent that the preface by Mr. Baroody and the book review by Mr. Vogl be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

"THE CONDITION OF THE AMERICAN ECONOMY"

(By William J. Baroody, Jr.)

In the course of his long and distinguished career, Dr. Arthur F. Burns has served not only as a scholar and teacher concerned with increasing our understanding of economic processes and of the appropriate role of government in guiding and shaping business developments, but he also has been uniquely involved in the making of public policy. In the former role he taught economics at Rutgers and Columbia Universities and served as the head of the National Bureau of Economic Research. In the latter role he was Chairman of the President's Council of Economic Advisers, Counselor to the President, and Chairman of the Federal Reserve Board. Currently, following eight years of service with the Federal Reserve, Dr. Burns is Distinguished Scholar in Residence at the American Enterprise Institute and Distinguished Professorial Lecturer at Georgetown University.

He brings these perspectives to the second annual Francis Boyer lecture and a discussion of the condition of the American economy. There are five areas for concern, Burns says: (1) the flattening out of the trend of productivity, (2) the proliferation of government regulations, (3) the increasing cost of government and the growing burden of taxes, (4) the accelerating pace of inflation, and (5) the danger of an early recession.

He notes, however, that the American people are once again demonstrating resilience and a capacity to learn from experience. The leaders of both political parties have finally recognized that inflation is the Number One economic problem of the nation. He concludes that "the learning process that has . . . been going on in our country is . . . a basic reason for viewing our economic future with optimism. . . . Responsible citizens have gradually learned that our striving for a better society must be disciplined by prudence. They have learned that our productivity must increase faster if we are to remain a great nation, that governmental regulation can be overdone, that persistent federal deficits release forces of inflation, that inflation has been sapping our nation's strength, and that inflation cannot be brought to an end without making some economic sacrifices. They have learned also that confidence is still the main driving force of our economy and that business confidence in particular requires sustained governmental policies for encouraging initiative, enterprise, and investment."

Like the first Francis Boyer lecture, delivered in December 1977 by the Honorable Gerald R. Ford, Dr. Burns's remarks are offered as part of AEI's continuing commitment to the betterment of the public policy process and a belief in the principle that competition of ideas is fundamental to a free society.

REFLECTIONS OF A POLICY MAKER BY ARTHUR F. BURNS

(By Frank Vogl)

Possibly he shouldn't have been Chairman of the Federal Reserve Board; and today, precisely one year after having stepped down from that lofty position, certainly he shouldn't be as far removed from the center of the political stage as he is. Perhaps Arthur Burns should have been in Congress. He would have been an outstanding Chairman of one of the Budget or Finance Committees. For he was a great witness before Congress. He might have made an even more important contribution as a member.

Much of the advice offered by Mr. Burns in the last ten years was ignored. Today it is somewhat ironic that the Democrats, who so long neglected the pragmatic and constructive solutions to the multitude of pressing economic problems of the 1970s that he offered, should now be adopting so many of his views. So the publication recently by the American Enterprise Institute of his speeches and Congressional statements between 1969 and 1978 is most timely.

Mr. Burns's credibility has, alas, been tarnished to some extent by his record at the Central Bank. In the last nine years the rate of money supply growth has been greater than the level consistent with price stability; some of the blame for this must be shouldered by him and the Federal Reserve. Moreover, with the benefit of hindsight, it appears that the credit crunch instigated by the Fed in 1974 was overly harsh, adding to the magnitude of the subsequent recession and contributing to the subsequent inflationary Budget deficits.

POLITICAL CAPITAL DRAINED

In addition, is can be argued that Mr. Burns used up to much political capital in seeking continually to assert the independence of the Fed, so that at times those in the Congress and Administration who should have been the Central Bank's partners in fashioning the right fiscal and monetary policy balance were antagonistic toward the Chairman and so did not cooperate enough. Moreover, it does appear that he underestimated the degree to which banking and monetary conditions were changing and the need for comprehensive review of policy approaches and instruments in order to achieve better management of the money supply.

But historians may well reach the conclusion that the faults to be found with Mr. Burns's administration of the Federal Reserve are more than outweighed by the enormous intellectual contribution he made in the 1970s to public understanding of economic problems. It is this contribution that now, at a time of great currency and price instability, deserves close scrutiny.

Mr. Burns has concluded after years of the most painstaking study that the free enterprise system offers the greatest hope for attaining increased prosperity. Like so many immigrants to the United States he is convinced that there are innovative and dynamic resources in this country which, given the right environment and leadership, can overcome almost any problem.

FUNDAMENTALLY AN OPTIMIST

He is, therefore, fundamentally an optimist, and while he has often issued warnings in the most dire terms, he has always concluded his speeches on a note of hope and brightness.

He shares in this respect the romantic view once expressed to him by the late Prime Minister David Ben-Gurion, who, when asked by Mr. Burns how Israel in its first decade had developed so astonishingly, answered: "We did it first by dreaming, then by doing what the economists said was impossible."

Mr. Burns summarized his basic views perhaps best of all in a speech in 1973 honoring the memory of Adam Smith: "The key to the economic progress of the United States, I believe, is therefore to be found in our institutions, which by and large have permitted anyone in our midst to choose his occupation freely, to work for himself or for an employer of his choice, to produce whatever he chose, to benefit from the fruits of his individual effort, and to spend or to save or to invest as he deemed proper."

No speech of his during the last ten years, in good times or bad, has failed to warn about the dangers of inflation. He has understood the problem far more deeply than most current thinkers of both the political right and left. He has never espoused simplistic solutions. He has never sided with those who have bluntly suggested that fiscal and monetary restraint alone can deal with the problem. Like others he has placed a great deal of blame, over many years, on budget deficits and on the bias of politicians to care more about unemployment rather than inflation. But his prime contributions go well beyond such commonplace views.

Far too few people today have recognized how changes in market behavior have not only rendered classic Keynesian solutions largely useless, but have also made them sources of inflation. Mr. Burns was one of the first to do so, once noting that "conventional thinking about stabilization policies is inadequate and out of date."

ANYTHING BUT PRICE CUTS

He has pointed out that businesses more than ever find alternatives to price cutting in times of slump, relying on hard-sell tactics, changes in product design and advertising. He has observed that, because of increased information about economic affairs, the strength of unions, determination by employers to maintain stable labor forces and efficiency of communications, whenever an excessive wage rise occurs it is likely to spread faster and wider than ever before.

He has identified the increased interdependence of national economies as a network for the export of inflationary trends from one country to others. He has contended that floating exchange rates have added to inflation, not only because they have weakened balance of payments discipline, but also because at times they have pushed exchange rates too far—as in the sharp decline of the dollar last year, which he has argued was greater than ought to have been the case, and which added to US inflation.

When these considerations are taken into account—and still today they are not adequately appreciated by politicans—then Mr. Burns's long concern with investor psychology is more easily understood. In a speech in December, 1970, Mr. Burns noted that "the role that confidence plays as a cornerstone of the foundation of prosperity cannot, I think, be overstressed."

Frequently he has pointed out the weakness in real terms of corporate profits, the lack of adequate return for both shareholders and the discouragement for businessmen in investing in greater productive capacity at a time of high inflation. The tendency toward mergers and takeovers, which Mr. Burns asserts produce no increase in employment prospects, runs strongest when inflation is highest.

EROSION OF PRODUCTIVITY

The sum of lack of confidence to invest and of strong expectations of further high inflation is an erosion of productivity advances, he asserts. And time and again Mr. Burns stresses that greater productivity is absolutely critical to achieving price stability, high employment and sustained prosperity.

Moreover, he has consistently lambasted assorted types of Government regulation not only for weakening the free enterprise system as a whole, but also for contributing to inflation and serving to further undermine investor confidence. It is noteworthy in this context that he cited Adam Smith as warning more than 200 years ago that Government regulations were stifling free enterprise in Europe and claiming that the abundant energies of people would be released if only these barriers were swept away.

But unlike many conservatives the former Federal Reserve Chairman has frequently advocated intervention by Government to help create the right conditions for price stability and fuller employment. He has criticized too much regulation of industrial sectors where more competition is needed and too much stress on environmental and other regulatory programs that add to business costs.

NOVEL APPROACHES

He has, however, long been an advocate of incomes policies, of programs that aim to improve the prospects of racial minorities and the young in the labor markets; he has never been reluctant to call for novel approaches, be they the wider adoption of variable rate mortgages or the use by the Federal Reserve itself of zero-based budgeting techniques.

Mr. Burns's arguments in favor of incomes policies have now been fully adopted by the Carter Administration. Fully eight years ago he said. "We should not close our minds to the possibility that an incomes policy, provided it stopped well short of direct price and wage controls and was used merely as a supplement to fiscal and monetary measures, might speed up through this transitional period of cost-push inflation. Moreover, it seems clear to me that an incomes policy applied over a long period would be completely impractical. Even with these reservations, however, there may be a useful—albeit a very modest—role for an incomes policy in shortening the period between the suppression of excess demand and restoration of reasonable price stability."

As to employment, he has repeatedly advocated programs that are remarkably similar to those recently discussed at a hearing of the Joint Economic Committee of the Congress. He summarized his views early in 1978 before the National Press Club: "The heavy incidence of unemployment among young people and blacks will not be remedied by general monetary and fiscal policies. We need, instead, specialized efforts: First, efforts to overcome serious educational deficiencies so that individual job seekers will possess greater marketable skills; second, efforts to eradicate impediments that stand in the way of job opportunities for young people and minorities even when the potential for effective job performance is present.

TRAGIC HUMAN WASTAGE

"These impediments include federal and state minimum wage laws, restrictive practices of various craft unions in limiting membership, unnecessary licensing and certification requirements for many jobs and business undertakings, and—I must add to our shame—continual racial discrimination. This nation can have not greater priority than to end the tragic human wastage that we have been allowing to occur."

More than four years ago Mr. Burns noted that the American people are weary of inflation and of huge Budget deficits. He has contributed more to offering solutions to the inflation problem than anyone else in this country in recent times.

He has ranged from the intracies of monetary policy to the inflationary impact of the monopolistic US Postal Service; he has surveyed the turmoil of the global monetary system and the lack of investment incentives in the US tax structure; he has sought to analyze the problems of the stock market and of the Congressional budget process; he has devoted immense energy to questions of structural unemployment and difficulties within the nation's banking system—all constructive approaches offered in a humane and compassionate manner and in a refreshingly non-doctrinaire style.

TALENTS TO BE USED

Today Arthur Burns is lecturing at various colleges and advising some wealthy banks. His talents could be better used in Government. At the very least, influential members of Congress would do well to look over his past speeches and call him at every opportunity to advise committees on how best to bring order and prosperity to a nation that he adores.

Finally, to understand Mr. Burns one must look at his view of this country. He described it well about twelve months ago in a speech in Florida, when he noted: "It is clear to me as I reflect on my own life, that whatever success I have been able to achieve is due fundamentally to the fact that it has been my good fortune to be a citizen of a country whose people have had the opportunity to acquire a decent education, whose people have had the freedom to seek the truth and to express it as they see fit, whose people have had the opportunity to put to work such special talents as they may have and to utilize these talents for themselves, their families and their country. In short, it has been my great privilege to be an American."

PROFITS INCREASE IS GOOD NEWS AND CORPORATE PROFITS HELP COUNTRY

Mr. THURMOND. Mr. President, a noteworthy and provocative editorial comment entitled, "Profits Increase Is Good News" appeared in the Greenville News/Piedmont on March 25, 1979. This editorial highlighted the tremendous need for the private sector of our American economy to realize increased profits for possible capital formation for investment purposes. Reference was made also to the need for less interference in the private sector by Government.

In the same newspaper on that day, an editorial column by Mr. George F. Will, entitled, "Corporate Profits Help Country," provided some additional insights regarding this profits picture. Mr. Wills, after discussing some relevant background issues and some administration misconceptions, stated that—

> The administration should try a little leadership for a change. It should explain to the nation that increased corporate profits are a blessing.
>
> Today's profits, although high, are overstated. They follow a long profit slump. And they come when corporate liquidity is essential to the investment that is the key to rising productivity, and hence to rising standards of living.

Mr. President, in order to share these observations from the Greenville News/Piedmont editors and from Mr. Wills with my colleagues, I ask unanimous consent that these two articles be printed in the Record following these remarks.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Greenville (S.C.) News/Piedmont, Mar. 25, 1979]

Profits Increase Is Good News

Negative political reaction to the good news that profits of American corporations increased dramatically on a percentage basis last year is solid evidence of two sad facts:

A great many people, perhaps a majority, are woefully ignorant about the economics which affect their daily lives.

Numerous political leaders, instead of leading and informing, take advantage of widespread ignorance, exploiting it for partisan purposes.

Increased profits last year ought to cause dancing in the streets: it means more resources for businesses to create new jobs and improve production facilities so as to lower production costs. This is the way to fight unemployment and inflation at the same time.

Politicians, especially those in Congress and state legislatures, ought to rejoice because higher corporate profits, taxed at nearly 50 percent in many instances, mean more revenues for them to spend.

But no! Many politicians, in the White House and in Congress, fall all over themselves blasting business and repeating the economic falsehood that higher profits mean more inflation. The average citizen, busy worrying about personal problems, economic and otherwise, is misled into believing that "fat cats" are "ripping off" the public, pocketing huge amounts of ill-gotten gain. The word "profits" erroneously has come to unearned gain.

The truth is that much of the higher after-tax profits will go back into the productive system to provide goods and services for the public.

The greatest economic need of the United States right now is high profits for the private sector and less "milking" of the private sector by government. We are not going to curb inflation until non-productive government spending drops, and productive private enterprise spending, made possible by capital formation for investment purposes, goes up.

But that probably won't happen until the public wakes up sufficiently to the real facts of economic life in a free, non-socialist system. One big task for business people is to find ways to communicate the truth about economic operations to all Americans.

[From the Greenville (S.C.) News/Piedmont, Mar. 25, 1979]

Corporate Profits Help Country

(By George F. Will)

Washington.—Alfred Kahn is the designated hitter against inflation for an administration that has scheduled three minimum wage increases, increased milk support prices twice, added $59 million to the nation's sugar bill, used an acreage set-aside program to limit grain production, ballooned currency and bank reserves 9 percent in one year, expanded the federal budget 25 percent in two years, run a $50 billion deficit in the fourth year of a recovery, and advertised as "austere" a budget that, under optimistic assumptions, calls for a $30 billion deficit—the first budget that calls for spending more than $1 million a minute.

But recently Kahn addressed some Chicago businessmen this way: "You are in the spot. You have a heavy responsibility to help us, bring under control the inflation." Citing the double-digit figures, he said: "You're not doing very well." Kahn's brass is almost admirable. Almost.

"Don't despair, however," he said. "I also have some good news. I refer, of course, to the president's anti-inflation program."

Of course.

Aside from "austerity," the program (Kahn detects "widespread agreement about its basic fairness and soundness") involves "voluntary" guidelines, use of the government's procurement power to enforce them, and the "wage insurance" plan.

The "wage insurance" program (workers who settle for 7 percent increases would get a tax break if inflation runs above 7 percent) may not emerge from Congress. If it does, and if inflation is 10 percent, it will swell the deficit by at least $15 billion. (The administration estimates a cost of only $2.5 billion, but it dreamily estimates inflation at 7.5 percent.)

Kahn says, "Don't despair." But no less an authority than Hamilton Jordan says corporate profits are "unnecessarily" high and the administration will "take steps" to "deal with" them. The "problem" is that profits rose 9.7 percent in the fourth quarter of 1978, 26 percent in the year.

Aside from Jordan's intuitions about what is "necessary," the administration thinks that high corporate profits will complicate the task of persuading labor to accept a 7 percent ceiling on wage increases. But that ceiling means a real cut in pay, and given the fact that labor settlements did not cause and cannot cure inflation, there is no compelling reason why labor should accept the ceiling.

Besides, the administration should try a little leadership for a change. It should explain to the nation that increased corporate profits are a blessing.

Today's profits, although high, are overstated. They follow a long profit slump. And they come when corporate liquidity is essential to the investment that is the key to rising productivity, and hence to rising standards of living.

S. 300, ANTITRUST ENFORCEMENT ACT

Mr. THURMOND. Mr. President, several Members of Congress have proposed antitrust legislation which appears to be appropriate, but which would not be in the best interest of good antitrust enforcement, because the Illinois Brick bill, S. 300, is based on a premise that is conradicted by the record. Such problems arise from time to time in legislation proposed before Congress.

In order that no such mistake is made on this bill, we urge our colleagues to read fully the expert testimony, including the U.S. Supreme Court decision known as Illinois Brick. The advocates of the bill contend that the Supreme Court's decision of Illinois Brick has mainly nullified private enforcement of the antitrust laws, through the elimination of the indirect purchaser actions, and confining enforcement to direct buyers, on the theory that direct purchasers do not sue. We believe that the expert testimony we have heard will convince the Congress to the contrary, and that direct purchasers constitute more than 65 percent of the plaintiffs who file such suits.

We are confident the Mr. Justice Byron White's well-reasoned majority opinion is the only answer to a very difficult issue. As the dean of the Antitrust Bar, Prof. Milton Handler said, and I quote:

> Since—as we can now document—direct purchaser suits provide the backbone of private antitrust enforcement, the measure—S. 300—will have the unintended, but nevertheless disastrous, effect of substantially repealing the treble damage remedy as an instrument of antitrust enforcement.

Both defense and plaintiff outstanding national antitrust lawyers testified at these hearings, as well as present and former Federal district court judges, that such a bill is not in the best public interest, because the bill would kill off any attempt at serious antitrust enforcement in the private sector. It is interesting to note that among the plaintiff antitrust lawyers who testified against the bill, S. 300, are plaintiff lawyers who have traditionally testified in favor of amendments to the antitrust laws sponsored by Chairmen Kefauver, Hart, Kennedy, and Metzenbaum of the Antitrust Subcommittee. Harold Kohn, who testified against S. 300, stated this was the first time he had to testify against a bill introduced by the subcommittee chairman, but he had no alternative, because S. 300 is not in the best interest of antitrust enforcement.

Mr. President, in order to give each reader of the Congressional Record an opportunity to read statements in opposition to S. 300, I ask unanimous consent that a select number of prepared statements be inserted in the Record at this time; namely:

Brig. Gen. Emory Sneeden, associate dean, University of South Carolina Law School;

Perry Goldberg, outstanding plaintiffs' antitrust attorney;

Francis R. Kirkham, outstanding defendants' antitrust attorney;

Prof. Philip A. Lacovara, outstanding constitutional law expert.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Statement By Brig. Gen. Emory Sneeden

Mr. Chairman and Members of the Committee: My name is Emory Sneeden. I am associate dean and lecturer in law, antitrust, at the School of Law, University of South Carolina.

I appear this morning to testify concerning S. 300, which would amend the antitrust laws to overrule the decision of the Supreme Court in Illinois Brick.[1] In addition it would permit trial judges, as a discretionary matter, to overrule Hanover Shoe.[2]

The Committee is faced with the complex problem of attempting to strike a balance between deterring potential antitrust violators and compensating those injured by antitrust violations. As was the case in the 95th Congress with several drafts and a reported bill, I do not believe S. 300 will improve the antitrust laws.

A number of witnesses testified on the merits of S. 300 and the predecessor bill S. 1874, in the 95th Congress. Witnesses have covered a host of issues, favoring or opposing the bills. In my statement, I limit the views I leave with you to six points. In doing so, it is my purpose to avoid insofar as is possible discussing issues, which have been covered in depth before the Committee on previous occasions.

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[1] Illinois Brick Co. v. Illinois, 431 U.S. 720 (1977).

[2] Hanover Shoe, Inc. v. United States Machinery Corp. 392 U.S. 481 (1968).

First, to place the issues to be decided by the Committee in the proper perspective, it may be helpful to go much further back than Illinois Brick. While one or two witnesses have mentioned that Justice Byron White, author of the majority opinion in Illinois Brick, is a strong proponent of the antitrust laws, they were passing references. Justice White was nominated to the United States Supreme Court by President Kennedy and took his seat on the Court in April 1962. I have not collected his dissents or concurring opinions, but citations to his majority opinions are attached to my statement. Three citations, Ramsey v. United Mine Workers of America, United Mine Workers of America v. Pennington and Local Union No. 189, Amalgamated Meat Cutters and Butcher Workmen of North America, AFL–CIO v. Jewell Tea Co., are decisions by Justice White addressing the labor law exemption to the antitrust laws. Justice White was the author of fourteen other majority opinions. A common threat runs through the opinions. Justice White is a vigorous proponent of the antitrust laws. He certainly understands the impact of Illinois Brick and one who pursues his opinions in antitrust would have great difficulty labeling him as an insensitive jurist. I do not mean to suggest to this Committee, which possesses the legislative authority, that Illinois Brick is sacrosanct. However, I do suggest that, because of his philosophy and understanding of the antitrust laws, there is a clear signal that any legislation to overturn Illinois Brick and Hanover Shoe must address very difficult problems for which there may be no better legislative solution.

Second, the current bill before the Committee, S. 300, permits the trial judge, as a discretionary matter, to overrule Hanover Shoe. Assume under the provision that in a case before him, the judge decides that Hanover Shoe need not be overruled. Other provisions in S. 300 overrule Illinois Brick. At this juncture it becomes important to look back at the Illinois Brick decision. The following language is pertinent:

> "We granted certiorari, . . ., to resolve a conflict among the courts of appeal on the question whether the offensive use of pass-on authorized below is consistent with Hanover Shoe's restrictions on the defensive use of pass-on. We hold that it is not, and we reverse. We reach this result in two steps. First, we conclude that whatever rule is to be adopted regarding pass-on in antitrust damage actions, it must apply equally to plaintiffs and defendants . . ."

This was one of two basic reasons given by the Court for deciding Illinois Brick as it did. The point is, a bill which permits Hanover Shoe to stand, while overruling Illinois Brick faces a serious due process problem.

Third, in those cases in which the trial judge exercises his discretion to overrule Hanover Shoe and permit the use of pass-on defensively, it will result in litigation with all of the complexity described by a number of witnesses. Without commenting further, the prepared statements and testimony of Peter D. Standish, 1978 Hearings on S. 1874, Judge Charles Joiner, 1977 Hearings on S. 1874, Perry Goldberg, 1978 Hearings on S. 1874 and Dorsey D. Ellis, Jr., 1978 Hearing on S. 1874, are representative of the problems, which can be expected. The bottom line, I believe, will favor the giant antitrust defendants.

Fourth, the discretionary provision in S. 300, which allows a trial judge to overrule Hanover Shoe on a case by case basis, will add uncertainty to the antitrust laws. Some years will pass before the impact can be measured. Certainly for some time to come until the application of the discretionry provision by the federal judiciary develops, it probably would have a chilling effect on those who could sue. Direct purchasers will have to weigh the risks of contesting the pass-on defense and sharing a fractionalized recovery with the indirect purchasers. Indirect purchasers, before bringing suit, would be in much the same position. I do not know what effect the discretionary provision will have on the incentive of direct and indirect purchasers to sue antitrust violators. However, I am sure that I do not stand alone in believing that it will weaken, rather than strengthen their incentive to sue.

Fifth, an attempt has been made in this bill to limit potential plaintiffs to the chain of distribution and eliminate those whose injuries are very remote. The language now refers to "purchaser" or "seller" in the "chain of manufacture, production or distribution of goods or services" I must admit that I do not know what effect that language will have in future cases. However, the language in S. 300, which limits potential plaintiffs to the distribution chain, falls short in addressing the issue of tracing damages. A careful reading of Illinois Brick reveals that the opinion addresses the difficulties of tracing damages within the context of the distribution chain. Thus the language change in the Senate bill in the 96th Congress to limit potential plaintiffs to the distribution chain is probably cosmetic insofar as being of any assistance to the Court.

Six, addressing the issue of duplicative recoveries, it should be mentioned that the statute of limitations does not provide complete protection against duplicative recoveries. The major problem presented relates indirectly back to the difficulty of tracing damages; a problem of concern to the Court in deciding Illinois Brick. Ordinarily an action for damages under Section 4 of the Clayton Act accrues upon: a. an antitrust violation b. injury to the potential plaintiff. However, should the plaintiff's damages be too speculative to support a damage award, probably the view of the present state of the law with most support is that the statute of Limitations is tolled until such time when damages become definite enough to be proved. At least one prior witness has mentioned the possibility of abuse of the fradulent concealment defense. Such a defense could go behind the statute for many years.

ANTITRUST MAJORITY OPINIONS OF ASSOCIATE JUSTICE BYRON R. WHITE

1. Illinois Brick Co. 1. Illinois, 431 U.S. 720 (1977).

2. U.S. v. Glaxo Group Ltd., 410 U.S. 52 (1973).

3. U.S. v. Falstaff Brewing Corp., 410 U.S. 526 (1973).

4. Ricci v. Chicago Mercantile Exchange, 409 U.S. 289 (1973).

5. Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation, 402 313 313 (1971).

6. Zenith Radio Corp. v. Hazeltine Research, Inc., 401 U.S. 321 (1971).

7. Ramsey v. United Mine Workers of America, 401 U.S. 302 (1971).

8. Zenith Radio Corp v. Hazeltine Research, Inc., 395 U.S. 100 (1969).

9. Hanover Shoe, Inc. v. United Shoe Machinery Corp., 392 U.S. 481 (1968).

10. U.S. v. Third Nat. Bank in Nashville, 390 U.S. 171 (1968).

11. Albrecht v. Herald Co., 390 U.S. 145 (1968).

12. Utah Pipe Co. v. Continental Baking Co., 386 U.S. 685 (1967).

13. Lee v. General Petroleum Corp., 382 U.S. 54 (1965).

14. United Mine Workers of America v. Pennington, 381 U.S. 657 (1965).

15. Local Union No. 189, Amalgamated Meat Cutters and Butcher Workmen of North America, AFL–CIO v. Jewel Tea Co., 381 U.S. 676 (1965).

16. U.S. Continental Can Co., 378 U.S. 441 (1964).

17. Continental Ore Co. v. Union Carbide & Carbon Corp., 370 U.S. 690 (1962).

STATEMENT OF PERRY GOLDBERG

Mr. Chairman, my name is Perry Goldberg. I am a member of the firm of Specks & Goldberg, Ltd., in Chicago, a firm which with its predecessors has been heavily involved as attorneys for plaintiffs in scores of antitrust litigation for the past 10 years. I am preparing here today, as I did last year, on behalf of plaintiffs' antitrust attorneys throughout the nation who are opposed to S. 300 (and H.R. 2060), the current bills to overrule *Illinois Brick* and *Hanover Shoe*. I hope I can bring to this Committee my experience not only as a practicing plaintiffs' antitrust attorney, but also some special experience in the problems of judicial administration to which I believe *Hanover Shoe* and *Illinois Brick* are primarily addressed.

Much of my early career was spent in the massive Electrical Equipment Antitrust Litigation. In the early 1960's, I served in an administrative legal capacity to the Coordinating Committee for Multiple Litigation. This was a special subcommittee organized by the Judicial Conference of the United States and apopinted by Chief Justice Warren to function as a kind of executive committee for the judges assigned to the Electrical Equipment Antitrust Litigation and thereafter to make recommendations regarding proposals for dealing with future complex multidistrict litigation. In a sense, this Judicial Conference subcommittee was the predecessor for the current Judicial Panel on Multidistrict Litigation. Accordingly, I participated in the drafting of Title 28, U.S.C. § 1407, the pretrial coordination or consolidation provisions that are applicable to multidistrict litigation and which would be amended by the pending bills. I, thus, have had experience both as a judicial advisor and as a practicing plaintiffs' attorney with the problems of complex litigation and judicial administration.

As I testified last year, the plaintiffs' attorneys for whom I am speaking are strongly committed to the efficient and effective enforcement of the antitrust laws. Most of us were initially troubled by the decision in *Illinois Brick* and the notion that the courts are unable to remedy violations of the laws by providing redress to the persons actually injured. At the same time, however, we believe that *Hanover Shoe* was correctly decided, and that the proposed legislation will do irreparable harm to effective antitrust enforcement without in fact delivering on its promise of improved compensation. As Harold Kohn testified before the National Commission for the Review of Antitrust Laws and Procedures, "[D]o not waste your time changing or trying to change *Illinois Brick*. It's simply going to lead, once again, to years of profitless litigation." *

Before elaboration on this point, I want first to voice the concern that many of us in the plaintiffs' bar have that you do not fully appreciate the practical difficulties of antitrust litigation.

Antitrust litigation is today enormously complex even without the pass-on defense. In testifying last year I attached an article I co-authored on the Electrical Equipment conspiracy cases to demonstrate how difficult that litigation became just in the context of what were essentially direct purchaser actions. I do not believe those cases could have been handled had the pass-on defense been available. Nor do I believe that it would be possible under S. 300 to handle most of the treble damage actions that are pending today. In short, we believe it is correct to observe that much current private enforcement would be torpedoed if the proposed legislation were enacted. I sincerely believe that an already complex enforcement system would simply collapse of its own weight if you complicate it any more. And I should add here in this connection that obviously direct purchasers do sue, and I find the argument that they do not sue is simply not borne out by the experience in scores of cases.

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* Hearings to Receive Testimony on Procedures for Complex Litigation before the National Commission for the Review of Antitrust Laws and Procedures, Testimony of Harold Kohn (July 12, 1978, p. 112).

I would challenge you in a different way than some of the antitrust scholars you have heard. I would ask you before you enact any legislation to spend just a few weeks in the field, so to speak, monitoring some of the current antitrust actions. I do not refer here to review of scholarly papers. I mean traveling with me or anyone you choose through a few steps of the discovery process. I would be willing to let such an experience speak for itself. Accordingly, I will only make three brief additional points.

First, on the question of the compensatory aspects of the question, to which I said I would return, let me just make one comment. Perfect compensation is impossible, and the costs of trying to achieve even approximate compensation would undermine the entire enforcement effort. Indirect purchasers, including consumers, are simply not the only ones who may be injured in some economic way by violations that today can be pursued only by direct purchasers. Stockholders, employees and suppliers of both the direct and the indirect purchasers may suffer even more injury than the ultimate consumer. The pending legislation at least recognizes that it would be impossibly burdensome to allow these persons into the lawsuit by expressing an intent not to change the law of standing.

Moreover, the chain-of-distribution requirement would appear to prohibit recovery by numerous classes of potentially injured indirect purchasers, including those who can recover today under the exceptions to *Illinois Brick*. I am referring here to those who pay higher prices as a result of price-fixing of capital goods, energy supplies, or substantially transformed products.

Presumably, these various limitations are designed to eliminate some complexity and thus make the legislation more appealing. To my way of thinking, this limitation only underscores the futility and discriminatory nature of the bill. While Congress can obviously decide to prefer compensation over efficient deterrence, I do not see how it can decide to compensate some injured persons but exclude others perhaps more worthy. Hanover Shoe and Illinois Brick are, I will admit, somewhat arbitrary in the interests of enforcement and judicial administration. But the pending legislation is no less arbitrary and infinitely more complex and obscure. In short, it combines the worst of both worlds and cannot work.

It is possible to try to have it both ways, by leaving Hanover Shoe intact, overruling Illinois Brick, revising the law of standing and eliminating the chain-of-distribution limitations. This would solve the difficulties with the pass-on defense while permitting all potentially injured persons to press their claims. But it would be cumbersome and it would also raise the problem of duplicative recovery. I am not convinced that double recovery is as much of a problem on the practical level in the federal courts as it is on the theoretical level. But it should be pointed out that no matter what the Congress does to amend the Clayton Act, the state courts are likely to continue to follow Hanover Shoe and Illinois Brick in interpreting state antitrust laws, which are patterned after the current federal law. There is nothing the Congress can do to change state law short of total preemption. Accordingly, if the pending bill passes, you will have intractable problems of double damages arising out of direct purchasers' rights to the entire overchange in state courts, and indirect purchasers' rights to additional recovery in the federal courts.

Second, in the interest of full disclosure, I should point out that my firm's clients have an interest in this legislation. My clients are currently pursuing direct purchaser claims in numerous active litigations, including the Folding Carton, Fine Paper, Corrugated Container, Western Sugar, Chicken, Wiring Devices, Toilet Seats and Armored Car Antitrust Litigations. These clients are primarily small businesses which may have their potential recovery both reduced and delayed if the defendants raise a Hanover Shoe defense, as they most certainly will have to, in the event the pending legislation is enacted. But the fact that our clients may be affected cannot eliminate the questions of constitutionality and basic fairness raised by retroactive legislation.

Perhaps there is concern on the other side about the pending actions that will fail if the legislation is not retroactive. But I would like to suggest that the equities are not equally balanced. Hanover Shoe has been solid law for a decade, and there was never any hint that I was aware of that the Congress even considered overruling that case in the parens patriae legislation. Illinois Brick, though in our view of questionable correctness, can hardly be considered a surprise. It is a logical extension of Hanover Shoe, and there have been many indications in the courts and in the parens patriae legislation that such a case could be decided in the way it was. Moreover, there are far more direct cases that would be adversely affected by retroactivity than there are indirect claims that have been adversely affected by Illinois Brick. In other words, I am trying to say that while I recognize that nothing you do will be considered equally fair by all interested groups, I think that apart from being unwise, it is more unfair to reverse the reasoning of recent and long-standing Supreme Court precedent retroactively than to accept the teaching of the High Court.

Here again, it might be possible to have it both ways by overruling Illinois Brick retroactively but making the Hanover Shoe provisions prospective only. But this approach would almost certainly expose defendants to duplicative recoveries in federal court. For example, if any of the direct purchaser cases in which I am involved is settled finally prior to enactment of this legislation, there would be nothing in S. 300 to prohibit duplicative recoveries by indirect purchasers, some of whom have tried already to bring suit. I have to confess I do not have too much sympathy for these defendants, but this is a point you should be aware of.

Finally, let me reiterate what I said last year about the obscurity of this legislation. No member of the plaintiffs' bar that I know understands what the legislation really means. The discretionary Hanover Shoe provisions and the chain-of-distribution requirements will take a decade of litigation to define. If I were a defendant's lawyer, I would seriously consider supporting the legislation at least for the near-term confusion it will create. The current system is today a very effective deterrent. I would urge you to leave it alone.

STATEMENT OF FRANCIS R. KIRKHAM, ATTORNEY, PILLSBURY, MADISON & SUTRO, SAN FRANCISCO, CALIF.

On April 24, almost a year ago, I testified before this Committee in opposition to the enactment of S. 1874, last year's counterpart to S. 300. On that occasion I mentioned my many years of experience in the antitrust field, all of which convinced me that S. 1874 should not be characterized as a bill "To restore fair and effective enforcement of the antitrust laws," but, rather, as a measure which would grievously impair, if not preclude, the fair and effective enforcement of those laws. I respectfully request that the Committee give renewed consideration to the points I made. Every objection I stated at that time applies to the present bill; not a single objection has been answered in testimony before this Committee or otherwise.

I shall not repeat my earlier testimony but do wish to recall these highlights:

Much was made in those hearings—and has been repeated here—of a belief that in order to provide effective enforcement of the antitrust laws, the decision of the Supreme Court holding that indirect purchasers do not have claims must be reversed because direct purchasers will not sue their suppliers. In response to that suggestion, Professor Handler, before his testimony last April, reviewed all available complaints in non-governmental antitrust actions pending is the Southern District for New York and found that of the 69 pending cases brought by purchasers or sellers of goods and services only three had been brought by indirect purchasers; 66 had been brought by direct purchasers.

Professor Handler's study was criticized by the Attorney General of Arizona as being non-typical because, he said, New York had been notoriously hostile to suits by indirect purchasers. Partially in response to this, and partially as an independent project, I had an examination made of all pending non-governmental antitrust suits in the Northern District of California, a district, incidentally, which has one of the largest concentration of antitrust suits in the country. In view of the statement of the Attorney General of Arizona, I also had a review made of cases pending in the District Court for the District of Arizona. Results of my surveys were submitted to the Committee. These surveys could hardly be criticized as taken in an area where the Courts were hostile to suits by indirect purchasers. The Ninth Circuit, which includes both Arizona and California, was the only Circuit which had held categorically, before *Illinois Brick*, that indirect purchasers had standing to sue. Nevertheless, our surveys corroborated in every way the survey of Professor Handler. In the Northern District of California, except for the *Sugar* cases, which had been consolidated there from all over the country, not a single suit by an indirect purchaser or seller was on file. If the Sugar cases are included, 37 cases, or 23 percent, were brought by indirect purchasers, 16 cases, or 10 percent, were brought by both direct and indirect purchasers, and 110 cases, or 67 percent, were brought by direct purchasers.

In Arizona the results were similar. Of the 32 pending cases which involved purchase or sale of a product or service, 26 had been brought by direct purchasers, 5 by both direct and indirect purchasers, and only one by indirect purchasers.

These figures establish that the backbone of antitrust enforcement before *Illinois Brick* was the suit by the direct purchaser. It simply is not true that the first purchaser has no incentive to sue, will not sue, and is not the most logical and effective enforcer in the private sector of the antitrust laws.

These studies, however, brought out other highly significant facts. We learned that in Northern California, of the 110 cases brought by direct purchasers, 106, or 96 per cent, involved plaintiffs who later re-sold the item. Thirty-eight of the cases (36 per cent) involved sales of the product in the form in which it was originally purchased; 68 cases (or 64 per cent) involved sales in an altered form. In Arizona, of the 26 cases involving direct purchasers, 21 involved plaintiffs who later re-sold the product. In 4 cases some plaintiffs had, and some had not, re-sold the product. Only one case was pending which had been brought by the ultimate consumers. Of the 25 re-sale cases, 11 involved re-sale in the same form, 9 involved re-sale in a different form, and 5 involved situations where some plaintiffs re-sold the item in the same form and some re-sold it in a different form.

If we turn to the relatively few suits brought by indirect purchasers, the facts are equally significant. Professor Handler learned that the 3 indirect purchaser suits in the Southern District of New York were brought by purchasers who had later re-sold the product in suit or used it to make something else which the purchaser had sold. In the Northern District of California, we learned that of the 37 cases where indirect sales were involved, 29 of the plaintiffs (68 per cent) had re-sold the product to another person. Of these 25 re-sales, only 7 (28 per cent) involved a sale in the same form, while the remaining 18 (72 per cent) involved sales in a different form. In Arizona, the one case brought by indirect purchasers did not involve resales, but the 4 cases involving both direct and indirect purchasers involved resales, 2 of the product in the same form, and 2 after some modification of the item.

Mr. Shenefield, under questioning by Senator Thurmond in the February hearings, stated that the Department of Justice had made no effort to determine the ratio of cases filed by direct purchasers versus indirect purchasers. However, with no foundation whatsoever he then went on to suggest that the statistics submitted by Professor Handler and me "may well be highly selective"; that the Southern District of New York's rules on standing may have "affected the outcome"; that nationwide statistics might be different from those in Tucson and Phoenix. I know of no rule in New York that made that forum hostile to suits by indirect purchasers, and certainly the Ninth Circuit was the most hospitable of all to such suits. If nationwide statistics are any different Mr. Shenefield should come forward with them. I don't recall off-hand any single piece of legislation proposed in my lifetime more seriously threatening the effective enforcement of the antitrust laws then the bill now under consideration. Surely, such legislation deserves careful consideration by the Department of Justice. Mr. Shenefield passed the matter off by saying that it didn't seem to him "likely" that permitting a pass-on defense to direct purchaser suits would adversely affect antitrust enforcement, because, said he, "People will sue if they have a chance to recover, and the question is the distribution of damages, rather than the amount of damages" (Transcript of Hearings, February 1, 1979, p. 26).

But that is just the point. People will not sue if they do not feel they have a chance for a meaningful recovery. Under the present law the direct purchaser feels that he has this chance. If, however, he must face a pass-on defense and find the damages he hoped to recover passed-on—or, to use Mr. Shenefield's term, "distributed"—to subpurchasers and sub-subpurchasers down the line, his chance to recover will simply turn into a chance to embroil himself in a lawsuit so complex as to have no ending, with no reasonable prospect of meaningful recovery. Mr. Shenefield is right when he says it is a question of distribution of damages. But when damages are fragmented among hundreds, thousands, and even millions of people, the chances of meaningful recovery by anyone but the lawyer becomes remote, and the lawyer becomes remote, and the burden upon the courts and the community intolerable.

The testimony of Governor Babbitt of Arizona before this Committee on February 1 helps to demonstrate what I have in mind. He speaks of a recovery on behalf of the citizens of Arizona of $2.1 million in the *Asphalt* cases; $2.5 million in the *Bread* cases; about $4 million in the *Milk* cases.

I have two comments on these cases and similar cases.

In the first place, although Governor Babbitt speaks of the *Asphalt* cases going to judgment" and of the State "winning" the case, the recoveries in each of these three cases were the results of settlements. The same is true, of course, of the nationwide *Drug* cases and of the California *Potato Chip* cases, both of which groups of cases Senator Kennedy, in his opening remarks on February 1, referred to erroneously as having been "won" by the plaintiffs. Indeed, the only two drug cases that were tried were won by the defendants. There is no way a consumer class action of the type of these cases can be tried in accordance with accepted standards of justice. I know of not one single large consumer class action that has been tried to final judgment. Because of the enormous exposures of these aggregated claims, defendants, as a practical matter, are denied their day in court and are driven to settlements.

My second comment is that the ultimate irony in this whole system is that these settlements, large as they are, rarely, if ever, involve meaningful compensation to consumers—although they do involve most meaningful compensation to lawyers, and this includes payments to lawyers for the defense as well as for the plaintiffs. In my testimony last year, I referred to a check for $1.78 I received—out of the blue—which turned out to be my share, as a member of a class on whose behalf a settlement had been made, of alleged overcharges on telephone calls made in hotels in New York City. I did not know at the time, and I still do not know, the name of my attorney whose diligence discovered this grievous wrong done to me and who brought the suit on my behalf. But I do know that he received a fee several hundred thousand times the amount of my recovery. No court ever determined that I had in fact been a victim of a violation of the antitrust laws. And, if I had been, I still was not entitled to any damages, because I had passed on any overcharges to my client when I sent him the bill for my hotel accommodations.

As our civilization becomes more complex, as our population increases, inevitably more and more elbows are going to be bumped; more inconveniences suffered. If for each and every toe stepped on, however lightly, our law is going to furnish a civil remedy to provide compensation of a dollar or two dollars or three dollars or ten, our system of jurisprudence will simply collapse under its own weight.

Consider this example once suggested to me by my old friend Judge Rifkind: A negligent driver runs out of gas in the Holland Tunnel; traffic is backed up for blocks if not miles; tempers are frayed; gasoline is wasted; appointments are missed; workers are late, etc., etc. These inconveniences are real, but to make each the subject of a vast class action against the wrong-doer would fill the Courts for a lifetime and result in no meaningful compensation to each of the thousands whose irritation was real but whose damages were remote and de minimis. Governor Babbitt's figure of $10 each to a large number of his state's citizens aggregates into a nice round figure for political purposes in the *Bread* cases, but the recovery as compensation to each citizen is a travesty, and particularly when we keep in mind that these amounts are not adjudicated damages but settlements coerced by the nature of the claims and the class actions.

The foregoing emphasizes the magnitude of the blow to antitrust enforcement which passage of the bill before us would bring. The necessary corollary of granting a cause of action to indirect purchasers is affording a pass-on defense to claims of direct purchasers, and to the successively diminishing claims of indirect purchasers down the line. Many, if not most, direct purchasers pass on some or all of their overcharges. Subsequent purchasers in turn pass on the overcharges, in whole or in part, to others on the many levels of distribution and fabrication until ultimately the product, or a product incorporating the product, reaches the ultimate consumer. Thus most causes of action for antitrust enforcement would become so fragmented between direct purchasers, indirect purchasers, sub-indirect purchasers, manufacturers and sellers of products incorporating the purchased product, that there are few persons at any level of distribution motivated to bring a treble damage suit—except, of course, the ultimate consumer.

And consider for a moment what this means. Ultimate consumers are numbered in the tens of thousands, hundreds of thousands, or millions. Rarely, if ever, will any of them (except direct purchasers or indirect cost-plus purchasers) be able actually to prove any damage (e.g., the purchaser of a home with a price-fixed plumbing fixture which has gone through several levels of distribution). But here is where, if the law permits it, these residues of the fragmented damages, if any, can be brought together by a small sophisticated segment of the bar into consumer class actions which will pyramid minuscule claims into sums so vast as to create a weapon potentially destructive to defendants, particularly when they can be put in the hands of an unskilled jury.

I note that several witnesses before this Committee, in the Hearings on February 1, including Mr. Shenefield and Governor Babbitt, sought to separate the problems of class action from those of Illinois-Brick. In substance, they said, let's deal with Illinois-Brick now and we can deal with class actions later. But the two are inseparable. S. 300, or any like bill conferring a cause of action on indirect purchasers, with the necessary corollary of a pass-on defense, would fragment antitrust recoveries among so many people that class actions by consumers can be expected to become the dominant part of the antitrust treble damage picture.

The class action already is a blot on our judicial processes. S. 300 can only increase this blemish. A study by the American College of Trial Lawyers several years ago disclosed that in just one Federal Judicial District in this country, the Southern District of New York, class actions were pending involving a total of some 400,000,000 claimants—double the population of the United States! The mere statement of this fact is shocking to reasonable men. No rational system of jurisprudence can tolerate such a situation. Further, it brought a chill to me to read Assistant Attorney General Shenefield's response to Senator Metzenbaum's inquiry as to the amount of the "overcharges" that would go unchallenged if S. 300 were not made retroactive. Mr. Shenefield replied that he felt this amount would be "almost beyond definition it is so large" (Hearings of February 1, p. 37). This is only a tithe of the amounts that would be thrown into consumer class actions by this bill—not to be litigated, but to de disposed of by in terrorem settlements without regard to guilt or innocence.

If we are to justify, then, a bill which will fragment antitrust recoveries among thousands, or hundreds of thousands; or millions of people, with all of the attendant problems of proof of pass-on and with the inevitable aggregating of all of these claims into enormous class actions, it must be on the basis of providing a deterrent to antitrust violations rather than of attempting to compensate injured persons. But if a stronger deterrent than now exists is thought necessary it seems to me that it should be plainly exacted as such, rather than attempting to create a civil remedy which produces a morass in the courts and a devastating burden upon the economy. If the present fines and imprisonment are thought insufficient, they can be increased—although in my view I think the greatly increased penalties now provided have yet to be appraised. I think I read some place in the testimony earlier given to this Committee that the witness testifying was satisfied that a corporate officer would certainly be willing to go to jail for 30 days in return for several million dollars of overcharges. This witness, I think, overlooks the fact that the person who would go to jail would not receive any of the overcharges. The money would go to the corporation; the officer would go to jail—and thereafter, undoubtedly, be unemployed. In the nearly 50 years of my practice I have yet to find an officer of a corporation who would be willing to go to jail in order to get a few more million dollars for the corporation.

What I have said touches what seems to me to be the most serious of the proposed bill's defects. However, let me add just one or two comments on points which I know others will discuss in more detail. The provisions of section 4I. (b) and (c) (1) and (2) present serious constitutional as well as policy problems.

Section 4I.(b) provides that, in order to avoid duplicative liability, a defendant may prove a pass-on by the plaintiff. But whether or not such proof can be made is placed in the unrestricted discretion of the court.

To place in the absolute, unguided discretion of the court the power to allow or to deny a defendant the right to prove a pass-on seems not only a piece of unwise and unprecedented legislation, but also, clearly, an unconstitutional delegation of legislative power. It purports to place in the hands of the judge the unfettered right to create a cause of action in a plaintiff for a particular wrong (by denying a pass-on defense) or to take away the cause of action for the same wrong (by permitting proof of pass-on). A plaintiff either has a cause of action against a defendant or he does not. Conversely, the defendant is liable to the person having the cause of action—and to no one else. It may be that the cause of action against the defendant may be split up between several purchasers in the line of distribution as this bill attempts to do—no matter how wise or unwise such a provision may be—but under our system of due process the cause of action cannot whimsically be given or taken away from persons in the line of distribution depending solely on the untrammeled discretion of the judge.

Paragraph (c)(1) purports to adopt the fluid recovery which the Second Circuit in Eisen held unconstitutional (*Eisen* v. *Carlisle & Jacquelin* (2 Cir. 1973) 479 F.2d 1005, 1018; issue reserved, 417 U.S. 156, 172 n. 10). This provision is not only unconstitutional, it is a total distortion of reality and a vindictive, unwarranted, lethal weapon against business, large and small, innocent and guilty.

I should also say that, for reasons gone into at length in the prior hearings, if a bill of this kind is to be passed it should be made applicable only to price-fixing and only to sales of the product in the same form as it is purchased; there should be no vicarious liability (i.e., a defendant should be liable only for overcharges on its own sales); and the statute of limitations should be amended to provide such specific period, long or short, as Congress deems appropriate, but at the same time make it clear that the statute is not tolled by "fraudulent concealment." Fraudulent concealment is now routinely pleaded in antitrust suits to expand the scope of such suits over periods going back a quarter of a century or more. This, I believe, is contrary to the intent of Congress when it passed the statute and its correction is imperative if a bill like S. 300 should be passed to expand consumer class actions.

May I close with this thought. The hearings on February 1—and the hearings last year—disclosed what, at least as far as my experience goes, is the most extraordinary line-up in support of a piece of legislation even seen. The minority report last year—indeed the majority report also—disclosed, if nothing else, that serious questions of policy and constitutionality are raised by this bill; that reasonable men and highly responsible organizations consider it unwise and hurtful; that eminent scholars feel it will seriously impair the enforcement of the antitrust laws, which are the foundation of our free enterprise system. Many opinions pro and con were expressed to this Committee. Yet every one of the 50 attorneys general of every state in the Union, and every one of the 50 Governors of every state in the Union, without a single exception, and without the slightest pause or qualification, appeared here in person or by proxy to endorse the bill. Not a single one of these 100 political leaders apparently shares the view of many in this body, and of many elsewhere in public and in private life in this country, who feel doubt if not dismay.

The reason, I believe, is obvious and will, I know be kept in mind by the members of this Committee, who are, of course, familiar with the political scene. No one of these officials suggested that he was speaking objectively or giving his opinion from the standpoint of the rule of law or the general welfare. Each spoke as an advocate seeking to obtain a bill which would give his office the power to claim vast sums of money—as much, according to some, as a billion dollars or more—for the voters in his state.

I know violations of the antitrust laws exist and should be punished, but if my experience is any guide, the actual amount of damages suffered by the ultimate consumers in these states is a small fraction, indeed, of the amounts mentioned. Moreover, for the reasons I have stated, S. 300 could seriously impair the enforcement of the antitrust laws in those states by depriving most direct purchasers of an effective remedy.

Statement by Philip A. Lacovara

Mr. Chairman, I am a partner in the law firm of Hughes Hubbard & Reed and I am in charge of the firm's Washington office. My firm serves as trial counsel to several clients in antitrust cases. I appeared before this Committee one year ago to speak about the constitutionality of the retroactivity provisions of S. 1874, 95th Congress. I am testifying again today on behalf of the Bristol-Myers Company to discuss the legal objections to the proposed retroactivity of the successor to that bill, S. 300.

S. 300 is subject to the same constitutional and policy defects that prompted the sharp objections to S. 1874, and the changes that have been made in the substantive terms render S. 300 even more constitutionally suspect than its predecessor bill.

I. Structure of the bill:

S. 300, like S. 1874, would amend the Clayton Act to overrule the Supreme Court's decision in *Illinois Brick* v. *Illinois*, 431 U.S. 720 (1977). Unlike its predecessor bill, however, S. 300 would not symmetrically overturn the result in *Illinois Brick*'s antecedent, *Hanover Shoe, Inc.* v. *United Shoe Machinery Corp.*, 392 U.S. 481 (1968).

The rights and liabilities of parties to private antitrust cases would be drastically shifted by this asymmetrical alteration in the antitrust laws. Under *Hanover Shoe*, defendants have been subject to liability in suits brought by direct purchasers of their products regardless of the purchaser's ability to pass on some of the overcharge to parties further down the distribution chain. S. 300 would create a new cause of action against these same defendants, to be asserted by indirect purchasers who, under the Court's decision in *Illinois Brick*, have had no cause of action. While authorizing the unrestricted use of the "pass on" theory as a basis for claims by new classes of plaintiffs, S. 300 would only allow the defendants to show a "pass on" by direct purchasers—and to thus avoid duplicative liability—if the district judge choose to exercise discretion to permit the defense. If the judge allowed the defense, he would be diluting the direct purchaser's claim. If he denied it, he would be compounding the defendant's liability for the same conduct.

Finally, S. 300, like S. 1874, would fail to cap the defendant's liability by establishing the actual initial overcharge as the quantum to be trebled and of damages allocated among various levels of claimants.[1] In application, these bills would allow a court to assess against a defendant an unpredictable amount of subsequent markups and consequential damages claimed by indirect and direct purchaser plaintiffs.

S. 300 would apply its amendatory provisions retroactively to any action that is pending on the date that the Act is enacted or is filed thereafter. S. 1874 would have applied to any action pending on the date that the *Illinois Brick* case was decided, June 9, 1977, or was filed thereafter. Although the scope of the S. 300's retroactivity provision appears narrower than that of S. 1874, it is not.

Few, if any, of the antitrust cases that were pending when *Illinois Brick* was decided and that were affected by it have been finally resolved in the interim. As a result, S. 300 would attempt not only to change important rules of law for conduct that occurred long ago, but would also endeavor to upset two years' worth of litigation in many antitrust cases, including cases in which non-final dismissals have been entered or settlements reached.

Even apart from pending cases, the application of new rules of substantive law in cases not yet filed would also be retroactive to the extent that the new rules apply to prior conduct, as S. 300 evidently intends. Thus, despite the artful formulation of the effective date provision, the Committee must realize that the bill would have substantial retroactive impact.[2] Its validity and propriety must be tested in this light.

My testimony will address three particular problems of retroactivity: first, why the retroactive dilution of individual claims and expansion of total liability under this bill would be an unconstitutional denial of due process to direct purchaser plaintiffs, and to defendants; second, why the principle of separation of powers prevents Congress from repudiating decisions of the Supreme Court and directing lower courts to apply different rules of law in pending cases; and third, why, in any event, the enactment of retroactive legislation on this subject is an unreasonable and unwise exercise of legislation powers.

II. Retroactive application of S. 300 would constitute a denial of due process.

A. Our Legal System Abhors Retroactive Legislation

James Madison announced our nation's rejection of retroactive laws when he declared that such legislation is "contrary to the first

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principles of the social compact and to every principle of social legislation." The Federalist No. 44. Madison's comments were derived from the harsh lesson of experience:

"The sober people of America are weary of the fluctuating policy which has directed the public councils. They have seen with regret and indignation that sudden changes and legislative interferences, in cases affecting personal rights, become jobs in the hands of enterprising and influential spectators, and snares to the more industrious and less informed part of the community." *Id.*

Chief Justice John Marshall made this policy manifest in our judicial system. As early as 1801, in *United States* v. *Schooner Peggy*, 5 U.S. (1 Cranch) 103, 110 (1810), he warned courts adjudicating rights between private individuals to "struggle hard against a construction [of a statute] which will, by a retrospective operation, affect the rights of parties. . . ." As the Court later put it, the rule of prospectivity is "one of obvious justice" because it "prevents the assigning of a quality or effect to acts or conduct which they did not have or did not contemplate when they were performed." *Union Pacific R.R.* v. *Laramie Stock Yards Co.*, 231 U.S. 190, 199 (1913).

This aversion toward legislation that applies retrospectively is well founded, for a person should be able to assess his conduct with reasonable knowledge of its legal consequences. He should be able to expect stability in the rights or liabilities that attach to his conduct or to the acts of others. In a lawful society each of us plans his future with the expectation that the legal status of arrangements entered into today will not be upset tomorrow by a change in the law that applies to past conduct. Indeed, it is no understatement to say that the ability to plan for the future depends upon respect for stability of past legislative arrangements.

The Framers affixed their aversion toward retroactive legislation in a number of clauses in the Constitution. Article I, § 9, cl. 3 prohibits Congress from passing any "ex post facto Law." In *Calder* v. *Bull*, 3 U.S. (3 Dall.) 386 (1798), this prohibition was held to apply directly only to retroactive criminal statutes, but the principle it embodies is surely broader.

In fact, the Supreme Court recently noted that "[t]he earliest instances of nonretroactivity in the decisions of this Court—more than a century ago—came in cases of nonconstitutional, noncriminal state law . . . . And, in the last few decades, we have recognized the doctrine of nonretroactivity outside the criminal area many times, in both constitutional and nonconstitutional cases." *Chevron Oil Co.* v. *Huson*, 404 U.S. 97, 106 (1971) (citations omitted).

The Contract Clause, Article I, § 10, cl. 1, forbids the States to pass a "law impairing the Obligation of Contracts." Although this prohibition upon retroactive civil legislation directly controls only state action, here too the underlying policy has a broader sweep, reflecting the basic principle that legislation should not interfere with vested rights and liabilities or with existing legal relationships.[3]

The direct restraint upon the federal government's power to enact retroactive civil legislation lies in the Due Process Clause of the Fifth Amendment. Legislation that, considering its retroactivity, is arbitrary or unreasonable or harsh and oppressive, constitutes a denial of due process. *Railroad Retirement Board* v. *Alton Railroad*, 295 U.S. 330 (1935); *see also United States Trust Co.* v. *New Jersey*, 431 U.S. 1 (1977); *Usery* v. *Turned Elkhorn Mining Co.*, 428 U.S. 1 (1976).

B. Factors Articulated By The Supreme Court To Test Retroactive Legislation Establish Invalidity Here.

Our system's aversion to retroactive laws is vividly illustrated by the decisions concerning the impairment of contracts. In *Allied Structural Steel Co.* v. *Spannaus*, 46 U.S.L.W. 4887 (U.S. June 28, 1978), for example, a company challenged the constitutionality of Minnesota's new pension law, which attempted to require greater pension benefits for past service. The Court agreed with the company that the law was invalid because the law impermissibly altered the contractual relationships existing between employers and employees by imposing pension obligations exceeding those voluntarily agreed upon by the parties. The Court reached its decision by carefully delineating the exceptional circumstances under which state laws abridging contract rights may survive and concluding that, in the absence of extraordinary justifications, the retroactive burdens of the pension law were indefensible.

The facts in the leading case, *Home Building & Loan Association* v. *Blaisdell*, 290 U.S. 398 (1934), establish the exception. The mortgage moratorium legislation enacted by Minnesota in *Blaisdell* at the depth of the Great Depression was in direct conflict with lenders' contractual foreclosure rights. Five extraordinary factors justified the law's otherwise unlawful intrusion upon these rights: (1) the state had declared in the Act that it was an emergency measure to protect homeowners; (2) the law was enacted to protect a basic societal interest, not to advantage particular individuals; (3) the legislation was no broader than required to meet the emergency; (4) the conditions imposed were reasonable; and (5) the legislation was to be in effect only during the emergency period. Had these factors been absent, the law would have been invalid under the Contract Clause.

As the Court in *Allied Structural Steel* explained, the cases announced in *Blaisdell's* wake have made it clear that the Court requires proof on all five principles before it will sustain retroactive laws against a Contract Clause challenge.[4]

The Court also explained its recent Contract Clause decision in *United States Trust Co.* v. *New Jersey*, 431 U.S. 1 (1977); where it held unconstitutional the dilution of the rights of bond-holders. In that case, the Court acknowledged the traditional deference usually given to state laws designating social and economic goals, but gave renewed force to the accompanying rule that "[l]egislation adjusting the rights and responsibilities of contracting parties must be upon reasonable conditions and of a character appropriate to the public purpose justifying its adoption." 431 U.S. at 22. The Court emphasized that retroactive impairment of the rights of the bond holders was unnecessary, since there were reasonable "less restrictive" alternatives to achieve the state's goal of developing mass transportation. 431 U.S. at 30–31. The Court evaluated "with particular scrutiny"[5] the laws that modified the bondholders' contractual rights, and decided that, since the legislation was neither necessary nor reasonable, it violated the Contract Clause.

This stricter scrutiny applies as well to any law that may have a retroactive impact. In *Usery* v. *Turner Elkhorn Mining Co.*, 428 U.S. 1 (1976), the Court distinguished retrospective from prospective laws precisely by the level of scrutiny used to measure their constitutionality. The Court explained that Congress has far less constitutional power to change the law retroactively than it does to decide that the law should be different for the future:

"It does not follow, . . . that what Congress can legislate prospectively it can legislate retrospectively. The retrospective aspects of legislation, as well as the prospective aspects, must meet the test of due process, and the justifications for the latter may not suffice for the former." 428 U.S. at 16–17.[6]

These cases reveal one of the fundamental errors in the legal analysis offered by the Justice Department in the last Congress in its effort to justify retroactive overruling of *Illinois Brick* and *Hanover Shoe*. *Cf.* Opinion Letter by John H. Harmon, Office of Legal Counsel, dated June 19, 1978, *in* House Committee on the Judiciary, *Report on Clayton Act Amendments of 1978*, H. Rep. No. 95–1397, 95th Cong., 2d Sess. at 38 (1978) (hereafter *Office of Legal Counsel Letter*). The opinion letter misleadingly suggests that the test for retroactive laws is "much like the rational basis test" commonly invoked in evaluating equal protection cases.

An equally cautious analysis of retrospective laws is to be found in *Bradley* v. *Richmond School Board*, 416 U.S. 693 (1174). The Court held that retrospective legislation violates the due process clause when it inflicts a "manifest injustice." 416 U.S. at 711, 716–21. The Court explained that the concerns "relative to the possible working of an injustice center upon (a) the nature of and identity of the parties, (b) the nature of their rights, and (c) the nature of the impact of the change in law upon those rights." 416 U.S. at 717.[7] Measured either by the standards articulated in *Blaisdell*, *Turner Elkhorn Mining Co.*, or *Bradley*, the retroactive application of S. 300 would be fatally defective.[8]

There is no emergency that requires retroactive application of the bill, nor is there any basis for Congress to declare the existence of an emergency. Thus, *Blaisdell* factor one is not present. Although the second *Blaisdell* factor is implicated—society's "basic interest" in the enforcement of the antitrust laws—that interest may be completely safeguarded by giving the bill only the prospective effect that is traditional in this field. Society's enforcement of the antitrust laws against past violations can be effectively vindicated by direct purchasers, who have been the mainstay of private antitrust enforcement for over sixty years. Thus, *Blaisdell*'s third test, that the law be *narrowly* tailored to remedy the societal interest, is contradicted when such alternative, less drastic solutions to the problems are available.

Furthermore, retroactive legislation here would permanently destroy, not merely postpone, rights that have vested in direct-purchaser plaintiffs to recover full damages. They may be totally divested of their causes of action. S. 300 would also create whole new classes of plaintiffs—indirect purchasers—who could sue. The liability they inflict upon defendants in pending suits is patently unreasonable. Since S. 300 would make the "pass on" defense discretionary, defendants may be subject to multiple liability if direct and indirect purchasers pursue claims. In the Supreme Court's discussion of the "pass-on" theory in *Illinois Brick*, the Court assumed that it would be permitted symmetrically, if at all. The opinion noted that this, at least, would reduce the "substantial risk of multiple liability for defendants . . ." Even in that event, however, as the Court noted "the possibility of inconsistent judgments obtained by conflicting claimants remains nonetheless." 431 U.S. at 737 n. 18. These destructive features of S. 300 may not validly be imposed retroactively. The burden of this liability would be further magnified since both direct and indirect purchasers could recover consequential damages and indirect purchasers would be permitted to recover for intervening markups. These consequences would retroactively enlarge the quantum of liability that was foreseeable and that attached when the antitrust violation oc-

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curred. Thus, *Blaisdell* factors four and five, testing whether the law is reasonable, are absent.[9]

The constitutional viability of S. 300 is suspect under the *Turner Elkhorn Mining Co.* test as well. The initial inquiries ask whether the burdens imposed were foreseeable and whether any actions were taken in reliance on the law as it then existed. This examination is similar to the initial inquiry pursued by the Court in *Allied Structural Steel Co.* v. *Spannaus, supra.* Before it focused on *Blaisdell,* the Court in *Allied* decided that the Minnesota Pension Act too severely restricted contractual rights because it changed the parties' obligations in an area where "the element of reliance was vital." 46 U.S.L.W. at 4891.

Many business judgments involve an assessment of potential risks. This calculus is especially important where the contours of the law are unclear, as they often are in the antitrust field. It is impermissible to reach back in history to make substantial changes in the financial consequences of business decisions if it turns out that those decisions were erroneous.[10]

All parties to pending antitrust suits also have legitimately relied on and acted upon the Supreme Court's declarations of their respective rights and liabilities in *Illinois Brick* and *Hanover Shoe.*[11] Direct purchasers have properly assumed that, if their suits are successful, their enormous investment of time and money in the litigation will be rewarded by treble the full amount of the overcharge. Moreover, the strategy pursued by both sides in pending litigation—from discovery through settlement or non-final judgment—has assumed an alignment of parties and allocation of rights and obligations consistent with the Supreme Court's pronouncements.[12]

Finally, under *Turner Elkhorn Mining Co.,* we examine whether the retroactive legislation reasonably allocates the burdens. Although defendants in anitrust cases might be aware that consequential damages are available to direct purchase plaintiffs, the extent of such injury is frequently unpredictable. The consequences of this liability are already harsh. But, if indirect purchasers, who were unforeseeable plaintiffs, enter the case with additional layers of these speculative damages—all of which would be tripled—the severe results are unreasonably increased.

The same conclusions follow under the *Bradley* analysis. In most of the cases that would be affected by retroactive application of S. 300, only private parties are involved. *Bradley* carried forward the early observation by Chief Justice Marshall that "manifest injustice" is more likely to flow from retroactive legislation that affects "private cases between individuals." *See* 416 U.S. at 717. In this setting, there is the least weighty justification for retroactively changing the relative rights and liabilities of the parties.

The second factor, the nature of the rights, also points sharply against the validity of retroactive legislation. The Court in *Bradley* explained that it has regularly refused to apply an intervening change in law "to a pending action where it has concluded that to do so would infringe upon or deprive a person of a right that had matured or become unconditional." 416 U.S. at 720 (citing cases).

S. 300 would fundamentally alter basic legal relationships that were established when the challenged conduct was performed. Not only would it enlarge the class of potential plaintiffs to include indirect purchasers who never dealt with the defendant, and have had no legal claims against him, but it would also make the direct purchasers' entitlement to recoup the full amount of the overcharge they paid to the defendant totally dependent on the discretion of the court. The creation of wholly new liabilities and the dilution or destruction of existing claims are precisely the kinds of legislative mischief the Constitution forbids.

The third factor listed in *Bradley,* the nature of the impact of the change in law, also undermines retrospective application here. Dramatic realignment of the parties to pending antitrust litigation would certainly "impose an additional or unforeseeable obligation upon" the parties beyond what they were exposed to when they acted or when they initiated their litigation. 416 U.S. at 721. Defendants would be faced with both more complex litigation involving direct purchasers and wholly new claims by the new class of claimants. Direct purchasers would have their rights diluted.

Furthermore, the potential entry of indirect purchasers into pending litigation may cause courts to reopen verdicts or settlements that have already been entered in favor of the direct purchasers. Alternatively, if such verdicts or settlements are not opened up, the defendants hit with claims from indirect purchasers would inevitably be facing duplicative exactions—all trebled—for the same transaction.

The diluting effect of these proposed changes on direct purchasers' interests has already been recognized. In *In re Anthracite Coal Antitrust Litigation,* 79 F.R.D. 707 (M.D. Pa. 1978), the district court approved a settlement for a class of direct purchasers that was smaller than the court might otherwise have required because, the court explained, the enactment of a retroactive statute overruling *Illinois Brick* and *Hanover Shoe* in the middle of the litigation would leave the direct purchasers' class with sharply eroded claims. 79 F.R.D. at 713. Conversely, in judging the fairness of the settlement to the defendants, the court predicted that the "number of such indirect purchaser suits could be extremely numerous and would subject the defendants to an additional risk of liability." 79 F.R.D. at 714.

There is also the real specter of duplicative liability, a prospect that is even more threatening under S. 300 than under its predecessor because the pending bill does not guarantee a defendant the right to assert a "pass on" defense. The constitutional dangers that flow from overruling *Illinois Brick* without unequivocally changing *Hanover Shoe* as well were acknowledged in a staff memorandum prepared for the House of Representatives Committee on the Judiciary:

"The basic problem here is that, under *Hanover Shoe,* the first purchaser could recover the entire overcharge because the defendant would be unable to assert that it had been passed on to other purchasers. Thus, if *Illinois Brick* is repealed—but not *Hanover Shoe*—the second and third purchasers could also recover additional portions of the same overcharge, as the defendant is barred from proving the first purchaser passed on the defense to others.

"If this happens the defendants have paid treble damages for the same injury twice. This is clearly an unacceptable result, and possibly unconstitutional." *See* Staff of House Committee on the Judiciary, 95th Cong., 1st Sess., *Memorandum on Antitrust Law Revision,* Dec. 8, 1977, at 11.

Despite this clear warning, both S. 300 and its House companion, H.R. 2060, now recklessly not only threaten duplicative liability but propose to inflict it retroactively. The Constitution, however, will not tolerate that manipulation.

C. There Are No Constitutional Justifications For Retroactive Application of S. 300.

During the course of congressional consideration of bills to overrule *Illinois Brick* and *Hanover Shoe* several arguments have been offered to support the constitutionality of retroactive application. The Justice Department—a litigant with pending cases it wants to resuscitate—has advanced the principal arguments on this point. Upon analysis, however, those arguments dissolve into thin air.

1. Analogy to retroactive tax legislation is inapposite in the antitrust context.

The Senate Judiciary Committee's Majority Report on S. 1874 justified retroactive application upon an analogy to *United States* v. *Jefferson Electric Manufacturing Co.,* 291 U.S. 386 (1934).[13] The Office of Legal Counsel's opinion letter to the House Committee on the Judiciary, regarding amendments to the Clayton Act, also referred to retroactive tax regulations.[14] But the policy behind these cases is not appropriately applied to antitrust litigation.

The peculiar nature of our tax system has led the courts to conclude that imposition of a tax retroactively is not necessarily unconstitutional. Unlike the civil liability imposed on antitrust defendants, "[t]axation is neither a penalty imposed on the taxpayer nor a liability which he assumes by contract. It is but a way of apportioning the cost of government among those who in some measure are privileged to enjoy its benefits and must bear its burdens. Since no citizen enjoys immunity from that burden, its retroactive imposition does not necessarily infringe due process. . . ." *Welch* v. *Henry,* 305 U.S. 134, 146–47 (1938). Thus, the presumptions that the courts bring to retroactive tax legislation is far different from that arising in other contexts.

Despite this relaxed perspective, there are situations in which retroactive tax legislation has been held a denial of due process. "In each case it is necessary to consider the nature of the tax and the circumstances in which it is laid before it can be said that its retroactive application is so harsh and oppressive as to transgress the constitutional limitation." 305 U.S. at 147.

In the two cases cited by the proponents of retroactivity, the Supreme Court found that the limitations were not exceeded. In *Jefferson Electric Manufacturing Co.,* the Court upheld a tax law that limited the taxpayer's right to a refund when he pursued the refund *after* the effective date of the tax legislation. The statute was *not* made applicable to pending claims. In contrast, S. 300 interferes with rights *pending* on the date of its enactment. In *Anniston Manufacturing Co.* v. *Davis,* 301 U.S. 337 (1937), the taxpayer challenged a tax regulation which provided an administrative remedy in lieu of his judicial cause of action against the Collector. The Court denied that there was any unreasonable retroactive effect since the substitute procedure was a fair and adequate remedy. S. 300, by contrast, inflicts a far greater injury to the parties' rights than merely to substitute the type of proceedings available.

But in other circumstances, even retroactive tax laws are intolerable. A recent opinion from the Sixth Circuit Court of Appeals suggested several considerations which have generally been relevant to whether retroactive tax legislation is lawful:

"(1) whether or to what extent the taxpayers justifiably relied on settled prior law or policy and whether or to what extent the putatively retroactive regulation alters that policy; (2) the extent, if any, to which the prior law or policy has been implicitly approved by Congress . . .; (3) whether retroactivity would advance or frustrate the interest in equality of treatment among similarly situated taxpayers; and (4) whether according retroactive effect would produce an inordinately harsh result." *Wilson* v. *United States,* No. 77–3101, slip op. at 8 (6th Cir. Dec. 20, 1978).

Thus, despite the somewhat relaxed ap-

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proach to tax cases, in "harsh cases" or situations of "justifiable reliance" a retrospective tax law may also be improper. As we have already seen, those tests establish that it would be unconstitutional to apply S. 300 retroactively.

2. The rights here are not merely procedural rights.

Proponents of retroactive application of S. 300 have also justified its constitutionality by characterizing the rights affected by the bill as procedural rather than substantive. This semantic device was first utilized in the opinion letter submitted by the Office of Legal Counsel of the Department of Justice, in response to inquiries by House Judiciary Committee regarding the constitutionality of H.R. 11942.[15]

In his testimony before this Committee on February 1, 1979, Assistant Attorney General John H. Shenefield relied upon this opinion letter and its comments on "procedural" rights.[16] Both the Office of Legal Counsel's letter and Mr. Shenefield's testimony are fundamentally flawed by treating the rights affected as merely procedural. Even when confined to H.R. 11942, the opinion letter too casually dismissed the constitutional defects posed in retroactive application. The provisions of S. 300, however, are materially different from those of H.R. 11942, to which the Office of Legal Counsel opinion was addressed. Mr. Shenefield noted that differences exist, but he failed to mention that these differences actually intensify the constitutional problems that accompany retroactive application of this type of legislation. The analysis suggested in the Office of Legal Counsel letter is quite unreliable as a guide to the validity of S. 300.

The rights at issue are said to be merely procedural because they merely realign the parties to the litigation. Since the changes are only procedural, it is asserted, they can be retroactively imposed.[17] But, as discussed earlier, the impact of S. 300 would be far more extensive than merely exchanging the parties to an action. It is arguable that last year's House bill, H.R. 11942, was merely reallocating claimants to a fixed amount of liability, since—assuming consistent verdicts—the initial overcharge was the amount subject to claims by direct and indirect purchasers. Under S. 300, however, the defendant would be made liable for subsequent markups and for consequential damages at all levels. It is a preposterous evasion to refer to these major changes in substantive law as "merely procedural."

As the House Judiciary Committee staff explicitly warned in this context, a bill that authorizes consequential damages for indirect purchasers would increase the substantive liability of violators and could "not constitutionally be retroactive." [18] Since S. 300 threatens to increase an antitrust defendant's *substantive* liabilities, retroactive application would not be constitutionally permissible.

From the plaintiff's perspective as well, the consequences of this legislation are undeniably substantive. Direct purchaser plaintiffs who would face "pass on" defenses in pending cases risk losing viable causes of action. Clearly, the damage to the parties is more severe than the label "procedural reallocation" would imply.[19]

E. Even If The Rights Affected by S. 300 Were Only Procedural, Retroactive Application Would be Unconstitutional.

The proponents of S. 300 falsely imply that a legislative change that is merely procedural is necessarily constitutional when retroactively applied. That proposition is wrong, and thus they would not prove their case for retroactivity even if S. 300 were a procedural bill.

The proponents rely on ***Chase*** v. ***Donaldson***, 325 U.S. 304 (1945), where the Court allowed retroactive application of a state law that effectively lifted the bar on the statute of limitations in a pending litigation. While the Court in *Chase* stated that this alteration was not a *per se* violation of due process, it affirmed the law only after concluding that there had been no showing of hardship or oppression by its retroactive application, and that the parties' conduct would not have been different had the new rule been known. 325 U.S. at 316. There was an unquestioned liability by the defendant to the plaintiff and the defendant had no vested interest in having enforcement of that claim barred at any particular time.

As discussed above, S. 300 would work oppressive results on both plaintiffs and defendants. And, if the conditions which S. 300 proposes had been foreseen before the pending cases were filed, the parties may very well have altered their conduct—both in business and in litigation—to conform with it.

The Court in *Chevron Oil Co.* v. *Huson*, 404 U.S. 97 (1971), in contrast to the earlier decision in *Chase*, decided that a statute of limitations under attack could not be applied retroactively. The Court had before it a closely related problem: the constitutionality of retroactively applying new judicial decisions that make procedural changes. The issue was not, as the proponents would imply, summarily resolved by attaching a label. Instead, three separate factors were listed as relevant to the consideration of constitutionality.

The Court first examined, whether a new principle of law is established by the judicial decision or whether it is an issue of first impression "whose resolution was not clearly foreshadowed." 404 U.S. at 106. Second, the Court said it had to "weigh the merits and demerits in each case by looking to the prior history of the rule in question, its purpose and effect, and whether retrospective operation will further or retard its operation." 404 U.S. at 106–7. (citations omitted) And finally, the Court weighed "the inequity imposed by retroactive application, for '[w]here a decision of this Court could produce substantial inequitable results if applied retroactively, there is ample basis in our cases for avoiding the 'injustice or hardship' by a holding of non-retroactivity.' " 404 U.S. at 107 (citations omitted).

In *Chevron*, the Court decided against retroactivity because the respondent had "to rely on the law as it then was," and could not be expected to foresee that the interpretation he relied on would be overturned. Similarly, parties to pending antitrust actions have been relying on the rules as announced by the Supreme Court more than 10 years ago in *Hanover Shoe* and followed two years ago in *Illinois Brick*.

The Court also examined the effect of retroactive application on the pending case:

"To abruptly terminate this lawsuit that has proceeded through lengthy and no doubt costly discovery stages for a year would surely be minimal to the beneficent purpose of the Congress." 404 U.S. at 108.

Certainly similar effects would accrue if S. 300 is applied retroactively to pending antitrust cases. For example, "pass on" defenses—if permitted—will inevitably throw direct purchasers either out of court or back to their litigation strategy drawing board.

Finally, the Court concluded that non-retroactive application was necessary to preserve the respondent's day in court. Direct purchasers may similarly be deprived of their day in court if, in the midst of pending litigation, a defendant is permitted to assert a "pass on" defense that may wholly nullify the plaintiff's claim.[20]

Even if we apply a simple balancing test, as suggested by Mr. Shenefield,[21] retroactive application of S. 300 cannot be constitutionally justified. The public interest theoretically promoted by S. 300 would be twofold: it would allegedly deter antitrust violations, and would create for indirect purchasers a cause of action. Since by definition any past violations have already occurred, an alleged increase in deterrence for the future provides no basis for retroactivity. Nor is there a compelling justification for subordinating the interests and expectations of plaintiffs and defendants in pending litigation to the hopes of indirect purchasers.[22]

Under any mode of analysis, therefore, there is no way that S. 300 may be fairly or constitutionally applied retroactively.

III. S. 300 confuses the judicial and legislative functions in violation of the separation of powers principle.

Most retroactivity cases have arisen in a relatively neutral context: deciding whether a new piece of legislation should have an effect on prior conduct or pending litigation in the absence of any expressed congressional intent. The bill before this Committee, however, poses the issue in a constitutionally more vulnerable setting. It manifests an explicit intention to overturn the substantive rules of law applicable to pending cases under specific holdings of the Supreme Court in *Illinois Brick* and *Hanover Shoe*.

The unequivocal intent of the pending bill—to compel the federal judiciary to disregard the holdings of the Supreme Court in cases already pending before them—raises an additional serious constitutional question under the separation of powers doctrine.

In deciding *Illinois Brick* and *Hanover Shoe*, the Supreme Court was interpreting the Clayton Act in the course of exercising "the province and duty of the judicial department to say what the law is." *Marbury* v. *Madison*, 5 U.S. (1 Cranch) 137, 177 (1803). Congress is, of course, free to change what the law will be in actions based on future conduct. That is the nature of the lawmaking function—to say what the law *will be*. The effect of the proposed legislation, however, is to replace the Supreme Court's statement of what the law *has been* and *is* for pending actions under the 1914 Clayton Act and to substitute the views of a subsequent Congress as to what it feels the law *should have been* under that statute.[23]

As *Marbury* v. *Madison* settled, however, it is the judicial function to decide, finally and authoritatively, what the law *has been* and *is* in pending cases. *See also Koshkonong* v. *Burton*, 104 U.S. 668, 678–79 (1882); *Ogden* v. *Blackledge*, 6 U.S. (2 Cranch) 272, 277 (1804). Accordingly, by enacting this proposed legislation, Congress would be encroaching upon the essential function of the judiciary under the doctrine of separation of powers. Even though this constitutional objection was raised by witnesses before this Committee last year, neither the Office of Legal Counsel's opinion letter, *supra*, nor Mr. Shenefield, in his testimony before this Committee last month, have addressed this additional constitutional flaw.

Over a century ago, the Supreme Court forcefully enunciated and applied the separation of powers doctrine to condemn an act of Congress that attempted to overrule a Supreme Court decision by prescribing a different rule of law to be followed in pending cases. In *United States* v. *Klein*, 80 U.S. (13 Wall.) 128 (1872), plaintiff's decedent had been the owner of property sold by agents of the federal government during the Civil War. Plaintiff sued for the proceeds of the sale in the Court of Claims and recovered under legislation according such a right of action to noncombatant owners upon proof of loyalty, which the Supreme Court had previously held could be proved by a presidential pardon.

While the case was on appeal in the Supreme Court, Congress passed an act crucially altering the rights of people in the rebellious states. The act provided that in all pending cases no pardon would be admissible

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Footnotes at end of article.

to show loyalty and that, to the contrary, a recital in a pardon of participation in the Civil War would constitute conclusive proof of *disloyalty*.

The Court decided it could not properly give force to the legislative directives. The Court asked rhetorically: "Can we do so without allowing that the Legislature may prescribe rules of decision to the Judicial Department of the Government in cases pending before it?" The Court's answer was an emphatic "no." It held the statute unconstitutional on the ground that, by prescribing a rule of decision for pending cases, "Congress has inadvertently passed the limit which separates the legislative from the judicial power." 80 U.S. at 145–46.[24]

The Court's denunciation of congressional intrusion on judicial power has particular force in relation to S. 300. Like the statute condemned in *Klein*, this bill would purposefully overrule two prior Supreme Court decisions and prescribe different rules of substantive law to be followed in pending cases. Thus, like the statute in *Klein*, it would unconstitutionally encroach upon the exclusive authority of the federal judiciary.

Congressional response to the controversial decisions under the Portal-to-Portal Act is also instructive in this regard. The Fair Labor Standards Act of 1938 guarantees overtime pay for work in excess of 40 hours per week. It also creates liability for unpaid overtime together with an additional, equal amount as liquidated damages. In a series of cases,[25] the Supreme Court held that "work week," which was undefined in the Act, included underground travel in mines and similar incidental activities in connection with work. The holdings, which were surprising and contrary to the shared views of employees, unions, and employers instantly created prodigious employer liability: in a seven-month period in 1946–47, actions were filed by employees claiming damages in excess of $5 billion.

Congress acted swiftly. Sections 2(a) and 2(b) of the Portal-to-Portal Act, passed in 1947, were designed to extinguish the wholly unforeseen liabilities created by the Supreme Court. 29 U.S.C. §§ 252(a) & (b). Despite the exceptional nature of the liability, which it was commonly agreed had never been intended when the Fair Labor Standards Act was passed, Congress had deep reservations about the validity of an attempt to change the rules of decision applicable in pending cases. In light of the substantial doubt about the constitutionality of retroactively destroying vested rights being asserted in pending cases, Congress took the extraordinary step of actually denying to any federal or state courts the jurisdiction to enforce the claims previously validated by the Supreme Court.[26]

No similar device, however, is available to Congress to safeguard the validity of the retroactive overruling of *Illinois Brick* and *Hanover Shoe*. The object of S. 300 is the creation of new *claims* and classes of claimants (by overruling *Illinois Brick*) and the establishment of a new *partial* defense in antitrust cases (by partially repealing *Hanover Shoe*). The continued assertion of judicial jurisdiction is, therefore, essential. Hence the fundamental vice identified in *Klein* will inevitably afflict S. 300 as well: the effort to change the rules of substantive law in midstream and to direct the courts to decide pending cases in ways contrary to the mandate of the law as the Supreme Court has declared it to have been and to be.

IV. Retroactive application of S. 300 would be an unwise exercise of legislative power.

This analysis of the leading cases dealing with retroactive legislation casts substantial doubt upon the constitutional validity of the proposal to apply S. 300 to pending cases. Apart from these fundamental constitutional objections, there is the broader question of public policy: retroactivity here is an inappropriate exercise of legislative power. In harmony with the traditional aversion to retroactive laws, Congress has wisely chosen to make all other changes in the antitrust laws prospective only. There are no conceivable benefits that could justify the procedural entanglements and judicial waste that retroactivity of S. 300 would cause.

The disruption that would result from retroactive application of the bill, should not be underestimated.[27] As presently drafted, S. 300 would apply to all cases pending on the date of its enactment. It would reach cases in which a verdict has been reached but no final judgment has yet been entered, or cases in which settlements have been negotiated, as well as cases just entering their discovery phase. If a retroactive bill is passed, motions challenging the constitutionality of retroactivity will have to be filed and acted upon. Lawyers for plaintiffs and defendants have already conducted antitrust proceedings in accordance with the principles of *Hanover Shoe* and *Illinois Brick*. Decisions relating to the scope of discovery, which generally lasts years in antitrust litigation, would have to be reconsidered.

Retroactive application of the "pass on" defense to pending cases would require, for example, the reopening of pleadings and discovery to take account of the newly created defense. The planned course of trials would also have to be altered to account for the claims brought by the newly authorized indirect-purchaser plaintiffs. Verdicts that have been entered in favor of direct-purchasers might have to be reopened either to account for a "pass on" defense or to consider the impact of a suit by indirect purchasers.

The confusing additional considerations that S. 300 would bring to an action have already been demonstrated. In *In re Anthracite Coal Antitrust Litigation*, 79 F.R.D. 707 (M.D. Pa. 1978), the court factored into its decision approving a proposed settlement the impact that passage of last years bills to overrule *Illinois Brick* might have on the parties. For example, the court anticipated that, should the retroactive overruling of *Illinois Brick* and *Hanover Shoe* pass Congress, the defendants would become subject to a significantly increased risk of liability. The court also found that, if a retroactive statute were passed, "recovery by [direct purchaser] dealers in this litigation would be very substantially reduced." 79 F.R.D. at 710.

The speculative gain in reallocating antitrust recoveries is simply not worth the chaos that would result from the ill-advised retroactivity provision and the burdens it would place on the courts and parties.

Because retroactive statutes are, by definition, unsettling, Congress has traditionally shown great reluctance to enact such legislation, just as the courts have been reluctant to construe legislation to apply retroactively. *See, e.g., United States* v. *Larionoff*, 431 U.S. 864, 878–82 (1977); *Greene* v. *United States*, 376 U.S. 149, 160 (1964); *Union Pacific R.R.* v. *Laramie Stock Yards Co., supra*, 231 U.S. at 199.

An examination of prior antitrust legislation, demonstrates the unprecedented nature of the proposal to alter substantive rights retroactively. For example, when Congress added Section 4A to the Clayton Act authorizing the United States to sue for damages in its proprietary capacity, it gave the new law only prospective effect. Section 4 of the amendatory legislation, ch. 283, 69 Stat. 282 (1955), provided that it was to become effective "six months after its enactment."

More recently, Section 304 of the *parens patriae* title of the Hart-Scott-Rodino Antitrust Improvements Act of 1976—which, like S. 300, expanded the number of plaintiffs who could sue antitrust defendants—rendered those provisions inapplicable "to any injury sustained prior to the date of enactment" of the Act. Pub. L. No. 94–435, 90 Stat. 1396.

Indeed, Congress rejected an earlier draft of the legislation, S. 1284, 94th Cong., 1st Sess., that would have authorized the retroactive application of the title to actions "pending on the date of enactment" of that bill. This is precisely the language now included in S. 300. The Committee should heed the admonitions issued by the 1976 minority report—which ultimately prevailed on this vital issue—that such retroactive reachback for punitive impositions offends elementary constitutional requirements of fairness and due process." S. Rep. No. 94–803 Part II, 94th Cong., 2d Sess. at 187 (1976).

Congress's historic disinclination to amend antitrust legislation retroactively is rooted in considerations of fairness and a sound regard for the disruption that retroactivity causes. This historic course of prudent legislation ought not to be abandoned now.

Accordingly, if S. 300 is to be favorably reported by the Committee, the bill should be amended to replace the present retroactivity provision with the following language:

"The amendments made by this act shall apply only to actions based on conduct that occurs after the enactment of this act."

This type of provision would be faithful to constitutional precepts and wise public policy. The retroactivity provision now in S. 300 is not.

FOOTNOTES

[1] That was the approach taken in the last Congress by the House Judiciary Committee's *Illinois Brick* bill, H.R. 11942, 95th Cong. Unfortunately, the bill now pending before that Committee, H.R. 2060, 96th Cong., is identical to S. 300 and omits this cap on liability.

[2] Laws that have an impact on activity occurring on or before the effective date of legislation are retroactive. "To be wholly prospective, . . . [the law] would have to apply only to [an activity] established after the effective date of the Act." *Nachman Corp.* v. *Pension Benefit Guaranty Corp.*, Nos. 77–2146, 77–2147, slip op. at — n.21 (7th Cir. Jan. 23, 1979). *See generally* Hochman, "The Supreme Court and the Constitutionality of Retroactive Legislation" 73 Harv. L. Rev. 692 (1960).

[3] *See Allied Structural Steel Corp.* v. *Spannaus*, 46 U.S.L.W. 4887, 4895 n.9 (U.S. June 28, 1978) (dissenting opinion); *Home Building & Loan Ass'n* v. *Blaisdell*, 290 U.S. 398, 448 (1934); *see also Hochman, supra*, at 695.

[4] *See, e.g., W.B. Worthen Co.* v. *Thomas*, 292 U.S. 426 (1934) (Arkansas law retroactively exempting proceeds of life insurance policy from collection by beneficiaries' creditors violates Contract Clause since it was not specifically and narrowly designed to meet a serious temporary emergency of general concern); *W.B. Worthen Co.* v. *Kavanaugh*, 295 U.S. 56 (1935) (Although public purpose supported Arkansas law interference with mortgage holder's contract rights, law was invalid since its provisions were too harsh to accomplish purposes suggested); *Triegle* v. *Acme Homestead Ass'n*, 297 U.S. 189 (1936) (Louisiana law modifying rights of building association members violated Contract Clause despite suggestion of public interest).

[5] 46 U.S.L.W. at 4890 (emphasis added).

[6] *See Daughter of Miriam Center for the Aged* v. *Matthews*, No. 78–1050, slip op. (3d Cir. Dec. 29, 1978) (special scrutiny required for retroactive laws which "interfere with the legally-induced and settled expectations of private parties.")

[7] The *Bradley* tests were recently applied by a federal district court in Maryland to hold unconstitutional the retroactive application of an amendment to the Age Discrimination in Employment Act. The district court in *Maryland* v. *Baltimore and Ohio Railroad*, 461 F. Supp. 362, 382 (D. Md. 1978), noted that private rights were at stake, as well as the public interest. It concluded that the "ability of individuals and businesses to justifiably rely on current reasonable interpretations of existing law in arranging their activities and relationships" was as impor-

tant as the national concern for age discrimination.

[8] The Supreme Court has addressed the retroactivity problem in other situations where statutes interfere with existing rights and liabilities. In *United States* v. *Larionoff*, 431 U.S. 864, 878–82 (1977), the Court interpreted the 1974 repeal of the Military's Variable Reenlistment Program to apply only prospectively, noting that had Congress intended retroactive applications "serious constitutional questions would be presented." *Id* at 879.

[9] Applying this test, the Supreme Court has held unconstitutional the legislation canceling government war risk life insurance policies. *See Lynch* v. *United States*, 292 U.S. 571 (1934) (Brandeis, J.).

[10] *See also Maryland* v. *Baltimore & Ohio Railroad*, 461 F. Supp. 362 (D. Md. 1978), where the court refused to apply retroactively the amendments to the Age Discrimination in Employment Act, which intruded upon the parties' right to rely on settled interpretations of the law. "To apply [the law] under these circumstances would work a manifest injustice on the right of these defendants, as private entities, to go forward with a course of action which they validly believed was in conformance with the best interpretation of the law at that time." *Id*. at 383.

[11] *Accord Chevron Oil Co*. v. *Huson*, 404 U.S. 97, 107 (1971). (Parties are expected to rely on the law governing the case as it then stands).

[12] In *Chevron Oil Co*. v. *Huson*, supra, the Supreme Court stated its reluctance to retroactively apply laws that abruptly alter a lawsuit where discovery had already begun.

[13] *See* Senate Committee on the Judiciary, *Report on the Antitrust Enforcement Act of 1978*, S. Rep. No. 95–343, 95th Cong., 2d Sess., Part I at 27 (1978).

[14] *See Office of Legal Counsel Letter* at 38–41.

[15] *See Office of Legal Counsel Letter, supra*, at 39 n.4, 40.

[16] Testimony of John H. Shenefield, in *Antitrust Enforcement Act of 1979, Hearings on S. 300 Before the Senate Committee on the Judiciary*, 96th Cong., 1st Sess., Transcript at 36 (Feb. 1, 1979) (hereafter "*Antitrust Enforcement Act of 1979 Hearings*").

Senator Metzenbaum asked Mr. Shenefield to summarize his reasoning regarding the constitutionality of retroactive application. Mr. Shenefield replied that retroactive application impacts would have an impact only on procedural rights—merely the right to have actions sought by different plaintiffs—not substantive rights. He answered in the affirmative to Senator Metzenbaum's inquiry whether retroactivity was more often permissible when it affects procedural rather than substantive rights. He then relied on a balancing test to vindicate retroactivity here.

[17] *Antitrust Enforcement Act of 1979 Hearings at 36*.

[18] *See* Staff of House Committee on the Judiciary, 95th Cong., 1st Sess. *Memorandum on Antitrust Law Revisions*, Dec. 8, 1977, at 18. In addition, unlike the arguments of the proponents of retroactivity, the House staff memorandum did not lightly dismiss the threat of multiple liability. Instead, it acknowledged that if this is the result, then it is an unconstitutional one, at least when retroactively applied.

[19] *See Office of Legal Counsel Letter, supra* at 40. See *also* Prepared Statement of John H. Shenefield in *Antitrust Enforcement Act of 1979, Hearings on S. 300 Before the Senate Committee on the Judiciary*, 96th Cong., 1st Sess. at 13 (Feb. 1, 1979).

[20] In *Ramey* v. *Harber*, Nos. 77–1927, 77–1928 and 78–1010, slip op. (4th Cir. Dec. 15, 1978), the court applied the *Chevron* test to decide that the Supreme Court's decision in *Elrod* v. *Burns*, 427 U.S. 347 (1976) could not be applied retroactively to employees who were denied reappointment under a patronage system six months before the *Elrod* decision. (*Elrod* court had held unlawful discharges of non-policy making employees under a patronage system).

[21] *Antitrust Enforcement Act of 1979 Hearings, supra* at 36.

[22] *See Daughter of Miriam Center for the Aged* v. *Matthews*, No. 78–1050, slip op. at — (3d Cir., Dec. 29, 1978); *Nachman* v. *Pension Benefit Guaranty Corp.*, Nos. 77–2146 and 77–2147, slip op. at — (Jan. 23, 1979). In *Nachman*, the Court upheld the law because, *inter alia*, the beneficiaries of the challenged act had reliance interests protected by the law's retroactive application. The same cannot be said for indirect purchasers who, via *Illinois Brick*, lost any interests they had previously.

[23] The general principle is firmly established that a subsequent congressional enactment declaring the intent of an earlier one is "not entitled to control judicial action." *United States* v. *Stafoff*, 260 U.S. 477, 480 (1923) (refusing to give retroactive effect to a later statute interpreting the National Prohibition Act). *See also Mattz v. Arnett*, 412 U.S. 481, 505 n.25 (1973); *Federal Housing Administration* v. *Darlington, Inc.*, 358 U.S. 84, 90 (1958).

[24] The modern vitality of the holding in *Klein* was emphasized in *Gliddon Co*. v. *Zdanok*, 370 U.S. 530, 568 (1962). The *Klein* principle was also reaffirmed in *Pope* v. *United States*, 323 U.S. 1, 9 (1944), where the Court held that an intervening act should not be interpreted as requiring the courts "to set aside the judgment in a case already decided or as changing the rules of decision for the determination of a pending case."

See also United States v. *Howard*, 440 F. Supp. 1106, 1110 (D. Md. 1977) (Speedy Trial Act unconstitutionally encroaches on the federal judiciary by telling it how to manage its caseload: "Congress cannot unduly interfere with purely judicial functions . . . In short, the fact that Congress can create the lower courts does not alter the conclusion that it cannot validly establish a timetable for judicial action.")

[25] *Tennessee Coal Iron & Railroad* v. *Muscoda*, 321 U.S. 590 (1944); *Jewell Ridge Coal Corp*. v. *Local No. 6167, U.M.W.*, 325 U.S. 161 (1945); *Anderson* v. *Mt. Clemens Pottery Co.*, 328 U.S. 680 (1946).

[26] Section 2(d), 29 U.S.C. § 252(d). *See generally*, P. Bator, P. Mishkin, D. Shapiro & H. Wechsler, *Hart & Wechsler's The Federal Courts and the Federal System* 322, 324 (1973). That ultimate exercise of constitutional power over federal judicial jurisdiction is explicitly conferred on Congress by Article III of the Constitution. *See Ex parte McCardle*, 74 U.S. (7 Wall.) 506 (1869). Congressional power over state court enforcement of federal claims springs from the Necessary and Proper Clause and the Supremacy Clause.

[27] Mr. Shenefield does just this. For example, in his February 1st testimony before this Committee, he attempted to downplay the additional complexities. The additional problems and cases, he said, could be taken care of "maybe on Saturday morning or Saturday afternoon." *Antitrust Enforcement Act of 1979 Hearings*, at 40–42.

In contrast, as Senator Cochran pointed out, (*id*. at 40), the Supreme Court in *Illinois Brick* explained concretely why the creation of new defenses and parties would "add whole new dimensions of complexity to treble damage suits and seriously undermine their effectiveness." 431 U.S. at 737.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the Senator from Maine (Mr. COHEN) to the Third United Nations Conference on the Law of the Sea.

EXTENSION OF TIME FOR APPOINTMENT OF COUNSEL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the deadline for the appointment of the Senate Legal Counsel and the Deputy Senate Legal Counsel as listed in section 701(a)(3)(B) of Public Law 95–521 be extended to May 1, 1979.

The PRESIDING OFFICER. Without objection, it is ordered.

ORDER FOR RECESS UNTIL WEDNESDAY, APRIL 4, 1979

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I hope to give committees an opportunity to work tomorrow without interruption, and I hope that they will take advantage of the opportunity to do so.

Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 o'clock on Wednesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CERTAIN ACTION DURING SENATE RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until Wednesday, the Vice President of the United States, the President pro tempore of the Senate, and the Acting President pro tempore of the Senate be authorized to sign all duly enrolled bills and joint resolutions and that the Secretary of the Senate be authorized to receive messages from the other body and the President of the United States and that they be appropriately referred and that committees may have until 5 p.m. tomorrow to submit reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR DANFORTH TRANSFERRED TO WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, also, I ask unanimous consent that the order for recognition of Mr. DANFORTH which was entered for tomorrow, be transferred to Wednesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

REMINDER TO COMMITTEES

Mr. ROBERT C. BYRD. Mr. President, I hope committees will take advantage of the opportunity to meet and get work done and subcommittees may stay busy and make all the progress possible in view of the approaching May 15 deadline.

Going over until Wednesday will also assist in connection with the running of its course of the 3-day rule on some of the measures that are on the Calendar.

I do not have anything else at the moment.

RECESS UNTIL WEDNESDAY, APRIL 4, 1979

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 12 noon on Wednesday.

The motion was agreed to; and at 6:10 p.m., the Senate recessed until Wednesday, April 4, 1979, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 2, 1979:

DEPARTMENT OF STATE

Robert P. Smith, of Virginia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Liberia.

William Lacy Swing, of North Carolina, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of the Congo.

THE JUDICIARY

Frank Minis Johnson, Jr., of Alabama, to be U.S. circuit judge for the Fifth Circuit Court of Appeals, vice a new position created by Public Law 95-486, approved October 20, 1978.

GENERAL SERVICES ADMINISTRATION

Rowland G. Freeman III, of California, to be Administrator of General Services, vice Jay Solomon, resigned.

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

Timothy F. Cleary, of Maryland, to be a member of the Occupational Safety and Health Review Commission for a term expiring April 27, 1985 (reappointment).

IN THE MARINE CORPS

The following-named chief warrant officers for temporary appointment to the grade of first lieutenant in the Marine Corps, for limited duty, pursuant to title 10, U.S. Code, section 5596, subject to the qualifications therefor as provided by law:

Adams, Thomas E.
Alderson, John H., Jr.
Anasagasti, Geza J.
Anding, Winston E.
Angely, Donald P.
Barnes, Kurt T.
Beatty, Richard F.
Blick, Jimmie L.
Boyer, Kenneth E.
Bradford, John C.
Briscoe, Joseph O.
Brown, Randy P.
Burke, William L.
Burroughs, Joseph B., Jr.
Burwell, Edward L., Jr.
Cecil, Stephen E.
Clyde, William L.
Cogswell, Merritt L.
Conley, Matthew W.
Connelley, John R.
Consford, Barton D., Sr.
Crabill, Charles L.
Cripps, Alan T.
Davis, David
Dorsey, Robert D.
Douglas, Donald D.
Dunphy, Thomas J.
Dye, Dale A., II
Flores, Samuel L., Jr.
Frazee, Rodney
Frost, Jack D.
Fultz, Thomas E.
Fussell, Clarence R., Jr.
Gardner, Thomas H.
Gaulin, George V.
Green, Edward
Green, Lawrence R.
Hannaford, John C.
Harris, James B.
Healy, David A.
Heister, Earl W.
Henry, Daniel A.
Hockensmith, Steven B.
Hulland, Steven R.
Hux, Dory B.
Jackson, George L., Jr.
Jacobus, David F.
Jones, Joseph M.
Keegan, Frederick J.
Keene, Douglas R.
Klaus, Garry N.
Labonne, Michael D.
Laymance, Elbert
Lewis, Edward B.
Lucinski, Ronald J., Jr.
Lusk, Stephen E.
Lynch, Michael R.
Lyon, Joseph R., Jr.
Mahoney, William R.
Martinez, Jacobo L.
Mason, Tyrone L.
McDaniel, Edward G.
Mendez, Christobol H.
Monroe, William M.
Mullins, Daniel S.
Neel, John K.
Palacios, Benjamin, Jr.
Poore, Wayne M.
Porter, Glen E.
Post, Donald H.
Primmer, Loren D., Jr.
Reiman, Teryl L.
Ritchie, Jerry D.
Roberts, James C.
Rothwell, John W., Jr.
Rutherford, Thomas M., Sr.
Schatz, Robert A.
Sloan, John R.
Smith, Paul W.
Smith, Victor J.
Smith, Wilbur M., Jr.
Sorensen, Gerald R.
Stevens, Keith D.
Tamayo, Mario H.
Taylor, James C.
Thorpe, James G.
Throckmorton, Ronald
Townsend, Jerrel R.
Trosper, John T.
Vandeursen, John M.
Varelli, John J.
Walczak, Daniel G.
Williams, Richard P.
Wilson, Jerry L., Sr.
Windham, Alva R.
Wolbert, Eugene E.
Young, Richard D.

The following-named chief warrant officer (W-3), U.S. Marine Corps Reserve, for appointment to chief warrant officer (W-3) in the U.S. Marine Corps, pursuant to title 10, U.S. Code, section 555, subject to the qualifications therefor as provided by law:

Reynolds, Thomas A.

EXTENSIONS OF REMARKS

A CONDOMINIUM OWNER'S BILL OF RIGHTS

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. HARRIS. Mr. Speaker, on Wednesday, March 28, 1979, I had the opportunity to testify before the Banking, Finance and Urban Affairs Subcommittee on Housing and Community Development in favor of the proposed Condominium Act of 1979.

This act addresses many of the major problems and abuses faced by those who choose to live in condominiums. Among other provisions, this bill would:

Require full disclosure to the purchaser of any information necessary to make an informed decision including a detailed description of the condominium, the developer's obligations, and the purchaser's rights;

Make automatic rent increase clauses unenforceable as to future increases when the rent increases are tied to the cost-of-living index and have no relationship to the developer's obligations under the lease;

Require the developer to warrant the common elements of the condominium for at least 3 years and to give each buyer a 1-year warranty on the main unit;

Allow condominium unit owners to seek a judicial determination that a lease is unconscionable; and

Include an antifraud provision to protect the buyer from misstatements in the disclosure statement or in the advertising literature.

Enactment of the Condominium Act of 1979 would prevent future abuses and provide remedies for the serious problems that already exist. That is why I am a cosponsor of this bill and that is why I believe the bill should be adopted. I am pleased to share my thoughts on this matter with my colleagues:

Mr. Chairman: As a co-sponsor of the Condominium Act of 1979, I welcome this opportunity to testify before this Subcommittee.

Mr. Chairman, the rapid proliferation of condominiums in the 1970's has made a sigficant impact on the Northern Virginia housing market. Many factors can be attributed to this growth. Increased production costs for new homes, demographic changes, certain tax incentives and various other reasons have contributed to the "condominium boom". In Alexandria City alone, almost 1,000 new condominiums were constructed during the last year.

The growth in condominium ownership has been accompanied by the appearance of a wide range of consumer issues, problems and alleged abuses not experienced before in the housing market. Low-quality construction, unconscionable management contracts, long term recreation leases with very high escalation clauses, complex and incomprehensible legal documents and the failure of developers to provide the number or types of facilities described in promotional literature are among the many problems associated with sales, development and ownership of condominium housing. The conversion of rental projects to condominiums has also engendered much controversy. Major problems associated with this phenomenon include: the social and economic consequences resulting from the displacement of existing tenants; the potential for consumer abuse through the conversion of older buildings which may require extensive repairs; and inadequate notification of the intent to convert.

The Condominium Act of 1979 would alleviate these, as well as other, problems. It is indeed time that the Congress enact a "Condominium Owner's Bill of Rights" that offers basic protections to those who have chosen this form of home-ownership.●

HOW TO GET MORE OIL

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. McDONALD. Mr. Speaker, the best answer to the OPEC nations and their inclination to constantly increase the price of oil, is to increase U.S. oil production. This will not happen if the price of U.S. oil is kept artificially low. However, to hear some of our officials speak, you would think we find it preferable to send our dollars overseas rather than permit our own people to make profits in the oil industry. Hopefully, President Carter will soon make the free enterprise decisison and lift controls. That is the only way in which we can extricate ourselves from this self-created dependence on foreign oil. The Wall Street Journal of March 12, 1979, explained the whole problem in a very lucid mannner. I include it at this point for the edification of my colleagues:

How to Get More Oil

On June 1 President Carter has an opportunity to strike a blow in favor of U.S. energy for a change instead of against it. On that day he acquires the power to suspend the mandatory oil price controls that Congress imposed. As of that date it is entirely up to the President whether the policy continues of subsidizing OPEC oil production and discouraging domestic production. It becomes entirely up to the President whether we continue to grow dependent on OPEC oil. To encourage the President to decide in favor of Americans instead of Arabs, 23 associations of independent domestic petroleum producers representing 10,000 independent producers who drill 90 percent of the new exploratory wells in the U.S. have offered him a big plum.

Unable to obtain a meeting between the President and their representatives, the independent producers have put their offer in writing in a letter to the President of February 28. In exchange for terminating price controls on upper tier oil on June 1, 1979, and phasing out controls on lower tier oil by September 30, 1981, these American oilmen offer the President "increased domestic oil production of 400,000 barrels daily by 1981 and 2,000,000 barrels a day in 1985. This new production would displace imports barrel for barrel."

It is always possible that the doomsayers are right and that there is no more oil in the U.S. But only last month the U.S. Geological Survey raised its minimum estimate of domestic undiscovered oil reserves 20% to 60 billion barrels. That's hardly a negligible amount, but the cost of drilling, as drillers move offshore and into deeper formations, has been rising rapidly and, under controlled prices, oil and gas drilling has been losing its attractiveness as an investment. The number of drilling rigs operating in the U.S. has declined 12% since last October, due partly to the new natural gas act.

The producers fear, for good reason, that the President will merely throw them a bone in June. The Federal Energy Regulatory Commission, (FERC) has already designed the bone in the form of a new price category, for "new, new oil" on top of the "old" and "new" categories that presently exist. Aside from further complicating the regulatory mishmash, the new higher ceiling would apply to very few wells. Given the regulatory risk, the attraction of exploration further declines.

Earlier this year Alfred Kahn, head of the Wage and Price Council, argued against trying "to use rigid controls to hold down the price of oil when the incremental cost to the U.S. economy is $14 a barrel." But a few days later he came away from a meeting with President Carter espousing a different line. Decontrol, he said, "would be seriously inflationary." We would like to see the studies supporting this contention.

In their letter to the President the independent producers point out that the White House's own Office of Domestic Affairs, the Department of Energy and the staff of the House Energy and Power Subcommittee all confirm that phased decontrol over the next 30 months would mean a one-time increase in the price level of one-tenth of one percent in the first year and three-tenths of one percent in the next two years—less than the increase caused by our dependency on OPEC.

For our own part, we reject even this calculation. Decontrolling the price of oil will have zero effect on the inflation rate, since that rate is determined by the government's fiscal and monetary policies and not price movements of any one commodity. Nor does the case for decontrol depend on the drillers' assessment of U.S. oil potential. Even if they find no additional oil at all, decontrol of all energy prices is the only way to bring on substitute forms of energy in a smooth and efficient pattern. Development of substitutes will be retarded until the drillers' predictions are proved or disproved.

Today the incremental cost of oil to the U.S. economy is more than $14 a barrel, and headed upward if Middle East instabilities persist or worse. It makes no sense whatever to continue paying these prices to OPEC while denying them to American drillers. It makes even less sense to maintain the control system's entitlements, which in effect tax current American oil production and use the receipts to subsidize the purchase of OPEC oil.

The American oilmen who are the closest to the facts of domestic oil exploration say they can displace Iranian imports with American output if only the government will remove the controls that prevent them from doing so. That the people with such a promising message can't even get through the President's door is scarcely a hopeful sign of any immediate return to sanity in energy policy.●

THE CASE FOR PUBLIC EDUCATION

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. EDWARDS of California. Mr. Speaker, I would suggest that the following article from the San Francisco Chronicle be read by all individuals interested in the future of public education. Mr. Louis Honig, Jr., conclusively highlights the successes of this system in California and the Nation, and directly confronts the arguments forwarded by those who doubt the future potential of our public education system:

Milton Friedman's article, "Why America's School System is in Trouble," appeared recently in The Chronicle. Our public schools are indeed in trouble—but for less fanciful reasons than Friedman advances.

California schools are being starved to death. Last year's statewide school budget cuts of $800 million in the aftermath of Proposition 13 have already forced deep cuts in basic programs, and more are coming.

Our schools are in trouble because some pundits present a false picture of the accomplishments of public education. Actually, the institution of public education has performed remarkably well in recent years.

Public schools have raised high school graduation rates from below 50 percent in 1950 to more than 80 percent in 1977. During the same period graduation rates of black students soared from 10 percent to 76 percent. Comparable statistics from other countries: Belgium, 46 percent; England, 20 percent; Italy, 16 percent.

Public schools have tripled the amount of college attendance nationwide since 1960. College attendance rates are 46 percent of high school graduates at present; in 1960 they were 32 percent. In California, the statistics are even better: 60 percent of high school graduates advance to postsecondary institutions. Comparable figures from other countries are again much lower: Germany, 12 percent; France, 16 percent; UK, 10 percent.

And public schools have opened college attendance to all strata of society. Today 60 percent of college students do not have one parent who attended a single year of college and 20 percent of young people from homes with the lowest incomes are in college.

According to recent studies.

Students today fare as well or better in reading than students in the 1940s, when given identical tests, even though a much larger percentage of our youth are now enrolled in school.

Our high school graduates score higher on international assessment tests in reading than all but three of the other industrial countries, despite the fact that those countries graduate a much smaller proportion of their students.

The top 5 percent of our students do as well on achievement tests as the top 5 percent in other countries, although in those countries educational systems concentrate on the elite.

Elementary achievement in this country has been steadily rising since the 1940s and appears to stand at historical highs.

Secondary achievement improved from the 1940s to the mid-1960s and then declined to about the level of the early '60s.

SAT score declines seem to have stabilized. The SAT declines in the late 1960s were caused by large increases in the proportion of students taking the test associated with the rise in college attendance. The decline of the scores in the early 1970s is attributable to a combination of forces both within and outside the schools—lax academic and behavioral standards, proliferation of non-academic courses, social and political upheavals in the '60s, a general antagonism toward authority and high levels of television viewing.

Most of these social irritants have passed. Many corrections have been undertaken by the schools. They have tightened discipline, academic standards, course content and grading. Much remains to be done, but two indisputable facts are clear: eductional quality will not be improved by requiring deep cuts in educational programs and even now our students continue to score as well or better than students in other nations or students of 30 years ago despite the problems.

No serious commentator has suggested, as Friedman does, that the number of administrators has caused achievement to decline. Compared to other institutions, schools have few managers.

In California, 4 percent of school personnel are classified as administrators. Half of these are principals. The remaining 2 percent are divided into both support staff (curriculum, staff development and evaluation specialists) and administrators (vice principals, superintendents and assistant superintendents).

Moreover, in response to the fiscal pressure on the schools in recent years, these administrative positions have been declining rapidly, especially in the instructional support area.

In San Francisco, for example, the number of district-supported administrators has declined from 400 to 200 in the past four years. Of the remaining 200, 100 are principals; 65 are vice principals; and 35 are central office staff. Lost in these reductions were the reading and staff development offices.

Finally, instead of centralizing decision-making in California, under the School Improvement Program parents and other citizens are given authority to participate at the school level in efforts to maintain and improve the quality of the instructional program. This program now operates in more than half of our public schools.

Our democracy would be in trouble without quality public education. Public schools are the driving force behind the high levels of social and economic opportunity in the United States. Fourteen percent of the people in the top leadership positions of our country come from the lowest socio-economic groups—substantially higher than other countries, where those rates hover around 3 to 4 percent.

About 50 percent of working males are in jobs with a higher occupational status than their parents. Researchers have found that the occupational, educational and income levels of previously low-income white ethnic and Asian minorities (such as Jews, Poles, Irish, Slavs, Italians, Japanese and Chinese) are now equal to whites of native parentage—a tremendous change over the past decades.

Nearly half of black families are now middle class, and growing numbers of Latino families enter the middle class each year.

Public schools can claim credit for a major share of this success, as studies attribute 60 percent of upward social mobility to higher levels of education and document the link between more education and higher income.●

AN ARIZONAN'S ANALYSIS OF AMTRAK PROPOSALS

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. RUDD. Mr. Speaker, I would like to bring to the attention of the House a very thought-provoking analysis of the proposal to cut back Amtrak service being proposed by Secretary of Transportation Brock Adams.

This analysis was made by Guy Stillman, who probably more than any other Arizonan is familiar with the essential need and possibilities for rail transportation. He has certainly been a pioneer in that effort in Arizona.

Particularly during these times of energy consciousness, we need to be aware of the possible advantages available through rail passenger service.

Additionally, Mr. Speaker, I think it important that Congress consider the national security implications of reducing or weakening our nationwide system of rail transportation, which must always be available in addition to motor and air transport as a safeguard in times of war or other national emergency. We should not adopt a policy which would in any way endanger this backup system.

Mr. Speaker, I commend to my colleagues the thoughts of an outstanding Arizonan, Mr. Guy Stillman, and request that his analysis be printed at this point in the RECORD:

AN ANALYSIS IN SUPPORT OF AMTRAK SERVICE SHOULD BE IMPROVED—NOT ABANDONED

On January 31, Secretary of Transportation Brock Adams, announced the Administration's plans for Amtrak: Cut 12,000 miles out of the 27,500 mile system.

Scheduled for elimination on October 1: Montrealer, Silver Meteor, Champion, National Limited, Southern Crescent, Floridian, Inter-American, Lone Star, North Coast Hiawatha, Pioneer, San Joaquin, Southwest Limited, Cardinal, Hilltopper, Blue Ridge, Niagara Rainbow.

To justify this across the board elimination of service, Mr. Adams noted that over a five year period it should save the Federal Government $1.4 billion. He also said the system would still reach 22 of the nation's largest urban centers. Although $95 million would be spent on "job protection," Mr. Adams stated that, "if this plan works well, there will be little effect on labor . . . but if there is no new ridership, there could be a loss of employment."

That statement long poses a monumental challenge to Amtrak's management. How to cut out 43 percent of the service including much through service while:

Ensuring that fewer trains less frequently will have "little effect on labor."

Saving money.

Attracting new ridership which will more than offset the riders lost because they have no train to ride.

While a monumental challenge to Amtrak, it may have been insurmountable to the DOT since they proposed no plan to achieve these mildly miraculous results.

Within 90 days of the Jan. 31 announcement, either House of Congress can vote to reject the DOT plan. The entire question of Amtrak service levels and funding must consider a number of problems which bear upon the public's need for comfortable, safe, and reliable mass transportation.

SERVICE TO SMALLER CITIES AND TOWNS

Amtrak's long distance trains, many of which are scheduled to be eliminated, provide a valuable service to towns and cities along the routes. In many areas the train provides the only reliable transportation during severe weather conditions. Typical is the PIONEER which runs from Salt Lake City to Seattle. The PIONEER restored a transportation system to many towns which had previously been abandoned by bus lines, including Greyhound. Although a recent addition to Amtrak's system, between June 1977 and April 1978, the train carried 90,661 passengers—an average of 277 per day. Yet, this train will be eliminated under the DOT plan.

As a result of the airline deregulation trend, many smaller cities are finding their airline service declining. Utica, New York, for example is now served only by a commuter airline after the scheduled carrier abandoned service in February. The city of 100,000 can now also look forward to reduced train service if the DOT plan takes effect.

AMTRAK'S FIXED COSTS

Amtrak system restructuring discussions frequently cite money losing long haul trains and the viable corridor type of service. When such fixed costs as stations which see only two trains a day are cited as justification for eliminating the service, the planners seemed not to have learned the lesson of corridor service. More trains reaching stations at convenient hours increase ridership which offset the fixed costs.

The DOT plan also pushes for higher fares on the remaining trains as the method by which subsidies to Amtrak can be reduced. At the same time the DOT is using this argument against Amtrak, the Civil Aeronautics Board is criticizing the New York Port of Authority (which operates New York area airports and the PATH rapid transit system) for ". . . raising charges when activity is slack, to cover fixed overhead, rather than lowering them to generate more business."

EMPLOYEE COSTS

A reduction in the number of trains run will result in fewer employees working. But due to "job protection" agreements which Amtrak inherited, Amtrak will have to continue paying the laid-off workers. The Federal Budget, as proposed to Congress, estimated this cost at $100 Million coming out of Amtrak's budget of $130 Million for new equipment and other capital needs. Certainly, the nation and the employees would derive greater benefits if they were being paid to work.

SUBSIDIES

In what has become the classic argument against Amtrak, the scenario is created that Amtrak's subsidy has harmed the competing modes of transportation which, it is alleged, receive little or no subsidy. Typically, the New York Times editorial of Feb. 4 stated that "Government subsidies for buses, airlines and the intercity use of cars vary from nothing to only a few percent of the total costs". This argument is patently false.

All of Amtrak's competition is, and always has been, directly and indirectly subsidized with Federal, State and Local general tax revenues.

According to the DOT, since 1921 $525 billion has been spent on highways but user fees and other charges have resulted in the Federal government recovering only $344 Billion. In this case, the "few percent" referred to in the Times editorial actually amounted to over 34 percent.

Highway police patrols, road crews, snow removal, traffic signals, and other normal expenses are paid, to a large degree, by the area's taxpayers. The long term, often overlooked cost of highway construction is the loss of tax ratables to communities through which the highway is built. The remaining residents inevitably make up the loss through higher local taxes. The bus companies claim to pay for the use of these facilities. In 1977, Greyhound paid a total of $302,291 in gasoline, oil and other fuel taxes, licenses, and other registration fees to the State of New York. This is not an adequate compensation to the taxpayers of New York and reflects the generous, although hidden, subsidies to bus lines.

Similarly, the airlines receive considerable aid through direct and indirect subsidies. Airports, air traffic control centers, FAA facilities and projects are all supported to varying degrees by all taxpayers. For example, more than 106,300 acres of land in California are used for airports. The airport land is either tax free or taxed at a lower rate than surrounding commercial and residential property owners pay. Estimated figures released for 1978 indicate the Airport and Airways Trust Fund will have recovered less than $1.6 Billion of the $4.3 Billion spent by Federal, State and Local governments for airways support. In this case, the "few percent" amounts to 63 per cent.

EMERGENCY SHORTAGES

The most energy effective way to move people and goods is by railway. A shift from freeway use to rail transport should be a part of energy conservation considerations.

Gasoline prices will rise at least 20¢ per gallon within the next two years and the availability of gasoline in sufficient quantities is far from certain. The essential and discretionary car travel will be cut back either voluntarily or because of rationing. Yet, while one Administration department will submit contingency plans to Congress dealing with the new oil shortages and fuel cutbacks, another is planning to spend $8.6 billion for new highway programs while dismembering Amtrak's system to save $280 million a year.

The hard lessons learned during the 1973–1974 gasoline shortages have apparently been forgotten. As gasoline becomes more expensive and harder to get, more riders will try to use the trains—only to find half of the existing "bare bones" system has completely disappeared.

THE CONCLUSION

New concepts of rail pasenger travel are needed, not further abandonments. Our rail resources should be an essential part of our national transportation.

Amtrak's costs have risen but so has the level of service provided. Train service has improved not only in a few urban areas but in hundreds of communities across the entire country.

The issue of subsidies to support the Amtrak system has been blown totally out of proportion. The myth that competing modes receive little or no subsidy is just that—a myth. Given time, perhaps Amtrak will be a successful as the highway, bus, and airline interests have been in concealing taxpayer's subsidies.

There is no reason to believe these are the end of the system cut-backs. Fewer trains reaching communities at increasingly odd hours will result in fewer riders. Within the near future, this reduction in ridership will be cited as proof the public does not want Amtrak and passenger service should be ended.

This has a familiar ring of the many abandonment proceedings before the I.C.C. and State Corporation Commissions. Once facilities to service passengers are razed cost of restoration of service becomes prohibitive.●

TAX TREATMENT OF CERTAIN BENEFIT REPAYMENTS

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. ROSTENKOWSKI. Mr. Speaker, on March 29, I introduced legislation for myself and Mr. VANIK which would simplify the current procedure for determining the proper tax treatment of repayments of certain supplemental unemployment compensation benefits.

Under current law, if an individual who is unemployed and is receiving supplemental unemployment benefits from a qualifying trust established by his employer or other employment-related organization, qualifies for trade readjustment assistance payments under the Trade Act of 1974, that individual must repay the supplemental unemployment benefits received to the trust. The tax implications of that transaction currently can become complex. Supplemental unemployment compensation benefits paid under such a trust arrangement are considered as taxable income. Trade readjustment assistance moneys are treated just as other Government sponsored unemployment compensation programs as tax exempt payments to the extent that they, when combined with other income, do not exceed $25,000 in a tax year.

Under current law, when an individual repays his taxable supplemental benefits in a year following the year in which they have been taken into income, he has various options for recouping the tax already paid on the funds he is currently repaying to the trust. He may file an amended return for the year in which the supplemental funds were received; he may, if the amount repaid exceeds $3,000, take a deduction in the year of repayment under the "claim of right" doctrine embodied in section 1341 of the Internal Revenue Code; or he may take a section 165 loss deduction in the year of repayment—if he files an itemized tax return.

The legislation we have introduced would allow as a deduction from gross income in the year of repayment, an amount equal to the supplemental benefits repaid. It should be noted that this merely allows an individual to utilize a simplified procedure in the adjustment of his income, to properly take into consideration the repayment of sums which have already been taken into income—and taxed—in a previous year and now must be repaid.●

CHARLES H. CONRAD: NATIONAL CAPITAL REGIONAL PLANNER, EMERITUS

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. HARRIS. Mr. Speaker, on March 1, 1979, a gentle, competent, committed public servant, Charles H. Conrad, retired with little official notice. Since 1965, Charlie Conrad had served the United States as the executive director of the National Capital Planning Commission.

While eschewing self-promotion throughout his 30-year public career, Charlie Conrad withheld no effort to promote and advance rational, regionally oriented, urban design and planning for the Nation's Capital.

Thanks to the civil, persistent, and persuasive counsel of Charlie Conrad, the National Capital region has been largely spared some of the planned, or unplanned, calamities that have beset much of the Nation's urban centers.

For example, when the consensus agued for unlimited urban freeway construction, Charlie Conrad held forth for an integrated, regional, mixed transportation system for the National Capital region. A position, Mr. Speaker, that renewed support for the planning and development of Washington's Metro rapid rail public transit system.

Likewise, Charlie Conrad's vision and commitment contributed significantly to the organization, 20 years ago, of the Washington Metropolitan Area Council of Governments, long recognized as an evolving national model for effective regional cooperation.

Mr. Speaker, I would like to add my best wishes to Charlie and his wife for a happy and productive retirement together.

And to the professional community and to whomever is appointed the next executive director of the National Capital Planning Commission, let it be known that no tribute to Charlie would be more fitting than continuing the spirit and substance of Charlie's commitment to the enhancement of the rational planning and development of the National Capital region.

Finally, I commend the Washington Post article of February 22, 1979, outlining the distinguished career of Charles H. Conrad, National Capital regional planner, emeritus.

The article follows:

CHARLES CONRAD: GUIDING THE LANDSCAPE OF A CITY

(By Paul Hodge)

The man who helped end the march of freeways into Washington and start the Metro subway system, who sparked the urban renewal of the nation's capital and guided the greatest government building boom in more than 175 years, has retired from the National Planning Commission as quietly as he came almost three decades ago.

But, then, Charles H. Conrad is a retiring person. The slight, soft-spoken executive director of the NCPC is a man who loves building things, from cabinets to his Arlington home and a summer house on the Lower Potomac.

Since taking the helm of the federal planning agency 14 years ago, he also has built a small, professional staff that has weathered riots, home rule and at least two presidential attempts to eliminate it.

A reception in his honor will be held tonight at the Smithsonian Institution, in the hall with the joint Smithsonian-NCPC Bicentennial display of the history of plans for the nation's capital.

Conrad leaves the NCPC at a time when plans are once again afoot to reorganize the 55-year-old planning agency, which was formed to create park land for Washington and remained, according to Conrad, as the protector of "the federal interest." It has been the only federal agency making any long-range plans for the future growth of the city.

How Washington will look in the future as well as how it has changed in the past three decades, concerned Conrad on his final day as he sat in his empty office on the 12th floor of a modern building at 1325 G St. N.W.

The commission had just concluded another meeting in which members were reminded they no longer had the powers they once had to approve or block construction of buildings, bridges and roads here.

The commission's role, since the 1973 Home Rule Act, has been reduced largely to advising other agencies—advice the agencies apparently may ignore, although the issue has yet to be tested in court.

As things stand now, Conrad points out in the quiet monotone that has been his hallmark as NCPC director, neither the planning commission nor any agency here "has the power to protect the federal interest."

Conrad emphasizes that he is "not being critical of District officials or the commission . . . this has been a wonderful part of my life . . . and remember we supported home rule and D.C. having a planning entity at city hall, doing its own planning. But what most people forget, even the White House, is that NCPC also was proposed to be reorganized to meet federal needs."

For example, Conrad says, many major moves by federal agencies from one location around Washington to another—which affect thousands of government employes and the local jurisdictions—are no longer subject to review by the NCPC or the public.

This came about because the Government Services Administration has stopped constructing new government office buildings and now leases more than 50 percent of federal office space here. The NCPC charter gives it the power to review construction of federal buildings but says nothing about leased buildings.

Conrad became a city planner in the 1930s, in the days "when no schools had such things." Most places in America then had little or no zoning, let alone long-range plans for the future. Subdivisions, suburban shopping centers and urban renewal had yet to be invented.

A native of New Jersey, where his father was a lithographer, Conrad went to Iowa State College to major in forestry. But after taking courses in landscape planning, "I knew that this is what I really wanted to do." He began doing it immediately upon graduation when he was hired by the college as a site planner.

But shortly afterward, as another world war threatened, he left campus to join the Army Corps of Engineers as a civilian planner designing new army camps. "It was fascinating," said Conrad, "seeing the bulldozers right outside your barracks' windows carrying out the plans you'd designed."

Although the Corps offered him protection from the draft, Conrad leaped at a chance to go to Richmond, at half the salary ($1,800 a year) as an assistant to Harland Bartholomew, "considered by many to be the father of city planning," Conrad said. Bartholomew was appointed chairman of NCPC by President Eisenhower in 1954, three years after Conrad had joined NCPC. Conrad rose to deputy director during Bartholomew's six-year term.

In Richmond, Conrad briefly helped Bartholomew plan expressways and arterial roads for the state capital, but was soon drafted and became an Army map-reading instructor. After the war, he returned to Iowa, working for the Des Moines city planning department until "a job in the East" beckoned and he came to Arlington as planning consultant to update the county zoning regulations. He stayed on to become Arlington's chief planner for three years before working briefly for the Federal Housing Administration.

No sooner had Conrad joined NCPC than he was back in Arlington, representing the commission in a dispute over extending the George Washington Memorial Parkway past Rosslyn. Arlington ultimately agreed to the riverside parkway, although Fairfax County later blocked its part of the planned extension to Great Falls and, on the Maryland side, Prince George's County blocked the parkway's extension to Fort Washington across from Mount Vernon. The parkway and most of Washington's stream valley parks were planned and developed by NCPC.

Conrad said he didn't want to discuss Arlington, where he lives, because NCPC presently is suing the county over high-rise buildings being built in Rosslyn, which the National Park Service, NCPC and other federal agencies believe will ruin Washington's skyline.

Although Conrad's style is low-key—a major reason for his selection as executive director in 1965, according to then NCPC chairman Elizabeth Rowe—Conrad, his staff and the commission soon were at the center of many of Washington's major controversies.

The commission was the forum for the highway battles of the 1950s, "when the expressway was king . . . and highway engineers were proposing eight major radials into the city and three beltways around it," said Conrad. "We fought to get a more balanced transportation system, including rapid rail," and helped form regional transportation agencies that took over private bus companies and built Metro.

NCPC also spurred the cooperation that resulted in the formation of the Metropolitan Washington Council of Governments, which has since taken over NCPC's regional planning role. And it developed the Year 2000 Plan, "which was a good framework for regional development, and Montgomery, Fairfax, Loudoun and Arlington are still following that basic corridor plan," Conrad said.

Perhaps the most noticeable changes guided by the NCPC are the new federal buildings and museums in the city and restorations. "Since 1960," Conrad said, "there have been more federal buildings built here than at any time in U.S. history."

But Conrad feels that two of his major accomplishments have been the rehabilitation of the slums of the nation's capital, where he helped plan and later direct the city's urban renewal projects, and the decision, in the midst of the 1968 riots, to begin planning immediately for rehabilitation of the riot-damaged areas.

Some urban renewal projects were controversial, particularly the new Southwest where a historic area was razed and replaced with high-rise apartments, townhouses and what many consider a sterile, Maine Avenue waterfront. "But people forget at that time, under federal regulations, everything had to be completely cleared," Conrad noted. "Our original plan was to rehabilitate 75 percent of the area and clear only 25 percent."

Unfortunately, said Conrad, restoration has been slow and there still are boarded up buildings in the area.

During his retirement, Conrad expects to advise the government of Nigeria on planning. But not all of his projects are massive.

His first project the day after leaving the commission was helping his eldest son, who has a small construction business, build a porch. It isn't controversial and it won't change the landscape of Washington, but, says Conrad, "I enjoy it." ●

BLACK UNEMPLOYMENT AT DEPLORABLE LEVEL

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. HAWKINS. Mr. Speaker, even though the national unemployment rate has dropped to 5.7 percent, this figure continues to represent a high level of human suffering and economic waste. This situation is even more acute for blacks and other minorities where the rate is 11.9 percent. I would like to submit to my colleagues an editorial by Carl T. Rowan who addresses this deplorable situation as well as some of the myths that are associated with it.

BLACK UNEMPLOYMENT IS SOCIETY'S SHAME

(By Carl T. Rowan)

Some Americans rejoiced over the February unemployment figures. They had expected a sluggish economy to produce greater numbers of jobless, but the national rate fell to 5.7 per cent, the lowest in more than four years.

Yes, some rejoiced; but I was outraged. For those figures proved that Sen. Edward M. Kennedy, Urban League leader Vernon Jordan and others have been right in assailing President Carter's anti-inflation budget policies. They are correct in saying that minorities are carrying a disastrously unfair portion of the burden of fighting inflation.

From January to February, white unemployment dropped from 5.1 to 4.9 per cent, with 97,000 whites coming off the jobless rolls. At the same time, black unemployment rose from 11.2 to 11.9 per cent—with another 100,000 blacks going on the jobless list!

Unemployment in black America is now 243 per cent of white joblessness. And that is nothing short of a social disaster.

It is just plain criminal what this society is doing to black teen-agers. When Jimmy Carter took office, according to Labor Department figures, which are absurdly optimistic, 36.1 per cent of black teen-agers could not find work. So 322,000 young blacks were left aimless, hopeless, prey for the drug-pushers and the purveyors of crime.

In January the percentage was down to 32.7, but the number of drifting young blacks was up to 341,000. But from January to February the number of black teenagers seeking work but not finding it jumped another 52,000—this while white teen-age unemployment was dropping by 20,000.

This infuriates not the black part of me, but the American part, because it lies at the heart of a costly social malaise. Crime is one of the great problems of this society, and most of that crime is committed by teen-agers and young adults—the very people we leave most in joblessness and hopelessness.

The Law Enforcement Assistance Administration (LEAA) tells me that blacks make up 47 percent of the state prison population, 41 percent of the inmates in local jails and 40 per cent of the federal prison population. It is easy to say, as 29 per cent of whites do, that "blacks breed crime," but the crime is bred by policymakers who, year in and year out, leave as many as 60 per cent of urban jobseeking youth outside the economic system.

I know, many a reader is saying that among those jobless blacks are the high school dropouts, or the high school and college graduates who can't read or write or count well enough to make their way in this society. That is true. They are the victims of past and present bigotries and insensitivities.

That is just another side of the self-perpetuating tragedy. Jobless, hopeless people produce children whom they cannot educate properly, and these children grow up to become jobless and hopeless.

How is it that our system can put men on the moon, explore Jupiter and its satellites with a camera, build weapons of incredible destructive potential—but it can't provide a basic education and a half-decent job for its young people?

Those unemployment announcements are dismissed by too many Americans as just statistics. But behind those figures lie a lot of human suffering and a very heavy price tag that you and I must pay.

Our greatest shame is that this society has created a permanent class of jobless people, with most Americans never giving a damn.●

GUAMANIANS DESERVE EQUITY

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. WON PAT. Mr. Speaker, when Congress passed Public Law 95-134, part of that legislation was aimed at providing justice for the thousands of Guamanians whose lands were taken by the U.S. military at prices far less than their real worth in the latter days of World War II.

While those people, whom today are proud to call themselves Americans, are most grateful for congressional permission to have the Federal courts review those transactions, we believe that total justice has continued to evade us.

The problem stems from the fact that the current law does not provide for payment of interest to all litigants who are successful in their bid for additional compensation from the courts.

As a result, litigants who win an additional claim of say, $1,000, would in fact be receiving 1979 dollars in exchange for 1945 prices. It is no secret that 1979 dollars are unfortunately worth far less than 1945 dollars. Thus, we have a situation where the potential settlements would in fact be granted at a rate much below what should be granted.

The only way to reconcile the difference between the two factors in this equation is to provide for the payment of simple interest to the successful contestants.

The bill I introduce today asks that the Federal Government pay a simple 6 percent interest to all parties from the date of the land acquisition to the day of the final settlement.

The rate was chosen as a compromise between what was given on the average in the mid-1940's and 1950's and what is being given by institutions today.

There is ample precedent for this action in other land settlement cases against the Federal Government. I urge my colleagues to give this measure their favorable consideration and thus insure that total justice is at long last given those who suffered so much in the defense of American liberty in World War II.

Thank you.●

GEPHARDT INTRODUCES DISABILITY TAX SURCHARGE AND ROLLBACK ACT

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. GEPHARDT. Mr. Speaker, I am today introducing legislation that would place a part of the burden of paying for cigarette and alcohol related disabilities on those who are in some sense responsible for this enormous drain on social security trust funds.

Last year the Social Security Administration paid $13.3 billion in disability benefits to approximately 5 million claimants. The cost of disability payments has more than doubled in the past 5 years and by 1982 it is expected to reach $21 billion annually. To pay for the benefits and other needs of the Social Security System, Congress increased the payroll tax from 5.85 percent in 1977 to 6.05 percent in 1978 and 6.13 percent in 1979. In 1981, the payroll tax is scheduled to increase once again to 6.65 percent. Officials admit that the Disability Trust Fund would have been exhausted in early 1979 if not for these recent increases in payroll contributions.

Part of this crisis in financing disability benefits is attributable to cigarette smoking and alcohol consumption. In testimony before the Social Security Subcommittee last month, HEW Secretary Joseph A. Califano, Jr., stated that more than $1 billion of these disability payments are annually made to individuals who are on disability because of smoking. HEW has found that smoking annually costs the United States approximately $8 billion in health care expenses and $18 billion in lost productivity, wages and absenteeism caused by smoking-related illness. Specialists believe that smoking often causes or complicates neoplasms, diseases of the circulatory system, and diseases of the respiratory system. These diseases and conditions accounted for 46.8 percent of all social security disability awards in 1975. Thus, Secretary Califano said that he would enthusiastically welcome any additional taxes on cigarettes.

The Secretary was not able to estimate the amount of disability payments made due to alcohol consumption. HEW has determined, however, that alcohol abuse and alcoholism cost the United States nearly $43 billion in 1975, including $12.74 billion in health and medical costs and $19.64 billion in lost production. Specialists believe that alcohol consumption often causes or complicates neoplasms, endocrine, nutritional and metabolic diseases, mental disorders, diseases of the nervous system and sense organs, and accidents. These diseases and conditions accounted for 37.4 percent of all social security disability awards in 1975.

I believe that the disability beneficiaries should pay their own way when causative factors such as cigarette smoking and alcohol consumption are directly related to their benefits. That would improve the present system wherein the costs of these benefits are financed by constant payroll tax increases imposed on all participants in the social security system. This "pay-as you-go" philosophy was once before expressed when Congress passed the Black Lung Benefits Revenue Act of 1977 (Public Law 95-227). That act imposed an excise tax on coal producers and appropriated the proceeds of the tax to the black lung disability fund.

Federal excise taxes on alcohol and cigarettes have not been increased since 1951 and have never been earmarked for specific purposes. The bill that I have introduced would increase the Federal excise tax on cigarettes from 8 cents per package to 10 cents per package. It would also impose a disability surcharge on producers of alcoholic beverages that would equal 9 percent of the Federal excise tax on alcohol. This surcharge amounts to 1.5 cents per six-pack of beer and 18.9 cents per fifth of bourbon. The revenues collected from 20 percent of the cigarette exercise tax ($642 million, fiscal year 1980) and from the disability surcharge on alcohol ($504 million, fiscal year 1980) would be appropriated to the social security disability insurance trust fund. This amount ($1.146 billion, fiscal year 1980) would enable us to roll back the payroll tax in 1981 from 6.65 percent to 6.60 percent, which this bill also provides.●

THE HOUSE WILL MISS GENERAL JOE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. MICHEL. Mr. Speaker, I am pleased to have this opportunity to join with so many of my colleagues and to express by appreciation for the many years of dedicated service to the House and its Members and to me personally rendered by Joe Bartlett. When I first came to Capitol Hill in the late forties as administrative assistant to former Congressman Velde, Joe was then serving as a chief page. He briefly interrupted his service to the Congress to serve his country in the Marine Corps. Joe has always been a proud Marine. After his stint of active duty he returned to his first love—the U.S. Congress—but even then became the most active Marine reservist on Capitol Hill and they recognized his services and value by promoting him right to the top. When he retired this past year he was holding the rank of brigadier general. He will always be General Joe to us.

During his lifetime service here on the Hill he was our reading clerk for some 17 years and holds the record for the call of rollcalls before the days of electronic voting. Beginning in 1960, he became the chief reading clerk at each succeeding Republican National Convention. Joe had completed four terms of service as clerk to the minority and he served each and every Member to his utmost.

To Joe Bartlett we say thanks for his many years of service and true dedication to this institution he loved so well. To his wife, Jinny, the lovely and charming Cherry Blossom Princess whom he married in 1952 and his two daughters, Linda and Laura, I extend to them best wishes for the future. I know Joe's star is still in the ascendancy and we will be hearing more from him.●

HANDGUN VIOLENCE CLAIMS 625 IN FEBRUARY

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. DRINAN. Mr. Speaker, deaths caused by the misuse of handguns continued to rise during the month of February. The needless loss of life is a clear indication of the necessity for prompt action if we are to combat this disastrous problem. Because the criminal misuse of firearms across the United States is a problem of major proportions, the Congress cannot stand idly by while handgun violence threatens the lives of the residents of cities and rural areas alike.

Numerous bills have been introduced since the beginning of the 96th Congress in an attempt to address the problem of handgun violence. The time is now ripe to educate ourselves and others to the legislative alternatives that we can choose.

In a recent bulletin published by Handgun Control, Inc., it has been revealed that 625 media-reported deaths occurred during the month of February as a result of handgun violence. In the weeks and months ahead, I will continue to speak out on this important issue. I hope that my colleagues will join with me in this effort to stop the spread of the misuse of firearms. The Handgun Control, Inc., report follows:

ROLL OF HANDGUN DEAD

ALABAMA (21)

Theo Bennett, Birmingham.
Ervin Gay, Birmingham.
Robert Gordon, Birmingham.
Robert Husky, Fort Payne.
Debra Johnson, Woodstock.
Willodean Kuykendall, Tuscaloosa.
Lelia Martin, Oneonta.
Charline McKinney, Alexander City.
Steve Mickle, Roanoke.
Louis Motley, Birmingham.
Ezell Murphy, Tuscaloosa.
Paul Murry, Gadsden.
Gail Nix, Birmingham.
Darrell Parker, Tuscaloosa.
Amos Robinston, Birmingham.
Jerry Smith, Huntsville.
Kenneth Wilbanks, Fort Payne.
William Wilkerson, Centreville.
Unidentified male, Foley.

ALASKA (1)

James West, Sr., Eagle River.

ARIZONA (11)

Rosemary Dominguiz, Phoenix.
Ronnie Everly, Phoenix.
Cindy Green, Coolidge.
Manuel Haro, Tucson.

Margaret Haro, Tucson.
Betty Jenkins, Phoenix.
Neil Jenkins, Bullhead City.
Shaun Jensen, Flagstaff.
Lance Roble, Flagstaff.
Peggy Worsham, Coolidge.
Unidentified male, Flagstaff.

ARKANSAS (14)

Kenneth Bell, Ashdown.
Danny Boyd, Pine Bluff.
Robert Carmichael, Brasfield.
Clare Chen, Arkadelphia.
Judy Danielak, North Little Rock.
Plenty Dunagan, Star City.
Brian Feight, Fort Smith.
Ricky Gaston, Batesville.
Carl Harris, Little Rock.
Alvie McGowen, Marshall.
John McKay, Springdale.
Allen Miller, Gurdon.
Irene Molden, Little Rock.
Virgie Pace, Star City.

CALIFORNIA (94)

John Joeseph Agnew, San Rafael.
Henry Aguire, San Francisco.
Tracy Anderson, San Mateo.
Cosmo Balzado, Pittsburg.
Christine Barnett, Marysville.
John Barnett, Marysville.
Dennis Bates, Los Angeles.
William Baumgartner, San Francisco.
Bruce Bracamontes, Santa Ana.
Eduardo Bura, San Francisco.
Stephen Buus, Anaheim.
Rufino Contreras, El Centro.
Scott Cotham, San Diego.
John Daniel, Los Angeles.
Jesse Davis, Oakland.
Elico de Anda, Rosemead.
Russell Drew, Livermore.
David Eaton, Vista.
John Edwards, Long Beach.
Marvin Eller, Palm Springs.
Claud Ellis, Los Angeles.
Jesse Eredia, Watsonville.
Warren Fheehling, Sacramento.
Rigoberto Garcia, San Francisco.
Thomas Gloster, Red Bluff.
Maria Gonzalez, Downey.
Ramon Gracia, San Diego.
Grant Grimsley, Torrance.
Dixie Hall, San Jose.
Jerry Hansen, San Rafael.
Dwayne Harden, Stockton.
John Hawkins, Lebanon.
Ernie Haynes, San Andreas.
Patrick Healy, San Francisco.
Steven Hearns, Los Angeles.
Jeffrey Hoyt, San Jose.
Kenneth Huntsman, Galt.
Claude Johnson, San Diego.
Marvin Johnson, Los Angeles.
Russell Jones, East Oakland.
Ignacio Landavazo, Downey.
Arthur Leos, Los Angeles.
Gregory Maki, Pacifica.
Louie Makridis, Long Beach.
Michael Malgra, Ontario.
Gerald Mannee, Colusa.
Robert Mather, San Francisco.
Paul Mertz, San Francisco.
Robert Miranda, Santa Maria.
Richard Niemeier, San Francisco.
Michael Olsen, San Mateo.
Anthony Ordaz, Biola.
Harvey Palmer, Oakland.
Arthur Pelino, Los Angeles.
Larry Phillips, Richmond.
David Pierce, Homes Gardens.
Bill Proctor, Livermore.
Olin Pruett, Vacaville.
Manuel Rea, Orange.
Johnny Revelles, Los Angeles.
Manuel Rincon, San Francisco.
Stephen Roach, San Jose.
Victor Rodriguez, Downey.
Maryann Rogers, Los Angeles.
Roann Schweiter, San Francisco.
Gino Scurini, Santa Rosa.
Steven Siegle, Taft.
Raul Sierra, Los Angeles.
Lowell Slye, New London.
Richard Spitzer, Long Beach.
Sherwood Spurgin, Grover City.
Martha Steward, Los Angeles.
Felon Sykes, Los Angeles.
Dorothy Taylor, Oakland.
Tiyomi Tamura, Rosemead.
William Tomeck, Oxnard.
Sam Troia, Monterey.
James Turner, Sacramento.
Rene Valle, Los Angeles.
Jimmy Washington, Sacramento.
Robert Watkins, Los Angeles.
Gary Watson, Oakland.
Daniel Willey, Livermore.
James Wilson, Fairfield.
Perry Wood, Riverside.
Unidentified, Los Angeles (2-5-79).
Unidentified male, Oak Park (2-9-79).
Unidentified male, Los Angeles (2-13-79).
Unidentified male, San Jose (2-15-79).
Unidentified male, Watsonville (2-17-79).
Unidentified male, Los Angeles (2-20-79).
Unidentified, Los Angeles (2-22-79).
Unidentified male, Torrance (2-23-79).
Unidentified male, Tulare (2-26-79).

COLORADO (16)

Bobby Carroll, Denver.
David Deffner, Littleton.
Howard Deffner, Littleton.
Micael Faast, Colorado Springs.
Elizabeth Jean Foster, Arvada.
Stephen Lantry, Boulder.
Jeffrey Lewis, Colorado Springs.
Terry McGowan, Ft. Collins.
Ada Estep Mock, Norwood.
Loy Mock, Norwood.
Kirt Oliver, Weld County.
Russell Paronto, Canon City.
Maxine Valdez, Trinidad.
Unidentified Female, Arvada.
Unidentified Male, Colorado Springs.
Unidentified Male, Greeley.

CONNECTICUT (5)

Darien Randall, Hartford.
James Tzanayzres, Bridgeport.
Donna Wailbel, Tethleham.
Unidentified, Hartford (2-4-79).
Unidentified Male, Hartford (2-25-79).

DELAWARE (1)

Dorothy Williams, Wilmington.

DISTRICT OF COLUMBIA (5)

Carroll Fleet.
Betty Haney.
Richard Magruder.
Carl Metheny.
Willie Wade.

FLORIDA (28)

Jose Azpeitia, Miami.
Jose Benedict, Miami.
Gary Carter, Plymouth.
Jennifer Childers, Melbourne.
James Crews, Perry.
Harold Finn, St. Petersburg.
Milton Garey, West Palm Beach.
Marvin Gordon, Miami.
Nathsha Hamilton, Jacksonville.
John Johnson, Tampa.
Betty Knight, Arcadia.
Thomas Knight, Sarasota.
John Krasner, Fort Lauderdale.
Susan Kuh, West Palm Beach.
M. Locke, Lake City.
James Louis, Orlando.
William Mealy, Deltona.
Theodis Miller, Miami.
Thomas Miller, Okeechobee.
Candice Murphy, Jacksonville.
Arthur Posley, Jacksonville.
Mary Reddick, Deland.
Sharron Register, Dade.
Herbert Spillan, Tallahassee.
Quenell Taylor, Fort Lauderdale.
Elizabeth Walsh, Fort Lauderdale.
Unidentified Male, Miami.
Unidentified Male, Ocala.

GEORGIA (27)

Larry Basemore, Savannah.
Felix Bristow, Dekalb County.
Charles Brown, East Point.
Sylvia Burgess, Atlanta.
Haywood Gates, West Point.
William Helms, Dekalb County.
Walter Henderson, Albany.
John Hudson, Athens.
James Jackson, Dublin.
Iona Jones, Atlanta.
Jimmy Jordan, Griffin.
Leroy Kight, Douglas.
Willie Lindsay, West Point.
Christopher Murrie, Fort Valley.
Julie Porter, DeKalb County.
W. J. Spires, Jr., Hazelhurst.
Michael Tanner, Atlanta.
Travis Thurton, Atlanta.
Mark Toney, DeKalb County.
Cynthia Turner, Austell.
Curtis Veasley, Columbia.
Lewis Walker, Augusta.
Steve Walker, Augusta.
Leslie Wilson, DeKalb County.
Nancy Wilson, DeKalb County.
Shirley Winters, Hazelhurst.
Unidentified Male, Atlanta.

HAWAII (2)

Mo Lin Cheng, Honolulu.
Unidentified male, Honolulu.

ILLINOIS (18)

Felipe Baez, Chicago.
Cherise Bisch, Chicago.
Wendell Coleman, Chicago.
Dennis Derflinger, Chicago.
Sandra Derflinger, Chicago.
Victor Figueroa, Chicago.
Richard Gniadek, Chicago.
Ronald Hein, Chicago.
Jose Ilaza, Chicago.
James Matthews, Chicago.
Domingo Mendoza, Chicago.
Norman Miller, Chicago.
Eric Munter, Pontiac
Derrik Hunter, Pontiac.
Jose Perez, Chicago.
Anthony Rayes, Chicago.
Lacy Sanders, Chicago.
Adrian Summers, Chandlerville.

INDIANA (10)

Deborah Buchanan, Cedar Lake.
Joan Grant, Indianapolis.
Joe Hale, Columbus.
Frank Hamm, Kirksville.
Clarence Kistner, Farmersburg.
Barabar McCollum, Fort Wayne.
John McCollum, Fort Wayne.
Charles Mims, Fort Wayne.
William Shurlow, Lafayette.
Joseph Woody, Indianapolis.

IOWA (11)

John Allen, Des Moines.
Daniel Dudley, Waterloo.
Ernest Gibson, Cedar Rapids.
Mary Jo Heiman, Carroll.
Donald W. Hurlbut, Perry.
Douglas Kunkle, Stuart.
Marie Messersmith, Sioux City
Dorothy Roeder, Toledo.
Cynthia Walker, Muscatine
Gene Williamson, Des Moines
Carol Willits, Muscatine.

KANSAS (6)

Ted Hodges, Kansas City.
Kevin Jackson, Kansas City.
Clarence Martin, Coffeyville.
Henry Palmer, Junction City.
Russell Revels, Kansas City.
Priscilla Sanders, Anthony.

KENTUCKY (15)

Terry Bond, Winchester.
Edward Brown, Covington.
Kimberly Collantes, Louisville.
James Decker, Lebanon.
Charles Eaker, Murray.
Willie Floyd, Waynesburg.
Russell Gentry, Richmond.
Russell Henderson, Lexington.
Lynwood Hisle, Cynthian.
Henry Garrett Kirksey, Paducah.
Ewell Moore, Mt. Sterling.

Ricky Wallace, Louisville.
Lamar Whirley, Greenville.
Edgar Wright, Pikeville.
Larry Wright, Pikeville.

LOUISIANA (20)

Harry Ary, Ringgold.
Stephen Blinn, Morgan City.
Otha Bridges, Ringgold.
Toby Brooks, Jr., Baton Rouge.
Theresa Caswell, Baton Rouge.
Andreas Cuevas, New Orleans.
Willistine Davis, Winnfield.
Ranzell Dufrene, Houma.
Adrian Fox, New Orleans.
Robert Jones, Covington.
Robert Le Blanc, Baton Rouge.
Ronald Martin, New Orleans.
Jess McConathy, Arcadia.
Thomas McCoy, Jamestown.
Clarence Moore, Alexandria.
Earl Phillips, Winnfield.
Edison Smith, New Orleans.
Ronald Wells, Hammond.
Unidentified female, Baton Rouge.
Unidentified, Leesville.

MARYLAND (11)

John Dotson, Frederick.
John Harrison, Baltimore.
Mason Henderson, Baltimore.
Elsa Leon, Silver Spring.
Medardo Leon, Silver Spring.
Gregory McClean, Baltimore.
Bonnie Meridith, Pittsville.
Louis Meridith, Pittsville.
James Reid, Baltimore.
Richard Scrivener, Landover.
Unidentified male, Baltimore.

MASSACHUSETTS (1)

Antonio Rosa, Boston.

MICHIGAN (1)

Cheryl Gniadek, Wyoming.

MINNESOTA (5)

Cheryl Goodman, Minneapolis.
Ed Moriarity, Minneapolis.
Earl Panzer, Barnesville.
Richard Thompson, Barnesville.
Merle Walstead, St. Paul.

MISSISSIPPI (4)

James Campbell, Greenwood.
Paul Hughes, Greenwood.
James Phillips, Jr., Meadville.
William Raney, Biloxi.

MISSOURI (29)

Tony Bratton, Kansas City.
Albert Bush, St. Louis.
Gene Cole, Charleston.
John Cole, St. Louis.
Wanda Conkling, Kansas.
Robert Douglas, St. Louis.
Anthony Forbes, St. Louis.
Gordon Galemore, Charleston.
Bobby Gatlin, Kennett.
Gordon Gilmore, Charleston.
Susie Hawkins, St. Louis.
Kenneth Henderson, St. Louis.
Ted Hodges, Kansas City.
Anthony Irby, St. Louis.
Edith Johnson, Springfield.
Alan Kramer, St. Louis.
Leo La Bott, St. Louis.
Kenneth McDonald, Oronogo.
Timothy Montgomert, St. Claire.
Richard Perry, Centreville.
James Posey, Kansas City.
Melina Reece, St. Joseph.
Frederick Renollet, Jr., St. Louis.
Russell Revels, Kansas City.
Kenneth Vaughn, St. Louis.
William Weiss, Granite City.
Diane Woods, Grandview.
Unidentified male, Kansas City.
Unidentified female, Kansas City.

MONTANA (6)

Kirk Bauer, Great Falls.
William Dickinson, Helena.
Cheryl Halvorson, Cutbank.
Michael Michaelson, Ronan.
Charlotte Olson, Ronan.
Norman Teddy, Great Falls.

NEBRASKA (6)

John Ball, Omaha.
Larry Brunson, Omaha.
Michael Kapusta, Omaha.
Milan Malkovich, York.
Terrell Randolph, Omaha.
Unidentified male, Omaha.

NEVADA (2)

Patrick Durkan.
Gary Maciej.

NEW HAMPSHIRE (1)

Roger Gallien.

NEW JERSEY (1)

Robert McDowell.

NEW MEXICO (7)

Jackie Fain, Clovis.
Jerry Gonzales, Albuquerque.
Don Johnson, Albuquerque.
Celestino Lopez, Albuquerque.
Gordon Seitzinger, Farmington.
Scott Warner, Los Alamos.
Unidentified male, Albuquerque.

NEW YORK (9)

Timothy Davis, Sinclairville.
Donald Fuentes, New York City.
McDonald Funderburk, Jr., New Rochelle.
William Koenige, Schenectady.
Chico Nereida, New York City.
Carmen Orsini, New York City.
Richard Sields, Bronx.
Edwin Smith, Glenville.
Unidentified, Queens.

NORTH CAROLINA (7)

John Blevens, Fayetteville.
Kenneth Coble, Greensboro.
Jerry Davis, Charlotte.
James Johnson, Wilmington.
Mrs. Smith, Raleigh.
David Thornburg, Asheboro.
Steven Wilson, Charlotte.

OHIO (18)

John Ballmer, Cleveland.
Lenton Bynes, Cleveland.
Catherine Callahan, Cleveland.
Ben French, Cleveland.
Jo Hale, Columbus.
Donna Henderson, Youngstown.
Thomas Henderson, Youngstown.
Billy Hurst, Cleveland.
Betty Jaroscak, Cleveland.
Willie Mabry, Cleveland.
Samuel Robinson, Cleveland.
Lewis Shack, Cleveland.
Harold Smith, Cleveland.
Sherry Webster, Hamilton.
Greg Welch, Columbus.
John White, Cleveland.
Gregory Williams, Cleveland.
Michael Williams, Cleveland.

OKLAHOMA (15)

Andrew Averyhart, Jr., Muskogee.
Billy Barber, Duncan.
Ricky Bruner, Seminole.
Jane Fair, ADA.
Gary Farmer, Altus.
Raymond Hall, Oklahoma City.
Joseph Holt, Oklahoma City.
Robert Hosier, Durant.
Calvin Richardson, Oklahoma City.
Delbert Roberts, Valliant.
Robert Saldivar, Duncan.
Larry Shaffer, Tulsa.
Johnnie Thomas, Waurika.
Jimmy Williams, Durant.
Unidentified male, Cushing.

OREGON (9)

Clifford Baird, Eugene.
John Dale, St. Helens.
Susan Flanagan, St. Helens.
Baxter Hignite, Tulelake.
Candice Jones, Portland.
Ernest McClain, Portland.
Dorene Olson, Carlton.
John Stone, Jefferson.
Milton Wannler, Eugene.

PENNSYLVANIA (20)

Steven Aument, Lancaster.
Tae Cho, Philadelphia.
Julian Cobb, Philadelphia.
Juan Colon, Philadelphia.
James Cook, New Castle.
John Farfell, Philadelphia.
Bruce Frank, Harrison.
Jackie Generette, Philadelphia.
Carmen Giovinetti, Philadelphia.
George Griffin, Coatesville.
William Johnson, Philadelphia.
Lorie McCarston, Philedelphia.
James Miller, Tyrone.
Joseph Miller, Filbert.
Thomas Mullen, Philadelphia.
Joel Richardson, Philadelphia.
Richard Streily, Pittsburgh.
Willia Wright, Philadelphia.
Dr. Robert Yee, Beaver County.
Unidentified woman, Philadelphia.

RHODE ISLAND (1)

Steven Glazerman, Johnston.

SOUTH CAROLINA (12)

Buck Jones, Spartansburg.
Jackie, Davis, Loris.
Robert Dotson, Belton.
Joe Hilton, Lancaster.
Marcia McIntyre, Columbia.
Arnie Richardson, Myrtle Beach.
Louise Sellers, Myrtle Beach.
Eugene Skaar, Myrtle Beach.
Leroy Swain, Sweatwater.
John Turner, Myrtle Beach.
Earl Wright, Myrtle Beach.
Unidentified female, Columbia.

TENNESSEE (30)

Harold Beard, Pulaski.
Dean Beaty, Grimsley.
Larry Brent, Memphis.
Mary Butler, Memphis.
Robert Butler, Memphis.
Charles Cook, Memphis.
William Edwards, Shilo.
James Ford, Bolvier.
Eugene Franklin, Shelbyville.
John Hawkins, Lebanon.
Henry Heath, Nashville.
Tommy Henson, Memphis.
Edwin Herr, Memphis.
Sam Layman, Crossville.
Columbus Leath, Memphis.
Bobby Lewis, Memphis.
Carl Mabee, Tracy City.
Evonne Moore, Chattanooga.
Robert Moore, McMinnville.
Clettus Pope, Springfield.
Clarke Reynolds, Jr., Memphis.
Joe Scott, Gainesboro.
Robert Smith, Memphis.
Thomas Stanley, Jr., Memphis.
Richard Stephenson, Trenton.
George Taylor, Memphis.
Henry Ward, Nashville.
Donna Webb, Harriman.
Charlene White, Livingston.
Michelle Wildman, Knoxville.

TEXAS (80)

Charles Atwood, Garland.
John Barron, Fort Worth.
Dan Battistoni, Galveston.
Mike Benavides, Three Rivers.
Daniel Berlanga, San Antonio.
Richard Bond, Comanche.
Collins Bowie, Jr., Houston.
McKinnley Bowman, Gilmer.
Clarence Brown, Houston.
Charles Burkey, El Paso.
Geraldine Burkey, El Paso.
Vassor Candler, Houston.
James Carpenter, Dallas.
Linda Casaus, Lubbock.
Linda Chambers, Waco.
Jim Clark, Dallas.

Mark Crump, Tyler.
Alfonso De La Rosa, El Paso.
Porfirio De Leon, El Paso.
Isreal Duran, Lubbock.
David Fields, Dallas.
Antonio Firo, Corpus Christi.
Martin Flores, Brownsville.
Christine Font, Pasadina.
Barrett Foster, Houston.
Henry Francois, Houston.
Gary Gaines, Jr., Fort Worth.
Jesse Glover, Corpus Christi.
John Harrison, Houston.
Reedios Hall, San Antonio.
Roy Henderson, Texarkana.
Blanca Hernandez, Houston.
Lendon Howard, Odessa.
James Hunt, Longview.
Walter Hunt, Texarkana.
Mildred Hunter, Waco.
Herbert James, Houston.
Fannie Johnson, Dallas.
Tom Kiley, San Marcos.
Ronald Kloster, San Antonio.
Robert Lawrence, Garland.
Robin Lawrence, Garland.
Christine Lee, Houston.
Rick Lewis, Fort Worth.
Lopez-Roura, San Antonio.
Patrick McCoy, Irving.
Lewis McPherson, Houston.
Hardy Morgan, Crockett.
William Neely, Dallas.
Anita Noshka, Angleton.
Robert Pendleton, Hazelhurst.
H. H. Peterson, Dallas.
Jonathan Pittman, Houston.
Calvin Reed, Houston.
Albert Renfro, Laneville.
Hilario Rodriguez, Crystal City.
George Sallee, Conroe.
Hubert Sharber, Fort Worth.
R. L. Shepherd, Grapeland.
Shokouhi, Lubbock.
Bobby Sikes, Fort Worth.
Barbara Spears, Lufkin.
Miguel Torres, Pasadena.
Raynaldo Villarreal, New Braunfels.
Juanita Walls, Bonham.
Steven Wash, Sealy.
Clifford Wesley, Houston.
Jimmy Williams, Dallas.
Mary Williams, Houston.
Horace Yampert, El Paso.
Ricky Yorgensen, Palestine.
Lee Zachery, Houston.
Unidentified Male, Galveston (2-7-79).
Unidentified Male, Houston (2-9-79).
Unidentified Male, Fort Worth (2-12-79).
Unidentified Male, Marshall (2-13-79).
Unidentified Male, Texarkana (2-16-79).
Unidentified Male, Orange Grove.
Unidentified female, Nacogdoches (2-12-79).
Unidentified male, Nacogdoches (2-23-79).

UTAH (6)

Betty Cools, Salt Lake City.
William Cools, Salt Lake City.
Vickie Grange, Huntington.
Colleen Skinner, Provo.
Richard Skinner, Provo.
Lorraine Wiseman, Huntington.

VIRGINIA (11)

Darlene Edmister, Weems.
Floyd Farrar, Amherst.
Louise Hall, Roanoke.
Johnny Hammonds, Keokee.
Claude Maggard, Keokee.
Earl McDaniel, Elkton.
Steve Mickle, Roanoke.
Mensure Moylan, Norfolk.
Roger Roark, Bristol.
Clarence Taylor, Fredericksburg.
Warren Worsley, Newport News.

WASHINGTON (17)

Benjamin Baldonado, Deer Park.
Benerito Baldonado, Spokane.
Machael Carroll, Auburn.
Glenn Elkins, Spokane.
Jimmie Cant, Seattle.
Jesus Hernandez, Olympia.
Dale Ketchersid, Pasco.
Barbara Maris, Auburn.
Leon Maroy, Moses Lake.
Charles Montgomery, Seattle.
Paul Prukon, Tacoma.
Harley Smally III, Seattle.
Judith Spalding, Kent.
Jennifer Sprague, Seattle.
Michael Velott, Vancouver.
Unidentified male, Seattle.
Unidentified male, Vancouver.

WEST VIRGINIA (2)

Earl Huffman, Franklin.
Robert Stickler, Pineville.

WISCONSIN (5)

Margaret Cline, Milwaukee.
David Hoeser, Loyal.
Mary McKenna, Milwaukee.
Roderick Paholke, Oconto.
Robert Ross, Madison.

WYOMING (1)

Byron Richardson, Cheyenne.●

URGING THE U.S. HOUSE OF REPRESENTATIVES TO PREVENT THE REDUCTION OF AMTRAK FUNDS AND SERVICE

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. STUMP. Mr. Speaker, on January 31, 1979, Secretary of Transportation Brock Adams submitted to Congress a proposal which among other things would change the route of Amtrak's southwest limited line by eliminating service to Flagstaff, Seligman, Kingman, and Winslow, Ariz.

I have received hundreds of letters and communications from residents expressing their concern for the continuation of service in their communities. Today, I received from the Arizona State Senate, Senate Memorial 1003, requesting Congress to delay action on the final acceptance of the Secretary of Transportation's proposal until hearings can be held in the States affected, and a complete cost/benefit analysis can be reported.

I concur wholeheartedly with the Arizona State Senate memorial and include it below:

A MEMORIAL

Whereas, the United States Department of Transportation preliminary report to Congress on Amtrak Route System recommended,

1. The Southwest Limited remain unchanged as to route and service-routed Chicago-Kansas City-Albuquerque-Flagstaff-Los Angeles;

2. The Sunset Limited receive increased frequency (daily service) over the current route of New Orleans-El Paso-Tucson-Phoenix-Los Angeles; and

Whereas, the United States Department of Transportation final report to Congress on the Amtrak Route System drastically deviated from the preliminary report and recommended a route change to the Southwest Limited that would eliminate rail passenger service from northern Arizona and recommended continuing triweekly service on the Sunset Limited; and

Whereas, the Southwest Limited was the nineteenth best performer of all Amtrak routes in fiscal year 1978; and

Whereas, Arizona and New Mexico were treated in a grossly unjust manner in respect to the public input and hearing process; and

Whereas, tourism being one of Arizona's major industries and that a good transportation system availability being important to that industry. Wherefore your memorialist, the Senate of the State of Arizona, prays:

1. That the Congress of the United States take action to delay acceptance of the final report until United States Department of Transportation holds hearings in both New Mexico and Arizona, and furnishes both states with complete cost/benefit analysis and the United States Department of Transportation's justification for rerouting the Southwest Limited and for not recommending daily service for the Sunset Limited.

2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation, the United States Department of Transportation and to Amtrak.●

MEMORIAL TRIBUTE TO GEORGE INGLING

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. WON PAT. Mr. Speaker, several days ago, the people of Guam lost a great friend, Mr. George Ingling.

George served in a number of high positions in Guam for 15 years. He was a dedicated civil servant and, most important, a warm human being. I cherished his friendship and know that those on Guam who had the privilege of working with George Ingling will mourn his passing as do I.

I extend my deepest sympathy to the Ingling family and ask that the following memorial tribute to this wonderful man be printed in the RECORD:

GEORGE WARREN INGLING, 1896-1979

Today George Warren Ingling will be buried in Falls Church. In a way his life went full circle. He was born in New Jersey and died in New Jersey. He was a citizen of the world who lived much of his life in Falls Church. It was in a private home in Falls Church where he met his wife, Marie. That private residence is now a funeral home, where both George and Marie spent their last hours before services in old Falls Church.

After a full career of more than two decades with the Internal Revenue Service, George retired. But George could never really retire because he had the habit of giving service. That was the kind of man he was. One of the things he said from time to time was that all of us are on this earth for a purpose. I like to think that George had a purpose beyond his distinguished career in the Internal Revenue Service. I like to think that one of his most notable purposes was his second career in Guam, where he served as Assistanct Secretary-Coordinator of Federal Programs and then retired again, to become head of the Guam Power Authority.

George was a gentle, caring person who had the insight to see the unique design of individuality in every human being. His appreciation seemed to build goals and hopes for those who met him. And those who knew him often commented that he was memorable because he gave them something special; he gave of himself. George was a role model always, but there are fewer like him around these days so his impact as a role model seems all the more remarkable. George did much for Guam. He cherished his fifteen years on our island. What he did was lasting both in tangible ways and in our memories. His life was a statement of purpose and of loyalty to this government. He was indeed a genuine individual.●

UNION CAMP SAVES ENERGY

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. WHITEHURST. Mr. Speaker, in the Sunday, April 1, 1979, edition of the Norfolk Virginian-Pilot, there was an article by Steve Kaufman that I would like to take this opportunity to share with my colleagues.

So much of the energy news these days is negative and pessimistic, I felt that it would encourage many people to know that a major industry like Union Camp is taking positive steps to effect real energy conservation.

I want to commend Union Camp for their efforts, and I hope that what they are doing will inspire other businesses and industries, large and small, to find ways to conserve their own share of our energy resources.

The article follows:

Camp Paper Mill Writes Oil-Saving Saga

Franklin.—In these days of continually escalating fuel oil costs, Union Camp Corp. stands out as a stellar example of how far one massive consumer of energy has gone to avoid dependency on oil.

Union Camp runs the world's largest printing paper mill here, and its sophisticated Energy Management System (EMS) is saving hundreds of thousands of barrels of fuel oil a year. Last year, oil supplied 19 percent of the mill's power needs, down from 32 percent in 1973.

Paper mills typically generate much of their own power because steam is needed in the wood-pulping process and is used to dry paper.

Union Camp and other paper mills take "black liquor," a byproduct of the pulping process, and burn this in special boilers to produce steam. Electricity is produced as a byproduct and also used to power equipment. Supplemental power is provided by regular boilers, which burn wood waste and traditional fuels.

Union Camp is ahead of the game, however. In the fall of 1977, it installed two computers costing about $2 million to get the cheapest possible mix of energy from its three supplemental boilers (the mill also has three boilers burning black liquor). One supplemental boiler burns coal and wood waste, another oil and wood waste, and the third burns oil.

One computer, named Irene, constantly monitors power needs throughout the mill and tells Lucille, the other computer, how much supplemental power is needed.

Because they make detailed estimates of power needs every 20 seconds, the computers enable the plant to greatly reduce error margins and burn cheap, nonoil fuels more efficiently. Union Camp estimates that the computers save 120,000 barrels of oil a year.

The mill also began saving an additional 250,000 barrels of oil a year in 1978 with its new $33-million black liquor boiler, which replaced a much smaller boiler that produced steam at much lower pressure. And starting next year, Union Camp expects to save 125,000 more barrels of oil with the installation of new equipment that will allow it to burn more wood waste.

Fifty-seven percent of the mill's energy needs were provided by black liquor boilers in 1978, and another 9 percent came from the burning of wood waste. These sources provided only 52 percent of the mill's energy needs in 1973. Costly fuel oil was responsible for much of the difference.

"In light of the petroleum shortages confronting the United States, we felt it was absolutely essential to establish a major program of energy conservation," said Joe Stutts, Union Camp's manager of community relations.

"Now we are optimizing the use of our energy resources, and we think our energy management system is the biggest story we have to tell."●

DEREGULATION OF TRUCKING

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. SYMMS. Mr. Speaker, I wish to submit an article to the Record on the deregulation of the trucking industry written by John Semmens, an economist for the Arizona Department of Transportation, which appeared in the April 1979 issue of the Freeman.

I think this article is quite appropriate in view of the fact that we are now witnessing a shutdown of our major regulated trucking industry. And the problem will be further exacerbated by the lock out. Once again the consumer is the one to suffer when big business, big labor, and big government through laws granting special favor control our economy.

The article which is submitted as follows can be obtained from the Foundation for Economic Education, Irvington-on-Hudson, N.Y.:

Deregulation of Trucking

(By John Semmens)

With increasing frequency, regulatory matters have been entering into discussions of national economic policy, and for good reason. As the nation has become more concerned with inflation and its impact upon economic growth, any option which promises some hope of reducing the cost of providing basic services is a prime candidate for serious consideration.

The potential cost savings that could be achieved through regulatory reform are substantial. All told, current government regulation of business is resulting in an annual burden of $100 billion.[1] The great bulk of this cost is caused by inefficiencies imposed by regulatory constraints. These costs are not merely transfer payments. It is not as if the money is being shifted from one pocket to another. Instead these costs are described as deadweight losses.

In transportation the regulatory burden has been estimated at $10 billion or more per year. Typical incidents include truckers' empty backhauls, circuitous routing, and unnecessary extra freight handling (and sometimes mishandling) due to regulatory policies and procedures. The waste is comprised of unnecessarily burned fuel, needless wear and tear on equipment, and unproductive use of the time consumed by operations personnel. Not included is the additional consumption of management's time in coping with the complex rules and procedures of the regulatory establishment.

Not surprisingly, the revelation of the enormous potential savings from deregulation has inspired a rising groundswell of opinion in favor of such a move. Among academic economists the consensus is virtually unanimous, and has been for the last decade, that at least some deregulation is necessary. While lawmakers have been somewhat slower to change their minds, recent stirrings in the direction of deregulation have been observed.

In 1976 the Railroad Revitalization and Regulatory Reform Act offered some minor reforms in surface transport regulation. The bill allows some flexibility in rate making over what had been the rule to this point. In November of 1977, H.R. 6010 was passed and signed into law making entry into the air cargo industry virtually unrestricted as well as giving operators wide discretion in setting rates. The recently passed Kennedy-Cannon bill on airline deregulation allows greater price competition, limited automatic entry of new routes by existing carriers, and significantly relaxed entry requirements for new applicants.

Now that airline regulatory reform is accomplished, Congress is expected to take up the issue of motor transport regulation. The trend seems clearly to be toward more deregulation.

WHY REGULATION?

The traditional explanation of the motive for government regulation of transportation has been that it is necessary to correct the imperfections of the free market. Theoretically, the regulators would step in to insure that the public would not be victimized by a predatory industry. In practice, regulation has not worked this way. The old myths die hard, though, and regulation as a protector of the consumer is almost an article of faith. Perhaps it is significant that while the rest of society is "enjoying" the "protection" of regulation in motor carriage, a staff task force recommendation to the ICC urged that U.S. government shipments be subject to unrestricted competition among common carriers.[2]

A growing number of economic studies of regulation have come to the conclusion that this system is a burden upon society. The question must persist, then why must regulation continue? Why can't we do away with it? There is the continuing vitality of the myth of consumer protection. But such a myth does not survive on its own. It must be nurtured and propagated. Who would do such a thing? What would be the motive?

Economist George Stigler has suggested that a good working hypothesis is that regulation is promoted by a relatively small group of beneficiaries whose individual stake in the system is much larger than the individual stakes of the more numerous victims of the system.[3] These few beneficiaries are able to collectively induce the government to enforce policies beneficial to themselves. Their individually larger stakes enable them to outbid opponents and to "purchase" a regulatory system from the Government.[4]

The current state of affairs is economically wasteful. It wastes fuel on needless motion caused by regulatory restrictions. It wastes capital tied up in excess capacity both in private and common carrier equipment. It wastes the irreplaceable time of individuals in unnecessary travel, in the regulatory agency itself, and in the time consumed in learning a complex compilation of do's and don't's in the provision of transportation services. Unmeasured social costs of the regulatory scheme include contributions to increased traffic congestion and pollution as well as an indeterminable amount of opportunity cost in other benefits that have been forgone over the years in order to finance the waste inherent in the regulatory process.

Perhaps the most important discovery to be made is that the mere selection of "better" regulators is no way out of the current difficulties. The problems are fundamental and cannot be attributed to incompetent or corrupt regulators. No matter how

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Footnotes at end of article.

well qualified or carefully chosen any future regulators might be, no improvement can be expected unless crucial changes in the system are made.

As a minimum of reform, two aspects of the current system must be dealt with. First, the restrictions on entry must be eliminated. Second, the imposition of price controls must be discarded.

Strong, entrenched transportation lobbies have stood in opposition to any reforms which would dilute their monopoly powers. The major arguments used to prevent deregulation include: (1) that transportation is a natural monopoly, with significant economies of scale, and therefore, service can be provided more cheaply and efficiently if needless competition is banned, (2) that the absence of regulation would lead to chaotic conditions, which would lead in turn to monopoly, (3) that existing carriers have already paid substantial sums for operating rights and it would be unfair to deprive them of the expected monopoly profits without compensation, and (4) that the current system is a known condition and that any change could be a change for the worse.

THE NATURAL MONOPOLY ARGUMENT

The contention that transportation is a natural monopoly has no basis in economic fact. Historically speaking, at one time the railroads may have had some monopolistic characteristics, but even then, prior transport modes were still in existence. Aside from this, conditions have changed greatly during the last century. In no way can the railroads be said to monopolize transportation. Quite the contrary, railroads have taken on the aspects of a declining industry. A key component of the changes in transportation has been the construction of a comprehensive network of public highways. There is virtually no place in America that cannot be reached by road. The highway system has, naturally, been a boon to the motor carrier industry.

The critical element of a so-called natural monopoly is ever-increasing economies of scale. This implies large capital investment in fixed assets. There is nothing about the motor carrier industry which is consistent with the requirements of natural monopoly. In fact, economists have found significant diseconomies of scale when annual revenues exceeded $10 million.[5] It is apparent, then, that transportation is not a natural monopoly. The argument that it is seems to rely upon conditions more relevant to the nineteenth century. At best, such an approach is outdated.

THE CHAOS ARGUMENT

The argument that the absence of regulation would lead to chaos is closely tied to the historical circumstances preceding motor carrier regulations. During the Great Depression, business conditions were less than ideal. Bankruptcies occurred with unpleasant frequency. A number of government programs designed to reduce competition and promote a sharing of declining business volume were introduced. The National Recovery Administration set up procedures for price fixing in broad categories of industry. This period also saw the rise of the "fair trade" concept, which allowed manufacturers to fix the prices at which their products could be resold. Rigid controls over agriculture were also adopted during this period.

The passing of the period of depression emergency, combined with a greater appreciation of the impacts of this type of price fixing and output control on the availability and price of consumer goods, has seen the elimination or curtailment of such programs (excepting the recent infatuation with wage and price control as an inflation "cure") in virtually every sphere except transportation. Chaos cannot be said to have prevailed in the deregulated spheres. In fact, the quantity and quality of consumer goods have vastly improved in subsequent years.

There is no reason to anticipate that transportation would prove an exception to this experience. Separate from the strident anti-deregulation propaganda, regulated motor carriers have privately expressed confidence in their ability to thrive even without regulatory protection. They cite their experience, financial strength, and the scope of the service they can offer, as the basis of this confidence.[6] We must conclude that the fear of chaos is unsubstantiated and unrealistic as a scenario for a post-deregulation environment.

THE EQUITY ARGUMENT

The third major area of argument poses an entirely different problem. The reapers of the monopoly profits may, in many instances, already have sold their special rights. The purchasers may be earning only a normal rate of return after accommodating the capitalized value of the operating right, i.e., future monopoly revenues simply compensate the carrier for the funds expended to obtain the monopoly rights. Deregulation without compensation would constitute a change in the rules—inflicting capital losses on those firms which purchased these operating rights.

While this line of argument has some merit in the question of equity, it is no justification in itself for perpetuation of a system which continues to generate monopoly gains at the expense of consumers. A number of solutions to this dilemma have been suggested. The hard line approach takes the position that no firm is guaranteed against losses from bad investments. The purchase of an operating right would fall into the category of a bad investment. Since management did not correctly anticipate future industry conditions, it must bear the penalty for this lack of foresight, vis-a-vis the evaporation of value of the operating rights.

A second approach has suggested that the government buy all the operating rights from the regulated carriers. Variations of this theme hinge on the valuation of the rights.

A third approach envisions a phased deregulation program. In this way, competition would be gradually increased and the firms would be eased into the new environment. The problem of compensation for operating rights would not be wholly resolved. The costs of regulation would be extended. The major appeal of this proposal is that it is a compromise which attempts to spread the costs of readjustment over time and between producers and consumers.

None of the above solutions is completely satisfactory. Phased deregulation would prove the most costly, with the bill ranging from the current social loss of around $10 billion per year to lesser amounts as the distortions are removed. The longer the transition, the higher the cost. In comparison, outright purchase of the existing operating rights at their current market value could cost over $4 billion.

THE FEAR OF CHANGE ARGUMENT

The last objection to deregulation—the fear of change—is no objection at all. The philosophy of "better the evils you know than those you don't" is contrary to the American spirit of enterprise if it is to be used to block reform of an obviously deficient system. It is true that deregulation would drastically modify the operating environment of regulated transport, but this is the whole point. The general welfare could be improved by changing an operating environment that misallocates resources. Reluctance to make the necessary adjustment is akin to the postponement of surgery to correct a debilitating ailment. The situation can only get worse.

This is not to say that corrective measures would be painless. But the discomfort surely would be milder than proclaimed by proponents of continued regulation. Other jurisdictions have transportation systems with less regulation than ours. In 1954 Australia deregulated its motor carrier industry. Contrary to the prognostications of the pro-regulators, the subsequent turn of events was quite salutary. The resulting competition has not been "destructive." It has not resulted in monopoly. Both truck and rail services have improved. No shortage of capacity has resulted. Shippers have been satisfied and carriers have thrived.[7]

Our standard of judgment for evaluating the transportation industry must not get hung up on a futile pursuit of perfection. There will always be problems with any system. No approach can cover all contingencies. The important consideration is to find a policy that will lead to the best possible results.

The perceived shortcomings of unregulated transport are less costly than regulation. So, let regulation be evaluated as it has performed, not in some idealistic sense in which it can be used to fix the imperfections of the marketplace at no cost to society.

FOOTNOTES

[1] Estimate by Murray Wiedenbaum of the Center for the Study of American Business, Washington University, St. Louis, Missouri.

[2] *Improving Motor Carrier Entry Regulation* (Washington, D.C.: Interstate Commerce Commission, July 6, 1977).

[3] George Stigler, *The Citizen and the State: Essays on Regulation* (Chicago: University of Chicago Press, 1975).

[4] Sam Peltzman, "Toward a More General Theory of Regulation," *Journal of Law and Economics* (August, 1976).

[5] Richard Klein, *The Cost Structure of the Regulated Trucking Industry* (Washington, D.C.: U.S. Department of Transportation, 1975).

[6] *Evaluation of Potential Changes to Federal Economic Regulations Governing Private Carriage* (Washington, D.C.: U.S. Department of Transportation, December 6, 1974).

[7] James C. Nelson, "The Economic Effects of Transport Deregulation in Australia," *Transportation Journal* (Winter, 1976), pp. 48–71.●

THE DEATH OF LT. COL. EUGENE G. LIPOW

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. LUJAN. Mr. Speaker, on March 21, 1979, lieutenant colonel, U.S. Army, Medical Corps, Eugene G. Lipow died. I insert at this time, an article concerning him which appeared in the Washington Post on Friday, March 23, 1979:

> Dr. Eugene G. Lipow, 75, an orthopedic surgeon who had practiced here since 1947, died of cancer Wednesday at his home in Washington.
>
> Dr. Lipow settled here after World War II service as a lieutenant colonel in the Army Medical Corps. He had been head of orthopedic surgery in the 116th and 96th Evacuation Hospitals in France and Germany. His unit was among those that liberated prisoners of the Dachau concentration camp. Earlier in his military career, he had graduated from the Command and General Staff School at Fort Leavenworth, Kans., and had been medical director of the Northwest Service Command at Fort Lewis, Washington.
>
> He had been on the staff of Washington Hospital Center here and had been a contributing author to several professional journals. He was a member of the D.C. Medical Society and the Maryland, Virginia and Southern medical association, among other professional groups.
>
> Dr. Lipow was an award-winning exhibitor at several medical conventions, including

those of the American Academy of Orthopedic Surgeons and the American College of Surgeons. His military decorations included the Bronze Star.

Dr. Lipow was born in Joliet, Illinois. He graduated from the University of Chicago and earned a medical degree from the University of Illinois. After serving his residency in general and orthopedic surgery in Chicago hospitals, he became chief of staff of the Holy Family Hospital in St. Ignatius, Montana.

Survivors include his wife, Loretta, of the home in Washington; a son, Eugene G. II of Reston; a sister, Julia Dubin of Chicago, and three grandchildren.●

TELL THEM ABOUT AMERICA, MR. SIMON

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. DORNAN. Mr. Speaker, as I have noted on previous occasions, the troubled times we presently face as a nation call for a return to the spirit and vision that vivified our Founding Fathers—a spirit of liberty and the vision of a nation of free men engaged in the noble experiment of self-government. A spirit and vision that were guided by the moral virtues of discipline and hard work, frugality and foresight, and the utilization of that level of Government closest to the people. That spirit and vision, and those noble virtues, have borne fruit in the American Republic as the economic marvel of the modern world.

That vision, Mr. Speaker, is being clouded today by the specter that haunts our troubled land—the specter of inflation. Silently, it stalks the length and breadth of this Republic, demoralizing its citizens as it relentlessly devours their livelihood and, indeed, their very substance, leaving in its wake men who live lives of quiet desperation.

However, on occasion, Mr. Speaker, a voice is heard crying out in this wilderness wrought by inflation, a vital and forceful voice that utters a clarion call to reason, stripping the ragged follies of the times, naked, as at their birth, and reminding us of what we once were and what we can again become. Such a voice, Mr. Speaker, is that of the Honorable William E. Simon, the distinguished former Secretary of the Treasury. It is in keeping with the urgency that these times warrant that I submit Mr. Simon's sober, yet hopeful reflections on how to kill the nightmare of inflation, for the RECORD:

COMMENTARY: WILLIAM E. SIMON EXAMINES THE TRUE CAUSE OF THE INFLATION THAT CAN PUT AN END TO OUR WAY OF LIFE

Nikolai Lenin: "The best way to destroy the capitalist system is to debase the currency."

John Maynard Keynes: "By a process of inflation, governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens. By this method they not only confiscate, but they confiscate arbitrarily; and while the process impoverishes many, it actually enriches some. . . . There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction and does it in a manner that not one man in a million is able to diagnose."

The fight to restore fiscal responsibility to our national government and overcome inflation is, above all, a fight for the freedom, dignity and prosperity of all Americans—a fight that compels the utmost support of anyone who cherishes those values.

Americans are a practical and compassionate people. It is vital, therefore, to broaden understanding of the misguided policies that hobble American productivity, and to demonstrate that the poor, the elderly, the sick and the disadvantaged have everything to gain from an orderly move away from big spending and big government. For this aspect of the fight, we must arm ourselves with the facts.

IF THE POOR DID NOT EXIST, THE COLLECTIVISTS WOULD HAVE TO INVENT THEM

Despite a quintupling of the Federal budget (from under $100 billion to over $500 billion) in just eighteen years, rationalized as the cure for a host of social ills, the record of accomplishment is dismal.

A little math clearly illustrates the inefficiency and actual effect of government programs. By dividing the number of America's officially defined poor in 1975 (25 million) into the increase in annual Federal expenditures for social welfare between 1965 and 1975 ($209 billion), we discover that had we simply given the money to the poor, each would have received some $8,000 a year. $32,000 for a family of four! Instead, the bulk of this enormous wealth has been absorbed in the process of bureaucratic redistribution. In effect, government has forced the privately employed middle class to finance the growth of a publicly employed (and far less productive) middle class—at the cost of rampant inflation, due primarily to government's ceaseless spending beyond its means and its excessive printing of money.

Since 1930, government spending at all levels has risen from ten percent to forty percent of total national income. The Federal government has already become the dominant force in our society. It is the biggest single employer, the biggest consumer and the biggest borrower.

If government spending and taxing trends of the last two decades persist for the next two, government will so dominate the economy that the State will control many of the most important personal decisions of its citizens. And if our economic freedom disappears, history warns us, our personal and political freedoms also will disappear.

THE FLEECING OF AMERICA

Consider the staggering Federal debt that has resulted from a string of seventeen deficits in the past eighteen years. Consider the receptively low figure of nearly a trillion dollars, quite apart from the additional seven-trillion-dollar mortgage on the future represented by Social Security and other vast obligations.

Interest payments on the debt amount to some fifty billion dollars a year, making them the third largest item in the Federal budget after transfer payments (redistribution of wealth programs) and defense. That is an average of a thousand dollars a year from every American household. And, of course, the debt is not being paid off. It is being continuously refinanced at increasing cost. And still the deficit spending continues.

The average American must now work until mid-May of each year to pay Federal, state and local taxes. But burdensome taxation and debt are only two of the Federal government's three ways of sustaining its pointless spending spree. The third is printing money.

GREENBACKS, GREENBACKS EVERYWHERE

Between 1967 and 1978, the government caused the money supply to grow nearly three times as fast as the economy's true output, fueling inflation and allowing the government to make payments on its debt with dollars worth far less than those originally borrowed from the citizenry. This debasement of the currency is not only unconscionable trickery, it is the route to financial and economic collapse. Not only does it steal the fruits of past and present labors from Americans, it also courts disaster.

Inflation must be identified for what it is; not grease for the economic machine, but the most vicious hoax ever perpetrated for the expedient purposes of a few at the cost of many; a clear and present danger to the progress of our economy and the standard of living of all Americans.

WE CANNOT SPEND OURSELVES RICH

Let us clarify the way the insidious cycle of spending, taxing, borrowing and inflation cripples the private sector.

Excessive taxation for the alleged purpose of social welfare confiscates resources from the most productive sector of the economy and transfers them to the least productive.

Government's borrowing to finance spending beyond its tax revenues usurps the majority of funds in the private financial markets, leaving private enterprise little with which to modernize, increase productivity and create lasting jobs.

Government's excessive printing of money to pay its debts dilutes the value of the dollar and generates inflation.

Inflation encourages individuals to spend and borrow for present consumption at the expense of saving and investing for the future. America devours her seed corn as citizens follow government's example, living beyond their means.

TYRANTS WITHOUT JACKBOOTS

We can identify other ways in which big government is trampling the free enterprise system (such as the overregulation of business at an annual cost of over $125 billion), but let us now see *why* our government continues the destruction of an economic system that has brought us the greatest prosperity, the highest standard of living, and most important, the greatest individual freedom in the history of mankind. Why have politicians been so eager to increase spending year after year?

The answer lies in human nature—in the same immense forces of self-interest that the free enterprise system benignly channels into the creation of wealth. It lies, specifically, in insatiable appetities for power and position—the appetites of politicians who hold that nobody was ever reelected by promising less, and who have discovered that popular spending need not be financed with unpopular new taxes as long as there is deficit spending, money creation, and the resultant cruel and hidden tax of inflation.

How can we rid ourselves of the small group of professional officeholders who continuously take wealth from everyone and redistribute it for purposes they alone deem important? As a beginning, I recommend limiting the terms of Congress to twelve years, and a single six-year term for the presidency. These changes would give us citizen lawmakers who would return home and live under the laws they had enacted; lawmakers who would be less concerned with reelection than with America's long-range interests.

IT IS LATER THAN WE THINK

The irrational, unrealistic fiscal, monetary, tax and regulatory policies of nearly half a century have so damaged our economy that financial collapse is probable within this century unless the trend is quickly reversed.

If collapse does occur, the United States will, in my judgment, simultaneously turn into an economic dictatorship. So many citizens have been trained to see the government as economically omniscient and omnipotent, and to blame all economic ills on "business," that disaster could easily bring popular demand for a takeover of the major means of production by the State. Legal precedent and ideological justification exist. It would take little to accomplish the transition.

Political courage and public wisdom are our only hope for preserving the premier economy of the world, as well as our individual freedoms.

We must make all Americans aware of the fact that the fundamental guiding principles of American life have been reversed, and that we are careening with frightening speed toward socialism and away from individual sovereignty, toward centralized coercion and away from free choice.

We must generate broad-based support for a plan to reduce the growth of Federal spending, match the growth of the money supply to the true growth of the economy, reduce taxes and eliminate unnecessary regulation. We must save our votes for politicians committed to such a plan.

THE ULTIMATE CHOICE

The longer we delay the hard decisions, the less likely we are to suceed. The American people must now decide whether they will sell the liberty that is the envy of the world for the empty promise of the Welfare State, or whether they will restrict government to its proper functions: defense of the nation, protection of the helpless from the avaricious, and creation of an environment for sustained economic growth through sensible fiscal, monetary, tax and regulatory policies.

Personal and political freedoms are inseparable from economic freedom. Tell those who characterize the fight for liberty as "reactionary" that in the context of history coercion is clearly reactionary and liberty progressive. Tell them that the twin ideas of human liberty and the free market were born only yesterday. Tell them that allowing millions upon millions of individuals to pursue their material interests, with minimal interference from the State, will unleash an incredible and orderly outpouring of inventiveness and wealth. Tell them that lack of vision threatens to extinguish the brightest light ever to appear in the long night of tyranny and privation that is the history of the human race.

Tell them about America.●

ARCHBISHOP IAKOVOS CELEBRATES 20 YEARS AS GREEK ORTHODOX CHURCH'S PRIMATE IN THE AMERICAS

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. BOLAND. Mr. Speaker, for 20 years the primate in the Americas for the Greek Orthodox Church has been Archbishop Iakovos. This past Sunday, 15,000 people filled the Cathedral of the Holy Trinity in New York City to commemorate this anniversary of Archbishop Iakovos.

This joyous ecumenical service was attended by such spiritual figures as Terence Cardinal Cooke, Dr. James I. McCord of the Princeton Theological Seminary and Rabbi Marc Tanenbaum of the American Jewish Committee. Also present were Ambassador Andrew Young, Governor Hugh Carey of New York and Senator Paul Sarbanes of Maryland.

The size and makeup of this crowd is a fine testimony of the lifelong work of the archbishop. Since he was ordained in 1934, through his church work in Hartford, New York City, St. Louis, and Boston, Archbishop Iakovos has worked tirelessly to end the centuries of estrangement between his church and other denominations.

Speaking during the service on Sunday, Cardinal Cooke praised the Greek leader's recognition of "the great spiritual hunger of men and women in our modern age of technology."

I join with Cardinal Cooke and many others in applauding the 20 fruitful years Archbishop Iakovos has spent as the Greek Orthodox Primate in the Americas. Archbishop Iakovos is truly a great spiritual man and his presence in America is an inspiration to us all. I wish him many more years in the church he serves so well.●

NATIONALIZED HEALTH CARE DOES NOT WORK

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. SYMMS. Mr. Speaker, those who would support the Carter administration's plans for socialized medicine should think twice before endorsing such a potentially detrimental program.

The Chicago Tribune published an excellent article by James O. Jackson on July 12, 1978, which decries the long waiting lists for nonemergency surgeries; some 600,000 long at last count. To subject Americans to such a repugnant health care system is incomprehensible. I urge my colleagues in the House to strongly consider the pitfalls of such a system:

Britain's Stab at Health Care Called a Flop—NHS a Royal Idea, But a Hip Job Takes 36 Years

(By James O. Jackson)

London.—Britain's socialized medical system marked 30 years of existence last week in an atmosphere of gloom and acrimony over its failure to deliver on the optimistic promises of 1948.

The huge National Health Service [NHS], the country's largest single employer, has become the target of bitter criticism from doctors, patients, and politicians. Some critics have called for scrapping the entire system, and even its supporters agree that fundamental reforms are needed.

"Doctors know that the NHS is failing to provide the service which the patients have been led to expect," the British Medical Association said in a statement issued on the 30th anniversary. "They are no longer willing to cover up for the deficiencies of the Health Service, and are ready to speak out publicly in defense of their patients."

The litany of deficiencies is "nearly endless. And for the last year a royal commission has been listening to a recitation of failures as it seeks a way out of the deepening British medical crisis.

Among them:

Antiquated and worn-out hospitals, half of them built before the turn of the century and lacking modern equipment.

An enormous waiting list for nonurgent operations, so long that tens of thousands of persons have no hope of relief from such ailments as hernia, arthritic joints, or varicose veins.

A top-heavy administrative bureaucracy that has created an unworkable mass of red tape, which bewilders patients and enrages doctors.

An exodus of top-quality doctors either to private practice in Britain or to other countries where pay and conditions are better; and, conversely, a rush of foreign doctors and nurses into NHS hospitals to fill low-paid posts rejected by British professionals.

A breakdown in morale of hospital staffs that is bringing strikes, slowdowns, and outright rebellion among professionals once renowned for their dedication.

Rising medical costs that are widening the "technology gap" between the kind of treatment that is available and the kind that is possible as a result of modern advances.

None of these failures was anticipated by the late Aneurin Bevan, the crusading Labor Party stalwart who was the father of British socialized medicine. He believed the system would bring such improvements in the basic health of Britons that in time medical care would become less and less costly to a more and more healthy nation.

But in its first year the costs were twice what had been expected, and even Bevan was surprised at the tremendous rush of patients to obtain free medical care. He concluded that the sudden pressures had disclosed that "in the past, there had been a vast amount of silent suffering and preventable pain."

But the rush is still on today, and critics of the system question whether the NHS had done any good at all in its three difficult decades.

NHS officials like to point to statistics on the reduction in infectious diseases, including the virtual eradication of tuberculosis, polio, and diphtheria as among the greatest achievements of socialized medicine.

But critics point out that tuberculosis, polio, and diphtheria also have been conquered in countries without a state monopoly on medicine, and they complain that Britain has made, at best, a mediocre showing for all the money spent on NHS.

For example, infant mortality in Britain has been more than halved since 1948, from 38 deaths per 1,000 live births to only 16. But other countries, including France, Holland, Norway, and Finland, have reduced their infant mortality rates even more, and the United States did at least as well.

The most glaring and frustrating statistic in the NHS, however, is the length of the waiting list for non-urgent surgery, which now stands at more than 600,000. Many must expect delays of three or four years for operations to correct problems which, though not fatal, are painful and disabling.

The British Medical Association denounced the delays as "a scandal without parallel in any developed country," and a number of NHS doctors have mounted personal protests over the waiting lists. One, orthopedic surgeon John Cozens-Hardy, called a meeting of the 127 persons on his waiting list to tell them that some will not get their operations for 36 years unless something is done to clear the backlog.

Many of the patients were elderly persons confined to wheelchairs because of arthritic hips, and the announcement dashed all hope of getting artificial hip joints.

"I have so little operating theater time available that I was able to do only two hips in the whole of 1977," he said.

Even when the operating theater is available, he said, there may be shortages elsewhere.

"Two weeks ago I had an afternoon virtually clear and then had to turn a patient away because there was no bed," he said.

Another cause of frustration and delay in the system is its bureaucracy, a multitiered administrative hierarchy that has been repeatedly revamped, most recently in 1974, but with apparently no effect.

"There is a great deal of anger and frustration at what many regard as a seriously overelaborate system of government administrative and decision making," according to a report by a research team from Brunel University.

That anger and frustration drive both doctors and patients out of the NHS and into private hospitals, "pay beds" in NHS hospitals, or to other countries. Many pay for private medical insurance, such as the 2 million Britons covered by the giant firm, British United Provident Association enabling them to get treatment privately whenever the NHS fails to provide it.

When such privately insured patients use a "pay bed" in an NHS hospital or pay fees to a doctor who practices both in the NHS and privately, they are, in effect, jumping to the head of the line.

The lucrative possibilities of private practice have lured many doctors away from the NHS, and thousands more have immigrated to America, Australia, or the Arab oil states. Even the much-maligned administrators sometimes abandon the NHS for greener pastures.

Meanwhile the 600,000-strong waiting list is growing steadily longer, and those on it are reduced to repeating an old joke that no longer gets any laughs.

"You join the queue with a cold," it goes, "and by the time you get treatment, you've got double pneumonia."●

PRODUCTIVITY GAINS IN REDUCING THE WORKWEEK

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. CONYERS. Mr. Speaker, on February 1, 1979, I reintroduced the Fair Labor Standards Amendments of 1979 (H.R. 1784). This bill provides for the gradual reduction in the workweek to 35 hours over a 4-year period; increases the premium rate for overtime from time and a half to double time; and abolishes compulsory overtime so that employers have to obtain the consent of employees in scheduling overtime.

This legislation and the issues surrounding it are the subject of a major legislative and public action conference on Friday, April 6, 1979, in Washington. The conference, which begins at 9:30 a.m. in the Cannon caucus room, 345 Cannon House Office Building, will bring to Washington several hundred trade unionists from across the country, who have launched a major nationwide campaign to win support for the shorter workweek as a principal means of spreading work, reducing unemployment, increasing the economic security of working people, and of raising overall economic productivity.

One important function of the conference is to raise public awareness of the long-term unemployment crisis and the means to deal with it. While the majority of citizens are clearly aware that traditional monetary and fiscal policies have offered little or no solution to the problems of unemployment and inflation, they have had little information, and confusing information at that, about alternatives. One such alternative is the reduction of the workweek and increase in the wage rate for overtime, an alternative that proved highly successful in our own history. More than 40 years ago, at the height of the depression, the Congress adopted a new policy of reducing the workweek from 46 to 40 hours—a 35-percent reduction—and of spreading existing work by means of a higher rate of pay for overtime. That policy, embodied in the Fair Labor Standards Act of 1938, was successful in bringing unemployment down and stimulating productivity.

There are a great many other examples in industries in this country and abroad that show reduction in working hours and work sharing not only create more jobs, but also promote productivity in the workplace and the economy as a whole. There is a great deal of evidence that additional reductions in the workweek further enhance productivity, an issue that is receiving more and more attention since it is related directly to inflation as well as unemployment.

Recently, I read an excellent article on the relationship between working time, productivity, and the shorter workweek, written by William McGaughey, Jr. Mr. McGaughey is an industrial accountant in St. Paul, Minn., who has become a leading proponent of shorter workweek legislation. Born and raised in the Detroit area and a graduate of Yale University, he first became interested in the subject as a student and college debater. Years later, his personal experience with the problems of being unemployed reinforced his conviction of the value and merit of work-sharing policies. I commend to the attention of my colleagues the following article "Productivity Gains in Reducing the Work Week." written by William McGaughey, Jr. (The article will be divided into two parts, the second appearing in tomorrow's RECORD.)

The article follows:

PRODUCTIVITY GAINS IN REDUCING THE WORK WEEK (PART I)

(By William McGaughey, Jr.)

The shorter workweek issue is related to a number of other economic issues. Lately we have been bombarded by arguments about productivity. Some people say that U.S. productivity is too low to give workers more time off from work. They argue that the increases in wages and other benefits, including paid leisure, cannot exceed the increase in the rate of productivity, or else there will be inflation. Therefore, American workers must wait patiently for the day when productivity improves, and employers are ready to cut the workweek. We have waited for this already for the past 40 years. By every indication we may be well into the 21st Century before significant progress is made.

The fallacy here is that increases in productivity are dependent upon many factors, including work time. There is evidence to suggest that cuts in working hours stimulate increased productivity. It's a "chicken or the egg" situation. Suitable improvements in productivity make it possible for employers to grant employees higher pay, more free time, and other benefits.

But it is also true that such benefits, in a roundabout way, help the employer. Large wage increases strengthen consumer purchasing power, and this stimulates sales of the employer's product. More free time gives the worker more opportunity to consume that product. Insofar as the worker is better rested and becomes more alert and energetic from recreational activities, this helps the worker's performance on the job. Productivity is increased as a result of cutting the hours.

As it is commonly defined, productivity means "output per man-hour". It is the nation's output of measurable goods and services divided by the product of employment and average hours. The basic equation would read: "Output equals productivity times hours times employment." If output rises but the number of workers rises in the same proportion and average hours also stay the same, productivity will remain unchanged. If output rises and the "man-hours" of labor (employment times average hours) rise, but by a smaller amount, then there will be an increase in productivity.

That increase will be smaller than the percentage increase in output. Many different results are possible, depending upon the combinations of the other factors—output, hours, and employment. Productivity is really what is left over after the other factors have been plugged into the equation. It is usually stated in terms of an index, which compares the level of "output per man-hour" at one point in time with that at another.

Looking at the equation—"Output equals productivity times employment times average hours."—you will perceive that productivity can be increased in any of three ways. (1) You can expand output while holding hours and employment at the same level. (2) You can hold output and hours the same, but reduce employment. (3) You can hold output and employment, but reduce average hours. Each of these alternative strategies has its advocates.

Many people want to stimulate economic growth—i.e. expand output. That is fine, but we have discovered that there are limits to the growth which can reasonably be achieved. The output should be useful goods and services, not the object of a bureaucratic scheme. People have a certain natural appetite for food, clothing, shelter, and other products. True, we are finding many new products to attract the consumer dollar, some quite frivolous or luxurious or fanciful. But in periods of economic crunch, the demand for such products is generally not enough to stimulate output or gains in productivity.

A related way to increase output would be to integrate all the people who are unemployed, or marginally employed, or living in poverty, into the economic system. Give them jobs at a decent rate of pay, and they will spend that money to stimulate output. Fine, but where are the jobs? If there aren't jobs, should the government hire them to do meaningless work, or pay them for not working and put them on welfare? If we travel along that route too far, we will find—are finding—that taxes and inflation will rise to the point that working people become financially overburdened.

The second approach, then, is to keep output and working hours at the same level, and squeeze employment. This approach is favored by some of the less enlightened and progressive employers—perhaps a majority of them today. We are all familiar with this tactic: Abolish the job in the sense of cutting personnel, but not in the sense of eliminating the work which went with the job. Instead, a worker is laid off or eliminated by attrition, and the remaining workers are expected to incorporate that person's work in their job routines. The theory is that workers always have some spare or idle time during the day which employers could put to more profitable use. Even if they don't, the workers could learn to work faster and more efficiently.

They will rise to the occasion, given a challenge. If the work load exceeds their comfortable reach, the workers will have to sweat and strain a bit to achieve it. They will be motivated that way to improve their performance with respect to productivity. If all else fails and they fall by the wayside, there is always some recent high-school or college graduate coming along, who is eager for a job and will work as hard as is humanly possible, until he or she, too, falls by the wayside, and the burden is picked up by his or her younger brother or sister.

Many employers operate on this philosophy, and you must admit: they do have a point. They get results. They can increase profits and inspire impressive achievements in productivity. In certain situations, this technique would be legitimate. Where the employees are loafing, goofing off, constantly talking with their co-workers, or even where they are conscientiously working at jobs which are insufficiently challenging or demanding, the employer would be justified in expecting more work to be done and cracking the whip.

The third approach is the most neglected one: Keep output and employment at the same level, and reduce average hours. Again, man-hours shrink while output is maintained, and this forces an improvement in productivity. The burden of the change is shared a bit differently, though. Instead of forcing employees to handle more and more work in the same or longer periods of time, the burden would fall more upon employers to devise better work methods and to invest in capital equipment. Employees, too, might have to work harder during their hours of work, but they would have more time to recuperate.

Some employers would object to this added responsibility. However, there might be a few who would recognize the benefits of the arrangement to themselves and to society, and would welcome the change. In an earlier, more idealistic period of our history, there were, indeed, business leaders who actively supported the shorter-hours cause. A Boston industrialist of the 1920s, Edward A. Filene, said: "I consider the five day week as a force that will bring about a reduction of waste in industry . . . Moreover, it will compel all producers to improve their methods, take the loads off the backs of men and put them on machinery, and finally there will be a heavier production with costs at a point which will enable us to export temporary surpluses."

In 1926, Henry Ford decided to put a majority of his workers on a 5-day, 40-hour workweek with no cut in pay. He justified this move as a sound business decision. Henry Ford said:

"The economic value of leisure has not found its way into the thought of industrial leaders to any great extent. While the old idea of 'lost time' has departed, and it is no longer believed that the reduction of the labor day from 12 hours to 8 hours has decreased production, still the positive industrial value—the dollars and cents value—of leisure, is not understood . . . Where people work longest and with least leisure, they buy the fewest goods. No towns were so poor as those of England, where the people, from children up, worked 15 and 16 hours a day. They were poor because these overworked people soon wore out—they became less and less valuable as workers. Therefore, they earned less and less and could buy less and less . . . With the decrease of the length of the working day in the United States an increase in production has come, because better methods of disposing of men's time have been accomplished by better methods of disposing of their energy . . . Management must keep pace with this demand—and it will.

So long as labor is cheap, employers are not motivated to make the necessary improvements in productive efficiency. On the other hand, when some pressure is put upon the available supply of labor—in this case, reducing man-hours by reducing average hours—then employers will go to greater lengths to improve work efficiency. They will spend more money for equipment. They will develop more productive work schedules. The result of this effort will be: greater productivity.●

MARXISM'S 143 MILLION MURDERS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. McDONALD. Mr. Speaker, in all the present day concern about human rights and concern still being expressed over atrocities by Hitler and his henchmen, we tend to forget that over the last 62 years of history, Marxism and Marxists rulers have accounted for more deaths and murders than anyone in history, with the possible exception of Ghengis Khan. An editorial in the Daily Telegraph of London for March 19, 1979, carried an excellent editorial reminding us all of this fact. No one should forget that Marxism, by its very nature promotes conflict and murder. I commend the editorial to the attention of my colleagues:

MARXISM'S 143 MILLION MURDERS

(By Philip Vander Elst)

The recent fraternal wars in Indo-China demonstrate that Communist wolves are apt to gobble each other up when there is no other prey left for them to devour. Western alarm at the spread of this new Vietnamese empire may therefore be tempered by the thought that it has, at least, overthrown a regime responsible for the murder of two-and-a-half million Cambodian citizens.

Further reflection, however, suggests that the "liberation" of what is left of Cambodia's wretched population is not likely to prove very beneficial. According to the Vietnamese Committee of Human Rights, there are 800,000 inmates in Vietnam's forced labour camps and even the Vietnamese Government has admitted, in the immediate past, to holding 400,000 political prisoners.

The truth is that Communism is about coercion. It is also about genocide on an unimaginable scale. A recent article by Jean-Pierre Dujardin, in the *Figaro Magazine* (Nov. 19-25, 1978), calculates that the world-wide human cost of Communism has now attained the staggering total of 143 million lives lost since 1917 (see table). In an era during which the crimes of Fascism have been on everyone's lips for 30 years, a sober examination of the record of its surviving collectivist brother is long overdue.

The human cost of Communism

1. Human cost of communism in USSR (1917–1959)	66,700,000
2. Human cost of communism in USSR since 1959 (minimum estimate)	3,000,000
3. Human cost of communism in China	63,784,000
4. Massacre of Katyn	10,000
5. German civilians killed during expulsions of 1945–1946	2,923,700
6. Cambodia (April 1975-April 1978)	2,500,000
7. Suppression of uprisings in E. Berlin, Prague, Budapest, Baltic states 1945–1975	500,000
8. Communist aggression in Greece, Malaysia, Burma, Korea, Philippines, Vietnam, Cuba, Black Africa, Latin America	3,500,000
Total	142,917,700

Source: Figaro Magazine 19–25/11/78

We can begin by looking at the balance sheet of Soviet Communism. From the earliest years of Bolshevik power, indiscriminate slaughter of dissident elements became the order of the day. Whereas only 997 persons were executed in Tsarist Russian between 1821 and 1906, 1,861,568 "oppositionists" were killed in the Leninist period of 1917–1923 alone. As for the total number of the Kremlin's victims, we have Prof. Kuganov's seminal study to fall back upon. According to his detailed demographic survey of Russia's population between 1939 and 1959 (based on official Soviet sources and published on April 14, 1964, in *Novie Rousskoi Slova*), over 66 million Russians were liquidated internally between 1917 and 1959.

It is further reckoned that no less than three million Russians have been killed since 1959, despite Kruschev's "thaw" and Brezhnev's "détente"! A study by Sergiu Grossu (published in 1975) shows that there are currently two million political prisoners in 96 Soviet labour camps.

But perhaps this unprecedented slaughter can be explained by some peculiarly Slavic brand of cruelty? Unfortunately the experience of Chinese Communism suggests otherwise. As the late Mao Tse-tung put it, "only with guns can the whole world be transformed," and he was true to his word.

On the admission of four Chinese Communist regional chairmen at that time, 1,176,000 Chinese were executed between October 1949 and October 1950. Furthermore this wave of massacres following upon Mao's seizure of power took place before the drive against "counterrevolutionaries" got properly under way. Using official Chinese Communist statistics, the American Federation of Labour estimated some years ago that 14 million Chinese were eliminated in the first five years of Maoism. Over the total period 1949–1971, the total casualties of Chinese Communism have been worked out to be something in the region of 60 million dead (see table).

This appalling figure includes the one million victims of Chinese savagery in Tibet since 1959. But one must look beyond these numbers to the hideous reality they represent. To take one example, a report of the International Commission of Jurists in 1960 revealed that Tibetan monks were *crucified* for refusing to participate in enforced marriages to Chinese.

Is it fair, however, to assign to Communism itself the guilt for all this mayhem? Is there anything in the nature of Communist theory that makes oppression and murder inevitable? Or is it just that Communism has been distorted in practice and the founding fathers have been betrayed by their heirs? The answer can be found in the Holy Writ of Marxism.

"The control of the production of wealth is the control of human life itself," Hilaire Belloc remarked, and Marx agreed with him. That was why the Communist Manifesto emphasised that the abolition of private property was essential to the concentration of all power in the State. Once the monopolistic roots of a future Communist Governmnt were secured, Marx insisted that its subsequent retention of power would require the use of general terror. "It will be necessary to repeat the year 1793" (referring to the French Revolution). "After achieving power, we'll be considered monsters, but we couldn't care less." As for the rights of the people, Marx was contemptuous in his dismissal of them: "democracy is more to be feared than monarchy and aristocracy."

Lenin was even more disdainful in his attitude to the workers he professed to serve. "In a State worthy of the name there is no liberty. The people want to exercise power, but what on earth would they do with it if were given them?" He was no less unsqueamish in his defence of totalitarian violence: "the secret police spring from the very essence of the proletarian revolution, of which terror is the inevitable consequence."

The evidence is conclusive: Communism has always been an ideology of destruction and hatred. Its claim to be a mass movement, dedicated to the cause of the common man, is the most impudent lie in history. Any remaining doubts on this score should be dispelled by the knowledge that, whenever they have been given the chance, ordinary men and women all over the world have voted against Communism with their feet. At least 12 million refugees have escaped from China, East Germany, North Korea, North Vietnam, and Angola since 1945—and this figure does not include the 13 million Germans expelled from the Soviet zone in the immediate aftermath of the Second World War.

Despite its awesome dimensions, the Communist holocaust was foreseen a century ago by Marx's friend, the German poet Heinrich Heine. In a prophetic passage reminiscent of Isaiah, he warned: "there will be only one flock and one shepherd, one free shepherd with an iron staff and a flock of human sheep all shorn alike and bleating alike . . . the future smells of Russian leather, blood, godlessness, and many whippings. I should advise our grandchildren to be born with thick skins on their backs."

Thirteen countries have fallen to Communism since 1950. Shall we too have to grow thick skins on our backs? ●

IMPACT OF BALANCED BUDGET RULE

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. JACOBS. Mr. Speaker, I insert in the RECORD an article containing the current prophetic words of the man who in 1975 desperately prophesied a scathing nose dive for the economy if Congress would not pass his wealth-out-of-thin-air $50 rebate.

It is said that "absolute positiveness is uncertainty at the top of its voice."

SCHULTZ WARNS OF IMPACT OF BALANCED BUDGET RULE

(By Mary Russell)

The Carter administration continued its campaign against a constitutional amendment to balance the budget yesterday as Charles L. Schultze, chairman of the Council of Economic Advisers, told a House subcommittee such an amendment would have turned the 1974–75 recession into "the first real depression since the 1930s."

If a balanced budget requirement was in place in 1974 "huge expenditures cuts would have been required and . . . unemployment would have skyrocketed," Schultze said.

He said estimates made from three econometric models showed the gross national product would have dropped 12 percent below the 1973 level, unemployment in 1975 would have risen to 12 percent and spending cuts of $50 billion in fiscal '75 and $100 billion in fiscal '76 would have been necessary.

Schultze's testimony before the House Judiciary Committee was part of a stepped-up campaign by the White House to head off the balanced budget drive which has now been endorsed in some form by 29 states. President Carter has already sent a letter to the Ohio state legislature asking them not to endorse such a proposal.

Freezing "a particular economic policy that may happen to fit the needs of the moment" into the Constitution makes as much sense as writing into the Constitution "a 55 mile-per-hour speed limit law, a 65-degree thermostat setting, a value-added tax or a prohibition on alcohol," Schultze said.

Schultze declined to endorse passage of any law, constitutional or otherwise, requiring a balanced budget.

But Schultze said Congress has in place a budget process that would allow it to balance the budget right now if Congress had the will. Though the budget act could be improved upon, no further laws were needed, he said.

Despite what Judiciary Committee Chairman Peter Rodino (D-N.J.) called "the ballyhoo" over a balanced budget, nor more than 25 people were in the committee room for Schultze's testimony, and only slightly more than that attended a morning session at which former chairman of the Council of Economic Advisers Alan Greenspan and James Dale Davidson, chairman of the National Taxpayers Union, testified.

Greenspan endorsed a constitutional amendment requiring a two-thirds vote of both houses to pass money bills. In the meantime Greenspan said he would support legislation doing the same thing to fill the five to seven-year gap that might be required to get approval of a constitutional amendment.

Davidson endorsed a balanced budget amendment that would include a provision to set aside the requirement in times of emergencies.

He said nothing short of a constitutional amendment would stop Congress from voting for deficits which he said are in the political self-interest of members of Congress.●

HOW TO CONTROL INFLATION

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mrs. COLLINS of Illinois. Mr. Speaker, on March 6 the U.S. House of Representatives was presented with its first opportunity to send President Carter a message in response to his recent efforts to control inflation by slashing funding for social programs. My colleagues and I voted 262 to 139 to exempt $37 million from the President's proposal to rescind $267.9 million for health resources programs for fiscal year 1979. The amount deleted includes $20 million in appropriations for capitation grants to schools of medicine, osteopathy and dentistry and $17 million in appropriations for nurse training programs in such areas as traineeships, research and fellowships.

I am very pleased that a majority of my colleagues saw fit to challenge President Carter's assumption that the costs of inflation should be paid by this country's medically underserved minorities through a cutback in health manpower resource programs. The administration's proposal clearly reflects an inadequate concern for the quality of health professional training in the United States. These programs of Federal assistance to the health professions have been crucial in enabling a larger and more diverse group of Americans including increasing numbers of minorities and low-income individuals to enter the health field. For example, capitation grants are crucial to the financial well-being of health professions schools and their termination would require the schools to raise tuitions, cut faculty, and thus reduce access to medical education.

In my view, it is shortsighted and uneconomical to cut funds for nurse training particularly when there is a critical need to contain escalating hospital costs and to find reasonable alternatives to high-cost hospital care. Nurse practitioners and public health nurses are in the forefront of providing preventive and health maintenance services such as home health care to the elderly and children and in providing primary care services in medically underserved urban and rural areas.

The critical shortage of registered nurses has been documented by the Illinois Department of Public Health, the Illinois Department of Registration and Education, and the Illinois Hospital Association. Currently, there are more than 3,800 unfilled budgeted nursing positions in Illinois hospitals and at least 68 vacancies on the faculties of nursing schools. Clearly, this and other documented shortages would be exacerbated had the President's rescission request been approved by the House.

Although we successfully opposed this attack on social programs, there are many more to come. I urge my colleagues to join me in the fight to protect the delivery of human services to the poor and disadvantaged.●

THE SHORTER WORKWEEK, THE MEANS TO COMBAT TECHNOLOGICAL UNEMPLOYMENT

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. CONYERS. Mr. Speaker, Prof. Wassily Leontief, holder of the Nobel Prize in Economics, has called for serious examination of the proposal to reduce the 40-hour workweek as a principal means of curbing unemployment in future years. Dr. Leontief has written—

> If asked to single out one force that has contributed more than any other to the phenomenal economic growth of the last two hundred years, one would say technological change. . . . The fact that machines do displace labor cannot be questioned. . . . New machines, new technology introduced because it cuts production costs can, indeed, reduce the total demand for labor. . . . Spreading the work through reducing the number of working hours per week and of working days per year provides an answer to this question. Increasing leisure, while everyone is assured of a steady job, can contribute greatly to the general welfare in a developed society.

The Fair Labor Standards Amendments of 1979 (H.R. 1784), which I introduced on February 1 provide for the gradual reduction of the workweek to 35 hours over a 4-year period; increase the premium rate for overtime to double-time; and abolish compulsory overtime so that employers have to consult their employees in scheduling overtime. As Dr. Leontief points out in a recent guest editorial in the New York Times, March 6, 1979, one of the most efficient ways to control unemployment in an economy that is displacing labor through technology, on the one hand, and failing to provide jobs to all who want to work, on the other, is to spread work by shortening the workweek.

I want to bring to the attention of my colleagues Professor Leontief's guest editorial entitled, "Newer and Newer and Newer Technology, With Little Unemployment." Dr. Leontief, who won the Nobel Prize for Economics in 1973 for his creation of input-output models for predicting national economic change and growth, is the author of leading texts in economics, including "The Structure of the American Economy, 1919–29"; "Studies in the Structure of the American Economy"; and "The Future of the World Economy." As an authority on economic change, and the interrelationships of economic forces, Dr. Leontief devotes the following article to the question of maintaining a stable and growing work force in the face of accelerating technological displacement of labor. His advocacy of the reduction in the workweek as one principal means to curb technological unemployment will be one of several issues dealt with in a major conference on the shorter workweek that is being held on Friday, April 6, 1979, in Washington. The conference, sponsored by the All-Unions Committee To Shorten the Work Week, will begin at 9:30 a.m. in the Cannon Caucus Room, and Members and their staff are invited to participate. Dr. Leontief's article follows:

[From the New York Times, Mar. 6, 1977]

EMPLOYMENT POLICIES IN THE AGE OF AUTOMATION

(By Wassily Leontief)

The effect of technological advance on employment has been debated for over 168 years since desperate workers in the textile town of Nottingham, England, led by a certain Ned Ludd wrecked newly invented knitting machines that threatened—so they thought—their livelihood. The mill owners of course disagreed and were supported by economists who proceeded to "prove" once and for all that unemployment caused by technology can be nothing but an illusion.

There were, however, notable exceptions, among them John Stuart Mill (the author of "On Liberty") who, after arguing first that workers displaced by machines in one line of production would necessarily find equally good employment opportunities in some other, later changed his mind and admitted that both the introduction of machines and their increase in numbers and efficiency can, indeed, depress the aggregate demand for labor.

Thirty years ago, it took several thousand switchboard operators to handle one million long-distance telephone calls; 10 years later, it took several hundred operators; and now, with automatic switchboards, only a few dozen or so are required. The production of labor—that is, the number of calls completed per operator—is increasing by leaps and bounds; it will reach its highest level when only one operator remains, and become infinite on the day that operator is discharged.

Technological advance is uneven. Some sectors of the economy are more affected by it than others, some types of labor are replaced faster than others. Less-skilled workers, in many instances but not always, go first; skilled workers, later. Computers taking on the jobs of white-collar employees perform first simple, then increasingly complex mental tasks.

From the time that the steam engine was invented, successive waves of technological innovation have brought about an explosive growth of total output accompanied by rising per-capita consumption and, up until the middle 1940's, a progressive shortening of the normal working day, working week and working year. Although increased leisure (and for that matter cleaner air and purer water) is not included in the official count of goods and services used to measure the gross national product, it has certainly contributed greatly to the well-being of blue-collar workers and salaried employees. Moreover, the reduction of the average work week in manufacturing, from 67 hours in 1870 to 42 hours in middle 1910's, combined with longer schooling amounted to a large-scale withdrawal from the labor market of many millions of working hours. At the end of World War II, the situation changed. Successive waves of technological innovation continued to overtake each other as before and the real-wage rate continued to go up, but the length of the normal work week today is practically the same as it was 35 years ago. In 1977, the normal work week (adjusted for growth in vacations and holidays) was still 41.8 hours.

This means that we have to face the prospect of technological unemployment's turning from its past benign "voluntary" state into a virulent involuntary phase. With this would come an inevitable increase in the social tensions resulting from the slowly but steadily increasing pressure of structural, as contrasted with passing cyclical, unemployment.

In complex systems like the modern economy, there is no such thing as a single cause of a problem. While without technological change there could, of course, be no technologically caused unemployment, neither would such unemployment exist if the total population, instead of growing slowly, began suddenly to shrink, or if workers agreed to accept lower and lower wages. Those who want the current population trends reversed are likely to proclaim that population growth is the actual cause of unemployment; those who would like to see profits rise and wages go down can be expected to declare that high wages are its real cause. The remedy favored by the "keep your hands off the free market" libertarians is wage cuts brought about by systematic reduction of the power of trade unions as well as a curtailment of unemployment payments and welfare benefits.

While in many operations dirt-cheap labor could not compete effectively with very powerful or very sophisticated machines, a drastic general wage cut would temporarily arrest the adoption of labor-saving technology. But unless the introduction of the cut was interdicted by specially erected barriers, the old trend would be bound to recur. Even a most principled libertarian might hesitate to have the wage question settled by cut-throat competition among workers under continued pressure of steadily improving labor-saving machines.

Some advocates of full-employment policies have proposed that labor-intensive processes be given preference over labor-saving technologies. If administered persistently, such Luddite medicine would slow down technical progress and bring about difficulties even more menacing to the health of our economic and social system than the disease that it is intended to cure.

Stepped-up investment can certainly provide additional jobs for people who otherwise would be unemployed. However, under conditions of labor-saving technological advance, creation of one additional job 20 years ago might have required $10,000; today, $20,000; and 20 years from now easily $50,000, or more, even if inflation is controlled. A high rate of investment is indispensable to satisfy the expanding needs of a growing society. But it can make only a limited contribution to solution of the problem of involuntary technological unemployment, particularly since the greater the rate of capital investment, the higher the rate of introduction of new labor-saving technology.

One must conclude that it would be sensible to explore the possibility of resuming the interrupted process of the gradual reduction of the length of the labor day week and labor year—or even labor life.

Once, voluntary sharing of technological unemployment—that is, progressive shortening of work time—was accompanied by a steady rise not only of hourly-wage rates and monthly salaries but also of total annual, and even lifetime take-home income. It appears that because of the greatly expanded opportunities to replace labor by increasingly sophisticated machinery, the impersonal forces of the market will not favor this solution any more. But humans are not horses—they can reason, and in our democratic society they can vote.

Up to the middle 1940's, American families chose, as their real income rose, to enjoy it not only through increased consumption but in the form of a shorter work week and more leisure. Without the increase in leisure time, the educational and cultural advances that have marked the first 40 years of the 20th century would not have been possible. Americans probably would have continued to absorb potential technological unemployment in this voluntary way had real wages risen during the next 40 years even faster than they have.

Government policies designed to bring about a steady rise in real wages sufficiently large to induce workers and employers to resume continuous voluntary reduction in the length of the normal work week once could have been considered. Under present conditions, such policies would require so large an increase in labor's share of the total national income that there would be a decline in productive investment, and this would result in an unacceptable slowdown of economic growth. The other alternative policy consists of a two-pronged approach combining direct action toward progressive reduction in the length of the normal work week with income policies designed to maintain and steadily increase the real family income of wage earners and salaried employees.

We are already practicing such income policies by gradual changes in the structure of our tax system and through Social Security, medical insurance, welfare payments and unemployment benefits. The system should be redesigned and expanded so as to reduce the contrast between those who are fully employed and those who are out of work. Let us remember the widespread European practice of paying supplemental benefits to wage earners who work less than the normal number of hours per week.

A reasonable and effective response to the incipient threat of involuntary technological unemployment should aim at bringing about an equitable distribution of jobs and income without, however, obstructing even indirectly, technological advance.●

HOW I WOULD HAVE VOTED

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. ERTEL. Mr. Speaker, on Thursday, March 29, 1979, I unavoidably missed two recorded votes. The events at the Three Mile Island nuclear power plant, which is in my district, brought me back to Pennsylvania. Because my constituents have a right to know my position on matters coming before the House, the following indicates how I would have voted had I been present:

"Yea" on rollcall No. 67, a vote on a series of amendments offered by Mr.

Studds to limit H.R. 3173 to a 1-year authorization instead of 2 years.

"No" on rollcall No. 69, final passage of House Resolution 53, to reestablish a Select Committee on the Outer Continental Shelf.●

CONGRESSMAN ELDON RUDD COMMENTS ON NATIONAL SECURITY

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. SYMMS. Mr. Speaker, the March 21, 1979, issue of Review of the News contains an interview with our colleague from Arizona, Eldon Rudd. Congressman Rudd is a recognized authority on national security matters. In the following interview he discusses the decline of our national defense posture and the fact that we are allowing the Soviet Union to achieve military superiority. I commend this informative article to my colleagues in Congress:

Arizona's Eldon Rudd

(By John Rees)

Eldon Rudd, the U.S. Representative from Arizona's Fourth District, is a member of the important Appropriations and Budget Committees, and serves on the Budget Taskforces on Defense and International Relations.

A native of Arizona where his grandparents arrived as a pioneer family on a wagon train, Congressman Rudd saw combat duty as a U.S. Marine Corps fighter pilot in World War II. After earning his law degree, he continued to serve his country in the Federal Bureau of Investigation under J. Edgar Hoover.

Q. Congressman Rudd, few of your colleagues in the House were ever involved in law enforcement. You were not only an F.B.I. Special Agent for 20 years, but were the F.B.I.'s diplomatic liaison officer in many Latin American countries—Mexico, Nicaragua, Guatemala, Argentina, and others. Weren't you involved in the capture of Ché Guevara's terrorists in Bolivia?

A. Let me say that I was involved in the identification of Ché Guevara in 1967, when he was killed by Bolivian defense authorities during the height of his armed revolutionary activities there. Guevara was a leader of Castro-supported Communist guerrillas who were, and still are, spreading subversion and armed revolution against the duly constituted governments of Latin America. It was important to confirm the fact of his death so that the Communists could not continue revolutionary activities in his name. Guevara had earlier been arrested in another country, where his fingerprints were on file. I helped coordinate the diplomatic effort between the various governments to confirm identification by fingerprint comparison with fingerprints lifted from Guevara's cadaver.

I should point out the high importance of such cooperative efforts by the United States with friendly non-Communist countries. It is essential for our government to assist all non-Communist governments with shared intelligence efforts and similar help so they can combat the continuing Communist insurgency and revolutionary activities of guerrillas and terrorists in Nicaragua, Chile, Argentina, Bolivia, Peru, and elsewhere.

Q. What needs to be done to strengthen our relations with these non-Communist nations?

A. I am most concerned that many top officials of our government, especially the current Administration, have taken positions against the duly constituted and elected Governments of some of these non-Communist nations. Our government has, for example, suspended economic support for Nicaragua, and has severely curtailed military support and shared intelligence operations.

In some cases there is evidence that our State Department has directly or indirectly worked with, and assisted, such Communist revolutionaries as the Sandinistas in Nicaragua. This is a scandalous outrage, and must be stopped. It plays right into the hands of revolutionary Communist operations orchestrated and backed by Castro's Cuba, the Soviet Union, and Communist China.

The United States should be doing everything in its power to support non-Communist governments throughout the world, especially in Latin America, and to prevent the further spread of Communism through subversion, armed revolution, and terrorism. We should *not* be helping to spread it.

Q. You have taken very strong positions in the Congress against America being placed in a position inferior to the Soviet Union in military preparedness. What is our present situation?

A. It is very serious. Over the past 10 years our military strength compared to that of the Soviet Union has been dramatically reduced, so that we are now in an inferior position in almost every area. The Soviet Union is presently outspending us on military capabilities by more than $50 billion a year.

Just a comparison of our forces to those of the Soviets, whose hardware is more modern than ours in many cases, tells the disturbing story. In intercontinental missiles, we have gone from 600 ahead to about 600 behind. In Polaris-type submarines, we have gone from 500 ahead to 13 behind. In major surface ships, we have gone from 130 ahead to 70 behind. In all our active naval fleets, including submarines, we are now about 500 behind the Soviets.

In intercontinental bombers, we have gone from 500 ahead to just over 100 ahead. In tactical aircraft, we have gone from 2,000 ahead to more than 2,000 behind. In strategic defense missile launchers, we stand at zero to 10,000. In medium- and intermediate-range missiles, we stand at zero to 500. In surface-to-air missiles, we have 11,000 less than the Soviets. In antiballistic missile launchers, we stand at zero to 64.

In men under arms, the figures stand at 4.8 million for the Soviets, to our 2.1 million. The Soviets have 45,000 tanks, to our 7,835.

It's difficult to understand how the Administration can look at all these facts and cut the B-1 bomber, slow development of the important MX missile, cut back the Navy's shipbuilding program, refuse to test a U.S. anti-satellite missile, stop development of the neutron warhead, and agree to further U.S. weapon cutbacks at the SALT talks while allowing continuation of several key Soviet weapons programs.

Q. But the deterioration of U.S. defense strength has been a long and gradual process, hasn't it?

A. Yes, it has. The Kennedy-Johnson Administrations eliminated clear U.S. superiority over the Soviet Union through cancellation of important strategic missile and bomber programs. Their "experts" used the argument that both we and the Soviets had enough armaments to destroy the world, and that we should take the lead to stop the arms race by cutting back so that the Soviets would do so also.

This was sheer stupidity. The Soviets kept building and modernizing their military forces throughout this period. The "Liberal" majority in Congress would not allow the build-up and modernization of U.S. forces during the 1968 to 1976 period when the balance of power shifted to the Soviets, and the Carter Administration has continued to disarm us. We need an Administration and a majority in Congress willing to provide strong leadership, which is now lacking. The proper course is to have sufficient military strength with which to defend ourselves. Right now, we do not have it, and probably won't have sufficient strength to deter the Soviets from starting a world war whenever it suits their purpose.

Q. Perhaps the congressional indifference to the fact that Soviet pilots are flying Migs in Cuba reflects this severe deterioration of defense capability.

A. Well, not all of Congress is "indifferent." Quite the contrary. I introduced a bill last year with 70 co-sponsors to urge action by the President and the Organization of American States to obtain the withdrawal of all Soviet military personnel from this Hemisphere.

It is no secret what is going on. Castro has sent his own military forces to assist Communist insurgencies in Africa—to get them combat-prepared for the future Communist insurgency actions in Latin America. The Soviets are using the excuse that they are "defending" Cuba while Cuban fighter pilots and ground troops are in Africa. This is supposedly why they send their own pilots flying military missions over terrain on our borders.

It's no coincidence that the Soviets are moving militarily in our Hemisphere at a time when the President and a "Liberal" majority in the U.S. Senate have acted to give away the Panama Canal, and when the Administration has reduced U.S. strategic control in the Caribbean.

The question again is whether the President will exert the necessary leadership to get the Soviets out of our back yard in Cuba. I don't think he will, and Congress will have to act to force him to do his duty.

Q. How then do you view the upcoming SALT II treaty?

A. From what I've been able to learn from knowledgeable people—some of them insiders on the SALT negotiations—it's a treaty that was accurately summarized in a recent cartoon strip called "Scoops." A group of foreign dignitaries asks our Secretary of State, "Mr. Vance, any news about the SALT talks?" And Vance replies, "I'm told that if we scrap one of *our* weapons systems . . . the Soviets are ready to scrap one of *our* weapons systems."

Again, it's a problem of leadership and direction. Our side has been doing all the giving, all the backing down. Our U.S. negotiators, under orders from the President, have been either unwilling or unable to get any major concessions from the Soviets that would help even-up the current military imbalance or otherwise benefit our country and the rest of the Free World.

I can see why the Administration has kept the public in the dark about the specific terms of the treaty so far, which I am told will allow the Soviets to deploy even more heavy bombers and intercontinental missiles, multiple warheads, and so forth, than they now have—while the U.S. stands still. If our people knew the truth they would rise up in rightful indignation.

It's a repeat scenario of the Panama treaties and the China situation. The President will keep the SALT treaty under wraps until his big public relations ceremony with the Soviets, which he hopes will lock the Senate into approval after the fact.

Q. Then, as far as you can see, SALT II has no advantages for the U.S.?

A. Any way you look at it, this impending SALT II treaty is a bad deal for America. Strategic experts such as former arms control chief Paul Nitze, former defense intelligence chief Daniel Graham, and others who know its provisions to date have warned us that it will guarantee the Soviet Union indisputable strategic superiority over the United States—a first-strike, hard-kill, capability against American cities and industry.

Is the U.S. military decline reversible, Congressman?

A. Yes, but we have a lot of hard work to do. The main obstacle to making any meaningful arms-control agreement which protects our national security interests is that for the first time we are negotiating with the Soviets from a position of relative weakness, and the Soviets are negotiating from a position of relative strength.

The Soviets know the trend lines. The Soviets are building supersonic Backfire bombers and developing a new heavy bomber—we killed the B–1 program. The Soviets are producing and deploying a fourth generation of heavy I.C.B.M.s, with twice the throw-weight of any missiles we have, and developing a fifth generation—we have no plans. The Soviets have developed a land-mobile I.C.B.M.—the Administration and Congress continue to stall on our MX missile.

The Soviets are putting several new ballistic-missile submarines to sea each year—the Administration and Congress have cut back on our vital Trident submarine construction. The Soviets maintain an air defense system—we have abandoned ours. The Soviets have a civil defense program—we abandoned any effort to protect our population years ago.

As I say, the Soviets know these trend lines. They think they can push us around at the negotiation table, and probably in a military showdown as well. The problem is, they might be right, unless we act immediately to turn the situation around.

A SALT treaty guaranteeing no less than full U.S. strategic equality with the Soviet Union is the place to start, and a SALT treaty providing anything less must be defeated in the Senate.

Q. As you know, Congressman, there are a lot of people who say they speak for special constituencies who want more and more, bigger and bigger, social welfare spending—more C.E.T.A. jobs which are really used to hire people for city hall staffs and which go to political appointees, not to train hardcore unemployed. That's just one example of course. These people say "cut the defense budget and increase the welfare programs." May we have your thoughts on this matter?

A. It is a fact that each individual taxpayer's burden for national defense spending has actually decreased about 10 percent since 1969, while the tax burden for federal welfare spending has almost tripled in just 10 years.

There are about 95 federal benefit programs, about half of which are welfare handouts of various kinds, costing in the neighborhood of $220 billion a year. State and local governments spend another $100 billion or more a year for welfare. This compares to total national defense spending of about $115 billion annually, or just over a third as much as all spending for welfare programs.

C.E.T.A. is a public jobs program, as you stated. I don't think the program should continue, because of the waste and fraud that has been rampant in it, along with the tremendous unnecessary growth it has caused in local and state government.

In order to create more jobs for our people, I believe the federal government should reduce taxes and get off the backs of private citizens and their business enterprises so that jobs can be provided in the non-government productive sector of our economy. A long overdue cut in unneeded and duplicative welfare programs would also help reduce federal deficit spending, which I wish more people realized is a principal cause of inflation leading to unemployment and economic recession.

Q. Will you explain this?

A. As you know, the federal government annually spends billions of dollars for new and expanded programs, when the money is not available in the U.S. Treasury. This is done through the practice of deficit spending, which is unconstitutional for most state governments.

These federal deficits—more than $75,000,000,000 for the past two years alone—have to be financed by the government with borrowed money. This money is borrowed from the amount of available lending money—credit—in the private sector, which leaves less available lending money for job-producing business expansion, mortgage money for homebuilding, and personal loans for individuals.

The federal government also finances its deficits by selling Treasury notes to foreign banks and other creditors, which increases foreign control over our government policies and our economy.

Another method is by expanding the money supply, which reduces the value of all money in circulation, the cause of inflation.

I believe that government deficit spending is one of the most insidious threats to our economy, and to the freedom of all our people, including our youth as they come along. It must be stopped.

Q. If the Budget were balanced, would our Congressmen drastically raise taxes to pay for the social service and welfare programs?

A. Not if they ever expected the taxpayers to re-elect them to any office—which is the beauty of a requirement to balance the Budget. It would force elected officials in Congress to set spending priorities, rather than turning over the whole Budget process to the vested interests and the bureaucracy, which is now the case.

Also, deficit spending has hidden the real level of taxation from people, because inflation also takes your money and is therefore a "hidden tax."

More than 47 cents of every dollar earned in America now goes to support government at some level. This compares to 25 cents of all earned income just after World War II. If government ever takes more than 50 percent of what we earn, our people really will have become economic slaves of the state, and the whole social, political, and economic fabric of our country will have been changed.

Q. Congressman Rudd, you have taken a leading role in opposing the push for national metric conversion. England did that some years ago at great expense, inconvenience, and difficulty—and with no trade advantage. What about this, and who is promoting metric conversion?

A. I have introduced a bill to repeal the Metric Conversion Act passed by Congress in 1975. Just like most other federal bureaucratic programs, this one is being used by vested interests as a way to force metric into being, despite the fact that our people get along very well with our current dual system of customary and metric measurement.

The federal metric law has prompted all manner of government actions to force an unwilling public to use metric. The Federal Highway Administration still plans to change all U.S. highway signs to metric at some time in the future. The National Weather Service plans to start all-metric weather reporting, which will force all radio and television stations, newspapers, and others who rely on their information to report the weather in metric. The Health, Education and Welfare Department is promoting "carrot-stick" grants to local school systems in order to get them to change their curriculum and textbooks to metric, as a way to implement metric through our youth.

I am opposed to these efforts to force the American people to use metric. The General Accounting Office just released a five-year study of metric conversion, which Congress did not have to guide its passage of this law several years ago. The G.A.O. reports that it will cost our people and businesses many billions of dollars to convert to metric, resulting in untold suffering, inconvenience, and confusion to everyone's detriment.

Despite these adverse factors, including higher prices across the board resulting from substantial costs of metric conversion, the G.A.O. stated that the supposed benefits of metric are non-existent in almost every area and sector of the economy.

The most ardent metric proponents appear to be government departments at the federal and state levels, educators and curriculum producers who would benefit from the change to a different system since school materials would all have to be replaced, and auto manufacturers and several other large corporations whose particular competitive situations would benefit from a measurement system of more diverse and smaller units.

A major problem in fighting this effort to impose metric is that people fall for the line that "it's inevitable," or "why should the U.S. be the only country not to go metric." If our people want to use metric, the law passed by Congress in 1866 allows them to do so. We don't need this more recent federal law, which allows a few zealous metric proponents to force metric upon us.

Q. There has been a concerted assault on our intelligence agencies, from a number of different quarters. What has prompted this and what are the dangers to our nation's security from this attack?

A. The attack on our intelligence agencies has come principally from "Liberal" politicians who have allowed themselves—maybe even unwittingly—to do the work of radical groups that want to destroy America's ability to prevent subversion of our nation's free institutions. That's a strong statement, but it's true.

For example, civil libertarians promoted the passage of legislation by Congress last year to require court warrants before suspected subversives or even foreign agents can be placed under surveillance by the F.B.I. This is the Foreign Intelligence Surveillance Act. Such a requirement slows down the intelligence-gathering process to the point where the effectiveness is practically destroyed. It also places a record of the intelligence activities with the court and its staff, where it can be obtained by foreign espionage agents or subversives.

Those who have attacked our intelligence agencies, and imposed such warrant requirements on their activities rather than rely on the judgment of the Attorney General and the President in such matters, misunderstand or purposely confuse the basic difference between surveillance of suspected criminals by a law-enforcement agency and intelligence-gathering from suspected foreign agents.

Q. This is a critically important point, Congressman. Would you explain the differences between the two types of investigations—intelligence and criminal?

A. Surveillance of suspected criminals should require a court-order, because evidence is being collected for possible prosecution. Such actions need judicial oversight and approval.

But intelligence-gathering for foreign policy or national security purposes not connected with a suspected crime is much different. It is designed to collect needed information to enable the President to make proper decisions affecting our relationships with foreign countries and the protection of our people from foreign threats, including possible subversion and terrorism.

As commander-in-chief of our military, the President must have totally independent intelligence capabilities as part of his military responsibilities—some people call them his "war powers." In fact, our intelligence agencies operate on a war-like basis 24-hours a day, regardless of whether we're at peace or war. The President can't have uninformed judges or headline-grabbing politicians second-guessing him in this role. His intelligence functions should be independent of congressional or judicial interference.

There is nothing that the world Communist movement would like better than the destruction of our intelligence agencies. We must prevent this from happening. I believe we must repeal the Foreign Intelligence Surveillance Act and re-establish Internal Security Committees in both the House and Senate.●

THE NEW CLIMATE FOR NUCLEAR POWER

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. BROWN of California. Mr. Speaker, the ongoing events at the Three Mile Island nuclear reactor have already had one certain result. Nuclear power will face a new set of questions which will require a different kind of answer than has been given in the past.

I need not elaborate on this point here. I would, however, like to bring my colleagues attention to editorials from two of the most responsible newspapers in the country. The first editorial is from the Los Angeles Times, a strong supporter of a responsible nuclear energy program. The second editorial is from the Christian Science Monitor, a paper known throughout the world for its moderation and responsible news policy. Taken together, these two items make it clear that the accident in Pennsylvania is a profound event for nuclear energy.

The editorials follow:

[From the Los Angeles Times, Apr. 1, 1979]

WELL, IT HAPPENED

The anguish and confusion over the nuclear power plant accident at Harrisburg, Pa., stem from errors in judgment that occurred decades ago.

The pioneers of nuclear power, riding high on World War II's great wave of creative technology, assumed that it would be relatively simple to build enough plants to supply this country with cheap electricity for generations. They also judged the risks to be low, compared with the benefits, and decided that, in any event, what the public did not know about those risks could not hurt it.

They were wrong. And it now may be too late to correct those errors in judgment, particularly the error in treating the mysteries of nuclear-power generation as the industry's own private business.

It became clear years ago that plants as big and as complex and as potentially dangerous as the one at Harrisburg were not simple to build, at least without some flaws either in design or in workmanship.

The industry then accepted the inevitability of accidents, but assured the public that emergency systems would override any equipment failure or wrong decision long before a power plant's reactor could get out of control.

Until last year, the federal government insisted that the possibility of the ultimate nuclear power plant disaster—a core-melt—was so remote that it need not even be addressed in any hazard analysis that accompanied an application for permission to build a plant. And, until the Harrisburg incident, nuclear experts could demonstrate that emergency systems had prevented every breakdown and failure from triggering other failures that would make a core-melt a real threat.

That is no longer the case. Not only did the emergency systems fail to bring the Harrisburg reactor immediately under control as they were meant to do, but the nuclear engineers did not know why.

And, for the first time, the federal government's nuclear regulators had to announce that there was a real, if remote, chance that a reactor's fuel rods might melt into a flaming blob, burning its way into the earth below the plant and possibly touching off explosions of radioactive steam.

Thus, the assurances that nothing like Harrisburg could happen no longer have any meaning, and that in turn means an abrupt change in the future of nuclear power in this country.

From now on, decisions about whether nuclear-power capacity should be expanded can never be technical decisions; they must be political decisions, with all that implies for mistakes in judgment based on false and panicky perceptions of risk, rather than on cold, analytical fact. It cannot be otherwise, because the cold, analytical fact is that Harrisburg was not supposed to happen.

[From the Christian Science Monitor, Apr. 2, 1979]

NUCLEAR POWER

There is no longer any doubt that vocal opponents of nuclear power development have been making a valid point. Their "We told you so" reverberates justly—and sadly—in the minds of all who have failed to take the issue of nuclear safety seriously enough. At the same time, in the wake of the Three Mile Island accident, there will be a need for a calm and unemotional discussion of the whole nuclear energy question. To swing to the side of alarmism could be as self-defeating and shortsighted as moving full speed ahead into a technology that clearly does not yet fully safeguard mankind from grave dangers.

Certainly one acute lesson learned from the Harrisburg accident is that insufficient research has been done on the safety of nuclear reactors. Many of today's uncertainties have to do with the fact that the Atomic Energy Commission in the 1960s gave over-optimistic assessments of nuclear-plant safety and made a conscious decision not to proceed very vigorously in its safety research program. So the information on how reactors behave in abnormal situations is based on relatively limited tests.

Moreover, safety researchers have focused primarily on single failures in reactors instead of multiple failures because the probability of the latter were deemed so slight. Yet there were several malfunctions at the Three Mile Island plant. Some came as a surprise, such as excessive fuel damage inside the reactor and the spillover of irradiated water into the auxiliary control building. Hence future research will have to be greatly broadened. Also, it ought to be conducted under experimental conditions and not just based on computer models.

It may be instructive to the public to point out, as a Boston Globe writer does, that this is not the nation's first technological challenge of this kind. Throughout the first half of the 19th century, steam engines posed a chronic problem, exploding and killing people at a terrific rate (496 persons in 14 explosions in 1838 alone). Public pressure ultimately brought protective legislation and inspections.

The potential hazards of nuclear power—including the problem of nuclear waste disposal—are far more awesome, however, and the risks in going ahead with nuclear power development must be soberly weighed. Even the proponents of nuclear energy are mindful of them and many therefore advocate slow, very careful nuclear growth. In this connection Energy Secretary James Schlesinger seems his own worst enemy when he contends that the risks in light water reactors, like that at the Harrisburg plant, were "relatively trivial" compared with the risks in coal or oil-fired generating plants.

The problems are not trivial. But neither are those that must be faced squarely if the US turns more heavily to coal while it waits for more nuclear safety. More use of coal would require solid answers to the problem of growing emissions of sulfur dioxide, carbon monoxide and other pollutants which some scientists forecast could have dangerous results by the turn of the century, including an unacceptable change in the world's climate. Whatever options are chosen, moreover—coal, oil shale, coal gasification, solar—will require enormous costs and these, too, will have to be balanced against the risks.

The US confronts, in short, a time of sober reflection and reassessment and in the weeks and months ahead this topic is certain to be the center of debate. It will take time to sort out the many contradictory and confusing statements of recent days—as well as the human errors that have contributed to the nuclear accident. For the moment, however, the public's attention is focused on the cautious effort to cool down the "fiery furnace" of the impaired nuclear core in the Three Mile Island plant. The danger is not yet over. Until it is, those trying so patiently and calmly to avert disaster have the nation's prayers.●

ST. PIUS X WINS STATE CHAMPIONSHIP

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. SCHULZE. Mr. Speaker, it gives me great pleasure to rise today to share the victory of the St. Pius X basketball team with my colleagues. On Saturday, March 24, these 12 young men traveled to Pittsburgh to take on the undefeated Conemaugh Township team for the Pennsylvania State basketball championship. After a rough physical game, these boys, great representatives of St. Pius X and of Pottstown, Pa., emerged victorious, 57 to 52.

These young men, under the leadership of Coach Tom McGee and Assistant Coaches Ed Kerschner and Frank Mack, had come too far and worked too hard not to savor the sweet taste of success. And as senior Tom Healy noted:

> We wanted to go out on top. So I went into the game thinking we couldn't be beaten.

These 12 young men, Capts. Chris O'Connell and Stephen Jamison, Mike Agresta, Mike Healy, Tom Healy, Steve Krageski, Calvin Mangum, Jim Mooney, Paul Shoemaker, David Urban, Rod Williams, and Dan Yentz, have worked hard, determined to do their best. Throughout the season, their best has been enough, and I ask you to join me in congratulating these young men and their school, not only for their victory, but more importantly, for their dedication and determination.

I wish them the best of luck next year, and hope that I shall again have the opportunity to rise before you to share with you their success.●

THE ALL-VOLUNTEER SYSTEM

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. ASPIN. Mr. Speaker, we have heard a lot lately about the alleged failure of the All-Volunteer Force (AVF). Many of the observations that have gotten the most attention have, quite reasonably, come from career servicemen.

For example, a Senate committee last year brought in a West Point graduate to testify on the poor quality of recruits under the All-Volunteer System. Unfortunately, that officer graduated from West Point in 1974—a year after the All-Volunteer System began—and thus had no experience under the draft system.

In talking with more senior people, I have found opinion quite divided—with many fervent advocates of the All-Volunteer System and many just as fervently opposed.

Recently, I received a letter from Lt. Col. Walter P. Lang, Jr., who is currently a professor at West Point and is shortly due to be our defense attache at the embassy in Yemen. Colonel Lang had read a reprint of a study I wrote on the All-Volunteer Force, which appeared in the CONGRESSIONAL RECORD of August 4, 1978.

I found his observations and experiences interesting and informative and would like to share them with my colleagues:

WEST POINT,
February 11, 1979.

DEAR CONGRESSMAN ASPIN: I am a Lt. Col. of the regular army and an assistant professor at West Point. In the past I have been dismayed by many of your statements which I thought unfair to the Armed Forces.

I read with great interest your article on the AVF which appeared in the Bergen, N.J. Sunday newspaper. I congratulate you on a triumph of clarity and reason. Your views on the AVF corroborate the evidence of my own senses over a sixteen year period as well as that of my father over a 34 year service career.

I find that many of my colleagues oppose the AVF essentially from a deep-seated personal conservatism (as opposed to political conservatism). The AVF is new. It is therefore bad. There is also a confusion of ideology in which volunteer soldiers have somehow become "mercenaries." This ignores the fact that their officers are logically branding themselves also as "mercenaries" since they, like all other U.S. peacetime officers, are of course volunteers. Was Marshall a mercenary? Eisenhower, Bradley, etc.? They were all regular, volunteer soldiers.

There is also a problem of a failure of institutional memory. Our junior officers have constructed a myth in which the draftees of the pre-Viet Nam era were a sturdy band of yeomen farmers and small tradesmen who served their country selflessly in an army devoid of disciplinary problems. I served in that army, 1962–1965, in an infantry battalion. Firstly, the officers and non-coms were 95% professionals. Secondly, there were many, many disciplinary problems. I served on my battalion's special court for two years and I know. Thirdly, as you point out, there were many more CAT IV's than now and they mostly ended up in rifle companies. This was not all bad. As you point out, a man with an M.A. does not necessarily make a good rifleman. I had one and he was a disaster.

My personal opinion is that draft machinery should be created once again as a standby measure and would provide the required backing for the regular ground forces.

Cordially.

WALTER PATRICK LANG, Jr.,
Lieutenant Colonel, U.S. Army.

P.S.—I do *not* agree with your position on commissary subsidies.●

THE FIGHT AGAINST INFLATION IN DETROIT

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. CONYERS. Mr. Speaker, throughout the country individuals and families are battling against the exceptionally high costs of food, energy, health care, and housing; the basic necessities in our lives that account for the great majority of our daily expenditures. The inflationary impact on residents of our oldest, largest cities is doubly severe as a result of the shrinking marketplace in cities and the insidious factor of redlining.

In the past few decades America's central cities have been losing commercial firms at an accelerating rate. This exodus is intensified by credit and insurance redlining—the deliberate disinvestment policies on the part of banks and insurance companies who have decided that central cities are not worth supporting. The fewer the firms operating in the cities, the less choice in the goods and services available and the higher the prices. As an example, the inner city of Detroit has only a dozen remaining food stores in operation. Studies have shown that the prices at these stores are 10 to 20 percent higher, overall, than for comparable items in stores in outlying suburban areas. Senior citizens living in central cities are doubly harmed: they pay the highest prices though living on fixed, or shrinking incomes; and they have the poorest access, if at all, to shopping facilities.

The problems of inflation in the basic necessities, of having to pay higher prices for auto and home insurance, of having to go without adequate insurance altogether, and of housing redlining were the subjects of a major consumer conference that was held March 17, 1979, at Wayne State University in Detroit. Several hundred citizens attended, as well as the major consumer, community, and public interest organizations in the Detroit area. The conference received a great deal of favorable publicity on television, radio, and through the print media.

In addition to furnishing the participants with the information they required to deal with their own consumer problems, the leaders of the major organizations decided to explore ways of working together in the future on common projects of benefit to citizens and consumers. A few follow-up meetings have already been held to explore, among other things, the establishment of consumer cooperatives, mechanisms for assisting senior citizens in their shopping needs, and of expanding existing price monitoring campaigns that alert consumers where the best prices for goods and services can be found.

One of the most active and innovative public interest organizations in Detroit in assisting citizens to fight inflation is the American Friends Service Committee Detroit Anti-Hunger program. Directed by Marge Bursie, the group is involved in the monitoring of food prices in Detroit area stores, reporting on differences in prices between the city and suburbs, and assisting senior citizens who have difficulty finding places to shop.

I want to bring to the attention of my colleagues two reports on the American Friends Service Committee/Detroit chapter program. It deserves our attention, and ought to be replicated in every city in the country. Hopefully, ways will be found to expand the program's resources so that it can reach even more citizens than it presently does. The reports on the Detroit Anti-Hunger program of the American Friends Service Committee (421 Drexel, Detroit, Mich. 48215) follow:

DETROIT HONORS JEFFERSON CHALMERS YOUTH

(By Andrew Walden)

On October 13th, 11 young food activists were saluted by the City of Detroit Common Council "For significant achievements in making Detroit a better community in which to live."

The youths are interns in community service with the American Friends Service Committee Detroit Anti-Hunger Program at 421 Drexel (St. Martins Parish House).

As part of their internship the racially mixed cross cultural group canvasses whole blocks stopping and talking to people about food stamps, where to get food and medical treatment, they also pass out a comparative shopping sheet which lists the prices from 10 area supermarkets. For some residents that are unable to get to the store to shop the interns do a shopping service, where they take a list of what the person wants and his/her money go do the shopping and bring back the food and change.

They have also helped many Detroit food co-ops both individually and as a group including the delivery of 2300 lbs. of watermelons and on another occasion they both picked and delivered 350 lbs. of strawberries. On October 17th, they walked in the Focus: Hope Walkalong.

Marge Bursie the director of the program and George Covintree the Coordinator both are proud of the interns and their work. Ms. Bursie stated "In a time when the media and the city officials have paid too much attention to disruptive youths we are proud to show that many of the city's young people care about themselves and others. Their work goes on daily and with little acclaim.

Councilwoman Maryann Mahaffey presented the interns with the city's Distinguished Service Award. The ones that received the award are: Teena Williams, Liliana Mina, Malcolm Richmond, Michelle Fleming, Mary Kay Henry, Andrew Walden, LaMarr Kirkland, India Tiller, Donna Shavils; Kevin O'Donnell and Margaret Crawford.

Other interns that have just recently joined the group are: Sharon Stencil, Brenda Johnson, John Jagelewski, and Jim Anderson.

AMERICAN FRIENDS SERVICE COMMITTEE
INTERNS IN COMMUNITY SERVICE

Our interns do quality checks in neighborhood inner-city stores. In our quality check we look for things which every consumer expects, such as overall cleanliness and condition of the store, quality and freshness of produce and meats.

The following is a list of complaints against ONE store in our neighborhood compiled by John Jagelewski and Liliana Mina, in July and October, 1976.

1. There were beer boxes in the middle of the floor.

2. The door on the beverage cooler was missing.

3. The freezer case was filthy.

4. There were open meat packages. Some with freezer burns in the meat depth. Strong odors!!!

5. There was a cooler off in a corner, full of freezer burned meat: of note: a package of cow tongue with green fungus over it. All of this meat was for sale at full price!!!

6. Frozen liver was defrosted.

7. Temperature gauge was broken in the fish freezer.

8. There were flies in the fish and dairy cases.

9. Boxes of imported fish were broken open.

10. In another freezer frozen pies were smashed and crumpled. Boxes open.

11. There was no thermometer in the juice cooler.

12. Orange juice cans, bent and leaking!!!

13. Spoilage in the juice cooler.

14. The floors were filthy!!! The worst we've seen.

This report was called in to the Department of Agriculture, Oct. 19, 1976. They informed us they will inspect the store with us next week.

The interns and A.F.S.C. filed a complaint against this store with the Detroit Department of Health. They gave an inspection and found 67 demerits out of 100, chief among these was operating without a license and a food handlers permit. Other included offensive odors, flies, floors filthy and in need of repair, thermometers lacking in refrigerator and freezer units, refrigerator units filthy, and lack of sanitary areas for food storage and preparation.

Liliana and John spoke with the owners about the poor condition of the store. The blame was placed on the stock boys. On speaking with the 3 stockboys the interns were told that the store manager was inexperienced. The stockboys stated that they are ordered to keep stacking and not to throw anything away!

Out of 96 there are only 11 health inspectors to inspect all of the stores in the Detroit area. It is impossible for these 11 to do this job that is required.●

WORLD OIL PRODUCTION

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. GORE. Mr. Speaker, on March 1, 1979, I released a report completed by the Library of Congress which concluded that, despite the Iranian oil shutdown, world oil production has remained virtually the same during the first quarter of 1979 as it was during the first three quarters of 1978. The study was based on best guess estimates of first quarter world production.

DOE's administrator of the Energy Information Administration has now provided the most recent update of actual world production figures in a March 21 memo to Deputy Secretary John O'Leary. The memo, based on CIA figures, shows that the Library of Congress estimates were actually slightly conservative but amazingly accurate. OPEC production for January and February of 1979 was up 800,000 barrels over the comparable period in 1978. Non-OPEC production was up about 2 million barrels per day over the 1978 period, yielding a total world production increase of over 2.8 million barrels per day.

It is true of course that some of the oil production increase would be due to an increase in Communist production which should not be included in a free world supply analysis. DOE's International Affairs Office provided me with figures for free world oil production which supported the recent CIA figures. According to staff at the IA office, free world production in the first three quarters of 1978 averaged 45.5 million barrels per day compared with 47.4 million barrels per day for the first quarter of 1979. The increase in production of 1.9 million barrels per day is also supported by figures in the March edition of the Oil and Gas Journal which indicated that the increase in free world production was 2.4 million barrels per day.

Mr. Speaker, as we begin discussions of domestic crude oil policies, it is critical that we gain an accurate assessment of the current oil "shortfall." I hope my colleagues will look closely at the March 21 memo from Lincoln Moses to John O'Leary and the Sunday Washington Post story by J. P. Smith which analyzed the memo.

DEPARTMENT OF ENERGY,
Washington, D.C.

INFORMATION MEMORANDUM

To: John F. O'Leary.
From: Lincoln E. Moses.
Subject: Figures on World Crude Production.

Here are figures on world crude production. They are from CIA.

Note:

1. I was wrong about world oil production, which these figures show to be above January and February of 1978 (though down from the last two months of 1978).

2. The columns are in pairs, ordered by month, November, thru December, etc.; in each case 1978 is followed by 1979 (Table 1).

3. OPEC production in the first two months of 1979 has been slightly higher than in the same period of 1978; non-OPEC production, which is shown only implicitly, has been appreciably higher in January-February 1979 than in January-February 1978.

	Total	OPEC	Non-OPEC
January/ February '78..	57, 317	27, 851	29, 466
January/ February '79..	60, 142	28, 638	31, 504

4. The increase in non-OPEC oil between the two periods is 2,038, that is large, but not unbelievable; in November 1977, the figure was 28,790 and thirteen months later it was 31,580—an increase of 2,790.

TABLE 1.—CRUDE OIL PRODUCTION (ESTIMATED)

[Thousands of barrels per day]

Country	November 1977	November 1978	December 1977	December 1978	January 1978	January 1979[1]	February 1978	February 1979[1]	Maximum sustainable capacity (December 1978)
Algeria	950	1, 230	950	1, 230	950	1, 230	1, 000	1, 230	1, 300
Iraq	2, 850	3, 100	2, 900	3, 100	2, 000	3, 100	2, 300	3, 100	3, 100
Kuwait	1, 890	2, 650	2, 670	2, 100	1, 720	2, 620	1, 730	2, 600	2, 900
Libya	2, 080	2, 100	1, 960	2, 200	1, 890	2, 170	1, 910	2, 160	2, 300
Qatar	480	480	470	580	450	550	480	550	600
Saudi Arabia	8, 930	10, 250	9, 620	10, 320	7, 740	9, 790	8, 340	9, 800	10, 700
UAE	1, 930	1, 830	2, 000	1, 850	1, 740	1, 830	1, 880	1, 820	2, 350
Arab OPEC	19, 110	21, 640	20, 570	21, 380	16, 490	21, 290	17, 640	21, 260	23, 250
Ecuador	180	200	200	210	180	250	170	250	230
Gabon	230	220	230	220	220	220	220	220	230
Indonesia	1, 710	1, 590	1, 720	1, 590	1, 700	1, 600	1, 710	1, 600	1, 700
Iran	6, 090	3, 490	6, 380	2, 370	5, 290	450	5, 530	700	6, 600
Nigeria	1, 920	2, 280	1, 850	2, 400	1, 640	2, 440	1, 570	2, 450	2, 400
Venezeula	2, 070	2, 250	1, 960	2, 350	1, 780	2, 260	1, 620	2, 300	2, 400
Total OPEC	31, 310	31, 670	32, 910	30, 520	27, 300	28, 510	28, 460	28, 780	36, 810
Canada	1, 448	1, 520	1, 447	1, 540	1, 237	1, 540	1, 298	1, 540	1, 800
Mexico	1, 030	1, 330	1, 080	1, 370	1, 110	1, 420	1, 120	1, 420	1, 500
Total World	60, 100	62, 908	62, 100	62, 100	56, 700	60, 000	58, 000	60, 300	

[1] Estimates for January 1979 and February 1979 were obtained from International Affairs and CIA.

TABLE 2.—WORLD CRUDE OIL PRODUCTION (ESTIMATED)

[Thousands of barrels per day]

	Total	Arab OPEC	Non-Arab OPEC	Total OPEC	Total OPEC, Canada, and Mexico	Difference, World OPEC
October 1977	59,195	18,280	11,900	30,180	32,450	29,015
November 1977	60,100	19,110	12,200	31,310	33,788	28,790
December 1977	62,100	20,570	12,340	32,910	35,437	29,190
January 1978	56,700	16,490	10,810	27,300	29,647	29,400
February 1978	58,000	17,640	10,820	28,460	30,878	29,540
March 1978	58,300	17,070	11,230	28,360	30,830	29,940
April 1978	59,470	17,440	11,500	28,940	31,230	30,530
May 1978	58,420	16,590	11,570	28,160	30,510	30,260
June 1978	58,900	17,130	11,910	29,040	31,740	29,860
July 1978	59,480	17,200	12,100	29,300	31,690	30,180
August 1978	60,250	17,550	12,070	29,620	32,170	30,630
September 1978	62,660	19,560	12,445	32,005	34,535	30,650
October 1978	62,870	20,110	12,000	32,110	34,800	37,765
November 1978	62,908	21,640	10,030	31,760	34,520	31,238
December 1978	62,100	21,380	9,140	30,520	33,430	31,580
January 1979	[1] 60,000	21,290	7,220	28,510	31,470	31,490
February 1979	[1] 60,000	21,260	7,520	28,780	31,740	31,520

[1] Preliminary estimate.

Source: Central Intelligence Agency, National Foreign Assessment Center, International Energy Statistical Review, Monthly Energy Review.

[From the Washington Post, Apr. 1, 1979]

DESPITE IRAN LOSS, OIL OUTPUT TOPPED EARLY 1978 LEVEL

(By J. P. Smith)

Despite the Iranian oil shutdown oil production worldwide was higher during the first two months of this year than in January and February of last year, according to the Central Intelligence Agency.

In addition to Energy Department documents drawing on CIA statistics, oil production from the Organization of Petroleum Exporting Countries (OPEC) rose from 27.9 million barrels a day in 1978 to 28.6 million barrels a day this year, even though Iran, formerly the cartel's second-largest producer, was exporting no oil.

Energy Secretary James R. Schlesinger has said repeatedly that the drop in production resulting from the Iranian revolution caused a world oil shortage of 2 million barrels a day—with a half-million barrels a day or more of that shortfall affecting the United States.

According to a DOE memo, however, government analysts conclude that during the first two months of this year, worldwide production (including OPEC) was 60.1 million barrels a day compared with 57.3 million, barrels a day last year.

Similarly, oil production from countries outside the oil cartel rose from 29.4 million during the first two months of 1978 to 31.5 million barrels a day this year.

While in the past some CIA oil analyses have been questioned, the Energy Department relies on the agency's statistics for its calculations of worldwide oil production.

In a memo to Deputy Energy Secretary John F. O'Leary citing CIA-statistics, Lincoln Moses, head of the DOE's Energy Information Administration said. "I was wrong about world oil production, which these figures show to be above January and February of 1978."

In the memo, a copy of which was obtained by The Washington Post, Moses adds that production went down in January and February when compared with the last two months of 1978. There was a similar drop during January and February last year, compared with the year before.

Moses also wrote that non-OPEC production "has been appreciably higher" this year compared to 1978's first two months. "The increase in non-OPEC oil between the two periods is 2 (million barrels a day), that is large but not unbelieveable" Moses wrote.

He also pointed out that non-OPEC production rose 2.7 million barrels a day in the 13-month period following November 1977 to its current level. This increase was the result of stepped-up production from the North Sea, Mexico, Canada, and some Third World states.

Since January 1977 Arab OPEC production rose from 16.4 million barrels a day to 21.2 million barrels a day in January this year, while the output of the cartel's non-Arab producers declined from 10.8 million barrels a day to 7.2 million barrels a day in January. Non-Arab production has since begun to rise. The total increase in OPEC second-leading producer—Kuwait, production resulted from higher output from Iraq—now the cartel's Saudi Arabia, Venezuela, and Nigeria.

On Friday Schlesinger defended his department's shortage estimates on Capitol Hill. Also, he told the National Association of Manufacturers in a breakfast speech that continuation of the projected shortage, would depend largely on "whether production will be cut back" by other OPEC countries as Iran increases its output.

Iran is now producing nearly 3 million barrels a day, compared to more than 5.5 million when the shah was in power.

Some international oil analysts, however, question DOE's interpretation of oil production and inventory data.

One, Bruce Wilson of Smith, Barney, Harris, Upham, says, "If you look at the numbers there probably was no shortage in excess of 1 million barrels a day worldwide."

He adds that "Schlesinger has tried to rationalize a larger shortage," saying that because of higher prices and profits available in Japan and Europe major oil companies have shifted some of their supplies there instead of to the United States.

Energy Department officials now concede that world production has gone up this year compared to last year even though Iran was shut down for more than 2 months. But they stick by their assessment that there is still a 2 million barrel a day shortage because of higher demand.

The Central Intelligence Agency's energy forecasts have sparked controversy in the past. The CIA's 1977 forecast of a world oil shortage triggered by anticipated declines in Soviet oil production, as well as the agency's published data in 1978 on Saudi Arabia's productive capacity, were both challenged by oil experts.

Schlesinger and John Treat, one of DOE's leading international oil specialists, say that the shortage will continue unless production remains high enough to allow oil companies to rebuild inventories during the spring and summer.

Still another factor is oil consumption.

Albert H. Linden Jr., assistant administrator of DOE's Energy Information Administration, says that demand for oil this year is running about 3 percent in excess of last year's consumption level.●

TRIBUTE TO JOE BARTLETT

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. MURPHY of Illinois. Mr. Speaker, I want to join my colleagues in paying tribute to Joe Bartlett, who retired after serving as one of this body's most well-liked and well-respected employees.

Few know this House, or love this House, as much as Joe did. First starting as a page, Joe worked his way up the ladder to chief page, reading clerk and finally, minority clerk. The experience he gained during his 37 years here gave him a unique perspective that was fascinating to all of us. Though Joe worked on the other side of the aisle, he was always extremely thoughtful toward those of us on the majority side.

Mr. Speaker, I wish the very best to my good friend Joe Bartlett, along with his wife Jinny and family. May he enjoy life to the fullest as he pursues his interests outside this body.●

CONGLOMERATE MERGERS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. PICKLE. Mr. Speaker, "Conglomerate Mergers—A Threat or a Blessing?" This is a problem that has been worrying a lot of us for some time. It appears to me that the big are getting bigger and there is not enough way to protect our small businesses. Apparently the antitrust laws do not seem to work since many of these mergers are between companies in unrelated fields. Yet the effect to economic concentration may be a threat to small businesses who have no way to fight back. Further, we do not yet know what implications this may have on the future lessening of competition. This is a problem that needs further study. Senator EDWARD KENNEDY has introduced a bill, S. 600, that would limit the ability of two companies to merge, prohibiting under certain circumstances, those with assets or sales of more than $2 billion. They will be having hearings in the Senate on this soon. I know that no one welcomes further Government intervention in business, but this is a problem that needs careful thought. I would like to submit an article that appeared in National Journal on March 24, 1979, on this subject.

The article follows:

CONGLOMERATE MERGERS—A THREAT OR A BLESSING?

(By Lawrence Mosher)

When Mobil Corp., with assets of $10.7 billion, acquired the Montgomery Ward retail chain by buying its parent company, Marcor Inc. (assets $2.8 billion) in 1974, there were palpable gasps in the federal antitrust establishment.

When General Electric Co. (assets $9.4 billion) purchased the mining company, Utah International Inc. (assets $909 million) two years later, the gasps turned to groans.

Why the respiratory excitement within the Justice Department and the Federal Trade Commission (FTC)? To antitrust officials and such Capitol Hill allies as Sen. Edward M. Kennedy, D-Mass., and Rep. Peter W. Rodino Jr., D-N.J., these mammoth corporate mergers signaled an ominous turn in the nature of the American economy.

The big are getting bigger. More power is flowing through fewer hands, or so it looks. So the trustbusters are now asking whether the spurt of large conglomerate mergers is marching the country irrevocably away from its historic "Jeffersonian preference for dispersed power," as FTC chairman Michael Pertschuk put it in testimony on March 8 to the Senate Judiciary Committee.

The committee that day began a new round of hearings on the conglomerate merger phenomenon and what to do about it. The hearings, which will conclude in April, launched a long-awaited public debate that could trigger the most radical change in the government's antitrust posture since the founding Sherman Antitrust Act of 1890 and its later companion, the Clayton Act of 1914.

To prod the process, Kennedy, who became Judiciary Committee chairman in January, introduced a bill (S 600) that would flatly prohibit such mergers as Mobil-Marcor and GE-Utah and make merging more difficult for hundreds more of the nation's top corporations.

One reason for the current push to control large mergers is that the government's antitrust agencies have virtually given up on the traditional antitrust route to attack the conglomerates. Federal anti-merger laws cannot reach the big "pure" conglomerate mergers—between companies in unrelated fields, such as Mobil-Marcor—and they have become increasingly ineffective in dealing with the less pure mergers between companies that may overlap in market or product.

Last year, 2,106 mergers of all kinds were announced, 80 of them with a purchase price of more than $100 million. This represents a 95 percent increase from the year before, and a 471 percent increase from 1975.

The total purchase value of all reported mergers also shot up dramatically last year, well ahead of the inflation rate. Mergers totaled $34.2 billion in 1978, compared with $11.8 billion in 1975.

Antitrust officials concede that they are abandoning the economic argument of reduced competition in going after the big mergers. They now seek to pin their case on the more subjective social and political dangers they say the big mergers pose.

John H. Shenefield, assistant attorney general for antitrust, put the department's case this way in testifying before Kennedy's committee on March 8:

"We are faced in this country with a serious, fundamentally disturbing pattern of economic concentration, a pattern of which giant corporations are a part, a pattern which carries with its social, political and competitive threats inconsistent with the nation's fundamental democratic precepts.

"We perceive these apparent dangers, yet feel constrained in reacting to them by a lack of precise measure. And so our choice is, essentially, whether to watch and wait and hope that proof positive will somehow develop, or to act now in defense of the values of diversity on which our economy and our entire society are founded. I believe we have waited long enough."

Shenefield concluded: "When our founding fathers said, 'We hold these truths to be self-evident,' nobody said, 'What is your data?' "

DATA BASE

The battle over the data, however, is crucial.

The essential argument for restricting larger mergers rests on two points: that the aggregate economic concentration of business in the country is too high; and that the recent flurry of mergers—there was another spate of them in the 1960s—is a significant cause of this concentration.

In his testimony to the Senate Judiciary Committee, Alfred F. Dougherty Jr., director of the FTC's Bureau of Competition, cited several studies by the FTC and private economists that link mergers to aggregate concentration. The Conference Board, for example, has charted the rise in the share of total manufacturing assets held by the country's 200 top manufacturers from 46 per cent in 1947 to 51 per cent in 1954 and 61 per cent in 1972.

Other studies conclude that "acquisitions alone" accounted for most of that rise, Dougherty said.

Although current statistics on economic concentration are not available, the level of concentration in the manufacturing field appears to have stabilized, according to William S. Comanor, director of the FTC's Bureau of Economics. But, as FTC chairman Pertschuk put it to the committee, "This growing wave of large mergers, which may not dissipate in the near future, concerns us principally because it increases the rate of large firm growth and retards declines in aggregate concentration."

Critics of the anti-merger movement however, question both whether the government's statistics are significant and whether mergers have had a particular effect on aggregate concentration.

J. Fred Weston, a professor at the University of California (Los Angeles) Graduate School of Management, challenges the assumption that measuring the share of manufacturing company assets held by the top firms adequately describes the extent of overall economic concentration in the United States. Weston, who hopes to testify at a subsequent Senate Judiciary Committee hearing, said manufacturing companies account for only 28 percent of the business assets of the entire economy.

"When Ralph Nader testified at an earlier Kennedy hearing, he said a democracy won't work well when 200 firms control two-thirds of the industrial assets," Weston said. "But if manufacturing only represents 28 per cent of the economy, then 23 percent of that two-thirds would come to 19 per cent, which is quite a bit different than what Nader implied."

Weston added that the capital-intensive nature of the largest industrial companies further distorts the significance of measuring by total assets. He suggested that "value added"—the difference between a product's cost and its selling price—contains less bias. (Even on this basis, however, the 200 largest manufacturers increased their share from 30 per cent in 1947 to 43 per cent in 1972, according to the Conference Board.)

"No one has ever shown that aggregate concentration results in anything," Weston argued.

"In one study I made, I looked at the top 100 corporations and found that 53 were from six industries (auto, steel, petroleum, aerospace, chemical and electrical products). This suggests some industries require large firms. And this is not peculiar to the United States. It's the nature of modern economic life in all developed countries. And if you take restrictive action against American companies, you are just going to handicap them in their race against their counterparts abroad."

At the March 8 hearing, Sen. Orrin G. Hatch, R-Utah, pointed out that most of the rise in manufacturing economic concentration took place well before the higher merger activity of the 1960s. Hatch argued that there is little connection between mergers and concentration.

Regardless of how this argument ends, proponents of a law limiting mergers still insist that the new wave of conglomerate mergers is fundamentally different from the wave of the 1960s.

In his lengthy brief presented to the Judiciary Committee, the FTC's Dougherty described the earlier merger period as one of "industrial" capitalism, when "high-flying conglomerateurs" bought growth-oriented companies with low profits and high expectations.

Today's mergers, he said, represent "financial" capitalism, with large conglomerates engaging in "growth by acquisition" by picking up mature, well-managed firms instead of starting new ventures of their own. This practice, he asserted, produces little or no economic benefit to anyone except the acquiring company's executives (boosted salaries, "perks" and egos), the shareholders of the acquired companies and the bankers and lawyers who facilitate the mergers.

"In many cases," Dougherty said, acquisitions are developed by investment bankers and advisers, who then offer to acquisition-minded companies both the idea and the services of the investment firm. Fees in large, complex transactions are often in excess of $1 million, and may run as high as the $6.3 million required to engineer J. Ray McDermott Co.'s $758 million acquisition of Babcock & Wilcox Co." McDermott is a marine contractor, Babcock makes boilers.

"Totally unsupportable!" is New York antitrust lawyer Ira Milstein's reaction to the suggestion of merger make-work. "Mergers are made for sound, commercial reasons for the company's well being," he insisted in an interview.

Milstein and other opponents of anti-merger legislation cite the under-valued stock market and continuing inflation as the primary causes of the current merger boom. Speaking for the Business Roundtable, Thomas S. Thompson, vice president for corporate affairs at Continental Group, explained to *National Journal*:

"You can now buy assets at 25 to 30 per cent of replacement value. This is the best investment a company can make. But this also is a phenomenon of the moment, due to the impact of government policy.

"If we would turn around and straighten out our inflation with a vigorous balance-the-budget attitude, if we had a forceful energy policy, then confidence would return and the market would reflect the true value of replacement costs.

"So this issue is very complex. If Shenefield and Pertschuk think they can solve everything by limiting mergers, then they are either very naive or very uninformed."

THE LEGAL PROBLEM

The government's trustbusters, however, see legislative action as the only remaining way to tame the conglomerates.

The term, according to Joseph P. Bauer, a law professor at the University of Notre Dame, was originally used to describe mergers between two companies whose fields of business were completely unrelated. But to antitrust officials, the conglomerate merger has become a frustrating combination of "nots."

It is not a horizontal merger, such as between two companies that sell in the same market—two shoe companies that do business in the same town, for example.

It is not a vertical merger, such as between two companies that engage in a buyer-seller relationship. An example is a shoe manufacturer that sells to a shoe retailer.

These are the two types of corporate mergers that the government has most vigorously contested. But these mergers accounted for only 28 percent of all large industrial mergers from 1951 to 1977. The rest were conglomerate mergers that did not fit easily under the antitrust statutes. During this period, the government contested barely 2 percent of all conglomerate mergers.

Today, according to the FTC, conglomerate mergers represent 80 to 90 percent of all industrial merger activity, measured by assets, compared with 38 percent in 1950. And one reason for this shift, ironically, is the 1950 Celler-Kefauver Act (64 Stat 1125), which tightened the antitrust laws.

The government's primary anti-merger tool is the Clayton Act of 1914 (15 USC 12 *et seq.*) which outlaws mergers that act "substantially to lessen competition." But until 1950, merging corporations could evade the Clayton Act by arranging acquisitions through the sale of assets, which turned the acquired company into a "shell." The Clayton Act applied only to stock acquisitions. The Celler-Kefauver Act plugged that loophole.

Since 1950, the government's antitrust agencies have sought court support in attacking conglomerate mergers that raised the possibility of a future lessening of competition. But as Shenefield has noted, the courts' "mixed reviews" have made this "a very difficult theory to use."

In attempting to show an anticompetitive result in conglomerate mergers, the government has developed three arguments: that the acquiring company otherwise would have entered the market of the company it acquired (potential entrance); that the acquired company's competitors would be overwhelmed (entrenchment); or that the two merged companies would engage in reciprocal dealings to the disadvantage of competitors (reciprocity).

But court rulings have generally not supported the entrenchment and reciprocity theories. And, in a key 1974 Supreme Court case (*U.S.* v. *Marine Bancorporation Inc.*), the Court set standards of proof for potential entrant cases that continue to intimidate the government.

The proposed merger (state regulations eventually killed it) involved Marine Bancorporation's purchase of the Washington Trust Bank of Spokane, Wash. Washington Trust was the third largest bank in Spokane, while Marine's subsidiary, the National Bank of Washington, operated 11 branches in the state but none in Spokane.

The case was an example of a less "pure" conglomerate merger because the companies' activities were not entirely unrelated. They operated in different markets, but both were banks. The anticompetitive test was whether the Marine bank would have opened its own branch in Spokane.

But the Court ruled that the government, to block the merger, had to show that Spokane needed another bank, that Marine would have opened its own branch there, and that the new branch would succeed. Under these standards, the merger would have been allowed because the government could not offer sufficient proof.

Since then, the government has not won a single litigated conglomerate merger case. The box score from 1964 through 1977 for the government is 11 cases won, 22 lost, and 12 of those losses occurred since 1974.

The most recent surge of large conglomerate mergers is now causing antitrust officials to throw up their hands in despair. "Under the present law, we have no basis even to open a preliminary investigation," said a Justice Department antitrust official.

Last year, for example, the department "looked at" 1,479 mergers, investigated 91 and filed actions against 8. Three of these were classified as conglomerate: United Technologies Corp. and Carrier Corp.; Occidental Petroleum Corp. and Mead Corp.; and Consolidated Foods Corp. and Chef Pierre Inc.

The United Technologies case is still in court, Occidental gave up and Consolidated has won in U.S. district court.

Antitrust officials call the merger cases they don't even bother to investigate "pure" conglomerates. The acquisition last year of Pet Inc. (assets $488 million) by IC Industries Inc. (assets $2.6 billion) is a good example of a pure conglomerate merger that is contributing to the new big-merger boom.

Pet sells canned milk, pastries, dairy products and candy, and operates a chain of liquor stores. IC Industries runs a railroad, makes auto brakes, rail switches and hydraulic pumps, and sells Midas mufflers and Dad's Root Beer, among other soft drinks.

The IC Industries-Pet merger is so "pure," it is well beyond the reach of the law. The question now is, so what?

ADVOCATES OF CHANGE

The Kennedy bill and the proposals from the Justice Department and the FTC would either prevent or limit the biggest mergers. Under the Kennedy bill, the very big—those involving companies with assets or sales of more than $2 billion each—would simply be banned.

Another tier of mergers could go forward only if competitive or economic benefits could be proved. The FTC version would allow big mergers if the buyer sold off businesses equal in value to the company acquired.

THREE PLANS TO LIMIT MERGERS

There's more than one way to skin the conglomerate cat, say critics of the current merger trend.

Sen. Edward M. Kennedy, D-Mass., at the opening of hearings before his Judiciary Committee on March 8, introduced his own bill (S. 600) to curb large conglomerate mergers called The Small Business Administration Act, and President Carter, while withholding support of any legislation, has allowed the Justice Department's Antitrust Division to propose a milder alternative.

The Federal Trade Commission (FTC) also presented its scheme to the Judiciary Committee. All three versions would limit mergers by size rather than by their anticompetitive effect. Following are the three proposals and their estimated impact on business.

Kennedy bill

Two companies with assets or sales of more than $2 billion each could not merge at all. This would cover the nation's top 128 industrial corporations, according to the 1977 *Fortune* 500 list.

Companies with assets or sales of more than $350 million each could merge only if they showed that the merger would enhance competition or produce "substantial efficiencies," or if the acquiring company sold subsidiaries equal in assets or sales to those of the acquired company.

The same rule would also apply to any company with assets or sales of more than $350 million that sought to merge with a smaller company controlling 20 per cent or more of a "significant market"—one with $100 million or more in annual sales in which four companies control 75 per cent of sales.

The Judiciary Committee's staff director, David Boies, estimates that up to 900 companies would be covered by the entire bill. "To be absolutely precise is very, very hard," he said, because "it's a moving target with mergers and spinoffs going on all the time."

Justice proposal

There would be no outright ban on mergers.

Companies with assets or sales of $100 million or more whose combined assets or sales total $2 billion or more could merge if they showed that the merger would enhance competition. The same rule would also apply to a company with assets or sales of $1 billion or more that sought to acquire a company controlling 20 per cent or more of a "concentrated market."

Justice officials estimate that 242 companies would be affected by the $2 billion limitation. No information is available on the proposal's total impact.

FTC plan

Companies with combined assets and sales averaging $2 billion or more could merge only if the acquiring company sold subsidiaries whose value equaled that of the acquired company.

Alfred F. Dougherty Jr., director of the FTC's Bureau of Competition, said this proposal would provide more flexibility for business and less administrative and court costs for government.

A precise measure of the proposal's impact is not available. In the hypothetical case in which the acquired company's assets are $100 million, the 1977 *Fortune* 500 industrials list includes 253 companies with assets above $1.9 billion. Thus some 250 companies could be covered.

In launching his bill, Kennedy pulled together a varied constituency in support of the notion that the managers of conglomerates, for whatever reasons, are no longer as accountable as they should be.

Organizations supporting some form of merger control are the Consumer Federation of America, the National Small Business Association, the United Mineworkers of America, Congress Watch and the National Grange. Adm. Hyman G. Rickover Jr., the Navy's nuclear propulsion expert, and William Norris, board chairman of Control Data Corp., also testified in favor of legislative action.

The FTC's Dougherty attempted to use academic studies to document the charge of undue political power in the hands of big business. Example: economists Lester Salamon and John Siegfried, in their 1977 study, "Economic Power and Political Influence: The Impact of Industry Structure on Public Policy," concluded that "larger firm size does seem to yield greater political power."

Dougherty also cited Columbia University Law School's Harlan Blake, who holds that the big conglomerates enjoy "one of the most potent economies of scale" in their ability to lobby government. To illustrate, Dougherty noted General Motors Corp.'s successful letter campaign to 1.3 million shareholders, 13,000 dealers and 19,000 suppliers in getting And there were other anecdotes:

Ralph Nader reported that after Mobil acquired Montgomery Ward, the retail company's "strong support" for a consumer protection agency vanished. Rickover, citing his 40 years of dealing with defense contractors, told how a Washington lobbyist representing a large conglomerate tried to block his reappointment, even by telephoning the Secretary of the Navy while Rickover was in his office.

"If merger madness continues at its current rate, today's *Fortune* 500 will be shriveled down to the *Fortune* 5," quipped Kathleen F. O'Reilly, executive director of the Consumer Federation of America.

Control Data's Norris, whose company ranked 170th on *Fortune's* list of the 500 largest industrial firms for 1977, spoke of another perceived evil of large conglomerate mergers—the harm to innovation. Said Norris, who has been on both sides of the merger game: "It is not generally understood that smaller companies are the best innovators, that they originate a majority of new products, processes and services that provide new jobs. Immediately after a takeover, an innovation-stifling process sets in."

Norris, who objects particularly to forced takeovers, did not endorse the Kennedy bill but suggested instead a procedure that would require a "premerger social impact analysis" giving stockholders the right to decide whether or not to merge.

It is not all clear what form the final bill will take when it leaves the committee. Both Kennedy and Sen. Howard M. Metzenbaum, D-Ohio, chairman of the Antitrust and Monopoly Subcommittee, said the hearings' purpose is to generate a consensus.

TABLE 1.—*The big ones get bigger. (Industrial corporations with assets over $1 billion, in 1977 dollars)*

	$1 billion	$5 billion	$10 billion
1955	65	8	2
1970	152	22	10
1977	193	26	12

Source: Federal Trade Commission.

Passage of any anti-merger bill this session was hurt, however, when President Carter backed away from the issue earlier this year. The President had planned to mention anti-conglomerate legislation in his January State of the Union address, but deleted it after Stuart E. Eizenstat, his domestic affairs assistant, received a letter from the National Association of Manufacturers (NAM) strongly opposing any merger controls. The NAM's general counsel, Thomas J. Houser, argued in the letter than an anti-merger law could worsen inflation and make American products less competitive abroad.

On the eve of the Kennedy hearings, Administration officials announced that Carter was withholding support of the Justice Department's anti-merger proposal, which had been circulating throughout the Administration for several months, but allowing Justice to testify on its own. In doing this, Carter sidestepped an Administration split over the issue, at least temporarily. The Treasury and Commerce Departments, along with the Office of Management and Budget, object to the Justice Department proposal.

TABLE 2.—*The Federal merger challenge. (Large industrial mergers, 1951–77)*[1]

	Number	Combined assets (billions)	Challenged by Federal Government
Horizontal and vertical	663	$36	152 (22.9%)
Conglomerate	1,669	84	38 (2.3%)
Total	2,332	120	190 (8.1%)

[1] Acquired company had assets of more than $10 million.

Source: House Judiciary Committee.

Without strong White House support, passage of any anti-merger bill appears unlikely. The issue is too muddied by lack of data and a split in academic views, and the committee may be too burdened with pressing legislative proposals to deregulate the trucking, rail and insurance industries.

Rodino's House Judiciary Committee has conducted some preliminary studies but has not yet scheduled any hearings. At this point, the initiative rests with the Senate panel.

"This is going to have to be a propaganda job," admitted a Senate committee aide. "We have to convert public distrust of big government to big business, but it's hard to know where our constituency is. Our problem is that these same people don't trust the government to do anything about it, either." ●

TO BALANCE OR NOT TO BALANCE

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. STARK. Mr. Speaker, those of us in Washington representing our people back home in Congress have heard the word—the people want a balanced Federal budget. Many of us believe that the idea of a balanced budget cannot be separated from the people's determination to stop inflation dead in its tracks even though we know there are many other factors causing inflation. The people want inflation controlled and they want this Congress to do it now.

Some of us also recognize the harm that can come from writing an economic theory into our Constitution. We oppose the idea of a constitutional amendment that would mandate a balanced budget. The call for a constitutional convention to achieve such an amendment is a ridiculous proposal that ignores over 200 years of experience with our present constitutional system.

The constitutional question aside, a balanced budget is an important goal to be pursued now. By using the relatively new congressional budget procedures we have made progress in the right direction in the past 2 years. We can achieve fiscal responsibility without the straitjacket of a constitutional amendment by eliminating waste and inefficiency and by ending outmoded Government programs and unfair tax policies.

Two eminent economists, both advisers of Presidents on economic issues and both distinguished professors of economics recently contributed thoughtful articles to the editorial page of the Wall Street Journal. On Friday, March 16, Walter W. Heller wrote "Balanced Budget Fallacies." The preceding Monday, March 12, Herbert Stein contributed "To Balance or Not to Balance."

These essays are important contributions to the national balance-the-budget debate now going on. They ought to receive wide circulation.

Mr. Heller concludes his article with the following words:

> Given that the constitutional approach is unwise, unworkable and unworthy of democratic self-government, one hopes that the White House and Congress will work out a statutory solution that will be responsive to the public will without imposing destructive shackles on their ability to govern.

We here in Congress must turn Mr. Heller's hope for responsible—and responsive—congressional action into a reality. Inflation is the major enemy and we must be determined to halt it.

The articles follow:

BALANCED BUDGET FALLACIES

(By Walter W. Heller)

In an era of dissatisfaction with big government, high taxes, and stubborn inflation, it is not too surprising that the Gallup Poll shows a six-to-one majority favoring a balanced-budget amendment to the Constitution. And it must be a strong temptation for elected officials—if they want to be re-elected—to do a Jerry Brown and embrace such a proposal.

But this is one case where the majority is simply wrong—not in seeking some curbs on government, for that is their inherent right in a democracy—but in seeking to do so by putting the federal government in a fiscal straitjacket. This is a clear-cut case where responsible political leadership consists in leading voters out of the valley of error and seeking better and sounder ways to achieve their goals.

Since the major thrust for the balanced-budget amendment (and some of its half-siblings) comes from a misinformed public, it may be useful to examine some of the fiscal fallacies that seem to underlie public thinking on this subject.

Fallacy Number One: "Individuals, families, and households have to run a balanced-budget—so why shouldn't Uncle Sam?" People forget that typically when they buy a car or a boat, or, most obviously, a house, they are doing anything but running a balanced budget. At times, they run deficits—often huge deficits—relative to current income. So they are asking Uncle Sam to adhere to a rigid and austere standard that they don't observe themselves.

Fallacy Number Two: Closely related to the first fallacy is a second one that runs something like this: "We consumers (homeowners, corporations) pay back our debts, but Uncle Sam just keeps piling up his debts without end."

The surprising—to some even jolting—truth is that in the period since World War II, the federal debt has been the slowest growing major form of debt. As the following table shows, the federal debt today is less than three times the size it was in 1950, while consumer installment debt is nearly 14 times, mortgage debt 16 times, corporate debt 12 times, and state-local debt 13 times.

Even with the unprecedented run-up of federal debt in the face of two recessions in the 1970s, the doubling of that debt since 1970 is just about matched by the rise of state-local debt, while corporations, consumers, and homeowners have expanded their debt at a considerably faster rate than Uncle Sam.

Postwar growth of major forms of debt

[In billions]

Type of debt	1950	1978	Ratio of 1978 to 1950
Consumer installment	$22	$299	13.6
Mortgage (1–4 family homes)	45	732	16.3
Corporate (non-fin'cl)	71	834	11.7
State-local	22	[1] 390	13.2
Federal (in hands of public)	217	611	2.8
GNP	288	2,110	7.4

[1] Estimate.

Sources: "Economic Reports of the President"; "Economic Indicators"; Federal Reserve System Flow-of-Funds estimates.

None of this is meant to justify the present level of federal deficits or debts nor to suggest that the federal debt poses no problems. But the foregoing figures do serve to put the federal debt in perspective.

Fallacy Number Three: "State and local governments have to live by the balanced-budget rule, so why shouldn't Uncle Sam?"

True, states and localities have to balance their budgets annually, except for capital outlays, for which they can borrow. But federal budgetary accounting throws current and capital outlays (as it should) into the same pot. So balancing the federal budget means matching total outlays with current tax revenue, which is quite different from the balanced-budget concept for states and localities.

Let me underscore another decisive difference between state and federal budget impacts: A state or local budget can be balanced by tax hikes or spending cuts without jarring the whole U.S. economy. The federal budget cannot. If the national economy starts to slide, joblessness rises, income and profits fall, and the federal budget automatically goes into deficit as revenues shrink and spending rises. Try to balance it by boosting taxes or forcing cuts in spending, and the result will inevitably be to draw that much more purchasing power out of an already soft and sluggish economy.

This would send the economy into a deeper tailspin, thereby throwing more people out of work, further cutting tax revenues and boosting unemployment compensation, food stamps, and similar entitlement expenditures, thus throwing the budget even more out of whack. A dog chasing its own tail comes to mind.

Fallacy Number Four: "Unlike private and state-local deficit financing, federal deficits are a major, perhaps even the major, source of inflation." Both analysis and evidence fail to support this proposition.

Except where federal deficits pump more purchasing power into an already prosperous or overheated economy, they do not feed inflation. When the economy is slack or in a recession, when there are idle workers and idle plants and machinery to be activated by additional demand for goods and services, tax cuts or spending hikes that enlarge the deficit help the economy get back on its feet.

In other words, there are both destructive federal deficits and constructive deficits, depending on the state of the private economy. What we should seek is fiscal discipline—avoidance of waste, inefficiency, boondoggling and unnecessary government programs—but not at the cost of strangling the federal government in its attempts to serve as a balance wheel for the national economy and an instrument for avoiding that greatest of economic wastes, namely, idle workers, machines and factories.

Even a cursory inspection of the data on deficits and inflation shows little relation between the two, for example:

—Milton Friedman reminds us that 1919-20 produced "one of the most rapid inflations" in U.S. history when the budget was running a large surplus, while 1931-33 saw "one of the most extreme deflations we had in history" when "the federal government was running a deficit."

—From 1959 to 1965, federal deficits were the order of the day, yet price inflation was little more than 1% a year.

—In the face of huge deficits in 1974–76, inflation dropped from over 12% to less than 6%.

Fallacy Number Five: "Well, even if deficits aren't as bad as we thought, the federal budget is out of control, and the only way to get it under control is to slap some kind of a constitutional lid on it."

Once again, the facts run to the contrary. As a proportion of the gross national product, the budget is being reduced from 22.6 percent in 1976 to 21.2 percent in 1980. As against 12.2 percent annual increases in spending for 1973–78, the rise from 1979 to 1980 will be only 7.7 percent. And according to the Congressional Budget Office staff, President Carter's proposed $531 billion budget for 1980 falls $20 billion short of the amount that it would cost simply to maintain current services under current law.

Quite apart from the numbers, the popular clamor for "getting the budget under control" seems to ignore two important facts:

—For the past four years, the Congress has been operating under a new budget procedure that has brought vastly more discipline and responsibility into the budget process. In other words, the mechanism for getting the budget under control is already in place and it's working.

—Both the White House and the Congress have heard and heeded the message implicit in Proposition 13, calls for constitutional budget limits, and the like. Whether one likes it or not, budget austerity is the political order of the day.

Fallacy Number Six: "The balanced-budget mandate is a simple, sure-fire way to force the White House and Congress at long last to match spending and tax revenues."

The simple truth is that this simplistic approach is beset with simply prohibitive difficulties of definition, administration and evasion.

A mandate to balance taxes and expenditures first has to define them. Does spending include outlays of Social Security and highway trust funds? (It didn't until 1968.) Does it include lending activities? If not, moving things from expenditures into loan programs would be an inviting loophole. Imagine the Founding Fathers two centuries ago trying to draw a dividing line between "on-budget" and "off-budget" expenditures. No less an authority than House Minority Leader John Rhodes has noted that "it would be so easy to end-run it."

Administering the mandate would be a nightmare. In January each year, the President submits a budget for a fiscal year that ends eighteen months later. Given the unexpected twists and turns of the economy, revenues may well fall below the forecast path. Imagine the scramble to adjust the budget as revenues misbehaved or unexpected shifts occurred in the costs of farm programs. Medicade, cost of living adjustments in Social Security benefits, and so on.

It does not take too much imagination to foresee Congress, caught in the balanced-budget vise, shoving some expenditures off into the private sector (e.g., by requiring private industry to support laid-off workers) or onto consumers by relying more on higher farm price supports and acreage set-asides and less on federal deficiency payments.

So many exceptions, exclusions, and special emergency provisions would be necessary to make the amendment workable that it would no longer be meaningful. The drafters of the amendment would find that they were writing a prescription for congressional action, not a constitutional mandate. A meaningful amendment would not be workable, and a workable amendment would not be meaningful.

Even if some magic formula could be found to hold the government's nose to the balanced budget grindstone, it would be an affront to responsible democratic government to do so. The essence of that government is to adapt economic, social, and other policies to the changing needs of the times and the changing will of the majority. It is the job of the Constitution to protect basic human rights and define the framework of our self-governance. Taking the very stuff of democratic self-determination out of the hands of legislative bodies and freezing them into the Constitution would not only hobble our ability to govern ourselves but dilute and cheapen the fundamental law of the land.

Given that the constitutional approach is unwise, unworkable and unworthy of democratic self-government, one hopes that the White House and Congress will work out a statutory solution that will be responsive to the public will without imposing destructive shackles on their ability to govern.

To Balance or Not To Balance

(By Herbert Stein)

The unpoetic but Hamlet-like title of this essay reflects my true uncertainty. Whether to bear the ills of the deficits we have or fly to the balanced budgets whose consequences we know not—or have forgotten?

The problem is not that there are strong arguments on each side of this question. The problem rather is that the arguments on both sides are so weak.

I will offer, dogmatically, a summary of reasons for not being dogmatic about either side of the argument.

WHY BALANCE THE BUDGET?

1. The people want the budget balanced. Polls show that a large majority of the American people "favor" a balanced budget. But this has been continuously true for the past forty-five years. During this period the budget has been balanced only eight times. The people have not elected government officials who would balance the budget, or turned out of office those who ran deficits. If the people "favor" balancing the budget, they apparently don't care very much.

2. Deficits cause inflation. But deficits don't cause inflation all the time. We have had deficits almost all the time since 1929, and haven't had inflation all that time. Whether deficits are inflationary or not depends on their size, their timing, their rate of change and how they are financed. The currently fashionable view of the connection between deficits and inflation is that deficits cause monetary expansion which is inflationary. However, it is not clear that deficits have been a major cause of excessive monetary expansion in the past, or that deficits need to have this effect in the future. And if this is the problem, the appropriate remedy may lie in the monetary system rather than in the budgetary system.

3. Deficits cause, or permit, excessive government spending. The argument is that government will tend to spend too much if it does not have to count the costs of its expenditures fully, and that it would have to count the costs if it had to raise all of its funds by taxation. There are several problems with this. One is that the "discipline" argument assumes that there is a correspondence between a Congressman's perception of his constituents' aversion to higher taxes and the real costs that government spending imposes on the society. This correspondence is loose, at most.

But even at its best this is not an argument for equality of total spending and total taxes. It is an argument for balancing taxes and expenditures at the margin—where decisions are made. For example, we may take it as given that federal expenditures will never again be under $400 billion. Then the discipline requirement would be met by saying that we should collect one dollar of taxes for every dollar by which expenditures exceed $400 billion.

4. Deficits absorb private savings that would otherwise flow into investment, and deficits therefore reduce the rate of economic growth. This argument assumes, in the first place, that private savings is given, or at least that a deficit does not generate an equal amount of private saving. This assumption has been contested by some economists. Moreover, there is no law of nature or economics which tells us that the right amount of private investment is the amount of private saving. In an economy that is rapidly becoming richer for a variety of reasons, one could argue that it is as reasonable for the government to draw funds out of the private saving-investment stream through borrowing as to draw funds out of the private consumption stream through taxing.

Also, it should be noted that if the government makes expenditures which raise the growth rate this argument would not bar financing such expenditures by deficits.

WHY NOT BALANCE THE BUDGET?

While the arguments for balancing the budget leave many uncertainties, this is also true of the arguments against balance.

1. Full employment cannot be achieved without a deficit. This persistent notion is without empirical foundation, and once it is

accepted that the money supply matters at all it is without theoretical foundation, since there is always some money supply that will generate full employment even if the budget is on balance or in large surplus.

2. The ability to run a deficit of the proper size on the proper occasions increases the government's ability to stabilize the economy. This proposition is being more and more questioned for several reasons. There is doubt whether variations in the size of the deficit or surplus affect aggregate demand, and also whether the effects on aggregate demand influence the real variables, output and employment, or only the rate of inflation. At a more pragmatic level, there is great skepticism about the ability of the government to manage its deficits and surpluses in a way that contributes to stability rather than to instability.

3. Unavoidable fluctuations in economic activity affect revenues and expenditures in such a way that even if the government plans to balance the budget a deficit may result. Of course, if the government made its tax and expenditure decisions so that there would be a large surplus under the forecast economic conditions, there would be a cushion to avoid a deficit even if the economy fell moderately below the forecast path. However, there are probably more realistic solutions to this problem.

One would be to state the budget-balancing requirement in terms of the budget plan, rather than in terms of the budget outcome. Also, the problem is less acute if the requirement is not that the budget be balanced each year but that it be balanced over several years.

4. Balancing the budget will require that we spend less and/or tax more than we would otherwise have done. This is obvious, but it it is an objection only if it is true that a) there are some expenditures worth borrowing for but not worth taxing for, or b) that some taxes are "worse" than deficits. Many people take one or both of these positions. Undoubtedly there is some truth in both of them. The real question is whether the political process can be trusted to live with this proposition and not make it an excuse for irresponsible behavior.

5. A requirement that the budget be balanced would be easily and widely evaded. Government receipts and expenditures as those terms are now defined in the budget are only two of the many ways in which the government can influence the allocation of resources in the economy. "Off-budget" transactions are the most obvious among the other ways available. Probably much more important are regulations which require private parties to make expenditures of kinds specified by the government, as for environmental purposes, or requiring employers to provide certain pension or health benefits to workers, and so on. One can argue that limiting the ability of the government to exert its influence overtly through the budget will force the government's influence into less visible and less efficient forms, which would be a loss.

On the other hand, limitation of the government's options would probably reduce the total scale of its activities, and the options outside the budget are probably less inflationary than financing through the conventional deficit.

One cannot draw strong conclusions from the weak arguments I have briefly covered. Probably the strongest conclusion one can find is to make no irrevocable commitments. This is, in my opinion, an argument against enacting a constitutional amendment in an area about which we still know so little.

Another conclusion is that one cannot hope to achieve all desirable goals for the federal budget by operating on whether the budget is balanced or not. Even if the budget were continuously in balance, we would have to attack the problems of the expenditure level and the taxation level, and there is much room for improving policy and procedures in that regard.

However, the general negativism of the preceding argument does not mean that we are unable to find some rules for deficits or surpluses which are superior to the mixture of political expedience and economic fine-tuning by which we have been living. The combination of inflation, low capital investment and high government expenditures yielding doubtful benefits, from which we are suffering, indicates that the need for better rules of fiscal policy is urgent. And these same conditions suggest that appropriate rules would include elements of the budget-balancing idea in some form.

These rules would not be simple—as "balance the budget" only seems to be—but neither would they be incomprehensible. I believe that they might include a variant of the idea of balancing the budget at high employment, advanced by the Committee for Economic Development in 1947, and modernized primarily to take account of the fact of inflation.

However, it is not my point here to advance a specific proposal in this regard. It is only to suggest that we need to get beyond the shouting-match between the fundamentalists who keep repeating "balance the budget" and the economist-politicians who say, "Leave it to us and we will take care of the budget." If the current furor over budget-balancing should settle down to a constructive search for a synthesis of what is valid in both viewpoints, it will have been most valuable.●

DEPRECIATED PAPER CURRENCY

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. PAUL. Mr. Speaker, Daniel Webster was not only a great statesman and orator, he also knew his economics.

In these days when inflation is undermining the working people of our country—an inflation which is a direct result of Federal policies—Mr. Webster's clear and impassioned voice comes to us across the years.

I would like to call to my colleagues' attention Daniel Webster's ringing words on a depreciated paper currency. May we all take them to heart:

> A disordered currency is one of the greatest political evils. It undermines the virtues necessary for the support of the social system, and encourages propensities destructive to its happiness. It wars against industry, frugality, and economy, and it forsters the evil spirits of extravagance and speculation. Of all the contrivances for cheating the laboring classes of mankind, none has been more effectual than that which deludes them with paper money. This is the most effectual of inventions to fertilize the rich man's field by the sweat of the poor man's brow. Ordinary tyranny, oppression, exessive taxation, these bear lightly on the happiness of the mass of the community, compared with fraudulent currencies and the robberies committed by depreciated paper. Our own history has recorded for our instruction enough, and more than enough, of the demoralizing tendency, the injustice, and the intolerable oppression on the virtuous and well disposed, of a degraded paper currency, authorized by law, or any way countenanced by government.●

NOGROWTHISM EQUALS STAGFLATION

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. SYMMS. Mr. Speaker, I have been concerned since coming to the Congress about the devastating impact on our economy and indeed our way of life by a small but growing number of no-growth extremists. As many of my colleagues know, these no-growth extremists seem to be proliferating their numbers in the Nation's Capital as they chalk up more and more legislative and regulatory victories. These extremists have about as much interest in promoting energy development as Billy Carter has in promoting soda pop. They wield enormous power, many having left Nader's Raiders to join Carter's Invaders. The successes of the various extremist groups have been attributed to the so-called environmental movement.

Is it truly the protection of the environment that these groups seek to accomplish or is it simply to deindustrialize this great Nation of ours? I believe without question, it is the latter. How did we allow ourselves to be duped into believing that we were protecting the environment when in fact we were aiding and abetting the destruction of a standard of living envied by the free world? The following speech given by Mr. James R. Muhm before the Northwest Mining Association in Spokane, Wash., on October 3, 1978, is an eloquent dissertation which answers that question. I commend this speech to my colleagues for their edification and enlightenment:

Environmentalism—A Second Look

(By James R. Muhm)

In getting ready to take a second look at environmentalism and its attendant regulation, it probably wouldn't hurt to recall our first look—how did we get here, anyway? Pat Crombie, President of California's Mother Lode Miner's Association, probably summed it up best when he wrote in the California Mining Journal:

"How did we get in such a mess? It was easy! For years we went along prospecting with a burro, herding sheep and cattle on public lands with pretty much everyone tending his own business. But someone got the bright idea of building roads to give better access. Another wanted to improve the spring to get up more water. Some decided we should uproot trees and reseed to give more grazing land. Sheepmen wanted more sheep, fewer cattle. Cattlemen wanted more cattle, fewer sheep. Miners didn't want either one. They all demanded something be done. States with public lands, especially western states with lots of public land, asked the federal government for help.

The Department of Interior was born. Soon there was Forest Service and Bureau of Land Management, the Taylor Grazing Act and multiple use concept. Grazing permits, oil and gas leasing, and mineral royalties were collected to pay the bill. Everyone was happy . . . almost. Along came the recreationists. An affluent society demanded access to all public lands. They included people from all walks of life, including those above who had traditionally used public lands. The bureaucrats responded. They multiplied quickly to meet the demands of each diverse interest. They were mediators, they made plans, mapped, reseeded, improved water, recorded geologic information. They listened. They promised something for everybody. Did it matter that less than 25 cents on the dollar was returned to the land?

Since everybody was going to the bureaucrat, there was little discourse between the diverse interests. The promise was always there "just as soon as we get the funding." Innocently we sat back waiting year after year, smug that our pet project would be approved in the next allocation. If it didn't it was the fault of the administration or legislature, not the bureaucrat. Each year the bureaucracies grew stronger. Soon they were bigger than any other industry. They began drafting legislation. They became experts in all things dealing with public lands. Their legislation became law. New bureaucracies were formed: EPA, ERDA, FEA, OSHA, and many others. More legislation was passed, more laws, more rules and regulations. How else could the legislation satisfy the demands of the many special interests? Everybody wanted a handout. So what if we only got two bits out of a dollar, so long as I get mine?"

I think Mr. Crombie is correct in how we came to enter our regulatory jungle. But, now a new, more sinister turn has been made. For 15 years now, we have seen the regulators, always, it seems, justifying their actions in the name of environmentalism, devise one strategy after another for inhibiting development and growth. Cleaner air, safer water, prettier scenery—on and on and on. And, worst of all, we have been led, pushed, and manipulated into using the word environmentalism when we really should be speaking about the concept of no-growth. And this, I believe, is cause for a second look. For environmentalism and no-growthism are not the same. Use of the word environmentalism tends to confuse and obscure the real problem—the problem being that a number of people and groups these days are opposed to, and are interfering at every opportunity with the continued, sustained industrial growth that is vital for the country's survival. We are all concerned with and care about our environmental health and beauty. We should not need to even say it. But, to our present sorrow, we suffer attacks on our industry and we find ourselves on the defensive because we oppose "environmentalism." In the public mind, this places us on the wrong side of environmental quality—we, the bad guys, are trying to destroy nature.

But, emphatically, our problems are not with environmentalists, but with the advocates of no-growth. In the late 1960's it became fashionable in some quarters to pursue the idea that economic growth was old hat, that growth was inconsistent with the newly-discovered goals of clean air and clean water. Eugene McCarthy in the 1968 presidential campaign attracted much of his "children's crusade" with this theme. The no-growthers have now successfully infiltrated, used, and controlled once well-intentioned recreation and conservation groups. And they have gained such devastating power that they are literally crippling industry and the country.

Our second look at our problem, then, should be sharp enough, and discerning enough to allow us two things:

To identify and recognize our real opponents, and

To perceive their various purposes and goals.

For only then can we act effectively to preserve our marvelous system of free-enterprise capitalism and its unsurpassed capacity for satisfying human needs.

Congressman Steve Symms of Idaho knows the nature of no-growthism. He says,

"There exists a kind of 'New Left' coalition of environmental extremists, no-growth advocates, and socialistic political groups that has become far more influential in the opinion-making strata than their numbers warrant."

The coalition of which Congressman Symms speaks works with differing motivations and purposes. One element of the coalition is built on pessimism. Its advocates see danger in traditional policies of growth, development, and higher energy consumption. Some are convinced that the world must enter a "steady-state" condition of population, resource utilization, and acceptable pollution, even if the steady state must be imposed by coersion and force. Others simply yearn for a return to what they mistakenly think was a romantic way of life in times past. These romantic times were really a time of back-breaking hard work, however, and they were certainly not pollution free. Nevertheless, to the philosophical no-growthers, development—especially the development of cheap energy—is the enemy; development is the thing to be opposed, slowed down, and defeated.

Another element of the coalition, without doubt, pursues a continuance of the age-old struggle for a worldwide socialism. Some of its advocates hope for the power that socialism bestows on the ruling bureaucrats; more are driven by humanistic, but no less dangerous, reasons. The United Nations newspaper, Development Forum, carried this clear message from Phillippe de Seynes.

"What started as ecological survival is now distinctly moving towards social change."

Probably most widely known as a guiding beacon for the on-going change to a "post-industrial society" is the Club of Rome. This group of a hundred or so international figures was named for the place of its first meeting in 1968. The Club's best known work to date is a rather dull report called Limits to Growth, A Report on the Predicament of Mankind. This report, prepared by Potomac Association, states categorically that, "economic as well as population growth must be stopped cold sometime between 1975 and 1990." The report goes on to extend an invitation to "join us in understanding and preparing for a period of great transition—the transition from growth to global equilibrium."

Another report to the Club of Rome, reassuringly titled Reshaping the International Order, plainly calls the wished-for new order "humanistic socialism." This report argues for a transfer of the world's real resources. An example; "Financial aid (to the lesser-developed countries) needs to be increased substantially, and its flow made predictable, continuous and increasingly assured." Another; "the role of gold should be diminished, new international liquidity should be distributed in an equitable fashion, emphasizing the needs of developing countries." As Eugene Guccione, former editor of MINING ENGINEERING, told the Wyoming Mining Association two years ago, "the function of the new environmentalism, the new feudalism, the policy of no-growth—it all has to do with an ideology, the ideology of collectivism."

We have examined two of Congressman Symm's three elements making up the coalition of no-growthism. We have looked at the sources of inspiration for their vigorous, skillful, and so-far successful campaigns—misguided sentimentalism and a wish to retreat from the real world on the one hand—a concerted and long-continuing drive for world socialism on the other. The third element, as Mr. Symms observes, is comprised of environmental extremists. Every group has its zealots and this group simply suffers from limited perception and muddled values. These include the aberrant purists who object to mining because it disturbs nature's balance, yet who object to the disturbance of old mining camps because these places are part of our cultural heritage. Although bothersome, environmental extremists, in themselves, don't hurt us much. They keep us alert!

There is one other identifiable group, however, which was neglected in Congressman Symm's enumeration. That is the group of influential, largely wealthy individuals and groups who provide a great deal of the monetary and political support of the activist groups. Some overlapping of constituency is obvious but included here are the liberal politicians who hope to profit politically; the guilt-ridden individuals who are trying, somehow, to atone for the past behavior of their source of family wealth; and the large, tax-exempt foundations which operate in an international world of their own. We should also mention those few corporations who attempt, in an unknowing way, to improve their public image by supporting what they perceive as legitimate public issues. Without all of these major sources of financial support, the no-growthers, the truly important threat to our industrial society, would be ineffective, indeed.

So, we have examined and described the various elements making up the coalition which is so successfully inhibiting resource development in the western world today. Now, in what fashion does it work?

The most effective tactical weapon in their campaign has been slow-down and stretch-out. The no-growthers know very well that the one thing which can kill a project is to keep the money meter running while the project goes nowhere. No manager can justify that type of inactivity to his superiors or his stockholders. These campaigns of slow-down and stretch-out are waged at all bureaucratic and political levels, as well as by no-growth activist groups. The nationally famous example of these tactics was at Kaiparowits.

Another effective weapon in the campaign has been land use planning, planning on all levels of government—federal, state, and local. But state and local planners, mind you, are permitted to execute their authority only when the locals prove to be more stringent than their federal overseers. Billings County, North Dakota, requires that a comprehensive "snow removal plan" be filed before any mechanized operation can begin. In Oregon, countries are given opportunities to screw tighter, but not loosen, state land use decisions.

State land use planning laws are being instituted across the nation. Under these land use plans, states establish special districts, corridors, etc. which encompass private property as well as public. California's private beaches are controlled this way. Colorado and Oregon have such laws. In Pennsylvania, for example, owners of private property within the Youghiogheny Scenic Corridor must apply for and receive planning authority approval before any building or structure can be constructed, altered, painted, or replaced. It is not difficult to perceive that, as the real authority and control of property is thus transferred, our historical concept of private property is changed into a system of "new feudalism." The problem with the old feudalism is that it stifled individual liberty, productivity, and self-government. And that is also the problem with the new feudalism.

This campaign against industrial development in general, and mining in particular, is perceived by us as a vastly expanded and illogical complex of regulation. It is a way of drawing the lifeblood of industry, little-by-little, so as not to provoke open violent resistance. Fortune magazine defines this condition, along with other socialistic measures, as "social drag."—a good term. Fortune describes it as,

"the combined effects of the excessive costs, inefficiencies, and disincentives that government imposes on economic activity in the private sector.

welfare payments and unemployment benefits so generous that they erode incentive to look for work;

busybody regulations;

bureaucratic overstaffing;

government bias toward labor unions."

"Social drag," according to Fortune, "is both, and at the same time, inflationary and depressive." It creates stagflation.

And it needs to be remembered, after all, that "regulation" is simply another word for "police power." This overwhelming concentration of police power constitutes a sort of regulatory neutron bomb. The end result will be a debilitated emaciated shell of a once mighty industrial society. The buildings and equipment remain standing as before, but the production is stopping. In this regulatory neutron bomb, doses of immolating radiation are replaced at the various levels and increments of "permissible pollution."

Is there more trouble ahead? Of course! Perhaps that most dangerous to mining is the bill now in Congress dealing with Natural Diversity Preservation. That bill, if it becomes law, will enable no-growthers and obstructionists to literally sharpshoot specific targets. No longer will they need to risk unwanted reactions from scattergun blasts at entire industries or regions. Those approaches often had the unfortunate consequence of inducing economic fallout on large labor unions or otherwise politically sensitive targets. When the Natural Diversity Preservation Act becomes functional, no-growthers will be able to dissect and carve up development projects with precision and to reject vital pieces of them at will with high-sounding justifications. Each rejection will be rationalized as being necessary to preserve the priceless and irreplaceable values which give our nation its charm and substance.

We must not become single-minded, however, in thinking that mining is the only object of overregulation. All industry is suffering from the activity of the no-growthers. The automobile industry is a notable example. No industry has been harassed and troubled more than the nuclear power industry. Nuclear power seems to represent the ultimate evil of the no-growthers. At least, that is the posture of our domestic no-growthers. In the Soviet Union, which has no Friends of the Earth to contend with, 20 percent of all new power construction in the next five years will be nuclear. In the USA, chemicals, lumber, and steel all are fighting for their very lives at a time when the thing most needed in America is greater productivity. The latest target of the no-growth campaign appears to be agriculture. EPA's Rural Clean Water Program, getting underway October 1, will require farmers to apply "best management" techniques to curb polluted water runoff from fields. It is certain that consumers will ultimately share the cost of this latest regulatory excursion in the form of higher food prices and a lower standard of living.

Well, we have recited a dismal picture. Do we roll over and play dead? Not by a long shot! But, it is well to remember that history has demonstrated that bureaucrats never give up power voluntarily. This is simply the nature of things. It is important not to become discouraged. Realism and rational thought, wherever they arise, are of immeasurable help. Even the utopia-planning thinkers of the Club of Rome have been known to yield to self-induced logic. The comparatively mild recession of 1975 was enough to cause the Club of Rome to discover that "a resurgence of economic growth would be necessary to reduce hunger and poverty among the world's people." An astonishing conclusion! The Club has also found that nuclear power generation would be superior to fossil fuel power generation because it would reduce the global buildup of atmospheric CO_2.

So, you see that our opposition is not as monolithic and unyielding as it may sometimes seem. In some cases, the no-growth activists are functional only by virtue of their ability to attract good press coverage. In Kalgoorlie, Western Australia, a fearsome no-growth group turned out to have a total membership of four persons—two from the same family.

To succeed, we must determine who are our opponents and what are their motives. We must become smarter, more alert, more adaptable, and, most of all, more aggressive in defending the moral and material attributes of free-enterprise capitalism. To acknowledge the individual weaknesses and failures of industrial development is far from tacitly agreeing by our silence that no development is better than imperfect development.

We must stop doing our enemies work by referring to no-growthers as environmentalists. If there is a better word than "no-growthers," by all means use it. But to allow them the shelter of the word, "environmentalist," is to leave us in the uncomfortable position of attacking the defenders of a clean environment—something which none of us wants to do.

We must keep pressing our point at every opportunity. Look what Utah has done to RARE II in that State with its new Class D roads. This is a means for any county in the State to petition for official designation of any road, no matter whether it is "regularly maintained," or not. I'm told that the regulators are still trying to get around that one. The citizens of Nevada are currently giving us a double dose of fresh air. Esmeralda County has recently undertaken to literally veto unwanted actions of the BLM in the county, while at the same time, a petition is circulating throughout the State calling on Congress to transfer management of public lands from federal agencies to Nevada. Just think about that movement spreading!

The way of success for us is not to sulk in our misfortune, but to aggressively use our ingenuity to accomplish what we know is logical and right. Letters to the Editor of newspapers sometimes seem ineffective and futile. They're not, as the Editors or their assistants read them even if they don't publish them. Write them? Talk to your families. Talk about it at lunch and on airplanes. Talk to your State Legislators, for they all are looking for issues on which to run for higher office. And by all means, talk and write to Congressmen and Senators. You know they've heard it all before, but they need to hear it again and again, until they truly think they have always known these things. Policy is made that way. And when you encounter a congressman or senator who understands the importance of resource development recognize him with your verbal and material support. We are fortunate to have many of these in the West.

Don't give up. Keep your sense of humor. And win! ●

JOE BARTLETT

HON. J. WILLIAM STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. STANTON. Mr. Speaker, I am very pleased to join with my colleagues in expressing thanks to Joe Bartlett for his many years of service to the House of Representatives.

The name, Joe Bartlett, is synonymous with the House of Representatives. Joe began his service in the House over 38 years ago. Since that time, he has served in many capacities and along the way made thousands of friends.

Anyone who is fortunate to know Joe Bartlett knows the great love and admiration he has for this House. I have had constituent after constituent say that the entire place seemed to come alive when Joe Bartlett was explaining it to them.

To Joe and Ginny and their wonderful family, I express my sincerest thanks and extend to Joe many happy years of future endeavor ●

THE PASSING OF MILDRED PEPPER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. ANDERSON of California. Mr. Speaker, it was with great sorrow that I learned this weekend of the passing of Mildred Pepper, the wife of our colleague, Chairman CLAUDE PEPPER.

Only one Member of Congress has served in Washington since before the arrival of Senator and Mrs. Pepper. And in all those years, Mrs. Pepper has been right beside CLAUDE, serving the people of Florida and its 14th Congressional District.

Mildred's interests extended beyond the Halls of Congress and the Washington social scene. For years, she had been active in a variety of civic and charitable organizations. Her interests in cancer research and Parkinson's disease were especially pronounced, but her energy and spirit and concern led also to her activities in ecology and beautification, the Red Cross, the United Nations, the USO, and in 1946, to the Paris Peace Conference.

I am sure that much will be said of Rosalynn Carter's characterization of Mrs. Pepper as "one of the first liberated women," and indeed, that she did have an active life of her own cannot be disputed. Her interests led her everywhere, and she touched the lives of so many in so many ways. All will miss her.

Of course, none will miss her as greatly as CLAUDE. Lee and I share his grief.●

PERSONAL EXPLANATION

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 2, 1979

● Mr. YOUNG of Missouri. Mr. Speaker, on March 28 and 29, 1979, I was absent from the floor of the House of Representatives due to prior business in the district. Had I been present, I would have voted in the following fashion:

Rollcall No. 63, approval of NASA supplemental authorization, "yes";

Rollcall No. 64, amendment to H.R. 1786, "no";

Rollcall No. 65, approval of NASA authorization, "yes";

Rollcall No. 66, amendment to H.R. 3173, "yes";

Rollcall No. 67, amendment to H.R. 3173, "yes";

Rollcall No. 69, approval of House Resolution 53, "yes".

Mr. Speaker, I would like to note that on rollcall No. 66, I was incorrectly paired and my vote should have been yes.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in the meetings as they occur.

An interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, April 3, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 4

8:00 a.m.

Armed Services
Research and Development Subcommittee
To receive testimony on the NATO standardization program.
224 Russell Building

9:30 a.m.

Environment and Public Works
Regional and Community Development Subcommittee
To continue hearings on proposed authorizations for fiscal year 1980 for the Appalachian Regional Commission, and for Title V Regional Action Planning Commissions to promote economic growth.
4200 Dirksen Building

Judiciary
To hold hearings on the nomination of Martin F. Loughlin, to be U.S. District Judge for the District of New Hampshire.
357 Russell Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To receive testimony on public health implications of the recent nuclear reactor accident in Harrisburg.
2228 Dirksen Building

9:45 a.m.

Judiciary
To hold hearings on proposed authorizations for fiscal year 1980 for the Civil Rights Division, Department of Justice.
357 Russell Building

10:00 a.m.

Agriculture, Nutrition, and Forestry
To hold hearings on the nomination of James M. Stone, of Massachusetts, to be a member and Chairman of the Commodity Futures Trading Commission.
324 Russell Building

Appropriations
Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1980 for the Defense establishment.
1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Heritage Conservation and Recreation Services.
1224 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for public works projects and energy research and development programs.
1114 Dirksen Building

Armed Services
Manpower and Personnel Subcommittee
To receive testimony on proposed legislation authorizing funds for fiscal year 1980 for civilian manpower, Department of Defense.
212 Russell Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold oversight hearings on the implications of the proposed multilateral trade agreements for U.S. exports.
5302 Dirksen Building

Budget
To continue markup of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 640, authorizing funds for fiscal year 1980 for certain maritime programs of the Department of Commerce.
235 Russell Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To continue hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Finance
To resume consideration of those issues relating to the implementation of the Multilateral Trade Negotiations.
2221 Dirksen Building

Foreign Relations
International Economic Policy Subcommittee.
To hold a closed business meeting.
S-116, Capitol

Rules and Administration
Business meeting to discuss report on automatic typing tests and on correspondence systems in state offices of Senators, and other legislative and administrative business.
301 Russell Building

10:30 a.m.

Labor and Human Resources
To hold hearings on the nomination of Marjorie Fine Knowles, of Alabama, to be Inspector General, Department of Labor.
4232 Dirksen Building

2:00 p.m.

Appropriations
Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1980 for the Defense establishment.
1223 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for public works projects and energy research and development programs.
1114 Dirksen Building

Armed Services
Procurement Policy and Reprograming Subcommittee
To receive testimony, in closed session, on reprograming requests for the Air Launch Cruise Missile, U.S. Air Force.
224 Russell Building

APRIL 5

8:00 a.m.

Armed Services
Research and Development Subcommittee
To resume closed hearings on proposed military procurement authorization requests for fiscal year 1980 for strategic surveillance, warning, and command and control programs, Department of Defense.
224 Russell Building

9:30 a.m.

Commerce, Science, and Transportation
To hold oversight hearings on the activities of air freight transportation industry and to evaluate the impact of recent air cargo deregulation
235 Russell Building

Environment and Public Works
Regional and Community Development Subcommittee
To continue hearings on proposed authorizations for fiscal year 1980 for the Appalachian Regional Commission, and for Title V Regional Action Planning Commissions to promote economic growth.
4200 Dirksen Building

Judiciary
To hold hearings on proposed authorizations for fiscal year 1980 for the Land and Natural Resources Division, Department of Justice.
2228 Dirksen Building

10:00 a.m.

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for foreign assistance programs.
1114 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Science Foundation, and the Office of Science and Technology policy.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for public works projects and energy research and development programs.
1224 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
318 Russell Building

Armed Services
To resume closed hearings on proposed military procurement authorizations for fiscal year 1980, to receive testimony on funds for Navy ship programs.
212 Russell Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume oversight hearings on the implications of the proposed multilateral trade agreements for U.S. exports.
5302 Dirksen Building

Budget
To continue markup of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 673 and S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Finance
To continue consideration of those issues relating to the implementation of the Multilateral Trade Negotiations.
2221 Dirksen Building

Foreign Relations
To hold hearings on S. 660, authorizing funds for fiscal year 1980 for programs under the Arms Control and Disarmament Act.
4221 Dirksen Building

Veterans' Affairs
To hold hearings on the nomination of Allan L. Reynolds, of Virginia, to be Inspector General, Veterans' Administration.
5110 Dirksen Building

2:00 p.m.

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for public works projects and energy research and development programs.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
318 Russell Building

Select on Small Business
To hold oversight hearings on the activities of the Small Business Development Center program under the Small Business Administration.
424 Russell Building

Select on Ethics
To hold an open and closed business meeting.
Room to be announced

3:00 p.m.

Select on Small Business
To hold oversight hearings on the implementation of minority business programs under the Small Business Administration.
424 Russell Building

3:30 p.m.

Foreign Relations
To resume closed hearings, to receive a briefing on the impending SALT treaty.
S-116, Capitol

APRIL 6

9:00 a.m.

Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To hold hearings on S. 261, proposed Agricultural Subterminal Storage Facilities Act.
324 Russell Building

Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
To resume hearings on S. 600, to preserve the diversity and independence of American business.
5110 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To mark up 357, proposed budget estimates for fiscal year 1980, and S. 354, proposed supplemental appropriations for fiscal year 1979, both for NASA.
235 Russell Building

10:00 a.m.

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Budget
To continue markup of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Governmental Affairs
To hold hearings on S. 262, proposed Reform of Federal Regulation Act.
3302 Dirksen Building

Judiciary
To resume hearings on proposed authorizations for fiscal year 1980 for the Drug Enforcement Administration, Department of Justice.
2228 Dirksen Building

Labor and Human Resources
Education, Arts, and the Humanities Subcommittee
To hold oversight hearings on the regulation of the treatment of independent students in the Basic Educational Opportunity Grant program.
4232 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold oversight hearings on the implementation of influenza liability issues.
1202 Dirksen Building

Joint Economic
To receive testimony on the employment-unemployment situation for March.
6226 Dirksen Building

11:00 a.m.

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Select on Intelligence
Budget Authorization Subcommittee
To mark up, in closed session, proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol

3:00 p.m.

Judiciary
To hold hearings on proposed authorizations for fiscal year 1980 for the U.S. Marshals Service's Witness Protection program of the Department of Justice.
2228 Dirksen Building

APRIL 9

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 663, to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.
457 Russell Building

Judiciary
Constitution Subcommittee
To resume hearings on S.J. Res. 28, to provide for the direct popular election of the President and Vice President of the United States.
318 Russell Building

Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To mark up S. 440, proposed Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act, and S. 525, proposed Drug Abuse Prevention, Treatment, and Rehabilitation Act.
4232 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation
To resume joint hearings with the Energy and Natural Resources Subcommittee on Energy Resources and Materials Production on S. 493, proposed Deep Seabed Mineral Resources Act.
3110 Dirksen Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To resume joint hearings with the Committee on Commerce, Science, and Transportation on S. 493, proposed Deep Seabed Mineral Resources Act.
3110 Dirksen Building

Finance
Social Security Subcommittee
To hold oversight hearings on the activities of programs administered by the Social Security Administration.
2221 Dirksen Building

10:30 a.m.

Commerce, Science, and Transportation
To hold hearings on proposed authorizations for fiscal year 1980 for the U.S. Coast Guard, Department of Transportation.
235 Russell Building

2:00 p.m.

Environment and Public Works
Environmental Pollution Subcommittee
To mark up proposed legislation authorizing funds for fiscal year 1980 for programs under the Toxic Substances Control Act, Safe Drinking Water Act, Ocean Dumping Act, and to consider the Environmental Protection Agency's recommendation to extend the period of availability of authorizations for wastewater treatment construction grants.
4200 Dirksen Building

APRIL 10

9:00 a.m.

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings on S. 593, proposed Elderly and Handicapped Act, S. 740, proposed Homeownership Opportunity Act, and S. 745, Housing and Community Development Amendments, and other related proposals.
5302 Dirksen Building

Veterans' Affairs
To hold hearings on S. 196 and S. 741, bills to extend certain veterans' health benefits programs through fiscal year 1980.
6226 Dirksen Building

9:30 a.m.

Environment and Public Works

Regional and Community Development Subcommittee

To hold hearings on proposed authorizations for fiscal year 1980 for the Public Works and Economic Development programs.

4200 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for FY 1980 for the Fish and Wildlife Service.

1223 Dirksen Building

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To resume hearings on S. 688 proposed fiscal year 1980 authorizations for the Department of Energy.

3110 Dirksen Building

*Finance

To mark up S. 350, S. 351, S. 748, and S. 760, bills to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.

2221 Dirksen Building

2:00 p.m.

Commerce, Science, and Transportation

To hold hearings on proposed authorizations for fiscal year 1980 for the National Advisory Committee on Oceans and Atmosphere.

S-146, Capitol

Select on Intelligence

To mark up, in closed session, proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.

S-407, Capitol

APRIL 11

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on S. 663, to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.

457 Russell Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Federal Emergency Management Administration.

1918 Dirksen Building

Banking, Housing, and Urban Affairs

Financial Institutions Subcommittee

To hold hearings on S. Con. Res. 5 and S. Res. 59, both relating to the equity for the small saver.

5302 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on S. 758, authorizing funds for fiscal years 1980 and 1981 for programs under the International Investment Survey Act.

6226 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on proposed authorizations for fiscal year 1980 for programs under Sec. 305 of the Coastal Zone Management Act of 1972, and title III of the Marine Protection, Research, and Sanctuaries Act of 1972.

235 Russell Building

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To continue hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.

3110 Dirksen Building

Environment and Public Works

Environmental Pollution Subcommittee

To resume markup on proposed legislation authorizing funds for fiscal year 1980 for programs under the Toxic Substances Control Act, Safe Drinking Water Act, Ocean Dumping Act, and to consider the Environmental Protection Agency's recommendation to extend the period of availability of authorizations for wastewater treatment construction grants.

4200 Dirksen Building

*Finance

To continue markup on S. 350, S. 351, S. 748, and S. 760, bills to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.

2221 Dirksen Building

2:00 p.m.

Commerce, Science, and Transportation

To hold hearings on proposed authorizations for fiscal year 1980 for the Ocean Pollution Research and Development and Monitoring and Planning Act (P.L. 95-273), and Title II of the Marine Protection, Research and Sanctuaries Act (P.L. 92-532).

235 Russell Building

Environment and Public Works

Regional and Community Development Subcommittee

To mark up proposed authorizations for fiscal year 1980 for the Appalachian Regional Commission, and for Title V Regional Action Planning Commissions to promote economic growth.

4200 Dirksen Building

APRIL 12

9:30 a.m.

Environment and Public Works

Resource Protection Subcommittee

To markup proposed legislation authorizing funds for fiscal year 1980 for programs under the Solid Waste Control Act, and for the Environmental Protection Agency's research and development programs.

4200 Dirksen Building

Judiciary

Constitution Subcommittee

To hold hearings on S.J. Res. 34, to extend the term of office of Members of the U.S. House of Representatives to 4 years.

5110 Dirksen Building

Select on Small Business

Government Procurement Subcommittee

To resume hearings on the impact on small businesses of the International Procurement Code being negotiated as part of the multilateral trade agreement.

424 Russell Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Treasury.

1318 Dirksen Building

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Mines.

1223 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

Financial Institutions Subcommittee

To continue hearings on S. Con. Res. 5 and S. Res. 59, both relating to the equity for the small saver.

5302 Dirksen Building

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold hearings on S. 796, to implement railroad deregulation.

235 Russell Building

Energy and Natural Resources

Parks, Recreation, and Renewable Resources Subcommittee

To resume oversight hearings on the National Park Service's concession policy.

3110 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

APRIL 23

10:00 a.m.

Energy and Natural Resources

To hold oversight hearings on United States activities in Antarctica.

3110 Dirksen Building

APRIL 24

8:00 a.m.

Appropriations

District of Columbia Subcommittee

To receive a briefing on proposed budget estimates for fiscal year 1980 for the Government of the District of Columbia.

S-126, Capitol

9:00 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To hold hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.

235 Russell Building

9:30 a.m.

Environment and Public Works

Regional and Community Development Subcommittee

To resume hearings on proposed authorizations for fiscal year 1980 for the Public Works and Economic Development Programs.

4200 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Land Management.

1223 Dirksen Building

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To resume hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.

Room to be announced

Energy and Natural Resources

Energy Resources and Materials Production Subcommittee

To hold hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.

3110 Dirksen Building

APRIL 25

8:00 a.m.

Appropriations

District of Columbia Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for governmental direction and support services for the government of the District of Columbia.

S–126, Capitol

9:00 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.

6226 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To hold oversight hearings on the Civil Aeronautics Board plan to implement the Airline Deregulation Act (P.L. 95–504).

235 Russell Building

Environment and Public Works

Regional and Community Development Subcommittee

To continue hearings on proposed authorizations for fiscal year 1980 for the Public Works and Economic Development programs.

4200 Dirksen Building

Judiciary

Constitution Subcommittee

To hold oversight hearings on the title I provisions under the Speedy Trial Act of 1974.

2228 Dirksen Building

Labor and Human Resources

To hold oversight hearings on the conditions, trends, and new approaches to linking education, health, and work in the coming decade.

4232 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for FY 1980 for the Department of the Interior, to hear congressional witnesses.

1223 Dirksen Building

Banking, Housing, and Urban Affairs

Economic Stabilization Subcommittee

To resume oversight hearings on the administration's anti-inflation program, and to review the relationship between fiscal policy and inflation.

5302 Dirksen Building

*Energy and Natural Resources

Energy Regulation Subcommittee

To hold hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.

3110 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To resume hearings on preclinical and clinical drug testing by the pharmaceutical industry.

154 Russell Building

APRIL 26

8:00 a.m.

Appropriations

District of Columbia Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for governmental direction and support services for the government of the District of Columbia.

S–126, Capitol

9:00 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.

235 Russell Building

9:30 a.m

Labor and Human Resources

To continue oversight hearings on the conditions, trends, and new approaches to linking education, health, and work in the coming decade.

423 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development.

1318 Dirksen Building

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for FY 1980 for the Office of Surface Mining Reclamation and Enforcement Office of Water Research and Technology.

1223 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

Economic Stabilization Subcommittee

To continue oversight hearings on the administration's anti-inflation program, and to review the relationship between fiscal policy and inflation.

5302 Dirksen Building

*Energy and Natural Resources

Energy Regulation Subcommittee

To continue hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.

3110 Dirksen Building

Environment and Public Works

Water Resources Subcommittee

To mark up proposed authorizations for fiscal year 1980 for the Water Resources Council.

4200 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold hearings on proposed legislation on biomedical research programs.

154 Russell Building

1:30 p.m.

Environment and Public Works

Resource Protection Subcommittee

To hold hearings on proposed authorizations for fiscal year 1980 for programs under the Noise Control Act (P.L. 95–153).

4200 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

APRIL 27

9:00 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.

6226 Dirksen Building

9:30 a.m.

Finance

Taxation and Debt Management Generally Subcommittee

To hold hearings on S. 103, proposed Save Our Schools Act, and S. 449, proposed Charitable Organizations Preservation Act.

2221 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.

1318 Dirksen Building

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

Energy and Natural Resources

Parks, Recreation and Renewable Resources Subcommittee

To resume oversight hearings on the National Park Service's concession policy.

3110 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To continue hearings on proposed legislation on biomedical research programs.

4232 Dirksen Building

*Veterans' Affairs

To mark up S. 330, to provide for a judicial review of the administrative actions of the VA, and for veterans' attorneys fees before the VA or the courts, and on proposed legislation extending certain veterans' health benefits programs through FY 1980.

412 Russell Building

APRIL 30

9:00 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.

235 Russell Building

9:30 a.m.

Labor and Human Resources

Handicapped Subcommittee

To hold oversight hearings on the implications of the Randolph-Sheppard Act Amendments of 1974.

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

MAY 1

8:00 a.m.

Appropriations

District of Columbia Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for public safety services and educational services for the government of the District of Columbia.

1114 Dirksen Building

9:30 a.m.

Labor and Human Resources

Child and Human Development Subcommittee

To hold oversight hearings on the implementation of the Older American Volunteer Program Act (P.L. 93–113).

4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Park Service.
1223 Dirksen Building

1:00 p.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

MAY 2

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for judicial services, and transportation services and assistance for the government of the District of Columbia.
1114 Dirksen Building

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

9:30 a.m.
Judiciary
Constitution Subcommittee
To resume oversight hearings on the title I provisions under the Speedy Trial Act of 1974.
2228 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for HUD and independent agencies.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Smithsonian Institution.
1223 Dirksen Building

MAY 3

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for human support services for the Government of the District of Columbia.
1114 Dirksen Building

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To markup proposed legislation authorizing funds for fiscal year 1980 for programs under the Endangered Species Act, Anadromous Fish Act, and Noise Control Act.
4200 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for HUD.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 7

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 8

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for economic development and regulation services for the government of the District of Columbia.
1114 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

1:00 p.m.
Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

MAY 9

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal 1980 for the Temporary Commission on Financial Oversight of the government of the District of Columbia.
114 Dirksen Building

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

MAY 10

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Energy and Natural Resources
To hold hearings on S. 685, proposed Nuclear Waste Policy Act.
3110 Dirksen Building

1:00 p.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

MAY 11

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

MAY 15

10:00 a.m.
Energy and Natural Resources
To resume hearings on S. 685, proposed Nuclear Waste Policy Act.
3110 Dirksen Building

MAY 17

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

CANCELLATIONS

APRIL 5

10:00 a.m.
Labor and Human Resources
Health and Scientific Research Subcommittee
To hold oversight hearings on the National Academy of Science report on saccharin and food policy programs.
4232 Dirksen Building

APRIL 10

9:30 a.m.
Veterans' Affairs
To hold oversight hearings on the role of the Federal Government in providing educational employment.
6226 Dirksen Building

HOUSE OF REPRESENTATIVES—*Tuesday, April 3, 1979*

The House met at 12 o'clock noon.

Rev. William F. Schroeder, D.D., pastor, Oak Forest Baptist Temple, Oak Forest, Ill., offered the following prayer:

Heavenly Father, I want to thank You for sending Your Son Jesus Christ to die on the cross for our sins * * * to shed His precious blood, and for Your word and its power to change men's lives.

I thank You for this, our great country and for the many heroes who have helped to make it great and for the many freedoms we share in this great land.

I ask today for Your wisdom to guide this great Nation into paths of righteousness, remembering that Your word tells us "that righteousness exalteth a nation, but sin is a reproach to any people."

Help us to do our part in spreading the good news of the Gospel of Jesus Christ so that changed lives can result in a righteous nation.

Bless this day, this House of Representatives, our great land, and our people and we will thank and praise You.

In Christ's name I pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2283. An Act to amend the Council on Wage and Price Stability Act to extend the authority granted by such act to September 30, 1980, and for other purposes.

DR. WILLIAM F. SCHROEDER

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute.)

Mr. DERWINSKI. Mr. Speaker, it is a special pleasure for me to welcome Dr. William Schroeder of the Oak Forest Baptist Temple in Oak Forest, Ill., who delivered the invocation this afternoon. I would like to thank him for his very inspiring prayer.

Dr. Bill Schroeder is the pastor of one of Illinois' largest independent Baptist churches. The growth of his church is due in large part to his energy and enthusiasm and his idea of a multifaceted ministry geared to meet the needs of young people, single adults, the deaf, the mentally retarded, and people from all walks of life.

In addition to providing spiritual leadership to his congregation, Dr. Schroeder has also been an active leader in Christian education. When many private schools were closing, Dr. Schroeder founded, and now serves as superintendent, Christian Academy. In 1973, the academy enrolled 375 students and now in its fifth year, there are more than 600 students attending the school.

Dr. Schroeder has earned a reputation as a scholar, teacher, author, and administrator. He was active as a professor at Hyles-Anderson College for 3 years. In 1971, Reverend Schroeder received his honorary doctor of divinity for his outstanding service in the ministry from Dr. Bob Jones, Jr., then president of Bob Jones University.

In addition to his other duties, Dr. Schroeder conducts the "Chicago Gospel Hour" every Sunday evening, aired over channel 38, WCFC, Chicago. His plain, practical Bible messages and sermons can also be heard every Sunday morning over local Chicago radio airways.

Mr. Speaker, I would again like to thank this distinguished clergyman for serving as our chaplain this afternoon, and offering such an inspirational message to the House. I hope the Members will have an opportunity to meet him personally.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

JOSEPH J. ANDREWS

The Clerk called the bill (H.R. 896) for the relief of Joseph J. Andrews.

There being no objection, the Clerk read the bill as follows:

H.R. 896

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comptroller General of the United States be, and hereby is authorized and directed to settle and adjust the claim of Joseph J. Andrews, an employee of the General Services Administration, for reimbursement of the amount he was required to pay in legal fees for preparation of his defense to a civil suit instituted against him by Burman Anderson. An amount not to exceed $225 may be allowed in full and final settlement of the claim. There is appropriated out of money in the Treasury not otherwise appropriated the sum of $225 for payment of said claim. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. AARON WAYNE OGBURN

The Clerk called the bill (H.R. 899) for the relief of Mr. and Mrs. Aaron Wayne Ogburn.

There being no objection, the Clerk read the bill as follows:

H.R. 899

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comptroller General of the United States be, and hereby is authorized and directed to settle and adjust the claim of Mr. and Mrs. Aaron Wayne Ogburn, for reimbursement of the amount they were required to pay for shipment of a privately owned vehicle from Germany to the United States incident to a permanent change of duty station. An amount not to exceed $446.45 may be allowed in full and final settlement of the claim. There is appropriated out of money in the Treasury not otherwise appropriated the sum of $446.45 for payment of said claim. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of service rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DORIS MAURI COONRAD

The Clerk called the bill (H.R. 932) for the relief of Doris Mauri Coonrad.

There being no objection, the Clerk read the bill as follows:

H.R. 932

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the time limitation in section 2733(b)(1) of title 10, United States Code, the claim of Doris Mauri Coonrad of Woodside, California, against the United States for injuries she sustained in an accident of February 27, 1968, in Monrovia, Liberia, involving a motor vehicle driven by her and a motor vehicle owned by the United States Army and driven by a member of the 72d Army Engineers Mapping Unit of the United States Army, shall be considered to be a timely claim for purposes of section 2733 of title 10, United States Code, if such claim is presented in writing not later than 180 days after the date of the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES C. WILKINSON

The Clerk called the bill (H.R. 1158) for the relief of James C. Wilkinson.

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

There being no objection, the Clerk read the bill as follows:

H.R. 1158

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. James C. Wilkinson, 3201 Applewood, Grand Junction, Colorado 81501, the sum of $511.34, in full satisfaction of his claim against the United States for reimbursement for travel and temporary quarters expenses incurred by him incident to his change of official station from Phoenix, Arizona, to Fairbanks, Alaska, in January 1973. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RODNEY L. HEROLD AND OTHERS

The Clerk called the bill (H.R. 898) for the relief of Rodney L. Herold and others.

There being no objection, the Clerk read the bill, as follows:

H.R. 898

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That each of the following-named persons is relieved of all liability to repay the United States the amount which appears beside his name:

July 1976—(3):	*Indebtedness*
Herold, Rodney L.	$2,018.25
Christiansen, Albert L.	1,254.50
Goodrich, Edward E.	101.41
August 1976—(2):	
Butler, Kenneth E.	1,808.25
Reynard, Allen H.	1,310.50
September 1976—(1):	
Fish, Donald D.	1,182.00
January 1977—(11):	
Robertson, Steve A.	2,302.01
Alton, David W.	1,890.52
Larson, George J.	1,653.39
Dow, William R.	1,626.11
Holly, Daniel L.	1,475.07
Jelinski, Donald E.	1,412.13
Kocher, Leland	797.37
Gonsalves, Carl R.	712.07
McGuire, George E.	617.25
Tonkin, Herbert E.	435.45
Nickell, Virgil L.	194.03

Such amounts represent overpayments of per diem allowances as a result of administrative failures in implementing a regulatory change in the per diem rate by officials of the United States Government against the above-named civilian employees of the Department of the Navy who were performing extended temporary duty training assignments during the period July 1976 to July 1977. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for amounts for which liability is relieved by this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIAN HALL AND VERA W. HALL

The Clerk called the bill (H.R. 934) for the relief of Brian Hall and Vera W. Hall.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

□ 1205

PROCEEDINGS OF THE HOUSE OF REPRESENTATIVES RELEASED TO CABLE TELEVISION

Mr. ROSE. Mr. Speaker, in 1789 this body admitted the public and press for the first time to its gallery. Five years later the Senate, taking the leadership of this body, followed suit, allowing both the press and the public to view its proceedings.

Today, Mr. Speaker, marks the beginning of another chapter in the evolution of this great democracy and this democratic process. Today the television signal that goes out from the House is being carried for the first time to cable television systems across this country. Those of us who have worked and participated in making this day a reality appreciate, Mr. Speaker, your leadership in being willing to let the democratic process evolve in this way. For that, Mr. Speaker, we are very grateful.

□ 1210

CABLE TELEVISION ADDS NEW DIMENSION TO TELECASTS OF HOUSE PROCEEDINGS

(Mr. DOWNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY. Mr. Speaker, today ends our experiment with television coverage of the House of Representatives. The experiment is now reality as we officially welcome C-SPAN, the Cable Satellite Public Affairs Network, to the House Chamber.

Twenty-one thousand of my constituents and 3½ million Americans nationwide now have the opportunity to follow gavel-to-gavel floor activity by virtue of the 300 cable television systems which now receive C-SPAN telecasts. These Americans will not always be excited with what they see, they will not always agree with what we say and do here, but they will be the first generation of Americans to have easy and daily access to the day-to-day work of their elected Representatives. And this can only be a shot in the arm to this unique form of representative democracy established by the Framers of the Constitution in 1789.

While today represents the end of our experiment with television broadcast, it represents only the beginning of what has the potential to become a vital element in the ongoing effort to keep the American electorate informed and educated about congressional activities. Already, plans are underway to integrate C-SPAN coverage in school curriculums. In the week or so that C-SPAN has been actually covering the House, letters have been received at member stations from citizens throughout the country indicating an increased interest in the activities of Congress.

Woodrow Wilson once said that the informing function of Congress is to be preferred above all others. C-SPAN coverage of the House of Representatives makes our job in this regard that much easier.

CABLE TELEVISION COVERAGE OF HOUSE PROCEEDINGS

(Mr. FITHIAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FITHIAN. Mr. Speaker, I would like to join my colleagues in welcoming the participation of the American people in our proceedings by cable television. In a democracy, participation is the very essence of its strength, and so as we open our proceedings up today to those communities all over the country in which cable television plays a part, including my hometown of Lafayette, Ind., where some 21,000 homes have cable television available to them, we are, indeed, in debt to two people whose names I would like to mention.

One is Brian Lamb, who is the president of C-SPAN and who has in a very real way made this possible. He is a resident of Lafayette.

The other is Bob Hughes, chairman of the National Cable Television Association.

Mr. Speaker, the American people can now in large part, by cable television, participate and view the proceedings of this House. I believe this will be a step toward strengthening democracy.

□ 1215

CONCERN OVER FOREIGN POLICY ISSUES WHERE CONGRESS IS NOT CONSULTED

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, as we look ahead to major foreign policy issues that we will have to consider in the coming year, such as SALT II and the Panama Canal, I want to remind my colleagues that President Carter came to the White House with the promise of an open Presidency and a cooperative relationship with Congress.

That promise has been severely stretched if not broken on several occasions. Not only had Carter promised to consult with Congress on establishing full diplomatic relations with the People's Republic of China, he was obliged to do so by action we took during the last session of Congress.

Now we are told, again after the fact, and, I am advised without consultation with Congress, that there was a secret understanding between the United States and Israel to support the peace treaties signed last week. While the substance of the agreement is no doubt fairly well accepted, and I so accept it, the way in which it was done should not be.

Based on the President's past performance, I am greatly concerned about foreign policy issues where Congress is not consulted, not given the full information and not given an opportunity to participate in the making of decisions that affect the vital interests of the American people.

COMPULSORY NATIONAL SERVICE SHOULD BE REJECTED

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, the move afoot to start a program of compulsory national service should be rejected.

If one makes the assumption the young owe a certain portion of their lives to the State, why can we not carry this argument to its fullest and make the program "a progressive national service" as we do with the progressive income tax? Under these circumstances the older citizen, the wealthier citizen, in a preretirement age, who has never served his country before ought to be asked to perform this service prior to drafting the young. This must be done without the draftee receiving any outside income and must be done at modest sacrifice. The businessman, the banker, the professional man must be asked to give up his important position in society and join the national service team by planting trees, raking leaves, and carrying bedpans.

If one argues that national service is a worthy venture, it is only consistent to argue that those who have received more, and for a longer time, owe more to their Nation and must be asked to serve before the young are forced to forfeit their efforts to acquire education and training for skills that will provide for their future. For when the young are asked to give up their education and training, they must do this at total sacrifice and loss of monetary gain, not unlike the loss that would be bestowed on the middle-aged person who would have to leave his secure position in society if we had progressive national service. Since this would be in the area of national service rather than military activity, the age argument could not be used against "drafting" the older citizens.

The absurdity of all this is quite clear. The need to reject the notion of any type of compulsory national service is obvious.

Although we all should have a patriotic responsibility to defend our Nation voluntarily I maintain that citizens of a free country owe no legal debt whatsoever to the state.

APPOINTMENT AS MEMBERS OF U.S. DELEGATION OF MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of Public Law 86-420 as amended, the Chair appoints as members of the U.S. delegation of the Mexico-United States Interparliamentary Group the following Members on the part of the House:

Mr. de la Garza of Texas, chairman;

Mr. Yatron of Pennsylvania, vice chairman;

Mr. Udall of Arizona;

Mr. Kazen of Texas;

Mr. Wolff of New York;

Mr. Miller of California;

Mr. Ireland of Florida;

Mr. Coelho of California;

Mr. Rousselot of California;

Mr. Burgener of California;

Mr. Lagomarsino of California; and

Mr. Rudd of Arizona.

DELETION OF NAME OF MEMBER AS COSPONSOR OF H.R. 2202 AND H.R. 1

(Mr. SAWYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAWYER. Mr. Speaker, at this time I ask unanimous consent to have my name deleted as cosponsor of H.R. 2202, a bill to abolish diversity of citizenship as a basis of Federal court jurisdiction, and I also ask unanimous consent to have my name deleted as cosponsor of H.R. 1, a bill to inaugurate public financing of elections for the House of Representatives and I will include my reasons in the Extensions of Remarks today.

The SPEAKER pro tempore (Mr. Mitchell of Maryland). Is there objection to the requests of the gentleman from Michigan?

There was no objection.

□ 1220

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

Washington, D.C., *April 2, 1979*.

Hon. Thomas P. O'Neill, Jr.,
The Speaker,
U.S. House of Representatives,
Washington, D.C.

Dear Mr. Speaker: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 4:40 p.m. on Monday, April 2, 1979, and said to contain a message from the President on his views concerning the recommendations prepared by the National Commission for the Review of Federal and State Laws Relating to Wiretapping and Electronic Surveillance. The report is submitted pursuant to Section 6(b) of P.L. 92-463.

With kind regards, I am,
Sincerely,
Edmund L. Henshaw, Jr.,
Clerk, House of Representatives.

RECOMMENDATIONS PREPARED BY NATIONAL COMMISSION FOR REVIEW OF FEDERAL AND STATE LAWS RELATING TO WIRETAPPING AND ELECTRONIC SURVEILLANCE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-87)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee of the Judiciary and ordered to be printed.

To the Congress of the United States:

In accordance with Section 6(b) of the Federal Advisory Committee Act (PL 92-463), I am pleased to report to the Congress my views concerning the recommendations contained in the "Report of the National Commission For The Review of Federal and State Laws Relating to Wiretapping and Electronic Surveillance."

The Commission was charged by the Congress to study and evaluate the effectiveness of Title III of the Omnibus Crime Control and Safe Streets Act of 1968 (PL 90-351; 18 US.C. Sec. 2510-2520) which governs the use of electronic surveillance of wire and oral communications, except in matters involving foreign intelligence and counterintelligence.

From my viewpoint, the most significant findings of the Commission in carrying out this Congressional mandate are that the provisions of Title III are an indispensable aid to law enforcement, particularly in obtaining evidence of offenses committed by organized criminals; that the procedural requirements of Title III have effectively minimized the invasion of individual privacy in electronic surveillance investigations by law enforcement officers; and that Title III has reduced the incidence of illegal interceptions through its controls on the manufacture, sale, and advertising of wiretapping devices and its criminal sanctions for their use.

It is particularly reassuring to note the Commission's finding that the carefully designed Title III controls and procedures have effectively minimized the invasion of individual privacy in electronic surveillance investigations by law enforcement officers, and that there were no cases among the many studied by the Commission in which law enforcement authorities sought a Title III court order for an apparently corrupt purpose. From the very inception of its use in criminal cases, the Department of Justice has developed a highly centralized review system for the approval of Title III authorization requests as well as detailed instructions governing execution of court orders designed to protect the substantive rights of both innocent persons and those under investigation. In this connection I am pleased to note the Commission's finding that Federal officials responsible for administering wiretap application review procedures have shown a commendable concern for adhering to the requirements of Title III.

We must always bear in mind that Title III both permits law enforcement officials to fight crime while it protects citizens against unjustified invasions of privacy. It is clearly a criminal statute designed both to prohibit private citizens from conducting illegal interceptions and to regulate governmental conduct by prohibiting law enforcement officials from violating or disregarding specific procedures for conducting wiretaps.

The Commission has made a number of findings and recommendations which it believes will both improve the effectiveness of the use of court-authorized electronic surveillance in criminal investigations and will also strengthen enforcement of Title III strictures against illegal electronic surveillance. In general, I support the objectives of most of these proposals. I am, however, strongly opposed to a few and believe others to be unnecessary.

I support the Commission's recommendation that misdemeanor and civil penalties should be included in Title III for the prosecution and punishment of nonprofessional electronic eavesdroppers. At present the only sanction applicable to the nonprofessional who engages in electronic surveillance is the felony provision of 18 U.S.C. Sec. 2511. In many instances it is simply too severe a sanction for the offense committed and has resulted in considerable judicial distaste for prosecutions brought under Section 2511 against nonprofessionals. Such persons frequently indicate a desire not to contest such charges, yet still proceed with a contested trial in the absence of the alternative of pleading guilty to a misdemeanor.

The Commission's recommendation that Title III should be amended to explicitly allow the disclosure of illegal interceptions when relevant in a prosecution for illegal interceptions is sound. I also agree with the Commission that judges should retain the discretion to deny admission of the evidence where relevance is outweighed by undue loss of privacy to the victim. While it is often possible to pursue such a prosecution without playing any of the illegal tapes, situations occasionally arise where a portion of such a tape is critical to the Government's case. A violator should not escape punishment by hiding behind the exclusionary rule embodied in 18 U.S.C. Sec. 2515, which appears on its face to allow him to move to have such evidence excluded from his trial.

In addition, I support those Commission proposals recommending that a court order for electronic surveillance expressly authorize entry upon a private place or premises to install an eavesdropping device if such entry is necessary to execute the warrant and that the Congress undertake studies of encroachments on individual privacy by new forms of the art, such as computer technology. Similiarly, periodic comprehensive studies and reviews of the operations of Title III would help to determine their continuing effectiveness in law enforcement and in stemming illegal surveillance. Congressional studies also are needed to determine whether some form of notice should be required to assure that customers whose conversations and actions are monitored in the ordinary course of a business, have given their implied consent based upon some reasonable public understanding of the need for such monitoring.

On the other hand, I am strenuously opposed to those proposals of the Commission which recommend that Title III be amended to authorize the Attorney General to designate by name, any United States Attorney or any Federal Strike Force Chief to authorize applications for court-ordered wiretapping, and that the Department of Justice consider some decentralization and streamlining of procedures for the review and approval of such applications by greater delegation of screening requests and decision-making responsibility to United States Attorneys or Federal Strike Force Chiefs.

The statute (18 U.S.C. Sec. 2516) permits the Attorney General to delegate application authorization to any Assistant Attorney General and the Attorney General has delegated this authority to specified Assistant Attorneys General. As the legislative history of this statute indicates, this provision centralizes in a publicly responsible official subject to the political process the formulation of law enforcement policy on the use of electronic surveillance techniques. It thus avoids the possibility that divergent practices might develop and insures that if abuses occur the lines of responsibility will lead to an identifiable person subject to the political process. Any further delegation of this authority would greatly attenuate this centralized control and responsibility which the Congress determined was essential to its use. Further delegation of such authority to the field level would also likely result in a greater number of application requests and court orders. While under existing procedures application requests are currently reviewed by United States Attorneys and Federal Strike Force Chiefs in the field, the final review and approval authority must remain the responsibility of the Assistant Attorney General designated by the Attorney General to approve such applications.

The Commission has recommended that the Congress consider expanding the list of Federal crimes for which electronic surveillance orders may be obtained to include such crimes as customs offenses, manufacture, sale, and interstate shipment of illegal firearms, and fencing of stolen goods affecting interstate commerce. In view of the expression of Congressional concern respecting the limitation of Federal criminal jurisdiction which was demonstrated by the extensive debate during formulation of this provision (18 U.S.C. Sec. 2516) on the floor of the Congress, I believe that a more up-to-date examination of the experiences of the Treasury and Justice Departments in investigating these crimes should be made before the recommendation of the Commission is either endorsed or rejected. I have asked the Attorney General to consult with the Secretary of Treasury on this matter.

Finally, although I support the substance of certain other of the Commission's important proposals, I do not believe that any remedial legislation in this area is necessary since the essence of these recommendations has been implemented by administrative controls adopted by the Department of Justice as a result of its experience with Title III or in response to court decisions interpreting the statute. Recommendations in this area include amending Title III to require an additional showing of facts in order to obtain an extension of a Title III court order and that the explanation of exhaustion of alternative investigative techniques include consideration of the case under investigation insofar as practicable.

The Commission's final Report and its five volumes of supporting materials constitute the most exhaustive compilation of information on the subject of wiretapping and electronic surveillance ever assembled. The record of the Commission stands as an enduring monument to the difficult and conscientious work of its distinguished members and dedicated staff. While its conclusions may be subject to differing degrees of public acceptance, there can be no doubt that the Commission has rendered outstanding service to the American public by its thorough and sensitive exposition of the conflicting demands of law enforcement and individual privacy which inhere in the use of court-authorized electronic eavesdropping.

The Commission's Report has reaffirmed my belief that the Federal Government has used this extraordinarily effective investigative technique in the investigation of serious crimes in a highly responsible and circumscribed manner, and that so used, it has preserved and will continue to preserve the delicate balance that must be maintained between the needs of law enforcement and the demands of personal privacy.

JIMMY CARTER.

THE WHITE HOUSE, *April 2, 1979*.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. LONG of Louisiana. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 595, DISPOSAL OF TIN FROM NATIONAL AND SUPPLEMENTAL STOCKPILES

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 185 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 185

Resolution providing for the consideration of the bill (H.R. 595) to authorize the Administrator of General Services to dispose of thirty-five thousand long tons of tin in the national and supplemental stockpiles, and to provide for the deposit of moneys received from the sale of such tin

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 595) to authorize the Administrator of General Services to dispose of thirty-five thousand long tons of tin in the national and supplemental stockpiles, and to provide for the deposit of moneys received from the sale of such tin, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider an amendment to the bill printed in the Congressional Record of March 27, 1979, by Representative Bingham of New York, and all points of order against said amendment for failure to comply with the provisions of clause 7, rule XVI, are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. LONG) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 185 provides for the consideration of the bill H.R. 595, which would authorize the Administrator of General Services to dispose of 35,000 long tons of tin in the national and supplemental stockpiles, and to provide for the deposit of moneys received from the sale of such tin.

Both Houses passed similar legislation last year, but the measure died as a Senate amendment to H.R. 13750, the Sugar Stabilization Act, when the House voted down the conference report on that bill on the last day of the session.

The committee report on H.R. 595 explains that the quantity of tin authorized for disposal is clearly in excess of our national defense needs. Our stockpile inventory of tin is greatly in surplus. From the disposal authorized in this legislation, we will achieve economies in storage costs in addition to revenues estimated at $536 million. The sale of the tin will be accomplished in an orderly manner without disruption of the world tin market.

The bill also provides for the proceeds of the tin disposal sales to be placed in a special account established in the Treasury, until legislation is enacted to establish a special fund for holding receipts from the sales of excess stockpile materials. The purpose of this fund will be to acquire necessary materials for the stockpile. If the legislation creating the earmarked fund has not been enacted within 3 years after enactment of H.R. 595, the funds in the special account will revert to the Treasury and proceeds from tin sales will be handled thenceforth as miscellaneous receipts.

House Resolution 185 provides for 1 hour of general debate equally divided and controlled by the chairman and ranking minority member of the committee on Armed Services. The first reading of the bill is to be dispensed with; the bill shall be read for amendment under the 5-minute rule; and there shall be one motion to recommit. The resolution provides a simple open rule, with a single waiver of possible points of order for failure to comply with the provisions of clause 7, rule 16, the germaneness rule. This waiver of the germaneness rule makes in order the consideration of an amendment printed in the CONGRESSIONAL RECORD of March 27, 1979, by the gentleman from New York (Mr. BINGHAM). The substance of this amendment was not addressed in the bill, H.R. 595, but it is supported by the Committee on Foreign Affairs and agreeable to the Committee on Armed Services. The amendment would authorize a contribution of 5,000 long tons of the tin authorized for disposal by H.R. 595 to the International Tin Buffer Stock. This contribution would help to stabilize the world tin market, in which prices are at an all-time high.

The procedure of providing for the contribution to the International Tin Buffer Stock through a nongermane floor amendment is an effort to expedite passage of the legislation. The Foreign Affairs Committee is unanimously in favor of the amendment proposed by Mr. BINGHAM and chose to seek the waiver of the germaneness rule rather than request formal referral of the legislation.

Mr. Speaker, there was no evidence of objection to this rule in our hearing on H.R. 595 and the requested rule. I urge the adoption of both the rule and the bill, H.R. 595, which is a measure to foster economy in Government and efficient management of critical materials. I also support the purpose of the amendment as a responsible way for our Nation to contribute to stabilizing the world market in a strategic commodity.

☐ 1225

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the able gentleman from Louisiana (Mr. LONG) has explained the provisions of the resolution and explained them well.

There is one thing that we all must be ever aware of, and that is never to dispose of materials from our stockpiles which are necessary for national defense. Mr. Speaker, before the Committee on Rules evidence was presented that this did not in any way damage the stockpiles of tin and, Mr. Speaker, I think this is a good measure. The resolution should be adopted so that the House can get down to the business of debating the bill.

Mr. Speaker, I have no requests for time, but I reserve the balance of my time.

Mr. LONG of Lousiana. Mr. Speaker, having no requests for time, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON FOREIGN AFFAIRS TO FILE REPORT ON H.R. 3363, AUTHORIZING APPROPRIATIONS FOR FISCAL YEARS 1980 AND 1981 FOR DEPARTMENT OF STATE, INTERNATIONAL COMMUNICATION AGENCY, AND BOARD FOR INTERNATIONAL BROADCASTING

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until 5 p.m. today to file a report on the bill (H.R. 3363) to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

DISPOSAL OF TIN FROM NATIONAL AND SUPPLEMENTAL STOCKPILES

Mr. BENNETT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 595) to authorize the Administrator of General Services to dispose of 35,000 long tons of tin in the national and supplemental stockpiles, and to provide for the deposit of moneys received frm the sale of such tin.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. BENNETT).

The motion was agreed to.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. BENNETT).

The motion was agreed to.

The SPEAKER pro tempore. The Chair designates the gentleman from South Carolina (Mr. HOLLAND) as Chairman of the Committee of the Whole and requests the gentleman from Missouri (Mr. BURLISON) to assume the chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 595, with Mr. BURLISON, Chairman pro tempore in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Florida (Mr. BENNETT) will be recognized for 30 minutes, and the gentleman from South Carolina (Mr. SPENCE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. BENNETT).

☐ 1230

Mr. BENNETT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill under consideration today, H.R. 595, authorizes the disposal of 35,000 tons of tin in the national and supplemental stockpiles. In addition, the bill would provide for the deposit of the proceeds of the sales into a special account to be established in the Treasury. These moneys shall be available only for deposit and remain in the account until legislation is enacted to establish a special fund into which moneys from the sales of excess stockpile materials would be held for use to acquire materials needed for the stockpile in the future. If such legislation is not enacted within 3 years after enactment of this bill (H.R. 595), any moneys in the special account would be returned to the Treasury. Section 2 was included in this bill in the event H.R. 595 is enacted into law before H.R. 2154 or similar legislation which would provide for the establishment of a permanent fund. I am confident that subsequent legislation will be enacted establishing the special fund.

As you know, on March 19 the House passed H.R. 2154, a bill to revise the Strategic and Critical Materials Stock Piling Act, which contains the special fund provision. The Senate has also held hearings on a similar bill containing the special fund provision, and I anticipate Senate action on their bill in the near future.

Mr. Chairman, administration witnesses testified that the quantity of material authorized for disposal by this bill is clearly in excess of our defense needs and would not be required to support the industrial base of the United States. The current stockpile goal, which represents the difference between requirements and supply for a 3-year mobilization planning period, is approximately 32,500 tons. Since the stockpile inventory contains approximately 200,480 tons of tin, there is an excess of 167,980 tons. Thus, in view of this large surplus, I strongly support the release of this 35,000 tons. For the information of the Members, the House in the last Congress passed a similar bill (H.R. 9486), which contained disposal authority for 35,000 tons of tin.

Mr. Chairman, there has been some concern expressed by representative of Bolivia that the disposal of this amount of tin could have negative consequences on the economy of Bolivia, a country largely dependent on tin exports. I assured these individuals that every effort would be made by the General Services Administration to dispose of the tin in an orderly manner so as to prevent a disruption of the tin market and avoid any damage to the economy of a friendly country. In fact, the bill contains language which provides that "sales shall be fixed with due regard to the protection of the U.S. against avoidable loss and protection of producers, processors, and consumers against avoidable disruption of their usual markets." If, in the process of disposing of this tin, evidence is brought to the attention of the committee that the sales are disrupting the market, the committee will exercise is oversight responsibility and conduct hearings into disposal procedures.

It is to be noted that GSA has disposed of over 30 commodities in the last 14 years, generating revenues in excess of $7 billion without any undue market disruption. At least, there have been no instances of market disruption brought to my attention since I have been chairman of the Seapower and Strategic and Critical Materials Subcommittee.

Mr. Chairman, I urge the Members to support this bill and approve its passage.

Mr. SPENCE. I yield myself such time as I may consume.

Mr. Chairman, as most of us realize, our Nation has a stockpile of critical materials which we will need in time of war. We currently have 93 different commodities in the stockpile. The Federal Preparedness Agency has the duty of deciding what we need in the way of materials to carry on a war of 3 years duration. The General Services Administration manages the stockpile from the standpoint of storage. We now have a surplus of some items in the stockpile and a shortage in others. Right now we are below our goal in 53 different items, and we have an excess of our needs in 40 different items.

☐ 1235

From time to time we sell off the excess materials we do not need. In the past these funds have gone into the General Treasury. Since March 19 of this year when the House passed H.R. 2154, the proceeds from the sale of these excess materials now go into a special fund which can be used to buy those other materials which we need to buy to bring the stockpile goals up to requirements for these items.

Right now the current market value of all the items in our stockpile aggregate $10.2 billion.

The current market value of the stockpile if all goals were met would approximate $12.2 billion.

The value of the excess we have in our stockpile of these 40 commodities I referred to is $4.6 billion.

If we are to completely meet the stockpile goals in all the commodities referred to, it will cost us $7.5 billion.

From the standpoint of tin, we now have a 3-year requirement of 166,000 tons. The managers of the stockpile tell us that we have a surplus of 35,000 tons. This would be sold in such amounts and at such times so as not to disturb the tin market.

It now costs us $31,500 a year just to store the excess tin we have in our stockpile.

Mr. Chairman, I urge my colleagues to vote in favor of this bill.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, pursuant to the interest of the Subcommittee on Economic Stabilization in this matter, I recently asked Julius Katz, the assistant secretary of State for Economic and Business Affairs, several questions in order to bring us all up to date on the factual situation with respect to the world tin situation, the international tin agreement and the proposed U.S. contribution to the buffer stock. I ask consent that those questions and Mr. Katz's replies be inserted in the RECORD at this point:

DEPARTMENT OF STATE,
Washington, March 30, 1979.

Hon. WILLIAM S. MOORHEAD,
Chairman, Subcommittee on Economic Stabilization of the Committee on Banking, Finance and Urban Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I have your letter of March 23 in which you ask several questions about the current world tin situation, the Fifth International Tin Agreement, and the Executive Branch's support for a U.S. contribution to the buffer stock of the International Tin Council.

Following are the responses to your questions:

Question 1. What is the current world price of tin and what are the upper and lower limits currently in force in the International Tin Agreement?

Answer. During March 1979 the New York price for grade A tin metal, as reported by *Metals Week*, has averaged $7.40 per pound. On the Penang tin metal exchange, the March price has averaged $6.63 per pound. The current floor price of the price range administered by the International Tin Council is $4.60 per pound, and the ceiling price is $5.80 per pound.

Question 2. You may recall that last year you proposed to use a formula based in part on the world price in order to calculate the precise amount of the U.S. contribution of tin to the buffer stock. At that time, the amount would have been somewhat less than the 5,000 tons proposed to be authorized. What would that amount be today?

Answer. We propose to use the same formula for a contribution that we had proposed last year, i.e., the contribution of tin metal by the United States would be based on our share of votes in the International Tin Council and valued at the market price at the time the contribution is made. Under this formula, the United States contribution would amount to approximately 3,630 metric tons of tin with a current market value of approximately $53 million.

Question 3. With the world price of tin above the upper limit set in the agreement, it was understood by us last year that any U.S. contribution would have to be sold promptly by the buffer stock manager. Is this still the case?

Answer. Under the provisions of the Fifth International Tin Agreement, the buffer stock manager is required to sell any tin at his disposal in the buffer stock when the market price is above the ceiling price set by the International Tin Council. If the market price is above the ceiling price at the time that the U.S. makes its contribution, the buffer stock manager would be required to sell the tin.

Question 4. If such a U.S. contribution is made and the tin sold, thereby meeting part of the world supply deficiency, is it your expectation that a correspondingly smaller amount would be scheduled for sale in the next year by the G.S.A. from the stockpile, as authorized by H.R. 595? Alternatively, do you expect the G.S.A. sales to proceed regardless of sales by the buffer stock?

Answer. Sale by the buffer stock manager of tin contributed by the U.S. would not necessarily mean that a correspondingly smaller amount would be scheduled for sale in the next year by the G.S.A. The G.S.A.

annually establishes its sales and acquisition goals in relationship to its budget and the current state of world commodity markets. We would expect that under normal circumstances G.S.A. would abide by its objectives regardless of the activities of the International Tin Council's buffer stock operation. However, if it became clear that concurrent G.S.A. and International Tin Council tin sales were to so depress the market as to inhibit investment in tin production, then both the buffer stock manager and G.S.A. would be required under their operating procedures to review their activities and take appropriate action.

In this connection, it is noteworthy that both G.S.A. and the International Tin Council were large sellers of tin metal during 1973 and early 1974. Despite combined sales of about 55,000 tons during that period, the market price for tin continued to rise until it reached its peak in June 1974 when it was approximately $1.40 per pound above the then existing International Tin Council ceiling of $3.30 per pound.

Question 5. Last year the Banking Committee added an amendment to the tin legislation prohibiting the U.S. contribution to the buffer stock until the world price fell back within the band established under the Tin Agreement. Do you still oppose such a provision? If so, would you give us your reasons?

Answer. We continue to oppose legislation that would prohibit a U.S. contribution to the buffer stock until the world price falls within the price range of the International Tin Agreement. Our opposition is two-fold. On economic grounds, we believe such a provision could deny tin metals to consumers at a time of extremely high prices. It is conceivable that if such a restrictive provision were in force and if G.S.A. sales were inadequate to bring market prices down into the International Tin Council price range, U.S. tin metal would not be contributed to the International Tin Council buffer stock and would therefore not be available to moderate market prices to the benefit of consumers. Our second ground for opposition to such a provision is that we have long argued in the International Tin Agreement and in other international arrangements that the contributions to international arrangements should be made under the same terms and conditions by all participants. Were we now to insist that our contribution could be made only under certain restrictive conditions, other contributors might impose similar conditions, the result of which could be to impede effective and efficient operation of the buffer stock.

I hope the above answers your questions and that you will be prepared to continue to support legislation for a U.S. contribution to the buffer stock of the International Tin Council.

Sincerely,

JULIUS L. KATZ,
Assistant Secretary for
Economic and Business Affairs.

Mr. BENNETT. Mr. Chairman, I would yield at this time to any Member who has a question.

Mr. SPENCE. Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. Does the gentleman from Florida (Mr. BENNETT) desire to yield further time?

Mr. BENNETT. No, Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 595

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Administrator of General Services is authorized to dispose of, by negotiation or otherwise, approximtaely thirty-five thousand long tons of tin held, on the date of the enactment of this Act, in the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98—98h–1) and the supplemental stockpile established under section 104(b) of the Agricultural Trade Development and Assistance Act of 1954 (as in effect from September 21. 1959, through December 31, 1966; 68 Stat. 456, as amended by the Act of September 21, 1959 (73 Stat. 606)).

(b) The disposition authorized by subsection (a) may be made without regard to the requirements of section 3 of the Strategic and Critical Materials Stock Piling Act, except that the time and method of such disposition shall be fixed with due regard to the protection of the United States against avoidable loss and the protection of producers, processors, and consumer's against avoidable disruption of their usual markets.

Sec. 2. (a) Any moneys received pursuant to the disposal of tin from the national stockpile or supplemental stockpile which are authorized by this Act shall be covered into a special account which shall be established in the Treasury of the United States.

(b) Moneys covered into such account shall be available only for deposit, in accordance with legislation enacted after the enactment of this Act, in a special fund in the Treasury established by such legislation as a depository for moneys derived from sales of excess materials under the Strategic and Critical Materials Stock Piling Act. If such legislation has not been enacted within three years after the enactment of this Act, any moneys in the special account established pursuant to subsection (a) and any moneys hereafter received pursuant to sales of tin under this Act. shall be covered into the Treasury as miscellaneous receipts.

Mr. BENNETT (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENT OFFERED BY MR. BINGHAM

Mr. BINGHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Bingham: Add the following new section at the end of the bill:

Sec. 3. (a) The President, on behalf of the United States, is authorized to contribute up to five thousand long tons of tin metal to the Tin Buffer Stock established under the Fifth International Tin Agreement at such time, and in accordance with such conditions, as he may establish.

(b) Of the amount of tin metal authorized to be disposed of in subsection (a) of the first section of this Act, the Administrator of General Services is authorized to transfer to the International Tin Council without reimbursement such amount of tin metal not exceeding five thousand long tons as may be directed by the President for the purpose set forth in subsection (a) of this section.

(c) The President shall transmit to the Congress, at least sixty days before any transfer of tin metal to the International Tin Council under this section, a report projecting the impact of such action on the economy of the United States and on the economic and political development of the major tin exporting nations.

Page 2, line 11, insert "and by section 3 of this Act" after "subsection (a)".

Mr. BINGHAM (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair announces that pursuant to the rule it shall be in order to consider this amendment, which was printed in the Congressional Record on March 27, 1979.

The Chair recognizes the gentleman from New York (Mr. Bingham) in support of the amendment.

Mr. BINGHAM. Mr. Chairman, I would first like to express my appreciation to the manger of the bill for his cooperation in handling this matter in the manner we have handled it, so as to avoid the necesity of having this bill referred to the Committee on Foreign Affairs.

Mr. Chairman, I rise in support of H.R. 595 and my amendment. My amendment would earmark up to 5,000 tons of the tin for the international tin buffer stock. My amendment has been requested by the administration and enjoys the full support of the bill's sponsors, the Foreign Affairs Committee, consumer groups, and the canning and steel industries. The House and Senate passed this provision overwhelmingly in the last session. Unfortunately, it died as a noncontroversial amendment to the sugar bill in the final hours of the 95th Congress.

The purpose of this amendment is to help stabilize world tin market conditions. This would be done without cost to the taxpayer, and in fulfillment of a longstanding U.S. commitment to cooperate in mutually beneficial international commodity agreements to reduce inflation and assure U.S. access to future supplies. This is clearly in the U.S. interest as the world's largest tin consumer. And we should do it as soon as possible to give all consumers a break from today's record high tin prices. Right now prices are over $7 a pound. Three years ago they were $3.50.

What would this amendment do? It would permit 5,000 tons of the 35,000 released by this bill to go to the International Tin Council. The United States is a member of that organization by treaty. The International Tin Council has an international buffer stock to which many nations contribute, which can be used to buy and sell tin on the world market to keep prices stable. That is what would be done with the tin to be released under this bill from the U.S. stockpile, and that is what would be done with the portion I am proposing to allocate to the International Tin Council.

I want to stress four things about this measure—

First, it will not cost the U.S. Government or the U.S. taxpayer anything. The tin to be transferred, worth about $53 million, will be returned in cash or in kind at the termination of the agreement in 1981. This is explicitly required by article 25 of the treaty. So, I repeat, there is no net cost.

Second, this tin or cash reimbursement will go back into the U.S. stockpile fund, not into general Treasury revenues. So this proposal is consistent with the revolving fund idea for the financing of future stockpiles that has been approved by the House.

Third, as the world's largest consumer of tin, the United States needs to participate in international efforts to stabilize prices and assure supplies, not just depend upon unilateral disposals from the U.S. stockpile. That is why the administration wants this amendment.

Finally, a U.S. contribution of 5,000 tons reflects our fair share of the tin buffer stock and will encourage other consumer nations to contribute. All producers have already contributed.

The United States joined the Fifth International Tin Agreement in 1976, under the Ford administration, although we have cooperated with producers and consumers informally for years. The United States has the largest block of votes among the consumer group in the International Tin Council. Through this Council producers and consumers agree on appropriate floor and ceiling tin price limits which the buffer stock is designed to defend. These price limits are not arbitrary. On the contrary, they are adjusted to reflect changes in long-term market trends. These limits do, however, promote a more stable investment climate for producers, most of whom are developing countries highly dependent on tin export earnings. Similarly, these limits protect consumers against inflationary price fluctuations.

But in order to achieve these objectives, the buffer stock must be sufficiently large. Unfortunately, historically this has not been the case, in large part because only producers were expected to contribute. In fact during the Foreign Affairs Committee hearings on this proposal last year, we were told by the Treasury Department that the United States would have saved over $100 million between 1956 and 1973 on tin prices alone, if the buffer stock had had adequate reserves of tin and cash. Total consumer savings could have been closer to $400 million. We have the potential today of maintaining a buffer stock with a purchasing power of over 35,000 tons, compared to previous stocks ranging from 10,000 to 15,000 tons.

A U.S. contribution of surplus tin would therefore serve to increase the buffer stock's reserves at a time when tin is in short supply. It would also serve to encourage other consumers to follow our lead. Producers have already deposited their shares. The Secretary of State recognized these and other potential foreign policy benefits of a U.S. contribution when he first announced his intention to seek congressional approval nearly 2 years ago.

If anything, today's situation argues even more strongly for that contribution. Prices have continued to climb, and Japan and Canada agreed to contribute their shares to the buffer stock in response to the Secretary's announced intentions. My colleagues may wish to see a recent letter from the State Department expressing continued strong support for this proposed amendment.

Mr. Chairman, developing countries are looking to the United States for leadership in the commodity trade area where we clearly share their concerns as a major producer and consumer of numerous commodities. And we have an opportunity here to cooperate in a mutually beneficial commodity arrangement, without prejudicing our case-by-case approach to commodity negotiations.

Neither my amendment nor the moderate GSA tin disposal program described in H.R. 595 are panaceas for tin market instability. Nor is market stabilization easily achieved. But at no cost and with immediate benefit to our constituents, we can take a big step in the right direction with these proposals.

In light of these considerations, and the widespread support for both H.R. 595 and my amendment thereto, I urge my colleagues to vote favorably on both proposals.

Mr. BENNETT. Mr. Chairman, if the gentleman will yield, this amendment has been studied in connection with the bill and I am authorized by the subcommittee and the full Committee on Armed Services to agree to this. It has passed the House last year and we are very much in favor of this amendment.

Mr. BINGHAM. I thank the gentleman and I thank him for his cooperation.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York, to authorize a 5,000-ton U.S. contribution to the international tin buffer stock.

I have long been concerned about the need for the Congress to more closely monitor the full ramifications of our actions. As a tin consuming nation, we need to be informed of the projected effects of this legislation on our own domestic economy. As a world leader, we should also be aware of the effects that such action will have on the political and economic development of the tin exporting nations.

During consideration of this proposal in the last Congress, I offered and had adopted an amendment to enable the Congress to review in advance the impact of our contribution to the Fifth International Tin Agreement. I am pleased to see that this amendment is included in Mr. BINGHAM's proposal, thereby helping to determine the projected effects of our policies at home and abroad.

The fluctuation in tin prices can have a serious impact on both the economic and political life of tin producing countries. The major exporters are developing nations who rely on tin as a major export item. The rise and fall of world tin prices have deep implications for their development. Such economic fluctuations can seriously retard their ability to develop stable democratic traditions.

It has been alleged that past disposals of tin from our large stockpiles have not been orderly and have in turn resulted in serious consequences for some exporting nations. In order to clarify the intent of Congress under this legislation with regard to any possible negative effect on the tin producing nations, I would like to direct a question to the sponsor of this amendment, the gentleman from New York (Mr. BINGHAM).

My question of the gentleman is: What assurances can be provided that the disposals of tin under this legislation will be orderly and will not have any negative consequences for developing nations that are heavily dependent on tin exports such as Bolivia and the other tin-producing nations?

Mr. BINGHAM. Mr. Chairman, first let me say that I sympathize with the gentleman's concerns. As the gentleman knows, I have been personally associated with our development aid program for more than 30 years, in one capacity or another, and I would not want to support any action in this or any other legislation that would counteract the benefits that accrue to developing nations through the aid program. The gentleman is quite correct in pointing out that commodity prices are critical to the economies of many developing nations. The whole purpose of this bill is to minimize such fluctuations in the interest of both producers and consumers.

Under the Fifth International Tin Agreement itself, the producing nations, as the gentleman knows, are part of the International Tin Council. Therefore, any use of the U.S. tin contribution to the buffer stock would be in accordance with the rules of that organization protecting the interests of the producer countries.

Now with regard to the remaining 30,000 tons that this bill proposes be disposed directly from our stockpiles, that, of course, we can and should control very carefully and release in as orderly a fashion as possible.

I would say to the gentleman that we are committed to considering producer country interests before any direct tin disposals. Such concern is explicitly mandated in the Strategic and Critical Materials Stockpiling Act and in article 43 of the tin agreement itself. H.R. 595 also reiterates this commitment to avoid producer market disruptions. And I have received assurances from State than any GSA disposal plan will be adjusted to take into account revised estimates of the current production shortage.

The United States is also firmly committed to bilateral and multilateral consultations with producing countries about the rate of GSA disposals. I understand that in the past, even when GSA has not had much authority to dispose of tin, these consultations have taken place at least annually and more frequently upon producer country request. I am assured that we will intensify such consultations when this legislation is enacted. In addition to the required consultations, the State Department has repeated to the ITC and President Carter has personally told the Bolivians of our intention to enter close consultations on the legislation we are now considering.

The State Department also chairs the interagency committee that makes the day-to-day disposal decisions, and I am informed that the other members of the committee rarely if ever fail to follow State Department recommendations.

I would say to the gentleman that it is the view of the Foreign Affairs Committee and the clear intent of this legislation that these direct consultations with producer nations should continue and perhaps occur frequently. The purpose should be generally to minimize the economic and political disruptions that disposals might cause to producer countries, and specifically to minimize month-to-month variations in the rate of U.S. disposal. We cannot, however, go so far as to eliminate such variations entirely. To do so would jeopardize the price-stabilizing effects of these disposals. What we can and must do, and what the committees clearly endorse and intend, is that we consult in detail with producing nations frequently and regularly. On the basis of that bilateral and multilateral consultation we should dispose of tin with minimum variation in the rate of that disposal over time consistent with the goal of stabilizing market conditions.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for his concise and informative response and wish to commend him for his diligent work and leadership in support of our contribution to the buffer stock. I fully support the gentleman's amendment, as well as the entire legislation (H.R. 595), and urge my colleagues to join in support.

Mr. STANTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to make an inquiry of the author of the amendment, and I hope in this colloquy we can clear up a couple of questions that I have in mind. I refer specifically to the recent colloquy the gentleman had with my friend, the gentleman from New York (Mr. Gilman).

As my friend, the gentleman from New York (Mr. Bingham), well knows, last year when this legislation passed this body, it was referred to our Committee on Banking, Finance and Urban Affairs, and that was done under a referral by either the gentleman's committee or the Committee on Armed Services. This year we turned down the right of referral of this legislation.

When this was before our committee last year and the gentleman's amendment came up for consideration to sell the 5,000 tons from the GSA to the International Tin Council, we put in an amendment at that time that this tin shall not be transferred until such time as the price or the ceiling and the floor would be set by the Tin Council itself. We thought this was an extremely good amendment at that time; we felt it was a very important amendment. I think the gentleman accepted the amendment at that time, and it was added to the legislation last year. It was included; am I correct?

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. STANTON. Yes, I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, we reluctantly accepted the amendment last year because of the procedural necessity of going before the House under suspension of the rules. We do not believe this to be a wise or a necessary amendment at this time.

For one thing, the floor and ceiling prices, as set under the international tin agreement, have been increased since this amendment was first introduced in a way that makes them consistent with long-term price trends. In light of that we feel that to impose this restriction on the U.S. contribution would impose an unnecessary hardship on consumers at a time of relatively high world prices. So to a degree the amendment would defeat our purposes.

Mr. STANTON. Mr. Chairman, let me answer that colloquy for the benefit of any Member who is interested.

First of all, the gentleman speaks about the interest of the consumers. Regardless of whether the gentleman's amendment goes through or not, we are selling 35,000 tons of tin. If the gentleman's amendment goes through, 5,000 tons go to the International Tin Council, and the other 30,000 goes to GSA. So from the consumer's point of view, it is the same amount of tin.

What does bother me and what we should sincerely be interested in is the answer in the gentleman's colloquy with our friend, the gentleman from New York (Mr. Gilman), a minute ago, because if the gentleman's amendment should pass in its present form and if it should go to the International Tin Council, under their agreement they have no choice; they must sell this tin immediately. Therefore, there cannot be any protection from the prices of other countries.

That is not really too important, because 5,000 tons goes to the International Tin Council, compared to 30,000 tons to GSA, but we could argue that back and forth.

But I would say to my friend that he is wrong to a degree. The limits are changed, because the gentleman does have a change from the price of $4.60 to a ceiling of $5.80 or some price in that vicinity. But the present going price is something around $7.40 per pound.

So under the tin agreement and under the fifth replenishment, which would follow the rules and regulations of the previous amendments to this legislation, they would have to sell this at the going price of $7.40. So we would not, first of all, sell the 5,000 tons; we would be selling less than that for our part.

But, on the other hand, to go ahead and immediately sell it just to get rid of it is contrary to what I think is the intent of the tin agreement, contrary to what it should be and contrary to what the protection for our country is all about. If we waited until we get to some point between the floor and the ceiling and then transferred it, we are going to help the buffer stocks, which is the purpose of the tin agreement, to keep a relatively stable price.

It is my understanding this particular Council is not engaged in tin itself for 2 years, but in January of 1977 they sold their last tin. The reason for that is that tin, considering its sales price and its market price, is far above the ceiling price under which they would not only to sell but under which they cannot buy. So that is where we are at.

□ 1245

That is why I say to my friend that I understand fully the agreements, and it is important that we keep our word. It is only voluntary that we do this.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. Stanton) has expired.

(By unanimous consent, Mr. Stanton was allowed to proceed for 3 additional minutes.)

Mr. STANTON. I want to be fair with the gentleman. I would like to have an amendment over here and in the other body. If not, I am certainly going to vote against this legislation, because all you would honestly be doing—and tell me if I am wrong—if the gentleman's amendment passes in its present form, about 5,000 tons will go from GSA to the International Tin Council on their charter. They are required to sell this. They can get about $7.40 per pound for it. They keep the money over there, which, as the gentleman says, we would put $53 million in an equivalent amount. They are going to keep that for 3 years, then they have the sixth replenishment, and then it comes back to our Treasury. It just does not make sense. Now, where am I wrong? If the gentleman can talk me out of this, I would be glad to. I called the State Department. The gentleman does not like this amendment. But it is good commonsense to have an amendment where we will not sell to them until we do what the Council wanted, and that is to act as a buffer amount.

Mr. BINGHAM. If the gentleman will yield again, I think the point is that tin has reached an excessively high price today in the absence of new supplies. It is a very sensitive market. I think, as a matter of fact, the passage of this bill today will probably have an impact on tin prices and, quite possibly, bring them down to within the price limits set by the international agreement.

Mr. STANTON. Then this 5,000 would be down here. But we could legitimately do it.

Mr. BINGHAM. That is correct. Where I do not follow the gentleman is that it is not legitimate for us to contribute this tin to the International Tin Agreement, even if it does have the effect that the gentleman points out, in a lowering the price to a certain extent. The subsequent sales, under the bill as a whole, would have a larger effect, probably, on the lowering of the price than the contribution of the 5,000 tons. But our contribution clearly would help, and in any case would increase the buffer stocks reserves to use in the future against market fluctuations.

□ 1250

Mr. STANTON. I go back to my original premise, which is this: What the gentleman is doing is authorizing keeping an agreement. True, we made an agreement. It is only a voluntary agreement, I thought. I am sure the gentleman will agree with me that it is not mandatory but a voluntary agreement to contribute to the replenishment of the tin agreement. We can give cash, but we agreed to give tin. We have an excess of tin.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. Stanton) has again expired.

(By unanimous consent, Mr. Stanton

was allowed to proceed for 2 additional minutes.)

Mr. STANTON. So all I would say is—and I think I will have to offer this amendment—not to sell this tin until it is within between the floor and the ceiling, because if we do not add my amendment onto the gentleman's amendment, then the GSA, under this bill, has no choice to immediately sell, then turn it right into cash, and they are going to turn around and keep the cash until 3 years for now and then give it back, as the gentleman says, under the new buffer agreement on the stock. It does not stop anything. I hope the gentleman will give it serious thought. I feel, in good conscience, that I have to offer the amendment, otherwise I cannot vote for the legislation. I want to be very clear on that.

AMENDMENT OFFERED BY MR. STANTON TO THE AMENDMENT OFFERED BY MR. BINGHAM

Mr. STANTON. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. STANTON to the amendment offered by Mr. BINGHAM: Strike "at such time, and" in Sec. 3(a) add at the end of that sentence and before the period the following: "and at such time as the prevailing international market price for tin falls within the floor and ceiling prices established under the Agreement".

□ 1255

Mr. STANTON. Mr. Chairman and members of the Committee, what I have added to the amendment is the exact language which was in this legislation when it passed the House last year. What it assures all the Members of is the fact that when the GSA transfers 5,000 of the 35,000 tons, they will not do so until such time as the price is within the buffer zone, or the floor and ceiling price established under this agreement.

If we do not have this little change in the language, then the GSA has no choice but to transfer immediately up to $53 million worth of tin to the Tin Council. They immediately have to sell it; they have no choice. It says that they are required to sell it. Therefore, once again under a separate transaction the Tin Council, of which we are a part of this fifth replenishment, will be back in the same place it was in January 1977, without any tin.

This amendment came out of our committee, and I hope that the amendments carry. If it does not carry on the House floor I hope it will be put in in the Senate version. I think it is extremely important and constructive to the amendment offered by my friend from New York. By the way, I am all in favor of agreeing that we should keep our word. I support the amendment, if amended, and would like to see this 5,000 tons go over to the Council.

Mr. BINGHAM. Mr. Chairman, I rise in opposition to the amendment.

First of all, a procedural note. The amendment the gentleman from Ohio has offered was offered last year in the Banking Committee by the gentleman from Connecticut (Mr. MCKINNEY). It was passed in the Banking Committee by a vote of 16 to 15, and I understand that there is susbtantial difference of opinion in the Banking Committee today as to the wisdom of this amendment.

Second, it is true that we agreed to go along with this amendment last year. We did so because of the constraints of the situation on the floor. We were running out of time, and we felt that we had to deal with the bill on suspension. Therefore, in order to accommodate all the interests we went along with the amendment. We did so reluctantly, and felt then as we feel today. While I am not claiming that the amendment would destroy the effectiveness of my amendment or the bill, I think it is unnecessary and unwise, and I will indicate reasons why.

It would deny tin metal to consumers at a time of extremely high prices. It would do this by requiring prices to fall over a dollar before consumers could benefit from the United States contribution to the Tin Council.

In a sense, that is contrary to the very idea of the proposition of a contribution to the international tin buffer stock. If the world price is above the ceiling set by producers and consumers, it is by definition excessive, and therefore a contribution of tin at this time makes sense.

As to whether it would automatically be sold on the market, that does not necessarily follow. Under the amendment the President is authorized to make this contribution to the tin buffer stock in accordance with such conditions as he may establish and at such time as he may establish. Furthermore, the buffer stock manager would only be obliged to sell the tin if prices remain over $5.84, the ceiling price. H.R. 595 may well cause tin prices to fall within the established range given a modest tin disposal program.

The gentleman's amendment does seek to impose unilateral conditions on our contribution to the buffer stock even though the United States has been successful in the past in preserving our interests through multilateral negotiations. The amendment would encourage others who are members of the tin agreement to impose their own conditions, which we would then be hard pressed to oppose.

□ 1300

In other words, producers could tie future contributions to curbs on GSA tin disposals, or require mandatory consumer contributions instead of the current voluntary arrangements. Therefore, this kind of unilateral condition would be an unfortunate precedent. We also believe it would add to uncertainty in market conditions, and therefore feed into the hands of speculators. Incidentally, it could be very difficult to administer. If prices were to hover close to the ceiling price, the United States would not know from day to day whether the contribution could be made or not.

The administration has strongly objected to the amendment and has so communicated in a letter to the Committee on Banking, Finance and Urban Affairs, which I have here. I do not propose to read it. It is a letter to the gentleman from Pennsylvania, the Honorable WILLIAM S. MOORHEAD, chairman of the Subcommittee on Economic Stabilization, giving a number of reasons why they consider this amendment to be unwise.

Mr. Chairman, I yield back the balance of my time.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Bingham amendment to H.R. 595. Although I voted against this action last year, the continued escalation of tin prices leads me to believe more direct action should now be taken to dampen this inflationary trend.

The intent of this proposal is to help stabilize tin prices, yet we should not be overly optimistic that this contribution alone to the international tin buffer stock will automatically give stability to tin prices. The small size of the international stockpile in the past has prevented its having much effect on prices. However, the U.S. contribution now would be a clear signal to consumer and producer nations that the United States seeks a responsible approach to commodity agreements. Our action will have a multiplier effect by improving the effectiveness of the international buffer stock and encouraging countries like West Germany and other consumers to make cash contributions which would then further increase the future size and effectiveness of the stockpile.

Moreover, there are a number of policies which the United States would like to see producer states follow to increase supplies of tin. These actions include reduction of some of their current taxes and other disincentives to production which they maintain. If we contribute and cooperate in this international stockpile, it gives us a much better opportunity to get the kinds of policies from other countries, including producer counties, that we need in order to have stability in the tin market.

Participation in commodity agreements should be considered only on a case-by-case basis. Our contribution to the international tin buffer stock does not mean the United States will automatically participate in other commodity agreements as well. Each must be studied and decided on its own merits.

I would like to add my thoughts on one other concern which has been expressed by some producer countries, like Bolivia. Those producers fear U.S. contributions to the stockpile or rapid disposal from our domestic tin stockpile would seriously destabilize the tin market and create grave losses for the producer nations' economies. I have been assured by the administration that any disposal of tin would be a carefully planned and orderly action and would not cause economic hardship for the producing nations. Commodity price fluctuations are bad for both producers and consumers. This action would help combat such price fluctuations.

I urge my colleagues to support this amendment.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Ohio.

Mr. STANTON. Mr. Chairman, the gentleman was right in stating that our contribution of 5,000 tons would help Germany to make up its mind.

It is my understanding that Germany has not made their contribution. In fact, of 22 contributing countries, only 7 countries had contributed last year.

The Germans are going to contribute cash. The Germans are much smarter than we are. They are not going to contribute cash to buy tin to keep the price stable when the Council cannot buy tin. They are not going to contribute cash until such time as the price of tin is between the ceiling and the floor price. At that time they will say to the Buffer Council, "All right. You need our money now to buy tin, so here it is. You cannot buy any now under your regulations so you do not need the money yet."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. STANTON) to the amendment offered by the gentleman from New York (Mr. BINGHAM).

The amendment to the amendment was rejected.

☐ 1305

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BINGHAM).

The amendment was agreed to.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HOLLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 595) "to authorize the Administrator of General Services to dispose of thirty-five thousand long tons of tin in the national and supplemental stock, and to provide for the deposit of moneys received from the sale of such tin," pursuant to House Resolution 185, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. STANTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 371, nays 16, not voting 45, as follows:

[Roll No. 74]

YEAS—371

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Beilenson
Benjamin
Bennett
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Cavanaugh
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McEwen
McHugh
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Roth
Roybal
Rudd
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spence
St Germain
Stack
Stangeland
Stark
Steed
Stenholm
Stokes
Studds
Swift
Synar
Tauke
Taylor
Thomas
Traxler
Treen
Trible
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla
Young, Mo.
Zablocki
Zeferetti

NAYS—16

Ashbrook
Bauman
Collins, Tex.
Crane, Daniel
Crane, Philip
Gonzalez
Hansen
Holt
Ichord
Kelly
McDonald
McKay
Mottl
Stanton
Stratton
Stump

NOT VOTING—45

Anderson, Ill.
Badham
Bedell
Bereuter
Bethune
Biaggi
Brown, Calif.
Burgener
Carter
Chappell
Dannemeyer
Davis, S.C.
Dellums
Diggs
Dixon
Dornan
Edgar
Fascell
Flood
Garcia
Goldwater
Kemp
Kramer
Leath, Tex.
McCloskey
McKinney
Martin
Mica
Murphy, Ill.
Oakar
Pepper
Railsback
Rostenkowski
Rousselot
Runnels
Shumway
Solomon
Spellman
Staggers
Stewart
Stockman
Symms
Thompson
Ullman
Waxman

☐ 1320

The Clerk announced the following pairs:

Mr. Pepper with Mr. Rousselot.

Mr. Chappell with Mr. Symms.

Mr. Dixon with Mr. Carter.

Mrs. Spellman with Mr. Goldwater.

Mr. Staggers with Mr. McCloskey.

Mr. Thompson with Mr. McKinney.

Mr. Biaggi with Mr. Railsback.

Mr. Flood with Mr. Anderson of Illinois.

Mr. Garcia with Mr. Dornan.

Mr. Murphy of Illinois with Mr. Martin.

Mr. Pursell with Mr. Kramer.

Ms. Oakar with Mr. Solomon.

Mr. Davis of South Carolina with Mr. Shumway.

Mr. Dellums with Mr. Badham.

Mr. Waxman with Mr. Bereuter.

Mr. Diggs with Mr. Bethune.

Mr. Ullman with Mr. Burgener.

Mr. Bedell with Mr. Kemp.

Mr. Rostenkowski with Mr. Dannemeyer.

Mr. Leath of Texas with Mr. Mica.

Mr. Brown of California with Mr. Edgar.

Mr. Stewart with Mr. Runnels.

Mr. DANIEL B. CRANE changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

TITLE AMENDMENT OFFERED BY MR. BENNETT

Mr. BENNETT. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mr. BENNETT: Amend the title so as to read: "An Act to authorize the Administrator of General Services to dispose of thirty-five thousand long tons of tin in the national and supplemental stockpiles, to provide for the deposit of moneys received from the sale of such tin, and for other purposes."

The title amendment was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BENNETT. Mr. Chairman, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks, and include extraneous matter, on H.R. 595, the bill under consideration.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

PACE EXAMINATION DISCRIMINATES AGAINST BLACKS

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, I released, 2 weeks ago, the results of an unpublished General Accounting Office (GAO) study showing that PACE, the much given professional entry exam for Federal employment, discriminates against blacks. Disturbed by the GAO results, I scheduled hearings of my Civil Service Subcommittee for May 15 to look into PACE, merit selection, and equal employment opportunity in Government hiring.

A good deal of controversy has resulted from my release of the GAO results. I rise today to provide Members with background on this issue and to share my views.

By correlating PACE scores with information on an applicant's race, GAO found that 58 percent of whites and only 12 percent of blacks scored a passing grade of 70 percent on the professional administrative and career exam (PACE). Scoring the 90 percent necessary to be certified for a vacancy by the Office of Personnel Management were 16 percent of whites and only 0.2 percent of blacks.

These GAO figures confirm earlier findings, made under court order, from the San Francisco civil service region. In a 1977 sitting for the test, 25 percent of whites, 1 percent of blacks, and zero percent of Hispanics scored over 90 percent. Winning passing grades were 67 percent of whites, 12 percent of blacks, and 33 percent of Hispanics.

Because the Office of Personnel Management has not inquired PACE takers of their race or ethnicity, the GAO figures represent the first nationwide survey of the discriminatory impact of the exam. Neither GAO nor I will speculate on why the figures come out so skewed. I will say, however, that the fact that whites are 80 times more likely than blacks to score well enough to be certified presents a prima facie case of racial discrimination.

Clearly, some method to separate out those most qualified to do a job is necessary. To be fair and useful, this screening mechanism must predict reliably future job performance. Depending on the job for which the test is being given, personal attributes, like strength, intelligence, coordination, may be crucial or may be irrelevant. For example, a test measuring physical strength would be entirely inappropriate (and certainly discriminatory against women) for a job as an economist. So, in terms of PACE, the first question which must be asked is, Does the exam reliably predict performance on the job?

The efforts of the former Civil Service Commission to demonstrate PACE's reliability have been limited and inconclusive. Major studies were last published in 1977 and no further studies are now planned. Those studies correlated the job performance of experienced workers with their performance on the exam at the time of the study. In other words, the Commission's validation was based on testing those who already held the jobs and not on looking back at how workers did on the tests before they were hired. I am, therefore, somewhat skeptical about how well the PACE's predictability has been validated.

Even if, for the sake of argument, one concedes that PACE validly predicts job performance, another question must be asked: Are there other selection devices which predict job performance as well as PACE but which have a less profound facially discriminatory impact? As a matter of justice and as a matter of law, I believe that the least discriminatory means possible must be used. At our hearings, I will be interested in learning whether the Office of Personnel Management has researched other testing methods to see if less biased ones are available.

Although PACE is the primary entry level exam for college graduates, other job entry mechanisms, such as upward mobility, veterans readjustment, and Presidential management interns, are used for the same jobs. In fact, of the 166,000 people who took the PACE in 1978, only 7,587 or 4.6 percent were selected for jobs. This tiny proportion of selections from PACE is due to the scarcity of Federal jobs and to the practice of hiring from within the agency or within the Government first, before going to new hire.

PACE is used to hire GS–5's and GS–7's in some 120 occupational categories, ranging from administrative assistant to criminal investigator to park manager.

I believe our hearings on May 15 will provide a useful discussion about hiring in the Federal Government and I look forward to them.

IN OPPOSITION TO THE ADMINISTRATION'S REORGANIZATION PROPOSAL FOR A DEPARMENT OF NATURAL RESOURCES

(Mr. FOLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FOLEY. Mr. Speaker, the administration reportedly intends to submit, in the near future, a reorganization proposal, which, unless either House passes a resolution of disapproval, will:

Move the Forest Service from the Department of Agriculture and the National Oceanic and Atmospheric Administration from the Department of Commerce to the Department of the Interior.

Rename the Department of the Interior as the Department of Natural Resources.

The administration will also seek authority to consolidate several Federal economic development programs, including the business and industry loan program of the Farmers Home Administration, and place them under the Economic Development Administration.

I am strongly opposed to these actions. In particular, the administration's reorganization proposal for a Department of Natural Resources is poorly conceived, poorly considered, and poorly timed.

It is poorly conceived because it is obviously based on the premise that simple manipulation of organizational charts—moving organizational boxes around—will increase efficiency. If this were true, past Federal reorganizational efforts would have been much more successful than has been the case.

The administration's proposed reorganization is poorly considered. It does not take into account differences in existing statutory authorities. It does not take into account differences in agency organization at regional, State, and local levels. The proposed reorganization plan does not provide a detailed analysis of its costs and benefits. Instead, the administration simply asserts, without offering any solid supporting evidence, that there will be a saving to the taxpayers of $100 million per year if the planned transfers are allowed to take place.

Finally the proposed reorganization is poorly timed. Recent legislation, including the Forest and Rangeland Renewable Resources Planning Act, the National Forest Management Act, the Federal Land Policy and Management Act, and the Fishery Conservation and Management Act, have set into motion several long-term management programs. Reorganization at this time would disrupt implementation of these programs, at substantial cost in terms of adverse consequences to the environment and supplies of resources the Nation needs to combat continued inflationary pressures.

Mr. Speaker, I would like to submit for inclusion in the RECORD a letter to the editor by Prof. James L. McKenney of Harvard University, which raises some of the same objections I have outlined. The letter appeared in the New York Times on March 30 of this year. Professor McKenney's concise, well-reasoned arguments point out the flawed conceptual basis of the administration's proposed Department of Natural Resources.

The letter follows:

FLAWED CONCEPT OF A U.S. DEPARTMENT OF NATURAL RESOURCES

To the Editor:

I take exception to your recent editorial recommendation supporting the new Department of Natural Resources on three grounds: the size of the land base, management objectives and style and recent Congressional legislation and its momentum.

The Interior Department's lands amount to over 400 million acres. The Forest Service, in the Department of Agriculture, manages approximately 200 million acres. Merging control of 600 million acres into one department assumes that efficiency and effectiveness go with size. The concept of efficiency of managing huge similar assets within government has not been proven. That is, the costs of size may outweigh the potential benefits of merging land management. A bit of competition among giants could provide useful tension to maintain effective management.

Federal land management objectives have evolved over 90 years in four different organizations. This legislation places with Interior such special-use objectives as recreation, wildlife and a caretaker's role for roughly 300 million acres of rock in the West. These objectives guide the agencies within Interior. The Bureau of Land Management has a state-oriented system that seems to function well in the extensive management lands in the West. The Park Service is organized to specific sites and focuses on land management of preserving natural beauty for the enjoyment of the public. This structure has worked well; the management style differs in each and is in accordance with limited sets of objectives.

The Forest Service, on the other hand, manages the aggregation of national forests in a multiple-use fashion. Its lands are more productive than Interior's and simultaneously produce wildlife, grazing, recreation and timber. The U.S.F.S. has evolved a complex system of management to achieve multiuse objectives. Its planning and review process and resultant management style are significantly more complex than those of either the B.L.M. or the Park Service. Combining these two styles will have a tendency either to simplify a needed complexity or make too complex a simple management task.

Recent legislation by the Congress has set in motion a series of land management programs. Both B.L.M. and U.S.F.S. have initiated a set of agency-developed programs to create and to implement environmentally sound land management activities. These programs have involved the public and millions of dollars in public moneys to develop a series of plans and procedures to utilize and to protect the productivity of the land. Pooling management styles and mixing objectives is more likely to create chaos and dissension. Melding these two different sets of legislative directives at this point in time would create a two- to three-year hiatus in the protection and production from our various U.S. bases. If the intent is to disrupt public use of the land and stop environmentally sound programs, reorganization is a useful step.

Simplistic answers to complex problems only create confusion. The objectives and potential for our national lands range over a broad spectrum of societal needs. The social changes of the recent past are being implemented in the field today. These changes stimulated different policies and organizations in each agency to best achieve these objectives. Meeting a campaign promise is a commendable action—if the promise is a useful policy shift. This is not.

James L. McKenney,
Professor of Business Administration,
Harvard University.

Boston, *March 19, 1979.*

CITING THE PRESIDENT'S ACHIEVEMENTS ON LOCAL AND REGIONAL ISSUES

(Mr. YOUNG of Missouri asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOUNG of Missouri. Mr. Speaker, despite President Carter's tremendous personal achievement in mediating the Middle East peace settlement, it is still fashionable to say that he is ineffective, unable to cope with the Nation's problems both here and abroad.

This, of course, is a self-fulfilling prophecy. The more leading political figures and news commentators present the President as weak and ineffective, the weaker he will be perceived by those he must deal with in grappling with problems.

Many of my colleagues have used this forum in recent days to point out some of the President's accomplishments over the past 2 years. For the most part, these congressional statements have focused on national and international developments. Today, I would like to change the perspective and cite the Carter administration's efforts at the local and regional level. Specifically, I would draw my colleagues' attention to the administration's highly successful activities in the St. Louis region.

The Carter administration had been in office less than 3 months when it made a momentous decision for the St. Louis region—the decision to reverse the plan of the previous administration to phase out Lambert-St. Louis International Airport as the region's principal air facility. The decision headed off what almost certainly would have been a sharp economic decline for the area around the airport. It reflected the view of the majority of St. Louis area citizens who wanted the airport retained. And it saved hundreds of millions of dollars for the taxpayers—the cost of a proposed new airport in an isolated area miles from the center of the metropolitan area.

Since that time, the Carter administration has continued to play an active role in the effort to upgrade Lambert Airport to serve the area into the next century. A 5–year, $60 million improvement program is underway with Federal assistance.

The Carter administration also deserves credit for its expeditious handling of requests for construction of a major highway near the St. Louis Airport. Completion of the inner belt highway had been delayed for more than 20 years because of problems with funding and right-of-way. Last year, the administration cut through the redtape and declared a crucial section of the highway part of the Interstate Highway System. This made additional Federal funding available and will insure completion of the project by late 1981.

The President virtually insured a major boost for the St. Louis economy last year by approving compromise legislation that authorizes replacement locks and dam 26 on the Mississippi River near Alton, Ill. The administration also is moving ahead with a rail modernization plan that is crucial to both the Illinois and Missouri portions of the St. Louis region. Also underway is a study to determine the best use of the five Mississippi River bridges at St. Louis.

This is by no means an all-inclusive listing. The President and his administration have played an active and central role in assisting development of the St. Louis region on many fronts. But I believe this listing gives at least a partial picture of bold progress at home that some critics have overlooked in criticizing the President's first 2 years. For this record of progressive and decisive action, I am convinced the President deserves praise and recognition as a strong and forceful leader.

SUN BELT VERSUS SNOW BELT: SHOULD WE PIT REGION AGAINST REGION?

(Mr. CAMPBELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. CAMPBELL. Mr. Speaker, our colleague from Oklahoma (Mr. Edwards) has recently established the "Sunbelt Caucus," designed in large part to counter lobbying and information-disseminating activities of the Northeast-Midwest Coalition. I am a member of the new caucus and am certainly supportive of programs which will aid the Sunbelt of our Nation. But I find something inherently distasteful and self-defeating in pitting one region of the United States against another by attempting to tilt legislative and business decisions to the benefit of one section of our country at the expense of another. As Prof. Richard B. McKenzie editorialized on the proposed National Employment Priorities Act in yesterday's Greenville, S.C., News, "restrictions on business movements are a bad idea. Restrictions will simply reduce the efficiency and output of the U.S. economy." By doing so, such restrictions would harm all parts of America.

McKenzie, a professor in the department of economics at Clemson University, has made some points that all Members should carefully consider before they jump on the regional bandwagon. I commend his editorial to the attention of my colleagues:

[From the Greenville (S.C.) News, Apr. 2, 1979]

Bill Pits "Sun Belt" vs. "Snow Belt"

(By Richard B. McKenzie)

In 1977, Rep. William Ford, D.-Mich., with 18 co-sponsors, introduced in Congress a little-known bill called the National Employment Priorities Act. The bill will be introduced in Congress again this year. If enacted, it will increase substantially the federal government's supervision and control of business decisions.

The general purpose of the legislation, which has not yet emerged from committee, is to remedy what Ford calls the "runaway plant phenomena." It effectively requires businesses with 50 or more employees to petition the federal government for the right to move. In no small way the bill raises the specter of "1984."

The bill proposes to establish a new agency called the National Employment Relocation Administration, whose purpose will be to "conduct . . . investigations and issue reports on any proposed closing or transfer of operations of . . . a business with 50 or more employees" and "to determine the extent of the employment loss on the individuals and communities involved; whether such closing or transfer is without adequate justification."

The bill would provide substantial governmental aid to employees who lose their jobs and to communities which suffer because of plant relocations. The bill would also require a business to give a two-year notice of its intention to move and offer its employees jobs in its new location if it moves.

Finally, if a business move is deemed "unjustified" by the secretary of labor, the company can be denied important tax benefits; the investment tax credit, accelerated depreciation allowances, the foreign tax credit, deferral of tax on income earned outside the United States and deductions from taxable income of any expense incurred in the move to the new location.

In introducing the legislation in the House, Ford cites the movement of the Federal Mogul Company from his district to Alabama and suggests there is something inherently wrong with business moves designed to make "more money." Clearly, Ford sees "profit" as an economic evil and as the outgrowth of a zero-sum game in which one part of the country gains at the expense of the other.

He fails to understand that profits emerge in business moves because of cost savings and, thereby, reflect the enlargement of the national income. The game that is played clearly has a positive sum.

The campaign for governmental restrictions on business mobility, which has been extended into several state legislatures, bristles with all the rhetoric of war. Phrases like "Second War Between the States" pepper popular accounts of changes in the regional structure of the economy and business reactions to them.

The economic conflict is often viewed as "us" against "them"—the "Snow Belt" vs. the "Sun Belt." Although useful for political purposes, such rhetoric can easily hide nonsensical arguments behind the veil of urgent calls for government action.

The industrial movement south does not mean the North is made worse off or that growth in the standard of living in the North has been retarded. Indeed, the converse may be argued: Movements of people and industry south have contributed to the growth of the standard of living in the North.

By moving south, industries are able to provide goods to northern markets at lower prices than they would have been able to provide if they had stayed in the North. The greater production which can result at lower costs contributes to greater national income and to an increase in the purchasing power of workers' incomes, including the incomes of northern workers.

Therefore, if industry had not moved south, real incomes in the North would have risen loss rapidly than they have.

Business movement south is commonly explained in terms of the "wage attraction" of the South. However, it may just as well be explained as a consequence of the "wage-push" in the North. From the wage-attraction perspective, one may conclude that "low-paid serfs in the South" are causing economic harm to the North.

The wage-push perspective suggests, however, that wages in the North are higher for some economic reason, such as competition for workers from the developing service sector in the North, and therefore that the firms that move south are "pushed" south, due to this competition for labor resources in the North.

Seen this way, industrial movements south are a consequence of gains made by many workers in the North, and the case for restrictions on business movements is a case for the retardation of the economic growth and development of the North.

Even if northern manufacturing firms are restricted from moving south by legislation, the movement of jobs will be impeded but not stopped. Firms move because production costs in new locations are lower. Restrictions on business mobility will simply cause new firms to emerge and existing firms to expand in the South. Because of their cost disadvantage, firms in old northern locations will be forced by competition to contract their operations or to go out of business.

In short, no matter how they are viewed, restrictions on business movements are a bad idea. Restrictions will simply reduce the efficiency and output of the U.S. economy. However, unless Congress is watched closely, relocation rules may be another very bad idea whose time has come.

The writer is a professor in the department of economics at Clemson University. This is a summary report of findings of a study done by the author entitled "Restrictions on Business Mobility: Political Rhetoric and Economic Reality," which will be published this year by the American Enterprise Institute for Public Policy Research.

□ 1325

TRIBUTE TO THE LATE HONORABLE SAMUEL N. FRIEDEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. LONG) is recognized for 5 minutes.

Mr. LONG of Maryland. Mr. Speaker, I am honored to invite my colleagues to share in a tribute to former Representative Samuel N. Friedel who died on March 21. Sam Friedel served nine terms from 1953 to 1971—as Congressman from Maryland's Seventh District, part of which I now have the honor to represent.

Sam was born in Washington, D.C., on April 18, 1898. Six months later, his family moved to Baltimore City where he attended public schools and Strayer Business College.

Sam Friedel came to Congress from the precincts of Baltimore City. He represented the people of southeast Baltimore City in the Maryland House of Delegates on the Ways and Means Committee from 1935 to 1939. In 1939 he was elected to fill an unexpired term on Baltimore's City Council, was returned to that post four successive times and became chairman of its Budget and Finance Committee. In 1952, he won the seat for the newly formed Seventh Congressional District comprising Baltimore City.

His record during 18 years of congressional service was that of a concerned but commonsense liberal, a civil rights supporter, and a booster of Maryland. From 1968 to 1971, Sam served as chairman of the House Administration Committee. Revisions in the clerk-hire regulations insuring equity throughout Congress, reforming the funding process for congressional committees to increase accountability, providing allowances for computer services for Members, and insuring adequate funding for the General Accounting Office, the Library of Congress, and other important congressional services, are a few of his achievements.

During his chairmanship of the Interstate and Foreign Commerce Subcommittee on Transportation and Aeronautics, Dulles Airport was constructed, air safety benefitted from significant Federal attention antihijacking measures were adopted, benefits for active and retired railroad workers were improved and aircraft noise abatement and Federal aid to local airports programs were enacted.

Sam lived to 80 years of age—and had a full life. We shall miss him, but are warmed by the memory of his concern for others.

Sam was a genuinely nice guy. My sympathy and my wife, Susie's go out to his wife of 40 years, Regina, and to his sister, Gertrude Justman.

□ 1330

Mr. MITCHELL of Maryland. Mr. Speaker, will the gentleman yield?

Mr. LONG of Maryland. I am happy to yield to my colleague from Maryland.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the State of Maryland and the city of Baltimore lost one of its favorite sons, former Congressman Samuel Friedel.

Sam Friedel represented from 1953 to 1970 the Seventh Congressional District of Maryland, the same district I have had the privilege of representing since 1971.

I inherited from former Congressman Friedel, a district that was accustomed to having a Congressman who was accessible to them, and a Congressman who treated their problems and concerns with a high degree of sincerity and sensitivity. Therefore, it is no wonder that the people of the Seventh Congressional District of Maryland returned Sam Friedel to Congress for 17 continuous years.

The Seventh Congressional District of Maryland is only 40 miles from the Capitol and, therefore, the people of this district did not consider their Congressman to be someone they had sent far away to Washington, but rather, a neighbor, who had a job just a few miles further away. When Congressman Friedel would return to his urban district in the evenings, he was greeted as "Sammy," a special neighbor who had come home to rest after a hard day's work on their behalf.

Samuel Friedel who gave two decades of service to the people of Baltimore City, and the people of America, will be missed, however, the style and dedication with which he served will always be remembered.

Mr. LONG of Maryland. I thank the gentleman from Maryland. His remarks are especially appropriate, because the gentleman from the Seventh District now, of course, most ably represents the district that Sam served in such a distinguished way for so many years.

Mr. PICKLE. Mr. Speaker, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Texas.

Mr. PICKLE. I thank the gentleman for yielding.

Mr. Speaker, I want to join my colleagues in recalling the distinguished record and the character of Sammy Friedel. As a Member of Congress, Sammy was not only an effective leader, but he was a kind, warm-hearted individual as well. As the gentleman in the well has said, he took the lead in advancing socioeconomically disadvantaged legislation. He was a true champion of civil rights at a time when it was not always the popular thing to advance, because I think he realized that one of the best ways to fight the battle against poverty was through improvements in education.

He had vision, and he was not afraid to step out and make a tough vote. Sammy Friedel was a Member's Member. He was perhaps one of the most popular Members of this body. He became chairman of the House Administration Committee at a time when it was necessary for this body to advance itself into the the computer age. We had to have extra funds for staff, for travel, for typewriters, for equipment. It was not easy to advance those recommendations, but Sammy would come to the floor and recommend that help, and a little bit more, and a little bit more.

Many a time we have seen the Chair gavel through assistance to Members which was needed, because Sammy Friedel did not give them a good, clean, precise answer, and they were grappling with what he said and trying to interpret it when the measure was already passed.

Many a time we have seen our friend, H. R. Gross, get on the floor and try to trap Sammy, and Sammy's indirections of answers were jewels. Some day, somebody is going to write a book about Sammy Friedel and the answers he did not give to H. R. Gross, but which were perfect in their responses. The House would be in great glee when those exchanges took place. Everyone knew that they were not going to vote against Sammy Friedel, because we loved him not only for the way in which he handled it, but because of his absolute sincerity of purpose in trying to advance and help every Member of this House.

We loved him as an individual and as a man. I am particularly fond of recalling that I served with him some 10 years on the House Commerce Committee and made trips with him, all very important visits. Sammy and his wife Regina were quite popular with Members of this body, and we never had a more lovable, sensitive man than Sammy.

Mr. Speaker, I am pleased to extend my sympathies to his widow and to say to all those in Maryland, "We love you, because you made our lives happy, because you sent us Sammy Friedel."

☐ 1335

Mr. LONG of Maryland. Mr. Speaker, I thank the gentleman from Texas (Mr. PICKLE), and I am glad that he recalls the wonderful colloquies and exchanges which used to take place between Sam Friedel and H. R. Gross of Iowa. I treasure them as some of the bright spots of my memories of Congress.

Mr. PICKLE. Mr. Speaker, if the gentleman will yield further, I would hope that before this colloquy is over or during the day our colleague, the gentleman from Virginia (Mr. SATTERFIELD), who served with Sam Friedel, might tell some of the Sam Friedel stories, because I think he could tell them rather professionally. They are great stories, and I am sure he can recall for us some of those wonderful stories.

Mr. LONG of Maryland. Mr. Speaker, the gentleman is right. Sam was a Member's Member.

Mr. DICKINSON. Mr. Speaker, will the gentleman yield?

Mr. LONG of Maryland. I am delighted to yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Speaker, I would like to compliment the gentleman from Maryland (Mr. LONG) for taking this time so that those of us who knew and loved Sam could participate in offering our condolences to the widow and the family and to put on record what a great guy Sam was.

For a number of years, I served with him on the Committee on House Administration. I was the ranking minority member when he was chairman; and what has been said by my good friend, the gentleman from Texas (Mr. PICKLE), is certainly true. The exchanges on the floor were gems, as were quite a few of the exchanges during committee sessions, I might add.

Mr. Speaker, I would say that Sam passed more legislation by indirection than the rest of us passed by direction, so it was a pleasure serving with him.

My friend, the gentleman from Ohio (Mr. DEVINE), calls him the "Casey Stengel of the House."

Mr. Speaker, Sam Friedel was a great guy. Out of 435 Members who served here, I do not believe there was one person who enjoyed more friendship or that there was even one person in the House who did not genuinely enjoy and like Sam.

Therefore, Mr. Speaker, I am very pleased at having the opportunity of joining with other Members in paying my respects to Sam. I was very sad to see that he had died recently, and our heart goes out to his family.

Mr. LONG of Maryland. Mr. Speaker, I thank the gentleman from Alabama (Mr. DICKINSON). I am glad that he has recalled some of Sam Friedel's delightful attributes.

Sam Friedel was probably the kindest man ever. He never made a joke at somebody else's expense; at least, he never intended to make one at somebody else's expense. Yet, somehow some of the things he said came across in such a way as to tickle the risibilities of the House.

Unlike many people who have to study for many long hours in order to say something funny, he used to have us rolling in the aisles, completely without malice. It was a great day when Sam Friedel used to rise in this House. I will remember him with great warmth and affection.

Mr MIKVA. Mr. Speaker, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Illinois.

Mr. MIKVA. Mr. Speaker, I thank the gentleman for yielding.

I, too, want to join in paying tribute to that very distinguished former Member, Sam Friedel.

During my first term here he was still chairman of the Committee on House Administration.

The gentleman's point about his gentility and his gentle manners is well taken. I recall how helpful he was. When he wanted to make himself understood to the newer Members, he could speak very clearly and articulately; and those of us who came over in that class of new Members were grateful for the many things he told us about the way the House worked and ought to work.

Mr. Speaker, I share the great memory of that very distinguished man, Samuel Friedel.

Mr. LONG of Maryland. Mr. Speaker, I thank the gentleman from Illinois (Mr. MIKVA).

● Mr. GIAIMO. Mr. Speaker, I rise to join in a brief tribute to our former colleague, Sam Friedel, who died on March 21.

Sam served with this body for 18 years. For 12 of those I am pleased to have served with him.

We remember Sam as a friend to all, a dedicated and hard-working Member who came up through the ranks of politics and government. He came from the streets of Baltimore, the grass roots, and he remembered his beginnings and his constituents. He was never aloof, and he never donned a stuffed shirt.

From the city council to the State legislature to the Congress of the United States, Sam Friedel was a public servant of the old school, less interested in form than in results.

We especially remember him with fondness for his time as the Chairman of our House Administration Committee, for his dedicated work on the Interstate and Foreign Commerce Committee and as Chairman of the Subcommittee on Transportation and Aeronautics.

When Sam Friedel left us 8 years ago, we missed him. Now we shall miss him even more.●

● Mr. BRINKLEY. Mr. Speaker, it is a privilege to participate in this special order honoring the outstanding service of our former colleague, Samuel N. Friedel, whose congressional career spanned nearly two decades.

Sam's passing greatly saddens those of us who knew and loved this special man. When we think of Sam, we will remember his uncommon gift for communicating with others. One might say that Sam Friedel was articulate where it counted most—in sharing his concern for his fellow man and being a friend to his fellow man.

We mourn the loss of Sam but will take heart in the memory of his warmth and cherish his unswerving commitment to serving others.●

● Mr. ADDABBO. Mr. Speaker, the loss of the late Samuel Friedel is one which will be felt in this Chamber and in the State of Maryland for some time to come. Samuel Friedel was raised in Maryland and later represented his home State in Congress. Before Samuel Friedel was elected to the House he served his home State as a member of the State house of delegates, as a member of the Baltimore City Council, and as a delegate to the Democratic National Convention. In 1952, Samuel Friedel was elected to the 83d Congress and was reelected for eight succeeding Congresses. During Samuel Friedel's term in office, he served as a very popular chairman of the House Administration Committee and as a member of the Interstate and Foreign Commerce Committee. His 18 years of hard work resulted in many valuable contributions which will never be forgoten. He was truly a staunch advocate of good government and respected the human rights and dignities of all men. At this time, I would like to offer my condolences to his family.●

● Mr. ANDERSON of California. Mr. Speaker, after a long and fruitful life of 80 years—nearly one fourth of which were spent in service to his country as a Member of Congress, Sam Friedel of Maryland passed away last March 21.

While we, his colleagues, mourn his passing, a moment of reflection upon a life so active and dedicated to public service somehow lessens our grief. Sam's life was full and rich; his devotion to the public weal leaves an indelible mark on the State of Maryland, on this body of representatives, and on the Nation as a whole. His record of service in Washington is truly admirable; his entire career may be looked upon as an example for each of us who would follow in his footsteps.

It was an honor to have served with one so distinguished as Sam Friedel. He was one of the most worthy Members this body has ever known. My wife, Lee, and I extend our deepest sympathies to his wife, Regina. While words are of so little comfort in this time of grief, she is not alone, for all of us will mourn the passing of a man of such excellence.●

● Mr. CORMAN. Mr. Speaker, it was with deep sorrow that I learned of the sudden death of our former and distinguished colleague, Sam Friedel.

Sam's political career spanned nearly half a century. His political endeavors began with his election to the Maryland State House of Delegates in 1935, and followed a path from there to the Baltimore City Council and then to the U.S. House of Representatives in 1953. From 1953 to 1971 he not only diligently served his constituents in the State of Maryland, but also guided significant legislation through Congress as the Chairman of the House Administration Committee from 1968 to 1971. He also served as second ranking majority member of the House Interstate and Foreign Commerce Committee and Chairman of its Subcommittee on Transportation and Aeronautics.

Sam will be long remembered by all who had the privilege to serve with him throughout his long and prominent career. I join my colleagues in paying tribute to Sam and extend my deepest sympathy to his wife, Regina.●

● Mr. NATCHER. Mr. Speaker, I join with the many friends of Sam Friedel in expressing my sorrow at his untimely passing.

Sam Friedel was an able legislator and an energetic advocate of his people. While serving as a Member of the House of Representatives, he served as chairman of the House Administration Committee. Every Member in the House liked Sam Friedel and his hard work and conscientious representation was appreciated by his constituents. With the highest level of ability and integrity, he zealously defended the ideas and principles he believed in and upon which this Nation was built.

Down through the years Members of Congress have performed the demanding and necessary assignments which must be done every day and have had to make hard and unpopular decisions at times. This applied to Sam Friedel as well as to the rest of us. He had a mind that never flagged and he was known for his charm, wit, compassion, and humor. He gave of himself fully and unselfishly and he was a kind, considerate and courageous man.

He will be missed by the people of Maryland and by all of us in the House of Representatives.

Mr. Speaker, I would like to convey to the members of his family my sincere expression of sympathy.●

● Mr. MONTGOMERY. Mr. Speaker, I appreciate the gentleman from Maryland, Mr. LONG, sponsoring this special order today in order that we might pay tribute to the distinguished career of the late Sam Friedel.

It was my pleasure to be able to serve with Sam for two terms from 1967 through 1971. During that time I always found him to be a very pleasant colleague and I can say without hesitation that he was one of the most popular Members of the House.

I am very appreciative of the contributions Sam made to this body and thus to our Nation during his 18 years of service in the House. He was dedicated. He was conscientious. And he was effective. I am sure the people of Maryland's Seventh District are thankful they had the benefit of Sam Friedel's service for nine terms, just as we in the House are thankful to have worked with him as a colleague.

I join with my colleagues today in expressing deep sympathy to Sam's family over his passing and also offering our thanks for having shared him with us and the Nation.●

● Mrs. BYRON. Mr. Speaker, I wish to take this opportunity to join with my colleague Congressman CLARENCE LONG, the dean of the Maryland congressional delegation, in paying tribute to former Congressman Samuel N. Friedel, who passed away recently.

Goodloe and I valued our friendship with Sam Friedel very much. Goodloe served in the Maryland Legislature during part of the time Sam represented Maryland's Seventh District in Congress and we respected his service very much. He was an outstanding public servant and set a great example for others to follow. He was deeply concerned about each of the constituents he represented, and the national interest, and he worked hard to make Government work.

His congressional career was a distinguished 18 years of dedicated service to the Nation and the people of Maryland's Seventh Congressional District. He will be deeply missed by his many friends and admirers and I wish to extend my sympathies to his family.●

● Mr. DERRICK. Mr. Speaker, it is my privilege to participate in this special order to offer my condolences on the death of the Hon. Samuel N. Friedel.

Sam Friedel was a distinguished former Member of this body. He was an outstanding chairman of the House Administration Committee and was the second ranking majority member on the Interstate and Foreign Commerce Committee, where he was also chairman of its Subcommittee on Transportation and Aeronautics.

I know I need not tell those of my colleagues who were privileged to serve with Sam Friedel of his outstanding abilities or the scope of his accomplishments. I am equally sure that it is not necessary to relate his achievements to the people of the Seventh District of Maryland, whom he so ably served. We shall all miss him very much.●

● Mr. RHODES. Mr. Speaker, one of our former colleagues, Sam Friedel, has passed away. He and I came to the Congress together in 1953, and although we were on opposite sides of the aisle, and frequently on opposing sides on issues, I knew him as a good friend.

Sam came to Congress from years of down-to-earth politics in Baltimore. He served the Seventh District—Maryland—and the Nation with distinction for 16 years. He had a ready smile, a fine sense of humor, and a highly original style of translating his ideas into legislation. He served us well as chairman of the House Administration Committee for 3 years.

I share with my colleagues our sense of loss at his passing, and our memories of his friendship over the years he served in the House.●

● Mr. UDALL. Mr. Speaker, in this sometimes cynical House, there is always time for friendship, and there are always a few Members whose openness, friendliness and zest for life make them favorites on both sides of the aisle. Sam was one such Member—about as personally liked and popular as any Member in my time.

Sam always fought for the underdog and for his beloved Baltimore. My warmest personal regards go to his family.●

● Ms. MIKULSKI. Mr. Speaker, I would like to take this opportunity to pay tribute to the late Sam Friedel, a former Member of Congress from the city of Baltimore, from 1953 to 1971.

Sam will be remembered for the harmonious rapport he maintained with his constituency. His work in Congress focused heavily upon grassroots concerns, where his achievements were admirable. He was always responsive to requests from constituents.

A compassionate and sincere individual, Sam shall be missed by all who had the opportunity to work with him.●

GENERAL LEAVE

Mr. LONG of Maryland. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the life, character, and public service of the late Samuel Friedel.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

THE ROLE OF MILITARY SPENDING IN FUELING INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. SEIBERLING) is recognized for 5 minutes.

Mr. SEIBERLING. Mr. Speaker, on several occasions I have called the attention of the House to the disastrous effect the continued high level of military spending is having on our Nation's economy. History teaches us that militarization is the road to economic decline and eventual ruin.

The aggravating effect of military spending on unemployment is now generally recognized. On March 15 I placed in the Record an article on that subject by the distinguished president of the International Association of Machinists, Mr. William W. Winpisinger. Today I offer for the Record an article elaborating the way in which our Nation's military spending is a powerful driving force behind inflation.

☐ 1340

The writer, Dr. Seymour Melman, is a well-known economist and professor of industrial engineering at Columbia University. Dr. Melman points out that, by 1979, 53 cents out of each Federal tax dollar is used to pay for past, present, and future military operations. He states:

> From 1951 until the present day the budget of the United States Department of Defense exceeds each year the net profit of all U.S. corporations.

As a result, he adds:

> Capital for productive use has been taxed away from the civilian economy.

One result has been a slowing down in the rate of productivity growth. Dr. Melman comments on this as follows:

> From 1965–1970 U.S. productivity growth dropped to 2.1% per year, followed by 1970–75 at 1.8% per year. Now Jimmy Carter's economists tell us to expect productivity increases of 1.5% per year. These are the lowest rates of productivity growth in American history, and the lowest of any western industrial country. They signal industrial decay, making U.S. civilian technologies second-rate, especially compared with Germany and Japan, whose capital and technological resources are concentrated on civilian economy.

Dr. Melman further states:

> The mechanism of productivity growth and cost minimizing ground to a halt by the mid-1960s as a result of capital and technology resources being pre-empted on a massive and a continuing scale for the military economy. Whatever worth the military economy has, its products do not serve us in consumption or for further production."

Mr. Speaker, obviously we must not reduce the military forces of the United States below the level needed to protect our people and maintain a balance of power in the world. However, recent studies, one of which was placed in the Record for March 15 by our distinguished colleague, the gentlewoman from New York (Ms. Holtzman) have indicated that the military budget could, over a few years, be reduced by as much as $50 billion a year without impairing our Nation's defenses. Yet the administration's budget for 1980 proposes a sizable increase. This will, as Dr. Melman points out, intensify both inflation and unemployment. Surely if we are serious about curbing inflationary Government spending, the military budget should be the first, not the last place to cut.

Mr. Speaker, the full text of Dr. Melman's article, as printed in the April 1 Washington Post in an advertisement by the organization Promoting Enduring Peace, Inc., follows these remarks:

U.S. Inflation: No Mystery

(By Seymour Melman)

There is really no mystery about the primary cause of the present U.S. inflation. By 1979, 53 cents of each federal tax dollar is used to pay for past, present and future military operations. There is now a proven linkage between massive taxes for the Pentagon and price inflation. Price increases are a direct reflection of increases in costs (or profits). But many costs, like wages and raw materials prices, have been growing for more than a century without inflation in American industrial prices. Our managers used growth in productivity to offset cost increases.

The mechanism of productivity growth and cost minimizing ground to a halt by the mid-1960s as a result of capital and technology resources being preempted on a massive and a continuing scale for the military economy. Whatever worth the military economy has, its products do not serve us in consumption or for further production.

What is new, unprecedented, is the present inability of U.S. industrial managers to offset cost increases with rapid increases in the productivity of labor and capital. From 1865 to 1965 U.S. industrial firms characteristically minimized cost, the better to maximize their profits. By offsetting cost increases with productivity of labor and capital, U.S. industry paid the highest wages in the world, even as quality products were produced and sold at acceptable prices.

Since the mid-1960s that ability to offset cost increases by growth in productivity of labor and capital has been undermined. A century of U.S. productivity growth (1865–1965) was made possible by the ample supply of capital and technology resources available to U.S. industry. Industrial firms were served not only by their own engineers, but also by machinery-producing industries that supplied new and more productive equipment at attractively low prices.

And so, when U.S. managers were confronted with sharply increasing wage costs they responded with offsetting mechanization of work. Thereby, the costs of production were kept down and so too were price increases.

From 1951 until the present day the budget of the U.S. Department of Defense exceeds, each year, the net profit of all U.S. corporations. Since the military budget is a capital-equivalent concentration of skills, tools, machinery and materials, the Department of Defense has become the largest concentration point of fresh capital resources in the U.S. economy. Capital for productive use has been taxed away from the civilian economy or has been moved abroad to economies with more growth.

For 30 years the federal government has dominated research and development spending, while assigning 70% and more of its R and D funds to the military. At the same time the 20,000 prime contractors of the military economy have been encouraged to maximize cost, rather than strive for holding down cost and price. Thereby, three essential ingredients for productivity growth were withdrawn from U.S. civilian industry: captital, technology resources, and the traditional practice of cost minimizing.

From 1965–1970 U.S. productivity growth dropped to 2.1% per year, followed by 1970–75 at 1.8% per year. Now Jimmy Carter's economists tell us to expect productivity increases of 1.5% per year. These are the lowest rates of productivity growth in American history, and the lowest of any western industrial country. They signal industrial decay, making U.S. civilian technologies second-rate, especially compared with Germany and Japan, whose capital and technological resources are concentrated on civilian economy.

By 1965 U.S. civilian industrial managers, lacking necessary capital and technology, discovered that they could no longer offset cost increases by productivity growth. They turned to cost pass-along. And so cost increases, plus desired profits—in firms large and small, competitive and monopolist—were added to price. The result is the sustained, rapid price increase called inflation.

Our confidence in this explanation of U.S. price inflation since 1965 is enhanced by the results of a statistical study at the Department of Industrial Engineering/Operations Research, Columbia University, by Dr. Byung Y. Hong, on Inflation Under Cost Pass-Along Management (Praeger Publishers, N.Y.). The shift to cost pass-along, and the altered relation of costs to price after 1965, account for more than 90% of the variation in wholesale prices of manufacturers.

This inflation process is visible only when one takes into account the change in the internal economy of the U.S. firm from cost minimizing to cost pass-along. U.S. productivity growth has been taken for granted. The possibility of major economic erosion by our permanent military economy has been overlooked. Economists have focused on the money value of goods and services produced (the Gross National Product), overlooking the changing use of captial and technology resources and the effect on production capability.

As U.S. prices rose sharply in many industries, U.S. firms became noncompetitive. Foreign suppliers moved in and now supply about 20% of the steel and the autos, half the shoes, virtually all of our high-fi electronics, the largest part of our radio and TV products, and many others. That translates into 20% of the jobs in steel, 50% of the work in shoe-making, etc. U.S. factories were closed and millions of Americans were made unemployed.

Inflation plus industrial unemployment will be intensified by Jimmy Carter's new military budget of $125.8 billion. Carter has reneged on his pre-election promise to cut "exotic weapons which . . . do not contribute to the defense of this country." and Pentagon "bureaucracy . . . (that) is wasteful and bloated . . . by about $5 to $7 billion annually." He strives to regulate the arms race (SALT II) which includes expanding the already massive overkill capacity.

The crucial step is acting for agreed mutual reversal of the arms race, but, there is not a single person employed by the federal government with responsibility for thinking about reversal of the arms race.

Carter's plan is more arms, more taxes, more inflation.

NEED FOR REVIEW AND RECONSIDERATION OF NUCLEAR POWER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Weiss) is recognized for 60 minutes.

Mr. WEISS. Mr. Speaker, the events of the past week at Three Mile Island near Harrisburg, Pa., I think have shaken to the core all of us, regardless of how we feel about nuclear power. I think it is fair to say that the matter still has not been concluded. Hopefully it will turn out to have been a near miss. But I think that in view of the seriousness of that accident, the most serious accident in the history of the nuclear power industry in this country, there is certainly a very serious need for review and reconsideration of nuclear power and, perhaps, equally important, there is a need for those of us who are ultimately responsible for national energy policy here in the House of Representatives to discuss the matter. I have asked for this special order so that those who have a real concern about this matter may have the occasion to speak, regardless of what their position is.

☐ 1345

I think that one of the tragic lessons which hopefully we have learned is that what has been wrong with the nuclear power industry and the issues revolving around it is that there seems to have been a determination made that the issue was too serious to leave to the American people for their decision, or even to be told how serious the problem was; so regardless of which side we are on, I think we have the obligation to tell the people what we think and let them make a determination whether what we have to say is wise or foolish.

Mr. Speaker, at this time I would like to yield to my distinguished colleague, the gentleman from Kansas (Mr. Glickman).

Mr. GLICKMAN. Mr. Speaker, I thank my friend, the gentleman from New York (Mr. Weiss) for yielding to me.

I am glad that my colleague from New York has arranged this time for us to discuss what recent events has shown to be a very critical issue for this Nation's future, and one that we need to be sure is fully considered. Yes, we have a severe energy situation, one that we need to vigorously address. But the answer is not to push ahead carelessly without due concern to the health and safety of the American population.

I am not antinuclear. I know full well that there are people who want to see us throw up our hands and say "no more" to any forms of nuclear power. I am not one of these. And there are others who urge us not to worry and go full force ahead with nuclear plant construction. I am also not one of these people. We cannot afford to give up on nuclear power, but we also cannot afford to be complacent about its risks. I feel quite strongly that when we are dealing with health and safety that we owe it to our constituents, especially those who live in areas near proposed or operating nuclear sites, to assure that every caution is taken. At a minimum, there should be a full-time, on-site inspector assigned to nuclear plants under construction and in operation. And we can see that this happens now—without delay.

Two years ago, the President called for such permanent onsite inspectors, but there are 70 nuclear plants presently licensed to operate across the United States and another 92, including one in my own State of Kansas, have permits for construction. Still, only 14 of the operating sites have permanent inspectors on-site and only 6 of the 92 plants with permits for construction have on-site inspectors on a permanent basis. The NRC's inspection and enforcement staff totals 715 positions, but only 20 of them are on-site on a permanent basis. In the case of the Wolf Creek plant in my State, there is no resident inspector from the NRC. Instead, a project inspector working out of an NRC field office in Arlington, Tex., makes unannounced visits to the Wolf Creek construction site once or twice a month.

With 715 staff members working in inspection and enforcement for the NRC, it should not be an undue burden to assign 162 to work as on-site permanent inspectors instead of locating those individuals at one of the five regional NRC offices or here in Washington. Safety of these facilities should be the primary concern of the NRC, and the way to assure that these plants will function safely is to have expert, unbiased inspectors on-site on a permanent basis while the plants are under construction and in operation.

We just cannot count on preventing accidents—or the potential for accidents—by having Government inspectors making periodic checks while spending most of their time in offices elsewhere. The risk of a nuclear accident is not at a bureaucrat's desk, it is at the nuclear site. It only makes sense to have Federal inspectors on the front line. The Federal Government has full-time inspectors at meat packing plants across the country to protect the quality of food we eat; we have no less an obligation to provide ongoing safety inspections and quality control in the construction and operation of nuclear plants which have the potential to pose significant risks to sizable numbers of Americans.

I might add one additional point. After this nuclear accident, I do not think I had anything in my personal life that probably gave me more of a stomach ache in terms of an issue, because I know that in the short run this Nation's dependence on fossil fuels, expensive fossile fuels, is bringing us to the point of conceivable economic catastrophe. In the short run, nuclear power does provide us with a percentage of that necessary electricity-generating resource, that we are probably going to need.

But I also know, I was close to that accident, there were some people even talking about evacuating the Washington area.

I also know that if I lived close to the powerplant, it would have caused me great concern.

In law school, I learned something in defining negligence. Jurge Cardozo, New York State Supreme Court judge, once said in defining it, he said, "The risk to be perceived defines the duty to be obeyed.

In this case, the duty to be obeyed is incredibly large, and as part of that duty, I think a full time NRC inspector should be on-site and when under construction, would be a prudent thing to do.

Mr. Speaker, I appreciate the gentleman yielding this time and for his very cogent remarks on this issue.

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Mr. WEISS. I thank the gentleman for his very thoughtful remarks.

At this time I would like to yield to my distinguished colleague and friend from the State of New York (Mr. Fish).

Mr. FISH. I thank my friend for yielding.

Mr. Speaker, last week, this Nation suffered the worst accident at a nuclear generating station since commercial operation of nuclear plants. Last week, in statements prior to consideration of legislative business for the day, I spoke before this body informing my colleagues of the latest events at Three Mile Island, Pa. I am sure that all of us pray that we continue to hear good news from the Nuclear Regulatory Commission that risks are declining, and that there will be a speedy resolution of the problems plaguing the crippled plant.

Nevertheless, the tragic events in Pennsylvania has dramatically illustrated that major problems still plague our use of nuclear power and there are many questions which have not been adequately answered with regard to the safety of nuclear power plants. In fact, just in the past few months several actions have been taken by various Government agencies seriously questioning past conclusions drawn involving nuclear power plant safety and radiation.

Just 3 weeks ago, the Nuclear Regulatory Commission closed five plants because of design failures. Prior to that move, the NRC withdrew its unqualified endorsement of the Rassmussen report. The Department of Health, Education, and Welfare says that risks of cancer from low-level radiation are more uncertain than ever. A committee representing 14 Federal agencies reports that the technical feasibility of radioactive waste disposal has been over estimated.

And, the President's Council on Environmental Quality in February 1979, issued a report claiming a determined national effort to improve energy productivity could result in a low energy growth rate by the year 2000, which assumes no greater reliance on nuclear power generation than that contemplated from the 135 plants in operation and presently under construction.

As you all know, I have been the sponsor of the Nuclear Energy Reappraisal Act in this and the past two Congresses. My bill, H.R. 336 calls for a moratorium on the issuance of construction permits by the NRC for new nuclear powerplants. During this period, a comprehensive study of the entire nuclear fuel cycle, for mining through reprocessing will be conducted by the Office of Technology Assessment. This legislation has enjoyed the support of a number of environmental, health, and consumer groups.

Mr. Speaker, at this most crucial time, the American people expect the Congress will look very carefully into the issue of nuclear power. For this reason, I have today called on my colleague, the gentleman from Arizona, Morris Udall, the chairman of the Subcommittee on Energy and the Environment of the Interior Committee, to hold hearings on my legislation, since I believe my bill is the best vehicle for a comprehensive review of the issue. I urge my colleagues to do likewise.

Mr. GILMAN. Will the gentleman yield?

Mr. WEISS. I would be pleased to yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding. I want to compliment both the gentleman from New York (Mr. Weiss) and the other gentleman from New York (Mr. Fish) for taking the time to point out some of the pressing problems confronting our Nation with regard to nuclear safety. There is no question that nuclear power provides a significant portion of our energy needs and can provide an even greater portion providing we undertake sufficient steps to provide stringent safety regulation of nuclear power development. The tragic nuclear accident at Three Mile Island in Pennsylvania has underscored for all of us the lack of adequate precautions, the lack of adequate regulation and the need for more candid communication by those who are in charge, to public officials who are responsible for providing emergency services. There is an obvious need for better long-range planning. I think that the legislation proposed by the gentleman from New York (Mr. FISH) is certainly a sound vehicle for providing the House the opportunity to further explore just what occurred at Three Mile Island and to give Congress a better opportunity to decide in what direction we should be proceeding.

The problems, although complex in nature, have become self-evident in terms of the degree of intensity with which we must negotiate. Approximately 65 plants are now in operation and roughly 175 are anticipated to be licensed by 1985 if the present trend continues. In addition to the need for more stringent licensure and control of operational safety, one short-term objective at this point, is to drastically reduce the immediate possibility of potential leaks in tanks storing radioactive material, and yet at the same time maintaining an efficient energy program until other reliable alternate sources of power become operational.

The policy considerations to be addressed immediately, are in promptly providing a streamlined disposal or storage system that has been proven effective and a transportation network that offers the maximum safety to the public.

At this point, in the RECORD, I am inserting an article which best sums up the shift in decisionmaking criteria for the future of our energy policy:

[From the Los Angeles Times, Apr. 1, 1979]

WELL, IT HAPPENED

The anguish and confusion over the nuclear power plant accident at Harrisburg, Pa., stem from errors in judgment that occurred decades ago.

The pioneers of nuclear power, riding high on World War II's great wave of creative technology, assumed that it would be relatively simple to build enough plants to supply this country with cheap electricity for generations. They also judged the risks to be low, compared with the benefits, and decided that, in any event, what the public did not know about those risks could not hurt it.

They were wrong. And it now may be too late to correct those errors in judgment, particularly the error in treating the mysteries of nuclear-power generation as the industry's own private business.

It became clear years ago that plants as big and as complex and as potentially dangerous as the one at Harrisburg were not simple to build, at least without some flaws either in design or in workmanship.

The industry then accepted the inevitability of accidents, but assured the public that emergency systems would override any equipment failure or wrong decision long before a power plant's reactor could get out of control.

Until last year, the federal government insisted that the possibility of the ultimate nuclear power plant disaster—a core-melt—was so remote that it need not even be addressed in any hazard analysis that accompanied an application for permission to build a plant. And, until the Harrisburg incident, nuclear experts could demonstrate that emergency systems had prevented every breakdown and failure from triggering other failures that would make a core-melt a real threat.

That is no longer the case. Not only did the emergency systems fail to bring the Harrisburg reactor immediately under control as they were meant to do, but the nuclear engineers did not know why.

And, for the first time, the federal government's nuclear regulators had to announce that there was a real, if remote, chance that a reactor's fuel rods might melt into a flaming blob, burning its way into the earth below the plant and possibly touching off explosions of radioactive steam.

Thus, the assurances that nothing like Harrisburg could happen no longer have any meaning, and that in turn means an abrupt change in the future of nuclear power in this country.

From now on, decisions about whether nuclear-power capacity should be expanded can never be technical decisions; they must be political decisions, with all that implies for mistakes in judgment based on false and panicky perceptions of risk, rather than on cold, analytical fact. It cannot be otherwise, because the cold, analytical fact is that Harrisburg was not supposed to happen.

☐ 1355

I certainly urge my colleagues to undertake now a very thorough analysis of the lessons that we should be learning from this recent event.

Mr. Speaker, I thank the gentleman for yielding.

Mr. WEISS. Mr. Speaker, I appreciate the very earnest comments of my good friend and colleague, the gentleman from New York (Mr. GILMAN).

Mr. Speaker, at this time I would like to yield to my good friend, the gentleman from Maryland (Mr. LONG).

Mr. LONG of Maryland. Mr. Speaker, I thank the gentleman for yielding.

I want to point out, Mr. Speaker, that about a year ago, long before this recent study started, I submitted an article in which I pointed out that nuclear energy is an economic dead end, quite aside from the various environmental hazards, and that despite vast sums from the public purse, the nuclear energy industry is in deep trouble.

Mr. Speaker, the article to which I referred is included as follows:

THE TROUBLE WITH NUCLEAR ENERGY

Sir: My October 8 letter to the editor pointed out that nuclear energy is an economic dead-end. Rebuttals from three distinguished representatives of the nuclear-industrial-intellectual complex are summarized in the words of Vernon Stricklin, public relations director for Baltimore Gas and Electric Company (in his November 1 letter to the editor) ". . . nuclear generation remains . . . the most economical, safest and most environmentally acceptable means of expanding our domestic energy supply." Wow!

If, as Mr. Stricklin claims the average residential user of electricity in the Baltimore area pays less for electricity as a result of Calvert Cliffs nuclear power, it is only because of vast government subsidies and hidden costs for which the average taxpayer has already paid and will continue to pay. Mr. Stricklin and Robert Deutsch and my old friend Dean Roy, judging by their November 19 and 22 letters to the editor, may be as unaware as the average taxpayer of these hidden and postponed subventions:

Subsidies running to scores of billions of dollars for reactor development, research into biological, medical, environmental and materials behavior.

Subsidies by the billions of dollars in government sale of uranium to private industry at prices far below taxes, interest or cost of risks incurred.

Subsidies for disposal of radioactive waste (which will be around for thousands of years), the true cost of which, as the General Accounting Office points out, is not reflected in the cost to the consumer.

Subsidies for dismantling obsolete nuclear plants at the end of their 30- to 40-year life. Costs for disposal of this dangerous wreckage could equal that of building the original plant. Since utilities do not post bonds to pay for this future cost, it will fall on the taxpayer or the consumer.

Subsidies in the form of tax breaks. Each new domestic power station receives a 20 percent tax subsidy, half in investment tax credits and half in accelerated depreciation allowance.

Subsidies in the form of limited accident liability, under the Price-Anderson Act, the constitutionality of which has been challenged by Federal Judge McMillan: "The probability of a major nuclear accident producing damages exceeding the $560 million limit is not fanciful but real. That is not the kind of risk which responsible government or business places upon bystanders."

Despite vast sums from the public purse, the nuclear industry is in trouble. An executive of Atomic General noted, on its withdrawal from the nuclear field in November, 1975, that "no major nuclear company has made a profit in 20 years." The major producers—Westinghouse and General Electric—have not had any new orders since 1975. A senior aide to Energy Secretary James Schlesinger has said: "The great nuclear boom is never going to happen."

Foreign nuclear vendors are in no better shape. Britain, Japan and Canada have histories of losses, declining orders and growing public opposition, stemming from worries about radioactive waste disposal problems. The recent Canadian government announcement of a "major step to wide use of nuclear power," namely a huge underground radioactive waste disposal project, is an attempt to disarm "public concern" and revive private interest.

The project is another government subsidy, necessary for dealing with already accumulated waste, but since it would not reduce the other costs of nuclear power, and would not be in operation until 1995, it can hardly do much to revive private investment.

Mr. Stricklin and others of the nuclear "complex" put the blame for the losses and cancellations on environmentalists and legislators (like Congressman Long!) But of 68 nuclear plants delayed or cancelled in 1977, only 14 were attributed to licensing and litigation, and delays for these reasons averaged only about five months of the 12 years required to complete a nuclear plant.

A key factor behind the nuclear slump has been rising costs. Construction costs from 1967 to 1974 increased 500 per cent. Construction cost overruns are ranging from 100 per cent to 267 per cent. The cost of uranium has gone up nearly 800 per cent since 1972, compared to the six per cent rise for long-term coal contracts. Says the Iowa State Commerce Commission:

"There are literally no answers. Until we get these, our commission will do what it can to prevent any company from investing in a nuclear plant."

No matter the costs. Nuclear power is needed, its supporters say, to fill the energy deficiency "here and now." But the dozen years it takes to complete a nuclear plant will hardly give us energy "here and now."

Long-range nuclear prospects are equally unpromising: The entire free-world supply of uranium in the next two decades would produce, in the impossible event that we had the capital to do so, only a sixth to a fifth of our energy needs. Extending uranium resources by building breeder reactors is quite rightly opposed by the administration as putting further strain on limited capital supplies, causing even greater pollution and, through the output of plutonium, multiplying the already difficult problems of containing the proliferation of nuclear weapons.

By contrast, conventional energy sources—oil, oil shale, and coal, animal wastes, wood and other vegetations, the sun, the wind, heat within the earth—range in adequacy from generations to forever and, in the case of the sun and wind present no pollution problem because they are there whether used or not.

Messrs. Stricklin, Deutsch and Roy argue that research breakthroughs have not been forthcoming to harness the renewable resources or get energy out of oil shale and strip-mined coal without damaging the environment.

On the contrary, the hearings this year before my Interior Appropriations Subcommittee elicited that the environmental problems associated with coal and oil shale, of which we have generations of supply, are our solution or close to it—without subsidy and despite disincentive domestic price ceilings.

So far as solar energy is concerned, not only has our government given it no research emphasis, but progress in the private sector has actually been hindered by the billions of public-subsidized dollars which the nuclear industry pays in competition for brains and capital and by the public testimony of vested groups fearful of losing their investments, their high-salaried jobs and their fat consulting fees.

Mr. WEISS. Mr. Speaker, at this time I would like to yield to the distinguished gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, I thank the gentleman for yielding.

I want to commend the distinguished gentleman from New York (Mr. WEISS) for his initiative in scheduling this debate. Nothing could be more timely.

As a member of the Subcommittee on Energy and Environment of the Committee on Interior and Insular Affairs, it was my privilege a couple of years ago to participate in a hearing at which we questioned Dr. Rasmussen, the chairman of the committee appointed by the Nuclear Regulatory Commission to review the safety of nuclear plants. The result was the famous Rasmussen report.

The Rasmussen report, as we all know, was withdrawn by the NRC a few weeks ago because of its failure to take into account factors which should have been considered and which undermined the credibility of the report as an indicator of the safety of nuclear plants.

I interrogated Dr. Rasmussen at some length about the premises on which his report was based. One of the ways in which it seemed to me the report was most deficient was that it failed to take into account the possibility of human error. Of course, Dr. Rasmussen and the other people involved felt that the nuclear plants had so many built-in safeguards that human error was not a significant factor. It was also not a measurable factor.

Well, of course, the Three Mile Island crisis became a crisis largely because of human error. The interesting thing is that it reveals a basic flaw in the psychology—not just in the equipment but in the psychology—of the nuclear industry and the nuclear agencies of the Federal Government.

I was privileged to appear in a forum in Akron, Ohio, on Saturday with several experts in energy, one of whom was Dr. D. B. Trauger, the brilliant and distinguished associate director of nuclear technology at Oak Ridge, Tenn., National Laboratories. Dr. Trauger, with respect to the action of one of the operators in turning off the emergency cooling system at Three Mile Island, said "It is inconceivable that anyone would do that."

Well, as we all know, the "inconceivable" happened. One of the difficulties that we have had in trying to get a handle on the problem of the safety of nuclear plants and all of the other safety aspects of the nuclear industry, has been the seeming inability to break through the fixed belief of many of the experts in this field that this kind of error just could not happen. Yet one did not have to be an expert to sense that the most likely time for a human error would be at the very moment of crisis, as indeed turned out to be the case. In such circumstances people do get rattled, they are even more prone to making mistakes, which, as in this case, can have disastrous and unforeseen consequences.

The withdrawal of the Rasmussen report by the NRC was the latest in a long series of actions by the NRC and its predecessor, the AEC, going over a period of more than 20 years, during which, under pressure of public opinion and outside individuals looking at the nuclear energy field, the authorities were forced repeatedly to retreat in terms of the officially "safe" radiation levels and the officially "safe" practices in nuclear plants. As a result, their credibility has been very, very low with the public, and that is one reason why a large segment of the public has mistrusted nuclear energy, and with sound grounds for doing so, as it now appears.

I would be remiss at this point if I did not commend the NRC and the industry experts who handled the delicate process of reducing the hydrogen bubble in a really brilliant way. Their heroic efforts to contain and control a potentially monstrous catastrophe have been magnificent.

□ 1400

However, I think we need to recognize, as this incident so clearly reveals, that the private nuclear industry now has a very serious credibility gap of its own making. Simply stated, the Metropolitan Edison Co., and other spokesmen for the nuclear industry, have shown that, when the chips are down, their concern is not with informing the public, not with spelling out the facts, but covering up and protecting what they perceive to be the interests of the corporate organization. If anybody has any doubt and wants the detail, look at the CONGRESSIONAL RECORD of yesterday, at page 6900, in which I placed two articles detailing statements by spokesmen for the Metropolitan Edison, and some of the other people in the industry, that were almost immediately refuted or even self-refuting. These include statements to the effect that there is no hazard, there is no danger, the crisis is over, no one has been overexposed, and so forth.

If you happened to have seen the film "The China Syndrome" before this incident happened—and it is still running in Washington and various other places—you can only be completely amazed by the uncanny similarity between the behavior of the fictional nuclear company officials in the firm and the Met Ed officials, who sounded like they were simply following the script of that movie.

The most devastating feature of that film is the way in which it portrays the failure, the absolute refusal of the corporate officials to level with the public and the almost instinctive reaction that the corporate interests come first and that they must tell the public whatever seems to best serve those corporate interests. Truly, honesty is still the best policy.

I suggest, also, that it is high time that we did, as the gentleman from Kansas suggested, strengthen the procedures and the staffing of the Nuclear Regulatory Commission for purposes of monitoring every single nuclear plant on a continuing basis and that we also take a look at the procedures for licensing, to determine whether there was some failure along the way that led to the breakdowns that precipitated this crisis.

Finally, it seems to me that we ought to take another look at the Price-Anderson Act. That act was adopted on the basis of deceptive information from the NRC, namely, the Rasmussen report, which was constantly cited by the proponents of the extension of Price-Anderson in the last Congress. I suggest, for the future credibility of the industry, if it has a future, we should take another look at that act. As a matter of fact, the ceiling placed on the total liability under that act may well be a deterrent to future nuclear expansion, simply because, with inflation and with the kind of hazard we are dealing with, the public can now see that the ceiling is ridiculously low. That perception will further undermine whatever public support remains for nuclear energy.

Mr. WEISS. I thank the gentleman for his comments.

Mr. Speaker, I just simply want to comment that, in addition to the other very valuable points the gentleman has made, the one in regard to the Price-Anderson Act is extremely relevant. I do have a piece of legislation pending now to repeal that legislation and replace it with a new law so that the nuclear power industry would be held liable to the extent of the assets of any particular company which is involved in one of these accidents, and some other very major and serious provisions, so that Americans who might be in a position of being victimized by some of the accidents would have the opportunity to be compensated for damage and injury in case of an accident.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from New York.

Mr. FISH. I thank the gentleman for yielding.

Mr. Speaker, I, too, want to commend the gentleman from Ohio (Mr. SEIBERLING). Since the Rasmussen report was referred to, I would like to add a comment in that respect. It is my understanding that the Rasmussen report was based, in part, on the probability of mechanical error in a certain number of operations that actually occurred near Harrisburg.

□ 1405

I think this is one of the things I am extremely anxious to have brought out in hearings before the gentleman's committee, because if indeed this accident fell within the probabilities of the Rasmussen report, I find that entirely unacceptable.

Mr. WEISS. I appreciate the gentleman's comments.

Mr. CARR. Mr. Speaker, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Speaker, I want to say that I would like to associate myself with the very fine remarks of my colleague on the Energy and Environmental Subcommittee, the gentleman from Ohio (Mr. SEIBERLING). I would only underscore his last point; that is, that if we were voting today on the Price-Anderson Act, it would not pass.

I think we have to go further and much stronger, and urge that review of the Price-Anderson Act by the relevant committees of the Congress and votes on the floor of the House and Senate must be made part of the key legislation that we are going to address in this session of the Congress. I do not think we can do less. I think that legislation should begin immediately.

Mr. WEISS. I appreciate the gentleman's comments. As a matter of fact, I have spoken to Mr. UDALL, and he has indicated that he would in fact be considering holding hearings on the legislation concerning Price-Anderson, which I have introduced.

Mr. WOLPE. Mr. Speaker, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Michigan (Mr. WOLPE).

Mr. WOLPE. Mr. Speaker, I also want to thank the gentleman from New York for taking the initiative today in requesting the special order on an issue of the greatest magnitude to the entire country. I would like to associate myself with the remarks of the gentleman from New York and with those of previous speakers during this special order.

The unfortunate disaster at the three Mile nuclear plant in Pennsylvania demonstrates the unfeasibility of continuing to rely on nuclear energy as an integral part of our national energy policy. We need to transform this crisis into an opportunity to set a new direction for our national energy effort. We must move away from nuclear energy, and toward the development of safe and renewable energy sources.

Since the bombing of Hiroshima, we have spent over $17 billion in efforts to adapt this inherently violent technology to peaceful purposes. But after 30 years, nuclear energy continues to threaten the public health, drain our limited capital resources, and yet, provides less than 4 percent of our national energy needs.

A series of recent events, prior to the Harrisburg incident, have raised fundamental questions about this technology:

In January, the Nuclear Regulatory Commission repudiated the Rasmussen report, which had been used to defend nuclear plant standards since 1974.

In February, the Department of Health, Education, and Welfare issued the summary of its Interagency Task Force on Ionizing Radiation, which challenged the long-held belief that their is no connection between exposure to low-level radiation and cancer.

In March, the Nuclear Regulatory Commission ordered the closing of five nuclear plants after their safety was seriously questioned.

On the same day in March, the Interagency Review Group on Nuclear Waste Management stated that the scientific feasibility for the safe, permanent, burial of radioactive wastes has not yet been established.

Unfortunately, the Harrisburg incident that followed is not an isolated incident in the history of nuclear power. There have been at least 10 other nuclear accidents in the United States in the last 4 years alone that have posed direct threats to the public health. In addition, the Soviet Union has experienced at least three major nuclear disasters, one of which is reported to have killed hundreds of people, while spreading contaminated nuclear material over 1,000 square miles.

We must act to protect the health of the American people. Do we really want to sentence present and future generations to lives of constant fear and anxiety resulting from the threat of a nuclear catastrophe? This is the real question posed by Harrisburg.

Ironically, nuclear power does not even make sense from the standpoint of our national energy needs. Our highest energy priority should be to decrease our dependence upon imported oil. But only 9 percent of our petroleum is used by utilities to generate electricity, which is the end-product of nuclear plants. Nuclear power is totally inappropriate for meeting our transportation and space heating needs, which account for 70 percent of our petroleum use.

This capital-intensive technology cannot effectively substitute for oil, but will compete with coal, of which we have vast supplies, and with solar energy, to produce electricity. The continued expenditure of tax dollars in this manner simply cannot be justified.

The argument has been made that we can use electricity to replace oil for space heating. But this is an inefficient use of energy that is inappropriate to the task. It would mean skyrocketing rates for consumers, intensified public health hazards, and a highly centralized energy structure.

Yet we continue to pour more and more of our limited capital resources into this technology in a desperate attempt to justify past expenditures. We are only compounding our problems, getting in deeper and deeper, because of our inability to admit past mistakes. An unfortunate analogy comes to mind: Nuclear power is to our energy policy as Vietnam was to our foreign policy. Do we foolishly continue on our present course until we are in over our heads, or do we courageously admit that we have made a mistake and pull back?

We have the opportunity to lead the Nation in a new direction. The massive Federal expenditures that have been necessary to finance our ill-fated attempt to harness the atom can be redirected to encourage safe and socially beneficial solutions to our energy problems.

We can effectively reduce our dependence on imported oil by implementing a strong energy conservation program, while developing renewable energy sources to substitute for oil for space heating and transportation. In addition, we must continue to develop environmentally sound methods of burning coal in the short term.

The recent report on energy conservation by the Council on Environmental Quality is very good news indeed for it concludes that we could cut our present energy consumption by 40 percent while maintaining a healthy rate of economic growth. We must challenge the notion that energy consumption must continually increase to insure economic growth.

We must develop decentralized active and passive solar heating and cooling, and alternative transportation fuels, such as gasohol. Studies commissioned by the DOE show that these technologies can provide at least 25 percent of our energy needs by the year 2000. In addition, they will directly decrease our dependence upon imported oil.

A move in this direction will produce numerous social benefits, that will insure the quality of life in America, such as more jobs, less health problems and costs, less threat of terrorist action involving nuclear materials, and a more democratic, decentralized energy structure.

I would urge that a new direction for our energy policy include the following:

First. A moratorium on all new nuclear plant construction;

Second. More stringent safety standards and inspection procedures in all existing nuclear plants;

Third. Requiring the approval of State and Federal emergency evacuation procedures for all plants;

Fourth. Requiring the immediate shutdown of all plants manufactured by Babcock and Wilcox, that are similar in design to the Three Mile Island plant, and requiring the special examination of all similar plants due to go on line shortly;

Fifth. Repealing the Price-Anderson Act, which limits legal liability damages from nuclear accidents at privately run powerplants to $560 million;

Sixth. Guaranteeing every State the right to veto all Federal waste sites within their borders; and

Seventh. Shifting our energy R. & D. funding to:

The strongest possible support for the development of solar energy;

The increased development of technology to promote energy conservation;

The increased research and development of efficient alternative fuels;

Improving the safe use of coal;

Perfecting the disposal of nuclear wastes;

Improving nuclear nonproliferation technology; and

Research into the health effects of low-level radiation.

Our foreign policy is just recovering from the mistakes of the Vietnam era. We cannot allow our current energy policy to stumble along in confusion due to our inability to admit the failures of our policies of the past.

Let the crisis of Harrisburg become a turning point in our search for a more humane energy future.

Let us resolve that there will be no more Harrisburgs.

□ 1410

Mr. WEISS. Mr. Speaker, I thank the gentleman from Michigan (Mr. WOLPE) for his very learned remarks.

Mr. EDWARDS of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. WEISS. I am pleased to yield to my distinguished colleague, the gentleman from Oklahoma (Mr. EDWARDS).

Mr. EDWARDS of Oklahoma. Mr. Speaker, I thank the gentleman for yielding and for giving me this opportunity to express some of the concerns I have had in recent weeks about the development of nuclear energy.

As the gentleman from New York (Mr. WEISS) knows, I have long been an advocate of the rapid development of nuclear energy as an alternative to our diminishing petroleum resources.

I continue to be an advocate of nuclear power. I am not as concerned as some of the previous speakers have been about the crisis which they seem to feel is going to result from pursuing nuclear development. However, I do feel that there are some very realistic grounds for some hard second looks at where we have been going. In fact, I will say to my colleague that I had a meeting with my legislative staff in my office the day before we learned about the incident in Pennsylvania in order to discuss whether we needed to reevaluate the way in which we were pursuing a nuclear program.

Like some of the previous speakers, I, too, have been concerned about the Rasmussen report and its withdrawal and by the fact that apparently we have relied for some time on reassuring information which was not quite as complete or as accurate as it should have been.

I was concerned, as a member of the Subcommittee on Energy and Environment of the Committee on Interior and Insular Affairs, by, I think, fairly clear evidence that we had not been truthfully dealt with by members of the Nuclear Regulatory Commission in discussing the possibility of the theft of plutonium.

I am concerned because I represent a district in Oklahoma where at the present time a trial is taking place, the Silkwood trial, in which there has been testimony by engineers from a nuclear plant about the ease with which at one time, at least, plutonium might have been taken from that plant.

I was concerned by the shutdown recently of the powerplants in the East ranging from the Maine Yankee plant down to Richmond, not because I felt an earthquake was going to rock Maine at any time in the near future, but because I think it was very clear that, first of all, the engineering specifications that we had been told were met were not in fact met, and, secondly, that after the Richmond plant was closed down, there was some evidence that there were some other hazards that the NRC had not yet discovered.

So the incident at Three Mile Island is the latest in a whole series of things that seem to be coming together and raising doubt in my mind as to the wisdom of the course we have been pursuing.

I think we have at least three major issues that we have to be concerned about. One is what the real possibility for danger is, and the second is whether or not we truly have the capability of assessing and dealing with those hazards, because I think the experience at Three Mile Island has been a series of contradictions between what the company was saying, what the company's engineers were saying, and what the NRC was saying, and the Governor of Pennsylvania was unable to evaluate whether people should be evacuated or not evacuated and how the matter should be dealt with. And then there is the real question of security: whether or not plutonium can be easily removed from these sites.

I think we need some answers. I am not ready to say that we should shut down all these plants or that we should have a moratorium on building new plants. We are paid, as Members of Congress, to act reasonably and responsibly. We could have easily said when we had the plane crash at San Diego that the logical step was to shut down all airports and ground all airplanes. That is not the way we are supposed to deal with issues. But we do need answers. I think we need to strengthen Federal oversight of construction and engineering, and I think those of us who are concerned have a right and, indeed, a responsibility to insist that a much harder evaluation be made of the entire nuclear program.

I thank the gentleman for giving me this opportunity to express my doubts, and I appreciate the time he has taken for this special order.

Mr. WEISS. I appreciate the gentleman's comments because I think they are extremely important and significant. He and I, of course, do disagree ultimately as to where we ought to be moving with regard to nuclear power. He, I think, still feels that there is room for further exploration and that after that we should correct the mistakes and move forward. My own feeling is that the industry has been more than given the reasonable doubt over the course of these past 25 or 30 years, and I think that at this point it has proven itself to be unsafe from any number of points of view.

But what is important about the gentleman's testimony and comments is that he is willing to acknowledge, eager to acknowledge, indeed, that there has to be a search for some real hard answers to some real hard questions, and that is distinguished from, and I think happily distinguished, and distinguishable from the attitude of an awful lot of people in the industry itself who have been pretending that there are no problems; the very people at the plants who have been partially responsible for our concerns this past week. Those officials have so discredited themselves that in fact nobody really pays the slightest bit of attention at this point as to what they say. But even beyond those who have a direct economic vested interest, some who have made statements on the floor of this House over the course of the past week have suggested and have stated that in essence there is absolutely nothing to worry about.

There was a letter circulated yesterday by one of our very respected colleagues in which he said that he had toured the Harrisburg area, the Three Mile Island area, and he saw nothing out of the ordinary except for the presence of some press people. It seems to me that when one takes that kind of position, one is deliberately burying one's head in the sand because it does not take any great amount of intelligence or awareness to know that literally this whole Nation has been hanging on the edge of its seat waiting to see what was going to happen. Will there be a tragedy? Will there not be? What will the extent of it be? Will 600,000 people or more have to be evacuated? Will there be a meltdown? Those were not just idle speculations. Those were some very, very real concerns on the part of not only the people in the Harrisburg area but throughout this country, whether they live near nuclear plants or not.

So again I want to extend my appreciation for the statement of the gentleman from Oklahoma (Mr. EDWARDS) because I think that, regardless of which side of the issue we are on, it is only through the kind of candor that he has demonstrated that we will ever be able to find ourselves dealing with this issue in the objective manner, which I think the American people have a right to expect.

At this point I would be pleased to yield to the gentleman from Michigan.

□ 1420

Mr. PURSELL. Mr. Speaker, I thank the gentleman. I want to congratulate the gentleman from New York (Mr. WEISS) for the time on this special order on such a vital issue.

I would like to broaden the discussion, however, to what I think is important in this Nation. That is, we have, of course, in the political and social world of this country a large number of critics. I suggest that Congress do an about face and offer an initiative on the constructive side of it. Whether we are for or against nuclear power is not the point I want to make today in regard to this issue. The real issue, it seems to me, is that previous administrations, the current adminstration and the Congress have yet to develop a comprehensive national energy policy.

Frankly, I think it is in the research

and development area, of which my colleague, the gentleman from Michigan, from the city of Kalamazoo (Mr. WOLPE) has spoken. I have personally taken the time as a former member of the Committee on Science and Technology, and now a member of the Committee on Appropriations, to introduce on February 21 a national energy trust bill (H.R. 2288). I will be sending "Dear Colleague" letters around for other Members to consider the proposal. Congress, rather than being either a critic of nuclear or pronuclear, ought to look at the future of this country and our future generations and consider that the only answer, in my opinion, to our energy crisis is a strong effort and a commitment by this Nation and this Congress and this administration to an allout energy R. & D. program. Through my proposal for a national energy trust fund bill, we would commit ourselves financially, either through tax revenues from wellhead taxes or whatever taxes on oil and gasoline that we might include in a revolving fund, or use of general revenue fund sources, and say if this country is willing to go to the Moon, make a commitment in terms of the space program, then certainly this country ought to make a commitment in terms of a constructive national alternative research and development program in R. & D.

Now, let us look at the budget. This year we are talking about less than $3 billion for R. & D. We have talked about some accelerated degree of research in solar energy. Personally, I think that is a step forward. But I would like to ask you to consider an alternative which this Congress really has not been, I think, fully aware of, and that is the field of laser fusion. Now, fusion is a simple, but technically difficult process, in which hydrogen isotopes derived from water may be fused together by various power drivers, whether it be a laser beam, ion or electron drivers, or other technical apparatus. Fusion is clean, it is abundant, and it is safe.

Rapid progress is being made by excellent researchers in the United States and in other countries to develop fusion. We have a little company in our district named KMS, which had the first major fusion breakthrough in the world in 1974.

The problem with rapid development of this potentially vast energy source is, and I think Congress ought to be aware of it, that in fusion we are talking about a partially military classified area and some say, well, all research and development in fusion is classified. Therefore, I am told that some of our best scientists and our great talent in this country cannot, or choose not to, get into the fusion development in terms of R. & D.

So we are handicapped because of the classified aspects of the program, and its association with the military with all due respect to their national security concerns, and I basically support those; but I would like to see us move into a further dimension, since the energy problem is so critical to this Nation, where we aggresively explore all of the research and development activities in the various fields of energy, whether it be laser fusion, or magnetic fusion, or geothermal, or coal conversion, and so on.

Now, the DOE people say we have to wait for new energy sources until the year 2000 or the year 2015. This country cannot afford to wait, and whether we are dependent upon nuclear and oil, it is obvious to me that if we do not make a national commitment, as we did in going to the Moon, in the field of energy, this generation and our future generations are going to be in deep, deep trouble; so I again congratulate the gentleman from New York (Mr. WEISS) for his work. He has been very thoughtful in this field, and the gentleman from Michigan (Mr. WOLPE), on the Committee on Science and Technology, and other leaders who are advocating strong emphasis and a strong commitment to an R. & D. program that makes sense. So I have taken the opportunity to offer an alternative. And I emphasize it is just one of many possible alternatives.

I think it is one thing for the chairman and this Congress and the leadership of this country to be critical of the President, or critical of the NRC, or any other organization. But it seems to me that leadership is important in offering constructive alternatives, such as the national energy trust fund bill, to develop our future alternative sources of energy for this country and the free world.

Mr. WEISS. Mr. Speaker, I appreciate the very learned comments of my distinguished friend, the gentleman from Michigan (Mr. PURSELL).

I think the point is well taken. I think perhaps it should be noted and perhaps we ought to really review why it is that alternative sources of energy have not received the kind of urgent attention that they deserve, whether it be in the area of fusion, as the gentleman has spoken, or in the area of solar energy. It has been suggested by some, and I must say that I share some of their thinking that perhaps either we as a society or those who control the economics of the existing energy sources have felt that perhaps it would be more competition than they want to bear, to have more money spent on alternative sources.

□ 1425

There is no reason or justification why we have been so slow to move forward in the development of solar energy, for example, or on developing fusion which does provide some real hope for eliminating the problems that are attendant to fission and, at the same time, perhaps potentially provide the greatest source of energy that has been known outside of the Sun.

Mr. PURSELL. If the gentleman would yield. The national budget this year contains $25 billion just to store oil underground. Yet we are spending less than $3 billion on research and development. I have been working with people like Dr. Robert Hofstedter from Stanford University—a Nobel Prize winner—and others, who feel very strongly that our priorities are in the wrong order in terms of a national energy policy.

Mr. WEISS. The gentleman's point is very well taken.

At this time I would like to yield to my good friend and distinguished colleague from Kansas (Mr. WHITTAKER).

Mr. WHITTAKER. I believe that coming from a district that is presently in construction of a nuclear plant I have more than a casual passing interest in the events that occurred at the Three Mile Island.

I believe I am as disturbed as anyone else about the recent developments about the accident that has occurred, and I am interested to see that we come to a successful conclusion. However, I would personally hate to see our Government embark upon a course that it so often seems to proceed on and that is the course of overreacting without having the full benefit of the facts as they will eventually come out, and the information that I am sure will be made available before the situation is concluded.

I firmly believe we do have an obligation not only to the people who work in the plant but also to those who live around the plant to be sure that the operation of a plant could be deemed safe.

Yet, we also have an obligation to the American public that our actions will be responsible.

There is evidence that the recent accident was compounded by human error. If the facts bear this out, I believe we should, as a body, instruct the NRC to see that adequate safety procedures and equipment be required on all prototypes of the type presently in operation on Three Mile Island, plus requiring safety devices on all of the units in which human error can be shown to be a possibility.

I do ask for reason and responsibility as we address this issue, because of the very realistic fact that our country cannot afford to continue to import the massive amounts of fossil fuels that we are currently importing. To do otherwise simply begs for economic chaos. We must be responsible with the nuclear issue until we can develop alternate energy sources such as solar and geothermal, sources that I personally endorse. Yet I believe the experts are predicting, as has been referred to in earlier testimony, that those other sources are yet one, two three, and four decades away in some cases. I do support increased funding for the research to develop these alternate sources.

In conclusion, all I am asking for is caution about overreacting, and yet leaving the door open for responsible action to see that the situation that occurred in the Three Mile Island installation does not occur again.

Mr. WEISS. I thank the gentleman for his comment.

I would be pleased to yield to the distinguished gentleman from North Carolina.

□ 1430

Mr. FOUNTAIN. Mr. Speaker, I want to thank the gentleman from New York (Mr. WEISS) for bringing this matter to our attention. We may have a difference of opinion in some respects, but I think it is extremely important that Members of this House and this Congress take a look at what has happened and where we are going.

I live in a State—North Carolina—which gets a good portion of its energy from nuclear plants. We have two plants in North Carolina, and there is one near Raleigh, N.C., which was about to be started; I do not know what the situation will be now.

I would like to associate myself with the remarks of the gentleman who just spoke, the gentleman from Kansas (Mr. WHITTAKER), and also with the remarks of the gentleman from Oklahoma (Mr. EDWARDS). I think we should not overreact to this situation.

But I concur with the gentleman in the well and with others who say that we have not concentrated as deeply as we should have—and the agencies involved have not either—in trying to find alternative sources of energy. As a matter of fact, I have been concerned for some time that we have not done as much about the conversion of coal into energy in such a form that it would be safe and usable. In fact, I am told that we have more coal than all the rest of the world put together, and it seems rather ridiculous to me that, having that advantage, we are not doing more to convert it into whatever form possible as an alternative source of energy.

And concerning all the other sources of energy, I cannot understand why the agencies have not come forward with new technology, especially since private operators are now coming out daily with new forms, including gasohol and other sources of energy.

But I do think it is a good thing for us to discuss this situation that happened at Middletown. However, I do not think we should overreact, as Congress is too prone to do, and take action which is not responsible, to the end that we may not continue to get energy from all reasonable sources.

Mr. Speaker, I thank the gentleman for yielding.

Mr. WEISS. Mr. Speaker, I thank the gentleman from North Carolina (Mr. FOUNTAIN) for participating in this special order, because I think he had a very significant contribution to make.

I have waited to make my comments until the other Members have spoken because I felt it was much more important that we have a full exploration of all sides of the issue rather than just have my own side of the issue stated.

At this point, Mr. Speaker, I would like to state my own view of the situation. I would like to put the situation in some perspective.

Let us think back to last week, to Thursday, Friday, and Saturday, when from hour to hour and day to day we did not know whether the evacuation would or would not be ordered of some 600,000 people in the Harrisburg area, when we did not know whether, in fact, there would be a meltdown or not, and when we did not know whether there would be a hydrogen explosion in the container or in the reactor unit itself because of the presence of that so-called hydrogen bubble. To this moment nobody has been able to explain satisfactorily why the bubble was created and what it was doing there. Indeed to this moment—and I think we have to keep this in perspective, too—we are not totally out of the situation as yet.

The outer container of the reactor has something like 30,000 rems of the gases that have been stored in it, and one does not know whether they will be as successful—hopefully, they will be—in draining and removing and eliminating those gases as they were in the reactor itself. So we are not really out of it yet.

Let us go back to where we were a few days ago, and let us think of the things which happily have not happened and hopefully will not happen. If there had been a movement forward in the seriousness of the accident so that in fact there were a meltdown or there were an explosion and there had to be the kind of a mass evacuation to which I referred, it seems to me we would not be talking at this time, Mr. Speaker, about a sense of reasonableness or responsibility or restraint, of not overreacting. What we would be talking about would be of making sure that that kind of thing did not happen again.

It has only been by the grace of God, that we did not have a meltdown or an explosion or spewing of radioactive gases and particles in killing amounts into the atmosphere.

So I think we really have to look at this not on the basis of "well, nothing happened this time; we escaped; there is nothing to worry about." We have to look at the situation on the basis of what seemed momentarily capable of happening over the course of these past few days. If we look at it in that context and we look at the seriousness of what could very well have happened, that is, with the possibility of thousands upon thousands of immediate deaths, immediate fatalities, and hundreds of thousands of latent fatalities—that is, fatalities of people who would ultimately die because of the irradiation they would receive—then I would conclude that the reasonable and responsible thing to do would be to take major steps forward to eliminate nuclear fission as a source of energy and as a source of potential hazard of the major proportions that we have barely averted.

□ 1435

I know that we cannot immediately close down all of our nuclear plants—there are some 72 of them. But I do think that we can take some steps immediately to make sure that there is no further expansion of nuclear power generating plants which can geometrically increase the danger that we will live under.

For starters, I would urge, and do urge, a moratorium on all nuclear plants now under construction. There are about 90 more nuclear plants that are under construction in this country, and there are 40 plants, in addition to the 90, that are on the drawing boards, in the design stage or subject to hearings of various kinds. I think that, without doubt, we have gone as far as we should go and, at the very least, must go no further.

The second thing I would urge simultaneously is the shutting down of the 8 Babcock and Wilcox plants that are now operating. Those are the plants that are exactly the same as the one at Three Mile Island. Mr. Brown, the Governor of California, has already asked that the one in his State be shut down. I think that until there is a clear review and examination as to what caused the problem—if it can be determined—at Three Mile Island, all other plants which are similar in design and made by the same company ought to be shut down. Those, it seems to me, are the minimal immediate steps that we ought to be taking. Obviously, we ought to be following through on tighter safety standards at the plants that will have to continue functioning, so that the chance of the kind of a serious, almost catastrophic, accident that took place will not happen again. And then I think we have to move very quickly toward funding of an urgent and massive amount for alternative sources of energy.

Then I think, Mr. Speaker, we really do have to look at the legislation that I have introduced, to eliminate the Price-Anderson Act, which sets a limit, a total limit, of $560 million—that is the total limit—on any accident or combination of accidents flowing from the nuclear power industry. And only about $140 million of that comes from the industry itself. The rest of it, in some fashion, is being subsidized by the Federal Government. I should say further that that $560 million figure is 21 years old. So just on the basis of inflation alone it ought to be at least doubled. But, it has been suggested, that the kind of accident that almost took place at Three Mile Island, would have caused damage—never mind the loss of lives—into the billions and billions of dollars. The estimate has been as high as $14 billion to $17 billion.

My legislation would propose that no utility company be able to do that which no other purveyor of any kind of service or utility does, which is to have a cap on its damages, no matter who caused it or how it was caused, because that $560 million applies not just to the nuclear powerplant, it applies to the manufacturer of the nuclear powerplant, it would apply to an airplane, if it were to crash into one of these plants. It is the maximum that would be payable regardless of whether it was millions or thousands or hundreds of people who were either injured or killed.

It seems to me that, minimally, if we are to have nuclear power, then the nuclear power industry ought to assume the burden of paying for whatever damages may occur. We have studies undertaken by the insurance industry researchers printed in the Journal of Risk and Insurance of December 1978—which indicated that the Price-Anderson Act is unique, that there is no other legislation like it treating an industry in such an easy fashion, allowing it to get out from under its normal responsibilities.

□ 1440

I think what we have to do, fundamentally, is to revise the attitude that seemed to be prevalent until the events of this past week, and indeed, it was the heart and the thrust of the Rasmussen report before the Nuclear Regulatory Commission withdrew it, that there is a greater chance of death from falling meteors than from nuclear plant accidents. That is what they said. Obviously, that premise is now out of date, and I think that we as a nation, as a society, have the obligation to move forward on the basis of the real facts of life and not the industry's fantasy. Because, we are not really talking about a situation where people voluntarily put themselves into a position of danger. In the event of nuclear accidents of the kind that we have been involved with this past week, hundreds of thousands, millions of innocent people find themselves by circumstance in the way of that accident; and not only are they the ones who are damaged, but because of the genetic damage that is caused by this kind of radiation, it is their children and grandchildren, the generations to come who will bear the injury. That is why pregnant women and small children were asked, were directed to leave the Harrisburg area even though there was no general evacuation.

We are really discussing a matter of life and death, not just for individuals. We are dealing with and discussing life and death for very, very large segments of our population, and indeed we may be dealing with the question of the life and death of civilization itself. Because of all of those reasons, I think that nuclear power has demonstrated itself not to be the kind of risk gamble, that we can accept. We ought to be moving away from it and toward other, more benign, less hazardous sources of energy.

Mr. Speaker, I appreciate the fact that so many of my colleagues participated in my special order today.

● Mr. RANGEL. Mr. Speaker, it is with sincere concern for the future, and the quality of life of that future, that I rise for this special order. While the potential good of nuclear energy is undoubtably great, the risks that it poses are also great. Whether we choose to continue our nuclear power efforts or abandon them, our society will suffer. Should we stop using nuclear power, we will face potential energy shortages. If we continue to use nuclear power, we endanger this generation and those that follow.

Foremost among the problems posed by nuclear reactors is the problem of waste disposal. This is not a problem that we can afford to ignore or to put off. Each year, every nuclear powerplant in the country discharges about 30 tons of highly radioactive waste. This waste must be stored for the duration of its radioactive life, roughly 25,000 years.

Keep in mind that all of recorded history spans a period of about 3,000 years. Any waste storage facilities that we build must withstand wars, riots, natural disaster and human errors exceeding that of previously recorded history.

I do not believe, at this time, that we can build a storage facility which will not only prevent wastes from leaching out of their container onto the grounds, into the air, streams, lakes and oceans that feed all of the plant and animal life on Earth, but which will endure terrorists, wind, rain, earthquakes, fires, wars, and riots for 25,000 years. We cannot even prevent accidents in powerplants which are under our current scrutiny. For all the planning and maintenance that have gone into the Three Mile reactor, it still is experiencing uncontrolled emissions of radioactive wastes into the atmosphere; it almost melted down; it almost exploded.

The Three Mile Island plant started operating last December. It took only 5 months for all those safety systems to break down. Do we trust our failure to the same engineering knowledge and ingenuity to build a storage facility that must last 30 centuries?

On the other hand, nuclear energy would substantially ease our energy problems. Ending the nuclear program is not a decision that we should make hastily, and it is not a decision that we should make without careful consideration of all the consequences. We must be prudent in deciding our course of action. And there are two essential ingredients in determining our course; Proper information and good judgment. We can only pray for good judgment, but we can insure proper information.

To do so, the Congress must thoroughly investigate the nuclear industry, the accident at the Three Mile Island plant, and the positive potential of nuclear energy. In doing so, we must not rely solely on the information supplied to us by nuclear entrepreneurs, engineers, and technicians. They have proven that they can be very wrong. And they have shown that they have few compunctions about misleading the public and their elected representatives. Even as the gas bubble that threatened to rupture the nuclear reactor grew, plant officials were assuring the world that the plant was in a "stable" situation. Either these officials are incompetent, or they are prone to purposeful false statements. In either case, I do not feel comfortable with their shaping our country's energy policies.

Further, I would warn the Congress to be wary of the moneyed and powerful nuclear industry. Prudence dictates that a man's advice be weighed carefully when following that advice bestows riches and rewards upon the adviser. This is the situation that exists between the nuclear industry and the Government, and we always seem to take the nuclear industry's word.

As we look at the Nation's energy problems, we must do so with a proper regard for the consequences of our actions. We must not be swayed by moneyed interests, and we must be guided only by what is best for the Nation. We face some hard decisions. Let us decide wisely.●

● Mr. OTTINGER. Mr. Speaker, as we wait and hope for a successful resolution of the current crisis at Three Mile Island, we must begin to consider the implications of this accident for our Nation's energy future.

While it is too early to sort out all the facts, half-truths and lies which have been circulated since this incident began last Wednesday, it is not too early to peel away the cloak of misrepresentation upon which our Nation's nuclear energy policy has been based for so many years.

After years of being told that the events which have already transpired at Three Mile Island could virtually never happen, it is indeed ironic to see apologists of the nuclear industry seize upon this "incident" as testimony to the safety of nuclear power. These claims miss the point by an amazingly wide margin, for if this "impossible" event has occurred, what confidence can we have in assurances from the same compromised sources that other nuclear power hazards are "impossible?"

Mr. Speaker, it is clear that the time has long passed for us to redirect our Nation's energy policy away from further reliance on nuclear power and toward conservation, solar, and other renewable energy sources.

If we follow these other options, no great economic combines will profit in the same way that profits have accrued to the nuclear industry. That, of course, is why we have followed the nuclear option for so long.

But the time has come to look beyond the bottom lines of the special interests of the Atomic Industrial Forum and begin looking at society's bottom line. And that means backing off of the nuclear road. For if we do not, the costs to future generations will be unconscionable.●

● Mr. NOWAK. Mr. Speaker, undoubtedly the problems at Three Mile Island raise serious concerns, not only about immediate hazards in the area but also about the future of nuclear power development.

Fortunately, the crisis appears to be abating, with radioactive materials still contained in the structure and without dangerous radiation levels outside. Unfortunately, there are mounting uncertainties about equipment safety and the human error factor in the entire industry.

Although there is confusion about the exact causes of the accident, it is clear that there must be an in-depth study of it. I am pleased that the President is ordering a Federal investigation, and urge involvement of both private and Government experts in that team effort.

Based on the lessons of the Three Mile Island incident, the Government is going to have to mandate extreme caution in construction and operation of nuclear facilities. The Nuclear Regulatory Commission must intensify recruitment and placement of highly qualified permanent Federal inspectors for existing plants and those under construction. Industry—by Government decree if necessary—must institute more thorough training program for plant personnel, and more exacting maintenance schedules for equipment. The questions of what happened in Pennsylvania and why must be answered with specifics for prevention of another such incident.

In western New York, concern about the accident is heightened by fears surrounding the West Valley nuclear waste disposal site. The two are analogous with respect to the absence of plans for ultimate plant decontamination and safe radioactive waste disposal. It is imperative to delineate a national nuclear waste policy if nuclear power production is to continue.

Nuclear energy has held a bright promise as fossil fuels decline. The events of the past week emphasize that it holds a dark threat as well. We must move cautiously but diligently to secure against another Three Mile Island accident.●

● Mr. PAUL. Mr. Speaker, in the 20 years since the first commercial plant was fired up, not a single death has been recorded as the result of a nuclear accident—an unprecedented industrial record. Nuclear power used to generate electricity has trimmed an estimated $2 billion from the Nation's imported-oil bill.

The failure of all back-up safety systems and the meltdown of a reactor core is highly unlikely; even opponents of nuclear power concede that the odds are hundreds of thousands to one against it.

Ralph Nader, irresponsibly said in 1974, with regards to nuclear accidents:

> A nuclear accident would result in up to 100,000 deaths and the destruction of an area the size of Pennsylvania.

This is pure fiction.

Probability of an accident occurring according to Petr Beckman of Boulder, Colo.

> The probability of a core melt-down occurring—not one has happened yet—is one in 20,000 per reactor year. The probability of 10 or more fatalities occurring as a result of a core melt-down—if and when that should occur—is less than 1 percent.

RELATIVE SAFETY

According to the Union of Concerned Scientists, an antinuclear group, if we had a vigorous nuclear power program in this country, we might have 15,000 fatalities from the mining and use of nuclear fuel by the end of this century. We now have 15,000 fatalities a year from burning coal alone—not counting the deaths from oil, gas, and hydroelectric plants.

According to Dr. Richard Wilson of Harvard University, a specialist on the epidemiology of industrial diseases:

Per billion megawatt hours of electrical energy consumed, there are 1,000 deaths by black lung among coal miners, 20 deaths by excess lung cancers among uranium miners, depending on whether the powerplant is coal fired or nuclear. That is, 50 times more deaths.

Per billion megawatt hours of electrical energy consumed, the cost in fatalities from industrial accidents is 100 times greater for coal than for uranium.

POLLUTION

The amount of wastes generated per person per year by coal-fired plants now amounts to 320 lbs of ash and other poisons per person per year, of which 10 percent is spewed into the atmosphere, causing thousands of deaths by cancer and by heart and lung and other diseases. If all our electrical power were produced by nuclear energy, the waste produced would be the size of an aspirin tablet for every person per year, very little of which would ever be released into the atmosphere.

According to Professor Bernard Cohen, physicist at the University of Pittsburgh:

> The waste from a coal-burning plant is five million times larger by weight than the waste from a comparable nuclear plant, billions of times larger by volume. The waste produced by a large nuclear power plant in one year would fit under your dining room table.

If all our electrical power were produced by nuclear energy, in three and a half centuries, we would have accumulated wastes that would fit into a cube 200 feet on a side.

This morning, the TV and radio news programs were full of stories about radiation in rustic Maine.

A professor of physics at the University of Southern Maine, Charles Armentrout, reported radiation readings "hundreds of times greater than normal for this area, which may be coming from the Harrisburg area."

Unfortunately for the antinuclear reactionaries, the Boston office of the EPA indicated that the radiation was natural. Radon 222 is given off by the ground as it thaws, and is the source of the professor's readings.

The antinuclear zealots are having a field day with the troubles at Three Mile Island, which prove nuclear energy's essential safety, not its danger.

I only hope the media give full coverage to the true source of Mr. Armentrout's radiation.

I urge my colleagues to please stop and consider the facts. Do not act in haste, in a moment of hysteria, and shackle or eliminate a legitimate and safe alternate source of energy.●

● Mr. RITTER. Mr. Speaker, I welcome this chance to comment upon the very serious events that have occurred at the Three Mile Island plant. Regardless of ones views on the subject of nuclear power, I believe that all Americans will agree that open public debate on the future directions of our energy policy will be healthy for our Nation.

The Three Mile Island nuclear powerplant is located just 60 miles from the Lehigh Valley, and I know how much the people of Lehigh and Northampton Counties have been concerned about the events of the past week. My first concern has been for the safety of those persons who live in the immediate area of Three Mile Island. I trust that State and Federal officials will keep the safety of residents as their uppermost consideration at all times.

Beyond protecting the people who live near Three Mile Isand, there are long-range steps Government can take to help assure that such accidents do not endanger our citizens again.

The "pressurized water reactor" concept should be subjected to a design study, aimed at making changes to eliminate any possibility of problems resulting from gas bubbles, as occurred at Three Mile Island. Pressure water reactors should also be checked for reliability of component systems such as pumps and sensing systems that trigger safety procedures.

Operating nuclear reactors in this country should be required to immediately review their safety systems to assure that proper protection exists, including "failsafe" procedures designed to protect against potential human error.

Large-scale energy-producing plants—including not only nuclear plants, but also fossil fuel plants, hydroelectric dams, and so forth—should prepare effective, workable standby plans for use in case of crisis. These must include standby evacuation plans tailored to each individual location, and they should be coordinated with local and civil defense authorities.

Finally, involved officials of both Government and industry alike must be prepared to be completely open and honest with the public in the event of an accident such as that at Three Mile Island. Unfortunately, the public faced a great deal of confusion and contradiction during the Three Mile Island crisis, which often led to uncertainty and added fear. That hampers efforts to protect the public. In the future, there must be a far more organized method of keeping the public informed. Of course, honesty is the bottom line.

It is clear that the future role of nuclear power will be vigorously debated in this country as a result of the accident at Three Mile Island. That debate will be a healthy thing for our society, because weighing the risks of alternative energy sources is too important to be left to experts and regulators alone.

Now is a time for calm, reasoned, intelligent judgment by all of us on the choices we face in deciding how to produce the energy our Nation needs. Hopefully, Three Mile Island will turn out to be a symbol of a new awareness and a new sense of responsibility that considers energy risks and choices as real-life necessities and not just abstractions. If we can achieve that, we will have achieved something positive for the future.●

GENERAL LEAVE

Mr. WEISS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my special order for today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

CARTER WAREHOUSE INVESTIGATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, I have been concerned for some time that a full investigation be conducted of the charges involving the Carter warehouse. For this reason, I was disturbed when the Attorney General appointed a Special Counsel with extremely limited powers.

I was relieved, therefore, when the Attorney General gave the Special Counsel greatly increased powers in Federal regulations published on March 23, 1979. After examining the charter issued to the Special Counsel, Paul Curran, I have concluded that it confers upon him the same powers given Mr. Cox and Mr. Jaworski for the Watergate investigation and will enable him to conduct an independent, "no holds barred" investigation if he wants to do so.

Nonetheless, the fact remains that Mr. Curran accepted the job of Special Counsel without gaining guarantees of full independence to conduct an unimpeded investigation. Initially he had no right to confer immunity; he had no right to indict without permission; he would have had no legal standing to enforce subpenas against the President or the Justice Department. Mr. Curran was reported indifferent to the additional powers which were finally conferred after public outcry. Although Mr. Curran's past record seems to be a good one, his casual attitude toward the need for full independence is disappointing.

In addition, I am concerned that the Attorney General chose to ignore the mechanism established in the Ethics in Government Act of 1978, which would have allowed for a court-appointed Special Prosecutor whose independence and full powers would have been unquestioned.

The Attorney General contends that the act specifically prohibits him from seeking a court-appointed Special Prosecutor because the charges involving the Carter warehouse are "related to a matter which has been presented to a grand jury"—presumably the Bert Lance investigation. But the Attorney General is wrong. The exclusionary provision does not apply in this case.

The act gives the Attorney General the power to decide whether the Carter warehouse matter "relates" to another investigation. The test he should apply is whether handling the matters separately would be detrimental to the investigation and prosecution of either. That was the purpose of Congress in enacting this provision. The Lance investigation and the Carter warehouse investigation can be separated. The Carter warehouse investigation, for example, involves new allegations directed against people not implicated in the Lance investigation.

In fact, the Justice Department acted as if the two matters were separate, forming early this year a special prosecution force, including a dozen FBI agents, to conduct an essentially separate investigation of the Carter loans. Indeed, the creation of a Special Counsel to investigate the Carter warehouse proves that two separate investigations can be conducted. The Attorney General should have exercised his discretion under the act to seek a court-appointed special prosecutor.

Despite the clumsy handling of the Carter warehouse investigation, it is still possible to salvage the situation; much of the responsibility here lies with Mr. Curran. He must conduct a vigorous investigation. The public must be assured that he is doing this. Only then can public confidence in the system of equal justice for all be preserved.●

THE FREE ENTERPRISE FLAME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. NICHOLS) is recognized for 5 minutes.

● Mr. NICHOLS. Mr. Speaker, this month Auburn University, in the Second District of Alabama, sponsored the 1979 Business Tomorrow Conference, attended by students at the university and by a number of leading businessmen of Alabama and surrounding States. Mr. G. Montgomery Spindler, vice president for government and public affairs of Uniroyal, Inc. addressed the conference and responded to questions for more than an hour after completion of his address. The gist of his message was that red tape, the stifling mass of bureaucratic regulation, is dampening business enterprise and unreasonably slowing the growth of the Nation's productivity.

I commend Mr. Spindler's thoughtful remarks to my colleagues:

THE FREE ENTERPRISE FLAME

(By G. Montgomery Spindler)

I bring you good news and bad news from Washington. The good news is that the bureaucrats are cutting the red tape. The bad news is that they are cutting it lengthwise.

I recently read that the preamble of the Declaration of Independence contains 300 words. The Gettysburg Address comes in at 266, while the Lord's Prayer has only 56. However, a recent report from the federal government on the pricing of cabbages contains 26,911 words. I will confine my remarks this afternoon to something between the length of the Lord's Prayer and the price of cabbages.

In a sense, my comments do concern the 26,911 words on cabbage pricing because I want to address the topic of government regulations and its effect on free enterprise.

The thesis is straightforward: as a result of government policies, government involvement and government control, our economic system is increasingly less adaptable, and this occurs at a point in our history precisely when we need to be more adaptable.

Many analysts today believe we now take second place in world technological and economic leadership, as well as military and political leadership. Our relative world posture in a number of areas has declined—energy, innovation, productivity, technology, trade deficits, inflation rates. I could run through a list of military and foreign affairs setbacks but today my focus is on our deteriorating economic situation and the systemic trends of where it is taking us. Candid analysis or comparison with our competitors, friendly or otherwise, on any number of key yardsticks, makes one certain that our profile around the world has at least been lowered.

Be more specific you say. Okay. Consider this partial list of areas where the United States is worse off than it was five years ago.

Energy. More dependent on foreign oil today than when the issue first reared its OPEC head. As the rest of the world forges ahead on nuclear power, we seem to have no effective nuclear power policy. Despite the fact that our President is a self proclaimed nuclear engineer.

Trade Deficits. Ours may run in excess of 30 billion dollars this year—perhaps more with the January deficit of 3+ billion dollars just announced. Five years ago, we had a deficit of only 5 billion. That's over a 600 percent increase.

Innovation. The number of patents awarded each year to U.S. inventors has been declining since 1971. And basic research is down.

Productivity Down. A real key to a nation's economic progress. Ours has nosedived. A look at the annual rate of productivity growth between 1960 and 1976 shows the U.S. running last behind Japan, West Germany, France, Italy, and the United Kingdom.

Technological Balance. The United States was once known as the leader of the technology it exported. Not any more! Today we import it. Last year the major cause of our trade imbalance was not oil or gas, but machinery and manufactured goods, which are engineering intensive areas.

Our monetary situation—perilous. The value of the dollar has plummeted. Consider U.S. interest rates of 11 percent versus Japan's 4 percent or West Germany's 4½ percent.

Capital formation—lagging. In 1969, 700 small high technology companies found capital in the Nation's money markets. In 1977, only 30 did. Economic progress requires money and the desire to risk it on new ventures.

Let's look at our three periods of economic progress. The first from our founding up to World War II was one of domestic expansion building an age which witnessed the benefits of our industrial revolution, with Henry Ford exemplifying the times. The second began during World War II when American industry became the power house of the Western alliance. In this second phase, the U.S. became prosperous while helping to restore the shattered industrial capacities of Western Europe, with the Marshall Plan symbolizing the era. The third phase started about 10 years ago when our share of the world market began to fall from over 23 percent in 1968 to 14 percent in 1978! Clearly, some of the students began overtaking the master—with the Japanese characterizing the period.

Why are the international economic forces challenging the U.S. as never before? Why are we falling behind, when not long ago we seemed unassailable? Could it be that the thousands of federal regulations are becoming too heavy for the engine of our industrial success to pull?

I believe it is fair to draw a direct relationship between government intervention and our inability to remain the first class world economic power. I believe the evidence exists to show the impact of growing government intervention is significant and debilitating on our system and our future.

When one adds up the cost of all regulations from all government agencies, the total is not only staggering, it is destructive to the bottom line of all business, and thus destructive to our system of free enterprise.

Murray Weidenbaum of Washington University estimates that the cost arising from government regulation of business—and this includes both the expenses of running the agencies and the cost they induce—amounted to 97 billion dollars in fiscal 1978. Other estimates put the figure 20 billion dollars higher for 1979. But, let's be conservative and call it 100 billion dollars.

Business is under no illusion as to the costs of government regulation. Federal forms pour into our offices like fan mail to a rock star. How could it be otherwise, when federal agencies send out 4,400 different forms which require over 200 million man-hours to execute! The Federal Paperwork Commission has estimated businesses spend up to 32 billion dollars just to fill our government forms. Those large figures are impressive, but perhaps the essence is captured in this example: I am told that one leading drug company spends more man-hours compiling the information to fill out government forms than it devotes to cancer and heart research.

Our financial vice president at Uniroyal tells me it takes a staff of 60 working an entire year to compile Uniroyal's 500 page federal tax return. Do you realize corporations now pay more for regulatory compliance than they do for corporate taxes? (Repeat) This hidden regulatory tax eventually falls on the consumer . . . on you. 2,000 dollars annually per family of four.

Business has long known that the money it invested in pollution and safety requirements was money it could not spend on research or product development. Sure enough, recent studies have shown that approximately 10 billion dollars of new private capital spending is devoted each year to meeting government mandated regulations rather than being invested in profit-making and progress-making enterprises. The Brookings Institute has found that in recent years these deflections of private investment from productive uses have resulted in a loss of approximately one-fourth of the potential annual increase in productivity.

How much of our energy should be expended toward complying with the avalanche of federal regulations? I am not making the case that we eliminate all regulation, but rather we focus more carefully on the cumulative effect of what it's doing to us.

You may recall that early in his Administration President Carter ordered agency heads to personally read all the regulations published under their authority. He soon had to cancel this directive because his cabinet members found it impossible to comply . . . can you imagine a Carter directive with no teeth in it? The point is that if each cabinet or agency head cannot absorb or even read all the directives from his own department, is it reasonable to assume that American industry can absorb the collective impact of all agencies?

If you accept my premise that the regulatory impact is creating a new undesirable era for us, what should we do about it?

Some suggestions . . .

First of all, we should insist on compliance to the President's executive order issued in March of last year. It requires cost benefit analysis, agendas of regulatory proposals, and alternative levels and means of regulation.

President Carter has asked the agencies to cooperate in a council to improve the regulatory process. Excellent! He has directed the council to develop a regulatory calendar, which would provide information on timetable, costs and effects of regulation. All very good and all very promising. But would it worry you that only 20 of the 35 agencies sitting on the council have agreed to participate? And not all of the independent regulatory agencies have accepted the President's invitation even to sit with the council. So, the order should be expanded to include not only all the executive departments, but all the independent agencies as well.

Furthermore, the executive order should be broadened to require proposed regulations to provide impact statements on employment, capital formation, inflation, competitive effects, profits—the life blood areas that feed our economic engine.

All business is asking for is common sense from the bureaucracy. John Riccardo, the chairman of the Chrysler Corporation, has proposed an independent authority to assess regulation of the auto industry. This group would assemble and assess all regulations for his industry. When they are not justified in terms of health, safety or energy savings, the authority would remove or modify them.

Such an idea, however, should not be restricted to the auto industry. All business needs some sort of independent authority, some sort of ombudsmen, to plead for practicality. Although the Administration has set up the Regulatory Council and a Regulatory Analysis Review Group, they have no real authority beyond listing priorities and encouraging coordination. Admirable goals, but insufficient for the urgency of our current needs. Their charter should be made a mandate and they should have the authority to execute it.

We should insist on increased Congressional oversight of the regulatory bureaucracy, for Congress is the only watchdog over many agencies—though hardly an effective one even where it has jurisdiction.

Regulators operate relatively free of checks and balances. They are, in effect, an uncontrolled, free-floating branch of government the founding fathers never intended as a fourth branch of government.

Why be so concerned? Because the regulatory agencies can go beyond the scope of their Congressional mandate! They are going beyond the law which established them. They are, in fact, outside the law. I have here a copy of a recent letter from Congressman Clarence Brown of Ohio to Secretary of Energy Schlesinger. Listen to an abbreviated portion of this letter:

In the past month you have said that the DOE plans to draft regulations in such a stringent way as to accomplish the objectives originally proposed by the Administration, in spite of the fact that Congress specifically left those policies out of the National Energy Act . . . That the "DOE is willfully disregarding the clear congressional mandate embodied in the NEA" . . .

By the simple device of publishing rules and regulations in the Federal Register (at a rate of better than 65,000 pages annually), agencies can create more laws than Congress. The legislators may deal in general concepts, but the actual rules we are required to live by are written by anonymous unelected, and in my view unchecked functionaries in the bowels of the bureaucracy.

The Congress, therefore, should reassert its oversight authority over regulatory law even more vigorously than it has reasserted its influence over the executive branch since Watergate.

Congressman Elliott Levitas of Georgia has introduced legislation that would give Congress authority to veto federal regulations and look at the price tag of proposed rules. This legislative, or Congressional veto bill would spell out that Congress has the right to veto, in advance, any rule or regulation issued. All executive department and independent agencies would have to submit proposed rules and regulations to Congress. Congress would have 60 days to veto the rules if it disapproved. Today, the only way for Congress to override a regulation is to pass a new law through the whole legislative process and subject to Presidential veto.

The "price tag" portion of his legislation would require the costs, as well as the benefits of proposed rules to be spelled out before the rule could go into effect.

We should also consider—incremental or regional application of new regulations prior to national implementation. This, I believe, would weed out the more outrageous and impractical regulations, for we cannot rely on the regulators themselves to do this. They often have little sense of or interest in the cost/benefit tradeoff. For example, HEW recently ruled that a library—large or small—or other public facility has to make itself accessible to the handicapped if it expects to receive federal funds. The ruling stemmed from a dispute in the rural Iowa town of Rudd—population 429. HEW told the library to build a wooden ramp, operate a bookmobile, or offer a messenger service—even though there is no known handicapped person in the area!

We should also insist, when an agency proclaims a regulations must be met by a certain date, the available technology exists to reach that goal. Oherwise, huge amouns of research and development money will be diverted, if not wasted, complying with the order. We should get on with doing the job through performance specifications. For example, rather than requiring workers to wear protective masks—a reltaively inexpensive investment—the regulators will order the entire work area to be particle free—a near economic impossibility for some industries.

Another example. If we in the tire industry are forced in several states to adopt EPA's control technique guidelines, our industry will be forced to expend more energy per time in exhausting fumes than it takes to build a tire.

We must limit blank check regulation by requiring agencies to demonstrate the goals can be achieved in the real world, not in their ivory tower one.

Having attempted to identify the growing problem, as well as offer some solutions, now I ask whether you believe the academic and business communities are devoting adequate attention and study to the issues I have outlined? Should universities update and reorient business courses to reflect the economic and political shifts which are occurring as America's role in the world rapidly changes? The credibility of the university is greater than that of industry, so I urge professors to speak out with more vigor on the negative trend waves of where the regulatory flood is carrying us.

Business students should receive more emphasis on the current political aspects of their education. Many graduate business schools, for example, do not require courses in government. Yet, when these students receive their degrees and get on the job, a growing proportion of their time, if not their success, will be devoted to chores made necessary because of governmental actions.

You here today are the substantial and influential members of your community and your professions. And you who are students soon will be in positions of influence. Together we must speak out and work toward breaking the shackles and controls binding free enterprise. If you agree that the free enterprise flame needs to be brightened, let's start stoking the fire together. I believe the time is now, and I hope you do, too.

Thank you.●

CONSUMER CREDIT: INNOCENT GAME OR RUSSIAN ROULETTE?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, the American economy has begun to resemble a television game show, with banks acting as sponsors and hosts, and consumers playing the part of contestants. The rules of the game are simple: The hosts ask you several questions, and if you answer them to their satisfaction—and that is very easy to do—they give you little plastic cards and tell you to go on a shopping spree. At the end of each month you send them a little token of your appreciation to let them know you want to keep on playing. This game show has been a smash hit with the American public for the past few years, but it looks like it will soon have to be canceled. The name of the show is consumer credit, and it is responsible not only for keeping the economy strong despite predictions of a downturn, but for the high inflation rate we are currently experiencing, and the expanding debt burden of this country's consumers.

Economists and politicians have been predicting a slowdown in the economy for the past year, but until very recently steady surges in consumer spending continued to cloud the forecaster's crystal balls. Despite a "tight" monetary policy, the economy has remained strong, thanks to the willingness of this country's citizens to continue filling their shopping baskets. Last year, retail spending jumped 16 percent, creating a huge demand for consumer goods. What is alarming about this rise is that the expansion in spending is being fueled by a steady, never-ending stream of credit being granted by financial institutions. The debt ethic has taken a stranglehold on Americans, and banks are doing their best to reinforce the value system of buy now, pay later. Like a parent prodding a child, lenders are encouraging consumers to buy, buy, buy, on credit, credit, and more credit.

In 1978, installment debt grew by $44 billion, and Americans have now accumulated a total debt of over $1 trillion. One of the areas of greatest expansion in credit usage has been the proliferation of credit cards. Master Charge dollar volume grew nearly 34 percent last year, the largest annual increase since the card was first marketed. An executive with the Nation's largest bank, Bank of America, recently predicted that credit card volume will expand as much as 30 percent in the near future. Consumer installment loans are also experiencing a healthy increase. At Wells Fargo Bank in California, such loans jumped 50 percent between 1977 and 1978, and the bank expects another 20 percent increase in the coming year. The overall figures for credit usage in the past 6 years are staggering. Total installment credit has risen 68 percent since 1973, and bank credit card use climbed 139 percent during the same time period.

American buyers continue to confound economists, who have been continually predicting a sharp slowdown in purchases. Spending has slowed from late in 1978, but any significant let up is still not in sight. In February, the consumer buying plan index rose to 116.3, up from 95.8 a month earlier. Furthermore, expenditures are not just rising in what are commonly considered necessary areas such as food, energy, and health care. American consumers have clearly expressed their intent to purchase cars, houses, and major appliances—all on credit, of course.

Why do consumers continue to spend freely in spite of rising costs? One of the most common explanations is that it is anticipatory buying. We have developed a mentality which considers high rates of inflation the natural course of things. Therefore, it becomes best to purchase goods now, no matter the cost, because they will be even more expensive in the future. The overriding cause of this continual surge in spending, however, is the easy access to credit being offered by banks, finance companies and other financial institutions.

Banks have trained Americans to believe that keeping up with the Joneses is not good enough. Sign on the dotted line, pledge all your assets to us as security and we will let you keep up with the Rockefellers, bankers lead their customers to believe. Until recently, most banks did not compete aggressively in the retail market. Financial institutions assumed a pleasant smile and a convenient location were sufficient to maintain a stable customer base. Today, customers are as concerned with value as convenience. Competition for the consumer dollar among banks has become intense, so easy credit has become one means of attracting customers.

One of the problems with inflation is that some people benefit from it, and financial institutions are among them. Inflation has driven interest rates upward, enticing banks to lend at these levels in the hope that they can lock in customers before rates drop again. Financial institutions are engaging in a number of practices designed to encourage consumer spending. Many banks are prescreening people for credit, and then sending them notices that all they need do is return a signed form, and they will be granted a line of credit. A recent Wall Street Journal article described how one man with a $28,000 income was granted $10,000 lines of credit from both Chase Manhattan Bank and Citibank. Inflation has also driven up the value of real estate, thereby allowing consumers to take up second mortgages secured by the increased equity in their homes, often to pay off other debts.

The rapid escalation in car prices has not dampened lending in this arena, either. Lenders have countered the effects of inflation by simply extending the length of car loans. Thus, banks are able to lock consumers into loans at higher rates for longer terms. The maintenance of low minimum monthly payments is an additional incentive to spend heavily on credit. Consumers can tally up huge bills, and send in only a few dollars per month in repayment. The current minimum payment average is a meager three to five percent of the outstanding balance. Some consumers, through the "generosity" of creditors, can soon find themselves owing more money than they earn in a year.

Capitalizing on consumers' willingness to spend coupled with soaring interest rates, banks are rushing to pick up easy profits. This lending is occurring without regard to the effects it may have either on the economy or on individual borrowers. Bankers defend their actions by denouncing claims that easy credit poses problems. They contend that consumers have been able to handle their increasing debt load. This short-sighted view ignores the long-term implications of current lending practices. The most obvious result of this credit expansion is the threat it poses to consumers who fall into the trap of overextending themselves, and are forced to declare bankruptcy or spend the rest of their lives paying off creditors. Although creditors defend their expanded lending practices by asserting that defaults and delinguencies are not on the rise, I have heard concerns expressed privately that charge-offs are increasing. This concern was expressed publicly when creditors loudly denounced a proposal by the Comptroller of the Currency that banks move up the date when a credit card account is considered delinquent. The delinquency rate on loans is currently 2.5 percent, and could easily rise well above that figure in the likely event of a slowdown in the economy. One of the reasons delinquencies have remained statistically stable is that financial institutions are giving delinquent customers long extensions for repayment.

In addition, banks continue the practice of granting consumers who exceed their credit limits higher limits instead of forcing them to reduce their debt load.

The easy access to credit also poses wide-scale dangers to the economy by spurring both wages and prices. American consumers are buying on credit to beat inflation, but end up pumping prices higher by creating an artificially high demand. Inflation is not simply too many dollars chasing too few goods. It is people chasing goods with dollars which are not even their own. This heavy spending also affects the wage side of the economy, as consumers demand greater incomes in order to keep up with their debt payments.

Consumer credit is fast becoming an uncontrollable economy independent from actions taken by the Fed. If consumers wished, they could quickly add $40 billion to their current debt load simply by using their available credit on VISA and Master Charge alone. For purposes of efficiency and cost savings, banks are expanding their extensions of lines of credit which customers can access at will. These overdraft privileges often run into thousands of dollars. Although this eliminates burdensome paperwork and the waste of bankers' time, it also reduces much of the control financial institutions have over the extension of credit. Thus, banks lose their ability to tighten up or loosen their lending depending on economic conditions.

The dangers posed to the economy are not just those of inflation, but of recession as well. Consumers' debt load has risen from 19 percent 4 years ago to 22.8 percent of their income today. Simultaneously, Americans are saving less. The current rate of savings is a slim 5.3 percent of income, almost one-third less than the rate in 1975. This figure is among the lowest in the developed nations of the world.

If consumers begin to curtail their spending, as is eventually likely, this cut could set the economy into a tailspin. The effect of the current consumption pattern is that goods which may otherwise have been bought with accumulated savings tomorrow are being purchased with borrowed dollars today. This means that future sales are being reduced, so a slowdown in spending would lead to a huge production cutback, and attendant unemployment. The game of consumer credit is a double-edged sword, posing the simultaneous threats of recession and inflation, and all the time increasing the debt burden which every consumer bears.●

SCHEDULED HEARINGS BY SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT OF THE COMMITTEE ON VETERANS' AFFAIRS

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from North Carolina (Mr. HEFNER) is recognized for 5 minutes.

● Mr. HEFNER. Mr. Speaker, the Subcommittee on Education, Training and Employment has held two hearings on the education and training programs administered by the Veterans' Administration. In addition to the completed hearings, it is anticipated that there will be two more hearings here in Washington, and a number of oversight hearings in the field for the purpose of evaluating veterans' education training and employment programs, and to determine if the intent of Congress is being carried out.

The following are the dates of the scheduled hearings which have been approved. I will notify the Members of additional hearings at a later date when times and places have been agreed to.

Persons wishing to submit testimony to the subcommittee or desiring additional information on the hearings, should contact the clerk of the committee at area code 202-225-3527.

The material follows:

SCHEDULE OF HEARINGS, SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT, COMMITTEE ON VETERANS' AFFAIRS

Tuesday, May 8, 1979, 9:30 a.m., room 334, Cannon House Office Building: Oversight hearing on employment programs administered by the Department of Labor and the Veterans Administration.

Tuesday, May 15, 1979, 9:30 a.m., room 334, Cannon House Office Building: Oversight hearing on employment programs administered by the Office of Personnel Management and new provisions of the Veterans Preference Act.

FIELD HEARINGS

Friday, April 27, 1979, 9 a.m., Los Angeles, Calif.: Oversight hearing on review of Veterans Administration education and training programs and veterans' employment programs administered by the Department of Labor.

Saturday, April 28, 1979, 9 a.m., Los Angeles, Calif.: Oversight hearing of Friday, April 27, 1979 continued.●

HOLDING THE LINE ON COST OF MUNICIPAL GOVERNMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MAVROULES) is recognized for 5 minutes.

Mr. MAVROULES. Mr. Speaker, as the former mayor of Peabody, Mass., I know firsthand what a vexing problem it is to try and hold the line on the cost of municipal government.

This is especially true when it comes to trimming the cost to taxpayers of financing public facilities such as sewer and water systems, hospitals, and parks. Yet, existing systems have to be updated or expanded and, of course, new ones have to be built to accommodate growth and development.

But while the community presses for more and improved facilities, it is also extremely concerned about the level of real estate taxes: The principal revenue source for local governments, like my home community of Peabody.

In response to these pressures, local governments have turned more and more from general obligation bond financing to the issuance of revenue bonds. And in so doing, the direct beneficiaries of the public facilities in question are paying for their construction, which is fairer than spreading the cost throughout the entire community.

Revenue bond financing, however, is more costly than using general obligation bonds. A principal reason is that the field for prospective underwriters of revenue bonds is much narrower than that for general obligation bonds.

Commercial banks, along with securities dealers, underwrite general obligation bonds. The banks lack authority, however, to underwrite revenue bond issues.

As a result, when a community proposes a revenue bond issue there are fewer financial institutions vying for the business. Smaller communities, especially, often have to seek out an underwriter without having the luxury of choosing the lowest bidder interested in handling the financing.

This situation can be rectified to the benefit of taxpayers and their local government by authorizing commercial banks to underwrite revenue bond issues.

The laws keeping banks from underwriting revenue bonds are a product of the 1930's, when revenue bond issues were a little-known, little-used form of State and local finance.

Revenue bonds today, however, represent more than 60 percent of the State and local bond issues each year.

H.R. 1539, which I have cosponsored along with Representative GLADYS SPELLMAN and over 40 other Members, would update that law and permit commercial bank revenue bond underwriting.

When I arrived here this year, one of the firsts matters that came to my attention was this legislation. And because of my long experience in local government, I felt that it was a matter to look into.

I found that this bill deserves our support, because I could see no way that its enactment could harm State and local governments, and I could see these same governments benefiting from it.

I was also encouraged by its reception and widespread support during the 95th Congress, and the promise made then for early hearings on the bill this year.

As you know, Mr. Speaker, probably the most prominent theme encountered last fall by all of us was the public's strong feelings on inflation and the seemingly inexorable rise of taxes at all levels of Government, but most especially at the local level.

Those of us who indicated to our constituents that we understood these concerns are here in Washington to firm up our promises with action.

To strive to reduce inflation and hold down the tax burden: That is our mandate.

It is with this mandate in mind that I join in cosponsoring H.R. 1539 and have written to the other 76 Members of the class of 1978 urging them to do so as well.

A number of them have already done so, and I expect many more to join us over the next several weeks.

The bill is a natural. It will cost the Federal Government no money, something we can say about very few other matters that come before us. It will expand competition, which in our free enterprise economy means reduced costs.

These reduced costs, in turn, mean lower taxes and governmental charges, and most importantly, less inflationary pressure.

The benefits of this legislation are obvious and in direct line with the President's efforts to curb inflation, to say nothing of our constitutents' wishes.

As I mentioned earlier, it was my understanding that hearings were expected shortly after Congress convened in January. It now seems apparent that the hearings will be delayed, despite the fact that over 40 Members of the House have joined in sponsoring H.R. 1539 so far this session.

These are circumstances that I find hard to understand.

For although I realize that the Banking Committee and its Subcommittee on Financial Institutions have many matters before them, it would seem that legislation with such broad and deep support as H.R. 1539—legislation that attempts to come to grips with inflation and local government costs—would be warmly embraced.

This is not the case, however.

And that is why I am here before you today: to call upon you, especially those first elected with me last November, to join me in urging prompt hearings and early action on H.R. 1539.

This would be a good way to demonstrate to our constitutents that we really do intend to do all that is possible to hold down inflation and the skyrocketing cost of Government.

THE PRIVACY OF MEDICAL INFORMATION ACT AND THE PRIVACY OF RESEARCH RECORDS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. PREYER) is recognized for 5 minutes.

● Mr. PREYER. Mr. Speaker, yesterday the President announced plans to establish a broad, national privacy policy to protect individual rights. The President should be congratulated for formally recognizing the work of the Privacy Protection Study Commission and for making privacy a cornerstone of his administration.

At the request of the President, I am today introducing two bills that are part of the privacy initiative: The Privacy of Medical Information Act and the Privacy of Research Records Act. I understand that both bills are largely based on recommendations of the Privacy Protection Study Commission.

The Subcommittee on Government Information and Individual Rights, which I chair, is holding hearings beginning tomorrow on the privacy of medical records. The President's medical information bill will be considered at those hearings, along with the Federal Privacy of Medical Records Act (H.R. 2979) which I previously introduced.●

THE TRAVEL INDUSTRY

(Mr. GUDGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUDGER. Mr. Speaker, the almost casual manner in which weekend closings of service stations have been advanced to combat the energy shortage suggests that the President may feel the travel industry is mere frosting on the Nation's economic cake.

The travel industry is not frivolous. It comprises some 5 percent of the gross national product, employs approximately 5 million persons directly and an unknown number of millions indirectly. According to Brookhaven National Laboratory, in a 1978 study, the travel industry uses 12 percent of the total national energy consumption. Including all automobile travel (of which only 6 percent relates directly to the travel industry, the remaining 6 percent accounted for by commuter services).

The typical American looks on travel as a right, not a privilege. He is willing to bear a fair share of any national problem, but balks at shouldering a disproportionate burden.

The travel industry looks upon current administration suggestions for gasoline curtailment as placing an unfair share of the load of energy conservation upon this industry and the recreational aspects of our national life.

We have studied the alternatives to gasoline rationing and gasless weekends, or weekdays, which have been suggested, and we find them wanting. For example, the efficiency attributed to interurban train and bus travel presumes full occupancy of these public conveyances. In actual practice, Amtrak continues to lose money, because of nearly empty cars. No one sees a full bus traveling between cities except when providing commuter service or when under special charter. And the fly-drive package is available only to business use and the very wealthy.

Thus current experience reveals no alternative acceptable to the American citizen in lieu of his private vehicle.

It is argued that other nations effectively restrict their private vehicle use of fossil fuels—but there we see only two major differences: First, a far more effective use of tour buses in a social and geographic situation quite different from our own country, and second, widespread use of more fuel-efficient automobiles than the typical vehicle in use in this country.

If we accept the idea that more energy-efficient cars are the practical solution, the role of our Government is clear. It must allocate research funds to achieve this aim. This energy plan is proposed by the President, many in Congress have advanced it and much of the public has accepted the idea as evidenced by the boom in compact car sales. Yet Detroit seems still reluctant to give up the gas-guzzling, big car concept even if it is clearly in the national interest to do so.

Another area which could advance the cause of energy conservation would be a relaxation of emission control standards in States where popuation and vehicle density is lighter, with the Environmental Protection Agency providing a sliding scale of standards for emission control devices.

Rather than systematically eradicate a healthy, even booming industry so vital to the economy in so many areas, our Nation's leaders must realize that the burden of our Nation's energy problems must be spread evenly on all.

There is no other fair and reasonable solution to this challenge.

CINCINNATI'S TAYLOR HIGH SCHOOL GIRLS' BASKETBALL TEAM ADVANCEMENT TO CLASS AA SEMIFINAL TOURNAMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. LUKEN) is recognized for 10 minutes.

● Mr. LUKEN. Mr. Speaker, I ask my colleagues of the 96th Congress to join with me in congratulating the Taylor High School girls' basketball team of Cincinnati, Ohio, for their fine performance in the Class AA Semifinal Tournament game which took place in Columbus, Ohio.

Under the direction of coach Martha Heath, the Taylor Yellowjackets compiled an outstanding season record of 23 victories and 1 loss in the 1978-79 athlethic season.

We can all be proud of the talent, enthusiasm, and drive, which led this team to the regional class AA semifinals.

I wish to commend Jimmie L. Dunbar, principal of Taylor High School, coach Martha Heath, team manager Diana Compton, statisticians Debbie Stirnemann and Gail Leininger, and the entire team of Yellowjackets: Annette Fahlbusch, Julie Franz, Julie Hodge, Kelly McCann, Vicky Nuss, Kathy Obermeyer, Lois Obermeyer, Michelle Stirnemann, Linda Thomas, Rose Thomas, Deanne Vandewalle, and Cathy Walter for their superb performance in the regional tournament and for the honor and recognition which they have brought to their school and the entire community.●

THE TIME FOR REASONED RESPONSE—THREE MILE ISLAND

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD.)

● Mr. PRICE. Mr. Speaker, the immediate decisions some people are making concerning nuclear energy on the basis of the recent Three Mile Island reactor incident are of great concern to me. No judgments should be made until all the facts have been assembled and considered in a reasoned manner. These facts are not yet available.

Considering the unequaled importance of energy to our future security and welfare, there probably never was a more important time to consider this incident, bearing so critically on the energy problem, in the most careful and rational way. I am virtually certain that from the facts on this incident we will be able to greatly reduce the present very low probabilities of future incidents. This advancement can only occur if we permit, unencumbered, our highly qualified nuclear technical community to proceed with the analysis and solutions.

The important and vital contribution the layman can make to this process is to control his actions to reduce the interference with this professional process as much as possible. We have the experienced manpower and brains to make great strides forward from the Three Mile Island lessons. Let us facilitate the process and not inhibit it.

In this respect I cannot help but recall the testimony of Admiral Rickover in open session before the Armed Services Committee several weeks ago. He told us that because of the demands being made on him for information by Congress and its staffs he and his people can no longer do the job the Congress, under its laws, has assigned to him.

Obviously, this has to stop. I make a plea that we all cooperate, particularly concerning this recent unfortunate nuclear power incident, and not divert the attention of the qualified people from their job. You can be assured that as soon as the data is assembled and thoroughly and rationally analyzed we and the public will be presented with the facts, in time for any value judgment we must make.

There is another fundamental point I want to make concerning nuclear energy. This comment is based on many years devoted specifically to the study of and search for energy sources. Based on over two decades of intensive attention to this matter, I am convinced nuclear energy will always be used by mankind to meet his needs. The nations which excel in the use of this energy will be the leaders in the world. Our objective should continue to be the leaders in the safe and efficient utilization of these energy sources—fission now and, I believe, fusion some day.●

PERSONAL EXPLANATION

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MIKVA. Mr. Speaker, as a member of the Ways and Means Subcommittee on Trade, I traveled to China last week with other members to discuss trade issues with the Chinese. As a result, I missed some rollcall votes.

Mr. Speaker, had I been present, I would have voted as follows:

Rollcall No. 51 on the Arms Control and Disarmament Agency authorization, "yes";

Rollcall No. 52 on funding for the Judiciary Committee, "yes";

Rollcall No. 53 on funding for the Science and Technology Committee, "yes";

Rollcall No. 54 on funding for the Interior and Insular Affairs Committee, "yes";

Rollcall No. 55 on funding for the Government Operations Committee, "yes";

Rollcall No. 56 on funding for the Interstate and Foreign Commerce Committee, "yes";

Rollcall No. 57 on extending State legislators' tax treatment, "yes";

Rollcall No. 58 on ordering the previous question on the conference report for H.R. 2439 (1979 fiscal year budget rescissions), "no";

Rollcall No. 59 on the Ashbrook amendment which excluded some funding for biological, behavioral, and social sciences from the National Science Foundation 1980 fiscal year authorization, "no";

Rollcall No. 60 on the Ashbrook amendment which would have prohibited the use of National Science Foundation funds to transfer science education programs to any other agency, "no";

Rollcall No. 62 on the conference report for the Taiwan Relations Act, "yes";

Rollcall No. 63 on the 1979 fiscal year supplemental authorization for NASA, "no";

Rollcall No. 64 on the Weiss amendment to the 1980 fiscal year authorization for NASA, "yes";

Rollcall No. 65 on the 1980 fiscal year authorization for NASA, "no";

Rollcall No. 66 on the Bauman amendment to the International Security Assistance Act, "no";

Rollcall No. 67 on the Studds amendment to the International Security Assistance Act, "no" and;

Rollcall No. 69 on the reestablishment of the Select Committee on the Outer Continental Shelf, "no." ●

INTRODUCING A BILL TO IMPLEMENT UNESCO CONVENTION ON CULTURAL PROPERTY

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MIKVA. Mr. Speaker, along with other members of the Committee on Ways and Means, I am introducing a bill to implement the UNESCO Convention on Cultural Property. Its purpose is to prohibit and prevent stolen art and artifacts from other countries from entering the United States. The United States ratified the Convention in 1972, but has yet to enact implementing legislation. In the 95th Congress, the House passed the bill, but the Senate failed to act. I am reintroducing the identical bill, in the hopes that passage will be swift. Joining with me as cosponsors of the bill are Mr. CORMAN, Mr. CONABLE, Mr. VANDER JAGT, Mr. FRENZEL, Mr. RANGEL, Mr. STARK, Mr. FORD of Tennessee, Mr. LEDERER, Mr. DOWNEY, Mr. GUARINI, and Mr. SHANNON.

H.R. 3403

A bill to implement the Convention on the Means of Prohibiting and Preventing the Illicit Import, Export, and Transfer of Ownership of Cultural Property

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Convention on Cultural Property Implementation Act".

SEC. 2. AGREEMENTS TO IMPLEMENT ARTICLE 9 OF THE CONVENTION.

(a) AGREEMENT AUTHORITY.— If the President determines, after request is made to the United States under article 9 of the Convention by any State Party, that—

(1) the cultural patrimony of the State Party is in jeopardy from the pillage of archaeological or ethnological materials of the State Party;

(2) the State Party has taken measures consistent with the Convention to protect its cultural patrimony;

(3) the application of the import restrictions set forth in section 6 with respect to archaeological or ethnological material of the State Party would be of substantial benefit in deterring a serious situation of pillage, and remedies less drastic than the application of such restrictions are not available: and

(4) the application of such import restrictions in the particular circumstances is consistent with the general interest of the international community in the interchange of cultural property among nations for scientific, cultural, and educational purposes;

the President may enter into—

(A) a bilateral agreement with the State Party to apply the import restrictions set forth in section 6 to that archaeological or ethnological material of the State Party the pillage of which is creating the jeopardy to the cultural patrimony of the State Party found to exist under paragraph (1); or

(B) a multilateral agreement with the State Party and with one or more other nations (whether or not a State Party) under which the United States will apply such restrictions, and the other nations will apply comparable restrictions, with respect to such material.

In implementing this subsection, the President should endeavor to obtain the commitment of the State Party concerned to permit the exchange of its archaeological and ethnological materials under circumstances in which such exchange does not jeopardize its cultural patrimony.

(b) EFFECTIVE PERIOD AND EXTENSION OF AGREEMENTS.—The President may not enter into any agreement under subsection (a) which has an effective period beyond the close of the 5-year period beginning on the date on which such agreement enters into force with respect to the United States. Any such agreement may be extended by the President for such additional periods of time as the President deems reasonable.

(c) PROCEDURES.—If any request described in subsection (a) is made by a State Party, or if the President proposes to extend any agreement entered into under such subsection, the President shall—

(1) publish notification of the request or proposal in the Federal Register;

(2) submit to the Committee such information, regarding the request (including, if applicable, information from the State Party with respect to the implementation of emergency action under section 3) or proposal, that is appropriate to enable the Committee to carry out section 5(f); and

(3) consider, in taking action on the request or proposal, the views and recommendations contained in the Committee report required under section 5(f) (1) or (2), if the report is submitted to the President before the close of the 120-day period beginning on the day on which the President submitted information on the request or proposal to the Committee under paragraph (2).

(d) INFORMATION ON PRESIDENTIAL ACTION.—In any case in which the President enters into or extends an agreement pursuant to subsection (a) or (b), or applies import restrictions under section 3, the President shall, promptly after taking such action, submit to the Congress a document containing a description of such action (including the text of any agreement entered into), the differences (if any) between such action and the views and recommendations contained in any Committee report which the President was required to consider, and the reasons for any such difference. If any Committee report required to be considered by the President recommends that an agreement be entered into, but no such agreement is entered into, the President shall submit to the Congress a document which contains the reasons why such agreement was not entered into.

SEC. 3. EMERGENCY IMPLEMENTATION OF IMPORT RESTRICTIONS.

(a) DEFINITION.—For purposes of this section, the term "emergency condition" means with respect to any archaeological or ethnological material of any State Party, that such material is—

(1) a newly discovered type of material which is of importance for the understanding of the history of mankind and is in jeopardy from pillage, dismantling, or fragmentation;

(2) identifiable as coming from any site recognized to be of high cultural significance if such site is in jeopardy from pillage, dismantling, or fragmentation which is, or threatens to be, of crisis proportions; or

(3) a part of the remains of a particular civilization the record of which is in jeopardy from pillage, dismantling, or fragmentation which is, or threatens to be, of crisis proportions;

and application of the import restrictions set forth in section 6 on a temporary basis would, in whole or in part, reduce the incentive for such pillage, dismantling, or fragmentation.

(b) PRESIDENTIAL ACTION.—Subject to subsection (c), if the President determines that an emergency condition applies with respect to any archaeological or ethnological material of any State Party, the President may apply the import restrictions set forth in section 6 with respect to such material.

(c) LIMITATIONS.—(1) The President may not implement this section with respect to the archaeological or ethnological materials of any State Party unless the State Party has made a request described in section 2(a) to the United States; but this section may be so implemented whether or not the State Party indicated, in such request, that an emergency condition exists.

(2) In taking action under subsection (b) with respect to any State Party, the President shall consider the views and recommendations contained in the Committee report required under section 5(f)(3) if the report is submitted to the President before the close of the 60-day period beginning on the day on which the President submitted information to the Committee under section 2(c)(2) on the request of the State Party under section 2(a).

(3) No import restriction set forth in section 6 may be applied under this section to the archaeological or ethnological materials of any State Party after whichever of the following days first occurs:

(A) The last day of the 2-year period beginning on the date on which the request of the State Party under section 2(a) is made to the United States.

(B) The day on which an agreement is entered into under section 2(a) with such State Party pursuant to such request.

SEC. 4. DESIGNATION OF MATERIALS COVERED BY AGREEMENTS OR EMERGENCY ACTIONS.

After any agreement is entered into under section 2, or emergency action is taken under section 3, the Secretary, after consultation with the Secretary of State, by regulation shall promulgate, and when appropriate shall revise, a list of the archaeological or ethnological material of the State Party covered by the agreement or by such action. The Secretary may list such material by type or other appropriate classification, but each listing made under this section shall be sufficiently specific and precise to insure that (1) the import restrictions under section 6 are applied only to the archaeological and ethnological material covered by the agreement or emergency action; and (2) fair notice is given to importers and other persons as to what material is subject to such restrictions.

SEC. 5. CULTURAL PROPERTY ADVISORY COMMITTEE.

(a) ESTABLISHMENT.—There is established the Cultural Property Advisory Committee.

(b) MEMBERSHIP.—The Committee shall be composed of 9 members appointed by the President as follows:

(A) One member from among two nominees selected by the College Art Association.

(B) Two members from among four nominees, two of which shall be selected by the American Association of Museums and two of which shall be selected by the Association of Art Museum Directors.

(C) Two members from among four nominees, two of which shall be selected by the Archaeological Institute of America and two of which shall be selected by the Association for Field Archaeology.

(D) Two members from among four nominees, two of which shall be selected by the American Association of Dealers in Ancient, Oriental, and Primitive Art and two of which shall be selected by the Art Dealers Association of America.

(E) Two members who shall represent the interests of the public.

(2) (A) No individual is eligible for nomination or appointment under paragraph (1) (E) if the individual is an officer or employee of, or is otherwise related in an official capacity to, any organization listed in paragraph (1) (A) through (D).

(B) No individual is eligible for nomination or appointment under paragraph (1) unless the individual is specially qualified to serve on the Committee by virtue of the individual's education, training, or experience.

(C) Appointments and nominations made under paragraph (1) shall be made in such a manner so as to insure fair representation of the various interests of the public sectors and the private sectors in the international exchange of archaeological and ethnological materials, and that within such sectors fair representation is accorded to the interests of regional and local institutions and museums.

(3) (A) Except as provided in subparagraph (B), members of the Committee shall be appointed for terms of 3 years.

(B) Of the members first appointed—

(i) three shall be appointed for terms of 1 year,

(ii) three shall be appointed for terms of 2 years, and

(iii) three shall be appointed for terms of 3 years, as designated by the President at the time of appointment.

(C) Any individual appointed as a member of the Committee is eligible for reappointment for one additional term (whether or not consecutive); except that any member initially appointed to the Committee for less than a full term is eligible for reappointment for two additional terms.

(D) A vacancy in the Commission shall be filled in the same manner in which the original appointment was made.

(c) EXPENSES.—The members of the Committee shall be reimbursed for actual expenses incurred in the performance of duties for the Committee.

(d) TRANSACTION OF BUSINESS.—(1) Seven of the members of the Committee shall constitute a quorum. All decisions of the Committee shall be by majority vote of the members present and voting.

(2) A Chairman and Vice Chairman of the Committee shall be elected by the members.

(e) STAFF AND ADMINISTRATION.—(1) The Secretary of State shall provide the Committee with such administrative and technical support services as are necessary for the effective functioning of the Committee.

(2) The Administrator of General Services shall furnish the Committee with such offices, equipment, supplies, and maintenance services as are necessary.

(3) Upon the request of the Committee, the head of any Federal agency may detail to the Committee, on a reimbursable basis, any of the personnel of such agency to assist the Committee in carrying out its functions.

(f) REPORTS BY COMMITTEE.—(1) The Committee shall, with respect to each request of a State Party referred to in section 2(a), prepare a report setting forth—

(A) the results of its investigation and review with respect to any matter referred to in section 2(a) (1) through (4) as it relates to the State Party or the request; and

(B) its recommendation, together with the reasons therefor, as to whether or not an agreement should be entered into under section 2(a) with respect to the State Party.

(2) The Committee shall, with respect to each agreement proposed to be extended by the President under section 2(b), prepare a report setting forth its recommendations, together with the reasons therefor, as to whether or not such agreement should be extended.

(3) The Committee shall, in each case in which the Committee finds that an emergency condition under section 3 exists (whether or not the State Party indicated in its request under section 2(a) that an emergency condition exists), prepare a report setting forth its recommendations, together with the reasons therefor, as to whether or not emergency action under section 3 should be implemented. If any State Party indicates in its request under section 2(a) that an emergency condition exists and the Committee finds that such a condition does not exist, the Committee shall prepare a report setting forth the reasons for such finding.

(4) Any report prepared by the Committee which recommends the entering into or the extension of any agreement under section 2 or the implementation of emergency action under section 3 shall set forth—

(A) such terms and conditions which it considers necessary and appropriate to include within such agreement, or apply with respect to such implementation, for purposes of carrying out the intent of the Convention; and

(B) such archaeological or ethnological material of the State Party, specified by type or such other classification as the Committee deems appropriate, which should be covered by such agreement or action.

(5) If any member of the Committee disagrees with respect to any matter in any report prepared under this subsection, such member may prepare a statement setting forth the reasons for such disagreement and such statement shall be appended to, and considered a part of, the report.

(6) The Committee shall submit to the Congress and the President a copy of each report prepared by it under this subsection.

(g) COMMITTEE REVIEW.—The Committee shall undertake a continuing review of the effectiveness of agreements entered into under section 2, and of emergency action implemented under section 3, and if the Committee finds, as a result of such review, that—

(1) any agreement or emergency action is not achieving the purposes for which entered into or implemented; or

(2) changes are required to this Act in order to implement fully the obligations of the United States under the Convention;

the Committee may submit a report to the Congress and the President setting forth its recommendations for improving the effectiveness of any such agreement, action, or this Act.

SEC. 6. IMPORT RESTRICTIONS.

(a) DOCUMENTATION OF LAWFUL EXPORTATION.—No designated archaeological or ethnological material that is exported (whether or not such exportation is to the United States) from the State Party after the effective date of the regulation listing such material under section 4 may be imported into the United States unless the State Party issues a certification or other documentation which certifies that such exportation was not in violation of the laws of the State Party.

(b) CUSTOMS ACTION IN ABSENCE OF DOCUMENTATION.—If the consignee of any designated archaeological or ethnological material is unable to present to the customs officer concerned at the time of making entry of such material—

(1) the certificate or other documentation of the State Party required under subsection (a); or

(2) satisfactory evidence that such material was exported from the State Party—

(A) less than 10 years before the date of such entry and—

(i) no United States citizen or permanent resident of the United States contracted for or acquired an interest, directly or indirectly, in such material during the 10-year period preceding such date of entry, and

(ii) the State Party received, or should have received, fair notice of the location of the material by means of exhibition, publication, or other circumstances occurring after its exportation from the State Party; or

(B) on or before the effective date of the regulation prescribed under section 4 which lists such material,

the customs officer concerned shall refuse to release the material from customs custody and send it to a bonded warehouse or store to be held at the risk and expense of the consignee, notwithstanding any other provision of law, until such documentation or evidence is filed with such officer. If such documentation or evidence is not presented within 90 days after the date on which such material is refused release from customs custody, or such longer period as may be allowed by the Secretary for good cause shown, the material shall be subject to seizure and judicial forfeiture.

(c) The term "satisfactory evidence" means—

(1) for purposes of subsection (b) (2) (A), one or more declarations under oath by the consignor or shipper and the importer or consignee which state that the material was exported from the State Party not less than 10 years before the date of entry into the United States, which names those persons having an interest in the material during the 10-year period preceding such date of entry and declares that they are not United States citizens or permanent residents thereof, and which shows compliance with regulations issued by the Secretary with respect to exhibition, publication, or other circumstances relating to fair notice of the location of the material after exportation from the State Party, together with certified copies of exporting documentation (including but not limited to bills of sale after exportation, catalogs of dates of exhibition, copies of publication, and export or import documents); and

(2) for purposes of subsection (b) (2) (B), one or more declarations under oath by the consignor or shipper and the importer or consignee which state that the material was exported from the State Party on or before the effective date of the regulation prescribed under section 4 which lists such material, together with certified copies of exporting documentation (including, but not limited to, the kind described in paragraph (1)).

SEC. 7. STOLEN CULTURAL PROPERTY.

No article of cultural property appertaining to the inventory of a museum or religious or secular public monument or similar institution in any State Party which is stolen from such institution after the effective date of this Act, or after the date of entry into force of the Convention for the State Party, whichever date is later, may be imported into the United States.

Sec. 8. Temporary Disposition of Materials and Articles Subject to Act.

Pending a final determination as to whether any archaeological or ethnological material, or any article of cultural property, has been imported into the United States in violation of section 6 or section 7, the Secretary shall, upon application by any museum or other cultural or scientific institution in the United States which is open to the public, permit such material or article to be retained at such institution if he finds that—

(1) sufficient safeguards will be taken by the institution for the protection of such material or article, and

(2) sufficient bond is posted by the institution to ensure its return to the Secretary.

Sec. 9. Seizure and Forfeiture.

(a) In General.—Any designated archaeological or ethnological material or article of cultural property, as the case may be, which is imported into the United States in violation of section 6 or section 7 shall be subject to seizure and judicial forfeiture. All provisions of law relating to seizure, judicial forfeiture and condemnation for violation of the customs laws shall apply to seizures and forfeitures incurred, or alleged to have been incurred, under this Act, insofar as such provisions of law are applicable to, and not inconsistent with, the provisions of this Act.

(b) Archaeological and Ethnological Material.—Any designated archaeological or ethnological material which is imported into the United States in violation of section 6 and which is forfeited to the United States under this Act shall—

(1) first be offered for return to the State Party and shall be returned if the State Party bears the expenses incurred incident to such return and delivery and complies with such other requirements relating to the return as the Secretary shall prescribe; or

(2) if not returned to the State Party, be disposed of in the manner prescribed by law for articles forfeited for violation of the customs laws.

(c) Articles of Cultural Property.—(1) In any action for forfeiture under this section regarding an article of cultural property imported into the United States in violation of section 7, if the claimant establishes valid title to the article, under applicable law, as against the institution from which the article was stolen, forfeiture shall not be decreed unless the State Party to which the article is to be returned pays the claimant just compensation for the article. In any action for forfeiture under this section where the claimant does not establish such title but establishes that it purchased the article for value without knowledge or reason to believe it was stolen, forfeiture shall not be decreed unless—

(A) the State Party to which the article is to be returned pays the claimant an amount equal to the amount which the claimant paid for the article, or

(B) the United States establishes that such State Party, as a matter of law or reciprocity, would in similar circumstances recover and return an article stolen from an institution in the United States without requiring the payment of compensation.

(2) Any article of cultural property which is imported into the United States in violation of section 7 and which is forfeited to the United States under this Act shall—

(A) first be offered for return to the State Party in whose territory is situated the institution referred to in section 7 and shall be returned if that State Party bears the expenses incident to such return and delivery and complies with such other requirements relating to the return as the Secretary prescribes; or

(B) if not returned to such State Party, be disposed of in the manner prescribed by law for articles forfeited for violation of the customs laws.

Sec. 10. Evidentiary Requirements.

Notwithstanding the provisions of section 615 of the Tariff Act of 1930 (19 U.S.C. 1615), in any forfeiture proceeding brought under this Act in which the material or article, as the case may be, is claimed by any person, the United States shall establish—

(1) in the case of any material subject to the provisions of section 6, that the material has been listed by the Secretary in accordance with section 4; and

(2) in the case of any article subject to section 7, that the article—

(A) appertains to the inventory of a museum or religious or secular public monument or similar institution in a State Party, and

(B) was stolen from such institution after the effective date of this Act, or after the date of entry into force of the Convention for the State Party concerned, whichever date is later.

Sec. 11. Certain Material and Articles Exempt From Act.

The provision of this Act shall not apply to—

(1) any archaeological or ethnological material or any article of cultural property which is imported into the United States for temporary exhibition or display if such material or article is immune from seizure under judicial process pursuant to the Act entitled "An Act to render immune from seizure under judicial process certain objects of cultural significance imported into the United States for temporary display or exhibition, and for other purposes", approved October 19, 1965 (22 U.S.C. 2459); or

(2) any designated archaeological or ethnological material or any article of cultural property imported into the United States if such material or article—

(A) has been within the United States for a period of not less than 10 consecutive years and has been exhibited for not less than 5 years during such period in a recognized museum or religious or secular monument or similar institution in the United States open to the public; or

(B) if paragraph (A) does not apply, has been within the United States for a period of not less than 10 consecutive years and the State Party concerned has received or should have received during such period fair notice (through such adequate and accessible publication, or other means, as the Security shall by regulation prescribe) of its location within the United States.

Sec. 12. Regulations.

The Secretary shall prescribe such rules and regulations as are necessary and appropriate to carry out the provisions of this Act.

Sec. 13. Enforcement.

In the customs territory of the United States, and in the Virgin Islands, the provisions of this Act shall be enforced by appropriate customs officers. In any other territory or area within the United States, but not within such customs territory or the Virgin Islands, such provisions shall be enforced by such persons as may be designated by the President.

Sec. 14. Authorization of Appropriations.

There are authorized to be appropriated after September 30, 1979, such sums as may be necessary to carry out this Act.

Sec. 15. Definitions.

For purposes of this Act—

(1) The term "agreement" includes any amendment to, or extension of, any agreement entered into under section 2.

(2) The term "archaeological or ethnological material of the State Party" means—

(A) any object of archaeological interest;

(B) any object of ethnological interest; or

(C) any fragment or part of any object referred to in subparagraph (A) or (B); which was first discovered within, and is subject to export control by, the State Party. For purposes of this paragraph—

(i) no object may be considered to be an object of archaeological interest unless such object—

(I) is of cultural significance,

(II) is at least 500 years old, and

(III) was normally discovered as a result of scientific excavation, clandestine or accidental digging, or exploration on land or under water; and

(ii) no object may be considered to be an object of ethnological interest unless such object is—

(I) the product of a tribal or similar society,

(II) at least 50 years old, and

(III) important to the cultural heritage of a people because of its distinctive characteristics, comparative rarity, or its contribution to the knowledge of the origins, development, or history of that people.

(3) The term "Committee" means the Cultural Property Advisory Committee established under section 5.

(4) The term "consignee" means a consignee as defined in section 483 of the Tariff Act of 1930 (19 U.S.C. 1483).

(5) The term "Convention" means the Convention on the means of prohibiting and preventing the illicit import, export, and transfer of ownership of cultural property adopted by the General Conference of the United Nations Educational Scientific and Cultural Organization at its sixteenth session.

(6) The term "cultural property" includes articles described in Article 1 (a) through (k) of the Convention whether or not any such article is specifically designated as such by any State Party for the purposes of such Article.

(7) The term "designated archaeological or ethnological material" means any archaeological or ethnological material of the State Party which is covered by an agreement entered into under section 2(a), or subject to emergency action under section 3, and listed by regulation under section 4.

(8) The term "Secretary" means the Secretary of the Treasury.

(9) The term "State Party" means any nation which has ratified, accepted, or acceded to the Convention.

(10) The term "United States" includes the several States, the District of Columbia, and any territory or area the foreign relations for which the United States is responsible.

(11) The term "United States citizen" means—

(A) any individual who is a citizen or national of the United States;

(B) any corporation, partnership, association, or other legal entity organized or existing under the laws of any of the United States; or

(C) any department, agency, or entity of the Federal Government or of any government of any of the United States.

Sec. 16. Effective Date.

(a) In General.—This Act shall take effect on the 90th day after the date of the enactment of this Act or on any date which the President shall prescribe and publish in the Federal Register, if such date is—

(1) before such 90th day and after such date of enactment; and

(2) after the initial membership of the Committee is appointed.

(b) Exception.—Notwithstanding subsection (a), the members of the Committee may be appointed in the manner provided for in section 5 at any time after the date of the enactment of this Act.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Dixon (at the request of Mr.

WRIGHT), for today, and April 4, on account of official business.

Mr. DELLUMS (at the request of Mr. WRIGHT), for today, on account of illness.

Mr. PEPPER (at the request of Mr. WRIGHT), for today, on account of death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. LEE) to revise and extend their remarks and include extraneous material.)

Mr. ANDERSON of Illinois, for 10 minutes, April 4.

(The following Members (at the request of Mr. KOGOVSEK) to revise and extend their remarks and include extraneous material:)

Mr. WEAVER, for 10 minutes, today.

Mrs. COLLINS of Illinois, for 5 minutes, today.

Ms. HOLTZMAN, for 5 minutes, today.

Mr. NICHOLS, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. HEFNER, for 5 minutes, today.

Mr. MOORHEAD of Pennsylvania, for 5 minutes, today.

Mr. CAVANAUGH, for 15 minutes, today.

Mr. SEIBERLING, for 5 minutes, today.

Mr. PREYER, for 5 minutes, today.

(The following Members (at the request of Mr. WEISS), to revise and extend their remarks, and to include extraneous matter to:)

Mr. PREYER, for 5 minutes, today.

Mr. LUKEN, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LEE) and to include extraneous matter:)

Mr. CAMPBELL.

Mr. LUNGREN in two instances.

Mr. SAWYER.

Mr. PAUL in four instances.

Mr. KEMP in two instances.

Mr. GILMAN.

Mr. GREEN.

Mr. DERWINSKI in two instances.

(The following Members (at the request of Mr. KOGOVSEK) and to include extraneous material:)

Mr. VENTO in three instances.

Mr. IRELAND.

Mr. CORMAN in five instances.

Mr. WHITE.

Mr. HARRIS.

Mr. CONYERS in two instances.

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. FORD of Tennessee in two instances.

Mr. NOLAN.

Mr. DRINAN.

Mr. CAVANAUGH.

Mr. RODINO.

Mr. SIMON.

Mr. McDONALD.

Mr. BENNETT.

Mr. SHELBY in three instances.

Mr. OTTINGER.

Mr. CLAY.

Mr. ALBOSTA.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on April 2, 1979 present to the President, for his approval, bills of the House of the following title:

H.R. 1147. To extend temporarily the authority of the Secretary of the Treasury to waive the imposition of countervailing duties;

H.R. 2479. To help maintain peace, security, and stability in the Western Pacific and to promote the foreign policy of the United States by authorizing the continuation of commercial, cultural, and other relations between the people of the United States and the people on Taiwan, and for other purposes; and

H.R. 2534. To provide for a temporary increase in the public debt limit, and for other purposes.

ADJOURNMENT

Mr. WEISS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 52 minutes p.m.), the House adjourned until tomorrow, Wednesday, April 4, 1979, at 3 p.m.

CONTRACTUAL ACTIONS, CALENDAR YEAR 1978, TO FACILITATE NATIONAL DEFENSE

The Clerk of the House of Representatives submits the following report for printing in the CONGRESSIONAL RECORD pursuant to section 4(b) of Public Law 85–804:

OFFICE OF THE ASSISTANT
SECRETARY OF DEFENSE,
Washington, D.C. March 26, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: In compliance with Section 4(a) of Public Law 85–804, the calendar Year 1978 report on *Extraordinary Contractual Actions to Facilitate the National Defense* is transmitted herewith.

Table I shows that 163 contractual actions were approved and that 38 actions were disapproved. Included in the number of actions approved are 75 actions for which a potential Government liability cannot be estimated.

Table II lists the actions which have an actual or potential cost to the Government of $50,000 or more. Table II also contains a list of 75 actions for which a potential Government liability cannot be estimated.

Sincerely,

D. O. COOKE,
Deputy Assistant Secretary of Defense.

EXTRAORDINARY CONTRACTUAL ACTIONS TO FACILITATE THE NATIONAL DEFENSE (PUBLIC LAW 85–804) JANUARY TO DECEMBER 1978

[Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports, March 15, 1979]

TABLE I.—SUMMARY REPORT TO CONTRACTUAL ACTIONS TAKEN PURSUANT TO PUBLIC LAW 85–804 TO FACILITATE THE NATIONAL DEFENSE, JANUARY TO DECEMBER 1978

Department and type of action	Actions approved			Actions denied	
	Number	Amount requested	Amount approved	Number	Amount
Department of Defense total	163	$1, 265, 303, 360	$576, 031, 129	38	$11, 032, 460
Amendments without consideration	5	2, 455, 890	2, 075, 346	10	8, 539, 754
Correction of mistakes	20	8, 445, 558	8, 262, 432	18	1, 711, 888
Formalization of informal commitments	49	667, 348	657, 887	7	449, 918
Contingent liabilities	75				
Other	14	1, 253, 734, 564	565, 035, 464	3	330, 900
Army total	30	2, 146, 697	1, 731, 604	19	1, 797, 137
Amendments without consideration	3	1, 525, 395	1, 144, 851	4	620, 109
Correction of mistakes	8	246, 624	220, 636	8	844, 630
Formalization of informal commitments	18	105, 578	96, 117	5	1, 498
Contingent liabilities					
Other (residual powers)	1	269, 100	270, 000	2	330, 900
Navy total	99	1, 260, 724, 230	572, 124, 230	5	8, 470, 591
Amendments without consideration				4	7, 891, 712
Correction of mistakes	3	6, 853, 596	6, 853, 596	1	578, 879
Formalization of informal commitments	30	555, 170	555, 170		
Contingent liabilities	62				
Other (residual powers)	4	1, 253, 315, 464	564, 715, 464		
Air Force, total	19	1, 360, 087	1, 102, 949	7	602, 880
Amendments without consideration				1	8, 131
Correction of mistakes	5	1, 210, 087	1, 052, 949	4	146, 329
Formalization of informal commitments				2	448, 420
Contingent liabilities	13				
Other (residual powers)	1	150, 000	50, 000		
Defense Logistics Agency, total	15	1, 072, 346	1, 072, 346	7	161, 852
Amendments without consideration	2	930, 495	930, 495	1	19, 802
Correction of mistakes	4	135, 251	135, 251	5	142, 050
Formalization of informal commitments	1	6, 600	6, 600		
Contingent liabilities					
Other	8			1	

TABLE II.—LIST OF CONTRACTUAL ACTIONS WITH ACTUAL OR POTENTIAL COST OF $50,000 OR MORE TAKEN PURSUANT TO PUBLIC LAW 85-804 TO FACILITATE THE NATIONAL DEFENSE, JANUARY TO DECEMBER 1978

Name and location of contractor	Actual or estimated potential cost	Description of product or service	Justification
Amendments without consideration:			
Army:			
EDAPCO, Inc., Springfield, J.N.	$492,114	Conversion of repair parts and special tool list.	EDAPCO is a minority business enterprise and was a subcontractor of the SBA under the sec. 8(a) program. The company did not receive the required assistance to promote the development of minority businesses as espoused by our national policy. The Board found that Government action caused the company to suffer an actual loss contributing substantially to EDAPCO's financial difficulties. In the Board's view, the Government did not recognize fully the need for extra careful scrutiny and assistance in handling the requirement changes, application of relevant cost principles, etc. The record did not establish the amount of direct loss caused by the Government's actions, but the company is on the verge of bankruptcy. The Board determined that consideration of fairness requires that relief be granted in an amount sufficient to liquidate EDAPCO's corporate debts.
Lynd Gear, Inc., Rochester, Mich.	645,190	Gear sets for Army tanks	Lynd Gear is a small business which has been a manufacturer of gears for 27 yr. The company filed for bankruptcy in February 1977 contending that it sustained losses on 3 Government contracts which impaired its productive capability. Lynd contends that if relief is granted it can complete the contracts in 10 mo, otherwise it will be unable to do so. The gear sets are components of the M-48 and M-60 series tanks. While Lynd Gear's continued existence is not essential to the national defense, continued performance under these contracts is essential. The procurement lead time to obtain from another source could have an adverse impact on the tank program. It is determined that relief will facilitate the national defense.
Defense Logistics Agency: Drexel Industries, Inc. Horsham, Pa.	884,387	Electric forklift trucks	Production on Drexel's 4 contracts, awarded in 1972 for 621 trucks, was delayed several months by strikes. During the delay, labor costs increased and coupled with the deterioration of the economy the company incurred substantial losses. Although relief was granted in 1975, Drexel was able to deliver only a portion of the trucks, ceased delivery, and requested additional funding. 2 contracts were completed with no profit or fee. Following an extensive review, it is determined that if relief is not granted Drexel will enter into bankruptcy. Both DLA and Navy require the undelivered trucks. It will cost the Government approximately $1,750,000 to reprocure the 128 trucks remaining undelivered and the Government will lose most, if not all, of the $1,650,634 in unliquidated progress payments. This action was deemed necessary to facilitate the national defense.
CORRECTION of mistakes:			
Army: Varian Associates, Palo Alto, Calif.	117,369	Klystron tube repair	Varian Associates is the sole producer of the Hawk Klystron tube, and for many years has received contracts for the repair of these tubes. The company requested relief based on mutual mistakes made by the company and not noted by the contracting officer that analysis costs in the repair of tubes were not included in the total repair costs. The Board concurred that such a mistake was made by Varian and was so obvious that it should have been apparent to the contracting officer; it recommended that relief be granted. Such relief will result in equitable treatment of the contractor and in proper assurances to other contractors that mistakes will be corrected expeditiously and fairly.
Navy: Lockheed Aircraft Corp., Burbank, Calif.	6,829,196	Repair of Government property in support of S-3A program.	Request arose out of work Lockheed performed under 4 Navy contracts for S-3A aircraft. Each contract included several unpriced line items for the repair of Government property for use in connection with these contracts. The contracting officer had the right to issue unilateral orders for the repair of the property after a price quotation from Lockheed was received. Several modifications were issued which were intended to reimburse Lockheed for supplier prices which had been fully negotiated as of the date of the modification. There was no intent to bar Lockheed from the recovery of additional costs to which it may have been due as a result of work that was in the repair process and for which no vendor quotes had been received. The Board finds that the facts presented clearly indicate that a mistake was made by the parties' failure to express in the various executed modifications the agreements as both parties understood them.
Rockwell International Corp., Pittsburgh, Pa.	976,724	Minuteman III weapons systems component DIIC's.	A fixed-price incentive contract was awarded in fiscal year 1970 for production of missile-guidance sets, downstage control hardware, and supporting materials and services for the Minuteman III weapons systems and extended each year through fiscal year 1975. The contractor mistakenly omitted costs of certain components known as dialectrically isolated integrated circuits (DIIC's) when a fiscal year 1975 supplemental agreement had been decided upon instead of a new and separate fiscal year 1975 contract. This was not detected by the contracting officer who indicated that it was never his intent to omit the costs for DIIC's from the fiscal year 1975 supplemental agreement. The Board found that the failure of the parties to include the costs of the DIIC's in the finalized fiscal year 1975 supplemental agreement, when it was their intent to do so, constitutes a mutual mistake, and to correct this mistake would facilitate the national defense.
Air Force: La Calesa, El Paso, Tex.	60,380	Mess attendant services	During the performance of its fixed-price contract for mess attendant services at Holloman AFB, N. Mex. La Calesa experienced difficulties in maintaining satisfactory contract performance with its planned-work force. La Calesa's inadequate manning provisions stemmed from a mutual mistake made during contract negotiations concerning the number of man-hours required to perform the contract. La Calesa was a Small Business Administration 8(a) subcontractor. Granting this contract amendment facilitated the national defense by expediting the procurement program and by giving contractors proper assurance that such mistakes will be corrected expeditiously and fairly.
Defense Logistics Agency: Salinas Valley Oil Co., Salinas, Calif.	59,410	Gasoline for military and Federal agencies in Arizona, California, Nevada, and Utah.	Salinas, as low bidder, was awarded the contract despite its mistake in offering unit prices which did not include a 4-cent Federal excise tax as required by solicitation. The contract was awarded without verifying the bid price, although the mistake was sufficiently obvious that it should have been immediately apparent to the contracting officer. A survey of award prices for the same product in the same geographic area indicates that Salinas' price, if corrected, will be in line with the prices of other low bidders. Relief was granted to facilitate the national defense.
Formalization of informal commitments:			
Navy:			
Ampex Corp., Redwood City, Calif.	145,659	Lease of mass random storage devices.	Use of leased equipment by Ships Parts Control Center (SPCC) was continued beyond the contract expiration date. The contract expired on Sept. 23, 1976; SPCC retained the leased equipment until Feb. 17, 1977 Ampex was informed that a contract extension "was in the works," but the contract was not extended before its expiration date due to delays by the Government. Therefore, the Navy's Automatic Data Processing Selection Office (ADPSO) was without authority to execute a contractual instrument otherwise legally permissible. The Board decided that the circumstances in this case depict an informal commitment by the Government and formalization of this commitment will facilitate the national defense.
Sperry Rand Corp., Blue Bell, Pa.	368,726	Lease of ADP equipment	A contract with Sperry Rand for lease of ADP equipment to be used by the Naval Oceanographic Office expired Dec. 31, 1976. Though both parties were aware of the Dec. 31, 1976 expiration deadline, Navy continued the use of the equipment. The Navy Automatic Data Processing Selection Office, responsible for the contracting, informed the Board that there was informal guidance to Sperry-Univac to leave the equipment in place for further Government use. The contractor relied on the apparent authority of Government personnel. The Board found it was only an error on the part of Government personnel that resulted in failure to submit a timely request for a delegation of procurement authority to GSA. Granting this relief will facilitate the national defense.
Residual powers:			
Army:			
Vogue Instrument Corp., New York, N.Y.	270,000		Although by its 1977 action, the Board intended to provide sufficient funding to restore Vogue's viability as a business enterprise, the funds proved insufficient to maintain Vogue's viability. This was due to certain unforeseen circumstances such as the fact that additional projected business did not materialize. The Board at 1st denied additional relief but as the result of new information reconsidered. New information includes Navy's contention (1) that Vogue is now the only source from which Navy can obtain necessary torpedo actuators on a timely basis (other possible sources would require at least a year for 1st article), (2) that Vogue has the technical competence and capability to complete the actuator contract given the financial means, (3) Navy's desire to maintain Vogue as sole source for torpedo actuators, and (4) Navy is considering the purchase of a technical data package from Vogue for a substantial sum. However, without relief Vogue could not remain viable. This action will facilitate the national defense.

TABLE II.—LIST OF CONTRACTUAL ACTIONS WITH ACTUAL OR POTENTIAL COST OF $50,000 OR MORE TAKEN PURSUANT TO PUBLIC LAW 85-804 TO FACILITATE THE NATIONAL DEFENSE JANUARY TO DECEMBER 1978—Continued

Name and location of contractor	Actual or estimated potential cost	Description of product or service	Justification
Navy:			
General Dynamics Corp., St. Louis, Mo.	359,000,000		The Navy entered the 1970's with an urgent demand for a new class of nuclear attack submarines. On the basis of assumptions that history would later portray as overoptimistic, the SSN-688 program was considered to be merely an evolution from the SSN-637. In retrospect, significant misjudgments were made by both the Navy and industry. The attractiveness of the long-term business base provided by the SSN-688 class seemingly resulted in a willingness by the shipbuilder to accept contractual terms which would later prove unwise. Within a period of 35 mo, General Dynamics was awarded a total of 18 SSN-688's. The company was forced by its contractual commitments into a dramatically rapid growth in its labor force, aggravated by the award of the 1st Trident, contract in July 1974. Delays were experienced in the receipt of Government furnished information, materials were impacted by inflation, shortages of needed materials, and expanding business. Matters of utmost importance to the national defense are at stake. The Trident program with 7 ships currently awarded and none delivered is a vital element of the Nation's figure strategic defense. The SSN-688 ships are an essential component of the attack submarine forces. This relief will facilitate the national defense.
Litton Industries, Inc., Pascagoula, Miss.	182,000,000		Contracts were awarded during 1969 and 1970 for 5 ships of the LHA class and 30 destroyers of the DD-963 class; 19 of which have not yet been delivered. The DOD adopted the total package procurement (TPP) for these contracts, and Litton was constructing a new shipyard in Pascagoula, Miss. Neither the concept of TPP nor the new yard, in the earlier stages, lived up to expectations. Given the complexities of shipbuilding, the Navy, contrary to an essential premise of TPP, became heavily involved in the design and construction process. The new yard and new construction techniques did not achieve expected efficiencies in production. Sufficient levels of skilled manpower proved unavailable; design problems emerged at the outset and persisted through significant stages of the program. Litigation has dominated the history these programs for the last five yr. The Board recognized the serious consequence of TPP, the essential need for amphibious ships and destroyers, and the importance to the national defense of the unique resources of the Ingalls shipyard.
John F. Small, Inc. (Essence Magazine; Black Enterprise Magazine, Amalgamated Publishers, Inc.; Crisis Publishing; Encore; Black Sports; and Tuesday Publications).	515,464		Claim was made by petitioner firms for advertising services in furtherance of Navy's minority recruiting program obtained as subcontractor firms from John F. Small, Inc., with whom Navy contracted and to whom Navy made payments. Small ceased operation in 1975 with approximately $515,000 due to petitioners. Upon investigation of petitioners' claim, the Board found that although on 5 separate occasions after Navy was forewarned of Small's financial difficulties beginning in June 1974, Navy awarded Small approximately $500,000 for each of 5 orders. In fact, Navy instituted extraordinary financial surveillance of this contractor. By contrast, the record indicates the petitioners had little, if any, knowledge of Small's financial condition. The question was then whether the petitioners or the Navy should bear the loss. The principle of the doctrine of equitable estoppel, it was deemed, provides guidance although not binding in the application of Public Law 85-804 in the equities of this case. Accordingly, pursuant to the residual powers, Navy was authorized to grant relief in an amount not to exceed $515,464. In making this judgement, it was determined that the action would facilitate the national defense.
Tenneco, Inc., Newport News, Va.	23,200,000		Starting in the late 1960's and early 1970's, Newport News was awarded contracts for construction of several classes of Navy vessels. These included nuclear-power guided-missile cruisers, nuclear-powered attack submarines, nuclear-powered aircraft carriers, and the SSN-688 lead ship nuclear-powered attack submarine. The number and complexity of ships ordered during this period required this shipbuilder to expand its work force. It was impossible to obtain skilled workers in the numbers required and the company was forced to dilute the skill level of its workforce and to convert competent journeymen into 1st-line supervisors. The effect of which was to decrease productivity of the yard and to stretch out the building periods of the ships under contract. This loss occurred during a period of double-digit inflation experienced in the mid-1970's and resulted in a severe financial impact of delay on the shipbuilder. At the same time, the Navy actions or inactions at critical stages during design and construction either delayed or increased the cost of construction and were, therefore, compensable under the terms of its contracts. Newport News is the largest shipbuilder in the free world and is the only private shipbuilder that currently has the capability to produce nuclear-powered surface ships. It is the only private shipbuilder in the United States capable of building aircraft carriers, whether nuclear or conventionally powered. The importance of Newport News to future Navy shipbuilding programs is self-evident. The Board determined that relief was essential to the resumption of a normal relationship with Newport News and that such action will facilitate the national defense.
Air Force: Radionics Inc. Webster, N.Y.	50,000	VHF/AM antenna for the MRC 107/108.	The initial Radionics. Inc., request for interim financial relief of $150,000 from Navy was denied on the grounds that Radionics was not essential to the Navy. Sacramento Air Logistics Center (SMALC) advised the Navy that the Air Force considered Radionics essential to the Air Force and the contractor sought relief from the AF. The Board found that the VHF/AM antenna for the MRC 107/108 produced on a sole-source basis by Radionics, is critical to the effective operation of the MRC 107/108 which is used for ground-to-air communications and is a vital element of the tactical air control system. Without the VHF/AM antenna the Tactical Air Forces mission of close-air support cannot be accomplished. Also, the urgency of the mission for which the MRC 107/108 is used cannot withstand any delays incident to (1) Radionics prospective bankruptcy or (2) development of a new source of supply. There is now no alternate source or adequate substitute for these antennas. The Board considers continued uninterrupted production of the antenna and Radionics as the sole source essential to facilitate the national defense.

CONTINGENT LIABILITIES

Provisions to indemnify contractors against liabilities because of death or injury or property damage arising out of nuclear radiation, use of high energy propellants, or other risks not covered by the contractor's insurance program were included in 75 contracts (the potential cost of these liabilities cannot be estimated inasmuch as the liability to the Government, if any, will depend upon the occurrence of an incident as described in the indemnification clause). Items procured are generally those associated with nuclear-powered vessels, nuclear-armed guided missiles, experimental work with nuclear energy, handling of explosives, or performance in hazardous areas.

	Number of contracts	
	Navy	Air Force
Aerojet General Corp	—	3
Boeing Aerospace Co	—	2
General Dynamics	22	—
General Electric	14	—
Hercules Inc	—	1
Honeywell Inc	1	1
Hughes Aircraft Co	3	—
Lockheed Missiles & Space Co	5	—
Martin-Marietta Corp	—	2
Newport News Shipbuilding & Dry Dock Co	3	—
Raytheon Co	2	—
Rockwell International Corp	2	3
Singer Co	4	—
Thiokol Corp	—	1
Westinghouse Electric Corp	6	—
Total	62	13

In addition to the above, indemnification clauses will be inserted into all transportation contracts entered into by the Military Airlift Command for transportation services to be performed by air carriers which own or control aircraft which have been allocated by the Department of Transportation to the Civil Reserve Air Fleet.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1150. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment to Switzerland (transmittal No. 79-21), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

1151. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense services to Canada (transmittal No. 79-23), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

1152. A letter from the Secretary of Housing and Urban Development, transmitting a report on the status and adequacy of payments in lieu of taxes made under section 6(d) of the United States Housing Act of 1973, pursuant to section 221(g) of the Housing and Community Development Act of 1977; to the Committee on Banking, Finance and Urban Affairs.

1153. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting the first annual report on the financial condition and results of the operations of the Black Lung Disability Trust Fund, pursuant to section 3(c)(1) of Public Law 95-227; to the Committee on Education and Labor.

1154. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of certain defense equipment and services sold commercially to Saudi Arabia (transmittal No. MC-16-79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1155. A letter from the Administrator, Agency for International Development, Department of State, transmitting a report on environmental and natural resource management in developing countries, pursuant to section 118(c) of the Foreign Assistance Act of 1961, as amended (92 Stat. 948); to the Committee on Foreign Affairs.

1156. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the quarterly report on foreign military sale as of December 31, 1978, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1157. A letter from the Acting Director, Defense Security Assistance Agency, transmitting addenda to the quarterly report on foreign military sales as of December 31, 1978, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1158. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Switzerland (transmittal No. 79-20), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1159. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Switzerland (transmittal No. 79-21), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1160. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Switzerland (transmittal No. 79-822), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1161. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Air Force intention to offer to sell certain defense services to Canada (transmittal No. 79-23), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1162. A letter from the Under Secretary of Agriculture for International Affairs and Commodity Programs, transmitting a report on the status of planned programing of Public Law 480, title I commodities as of March 31, 1979, pursuant to section 408(b) of the Agricultural Trade Development and Assistance Act, as amended; to the Committee on Foreign Affairs.

1163. A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to provide privacy protections for individuals who are the subjects of Federally funded research, and for other purposes; to the Committee on Government Operations.

1164. A letter from the Acting Chairman, The Renegotiation Board, transmitting a report on the Board's activities under the Government in the Sunshine Act during the year ended March 11, 1979, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1165. A letter from the Director of Federal Relations, Consolidated Rail Corporation, transmitting the annual report of the Corporation for 1978, pursuant to section 301(h) of Public Law 93-236; to the Committee on Interstate and Foreign Commerce.

1166. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting the annual report for calendar year 1978 on extraordinary contractual actions to facilitate the national defense, pursuant to section 4(e) of Public Law 85-804; to the Committee on the Judiciary.

1167. A letter from the Secretary of Commerce, transmitting the annual report of the Foreign-Trade Zones Board for fiscal year 1977, together with reports covering the same year on the operations of Foreign-Trade Zones 1, 2, 3, 5, 7, 8, 9, 12, 14, 15, 17, 18, 21, 23, and 25 and subzones 3A and 9A, pursuant to section 16 of the Foreign-Trade Zones Act of 1934, as amended; to the Committee on Ways and Means.

1168. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to make minor amendments to provisions relating to the nondischargeability in bankruptcy of certain educational loans; jointly, to the Committees on the Judiciary and Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 10. A bill to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States; with amendment (Rept. No. 96-80). Referred to the Committee of the Whole House on the State of the Union.

Mr. ZABLOCKI: Committee on Foreign Affairs. H.R. 3363. A bill to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting (Rept. No. 96-81). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 202. Resolution providing for the consideration of H.R. 3324. A bill to authorize appropriations for fiscal years 1980 and 1981 for internatiional development and economic assistance programs and for the Peace Corps, and for other purposes, (Rept. No. 96-82). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 203. Resolution providing for the consideration of H.R. 1301. A bill to amend title 18 of the United States Code to allow the transportation or mailing to a foreign country of material concerning a lottery authorized by that foreign country, and for other purposes (Rept. No. 96-83). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ENGLISH:

H.R. 3398. A bill to amend the Food and Agriculture Act of 1977 relating to increases in the target prices of the 1979 crops of wheat, corn and other crops under certain circumstances, and for other purposes; to the Committee on Agriculture.

By Mr. BENJAMIN:

H.R. 3399. A bill to require the Secretary of the Army to complete the studies initiated with respect to certain proposed water resources development projects and, under certain circumstances, to carry out such projects: to the Committee on Public Works and Transportation.

By Mr. DERRICK (for himself, Mr. Blanchard, Mr. Jenrette, Mr. Mitchell of Maryland, Mr. Neal, Mr. Preyer, Mr. Richmond, Mr. Scheuer, and Mr. Stokes):

H.R. 3400. A bill to provide in cooperation with the States benefits to individuals who are totally disabled due to employment-related byssinosis and to the surviving dependents of individuals whose death was due to such disease or who were totally disabled by such disease at the time of their death; to the Committee on Education and Labor.

By Mr. JEFFORDS:

H.R. 3401. A bill to direct the Secretary of Commerce to carry out a global market survey with respect to American-made solar energy technology equipment; to the Committe on Interstate and Foreign Commerce.

By Mr. JEFFORDS (for himself and Mr. Moakley):

H.R. 3402. A bill to amend the Internal Revenue Code of 1954 to provide that expenditures for a replacement furnace or boiler shall be eligible for the 15-percent residential energy credit for energy conservation expenditures; to the Committee on Ways and Means.

By Mr. MIKVA (for himself, Mr. Corman, Mr. Conable, Mr. Vander Jagt, Mr. Frenzel, Mr. Rangel, Mr. Stark, Mr. Ford of Tennessee, Mr. Lederer, Mr. Downey, Mr. Guarini, and Mr. Shannon):

H.R. 3403. A bill to implement the Convention on the Means of Prohibiting and Preventing the Illicit Import, Export, and Transfer of Ownership of Cultural Property; to the Committee on Ways and Means.

By Mr. MITCHELL of Maryland (for himself, Mr. Hansen, Mr. Barnard, Mr. Cavanaugh, Mr. D'Amours, Mr. Mattox, Mr. Neal, and Mr. Ritter):

H.R. 3404. A bill to amend the Federal Reserve Act to authorize Federal Reserve banks to lend certain obligations to the Secretary of the Treasury to meet the short-term cash requirements of the Treasury, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MOORHEAD of Pennsylvania:

H.R. 3405. A bill to authorize the Secretary of the Treasury to make annual contributions to local governments to defray a portion of the long-term debt incurred by such local governments to finance projects to preserve and restore certain facilities; to the Committee on Banking, Finance and Urban Affairs.

By Mr. NEDZI (for himself and Mr. Whitehurst) (by request):

H.R. 3406. A bill to authorize appropriations for civil defense programs for fiscal year 1980, and for other purposes; to the Committee on Armed Services.

By Mr. OTTINGER (for himself, Mr. Bafalis, Mr. Blanchard, Mr. Corrada, Mr. Dougherty, Mr. Hance, Mr. Lagomarsino, Mr. Mathis, Mr. Mavroules, Mr. Reuss, Mr. Richmond Mr. Stokes, Mr. Vento, Mr. Weiss, Mr. Whittaker, and Mr. Yatron):

H.R. 3407. A bill authorizing the President to award a Medal of Honor posthumously to William James Tsakanikas; to the Committee on Armed Services.

By Mr. PAUL:

H.R. 3408. A bill to amend the Trade Act of 1974 and the Export-Import Bank Act of 1945 to prohibit the extension of credit, credit guarantees, investment guarantees or grants by any agency of the U.S. Government to Communist countries; jointly, to the Committees on Ways and Means and Banking, Finance and Urban Affairs.

By Mr. PREYER (for himself and Mr. Goldwater) (by request):

H.R. 3409. A bill to provide privacy protections for individuals who are the subjects of Federally funded research, and for other purposes; to the Committee on Government Operations.

By Mr. QUILLEN:

H.R. 3410. A bill to amend title 38, United States Code, to extend the authorization for certain expiring health care programs of the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ROE:

H.R. 3411. A bill to make the provision of the Public Safety Officer Benefits Act retroactive to January 1, 1972, and to include volunteer ambulance, first aid, rescue squad, and industrial fire-fighting unit members as public safety officers eligible to receive benefits thereunder; to the Committee on the Judiciary.

By Mrs. SCHROEDER (for herself, Mr. Nedzi, Mr. Mitchell of Maryland, Mr. Corrada, Mr. Montgomery, Mr. Hawkins, Mr. Edwards of California, Mr. Clay, Mr. Forsythe, Mr. Corcoran, Mr. Markey, Mr. Mikva, Mr. Gibbons, Mr. Bonior of Michigan, Mr. Lehman, Mr. Diggs, Mr. Downey, Mrs. Chisholm, Mr. Pepper, Mr. Yates, Mr. Guarini, Mr. Stack, Mr. Bingham, Mr. Maguire, Mr. Evans of the Virgin Islands, Mr. Dornan, Mr. Rangel, Mr. Glickman, Mr. Burgener, Mr. Weiss, Mr. Scheuer, Mr. Matsui, and Mr. Cavanaugh):

H.R. 3412. A bill to amend the Federal Aviation Act of 1958 to provide a criminal penalty for placing, attempting to place, or attempting to have placed a loaded firearm aboard an aircraft; to the Committee on Public Works and Transportation.

By Mr. WON PAT:

H.R. 3413. A bill to amend title 10, United States Code, to provide severance pay for enlisted members of the Armed Forces who are involuntarily separated from the Armed Forces with more than 5 and less than 20 years of service; to the Committee on Armed Services.

By Mr. ADDABBO:

H.R. 3414. A bill to provide for a study by the Secretary of Transportation, in consultation with the Secretary of Defense and the Secretary of the Treasury, concerning measures necessary to insure the security of firearms, ammunition, and explosives being transported in interstate commerce; to the Committee on the Judiciary.

By Mr. HOLLENBECK:

H.R. 3415. A bill to provide for immediate public notice in the event of nonmilitary nuclear reactor emergencies, to provide for Federal operation of nonmilitary nuclear reactors for the duration of such emergencies, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

By Mr. PASHAYAN:

H.R. 3416. A bill to amend the act amending the Bretton Woods Agreement Act to require, beginning with fiscal year 1980, the total outlays of the Federal Government to not exceed its receipts; to the Committee on Government Operations.

By Mr. BURLISON (for himself, Mr. Murphy of Pennsylvania, Mr. Flood, Mr. Pepper, Mr. Mitchell of New York, Mr. Vento, Mr. Donnelly, Mr. Howard, Mr. Ford of Michigan, Mr. Ertel, Mr. Downey, Mr. Pease, Mr. Ottinger, Mr. Anderson of Illinois, Mr. Russo, Mr. Wolpe, and Mr. Buchanan):

H.J. Res. 288. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. GRADISON:

H.J. Res. 289. Joint resolution proposing an amendment to the Constitution of the United States relative to incurrence of debt by the Federal Government; to the Committee on the Judiciary.

By Mr. THOMPSON:

H. Res. 198. Resolution dismissing the election contest against Parren J. Mitchell; to the Committee on House Administration.

By Mr. BROOKS (by request):

H. Res. 199. Resolution to disapprove Reorganization Plan No. 1 transmitted by the President on April 2, 1979; to the Committee on Government Operations.

By Mr. PASHAYAN:

H. Res. 200. Resolution disapproving the final recommendations of the basic route system of Amtrak proposed by the Secretary of Transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. WEAVER (for himself, Mr. Kostmayer, Mr. Markey, Mr. Vento, Mr. Carr, Mr. Kogovsek, Mr. Johnson of Colorado, Mr. Bonker, Mr. Williams of Montana, Mr. Luken, and Mr. Patterson):

H. Res. 201. Resolution requesting the President to submit to the House of Representatives all available information on the recent incident at the Three Mile Island Nuclear Generating Plant and on the danger of similar incidents occurring at other nuclear generating plants; to the Committee on Interior and Insular Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

102. By the SPEAKER: Memorial of the Legislature of the Commonwealth of Virginia, relative to farm programs; to the Committee on Agriculture.

103. Also, memorial of the Senate of the State of Alaska, relative to termination of the Mutual Defense Treaty with the Republic of China; to the Committee on Foreign Affairs.

104. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to continuation of rail service on the Montrealer route; to the Committee on Interstate and Foreign Commerce.

105. Also, memorial of the Legislature of the State of North Dakota, relative to the proposed abandonment of Lines West railroad routes; to the Committee on Interstate and Foreign Commerce.

106. Also, memorial of the Senate of the State of Hawaii, relative to financial assistance for States disproportionately affected by immigration; to the Committee on the Judiciary.

107. Also, memorial of the Legislature of the State of Indiana, relative to proposed amendments to the McCarran-Ferguson Act; to the Committee on the Judiciary.

108. Also, memorial of the Senate of the State of Washington, relative to Federal intervention in areas of States' rights; to the Committee on the Judiciary.

109. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to returning to the States revenues derived from the Federal tax on fuel used to power motorboats; to the Committee on Merchant Marine and Fisheries.

110. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to establishment of at least two additional national cemeteries in Virginia; to the Committee on Veterans' Affairs.

111. Also, memorial of the Senate of the State of Hawaii, relative to raising social security lump-sum death benefits; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 10: Mr. Nolan.

H.R. 117: Mr. Butler, Mr. Evans of the Virgin Islands, and Mr. Loeffler.

H.R. 278: Mr. D'Amours.

H.R. 279: Mr. McKay and Mrs. Spellman.

H.R. 281: Mr. McKay and Mrs. Spellman.

H.R. 290: Mr. Bingham, Mr. Edgar, Mr. Gore, Mr. Jeffords, Mr. Jenrette, Mr. McKinney, Mr. Maguire, Ms. Mikulski, and Mr. Roe.

H.R. 300: Mr. McKay and Mrs. Spellman.

H.R. 809: Mr. Baldus, Mr. Duncan of Tennessee, Mr. Ottinger, Mr. Panetta, and Mr. Stump.

H.R. 810: Mrs. Bouquard and Mr. Livingston.

H.R. 827: Mr. Anderson of Illinois, Mr. Brinkley, Mr. Brodhead, Mr. Clay, Mr. Corrada, Mr. Dan Daniel, Mr. Dellums, Mr. Dicks, Mr. Dixon, Mr. Edwards of California, Mr. Ford of Michigan, Mr. Gilman, Mr. Goldwater, Mr. Harris, Mr. Hughes, Mr. Jacobs, Mr. Lowry, Mr. Maguire, Mr. Mitchell of Maryland, Mr. Murphy of Pennsylvania, Mr. Murphy of Illinois, Mr. Pepper, Mr. Rangel, Mr. Richmond, Mr. Rose, Mr. Simon, and Mr. Solarz.

H.R. 1307: Mr. Winn.

H.R. 1309: Mr. Mineta.

H.R. 1652: Mr. Chappell, Mr. Marlenee, and Mr. Stark.

H.R. 1784: Mr. Brodhead, Mr. Mitchell of Maryland, Mr. Rahall, Mr. Bonior of Michigan, Mr. Dellums, Mr. Stokes, and Mr. Price.

H.R. 1843: Mr. Cavanaugh, Mr. McKay, Mrs. Spellman, and Mr. Stark.

H.R. 1900. Mr. Montgomery, Mr. Edwards of Oklahoma, Mr. Frenzel, Mr. Dannemeyer, Mr. Daniel B. Crane, Mr. Rousselot, Mr. Walker, Mr. Campbell, Mr. Stump, Mr. Spence, Mr. Schulze, Mr. Treen, Mr. Stockman, Mr. Goodling, Mr. Loeffler, Mr. Wampler, Mr. Trible, Mr. Martin, Mr. Broyhill, Mr. Hinson, Mr. Hopkins, Mr. Grisham, Mr. Leath of Texas, Mr. Paul, Mr. Shumway, Mr. Kramer, Mr. Carter, Mr. Forsythe, Mr. McCloskey, Mr. Gingrich, Mr. Emery, Mr. Duncan of Tennessee, Mr. Hammerschmidt, Mr. Bethune, Mr. Stenholm, and Mr. Burgener.

H.R. 2075: Mr. Livingston.

H.R. 2119: Mr. O'Brien.

H.R. 2374: Mr. Markey.

H.R. 2490: Mr. Stump, Mr. Lederer, Mr. Ginn, Mr. Miller of California, Mr. Murphy of Pennsylvania, Mr. Duncan of Tennessee, Mr. Whitehurst, Mr. Evans of Georgia, Mr. Derwinski, Mr. Winn, Mr. Mottl, Mr. Rahall, Mr. Horton, Mr. Charles Wilson of Texas, Mr. Corrada, Mr. Ertel, Mr. Mazzoli, Mr. Guarini, Mr. Jones of Oklahoma, Mr. Lott, Mr. Burgener, Mr. Downey, Mr. Won Pat, Mr. McCloskey, Mr. Young of Alaska, Mr. Pepper, Mr. Dan Daniel, Mr. Dornan, Mr. Evans of the Virgin Islands, Mr. Hinson, Mr. Roe, Ms. Ferraro, Mr. Dougherty, Mr. Simon, Mr. Panetta, Mr. Gephardt, Mr. Shumway, Mr. Mathis, Mr. Goodling, and Mr. Grassley.

H.R. 2644: Mr. Bafalis, Mr. Bauman, Mr. Bedell, Mr. Butler, Mr. Dornan, Mr. Jefford.:, Mr. Jenkins, Mr. Lott, Mr. Montgomery, Mr. Robinson, and Mr. Gilman.

H.R. 3016: Mr. Grassley.

H.R. 3018: Mr. Dornan, Mr. Whitehurst, and Mr. Hillis.

H.R. 3110: Mr. Fowler and Mr. Schulze.

H.R. 3232: Mr. Whitehurst, Mr. Corcoran, Mr. Jacobs, Mr. Winn, Mr. McHugh, Mr. Stangeland, Mr. Tauke, Mr. Butler, and Mr. Goodling.

H.R. 3246: Mr. Lujan.

H.R. 3247: Mr. Gramm, Mr. Charles Wilson of Texas, Mr. Loeffler, and Mr. Simon.

H.R. 3267: Mr. White and Mr. Marlenee.

H.R. 3390: Mr. Heftel, Mr. Erdahl, and Mr. Mikva.

H. Con. Res. 10: Mr. Scheuer.

H. Con. Res. 69: Mr. Andrews of North Carolina, Mr. Dornan, Mr. Dougherty, Mr. Edgar, Mr. Fountain, Mr. Evans of Georgia, Mr. Fazio, Mr. Flood, Mr. Foley, Mr. Gudger, Mr. Hefner, Mr. Jeffords, Mr. Lloyd, Mr. Martin, Mr. Mathis, Mr. Maguire, Mr. Neal, Mr. Panetta, Mr. Preyer, Mr. Roe, Mr. Runnels, Mr. Symms, Mr. Skelton, Mr. Solomon, Mr. Stratton, Mr. Weaver, Mr. Charles Wilson of Texas, Mr. Won Pat, and Mr. Wyatt.

H. Con. Res. 85: Mr. Anthony, Mr. Brown of Ohio, Mr. Coughlin, Mr. Fish, Mr. Howard, Mr. Martin, Mr. Scheuer, Mr. Weaver, and Mrs. Snowe.

H. Res. 106: Mr. Bafalis, Mr. Forsythe, and Mr. Ratchford.

H. Res. 115: Mr. Hamilton, Mr. Frenzel, Mr. Fuqua, Mr. Whitehurst, Mr. Forsythe, Mr. Bonker, Mr. Winn, Mr. Stump, Mr. Devine, Mr. Hughes, Mr. Duncan of Tennessee, Mrs. Fenwick, Mr. Mathis, Mr. Butler, Mr. Cavanaugh, Mr. Walker, Mr. Sebelius, Mr. Pashayan, and Mr. Gilman.

H. Res. 187: Mr. Andrews of North Carolina, Mr. Hanley, Mr. Skelton, Mr. Hance, Mr. Panetta, Mr. Stenholm, Mr. English, Mr. Coelho, Mr. McCormack, Mr. Symms, Mr. Ichord, Mr. Lott, Mr. Sensenbrenner, Mr. Abdnor, Mr. Leath of Texas, Mr. Hall of Texas, Mr. Fazio, Mr. Rahall, Mr. Stump, Mr. Charles Wilson of Texas, Mr. Davis of Michigan, Mr. Ireland, Mr. Roberts, Mr. Fithian, Mr. Bereuter, Mr. Baldus, Mr. Bedell, Mr. Clausen, Mr. Hubbard, Mr. Leach of Louisiana, Mr. Nichols, Mr. Jeffords, Mr. Breaux, Mr. Fountain, Mr. Kogovsek, Mr. Chappell, Mr. Andrews of North Dakota, Mr. Weaver, Mr. Bowen, Mr. Hopkins, and Mr. Hightower.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1: Mr. Sawyer.

H.R. 2202: Mr. Sawyer.

PETITIONS, ETC.

Under clause 1 of rule XXII,

95. The SPEAKER presented a petition of Young Hai Tee, Vallejo, Calif., relative to China policy; which was referred to the Committee on Foreign Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3324

By Mr. LAGOMARSINO:

—Page 46, immediately after section 601, insert the following new section:

HUMAN RIGHTS REPORTS

Sec. 602. Paragraph (1) of section 116(d) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(1) the status of internationally recognized human rights, within the meaning of subsection (a)—

"(A) in countries that receive assistance under this part, and

"(B) in all countries which are members of the United Nations and which are not otherwise the subject of a human rights report under subparagraph (A) of this paragraph or under section 502B(b); and".

—Page 46, immediately after section 601, insert the following new section:

HUMAN RIGHTS REPORTS

Sec. 602. Section 116(d) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new sentence:

"In order to assist in the evaluation of the human rights practices of countries receiving assistance under this part, each such report shall also discuss the status of internationally recognized human rights, within the meaning of subsection (a), in all countries which are members of the United Nations and which are not otherwise the subject of a human rights report under paragraph (1) of this subsection or under section 502B (b).".

EXTENSIONS OF REMARKS

STOP SUBSIDY OF SOCIALIST COUNTRIES

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. PAUL. Mr. Speaker, today I am introducing a bill to prohibit the use of taxes collected from the American people to fund commercial arrangements with nonmarket economy countries. For decades American tax money has been used to subsidize the backward socialist regimes of the world and to protect the investment made in those backward countries by large multinational corporations. For decades the American people have been deliberately deceived by the Federal Government into thinking that guaranteeing or making loans to Communist China, the Soviet Uuion, of other Communist countries is in their best interests. It is not. This policy of transferring our wealth to the governments of those nations that have sworn to destroy freedom wherever it may be found is suicidal, immoral, and irrational. Prof. Antony Sutton in his many books, particularly his scrupulously documented "Western Technology and Soviet Economic Development," has demonstrated that the transfer of wealth and technology from the West, especially from the United States, is the only thing that has kept the socialist regimes functioning in the 20th century. Without the unwilling aid of the American taxpayers, those regimes would have collapsed years ago, and we would not be faced with threats from international gangsters.

My bill would amend the Trade Act of 1974 and the Export-Import Bank Act of 1945 to prohibit the extension of credit, credit guarantees, or investment guarantees to Communist and nonmarket economy countries. The legislation is necessary for the administration intends to use the existing authority it has to subsidize the Communist Chinese regime, and to seek to augment that authority through the passage of bills already introduced in both this body and the other. In a speech delivered in New York City in March to the New York District Export Council, William W. Clarke, Director of the People's Republic of China Division of the Bureau of East-West Trade in the Department of Commerce, listed several commercial arrangements with the Communist Chinese Government that have already been reached: The $1 billion U.S. Steel project, the $500 million to $1 billion Bethlehem Steel project for iron ore, the $800 million agreement for the world's largest copper mine, the $800 million Hyatt Hotel, the $500 million Pan Am Intercontinental Hotel, the $200 million sale of 747's, and so on. The projects are innumerable and include the launch of a communications satellite costing $1 billion. Mr. Clarke estimated that the Communist Chinese Government would have to import somewhere between $65 and $80 billion worth of foreign plants and technology. He estimated their trade deficit for the period 1978–85 at $15 to $20 billion. That deficit, he believes, can be covered by financing. I quote Mr. Clarke:

> The first major deal is the multi-bank U.K. $1.2 billion loan at 7¼% over five years with Government support.

The taxpayers of Britain are also being fleeced in order to subsidize the Communist Chinese Government and the multinational corporations that do not wish to risk their own capital.

In a subsection of his speech, which we are entitled to believe reflects the thinking of this administration, Mr. Clarke writes:

> Ex-Im Bank Financing is Key.
>
> The U.S. will realize a number of the projects that I've mentioned. Some of them might be for cash; everything the Chinese have done with us so far has been for cash. But there's no question in my mind that without Ex-Im Bank financing the U.S. will be at a competitive disadvantage. . . .
>
> I believe it's the opinion of our banking experts that Japan and Western Europe cannot or will not be willing to swing all the credit China requires without the participation of the U.S. banking community. So the picture is not all bleak. But putting Ex-Im Bank in that picture would certainly help. Although the Bank will tell you there are no funds for additional loans of this sort, even if it could make them. We have to have supplemental legislation to make some available or that will still be a limiting factor. . . . to maximize the considerable potential of the Chinese market, the Trade Act will have to be amended. Administration policy is to see Jackson-Vanik restrictions amended for all the countries. It's an unnecessary impedi-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

ment in our trade with the Soviet Union and Eastern Europe and the Chinese.

The legislation that Mr. Clarke refers to has already been introduced in the Senate by Senator Stevenson of Illinois and in the House by Representative AuCoin of Oregon. If their proposed bills are enacted, the American taxpayer will again be forced to subsidize dictatorships whose brutality is unsurpassed in recorded history.

Professor Sutton, in the third volume of his work on "Western Technology and Soviet Economic Development," documented the role that governments, particularly the U.S. Government, have played in this vast international subsidy that has created and maintained the socialist regimes around the world. He writes:

> The financing of technical assistance has not normally taken the form of government-to-government transfers; until recently, it was usually accomplished through private loans and credits guaranteed by a Western government. . . . Although the role of Western governments has been obscure it has also been fundamental; it is unlikely that individual Western firms, financial institutions and banks would have continued to provide long-term credits or loans without government guarantees. . . . It is useful, then, to trace the main threads of such (government-guaranteed) financing from the time of the Bolshevik Revolution to the present day, or without Western government and private assistance the technical transfers described in this analysis could not have taken place.

Dr. Sutton proceeds to enumerate instances in which the Export-Import Bank made loans and loans guarantees to the benefit of the Soviet Government, and ends by observing that "in the 1960's direct government-to-government financing came to the forefront." The taxpayers of the West, including the American taxpayers, have been robbed by their governments, so that those governments could lend money at low interest rates or give money outright to foreign dictatorships. At the same time, the Western governments, including the Government of the United States, have told their citizens that it is necessary to have high taxes to maintain large and expensive defense forces in order to protect them from the same foreign dictatorships. I think that it is about time the American people were told the truth about the so-called "trade" with the Socialist countries. It is not free trade for it is subsidized by the Federal Government. But it has been large enough to maintain the dictatorial regimes in dozens of countries around the globe. Left to themselves, these regimes would long ago have perished and their pitiable subjects would now be free men. It would not be necessary to spend $120 billion per year on armaments against an enemy that has been created and continues to be supported by the Federal Government.

The most significant act we can make for world peace is to stop the subsidy of the Socialist countries and to allow their parasitical regimes to self-destruct. The savings in human lives and in human wealth would be incalculable. To continue on our present course, or to increase the subsidies as the present administration desires, is to commit national suicide.●

JONES' CAFETERIA—A LONG BEACH LANDMARK

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. LUNGREN. Mr. Speaker, in these days of rapid change, progress, and high-powered technology we often cling to the little things which remind us of our roots—who we are. One of these little reminders—Jones' Cafeteria and Restaurant in my home town of Long Beach, Calif., is due to be closed down soon. It is the inadvertent casualty of a shopping mall and parking lot.

Now we need this new shopping mall to help revitalize downtown Long Beach. And the owners of the restaurant—Mr. and Mrs. Harold Jones, opened the place in 1929 and certainly deserve a rest. Nevertheless, the closing of Jones' Cafeteria represents the passing of a traditional landmark through which passed generations of Long Beach families, thousands of tourists, and even Presidents of the United States.

Jones' Cafeteria is a family-owned business, run in a family style. That meant service with a smile, good simple meals, and waitresses who stayed for 20 years and knew your name. My grandmother took me there. And my wife, Bobbi, and I have taken our kids there many times.

It is much like Sholl's Cafeteria here in Washington, D.C., which enjoys the same reputation and esteem in this community. I would, therefore, like to honor the closing of this establishment by inserting in the Record the following feature story on Jones' Cafeteria from the Los Angeles Times of March 4, 1979:

It's Closing Time for Cafeteria—Progress Does What Depression, Quake Could Not

(By Marcida Dodson)

Long Beach.—Life may not have been a banquet for Harold and Ivalou Jones these past 50 years, but it certainly has been a feast. One roast beef and chicken dinner after another—hundreds of thousands in all.

They've served them up in the same way, in the same place, while everything about them has changed.

Through the years, in the heart of downtown Long Beach, Jones' Cafeteria and Dining Room has been one constant.

Harold and Ivalou Jones, between trips from their kitchen to their customers, have seen a lot happen around here.

In 1929 they saw the Great Depression arrive and topple many of the town's businesses.

Four years later, they saw the Long Beach earthquake just about finish the job.

Through the years, they have seen hemlines and political powers rise and fall.

They have seen downtown Long Beach blossom into a bustling commercial resort-by-the-sea and then wither into a lifeless commercial no-man's-land.

They have seen these changes and have themselves prospered, sometimes because of the changes, sometimes in spite of them.

And now, they're about it witness the final change—for them. They're preparing to close down Jones' Cafeteria and Dining Room to make way for progress.

Their venerable place of business—an institution with Long Beach old-timers—must be leveled. It is in the midst of the chosen site for a parking garage that will serve a $75 million enclosed shopping mall designed to help save downtown Long Beach.

City officials soon will begin negotiating with the Joneses, and when a sale price is agreed upon, the couple will hang up their aprons.

It's sad, but it's time, friends say. Harold Jones is 75 and has only recently recovered from a serious accident; his wife is a few years younger.

"It has to be," Mrs. Jones said pleasantly, but resignedly, of the impending closure. "And we're long overdue for retirement."

Behind her and her husband, as they talked, the clatter and bustle of the noon-hour trade went on unnoticed by them. Steaming plates moved past, the sounds of soft conversation and clinking silverware combined, and people lined up at the door. Waitresses, busboys and customers stopped to chat with the couple as if they were a favorite aunt and uncle.

Jones' Cafeteria and Dining Room is not a fancy place. Having a meal there is much like eating in your next-door-neighbor's kitchen. The food is good, hot and simple, the atmosphere friendly and informal, and you're bound to run into someone you know, be it a personal friend or your city councilman.

The waitresses wear traditional black uniforms with white collars and aprons. They've been there for 20 years or more, so they not only call many of the customers by name but also often remember that if it's Tuesday, Mr. Smith wants the special.

As for the Joneses, they were munching on grilled cheese sandwiches with a few friends in the corner of the dining room as they reminisced about their business, the city and the people who have passed through.

There have been some 24 million of them, they estimate.

"Some people called me over to their table the other night to show me their new baby," Jones said. "It was the fifth generation of their family to eat here."

Harold Jones' own family has been an integral part of his business. When he opened the modest cafeteria on 5th St. near Locust Ave. in July, 1929, he cooked and his mother baked. He married Ivalou the next year and she became the salad maker and countergirl. They expanded to the lot next door in 1939 to open a dining room, which Jones' sister, Veda Eqan manages. Her son is now the baker.

"I tell them they know how to shake things up," the Joneses' son, Hal, joked. "They opened the cafeteria and we had a depression. They opened a restaurant and three years later we had a World War."

The Depression may have crumpled other businesses, but it didn't seem to hurt the Joneses'.

They sold a vegetable plate with five items for 25 cents, a full seafood dinner for 35 cents and a roast beef or lamb dinner for 50 cents.

"We told people we weren't going to cut quality, just the prices," Jones said. "We would do just about anything to have the people come in," added Mrs. Jones.

It worked. "The banks started closing but we always had customers," she said.

Harold and Ivalou were married on a Saturday because Sundays were busy with the church crowds. They spent most of their wedding night in the kitchen. "We worked until midnight that night, and we had to be back at 6 o'clock in the morning," Mrs. Jones recalled.

"No wonder it took you six years to have a kid," their son teased.

And the couple remembers the evening the earthquake hit, right at their busiest time, just a few minutes before 6 p.m. on March 10, 1933. "I had a vegetable plate on my hand and it just flew right off," Jones said.

He began walking from table to table apologizing to the customers, son Hal said, "until someone pulled him aside and told him, 'Now, Mr. Jones, this really wasn't your fault.' "

The governor of New York, Herbert H. Lehman, was dining there that night, on vacation with his wife. They had run up quite a bill from several meals there, but the quake moved them to leave hurriedly with the commotion and damage everywhere, there was no time to settle the bill. The governor could have skipped but the check came in the mail later, Jones recalled.

The quake toppled the fire wall around the top of the cafeteria roof, which then fell onto the front awnings and collapsed them so that they had to be ripped down to let the people out, Jones said.

The cafeteria was closed 19 days for repairs, which continued even after the reopening. "People were after us; they were waiting for us to open again," he said.

It wasn't the last time the eatery would close for construction and repairs. The business expanded several times to make room for the growing number of customers. And then there were fires in 1972 and 1974, the last one consuming the entire building.

During the 1974 reconstruction, the Joneses opened a second cafeteria in the northern part of the city, to placate customer demand and to keep the staff together. (That cafeteria recently closed so that efforts could be concentrated downtown.)

"This has been home to many people," said Councilman Marc Wilder, himself a regular diner there. He recently had the City Council pass a resolution commending the Joneses on their business and its contribution to the city.

"When we've been disrupted by the fires and the expansions and all, it's been very sad for some of our customers," said Mrs. Jones. "People would come by every day after the fire to see how it was coming."

And although it's no Maxim's or Harry's Bar and Grill, the name of Jones' Cafeteria and Dining Room is recognized by multitudes throughout the country and even beyond.

The Vienna Boys' Choir, in Long Beach a few months ago, made a point of eating meals at the cafeteria and even traveled back to Jones for lunch after their tour schedule took them to nearby towns.

Harold and Ivalou Jones can tell stories of people striking up conversations and even friendships in Europe when their printed matchbooks have been spotted. The vacationers from the Midwest and East Coast have told the couple they felt they hadn't seen Long Beach until they had eaten at Jones'.

What's the attraction? Gourmets would tell you the food is not exceptional, although all of it is fresh and made on the premises—from the mayonnaise and applesauce to the numerous kinds of dinner rolls.

The answer might be in the business' stalwartness—Jones is taking in $1,000 more a day now than he was a year ago—and its down-home goodness.

According to the City Council's commendation, "Jones' Cafeteria has a friendly family philosophy that motivates its entire organization, with employes doing their best to give customers the kind of old-fashioned, personalized service that has disappeared from many other restaurants."

The restaurant provides a common ground, Councilmen Wilder explained. People know they will not feel out of place there and will be treated alike, whether they have but a few dollars in their pockets or thousands in the bank.

While most of the changes have taken place outside Jones' Cafeteria and Dining Room, there have been a few inside, too. The once-popular fried rabbit has been dropped from the menu and numerous new dishes added. The prices have changed, too. A complete dinner of roast Leg of lamb now costs $5.50, the prime rib $6.50.

There are no plans to carry the name of Jones to another location. The couple's son has worked there since he was old enough to peel carrots and has more or less operated the business in recent years. Now, at 42, Hal said he is going to find something else to do.

"I may be lynched yet. People want me to start up (a restaurant) elsewhere," he said.

"But this has been a family business. I can't do it. It just wouldn't be the same, and that wouldn't be right."

And how do the elder Joneses feel about the change that will see a parking lot replace their beloved restaurant?

"I can remember when Pine Ave. was a busy metropolitan street. There was lots and lots of business. There were so many tourists, you could barely walk out there at times," Jones reminsced. "Orange County was just bean fields. Long Beach didn't have to work too hard to be developed. People wanted to come here."

"But they've got to do this (construction of the shopping mall)," Mrs. Jones interjected. "They've got to bring the downtown back.

"We're all very happy and all very sad. We love these people and this is the end of an era. All of these people saw us through the tragedies and stayed with us," she continued softly.

"But it's time for us to sit back and let someone else come in." A twinkle came into Mrs. Jones' eyes.

"And maybe we'll go out to eat."●

PUBLIC FUNDS VERSUS PRIVATE INTERESTS

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. GREEN. Mr. Speaker, H.R. 1, the bill to establish a system of public financing of congressional campaigns, is undergoing much public scrutiny and examination by the press. I would like to share with my fellow cosponsors of H.R. 1 as well as all of my colleagues a thoughtful analysis of this important legislation. The following editorial was published in the Chicago Sun Times on Monday, March 19, 1979:

PUBLIC FUNDS VERSUS PRIVATE INTERESTS

It's expensive to run for Congress. That isn't new. A lot of candidates find powerful groups to pay the bills. That isn't new either. Some winners find they owe more allegiance to special interests than to the public interest. Even that isn't new.

What's new is the increasing danger of such entanglements.

Campaign costs hit record levels last year, and so did campaign contributions by the political action committees (PACs) of business, labor, trade and professional associations. Congressional Quarterly says PAC spending in 1978 reached some $30 million, or nearly four times the level of 1972. The number of PACs is up, too, from 603 in 1974 to more than 1,900 today.

One remedy is H.R. 1, a bill to create public financing for House candidates in general elections. Primaries would be excluded. Dollars from a special voluntary tax checkoff fund (like that for presidential campaigns) would match private contributions of $100 or less, up to $60,000.

A candidate need not accept the public funds, but one who did would also accept a total spending limit of $150,000. That's one way to help tame spending gone wild. For example, one candidate for the House in 1978 spent more than $1.3 million—and he was the loser.

H.R. 1 was introduced by Illinois Representatives Abner J. Mikva (D) and John B. Anderson (R), and other co-sponsors. More than 150 House members of both parties support it, including Illinois Democrats Melvin Price, Paul Simon and Sidney R. Yates.

But it needs more.

A similar proposal failed by just 17 votes in the House last July. We hope one Chicagoan, especially, will lend a hand: Rep. Dan Rostenkowski (D), a leader whose support could attract others.

Mikva and Anderson helped put the idea on the table. Rostenkowski could be the key to helping put it into law.

The editorial refers to an election loser who spent $1.3 million. As the winner of that particular campaign, I know more than many others the dangers of political spendoffs and, therefore, the importance of the public financing bill, H.R. 1.●

A $100,000 TAX BREAK FOR ALL AMERICAN HOMEOWNERS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. GILMAN. Mr. Speaker, yesterday I introduced a bill to allow every American a once-in-a-lifetime chance to keep, tax free, $100,000 of the profit on the sale of his or her principal residence. My bill, H.R. 3375, will simply extend the onetime $100,000 capital gains tax exclusion for those 55 and above, adopted by the Congress last year, to all Americans.

Because of the raging inflation of the past few years, many Americans are forced to pay taxes on "phantom" capital gains, that is, taxes on price increases, due solely to inflation, that have occurred on their homes and other properties. I hope that eventually, Congress will establish some system of indexing capital gains taxes for the effects of inflation. For now, though, the passage of this bill will protect most Americans from inflation's pernicious effect on the taxation of their single most important capital investment, their home.

The passage of this bill, Mr. Speaker, would amount to the provision of simple justice to Americans under, as well as over, age 55. It will free up for the housing market houses now owned by those a few years under 55 who would like to sell their homes, perhaps because of high taxes, or because their children have grown and they no longer need the use of a large structure. Because such families would be more willing to sell their homes if exempted from the payment of a heavy tax on "phantom" capital gains, the cost of housing would fall somewhat as additional homes came on the market. Individuals would not feel forced to bear the expense of holding on to "more house" than they really needed solely for tax purposes.

Mr. Speaker, I commend this bill to the attention of my colleagues for possible cosponsorship, and that it be reprinted in the RECORD at this point:

H.R. 3375

A bill to amend the Internal Revenue Code of 1954 to eliminate the age requirement for eligibility for the one-time exclusion of gain from the sale of a principal residence

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the section heading and subsection (a) of section 121 of the Internal Revenue Code of 1954 (relating to one-time exclusion of gain from sale of principal residence by individual who has attained age 55) are amended to read as follows:

"SEC. 121. ONE-TIME EXCLUSION OF GAIN FROM SALE OF PRINCIPAL RESIDENCE

"(a) GENERAL RULE.—At the election of the taxpayer, gross income does not include gain from the sale or exchange of property if, during the 5-year period ending on the date of the sale or exchange, such property has been owned and used by the taxpayer as his principal residence for periods aggregating 3 years or more."

(b)(1) Paragraph (1) of section 121(d) of such Code (relating to special rules) is amended by striking out "age, holding, and use" each place it appears and inserting in lieu thereof "holding and use".

(2) Paragraphs (2) and (3) of section 121 (d) of such Code are each amended by striking out "subsection (a)(2)" each place it appears and inserting in lieu thereof "subsection (a)".

(3) The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 121 and inserting in lieu thereof the following:

"Sec. 121. One-time exclusion of gain from sale of principal residence."

(4) Sections 1033(h)(3), 1034(1), 1038 (e)(1)(A), 1250(d)(7)(B), and 6012(c) of such Code are each amended by striking out "by individual who has attained age 55".

(c) The amendments made by this Act shall apply to sales or exchanges after July 26, 1978, in taxable years ending after such date.●

UNICO AWARDS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. RODINO. Mr. Speaker, on Sunday, April 1, the Newark chapter of UNICO National held its Fourth Annual Awards breakfast in my district. I am very proud of UNICO and its work in New Jersey because it has truly lived up to its name—unity, neighborliness, integrity, charity, opportunity.

The Newark chapter of UNICO contributes to many charities and offers a yearly scholarship to a deserving high school youngster. UNICO's principle is simply, "service above self," and through this effort to help individuals it has helped to build better communities in my home State. I am especially proud that UNICO is a nationwide club which is composed largely of Americans of Italian origin because I believe that its identity with Italian heritage is a service to our country.

Mr. Speaker, on Sunday UNICO honored five very special individuals who have taken an active part in bettering their communities, and their achievements are quite worthy of recognition.

Angelo R. Bianchi, our New Jersey State commissioner of banking, was recognized for his leadership as a public official and administrator.

Rosario Caruso Federici was cited for her unselfish charitable and civic services.

Joseph C. Paradise, who is director of water accounting for the city of Newark, was acknowledged for his exceptional contributions in sports and his civic endeavors throughout the year.

Dr. Vincent A. Scudese, who is professor of orthopedic surgery at the New Jersey College of Medicine and Dentistry, was honored for his esteemed medical contributions to society.

Angelo Santinelli, who received the Brian Picolo Award, was one of the most outstanding high school scholars and athletes in Essex County.

Mr. Speaker, I am pleased to join in saluting these outstanding individuals and all the members of the Newark chapter of UNICO National.●

CARRYOVER BASIS AND TAX EQUITY

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. NOLAN. Mr. Speaker, I would like to bring to the attention of my colleagues an interesting article which appeared in the December issue of the New Republic, entitled "How the Rich Stay Rich," the article discusses the controversial tax law commonly referred to as the "carryover basis" rule. Congress will be considering soon whether or not to repeal or extend "carryover basis" and I strongly urge my colleagues to read this analysis before making a final decision on the future of the "carryover" law. The debate surrounding "carryover basis" will to a large extent indicate whether this Congress is interested in meaningful tax reform.

The article follows:

[From the New Republic, Dec. 9, 1978]

HOW THE RICH STAY RICH

Even the most casual observer of our American democracy will have noticed the predominance of inherited wealth. Fewer will understand why this is so. Elaborate theories of monopoly capital have evolved, but a simpler explanation is an obscure loophole in the Internal Revenue Code. We are not referring to the legerdemain by which expensive lawyers make a farce of the federal estate tax. We are not even referring to the favored tax treatment given to all capital gains. We are referring to the ability of our richest citizens to escape any tax at all on the growth of their fortunes.

The tax reform act of 1976 began the process of closing what may be the largest loophole in the tax code. The 1978 tax bill reopened it, in an amendment tacked on at 3 a.m. the day the 95th Congress adjourned in October. Pleasantly enough for those who lobbied it through, this special favor for inherited wealth got almost no attention in the press during the confusion of the last hours, even though it could cost much more federal revenue than the notorious general reduction in capital gains taxes. It was a remarkable display of the power of the moneyed elite, taking advantage of the fealty of legislators and the ignorance of journalists.

The arrangement is not all that complex. It has to do with the way capital gains are measured for tax purposes. When you buy, say, a piece of real estate or a share of stock for $2000, then sell it a few years later for $5000, you have made a profit. The tax code says you have "realized" a "capital gain," which is less clear but more desirable since your taxes will be a lot less as a result of these strange terms. How much is your gain? It is the difference between what you paid—your "basis"—and what you sold it for. In this case it is $3000. Before actually paying any taxes you start deducting left and right, but that is not our sermon today. Our concern is what happens if you die before you sell the investment. A little reflection will suggest that this is a frequent occurrence. The deceased discovered lying on a mattress stuffed with dollar bills is not a common phenomenon, and becomes less common the higher one moves up the scale of wealth. Those with access to sound legal and accounting advice are likely to die owning stocks and bonds, racehorses and real estate, rather than cash. (Or, to put it another way, owning banks rather than bank accounts.)

The law before 1976 said that if you die owning assets that had appreciated in value, that appreciation was wiped out for tax purposes. Your heirs paid taxes only on the appreciation that occurred after your death. So, for example, if that stock, purchased for $2000, was worth $5000 when you died, and $6000 when your heir sold it, your heir would have to pay taxes on a capital gain of only $1000. In the language of tax lawyers, your death "stepped up" the "basis" from $2000, the price you paid, to $5000, the value when you died. The gain of $3000 that occurred before your death escaped taxation completely.

This is not a trivial technicality. The government loses more revenue because of the stepped-up basis rule than it brings in from all the capital gains that are taxed. The Treasury Department estimates that every year $20 billion of investment profits escape taxation forever because of this rule. This tax-free $20 billion is not spread evenly across the citizenry. It is not spread evenly across that fraction of the citizenry that enjoys investment profits. It is not even spread evenly across that small fraction of investors who die leaving large estates. Most of the benefit goes to those with fortunes large enough to set aside large chunks of appreciated property for their heirs. In 1972 the average estate of under $100,000 had $444 of untaxed appreciation, while the average estate of over one million dollars had almost a million dollars in untaxed appreciation. The effect of the stepped-up basis rule is to permit great fortunes to grow from one generation to the next while escaping even the reduced taxation the ordinary investor suffers on his capital gains.

There are two simple ways to shut this loophole. The simplest is to tax the accrued gain at death, before passing the asset on to the heirs. An alternative is to make people who sell inherited assets pay tax on the whole profit since the asset was purchased and not just the part that accrued after they inherited it. This is called the "carryover basis" rule, and it already applies to gifts. If I buy stock for $2000 and give it to you when it's worth $5000, your "basis" is what I paid—$2000. If you sell it when it's worth $6000, you must pay taxes on $4000 of gain, not just the $1000 that's accrued since I gave it to you.

In 1976 Congress adopted a version of the carryover basis rule for inherited property. It would have required heirs to pay taxes on all increases in the value of property after January 1, 1977. The contributions of past generations to large family fortunes would remain tax-free, but those of future generations would be taxed like anybody else's money. The 1976 law included a $70,000 exemption, which means it wouldn't even affect 93 percent of those who die leaving property.

Immediately a campaign began to repeal the change. The lobbying was led by the associations of tax and probate lawyers, accountants, timber growers and farmers. (Farmers made the usual plea about saving family farms, although the tax of course, would not affect any family farm until it was sold.) Taking advantage of the reactionary momentum of the 95th Congress and the confusion of the pre-adjournment tax bill battle, they won a three-year postponement of the carryover basis rule. Those millionaires farsighted enough to have died since January 1, 1977 will escape its sting, and Congress has until January 1, 1980 to decide whether to let the rule be reinstated.

Senator Harry Byrd of Virginia is leading the fight for repeal and plans hearings this spring. House Ways and Means Chairman Al Ullman and the Carter administration claim to be adamant that there should be some taxation of investment profits that pass at death. They have agreed to raise the exemption to $175,000, which would limit the sting to only two percent of those who die with any estate. Even so, there will be a tough battle: this is the two percent that really counts.

The spoken argument against the carryover basis is that it is too complex. It is indeed complex, but so is the whole tax code and so are the affairs of anyone who leaves an estate of more than $175,000. Almost all the complexities could be avoided by the more radical step of taxing capital gains at death, but the lawyers and accountants of the wealthy do not find this option appealing. The Senate Budget Committee estimates that this change (and a similar change in the taxation of large gifts) would bring the federal government almost $10 billion in fiscal 1980, the budget President Carter is eagerly chopping right now. This amount is more than the government collects on all capital gains under current rules.

The stepped-up basis rule takes up just a few lines in that majestic document, the Internal Revenue Code. This thick volume of fine print is an almost impenetrable web of strange phrases, numbers and cross-references. Nothing you'd curl up with by the fire. But when read with patience and a little imagination, it opens up into a revealing portrait of our society, as panoramic as a Dickens novel (and as cynical as Evelyn Waugh). It is enlightening, for example, to compare the treatment the tax laws provide to inherited wealth with the treatment they give to the savings of ordinary people.

We have one character, let us call him Rockefeller, who has started out rich and, through skillful investment advice, has become even richer. He has invested in stocks, in fine art, in real estate. All these things grow more valuable and so Rockefeller grows richer, but he is not taxed on any of them until he sells them. When he sells one of these items, he doesn't have to pay any tax on 60 percent of his profit, because it is called a capital gain. (This is up from 50 percent thanks to the generosity of the 95th Congress.) If he is so rich that he can avoid selling these appreciated assets during his life, he wins the really big prize: the angel of death comes along to "step up" the "basis" and the profits of a lifetime escape tax forever.

Another character in our drama is Aunt Millie. She has a widow's mite of a few thousand dollars. She cannot afford investment advice, but she has seen those public service advertisements informing the citizenry that investing in United States savings bonds is both prudent and patriotic. So she takes the plunge. For her trouble, she gets six percent, compounded biannually. She, too, pays no taxes until she redeems the bonds. But when she does cash in, she gets no capital gains deduction. In effect, she has to pay two and a half times as much tax on her savings bond profit as she would if it were considered a capital gain. And what happens if she cashes in her chips before she cashes in her bonds? There is no stepped-up basis for U.S. savings bonds. When her heirs redeem the bonds, they must pay taxes on all the interest that has accumulated since the day Aunt Millie bought them.

Finally, we have old Joe, Aunt Millie's handyman. He does not make enough money to worry about investment, but he tries to sock away a few dollars every week in a savings account at the local bank. The federal government's first contribution to old Joe's finances is to forbid the bank to pay him more than five percent interest on his savings. (The bank does not object.) Next, the government finds out from the bank how much interest Joe has received every year, and every April Joe must go down to the bank and remove enough money to pay his taxes on that year's gain. Rockefeller and Aunt Millie can keep investing not only their own share of each year's profits, but the government's share as well, until they cash in their investments.

Aunt Millie, for example, is merrily compounding away at six percent. Joe must subtract the government's share from his five percent each year and then reinvest what's left. Over the years, it makes a big difference. The "deferral" effect (as it is called) enjoyed by Rockefeller and Aunt Millie amounts to an interest-free loan from the government. And of course Joe gets no capital gains deduction, so he pays two and a half times as much tax. And there are no taxes for his heirs to escape when he dies, because he has paid them all as he went along.

A real tear-jerker, isn't it? Since Congress closed the tax shelter for money-losing film investments in 1976, it's no longer reasonable to hope for a movie based on the Internal Revenue Code. But if only to restore their own self-esteem, the authors should rewrite the script.●

TRIBUTE TO JOE BARTLETT

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. RINALDO. Mr. Speaker, I am pleased to take this opportunity to join my colleagues and friends in honoring Joe Bartlett, who recently retired as minority clerk.

Joe was minority clerk when I was first sworn into the House of Representatives in 1973, and I quickly learned from my colleagues that he was one of the ablest officers of the House. For over 37 years, he distinguished himself as a public servant and a staunch Republican.

Like myself, most Members in this House have served with Joe over the years and have learned to respect his political savvy, his knowledge of the House of Representatives, and his willingness to work for the good of the party.

In my judgment, it is not surprising that, with the retirement of Joe Bartlett, the title of "minority clerk" will no longer be used. Because I doubt there is anyone who can fill the job the way Joe Bartlett did, and his retirement really is the end of an era. Joe started out as a House page in 1941 and served 17 years as House reading clerk. Moreover, he has served as chief reading clerk at every Republican National Convention since 1960.

Mr. Speaker, Joe Bartlett's service to the United States, to the Congress, and to the Republican Party places him among the small group of Americans who have dedicated their lives to public service and who have earned the respect and friendship of members of both political parties.

I join my colleagues in wishing him well and extending my personal gratitude for his years of loyal unstinting service.●

COAL CONVERSION PROGRAM

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. SHELBY. Mr. Speaker, I would like to call to the attention of my colleagues the following statement by the Council of Industrial Boiler Owners on the proposed Department of Energy regulations to implement the Powerplant and Industrial Fuel Use Act of 1978. I am concerned by the broad, overreaching scope of regulations proposed by the Energy Regulatory Administration to implement the Fuel Use Act. This type of bureaucratic usurping of congressional statutory mandates must stop if we are to restore the general public's faith in our governmental system.

An oral statement of the Council follows:

[Before the U.S. Department of Energy, Economic Regulatory Administration]

(In the matter of: Proposed regulations to implement the Powerplant and Industrial Fuel Use Act of 1978, Docket No. ERA–R–78–19, 43 Fed. Reg. 53974, Nov. 17, 1978)

ORAL STATEMENT OF THE COUNCIL OF INDUSTRIAL BOILER OWNERS

J. P. Wilson, vice chairman.

Panel: M. O. Clark, director (Phillips Petroleum); T. A. Gamble, director (Hercules); J. P. Wilson, vice chairman (Anheuser-Busch); W. B. Marx, president; G. Miron, counsel.

INTRODUCTION

The Council of Industrial Boiler Owners ("CIBO") is a broadbased association of corporate industrial steam plant owners, exclusive of public utilities, formed in 1978 to help industry and government achieve national fuel utilization and environmental objectives and strategies which affect the design and operation of industrial steam production facilities. Council policy is to establish and maintain the maximum exchange of relevant industrial information and data among its members and between industry and government so that public policy in the fuel utilization and environmental areas is realistic and supportive of our economic integrity, both individual and collective.

Purpose (7) states: to encourage the modernization or replacement of existing and new electric powerplants and major fuel-burning installations which utilize natural gas or petroleum as a primary energy source and which cannot utilize coal or other alternate fuels where to do so furthers the conservation of natural gas and petroleum.

At the present time, because of uncertainties in the marketplace regarding national energy and environmental objectives, there is little action. As a matter of fact, new industrial boilers are presently being installed at a rate less than 50% normal, a trend which commenced in 1975.

COSTS AND CAPITAL

Because of its high capital cost, economy of-scale is basic to a coal-fired plant, making incremental coal additions to an oil or gas-fired plant difficult. Often the major portion will have to be replaced at one time, making the investment for steam production a major management decision. In some instances this cost can approach the original cost of the entire manufacturing facility. Coal-firing, therefore, will offer no economic incentive for perhaps 70 percent of industry.

In order for any capital project evaluation to be valid, all additional costs must be included and an array of other factors closely investigated. We wish particularly to underline "environmental costs". Mechanical life may be 40 years in some cases, but long before the boiler reaches the end of its life span, the process for which the unit was installed may have been changed or even shut down. Therefore, economic life should be set according to standard capital investment criteria, e.g. 12-15 years, but not to exceed projected life of the process.

A 60 percent capacity factor is inappropriate for most MFBI's. A recent EPA study cited a mean of $37.8 percent for a wide range of industrial boiler service. For those units used primarily in heating service, this will be even lower, e.g. in metropolitan Washington, about 21 percent. In certain process industries, however, it may range as high as 90 percent. In contrast, "peak load" and "intermediate load" powerplants, as defined in the Act, have equivalent capacity factors of 17 percent and 41 percent respectively. We believe, therefore, that it is inappropriate to specify a single value and suggest that this be done on a case-by-case basis.

The specified discount rate of 7 percent plus the annual inflation rate is too low. While appropriate discount rates may differ widely in different industries, and even among firms within the same industry, corporate discount rates usually run between 10 and 20 percent or even higher. This is equivalent to saying that such a return can be realized elsewhere and thus for a new investment to be justified, it must yield such a return.

Setting the "substantially exceeds" index too high will be inflationary. We believe that a factor set in the 1.05-1.07 range is more in line with federal anti-inflationary guidelines. Even with a 1.05 factor, however, in the example above, an additional annual cost of $100,000 is incurred, an unproductive increment which must be added to the product cost and passed on to the consumer. The present range of index values proposed by ERA effectively forecloses this exemption; setting this value at 1.05-1.07 will encourage industry to enter the administrative process.

FUELS AND ENVIRONMENT

There are generic cases involving mixtures and the use of industrial by-product fuels which warrant authorization to burn oil (or natural gas) in amounts above 25 percent. These boilers are an integral part of the industrial process, and system fuel utilization analysis is the only valid approach to optimum plant energy conservation. Such a procedure will not only serve the company's interests but the purposes of the Act, as well.

Environmental constraints, the relationship of FUA to the Clean Air Act and the lack of clear national policy may well be the most severe deterrents to increased industrial coal utilization. The situation is aggravated by its complexity—the need to consider community acceptance, offsets, Best Available Control Technology, Lowest Achievable Emission Rate, New Source Performance Standards and State Implementation Plan criteria—and by continually moving emission limitations. The cost obstacle here can be insurmountable; in the case of small and medium-sized boilers, the cost of clean-up equipment can exceed the boiler, yet ERA would deny these costs when evaluating alternate fuel versus imported petroleum.

We estimate that preparation of an individual fuels decision report could add 2½ years to the industrial construction project and cost at least $150-250,000. Such a complex and comprehensive requirement should be replaced by a simple, straightforward and expeditious procedure which does not exceed the in-house resources of the typical industrial enterprise and which will encourage entrance into the process so that old, inefficient and fuel-wasting steam generating units will be replaced by new, efficient and fuel-conserving equipment.

ALTERNATIVE APPROACHES

CIBO believes it to be unfair, unwise and beyond the authority of the Act to force industry to install new technologies until they are thoroughly shown to be commercially and technically feasible in several typical industrial environments. We do not believe Congress intended that industry be required to undertake technology development and demonstration programs as a part of the Fuel Utilization Act.

Beyond this, there are several practical reasons why such action is ill-advised:

a. Consulting engineers and manufacturers will be required to design beyond their competence;

b. Many industrial process will suffer from late start-ups;

c. Unsatisfactory operation may lead, in some cases, to equipment replacement, another delay.

We suggest that the list of alternative approaches, covering both alternate fuels and emerging technologies to be considered for evaluation, be drawn up by industry and ERA and that industrial experience in these areas be monitored and transmitted to ERA on a continuing basis.

POLICY AND DEFINITIONS

Aggregation of new and existing units: The final rule should make clear, that for purposes of determining whether a unit is an MFBI, new units and existing units should not be aggregated. That is to say, for purposes of aggregation, existing units (those which predate April 20, 1977 or which are "transitional" facilities classified as "existing") should be treated separately from new units.

We urge ERA to retain the 50 MKB aggregation cutoff proposed in the November 17, 1978 proposal. Congress gave ERA authority in Sec. 103(a)(10)(c) to exclude for aggregation purposes, units smaller than 100 MKB. The purpose of this provision is to permit ERA to make a reasonable determination of the appropriate cutoff, which will distinguish units which are "major" from those which are not. The 50 MKB cutoff achieved this purpose. At minimum, ERA should retain this flexibility.

The 10 mile radius criterion is inappropriate in most instances. A site should be confined to a '"thermally integrated" system (e.g., several boilers or boiler plants feeding into the same steam header). The input of an industrial waste and by-product fuel(s) should not be included in the aggregation sum; this will be an incentive to use waste fuels, e.g., carbon monoxide from a fluid catalytic cracker, carbon black-off gas, off specification alcohol in a chemical plant, etc.

CLOSING

In planning new products and facilities, business management generally looks ahead about 5 years; with the prospect of increased administrative delays in the steam plant planning-to-construction cycle, lead times could stretch to 6 or 7 years. This will impede and even stop many projects.

The need for regulatory efficiency and interagency coordination cannot be overemphasized; the same may be said regarding the need for a cooperative, rather than adversative, relationship of industry and government. The Council of Industrial Boiler Owners intends to play an active role in this process.●

JONES' CAFETERIA—A LONG BEACH TRADITION MAKES WAY FOR PROGRESS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. ANDERSON of California. Mr. Speaker, for over 50 years, the residents of Long Beach and people from throughout the country and the world, have dined at Jones' Cafeteria, a family-style eating establishment located in the heart of downtown Long Beach. One visit to this popular restaurant makes it easy to understand why this business has endured the Great Depression of 1929, the major earthquake that shook the city in 1933, and two massive fires that seemed certain to close the cafeteria permanently.

It is not a fancy place, but Jones' Cafeteria offers a friendly service and home-style meals unlike that found anywhere else. Harold and his wife, Ivalou, have over the many years, created a warm and welcome atmosphere where one can enjoy a modestly priced meal that is fresh and made entirely on the spot.

Harold Jones started the business in July of 1929 with his mother. He did the cooking while she took care of the baking. A year later he married Ivalou, who became the salad maker and countergirl.

Their cafeteria has drawn a varied crowd. Members of the city council frequently eat there along with many of the Long Beach regulars who live right in the downtown area. Among its most famous out-of-town vistors are Herbert H. Lehman, the former Governor of New York, and the entire Vienna Boys' Choir. I am sure that Governor Lehman never forgot his visit since he happened to stop by the Jones' Cafeteria on the day of the famous Long Beach earthquake of 1933.

In their many years at the corner of 5th Street and Locust Avenue, Harold and Ivalou Jones have witnessed many changes. They have seen the city become a booming tourist attraction by the sea, then fall to its present day condition of being a struggling commercial center. Very soon, Jones' will close its doors for the final time since it has been selected as the site for a new parking structure that will serve a new multimillion dollar shopping center. The shopping center is the centerpiece of city plans to restore life to the downtown commercial area.

City redevelopment officials will soon be meeting with the Jones to settle on a selling price for the cafeteria building and the land it sits on. After an agreement is reached, Harold and Ivalou will give up the restaurant business so that the downtown redevelopment program can proceed.

Neither of them have any regrets. They are fond of the city and welcome the opportunity to contribute to the downtown renewal effort. Though the news of the closure has spread and prompted many people to ask the Jones to open a new cafeteria elsewhere, Harold and Ivalou say they will not start all over again because it would not be the same as having a downtown business, and they feel they are already overdue for retirement.

Within a short while, as the city of Long Beach development program gets underway, new structures will rise to give new life to the downtown area. The many people who know firsthand the fine tradition of the Jones' Cafeteria will all agree that the city will certainly be blessed if the fine qualities of this well-run institution can be passed along to the new establishments in the redevelopment area, and be made a part of traditions yet to be developed.

My wife, Lee, joins me in congratulating the Jones' on their 50 year success story. We hope their retirement years bring to them as much enjoyment and happiness as the Jones' Cafeteria has given the people of Long Beach.●

PERSONAL EXPLANATION

HON. DONALD JOSEPH ALBOSTA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. ALBOSTA. Mr. Speaker, on April 2, the House of Representatives voted to concur in the Senate amendments to H.R. 2534, legislation to temporarily increase the national debt.

While I was unable to be on the House floor for the final vote, I would have voted to agree to the Senate amendments providing for a temporary increase in the national debt. I believe this is the responsible position to take in view of the fact that the debt must be increased to pay for the bills owed by the U.S. Government. If the debt limit had not been raised, senior citizens would not have received their social security checks, our Armed Forces would not have been paid and the Government itself would have been shut down.

I believe the Congress must cut Government spending and balance the budget. However, this does not mean defaulting on the obligations the Government legally owes to those who have provided services under contract. I will continue to work toward a balanced Federal budget through reduced expenditures.●

FLORIDA LEGISLATURE MEMORIAL FOR THE CROSS FLORIDA BARGE CANAL

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. BENNETT. Mr. Speaker, Representative Andy Johnson in the Florida House of Representatives has sent to me the following house proposed house memorial of the Legislature of Florida urging Congress to continue authorizations and funding of the Cross Florida Barge Canal. This project was halted by President Nixon without notice to the Congress or any hearings or input by interested Members of Congress. It has never yet since then been put in a forward going process. I have personally studied the environmental studies on this matter as well as the economic cost benefit ratio and the information that has been presented to me indicates that it would be in the national public interest for this canal to be completed and that there are no substantial reasons for not going forward with the project, either environmental or economic. The proposed memorial to the Florida State Legislature is enclosed hereafter:

MEMORIAL

A memorial to the Congress of the United States, urging Congress to continue the authorization and funding of the Cross Florida Barge Canal Project

Whereas, the critical shortage of fossil fuels available for large-scale transportational modes utilizing roadway or railway makes ever more essential the establishment and maintenance of more energy-efficient means of transporting bulk materials, and

Whereas, the Cross Florida Barge Canal represents a significant advancement in the area of providing a clean, economical, and energy-efficient method of transporting commercial and industrial raw materials and goods, and

Whereas, the Cross Florida Barge Canal Project has been authorized by the Congress of the United States since July 23, 1942, by Public Law 77-675, and

Whereas, construction has begun on the Cross Florida Barge Canal Project and is approximately 75 percent complete in terms of physical placements, and

Whereas, the environmental questions which have been raised since the initiation of construction on the project have been substantially resolved in a manner that confirms the ecological soundness of the Cross Florida Barge Canal and highly recommends immediate resumption of construction, and

Whereas, the continued funding and construction of the Cross Florida Barge Canal would greatly benefit the State of Florida by creating jobs, encouraging economic development, promoting the widespread use of fuels which are cheaper and more domestically available than other generally-used fuels, and intelligently complementing our system of national defense by providing a direct water route through the Florida peninsula, now, therefore,

Be It Resolved by the Legislature of the State of Florida:

That the Congress of the United States is urged to continue the authorization and funding of the Cross Florida Barge Canal Project.

Be it further resolved that copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress.●

DECONTROL

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. McDONALD. Mr. Speaker, it is hoped that President Carter will soon announce decontrol of oil prices so that the market in the United States can work. It is patently foolish to continue to pay such outrageous prices for overseas oil while artificially controlling our own prices. It is further time to bury the myth that higher domestic oil prices will cause inflation. What they will cause, however, is greater domestic exploration and result in additional domestic supplies, thus reducing our dependency on foreign oil and improving our balance of payments situation. What is needed now is a stimulus for production not more conservation of dwindling supplies. A perceptive editorial from the Washington Star of April 1, 1979, on this subject follows:

DECONTROL, MR. PRESIDENT

President Carter is wise to give congressional leaders an advance look at his plans, or options, for the decontrol of domestic crude oil prices. But he's wasting time if he expects any but the boldest spirits on Capitol Hill to salute this flag when he hoists it this week.

Senators and congressmen know, deep down, that six years of controls have proved as miserably self-defeating as any policy within memory—prolonging our daffy waste of energy, tightening the grip of the international oil cartel, and subjecting the dollar to historic strain. They know we need to pay a realistic price for energy, and that market discipline, more than "voluntary" conservation, will at last force us to live within our means and pay decent respect to the welfare of the rest of the industrial world.

But congressmen and senators also know that a policy substantially raising the cost of driving cars and heating homes will be unpopular and easy to oppose. The prospect on the Hill is for discretion not valor, at best—and mousiness at worst.

So President Carter must steel himself to display, in a less romantic cause, the bold leadership of his search for a peace treaty.

On May 31, the six-year-old domestic oil price controls will expire. Mr. Carter may legally extend them, in some form, for two more years. He can keep them all, he can lift them all at once, or he can try to split the difference by decontrolling selected prices (for instance, an oil from "stripper" wells that require steam-injection technology to be bled like old turnips).

The political temptation, as an election year approaches, is to do as little as possible. The call of statesmanship and national interest is to end controls immediately and fully, allowing the price of domestic crude oil to rise $3 to $8 a barrel to the "world" price and thus stimulating conservation and boosting home production and exploration.

No one knows exactly what the figures will be if decontrol is complete. But a couple of myths should be put to rest. One is that controls are necessarily cheaper. The U.S. is now importing more foreign oil than ever; and every marginal barrel we use costs the OPEC price, or near it.

The other myth is that decontrol would necessarily be "inflationary." Those who claim so seem to use "inflation" to describe any rise in any price level, regardless of offsetting compensations. Decontrol would certainly raise the price of domestic oil, and its refined products, perhaps enough to boost the price index by upwards of half a per cent. Yet if higher prices induce Americans to waste less gas and oil, the net economic impact would help stabilize prices. Certainly the effect on the dollar, now weakened by the huge foreign-exchange bill for oil, would be beneficial.

Whatever measures or half-measures, Mr. Carter announces, he is thought likely to accompany them with some new taxing plan, requiring congressional approval, to deny "windfall" profits to the oil companies. This political coloration may be inevitable, given the administration's sensitivity to profit levels, though its benefits are debatable. Mr. Carter should at least give the oil companies the option of reinvesting their "windfalls" in exploratory and refining capacity. The alternative would be a mere transfer scheme that would restore to the consumer's left pocket what higher prices remove from the right: a scheme whose mechanics would be wasteful, whose end result would be inflationary, and whose effect would be to take the edge off any incentive to conserve.

In any event, we hope that President Carter is pondering, this weekend, the old Harry Truman motto: that the buck stops at the White House. In this matter it certainly does. He has an opportunity to be "presidential," something which of late has seemed increasingly important to him. Congress is obviously so cowed by the politics of energy that only Jimmy Carter can make the thankless decision now so urgently mandated by national interest.●

EMMETT KELLY, SAD KING OF CLOWNS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mrs. SCHROEDER. Mr. Speaker, Emmett Kelly, the sad king of clowns, died March 28. As Weary Willy the Clown, Emmett Kelly broke with circus tradition, left the center ring, and took his sad, silent manner into the circus bleachers to touch thousands of people.

Weary Willy's universal message was that life is not always a happy face, that we share unhappy moments together. In an era of "what's in it for me," perhaps we should pause and mark the serving wisdom of Weary Willy. Emmett Kelly reminded us of our connections to one another.●

AMERICA'S GROWING DEBT TO FOREIGNERS

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. PAUL. Mr. Speaker, inflation has encouraged debt domestically. We are all familiar with the chilling figures.

But the debt to foreigners is no less intimidating. Recently this subject was discussed in Men and Money, a publication of the distinguished Committee for Monetary Research and Education. I would like to bring it to my colleagues attention:

AMERICA'S GROWING DEBT TO FOREIGNERS

"We only owe it to ourselves" is the intellectual justification for 45 years of Keynesian doctrine of massive government overspending that has heaped billions of dollars in deficits on the Federal government. The result is that the United States no longer owes the money to itself to fund these deficits, but must increasingly rely on borrowing from foreign central banks, corporations and individuals to obtain the money needed to carry on day-to-day government operations.

President Carter's budget for the fiscal year 1980 tells the story of how America got itself into this economic predicament. The "lean and austere" Carter budget calls for outlays in 1980 of $532 billion, an increase of $38 billion, or 7.7 percent, over the 1979 budget. The new budget anticipates a $30 billion deficit.

The Administration has virtually no control over 75 percent to 80 percent of the total budget. "Outlays in any one year are considered to be relatively uncontrollable by administrative action when the program level is determined by existing statute or by contract or other obligations," states The Budget of the United States Government, Fiscal Year 1980. "Relatively uncontrollable outlays are grouped into two major categories: openended programs and fixed costs, outlays for which are generally mandated by law; and payments from prior-year contracts and obligations, outlays for which are required because of previous actions, such as entering into contracts."

Open-ended programs and fixed costs accounted for only 36 percent of total outlays as recently as 1967. By 1973, however they were more than 50 percent of the budget. In 1980, they will be 59.9 percent.

"Outlays for prior-year obligations," continues The Budget of the United States Government, Fiscal Year 1980, "amount to an additional 15 percent to 20 percent of the budget and are relatively uncontrollable in the short run. . . . The cause for this massive increase (open-ended programs and prior-year obligations) has been due primarily to the rapid increase in benefit payments for individuals."

Uncontrollable spending, mostly for benefit payments to individuals, will force the United States government in fiscal year 1980 to borrow 5¢ of every revenue dollar to help finance the 9¢ of every expenditure dollar that is interest payments on past borrowings. More and more, funds borrowed by the United States government to pay for deficits only "owed to ourselves" are coming from overseas.

Historically, almost the entire Federal debt was owed to individuals and institutions within the United States. Between 1945 and 1960, debt held by foreigners grew gradually to just over $10 billion—still less than 5% of the total Federal debt held by the public. Foreign holdings of U.S. debt grew much faster in the 1970's. By the end of 1978, foreign holdings of Treasury obligations reached $132 billion—20% of total debt held by the public.

This means that America, as a nation, owes nearly $60 billion more to foreigners than they officially owe to us.

On February 5, 1979, C. Fred Bergsten, Assistant Secretary of the Treasury for International Affairs, told the Subcommittee on Taxation and Debt Management of the Senate Finance Committee: ". . . As of September 30, 1978, the total foreign debt on the books of the U.S. Government amounted to $73.2 billion (principle and interest). . . . The largest category, $45.7 billion, is post-World War II debt. About 99% of this debt was accounted for by long-term credit programs. . . . The smaller category, $27.5 billion, is World I debt. . . ."

Unlike long-term debt owed to the United States, U.S. foreign-held debt is all short-term and matures in less than ten years. Treasury Secretary W. Michael Blumenthal states that total foreign holdings include $87.8 billion of debt that matures in less than one year, $37.8 billion that matures in one-to-five years, and only $6.8 billion that matures in more than five years.

Domestically and internationally, America has placed herself in a very vulnerable economic position. The burden of efforts to control total budget outlays is falling disproportionately on a small and shrinking portion of the budget at the same time that borrowed funds necessary for government operations come from abroad. The United States Treasury assures us that "foreign views are not based on their debt holdings" and "The United States would not allow itself to be pressured." Nevertheless, the potential for destabilization of money markets for political and/or economic concessions grows with each dollar of exported debt. "Foreigners investing in Treasury debt have steered clear of long-term issues," notes Frank Vogl, United States economics correspondent of The Times of London, "evidently keen to be in a position to reduce their holdings swiftly if necessary."

Keynesian overspending is clearly a false prescription for perpetual prosperity and economic stability. In fact, Keynesian theory fosters inflation and economic instability. It should be replaced with succinct and beneficial advice like that of the late French economist and CMRE Honorary Director Jacques Rueff: "Economic order consists in not spending more than one has. If the economic order in a nation is sound, then surely there will follow a political and social improvement."●

AMTRAK: A FAILING EFFORT DESPITE NEED

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. PURSELL. Mr. Speaker, "I've Been Working on the Railroad" is a song that Congress will be able to sing with vigor before this session is over. The Interstate and Foreign Commerce Subcommittee on Transportation and Commerce began hearings today concerning Amtrak route restructuring and a number of other committees—including House Appropriations, on which I serve—will be considering this and related matters during the weeks ahead.

The so-called Amtrak Improvement Act of 1978 directed the Department of Transportation (DOT) to submit to Congress a report designating the basic route system for the National Railroad Passenger Corporation (Amtrak). That report was submitted in January and it calls for a 43-percent reduction in the number of Amtrak's routes. The DOT's plan will become effective unless either House of Congress votes a resolution of disapproval by mid-May.

As debate intensifies, much is being written concerning this important subject. I would like to share an article from the Detroit News, which gives an account of one man's experience with Amtrak.

AMTRAK: A FAILING EFFORT DESPITE NEED

(By Harry Karns)

My wife and I have just returned from an experimental cross-country trip on Amtrak. The brochures promised smooth, carefree travel; we found railway passenger service in America in a state of crisis. Though glad (in a martyr's sort of way) that we had the experience, we would not care to repeat it, nor would we recommend the trip to anybody else. Life is too short.

The ill-fated odyssey began early in January when an editor handed me a piece of Amtrak literature which urged:

"Take a train for the fun of it."

Find out, he said, how much fun it really is. I bought tickets at Detroit's Amtrak Station at Michigan Avenue and Vernor Highway, once a grand and bustling depot but now a drafty concourse filled with ghosts of railroads past.

Of the 12 windows where busy agents with green eyeshades once dispensed tickets, only one was now open for business. Well, partly open; to keep out the chill breezes, someone had taped a strip of brown paper across a slot in the window. I shouted my wants through the glass to a pleasant young lady.

With unexpected swiftness an Amtrak computer chattered confirmation: One-way coach tickets for husband and wife to Chicago, departing Feb. 10 at 11:10 a.m. Bedroom for two from Chicago to Los Angeles. Total cost: $353.50. (Cost for one with equivalent accommodations would have been $224.)

Arrangements made, we strolled around the nearly empty waiting room, observing the dreary—and closed—snack bar, pausing at the dusty window of a candy and cigar shop long since vacated, noting the litter on the benches and floor, and marveling at Amtrak's ingenious solution to the leaky roof: a laundry sink on wheels located at the point of greatest need.

An attractive but frazzled young woman with two hungry children told us a tale of woe. They had been waiting since 6 a.m. to catch the 7:25 a.m. train to Chicago. It was now 10:37, and there was no prospect of catching another train until 11:10. The mother had called Amtrak on its toll-free number that morning to ask if the 7:25 would leave on time. The cheerful information clerk had assured her it would. "However," said the clerk, "I'm talking to you from Philadelphia."

Thus reassured, Carol and I went home to await our turn, which came on another Saturday morning three weeks later.

When we arrived at the station, the temperature stood at exactly 0 degrees outside and seemed little higher inside. Redcap service has been replaced by steel luggage carts. We loaded a cart and wheeled our bags to the dismal waiting room, where two dozen travelers brooded within the collars of their coats and stomped their feet to prevent frostbite. Obedient to the laws of physics, the heat drifted upward and melted the ice on the roof. No problem. The laundry sink was still parked where it would catch the leakage.

Well in advance of departure time, the station master unhooked the chain and opened the doors leading to the trains. In a few minutes, Carol and I settled into our seats on the Saint Clair, bound for Jackson, Kalamazoo, and Chicago. During the next 50 hours, I made the following entries in my travel diary.

Feb. 10. Time, 11:15 a.m.—Ice in the corners of the stairs leading to loading platform. Warm in the coach. Spacious seats, plenty of room for suitcases overhead. Train departs promtly at 11:10. Carol's seat tilts back but doesn't catch; when she leans forward, it follows as if attached to her body. A cheerful traveler, she shrugs it off—figuratively, of course. Gallantly, I offer to trade seats with her, knowing she will refuse.

12 noon—Visit snack bar, three cars away, and carry lunch back to our seats. (Hamburger $1.50, beer 90 cents.) Four years at sea with the U.S. Navy good training for piloting a loaded tray through lurching Amtrak cars. Alas, Carol had no such training. She slips and falls on the snow-covered platform between cars. Shaken but uninjured.

2:30 p.m.—Moving at milk-train velocity. Coach now almost full. Across the aisle, two 19-year-old men, en route to Boise, Idaho, to ski, drink from a half-gallon bottle of Inglenook burgundy, play an exuberant game of backgammon, and generously share their taped music with the other occupants of the car.

5:30 p.m. (4:30 Chicago time)—Elapsed time, Detroit to Chicago: five hours and 55 minutes. Station crowded. Much waiting. Little movement. Still there's progress in railroading: You can actually understand the announcements of arrivals and departures over the loudspeaker.

6:30 p.m. They announce—with painful clarity—that the Southwest Limited, our train to L.A., scheduled for departure at 6:30 p.m., will be delayed.

8 p.m.—I ask why. Clerk replies that the engines and doors are frozen. A customer snarls:

"Don't travel Amtrak unless you have a lot of time."

A railway engineer, on vacation, remarks that he intends to fly next time. The information clerk, a monument of patience, observes mildly that during the big Chicago snowstorm when everything else was grounded, the trains operated. If the trains could operate then, someone asks, why not now?

8:37 p.m.—Boarded train at 8:15. No lights in our car (No. 0330.) Electricians, porters, conductors mill in dark, narrow aisles of the sleeper fumbling for fuses and switches. . . . Now, two hours and seven minutes behind time, lights restored and train departs. Our tiny bedroom compartment (Unit F) hot as an oven. Temperature at least 85 degrees. And now we notice a sign on the toilet door:

"This Toilet Is Temporarily out of Service. We Apologize for the Inconvenience."

9:15 p.m.—Dinner on the diner. Could have been finer, but quite adequate—varied menu of beef, fowl, sandwiches, beverages. Courteous service, reasonable prices.

10 p.m.—Back to Room F, our cell. "This sleeping car accommodation is ideal for two people," the brochure tells us. Two persons sit comfortably. Little space otherwise. Bathroom about the size of a coffin, built for a far earlier generation of narrow, short-limbed Americans. Wash basin folds down from wall above the toilet seat. No towels. No washcloths. No soap. Two water temperatures: scalding hot and very warm. An "ice water" tap runs tepid.

10:30 p.m.—Bedtime. Due to oppressive heat, I'm down to shorts and T-shirt. Outside, snow, ice, and plunging temperature. Inside, the tropics. . . . The porter magically creates a lower and an upper bunk. I experiment, climbing the steep, narrow ladder to the top bunk, squeezing past the netting, backing on all fours to the ladder again. Bent almost double there at the exit of my bunk, while the train sways around curves on uneven roadbed, I resemble Quasimodo swinging in the belltower of Notre Dame Cathedral.

Feb. 11, 7 a.m.—Outside the window, Kansas rips past. I know it's Kansas without being told. I was born here. You never forget what Kansas looks like. One of the nicest things about the Southwest Limited: You get a close look at Kansas.

9:45 a.m.—Sat at breakfast with a locomotive engineer and his wife, taking a trainman's holiday. Why all the delays and the trouble with lights and heat? "Old equipment," he said wearily. . . . Back to our mobile sauna. "It will not get cool in this compartment," says Carol, "until we get near the desert." She's beginning to understand the perversity of things. . . . The prairies slide by. Red earth, black earth, patches of snow, distant steeples, water towers. . . . There went Hutchinson.

10:30 a.m.—Clang! A heavy, hinged light fixtures suddenly falls open on the wall, spraying our compartment with cracked glass. Baked into a state of torpor, we scarcely notice.

11 a.m.—To the "lounge," a drab car with rows of bare tables and straight-backed chairs, to seek relief from our overheated room. To get there, must wade through overflow from a toilet at one end of the car. Lounge hot and airless, tobacco smoke hanging like London fog about the heads of dormant passengers.

4 p.m.—New Mexico. Raton Pass. Wide horizons, distant mountains.

4:45 p.m.—To the lounge for a beer. That toilet still overflowing, the water spreading and getting deeper. Do we have life jackets aboard?

5:30 p.m.—Las Vegas, N.M. Remember old railroad days when they washed the windows so you could see the view? No more. Our window, against the Western sky, opaque with grime of all those miles from Chicago. Has Amtrak no pride?

Sundown—Tried the light switches. No lights except in the bathroom.

Feb. 12, Time, 8 a.m.—Needles, Calif. The warm desert. Carol was right. Our compartment is now frigid, likewise the dining car. In our overcoats, fur-lined hats, and gloves we sit watching the glowing desert. Looks as though we might make it—if the oxen hold out and a wheel doesn't fall off the covered wagon.

12 noon—To the diner. Closed. "We'll soon be in L.A." explains a waiter. Note in Amtrak Timetable: "(Rule 17) Complete meals must be available during normal meal hours."

12:55 p.m.—Arrive Union Passenger Terminal, Los Angeles. Three hours and 50 minutes behind schedule. California daughter has been waiting with children at station since 9:05 a.m. She naively thought that Amtrak keeps its schedules. "Oh, mom and dad!" exclaims daughter. "You look tired." Before leaving station I feel my inner coat pocket to make sure I have the airline tickets for the return trip to Detroit.

Thus ended a sad experience—sad, not because of the personal discomforts and frustrations, for my wife and I are tough and resilient travelers, but because of what those discomforts and frustrations signify: Even as we had planned our trip to Los Angeles, the Carter administration had announced it wants to abandon 10,000 miles of the Amtrak passenger system. Amtrak is a failure. It doesn't know how to run a railroad.

True, many of its problems seem beyond railroader's control: America's love affair with the automobile, the magnificent interstate highway system, excellent airline service, irresistible airline fares. However, millions of Americans, faced with rising gasoline costs, weary of long-distance driving, unable to afford cars, or unwilling to travel by air, offer a huge potential market for railway passenger service. They would love to see America from a train window rather than from 35,000 feet in the sky or from the interstate highway.

Yes, the market is there. If Amtrak is to survive to perform a significant service in the future, it must figure out how to compete for those customers. One way to start is by repairing the lights, the electrical fixture, the air-conditioning, and the toilet in Unit F, Car 0330, now in service—sort of—on the Southwest Limited.●

GENERAL OF THE ARMIES DOUGLAS MACARTHUR: A REMEMBRANCE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. DORNAN. Mr. Speaker, among the many heroes Providence has raised up among our people, few have achieved the stature of the General of the Armies, Douglas A. MacArthur. Tomorrow, April 4, 1979, marks the 15th anniversary of his passing. He was a man who understood his own greatness. He knew well his place in history. And if he was often criticized for perhaps being overly dramatic, given to a solemnity which somehow seemed foreign to the age and style of American leaders, it was because he grasped the significance of the great events which surrounded his daily life, the events which he himself, through the imperious force of his own mind and will, helped to shape. He knew that he was more than a product, a child of history. He was, rather, a man who helped make it. He recognized the simple truth that he was often at the center of the immense historical conflicts of the 20th century If his bearing from time to time indicated a special kind of gravity, it was nothing more than a reflection of the fact that history itself had come to weigh heavily upon his own shoulders. A man who is professionally charged with leading other men into mortal combat is not likely to be given to light conversation, frivolity, or quick humor. Those who criticized the aristocratic bearing of MacArthur perhaps revealed more about themselves than about him. Perhaps it is worth recalling that the Father of this Republic, George Washington, did not even want to be physically touched by his fellow men.

Mr. Speaker, the late General MacArthur's achievements are too numerous to categorize here. It would be supremely immodest to even make the attempt. But it is well to recall the objectives that were foremost in his mind, the principles that guided him throughout his long and distinguished career as a soldier and as a statesman. Those transcendent objects of undying affection were duty, honor, and country. In his address to the Corps at West Point, he remarked:

> The shadows are lengthening for me. The twilight is here. My days of old have vanished tone and tint; they have gone glimmering through the dreams of things that were. Their memory is one of wondrous beauty, watered by tears and coaxed and caressed by the smiles of yesterday. I listen vainly, but with thirsty ear, for the witching melody of faint bugles blowing reveille, of rattle of musketry, the strange mournful mutter of the battlefield. But in the evening of my memory, always I come back to West Point. Always there echoes and re-echoes in my ear—Duty, Honor, Country.

What mastery of language, Mr. Speaker. What better tribute to human excellence than that magnificent prose, bringing into sharp relief the mind and manner of the man. But MacArthur's greatest literacy achievements were to be found in his praise, his deep, and many expressions of love for his own soldiers, those serving with and under him in the deadly, ugly business of warfare. In speaking of the fortitude of the American soldier, he wrote:

> In twenty campaigns, on a hundred battlefields, around a thousand campfires, I have witnessed that enduring fortitude, that patriotic self-abnegation, and that invincible determination which have carved his (The American man-at-arms) status in the hearts of his people. From one end of the world to the other he has drained deep the chalice of courage.

Throughout a long military career, MacArthur witnessed the weary marchers, slogging through miles and miles of mud, pressing onward against tenacious enemies. He knew directly the pain and horror of war. He experienced directly, the exhilaration of victory, the product of courage and virtue, tested under the most adverse conditions. Who can forget the brilliant strategists, planning and executing the defeat of the Japanese after the fall of Corregidor. The world thrilled not only at his harrowing escape from the Japanese invaders of the Philippines, but his encouragement to the Filipino underground and his solemn promise to return with an invasion force and liberate the islands. Smashing the Japanese in engagement after engagement, island hopping, with lightning speed, pressing ever closer to the Japanese homeland, MacArthur distinguished himself as one of America's military geniuses.

He proved to be a greater man in peace than in war. His conquest of Japan was marked by one of the most successful occupations of any conquerer in modern history. His wealth of knowledge concerning Japanese history, habits, and customs, enabled him to deal firmly and prudently with the defeated enemy, first winning the respect of the Japanese people and then, their affection. When the history of the 20th century is reviewed, it will be remembered that it was MacArthur who virtually revolutionized the Japanese political and economic order. But even in his massive program for change, he demonstrated a deep respect for the culture of the Japanese themselves. He knew the limits of politics; and in that knowledge was to be found his greatness as a statesman.

Then, Mr. Speaker, came the North Korean invasion; and, once again, as an aging soldier, his talents were taxed in defense of freedom. Withering under the intensity of the Communist assault, MacArthur fell back and pulled off his famous "end-run" at Inchon, Korea, cutting the Communist lines and pulverizing the enemy with simultaneous air and sea strikes.

Mr. Speaker, it is not my purpose, here to reopen an old controversy. But you well know that many of the Members of this House and vast numbers of the American people believed that MacArthur's military advice during the Korean conflict was correct; that he should not have been fired; and that we paid dearly for President Truman's ill-advised decision.

But, even if we do not wish to rub salt in the wounds of MacArthur's critics, I think it is appropriate to comment upon views that remain very much a part of our current foreign policy debate: I am referring, of course, to our new relations with China. In principle, I have not been opposed to opening a new and expanded relations with the Communist regime on mainland China. There are, perhaps, sound strategic reasons for broadening those relations, but surely not at the expense of our friends and allies on Taiwan. That, as General MacArthur would have phrased it, was preeminently a matter of honor.

MacArthur understood China in the same way he understood Japan. He was immersed, as a soldier and a scholar, in the history of both nations. Thus he observed:

> There are some who for varying reasons would appease Red China. They are blind to history's clear lesson. For history teaches with unmistakable emphasis that appeasement but begets new and bloodier war.

As a student of geopolitics, MacArthur also grasped the growth of regional interdependence, and the danger of a breakdown in global and regional alliances:

> The issues are global and so interlocked that to consider the problems of one sector oblivious to those of another, is but the court disaster for the whole.

Now in an age of energy crises, Kremlin designs for strategic denial of raw materials to the West, and weakening or collapse of regional alliances, MacArthur's words carry increasing weight with the passage of time, and testify to the prescience of his insights.

Mr. Speaker, many of the critics of the late General MacArthur have been courageous enough to undertake a reevaluation of the man, his life, and his work. William Manchester's book, "The American Caesar" is only the latest of several works published in the last few years on MacArthur. Perhaps one of the finest tributes to the general was the brilliant motion picture production, MacArthur, starring one of the most accomplished members of the American theatrical community, Mr. Gregory Peck. Mr. Peck's brilliant portrayal of the great American general was, indeed, a reflection of his own intense study of the man. As he remarked recently:

> In the beginning I carried around the usual "Liberal" prejudices, but after studying MacArthur in depth, I found they were prejudices based on mannerisms and superficialities . . . All those things are inconsequential. His career was almost unblemished. His accomplishments in World War I and II, and administration of Japan were brilliant. He had enormous belief in his own destiny and his righteousness. But nothing in his life had ever happened to create doubt in his mind about his ideals, his doctrines, his concept of duty, honor, country . . .

In the 15 years since the death of General MacArthur, our world has changed. In looking backward, we deceive ourselves if we thing that our world was much less complex. Such a view would only indicate a kind of temporal narrowmindedness on our part. There were never really simple solutions to the problems of that time; but there were periods, however fleeting, when quick, courageous, and decisive action was appropriate. It took a special kind of man to seize those opportunities. And that is why, as time passes, the figure of MacArthur, on the horizon of this Nation's historical consciousness, will loom even larger.●

INTERNATIONAL UNION OF POLICE ASSOCIATIONS

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. CORMAN. Mr. Speaker, on February 20, 1979, the International Union of Police Associations was chartered by the AFL–CIO. This action was taken unanimously by the executive council of the AFL–CIO.

On this occasion, Edward Kiernan, president of the union, and Robert Gordon, secretary-treasurer, issued a statement which I bring to the attention of my colleagues:

STATEMENT

> We are pleased and honored that the AFL–CIO has chartered the International Union of Police Associations.
>
> The action of the AFL–CIO recognizes and reaffirms the need of law enforcement officers to have a national organization devoted to our own needs, and to develop support for the programs and policies that we believe are necessary.
>
> Today our International Union has a membership of more than 50,000 police officers throughout the country. As an affiliate of the AFL–CIO, we will start a major campaign to bring police groups into our union, with the long range goal of reaching a membership of close to half a million men and women. Organizing the unorganized and the unaffiliated will be our prime objective.
>
> In addition, we will work for better legislation covering the collective bargaining process for uniformed personnel; and together with the Fire Fighters we shall seek laws to provide fair, final and binding arbitration of impasse disputes. That is the best way of avoiding strikes by police officers and fire fighters.
>
> The action of the AFL–CIO in chartering this union opens a new era for police officers in their effort to win decent pay and conditions. It provides us with an opportunity, and we shall do our best to make the most of it. The police officers of America are hard working; we function in a dangerous occupation; and all we ask, through our union, is a decent break for our people and their families."●

A CLOSER LOOK

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. SAWYER. Mr. Speaker, the assignment in the House of Representatives of the symbolic bill No. H.R. 1 by Speaker TIP O'NEILL to public financing of congressional campaigns is a strong indication that passage of this controversial proposal is a top priority for the Democratic leadership during the 96th Congress.

Public financing is an important issue. It will significantly affect the very heart of our electoral process, a strength of which has been noninvolvement by the Government. After a careful and deliberate study of all the concerns involved, I have deep reservations that public financing may in the end create considerably greater problems than it is designed to correct. First, there is very little grassroots support for taxpayers' dollars being used to finance the campaigns of Members of Congress. At present the public financing concept is viewed with great skepticism and cynicism by a general populace who believe that many elected officials are already supplied with lavish salaries, huge staffs, and other privileges of incumbency. Present support for public financing of Presidential campaigns has been less than overwhelming. In 1977, only 27 percent of those filing Federal tax returns chose to support political campaigns through the check-off system.

I am also concerned that a campaign-spending ceiling of $150,000 as contained in the public financing bill would be seen as another way to benefit incumbents. Regardless of one's viewpoint on the rising cost of elections, it is widely believed that challengers must spend more than their opponents in order to overcome the benefits of incumbency. To unfairly limit a challenger to an artificial expenditure ceiling has, rightly or wrongly, caused the public to view public financing as a colossal incumbent's protection bill.

A challenger would be further prejudiced by the spending limit in that if he refused public financing to avoid the limit, the limit is also removed for the incumbent. The incumbent, however, would receive the additional advantage of public matching funds without the $150,000 limit, thereby creating a double drawback for the challenger.

A secondary fallout from public financing is that taxpayers are left with the obnoxious feeling they may be forced to contribute to a candidate whom they do not like politically or a candidate who does not even reside in their district or State.

A second consideration which has given me uneasiness is the basic premise upon which support for public financing is built—that special interest groups are somehow on the verge of a takeover in financing congressional campaigns. I share the concern of those who are disturbed by the amounts of money being spent. But, in fact, this problem is one of the Congress' own making. Creation of a system of public financing for Presidential elections has, in effect, targeted all the resources of business and labor political action groups to congressional elections that were previously shared by Presidential and congressional candidates. We are just seeing the full effects of these additional contributions in congressional elections. Now, however, that the Presidential public financing system is well established, it is likely that the situation will now stabilize at the present level.

Third, it remains an unchallenged fact that a healthy majority of contributions given to congressional campaigns come from individual citizens. The most recent figures prove this conclusively. During the 1978 congressional campaigns a total of $198.5 million was spent on all races. Of that total, more than $130 million, or about two-thirds came from individuals, most of which was in the form of contributions of $100 or less.

Of course, campaign costs escalate as inflation continues. It seems clear that many expenses have risen far above the inflation rate. Take, for example, a 30-second television advertisement in my own home area which in 1974 cost $85. That identical time today would be $250, and I am certain it will continue to rise. Therefore, in many ways, although the cost of campaigning has gone up, there are no new services being provided.

Fourth, in a more practical vein, public financing will greatly add to the Federal bureaucracy. Twenty-eight months after the 1976 Presidential campaign it is not uncommon to read newspaper reports of Federal Election Commission audits still taking place which require a candidate to reimburse the Government for expenditures incorrectly paid for by public moneys. The 15 Presidential candidates who participated in the 1976 campaign generated some 12 million pages of paperwork at the FEC. This is a burdensome cost to the Government and to the candidate. Given this background, consider what the impact upon the Federal bureaucracy would be if public financing were extended to possibly 870 House candidates and 200 Senate candidates. It is entirely plausible that the final audits and resolution of legal disputes would not be resolved before the next election took place.

Given the present mood in the country for restraint and austerity in the Federal budget, it is not a prudent time to add an expenditure of $100 million or more for expansion of the Federal Election Commission. Since 1976, there has already been a 60-percent increase in FEC employees, and a 75-percent increase in its budget.

Finally, the public financing plan would not completely insulate politicians from the allegedly evil influence of so-called special interest money. As presently drafted, the public financing bill omits primary elections from its coverage. By adoption of this plan we would be creating a double standard which could lead to excessive financial support from an interest group in a primary election. Obviously, under this program there would be no restraint on special interest money nor spending limits on personal or total expenditures.

There is no question that there are problems in our present campaign system. But to look at public financing without considering other viable alternatives would be a hoax on the American public. To improve our political process and reduce the influence of special interests, we should consider shortening the campaign period, limiting the number of terms a Member of Congress can serve, and setting overall spending limitations as starters. In order to give these alternatives a fair hearing, I am today withdrawing my name as a cosponsor of H.R. 1. Public financing may be another Pandora's box. Let us look before we leap.●

AIRLINE EMPLOYEES PROTECTION ACT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mrs. SCHROEDER. Mr. Speaker, today I am introducing legislation which is so sensible one wonders why we even need it. My bill, the Airline Employees Protection Act, amends the Federal Aviation Act to prohibit carrying a loaded firearm in checked airline baggage. The first question you may ask is "you mean there is not a law already?" Your second question may be "do we really need to legislate this activity?" The answer to both is, unfortunately, "Yes."

There was no Federal or State law when a Frontier Airlines employee was killed in Denver, Colo., when a loaded handgun in baggage he was handling went off. The owner of the gun was not criminally prosecuted and instead, was tried under civil procedures. Denver is not the only place guns have gone off in the airport, although it has had more than its fair share of incidents, especially during hunting season. There has been a number of similar cases reported around the country. The only one involving a fatality, however, occurred in my district.

The language of my bill makes it impossible for a gun to go off, accidentally or otherwise. A firearm will be considered loaded if ammunition is found in any part of the weapon. Keeping ammunition completely separate from the firearm is the best way I know of to keep it from going off. This is no burden on any gun owner, collector or dealer carrying firearms while traveling. Gun clubs and organizations even teach the practice of carrying ammunition outside the firearm when it is not in use.

The implementation of this bill is just as simple as the bill itself. An imposing notice displayed at the ticket counter would make gun toters think twice and then step out of line to empty their guns. Anybody that issues hunters' permits, gun licenses, or sells guns and ammunition could easily inform their customers about the new law. The whole idea behind this bill is prevention. And, we know that the mechanics of prevention are far simpler than the mechanics of cure.●

MUNICIPAL CAPITAL ASSISTANCE ACT

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I am introducing today a bill that contains a genuine innovation in the way we seek to tackle the Nation's problems and pay for a solution. The Municipal Capital Assistance Act of 1979 recognizes the limits on our resources but it also recognizes that we cannot be paralyzed in dealing with urgent problems by legitimate budgetary constraints.

The problem involved, Mr. Speaker, has been recognized only fairly recently but it is a serious one. In brief, it is the dangerous deterioration of the condition of the "basic infrastructure," the underlying capital stock, of many of our cities and towns. What I mean by that term is simple—water systems, sewer systems, roads, and bridges. These are the things that must be in working order for a local economy to function at all. I am not talking about ordinary public works, nor about new public buildings. I am talking about the condition of the existing infrastructure.

While the full extent of the problem will not be known until a survey contracted for by the Department of Housing and Urban Development is completed next year, there is already plenty of evidence that the matter is serious. In my city of Pittsburgh it is crumbling bridges. In Boston, it is disappearance of a large fraction of the water supply between the reservoirs and the household water taps, because the pipers are old and leaky. In New York, street maintenance is so far behind that it would take 150 years on the present replacement cycle to get the streets all restored. The Environmental Protection Agency has estimated it would take more than $8 billion across the Nation to restore old sewer lines. Let me emphasize that this is not just a problem for cities, but for smaller towns as well. The first thing to be deferred at times of fiscal stringency is basic maintenance, including the capital component of more extensive restoration.

Now what about the solution? Restoration of basic infrastructure is expensive. While it is clearly cost-effective, in the sense that complete replacement will cost much more in the future if the necessary work of restoration is not done promptly, there is no pretending that this job can be done cheaply. And also, of course, it is primarily a job for local governments themselves.

I believe, Mr. Speaker, that we have found a way to get this work done, in the impressive amount of $25 billion over the next 5 years, without major and intolerable strain on either local or Federal budgets or on the Nation's capital markets.

The way to do this, and the innovation contained in my bill, is debt-service grants by the Federal Government to local communities that float long-term bonds to finance the work of restoring old, deteriorated infrastructure.

A debt-service grant is a financing device that we do not now use. In brief, it is a contract by the Federal Government to pay a stated portion of the toal interest and principal of specific bond issues to finance specific restoration work on water or sewer systems, roads, and bridges. The Federal payments would be spread over the life of the bonds, with a maximum of 20 years and a minimum of 10. The Municipal Capital Assistance Act of 1979 specifies debt-service grants of 25 percent of the total of interest and principal on these bonds, but that figure is not locked in concrete and is subject to alteration on the basis of what we learn in our hearings on the bill.

The bond issues would be normal, tax-exempt local debt. There would be no Federal guarantee of the bonds, only a pledge to make annual payments adding up to 25 percent of the total debt service. The Treasury would administer the program.

My bill, Mr. Speaker, would authorize debt-service grants on $25 billion principal amount of bond issues over 5 years, or $5 billion a year. That is the magnitude of badly needed restoration work that would be accomplished. Now note carefully the minimal impact on the Federal budget. The annual Federal payments would be small at first and then rise gradually to a peak of less than $700 million in the 6th or 7th year, level off for a few years and then start declining after about the 10th year. To repeat, the peak annual outlay would be well under $1 billion—and that at a time in the mid-1980's when the Federal budget will be approaching $700 billion. These estimates are based on debt-service grants of 25 percent and a conservative assumption of 7 percent as the interest rate on these tax-exempt bonds.

The total Federal payment, amounting to $11 to $12 billion, would be spread over about 25 years. This is the proper way to pay for work of this kind. It would be paying for long-lived capital assets in our cities and towns of incalculable value. To make sure that all parts of the country would benefit, my bill divides the debt-service grants among the States on the simple basis of population. There would be no means test, no examination of local finances. The Secretary of the Treasury would select the projects and associated bond issues to be given debt-service grant contracts on the basis of a few simple criteria—chiefly the urgency of the need for restoration, the money saved by restoration now instead of complete replacement later, and the current cost of operating or maintaining aged and deteriorating infrastructure.

An underlying premise behind our innovative method of tackling the problem is that the municipal bond market is functioning well and that very few local communities, large or small, have any problem with their credit worthiness. The problem is that many of them are unable or unwilling to take on substantial new debt, because the present level of debt service is as much as they feel that they want to carry. More debt service would mean higher taxes or reduced operating budgets. This situation was well established by a survey undertaken by the Subcommittee on Economic Stabilization, of which I am chairman, in the last Congress. Debt-service grants will enable many communities to undertake the necessary debt to get the job done, or perhaps induce them to float bonds for this purpose rather than something more glamorous, though, of course, the choice in every case is up to the city or town itself.

In exploring this exciting new idea, Mr. Speaker, we have been made aware of one potential problem, and I think we have dealt with it. The problem is a possible overloading of the municipal bond market by a flood of new issues sparked by this program, with the resulting danger of higher interest rates for all State and local borrowers. For various reasons, including an impressive growth in the annual demand for tax-exempt securities as our people move into ever-higher tax brackets, I do not think this will prove a serious problem. But in case it does, my bill provides for a suspension of the program if the Secretary of the Treasury makes a finding of "municipal bond market congestion," based upon a determination that yields on tax-exempt securities have risen substantially relative to yields on taxable bonds of comparable maturity and credit rating. If the program is suspended, the unused authority will carry over and, in effect, the program will be stretched out beyond 5 years.

Mr. Speaker, I intend to hold early hearings on this bill and its innovation in the Nation's financing mechanisms. While we have no commitment of support from the administration, we have kept the Treasury informed during the development of this bill and they have helped us at various points. The bill fits perfectly into any comprehensive urban policy and would do more for our communities than many other aspects of the President's program. It would not "bust the budget" in any meaningful sense of that term. I hope that many of my colleagues will find this idea as appealing as I do.●

MIDDLE EAST PEACE

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. HARRIS. Mr. Speaker, I believe that the achievement of a peace treaty between Israel and Egypt constitutes a profound historical development of major consequences to the principal countries, the region, and the United States. While I hope all Americans will recognize that even more difficult issues will present themselves now that the peace treaty has been signed, we should applaud the treaty and welcome it for the remarkable achievement it is—the first tangible step in Israel's life-long quest for peace with her Arab neighbors.

It is my hope that other Arab leaders and states will emulate President Sadat and Egypt. The friendship of Egypt, as well as Israel, is vital to the United States and both countries will require U.S. support. The goal of lasting peace will require time, effort, patience and, of course, face-to-face negotiations. I am convinced that if other Arab entities see the tremendous benefits of the peace between Israel and Egypt, they will join in on the process. Then the goal of a comprehensive peace throughout the Middle East might be a reality instead of a prayer.●

SHOCKING UNDERREPRESENTATION OF MINORITIES IN NEW JUDICIAL NOMINATIONS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. CONYERS. Mr. Speaker, on October 20, 1978, President Carter signed into law the Omnibus Judgeship Act, which created 152 new Federal judgeships—117 new district court seats and 35 new circuit court seats—in addition to the 491 existing seats. The signing of the act created a momentous occasion to redress the gross underrepresentation of minorities on the Federal bench.

At the time the Judgeship Act was signed there were only 27 black Federal judges out of a total judiciary of 526. That figure included Justice Thurgood Marshall on the U.S. Supreme Court, two judges on the U.S. Customs Court, one black judge on the U.S. Court of Military Appeals, four black circuit court judges, and 19 district. Prior to May 1978, there was not a single black Federal judge throughout the entire southern United States. In May, the President did appoint Robert T. Collins to the eastern district of Louisiana. In total President Carter has appointed nine blacks to the Federal bench. I commend him for this, however it should also be noted that President Johnson and President Nixon each appointed seven.

The present figures on the progress of the judicial selection process now underway indicate we are but anything from achieving a representative judiciary. Mr. Brent Simmons, a staff attorney for the NAACP legal defense and educational fund, recently outlined the deplorable situation taking place in the appointments to the Federal judiciary. I have inserted an excerpt from his remarks before the annual conference of the National Association of Blacks in Criminal Justice for review by my colleagues.

In only a few rare instances are blacks and other minorities being nominated in representative numbers. With 152 new Federal judgeships, it may well be that blacks will actually lose the proportionate representation we now have on the Federal bench.

Upon signing the Judgeship Act in October, President Carter stated, and I quote:

> This act provides a unique opportunity to begin to redress another disturbing feature of the federal judiciary: the almost complete absence of women, or members of minority groups. Of 526 active judges, only 29 are black or Hispanic, and only nine are women—and almost half of these have been appointed during my Administration. I am committed to these appointments, and pleased that this Act recognizes that we need more than token representation on the federal bench.

In an interview with members of the black media at the White House on January 10, President Carter stated, and again I quote:

> My goal is to have black judges in Georgia, Florida, the Carolinas, Mississippi, Alabama, Louisiana, indeed through the country. . . . .
>
> I can't give you an exact number yet, but whenever possible, we will have a representative number of blacks, those who speak Spanish and women. . . . In circuit judgeships, I have set up my own selection panels, and I ian guarantee you in the circuit judgeships that you will be well pleased.

The present figures on the progress of the judicial selection process now underway indicate that we are far from achieving anything approaching a representative Federal judiciary. As of a few days ago, recommendations for 72 of the 117 new district court seats have been received by the Justice Department. They include the names of only 9 black men and women, 5 Hispanics, and 6 white women as compared to the 86 white males. Eleven States have submitted the names of only white male candidates. Illinois with four new seats, Kentucky with three, Louisiana with six, Missouri with three, North Carolina with three, and Virginia with four are among those States.

Recommendations for 29 of the 35 circuit court seats have been received by the Department of Justice. Included are 12 black men and women and 2 Hispanics and 14 white women compared to 93 white men. At this time only one black is in a fairly strong position for appointment to the fifth circuit—Justice Joseph Hatchett, of the Florida Supreme Court—which receives 11 new seats in addition to its present 14. There are no blacks presently sitting on the fifth circuit. The situation in the fourth circuit can only be characterized as political warfare. Three excellent black candidates had been placed in consideration—Julius Chambers, of North Carolina, Judge John L. Hargrove, of Maryland, and Prof. Franklin Cleckley, of West Virginia. For a second time, Chambers' recommendation was blocked; Judge Hargrove has apparently been passed over. Only Professor Cleckley remains in possible contention, but faces three white men and one white woman for a single West Virginia seat on the fourth circuit.

The fourth circuit receives three new seats in addition to 10 existing seats. No blacks presently sit on the fourth circuit.

These are the overall figures and they are not encouraging. Only 21 blacks in the entire Nation have been deemed qualified enough for only a recommendation. Only one black has thus far been confirmed—David Nelson, of Massachusetts.

Why the need for a representative Federal bench? The reasons are many and obvious to most of you here. But as a practical matter and as a statement of principle, we know that the "letter of the law" is rarely set down in black and white—especially in these days of claims of "reverse discrimination" and disproportionate conviction and sentencing patterns for minority criminal defendants. The courts serve an interpretive role and a judge's perception of the law is a function of his background and economic status, as well as his race. The minority perspective is sorely needed on the Federal bench.

The task is two dimensional. On the one hand, qualified blacks must be placed into consideration and supported every step along the way. On the other hand, a number of white candidates have been nominated whose records indicate opposition to civil rights and equal justice under law. Selection panels, Senators, the Attorney General, the President, and the Senate Judiciary Committee must all be told that minority representation, civil, and constitutional rights are at stake here—and that they appear to be losing ground.

HOW THE PROCESS WORKS

District court seats are the province of the Senators from the States concerned. Either they or the selection panels they set up can identify candidates, whom the Senators select from and recommend to the Attorney General. Circuit court seats are controlled by the selection panels set up by the President.

Recommendations received by the Justice Department are screened, with reports from the American Bar Association, NBA, and the FBI. Names are then submitted to the President, who then nominates his choices. The Senate Judiciary Committee then holds confirmation hearings. Support of or opposition to a candidate should be submitted at each step of the way.

A senatorial veto—known as the "blue slip"—has been the manner in which a Senator can block a nominee from his home State. The Judiciary Committee would send a blue slip to that Senator with the nominee's name and a request for comment. If the Senator failed to return the slip the nominee received no further consideration by the committee. Senator EDWARD KENNEDY is now the chairman of the Senate Judiciary Committee and has indicated that where a blue ship is not returned, rather than let the nomination die, he will call for a vote of the committee to determine whether it wishes to proceed with consideration of the nominee.

By way of identifying a couple of problem areas, let me mention a few examples. I have previously mentioned Julius Chambers in the Fourth Circuit. Mr. Chambers' name was placed before the selection panel twice for two different Fourth Circuit vacancies. In the first instance he was recommended by the panel, but ran into senatorial opposition. In this recent episode the panel failed to even recommend him. Unquestionably, the opposition to Mr. Chambers is based on his outstanding record of civil rights litigation. Groups throughout North Carolina, including the North Carolina Association of Black Lawyers, have expressed shock at the political game plan against Mr. Chambers and are demanding action by the White House to correct a gross injustice and an affront to the civil rights movement.

In the Fifth Circuit only Florida Supreme Court Justice Hatchett has a clear shot. But that would make him only 1 black out of 25—hardly representative for the South. Another black from Texas—Andrew L. Jefferson of Houston—has been recommended by the selection panel, but needs a concerted support effort. The names of other blacks for the Fifth Circuit should be submitted directly to the Department of Justice and the President.

In the Sixth Circuit, Cornelia Kennedy—a white woman and chief judge from the eastern district of Michigan—is the front-runner for the Michigan seat on the circuit panel. However, Judge Kennedy's staunch conservative positions on civil rights and the rights of criminal defendants has caused alarm among many civil rights groups.

As for district seats—Louisiana, which boasts the first black Federal judge in the South, received six new district seats. Only white male candidates have been submitted to the Department of Justice. Judge Collins—formerly the only black out of 14 district judges—now stands to become only 1 out of 20. Again, this loss in representation can hardly be called representative of blacks in Louisiana.

In the President's home State of Georgia, six new seats were created. One black has been recommended for the northern district—Horace Ward. However, in the southern district an excellent black attorney in Augusta—Jack Ruffin—was twice recommended for a seat by the selection panel. But at the insistence of Senator NUNN, Dudley Bowen, a white attorney, was added to the list and was subsequently recommended by NUNN. Another gross abuse of the selection process. There are now nine white judges sitting in Georgia.

In Texas, only 1 black has been nominated for 10 new district seats.

These instances serve to illustrate the overall trend of the selection process. In only a few rare instances are blacks being nominated in representative numbers. With 152 new judgeships, it may well be that blacks will actually lose the proportionate representation we now have on the Federal bench.●

NATIONAL DEVELOPMENT BANK

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. PAUL. Mr. Speaker, some businessmen defend the free market with their words, but work for more Government regulation and planning to protect their industry.

The American Institute for Economic Research in Great Barrington, Mass., has always worked for a free economic system, where planning is done by individuals, instead of Government.

Recently the Institute wrote an eloquent answer to a businessman who supports President Carter's proposed National Development Bank.

I would like to bring this answer, and its economic and political wisdom, to my colleagues' attention:

NATIONAL DEVELOPMENT BANK

We were asked in a recent letter to provide data for use in connection with President Carter's proposed plan for a National Development Bank. This "bank" would have budget authority of $3.1 billion in fiscal 1980, and it would provide grants, loan guarantees, interest subsidies and other financial assistance to businesses willing to locate or remain in economically depressed areas. Our reply, printed below, described some of the dangers of this plan and of businessmen's participation in it.

Dear Mr. – – –:

We were dismayed to receive your undated form letter beginning with the words, "As Chairman of the Council for Northeast Economic Action, I am requesting your assistance in completing the enclosed questionnaire so that we can obtain accurate data on the financing requirements of Northeastern business firms."

Why did your letter trouble us? Because the substance of your letter reflects complete capitulation to the further intrusion of government into the private affairs of its citizens. The legislation for the National Development Bank of which you write has not been passed, but you, an officer of a major private bank, are abetting those who—intentionally or not—would conscript more of the private sector into the service of the politicians and bureaucrats running government.

Is there not clear enough evidence for you to recognize that government interference in the economy fosters distortions and inefficiencies that retard the very economic advancement the intrusion ostensibly is to promote? In addition to involving such economic costs, government intrusion denies sovereign citizens their property rights by using force of law to grant to a selected few the power to take from some and give to others. This promotes the equivalent of economic street gangs (special-interest groups) that struggle to get their "fair share" of government spending. In doing so, it slowly but surely destroys the voluntary cooperation of a private property, market economy, in which competitors seek to win the favor of the individual customer by offering him the best value.

In the instance at hand, the "goodie" allocation is to be taken from the anonymous decision-making process of the market and given to a selected few persons is a portion of the Nation's limited financial capital. You and your colleagues at ——— Bank surely must recognize that a "master plan" established by a few persons on the basis of responses to a questionnaire at one point in time will be a poor substitute for the allocation of capital provided by the financial markets. The market incorporates all of the decisions of private suppliers and users of funds on an ongoing basis, thereby tending to achieve dynamic balance in a continually changing situation. Too often in the past, by the time a planned government program was devised, implemented and took effect, the situation had changed so substantially that the program exacerbated the succeeding problem. Furthermore, once initiated, a government "solution" to a pressing present problem tends to live on, wasting resources long after the problem has passed away.

Recognition of the harmful effects of government meddling in the economy is becoming more widespread among economic commentators and the general public. The tax revolt and public interest in limiting Government spending reflect recognition of past government excesses. For years, businessmen have pleaded the case for freedom from government intervention, and now the possibility of success seems within reach. Earlier opportunities for success possibly were missed—and the current opportunity might be lost—because some businessmen have been and are hypocritical in their support for the private property, market economy. Their position might be summarized as: "Competition is necessary—in the other areas of the economy. My area has special conditions that warrant government subsidy, or regulation, or protection, or other government favor."

This hypocrisy is obvious to all, and it undermines public support for the private sector. Moreover, each time a businessman or industry "wins" the special favor of a government program, another nail is driven into the coffin that might contain the system of political and economic freedoms that made this nation a great economic power.

DUPED?

Businessmen must end their hypocrisy if the private property, market economy is to remain viable. The trend of public opinion seems to be in favor of economic freedom and against further government encroachment. Businessmen should encourage this trend by their actions, and not only their words. Do not be duped into working for your own demise. Listen to your own words about the aim of the group for which you are chairman:

"The Council for Northeast Economic Action is a group of distinguished Northeasterners drawn from the business, educational, financial, organized labor and academic communities who share a common concern for the regional economy and a strong belief that the private sector must play a vigorous and aggressive role in the development process. Council members believe that there is a compelling need to establish private sector priorities in response to the growing number of public initiatives aimed at improving the regional economy. The formation of the Development Bank is a case in point."

Few would quarrel with your first sentence in that paragraph. Indeed, the private sector "developed" this nation from the status of an economic pygmy to that of the greatest economic giant of all time in only about 150 years. During that time the role of government was to provide a fair field for the private sector with no favor to any group. During that time each private participant set his own priorities, and reaped the reward (good or bad) of his own achievements. However, these relationships are reversed in your second sentence. There you conclude that some unnamed central group must set "private sector priorities in response to the growing number of public initiatives." Such use of the words "private sector" is pure deceit. Either you, yourself, are deceived, or you are attempting to deceive others. Centralization of priority-setting is in complete contradiction to the functioning of the private sector. In the private sector, decision-making is dispersed as widely as possible—to the level where the decision-maker is the one who gains or suffers most by his decision. Applied universally, the arrangement you advocate would eliminate the private sector and raise central planning boards to a supreme position of economic power.

Are there any areas in which cooperative action would be consistent with the private property, market economy? A voluntary, privately funded joint effort to publicize the economic advantages of a region would seem to be one such area. Accurate information is needed for sound decisions about plant locations. If the groups in your council could make such information known more widely, more businesses presumably would decide to locate in the region in time. This assumes that there are, in fact, advantages to the region. If there are not such advantages, cooperative actions to develop them would seem appropriate. Such actions might include efforts to reduce the claim that state and local governments make on the output of the private sector. Your council could react to "the growing number of public initiatives" by actively opposing them, not abetting them.

Businessmen must support the private sector with deeds, not words. We ask you, your colleagues at ——— Bank, and your associates on the Council to withdraw your support for the scheme outlined in your letter and, instead, to oppose creation of the National Development Bank.●

TRIBUTE TO JOE BARTLETT

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. BOB WILSON. Mr. Speaker, I feel like I have known Joe Bartlett forever. When I first came to Washington in 1952, Joe was here in this Chamber to greet me, to guide me through the intricacies of House routine and to counsel me. I heeded his advice then and have heeded it ever since. As we all will, I will certainly miss Joe.

Joe Bartlett has been an important part of our lives and our work here. His patience, his wisdom, and his unflagging good humor have helped us over some mighty rough spots. A man of exceedingly high integrity, if Joe said something was so, you could take his word and put it in the bank. Though he was ostensibly a Member of the minority side, his wise counsel was available to all—and we all used it.

Joe served his country both here in this House and with distinction as a Marine Corps officer, retiring from the corps with the rank of brigadier general. He is one of the most patriotic men I have ever met, a man who feels a true pride in his country and an obligation to serve it well.

Joe, we thank you for your many years of loyalty and dedication. We are going to miss you, but wish you and Jinny well in your well-deserved retirement. We ask only that you keep in touch so that we will continue to have the benefit of your wisdom, guidance, and friendship.●

CONGRESSMAN DRINAN ENDORSES SEPARATE DEPARTMENT OF EDUCATION

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. DRINAN. Mr. Speaker, the Government Operations Committee will soon consider H.R. 2444, a bill I have cosponsored to create a Cabinet-level Department of Education.

As an educator, I have always regarded the support of education as the noblest function of government. The Federal Government, in particular, has an interest in insuring that educational opportunities are available to all, in promoting higher education through financial assistance to low- and middle-income families, in supporting vocational and career training, and in fostering educational research.

That these functions rest with the Federal Government is firmly established by congressional mandate. We are now faced with the question of how effectively the Federal Government is fulfilling the duties with which it has been charged.

Most Federal education programs are part of the Office of Education (OE) within the Department of Health, Education, and Welfare (HEW). OE has a budget of $12.5 billion—more than the budgets of five Cabinet-level departments. Yet it is merely 10 percent of the total HEW budget, and this single fact has had a profound effect on the status of education programs within the huge HEW bureaucracy. Education has long been the stepchild of HEW, and unable to compete with the favored twins, Health and Welfare, for the attention of the HEW Secretary, much less other cabinet secretaries or the President.

The subordinate position of OE and the Commissioner of Education has led to deficiencies in the management of Federal education programs. First, the layers of HEW bureaucracy covering OE prevent any clear accountability and causes duplication of responsibility with respect to education policies. Second, the upper echelons at HEW spend less time on education matters, worsening education's position in terms of priority, visibility, and organization. Finally, the absence of an authoritative education chief allows little effective cooperation across other departments, and important interagency issues are never discussed.

These organizational pitfalls have effectively trivialized education as a national concern. Nowhere is this more evident than in the waning public confidence in public education, and the sense of helplessness gripping school administrators and faculty alike. A reaffirmation of education as a No. 1 priority is sorely needed, and the creation of a Department of Education will provide it.

First and foremost, a Cabinet-level Department of Education, as embodied in H.R. 2444, will carve out a larger place for education issues in the attention of the Federal Government and the public.

This increased awareness alone will go far in curing the malaise currently affecting our Nation's schools.

An equally important counterpart to the symbolic effect of an education department is the tangible improvement in management and efficiency that will result from its creation. The simple organizational structure of the Department as outlined in H.R. 2444 will provide an orderly mechanism for the attainment of the educational goals that greater public awareness will bring to the fore. In addition, greater efficiency will more than offset the cost to the taxpayers of transition to the new department.

Implicit in the reorganization of education is the elimination of overlapping responsibility and duplication plaguing the hundreds of education programs now scattered throughout the Federal bureaucracy. By collecting these programs under a single management, the Department of Education will further decrease Government spending.

H.R. 2444 will finally make clear just who is in charge of Federal education programs. Focused accountability and improved access will greatly benefit Congress and the public in terms of greater input into educational policy decisions. The Department of Education, in this way, represents a step in the direction of truer democracy.

This brings us to a point which must be addressed in any discussion of a Federal education department. Will increased visibility, improved management and efficiency, and better coordination lead to more Federal control over education? Must we tolerate waste and inefficiency in order to insure that the Federal Government keeps in its place? Fortunately, there are good reasons why this need not be so. First, the role of the Federal Government is strictly limited by statute and by congressional mandate. There is no reason to believe that mere reorganization can change a centuries-old tradition of local control. Second, the improved access to education policymaking by local groups afforded by the visibility and accountability of a Cabinet-level Secretary of Education will work to curtail Federal regulation of local schooling.

I am confident, Mr. Speaker, that H.R. 2444 gives the Congress an excellent opportunity to advance the cause of American education while retaining, even enhancing, those traditions of democratic access and local control that have given our Nation's schools their vital and dynamic history.

I urge my colleagues to favorably consider H.R. 2444, and to be active participants in the rebirth of American education.●

A SALUTE TO THE IONA GAELS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. OTTINGER. Mr. Speaker, on Thursday evening, April 5, the city of New Rochelle, the Iona College Goal Club, and the New Rochelle Chamber of Commerce will gather to honor the members of the Iona College basketball Gaels.

I know that all of Westchester shares the pride of the Iona College community, for the basketball team earned its first trip to the NCAA tournament this season on the merit of its 23–5 regular season record.

The Gaels, who were ranked in the Nation's top 20 in several preseason polls, finished the season with a flurry, winning their last 9 games and 16 of the last 17 before their opening round, 4-point loss to final four participant Pennsylvania.

Iona finished seventh in the annual Widmer poll of the East's top teams, and the 23 wins represented the most wins an Iona team has ever achieved in one season.

The Gaels, under 4th-year Coach Jim Valvano, were led by 6-foot-10 sophomore center Jeff Ruland, an honorable mention UPI all-America pick. Ruland, who finished in the top three in the Nation in field goal percentage (.672), led Iona with 20 points and 11 rebounds per game. He set a single season Iona record with 590 points, and finished the season sixth on Iona's all-time scoring list with 1,170 points.

Senior Dave Brown wound up the season as Iona's second all-time leading scorer with 1,438 points. Brown's opening moments injury against Penn broke a string of 105 consecutive games Brown had played without missing a game because of injury.

Junior guards Kevin Hamilton and Glenn Vickers poured in 12 points per game for Iona, and transfer Mike Palma contributed 9.

The Gaels, who defeated Seton Hall and St. John's to win the ECAC New York-New Jersey metro division championship for the first time, also defeated NCAA participant Utah State, Pitt, Fairfield, NIT teams Holy Cross and Wagner.

Special mention must also be made of the outstanding coaching efforts put forth by Jim Valvano.

As the dynamic, young head coach at Iona College, Valvano has turned the Gaels' basketball program into a formidable eastern college power.

Also the athletic director at Iona, he is a 1967 graduate of Rutgers University. Valvano cocaptained the 1966–67 Scarlet Knights to a 22–7 season and a third-place finish in the national invitation tournament. The Associated Press and United Press International named him to the NIT first team that year.

He has also served as the head basketball coach at Johns Hopkins and Bucknell University, and has been an assistant coach at Rutgers and the University of Connecticut. He came to Iona for the 1975–76 season, and in his fourth year there (1978–79) guided the Gaels to a 23–6 record and their first-ever appearance in the NCAA tournament.

Valvano is on the advisory board of several athletic companies, and is on the public relations and promotions committee of the National Association of Basketball Coaches. He is one of the most sought after basketball camp lecturers in the country.●

HURTING THE CRIME FIGHTERS

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Ms. HOLTZMAN. Mr. Speaker, there are currently several proposals before the House and the Senate for the reorganization and reauthorization of the Law Enforcement Assistance Administration. In this regard I would like to call to my colleagues attention an editorial in the March 26 New York Times.

The editorial explains LEAA's history, admitting its early problems, but illustrating its development and its recent successes. For example, in New York City, there have been impressive increases in the percentage of cases that have ended in indictments and in the percentage of convictions. The Manhattan district attorney attributes these improvements to LEAA which provided the seed money to try and implement new procedures.

I hope my colleagues will consider these views when deciding LEAA's future. The text of the editorial follows:

HURTING THE CRIME FIGHTERS

Despite its jawbreaker name, L.E.A.A.—the Law Enforcement Asistance Administration—began life a decade ago with a silver spoon in its mouth. It was the closing months of the Johnson Administration and crime ranked a close second to Vietnam in public concern. The President and Congress were frantic for some kind of Federal action to make the streets safe. L.E.A.A. was their answer: an agency that could, in the name of research, for the first time put Federal dollars into local law enforcement.

L.E.A.A. quickly became a spoiled brat. The money began to flow fast—from $63 million in 1969 to $895 million in 1975. But expectations far outrode capacity, problems piled up and the young agency became a virtual orphan. By 1976, Jimmy Carter was even talking of abolishing it. Now his Administration wants to cut its funding sharply.

All of which is something of a classic Washington irony, for in the ten years fat and lean, L.E.A.A. has matured. Originally, Congress pumped in too much money too fast; it ought not now to reduce support for what can be a valuable, indeed invaluable, force in American criminal justice.

Over the years L.E.A.A. has been assailed for giving too much money to state agencies rather than to the city police, courts and jails that needed it most, and for squandering funds on unnecessary riot-control equipment, helicopters and stockpiles of gasoline for police cars. There was—and is—too much red tape; states have to file annual criminal justice plans averaging a thousand pages. But meanwhile, L.E.A.A. was learning how to direct funds to agencies that could produce the most benefit. New York City is a prime example, as Manhattan District Attorney Robert Morgenthau attested in recent Senate testimony. For instance, he reported marked improvement in the handling of serious felony cases in his office. In four years, the proportion of cases ending in indictments went up from about 80 percent to 95 percent. In ten years, convictions in sex crime cases went from 10 percent to 80 percent. None of these improvements could have occurred without L.E.A.A., he said. It provided the seed money that allowed new procedures to be tried and adopted.

There are some signs of light for the agency. A permanent director has been named for the first time since President Carter took office. And the Administration has endorsed the L.E.A.A. reform plan sponsored by Senator Kennedy and Representative Rodino, the Senate and House Judiciary chairmen.

The big catch is likely to be money, L.E.A.A. funds in 1979 total $648 million. The Administration proposes to cut that by $102 million for 1980. (The entire Justice Department budget is being cut by only $112 million.) "This recommendation bespeaks an absence of Presidential commitment to a Federal anti-crime assistance effort," Deputy Mayor Herbert Sturz of New York City observed drily the other day, L.E.A.A., now sadder and wiser, deserves better.●

PAPER CURTAIN PIERCED

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. PAUL. Mr. Speaker, when given a choice, the American people doubt the usefulness of giving American tax dollars to friendly nations.

How much less do they want to subsidize Communist dictatorships? Yet the World Bank and similar lending outfits regularly give American money to Marxist regimes.

We should stop funding these operations, although I would be glad to have them canvass for voluntary donations as the Red Cross does.

Recently, Mr. Robert Bleiberg, the editor of Barron's, wrote an excellent article about these lending institutions, giving deserved credit to our colleague, the Honorable BILL YOUNG of Florida for helping to expose their activities. I would like to call this editorial to the attention of the House:

PAPER CURTAIN PIERCED

(By Robert M. Bleiberg)

Global lenders like the World Bank are a notoriously tight-lipped lot. Now and then, however, someone will penetrate the secrecy which customarily cloaks their activities. Thanks to a House Appropriations subcommittee, which has just published the findings of a long investigation of what it calls the International Financial Institutions, the paper curtain has been pierced, shedding some badly needed light in dark corners.

On this score, consider what happened when the World Bank chose to make a $25 million loan to "an Asian county" for a project designed to reduce the fertility rate by the end of the century. Despite lavish outlays on plant and equipment, notably in the province from which the Minister of Health happened to hail, the initiative ran into one unexpected hurdle after another. Family planners turned out to be ill-equipped for the job and had to be retrained. Midwives working for the project failed to "interface" properly with their USAID counterparts. One rural health unit reported that in terms of coverage, family planning service had declined from 45% of all married couples at the start of the program to 15%, while most of the women involved stopped visiting the clinic. After an outlay of $25 million, the World Bank decided to do further research on the subject, an approach which the probers caustically described as "a cart-before-the-horse situation and an ill-advised use of resources."

Buried in deadly bureaucratic jargon and some 200 pages of text are other equally damning indictments of the International Financial Institutions and their works. For example, consultants' fees, which account for a sizable chunk of total project cost, were frequently found to be excessive and of negligible value. Project costs are continually understated, so-called economic rates of return vastly exaggerated. To judge by uncontroverted—and well-nigh incontrovertible—testimony, borrowers and lenders alike feel relentless pressure, especially toward the end of the fiscal year, when a "bunching" of commitments regularly occurs, to keep the money flowing. Executive Directors, who presumably set policy and control the purse-strings, have turned out to be figureheads who, denied access to many sensitive documents, do little more than whatever the staff recommends. In the hard-hitting view of Rep. C. W. Bill Young (R., Fla.), who has done as much as any Congressman to let the sun shine in: "Through the international banks . . . we created a high-living group of international money changers accountable to no one."

These money changers, moreover, show great reluctance to be driven from the temple. On the contrary, they have opted to stonewall. At public hearings last week, C. Fred Bergsten, Assistant Secretary of the Treasury for international affairs (the Department, in its supervisory role, has been scandalously lax), shrugged off the charges. Global lending institutions, he stated, are "the most efficient and cost-effective agents for social progress in the developing world." Eugene Rotberg, vice president and treasurer of the World Bank, went even further. "Congress," he told reporters, "will not be impressed by something as obviously mediocre as this report."

And the Carter Administrator evidently aims to put its money (or taxpayers') where its mouth is. Specifically, in the current fiscal year, which has been officially designated as frugal, it is seeking $3.6 billion for the International Financial Institutions, an increase of $1.4 billion, or 44%, over last year's budget appropriations. In turn, the World Bank, which even its worst critic could never accuse of not thinking big, hopes to win approval from its 132 member governments to double its capitalization from $40 billion to $80 billion.

The Executive proposes; Congress disposes. What the lawmakers will opt to do, even after the jolting disclosures cited above, remains in doubt. Yet the case for a Congressional crackdown on the World Bank and the other IFIs, urged time and again in these pages, steadily grows more compelling. What Bill Young and his colleagues revealed, while offered in convincing detail, echoes similar (albeit less-well-documented) charges made over the years by retiring Executive Directors of various countries and other knowledgeable sources. Nor does it really go to the heart of the issue. The waste of resources is bad enough. What strikes us as worse is the way in which the World Bank and its ugly sister institutions, openly and arrogantly, channel funds to purposes—collectivized farms, for example, or the callous uprooting of whole communities and populations euphemistically known as transmigration—that no society which calls itself free should tolerate, much less support. Far from blazing a trail to economic development or social progress, they are pressing relentlessly down the road to serfdom.

At the urging of perennial critics on the Hill, the probers, as noted, largely chose to focus elsewhere. And the look they took was a searching one. Specifically, the staff of the House Appropriations Committee, carrying out a mandate to conduct a thorough investigation, dispatched a five-member team to 11 countries. The probe, which took over a year to complete, covered the operations of the International Bank for Reconstruction & Development (World Bank), the International Development Association (its soft-loan affiliate), the Inter-American Development Bank, the Asian Development Bank and the African Development Fund. Among other things, the inquiry sought to determine whether the IFIs' activities, like those of the U.S. government, should be publicly accountable through open proceedings and audits. It also aimed at discovering "how efficiently and economically the IFIs are administered. . . ."

Eugene Rotberg calls the report "mediocre"; the right word is jolting or downright shocking. Accountability—or the lack of it—is a case in point. Though public money and credit support their activities, the IFIs, as Congressman Young has accurately charged, by and large are accountable only to themselves. Few Executive Directors have ever visited any of the countries which receive their largesse. Vital information is routinely denied them; thus, country program papers, which define the World Bank's basic posture toward each prospective national borrower, are withheld. The report continues: "There is an elaborate system of color codes on loan documents, economic reports, policy studies and other Bank documents prepared by management as they pass through various stages of distribution and review. Only the final (grey copy) version, cleared for distribution to the Executive Directors, is available to them." Small wonder that at meetings, roll-call votes are seldom taken, or that throughout the years—nay, decades—no loan put on the table by the staff has ever been formally disapproved. As the report sombrely observes: "Continued growth of the IFIs contributes to an ever-increasing political power base that is, in many respects, independent of direct and positive control of the member governments."

Power, of course, corrupts. While hints of scandal in high places dot the report (which as a matter of policy fails to name names), what has been corrupted is the decision-making process. According to the report: "Former World Bank and U.S. Treasury officials . . . advised that documentation of project proposals [is] massaged to perfection and represents only an illusion of real conditions; that projects are treated by IFI economists as though they were being carried out in a high-powered social laboratory rather than in a poor undeveloped country; and that paper and bureaucratic procedures are substituted for substance."

As a consequence, things frequently fail to go according to plan. For example, on an IDA rural development project in Africa, the economic rate of return, put originally at 20 percent, was swiftly scaled down to 8 percent. Now local officials expect a negative rate of return. Hundreds of millions of dollars have poured into a green field (new from the ground up) steel mill at Lazaro Cardenas, Mexico, the chief virtue of which seems to be its strategic location in the home region of a former leftist chief of state; in any event, production is limping along at barely two thirds of early estimates and the mill is running at a loss. Ethiopia moved to nationalize all large and medium-sized financial, commercial and industrial holdings, leading one IFI to write off an outstanding loan; it promptly received a far larger credit from the Inter-American Development Bank. In the circumstances, it's not surprising that the number of projects with financial woes has increased. The World Bank itself reports that in 1977, 11 percent of all projects had major problems and 50% had moderate problems. These rarely show up in financial results; IFIs are past masters at throwing good money after bad, thereby helping to avert formal default. Someday, however, there must be a reckoning.

Dollars-and-cents aside, the nature of so many IFI projects should give pause. Under Felipe Herrera, whose sympathies (as he publicly announced) lay wholeheartedly with his companero, Salvador Allende, the late Chilean head of state, the Inter-American Development Bank channeled hundreds of millions of dollars into Marxist schemes. In turn, nearly a decade ago, the World Bank (*Barron's*, June 1, 1970) helped finance the forced collectivization of farmers in Tunisia, from which dismal failure it swiftly expanded to the rest of the continent. In 1975, David K. Ottaway of *The Washington Post* filed an on-the-scene dispatch which said in part: "The World Bank has turned to financing in a big way Africa's most radical socialist experiments." Since then the Bank has distinguished itself by lavishing huge sums on the repressive regimes of Romania and Communist Vietnam. Double its capitalization? Nothing would do more to undercut the West's position in the world.●

MR. FRED OLIVER FIELDS PRAISED

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. SHELBY. Mr. Speaker, I want to share with you today the extraordinary story of Mr. Fred Oliver Fields, one of my constituents in the Seventh Congressional District of Alabama and a man who has distinguished himself in more ways than I could enumerate here today.

Mr. Fields—a farmer, conservationist, family man, and outstanding citizen—has had many honors in his life, but I suppose the one he probably holds most dear was his selection in 1977 as the outstanding conservation farmer of the year by the Alabama Association of Soil and Water Conservation Districts of the State.

Mr. Fields' career was honored by a special section in the Home-Record newspaper in Livingston, Ala., in December. But even though I have copies of that supplement for you to read, I want to take this opportunity to offer my own homage to this remarkable man and to enter his story in the RECORD so all may read it.

Mr. Fields came to Sumter County in 1925 from North Carolina and was a labor foreman in the first CCC camp opened in Alabama in 1934. After the camps were closed, Mr. Fields was put in charge of checking tools and supplies before they were shipped to England during World War II.

But Mr. Fields' first love was the land and in 1936 he purchased 320 acres of land in Sumter County. Now I do not know how many of you know the agricultural history of Alabama, but in those bleak Depression days of the thirties, Alabama was a land-poor State and those 320 acres of eroded "black belt" land could not have been worth very much.

A man beginning a farm operation there, in those days, literally had to "start from scratch." But through grassing and improving—not to mention years of backbreaking work—Mr. Fields was able to grow enough dallis grass seed 3 productive wet years in the midforties to pay for his land.

By the late forties he had purchased his own combine and seed cleaning equipment and was cleaning as much as 500,000 pounds of seed yearly for neighboring farmers.

In 1946–47, Mr. Fields' farm was used as a demonstration farm. Using practices he had learned during his CCC years and his own innovation, he reclaimed much land that had been badly eroded limerock. In 1 year, more than 600 people visited his farm to observe conservation and soil building in practice.

Mr. Fields became a supervisor in the Black Belt Soil and Water Conservation District in 1964. He has served as chairman of the local district and has represented Sumter County on the Tombigbee RCD Committee since its beginning.

He is a deacon in the Baptist church, was president of the Sumter County Farm Bureau for 13 years, has served as a director of Farm Bureau for 30 years, was a director of the Cattlemen's Association for 25 years, and is a past president of the Rotary Club. He is also past chairman and vice chairman of the Sumter County Rural Development Committee.

I think the Home-Record perhaps said it best when editor John Neel wrote:

> Fred Fields is a great American, a great person, because he has devoted his life not only to the pressing business of supporting himself and his family through good times and bad, but because he has also found the time to give of himself for the common good. A good husband and father, a good farmer and conservationist, a good Christian, a good citizen—he is all of these. He is also a sturdy individual who has the self-discipline to work alone early and late, but who also has been willing to give his time and effort for countless common endeavors with no direct benefit to himself.
>
> Fred Fields is as old-fashioned as the isolated mountain country of North Carolina where he grew up and as modern as the latest farm machine that will do a job better and faster.
>
> He has many good memories from his years of struggle and success, but he is more interested in the present and the future than in the past. When he plants grass seeds, stops a gulley, improve the soil, he is thinking of the people who will in years to come benefit from the acts of caring which he performs today.

I believe all of us would like to be able to claim the same thing and I know you will join me in paying homage to this remarkable individual.●

PORT OF LONG BEACH AWARDED "E-STAR"

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. LUNGREN. Mr. Speaker, last week the Port of Long Beach, in my hometown, received the Presidential "E-Star" award from Commerce Secretary Juanita Kreps for excellence in promoting export shipping.

Long Beach was the first major Pacific coast port to receive this award several years ago. Now it becomes the first of any west coast port to receive this recognition twice.

What the Port of Long Beach has done is truly remarkable. It has more than doubled the amount of export shipping going through the port in the past 10 years.

It has accomplished this through a crack modernization plan, as well as an aggressive program to increase U.S. exports to the Pacific rim countries.

This emphasis on exporting is extremely important not only to Long Beach, but to the entire country.

We, as a nation, have reached a turning point in our economic history.

We must join all the other developed nations in the world in placing a greater emphasis on increasing exports.

This will help us nationally to decrease our negative balance of trade and to strengthen the dollar abroad.

The increased export shipping out of Long Beach Harbor has also been a boom to the local Long Beach economy, and to southern California in general.

It has created more jobs and strengthened the local economy in every market.

Through the Port of Long Beach every day goes southern California petroleum coke, fresh California citrus, Arizona and California raw cotton, machinery and machinery parts, grains and feed grains.

The total value of this export shipping now totals more than $4 billion annually.

So I would like to take this opportunity to both honor and congratulate the Port of Long Beach for its extraordinary job in promoting export shipping.

The port has a record of excellence unparalleled among west coast ports in aggressively promoting export trade, and truly deserves the recognition it has received this week.

It has helped not only southern California and Long Beach, but the Nation.●

THE SECOND NATIONAL ALL UNIONS CONFERENCE TO SHORTEN THE WORK WEEK

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. CONYERS. Mr. Speaker, the Second National All Unions Conference and Legislative Lobby to Shorten the Work Week takes place on Friday, April 6, 1979, beginning at 9:30 a.m. in the Cannon Caucus Room (345 Cannon Building). Its mission is to arouse citizen and congressional support for a 35-hour workweek as a principal means to combat unemployment. The goals of the conference are embodied in the Fair Labor Standards Amendments of 1979 (H.R. 1784), which I introduced on February 1, 1979, that—

> Reduce the standard workweek from 40 to 35 hours over a 4-year period;
>
> Raise the premium rate for overtime work from time-and-a-half to double-time;

Require employers to obtain the consent of employees in scheduling overtime.

The second national conference is sponsored by the All Unions Committee to Shorten the Work Week and the Greater Washington, D.C., Central Labor Council (AFL–CIO). More than 100 labor organizations from 20 States and representatives of 19 national and international unions will participate. Among the unions represented are: Amalgamated Meat Cutters; Fur, Leather, & Machine Workers; Communication Workers of America; International Association of Machinists; International Brotherhood of Teamsters; International Longshoremen's Association; Retail Clerks; United Auto Workers; United Electrical Workers; Longshoremen & Warehousemen; United Mine Workers; United Paper Workers; United Steel Workers of America; American Federation of State, County, and Municipal Employees. Several statewide AFL–CIO conventions as well as a number of central labor councils have already endorsed the shorter workweek legislation. Similar legislation has been introduced in several State legislatures.

Speakers at the conference will include: William Winpisinger, president of the International Association of Machinists and Aerospace Workers; Cleveland Robinson, president of district 65, the Distributive Workers of America; Robert Petersen, president of the Greater Washington, D.C. Central Labor Council, and Frank Runnels, president of the All Unions Committee to Shorten the Work Week.

Nearly 1 year ago, I had the privilege of participating at the first national conference held in Dearborn, Mich. That conference of several hundred trade unionists from across the country generated more enthusiasm than I had witnessed in a great many years of travel and public speaking. It was an excellent beginning for the national movement to shorten the workweek. In the past year, the All Unions Committee has worked hard and effectively to mobilize public support for H.R. 1784. The direction of the movement is a very sound one. Citizens are becoming increasingly aware of the failure of traditional economic policies in addressing unemployment and inflation.

Though the labor force has grown in recent years, the fact remains that we as a Nation have not been able to eliminate chronic, long-term unemployment for large numbers of our citizens. Statistics on unemployment, particularly among minority groups, young people, women, and residents of the oldest central cities are grim. As a matter of fact, there has been little or no change in structural unemployment in the past decade. If anything, the situation has worsened. As an example, the official jobless rate among all youth, ages 16-19, in 1978 was 16.3 percent, 4 percentage points higher than 10 years ago. Among black youth the official jobless rate last year was 37 percent. roughly the rate that existed during the 1975 recession, and 15 percentage points higher than 10 years ago. There are few areas of social and economic life that have shown as little improvement as the area of structural unemployment.

Another source of economic trouble and unemployment is the accelerating displacement of labor by technology. "If asked to single out one force that has contributed more than any other to the phenomenal economic growth of the last 200 years," Professor Wassily Leontief, holder of the Nobel Prize in Economics, has recently pointed out:

> One would say technological change. . . . The fact that machines do displace labor cannot be questioned . . . New machines, new technology introduced because it cuts production costs can, indeed, reduce the total demand for labor. . . . Spreading the work through reducing the number of working hours . . . provides an answer to this question. Increasing leisure, while everyone is assured a steady job, can contribute greatly to the general welfare in a developed society.

There are numerous examples of technological displacement of labor. Thirty years ago, several thousand telephone operators handled 1 million long-distance calls; 20 years ago, only several hundred handled the same task; today, as a result of automated switchboards, only a few dozen operators are necessary. Technological displacement has occurred on the greatest scale in manufacturing industries. It is estimated, for example, that 13.6 million production workers today are producing a few hundred percent more products than roughly the same number produced back in 1955. However, in the 30-year period (1947–1977) the total number of production workers increased by only 9 percent. Nor will the trends of the displacement of labor by technology diminish as a result of greater future investment and growth in the economy. As Dr. Leontief states:

> One way of meeting the threat of potential technological unemployment is the creation of new and maintenance of the old jobs through increased investment, i.e., economic growth. But this possibility has definite limits . . . The rate of investment required to accomplish this end might turn out to be so high that very little would be left for current consumption.

Leontief argues that the rate of introduction of cost-saving technology by business and industry will continue at high levels, regardless of the extent of labor union demands or level of wages.

These and other fundamental economic issues are the subjects of the conference and the national movement created to win support for a shorter work week. The direction of the movement is a sound one because it provides workable solutions to the major issues of chronic unemployment, widespread economic insecurity, and declining productivity.

I urge my colleagues and their staff to participate in the conference. The morning session (9:30 until 11:30 a.m.) will be devoted to a discussion of labor, unemployment, and shorter week issues, followed by a luncheon, visits to Members' offices in the early afternoon, and a business meeting of the All Unions Committee in mid-afternoon.●

NATIONAL FOREIGN LANGUAGE WEEK

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. SIMON. Mr. Speaker, President Carter has declared this week as National Foreign Language Week. Across the country, there are community activities that are educating the American public on the need for greater foreign language proficiency by our citizens. Foreign language enrollment has been steadily declining at all levels of education. Our parochial approach to learning other languages puts Americans in both public and private life at a great disadvantage. As the world becomes more interdependent, our ability to speak other languages and understand other cultures becomes a key component to our maintaining a stable and persuasive leadership position in the world community.

In the March 31 issue of the New Republic, Morton Kondracke, managing editor of the magazine, has a piece entitled "Ugly American Redux." Mr. Kondracke has done a superb job of establishing what the ramifications are, and will continue to be, of policies that do not foster language proficiency and cultural understanding in those who represent both the public and private sector outside of our own boundaries. We must begin to turn this trend around if the United States is to remain a leader on issues that affect international policy.

The President has appointed a commission to take a careful look at our current foreign language and international education policies. This commission should be reporting its recommendations to the President in September. In the interim, Foreign Language Week provides a forum for beginning to put these issues on the public agenda. Mr. Kondracke's article helps define those issues. His article follows:

UGLY AMERICAN REDUX

> Americans . . . who cannot speak the language can have no more than an academic understanding of a country's customs, beliefs, religion, and humor. Restricted to communications with only that special, small, and usually well-to-do segment of the native population fluent in English, they receive a limited and often misleading picture of the nation around them.—William Lederer and Engene Burdick, The Ugly American, 1958.

After America's big surprise in Iran, horror stories tumbling out of the government suggest that U.S. diplomats abroad are as ill-prepared and isolated as Lederer and Burdick portrayed them 21 years ago. It turns out that only six of the 60 U.S. foreign service officers in Iran during the revolutionary year 1978 were minimally proficient in Farsi, not including the ambassador. The political section contained no one who was fluent in the language for much of the year, until a Persia expert was reassigned in the fall from duties handling African affairs for the State Department's United Nations desk. The Voice of America hasn't broadcast in Farsi since 1959, even though only a tiny fraction of the Iranian population speaks English. The VOA is just now gearing up to re-inaugurate Farsi broadcasts. In neighboring Afghanistan, the first two U.S. embassy employees to arrive at the scene after U.S. Ambassador Adolph Dubs was kidnapped were unable to speak Dari, the Afghan dialect of Farsi. In Pakistan, another key country in the so-called "arc of crisis," only five of America's 32 diplomatic officials are required to be minimally proficient in Urdu. In Somalia, nobody in the U.S. embassy is required to know the local language.

In Kenya, only one officer of 22 in the US mission is required to speak Swahili. The State Department's reasoning is that most of the country's elite speak English. However, most of the country's non-elites do not. In the Soviet Union, almost all of the principal US diplomatic positions are language-designated, but the language required is Russian. Only one out of 58 top US representatives is required to speak Ukranian, and none need speak Uzbek or any of the other Turkic tongues spoken by the Soviet Union's increasingly restive Moslem peoples.

The State Department contends the Soviets don't allow US diplomats to travel around enough to use the languages, but even in Washington the U.S. government has only two or three employees who are expert in the affairs of the Soviet Union's Central Asian peoples, who shortly will amount to a third of the Soviet population. When Deng Xiaoping visited the United States and when American leaders visit China, the interpreter for top-level exchanges always is a Chinese. The US government has not a single fully bilingual interpreter of Chinese, or of Japanese either. A total of 12 foreign service officers are at the "4-4" level of fluency in Chinese—fully competent, not native speakers—and 19 in Japanese.

Our Ugly American problems are not limited to lack of language proficiency. Jimmy Carter has a better record than many previous presidents for picking experienced diplomats to be ambassadors abroad. But he has chosen some Louis Seares, Joe Bings and George Swifts, as well. (They were the dolts we sent to fictional Sarkhan in *The Ugly American*). John West and Patrick Lucey were effective governors of South Carolina and Wisconsin, respectively, and early supporters of Jimmy Carter for president, but they had few qualifications to be ambassadors to countries as important as Saudi Arabia and Mexico. Neither speaks the language of his host country, though Lucey has been taking Spanish lessons.

West, according to an experienced US official, is "totally out of his league" in Saudi Arabia and is insensitive to its politics and culture. He reportedly has tried to make pals with Crown Prince Fahd, but has alienated other important princes in the process. Lucey seems to have alienated many of the professionals on his embassy staff and also seems to have communicated to Mexican officials an unhappiness at being posted to their country. Top US officials contend that the US government has a woefully inadequate understanding of how Mexico works, close and increasing important a neighbor though it is.

The White House has ordered several reviews of the quality of US representation and reporting. Last week President Carter's national security adviser, Zbigniew Brzezinski, wrote Representative Paul Simon of Illinois, a critic of US foreign-language education, that he had asked the Pentagon, State Department, International Communications Agency and Central Intelligence Agency to launch "a landmark study into the state of in the US." Brzezinski has been urging that US agencies overseas become more sensitive to political, social, economic and cultural trends in foreign countries, and concentrate less on specific items of current intelligence. In the aftermath of the convulsion in Iran, an interagency task force has been ordered to locate other potential trouble spots where US diplomatic reporting may be inadequate, and to find ways to improve it. The State Department also is specifically reviewing its foreign language coverage.

Ugly Americanism is not just a governmental problem. Reportedly not a single Western journalist in Tehran to cover the Iranian revolution could speak Farsi. It's common for the New York Times, the Washington Post and other major organizations to give their correspondents some language training before foreign assignments, but the reporters usually are far from fluent and have to depend on hired local assistants. US publications also have been cutting back their foreign services. No US newspaper now has a full-time correspondent in Eastern Europe, where an eruption against Ugly Sovietism could occur at any time. US corporations don't perform any better than the government or newspapers. According to Senator (and semanticist) S. I. Hayakawa, there are 10,000 Japanese businessmen in the United States, all of whom speak English, but only 1000 US businessmen in Japan, of whom few can utter much Japanese at all.

The fundamental cause of these problems is a failure of the American education system. One might expect that traditional American isolationism was even a deeper cause, but according to statistics compiled by S. Frederick Starr, secretary of the Smithsonian Institution's Kennan Institute for Advanced Russian Studies, interest in foreign language study in the US peaked in 1915, when 36 percent of secondary school pupils were studying modern foreign languages. There was a steady decline after that, through World War II and into the cold war, to 20 percent in the late 1950s. Sputnik and the National Defense Education Act boosted that figure only up to 24 percent in 1960, and it has been backsliding ever since, down to about 15 percent now. There are four million youngsters enrolled in foreign language courses in high schools nowadays, but 90 percent of them are in either the first or second year of language study. Only five percent of US high school students graduate with more than two years of language training. Even though elementary school years are the easiest time for children to learn languages, less than one percent of America's grade school kids are given such instruction.

In 1915, 85 percent of the nation's colleges had foreign language admissions requirements, but only eight percent now do, and the number keeps dropping. So do the number of colleges offering language instruction, the number of students enrolled and the number of students being trained to be language teachers. The same is true of internatonal relations studies. It's sometimes claimed, as an excuse, that because English has become such a world language, there's no need for Americans to learn other tongues. But that is a stupid proposition. English is a world language because Britain once was a mightly empire and because the United States emerged from World War II as economically, militarily and politically the most powerful nation on earth. The U.S. decided it didn't want to be militarily dominant. Economically, the dollar is dropping and other countries are considering alternate world currencies. If we are not politically strong, people will use other languages, too. The only way we can be politically strong is to speak other people's languages.

President Carter has appointed a commission to recommend ways to improve language instruction in US schools. Starr and others have called for a system of big city international high schools, for a rewriting of the Defense Education Act and for increased funding of the Fulbright scholarship program and other international education programs.

Pending any reversal of trends in the schools, responsibility for training US diplomats will rest with the State Department. Unhappily, inquiries there suggest that foreign service officers have little incentive to learn and stick with difficult languages or area specialties. Foreign language instruction in schools and colleges is in such a bad way that the department long ago had to drop language proficiency as a prerequisite for entry into the foreign service. But it does not even give applicants a competitive advantage if they do speak another language.

Once in the service, new officers get a one-time promotion if they know foreign languages. Minimal professional proficiency (referred to a 3/3 rating—3 for reading, 3 for speaking) in a popular "world" language, or limited working knowledge (2/2) of a "difficult" language can be worth $1000 to a young officer. Someone who enters with native-speaker proficiency (5/5) in a hard language can get up to $2500. That is about the limit of the department's incentive system.

After four years, foreign service officers are required to rate 3/3 in a world language or 2/2 in a difficult language in order to keep their jobs. This means that every officer has to pass a language test at one point in his career, but it means little else. There is no requirement for re-testing, and no benefits, either, for retaining proficiency. In fact, the system contains outright disincentives against learning new, especially hard, languages. An officer who passes a French exam once and goes on to work in posts where no language at all is required will have a strong competitive advantage over another who spends two years learning, say, Arabic or Chinese. School-time is not as good as post-time in the State Department's promotion-rating system.

Once trained, an Arabic or Chinese speaker has some choice posts available. But that is not the case with officers who learn one-country languages such as Sinhalese or Amharic. Such proficiency gives one opportunity only to serve tours in Sri Lanka and Ethiopia, to which foreign services officers and their families are likely to say no thanks. The Soviet Union, which doesn't worry about what families think, sends its diplomats back to the same country again and again, assuring itself a cadre of seasoned experts. The United States not only does not encourage such specialization, but a program instituted during the Kissinger era actually discourages it. Kissinger supposedly visited Mexico City once and was appalled that US diplomats there didn't understand SALT. So he instituted the Global Orientation Program (acronymed GLOP), requiring that foreign service officers spend a certain amount of time outside their specialty area. In practical terms, this means that a Korean language specialist may end up, say, in South Africa, where his language proficiency will lapse and the money spent to train him will be wasted.

What to do about all this? Clearly, pay and other incentives should be created to encourage officers to learn and stay proficient in languages. Tours of duty probably should be extended from two years in a post to three. New ways have to be found to employ spouses of foreign service officers abroad; increasingly, they are refusing to give up jobs and pleasant surroundings in Washington to traipse the earth. On the other hand, creating "little Americas" in underdeveloped countries, with swimming pools, bars and fancy commissaries, isolates American diplomats and creates distance between them and local people. The Carter administration, with its various review boards and commissions, has to figure out how to find, train and encourage more dedicated internationalists than the United States now has. It is the only way for the US to be sensitive to what is happening in other countries. It is the only way to avoid Ulgy Americanism. The country in *The Ugly American* was fictional, but American bumbling was a reality in Vietnam. And more recently, in Iran.●

ENERGY INGENUITY

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. VENTO. Mr. Speaker, I think it is essential that we do not forget the spirit of individual initiative and determination that has made this country great. A recent article in the St. Paul, Minn., Dispatch by Gareth Hiebert is testimony to that spirit and to the realization that ultimately the solutions to our problems must come from the talent and ingenuity of our citizens.

The story is that of Laszlo Tekler and a remarkable invention: A new wood burning furnace that through the use of water and a system of pipes is the primary source of heat for his home during those famous Minnesota winters.

The idea was born when he and many like him were confined to Russian gulags—prison camps—and had to withstand temperatures as low as 52 degrees below zero. As he says in the article:

> To stay alive we had to develop some creative heating systems.

In 1956 he escaped from Hungary and eventually resided in St. Paul where he worked at perfecting his invention for nearly 11 years. I submit this article for the Record and to the attention of my colleagues:

HAND-BUILT FURNACE REFLECTS TAILOR'S INGENUITY

(By Oliver Towne)

Laszlo the Tailor began inventing his wonderful aluminum-painted wood-burning furnace over 30 years ago in a Siberian prisoner of war camp.

This is his altar of achievement, a monument to his skill. But it has to be set in perspective: the history of Laszlo Tekler and his wife, Maria.

There is the hospitality, the enfolding, huge "wrap-around" friendship for a stranger. This I found at his kitchen table, which is something Laszlo Tekler inherited from his Hungarian ancestors in the little city of Gyor. With it came a talent for handling clothes, cleaning, sewing, the "tailor's eyes and hands."

The ebullience of the tailor shop at 1169 Randolph Ave. and the plants in the window are part of Maria's personality. And so are the pots of goulash and noodles simmering on the stove. Maria is a daughter of Budapest.

The newly sown bed of sweet Hungarian paprika is from the green thumb of Laszlo Tekler, the big, hearty, smiling tailor at the western edge of St. Paul's West End.

Even in the vise of winter, the plants in the window radiate color and friendship, mirroring the hands of the couple who planted them.

But it is Laszlo's new wood-burning furnace that brought me there, the one that enthralled the various city inspectors. It is the right time to find Laszlo.

"Good you come on Monday afternoon," he says. He seems eager to shut off the presser and leave that machine. "It is a slow day. I need some company. Maria is getting ready to go to work at Pearson Candy, where she has been 10 years. Stephan is home from Cretin, but glued to TV."

The eldest son, Laszlo Jr., a pre-medical student has gone to his part-time job at St. Paul-Ramsey Hospital.

"Come, I show you my invention, then we drink a glass of wine together and chat like we used to in my home town in Hungary. I miss those chats around the table."

Laszlo's wood-burning furnace was invented and fired up in an auspicious era of civilization—when energy was beginning to give out and prices rocketing.

"I could have invented something else . . . but thank God now that I survived the 19 gulags (prison camps) they put me in from 1945 to 1948. . . . It was so terribly cold. 52 below, very little heat. We nearly froze or starved. And to stay alive, we had to develop some creative heating systems," he says, patting the 4-foot high furnace in the garage.

He demonstrated how it works.

The burning wood heats water pipes, which run above a false ceiling into every room of the two-story house and tailor shop in front.

"Now, when the furnace is working, a red light goes on in the kitchen behind the tailor shop on this panel, connected to the gas furnace. The latter is shut off when the wood is heating the pipes.

"So I never have to run out into the garage to see what's happening, unless it is to add a few pieces of wood. Maybe every four or five hours."

What mesmerized the inspectors were the safety devices Laszlo installed.

First, when the water temperature reaches 180 degrees, an automatic thermostat banks the fire. In case that should fail, there is a pressure-release valve. And if that should ever forget to work, Laszlo has a petcock valve that automatically opens and sends steam into the firebox to douse the fire.

"He was working on this for almost all the 11 years since we built this shop and house. He measured everything. He drew every inch of plan. He slept dreaming about it . . . and I never thought it would work, frankly," Maria says.

"And the first time I fired her up, it worked perfectly, and it never fails," Laszlo says.

What does it cost him?

"Nothing. Absolutely nothing. The wood all comes from my lake cottage property near Centuria, Wis. So I saved already in one month $169 . . . Of course, I still use gas as a backup and in terribly cold weather, those few days we had," he says.

"But come, let us sit at the table and talk as friends, now that you have seen my remarkable invention, and I will tell you about how I come to be on Randolph Avenue and not buried in Siberia or still back in Hungary."

Sometimes we spoke in German.

"One more question about the furnace," I said. "Now, that you've made one, can you make more?"

"I could, certainly," he says, waving his arms. Then he set a bottle of white wine and two glasses on the table.

"We drink a toast to the furnace and you coming here," he says. Glasses clinked, Maria laughed.

"Like old times," she says.

Laszlo Tekler was 32 years old in 1956, frustrated, tired of wars. He had served in armies and the air force, and been taken prisoner by the Russians. He had almost died in those Russian gulags. The Hungarian Revolution was the last straw.

In November, when it was almost impossible to escape, he escaped to Linz, Austria.

"But, you know, in that last moment before I crossed the border, I fell on the ground and hugged it—my native land."

Fortunately, Laszlo and Maria go back to Hungary frequently.

"I come to St. Paul because they tell me in New Jersey that the weather is like Hungary. They were right. Besides, the St. Paul Cathedral was sponsoring us. We are devout Catholics of the old ways and days."

Maria had arrived earlier, with relatives, before the 1956 revolution.

"We met in the old German-American House on Rice Street . . . neither of us knew enough English to find our way on a bus. We lived at 50 Summit Ave. for a while and walked miles because we couldn't talk to anybody on a bus," Laszlo says.

He arrived in St. Paul wearing a pair of old boots, ski pants that were falling apart, a worn sports jacket.

"We worked. How we worked. I worked in tailor shops in Minneapolis, I worked 102 hours a week in a shop in Sibley Plaza. We had the two boys. Maria worked at Pearson Candy."

But look at Laszlo the Tailor now.

There is the comfortable two-level residence, tailor shop—like in the old country—three bedrooms, two kitchens, one upstairs and downstairs where we sat near the shop so Laszlo can hear the front door bell when customers come.

"Don't forget to tell him about the winterized 'dream cottage' near Centuria with three bedrooms, bath, kitchen, living and dining rooms," Maria says.

"One day I was looking for property and we drove into Centuria. I went into a bar and asked around. Some boys went out and came back with a real estate man. I told him I was looking for a nice lot on the lake. He had one; I bought it," Laszlo says, sipping his wine.

He sat back, beaming with success.

"And then he built the whole house on the lake all by himself," Maria says.

"For my retirement," he adds.

Laszlo still works long hours, at night when the doors are locked and the customers have gone.

There is an old German saying that describes Laszlo and Maria:

"Arbeit Macht das Leben suess!" (Work makes living sweet.)

But on Monday afternoons, when somebody comes to see the remarkable wood-burning furnace, then it is time to sit on the top of the mountain and look back at the steep, rocky trails you have climbed.●

WORLD'S MOST DANGEROUS RELIGION

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. DERWINSKI. Mr. Speaker, the United States, more than any other country in the world, has historically shaped its national policy cognizant of fundamental moral principles. One of the greatest positive forces in our Nation is the existence of a free press. A specialty segment of the media is the religious oriented press.

The Christian Citizen, published weekly in Alsip, Ill., is an outstanding example of such an inspirational publication. Donald M. Parker, publisher and editor of the Christian Citizen, comments in his column of March 23, on a subject which I feel will be of special interest to the Members. His comments follow:

WORLD'S MOST DANGEROUS RELIGION

(By Donald M. Parker)

If you had to suggest which might be the world's most dangerous and threatening religion, which would you name?

I suppose out of 100 suggestions, Jim Jones type cults might come in first, especially in view of the recent, horrendous People's Temple suicides in Jonestown, Guyana.

Satanism, the Moonies or Atheism might come in as close runners up.

While after some deliberation Satanism might seem the logical choice to best answer the question as to the most dangerous religion, there is a religion far more subtle, far more pervasive and "satanic," if you will.

It is called Secular Humanism.

Humanism makes man "the measure of all things," as Protagoras wrote in the fifth century B.C. There is no higher good, there is no more noble nor higher purpose to life than the realization and fulfillment of man's desires and innate potential, according to the spirit of Humanism.

Secular Humanism is a pull-out-all-the-stops declaration that man needs no God, no Supreme Being or Deity to realize all that he can do or become in himself. Secular Humanism decries the need for religion as traditionally understood in terms of fixed beliefs, doctrines and ethical laws or standards.

In 1933 the Humanist Manifesto (I) was written, published first in The New Humanist, May–June of that year. Since then it has been republished by the American Humanist Association.

The second paragraph of that Humanist declaration begins, "There is a great danger of a final, and we believe fatal, identification of the word religion with doctrines and methods which have lost their significance and which are powerless to solve the problem of human living in the Twentieth Century."

The first affirmation of this Manifesto is, "Religious humanists regard the universe as self-existing and not created."

The fifth affirmation begins, "Humanism asserts that the nature of the universe depicted by modern science makes unacceptable any supernatural or cosmic guarantees of human values."

The tenth statement reads, "There will be no uniquely religious emotions and attitudes of the king hither-to associated with belief in the supernatural."

There are fifteen such theses, all to the effect that nothing at all higher than man exists in the universe. All is secular and relative. There is no god, no absolutes or set standard.

Of the thirty-three names signed to this Manifesto, nineteen of them appeared in a volume of Who's Who in America a few years back; educators such as John Dewey, pastors and editors such as A.C. Dieffenbach and John H. Dietrich, atheists such as Albert Eustace Haydon and Charles Francis Potter. In the final analysis, atheists—practical atheists—all.

Betty Friedan, founder of the National Organization of Women, militant and hard-core advocate of the Equal Rights Amendment, is a signer of the Humanist Manifesto.

A strange thing has happened. The Humanist movement of today as expressed in the Humanist Manifesto and promoted by the American Humanist Association has itself become a religion!

In 1961 the U.S. Supreme Court, in the Torcasco decision, formally recognized Secular Humanism as a religion.

John Dewey, termed the father of modern, "progressive" education, was a Humanist, a signer of the Humanist Manifesto, and a self-confessed atheist. In his writing and teaching he rejected fixed moral laws and eternal truths and principles. He adopted pragmatic, relativistic concepts as his guiding philosophy.

According to Dewey man is a biological organism completely molded by his environment. Dewey believed that because man's environment is constantly changing, man also changes constantly. Therefore, Dewey concluded, teaching children any of the absolutes of morals, government or ethics was a waste of time.

Dewey's experimental theories, coming out of the heart of Humanism, became the "bible" of the "progressive" educational system in American public schools. Under the pretext of improving teaching methods, Dewey's disciples changed what was taught to American children and teenagers.

The "god" of Secular Humanism therefore had to cast out the "rival god" represented by Bible reading and prayer. Rather than the biblical account of creation being taught to youngsters, evolution became the "answer" to life's origin.

Humanism is being taught in public schools and some private schools under the guise of Values Clarification, sex education, family living and other subjects. Some of the methods being used are behaviour modification, group therapy and psychotherapy.

Modern courses of study such as literature, social studies, environmental studies and even math are conduits for the brainwashing dogma and propagation of Humanism.

When Dr. Sidney Simon appeared at the Wisconsin Education Association convention, he was introduced with the reading of an article on Values Clarification by Erica Carle:

"It's OK to lie . . . It's OK to steal . . . It's OK to have premarital sex . . . It's OK to cheat . . . It's OK to kill . . . if these things are part of your own value system and you have clarified these values for yourself. The important thing is not what values you choose, but that you have chosen them yourself freely and without coercion by parents, spouse, priests, friends, ministers or by social pressure of any kind."

The typical Humanist attitude is expressed in the creed from the British Humanist Association:

"I believe in no god and no hereafter. It is immoral to indoctrinate children with such beliefs. Schools have no right to do so, nor indeed, have parents. I believe that religious education and prayers in school should be abolished . . . I believe that children should be taught religion as a matter of historical interest, but should be taught about all religions including Humanism, Marxism, Maoism, Communism, and other attitudes of life. They must be taught the objections to religion. I believe in a non-religious social morality . . . Unborn babies are not people. I am as yet unsure whether the grossly handicapped are people in the real sense . . . I believe there is no such thing as sin to be forgiven and no life beyond the grave but death everlasting."

Humanists promote euthanasia. The Humanist Manifesto lists as civil rights, "the right to die with dignity, euthanasia and the right to suicide."

Rev. Jim Jones' 'bible' must have been the Humanist Manifesto!

Secular Humanism controls public education today. It permeates television and the movies. It has perverted popular concepts of marriage, home and family. It has twisted the concept of separation of Church and State to the extent that even Christians now quite generally accept the thought that religion is a private matter to be relegated to the closet, rather than serving as the basis for a just government and well-ordered society.

Politics devoid of the Judeo-Christian ethnic has become the norm. Business likewise.

Humanism leads Bureaucrats to think of themselves as social saviours as they go about redistributing the wealth, expanding credit, creating worthless paper 'money', curbing free enterprise and private initiative, strangling practically every area of life with government controls and, in effect, attempting to create a Socialistic Utopia.

When the American Humanist Association met in Orlando, Florida, April 7–10, 1978, President Jimmy Carter sent the following telegram, as quoted in Free Mind, newsletter of the AHA, Vol. 21, No. 6:

"Those who participate in the Annual Meeting of the American Humanist Association are furthering a movement that greatly enhances our way of life. As you know, the advancement of human rights has become the cornerstone of this administration's actions at home and abroad.

"The work of your organization in this area is, therefore, especially gratifying to me, and I welcome this opportunity to applaud your important accomplishment. May you have a most productive and inspiring 1978 session."

1984 is here today, ala Secular Humanism, the world's most dangerous religion! ●

AMTRAK CUTS PROTESTED

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. SHELBY. Mr. Speaker, I rise today to protest the proposal to completely eliminate Amtrak passenger train service through the State of Alabama.

Under the plan the east-west route through the State, which is now traveled by the famed Southern Crescent and the north-south Floridian route would be to cut out under the proposal to eliminate 12,000 of Amtrak's 27,700 passenger miles.

Ostensibly the cuts would be made in the name of economy and to save on the massive Federal subsidies now being paid to Amtrak by the Government to keep rail service alive.

And while I certainly sympathize with the desire to save money when and where we can, I cannot go along with the method proposed by the Carter administration and Transportation Secretary Brock Adams.

For one thing, it defies logic to urge the American people to economize on transportation costs on the one hand and to deprive them of one of the most economical means of transportation on the other. With the ever-rising costs of gasoline I foresee more and more people turning to alternative means of transportation—rail service among those means—to get where they want to go. Why completely deprive the people of Alabama and several other States the railroad alternative?

The Department of Transportation now estimates it costs the average American 21 cents a mile to drive an automobile. Based on Amtrak's current fare schedule, it costs only 7 cents a mile to ride the rails. I assert to you it does not take a Ph. D. in economics to determine just where the economy lies in those two figures.

For another thing, I see in the administration's proposal a form of regional discrimination in that while many Southern routes will be completely eliminated, there will be no cutbacks in the Washington-New York-Boston routes.

In fact, Adams admits improvements and additions are contemplated for this Northeastern Corridor. Adams said the administration plans to add $654 million to the $1.75 billion it has already allocated to upgrade rail service in the Northeast.

Now I ask you, where is the economy in allocating an additional $654 million?

I am not one to see schemes where none exist, but I do detect in the dual proposal to eliminate service in Alabama and increase service in the Northeast another salvo in the battle between the Frost Belt and Sun Belt States.

I think it would be fair to predict that if the South continues to grow, both in population and affluence, the southern Amtrak passenger demand will also grow. If those routes are eliminated, however, rail service in the South would, of course, not have a chance to meet that demand.

Let us look for a moment specifically at the proposal to eliminate service to Alabama and especially to the Seventh Congressional District, from which it is my pleasure to serve in the 96th Congress.

Currently the two Amtrak routes through Alabama neatly divide the State into quadrants, with the two lines crossing in Birmingham. The north-south route, which originates in Chicago and terminates in Miami, enters the State north of Decatur, travels through that city, to Birmingham, through Montgomery and leaves the State near the Alabama-Georgia-Florida border.

The Southern Crescent east-west route originates in Washington, goes through Atlanta and Birmingham and enters the seventh District in the Jefferson County cutoff. Stops are then made in Tuscaloosa, Eutaw, and Livingston before the Crescent leaves Alabama and the Seventh District on its way to New Orleans.

Secretary Adams cited low ridership as one of the reasons for cutting some rail routes, but according to official Department of Transportation figures, some 170,000 passengers rode the Southern Crescent in 1977.

And this staggering passenger total was achieved while the Southern Railway was operating the Crescent with absolutely no advertising. Since Amtrak took over the Crescent it began an extensive advertising campaign (and lowered the fares) and it will be extremely interesting, indeed, to see how ridership is affected.

It is my hunch that ridership will go up drastically—further belying the administration's arguments for reduction of service.

I hope I need not remind my colleagues that the Crescent which has been operated for 88 years by the Southern Railway until it was taken over last week by Amtrak, is a storied and fabled part of Americana and its elimination—aside from the economic folly it would entail—would strike a blow against our common American heritage.

I probably also need not remind my colleagues that the proposal to cut Amtrak has raised the ire of several consumer groups and if the proposal ever reaches implementation, will probably raise even more indignation.

Joseph Zucker, the assistant director of the National Railroad Passengers Association, has already announced a nationwide plan to win congressional support to veto the planned cutbacks.

And I rise today to tell you that I, for one, plan to join the movement to seek such a veto.

My distinguished colleague from New Jersey, Mr. FLORIO, has already announced plans to hold hearings at the earliest possible date in his Transportation Subcommittee of the Interstate and Foreign Commerce Committee, on which we both serve.

I plan to follow those hearings very closely and to become even more involved to block the cuts once the proposal reaches the full committee.

We in Congress have approximately 3 months to insure that rail service continues to be provided to as many citizens of the Nation as possible.

I am confident that the administration's plan can be substantially altered and that we in Congress can insure continued service after October 1, the date the proposal will go in effect if we do not act.●

TRIBUTE TO MRS. SHIRLEY PHELPS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. CLAY. Mr. Speaker, I recently received a copy of the Newsday magazine, dated March 4, 1979, that featured an article entitled "Shirley Has It All Over Those Embassy Parties," written by former Congressman Otis Pike.

This article pays tribute to Mrs. Shirley Phelps, a waitress, Ambassador of Goodwill, and catalyst for uplifting our spirits at the National Democratic Club.

Most of us that frequently dine at this establishment are familiar with this energetic lady who always has a cheerful and inspiring remark to help soothe our somewhat tattered nerves.

I share these feelings of Mr. Pike and am honored to have the opportunity to insert his article in the RECORD:

SHIRLEY HAS IT ALL OVER THE EMBASSY PARTIES

(By Otis Pike)

When I was a new member of Congress, many moons ago, I would peruse avidly the Washington society columns, believing, as did the columnists, that who attended what functions was fundamental to whether the government functioned at all.

Who was invited to dine with the ambassador from Nefarious at the White House? Where did they sit? What did they wear? What did they eat? What bright and brittle things did they say to one another?

Without a steady diet of such prattle, one was led to believe, democracy would crumble. A cabinet member whose name did not appear regularly on the better guest lists, or who was relegated to such dull daily rituals as bill-signing, was clearly on the way out, and the more waspish columnists would buzz with titillating hints about his likely successor. Conversely, a senator who appeared twice in one month at major White House dinners clearly had the President's ear, and would have no difficulty raising campaign funds next year.

Over the years, however, my attention has wandered. After attending a few—very few—such "happenings" are considering many more, it became increasingly obvious that, with the weakening of the seniority system and the resultant diffusion of power among many members of Congress, the salons of Embassy Row and Georgetown and the elegant rooms of the White House weren't where the action was.

The same people were always invited—the chairmen of the committees controlling the boodle the administration wanted to get its mitts on. They sat in the same chairs. They wore what had been fashionable in New York last year, ate bland foods and talked about how impossible Washington's public schools were, and how dreadfully expensive its private schools.

Surely the leaders of a mighty nation deserved better fare in their nonworking and semi-working hours, when friendships flourished, hair is lowered, realities are discussed, deals—to put it coarsely—are cut. They have it.

Washington's most influential hostess is not found in the salons of Georgetown. She graciously receives and entertains the leaders and followers of Congress each day. Cabinet members value her friendship.

She entertains at 30 Ivy St. SE, and is not your run-of-the-mill Washington hostess. Her name is Mrs. Phelps—*not* a household word. Mention "Shirley," however, and a majority of Capitol Hill lights up.

Thirty Ivy St. SE is the present lair of the National Democratic Club, its third in the last 20 years. The seemingly permanent majority of Democrats in Congress has caused its fortunes to wax as lobbyists, industrialists and fortune hunters of all ilk happily pay its dues. Lonely Republicans are there, haunted by the echoes at their Capitol Hill Club. Hidden away in a gully next to the railroad tracks, the Democrats' decor is an opulent Ornate Modern.

Its heavy door with oversize brass nameplate opens on to a grand staircase, which one either may ascend to the rooms where congressmen held almost daily fund-raisers in even-numbered years, or descend to the large dining room, smaller bar and piano-sized piano bar where they relax in odd-numbered years. It is on the lower level that Shirley entertains, and it is a jam-packed, bustling and happy place.

Shirley is black and, in the eyes of her beholders, beautiful.

Asked how many representatives she knows by name she unhesitatingly replies, "300." How many senators? "50." How many wives? "Most of them." How many girl friends? "Not one, honey—not a one!" This does not diminish her beauty in the eyes of her beholders.

Shirley, I have forgotten to mention, is a waitress. She has worked in the Democratic Club at all of those three Capitol Hill locations for 20 years. She works harder and more efficiently than any waiter or waitress in the world—when she feels like it. She has been known to sit at a table, kick off her shoes and hoist one for herself while congressmen bang loudly and fruitlessly on their own tables to get her attention. Shirley is unimpressed, having watched some of her guests go on to sit in the White House while others sat in jail.

She knows what at least 100 regulars are going to drink, and frequently has it in hand before it is ordered. One lobbyist swears that after one single visit he was greeted a year and a half later with, "Hello, Mr. Palumbo, I believe it was white wine." Right on both counts!

If one of our nation's leaders appears to have had enough, she can't see him when he wants more.

She adheres to a very strict protocol of her own. Rep. Allen Swift (D-Wash.) was a long-time friend, having spent four years as an aide to his predecessor. Elected himself last year, he was greeted with, "No more Al. Hello, Swift."

On the other hand, a retired congressman will be greeted with, "Hello, Otis, baby—I've waited 18 years for this," a crushing hug and a memorable kiss.

Mrs. Phelps was born and raised in Forest, "about 15 miles from Lynchburg," Virginia. No way was a hamlet of 500 going to contain that much energy. Escape came at age 18 by climbing out of a window into her lover's arms. After seven years of marriage, the husband was gone and the two children remained.

Washington was just the right size for her, and she was, and remains, a smashing success. With the eye of an osprey and total recall, her formidable knowledge of Congress and its members would probably suffice to get a small war declared. Happily, Shirley is a lover, not a fighter. Asked why she doesn't write a book, she smiles sweetly and says she does fine by just threatening to.●

WAR ON DANGER ESCALATES

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. VENTO. Mr. Speaker, an estimated 100,000 workers a year are killed and millions more are injured, maimed, or otherwise incapacitated by occupational dangers.

To combat this mayhem in the workshops and the fields of America, the Occupational Safety and Health Administration of the U.S. Department of Labor is enlisting volunteers in the war against safety hazards. In addition, a massive educational campaign is being mounted to train millions of farmers and working people in the search for those "substances which can mangle, burn, smash, slice, shock, or poison workers."

I call attention to the following article from the Minneapolis Star of March 21, 1979, which describes the commendable OSHA effort to bring safety-consciousness to the factory and farm:

WAR ON DANGER ESCALATES

(By George Monaghan)

The government's workplace watchdog is recruiting an army of working people to help it hunt down some of the occupational dangers that kill an estimated 100,000 people a year and injure millions more.

If successful, the effort could touch the lives of 60 million workers around the country by ensuring the most crucial of all fringe benefits—a safe, healthy place to work.

Officials of the Occupational Safety and Health Administration say the new campaign is the biggest educational effort OSHA has ever undertaken; the effort reaches into unions, farm organizations, trade associations and universities.

OSHA is enrolling county agents, for instance, to help sharpen the awareness of farmers, farm workers and their families to the latent and sometimes lethal dangers in such common facts of farm life as grain dust and manure piles.

It is using grants to recruit unions and trade groups around the nation to help develop instruction programs on health and safety.

It is bringing workers to universities and colleges to be trained to look for—then do something about—hidden dangers that can mangle, burn, smash, slice, shock, or poison workers.

TWO GRANTS AT "U"

And the campaign will go beyond common safety hazards to dangers that can't always be measured or seen and smelled—those silent, subtle assaults on health from a lengthening list of substances that cripple or kill, little by little, through the years.

In Minnesota, the effort is taking shape through two $50,000 grants to the University of Minnesota, one to study hazards to urban workers, the other to look at farmers and agricultural workers.

OSHA is a relatively low-budget federal agency. It has been backed by a growing coalition of unions, but persistently attacked by employers as a bad-guy bureaucratic nitpicker.

Left in the middle are the workers. For them the OSHA law is simple: It makes it a crime for an employer to permit dangerous and unhealthy workplaces.

But behind the simplicity stands the staggering bulk of an intricate maze of standards and regulations, says Frank Lee, coordinator of the new Occupational Safety and Health Training program at the university, one of the two grant recipients.

"If someone's life depended on it they'd probably die before you could find the right standard," he says, and so one of the program's main aims is to show people how to find the standards that apply to their industry, facts that lurk somewhere in the thousands of pages and several volumes of the OSHA regulations.

TALK BUT NO ACTION

Once that's done, and a specific hazard is pinned to a specific standard, the real OSHA-style fun begins. This is the part, Lee says, that costs money and scares businessmen.

Most industries and unions have joint safety committees. Union people sit down with company people and talk safety. But from the union's point of view it often means little more than talk.

Terry Cowall, president of Local 1 of the American Federation of Grain Millers, says such committees often become mere fronts for industry. Discussions of safety and health hazards too often follow a familiar scenario.

"They say they'll take care of it—in the next fiscal year because right now they don't have the money and I've seen some where six months later the committee will be talking about the same problem. By then someone could get hurt."

The only route then, he says, is to go to OSHA with a complaint. But here again the trouble with money comes up because OSHA has never had sufficient staff to keep up with safety and health inspections—although Minnesota, as states go, has a relatively advanced OSHA program.

There are about 700 grain elevators in the state, all of them virtual bombs under the right conditions, and Cowall says it's not uncommon for some of them to go two or three years without a safety inspection.

UNION BARGAINING

One elevator in Savage, owned by Bunge Corp., blew up in October, killing three people. It hadn't been inspected for four years.

"If a company won't do anything about a problem," says Cowall, "the only thing we can do is go to OSHA, but just to get them here can take up to a month. Then a report takes another month and then even if the report says there's been a violation they can appeal . . ."

Lee thinks unions can do more on their own by exploring the greater use of collective bargaining to secure voluntary compliance even before complaints are filed with OSHA. Just by bringing it up during bargaining, he says, unions will let employers know someone is paying attention.

"We would like to suggest in our program that joint committees have a well-defined mission with attainable goals and very specific deadlines, and that they should meet and report regularly. The members should be the people most interested in health and safety," he said.

"The chairmanship of the committee should be rotated and then if there are still problems with the joint committee, the union should form a unilateral committee. We'd like to see cooperation, but it can be a very antagonistic relationship because of the cost, although cost is not a factor in abatement. It's the law.

"One shoe factory in Wisconsin had a problem with fumes and they gave their workers masks. But masks are not abatement. What is needed for abatement is a ventilation system, and that costs dollars. This is one of the enforcement problems, because if a ventilation system costs more than the OSHA fine, a company can opt to pay the fines."

"SILENT VIOLENCE"

Probably the most intricate and disturbing puzzle facing workers is what has been called the "silent violence," the substances that slip into their bodies and work over such long periods that tracing the origin becomes hopeless.

"Let's face it," says Lee, "workers are bringing home a lot more than paychecks." They are bringing home varieties of occupational health problems that spread from them to their families, sometimes indirectly and sometimes directly when substances are carried home on their clothing.

There are 6,000 chemicals commonly used by industry. How much of them it takes to poison workers or give them cancer—the so-called threshold limit values or TLVs—has been figured for only 412 of them. And the problem isn't getting easier: 400 to 500 new substances are added every year.

On top of that are more complications. TLVs are determined under controlled, sanitized laboratory conditions on animals. Workers are people. They work in settings with complex combinations of heat, noise, dust and chemicals, and they may not be too healthy anyway.

It makes a difference. And workers, Lee says, should know about that difference and the fact that many physicians, including those employed in a plant, may have neither the training nor the inclination to ask questions that will pin down precisely the source of an occupational health hazard.

FARM HAZARDS

The hazards facing agricultural workers and farmers—who traditionally are touchy about government meddling—will be treated by the second grant to the university, a pilot program headed by Robert Aherin of the Agricultural Extension Service.

His program will be delivered through people and programs farmers already know—county agents, agricultural educators, vocational agriculture groups and farm organizations. It will concentrate on the economics of safety, chemical dangers, secondary causes of accidents and chemical dependency on the farm.

Normally, says Aherin, agriculture is either No. 1 or 2 as the industry with the most work-related fatalities; there were 36 in Minnesota last year.

But beyond the pain and suffering, the fact is that farm accidents cost farmers a lot. In property damage alone in Minnesota they cost farmers $40 million a year. And, says Aherin, for every hour a farmer loses from an injury, he is out $100 to $150.

Farmers pay high rates for worker's compensation too—$13 for each $100 in salary goes for insurance in Minnesota for most farmers.

COST OF INJURIES

"The average farmer makes $800,000 in his lifetime, and if he's injured seriously, say a back injury, or a lost leg or hand, it's going to cut into his potential productivity substantially," Aherin argues.

Beyond injuries, the program focuses more attention on the "silent violence" in the fields.

Airborne poisons like dust and toxic gases in enclosed places have killed livestock in recent years and have almost killed some farmers. And silos can kill with a gas called nitric oxide.

Some of the toxic hazards on the farm are well documented. But others are potentially lethal and filled with ominous unknowns.

Charles McJilton is director of the university's Department of Environmental Health, which will give technical support to the university programs. He says studies have been done on toxicity to workers who apply pesticides, wheat sprays, orchard sprays and the like. But a big hole exists in knowledge of what happens to people at the other end, the people who handle the grain the pesticides were sprayed on.

"We don't know how long some pesticides hang on, and they go home to their families with it all over them, besides breathing it all day," McJilton says.

Aherin's program will touch on another subject that's inconsistent with the conventional ideas of American farm life. Some farmers have chemical dependency problems. Some are alcoholics.

And they have stress down on the farm, too, especially in spring and fall when the work gets heavy and the hours long and the accident rate starts taking a sharp turn upward.●

EMPLOYMENT POLICIES IN THE AGE OF AUTOMATION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. CONYERS. Mr. Speaker, on February 1, 1979 I reintroduced the Fair Labor Standards Amendments of 1979 (H.R. 1784), a bill that provides for the gradual reduction in the workweek to 35 hours over a 4-year period; increases the premium rate for overtime from time-and-a-half to double-time; and abolishes compulsory overtime so that employers have to consult their employees in scheduling overtime.

A major and growing problem in our economy is the displacement of workers by technological innovation. While technological change is indispensable to economic growth and high levels of productivity, a basic human and social cost that has been overlooked far too long is the shrinking opportunities for employment. As the distinguished economist and holder of the Nobel Prize for Economics, Dr. Wassily Leontief of New York University, recently pointed out:

> The fact that machines do displace labor cannot be questioned. . . . New machines, new technology introduced because it cuts production costs can, indeed, reduce the total demand for labor.

More than 40 years ago, the Fair Labor Standards Act (1938) cut the work week by 35 percent to 40 hours and in the process was a principal means during the Depression of reducing unemployment and stimulating productivity. Its basic provisions have not changed since that period yet the Nation has continued to have chronic high levels of unemployment and accelerating technological unemployment, for which conventional macroeconomic policies have offered little or no solution. Among the numerous examples of the latter is the new communications technology: Thirty years ago, several thousand telephone operators handled 1 million long-distance telephone calls; 20 years ago, only several hundred were required for the same task; today, as a result of automated switchboards, only a few dozen telephone operators are necessary. The technological unemployment that has occurred on such a massive scale in manufacturing industries is spreading to service occupations as well.

Technological displacement of labor will be one of the issues raised at a major trade union conference on the shorter workweek, that will be held on Friday, April 6, 1979, beginning at 9:30 a.m. in the Cannon Caucus Room. The conference, sponsored by the All-Unions Committee To Shorten the Work Week, will raise public awareness of long-term unemployment issues and plan for legislative and citizen action across the Nation to win support of a shorter workweek as a prinicpal means to solve unemployment.

I want to bring to the attention of my colleagues an article by Prof. Wassily Leontief on the effect of reducing working time on unemployment and lagging productivity. Dr. Leontief, winner of the Nobel Prize for Economics in 1973 for his pioneering work on input-output analysis and the structure of economic growth, is the author of numerous books, including "The Structure of the American Economy, 1919–1929"; "Studies in the Structure of the American Economy"; and "The Future of the World Economy."

Dr. Leontief's article, "Employment Policies in the Age of Automation," was originally published in ILO Information in 1978, the newsletter of the International Labor Office.

The article follows:

EMPLOYMENT POLICIES IN THE AGE OF AUTOMATION

(By Wassily Leontief)

If asked to single out one force that has contributed more than any other to the phenomenal economic growth of the last two hundred years, one would say technological change. It was, however, the newly invented powerloom that deprived thousands of English weavers of their jobs about 160 years ago. Today the American Telephone and Telegraph Company is installing automatic switching equipment that will permit it to handle the anticipated increase in the volume of long-distance calls with the same number of long-distance operators.

The fact that machines do displace labor cannot be questioned, but many economic theorists hastened to point out at the time of the Luddite Rebellion that this did not mean that the total demand for labor and total employment must, because of that, diminish. An equal or even a larger number of new jobs, so they said, will necessarily be created in the machine building and its subsidiary industries. But is this, in fact, so?

The answer to that question is of crucial importance for the understanding of the economic, social and political problems faced by labor in times of accelerated technological advance, and that answer is "no". New machines, new technology introduced because it cuts production costs can, indeed, reduce the total demand for labor, i.e. the total number of jobs available in all sectors of the economy taken together at any given wage rate.

To use a somewhat crass and even shocking analogy, new machines can reduce the total demand for human labor for the same reason and essentially through the same process that, a few decades ago, led to the replacement of draught horses by trucks, tractors and automobiles. To argue that workers displaced by machines should necessarily be able to find employment in building these machines does not make more sense than to expect that horses displaced by mechanical vehicles could have been directly or indirectly employed in various branches of the expanding automotive industry.

Moreover—and this is particularly important in the context of the present discussion—the transition from a horse-driven to a motorized economy was accomplished quite smoothly despite the fact that the demand for oats, harnesses and new stables was drastically cut. The flows of "purchasing power" simply changed their direction under the prodding of impersonal market forces, and so did the commodity flows. The output of goods and services required for the sustenance of horses declined, while the output of steel and gasoline, not to speak of automobiles, went up. The economic system adapted itself to the new technology quite smoothly and if the operation of blind market forces imposed some hardships on oat growers and harness makers, in a perfectly organized system capable of anticipating the impending shift and preparing for it, the transition could have been managed without the slightest hitch. If horses could have been organized and were able to vote, this, indeed, would have been quite a different story.

MEETING THE THREAT

One way of meeting the threat of potential technological unemployment is the creation of new and maintenance of the old jobs through increased investment, i.e. economic growth. But this possibility has definite limits. How fast would the economy, and with it the volume of investment, have to grow in order to keep the number of long-distance telephone operators from decreasing in face of the fact that each of them will soon be able to handle 10 million instead of 1,000 telephone calls?

The rate of investment required to accomplish this end might turn out to be so high that very little would be left for current consumption. In the pursuit of full employment through a greater and greater volume of productive investment, the society ultimately would find itself in the position of the proverbial miser who deprives himself of the bare necessities of life while depositing more and more into an already swelling savings account, and this despite his steadily increasing annual income. This is exactly what might happen in the long run under the relentless pressure of technological advance, if the forces of unrestricted cutthroat competition were permitted—let's hope they will not be—to govern the operation of the labor markets and conditions of employment.

Opponents of the trade union movement argue that if wage rates had not been maintained on what they call an artificially high level, the introduction of labor-saving equipment would have been retarded and the number of available jobs increased. There can hardly be any doubt that without trade union action the level of real wages would be lower and the conditions of work harsher. It is, however, doubtful whether the introduction of labor-saving equipment would have been retarded very much by the availability of "cheaper" labor: by how much would wages of telephone operators have to be cut in order to prevent the installation of modern automatic switching equipment? In the event that the wage rate fell, say, by ten per cent and the total employment had increased as a result of this by five, there still would be a net five per cent loss in total labor income.

There is, of course, a problem—in case the total labor income is effectively maintained by union action—of sharing it directly or indirectly between those who are employed and those who are not. Spreading the work through reducing the number of working hours per week and of working days per year provides an answer to this question. Increasing leisure, while everyone is assured of a steady job, can contribute greatly to the general welfare in a developed society. It has done so in the past and it certainly can do so in the future.

If technological advance continues, as let us hope it will, permitting substitution of more and more capital for labor not only in mining, manufacturing, agriculture and transportation, but in the service sectors as well, the traditional union action of the type I mentioned above is bound to become less and less effective: even the most powerful monopoly cannot maintain its income, not to speak of increasing it, if the demand for its product, the supply of which it controls, tends to fall.

Thus, in the long run, the ability of large masses of the population to benefit from technological advance will increasingly depend on the direct transfer of property income derived from ownership of capital and natural resources. In a utopian society in which everyone would combine—as some of the prosperous farmers in the United States and other countries actually do—the function of a laborer with that of the owner of capital and land, technical advance involving substitution of machinery for labor would present no problem: the share of the family income entered on the labor account would gradually diminish, but that accruing to its capital and rent account would increase. Moreover, the total income derived from two different sources would grow.

In a complex modern society, whether capitalist or socialist, the distribution of income between groups performing different economic functions and, consequently, occupying different social positions will continue to be a major problem. So will the maintenance of sufficiently strong and steady incentives for purposeful, effective economic performance on the part of every member of the society whatever his role and responsibilities might be.

It has to be admitted that conditions favorable to the attainment of one of these twin goals—efficiency and distribution judged to be equitable—are liable, to some extent, to make more difficult the attainment of the other. A satisfactory solution of both problems will necessarily be in the nature of a compromise.

What is true of the domestic economic order applies, of course, to international economic relationships as well. No country, however self-sufficient and strong, will be able to solve its national economic and social problems without regard to the economic and social problems facing other countries. The oil crisis brought this realization home with a jolt. It is, however, the rising, practically irresistible, tide of international migration that poses a new, unprecedented challenge to the trade union leadership in the developed countries. In the long run, only an accelerated rate of economic growth in the less developed areas will enable it to meet that challenge. If international economic planning is ever to become a reality, the international labor movement and perhaps the ILO—if it succeeds, as I hope it will, in overcoming its present problems—must play a leading role in it.●

TRIBUTE TO RUSSELL B. SUGARMON, SR.

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. FORD of Tennessee. Mr. Speaker, it is not often that the world produces a man as responsive to civic deeds as the late Russell B. Sugarmon, Sr., who died last week at 89. Mr. Sugarmon was a resident of the Eighth Congressional District of Tennessee where for many years he shared his endless talents and wealth of experience with those in search of the ultimate in professional skills.

One of the leading black businessmen in Memphis during the early 1900's, Mr. Sugarmon was a respected real estate man who made an indelible contribution to this field. He accumulated substantial capital during a period when most black Americans knew nothing other than poverty.

A gentleman in every sense of the word, Mr. Sugarmon was a member of the legendary Primrose Club, a Memphis organization which received statewide acclaim during Tennessee's Bicentennial celebration in 1976 for its service and social significance at the turn of the century.

He revered education for not only its practical worth but also for its utility and saw to it that his children received the finest education advantages.

A giant in his own right has fallen silent. We in Memphis mourn his loss.●

PRIDE IN EDUCATION

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. FORD of Tennessee. Mr. Speaker, I rise today to call to the attention of my distinguished colleagues in the House of Representatives an outstanding family in the Eighth Congressional District of Tennessee.

The family I make reference to is that of Mrs. Edith Hubbard and the late Walter L. Hubbard. The trend among American families is that of separation and division. Rarely do we hear of a family pooling its resources, making sacrifices, and working together to accomplish a common goal.

Edith Hubbard's family did not subscribe to this trend. Despite the obstacles, Mr. and Mrs. Hubbard made personal sacrifices for many years so that all nine children would receive a proper upbringing and a college education.

In addition to raising and educating nine children, Mrs. Hubbard has always participated in various community projects and church activities. She reminds me of the proverb which says a virtuous woman is worth far more than rubies.

The Hubbard family has indeed set a fine example for all American families to follow. I would like to share with the Members of the House an article from the Memphis Press-Scimitar regarding Mrs. Hubbard and her family.

The article follows:

PRIDE IN EDUCATION FOCUSES NEXT ON GRANDCHILDREN

(By Clark Porteous)

It was a struggle for Edith Hubbard, putting nine children through college.

Now, at 74, she can take it easy and watch with pride the educational progress of 31 grandchildren.

Her children are doing what she and her husband, the late Walter L. Hubbard did; give their children a good education.

Asked if she babysits for any of her grandchildren or four great-grandchildren, Mrs. Hubbard, who lives at 1842 Edmondson, laughed and said "No, I can't be bothered with children." But then she tells, with typical grandmotherly enthusiasm, of the progress the grandchildren are making, and says she used to babysit, but the Memphis ones are now past that age.

She tells of a grandchild, Peter Strong, who is the only black student at Memphis University School, and of grandchildren at Presbyterian Day School and St. Agnes Academy. She has grandchildren at Notre Dame, Fisk and Meharry Medical School in Nashville. A grandson is a graduate of Antioch College. A granddaughter has a master's degree from Syracuse University and for a time was press secretary for U.S. Rep. Harold Ford. That particular granddaughter is getting married Sunday.

Mrs. Hubbard went to old LeMoyne College when it was only a two-year school. Her husband did not attend college. She convinced him that it was necessary for all of their children to get good educations. Hubbard, who had started out driving a truck for the Post Office, became supervisor of the Motor Vehicle Service and the first black to attain that high a position at the Memphis Post Office. At the age of 87, he died while vacationing with Mrs. Hubbard in California, on Aug. 17, 1977. But he lived to see all nine of his children with college educations, some with advanced degree, and the start of the education of his grandchildren.

Does Mrs. Hubbard sit in a rocker and take things easy? No sir. "I keep busy, I travel a lot, went to California (where three of her children live) three times last year, went to Chicago and New York (to visit children) and plan to make trips this year. I also write to all of them, and I read a lot and clip things out of the paper I think they are interested in, and send them."

It's different with her husband and the nine children all gone, but she keeps busy.

Mrs. Hubbard said some of her children won scholarships, but they were small, like $100, and she and her husband scrimped and saved to educate the children. She said they ail worked to help get their education. She listed her children and their education as follows, from the oldest, who is 50, to the youngest, who is 38.

Mrs. Mary McWilliams, past president of the Memphis Education Association, who teaches at Tech High, has a master's degree from University of Illinois, and a bachelor's degree from LeMoyne-Owen. She is past president of the Black Caucus of the United Church of Christ and is a member of the church national board and travels about the nation, making speeches for the church.

Dr. Walter Hubbard Jr., a physician, who practices in Santa Monica, Calif., and lives in Malibu. He is a graduate of LeMoyne-Owen and Meharry Medical College.

Mrs. Ellis Long, a graduate of LeMoyne-Owen, who teaches in Chicago.

Mrs. Edith Powers, a graduate of LeMoyne-Owen, who retired from the Postal Service as the result of an injury suffered in a fall. She has been the only black member of the Tennessee Art Commission for five years.

Mrs. Emma Jean Stotts, whose husband Carl, is a Fire Department captain, a teacher at Carnes, and a graduate of LeMoyne-Owen.

Dr. Elma Mardis, who has the most education of the nine Hubbards, an assistant professor of education and coordinator of the West Tennessee Center, University of Tennessee, Memphis. She has a bachelor's degree from LeMoyne-Owen, a master's degree from University of Illinois, and her Ph.D. from University of Tennessee at Knoxville.

Edward Hubbard, graduate of the University of Illinois, an insurance executive in Los Angeles, member of the Million Dollar Roundtable. He was named Man of the Year in the insurance field last year.

Mrs. Margaret Strong, wife of Dr. Odis Strong, and a graduate of Fisk University.

Lonnie Hubbard, who teaches in Chicago, a graduate of Illinois State.●

CAN THE UNITED STATES AFFORD SALT II?

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. KEMP. Mr. Speaker, since World War II, the United States has been at a numerical disadvantage against its Soviet-bloc military opponents. Initially, the numerical disparity was reflected in the vast manpower advantage which the large armies of the Soviet Union held. More recently, the United States has found itself at a numerical disadvantage in a realm of the Soviet-American competition where it has long held both a quantitative and a qualitative advantage—strategic nuclear forces. As the numerical disparity between Soviet and American strategic nuclear forces arose, the Congress was treated to a comforting bromide, namely that the U.S. qualitative advantage more than offset the Soviet numerical advantage they have obtained through their investment in strategic nuclear forces which is now far larger than our own.

The importance of this qualitative advantage is so great that one could scarcely imagine any U.S. SALT negotiator giving up this advantage at the negotiating table. However, according to one of America's leading strategists, this is exactly what has happened. Prof. Albert Wohlstetter, a distinguished university professor at the University of Chicago, and a leading contributor to U.S. strategic nuclear policy since the earliest U.S. strategic nuclear deployments has shown in an essay published in the New York Times on March 25, 1979, that the United States has in fact, negotiated away an important part of its ability to exploit its technical advantage. By slowing the development of the cruise missile, the terms of SALT II have prevented us from exploiting one of the most promising technological innovations our scientific and engineering community has produced in many years. The cruise missile has a profound opportunity to force the Soviets to allocate their investment toward air defense to offset the cruise missile rather than to continue investment in offensive systems which threaten the United States and our allies. We have already halted production of the submarine-launched cruise missile in the current budget because its deployment would not be compatible with the terms of the SALT II Protocol, an agreement the Congress has not yet seen nor ratified. I am persuaded that the United States is already paying the cost of SALT in terms of a reduction in our future security even before SALT has been finally negotiated. I include the text of Professor Wohlstetter's essay, "Can We Afford SALT?" in the RECORD at the conclusion of my remarks:

CAN WE AFFORD SALT?

(By Albert Wohlstetter)

LOS ANGELES.—SALT is supposed to have no link at all to any of the diverging interests of the superpowers. Nothing to do, for example, with a Soviet interest in expanded influence or control over Western Europe, northern Asia or the Middle East. In this view, SALT is about each side's spending for forces to destroy the other's population in retaliation for a nuclear attack on its homeland or long-range nuclear forces. Can't both sides cut such spending? Each side, it is said, can kill the other's population many times. Isn't the ability to kill them just once enough?

It is once more than enough. There is no political, military or moral point in using nuclear (or nonnuclear) weapons to kill innocent bystanders even once—especially if that indiscriminate homicide only assured the destruction of our own population. And even more obviously if that suicidal act of homicide responded to a nuclear or overwhelming conventional attack directed solely at our allies. Yet our long-range forces have always been intended credibly to guarantee our allies against just such attacks. Whatever its aim, SALT will affect costs and capabilities in conflicts this side of the apocalypse—for example, in a war at sea or a land war in Europe, where our interests plainly diverge from those of the Soviet Union. In Europe, an unamended SALT II would work to our disadvantage, driving us to use increased numbers and brute force, destroying friends as well as enemies, rather than to use new, cheaper, more discriminate technologies directed at military targets.

After the Vladivostok accord, for instance, the Russians began an effort to stop our cruise-missile development. The SALT II protocol may make us count all unmanned aircraft as if they were carrying a nuclear warhead, so long as they could travel one way over 600 kilometers with a lightweight nuclear bomb replacing their intended payload. This method of counting would keep trivially small our numbers of such unmanned aircraft (including even shorter-range non-nuclear armed cruise missiles and unarmed decoys or remotely piloted vehicles that reconnoiter and return). It would eliminate any serious use of long-range cruise missiles to be launched from the ground, from below the sea or from its surface. It would also effectively stop a most promising line of improved protection for our allies—one that could force an adversary to spread his offense against many more targets, that could dilute and confuse his defenses (and so help the more costly manned aircraft to penetrate dense defenses) and—most important—permit a more precise and discriminate response, defeating an adversary without destroying our friends. The protocol has already slowed our deployment plans and the Russians clearly expect it to last beyond its nominal three-year term.

An unmanned aircraft's useful range depends on the payload, speed, altitude and route followed to avoid defenses and ground obstacles and to reach checkpoints and targets. Range limitations are therefore hard to define and (for many reasons) impossible to monitor adequately. These would hamper us more than the Russians, as the record since SALT I indicates.

SALT–II limits on innovation would mean our spending more and getting less. This effect should hardly surprise us. Technological advance, we know, can save us money without reducing performance. Hand-held calculators costing a few tens of dollars today do the work of room-sized computers costing a thousand times more only a few years ago. Secretary of Defense Harold Brown said recently that we must use technological superiority to offset Soviet advantages in numbers. But then we do need that technical advantage.

The Russians do not act as if they interpret SALT in the same way as American advocates: simply as a means for both sides to express their equal interest in cutting spending for an apocalyptic capability.

From 1962 to 1976, we cut real strategic spending about 8 percent per year. Our 1979 spending is roughly the same as 1976's—lower than at the time of signing SALT I and one-third the 1962 level. The Soviet Union met our restraint by increasing its strategic spending from the early 1960's—speeding up after SALT I and Vladivostok. In dollar terms, their strategic budget is now triple ours. Their general-purpose forces have been growing 20 percent faster than ours and are now nearly twice as large. Perhaps most disturbing, their spending on research and development has led ours since SALT I. They have been investing twice as much in their technological base.

If SALT II prevents our exploiting technical advantage, can we afford it? ●

SENATE—*Wednesday, April 4, 1979*

(Legislative day of Thursday, February 22, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. DENNIS DECONCINI, a Senator from the State of Arizona.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Father, we thank Thee for Thy faithfulness through the changing seasons, and especially for the resurrection of springtime. We thank Thee for this world which Thou hast given us for our home—for buds and blossoms, for bubbling brooks and cascading streams, for gentle rains and singing winds, for the calm warmth of the Sun, for starlit nights, and the lyric notes of the birds and for all that proclaims Thy glory. Create in us an inner beauty and grace to match all that is beautiful and good and true in the world about us that there may be created new avenues for the peace of the world and the rule of righteousness.

Guide by Thy higher wisdom the President, the Congress, and all whom we have set in authority over us.

In the Redeemer's name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 4, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DENNIS DECONCINI, a Senator from the State of Arizona, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. DECONCINI thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. Mr. President, I would defer to the majority leader.

COMMEMORATING THE 30TH ANNIVERSARY OF THE SIGNING OF THE NORTH ATLANTIC TREATY

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished minority leader.

Today, April 4, marks the 30th anniversary of the signing of the North Atlantic Treaty, a document which remains a conerstone of U.S. foreign policy.

I am about to introduce a joint resolution on behalf of myself, Mr. BAKER, Mr. CHURCH, and Mr. JAVITS, a resolution that would commemorate that historic occasion and reaffirm our support for the North Atlantic alliance.

I am very pleased to be joined by the distinguished minority leader, Mr. BAKER, in sponsoring this resolution, along with the chairman and the ranking member of the Committee on Foreign Relations, Mr. CHURCH and Mr. JAVITS. This bipartisan support is typical of the unified backing which the Senate has given to the alliance over these 30 years.

For three decades the North Atlantic Treaty Organization has stood as a model of international cooperation and collective security. Its achievements have been even greater than could have been imagined when the treaty was signed. Not only has the alliance preserved peace and stability on the European Continent, but it has helped foster the well-being and freedom of 600 million persons.

There were 12 signatory nations in 1949. Today, 15 democratic countries are members of NATO, constituting a true community of free, sovereign states.

In recent years, the combined efforts of President Carter and the Congress have brought renewed vitality to the U.S. commitment to NATO.

In view of the significant military buildup by the Warsaw Pact nations in recent years, it is vital for NATO to retain the capacity to deter aggression in Europe.

At the time of the NATO summit meeting in May 1978, the member countries agreed to a long-term defense program (LTDP), with greater alliance cooperation and planning. The program represents a substantial commitment to the strengthening of NATO's deterrent and defense posture. The proposed fiscal year 1980 defense budget reflects an increase of about 3 percent in real terms, consistent with a pledge made by President Carter to NATO. A number of other NATO member nations are also meeting this commitment to a 3-percent increase in defense spending. The success of the LTDP depends, of course, on the active support of all the member countries.

Last year, I had the opportunity to visit a number of NATO countries as well as the NATO headquarters. In my discussions of NATO matters with European leaders and the NATO secretariat and military commanders, I met with an enthusiastic reception for the renewed U.S. emphasis on European security.

The long-term defense program provides a framework for some much-needed improvement in NATO, including greater force readiness, more rapid reinforcement, and greater overall coordination. Modernization and standardization are two important elements in this effort.

These actions represent significant strides for NATO in enhancing the alliance's security. It is vital, however, that we not content ourselves with establishing the framework for cooperation and improvement, but that we follow through with the efforts necessary to implement the LTDP.

One important action taken by the Congress last year in strengthening the alliance was the lifting of the embargo on U.S. arms to Turkey. Strategically located on NATO's southern flank, Turkey is a key member of the alliance. During the embargo period the Turkish military, which provides NATO's second largest contingent of ground forces, seriously deteriorated and much of its equipment became outdated. It is important that we do all we can to help revitalize Turkey's military and economic strength.

Both Turkey and its western neighbor, Greece, have significant contributions to make to NATO and we want to see both nations fully participating in the alliance.

Mr. President, it is important that all NATO members work together for the achievement of our mutual security and the reduction of international tensions.

It is fitting, therefore, on this 30th anniversary of the North Atlantic Treaty that the Congress, through this resolution, that is being sponsored by the Senators aforementioned, reaffirm the strong U.S. commitment to NATO and to the purposes of strengthening the cause of peace and security on which the alliance is based.

I urge the approval of the resolution.

Before I introduce the joint resolution, I yield the floor back to the distinguished minority leader.

Mr. BAKER. Mr. President, I am delighted to join with the distinguished majority leader and the chairman and ranking member of the Senate Foreign Relations Committee in sponsoring this resolution to commemorate the 30th anniversary of the signing of the North Atlantic Treaty.

Embodied in that document is the cornerstone of the foreign policy of the United States, representing as it does our mutual commitment to the defense and preservation of freedom and democracy in our relatively small corner of the Earth. As it arose amid the destruction of the most devastating war in history, I would like to believe that it has become a symbol for those for whom peace, freedom, and security remain an unfulfilled dream.

It was my good fortune recently to visit the NATO headquarters in Brussels and to talk at some length with Secretary General Luns, General Haig, and our Ambassador to NATO, Ambassador Bennett. I was encouraged by the discussions. They revealed not only an awareness of the threat confronting the alliance, but as well a renewed and unbowed dedication to meet that threat. So it is fitting that we reaffirm the fundamental commitment of the American people to the alliance and to the principles the alliance was formed to preserve.

I would like to add in closing that in passing this resolution we should also pay tribute to the leadership of Secretary General Luns. He is a remarkable man and NATO has been well served by his dedication to its continued success. I believe it would be most appropriate, Mr. President, that in addition to the heads of state, this resolution be sent as well to the Secretary General in recognition of his contribution to the strength and confidence of the North Atlantic Treaty Organization.

Mr. ROBERT C. BYRD. Mr. President, I now send to the desk a joint resolution and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will report the resolution.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. Robert C. Byrd), for himself, Mr. Church, Mr. Javits, Mr. Baker, and Mr. DeConcini proposes a joint resolution (S.J. Res. 54):

Whereas April 4, 1979 marks the thirtieth anniversary of the signing in Washington of the North Atlantic Treaty;

Whereas the alliance created by the treaty constitutes the manifestation of the ties which bind the democracies of Europe and North America and of their determination to preserve the common heritage of individual liberties, and the rule of law and the dignity of humankind;

Whereas the peace and stability insured by the alliance for thirty years has fostered the well-being and freedom of nearly six hundred million human beings;

Whereas the conditions for political stability and economic prosperity derive from the military security provided by the alliance;

Whereas the search for world peace, mutual respect among the nations of the world and reduction in armaments are attainable only in a secure environment;

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the North Atlantic Alliance be reaffirmed as a vital commitment and cornerstone of United States foreign policy, and that the bi-partisan spirit that inspired its birth be rededicated to the purpose of strengthening it further in the cause of peace and security.

Sec. 2. The Congress recognizes the contribution of the Canadian and European Allies to the common defense and to the preservation of the civilization and common heritage of the West.

Sec. 3. On the occasion of this thirtieth anniversary, the Congress pledges its support for the Alliance as the indispensable basis for the achievement of our mutual security, the reduction of tensions, and the pursuit of improved relations among all nations.

Sec. 4. The Congress requests that the President of the United States forward a copy of this resolution to the Chiefs of State of all member countries of the North Atlantic Treaty Organization.

The ACTING PRESIDENT pro tempore. Without objection, the joint resolution will be considered as having been read twice, and the Senate will proceed to its immediate consideration.

UP AMENDMENT 65

Mr. ROBERT C. BYRD. Mr. President, I would like to propose an amendment on behalf of Mr. Baker, myself, and others, and I ask unanimous consent that the clerk be allowed to assist us in drafting it, to provide that a copy of the joint resolution be sent to the Secretary General of NATO, Dr. Luns.

The ACTING PRESIDENT pro tempore. The Senator will send his amendment to the desk.

Mr. ROBERT C. BYRD. No, I included in the request that the clerk be permitted to work with the two Senators named in preparing such an amendment.

The ACTING PRESIDENT pro tempore. Without objection, the joint resolution will be so amended.

The amendment is as follows:

On page 2, line 17, strike "copy" and insert in lieu thereof: "copies".

On page 2, line 19, strike "Organization." and insert in lieu thereof: "Organization, and to the Secretary General, in recognition of his contribution to the strength and confidence of the North Atlantic Treaty Organization.".

The ACTING PRESIDENT pro tempore. The question is on the engrossment of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. I move to reconsider the vote by which the joint resolution was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

WEST VIRGINIA COAL INDUSTRY

Mr. ROBERT C. BYRD. Mr. President, on March 15, 1979, the West Virginia State Senate enacted Senate Concurrent Resolution No. 33, "Urging the U.S. Environmental Protection Agency to take prompt action under section 125 of the Clean Air Act to fully protect the rights of West Virginia coal producers to sell their coal to utility customers in Ohio." I wish to express my appreciation to J. C. Dillon, Jr., clerk of the West Virginia Senate, and to the other members of that distinguished body for their attentiveness to this matter.

By this resolution, the West Virginia State Senate expressed its legitimate concern that EPA's enforcement of certain provisions of the Clean Air Act, having to do with use of locally available coal supplies by utility companies, could seriously jeopardize the economic health of the West Virginia coal industry. Any administrative action which could have such an impact must be cautiously considered in light of America's urgent need for alternate energy sources which are abundant and safe. I urge the Environmental Protection Agency to carefully examine any decision which could harm West Virginia's coal industry at a time when it is one of this country's most important assets.

I ask unanimous consent that West Virginia State Senate Concurrent Resolution No. 33 be printed in its entirety in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Senate Concurrent Resolution No. 33

(Originating in the Committee on Energy, Industry and Mining

"Urging the United States Environmental Protection Agency to take prompt action under Section 125 of the Clean Air Act to fully protect the rights of West Virginia coal producers to sell their coal to utility customers in Ohio."

Whereas, The United States Environmental Protection Agency (EPA) has instituted proceedings under 42 U.S.C. § 7425, Section 125 of the Clean Air Act; and

Whereas, The producers of Ohio coal have asked EPA to issue orders under Section 125 which would prevent the Ohio electric utilities from complying with their sulfur dioxide emission limitations by the use of low sulfur coal produced in West Virginia; and

Whereas, Based on filings by the Ohio electric utilities with EPA, any order under Section 125 requiring those utilities to use only Ohio produced coal would jeopardize the annual sale of approximately six million tons of West Virginia produced coal beginning in 1980, which would represent a significant annual loss to the West Virginia economy; and

Whereas, EPA's authority under Section 125 is limited to prohibition of "other than locally or regionally available coal";

Now, therefore, be it

Resolved by the Legislature of West Virginia:

That the Legislature of the State of West Virginia expresses its opposition to the manner in which EPA is applying Section 125 to monopolize and create special preference in the Ohio electric utility coal market in favor of Ohio coal producers. It is clear from the plain language and the legislative history of Section 125 that this section was not intended to create barriers to the free trade of West Virginia coal into West Virginia coal producers' normal markets in neighboring states, such as Ohio nor was this section envisioned as a means to empower EPA to embargo against the shipment of West Virginia coal into Ohio to protect Ohio coal interests. Furthermore, in the interests of a strong coal industry as an important part of the nation's energy policy, it would be unsound to apply Section 125 to Balkanize coal trade into a series of state markets for the purpose of shielding the Ohio coal industry from competition from West Virginia and other state producers, and be it

Resolved further, That the Legislature of the State of West Virginia urges the Environmental Protection Agency to define "local or regionally available coal" consistent with the intent of Congress which is in a fashion that recognizes the market traditionally shared by the many coal suppliers in a multistate region encompassing the states of West Virginia, Ohio and others so that West Virginia coal can be sold to its utility customers in the neighboring state of Ohio, and be it

Resolved further, That copies of this resolution be sent to President Jimmy Carter, EPA Administrator Douglas Costle, and West Virginia's Congressional delegation.

A SOUND ALTERNATIVE TO NUCLEAR POWER

Mr. ROBERT C. BYRD. Mr. President, in analyzing the implications of the accident at the Three Mile Island nuclear power plant for our future energy policy, a New York Times writer concluded that—

> A nuclear solution to the country's energy problem is in jeopardy—at a time when no other options look any more promising.

Lest this become part of the "conventional wisdom," I want to make several points.

While it may be true that a nuclear solution to our energy problem has been jeopardized, the lack of a promising option is not the reason why.

Coal is one such an option. It does not

contain the potential for disaster that nuclear power does. It is safe and stable, and can become a clean-burning fuel through reliable technology now within our reach.

Clearly, a fresh look at this overlooked resource is warranted if the United States is to have a safe and dependable energy supply. A major reassessment of Federal energy priorities is needed. We cannot ignore the serious questions which arise concerning the role of nuclear power in our Nation's future energy policy. Prudence requires a careful reexamination of a policy which envisions widespread reliance on nuclear power.

It can no longer be said by the nuclear industry and its supporters that the odds of a serious accident are infinitesimal. The Three Mile Island accident is the latest in a series of disturbing events related to nuclear power. In January, the Nuclear Regulatory Commission repudiated the Rasmussen report, which had severely underestimated the probability of a major nuclear accident. Last month, the NRC shut down five nuclear plants when a possible deficiency in their ability to withstand earthquakes was discovered.

The dangers of nuclear power are manifest. No matter how sophisticated the safety systems can become, the fact remains that one accident is all that it takes to call the safety of all nuclear power facilities into question. One accident can be catastrophic.

The predominant part of the Federal Government's energy research efforts have gone into nuclear power, with other energy sources, such as coal, receiving minimal research funding by comparison. There are difficulties related to mining coal and burning coal, but we should be devoting our efforts to resolving these problems, which I believe are solvable in the short term. These are the kinds of problems on which we should be concentrating our research efforts.

Perhaps coal does not seem to be an attractive option, because in this era of high technology it is looked upon as old-fashioned. In our fascination with exotic or sophisticated technology, we must not overlook the best bet we have.

NEW YORK TIMES PUBLISHES NATIONAL SECRETS

Mr. STEVENS. Mr. President, I have noted the story on the front page of the New York Times for Wednesday, April 4, and I congratulate the Times on being able to broadcast the top secret information that the U.S. intelligence community was just yesterday in the process of relating to Members of Congress. It is the story about the use of the modified U-2 plane to monitor Soviet missile testing.

Obviously, the administration seems to think that by releasing this information, it will have some impact on the SALT II verification problem that has been raised by many of us who have reviewed the proposed Strategic Arms Limitation Treaty known as SALT II.

The story is unique not only in that it discloses plans to use the modified U-2 plane and where its missions would originate from, but also in that it contains background information from unidentified sources, referred to as "officials," which is even more classified than the U-2 story itself.

I think the administration had better do something about the information sieve that exists, or the U.S. may not have any intelligence capability left. Many of us in the Senate are getting quite disturbed over the proposed SALT II Treaty, because of the inability to verify the agreements that would be entered into, and I think we can liken that agreement to agreements that were made in the naval field after World War I.

This story, and I say this as one who is involved in the appropriations process of the U.S. Senate, has shocked me more than any other story I have read in any American newspaper over the 11 years in which I have served in this body relative to the disclosure of classified information.

I ask unanimous consent that the article to which I have referred be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES MAY USE MODIFIED U-2 PLANE TO MONITOR SOVIET MISSILE TESTING

(By Richard Burt)

WASHINGTON, April 3.—The Carter Administration plans to try to compensate for the loss of two American electronic listening posts in northern Iran by using a modified version of the U-2 spy plane to monitor missile tests in the Soviet Union, officials said today.

This plan was described as a stopgap measure to verify Soviet compliance with any new treaty limiting offensive nuclear arms until a new generation of satellites could be developed to intercept Soviet test signals. The officials said it would take more than two years to develop and deploy such missiles.

The plane, which has a maximum altitude of 90,000 feet, would fly over areas close to the Soviet Union's southwestern border but would not be used over Soviet territory. The officials declined to discuss where the aircraft would be based or what countries it would fly over, but it is known that U-2's have used the British air base at Akrotiri in Cyprus for reconnassance missions in the Middle East.

PLANS IN EARLY STAGE

In the late 1950's, U-2's were also stationed in Pakistan and Turkey, but officials indicated it was unlikely that those two countries would allow the plane to use bases there once again or even to fly over their territory. The officials added, however, that plans to use the U-2 in the region were at an early stage and that the governments there had not been asked for their cooperation.

In 1960, the downing of a U-2 flown by Francis Gary Powers over Soviet territory precipitated a major international crisis. The plane's base was in Turkey. After the incident, Nikita S. Khrushchev, the Soviet leader, canceled a meeting with President Dwight D. Eisenhower.

Until Central Intelligence Agency technicians were forced to evacuate the Iranian listening posts last month, the stations had been used to intercept radio signals broadcast by missiles launched from the Soviet Union's main rocket base at Tyuratam, some 600 miles north of the Iranian border.

These radio signals are viewed as a modernization and thus the Administration recently undertook a hurried study of how to collect the test data by other means. The study was given added urgency by private warnings from Senator John Glenn, Democrat of Ohio, and others that the Senate would be unlikely to approve a new arms accord without an Administration plan to compensate for the loss of the facilities in Iran.

The U-2, which was first flown in 1956, is described by officials as particularly well suited for the task of electronic intelligence. With long wings that give it superb endurance at high altitudes, the U-2 is able to stay aloft for many hours at a time.

In the mid-1960's, the United States began to fly a successor to the U-2, known as the SR-71, which was designed to outrun Soviet air defense missiles. But it is described as too fast and too expensive to maintain for the projected mission.

The U-2 is still used for reconnaissance missions over friendly or undefended areas and last year the Administration received Congressional approval to buy 25 more U-2's, renamed the TR-1, for use in Western Europe to monitor Soviet military activities in the East.

TO HAVE LISTENING DEVICES

Unlike the early U-2's, which were fitted mainly with photograhic gear, officials said the new versions would be equipped with advanced electronic listening devices. Officials said the planes would not be kept in the air continuously, but would be launched when satellite and other intelligence aids indicated that a Soviet missile test was imminent.

Once aloft, the planes would dangle a long antenna to pick up the signals broadcast by the Soviet missiles in flight.

Officials said the decision to rely on the U-2 to fill monitoring gaps created by the loss of the stations in Iran was based on the difficulty of finding suitable sites for similar bases elsewhere.

They said that to compensate completely for the stations, it would have been necessary to locate new stations in either Pakistan or Afghanistan and that this was not politically feasible.

The Untied States does operate several listening posts in Turkey, but officials said they are too far from the Soviet rocket base at Tyuratam to obtain missile test data.

SOME AIDES ARE CRITICAL

Officials acknowledged that the Administration's plan for the U-2's had set off a debate in intelligence circles, with some aides criticizing the Government for not moving earlier to find a replacement for the Iranian stations.

The aides said that before the United States lost its station in Iran, it had been ousted from a number of listening posts abroad, including an ideally situated base at Peshawar, Pakistan, which it relinquished in 1969.

Despite this, they said, the current Administration and previous ones had continually turned down proposals for improving satellites for monitoring Soviet missile performance, contending that the cost was too high.

The Soviet Union also monitors missile tests. But it uses ships rather than ground stations or planes to obtain data, because American missiles are launched over either the Atlantic or Pacific Oceans.

SICK HOSPITALS

Mr. STEVENS. Mr. President, the April 3 edition of the Wall Street Journal contained an excellent editorial entitled "Sick Hospitals."

The article contends, and many of us I feel will agree, that cost containment legislation and national health insurance will only lead to further disruption of our health care system in this Nation. A 1976 survey conducted in New York State found those hospitals to be burdened by no fewer than 164 regulatory agencies, including 40 different agencies at the Federal level. Three years ago, the cost of the regulations of these 164 regulatory agencies on New York State hospitals equaled one-quarter of the total hospital budgets in that State.

That was 3 years ago and we can only assume that the costs of that regulatory control have escalated since then.

I think hospital cost containment will be debated again this year in the Senate. I urge all Members to read the Wall Street Journal editorial which I feel makes a powerful argument against further Government regulation of this health care industry.

I ask unanimous consent that the editorial be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SICK HOSPITALS

As the 1980 elections approach, it would be hard to find a better reflection of broader American political tensions than the issue of rising hospital costs.

Their sharp increases have fueled the demand for national health insurance, which in turn has been at the center of the private sector-public sector struggle throughout the postwar era. But just when the U.S. is asking itself how much further it wants government health insurance to go, Britain is asking itself if it has gone too far, having damaged both health care quality and fiscal stability.

Jimmy Carter, faced with Teddy Kennedy's challenge, is trying to finesse the issue. He proposes a 9.7%-a-year "cap" on hospital cost increases. He says capping payments will somehow raise more money to help pay for a $10 billion to $15 billion expansion of government insurance coverage in 1983.

All of which, it seems to us, raises some issues about the American economy and policy.

The United States is already well advanced towards a system of "free" hospital care, meaning that over 90% of costs have been socialized through public and private insurance schemes. Without doubt, this has lowered cost restraints. Costs also have been pushed up by general inflation, the predations of malpractice lawyers and federal Hill-Burton Act policies that have encouraged overexpansion.

But the thing that is least understood, and yet has the most bearing on the present political debate, is the fact that government "cost containment" efforts themselves have contributed to rising costs. They have damaged the financial structure of hospitals and saddled the public with wasteful bureaucracy. For Mr. Carter to say that he will buy more health care with further "cost containment" is a little like proposing to make cheese go further by giving more to the mice.

The most perverse form of containment has been the limitations applied snice 1975, under the 1972 Social Security amendments, to Medicare and Medicaid reimbursements to hospitals. As administered by HEW, these limits hold reimbursements at, and sometimes below, the direct costs of services. If the hospital is to generate any surpluses, they have to come from somewhere else. Since Blue Cross reimbursements are also limited that means that hospitals must try to get what surpluses they can from charges to commercial insurers and private patients, which has sharply raised charges to such payers.

The annual analysis of hospital costs made by accountants Touche Ross & Co. shows hospitals making ever larger allowances for reimbursement shortfalls. And as their charges to private patients rise, they are incurring higher bad debt losses. The combination of allowances and bad debts rose to 18.6% of total patient revenues in the 1977 Touche Ross survey, up from 17.9% in 1976.

Well-endowed hospitals, such as New York's Columbia Presbyterian, have dipped into endowment funds to meet shortfalls, but this is hardly an attractive solution. It erodes funds intended to support advances of medical technology.

Other hospitals have worse troubles. Richard J. Oszustowicz, a health care administration professor at the University of Minnesota, says many are resorting to borrowing to meet working capital needs (a syndrome reminiscent of the one that put New York City in the soup). The Touche Ross survey shows that interest costs climbed fastest, at 18%, of any single hospital cost in 1977.

The Touche Ross analyst, Robert F. Rosenstiel of Los Angeles, finds the outlook bleak on the basis of his look at the 135 representative hospitals covered by the 1977 survey. "With the present rate of inflation," he writes, "income from operations can hardly be expected to provide sufficient funds either for the replacement of equipment and facilities or for expansion. In fact, even routine maintenance has been deferred in significant amounts."

HEW's answer to all this would be that the whole purpose of the controls is to force hospitals to reduce "waste." But a careful look at hospital cost sheets reveals that the primary source of waste is not maladministration or technological "frills" or "overutilization" of hospitals by patients and physicians. It is a massive overlay of federal, state and local regulations that makes hospitals one of the nation's most regulation-burdened industries.

In New York State, with a particularly manic set of state regulators, a recently released survey based on 1976 results, found hospitals ruled by no fewer than 164 regulatory agencies, including 40 at the federal level. The costs inflicted by these agencies amounted to 25% of total hospital budgets, or a statewide average of $38.86 per patient day. The Hospital Association of New York State, which did the survey, says the costs have risen further since 1976. New York State now has price controls similar to those of Connecticut, Maryland and a few other states, for example. HEW, according to the American Hospital Association, promulgates from 650 to 750 new or revised regulations affecting hospitals each year.

Some hospital regulation is of the type that afflicts all industry, OSHA rules and minimum wage legislation, for example. But ever since the big surge of Medicare and Medicaid demand pushed hospital charges up in the late 1960s, hospitals have been subjected to a whole series of "cost containment" laws, all of which have generated substantial cost to hospitals and taxpayers with, at best, dubious results. Federal and state governments have applied these measures to try to hold down soaring Medicare and Medicaid costs.

There has been "certificate of need" regulation, along public utility lines, to try to make hospitals prove they need a new piece of equipment before acquiring it. Health Planning Agencies try to analyze the need for hospitals themselves, often creating rather than reducing planning confusion. Perhaps the biggest failure has been Professional Standards Review Organizations, set up under a seven-year-old federal law. The PSROs, expensively staffed with doctors and served with hospital paperwork, are supposed to second-guess decisions by other doctors on matters that affect hospital costs, such as whether to operate on a heart patient. Even HEW has admitted that the PSROs have failed to save money, but they're still around.

The reasons why regulatory failures are not scrapped are instructive. The political thrust for such efforts derives from a knowledge by their advocates that health care cannot be fully nationalized in this country until some way is discovered to control health care costs. The experience with direct government operation of VA and public health hospitals has shown that to be the route to gross inefficiency. And it is difficult to destroy the decisionmaking powers of doctors short of conscripting them.

But despite such failures, it still is argued by Senator Kennedy and HEW bureaucrats that government control of health care must be extended. They insist that when the government finally obtains full control of hospitalization insurance, it will finally be able to hold down costs. They are not deterred by the failure of national health systems elsewhere to control costs and maintain quality. In Britain, private health care is returning to vogue for this reason.

Mr. Carter is trying to deal with these conflicts and pressures with his proposed "cap." But as the above analysis suggests, it is unlikely that the cap can generate anything but added regulatory costs. Moreover, it will be patently unfair, penalizing the nation's best hospitals—the ones that have been the most efficiently managed, that provide teaching services and that offer the most advanced technological services. Working capital problems will be further aggravated, bringing about financial collapse for some hospitals. Medical advancement will slow. Patients will not get more for less, as the administration implies. They will get less for more.

We can think of few areas where the effect of federal intervention has been more counter-productive. And yet the surest way for its advocates to succeed is through destruction of the present system, which is well underway. The hospital costs issue is a reflection of a larger problem that we have not yet begun to solve.

RECOGNITION OF SENATOR DANFORTH

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Missouri (Mr. DANFORTH) is recognized for not to exceed 15 minutes.

S. 864—EXPORT TRADE ASSOCIATION ACT OF 1979

Mr. DANFORTH. Mr. President, today I am pleased to introduce, along with Senator BENTSEN, Senator JAVITS, and Senator MATHIAS, the Export Trade Association Act of 1979—the latest in a series of measures which I am proposing, in conjunction with various of my colleagues, to help reverse the mushrooming balance of trade deficits that this Nation has registered since 1970.

On January 25, 1979, Senator BENTSEN, I, and 10 of our colleagues, introduced the International Trade Laws Reform Act of 1979, S. 223. The purpose of that bill was to assure that our Nation would have the proper and effective tools needed to counter unfair and illegal trade practices of foreign competitors. On March 21, I introduced S. 700, a bill to encourage corporations to spend more money on research and development by granting a 10-percent tax credit for such expenditures.

Today, we offer a proposal that will encourage more American firms to market their goods and services abroad and enable them to compete more aggressively with their foreign counterparts.

Before I address myself to the particulars of the bill, let me provide a brief historical background of the current law which this bill will amend.

In 1916 the Federal Trade Commission published a report that stated that American manufacturers and producers were disadvantaged in attempting to enter foreign markets individually because of strong combinations of foreign competitors and organized buyers.

In response to the findings of the FTC report, Congress passed in 1918 what has come to be known as the Webb-Pomerene Act. This law exempts from U.S. antitrust laws any association established "for the sole purpose of engaging in export trade," as long as the association, its acts, or any agreements into which the association enters, do not: First, restrain trade within the United States; second, restrain the export trade of any domestic competitor of the association; or third, artificially or intentionally influence prices within the United States of commodities of the class exported by such association.

In enacting the Webb-Pomerene Act, Congress envisioned an eager American business community availing itself of the opportunity to pool its facilities, resources, and expertise in such a fashion as to implement an ambitious joint exporting program. That vision never materialized.

At their high-water mark between 1930 and 1935, Webb-Pomerene associations numbered 57 and accounted for approximately 19 percent of total U.S. exports. Today the number of associations has dwindled to 33 and their share of total U.S. exports has dipped to less than 2 percent.

The reasons for this poor showing are many. First, the vast majority of the 250 or so Webb-Pomerene associations formed over the last 60 years lacked sufficient product-market domination to exert foreign market price control and membership discipline. Second, the business community traditionally has placed top priority on tapping the vast domestic market and has been much slower to focus on the prospects overseas. Third, the ever expanding U.S. service industries have been excluded from qualifying for the act's antitrust exemption. Fourth, and perhaps most important, the Department of Justice, and to a lesser extent the FTC, have been perceived by the business community as exhibiting a thinly veiled hostility toward Webb-Pomerene associations. Therefore, the threat of antitrust litigation has served as a deterrent to broader utilization of the Webb-Pomerene Act.

All in all, there remains the strong impression among most parties that the Webb-Pomerene Act is a quaint relic of the past—a cracked plate that is not good enough to be brought out for company and yet not so useless as to be thrown away. This is regrettable, particularly at a time when we are suffering a $30 billion trade deficit.

Therefore, I propose that we modify the Webb-Pomerene Act in a way that permits many more American firms to make use of its updated provisions to promote exports. Although it is not possible to estimate the impact of such changes on exports, just one U.S. industry (National Construction Association) estimated sales increases of $2 billion annually if its members could operate as a Webb-Pomerene Association.

Mr. President, this bill does the following:

First. It makes the provisions of the Webb-Pomerene Act explicitly applicable to the exportation of services (the National Commission for the Review of Antitrust Laws and Procedures made this same recommendation in its report to the President earlier this year);

Second. It expands and clarifies the act's antitrust exemption for export trade associations;

Third. It requires that the antitrust immunity be made contingent upon a preclearance procedure;

Fourth. It transfers the administration of the act from the FTC to the Department of Commerce;

Fifth. It creates within the Department of Commerce an office to promote the formation of export trade associations; and

Sixth. It provides for the establishment of a task force whose purpose will be to evaluate the effectiveness of the Webb-Pomerene Act in increasing U.S. exports and to make recommendations regarding its future to the President.

This past September, President Carter announced his initial steps toward the formulation of a coordinated national export policy. At that time, he called for a reduction of domestic barriers to exports. He urged that the laws and policies affecting the international business community, including the antitrust laws, be administered firmly and fairly but with "a greater sensitivity to the importance of exports than has been the case in the past." This bill seeks to give some teeth to that proclamation. The changes in the Webb-Pomerene Act that we advocate will assure a more hospitable attitude toward those whose important task it is to push American goods and services abroad. At the same time the provisions which we offer for consideration today are tough enough to allow the appropriate authorities to uncover and terminate any domestic anticompetitive spillover from the operations of export trade associations.

Mr. President, this bill alone is not going to solve the problem of our trade deficit. It is only a small step, but it is a step in the right direction.

Mr. President, I ask unanimous consent that the following material be printed at this point in the RECORD. The text of the bill and a document entitled "Export Trade Association Act of 1979, Section-by-Section Explanation."

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 864

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Export Trade Association Act of 1979".

SEC. 2. FINDINGS; DECLARATION OF PURPOSE.

(a) FINDINGS.—The Congress finds and declares that—

(1) in 1978 the United States suffered the largest trade deficit in its history, amounting to approximately $30,000,000,000;

(2) the trade deficit has contributed to the decline of the dollar on international currency markets and has led to widespread public concern about the strength of the dollar;

(3) the exports of the American economy are responsible for creating and maintaining 1 out of every 9 manufacturing jobs in the United States and for generating 1 out of every 7 dollars of total United States goods produced;

(4) foreign-government-owned and foreign-government-subsidized entities compete directly with private United States exporters for shares of the world market;

(5) between 1968 and 1977 the United States' share of total world exports fell from 19 percent to 13 percent;

(6) service-related industries are vital to the well-being of the American economy inasmuch as they create jobs for 7 out of every 10 Americans, provide 65 percent of the Nation's gross national product, and represent a small but rapidly rising percentage of United States international trade;

(7) small and medium-sized firms are prime beneficiaries of joint exporting, through pooling of technical expertise, help in achieving economies of scale, and assistance in competing effectively in foreign markets; and

(8) the Department of Commerce has as one of its responsibilities the development and promotion of United States exports.

(b) PURPOSE.—It is the purpose of this Act to encourage American exports by establishing an office within the Department of Commerce to encourage and promote the formation of export trade associations through the Webb-Pomerene Act, by making the provisions of that Act explicitly applicable to the exportation of services, and by transferring the responsibility for administering that Act from the Chairman of the Federal Trade Commission to the Secretary of Commerce.

SEC. 3. DEFINITIONS.

The Webb-Pomerene Act (15 U.S.C. 61–66) is amended by striking out the first section and inserting in lieu thereof the following:

"SECTION 1. DEFINITIONS.

"As used in this Act—

"(1) EXPORT TRADE.—The term 'export trade' means trade or commerce in goods, wares, merchandise, or services exported, or in the course of being exported from the United States or any territory thereof to any foreign nation.

"(2) SERVICE.—The term 'service' means intangible economic output, including, but not limited to—

"(A) business, repair, and amusement services;

"(B) management, legal, engineering, architectural, and other professional services; and

"(C) financial, insurance, transportation, and communication services.

"(3) EXPORT TRADE ACTIVITIES.—The term 'export trade activities' includes any activities or agreements which are incidental to export trade.

"(4) TRADE WITHIN THE UNITED STATES.—The term 'trade within the United States' means trade between or among—

"(A) the several States of the United States,

"(B) the Territories of the United States, or

"(C) the District of Columbia and the several States or Territories of the United States.

"(5) ASSOCIATION.—The term 'association' means any combination, by contract or other arrangement, of persons who are citizens of the United States, partnerships which are created under and exist pursuant to the laws of any State or of the United States, or corporations which are created under and exist pursuant to the laws of any State or of the United States. The term 'association' does not include a combination of any of the above with a subsidiary located in the United States which is controlled by a foreign entity.

"(6) ANTITRUST LAWS.—The term 'antitrust laws' means the antitrust laws defined in the first section of the Clayton Act (15 U.S.C. 12) and section 4 of the Federal Trade Commission Act (15 U.S.C. 44), any other law of the United States in *pari materia* with those laws, and any State antitrust or unfair competition law.

"(7) SECRETARY.—The term 'Secretary' means the Secretary of Commerce.

"(8) ATTORNEY GENERAL.—The term 'Attorney General' means the Attorney General of the United States.

"(9) CHAIRMAN.—The term 'Chairman' means the Chairman of the Federal Trade Commission.".

SEC. 4. ANTITRUST EXEMPTION.

Section 2 of the Webb-Pomerene Act (15 U.S.C. 62) is amended to read as follows:

"SEC. 2. EXEMPTION FROM ANTITRUST LAWS.

"(a) GENERAL RULE.—Any association certified according to the procedures set forth in this Act, entered into for the sole purpose of engaging in export trade, and engaged in such export trade, is exempt from the application of the antitrust laws if the association and the export trade activities in which it and its members are engaged or propose to be engaged—

"(1) serve to preserve or promote export trade;

"(2) result in neither a substantial restraint of competition within the United States nor a substantial restraint of the export trade of any domestic competitor of such association;

"(3) do not unreasonably enhance, stabilize, or depress prices within the United States of the goods, wares, merchandise, or services of the class exported by such association;

"(4) do not constitute unfair methods of competition against domestic competitors engaged in the export trade of goods, wares, merchandise, or services of the class exported by such association;

"(5) do not include any act which results, or may reasonably be expected to result, in the sale for consumption or resale within the United States of the goods, wares, merchandise, or services exported by the association or its members.

"(6) do not constitute trade or commerce in the licensing of patents, technology, trademarks, or knowhow, except as incidental to the sale of the goods, wares, merchandise, or services exported by the association or its members.

"(b) ENFORCEMENT BY FEDERAL AGENCIES ONLY.—

"(1) STANDING.—No person other than a department or agency of the United States, or an officer of the United States acting in his official capacity, shall have standing to bring an action against an association for failure to meet the requirements of subsection (a).

"(2) PETITIONS BY THIRD PARTIES.—Whenever any person has reason to believe that an association fails to meet any requirement of subsection (a), he may file a petition, alleging such failure and requesting the commencement of appropriate enforcement action, with the Secretary. Unless the Secretary, in consultation with the Attorney General and Chairman, determines that the petition does not make allegations upon which, if true, an enforcement action could be based, he shall conduct an adjudicatory proceeding in accordance with the provisions of section 554 of title 5, United States Code, for the purpose of determining the truth of the matters alleged. If he determines that the allegations contained in the petition are true, and that they indicate that the association does not meet a requirement of subsection (a), then he shall bring an action against the association under paragraph (3).

"(3) REMEDIES.—Such a department, agency, or officer acting in his official capacity may bring an action for the revocation, in whole or in part, of an association's certification on the ground that it fails, or has failed, to meet a requirement of subsection (a), or to enjoin or restrain an association from engaging in any activity which fails to meet any condition set forth in paragraphs (1) through (6) of subsection (a).

"(4) JURISDICTION.—Any action brought under subsection (b) shall be considered as an action described in section 1337 of title 28, United States Code.".

SEC. 5. AMENDMENT OF SECTIONS 3 AND 4.

(a) CONFORMING CHANGES IN STYLE.—The Webb-Pomerene Act is amended—

(1) by inserting immediately before section 3 (15 U.S.C. 63) the following:

"SEC. 3. OWNERSHIP INTEREST IN OTHER TRADE ASSOCIATIONS PERMITTED.",

(2) by striking out "Sec. 3. That nothing" in section 3 and inserting in lieu thereof "Nothing",

(3) by inserting immediately before section 4 the following:

"SEC. 4. UNFAIR METHODS OF COMPETITION AGAINST DOMESTIC COMPETITORS PROHIBITED.", and

(4) by striking out "Sec. 4. That the" in section 4 and inserting in lieu thereof "The".

(b) LIMITATION OF UNFAIR COMPETITION PROHIBITION TO DOMESTIC COMPETITORS.—Section 4 of the Act (15 U.S.C. 64) is amended by inserting "domestic" before "competitors".

SEC. 6. ADMINISTRATION; ENFORCEMENT; REPORTS.

(a) IN GENERAL.—The Webb-Pomerene Act is amended by striking out section 5 and inserting in lieu thereof the following sections:

"SEC. 5. CERTIFICATION.

"(a) APPLICATION.—In order to obtain certification as an association engaged solely in export trade, a person shall file with the Secretary a written notice of intent to meet for the purpose of determining the desirability of applying for certification and, within 60 days after such meeting, unless such person has filed with the Secretary a written notice or decision not to apply for certification, a written, application for certification setting forth the following:

"(1) The name of the association.

"(2) The location of all of the association's offices or places of business in the United States and abroad.

"(3) The names and addresses of all of the association's officers, stockholders, and members.

"(4) A copy of the certificate or articles of incorporation and bylaws, if the association is a corporation; or a copy of the articles or contract of association, if the association is unincorporated.

"(5) A description of the goods, wares, merchandise, or services which the association or its members export or propose to export.

"(6) An explanation of the domestic and international conditions, circumstances, and factors which make the association useful for the purpose of promoting the export trade of the described goods, wares, merchandise, or services.

"(7) The methods by which the association conducts or proposes to conduct export trade in the described goods, wares, merchandise, or services, including, but not limited to, any agreements to sell exclusively to or through the association, any agreements with foreign persons who may act as joint selling agents, any agreements to acquire a foreign selling agent, any agreements for pooling tangible or intangible property or resources, or any territorial, price-maintenance, membership, or other restrictions to be imposed upon members of the association.

"(8) The names of all countries where export trade in the described goods, wares, merchandise, or services is conducted or proposed to be conducted by or through the association.

"(9) Any other information which the Secretary may request concerning the organization, operation, management, or finances of the association; the relation of the association to other associations, corporations, partnerships, and individuals; and competition or potential competition, and effects of the association thereon. The Secretary may not request information under this paragraph which is not reasonably available to the person making application or which is not necessary for certification of the prospective association.

"(b) ISSUANCE OF CERTIFICATE.—

"(1) NINETY-DAY PERIOD.—Based upon the information obtained from the application, the Secretary shall certify an association within 90 days after receiving the association's application for certification if the Secretary determines that the association and the proposed export trade activities meet the requirements of section 2 of this Act.

"(2) EXPEDITED CERTIFICATION.—In those instances where the temporary nature of the export trade activities, deadlines for bidding on contracts or filling orders, or any other circumstances beyond the control of the association which have a significant impact on the association's export trade, make the 90-day period for application approval described in paragraph (1) of this subsection impractical for the person seeking certification as an association, such person may request and may receive expedited action on his application for certification.

"(3) APPEAL OF INITIAL DETERMINATION.—If the Secretary determines not to certify an association which has submitted an application for certification, then he shall—

"(A) notify the association of his determination and the reasons for his determination, and

"(B) upon request made by the association, afford the association an opportunity for a hearing with respect to that determination in accordance with section 557 of title 5, United States Code.

"(c) MATERIAL CHANGES IN CIRCUMSTANCES; AMENDMENT OF APPLICATION.—

"(1) VOIDING OF CERTIFICATION.—Whenever there is a material change in—

"(A) the domestic and international conditions, circumstances, and factors which make an association useful for the purposes of promoting the export trade of its goods, wares, merchandise, or services, or

"(B) the association's membership, export trade, export trade activities, or methods of operation which would cause the association to fail to meet any requirement of section 2.

then the association shall apply to the Secretary for an amendment of its certification. If an association fails to apply for an amendment of its certification when required by the preceding sentence, then the certification of the association shall be void as of the date of such material change (as determined by the Secretary).

"(2) AMENDMENT OF APPLICATION.—The request for amendment shall be filed within 30 days after the date of the material change and shall set forth the requested amendment of the application and the reasons for the requested amendment. Any request for the amendment of an application shall be treated in the same manner as an original application for certification. If the request is filed within 30 days after the material change which requires the amendment, and if the requested amendment is approved, then there shall be no interruption in the period for which certification is in effect.

"(3) AMENDMENT UPON RECOMMENDATION OF SECRETARY.—After notifying the association involved, the Secretary may, on his own initiative, or upon recommendation of the Attorney General, the Chairman, or any other person—

"(A) require that an association's certification be amended.

"(B) require that the organization or operation of the association be modified to correspond with the association's certification, or

"(C) revoke, in whole or in part, the certification of the association upon a finding (made in an adjudicatory proceeding held in accordance with section 554 of title 5, United States Code) that the association, its members, or its export trade activities do not meet the requirements of section 2 of this Act.

"SEC. 6. GUIDELINES.

"(a) INITIAL PROPOSED GUIDELINES.—Within 90 days after the enactment of the Export Trade Association Act of 1979, the Secretary, the Attorney General, and the Chairman shall publish proposed guidelines for purposes of determining whether an association, its members, and its export trade activities will meet the requirements of section 2 of this Act.

"(b) PUBLIC COMMENT PERIOD.—Following publication of the proposed guidelines, and any proposed revision of guidelines, interested parties shall have 30 days to comment on the proposed guidelines. The Secretary, the Attorney General, and the Chairman shall review the comments and publish final guidelines within 30 days after the last day on which comments may be made under the preceding sentence.

"(c) PERIODIC REVISION.—After publication of the final guidelines, the Secretary, the Attorney General, and the Chairman shall meet periodically to revise the guidelines as needed.

"(d) APPLICATION OF ADMINISTRATIVE PROCEDURE ACT.—The promulgation of guidelines under this section shall not be considered rule-making for purposes of subchapter II of chapter 5 of title 5, United States Code, and section 553 of such title shall not apply to their promulgation.

"SEC. 7. ANNUAL REPORTS.

"Every certified association shall submit to the Secretary an annual report, in such form and at such time as he may require, setting forth the information described by section 5(a) of this Act.

"SEC. 8. OFFICE OF EXPORT TRADE IN COMMERCE DEPARTMENT.

"The Secretary shall establish within the Department of Commerce an office to promote and encourage to the greatest extent feasible the formation of export trade associations through the use of provisions of this Act in a manner consistent with this Act.

"SEC. 9. AUTOMATIC CERTIFICATION FOR EXISTING ASSOCIATIONS.

"The Secretary shall certify any export trade association registered with the Federal Trade Commission as of the date of enactment of the Export Trade Association Act of 1979 if such association, within 180 days after the date of enactment of such Act, files with the Secretary an application for certification as provided for in section 5 of this Act, unless such application shows on its face that the association is not eligible for certification under this Act.

"SEC. 10. CONFIDENTIALITY OF APPLICATION AND ANNUAL REPORT INFORMATION.

"(a) GENERAL RULE.—Applications made under section 5, including amendments to such applications, and annual reports made under section 7 shall be confidential, and, except as authorized by this section, no officer or employee, or former officer or employee, of the United States shall disclose any such application, amendment, or annual report, or any application, amendment or annual report information, obtained by him in any manner in connection with his service as such an officer or employee.

"(b) DISCLOSURE TO FEDERAL OFFICERS OR EMPLOYEES FOR ADMINISTRATION OF OTHER FEDERAL LAWS.—

"(1) INVESTIGATION.—The Secretary shall make an application, amendment, or annual report, or information derived therefrom available, to the extent required by an ex parte order issued by a judge of a United States district court, to officers and employees of a Federal agency personally and directly engaged in, and solely for their use in, preparation for an administrative or judicial proceeding (or investigation which may result in such a proceeding) to which the United States or such agency is or may be a party.

"(2) APPLICATION FOR ORDER.—The head of any Federal agency described in paragraph (1), or, in the case of the Department of Justice, the Attorney General, the Deputy Attorney General, or an Assistant Attorney General, may authorize an application to a United States district court judge for the order referred to in paragraph (1). Upon application, the judge may grant the order if he determines, on the basis of the facts submitted by the applicant, that—

"(A) in the case of a criminal investigation—

"(i) there is reasonable cause to believe, based upon information believed to be reliable, that a specific criminal act has been committed,

"(ii) there is reason to believe that such application, amendment, annual report, or information derived therefrom is probative evidence of a matter in issue related to the commission of such Act, and

"(iii) the information sought cannot reasonably be obtained from any other source, unless it is determined that, notwithstanding the reasonable availability of the information from another source, the application, amendment or annual report, or information derived therefrom sought constitutes the most probative evidence of a matter in issue relating to the commission of such criminal act, and

"(B) in the case of any other investigation, that—

"(i) such application, amendment or annual report, or information derived therefrom is probative evidence of a matter under investigation,

"(ii) such application, amendment or annual report, or information derived therefrom is or may be material to the administrative or judicial proceeding in connection with which the investigation is being conducted, and

"(iii) the information sought cannot reasonably be obtained from any other source, or, notwithstanding the reasonable availability of the information from another source, the application, amendment or annual report, or information derived therefrom sought constitutes the most probative evidence of a matter in issue relating to the commission of the act being investigated.

"SEC. 11. MODIFICATION OF ASSOCIATION TO COMPLY WITH UNITED STATES OBLIGATIONS.

"At such time as the United States undertakes international obligations by treaty or statute, to the extent that the operations of any export trade association, certified under this Act or registered under this Act, before its amendment by the Export Trade Association Act of 1979, are inconsistent with such international obligations, the Secretary may require such association to modify its operations so as to be consistent with such international obligations.

"SEC. 12. REGULATIONS.

"The Secretary, in connection with the Attorney General and the Chairman, shall promulgate such rules and regulations as may be necessary to carry out the purposes of this Act.

"SEC. 13. TASK FORCE STUDY.

"Seven years after the date of enactment of the Export Trade Association Act of 1979, the President shall appoint, by and with the advice and consent of the Senate, a task force to examine the effect of the operation of this Act on domestic competition and on the United States' international trade deficit and to recommend either continuation, revision, or termination of the Webb-Pomerene Act. The task force shall have one year to conduct its study and to make its recommendations to the President.".

(b) REDESIGNATION OF SECTION 6.—The Act is amended—

(1) by striking out "Sec. 6." in section 6 (15 U.S.C. 66), and

(2) by inserting immediately before such section the following:

"SEC. 14. SHORT TITLE.".

SECTION-BY-SECTION EXPLANATION

Section 1. Short Title: Export Trade Association Act of 1979.

Section 2. Findings and Declaration of Purposes:

Section 2 sets forth the findings and declaration of purposes.

Section 3. Definitions:

Section 3 defines the pertinent terms. The definition of "export trade" is expanded from the definition contained in the Webb-Pomerene Act (15 U.S.C. 61-66) to include services. The term "service" means intangible economic output, including, but not limited to business, repair, and amusement services; management, legal, engineering, architectural, and other professional services; and financial, insurance, transportation, and communication services. The term "export trade activities" includes any activities or agreements which are incidental to export trade. The term "association" refers to any combination of persons, partnerships, or corporations, all of which must be citizens of the United States or created under the laws of any State or of the United States. A foreign controlled subsidiary created under the laws of any State or of the United States, however, cannot be a member of the "association." The term "antitrust laws" means all antitrust laws of any State or of the United States.

Section 4. Exemption from Antitrust Law:

Section 4 provides that an export trade association certified according to the procedures set forth in this Act is exempt from the application of the antitrust laws provided that the association and its export trade activities (1) serve to preserve or promote export trade; (2) neither result in a substantial restraint of competition within the United States nor constitute a substantial restraint of the export trade of any domestic competitor of the association; (3) do not unreasonably enhance, stabilize, or depress prices within the United States; (4) do not constitute unfair methods of competition against domestic competitors; (5) are not reasonably expected to result in the consumption or resale in the United States of goods or services exported by the association; and, (6) do not constitute trade or commerce in the licensing of patents, technology, trademarks, or know-how, except as incidental to the sale of goods or services exported by the association or its members. Section 4 establishes that federal agencies shall have standing to bring an action against an association for failure to meet the requirements set forth above. Section 4 makes provisions for persons to petition a federal agency to bring an action against an association. It also describes the remedies available to the federal agency and creates jurisdiction in the federal courts for an action brought under this section.

Section 5. Redesignation and Amendment of Sections 3 and 4:

Section 5 provides for conforming changes to Sections 3 and 4 of the Webb-Pomerene Act. Section 3 of the Webb-Pomerene Act is redesignated as Section 5 and is amended to prohibit an association from engaging in unfair methods of competition against domestic competitors only.

Section 6. Administration; Enforcement; Reports:

This section strikes Section 5 from the Webb-Pomerene Act and inserts in lieu thereof a new Section 5 and eight new sections.

A new Section 5 establishes the procedure for applying for certification as an export trade association. It describes the information to be included in the application for certification, most notable of which are an explanation of the conditions, circumstances, and factors which make an association useful for the purpose of promoting export trade; a description of the methods by which the association conducts its export trade; and any other information which is reasonably available to the applying parties and which is necessary for the certification of the prospective association. The new section requires that the Secretary certify an association within 90 days after receiving the association's application if the Secretary determines that the association, it members, and proposed export trade activities meet the requirements listed in the new Section 3. The section provides for an expedited certification process. An amendment procedure is another feature of this section. If there transpires a material change in circumstances which would cause an association to fail to meet any requirement of the new Section 3 of the Webb-Pomerene Act, the association must apply to the Secretary for an amendment of its certification within 30 days of the date of the material change. If the association fails to apply for an amendment within the thirty-day time period, its certification will be void as of the date of the material change. The Secretary, after notifying the association, may (1) require that an association's certification be amended, (2) require that the organization or operation of the association be modified to correspond with the association's certification, or (3) revoke, in whole or in part, the certification of the association upon a finding that the association or its members or its export trade activities do not meet the requirements of the new Section 3.

A new Section 6 to the Webb-Pomerene Act requires that the Secretary, the Attorney General, and the Chairman establish guidelines for purposes of determining whether an association, its members and its export trade activities meet the requirements of the new Section 3.

A new Section 7 to the Webb-Pomerene Act stipulates that every certified association shall submit to the Secretary an annual report setting forth the information required in the application for certification.

A new Section 8 to the Webb-Pomerene Act establishes within the Department of Commerce an office to promote and encourage to the greatest extent feasible the formation of export trade associations through the use of provisions of this Act.

A new Section 9 to the Webb-Pomerene Act provides for automatic certification for existing export trade associations registered under current law. In order to obtain automatic certification, an existing export trade association must file an application for certification within 180 days after the date of enactment of this Act.

A new Section 10 to the Webb-Pomerene Act provides for the confidentiality of the information contained in an association's application for certification, application for amendment of certification, and annual report.

A new Section 11 to the Webb-Pomerene Act authorizes the Secretary of the Treasury to require an association to modify its operations so as to be consistent with future international obligations of the United States set by treaty or statute.

A new Section 12 to the Webb-Pomerene Act authorizes the Secretary, in consultation with the Attorney General and the Chairman, to promulgate such rules and regulations as are necessary to carry out the purposes of this Act.

A new Section 13 to the Webb-Pomerene Act requires the President seven years after the date of enactment of this Act to appoint a task force to examine the effect of the operation of this Act on domestic competition and on the United States' international trade deficit and to recommend either continuation, revision, or termination of the Webb-Pomerene Act.

Section 6 of the Webb-Pomerene Act is redesignated as "Section 14. Short Title.".

Mr. JAVITS. Mr. President, today I am pleased to join my colleague, Senator DANFORTH, in introducing legislation to establish within the Department of Commerce an office to promote and encourage the formation and utilization of export trade associations.

As we contemplate a potential trade shortfall of $40 billion in 1979, we can no longer afford to ignore the weak economic performance of the United States in international markets. The unprecedented balance of trade deficits in the last 2 years have resulted in the steady erosion of confidence in the dollar and aggravated inflationary pressures at home. Additional setbacks perpetuated by chronic deficits include loss of jobs—exports currently account for one of every nine manufacturing jobs in the United States—and declining competitiveness of U.S. manufactured products in overseas markets.

The long-term trends in U.S. export performance are not encouraging. According to a recent study released by the Subcommittee on International Finance of the Committee on Banking, Housing, and Urban Affairs, not only has U.S. export growth been slowing—in real terms U.S. exports in 1977 were only 1 percent greater than in 1974—but what growth has occurred has been due entirely to price increases rather than greater sales volume. While the softening in U.S. export growth can be attributed in part to the slow growth rates in the economies of the United States' traditional trading partners, the failure of U.S. industries to expand exports in faster growing economies at the same pace as competitors, has resulted in a steadily shrinking market share for U.S. products overseas.

Mr. President, I cannot emphasize enough the urgency of developing a coordinated and aggressive national export policy. The management of our domestic economy and the export sector are inextricably interwoven. Each $1 billion of exports forgone represents a loss of $2 billion in GNP and $400 million in Federal tax revenues. Conversely, each $1 billion of U.S. goods sold overseas generates 40,000 U.S. jobs. Export promotion must become a high priority initiative of U.S. Government policy.

The President, in his export policy statement of September 26, 1978, urged that the laws and policies affecting the international business community be administered firmly and fairly, but with a "greater sensitivity to the importance of exports than has been the case in the past." Unfortunately, for whatever reason, this expression of intent has yet to evolve into a substantive program geared to stimulating the business community to action.

A large domestic economy and favorable growth rates at home have traditionally enabled U.S. businessmen to concentrate on expanding production to supply domestic consumption rather than to embark on aggressive searches for new markets overseas. Not only have U.S. producers had fewer incentives to export, they have had to deal with a host of legal and bureaucratic impediments—of which the uncertain application of U.S. antitrust laws is just one example. Decisionmakers in private industry increasingly forgo daring and innovative penetrations of new markets, especially overseas, because of an uncertain business climate or at least one which they perceive to be uncertain. We must begin to foster, through greater Government-private industry cooperation, a more favorable climate in which U.S. companies, both large and small, can expand their economic horizons through greater export sales.

One of the major criticisms directed against modifying our laws to allow for the additional formation of export trade associations is that they are presently little used. However, although export trade associations number approximately 25 and currently account for less than 2 percent of U.S. exports, the Department of Commerce considers these associations to be underutilized because the present legislation does not explicitly cover the export of services or other intangibles. We live in an increasingly service-oriented society, and service related industries account for just under two-thirds of U.S. GNP, yet exports of services totalled less than $7 billion in 1974. Surely, the potential for increasing exports in this sector of the economy is just waiting to be tapped?

Critics of export trade associations further argue that these associations act as an "unwarranted spur to international cartel arrangements." I believe these critics miss the main point. Support of these associations should not be construed as an endorsement of international cartels; in my experience, export trade associations have been used defensively rather than offensively to provide individual U.S. corporations with the legal protection better to compete in third markets with foreign competitors, whether these be large nationalized industries or foreign export cartels. These export trade associations serve a useful purpose to many exporters, and if the Federal Government undertook to educate business owners, particularly small business owners, on the benefits of forming associations, I feel it could play an even more important role in our efforts to increase exports.

Last year, I had the honor to serve for 6 months as a member of the National Commission for the Review of Antitrust Laws and Procedures. Regrettably, while our report did not address all aspects of U.S. antitrust laws as they apply to the practices of U.S. businessmen engaged in international commerce, it did focus on the Webb-Pomerene exemption. Among other suggestions, the commission, together with the Business Advisory Panel which had been appointed to work with the commission at the recommendation of the President's Export Policy Task Force, recommended that if, upon reexamination of the act, Congress agreed to retain the exemption for export associations, then it should be expanded to include service industries. I support strongly, as I did in my separate views to the commission's report, this expansion of the act's coverage and I think that it furthers our objective of promoting U.S. exports.

The bill which I cosponsor today, by establishing an office within the Department of Commerce to encourage the formation of export trade associations, by expanding the provisions of the Webb-Pomerene Act to include the exportation of services, and by transferring the administration of the act from the chairman of the Federal Trade Commission to the Secretary of Commerce, is designed to lay the groundwork for this new export policy approach.

● Mr. BENTSEN. Mr. President, prompt enactment of the "Export Trade Association Act" which Senator DANFORTH and I are introducing today would be an important step toward helping to reduce our staggering trade deficit. This legislation would encourage American firms, including smaller- and medium-sized businesses, to participate in export activities on a joint basis, enabling them to benefit from economies of scale and sharing of market information. This legislation should provide a considerable impetus to U.S. exports and help make us more competitive in world markets.

With a trade deficit in excess of $30 billion last year, Congress must act promptly to formulate a comprehensive export promotion policy. Our enormous trade defiicit contributes to inflation, destroys the value of our currency and creates doubt about our free market system. Fundamental improvement in our trade position is critical to a healthy American economy.

The following statistics dramatize the seriousness of the problem. Prior to 1976, the largest U.S. trade deficit for a full year was the $6.4 billion deficit in 1972. In comparison, the trade deficits in 1976, 1977, and 1978 were $9 billion, $31 billion and an estimated $35 billion, respectively. The U.S. share of total manufactured exports of 15 industrial countries fell from almost 30 percent in the late 1950's to 19.2 percent in 1972. It rose to 21.1 percent in 1975 but has declined steadily since then, falling to 18.9 percent by the first quarter of 1978, the lowest since mid-1972.

In 1918 the Webb-Pomerene Act (15 U.S.C. 61–65) was enacted to exempt joint export ventures from the antitrust laws, provided these activities did not restrain trade within the United States. The purpose of the act was to encourage American manufacturers and producers to compete in foreign trade. However, the vagueness of the law and subsequent judicial decisions have discouraged the use of this export promotion vehicle. The legislation being introduced today would help restore the original intent of the Webb-Pomerene Act.

Japan recognized the importance of encouraging exports by smaller firms over 20 years ago. In 1958 the Japan External Trade Organization (JETRO) was enacted to assist small- and medium-sized firms "to make them more export minded." The rationale behind the Japanese Government's focus on the small- and medium-sized companies was that the large companies in general were motivated to export and, in addition, had marketing capabilities. The United States would not be facing such a large trade deficit today if we had been conscious of export policy during the past 20 years.

Under our legislation, "export trade associations" which have been certified by the Secretary of Commerce would be exempt from the antitrust laws. The Secretary of Commerce would be directed to make a decision within 90 days after receiving an exemption application. Certification would be granted to trade associations which would not substantially reduce domestic competition. In addition, the Department of Commerce would be directed to establish a separate office to encourage and promote the formation of export trade associations.

Mr. President, I believe this legislation constitutes an essential ingredient in a broad national effort to reduce our staggering trade deficit. Senator DANFORTH and I have already been successful in securing Senate Finance Committee approval of many of our proposals to strengthen the countervailing duty laws, and we are formulating some important tax provisions to help maintain the U.S. competitive position in the international marketplace.

If the United States of America is to deal effectively with its emerging international trade crisis, we must act promptly to provide timely and effective remedies against unfair trade practices and take appropriate action to encourage, wherever possible, American exports.●

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business not to exceed 30 minutes and that Senators be permitted to speak therein up to 10 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE CONSTITUTIONAL AMENDMENT ON A BALANCED FEDERAL BUDGET

Mr. HARRY F. BYRD, JR. Mr. President, Dr. James Buchanan, a distinguished economist from Virginia Polytechnic Institute and State University, has given a lucid and forceful statement of the reasons in favor of amending the U.S. Constitution to require a balanced Federal budget.

A keen observer who takes into account the interaction between economics and politics, Dr. Buchanan goes straight to the heart of the matter: Because deficit spending has immense political appeal, it is wishful thinking to expect fiscal discipline in Washington unless a constitutional restraint is imposed.

Recent years have shown that there is a total lack of fiscal discipline in the Congress and in administrations of both political parties. During the last 4 years, for example, the U.S. economy has been in a period of strong recovery, yet huge budget deficits continue—contrary to the teachings of all schools of economic thought.

A constitutional amendment to require a balanced budget, except in times of declared national emergency, could end this kind of irresponsibility. As Dr. Buchanan states:

> The [balanced budget] proposal seeks to remove the dangerous illusion that the benefits of government spending can be secured without the necessity of paying the cost, with the result that these costs show up anyway in the hidden tax of inflation or in the continuous shifting of the burden forward in time through higher and higher interest payments on public debt.

Dr. Buchanan's observations are worthy of the attention of the Senate. He is a university distinguished professor of economics and general director of the Center for Public Choice at VPI&SU. He is cofounder of the Public Choice Society, past president of the Southern Economic Association and past vice president of the American Economic Association.

He is also the author or coauthor of more than a dozen books in public finance, economics and other fields, including "Democracy in Deficit: The Political Legacy of Lord Keynes" (1977).

I ask unanimous consent that the text of Dr. Buchanan's statement to the New Hampshire Legislature be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE BUDGET-BALANCE AMENDMENT

(By James Buchanan)

Let me first emphasize the importance of a constitutional rule for budget balance, as opposed to ordinary congressional and/or presidential promises to accomplish the same fiscal objectives. The nature of modern democratic process is such that budget-balance is extremely unlikely to emerge in the normal order of events, despite the promises of political leaders, promises that are made with the best of intent, normally by sincere and honest men. We must face simple reality here. Voters respond favorably to increased benefits from public spending. Voters respond unfavorably to tax increases. Politicians, seeking to retain political office, respond, and should respond, to the demands and desires of their voting constituencies. It becomes politically easy to spend and politically hard to tax. Deficits will be generated as the natural outcome unless the decision-process is constrained either by external forces or by a constitutional rule that requires some balancing of the two sides of the fiscal account. External forces might work tolerably well in an open economy, and/or one in which governments do not possess money-creation powers. These constraints cannot be expected to work in the case of the government of the United States.

The budget-balance proposal, at base, is very simple. It seeks only to force political decision-makers to balance costs and benefits of governmental actions. It seeks to remove the terrible illusion that we can have the "Great Society" and the Viet Nam War simultaneously, the illusion that cost us so dearly in the 1960s. The proposal seeks to remove the dangerous illusion that the benefits of governmental spending can be secured without the necessity of paying the cost, with the result that these costs show up anyway in the hidden tax of inflation or in the continuous shifting of the burden forward in time through higher and higher interest payments on public debt. The balance-budget proposal is purely procedural. It does not lay down limits as to how much government might spend, or how little. It requires only that projected outlay be covered by projected tax revenues.

Anyone who looks at the fiscal record of the United States over the years, 1960–1980, cannot fail to sense the importance and the urgency of imposing constitutional constraints. Budget deficits have become habitual, and they have been increasing in magnitude. Contrary to the policy precepts of Keynesian economics, we have seen budget deficits in periods of inflationary boom as well as during periods of recessionary slack. Keynesian economics, as it has been translated into the politics of democracy, means fiscal irresponsibility.

Let me acknowledge that most of my professional colleagues in economics would probably oppose the constitutional amendment that would require the federal government to balance its budget. Most economists do not think in "constitutional policy" terms at all. They are quite willing to offer advice or criticism to political leaders about what government should or should not do. And any proposed restrictions on the flexibility of government's potential response to such economists' advice is likely to be viewed negatively. In addition, most economists have not yet incorporated the political effects of Keynesian economics into their thinking.

Those of us in public-choice, a relatively small but rapidly growing group of professional economists and political scientists, have a comparative advantage in these respects. The central purpose of public-choice analysis is to predict how governmental process actually works, not how it should work in some idealized model. And the scientific study of political process necessarily leads us to examine the effects of differing constitutional rules and institutions on the outcomes that might emerge from the operations of governments.

I view the current efforts to introduce a budget-balance amendment to our constitution as an attempt on the part of the American people, by means of their state legislatures, once again to get control over their government. This is the traditional American conception that I hope we never lose. As such, I find the efforts to secure support for this amendment to be extremely encouraging, and I endorse the proposed amendment without reservations.

REMOVAL OF INJUNCTION OF SECRECY—EXECUTIVE P, 96TH CONGRESS, 1ST SESSION

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Treaty of Extradition with Japan, signed at Tokyo on March 3, 1978 (Executive P, 96th Congress, first session), transmitted to the Senate today by the President of the United States.

I ask that the treaty be considered as having been read the first time, that it be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty of Extradition Between the United States of America and Japan, together with a related exchange of notes, signed at Tokyo on March 3, 1978.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the treaty.

The treaty is one of a series of modern extradition treaties being negotiated by the United States. It expands the list of extraditable offenses to include narcotics offenses, aircraft hijacking, bribery, and obstruction of justice, as well as many other offenses not now covered by our existing extradition treaty with Japan. Upon entry into force, it will terminate and supersede the existing treaty of Extradition and the Supplementary Convention of Extradition between the United States and Japan.

This treaty will make a significant contribution to international cooperation in law enforcement. I recommend that the Senate give early and favorable consideration to the treaty and give its advice and consent to ratification.

JIMMY CARTER.

THE WHITE HOUSE, *April 4, 1979.*

REDESIGNATION OF CERTAIN PARAGRAPHS OF RULE XXV

Mr. ROBERT C. BYRD. Mr. President, pursuant to the provisions of S. Res. 496, 95th Congress, agreed to June 29, 1978, upon the appointment of the majority and minority members of standing committees at the beginning of the 96th Congress, subparagraphs (g), (i), and (j) of paragraph 6 of Rule XXV of the Standing Rules of the Senate were stricken. Subsequently, two new paragraphs, (k) and (l), were added to paragraph 6.

I ask unanimous consent, Mr. President, that subparagraphs (h), (k), and (l) of paragraph 6 of Rule XXV of the

Standing Rules of the Senate be redesignated as subparagraphs (g), (h), and (i), respectively.

Mr. President, this action would make no substantive change in the rule. It would merely redesignate certain paragraphs so that they would appear properly in alphabetical sequence.

Mr. STEVENS. Mr. President, I do not object. The matter has been discussed, and I concur that this is a necessary change in the numbering of the rules and makes no substantive changes in the rules.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator.

The ACTING PRESIDENT pro tempore. Without objection, it so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of two measures on the calendar which have been cleared on both sides of the aisle, Nos. 53 and 56.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LAND CONVEYANCE TO THE BELL COUNTY, KY., BOARD OF EDUCATION

The Senate proceeded to consider the bill (S. 41) to authorize the Secretary of Agriculture to convey any interest held by the United States in certain lands located in Bell County, Ky., to the board of education, Bell County, Ky., which had been reported from the Committee on Agriculture, Nutrition, and Forestry with amendments as follows:

On page 2, line 1, strike "is authorized and directed to" and insert "shall";

On page 2, line 12, strike "however,";

So as to make the bill read:

S. 41

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture shall convey, without consideration, to the Bell County Board of Education, Bell County, Kentucky, all right, title, and interest in and to 47.04 acres of land, more or less, a portion of the real property described as tract numbered 1101b in the quitclaim deed made by the United States, as grantor, to the Commonwealth of Kentucky, for the use and benefit of the Department of Conservation, dated April 15, 1954, recorded in Bell County, Kentucky, in deed book numbered 120, page 460, which the United States may hold as a result of covenants contained in said quitclaim deed: *Provided,* That any proceeds from the sale, lease, exchange, or other use or disposition of the lands shall be used exclusively for educational purposes by the Bell County Board of Education.

SEC. 2. The 47.04-acre tract described in section 1 lies on the east side of United States Highway 25E on Log Mountain in the Kentucky Ridge State Forest, and is more particularly described as follows: Beginning at a point in the west line of a 150-foot Kentucky Utilities Transmission Line easement and the east right-of-way line of United States 25E; thence, running with said easement south 01 degrees 46 minutes west, 2286.00 eet to a concrete monument (set); thence, leaving said easement and running south 86 degrees 34 minutes west, 1581.52 feet to a concrete monument (set) in the east right-of-way line of United States 25E; thence, with said right-of-way the following courses: north 28 degrees 36 minutes east, 500.00 feet; north 28 degrees 22 minutes east, 349.03 feet to a concrete right-of-way monument (found); north 37 degrees 36 minutes east, 456.59 feet to a concrete right-of-way monument (found); north 11 degrees 25 minutes west, 128.82 feet to a concrete right-of-way monument (found); north 38 degrees 11 minutes east, 497.55 feet to a concrete right-of-way monument (found); north 38 degrees 11 minutes east, 679.00 feet to a concrete right-of-way monument (found); north 50 degrees 02 minutes east, 343.70 feet to the point of beginning.

The amendments were agreed to en bloc.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to require the Secretary of Agriculture to convey any interest held by the United States in certain lands located in Bell County, Ky., to the board of education, Bell County, Ky.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SCHMITT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXTENSION OF AUTHORIZATION FOR THE FEDERAL ELECTION COMMISSION

The Senate proceeded to consider the bill (S. 832) to extend the authorization for the Federal Election Commission.

EXTENSION OF AUTHORIZATION FOR THE FEDERAL ELECTION COMMISSION

● Mr. PELL. Mr. President, on March 21, 1979, the Committee on Rules and Administration conducted a hearing on the fiscal year 1980 budget authorization request of the Federal Election Commission. The Commission had requested a budget of $10,697,000 to enforce fully its statutory responsibilities. The Commission also testified that a "basic budget" of $9,116,000 would be required to maintain its current level of enforcement. The Office of Management and Budget recommended an authorization of $8,646,000 for the Commission for fiscal year 1980.

At the hearing, Commission witnesses were questioned by the committee concerning completion of audits from the Presidential campaign of 1976. The final audit reports of the primary campaigns of Messrs. Harris, Shriver, UDALL, and Wallace, and the audit report of the general election campaign of President Carter have not been released. The committee was assured that these remaining audits will be completed before the expiration of the statutory periods for requesting repayment, and I am pleased to note that the audit of President Carter's primary campaign was released on Monday, April 2.

The committee also questioned FEC witnesses concerning the Commission's nonfiler program. Over the last 3 years, the FEC has devoted nearly $750,000 to finding and, in some instances, prosecuting candidates and committees which do not file their required disclosure reports. The Commission has been criticized for spending an inordinate amount of its resources pursuing these "widows and orphans" of the political process rather than concentrating on more serious violations of election law, and the committee shares these concerns. However, guidelines have been adopted by the Commission designed to eliminate from prosecution candidates who had little or no impact on the election. These guidelines should lead to a more prudent allocation of the Commission's resources.

The committee is also concerned about the rate of turnover in personnel in certain divisions of the Commission. For the past 3 fiscal years, the turnover rate has been 25 percent, fiscal year 1976; 22 percent, fiscal year 1977, and 26 percent, fiscal year 1978, which exceeds the turnover rate in other Federal agencies of comparable size. Committee members are pleased to note, however, that the FEC has taken steps to lower their rate, and that such efforts have already produced results.

Commission witnesses were questioned concerning the FEC's random audits of Senate and House candidates. Despite the Commission's December 14, 1978, audit policy, which makes it unlikely that the FEC will conduct these random audits of 1978 candidates, the committee was assured that the Commission continues to be committed to the policy of auditing Senate and House candidates on a random basis.

After consideration of the Commission's budget submission and testimony, the committee voted 5 to 3 to recommend that the Senate authorize the sum of $8,881,000 for the FEC for fiscal year 1980. This figure represents a 7-percent increase above the $8,300,000 that the Commission was appropriated in the current fiscal year.

The committee requested supplemental information from the FEC, and has received documentation about the impact of a 7-percent increase on the Commission's operations for the coming year. Having reviewed this information, I believe that the Commission will not be hindered by a budget authorization of $8,881,000.

Mr. President, I move the adoption of S. 832, as reported by the Committee on Rules and Administration.●

The bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 832

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 439c) is amended by striking out "and" after "1977," and by inserting after "1978" the following: ", and $8,881,000 for the fiscal year ending September 30, 1980".

Mr. ROBERT C. BYRD. I move to reconsider the vote by which the bill passed.

Mr. SCHMITT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor for the moment.

TESTIMONY ON THE NUCLEAR NAVY BY ADM. HYMAN RICKOVER

Mr. THURMOND. Mr. President, on March 26, 1979, Adm. Hyman Rickover, father of the nuclear navy, testified before the Senate Armed Services Committee on the Department of Energy request for our nuclear weapons program.

In my judgment, this statement was one of the most outstanding I have heard presented to a congressional committee. It particularly points out the great benefits we have received from nuclear powered naval vessels and the need to continue such programs.

Mr. President, I ask unanimous consent that this statement be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF ADMIRAL H. G. RICKOVER

Mr. Chairman, I deeply appreciate this opportunity to state my views concerning the Naval Reactors Development Program.

INTRODUCTION

In some of my remarks I may express views contrary to those of some of my superiors. You are aware that since the inception of the Naval Nuclear Propulsion Program there have been basic differences between my opinions and those of many of my superiors. My superiors have more responsibilities and problems different and more onerous than mine, and these responsibilities and problems may require different solutions than I propose. I claim no superior wisdom. I make no claim that my views are right and theirs are wrong. As I have in the past, I will give you my personal and professional views based on the information available to me and leave it to you to make your judgments as you see fit.

NAVAL NUCLEAR PROPULSION PROGRAM

The Naval Nuclear Propulsion Program is a joint program of the Departments of Energy and Navy. I serve both as the Director of the Division of Naval Reactors, in the Department of Energy, and the Deputy Commander for Nuclear Propulsion in the Navy's Naval Sea Systems Command. The combination of the responsibilities of the Departments of Energy and Navy for naval nuclear propulsion under one organization eliminates duplication of programs and resources and provides close coordination of technical work.

Division of responsibilities between Navy and Energy Departments

The Department of the Navy is responsible for the military application of nuclear propulsion including constructing, operating, and maintaining nuclear powered ships, and for developing the nonreactor portions of the nuclear propulsion plants.

The naval nuclear propulsion work funded by the Department of Energy provides for the research and development of nuclear reactors for warships. In this regard, I am responsible for reactor plant research, design, development, construction, operation and health matters pertaining to naval nuclear propulsion plants and for all related safety aspects. Furthermore, my responsibilities also include selection, training and qualification of personnel for operating and maintaining these plants. Within the Department of Energy, I am also responsible for the Water Cooled Breeder program; a civilian reactor development program which is not under the cognizance of the Armed Services Committee.

Fiscal Year 1980 Department of Energy budget for the naval reactors development program

[Dollars in millions]

	FY 1980 requested budget authority
Operating Funds:	
Submarine propulsion reactors	$160.1
Surface ship propulsion reactors	55.6
Supporting research and development	16.9
Personnel resources	8.8
Total, operating funds	241.4
Capital equipment funds	15.8
Construction funds:	
Fluids and corrosion test facilities upgrading (80–AE–1)	17.9
General plant projects	3.3
Total, naval reactors development	278.4

An unclassified description of the FY 1980 Naval Reactors Development Program is attached as Appendix II.

NAVAL REACTORS DEVELOPMENT PROGRAM

The joint Naval Nuclear Propulsion Program involves many activities. These include two Department of Energy owned, contractor operated, laboratories; Bettis Atomic Power Laboratory operated by Westinghouse Electric Corporation and Knolls Atomic Power Laboratory operated by General Electric Company, where research and development work is performed. Other activities include land prototypes owned by the Department of Energy; reactor component manufacturing plants owned by the private sector; also shipyards, private and Navy, where nuclear ships are designed, built, and overhauled.

LAND PROTOTYPES

In carrying out these responsibilities, the Naval Nuclear Propulsion Program conducts research and development programs in conjunction with building, testing and operating land prototype nuclear propulsion plants. Seven land prototype propulsion plants are now in operation; these are used to test and evaluate reactor and reactor propulsion plant designs, and to train and qualify Navy personnel for operating and maintaining naval nuclear propulsion plants. In addition, the propulsion plant prototype for the Trident ballistic missile firing submarine will commence operation at West Milton, New York, this year.

NUCLEAR WARSHIPS

In the quarter century since 1953, when the *Nautilus* land prototype first operated, the number of nuclear powered warships has grown to a present total of 125 warships. These represent more than 40% of the Navy's combatant ships. This figure includes 41 ballistic missile submarines (SSBN's), 73 attack submarines (SSN's) three aircraft carriers (CVN's), and eight cruisers (CGN's). We also have one nuclear powered deep submergence research vehicle, the NR–1. These ships have steamed a total of more than 40 million miles; yet there has never been an accident involving a reactor nor has there been any release of radioactivity which has had a significant effect on the environment. In addition to the ships in operation, seven Trident ballistic missile submarines, 24 *Los Angeles* Class high speed attack submarines, one *Nimitz* Class carrier, and one *Virginia* Class cruiser have been authorized by Congress or are under construction.

The Naval Nuclear Propulsion Program is responsible for more operating reactors than the combined total of all U.S. civilian power reactors. Altogether, there are 152 reactors in operation, which have accumulated over 1700 reactor-years of operating experience.

LONG LIFE REACTOR CORES

The goal of the Department of Energy's Naval Reactors Development portion of the Naval Nuclear Propulsion Program is to design, develop, and test improved nuclear propulsion plants and reactor cores having long fuel life, increased reliability, improved performance, and simplified operation and maintenance requirements and, ultimately, to develop reactor cores that will last the lifetime of a ship.

Particular emphasis is placed on obtaining advanced long life cores necessary for increased ship performance and availability. Extending the operating lives of these cores will materially benefit the Navy from the standpoint of both cost and operations. A longer nuclear core operating life will increase the percentage of time the nuclear fleet units are able to undertake operational duties. This will allow greater operational flexibility and provide additional assurance of availability and endurance to fight a war. This is a most important consideration, because any future naval war will have to be fought with the ships available at the start of hostilities. An additional benefit of developing long life cores is that as core lives increase the number of refuelings will be reduced, thereby reducing costs and minimizing radiation exposure and radioactive waste. As an example, the first core for the USS *Nautilus* propelled the submarine two years and 62,000 miles, while a modern core is capable of propelling nuclear ships for ten to fifteen years and over 400,000 miles.

LOW-LEVEL RADIATION

Thre is considerable interest in the question of health effects due to low-level radiation involved in naval nuclear work. In recent Congressional testimony I made a comprehensive statement on this subject. Mr. Chairman, with your permission, I would like to submit it for the record. I will mention only a few of the key points at this time, but I recommend you read the full statement.

The radiation exposure data for ships and shipyards is covered in detail in a Navy report, NT–79–2, which I would also like to include in the record. The maximum total exposure received by any individual in 1978 was 3.068 rem; this is well below the 5 rem annual exposure limit used by the Navy and the Department of Energy. This was the only person to exceed 3 rem out of 37,387 military and civilian personnel. The last time a person exceeded the quarterly or annual radiation exposure limits in ships or shipyards was in 1967.

The Department of Energy facilities under my cognizance have a similar record; their data is reported annually by the Department of Energy. These Department of Energy facilities include two laboratories, the central station nuclear power plant at Shippingport, and three sites with a total of nine reactors which are prototypes of ship reactor plants. Only one person received more than two rem in 1978 in my Department of Energy facilities; he received 2.376 rem, less than half the allowable annual dose. In 1978 the total radiation exposure for these facilities was the lowest in twenty years.

The Navy report on radioactive waste, NT–79–1, which I would also like to include in the record, shows that the total gamma radioactivity discharged to all harbors of the world by the Navy's nuclear ships during each of the last eight years has been less than two thousandths of a curie. If one person were able to drink the entire amount of radioactivity discharged into any harbor in 1978, he would not exceed the annual radiation exposure permitted by federal regulations for an individual worker. In 1978 the total gamma radioactivity discharged in liquid waste from all the Department of Energy facilities under my cognizance was also less than two thousandths of a curie.

In February 1978 Dr. Thomas Najarian and the Boston Globe published the results of a joint venture they undertook to study the effects of radiation on the health of workers at Portsmouth Naval Shipyard. This study has received wide publicity and has created the impression that the health of these workers is being jeopardized by radiation. But I understand that his conclusion is highly questionable. In addition, neither Dr. Najarian nor the Boston Globe has permitted an independent review of their full data. They belatedly provided some data to the Center of Disease Control, but for a study of this importance, full and prompt disclosure of data is their public and professional obligation. If Dr. Najarian and the Boston Globe are genuinely interested in the health of the shipyard workers, and not just in publicity, they would have cooperated fully and immediately.

Much of what the public reads on the effects of low-level radiation is distorted and improperly creates anxiety and fear. A balanced perspective on radiation is difficult to obtain if the stories do not even present the radiation data required to assess the significance of the radiation exposure.

We have learned too much to settle for a simple yes or no answer to such questions as "Is the air safe to breathe?" or "Is it safe to drive a car?". Everything we do has some risk, including breathing.

I accept the same premise as the scientists and regulators that any exposure to radiation, no matter how small, involves some risk. The way to answer the question "Is radiation safe?", is by determining how much the risks are from certain amounts of exposure. Similar evaluations of risks are made frequently for other subjects; one example is the calculation that each cigarette smoked shortens your life expectancy by about five minutes. Another is, your risk of dying in an automobile accident in any year is about one in five thousand.

The knowledge of radiation is not as uncertain as is frequently stated. More is known about the effects of radiation than almost any other substance encountered by humans in industry. One example can help put both the knowledge and the uncertainty in perspective:

In a typical group of 10,000 people in the U.S., a total of 1600 will die of cancer. Risk estimates for radiation based on examining large amounts of data from exposure to humans and animals have been made by the United Nations Scientific Committee on the Effects of Atomic Radiation, and by the U.S. National Academy of Sciences Committee on Biological Effects of Ionizing Radiation. These risk estimates agree that if each of these 10,000 received over his lifetime one rem more than he was already receiving from background and medical sources, then one extra person would die of cancer. Therefore, the 1600 cancer deaths would increase to 1601 for this group of 10,000. This example is directly applicable to the combined Navy and Department of Energy Naval Reactors Program where the average lifetime occupational radiation exposure is one rem.

However, a few highly controversial studies have concluded that more people would die from radiation than the Academy of Sciences and United Nations committees predict. If the higher risk estimate of one well known study is applied to the same population group of 10,000, then the 1600 cancer deaths would increase to 1610. This example illustrates the conflict. The controversy is whether one extra rem to each of 10,000 people will cause the normal number of 1600 cancer deaths to increase to 1601, or to 1610. The 1601 figure is the current best estimate. Studies are now underway to attempt to refine the accuracy of the estimates.

My conclusion is that the risk to the group of people occupationally exposed to radiation in the Naval Reactors Program is small compared to the risks accepted in normal industrial activities, and that it is small compared to the risks regularly accepted in daily life.

I know one apparently healthy person who forty years ago received more radiation exposure from medical X-rays to his chest than the total exposure all 15,000 radiation workers at the nine shipyards received in 1978 from Naval nuclear propulsion plant work. There are others who have had similar radiation exposures and are alive and well years later.

I trust that these examples and the other examples in the material I have provided will put the small radiation exposure from the Naval Reactors Program into better perspective.

SSN 688 CLASS ATTACK SUBMARINES

The shipbuilding program proposed by the Department of Defense for FY 1980 includes funds for the 34th high speed Los Angeles Class submarine. Nine have already been delivered to the Navy. Fourteen more are being built at Electric Boat and eight at Newport News. The contract for the remaining two already authorized is expected to be awarded in a few weeks.

These high speed nuclear submarines, whose principal mission is anti-submarine warfare, are meant to counter the rapid increase in both the quantity and speed capability of the Soviet nuclear submarine fleet.

The high speed capability in the SSN 688 Class permits them to be used in direct support of the high speed surface task forces in an escort role. High speed also provides tactical advantages over previous, slower classes of U.S. submarines. Ships of the SSN 688 Class are currently participating in a tactical development and assessment program which is designed to determine the best tactics to employ in the various missions which this ship will perform. The program is only partly completed; but it has already shown that the high speed of the SSN 688 Class considerably expands the tactical options and capabilities available to attack submarines.

TRIDENT

The shipbuilding program proposed by the Department of Defense for Fiscal Year 1980 includes funds for the eight Trident submarine. The Trident submarines will have increased survivability compared to our existing Polaris and Poseidon submarines because they are being built with all the latest technology. They will be more difficult to detect than existing Polaris and Poseidon submarines because the Trident submarines will be quieter and their longer range missiles will give the submarines 10 to 20 times more ocean area in which to hide. Our existing Polaris and Poseidon submarines are noisy compared to current standards. They were all built with the technology of the 1950's. Quieter submarines are necessary to decrease the probability of detection and to ensure the survivability of our seaborne strategic deterrent.

The Polaris and Poseidon submarines are wearing out and we must plan now for an orderly construction program to provide replacement. Unless we do so we will be confronted with block obsolescence. Our current force of 41 ballistic missile submarines was commissioned during the seven-year period from 1959 to 1967, and were built to specifications based on a 20-year life. These ships have been operated hard, with two crews, to allow them to be on station the maximum possible time. It is unreasonable to expect them to operate for more than 20 years without the possibility of breakdowns.

The longer range of the Trident missiles will permit basing our ballistic missile submarines in the United States—no foreign basing will be required. This will eliminate the vulnerability of our ballistic missile submarine force to international political action that could deny us the use of foreign bases. This is extremely important because we are always in danger of losing our foreign bases.

I recommend that Congress continue to support the Trident program which is vital to our national survival.

GENERAL PURPOSE NAVAL FORCES

The bulk of our naval ships, the general purpose forces, are designed to carry out naval missions in conflicts short of all-out nuclear war. Less than half of these are submarine and surface combatants and aircraft carriers designed to fight in areas of high threat; they are our naval strike force ships.

The majority of general purpose force ships are assigned to non-strike force functions, such as underway replenishment groups, amphibious assault forces, convoy escorts, and support ships which service the Fleet. I have never recommended, and I know of no serious consideration ever having been given to providing nuclear propulsion for ships in the non-strike forces.

Aside from submarines, the only warships I have recommended to be provided nuclear propulsion are aircraft carriers and guided-missile firing ships. I will address my views on nuclear propulsion for surface warships shortly, but first I want to summarize the growing Soviet Naval threat.

THE SOVIET NAVAL THREAT

Admiral of the Fleet, Gorshkov, the Commander-in-Chief of the Soviet Navy, took command of a defense oriented extension of the Soviet Army 23 years ago. Under his leadership development of the Soviet Navy was assigned highest national priority. As a result, since 1958 the Soviet Navy has taken delivery of at least 1800 new ships and combatant craft in 137 different classes, a program of naval expansion that surpasses the efforts of any other naval power. From a defensive posture in World War II, the Soviet fleet has evolved into a major blue-water Navy that today can challenge the U.S. for control of the seas. More important, the Soviet momentum for superiority in all phases of naval warfare continues while U.S. naval plans are far from certain and fluctuate every year. There has never in peacetime been anything comparable to the current growth of Russian naval power. We need to view these efforts critically because such actions appear to be inconsistent with, if not a repudiation of, efforts to reduce tensions between the superpowers.

From 1969 through today the Soviet Navy has increased in numbers of ships and in capability. For example, the nuclear submarines in the Soviet fleet increased from 69 in 1969 to about 155 today, surpassing us in this area in 1970. During this time period, the number of Soviet surface combatants and aircraft carriers have increased from 220 to 272 while the number of U.S. major surface combatants and aircraft carriers fell from 301 to 174. While their numbers have continued to increase, ours have continued to decline.

Looking at the submarine situation specifically, the comparison is particularly ominous. Currently the Soviets have a total of about 355 submarines, consisting of about 155 nuclear powered and 200 diesel powered ships, all of which have been built since World War II. The total U.S. force is 122 submarines with 114 nuclear powered and 8 diesel powered. By 1985 the 7 Trident and 24 Los Angeles Class nuclear attack submarines already authorized are expected to be delivered. averaging about 5 new nuclear submarines a year. The current Department of Defense plan is to authorize only two additional nuclear submarines a year. Thus, after 1985 our deliveries will drop to that rate. If the Soviets continue delivering at the rate of ten nuclear submarines a year, as they have averaged for the past four years, the nuclear submarine gap will continue to widen rapidly.

SOVIET BALLISTIC MISSILE SUBMARINES

In the critical area of strategic submarines the Soviets have built about 71 nuclear powered ballistic missile submarines compared to our 41. They have 34 YANKEE Class submarines which are equivalent to our POLARIS and POSEIDON submarines, but their submarines are all newer than ours.

The Soviets also have at sea 29 ships of their Delta Class ballistic missile submarines, with more under construction. These ships carry missiles with a 4,200 mile range. This means that from their operating areas in the Barents Sea and Northern waters they can cover the entire United States, Canada, and most of Mexico. In total, the Soviets have almost twice as many nuclear-powered ballistic missile submarines as we, and they are continuing to build new ones. Our first TRIDENT submarine will not be delivered until 1980. Even then our building rate will only be about 1 a year.

SOVIET ATTACK AND CRUISE MISSILE SUBMARINES

In attack and cruise missile submarines the Soviets have a total of 260 units to our 81. Of their total, about 84 are nuclear powered, while the U.S. has 73 nuclear powered attack submarines. We do not have any submarines capable of firing cruise missiles, although the Navy is developing a version of the HARPOON missile which will be capable of being fired from submarine torpedo tubes.

The Soviets have the largest and most modern submarine yards in the world. They are credited with a nuclear submarine production capability of 20 ships a year on a single shift basis. While not fully utilizing this vast building capacity, they have since 1974 completed 40 submarines. As late as 1966, the Russians had only two new construction yards for building nuclear submarines; today they have four with this capability, and further expansion of such facilities is currently in progress. At present, the maximum U.S. capacity to build nuclear submarines is less than half that of the Soviets.

Of greater concern than total numbers is the fact that since 1968 the Soviets have introduced over 9 new submarine designs, or major modifications in design, besides converting older submarines to improve their capabilities. They have introduced significantly improved versions of their attack, cruise missile, and ballistic missile nuclear submarines. In the last 10 years they have introduced more new submarine designs than have ever been put to sea, during a comparable period, in all of naval history. The U.S., on the other hand, has introduced only two new submarine designs in this period.

SOVIET SURFACE WARSHIPS

The trends in the surface navy are also of concern. Today, the Soviets have more major surface combatants than we, and many of their ships carry surface-to-surface missiles, which our ships do not yet have. They presently have 272 surface combatants and aircraft carriers compared to our 174. Since 1969 the Soviets have built over 800 major and minor surface combatants, mine warfare, and amphibious ships, while the U.S. has built 85, or about one-tenth as many. The Soviets have recently shown that they have a place in their Navy for aircraft carriers. The recent operation of the KIEV and MINSK along with construction of a sister ship shows that the Soviets intend to enter into the area of naval aviation capability which has been the major strength of the U.S. Navy.

SOVIET CRUISER PROBABLY NUCLEAR POWERED

The Soviets have begun construction of a new class of cruiser, which will probably be nuclear powered and which, at an estimated 25,000 tons would be the world's largest nuclear powered cruiser. Our largest nuclear powered cruiser, the USS LONG BEACH, is about 700 feet long and displaces 17,000 tons. The new Soviet cruiser will be larger than the nuclear-powered Strike Cruiser (CSGN), that was proposed for construction by the Ford Administration. The tables that follow compare the Soviet and U.S. submarine and surface fleets.

COMPARISON OF UNITED STATES AND SOVIET SUBMARINES, MARCH 1979

Submarine type	Soviets [1]	United States
Ballistic missile:		
Nuclear	71	41
Nonnuclear	20	0
Cruise missile:		
Nuclear	40	0
Nonnuclear	25	0
Attack:		
Nuclear	44	73
Nonnuclear	155	8
Total:		
Nuclear	155	114
Nonnuclear	200	8
Grand total	355	122

[1] Numbers are approximate.

[2] Ballistic missile submarine includes 34 Yankee's, 29 Delta's, and 8 older units. Not all units are capable modern launcher platforms.

COMPARISON OF UNITED STATES AND SOVIET ACTIVE SURFACE SHIPS, MARCH 1979

	Soviets	United States
Aircraft carriers	2	13
Surface combat type:		
Aviation cruiser	2	0
Cruisers	35	18
Destroyers	71	68
Frigates	162	65
Subtotal	272	174
Other type ships/craft:		
Patrol combatant type	100	3
Coastal patrol craft	470	0
Amphibious ships/craft	101	64
Mine warfare ships/craft	430	3
Auxiliaries	755	87
Subtotal	1,856	157
Total	2,128	331

SURFACE WARSHIPS

The question of the direction to be followed for our surface naval strike forces continues to be the central argument concerning the Navy's future shipbuilding program.

CURRENT CARRIER FORCE

Name (Number)	Commissioning date	Age as of July 1, 1979	Age as of July 1, 1988, when CVN-71 is operational
Unnamed (CVN-71)	[1] 1987		
Carl Vinson (CVN-70)	1982		6
Dwight D. Eisenhower (CVN-69)	Oct. 18, 1977	1	10
Nimitz (CVN-68)	May 3, 1975	4	13
John F. Kennedy (CV-67)	Aug. 7, 1968	10	19
America (CV-66)	Jan. 23, 1965	14	23
Enterprise (CVN-65)	Nov. 25, 1961	17	26
Constellation (CV-64)	Oct. 27, 1961	17	26
Kitty Hawk (CV-63)	April 29, 1961	18	27
Independence (CV-62)	Jan. 10, 1959	20	29
Ranger (CV-61)	Aug. 10, 1957	21	30
Saratoga (CV-60)	April 14, 1956	23	[2] 32
Forrestal (CV-59)	Oct. 1, 1955	24	[2] 32
Coral Sea (CV-43)	Oct. 1, 1947	[2] 31	[2] 40
Midway (CV-41)	Sept. 10, 1945	[2] 33	[2] 42

[1] If authorized in fiscal year 1980 with passive protection Option D.

[2] Beyond expected life.

Overall, I believe that in a non-nuclear war our Navy still has a slight edge over the Soviet Navy because of our aircraft carriers, listed in the following table. However, even this is not reassuring since, as a land power, the Soviets do not have to depend on sea lines of communication to conduct military operations. Further, the number of deployable carriers in our fleet continues to decline, and no new carrier has been authorized since the CARL VINSON six years ago. This is the longest gap in carrier authorization at any time in the past quarter century.

Apparently, it is now planned that one more carrier will be built in the foreseeable future. Even so, the ship included in the budget this year is substantially inferior in almost every respect to any carrier, nuclear or conventional, authorized in the past twenty-five years.

Any comparison of the Soviet and U.S. navies must be viewed in the context that we are a maritime power dependent upon being able to maintain sea lines of communication in order to conduct military operations overseas and to support our allies. The mission assigned to our Navy is a far more difficult task than the Soviet Navy mission of denying us free use of the seas.

The United States has long since given up any chance of matching the Soviet Navy in numbers of ships. Therefore, the quality of our ships must be superior, if we are to be able to withstand their attacks and protect the sea lines of communication. It is axiomatic in war that a nation dependent on the quality of its weapons to prevail over numerically superior forces must design its forces around an offensive strategy. A nation whose forces are outnumbered cannot afford to fight a defensive war of attrition. If we expect to be able to prevent defeat in a non-nuclear conflict, then we must be able to penetrate the opposing forces and strike their bases and sources of supply.

FISCAL YEAR 1980 BUDGET PROPOSES NON-NUCLEAR CARRIER AND AEGIS SHIP

As you may know, the FY 1980 shipbuilding program includes a medium size, oil-fired aircraft carrier known as the CVV; also the second ship of the DDG-47 Class AEGIS Fleet air defense ship, the DDG 48, which is an oil-fired, gas turbine powered ship.

Aircraft carriers and *Aegis* fleet air defense ships will form the backbone of our first-line naval strike forces. Thus they will have to be capable of fighting in the areas of highest threat. Considering the difficulties of providing logistic support in such areas, in my view it is essential that our firstline warships be given the mobility and flexibility that only nuclear propulsion can provide. In my opinion, in the 1980's and beyond, in any area where the Soviets challenge us, we will need all-nuclear carrier task forces if we are to be able to keep our sea lines of communication open.

The decisions Congress reaches this year concerning whether to authorize these non-nuclear ships, or to take on the uphill fight to reestablish the nuclear powered ships the Congress and the Department of Defense once agreed upon—the nuclear carrier CVN 71 and the nuclear AEGIS cruiser CGN 42—are of fundamental importance to the future of the U.S. Navy.

The justification for providing nuclear propulsion for major combatants has been documented in detail through analysis, the military judgment of senior naval commanders, and experience in the fleet. I have seen nothing in recent world events which diminishes the need for the mobility in our naval strike forces which only nuclear propulsion can provide.

OPPOSITION TO NUCLEAR PROPULSION BY SYSTEMS ANALYSTS

The Defense Department systems analysts in opposing nuclear propulsion have relied on the argument that since nuclear propulsion costs more, conventional ships should be built instead. The analysts include the cost of nuclear fuel in the acquisition cost of nuclear warships, but ignore the cost of buying and delivering oil to the conventional ships. Nowhere in their arguments do they address the difficulty the Navy can expect to encounter in providing and delivering oil to its major combatants in high threat areas. In their analyses they study the effects to be expected when combatant ships are attacked by aircraft, missiles, and torpedoes. But in the same analyses they assume that the much more vulnerable logistic support forces will not be attacked, and that the combatants will be supplied propulsion fuel whenever and wherever they need it. Even then, the studies show that on a life-cycle cost basis, a nuclear task force costs about the same as an oil-fired task force, when all costs are considered.

ROLE OF CONGRESS IN CREATING NUCLEAR NAVY

The cognizant congressional committees have studied this matter in great detail over a period of many years. Three decades ago it was the Congress that overrode the cost analysts' arguments against the nuclear submarine, to get the program established.

It was the Congress that authorized the Atomic Energy Commission to buy and pay for the nuclear propulsion plants for our first two nuclear submarines, the *Nautilus* and the *Seawolf*, because the Department of Defense could not envision the worth of nuclear propulsion. Congress has had to step in many times since, to keep the nuclear submarine program going. Even so, the nuclear submarine building program has now been slowed to a trickle. And the talk of reverting to diesel submarines grows louder every day.

The *Nimitz* Class nuclear carriers and the *Truxtun*, *California*, and *Virginia* Classes of nuclear cruisers evolved from similar arguments between Congress and the Department of Defense. This argument led to enactment by Congress, five years ago, of Title VIII of the Department of Defense Appropriations Authorization Act, 1975, which established as a matter of law that the policy of the United States is to provide nuclear propulsion for major combatants built for naval strike forces. The systems analysts did not accept that policy and worked to circumvent it; this culminated last year in the repeal of Title VIII. No nuclear powered surface warship has been authorized for construction since Title VIII became law. The closest was the CVN 71 last year, but this ship was removed from the Authorization Act consequent to the President's veto. Also, Congress authorized advance procurement funds two years ago for a nuclear-powered AEGIS cruiser, the CGN 42, with four such ships included in the Department of Defense plan at that time. However, that program now appears to have been shelved by the Department of Defense.

CREDIBILITY OF NON-NUCLEAR WAR

Perhaps the opposition to nuclear propulsion is based on the assumption that we do not need to be prepared to fight a non-nuclear war against a technologically sophisticated enemy. But if that is so, why do we need another carrier at all? Or why do we need AEGIS ships designed to counter sophisticated air attack? If a confrontation between U.S. and Soviet naval forces is not credible, why are the Soviets embarked on such a major upgrading of their naval capability?

It takes many years to build a major warship. What if we miscalculate and do not build ships adequate to meet the threats we can expect to face? What alternative will we then face—giving in on all issues for which we are not willing to resort to nuclear war? The price of investing in adequate strength to ensure peace may appear high, but it is small compared to the cost of war.

AIRCRAFT CARRIERS

For the foreseeable future, the aircraft carrier will continue to be the principal offensive striking arm of the Navy in a non-nuclear war. No other weapon system existing or under development can replace the long-range, sustained, concentrated firepower of the carrier air wing. Torpedo-firing nuclear submarines, cruise-missile-firing nuclear submarines, nuclear cruisers with anti-air, anti-surface, and anti-submarine capabilities—all are needed to supplement and augment the capabilities of the nuclear carrier. But without the tactical airpower provided by carriers, all of our other surface forces would have greatly increased vulnerability. If an opponent is successful in developing weapons that can sink a number of our carriers, and we are not successful in developing adequate counter weapons—or if we simply do not have a sufficient modern carrier force to protect our sealanes—the United States will have to change its national objectives to make them consistent with our inability to conduct overseas military operations.

How many carriers the Navy must have is not my responsibility to determine. However, I note that the number of overseas airbases available to us continues to decline, and political considerations can prevent us from using some of those we retain. Since there is no known alternative to carriers for providing significant tactical airpower beyond the range of provisioned and protected land bases, and the capabilities of the Soviets to attack us at sea continue to increase, our need for carriers appears to me to be increasing rather than decreasing.

AIRCRAFT CARRIER IN FY 1980 PROGRAM

The Department of Defense Fiscal Year 1980 shipbuilding program includes a request for $1.617 billion for an oil-fired aircraft carrier with a full load displacement of about 62,500 tons, called the CVV. It is planned to build this ship in lieu of the fourth carrier of the *Nimitz* Class, the CVN 71, for which $268 million was appropriated in FY 1977 for advance procurement of nuclear propulsion plant components.

Since the President vetoed the FY 1979 Department of Defense Appropriations Authorization Act because it authorized the funds to construct the CVN 71, it is currently planned that the nuclear propulsion plant components will be used as spare parts for the first three ships of the Class, the *Nimitz*, the *Dwight D. Eisenhower*, and the *Carl Vinson*.

CVV VERSUS CVN 71

The CVV will be about two-thirds the size of the CVN 71; it will be able to operate and service an air wing about two thirds as large; it will carry about 40 percent of the aircraft fuel and about two-thirds the aircraft ammunition; it will have one-half the number of aircraft elevators, catapults, and propulsion shafts; it will be about five knots slower; and it will require refueling every few days.

The acquisition cost of the CVV without fuel will be about two-thirds the $2.403 billion acquisition cost of the CVN 71, but whose cost includes the initial nuclear reactor cores which would provide for about 15 years of operation.

When all costs over a 30-year life-cycle are considered, the cost per aircraft is expected to be about the same for the CVV as for the CVN 71, and the CVN 71 would be much more effective.

SEA-BASED AIR PLATFORMS PROJECT REPORT

Last year I summarized to the Congress the results of the Assessment of Sea-Based Air Platforms Project Report issued in February 1978 by the Office of the Secretary of the Navy. I pointed out that the study showed that, overall, the NIMITZ Class carrier would be more cost-effective than the CVV even though:

(1) The costs of nuclear power were included in the analysis but the advantages of nuclear power were omitted.

(2) The engagement analyses were performed on the basis that all carrier forces were deployed on station, and fully replenished at the time the postulated attacks started. Thus, the capability of nuclear powered ships to transit long distances at higher speed, arriving in the trouble area earlier, ready to enter combat without replenishment, was given no consideration in the analyses. Nor was consideration given to the ability to reposition nuclear-powered ships rapidly and without concern for logistic support; this ability greatly reduces vulnerability to preemptive attack and could be decisive in many actual combat situations.

(3) The analysis assumed that replenishment groups were available whenever and wherever needed, and that replenishment forces were not attacked. Thus, the nuclear carrier's advantage of requiring less frequent replenishment, and its ability to steam at high speed to rendezvous with replenishment forces in safer areas without concern for propulsion fuel, were not considered.

(4) The scenarios postulated in the analyses called for ship speeds within the capability of all ships studied. Therefore the higher top speed of the nuclear carrier was not considered in the analyses.

(5) Nor was weather considered in the analyses. Thus, the greater seakeeping capability of the *Nimitz* Class carrier was not considered. In this regard, carrier studies furnished to Congress in 1974 by the Chief of Naval Operations showed that sea conditions in the North Atlantic are such that a carrier of CVV size would not be able to operate aircraft about 21 percent of the time in winter, as compared to about 12 percent for a *Nimitz* size carrier—a factor of nearly two in favor of the larger carrier. Further an advantage of nuclear surface warships is their ability to take circuitous routes and use high speed to avoid storm areas during transits. This is possible because of their freedom from propulsion fuel constraints.

Overall, the engagement and cost analyses showed the *Nimitz* Class nuclear carrier to be the most cost-effective carrier. When all the advantages of the nuclear carrier that were omitted from the study are actually considered, it seems to me that the nuclear carrier is overwhelmingly superior to the conventional carrier on a cost-effective—or on any other basis.

IMPORTANCE OF CARRIER PLATFORM

A smaller conventional carrier such as the CVV costs less to procure on a ship-for-ship basis than a CVN. However, it would be shortsighted to base the decision on the type carrier to be built entirely on initial procurement cost. The Navy study showed that the initial procurement cost of the carrier is only about 10 percent of the total life-cycle cost of buying and operating aircraft at sea. However, the survivability of aircraft and their effectiveness in combat are heavily dependent upon the platform from which they operate. The study showed that, even without considering the advantages of nuclear propulsion, the nuclear carrier is the most survivable platform. This is so even when the dispersal of forces through building larger numbers of cheaper ships is considered in the analyses. Further, the greater mobility, tactical flexibility, and capacity for combat consumables of the nuclear carrier makes its relative survivability even greater than calculated in the analyses.

NUMBERS OF CARRIERS

It is frequently argued that by buying smaller conventional carriers, like the 62,500 ton conventional CVV, the Navy could have more ships in more places for the same cost.

In this regard, it should be noted that if three conventional CVV's and their air wings were procured in lieu of two *Nimitz* Class carriers and their larger air wings, the Navy would get the same number of aircraft and one more ship. But the study also showed that even without considering the advantages of nuclear propulsion, the three conventional ships would cost more, be more vulnerable, and provide less military effectiveness. Further, it would require an additional investment in more carriers escorts and replenishment forces before the three CVV's could be operated in more place at one time than the two nuclear carriers.

Besides the present plan is to build only one more carrier in the foreseeable future. Therefore, the real choice that faces Congress is what type of ship that one carrier should be. The study I have been describing is not one I made. It was a study commissioned by the Secretary of the Navy in response to a Congressional directive.

COMPARISON OF CVV AND CVN 71 MILITARY CHARACTERISTICS

A comparison of CVV and CVN 71 military characteristics and life-cycle costs is summarized in the following chart which is an update of the chart I furnished to Congress last year to show the latest information about both ships.

CVN/CVV 30 YEAR LIFE CYCLE COSTS

(February 1978 Study)

Without aircraft.—
One CVN = 1.26 CVV.
Two CVN's = 2.5 CVV's.
With aircraft.—
One CVN = 1.38 CVV's.
Two CVN's = 2.75 CVV's.

Cost per sea-based aircraft is about the same.

CVN is more cost effective overall; is more survivable; carries more aviation fuel per aircraft; has more aircraft support facilities; has better sea-keeping ability; is about 5 knots faster; and has all advantages of nuclear propulsion.

MODIFIED JOHN F. KENNEDY CLASS CARRIER

I note that some are recommending a compromise position of building a carrier like the *John F. Kennedy*, CV–67, which was the last oil-fired carrier built.

The proponents of this compromise point out that the *Kennedy* can operate and support an air wing the same size as the *Nimitz* Class carrier air wing, and that it has the same maximum speed and redundancy of aircraft elevators and catapults as the *Nimitz* Class carrier. An oil-fired modified *Kennedy* is estimated to cost $1.76 billion in the FY 1980 program, $143 million more than the CVV.

The *Kennedy* was authorized in 1962 for the FY 1963 Shipbuilding Program. At that time the first nuclear surface warships, the cruiser *Long Beach*, CGN 9, and the carrier *Enterprise*, CVN 65, had been commissioned only a few months. The Navy had originally recommended that both the *America*, CV–66, and the *Kennedy* be nuclear powered, but the Secretary of Defense "persuaded" the Navy to change its recommendation from nuclear to conventional for these two ships.

By late 1962 the *Enterprise* had proved her worth in the Cuban Missile Crisis. Many in Congress considered it a mistake for the *Kennedy* to be oil-fired and tried to get Secretary McNamara to change his mind. In 1963 the Joint Committee on Atomic Energy held extensive hearings on the subject of "Nuclear Propulsion for Naval Surface Vessels." The Chairman of the Atomic Energy Commission, Dr. Glenn T. Seaborg; the Chief of Naval Operations, Admiral David L. McDonald; Secretary of the Navy Fred Korth; and the Director, Defense Research and Engineering, Dr. Harold Brown, testified that they favored making the *Kennedy* nuclear. Secretary of Defense Robert S. McNamara testified against it.

The Joint Committee analyzed the testimony and all the classified studies of the matter furnished by the Department of Defense. The Joint Committee issued a report setting forth their analysis and the basis for their recommendations:

"1. That the decision to install conventional propulsion in the new aircraft carrier, CVA–67, should be set aside and plans made to install nuclear propulsion in this ship; and

"2. That the United States adopt the policy of utilizing nuclear propulsion in all future major surface warships; and

"3. That a vigorous research and development program for surface warship nuclear propulsion be continued."

I recommend that the Joint Committee Hearing Record and the December 1963 Report be read by anyone who is interested in building an oil-fired *Kennedy* Class carrier. The arguments we hear today are the same ones made then. The difference is that now we have 15 years more experience with successful operation of nuclear warships in the Fleet where the advantages of nuclear propulsion have been demonstrated over and over again, and the potential vulnerability of oil supplies has become increasingly evident to everyone.

Following the Joint Committee's December 1963 Report, Secretary McNamara had the Navy make an extensive cost-effectiveness study entitled: "Nuclear Power for Surface Warships, Naval Warfare Analysis Group Study No. 33."

For the first time—and as far as I know the only time—the war-gaming analyses took into consideration the effects of attack on logistic support forces. The study showed that the peacetime costs of a *Nimitz* class carrier over its life would be essentially the same as a *Kennedy* class carrier, and that the nuclear ship would be more effective. The study also showed that when attacks on logistic support forces were considered, losses could be expected to be less if the carrier were nuclear powered.

Following this study and additional successful operational experience with nuclear ships, Secretary McNamara in 1966 changed the three additional carriers planned at that time to nuclear propulsion. That was the origin of the *Nimitz*, the *Dwight D. Eisenhower*, and the *Carl Vinson*.

When I testified before the House Armed Services Committee in May 1966 in support of the Authorization of the *Nimitz* in the FY 1967 Shipbuilding Program, I said:

"When the Navy changed their recommendation from nuclear to conventional propulsion in the two aircraft carriers following the *Enterprise*, I know that a major concern was that they felt they wouldn't get these carriers if they asked for nuclear. So they asked for conventional. I think they would have asked for an aircraft carrier with sails, if they hadn't been able to get any other. After all a Navy without ships is not a Navy at all. . . .

"In order to carry out his responsibilities, the Chief of Naval Operations certainly must have real ships, not paper ships. In order to get real ships, he must ask for ships that he thinks he can get."

I can see how today some who believe another carrier is needed, but do not see any point in building the CVV, could turn to a *Kennedy* class ship as a compromise. There is no question that the superiority of a *Kennedy* over a CVV is worth the increase in cost involved. But, it is important to remember that study after study made by the Navy over the past 15 years shows that the overall cost of a *Nimitz* is essentially the same as the overall cost of a *Kennedy*, while the nuclear ship is markedly superior. It should be borne in mind that a *Nimitz* class carrier, with the same overall cost, carries almost twice as much aviation fuel and fifty percent more aircraft ammunition than a *Kennedy* class carrier, as well as having all the advantages of nuclear propulsion. These features increase the fighting capability of the ship and the air wing it operates and supports. They also reduce the vulnerability of the ship and air wing as a weapon system because they reduce dependence on highly vulnerable logistic support forces.

When all is said and done, it must be remembered that the cost of the carrier is only a small fraction of the total cost of operating sea-based aircraft. Yet the capability, availability, and survivability of those aircraft are directly dependent upon the characteristics of the carrier platform from which they operate.

TURNING THE CLOCK BACK

In my view, to build an oil-fired *Kennedy* would be turning the clock of carrier technology back over 15 years. To build a CVV would be turning the clock back over 30 years.

If we are to have another carrier, we must use the best technology we have. The *Enterprise*, the *Nimitz*, and the *Dwight D. Eisenhower* have proven their capabilities in operation. They are clearly superior to any oil-fired carrier. Whatever carrier we build will not join the Fleet until 1987 and will have to operate at least 30 years after that. If we are to spend the money it takes to provide and operate an air wing at sea, it makes no sense not to provide the best platform. I do not understand the arguments that have been presented for canceling the CVN 71 and substituting either a CVV or a *Kennedy* Class carrier in its place.

Of course, the decision is not mine to make, so it is not necessary that I understand the basis for it. On the other hand, under our Constitution the decision is up to Congress to make. Therefore, I urge that you in Congress find an explanation that makes sense to you for whatever decision you make in this matter.

NEED FOR NUCLEAR-POWERED GUIDED-MISSILE SHIPS

Some argue that we should not build another nuclear carrier because to do so would require providing nuclear power for the guided-missile firing ships which accompany it. I do not consider that argument valid. Studies furnished to your Committee have shown that each time a nuclear ship is substituted for a non-nuclear ship in a carrier task group, with four conventional escorts, is whole will improve, even if all the other ships are oil-fired.

However, it is also true that there is an incentive to provide nuclear propulsion in missile-firing ships, whether or not the carrier they accompany is nuclear powered. Further, a nuclear-powered guided-missile ship has the unique capability for independent operations not available to oil-fired ships.

Of course, the greatest gain is made when all the ships in a task group are nuclear. The all-nuclear carrier task group has greater capability to penetrate and counter the projected Soviet naval threat than any other naval surface force we know how to build.

When a nuclear carrier is substituted for a conventional carrier, the range of a carrier task group, with four conventional escorts, is doubled. When two of the four escorts with the nuclear carrier are nuclear, the range of the carrier task group is doubled again. When all the escorts are nuclear, the range of the carrier task group is essentially unlimited.

Each nuclear escort substituted for a conventional escort also increases task force flexibility and mobility through advantages which are difficult to describe in numerical form.

VULNERABILITY OF REPLENISHMENT SHIPS

For example, none of the comparisons of the relative effectiveness and cost of the nuclear and conventional escorts cited in current Navy cost studies take into consideration losses due to enemy action. One older Navy study, "Nuclear Power for Surface Warships," to which I referred earlier, showed that:

(1) Losses of underway replenishment ships can be expected to be greater when supporting conventional than when supporting nuclear warships;

(2) Under several of the threat conditions studied, the number of replenishment ships lost supporting conventional warships was more than twice the number lost supporting nuclear warships; and

(3) The greater the threat to the underway replenishment ships, the larger is the loss differential to be expected—owing to the larger replenishment force required for the conventional warships.

If we are concerned that the expanding Soviet naval capability will increase the vulnerability of our first-line strike forces, then it is not reasonable to assume that our underway replenishment groups can be operated with impunity. The all-nuclear carrier task group, having essentially unlimited high-speed endurance, carrying more combat consumables which permits longer periods between replenishments, and with the capability to retire at high speed for replenishment in low-threat areas, has far greater capability to conduct sustained combat operations than any other surface naval force we know how to build.

Against a sophisticated naval threat, it could quickly turn out that our ability to conduct sustained combat operations would be controlled by the logistic support available. Under such circumstances, each ship with nuclear propulsion improves the capability of the entire force. The all-nuclear task group has far greater striking capability than a conventional group.

When logistic supply lines are attacked during a real war, the decrease in the requirement for ships' fuel for the strike forces will have a compounding beneficial effect. The surviving fuel transportation and storage facilities can then all be concentrated on getting fuel for aircraft and other military vehicles to the forward areas. The escorts that would otherwise be required for the tankers which carry ships' fuel could then be assigned to assuring the safety of other supplies.

FIFTEEN YEARS WITHOUT REFUELING

With existing designs of naval nuclear propulsion plants it is possible to provide enough energy for 15 years of warship operation without need to refuel. In contrast, oil-fired naval warships must be refueled every few days. Of what value is an oil-fired warship if it is unable to get oil when and where it needs it?

STUDIES OF NUCLEAR PROPULSION FOR SURFACE WARSHIPS

The studies that have been made of the issue of nuclear propulsion for surface warships have cost millions of dollars and countless man-years of effort, including that of many high-level people. Every aspect of the advantages and cost of nuclear warships has been exhaustively studied in minute detail over a period of many years by numerous analysts, civilian and military. These studies have brought out time and again that a nuclear surface warship has a higher initial investment cost than its conventional counterpart, but that when overall costs are taken into consideration the nuclear ships are not much more expensive, but provide greatly increased military capabilities. I do not believe that further studies can produce any more facts.

NO NUCLEAR CRUISERS AUTHORIZED SINCE FISCAL YEAR 1975

This year again the Department of Defense request for naval ship construction authorization does not include a request for construction of any nuclear-powered guided-missile cruisers.

The last nuclear cruiser authorized was the *Arkansas*, CGN 41, in the Fiscal Year 1975 program, which followed by three years the authorization of the *Mississippi*, GGN 40. In acting on the Fiscal Year 1976 DOD budget request, the Congress canceled the fifth ship of the *Virginia* Class, the CGN 42, on the basis that it should be built with the AEGIS air defense weapons system. Each year since then plans for building nuclear powered AEGIS ships have been cut back or deferred. None are now planned.

NEED FOR NUCLEAR-POWERED AEGIS CRUISERS

Navy witnesses have testified for the past several years that the AEGIS system is needed to protect our surface ships against the projected Soviet air threat in the 1980's. AEGIS ships are needed in the areas of highest threat, the same areas where our nuclear carrier task forces will be most needed, and where the military advantages of nuclear power may be essential to their mission. Unfortunately, repeated reductions in the planned program have raised the question of whether our nuclear carrier task groups will ever have the nuclear-powered AEGIS ships they need.

In January 1977, President Ford submitted a five-year shipbuilding program from Fiscal Year 1978 through Fiscal Year 1982 which included two nuclear-powered strike cruisers, CSGN's, and ten DDG-47 class conventionally powered AEGIS ships. The Ford Administration's Fiscal Year 1978 budget request included funds for the lead DDG-47 Class ship and long-lead funds for the first CSGN planned to be authorized in Fiscal Year 1979.

The Carter Administration subsequently canceled the nuclear strike cruiser program entirely and directed that instead the Navy adopt an alternative of putting AEGIS in a smaller ship of the *Virginia*, CGN 38, Class size.

Funds were authorized and appropriated in Fiscal Year 1978 to buy long-lead material needed to support the new Administration's stated plans to request authorization for construction of the first of four ships, the CGN 42, in the Fiscal Year 1979 program. However, in December 1977 the Navy budget request for construction of CGN 42 in Fiscal Year 1979 was disapproved in favor of slipping the ship authorization one year to the Fiscal Year 1980 program. The DOD subsequently slipped the CGN 42 to the FY 1983 program. A few months ago, the DOD deleted any ships of this Class from the current five-year shipbuilding program.

The issue is whether nuclear-powered *Aegis* ships are needed to counter the projected Soviet threat. *Aegis* is planned as our most capable AAW weapons system. Because *Aegis* ships will be expensive, regardless of their means of propulsion, there will never be a large number. In a naval war against an enemy employing sophisticated weapon systems, all strike force *Aegis* ships will be needed in the areas of highest threat. It is under just such circumstances that the advantages of nuclear propulsion are most urgently needed to maximize mobility and minimize logistic support. It is into such high-threat areas that the nuclear carrier task forces will be sent in time of war, and they will need nuclear-powered *Aegis* ships to accompany them. The *Aegis* ships should be nuclear for the same reasons that carriers should be nuclear.

In areas where the threat is great enough to require nuclear carriers and *Aegis* ships—our first-line naval strike forces—it is highly unlikely that oilers can survive. When a non-nuclear *Aegis* ship runs low on fuel, it will be necessary to remove the *Aegis* ship to an area of lower threat to meet the oiler, losing the *Aegis* protection just when it is most needed.

Another consideration is that to have a credible nuclear-powered guided-missile ship capability in both the Atlantic and Pacific Fleets, it is necessary to build a reasonable number of nuclear ships so that some ships are available for immediate deployment of all times. Only nine nuclear cruisers have been authorized over the past 23 years, and none of these has *Aegis*.

Unless nuclear-powered AEGIS cruisers are built, our nuclear carriers will have to be accompanied by DDG-47 Class AEGIS ships when they enter the highest threat areas, thus giving up the significant military advantages of the all-nuclear carrier task force in the very areas where nuclear propulsion is most needed. Study after study has shown that the small additional life-cycle cost of the all-nuclear-powered carrier task group is more than justified by the added military capability it would provide.

The decisions Congress makes this year on the naval ship-building program will not affect the Fleet until a decade from now. It is always tempting not to make investments for the future when today's problems are so pressing. But where would we be today, if Congress had refused to take the long-range view in the past? Our Forefathers were wise to put the decision-making authority in the hands of Congress. That is the only body in Government where the leaders stay in office long enough to face personally the long-range results of their decisions.

THE NUCLEAR INDUSTRIAL BASE

The current reduced rates of nuclear ship authorizations threaten the industrial base for the manufacture of nuclear propulsion plant components. For example, the levels of procurement of nuclear equipment in both the FY 1979 and FY 1980 budgets result in significant under-utilization of the present industrial base. The procurement level for major nuclear components in FY 1979 is less than 30 percent of the industrial capacity. In FY 1980 it will be less than 20 percent.

Sustained under-utilization of the industrial base at these low levels increases substantially the risk that suppliers will be unwilling to commit resources to Navy nuclear work. If present suppliers divert their resources to other businesses, the nuclear industrial base will shrink to levels which may not be adequate for the long term support of the nuclear Navy and for future shipbuilding programs. For example, if the nuclear equipment industrial base were to shrink to capacity levels represented by the FY 1979 and FY 1980 budgets there would be inadequate component vendor capacity to support programs currently projected or under consideration for building nuclear powered ships. Once lost, rebuilding the industrial base will be costly and time consuming and could adversely affect options for future shipbuilding programs.

Mr. Chairman, that completes my formal statement. As I stated earlier, I would like to submit an appendix for the record which covers the Naval Reactors Development program.

APPENDIX I.—FY 1980 DEPARTMENT OF ENERGY BUDGET FOR THE NAVAL REACTORS DEVELOPMENT PROGRAM

The FY 1980 Naval Reactors Development budget request is $278.4 million. This is a decrease of $18.4 million from the FY 1979 authorized amount. The major areas of this budget request are as follows:

Operating funds

The FY 1980 operating budget for the Naval Reactors Development program is $241.4, a decrease of $30.4 million from FY 1979. While funding needs decrease in FY 1980, development efforts remain at a high level. Efforts for FY 1980 include:

Studies to obtain a broader understanding of the response of reactor materials to various conditions

Continuing efforts to design, develop, and procure new prototype cores such as, the Submarine Test Core and the Advanced Fleet Core

Upgrading fluids and corrosion test facilities

Long term tests to identify predicted failure modes

Improving techniques and equipment for monitoring and controlling new design and operating reactors

Developing instrumentation and control equipment for both primary and secondary systems required to support installation of new long life, high performance reactor cores

Preparing for fuel inspection and fuel test assembly removal from prototype plants

Replacing and examining selected reactor control devices

Irradiation testing of improved materials capable of longer core life and higher performance

Improving analysis methods for accurately predicting nuclear performance of long life cores

The continuing follow, testing, and operational support of the reactors in operating submarines and surface ships to improve operating techniques

Continued operation and testing of eight land prototypes which are used to test and evaluate reactor and propulsion plant design

Evaluating reactor plant equipment operating in land prototypes and test facilities

Examining reactor plant equipment removed from land prototypes in order to forecast operating lifetimes.

The breakdown of the FY 1980 operating funds is:

[In millions]

I. Submarine Propulsion Reactors	$160.1
II. Surface Ship Propulsion Reactors	55.6
III. Supporting Research & Development	16.9
IV. Personnel Resources	8.8
Total operating funds	241.4

SUBMARINE PROPULSION REACTORS

The purpose of the Submarine Propulsion Reactors program is to develop and support nuclear propulsion plants for submarines through the operation of six land prototypes and the continued engineering and physics design, follow, testing, and operational support of the reactors in 114 operating submarines and 31 submarines authorized by Congress or under construction. This work is accomplished through six ongoing programs. Submarine Advanced, Small Submarine, Attack Submarine, Improved Submarine and Deep Submergence Research Vehicle Nuclear Propulsion Plant programs and the S1W Reactor Facility. During FY 1980, effort will continue in all programs. The major development areas in these ongoing programs and the work anticipated is summarized below.

1. Advanced Reactor Concept

The advanced reactor concept developmental effort consists of an advanced core designated the S7G. This concept has the potential of increasing on-line reliability. The concept is potentially applicable to future submarine and surface ship designs. This advanced reactor is currently in operation at the Modifications and Additions to Reactor Facilities in West Milton, New York. Work in FY 1980 will include: evaluating S7G prototype reactor nuclear, thermal and mechanical performance; performing life testing of equipment for the S7G design for potential shipboard application; for post operations inspection of various equipment; and developing, qualifying and applying analysis methods and conducting test programs to determine various characteristics necessary to meet long life performance goals.

2. Submarine Test Core

The Submarine Test Core is being developed and will be installed in a prototype reactor plant. The core will consist of modules containing advanced materials. These materials are expected to offer improved performance and increased lifetime. Efforts involving the Submarine Test Core in FY 1980 will include: continuing procurement of modules; conducting tests of module configurations; continuing nuclear design analysis to define parameters for reactor design and development work; and carrying out irradiation testing of improved materials.

3. Nuclear Propulsion Plant for the Los Angeles Class Attack Submarine

Developmental efforts for the reactor plant used in the SSN 688 Class submarines will continue in FY 1980. This plant provides propulsion power approximately equivalent to that of earlier attack submarines. Included in this program are design and development efforts for a new core to extend fuel lifetime.

Work to be undertaken in this program for FY 1980 will include: providing nuclear design lifetime performance information for advanced core ship application, conducting and evaluating periodic ship physics tests to ensure that the reactor plant is operating within design limits; providing information to support reactor structural and material evaluations; providing reactor plant analyses to assure adequacy of the reactor plant systems; and continuing development of an improved process for welding components using advanced welding techniques required to reduce the potential for contamination and fiber optic defects.

4. Advanced Design Nuclear Propulsion Plant for Future Classes of Submarines

An advanced design reactor plant is being designed and developed to provide substantially higher performance than any other submarine propulsion plant now in use or being developed. This plant incorporates technological improvements and will provide the option of developing various improved submarines configurations, incorporating new weapon systems and advanced sonars. This will enable greater exploitation of the technical advantages of the modern submarine weapon system in either an offensive or defensive role. Efforts in FY 1980 will include: designing and procuring prototype maintenance and refueling equipment to support servicing of the prototype reactor after startup and initiating design and procurement of equipment for a scale model test.

5. Nuclear Propulsion Plant for the Trident Strategic Ballistic Missile Submarine

Emphasis will continue to be placed on the design, development, test and support of a nuclear propulsion plant for installation in the *Trident* strategic ballistic missile submarine. The *Trident* S8G design builds on advanced submarine technology and represents a major reactor plant advancement. The S8G highly instrumented prototype is being built to confirm the performance of the reactor plant for the *Trident Class* submarine.

In FY 1980, operation and testing of the instrumented core installed in the new S8G prototype reactor plant located at West Milton, New York will continue. This effort will include: initiating detailed planning for interim inspecton of a reactor fuel assembly and control rod to verify design; completing nuclear and thermal/hydraulic evaluation of test results to confirm reactor design and operating procedures; and completing evaluation of the prototypical test to verify end of life effects. Further efforts will include developing inspection requirements and acceptance criteria for support adaptors and control rods and surveillance of core manufacturing and reactor equipment modifications.

SURFACE SHIP PROPULSION REACTORS

The purpose of the Surface Ship Propulsion Reactors program is to support and develop nuclear propulsion plants for combatant surface ships, operate and test two land prototypes, and provide testing, engineering follow and operational support for the reactor plants in 11 operating ships and two ships under construction. This work is accomplished through three ongoing programs: Large Ship, Destroyer Type Dual, and Aircraft Carrier Type Dual Nuclear Propulsion Plants. During FY 1980, effort will continue in all programs. The major developmental areas and anticipated work in these ongoing programs are as follows.

1. Nuclear Propulsion Plant for the *Nimitz* Class Aircraft Carrier

The two reactor nuclear propulsion plant for these carriers is capable of developing enough shaft horsepower to propel the ship at high speeds and supply adequate auxiliary power for operation of advanced weapons and electronics systems. The core, designated A1G, is the largest core yet developed for naval nuclear propulsion. Fuel life is expected to provide at least 13 years of normal ship operation. As part of this effort, a prototype reactor core has been installed and is operating in an existing prototype reactor plant. Efforts anticipated for FY 1980 include: following, operating and periodically testing the A1G prototype core installed in the A1W-B prototype plant, including designing, developing and procuring equipment required for refueling the prototype and completing advanced planning for the prototype refueling; and designing and initiating procurement of a replacement core for the A1W-B prototype plant.

2. D2W Reactor Core for Cruisers

The D2W reactor core is operating in the D1G reactor plant at the K.A. Kesselring Site, West Milton, New York. Emphasis will continue to be placed on prototype testing of the D2W core which incorporates the latest proven technological advances in nuclear system and component design.

Efforts in FY 1980 include: Monitoring the D1G prototype reactor for any changes in the characteristics of the D2W core; factoring the results of these evaluations into the design and operating procedures for follow shipboard cores; providing analysis necessary to support the establishment of plant operating restrictions; continuing redesign of structural components and evaluating potential modifications to support the shipboard core design.

3. Advanced Fleet Core

The Advanced Fleet Core is being designed to utilize new concepts in fuel element manufacture. This is expected to extend fuel element performance resulting in a longer lifetime. Due to the extensive design, development, testing and manufacturing phases associated with this new core, efforts need to be initiated many years in advance of when the core will be available for shipboard use. Efforts involving the Advanced Fleet Core in FY 1980 will include: Developing vendor equipment; initiating pre-production efforts to qualify the reactor core manufacturing equipment; continuing core design and procurement efforts; and initiating work on fuel and nuclear design justification to support procurement of the Advanced Fleet Core.

SUPPORTING RESEARCH AND DEVELOPMENT

During FY 1980 supporting research and development will continue to be provided in three areas: Examination and analysis of expended cores and test reactor irradiation tests at the Expended Core Facility, operation of a High Temperature Test Facility for obtaining reactor physics information, and development of advanced methods and techniques that can be used in the Naval Reactors programs.

The examination of expended cores and fuel element irradiation test samples and assemblies will continue at the Expended Core Facility, providing valuable technical data on fuel element performance and the long term corrosion effects of irradiation on fuel element cladding and core structural materials. Various ship cores will be analyzed to aid in confirmation of current core designs and form an essential part of the research and development effort necessary to develop longer lived naval reactor cores. Furnishing basic data on materials performance is also part of the effort. This will provide valuable support data for the design, fabrication and operation of fuel systems and materials employed in current naval cores.

Operation of the High Temperature Test Facility will continue providing valuable data regarding physics characteristics being developed for use in naval nuclear propulsion plants, and providing data needed to design and analyze cores.

The Naval Reactors Design Studies effort is continuing development of extended analytical methods and models to improve predictions of material properties and structural response under steady state temperature transient and cyclic use. Work will continue to improve naval fuel performance prediction capability through modification of the naval fuel element performance computer program. This is required for design of long-lived and high performance cores. The development and application of improved methods of analysis will continue.

Irradiation experiments will be conducted in the Advanced Test Reactor including irradiation testing and evaluation which will provide data of value to operating ships as well as additional confirmation of the adequacy of core designs.

PERSONNEL RESOURCES

The 235 personnel requested for the Division of Naval Reactors, including the Pittsburgh Naval Reactors Office and the Schenectady Naval Reactors Office are necessary to meet anticipated programmatic requirements including support of the expanding Navy nuclear powered fleet and the ongoing Water Cooled Breeder effort.

Naval Reactors maintains a minimal personnel level and has been able to operate with austere staffing through careful management of personnel to meet work requirements. Existing personnel have been used to the greatest extent practicable in staffing new programs and expansions to existing programs. Improvements in work force productivity have been achieved over the years by maximum use of available staff to carry out increasing workloads. This approach has resulted in limited changes in the personnel level.

Naval Reactors' personnel maintain close program management and technical direction of the Bettis and Knolls Atomic Power Laboratories and associated facilities, with a combined employment in excess of 6,500. These laboratories are Government-owned, contractor-operated facilities solely devoted to the Naval Reactors program.

PLANT AND CAPITAL EQUIPMENT FUNDS

Capital equipment funds ($15,800,000) are requested in FY 1980 to support continuing research and development activities aimed toward producing technologically advanced nuclear propulsion plants and reactor cores having long fuel life, high reliability, improved performance, and simplified operating and maintenance requirements necessary for enhanced ship lifetime performance. To accomplish these activities, the following types of capital equipment are necessary: quality assurance equipment, process development equipment, irradiation design engineering equipment, analytical, spectrochemical and other laboratory equipment; fabrication and inspection equipment; and radiation and other equipment such as survey meters, assay gages, and a tape spectra system. Equipment upgrading will continue to provide significant improvements in reliability and increase the efficiency of training naval personnel. Additional capital equipment is also needed to provide for the analysis and examination of spent fuel assemblies and other components operated in nuclear propulsion plants.

Major construction funds ($17,900,000) are requested in FY 1980 for the Fluids and Corrosion Test Facilities Upgrading, project number 80-AE-1. This project provides for the fabrication of two test loops, additions to and upgrading of corrosion laboratory equipment, the procurement of attendant supporting equipment, and modifications to existing buildings and facilities to accommodate these systems. One test loop will be used for testing small scale components and the other test loop will be used for testing full size reactor plant components. These test facilities are needed to develop design techniques used in naval reactor plants.

General plant project funds ($3,300,000) provides for minor plant improvements, alterations, additions and minor new construction at Naval Reactors' laboratories. In general, this project consists of performing land improvements, building alterations, utility improvements, additions to existing facilities and upgrading present facilities. The work contemplated under this project will provide continuity of present and planned operation, contribute to operating efficiencies, eliminate potential health, fire, and safety hazards, reduce maintenance and operating costs, and provide facilities to take full advantage of technological advances.

THE SO-CALLED ILLINOIS BRICK BILL

Mr. THURMOND. Mr. President, I ask unanimous consent that there be placed in the CONGRESSIONAL RECORD a statement that I made before the Senate Judiciary Committee markup session on S. 300, the Antitrust Enforcement Act of 1979 on April 3, 1979, in which I referred to the expert testimony that S. 300 is a very bad bill.

I do this so that the Members of the Congress and the readers of the CONGRESSIONAL RECORD may have the benefit of the remarks I made at that Judiciary Committee meeting. Mr. President, this opening statement is one of several statements that I will be presenting to the Judiciary Committee in the deliberations of S. 300.

Mr. President, I also ask unanimous consent that the list of witnesses testifying against the so-called Illinois Brick bill in the 95th and 96th Congresses be included in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE ILLINOIS BRICK BILL

Mr. Chairman: At this opening discussion on S. 300, the *Illinois Brick* bill, I would like to make some observations to lay a foundation for a more formal discussion at a later date. From the Record thus far, Senators have some serious reservations of the need of any law at this time. Having served over a quarter of a century as the Governor and a United States Senator for the great State of South Carolina, I take pride, as most of us do from my many constituents' comments that I have worked diligently in their best interests and that of the State.

However, there are times when Senators are faced with an issue that is primarily national in character, affecting our Federal Court system. One of those issues is the bill, S. 300, which is intended to overturn two landmark United States Supreme Court decisions, namely, *Hanover Shoe* of 1968 and *Illinois Brick* of 1977. Hence, many members are faced with a delicate decision of either supporting the Supreme Court's 6 to 3 *Illinois Brick* decision, written by a well known strong advocate of antitrust enforcement—Mr. Justice Byron White—or supporting the request of their State's Attorney General to vote for S. 300, the *Illinois Brick* bill.

Perhaps some of you may have received a call from your State Attorney General after making a statement at one of the hearings or at the Judiciary Committee executive sessions, which would indicate that you had some difficulty in accepting the pending bills in the Senate or the House Committees. I had several talks with the distinguished Attorney General of South Carolina and each of us had a good understanding of our respective views on the subject.

As Senators, we have an obligation to support and defend the Constitution, and to give serious consideration, not only to the question of the constitutionality of this bill, S. 300, but also to give credence to Supreme Court decisions, especially when they are well reasoned.

Our obligations as Senators may be deemed to be that we act in the best interests of our nation and our respective States. Mr. Chairman, if you can convince me and our colleagues of both parties on this Committee that the so-called *Illinois Brick* bill is superior to the Supreme Court's decisions in the *Illinois Brick* case and in the *Hanover Shoe* case, then you should receive close attention from us in your quest for such a law. However, we believe the witnesses against the bill are persuasive. But, if you cannot, by a preponderance of the unbiased testimony, sustain the proponents burden of convincing use of the superiority of the *Illinois Brick* bill over those well-reasoned Supreme Court decisions, then you should pay close attention to our views and perhaps move on to the other bills and issues which we have worked on almost daily since this Congress began.

It seems to me that the witnesses appearing before this Committee, who would have the least bias are the plaintiff antitrust lawyers, who traditionally, for many years, have supported various antitrust bills submitted by Chairmen Estes Kefauver, Philip Hart, Edward M. Kennedy, and Howard Metzenbaum of the Senate Antitrust Subcommittee. We, therefore, must give great attention to what these plaintiff antitrust attorneys have to say on S. 300, even though, they fail to support Senators Kennedy and Metzenbaum on this bill, but take the time and trouble in their busy schedule to testify so strongly against the bill. Their testimony makes sense because they state in clear terms why direct purchasers are in the best position to file such suits, a point so well-stated in the majority opinion of *Illinois Brick*.

Perry Goldberg and James Sloan on behalf of the Ad Hoc Committee of Private Antitrust Plaintiffs' Counsel submitted in the 1978 hearings, the following, which Mr. Goldberg on March 14, 1979 acknowledged that it follows his prepared statement.

1. Passage of the bill would seriously undermine antitrust enforcement.

2. The provision allowing pass-on will result in a complete breakdown of the judicial machinery and allow defendants to successfully play games of pass-on in bad faith solely to defeat recovery of the overcharge.

3. The legislation negates the wisdom of the Supreme Court's decisions of *Illinois Brick* and *Hanover Shoe*.

4. The present bill (S. 1874) is poorly drafted, and, in the name of repealing *Illinois Brick*, creates a new and uncharted scheme of private enforcement which could take 10 years to interpret in the Courts.

5. The pendency of the present bill is having a substantially adverse impact on the pending lawsuits. Neither the courts nor the parties can be certain that retroactive legislation will not void the progress or disposition of pending cases.

6. Any legislation attempting to repeal *Illinois Brick* should under no circumstances overrule *Hanover Shoe*.

Mr. Chairman, although S. 300 differs slightly from S. 1874, the witnesses this year have stated that its impact is the same, if not worse, because it creates new legal problems, mainly the unconstitutionality of the discretionary power given to the trial judge. More will be said on the unconstitutionality of the discretionary power at a later time through quotes of expert witnesses.

Mr. Goldberg's credentials as a plaintiff's antitrust lawyer places him in the highest category, as stated by witness James Sloan in these words:

"In regard and in response to that argument that direct purchasers do not use, I have checked in some of the major antitrust cases and, as a matter of fact, Mr. Harold Kohn, of Philadelphia, Mr. Guido Saveri of San Francisco, Mr. Perry Goldbery of Chicago and myself, are in the five largest antitrust cases that are pending in the United States today, and as of today, there is 600 million dollars involved in those five cases, exclusive of interest, with over 90% of those funds, are on deposit with escrow agents awaiting distribution orders and approval by the Courts. And the legislation, which is being promoted by people who are not parties to that lawsuit, is threatening to, and in some instances has already attempted delays in the distribution of monies to the direct purchases."

Mr. Chairman, at the conclusion of the statements, I asked Harold Kohn: "Would you care to comment on the discretion giving the trial judge to permit the pass-on defense, or how he would exercise his discretion and how long would it take? Is it a weapon?"

Mr. Kohn. "I think it is unconstitutional and I think most judges faced with that problem would be in a quandary as to what position they would take. I think what they say is that the discretion vested in them is unconstitutional and that would be the way that discretion would be exercised—I think the whole Act would fall with it—there is no standard they would apply."

Here are a few additional quotes from Mr. Kohn's recent testimony on March 14, 1979 at page 70.

"I think Mr. Boies is absolutely deadwrong when he says the *Illinois Brick* decision, which permits only district purchasers to sue, will discourage suits."

"Since *Illinois Brick*, the gentleman sitting here with me, have recovered some 600 million in settlements on behalf of direct purchasers. In other cases, in Texas $300 million in settlements, in Chicago $200 million, in Philadelphia $30 million in settlements, all for direct purchasers."

"Here is what is going to happen if this legislation gets passed. What you are going to have is really a retrogression in the enforcement of the antitrust laws, such as we have not had before."

"I tell you now that if the problem were as it would be with the passage of this law—(S. 300)—namely the right of the indirect purchasers to recover, nobody could ever have recovered the verdict or be talking about the kind of damages we are talking of because it would have been simply judiciously impossible to ascertain the ultimate damages, whereas with the first purchaser getting it, there is no problem whatsoever."

Mr. Chairman, I have confined most of my quotes at this sitting, to the plaintiffs' antitrust lawyers because plaintiffs' antitrust lawyers can see the destructiveness of S. 300, as I have quoted earlier in my remarks. There are many other excellent witnesses against the bill who testified in 1977, 1978 and in 1979 who spoke eloquently of their reasons against the bill, which reasons include and go beyond the reasons cited in my remarks. Other speakers and I will allude to quotes from their statements or summarize their views, as the debate continues generally, or as the debate continues specifically on pertinent provisions of the bill, which bill, S. 300, we deem very harmful to antitrust enforcement.

Prominent Antitrust Expert Witnesses Who Testified Against the So-Called Illinois Brick Bill in the 95th and 96th Congresses

96TH CONGRESS

Robert Aders, President, Food Marketing Institute, Washington, D.C.

David Foster, Attorney, Willkie Farr & Gallagher, New York, N.Y.

Perry Goldberg, Attorney, Specks & Goldberg, Chicago, Ill.

C. Boyden Gray, Attorney, Wilmer, Cutler & Pickering, Washington, D.C.

Francis R. Kirkham, Attorney, Pillsbury, Madison & Sutro, San Francisco, Calif.

Harold E. Kohn, Attorney, Kohn, Savett & Graf. P. C., Philadelphia, Pa.

Philip A. Lacovara, Attorney, Hughes, Hubbard & Reed, Washington, D.C.

William Landes, Professor of Economics, University of Chicago.

Robert E. Liedquist, Attorney, Squire, Sanders & Dempsey, Washington, D.C.

Samuel W. Murphy, Jr., Attorney, Donovan, Leisure, Newton & Irvine, New York, N.Y.

Richard A. Posner, Professor of Law, University of Chicago.

James F. Rill, Attorney, Collier, Shannon, Rill, Edwards & Scott, Washington, D.C.

Guido Saveri, Attorney, Saveri & Saveri, San Francisco, Calif.

Harold R. Schmidt, Attorney, Rose, Schmidt, Dixon, Hasley, Whyte & Hardesty, Pittsburgh, Pa.

James Sloan, Attorney, Sloan & Connelly, Chicago, Ill.

Emory Sneeden, Associate Dean, University of South Carolina Law School, Columbia, S.C.

Alvin Stein, Attorney, Parker, Chapin, Flattau & Klimpl, New York, N.Y. 10036.

95TH CONGRESS

Dr. Betty Bock, Director, Antitrust Research, The Conference Board, New York, N.Y.

Michael Blechman, Attorney, Kaye, Scholer, Fierman, Hayes & Handler, New York, N.Y.

Dorsey Ellis, Jr., Professor of Law, University of Iowa, Iowa City, Iowa.

Max L. Gillam, Attorney, Latham & Watkins, Los Angeles, Calif.

Milton Handler, Kaye, Scholer, Fierman, Hayes & Handler, New York, N.Y.

Honorable Charles W. Joiner, United States District Court, Detroit, Mich.

Earl Pollock, Attorney, Sonnenschein, Carlin, Nath & Rosenthal, Chicago, Ill.

Fred M. Rowe, Attorney, Kirkland, Ellis & Rowe, Washington, D.C.

Peter D. Standish, Attorney, Weil, Gorshal & Manges, New York, N.Y.

Harold R. Tyler, Attorney, Patterson, Belknap, Webb & Tyler, New York, N.Y.

Julian Von Kalinowski, Attorney, Gibson, Dunn & Crutcher, Los Angeles, Calif.

Ross D. Young, Attorney, McMurray & Pendergast, Washington, D.C.

A MANDATED BALANCED FEDERAL BUDGET

Mr. THURMOND. Mr. President, while many of my colleagues strongly favor an amendment to the Constitution of the United States to balance the budget and reduce the public debt, others appear to have reservations about or firmly oppose such an action. As we consider this critical issue, it is imperative that we lend an attentive ear to expressions from citizens all across this land who are vitally interested in the future of this great Nation.

In my home State of South Carolina, sentiment is widespread and strong for such a constitutional amendment. An editorial comment by Mr. Harry Bell, president of the South Carolina Farm Bureau, in the March 1979 issue of the South Carolina Farmer, expresses exceedingly well the thinking of that large group of outstanding citizens.

As Mr. Bell quite correctly points out, we cannot continue forever to spend more than we take in. He notes that a pay day must come someday, and the American taxpayers know who pays the bill in the final analysis.

While I would prefer a constitutional amendment prepared by Congress to bring about a balanced budget, I shall support a constitutional convention to do this if Congress fails to propose and pass such an amendment.

Mr. President, in order to share these excellent comments with my colleagues, I ask unanimous consent that Mr. Bell's article be printed in the Record following these remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

KEEP UP THE HEAT—WASHINGTON'S GETTING WARM!

It didn't take long for the big spenders to come out of the woodwork when the American people start getting serious concerning a mandated balanced federal budget.

And you can be sure that many people are serious. You can also be sure that Farm Bureau members are serious about the matter, because farmers are acutely aware of the serious problems now facing them because of rampant inflation brought about by deficit government spending.

In our recent annual meeting in Miami, voting delegates stated their majority opinion by adopting the following policy:

"Deficit spending by the federal government and programs and policies which increase the supply of money and credit faster than production are basic causes of inflation. We believe that an amendment to the U.S. Constitution should be adopted to require the Congress operate on a balanced budget each year, without deficit financing or increased taxes, and that only in extreme emergencies could this requirement be waived with the concurrence of the House of Representatives, the Senate and the executive branch of the government."

The delegates went further, and also supported a constitutional amendment to restrict the spending authority of the federal government to a realistic percentage of the gross national product.

There is a ground swell of support across the land for some remedy to inflation, and a proposal to call a federal constitutional convention is one avenue being pursued by many states. In fact, at this writing it is reported that twenty-eight (28) state legislatures have adopted such a proposal. If two-thirds of the states (34) adopt such a proposal, Congress would have to hold a Constitutional Convention.

With this intense interest to curb federal spending looming on the horizon, the opposiiton has reared its head, and guess where it's coming from? The Administration itself is the biggest opponent, and only yesterday (March 5) Vice President Mondale, in a speech before a meeting of the National League of Cities, stated, "Sometimes we need a deficit in order to stimulate the national economy, and sometimes a surplus is necessary to slow inflation."

He also asked, "How do you define a balanced budget?"

I'm not an economist, but I always thought a budget was balanced when the bottom line was in the black.

It's now obvious that congressional and administration leaders have decided to launch an attack on the campaign for constitutional amendment or amendment to require a balanced federal budget or limit federal spending, or both.

The strategy is to threaten a cut off of federal aid programs to states and local governments, particularly "revenue sharing," as an obvious and easy way to balance the budget.

This strategy is designed to scare the states that have not yet adopted a resolution calling for a constitutional convention to consider a budget-balancing amendment to the constitution . . . and it shouldn't be taken too seriously. The federal government has no excess revenue to share. What it really shares with states and localities is its debt!

You can shuffle funds from one pocket to another and use sophisticated economic terminology until you're blue in the face; but the simple fact remains . . . you can't continue to spend more than you take in forever.

Pay day must come someday, and the American taxpayers know who pays the bill in the final analysis.

I hope we're not misled or frightened by the scare tactics being used by the big spenders. Of course the approach or avenue of relief needs to be carefully considered; but the basic fact remains that unless inflation is brought under control, all other actions . . . private or governmental . . . will be of little benefit.

The threat of a constitutional convention seems to be the only way that we can force Congress to bite the bullet . . . so let's keep on turning up the heat, until it is felt even in the marble halls of Washington.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BENTSEN ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, Mr. BENTSEN be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it so ordered.

RECESS UNTIL 2:30 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 2:30 p.m. today.

There being no objection, the Senate, at 12:50 p.m., recessed until 2:30 p.m.; whereupon the Senate reassembled when called to order by the Acting President pro tempore (Mr. DECONCINI).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD, DESIGNATING PERIOD FOR ROUTINE MORNING BUSINESS, AND FOR THE CONSIDERATION OF S. 210 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, are there orders for the recognition of Senators on tomorrow?

The PRESIDING OFFICER (Mr. BRADLEY). There is one order, for the recognition of the Senator from Texas (Mr. BENTSEN) for 15 minutes.

Mr. ROBERT C. BYRD. I thank the Chair. I ask unanimous consent that I may then be recognized for not more than 15 minutes; that there then be a period for the transaction of routine morning business of not to exceed 30 minutes, with Senators permitted to speak therein up to 5 minutes each; and that at the conclusion of routine morning business the Senate proceed to the consideration of Calendar Order No. 54, S. 210, a bill to establish a Department of Education.

I make this request with the understanding that the Senate is about to go out for the remainder of the day.

The PRESIDING OFFICER. Is there objection?

Mr. SCHMITT. Mr. President, reserving the right to object, and I will not object, this request to begin the consideration of the Department of Education bill on tomorrow is acceptable on our side, with the understanding that opening statements would be taken care of and that anyone who desired to offer amendments between now and the Easter recess could do so, but that we will attempt to reach some kind of a unanimous-consent agreement by which final disposition of that measure would occur after the recess. I believe that is the majority leader's understanding.

Mr. ROBERT C. BYRD. That is my understanding. It is also understood that other measures may be taken up between now and the recess, hopefully to be disposed of.

For example, S. 413, a bill to provide assistance to airport operators to prepare and carry out noise compatibility programs, and so on. This measure awaits action on a budget waiver resolution. I hope that can be disposed of, and that the measure itself may also be disposed of before the Senate goes out for the nonlegislative day period.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

INDIAN HEALTH LEGISLATION

Mr. STEVENS. Mr. President, I am pleased to join as a cosponsor of S. 844 and I urge its early passage. For the last two Congresses, I have sponsored and supported legislation to remedy the intolerable situation existing at the Bureau of Indian Affairs and the Indian Health Service.

Last year, we came close to resolving this issue. S. 666, a bill I introduced, passed the Senate. The situation in the two Indian agencies remains intolerable and is becoming increasingly so. Indian preference in hiring and promotions, though desirable, has locked non-Indian employees into dead end jobs.

Indian preference began with the Wheeler-Howard Act of 1934, which made significant reforms in the administration of Indian Affairs. That act provided not only for the preferential hiring but the subsequent promotion of Indian people within the Bureau of Indian Affairs.

Over the years the provisions of the Wheeler-Howard Act were not generally enforced by the Department of the Interior. At the same time, many talented and highly motivated non-Indians, not eligible for Indian preference, were recruited into the Bureau of Indian Affairs and the Indian Health Service, which split off from the Bureau of Indian Affairs in 1954. These people, with total propriety, assumed that they would be able to develop their full career potential, subject to the same merit principles that affect all other Federal employees. In many cases, these people were repeatedly and emphatically assured that they would be able to develop their "full career potential."

However, in a series of Federal court decisions, culminating before the U.S. Supreme Court in the Mancari against Morton case, the Court unanimously upheld the principle of full Indian preference in the face of charges that the principle violated notions of equal employment opportunity and was discriminatory. The result of the Mancari decision was that Indian preference in all of its aspects has become a fact of life for all employees within the Bureau of Indian Affairs and the Indian Health Service. Because Indian preference applies to promotions, non-Indian employees are locked into dead end positions. In effect, the non-Indian employees have now been told that all of their years spent in the services of these agencies were wasted.

To exemplify the hardships suffered, allow me to read portions of letters from affected employees from the following States: Washington, Minnesota, North Carolina, Maryland, Alaska, and Colorado.

> [Concerning S. 666] This bill gives Indians a greater share in handling their own affairs while giving economic support to the non-Indian employee.
>
> The bill will be of mutual benefit to both the Indian personnel as well as the non-Indian personnel of the Bureau of Indian Affairs and the Indian Health Service.
>
> Non-Indian employees of IHS and BIA continue to be adversely affected by Indian preference laws. At the same time, Indian people cannot assume leadership positions in the two agencies because there are no 'early out' options for non-Indians.
>
> I know from experience that opportunities for advancement have been non-existent for sometime for non-Indian employees of the Indian Health Service. For example, attending the Federal Executive Institute program in 1974 was promising for me; but Indian preference soon dashed my hopes, even though my work continues to earn high praise. I have volunteered and applied to assume greater responsibilities in IHS and have been rejected. Further, high level positions and advancement outside IHS are equally hard to obtain, especially for persons of my age and sex.
>
> Now the way things are going, I find that 19 years of conscientious service is not enough. This leaves me a choice of resigning or staying in a situation that is becoming more and more difficult. I have always been proud of my work output in quality and quantity and would like to leave the service without a feeling of degradation and discord.
>
> If one is to understand that the intention of the Indian preference rights under the Self-Determination Act of P.L. 93–368 is to provide relief to those non-Indian civil service employees that are now serving under severe pressures with respect to the lack of possibility of advancement, transfer, training and/or under constant unspoken attitude change, we can certainly see the importance of passage of said bills.
>
> We are three, long-time federal employees who believe in the justice of Indian preference; who support Indian self-determination; and who, in addition, consider ourselves to be 'Native advocates'. However, we do not believe that we should be victims of circumstance because the accident of experience brought enforcement of Indian preference 140 years late. We know of conditions in the Bureau that are more insidious than 'reverse discrimination'. Self-determination presupposes that there are options and alternatives to choose from—else there is no self-determination. Enactment of your bill will provide a measure of self-determination for many non-Indians over 40 years of age who are locked into dead-ended careers.
>
> It has been almost three years since the Supreme Court decision upheld Indian preference, plus two additional years when preference was practiced by administrative decision. During this five year period, many of my colleagues who were dedicated federal employees, who had made the BIA their career, have left the service in bitterness. Our children have grown up seeing their government and courts as instruments that failed. They have a growing disrespect for government employment.

Mr. President, there are two alternatives to this situation. We can do nothing and eventually all non-Indians will retire from the BIA and the IHS with inequitably low retirement benefits due to Indian preference promotions or we can pass legislation that takes into consideration the needs for Indian preference while providing for those non-Indian employees who were hired into the Indian agencies with the understanding that they were to be treated in the same manner as the Indians.

This bill balances these two needs. The bill will achieve a certain degree of equity for non-Indian employees by allowing them to retire earlier than normally would be the case. It will also, to the extent that it encourages retirement, release those jobs which are now held by the non-Indians so that they can be filled by the relatively greater number of qualified and educated Indians who are anxious to work within the Bureau of Indian Affairs and the Indian Health Service.

The bill would provide increased retirement benefits to those non-Indians who retire after completing 25 years of service or after completing 20 years of service at age 50. Also, these employees must be employed by the Bureau of Indian Affairs or the Indian Health Service on the date of the enactment of this Act, and not otherwise entitled to annuity under any other sections of the civil service retirement, nor can they be entitled to a preference under section 12 of the Wheeler-Howard Act, or any other provision of law granting a preference to Indians in promotions or other personnel actions.

In addition, the annuity formula in the bill is carefully calculated to effectively but not unnecessarily encourage non-Indian employees to retire. This is an essential factor in the legislation, in my opinion, in view of the fact that early retirement is the key to the success of this bill. The cost of the bill is clearly outweighed by the benefits to be derived from it, both for Indians and non-Indians. In fact, the cost will be substantially less than last year's bill because the annuity formula devised in this bill only awards the additional sums to the period of service the affected employees worked after the lower court decision upholding Indian preference.

Mr. President, we must act soon. The longer we wait, the more unfair the situation becomes. Non-Indian employees who are continually retiring are being penalized with low retirement benefits solely because they were subject to Indian-preferred promotions.

ETHICS IN GOVERNMENT

Mr. RIBICOFF. Mr. President, President Carter has requested that I introduce certain technical and clarifying amendments to the "revolving door" provisions of the Ethics in Government Act. The law was enacted last October, and will take effect on July 1.

These amendments have the support of the President. They are recommended by the Attorney General and the Director of the Office of Personnel Management. HEW Secretary Califano and the Department of Defense have indicated that these amendments wholly remedy the problems they have with the act.

With those assurances, I am pleased to introduce these amendments.

I recognize that there has been public concern about the meaning of one particular subsection of that law 18 U.S.C. 207(b)(ii)—the "aiding and assisting in representing" provision—has been the subject of that concern.

I had hoped that the meaning of that provision could be clarified by regulation, and would not require legislative action. Toward that end, I joined with Senator PERCY and Congressmen DANIELSON and MOORHEAD in coauthoring a memorandum, indicating the legislative intent behind that provision.

However, the administration believes that the coverage of that subsection should be clarified through one of the technical amendments that I introduce today. The amendment reflects the intent of Congress. Thus I support it without reservation.

This act was carefully considered in the last session of Congress. It was pending in Congress for more than 15 months. It was considered by four House committees—Post Office and Civil Service, Judiciary, Armed Services, and Ethics. On 2 separate days, it was debated on the floor of the House, where a number of amendments were adopted to the "revolving door." The House-Senate conference lasted 2 days.

Therefore I have been reluctant to reopen discussion of the substance of the law—without first giving it an opportunity to operate.

In a recent letter to the Attorney General and OPM Director Campbell, the President reaffirmed his commitment to this law. The President stated the act will "stand as a landmark statute in providing the public with greater confidence and trust in the way in which the Federal Government operates." The President called for prompt action on his amendments. And the President stated that the act's "implementation should not be delayed."

Yesterday, Congressman Danielson convened a hearing on these amendments. At that hearing, HEW Secretary Califano and the Deputy Secretary of Defense, Charles Duncan, testified.

In submitted testimony and in oral remarks, Secretary Califano stated that the act, with the administration's technical amendments, was necessary and justified. The technical amendments, in the opinion of Mr. Califano, resolved the major concerns of his Department. The same conclusions were expressed by the Department of Defense. Both Mr. Califano and Mr. Duncan opposed any delay in the effective date.

Thus there is executive branch consensus: These amendments will remedy the problem.

Specifically, the amendments have three purposes:

First. They will clarify that the ban on "aiding and assisting in representing" is limited only to those particular matters in which the former official had been "personally and substantially" involved while in office.

Second. They will limit "aiding and assisting in representing" to on-site appearances before the Government.

Third. They will equalize the treatment between military officers and civilian officials, insofar as automatic inclusion for certain provisions such as the 1 year "cooling off" period.

Mr. President, I ask unanimous consent that the President's March 31, 1979 letter to the Attorney General and the OPM Director, and the text of the bill be printed in the Record at this point.

There being no objection, the bill and letter were ordered to be printed in the Record, as follows:

S. 869

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 207 of title 18, United States Code, as amended by the Act of October 26, 1978 (Public Law 95–521, section 501(a); 92 Stat. 1864) is amended as follows: in clause (ii), strike "concerning" and insert "by personal presence at"; and in subparagraph (3), before "which was" insert ", as to (i)," and after "responsibility, or" insert ", as to (ii),".

Subsection (d)(3) of the aforesaid section 207 is amended by striking "O–7" and inserting "O–9"; and by inserting after "or" the following: "at such pay grade of O–7 or O–8 who has significant decisionmaking or supervisory responsibility as designated by the Director of the Office of Government Ethics in consultation with the head of the department or agency concerned; or"

The White House,
Washington, D.C., March 31, 1979.
Hon. Alan K. Campbell,
Director, Office of Personnel Management, Washington, D.C.

To Director Campbell: Last year we worked closely with Congress to pass The Ethics in Government Act, which sets important ethical standards for Federal employees. It will stand as a landmark statute in providing the public with greater confidence and trust in the way in which the Federal government operates.

It is essential that the Act be implemented as effectively, fairly, and promptly as possible. I am pleased that you are taking steps to ensure such an implementation.

The regulations which you have approved provide sound and equitable interpretations of the Act. The technical amendments to the Act that you have proposed clarify important provisions and should eliminate legitimate concerns of Federal employees about certain post-employment restrictions.

When these are taken together, there should be no doubt that the intent of the Act will be fulfilled, and the public confidence in the conduct of Government affairs will rest on a firmer foundation. Of equal importance, Federal employees interested in serving the public will not be harmed in future private employment by the requirements of the Act.

It is important that you work closely with the Congressional leaders to gain rapid enactment of the technical amendments. The Act's implementation should not be delayed. That can be avoided through prompt Congressional approval of the technical amendments.

I am ready to help you in any way necessary to encourage Congressional action. We need a strong, but fair, Ethics Act; and the enactment of these technical amendments, together with the regulations, will ensure the public as well as Federal employees of such a balanced approach.

Sincerely,

Jimmy Carter.

Mr. PERCY. Mr. President, Senator Ribicoff has today introduced legislation to amend the Ethics in Government Act of 1978. The purpose of this proposal is to resolve ambiguities in that law's prohibition against former Federal officials "switching sides" in particular cases after leaving Government service, a practice which in the past has allowed personal influence to unduly affect Government decisionmaking.

As my colleagues are aware, controversy has arisen in recent months about the wording of one provision of that law, section 207(b) (ii), which specifically forbids a high Federal official from aiding or assisting in the representation of a private client for 2 years after leaving Government if the representation concerns an appearance before a Government agency, and involves a matter in which the official was personally and substantially involved or which falls within his official responsibility. While the underlying principle is not in dispute, uncertainties in the interpretation of this provision have caused many executive branch officials to fear that they might face far-reaching barriers to practicing their professions upon leaving the Federal Government—especially in light of the criminal penalties set forth in the law. As a result, we now see many talented and dedicated public servants preparing to leave their Government positions prior to the effective date of the law on July 1, 1979.

The need to clarify the law and eliminate this tide of uncertainty is immediate and, for this reason, I endorse the legislation introduced by Senator Ribicoff today.

For additional detail on the thrust of this legislation, I recommend that my colleagues review the testimony of Director Alan Campbell of the Office of Personnel Management, who discussed the proposal at a hearing before the House Judiciary Subcommittee on Administrative Law and Government Relations. I ask unanimous consent that Dr. Campbell's testimony be printed in the Record at this point.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

TESTIMONY OF ALAN K. CAMPBELL

Mr. Chairman and members of the subcommittee: I am pleased to have the opportunity to testify on proposed technical amendments to the Ethics in Government Act of 1978. Accompanying me today is Bernhardt K. Wruble, the Director of the Office of Government Ethics.

You have before you H.R. 3325, a bill directed to section 207 of title 18 U.S.C., as amended by the Ethics in Government Act. The Bill embodies three technical amendments to section 207 and has been introduced by Judiciary Committee Chairman Rodino, with the cosponsorship of your subcommittee chairman, Congressman Danielson.

The President supports these amendments as part of the statutory and regulatory package designed to provide for the fair administration of ethics in in Government. I would like to provide to the committee at this time, for insertion in the record, a copy of a letter from the President to me in this regard, which is identical to that sent to the Attorney General.

The White House,
Washington, D.C., March 31, 1979.
Hon. Alan K. Campbell,
Director, Office of Personnel Management, Washington, D.C.

To Director Campbell: Last year we worked closely with Congress to pass the Ethics in Government Act, which sets important ethical standards for Federal employees. It will stand as a landmark statute in providing the public with greater confidence and trust in the way in which the Federal Government operates.

It is essential that the Act be implemented as effectively, fairly and promptly as possible. I am pleased that you are taking steps to ensure such an implementation.

The regulations which you have approved sound and equitable interpretations of the Act. The technical amendments to the Act that you have proposed clarify important provisions and should eliminate legitimate concerns of Federal employees about certain post-employment restrictions.

When these are taken together, there should be no doubt that the intent of the Act will be fulfilled, and the public confidence in the conduct of Government affairs will rest on a firmer foundation. Of equal importance, Federal employees interested in serving the public will not be harmed in future private employment by the requirements of the Act.

It is important that you work closely with the Congressional leaders to gain rapid enactment of the technical amendments. The Act's implementation should not be delayed. That can be avoided through prompt Congressional approval of the technical amendments.

I am ready to help you in any way necessary to encourage Congressional action. We need a strong, but fair, Ethics Act; and the enactment of these technical amendments, together with the regulations, will ensure the public as well as Federal employees of such a balanced approach.

Sincerely,

Jimmy Carter.

The Attorney General who cannot be here today because of a prior, conflicting obligation, has authorized me to speak on his behalf in supporting the proposed amendments which are before you today.

As I am sure you are aware, there has been considerable concern expressed about certain features of the Ethics in Government Act. While some such expressions were certainly proper, it is also true that some accounts tended to overstate the restrictions of the Act.

The Office of Personnel Management has just released its regulations on post-employment conflicts of interest. They will be printed in the Federal Register tomorrow. Copies have been provided to the Committee. These regulations were developed by the Director of the Office of Government Ethics in consultation with the Attorney General, who has fully concurred in them as representing his interpretation of the Act. They set out, in clear and detailed fashion, how the post-employment restrictions of the Act will be implemented.

The regulations serve several very important purposes. They will give advance guidance to federal employees as to their responsibilities. They particularize the ethical safeguards of the Act, and they avoid unreasonable restraints which might inhibit the Government's ability to attract and retain first rate personnel. I anticipate that these regulations will be viewed as fair and balanced. In his letter, the President refers to the regulations as "sound and equitable interpretations of the Act." Because the Act itself is basically sound, it was possible through regulation issued under it to reassure federal employees as to most areas of concern.

Preparing these regulations served the additional purpose of accelerating the process of uncovering rough spots in the language of the Act—a process which usually unfolds over a period of time as particular problems arise. The Office of Government Ethics elicited opinions as to possible problems from virtually all executive agencies, especially those employees who had first-hand exposure. It was able to determine what reasonable interpretations could be achieved by administrative means, and to narrow the scope of any adjustments that might be required by legislative action. Once these areas were defined, there was general agreement that they be resolved. These technical amendments enjoy the support of the President and the executive agencies and I believe, those members of Congress who have been principally involved in drafting this legislation.

The first two proposed amendments deal entirely with subsection 207(b) (ii), the "assistance in representing" provision. Let me place this subsection in context:

Subsection 207(a) places a permanent bar on a former Government employee's representing another person before the Government on a matter in which he participated personally and substantially while in the Government.

Subsection 207(b) (i) contains a similar bar, but of two-years' duration, as to a matter which was pending under the employee's "official responsibility," even though he may have had no involvement in it.

Section 207(c), which applies to certain high-ranking or "Senior Employees", prescribes a one-year "cooling-off" period which bars an employee from attempting to influence his former agency on any matter, whether or not the employee had any prior participation in it, or responsibility for it.

The provision which is the subject of the proposed amendments, § 207(b) (ii), establishes a two-year bar for Senior Employees on activities which might be construed as "assisting in representing" another person in an appearance before the Government, as to any matter in which the employee personally and substantially participated or for which he had "official responsibility".

AS TO (II)

The first amendment I will address is the addition of the words "as to (ii)" in indented paragraph (3) of § 207, as indicated in the text of H.R. 3325. The amendment requires that the two elements of involvement set forth in indented paragraph (3)—responsibility and participation—be read as applying respectively, in the order given, to "representing" under subsection 207(b) (i) and to "assisting" under subsection 207(b) (ii). It thus makes clear that § 207(b) (ii) is applicable only to those matters in which the former employee participated personally and substantially.

It seems clear that the logical foundation for barring a former employee from assisting in the representation of another as to a matter is his actual familiarity with that matter, gained as a Government employee. Thus, it is his prior participation in it, not his formal responsibility, that is the operative factor. So interpreted, we are sure that Federal employees would view it as a reasonable restraint.

This, as I understand it, was the original intent of the Act. And, of course, this is exactly what Congressmen Danielson and Moorhead stated to be their understanding of the Act's purpose in the letter which they, along with Senators Ribicoff and Percy, sent to the Director of the Office of Government Ethics on February 16, 1979. (That letter has been published in the Congressional Record of February 21, 1979, at S. 1613.) However, the present language of the Act appears to require a different result, and thus we believe that this technical adjustment should be made.

BY PERSONAL PRESENCE AT

The second amendment is designed to correct an inclarity in the original text which left undefined the kinds of activities that constitute the advice, consultation or other assistance "in representing" another person that is prohibited by § 207(b) (ii). The amendment adds the words "by personal presence at" in lieu of the word "concerning". The new language makes it clear that the statute is limited to assistance which the former employee gives while personally present during an appearance before the Government—for example, while a proceeding or negotiation was ongoing.

The present language makes it hard to determine what specific activities are prohibited. Because of this, it had the unintended effect of leading many individuals to believe that they would expose themselves to jeopardy when they engaged in activities which, I am sure, we would all regard as legitimate and productive. High-level administrators and managers in many fields felt particularly threatened by reason of the responsibilities inherent in the positions they would naturally be called upon to assume after Government employment.

The problem might typically arise when an employee who had designed or worked on a project which was the subject of a Government contract or grant later took employment with an organization—a university, research institution or private corporation—as a manager, where his responsibilities included supervision of many projects, including some he may have worked on while with the Government.

Here is how the present language would impact this situation. When this individual conducted managerial activities—that is, when he decided how his organization would be run, including how its resources were to be utilized and on what terms—such activity might have been considered to be "assisting" representatives of his organization in an appearance, since such decisions must be communicated to the Government. Now, we can provide in regulations that communication of management decisions is lawful, even if they affect matters under government contracts. But in important areas it is often difficult for a lay person conducting day-to-day activities in his own plant or university to distinguish between permitted management communications, on the one hand, and prohibited advice on "how to represent", on the other. This has the effect of placing reputable administrators under a cloud of insecurity—indeed, under risk of felonious conduct. Many may refuse Government service if this is the prospect. It is a problem which deserves a remedy.

The problem goes farther. Subsection 207 (b) (ii) is the only prohibition which, as written, goes beyond curbing attempts to use personal influence and access and makes off-the-scene assistance criminal as well. But in fact, it would have been extremely difficult to enforce. Precisely because it would require proof of what was said behind-the-scenes, and especially in the context of project management, it raised special problems in an area where, as you know, enforcement is already particularly difficult.

So while it was not likely to have been a useful provision for actual enforcement, it had, on the other hand, the unfortunate effect of exposing former Senior Employees to loose allegations that, behind closed doors, they said the wrong things. The allegations alone would be damaging. And those who were so accused might find it difficult to defend. It is likely that they would never be accorded a trial or proceeding in which they might be vindicated. What makes this a serious human problem is that we are dealing here with high-ranking government employees . . . who are conscientious individuals . . . and for whom personal reputation counts for a great deal.

A final practical element must be added to this picture. Organizations which do business with the Government, and who have careful lawyers of their own, would quickly anticipate the problems I have mentioned. Valuing both their Government business and their own reputations, they would try to avoid such problems. The simplest way to do so is to avoid hiring former senior government employees burdened by such restrictions. And in this natural reaction lies the insoluble core of difficulty under the present language of section 207(b) (ii).

In sum, the present language has the effect of jeopardizing legitimate activities in a way which was wholly unintended. The language of the amendment, however, would provide a "bright line" which employees may fairly be expected to observe, and I believe they are fully willing to do so. It would also maintain an important restraint on these employees. It would not reach real or imagined off-the-scene advice; but it would remove these employees from the scene of activities so that they could not insert themselves on an immediate, real-time basis in assisting ongoing representations. This would be consistent with the central focus of section 207, by curtailing any impression that such employees can assert influence which would affect the results in Government negotiations and proceedings.

EQUAL TREATMENT OF MEMBERS OF UNIFORMED SERVICES

The third amendment seeks to correct an inequality in treatment between civilian employees and those in the uniformed services. Section 207(d) of the Act lists several categories of individuals who are to be made subject to the special restrictions for Senior Employees (that is, assistance under section 207(b) (ii) and attempts to influence one's former agency under section 207(c).) The act makes some groups of employees subject to these restraints automatically. But others are covered only if the Director of the Office of Government Ethics finds that they occupy a position involving "significant decision-making or supervisory responsibility," and so designates that position.

Under the present language, all uniformed officers at the grade of O–7 and above are automatically covered. This includes one and two star military officers (the O–7's and O–8's) who are of rank comparable to, or of lesser rank than, their civilian counterparts at GS–17 and GS–18. Yet the GS–17's and GS–18's are covered only if they occupy positions designated by the Director. This could result in a civilian GS–17 not being made subject to the restrictions, while a brigadier general who is his subordinate would be. There is no reason for this, and the amendment simply provides for equal treatment. It makes automatic the coverage of uniformed officers at O–9 and above, while it leaves those at the O–7 and O–8 level to be designated by the Director of the Office of Government Ethics, along with their civilian counterparts, if they hold significant positions.

In conclusion, Mr. Chairman, I believe that the regulations which have been issued, together with these relatively minor amendments, will achieve exactly what we all intended. They will be perceived as resulting in a balanced and fair approach. They will promote public confidence in the process of Government. At the same time they will maintain the confidence of federal employees in the Government's respect for their livelihoods and individual rights.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the bill be considered as having been read twice and that it be placed on the calendar.

Mr. SCHMITT. Mr. President, reserving the right to object, and I shall not object, I think Senator RIBICOFF and Senator PERCY are to be commended for moving expeditiously on this matter. It is a very serious matter in the operation of the Government. Having these amendments on the calendar and in the RECORD will make it possible for all of us to look at them, study them, and act expeditiously, when necessary, on their adoption.

I have no objection.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I shall not object, Mr. RIBICOFF has discussed this matter with me. It is a matter that needs early clarification. Time is of the essence. I compliment Mr. RIBICOFF and Mr. PERCY on the action that has been taken to expedite Senate clarification.

I have no objection.

Mr. RIBICOFF. I thank the majority leader and the acting minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEES TO HAVE UNTIL 6 P.M. TODAY TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may have until 6 p.m. today to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under authority of the order of the Senate of April 2, 1979, the Secretary of the Senate, on April 3, 1979, received a message from the President of the United States, submitting the nomination of Read P. Dunn, Jr., of Maryland, to be a Commissioner of the Commodity Futures Trading Commission; which was referred to the Committee on Agriculture, Nutrition, and Forestry.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

DEFERRAL OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT—PM 51

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Appropriations, the Committee on the Budget, the Committee on Armed Services, and the Committee on Energy and Natural Resources, jointly, pursuant to order of January 30, 1975:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report two new deferrals of budget authority totaling $109.8 million. The deferrals involve aircraft research and development activities of the Department of Defense and the Interior Department's exploration program at the National Petroleum Reserve in Alaska.

The details of the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *April 4, 1979.*

MESSAGES FROM THE HOUSE

At 12:16 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 595. An act to authorize the Administrator of General Services to dispose of 35,000 long tons of tin in the national and supplemental stockpiles, to provide for the deposit of moneys received from the sale of such tin, and for other purposes;

H.R. 896. An act for the relief of Joseph J. Andrews;

H.R. 898. An act for the relief of Rodney L. Herold and others;

H.R. 899. An act for the relief of Mr. and Mrs. Aaron Wayne Ogburn;

H.R. 932. An act for the relief of Doris Mauri Coonrad;

H.R. 1158. An act for the relief of James C. Wilkinson; and

H.J. Res. 199. A joint resolution to amend the act of October 21, 1978 (92 Stat. 1675; Public Law 95–498).

The message also announced that, pursuant to the provisions of Public Law 86–420, as amended, the Speaker has appointed Mr. DE LA GARZA, chairman, Mr. YATRON, vice chairman, Mr. UDALL, Mr. KAZEN, Mr. WOLFF, Mr. MILLER of California, Mr. IRELAND, Mr. COELHO, Mr. ROUSSELOT, Mr. BURGENER, Mr. LAGOMARSINO, and Mr. RUDD as members of the U.S. delegation of the Mexico-United States Interparliamentary Group, on the part of the House.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were read twice by their titles and referred as indicated:

H.R. 595. An act to authorize the Administrator of General Services to dispose of 35,000 long tons of tin in the national and supplemental stockpiles, to provide for the deposit of moneys received from the sale of such tin, and for other purposes; to the Committee on Armed Services.

H.R. 896. An act for the relief of Joseph J. Andrews; to the Committee on the Judiciary.

H.R. 898. An act for the relief of Rodney L. Herold and others; to the Committee on the Judiciary.

H.R. 899. An act for the relief of Mr. and Mrs. Aaron Wayne Ogburn; to the Committee on the Judiciary.

H.R. 932. An act for the relief of Doris Mauri Coonrad; to the Committee on the Judiciary.

H.R. 1158. An act for the relief of James C. Wilkinson; to the Committee on the Judiciary.

H.J. Res. 199. A joint resolution to amend the act of October 21, 1978 (92 Stat. 1675; Public Law 95–498); to the Select Committee on Indian Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment:

S. Res. 125. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 413. Referred to the Committee on the Budget.

By Mr. STENNIS, from the Committee on Armed Services, without amendment:

S. Res. 128. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 429. Referred to the Committee on the Budget.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry:

James M. Stone, of Massachusetts, to be a Member of the Commodity Futures Trading Commission.

James M. Stone, of Massachusetts, to be Chairman of the Commodity Futures Trade Commission.

(The above nominations from the Committee on Agriculture, Nutrition, and Forestry were reported with the recommendation that they be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DANFORTH (for himself, Mr. BENTSEN, Mr. JAVITS, Mr. CHAFEE, and Mr. MATHIAS):

S. 864. A bill to establish within the Department of Commerce an office to promote and encourage the formation and utilization of export trade associations, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. RIBICOFF (for himself and Mr. JAVITS) (by request):

S. 865. A bill to protect the privacy of medical information, to amend the Privacy Act of 1974, and for other purposes; to the Committee on Governmental Affairs and the Committee on the Judiciary, jointly, by unanimous consent, and that if and when ordered reported by one committee, the other committee has not to exceed 30 days.

By Mr. JACKSON (for himself, Mr. BELLMON, and Mr. YOUNG):

S. 866. A bill to test the commercial, environmental, and social viability of various oil shale technologies, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. RIBICOFF (by request):

S. 867. A bill to provide privacy protections for individuals who are the subjects of federally funded research, and for other purposes; to the Committee on Governmental Affairs.

By Mr. CANNON (for himself and Mr. LAXALT):

S. 868. A bill to transfer the control and jurisdiction of Ruby Lake National Wildlife Refuge, Nev., to the State of Nevada; to the Committee on Environment and Public Works.

By Mr. RIBICOFF:

S. 869. A bill to amend section 207 of title 18, United States Code. Read twice and placed on the calendar.

By Mr. CRANSTON (by request):

S. 870. A bill to amend title 38, United States Code, to extend the delimiting date for veterans under certain circumstances; to limit the time for filing claims for educational benefits based upon disability; to modify the standards of progress requirements; to modify the 50 percent employment requirements; to eliminate the requirements for counting BEOG's and SEOG's in the 85–15 enrollment ratio; to modify payment of educational benefits to incarcerated veterans; to permit certain foreign training; to pay benefits for certain continuing education programs; to strengthen statutory provisions on measurement of courses and on overpayment of educational benefits; to repeal the authority for pursuit of flight and correspondence training; to repeal the authority for pursuit of certain PREP training; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. DOMENICI:

S. 871. A bill to amend the Public Buildings Act to require that parking fees be charged at all parking lots and facilities owned or operated by the United States; to the Committee on Environment and Public Works.

By Mr. CHAFEE:

S. 872. A bill to amend section 5(e) of the Food Stamp Act of 1977 to increase the amount of the deduction allowed under such section for excess shelter expense, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. RIBICOFF (for himself, Mr. BENTSEN, and Mr. TOWER):

S. 873. A bill to amend the Internal Revenue Code of 1954 to waive in certain cases the residency requirements for deductions or exclusions of individuals living abroad; to the Committee on Finance.

By Mr. CRANSTON:

S. 874. A bill to abolish the California Debris Commission; to the Committee on Environment and Public Works.

By Mr. SCHMITT (for himself, Mr. PRESSLER, and Mr. YOUNG):

S. 875. A bill to provide for the establishment, ownership, operation, and regulation of a commercial Earth resources information service, utilizing satellites and other technologies, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. CHILES (for himself and Mr. STONE):

S. 876. A bill to terminate construction of the Cross-Florida Barge Canal project effective July 1, 1979, to adjust the boundary of the Ocala National Forest, Fla., and for other purposes; to the Committee on Environment and Public Works.

By Mr. CRANSTON:

S. 877. A bill directing the Secretary of the Interior to conduct a study with a view to determining the feasibility of establishing the Juan Bautista de Anza National Historic Trail; to the Committee on Energy and Natural Resources.

By Mr. ROTH (for himself, Mr. DANFORTH, Mr. NELSON, and Mr. BAUCUS):

S. 878. A bill to streamline and simplify the generally applicable requirements attached to Federal assistance programs and their implementation; to facilitate the consolidation of assistance programs; to provide for multiyear funding of certain grant programs; to expedite the processing of applications for Federal assistance involving more than one grant; to extend and amend the law relating to intergovernmental cooperation; and for other purposes; to the Committee on Governmental Affairs.

By Mr. CHILES:

S. 879. A bill to provide lump sum death benefits for certain Federal law officers and firefighters killed in the line of duty, and for other purposes; to the Committee on Governmental Affairs.

By Mr. HATFIELD (for himself and Mr. GRAVEL):

S. 880. A bill to amend the Internal Revenue Code of 1954 to provide that a taxpayer conscientiously opposed to participation in war may elect to have his income, estate, or gift tax payments spent for nonmilitary purposes; to create a trust fund (the World Peace Tax Fund) to receive these tax payments; to establish a World Peace Tax Fund Board of Trustees; and for other purposes; to the Committee on Finance.

By Mr. CRANSTON (by request):

S. 881. A bill to amend title 18, United States Code, with respect to the protection of certain officers or employees of the United States, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. WALLOP:

S. 882. A bill to amend paragraph 5 of section 613A(c) of the Internal Revenue Code of 1954; to the Committee on Finance.

By Mr. CHILES:

S. 883. A bill for the relief of Ezekiel Trail Clemons; to the Committee on the Judiciary.

By Mr. WALLOP:

S. 884. A bill to require the Secretary of Transportation to make incentive grants, and to reduce the apportionment of Federal-aid highway funds to States based upon the percentage of motor vehicles exceeding the 55 mile per hour speed limit on either rural or urban public highway systems within such State; to the Committee on Environment and Public Works.

By Mr. ROBERT C. BYRD (for himself, Mr. CHURCH, Mr. JAVITS, Mr. BAKER, and Mr. DECONCINI):

S.J. Res. 54. A joint resolution reaffirming the U.S. commitment to the North Atlantic alliance; considered and passed.

By Mr. WEICKER:

S.J. Res. 55. A joint resolution to establish a Presidential Commission on Civilian Nuclear Power; to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DANFORTH (for himself, Mr. BENTSEN, Mr. JAVITS, Mr. CHAFEE, and Mr. MATHIAS):

S. 864. A bill to establish within the Department of Commerce an office to promote and encourage the formation and utilization of export trade associations, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

(The remarks of Mr. DANFORTH when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. RIBICOFF (for himself and Mr. JAVITS) (by request):

S. 865. A bill to protect the privacy of medical information, to amend the Privacy Act of 1974, and for other purposes; to the Committee on Governmental Affairs and the Committee on the Judiciary, jointly, by unanimous consent, and that if and when ordered reported by one committee, the other committee has not to exceed 30 days.

PRIVACY OF MEDICAL INFORMATION ACT

Mr. RIBICOFF. Mr. President, at the request of President Carter, I am pleased to introduce the "Privacy of Medical Information Act."

This bill is designed to protect an individual's right to privacy and accuracy in medical information while avoiding interference in the sensitive doctor/patient relationship. The bill:

Establishes privacy protections for information maintained by hospitals and other in-patient medical facilities, and any out-patient clinic or facility receiving Federal assistance;

Allows individuals to participate in decisions to disclose their medical records when the records will be used to affect them, with some limited exceptions for emergency uses;

Limits Government access to medical records except for public health reporting, audits of Government funded programs, or through legal process (such as a subpena) where the individual has rights to notice and challenge;

Gives individuals the right to see their own medical records. Where direct access to those records might harm the patient, access can be provided through an intermediary;

Allows the individual to insure that records maintained as part of a medical-care relationship are accurate;

Prohibits the use of blanket or open-end authorizations for the disclosure of medical records.

Makes it a crime to obtain medical record information under false pretenses.

I commend the President for this important initiative. I am gratified that many of the provisions of this bill are similar to those contained in S. 503, which I cosponsored with Senator JAVITS. The Governmental Affairs Committee will look closely at the issues raised by both of these bills.

Mr. President, I ask unanimous consent that a summary of the Privacy of Medical Information Act, as well as the text of the bill itself, be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 865

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

SHORT TITLE

SECTION 1. This Act may be cited as the "Privacy of Medical Information Act".

FINDINGS

SEC. 2. The Congress finds that—

(1) the right to privacy is a personal and fundamental right,

(2) rapidly changing technology permits recordkeepers to compile and disseminate more detailed and highly personal information about individuals than ever before,

(3) the collection, maintenance, use, and dissemination of confidential medical information can threaten the individual's right to privacy,

(4) individuals should be able to exercise more direct control over confidential medical information, particularly since the availability of such information to third parties often affects the individual's ability to obtain employment, insurance, medical care, and other important benefits,

(5) all health care providers affect interstate commerce, due to the complex and interrelated nature of the medical care system, and

(6) there is a need for Federal statutory protection of the privacy of medical information maintained by health care providers.

TITLE I—REQUIREMENTS APPLICABLE TO MEDICAL CARE FACILITIES

INDIVIDUAL'S ACCESS TO MEDICAL INFORMATION

SEC. 101. (a) A medical care facility shall (except as provided in subsection (b)), upon request of an individual, provide, at the choice of the individual, (1) the individual, or (2) a person designated by the individual, within twenty working days an opportunity to inspect, and a copy of, any medical information that the facility maintains concerning the individual.

(b) A medical care facility shall provide within twenty working days an appropriate person (as defined in regulations of the Secretary) designated by the individual an opportunity to inspect, and a copy of, medical information that the facility maintains concerning the individual, in those circumstances in which the facility determines that the application of the requirements of subsection (a) would be likely to be sufficiently harmful to the individual or to another person so as to outweigh the desirability of applying those requirements.

(c) A medical care facility may not impose a charge for permitting an inspection of, and may impose only a reasonable charge (in any event no greater than the charge imposed on third persons) for providing a copy of, medical information under this section.

CORRECTION OF MEDICAL INFORMATION

SEC. 102. (a) If an individual requests that a medical care facility correct medical information that the facility maintains concerning the individual, the facility shall, within ninety calendar days, either—

(1) amend or supplement the medical information to make the correction requested, or

(2)(A) inform the individual of its refusal to do so, the reasons for the refusal, and of the facility's procedures, if any, for further review of the refusal, and

(B) permit the individual to file with the facility a concise statement setting forth any correction requested, but not made, by the facility, and the reasons for requesting that correction.

(b) The facility shall, if the individual so requests, inform the individual of any disclosure that the facility previously made of the information to which a correction has been requested, if the facility has maintained a notation of the disclosure.

(c) The facility shall provide any person, specifically designated by the individual, to whom the information was previously disclosed a copy of any correction made, and of any statement filed as provided under subsection (a)(2)(B).

(d) The facility shall, in any subsequent disclosure of the information to which a correction was requested, include any correction made, and any statement filed as provided under subsection (a)(2)(B).

NOTIFICATION OF DISCLOSURE OF MEDICAL INFORMATION

SEC. 103. (a) On or prior to the effective date of this Act, a medical care facility shall prepare a notice of the disclosures that may be made by the medical care facility of medical information concerning an individual without the authorization of the individual, and the procedures, if any by which an individual can learn of each such disclosure.

(b) A medical care facility shall provide the notice required by subsection (a) to an individual:

(1) where reasonably possible, when first providing medical services to the individual, and

(2) upon request of an individual who has received, or may receive, medical care services from the medical care facility.

LIMITATION OF DISCLOSURE TO PROPERLY IDENTIFIED PERSONS AND TO PURPOSE FOR WHICH NEEDED

SEC. 104. A medical care facility may disclose medical information concerning an individual only to properly identified persons, and (except for disclosures to Federal or State authorities) only to the extent needed to accomplish the purpose for which the disclosure is to be made.

CONDITIONS FOR DISCLOSURE OF MEDICAL INFORMATION

SEC. 105. (a) A medical care facility may not disclose medical information that it maintains concerning an individual, except as provided in subsection (b), unless the individual has authorized the disclosure as provided in subsection (d) and the facility has complied with subsection (e).

(b) The provisions of subsection (a) shall not apply to a disclosure by a medical care facility—

(1) to a person employed by, an agent of, or responsible to, the facility, to the extent that the person needs the information to carry out his duties,

(2) to a health care provider, in connection with health services being provided to the individual,

(3) consistent with accepted medical practice, to the next of kin or persons with whom the individual has a personal relationship,

(4) in compelling circumstances which the facility has in good faith determined will affect the health or safety of the individual or another person, if a notation of the disclosure (and to whom the information was disclosed) is made part of the medical information that the facility maintains concerning the individual,

(5) for use in a biomedical, epidemiologic, or health services research project, or a health statistics project, if—

(A) the facility reasonably determines that—

(i) the disclosure does not violate any limitations placed upon the use or disclosure of the information at the time the information was obtained,

(ii) the project cannot reasonably be conducted without the information, and

(iii) the importance of the project outweighs the risk to the individual that disclosure might bring,

(B) the person conducting the project provides adequate assurances that—

(i) appropriate safeguards will be established against unauthorized use or disclosure of the information, and

(ii) there will be a program to remove or destroy materials enabling the individual to be identified at the earliest time at which removal or destruction can be accomplished consistent with the purposes of the research, unless the recipient presents an adequate justification of a research or health nature for retaining such materials, and

(C) the person conducting the project provides adequate assurances that further use or disclosure of the information will not be made, except—

(i) for disclosure to a person employed by, an agent of, or responsible to, the person conducting the project, to the extent needed to carry out the project,

(ii) to the extent necessary to meet a medical emergency or to prevent a crime that could result in physical injury to an individual, provided that the information disclosed will be limited to that necessary to provide medical assistance or to secure the protection of the individual who may be injured,

(iii) in compliance with a judicial order, including a search warrant or lawfully issued subpoena, where the purpose of the judicial order is to assist inquiry into an alleged violation of law by the person or agency maintaining research records, provided that—

(I) any information so disclosed shall not be used as evidence in any administrative, legislative, or judicial proceeding against anyone other than the agency or person maintaining the record, their employees, or a person to whom the information was disclosed,

(II) any information so disclosed shall not be used as evidence, or otherwise made public, in a manner that an individual to whom information in the research record pertains may be identified, unless identification of the individual is necessary to establish the violation of law, and

(III) an individual identified in any information to be made public in identifiable form shall be given notice prior to such publication and given an opportunity to contest the necessity of such publication,

(iv) to qualified and properly identified persons for the purpose of conducting management audits, financial audits, or program evaluation, provided that

(I) the audit or evaluation is authorized by statute if it is conducted by a government authority, or authorized by statute or by contractual agreement if conducted by any other person, and

(II) that no subsequent use or disclosure of the information will be made by the auditor or evaluator, except in accordance with this paragraph, and

(v) for a research or statistics purpose, provided that the person or agency disclosing the records—

(I) determines that such use or disclosure does not violate any limitation under which the record or information was provided, collected, or obtained,

(II) determines that the research or statistics purpose for which the disclosure is to be made cannot be reasonably accomplished unless the information is provided in individually identifiable form, and warrants the risk to the individual that additional exposure of the information might bring,

(III) requires the recipient to establish reasonable administrative, technical, and physical safeguards to prevent unauthorized use or disclosure of research records, and to remove or destroy the information that allows the individual to be identified at the earliest time at which removal or destruction can be accomplished consistent with the purpose of the research project, unless the recipient presents an adequate justification of a research or health nature for retaining such materials, and

(IV) secures a written statement attesting to the recipient's understanding of, and willingness to abide by, the conditions of this Act,

(6) to persons presenting appropriate evidence of their official status who state in writing that they need the information—

(A) for a government public health investigation, for a government investigation of activities of the facility, or for a Federal, State, or local government audit or evaluation purpose, or

(B) to carry out a program under title V, part B of title XI, title XVIII, or title XIX of the Social Security Act, or other government program providing payments to, or concerned with activities of, the facility, or to conduct an investigation concerning fraud, abuse, or waste under those programs,

if a copy of the written statement is maintained and made available to the individual on request,

(7) to persons who state in writing that they need the information for an audit or evaluation purpose, or for the purpose of carrying out a program providing payments to the facility, if—

(A) the person to whom the information is to be disclosed provides adequate assurances that appropriate safeguards will be established against unauthorized disclosure of the information, and that there will be a program to remove or destroy materials enabling the individual to be identified,

(B) the person to whom the information is to be disclosed provides adequate assurances that further use or disclosure of the information will not be made, except—

(i) for disclosure to persons carrying out the audit or evaluation purpose, or carrying out the program providing payments,

(ii) in compelling circumstances affecting the health or safety of the individual or another person, or

(iii) pursuant to compulsory legal process, and

(C) a copy of the written statement is maintained and made available to the individual on request,

(8) pursuant to a Federal or State law requiring disclosure to a public health authority,

(9) to a law enforcement authority, pursuant to a Federal or State law that requires specific types of information to be reported to that authority,

(10) revealing only the presence of the individual at the facility at a particular time or the provision of services at a particular time to the individual, his location, or his general medical condition, if—

(A) the individual has not objected to the disclosure, or

(B) the disclosure is to a Government authority pursuant to a legitimate law enforcement inquiry,

(11) to a Federal authority pursuant to an administrative summons or subpoena, search warrant, judicial subpoena, or formal written request of the Federal authority, if the Federal authority certifies in writing to the facility that the Federal authority has complied with the applicable requirements of sections 203 through 206,

(12) to a State authority pursuant to an administrative summons or subpoena, search warrant, judicial subpoena, or formal written request of the State authority, if, at the time of the request, the State authority certifies in writing to the facility that the State authority has complied with the applicable requirements under section 207,

(13) to a Government authority, if, at the time of disclosure or as soon thereafter as practical, the authority certifies in writing to the facility, in a document signed by a supervisory official of a rank designated by the head of the Government authority, that the information is immediately needed to prevent the imminent danger of—

(A) serious property damage, or

(B) flight to avoid prosecution,

(14) to a Government authority, if the authority seeks the information under the Federal Rules of Civil or Criminal Procedure or comparable rules of State courts in connection with litigation to which the Government authority and the individual are parties,

(15) to a Government authority, if the authority seeks the information pursuant to an administrative subpoena issues by an administrative law judge or comparable State official in an adjudicatory proceeding subject to 5 U.S.C. 554 or comparable provisions of State law to which the Government authority and the individual are parties,

(16) to—

(A) a Federal authority authorized to conduct foreign intelligence or counter-intelligence activities, if the Federal authority certifies in writing to the facility, in a document signed by a supervisory official of a rank designated by the head of the Federal authority, that the information is needed to accomplish a purpose of conducting such activities, or

(B) to the Secret Service, if the Secret Service certifies in writing to the facility, in a document signed by a supervisory official of a rank designated by the Secretary of the Treasury, that the information is needed to accomplish the purpose of conducting the protective functions of the Secret Service, provided, that no medical care facility, or officer, agent, or employee of such facility, shall disclose to any person that an inquiry made pursuant to this paragraph occurred or that information was disclosed pursuant to this paragraph and no record of such inquiry or disclosure shall be included as part of the medical information that the facility maintains concerning the individual,

(17) of medical information pertaining to a member of the uniformed services in materials belonging to any of the uniformed services (as defined in 37 U.S.C. 101(3)), to a uniformed services authority,

(18) of medical information in materials belonging to a panel or correctional authority, to the penal or correctional authority or to another judicial or executive agency, for purposes of parole, probation, pardon, or commutation of sentence, or judicial review, or to a law enforcement authority for the purpose of investigating an offense committed in the facility of the penal or correctional authority,

(19) pursuant to a subpoena or court order issues in connection with proceedings before a grand jury,

(20) to a person other than a Government authority pursuant to compulsory legal process,

(21) of medical information in materials belonging to or in the custody of the Veterans' Administration or its contractors or any of the uniformed services, to a Veterans' Administration authority or contractor thereof for the purpose of determining or providing benefits under title 38, United States Code, or

(22) to a government authority, or to a third party potentially liable or responsible to the medical care facility for the cost of providing services to an individual, for the purpose of and to the extent necessary for processing a claim related to medical services received by an individual.

(c) An appropriate United States district court, or any other court of competent jurisdiction, may grant one or more delays of not greater than thirty days each with respect to making a written statement available to the individual under subsection (b) (6) or (7) if the court finds that there is reason to believe that the delay is needed to prevent—

(A) endangering the life or physical safety of any person,

(B) flight from prosecution,

(C) destruction of or tampering with evidence,

(D) intimidation of potential witnesses, or

(E) otherwise seriously jeopardizing an investigation or official proceeding or unduly delaying a trial or ongoing official proceedings to the same extent as the circumstances in the preceding subparagraphs.

An application for delay must be made with reasonable specificity.

(d) An authorization by the individual for disclosure referred to in subsection (a) shall—

(1) be in writing,

(2) be dated,

(3) be signed by the individual,

(4) make clear that the medical care facility is among those either specifically named or generically designated by the individual as authorized to disclose information concerning the individual,

(5) be specific as to the nature of the information authorized to be disclosed,

(6) state specifically named or generically designated persons to whom the information may be disclosed,

(7) specifically state the expiration date or event of the authorization.

An authorization may be revoked in whole or in part at any time.

(e) A medical facility which discloses medical information that it maintains concerning an individual pursuant to an authorization specified in subsection (d) shall make a copy of the authorization part of the medical information that it maintains concerning the individual.

COMPLIANCE WITH THIS ACT AS A CONDITION FOR RECEIPT OF CERTAIN FUNDS

SEC. 106. (a) A medical care facility may not continue to participate in or be covered under a program under title XVIII or XIX of the Social Security Act, or to receive funds from appropriations authorized by the Public Health Service Act, title V of the Social Security Act, the Community Mental Health Centers Act, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, or the Drug Abuse Office and Treatment Act of 1972, unless the facility provides adequate assurances, and evidence from time to time as required by the Secretary, of its substantial compliance with the requirements of sections 101 through 105.

DUTY OF INSTITUTIONAL REVIEW BOARD

SEC. 107. If an institutional review board undertakes to determine whether medical information maintained by a medical care facility may be disclosed because the disclosure would not violate section 104 and would meet the requirements of section 105(b)(5), it shall make that determination in a manner which is neither arbitrary nor capricious.

MEDICAL INFORMATION COMPILED SOLELY FOR CIVIL LITIGATION

SEC. 108. Sections 101 and 102 of this title shall not apply to any medical information that the facility maintains concerning the individual which is compiled solely in reasonable anticipation of a civil action or proceeding.

MEDICAL INFORMATION HELD BY PENAL AND CORRECTIONAL AUTHORITIES

SEC. 109. Nothing in this title except section 105 shall apply to medical information in materials belonging to any penal or correctional authority.

TITLE II—REQUIREMENTS APPLICABLE TO GOVERNMENT AUTHORITIES

ACCESS BY GOVERNMENT AUTHORITIES TO MEDICAL INFORMATION MAINTAINED BY HEALTH CARE PROVIDERS

SEC. 201. A Government authority may have access to, or obtain copies of, medical information concerning an individual maintained by a health care provider only through properly identified persons presenting appropriate evidence of their official status, and only to the extent needed to accomplish the purpose for which the disclosure is to be made.

CONDITIONS FOR ACCESS BY GOVERNMENT AUTHORITIES TO MEDICAL INFORMATION MAINTAINED BY HEALTH CARE PROVIDERS

SEC. 202. A Government authority may have access to, or obtain copies of, medical information concerning an individual maintained by a health care provider only if the information is reasonably described and—

(1) the individual has authorized the disclosure as provided in section 105(d),

(2) is needed by a person employed by, an agent of, or responsible to, the health care provider, to carry out his duties,

(3) is needed by another health care provider, in connection with health services being provided to the individual,

(4) is needed in compelling circumstances which the facility has in good faith determined will affect the health or safety of the individual or another person,

(5) is to be used in a biomedical, epidemiologic, or health services research project, if the conditions set forth in section 105(b)(5) are met,

(6) is needed—

(A) for a public health investigation, for an investigation of activities of the health care provider, or for an audit or evaluation purpose, or

(B) to carry out a program under title V, part B of title XI, title XVIII, or title XIX of the Social Security Act, or other program providing payments to, or concerned with activities of, the health care provider, or to conduct an investigation concerning fraud, abuse, or waste under those programs,

(7) is reported to a public health authority pursuant to a Federal or State law requiring disclosure to a public health authority,

(8) is reported to a law enforcement authority, pursuant to a Federal or State law that requires specific types of information to be reported to that authority,

(9) reveals only the presence of the individual at the facility at a particular time or the provision of services at a particular time to the individual, his location, or his general medical condition, if—

(A) the individual has not objected to the disclosure, or

(B) the disclosure is pursuant to a legitimate law enforcement inquiry,

(10) is sought by a Federal authority pursuant to an administrative summons or subpena search warrant judicial subpena or formal written request, if—

(A) the Federal authority has complied with the applicable requirements of sections 203 through 206, and

(B) the Federal authority certifies in writing to the health care provider that the Federal authority has complied with the applicable requirements of sections 203 through 206,

(11) is sought by a State authority pursuant to an administrative summons or subpena, search warrant, judicial subpena, or formal written request, if—

(A) the State authority has complied with the applicable requirements under section 207, and

(B) the State authority certifies in writing to the health care provider that the State authority has complied with the applicable requirements under section 207,

(12) is immediately needed to prevent the imminent danger of—

(A) serious property damage, or

(B) flight to avoid prosecution,

if, before the disclosure or as soon thereafter as practical, the Government authority certifies in writing to the health care provider, in a document signed by a supervisory official of a rank designated by the head of the Government authority, that the information is needed for one of the two reasons specified in this paragraph,

(13) is sought under the Federal Rules of Civil or Criminal Procedure or comparable rules of State courts in connection with litigation to which the Government authority and the individual are parties,

(14) is sought pursuant to an administrative subpena issued by an administrative law judge or comparable State official in an adjudicatory proceeding subject to 5 U.S.C. 554 or comparable provisions of State law to which the Government authority and the individual are parties,

(15)(A) is needed for a purpose of conducting foreign intelligence or counter-intelligence activities by the Federal authority authorized to conduct such activities, if the Federal authority certifies in writing to the health care provider, in a document signed by a supervisory official of a rank designated by the head of the Federal authority, that the information is needed to accomplish that purpose, or

(B) is needed by the Secret Service for the purpose of conducting its protective functions, if the Secret Service certifies in writing to the health care provider, in a document signed by a supervisory official of a rank designated by the Secretary of the Treasury, that the information is needed to accomplish that purpose,

provided, that no health care provider, or associate, employee or agent of such provider, shall disclose to any person that an inquiry made pursuant to this paragraph occurred or that information was disclosed pursuant to this paragraph, and no record of such inquiry or disclosure shall be included as part of the medical information that the provider maintains concerning the individual,

(16)(A) is in materials belonging to any of the uniformed services (as defined in 37 U.S.C. 101(3)), and

(B) is sought by a uniformed services authority,

(17)(A) is in materials belonging to a penal or correctional authority, and

(B) is sought by the penal or correctional authority, or by another judicial or executive agency, for purposes of parole, probation, pardon, or commutation of sentence, or judicial review, or by a law enforcement authority for the purpose of investigating an offense committed in a facility of the penal or correctional authority,

(18) is sought pursuant to a subpoena or court order issued in connection with proceedings before a grand jury,

(19) is in materials belonging to the Veterans' Administration or its contractors and is sought by the Veterans' Administration or its contractor or any of the uniformed services for the purpose of determining or providing benefits under Title 38, United States Code, or

(20) is sought by a Federal government authority for the purpose of and to the extent necessary for processing a claim related to medical services received by an individual.

FEDERAL ADMINISTRATIVE SUBPOENA AND SUMMONS

SEC. 203. A Federal authority may obtain medical information concerning an individual under section 202(10) pursuant to an administrative subpoena or summons otherwise authorized by law only if—

(1) there is reason to believe that the records sought are relevant to a legitimate law enforcement inquiry,

(2) a copy of the subpoena or summons has been served upon the individual or mailed to his last known address on or before the date on which the subpoena or summons was served on the health care provider together with the following notice which shall state with reasonable specificity the nature of the law enforcement inquiry:

"Records or information concerning you held by the health care provider named in the attached subpoena or summons are being sought by this (agency or department) in accordance with the Privacy of Medical Information Act for the following purpose:

If you desire that such records or information not be made available, you must:

"1. Fill out the accompanying motion paper and sworn statement or write one of your own, stating that you are the individual whose records are being requested by the Government and either giving the reasons you believe that the records are not relevant to the legitimate law enforcement inquiry stated in this notice or any other legal basis for objecting to the release of the records.

"2. File the motion and statement by mailing or delivering them to the clerk of any one of the following United States district courts:

"3. Serve the Government authority the records by mailing or delivering a copy of your motion and statement to

"4. Be prepared to come to court and present your position in further detail.

"5. You do not need to have a lawyer, although you may wish to employ one to represent you and protect your rights.

If you do not follow the above procedures, upon the expiration of ten days from the date of service or fourteen days from the date of mailing of this notice, the records or information requested therein will be made available. These records may be transferred to other Government authorities for legitimate law enforcement inquiries, in which event you will be notified after the transfer.", and

(3) ten days have expired from the date of service of the notice or fourteen days have expired from the date of mailing the notice to the individual and within such time period the individual has not filed a sworn statement and motion to quash in an appropriate court, or the challenge provisions of section 209 have been complied with.

FEDERAL SEARCH WARRANTS

SEC. 204. (a) A Federal authority may obtain medical information concerning an individual under section 202(10) pursuant to a search warrant only if it obtains a search warrant pursuant to the Federal Rules of Criminal Procedure.

(b) No later than ninety days after the Federal authority serves the search warrant, it shall mail to the individual's last known address a copy of the search warrant together with the following notice:

"Records or information concerning you held by the health care provider named in the attached search warrant were obtained by this (agency or department) on (date) for the following purpose: .
You may have rights under the Privacy of Medical Information Act.".

FEDERAL JUDICIAL SUBPOENA

SEC. 205. A Federal authority may obtain medical information concerning an individual under section 202(10) pursuant to a judicial subpoena only if—

(1) such subpoena is authorized by law and there is reason to believe that the records sought are relevant to a legitimate law enforcement inquiry,

(2) a copy of the subpoena has been served upon the individual or mailed to his last known address on or before the date on which the subpoena was served on the health care provider together with the following notice which shall state with reasonable specificity the nature of the law enforcement inquiry:

"Records or information concerning you which are held by the health care provider named in the attached subpoena are being sought by the (agency or department) in accordance with the Privacy of Medical Information Act for the following purpose: If you desire that such records or information not be made available, you must:

"1. Fill out the accompanying motion paper and sworn statement or write one of your own, stating that you are the individual whose records are being requested by the Government and either giving the reasons you believe that the records are not relevant to the legitimate law enforcement inquiry stated in this notice or any other legal basis for objecting to the release of the records.

"2. File the motion and statement by mailing or delivering them to the clerk of the Court.

"3. Serve the Government authority requesting the records by mailing or delivering a copy of your motion and statement to .

"4. Be prepared to come to court and present your position in further detail.

"5. You do not need to have a lawyer, although you may wish to employ one to represent you and protect your rights.

If you do not follow the above procedures, upon the expiration of ten days from the date of service or fourteen days from the date of mailing of this notice, the records or information requested therein will be made available. These records may be transferred to other Government authorities for legitimate law enforcement inquries, in which event you will be notified after the transfer.", and

(3) ten days have expired from the date of service or fourteen days from the date of mailing of the notice to the individual and within such time period the individual has not filed a sworn statement and motion to quash in an appropriate court, or the challenge provisions of section 209 have been complied with.

FEDERAL FORMAL WRITTEN REQUEST

SEC. 206. A Federal authority may request medical information concerning an individual under section 202(10) pursuant to a formal written request only if—

(1) no administrative summons or subpoena authority reasonably appears to be available to the Federal authority to obtain medical information for the purpose for which such information is sought,

(2) the request is authorized by regulations promulgated by the head of the agency or department,

(3) there is reason to believe that the medical information sought is relevant to a legitimate law enforcement inquiry, and

(4)(A) a copy of the request has been served upon the individual or mailed to his last known address on or before the date on which the request was made to the health care provider together with the following notice which shall state with reasonable specificity the nature of the law enforcement inquiry:

"Records or information concerning you held by the health care provider named in the attached request are being sought by this (agency or department) in accordance with the Privacy of Medical Information Act for the following purpose:

If you desire that such records or information not be made available, you must:

"1. Fill out the accompanying motion paper and sworn statement or write one of your own, stating that you are the individual whose records are being requested by the Government and either giving the reasons you believe that the records are not relevant to the legitimate law enforcement inquiry stated in this notice or any other legal basis for objecting to the release of the records.

"2. File the motion and statement by mailing or delivering them to the clerk of any one of the following United States District Courts:

"3. Serve the Government authority requesting the records by mailing or delivering a copy of your motion and statement to :

"4. Be prepared to come to court and present your position in further detail.

"5. You do not need to have a lawyer, although you may wish to employ one to represent you and protect your rights.

If you do not follow the above procedures, upon the expiration of ten days from the date of service or fourteen days from the date of mailing of this notice, the records or information requested therein may be made available. These records may be transferred to other Government authorities for legitimate law enforcement inquiries, in which event you will be notified after the transfer.", and

(B) ten days have expired from the date of service or fourteen days from the date of mailing of the notice to the individual and within such time period the individual has not filed a sworn statement and an application to enjoin the Government authority in an appropriate court, or the challenge provisions of section 209 have been complied with.

STATE ADMINISTRATIVE SUMMONS AND SUBPOENA, SEARCH WARRANT, JUDICIAL SUBPOENA, AND FORMAL WRITTEN REQUEST

SEC. 207. A State authority may obtain medical information concerning an individual under section 202(11) only if the State authority complies with the applicable requirements of sections 203 through 206 as they would apply to a Federal authority, except that, for purposes of this section, references in sections 203 through 206 to a Federal court, procedure, or other matter shall refer to an appropriate State court, procedure, or other matter, or, if the State authority so chooses, to the Federal court, procedure, or other matter.

DELAYED NOTICE—PRESERVATION OF RECORDS

SEC. 208. (a) Upon application of the Government authority, a notice required under section 203(2), 204(b), 205(2), 206(4), 207, or 211(b) may be delayed by order of an appropriate court if the presiding judge or magistrate finds that—

(1) the investigation being conducted is within the lawful jurisdiction of the Government authority seeking the medical information,

(2) there is reason to believe that the medical information being sought is relevant to a legitimate law enforcement inquiry, and

(3) there is reason to believe that such notice will result in—

(A) endangering the life or physical safety of any person,

(B) flight from prosecution,

(C) destruction of or tampering with evidence,

(D) intimidation of potential witnesses, or

(E) otherwise seriously jeopardizing an investigation or official proceeding or unduly delaying a trial or ongoing official proceeding to the same extent as the circumstances in the preceding subparagraphs.

An application for delay must be made with reasonable specificity.

(b)(1) If the court makes the findings required in paragraphs (1), (2), and (3) of subsection (a), it shall enter an ex parte order granting the requested delay for a period not to exceed ninety days and shall issue an order prohibiting the health care provider from disclosing that confidential information has been obtained or that a request for confidential information has been made, except that, if the court finds that there is reason to believe that such notice may endanger the lives or physical safety of a patient or former patient or group of patients, or any person or group of persons associated with a patient or former patient, the court may specify that the delay be indefinite.

(2) Extensions of the delay of notice provided in paragraph (1) of up to ninety days each may be granted by the court upon application, but only in accordance with this subsection.

(3) Upon expiration of the period of delay of notification under paragraph (1) or (2), the individual shall be served with or mailed a copy of the process or request, together with the following notice which shall state with reasonable specificity the nature of the law enforcement inquiry:

"Records or information concerning you which are held by the health care provider named in the attached process or request were supplied to or requested by the Government authority named in the process or request on (date). Notification was withheld pursuant to a determination by the (title of court so ordering) under the Privacy of Medical Information Act that such notice might (state reason). The purpose of the investigation or official proceeding was (state purpose).".

(c) When access to medical information is obtained pursuant to section 202(12) (emergency access), the Government authority shall, unless a court has authorized delay of notice pursuant to subsections (a) and (b), as soon as practicable after such records are obtained serve upon the individual, or mail by registered or certified mail to his last known address, a copy of the request to the health care provider together with the following notice which shall state with reasonable specificity the nature of the law enforcement inquiry:

"Records concerning you held by the health care provider named in the attached request were obtained by (agency or department) under the Privacy of Medical Information Act on (date) for the following purpose: Emergency access to such records was obtained on the grounds that (state grounds).".

(d) Any memorandum, affidavit, or other paper filed in connection with a request for delay in notification shall be preserved by the court. Upon petition by the individual to whom such papers pertain, the court may order disclosure of such papers to the petitioner unless the court makes the findings required in subsection (a).

CHALLENGE PROVISIONS

SEC. 209. (a) Within ten day of service or within fourteen days of mailing of a summons, subpoena, or formal written request, an individual may file a motion to quash the summons or subpoena, or an application to enjoin a Government authority from obtaining medical information concerning him pursuant to the formal written request, with copies served upon the Government authority. No filing fee shall be required. A motion to quash a judicial subpoena shall be filed in the court which issued the subpoena. A motion to quash an administrative summons or subpoena or an application to enjoin a Government authority from obtaining medical information pursuant to a formal written request, shall be filed in the appropriate court. Such motion or application shall contain an affidavit or sworn statement—

(1) stating that the applicant believes the health care provider from which the medical information is sought maintains medical information concerning the individual, and

(2) stating the applicant's reasons for believing that the medical information sought is not relevant to the legitimate law enforcement inquiry stated by the Government authority in its notice, or that there has not been substantial compliance with the provisions of this title.

Service shall be made under this section upon a Government authority by delivering or mailing by registered or certified mail a copy of the papers to the person, office, or department specified in the notice which the individual has received pursuant to this title. For the purposes of this section, "delivery" has the meaning stated in rule 5(b) of the Federal Rules of Civil Procedure or comparable rules of State Courts.

(b) If the court finds that the individual has complied with subsection (a), it shall order the Government authority to file a sworn response, which may be filed in camera if the Government authority includes in its response the reasons which make in camera review appropriate. If the court is unable to determine the motion or application on the basis of the parties' initial allegations and response, the court may conduct such additional proceedings as it deems appropriate. All such proceedings shall be completed and the motion or application decided within seven calendar days of the filing of the Government authority's response.

(c) If the court finds that the medical information is medical information concerning that individual, and that there is a demonstrable reason to believe that the law enforcement inquiry is legitimate, a reasonable belief that the medical information sought is relevant to that inquiry, and that there has been substantial compliance with the provisions of this Act, it shall deny the motion or application, and, in the case of an administrative summons or court order other than a search warrant, order such process enforced. If the court finds that the medical information is medical information concerning that individual, and that there is not a demonstrable reason to believe that the law enforcement inquiry is legitimate, or there is not a reasonable belief that the medical information sought is relevant to that inquiry, or there has not been substantial compliance with the provisions of this Act, it shall order the process quashed or shall enjoin the Government authority' formal written request.

(d) A court ruling denying a motion or application under this section shall not be deemed a final order and no interlocutory appeal may be taken therefrom by the individual. An appeal of a ruling denying a motion or application under this section may be taken by the individual (1) within such period of time as provided by law as part of any appeal from a final order in any legal proceeding initiated against him arising out of or based upon the medical information, or (2) within thirty days after a notification that no legal proceeding is contemplated against him. The Government authority obtaining the medical information shall promptly notify an individual when a determination has been made that no legal proceeding against him is contemplated. After one hundred and eighty days from the denial of the motion or application, if the Government authority obtaining the medical information has not initiated such a proceeding, a supervisory official of the Government authority shall certify to the appropriate court that no such determination has been made. The court may require that such certifications be made, at reasonable intervals thereafter, until either notification to the individual has occurred or a legal proceeding is initiated as described in clause (1).

(e) The challenge procedures of this title constitute the sole judicial remedy available to a individual to oppose disclosure of medical information pursuant to section 202(10).

USE OF INFORMATION

SEC. 210. (a) Medical information originally obtained under section 202 (10), (11), or (12) may be transferred only to another Government authority, and only if the transferring authority certifies in writing that there is reason to believe that the information is relevant to a legitimate law enforcement inquiry within the jurisdiction of the receiving authority.

(b) When medical information subject to this Act is transferred pursuant to subsection (a), the transferring authority shall, within fourteen days, send to the individual a copy of the certification made pursuant to subsection (a) and the following notice, which shall state the nature of the law enforcement inquiry with reasonable specificity: "Copies of, or information contained in, your medical records lawfully in possession of   have been furnished to pursuant to the Privacy of Medical Information Act for the following purpose:

If you believe that this transfer has not been made to further a legitimate law enforcement inquiry, you may have legal rights under that Act.".

(c) Notwithstanding subsection (b), notice to the individual may be delayed if the transferring authority has obtained a court order delaying notice pursuant to section 208 (a) and (b) and that order is still in effect, or if the receiving authority obtains a court order authorizing a delay in notice pursuant to section 208 (a) and (b). Upon the expiration of any such period of delay, the transferring authority shall serve to the individual the notice specified in subsection (b) above and the authority that obtained the court order authorizing a delay in notice pursuant to section 208 (a) and (b) shall serve to the individual the notice specified in section 208(b).

ADDITIONAL REQUIREMENTS FOR GOVERNMENT AUTHORITIES

SEC. 211. (a) Within five days of obtaining access to medical information under section 202(12), the Government authority shall file with the appropriate court a signed, sworn statement of a supervisory official of a rank designated by the head of the Government authority setting forth the grounds for the emergency access.

(b) Each Federal authority obtaining access to medical information under section 202(12) or (15) shall compile an annual tabulation of the occasions on which access was obtained under those provisions.

(c) Unless otherwise provided by law, a Federal authority shall pay to the health care provider assembling or providing medical information concerning an individual under subsection (b)(11), (b)(13), (b)(16), or (d) of section 105, a fee for reimbursement for such costs as are reasonably necessary and which have been directly incurred in searching for, reproducing, or transporting books, papers, records, or other data required or requested to be produced. The Secretary shall, by regulation, establish the rates and conditions under which such payment shall be made.

GRAND JURY INFORMATION

SEC. 212. Medical information concerning an individual obtained from a health care provider pursuant to a subpena issued under the authority of a grand jury—

(1) shall be returned and actually presented to the grand jury,

(2) shall be used only for the purpose of considering whether to issue an indictment or presentment by the grand jury, or of prosecuting a crime for which that indictment or presentment is issued, or for a purpose authorized by rule 6(e) of the Federal Rules of Criminal Procedure or comparable rules of State courts,

(3) shall be destroyed or returned to the health care provider if not used for one of the purposes specified in clause (2), and

(4) shall not be maintained (and a description of the contents of the information shall not be maintained) by any Government authority other than in the sealed records of the grand jury, unless those records have been used in the prosecution of a crime for which the grand jury issued an indictment of presentment or for a purpose authorized by rule 6(e) of the Federal Rules of Criminal Procedure or comparable rules of State courts.

TITLE III—GENERAL PROVISIONS

OBTAINING MEDICAL INFORMATION THROUGH DECEPTION

SEC. 301. Any person who, under false pretenses, requests or obtains medical information concerning an individual from a health care provider shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

CIVIL SUITS

SEC. 302. (a) Any person aggrieved by—

(1) a violation by a medical care facility of any provision of sections 101 through 105,

(2) a violation by an institutional review board of section 107,

(3) a violation by a Government agency of any provision of sections 201, 202, 208, 210, 211, or 212,

(4) the commission of acts which constitute a crime under section 301, or

(5) a violation by a researcher of any provision of section 105(b)(5),

may bring a civil action in any appropriate United States district court, without regard to the amount in controversy, or in any other court of competent jurisdiction. No such action shall be brought later than two years from the date of the discovery of the violation.

(b) A civil action under subsection (a) may be brought—

(1) in the case of a violation under paragraph (1) of subsection (a), against the medical care facility,

(2) in the case of a violation under paragraph (2) of subsection (a), against the parent entity of the institutional review board,

(3) in the case of a violation under paragraph (3) of subsection (a)—

(A) against the United States,

(B) against a State which has waived its sovereign immunity under the Constitution,

(C) against an officer or employee of a State which has not waived its sovereign immunity, or

(D) against any other Government authority,

(4) in the case of the commission of acts under paragraph (4) of subsection (a), against the person or persons who committed the acts, or

(5) in the case of a violation by a researcher under paragraph (5) of subsection (a), against the researcher.

A violator shall be liable to the aggrieved individual for all actual damages sustained by the individual.

(c) In addition to actual damages awarded under subsection (a), any medical care facility, parent entity of an institutional review board, government authority, or researcher that violates any provision of section 104 or 105 or title II of this Act shall be liable to the aggrieved individual for such general damages as the court may allow, but not less than $100 nor more than $10,000. In determining the amount of general damages, the court shall consider, among other relevant factors, the amount of any actual damages awarded and the nature of seriousness of any intangible harm suffered by the individual.

(d) Upon application by an aggrieved individual the appropriate United States district court or any other court of competent jurisdiction may grant such equitable and declaratory relief as is necessary to enforce the requirements imposed under this Act.

(e) In a successful action brought under this section, the costs of the action, together with reasonable attorneys' fees as determined by the court, may be awarded in addition to any damages.

(f) It shall be a defense to an action brought against a medical care facility or researcher under subsection (a)(1) for a violation of section 104 or 105(a) that an institutional review board determined that the disclosure involved violated neither section 104, nor section 105(a) because of the applicability of section 105(b)(5).

SUSPENSION OF FEDERAL STATUTES OF LIMITATIONS

Sec. 303. If any individual files a motion or application under this Act which has the effect of delaying the access of a Federal authority to medical information concerning the individual, any applicable statute of limitations shall be deemed to be tolled for the period extending from the date such motion or application was filed until the date upon which the motion or application is decided.

DISCLOSURE OF SURVEYS OF COMPLIANCE

Sec. 304. (a) Any limitation in section 1106 of the Social Security Act concerning the disclosure of information shall not apply to information (except for medical information concerning an individual) contained in surveys of compliance with the provisions of this part conducted by or for the Secretary.

(b) If the Secretary enters into a contract for conducting a survey of compliance with the provisions of this Act, the contract shall require the contractor to make available to the Secretary and for public inspection all information (except medical information concerning an individual) obtained for, and any reports resulting from, that survey.

REGULATIONS

Sec. 305. The Secretary may prescribe regulations to carry out the provisions of this Act.

RECORDS

Sec. 306. Each Federal authority that requests access to medical information concerning an individual from a health care provider pursuant to section 202 (10), (12), or (15) shall maintain records describing each such request. Those records shall include the number of requests for medical information made pursuant to each provision of this Act listed in the preceding sentence and the reason for each such request.

AMENDMENTS TO FEDERAL AGENCY PRIVACY PROVISIONS

Sec. 307. 5 U.S.C. 552a is amended—

(1) in subsection (a)(4), by inserting before the semicolon the following: ", except that, for purposes of subsections (b) and (d), paragraphs (3)(C), (4)(D), and (8) of subsection (e), and paragraphs (3) and (4) of subsection (f), the term does not include medical information concerning an individual as defined by section 310(1) of the Privacy of Medical Information Act) maintained by a medical care facility (as defined by section 310(2) of that Act)", and

(2) in subsection (i)(1), by striking out "or by rules or regulations established thereunder" and inserting instead "or by the Privacy of Medical Information Act, or by rules or regulations established under that Act or this section".

EFFECT ON OTHER LAWS

Sec. 308. This part shall override State and other Federal laws only to the extent that those laws are inconsistent with the provisions of this part. Nothing in this Act shall enlarge or restrict any rights of a health care provider to challenge requests for records made by a Federal authority under existing law.

CONTINUED APPLICABILITY OF ACT

Sec. 309. If a facility ceases to be a medical care facility, the provisions of this Act shall continue to apply to medical information concerning an individual maintained by the facility before it ceased to be a medical care facility.

DEFINITIONS AND RELATED MATTERS

Sec. 310. For purposes of this Act—

(1) "medical information" concerning an individual means materials that—

(A)(i) contain information relating to the health, examination, care, or treatment of the individual, or (ii) are to be added to such materials under provisions of this Act, and

(B) are in a form enabling the individual to be identified,

(2) "medical care facility" means any facility (including any Federal facility, but excluding any State or local government facility that does not receive any Federal funds after the effective date of this Act), that is primarily engaged in providing—

(A) to inpatients (i) diagnostic services and therapeutic services for medical diagnosis, treatment, and care of injured, disabled, or sick individuals, or (ii) rehabilitation services for the rehabilitation of injured, disabled, or sick individuals,

(B) health-related services to individuals in the facility who because of their mental or physical condition require such services (above the level of room and board), or

(C) health-related services to outpatients, if (i) the facility is receiving funds from appropriations authorized by the Public Health Service Act, title V of the Social Security Act, the Community Mental Health Centers Act, the Comprehensive Alcoholism Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, or the Drug Abuse Office and Treatment Act of 1972, and (ii) the facility is made subject to the provisions of this Act by regulations of the Secretary,

(3) "health care provider" means any—

(A) medical care facility, and

(B) any person or other entity that provides health services to individuals,

(4) "Federal authority" means any agency or department of the United States, or any officer, employee, or agent thereof, but does not include the Congress,

(5) "State" includes the District of Columbia and each United States territory or possession,

(6) "State authority" means any agency or department of any State, or of any local unit of government of any State, or any officer, employee, or agent thereof, but does not include a State legislature,

(7) "Government authority" means any Federal or State authority,

(8) "law enforcement inquiry" means a lawful investigation or official proceeding inquiring into a violation of, or failure to comply with, any criminal or civil statute or any regulation, rule, or order issued pursuant thereto,

(9) "Secretary" means the Secretary of Health, Education, and Welfare, except that as to matters pertaining to a medical care facility of, or as to matters pertaining to services performed for, the Veterans' Administration or the Department of Defense, "Secretary" means the Administrator of the Veterans' Affairs and the Secretary of Defense, respectively,

(10) the rights of, and obligations with respect to, an individual, shall be exercised by, and discharged through, respectively—

(A) in the case of an individual under 18 years of age, a parent or guardian of the individual, except (i) in those circumstances, as prescribed in regulations of the Secretary, in which it is in the interest of the individual to exercise his own rights and to have obligations with respect to him discharged through him, or (ii) as otherwise provided in subparagraph (B), and

(B) in the case of an incompetent or deceased individual (or of an incompetent parent or guardian under subparagraph (A)), or of an individual (or a parent or guardian under subclause (A)) suffering from a health condition that prevents the individual (or parent or guardian) from acting effectively on the individual's behalf, an appropriate person (as defined by the Secretary),

(11) a requirement to provide a notification or other matter to a person shall be satisfied if the notification or matter is sent to the last known address of the person,

(12) "arbitrary" and "capricious" have the meanings of those terms under 5 U.S.C. 706 (2)(A), and

(13) "institutional review board" means—

(A) such a board under section 474(a) of the Public Health Service Act, or

(B) a similar board which meets such requirements as the Secretary may specify.

EFFECTIVE DATE

Sec. 311. Section 105 and title II, with respect to disclosure to State authorities, are effective two years after the enactment of this Act. This Act is otherwise effective one year after its enactment.

SUMMARY OF THE PRIVACY OF MEDICAL INFORMATION ACT

The draft bill would have the short title of the "Privacy of Medical Information Act". Its basic purposes would be to provide individuals with the right to have access to certain of their medical records, to limit the disclosures that medical facilities may make of an individual's medical records, and to place restrictions on government access to an individual's medical records.

MATERIALS COVERED BY THE DRAFT BILL

The draft bill would cover "medical information": materials relating to the health, examination, care, or treatment of an individual that are in a form enabling the individual to be identified.

FACILITIES SUBJECT TO THE DRAFT BILL

Title I of the draft bill contains provisions governing patient access to, and limitations on disclosures of, medical records that would be applicable to all facilities (including Federal facilities) primarily providing hospital or nursing services and to outpatient facilities, as prescribed by the Secretary of Health, Education, and Welfare, that receive Federal funds under the Public Health Service Act or related laws. Title I would not apply to State or local government facilities that do not receive Federal funds.

Title II of the bill would restrict access by Federal and State officials to medical information. Title II would apply to the records of all providers of health care, including physicians in private practice.

TITLE I

ACCESS BY INDIVIDUALS TO THEIR OWN MEDICAL INFORMATION

Section 101. An individual (or a person designated by him, if the individual preferred) would have the right to inspect without charge, and be provided a copy of, any medical information that a medical care facility maintained concerning the individual. The facility could provide that, in certain circumstances in which harm might result, the individual himself would not inspect the medical information, but instead would be permitted to designate an appropriate representative to examine the materials.

CORRECTION OF MEDICAL INFORMATION

Section 102. If an individual requested a medical care facility to correct medical information concerning the individual, the facility would be required either to make the correction or to explain why it would not make the correction. If the facility did not make the correction, it would have to file with the medical information the individual's request for the correction and his reasons for requesting the correction. The correction (or the individual's request would have to be included in future disclosures of the medical information, and be provided to anyone named by the individual to whom the information had been previously disclosed.

NOTIFICATION CONCERNING DISCLOSURES WITHOUT PATIENT CONSENT

Section 103. Medical care facilities would be required to prepare a notice of the disclosures of medical information that may be made without an individual's consent, and would have to state the procedure, if any, by which an individual could learn of each kind of disclosure.

LIMITATION OF DISCLOSURE TO PROPERLY IDENTIFIED PERSONS AND TO PURPOSE FOR WHICH NEEDED

Section 104. A disclosure of medical information could be made only to properly identified persons and, as a general rule, only to the extent needed to accomplish the purpose for which the disclosure was made.

CONDITIONS FOR DISCLOSURE OF MEDICAL INFORMATION

Section 105 (a). The draft bill would prohibit medical care facilities from disclosing medical information, except for certain specified kinds of disclosures (see below), or unless an individual had signed an appropriate authorization for the disclosure of medical information concerning him.

DISCLOSURE WITHOUT AN INDIVIDUAL'S CONSENT

Section 105(b). A medical care facility could disclose medical information without an individual's consent under any of the following circumstances:

(1) to employees of or other persons responsible to the facility, to the extent needed to carry out their duties,

(2) to health care providers furnishing care to the individual,

(3) to relatives and persons having a personal relationship with the individual,

(4) in compelling circumstances affecting the health or safety of the individual or another person, but the facility would have to keep on file as part of the medical information a notation of the disclosure,

(5) for use in a biomedical, epidemiologic, or health services research project, or a health statistics project, if—

the disclosure did not violate any limitations established when the information was obtained, and the information was necessary for the research project,

the importance of the project outweighed the risk of the disclosure,

the head of the project provided adequate assurances that the information would be protected and that materials allowing the individual to be identified would be destroyed as soon as they were no longer needed, unless an adequate justification were presented for their retention, and

the head of the project provided assurances that further use or disclosure of the information would not be permitted, except for other research or health statistics purposes or under certain other specified circumstances (these provisions are designed to be consistent with provisions in the Administration's draft bill on the privacy of research records).

(6) to properly identified persons who stated in writing that they needed the information for a Federal, State, or local government audit or evaluation purpose, for a government public health investigation or government investigation of activities of the facility, to carry out the Maternal and Child Health, Professional Standards Review Organizations, Medicare, or Medicaid program, or other program providing payments to, or concerned with activities of, the facility, or to investigate questionable activities under those programs, if the facility maintained a record of the written request which would be available to the individual,

(7) for a non-governmental audit or evaluation purpose, or for a non-governmental program providing payments to the facility, if adequate assurances were provided that the information would be protected, that there would be a program to remove or destroy materials identifying the individual, and that further use or disclosure would not be permitted except under certain specified circumstances, and if the facility maintained a record of the written request which would be available to the individual,

(8) pursuant to a law authorizing disclosure to a public health authority,

(9) to a law enforcement authority, pursuant to a law that requires specific types of information to be reported to that authority,

(10) when the information revealed only the presence of the individual at the institution or the provision of services to him, his location, or his general condition, but only if the individual had not objected to the disclosure, or the disclosure was for a legitimate law enforcement purpose,

(11), (12) and (13) to a Federal or State authority pursuant to an administrative summons or subpoena, search warrant, judicial subpoena, formal written request, or in emergencies, if the Federal or State authority provided a certification that the authority had complied with requirements in the bill applicable to government authorities.

(14) to a Federal or State authority, in connection with litigation to which the individual and the authority were parties,

(15) to a Federal or State authority, under an administrative subpoena in an administrative adjudicatory proceeding to which the individual and the authority were parties,

(16) to a Federal authority for the conduct of foreign intelligence or counter-intelligence activities, or to the Secret Service for its protective functions, if the authority provided a certification as to the need for the information,

(17) and (18) in the case of information in materials belonging to the uniformed services or a penal system, to a uniformed services or penal authority,

(19) pursuant to a subpoena or court order, for a grand jury proceeding,

(20) pursuant to compulsory legal process, if the information were sought by a private person, Congress, or a State legislature,

(21) in the case of medical information of the Veterans' Administration or the uniformed services, to the Veterans' Administration for the purpose of determining or providing veterans' benefits, or

(22) to a government authority for the purpose of processing administrative claims relating to medical services received by an individual.

Section 105(c). A court could grant one or more delays of up to thirty days each with respect to the requirement under paragraph (6) and (7) above that the written request be made available to the individual, for certain specified reasons, such as danger to the health and safety of any person.

AUTHORIZATION FOR DISCLOSURE OF MEDICAL INFORMATION

Section 105(d). An individual, in order to permit disclosure of medical information concerning him, would have to sign a dated authorization making clear that the facility was among those authorized to disclose information about him, specifying the information to be disclosed, stating to whom the information could be disclosed and specifying the expiration date or event of the authorization. An individual could revoke his authorization at any time. The institution would have to keep on file as part of the medical information a copy of the individual's authorization.

ENFORCEMENT—FEDERAL FUNDS

Section 106. Medical care facilities not in substantial compliance with the requirements of the draft bill would be subject to removal from the Medicare and Medicaid programs, and loss of funds under the Public Health Service Act and related laws.

INSTITUTIONAL REVIEW BOARDS

Section 107. Institutional review boards that undertook to determine whether medical information could be disclosed would be required to act in a manner that was neither arbitrary or capricious.

MEDICAL INFORMATION COMPILED FOR CIVIL LITIGATION

Section 108. Information compiled solely for civil litigation would not be subject to the access provisions of section 101 or the correction provisions of section 102.

MEDICAL INFORMATION OF PENAL OR CORRECTIONAL INSTITUTIONS

Section 109. The provisions of title I, except the prohibitions on disclosure in section 105, would not apply to penal and correctional institutions.

TITLE II

Title II of the draft bill contains restrictions on access to medical records by government authorities; these restrictions would be applicable to medical information held by all health care providers.

ACCESS BY GOVERNMENT AUTHORITIES

Section 201. Federal or State authorities could have access to medical information held by any health care provider (whether or not the provider were subject to the other requirements of the bill) only through properly identified persons, and only to the extent needed to accomplish the purpose for which the disclosure was to be made.

CONDITIONS UNDER WHICH GOVERNMENT ACCESS IS PERMITTED

Section 202 sets forth those circumstances in which government authorities would be permitted to have access to medical records. These circumstances are similar to the permitted disclosures set forth in section 105.

ACCESS TO MEDICAL INFORMATION BY SUMMONS, SUBPOENA, SEARCH WARRANT, OR FORMAL WRITTEN REQUEST

Sections 203 through 207 set forth the procedures under which government authorities could have access to medical information through a Federal administrative subpoena or summons (section 203), a Federal search warrant (section 204), a Federal judicial subpoena (section 205), a Federal formal written request (section 206), or through State process (section 207).

If a Federal or State authority sought medical information under an administrative summons or subpoena, a judicial subpoena, or a formal written request, and if a medical facility in the circumstances would have no other basis under the draft bill for disclosing the information, it would have to have reason to believe the records sought were relevant to a legitimate law enforcement inquiry. The authority would have to notify the individual in advance that it wanted medical information concerning him.

The notice would be served on the individual or mailed to his last known address. The authority would have to wait 10 days from service of the notice or 14 days from mailing, to give the individual an opportunity to challenge the summons, subpoena, or request in court.

Federal or State authorities that obtained medical information by means of search warrants would have to notify the individual within 90 days (unless a court granted a delay on the same grounds and under the same procedure applicable to delay of advance notice, or unless a medical care facility in the circumstances would have another basis under the draft bill for disclosing the information).

DELAYED NOTICE

Section 208. The advance notice requirement could be set aside by court order if there were reason to believe that notice would result in danger to anyone's physical safety, flight from prosecution, destruction of evidence, intimidation of witnesses, or would otherwise seriously jeopardize an investigation or proceeding. Delays of up to 90 days could be granted, and further delays could be granted on the same showing of necessity. After the delay expired the individual would have to be notified that the information had been obtained, and of the basis for the delay.

CHALLENGE BY INDIVIDUAL; EMERGENCY ACCESS

Section 209. An individual who was notified of a Federal or State agency's intent to obtain medical information concerning him could file a motion to prevent the disclosure. The individual would file a sworn statement that he was the person concerning whom information was being sought and would state his reasons for believing that the information was not relevant to the investigation, or that the Government authority had not substantially complied with the requirements under the draft bill. If the court found that the law enforcement inquiry was legitimate, that there was a reasonable belief that the information was relevant, and that there had been substantial compliance with the draft bill, the information could be disclosed. Otherwise it could not be disclosed.

Federal or State authorities could obtain medical information upon request without advanced notice if the information were immediately needed to prevent imminent danger of serious property damage, or of flight to avoid prosecution. The individual would be notified of such access as soon as practicable, but notice could be delayed on the same grounds and under the same procedure applicable to delay of advance notice. The government authority would also have to file with the appropriate court within 5 days a signed, sworn statement setting forth the grounds for the emergency access.

REDISCLOSURE OF INFORMATION; OTHER RESTRICTIONS ON USE OF INFORMATION

Section 210. A government authority that obtained medical information pursuant to a summons, subpoena, search warrant, or formal written request, or in emergency situations, could transfer the information to another government authority if it received a certification that there was reason to believe the information was relevant to a legitimate law enforcement inquiry within the jurisdiction of the receiving authority. The transferring authority would have to notify the individual that the transfer was made. The notice could be delayed if the transferring agency had already obtained a court order for such delay, or if the receiving authority obtained such an order, on the same grounds and under the same procedure applicable to delay of advance notice.

PAYMENT FOR PRODUCING RECORDS

Section 211. Federal authorities would be required to pay health care providers for assembling and providing medical information sought pursuant to a summons, subpoena, formal written request, or search warrant, in emergency situations, for intelligence or Secret Service protective activities, or pursuant to an individual's authorization.

GRAND JURY SUBPOENAS

Section 212. Medical information obtained pursuant to a grand jury subpoena would have to be presented to the grand jury and destroyed or returned to the health care provider if not used for a grand jury or related purpose.

TITLE III—GENERAL PROVISIONS

OBTAINING MEDICAL INFORMATION THROUGH DECEPTION

Section 301. Persons who, under false pretenses, requested or obtained medical information from a medical care facility would be subject to a fine of not more than $10,000 and imprisonment for not more than one year.

ENFORCEMENT—CIVIL ACTIONS

Section 302. Individuals could bring suit against medical care facilities, government agencies, or researchers that violated their obligations under the draft bill (and against persons who requested or obtained medical information under false pretenses), and could obtain actual damages and up to $10,000 in general damages, reasonable attorney's fees, and other appropriate relief.

A medical facility could permit an institutional review board (meeting requirements established by the Secretary) to determine whether requests for disclosure for research or statistics purposes were permissible. In these circumstances an individual could bring suit only against the parent institution of the board, and could prevail only if the board had acted in an arbitrary or capricious manner. Health care providers in general (as distinguished from medical care facilities) would not be subject to suit under the bill, nor would States which had not waived their sovereign immunity. (In those States, the individual official involved could be sued.)

STATUTES OF LIMITATIONS

Section 303. If an individual exercised his rights under the bill to delay access by a government authority to medical information, any applicable statute of limitations would be suspended for that period of delay.

DISCLOSURE OF SURVEYS OF COMPLIANCE

Section 304. Surveys of compliance conducted by the Federal government would be subject to the Freedom of Information Act and the Privacy Act of 1974. The draft bill would require surveys of compliance conducted by contractors on behalf of the Federal government to be made public (except for any materials enabling individual patients to be identified).

REGULATIONS

Section 305. The Secretary of Health, Education, and Welfare would be authorized to prescribe regulations to carry out the bill's provisions.

RECORDS BY FEDERAL AGENCIES

Section 306. Each Federal agency that requested access to medical information by subpoena, summons, search warrant, formal written request, in emergency situations, or for intelligence or Secret Services purposes would be required to maintain records regarding that access.

AMENDMENTS TO FEDERAL AGENCY PRIVACY PROVISIONS

Section 307. The draft bill would amend provisions of law enacted by the Privacy Act of 1974 so as to avoid overlapping requirements under that law and under the draft bill.

EFFECT ON OTHER LAWS

Section 308. The draft bill would override State and other Federal laws only to the extent they were inconsistent with the provisions of the draft bill. The bill would neither enlarge nor restrict the rights of a health care provider to challenge requests for medical information under existing law.

CONTINUED APPLICABILITY OF THE DRAFT BILL

Section 309. If a facility ceased to be a medical care facility, the provisions of the draft bill would continue to apply to medical information maintained by the facility when it was a medical care facility.

DEFINITIONS AND RELATED MATTERS

Section 310 contains definitions of terms used in the draft bill, and would provide for appropriate persons to act on behalf of minors (except in those circumstances, as prescribed in regulations of the Secretary in which it was in the interest of a minor to act on his own behalf), incompetent individuals, and individuals not able to act effectively because of a health condition.

EFFECTIVE DATE

Section 311. State authorities would have two years during which they could continue to obtain access to records held by medical care facilities without complying with the provisions of the draft bill. Otherwise, the provisions of the bill would go into effect one year after enactment.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Privacy of Medical Information Act be referred to the Committees on Governmental Affairs and the Judiciary, with instructions that if and when ordered reported by one committee, the other has not to exceed 30 days.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

By Mr. JACKSON (for himself, Mr. BELLMON, and Mr. YOUNG):

S. 866. A bill to test the commercial, environmental, and social viability of various oil shale technologies, and for other purposes; to the Committee on Energy and Natural Resources.

FEDERAL OIL SHALE COMMERCIALIZATION TEST ACT

● **Mr. JACKSON.** Mr. President, today I am introducing legislation to establish a program in the Department of Energy to determine the commercial viability of up to three oil shale retorting technologies. The program would also assess environmental, social and economic impacts of the technologies tested. The bill is identical to legislation sponsored last year (S. 419) by Senators HASKELL, BELLMON, and YOUNG. It passed the Senate at the end of the last Congress but was not considered in the House of Representatives because of lack of time. Last year, the bill enjoyed strong bipartisan support, I expect that support to continue.

The bill would direct the Secretary of Energy to invite submission of proposals from interested persons for the design, construction and initial operation of federally owned commercial demonstration projects. Assuming there are sufficient technically feasible projects, the Secretary is to select three and contract to have them carried out. The bill establishes criteria to be used in the selection of the projects.

The bill includes the following elements:

The projects are to be located on the lands of the Naval Oil Shale Reserves or unencumbered public lands;

Mechanisms for coordination with State and local governments and for dealing with social and economic impacts;

Title to all patents developed during the course of the program would vest in the United States;

A panel is established to advise the Secretary on social, economic and environmental impacts;

Any commercially valuable product produced during the course of the program is to be either used by the Secretary or sold at public auction;

And $1.4 million is authorized for fiscal year 1980.

The Congressional Budget Office has estimated that the total capital cost of the program would be from $275 to $400 million. Operating costs would range from $30 to $40 million per year. However, since any oil produced during the program would belong to the Federal Government, it is very possible that, over the full 8-year course of the tests, there would be a net receipt by the Government of up to about $30 million. I mention this because there is currently much concern about expanding the Federal budget. However, in view of our shortage of sources of domestic liquid fuels, the price tag—almost no matter what it is, within reason—for testing oil shale technologies cannot be too high.

The potential of this resource is enormous. It is estimated that the deposits in the three-State area of Colorado, Utah, and Wyoming are in excess of two trillion barrels. Of this, approximately 600 billion barrels are in high grade deposits. By comparison, it is estimated that the petroleum reserves of the entire Middle East are 384 billion barrels. Over the years, the Federal Government has initiated programs and enacted incentives in attempts to stimulate the commercial testing of oil shale technology. Thus far, these efforts have not succeeded in any tests of a commercial module size. In my judgment, the Nation cannot afford to wait any longer to determine the oil shale potential.

We are all aware of the recent OPEC action to increase the market price of a barrel of crude oil to $14.55. In addition, OPEC has authorized member nations to add a surcharge to this price. In 1978, our imports were approximately 8 million barrels per day, or over 43 percent of our total use. Oil shale offers what is probably the most economically attractive source of synthetic liquid fuel.

Mr. President, our supplies of liquid fuels continues to dwindle. Our import reliance continues to increase. We must act now to test this enormous national resource.●

By Mr. RIBICOFF (by request):

S. 867. A bill to provide privacy protections for individuals who are the subjects of federally funded research, and for other purposes; to the Committee on Governmental Affairs.

PRIVACY OF RESEARCH RECORDS ACT

Mr. RIBICOFF. Mr. President, I am also introducing today, on behalf of President Carter, the Privacy of Research Records Act.

This bill deals with the use of personal information in research and statistical studies. Medical and behavioral scientists and other researchers depend on access to personal records to conduct studies which benefit our entire society, but which provide little, if any, direct benefit to the individual research subject. Researchers often promise confidentiality to those who participate directly in studies or who allow their records to be used. Today, however, no legal basis for this promise of confidentiality exists. This legislation will establish clear protection for the individual whose records are used in research, while allowing the continuation of valuable research and statistical studies. The bill:

Provides for a legal standard of confidentiality which would allow researchers to release information for nonresearch purposes only to prevent physical injury to an individual or in a medical emergency;

Requires the researcher to tell research subjects of the possibility, if any, that information about them will be disclosed;

Insures that research subjects are not recontacted by other researchers in a way that would embarrass or inconvenience them or otherwise intrude on their privacy;

Provides criminal fines for unauthorized disclosure of research information.

This part of President Carter's privacy initiative has long been needed and I look forward to careful consideration of this proposal by the Governmental Affairs Committee.

Mr. President, I ask unanimous consent that a summary of the Privacy of Research Records Act, as well as the text of the bill, be printed in the Record.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 867

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Privacy of Research Records Act".

Sec. 2. Title 5, United States Code, is amended by adding after section 552b the following new section:

"552c. Records maintained for research.

"(a) Definitions. For the purposes of this section—

"(1) 'Record' means any item, collection, or grouping of information referring to or associated with an individual, or a portion of any grouping or collection, and includes:

"(A) normal directory information, such as the individual's name, address, telephone number, business address or similar information;

"(B) numbers, symbols, fingerprints, voiceprints, photographs, or identifying particulars assigned to, or associated with an individual;

"(C) information relating to an individual's background, education, finances, health, criminal history, or employment history;

"(D) any other attributes, affiliations, or characteristics associated with or assigned to an individual;

"(2) 'individual' means a live natural person or one who has been deceased for less than 25 years.

"(3) 'individually identifiable record' means a record that could reasonably be expected to be associated with the identity of the individual or individuals to whom it pertains;

"(4) 'research purpose' means an objective to develop, study, or report aggregate anonymous information not intended to be used, in whole or in part, in any way in which the specific identity of the individual is material to the results, except where required as an integral part of the particular research project or some other research project. Included in this definition are the development of lists to be used in the conduct of a research project and the pretesting and evaluation of procedures in such projects;

"(5) 'research record' means an individually identifiable record which is collected or maintained only for a research purpose;

"(6) 'person' means an individual, partnership, corporation, association, union, public or private organization other than an agency, or other legal entity;

"(7) 'agency' has the meaning set forth in section 552(e) of this title; and

"(8) 'institutional review board' has the meaning set forth in section 474(a) of the Public Health Service Act.

"(b) Expectation of Confidentiality:

"Research records collected or maintained for a research purpose, or collected with the assurance that they will be used only for a research purpose, by an agency, or by a contractor or grantee of an agency under the conditions of subsection (g) below, shall be confidential; shall not be used, in whole or in part, in individually identifiable form, to make any decision or to take any action directly affecting the individual to whom the record pertains, other than within the context of the research plan or protocol; and shall not be disclosed except—

"(1) with the prior written consent of, or pursuant to a written request by:

"(A) the individual to whom the record pertains;

"(B) the parent or guardian of an individual under 12 years of age or the guardian of an individual who has been determined by a court of competent jurisdiction to be legally incompetent;

"(C) the administrator, executor, or trustee of a decedent's estate; or

"(D) a decedent's heir or next of kin.

"To be valid, such consent or request must be freely given and may not be a condition for the receipt of any benefit, service, privilege, or right to be granted or administered by an agency or by a contractor or grantee of an agency; or,

"(2) without the prior written consent of the individual to whom the record pertains:

"(A) to the extent necessary to meet a bona fide medical emergency, provided that notification of the disclosure is transmitted within a reasonable time to the last known address of the individual to whom the information pertains;

"(B) in compliance with a judicial order, including a search warrant or lawfully issued subpena, where the purpose of the judicial order is to assist inquiry into an alleged violation of law by the person or agency maintaining research records, provided that:

"(i) any information so disclosed shall not be used as evidence in any administrative, legislative, or judicial proceeding against anyone other than the agency or person maintaining the record, their employees, or a person to whom the information was disclosed;

"(ii) any information so disclosed shall not be used as evidence, or otherwise made public, in a manner that an individual to whom information in the research record pertains may be identified, unless identification of the individual is necessary to establish the violation of law; and

"(iii) an individual identified in any information to be made public in identifiable form shall be given notice prior to such publication and granted standing to contest the necessity of such publication;

"(C) to qualified and properly identified persons for the purpose of conducting a program evaluation or audit of the research, provided that:

"(i) the audit or evaluation is authorized by statute if it is conducted by a government authority, or authorized by statute or my contractual agreement if conducted by any other person;

"(ii) no subsequent use or disclosure will be made by the auditor or evaluator, except in accordance with paragraphs (A), (B), (C), or (E) of this subsection, or in accordance with the provisions of paragraph (D) of this subsection where the audit or evaluation is conducted by an agency and disclosure would be to an agency for a research purpose that is intended to protect the public health and safety; and

"(iii) no recontact of individuals to whom the research records pertain will be made unless the auditor or evaluator determines that recontact is necessary to accomplish the audit or evaluation and that recontact will be made in a manner that minimizes the risk of harm, embarrassment, or other adverse consequences to the individual;

"(D) for a research purpose, provided that the person or agency disclosing the records:

"(i) determines that such use or disclosure does not violate any limitations under which the record or information was provided, collected, or obtained;

"(ii) determines that the research purpose for which the disclosure is to be made:

"(a) cannot be reasonably accomplished unless the information is provided in individually identifiable form; and

"(b) warrants the risk to the individual that additional exposure of the information might bring;

(iii) requires the recipient to:

"(a) establish reasonable administrative, technical, and physical safeguards to prevent unauthorized use or disclosure of research records; and

"(b) remove or destroy the information that allows the individual to be identified at the earliest time at which removal or destruction can be accomplished consistent with the purpose of the research project, unless the recipient presents an adequate justification of a research or health nature for retaining such information; and

"(iv) secures a written statement attesting to the recipient's understanding of, and willingness to abide by, the conditions of this section, except that a written statement is not required when the disclosure is made within an agency;

"(E) in order to stop or prevent a crime of violence that it reasonably appears will result in physical injury to an individual, provided that the information disclosed will be limited to that information necessary to secure the protection of the individual who may be injured.

"(C) Notice to the Subject of a Research Record:

"(1) Any agency, or contractor or grantee of an agency, that collects individually identifiable information directly from an individual for a research purpose shall notify the individual at or before the time of collection:

"(A) of any reasonable possibility that the information may be used or disclosed in individually identifiable form for additional research purposes; and

"(B) of any reasonable possibility of disclosure in individually identifiable form for a purpose other than a research purpose, and if there is the possibility that a disclosure will be made to meet a bona fide medical emergency, of the requirement that he be promptly notified of any such disclosure.

"(2) Where the nature of the research is such that the notice required by paragraph (1) would invalidate important objectives of the research, the notice requirement may be modified or waived with the approval of an institutional review board, or comparable organization prescribed by the funding agency.

"(d) Recontact of Record Subjects for Research Purposes:

"(1) An agency shall not recontact any individual to whom a research record pertains, except with the approval of either:

"(A) the person or agency that most recently collected any of the information in the record directly from the individual, regardless of whether that collection was for research purposes, or

"(B) an institutional review board, or comparable organization prescribed by the agency.

"(2) A person, other than an agency, that receives Federal funds to maintain research records or maintains research records originally collected by an agency or by a contractor or grantee of an agency, shall not recontact any individual to whom such a research record pertains, except with the approval of:

"(A) the person or agency that most recently collected any of the information in the record directly from the individual, regardless of whether that collection was for research purposes;

"(B) an institutional review board, or comparable organization prescribed by the funding agency; or

"(C) the funding agency.

"(3) The person or agency granting approval pursuant to paragraph (1) or (2) shall do so only after determining that:

"(A) recontact is necessary to accomplish the research purpose;

"(B) the importance of the research outweighs the risk that recontact might pose to the individual; and

"(C) the recontact will be made in a manner that minimizes the risk of harm, embarrassment, or other adverse consequences to the individual.

"(4) If the delay that would be caused by seeking approval to recontact would pose a clear and imminent danger to individual or public health, recontact may be made without that permission, provided that it is made in a manner that minimizes the risk of harm, embarrassment, or other adverse consequences to the individual.

"(e) Exclusion of Records as Evidence in Proceedings Involving the Subject of a Research Record:

"No part of the contents of a research record protected by this Section and no evidence derived therefrom may be received in evidence in any trial, hearing, or other proceeding in or before any court, grand jury, department, officer, agency, regulatory body, legislative committee, or other authority of the United States, a state, or a political subdivision thereof, except:

"(1) with the freely given written consent or at the written request of the individual to whom the record pertains; or

"(2) to assist inquiry into an alleged violation of law by a person or agency maintaining research records, and then only to the extent and in the manner permitted by subsection (b) of this Section.

"(f) Designation of Agency Research Records:

"Before an agency collects information from an individual for a research purpose or compiles individually identifiable records from another source for a research purpose, the agency head shall designate those records as research records.

"(g) Research Contracts and Grants:

"(1) Whenever a Federal agency provides, by contract or grant, for the performance of any activity that necessitates the collection or maintenance of any research record, the contractor or grantee shall:

"(A) establish and maintain reasonable procedures to protect research records from unauthorized disclosure, including provision for removal or destruction of information that allows the individual to be identified;

"(B) adopt a schedule for the disposition of the research records upon termination of the contract or grant that provides appropriate protection against future unauthorized disclosure;

"(C) be subject to the requirements of this Section.

"(2) The terms of such a contract or grant shall inform the contractor or grantee of his general obligations and liabilities under this section.

"(3) The provisions of this section shall not apply to the employment, personnel, or other administrative records which the contractor or grantee maintains as a necessary aspect of supporting the performance of the contract or grant but which bear no other relation to the performance of the contract or grant.

"(h) Criminal Penalties for First Subsequent Offenses:

"Any person who knowingly discloses information in violation of this section shall be guilty of a misdemeanor and subject to a fine of not more than $5,000 in the case of a first offense and not more than $20,000 in the case of each subsequent offense.

"(i) Civil Liability:

"(1) Any individual aggrieved by a violation of this section with respect to a research record which pertains to him may maintain a civil action for damages and for equitable relief against any violator other than an employee of an agency. A violator shall be liable for all actual damages sustained by the individual as a result of the violation.

"(2) In addition to any actual damages awarded under paragraph (1), any agency or person, other than an employee of an agency, who violates this section shall be liable to the aggrieved individual for such general damages as the court may allow, but not less than $100 nor more than $10,000. In determining the amount of general damages, the court shall consider, among other relevant factors, the amount of any actual damages awarded, the nature and seriousness of any intangible harm suffered by the individual, and the extent to which the defendant's violation was intentional.

"(3) Upon application by an aggrieved individual, the appropriate United States district court may grant such equitable and declaratory relief as is necessary to enforce the requirements imposed under this section.

"(4) In a successful action brought under paragraphs (1), (2), or (3), the costs of the action, together with research attorney's fees as determined by the court, may be awarded in addition to any damages.

"(5) Any action under this section may be brought in the appropriate United States district court without regard to the amount in controversy.

"(j) Administrative Sanctions:

"Any contractor or grantee who knowingly violates the provisions of this section shall be subject to a fine of up to $50,000 or the value of the contract, whichever is less. Any contractor or grantee who knowingly and repeatedly violates the provisions of this section shall be subject to debarment from participation in any research grant or contract with the Federal Government for a period of not less than one year and not more than ten years. Determinations of violations and the terms of debarment shall be made by the head of the funding agency in an administrative proceeding after opportunity for a hearing in accordance with section 554 of title 5, United States Code.

"(k) Exemption of Research Records Covered By Other Laws:

"(1) The provisions of other statutes intended to protect specific categories of research records will continue to be of force and effect to the extent that they are not inconsistent with the provisions of this Section. No provision of a statute shall be inconsistent if it provides greater protections to the privacy of the individual to whom the record pertains than do the provisions of this Section.

"(2) Statutes referred to in paragraph (1) which are intended to protect specific categories of research records include:

"(A) Section 333 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970;

"(B) Sections 303(a) and 308(d) of the Public Health Service Act;

"(C) 42 U.S.C. 3771, concerning research and statistical information provided to the Law Enforcement Assistance Administration;

"(D) Section 408 of the Drug Abuse Office and Treatment Act of 1972;

"(E) Title 13, U.S. Code, concerning records held by the Bureau of the Census; and

"(F) Section 502(c) of the Comprehensive Drug Abuse Prevention and Control Act of 1970."

Sec. 3. Conforming Amendment to the Privacy Act of 1974:

Section 552a of Title 5, United States Code, is amended—

(a) by deleting the word "and" from the end of subsection (a)(6);

(b) by replacing the period at the end of subsection (a)(7) with a semicolon;

(c) by adding after subsection (a)(7) the following new subsections:

"(8) the term 'research purpose' means an objective to develop, study, or report aggregate or anonymous information not intended to be used, in whole or in part, in any way in which the specific identity of the individual is material to the results, except where required as an integral part of the particular research project or some other research project. Included in this definition are the development of lists to be used in the conduct of a research project and the pretesting and evaluation of procedures in such projects; and

"(9) the term 'research record' means an individually identifiable record which is collected or maintained only for a research purpose and which is not intended to be used, in whole or in part, in individually identifiable form, to make any decision or to take any action directly affecting the individual to whom the record pertains, except within the context of the research plan or protocol.";

(d) by amending subsection (b)(5) to read as follows:

"(5) to a recipient for a research purpose, if the agency:

"(i) determines that the use or disclosure does not violate any limitations under which the record or information was provided, collected, or obtained;

"(ii) determines that the research purpose for which the disclosure is to be made:

"(A) cannot be reasonably accomplished unless the information is provided in individually identifiable form; and

"(B) warrants the risk to the individual that additional exposure of the information might bring;

"(iii) requires the recipient to:

"(A) establish reasonable administrative, technical, and physical safeguards to prevent unauthorized use or disclosure of research records; and

"(B) remove or destroy the information that allows the individual to be identified at the earliest time at which removal or destruction can be accomplished consistent with the purpose of the research project, unless the recipient presents an adequate justification of a research or health nature for retaining such information; and

"(iv) secures a written statement attesting to the recipient's understanding of, and willingness to abide by, the provisions of the Privacy of Research Records Act in instances in which the recipient is not an officer or employee of the agency;";

(e) by striking out the words "subsections (j) and (k)" in subsection (p), and inserting in their place the words "subsections (j), (k), and (r)"; and

(f) by adding after subsection (g) the following new subsection:

"(r) Research Records—

"(1) Research records shall be exempt from the provisions of this section, except subsections (b)(4), (b)(6), (e)(3), (e)(4) (A) through (F) and (I), (e)(9), (e)(10), (l), (o), and (p).

"(2) Research records shall be governed by the provisions of the Privacy of Research Records Act.".

Sec. 4. Identification of Agency Research Records:

Within one year after the date of enactment of this Section, the head of each agency shall:

(a) determine which records maintained or funded by the agency at that time are research records;

(b) establish procedures for designating research records before information is collected from individuals or compiled from another source.

Section-by-Section Analysis

Accurate, consistent, and timely data are essential to the conduct of research programs to increase our understanding of the social and economic forces at work in our society, to improve each citizen's prospects for good health and long life, and to aid in making sound public policy decisions. Researchers will get accurate and complete information only if their research subjects can be assured that any information they supply will be held in strict confidence and protected from unauthorized disclosure. Moreover, research information is usually collected on a voluntary basis. Individuals may decline to participate in research studies if they believe that any embarrassment or harm might be caused to them as a result of their participation.

Since it is society as a whole, not the individual research subject, that usually benefits from research programs, society owes it to individual research subjects not to use information submitted in a research program in any way that might adversely affect them. Research information is often very sensitive, personal, or revealing about a subject. Researchers may investigate areas of activity that are outside the law, or areas of belief or behavior that are not generally tolerated by society. Therefore, the purpose of this Act is to provide that information furnished by an individual for research purposes to the Federal government and to government contractors and grantees shall not in any way be disclosed or used to make determinations about that individual's rights, benefits, or privileges or to facilitate an action affecting that individual without his consent.

Sec. 2: This section adds a new section, 552c, to Title 5 of the U.S. Code.

(a) Definitions. The definition of "record" has been expanded from that used in the Privacy Act of 1974 to include attributes and other personal characteristics assigned to an individual. Like the Privacy Act, the definition of "record" refers to all information about an individual which contains his name or identifier.

The definition of "individual" as a natural person reflects the bill's intention to protect the privacy of human beings, not legal entities. It includes deceased persons for a period of 25 years to protect the privacy of their families, because of the special nature and sensitivity of research records.

The definition of "individually identifiable record" includes records about more than one individual as well, such as those about a family. A record without a name or identifying code may still be "identifiable" if it contains enough information that the identity of the subject can reasonably be deduced.

The definition of "research purpose" is general in order to encompass the broad range of research activity that the Federal government conducts or sponsors. It is based on the uses of the information, rather than on a dictionary definition of the research process, because it is the proposed use of the records on which an agency will finally base its determination in deciding what records will be covered by this bill. If those uses include making any determination or taking any action directly affecting an individual or his rights, privileges or benefits, then the records would not be covered. Mixed-use records, such as hospital records that are used for both patient care and research purposes, are thus not covered by the bill. Nor would medical research that involves experimental treatment of an existing condition be covered by this bill. However, research records on a healthy individual's reaction to the same experimental treatment would be covered, as would copies of hospital records that were taken from the hospital for research and were no longer used for treatment. Moreover, the fact that the outcome of a research project may be used in a decision or action concerning a legal entity or a class of persons has no bearing on whether the bill covers the records used in that research.

The definition of "research record" has two parts. The record must be individually identifiable: aggregate or anonymous information is not protected. The record must also be used only for a research purpose.

Records usually described as statistical records are intended to be included in the definition of research records and in the coverage of this bill. The word "statistical" is not used, however, in order to avoid confusion with other proposed legislation concerning the Federal Statistical System. While that legislation would also provide protections for certain confidential records, it would require an agency to meet certain other criteria before its records were covered by that legislation. If an agency elected not to apply for special statistical status, its statistical records concerning individuals would probably be covered by this bill.

The definition of "institutional review board" is taken from the Public Health Service Act. An institutional review board is a group established according to regulations issued by the Department of Health, Education, and Welfare (DHEW) and made up of people with varying backgrounds and areas of expertise. A board must review all proposals for DHEW-funded research and related activities concerning human subjects. Its review includes an assessment of the risk to the research subjects and the benefits of the research, as well as a determination that subjects will be afforded an opportunity for informed consent.

(b) Expectation of Confidentiality:

This subsection establishes the legal obligation not to use research records in any way that directly affects the subject nor to disclose research records in other than the specific circumstances listed. This obligation applies to Federal agencies that conduct research, and to Federal research contractors and grantees. It will also apply, through a written agreement, to any other researcher to whom Federally-collected or Federally-funded research records are disclosed. It does not apply to research records that Federal agencies require to be maintained but do not fund, if those records are not in Federal custody.

This subsection delineates the conditions in which the contents of research records may be disclosed by a record keeper. Disclosure is allowed with the freely given consent of the individual, or of an appropriate surrogate if the individual is unable to give consent. Individuals over 12 years old may give consent for the use of their records.

"Freely given" consent for non-research uses is not meant to prevent researchers from offering token incentives or compensation for participating in the research—as long as the incentives are not different for research and non-research uses.

Other than with the consent of the record subject, the record keeper may use or disclose records only under the following conditions:

(A) In a bona fide medical emergency, the researcher may disclose the information necessary to meet the emergency. The term "bona fide" is intended to force a judgment by the researcher as to the real necessity of releasing the information, rather than just informing the individual of the situation. The emergency can involve the health of either the record subject or someone else, for example, if the subject were found to be the carrier of a disease that immediately threatened the public.

(B) If legal action is brought against the researcher, identifiable research records may be disclosed pursuant to a judicial order, but only if they are necessary to the case. If the individually identifiable information may be made public in the course of the proceeding against the researcher, then the individual must be given notice and standing to contest the public disclosure of the records. This is the trade-off between the research subject's right to privacy and the necessity to produce evidence of illegal behavior by the researcher, probably in connection with the research, and to protect other possible research subjects (and agencies that fund research) from fraud or abuse.

(C) Research records may be disclosed for authorized audits and program evaluations. The term "audit" is intended to include management audits, finanical audits, and other inquiries into the conduct of the researcher. The term does not include an inquiry into the conduct of a research subject.

The bill requires that audits and evaluations conducted by Federal authorities be authorized by statute. This would include internal agency audits conducted by Inspectors General, and by independent auditors authorized by or reporting directly to an agency head. It would also include agency audits of research done by contractors and grantees. Audits and evaluations by other persons could be conducted only pursuant to a contractual agreement.

Where research records are disclosed for audit purposes, they remain subject to the confidentiality requirements of the Act. The auditor or evaluator may not use or disclose the records except as specifically authorized by the Act: in a medical emergency (A), in connection with legal action against the research (B), for further audit or evaluation (C), or to prevent injury to an individual (E). A nonfederal auditor or evaluator may not use or disclose the research records for research purposes. A Federal auditor or evaluator may disclose research records for a research purpose only to another agency and only if the research purpose is intended to protect the public health and safety. This is not a general exemption for government auditors to release research information to other agencies It is specifically intended to preserve the flows of information among such agencies as the Food and Drug Administration, the Environmental Protection Agency, and the Consumer Product Safety Commission in their study of toxic chemicals and other dangerous substances. Such transfers are subject to all the requirements of paragraph (D).

Disclosures to the General Accounting Office and to appropriate Committees of the Congress may be made pursuant to the provisions of this section.

(D) The researcher may disclose the records to another researcher for a research purpose, provided that the disclosing researcher makes certain determinations and enters into a written agreement binding the recipient to the provisions of this Act.

The disclosing researcher must first determine that the proposed research disclosure does not violate any limitation under which the information was provided, including provisions of the disclosing researcher's contract or grant, or any notice given to the record subjects. For example, if the notice to research subjects said that no further release would be made for research purposes, then such a disclosure would not be allowed.

Second, the researcher must determine that the proposed research cannot reasonably be accomplished with unidentified records, but instead requires individually identifiable information. For example, a researcher might need identifiable information to recontact certain individuals, or to match identified records with other files.

Third, the researcher must determine that the benefits of the new research use will outweigh the risk to the individuals concerned, including the risk of embarrassment or harm from recontact.

In addition to making these determinations about the research to be conducted, the disclosing researcher must assure that the recipient establishes safeguards for the records. Consistent with this objective, the recipient must remove or destroy the identifiers as soon as possible. This requirement may be waived if the recipient can adequately justify retaining the identifiers. The justification must be based on a research or health reason, such as the fact that the research involved a drug whose long-term effects are not yet known. Most epidemiological research would fall into this category.

The final requirement before records may be disclosed for a further research purpose is that the disclosing researcher enter into a written agreement with the receiving researcher, stating that the latter understands his responsibilities under the Act and is willing to fulfill them. The agreement will assure that the protections of this Act will continue to cover the records when they leave the Federal sphere. The wording of such an agreement will probably be based on the terms of the original Federal contract or grant under which the records were collected or provided. Private researchers will be made clearly aware of their responsibilties and of the penalties for improper treatment of records. In return, the records will be immune from legal process against the record subjects.

(E) The final permissible disclosure involves the situation where a researcher discovers information indicating that a crime of violence is going to occur that will probably result in physical injury to someone. In such a case, the researcher may disclose the information necessary to prevent the injury, and only that information. In most instances, the disclosure to prevent injury will be made to a law enforcement authority, and may also serve to prevent the crime from occurring. However, this need not always be the case: the provision is keyed to preventing the injury, not preventing the crime. Thus, the disclosure to prevent injury may be to a party other than a law enforcement authority, such as a relative or associate of the person who may be injured. Moreover, the researcher must have a firm basis for releasing the information, not just a suspicion. This is a tight standard of disclosure because it is the one permissible disclosure of research records for which there are no further restrictions, such as notification to the record subject prior to or at the time of disclosure. Once information is released for this purpose, it is no longer protected by the Act, and is therefore not subject to the exclusion from use as evidence imposed by subsection (e) below. The research subject should, in such a case, receive maximum protection from incautious disclosure by the researcher.

(c) Notice to the Subject of a Research Record:

This subsection requires that an individual who provides information for a research purpose be told of any disclosures that may be made of the information, for both research and non-research purposes. The individual will thus be provided with the opportunity to make an informed judgment about whether to participate in the research project and supply the information. Such notice is not required when information is compiled from records, because the burden that would be imposed on researchers far outweighs any benefit an individual might gain from receiving such a notice.

Notice to the subject is not a new requirement. The Privacy Act of 1974 requires that agencies and some contractors inform individuals of certain facts about their data collection requests, including the purposes for which the information will be used and the disclosures that may be made. DHEW requires its own researchers as well as its contractors and grantees to obtain specific informed consent from any research subject who is deemed to be "at risk" in any way, including risk of social or psychological harm that might occur if research information were disclosed.

The notice is not required to be in writing, although it is anticipated that many researchers will employ a written notice. There are, however, instances where a written notice would be burdensome or inappropriate, or could impair the conduct of the research. In those cases, researchers should be prepared to offer evidence of the notice they have given to research subjects.

The notice need not be extremely detailed; if a researcher judges that there is no "reasonable possibility" that a particular disclosure will occur, it need not be included in the notice. This will avoid a lengthy notice of all possible disclosures that may be technically correct, but grossly misleading to research subjects. However, if the researcher believes that there is a "reasonable possibility" of a disclosure, the subject must be informed.

A full verbal notice might go something like this:

". . . I am conducting this project under a contract with DHEW, but your name will not be given to DHEW, nor will any information that might identify you. A colleague of mine will be doing a follow-up study in six months and will be recontacting one out of every ten people I interview. It is possible that she will come back to ask you some more questions.

"I am prohibited by law from releasing information about you to anyone except those that I tell you about. If I should break the law, I will be subject to a five thousand dollar fine, and you will have the right to sue me for any harm you may suffer.

"My contract allows DHEW to audit my files to assure that I am performing properly and ethically and not wasting the taxpayers' money. The auditors are bound by the same law as I am, not to reveal any information that would identfy you."

The notice can be waived or modified if a normal notice would invalidate important objectives of the research. One example of such a case would be research into differences between responses to the same question asked in different ways; the notice could be modified in this case. Another example would be research involving observation of people without their knowledge, in which case the notice might be waived. However, notice waiver or modification can be made only with the approval of either an institutional review board or a similar group that an agency may prescribe.

(d) Recontact of Research Subject for Research Purposes:

This subsection is designed to minimize intrusion on an individual by persons who have his records probably without his knowledge. The need for a researcher to recontact a record subject is not uncommon in many types of research, particularly epidemiological and other medical research where information may be collected through the review of medical files rather than through direct contact with any individual. In order to protect research subjects from improper or embarrassing recontact, the bill provides for an independent review of the need for and manner of recontacting such research subjects.

There are separate provisions for government agencies and for other researchers. Government agencies may recontact research subjects with the approval of the person or agency that most recently collected information directly from the individual to whom the record pertains, or with the approval of an institutional review board. Approval may be granted for a program of recontacts, such as "at five-year intervals" or "until the necessary sample response is obtained." An agency may choose whether to consult the last person or agency to collect information directly from the individual or an institutional review board, at its discretion.

Persons other than government agencies have three alternatives through which to seek approval for recontact:

(1) the person or agency last collecting information directly from the research subject;

(2) an institutional review board; or

(3) the Federal agency funding the research.

The researcher has the discretion to choose the mechanism of approval most appropriate to the situation.

In many ways, the approval of the person or agency that most recently collected information from the individual is preferable to that of a board, because that person or agency may be more aware than an independent review board of aspects of the individual's present situation that could cause harm or embarrassment as a result of the proposed recontact. There are, however, many circumstances in which the approval of the last person or agency to have collected information directly from the individual is impossible or impractical to obtain, or such a requirement would be poor public policy. For example, it may take an unreasonable amount of time to locate the last person or agency to have collected information directly from the individual; for a given research project, there may be hundreds of persons or many agencies that last collected information that is now compiled into one research file; or the person or agency that had the latest contact with the individual might have an improper interest in not allowing recontact. In these instances, an institutional review board, or similar body, should adequately consider the interests of the research subject and the need for recontact.

The bill establishes three criteria for granting approval to permit recontact. The approving body must determine that recontact is necessary; that the importance of the research merits whatever risk is involved to the research subject; and that the recontact will occur in the manner least likely to harm or embarrass the research subject.

There is an emergency provision for recontact without independent approval when delay would endanger an individual or the public health. In such a case, recontact must still be made in a way that minimizes risk to the subject.

Finally, it should be noted that this subsection applies only to recontact of record subjects on the basis of research records. It is not intended to prevent an agency from recontacting an individual who happens to be in its research files but is also the subject of a separate administrative file—recontact based solely on that administrative file is not affected by this bill.

(e) Exclusion of Records as Evidence in Proceedings Involving the Subject of a Research Record:

This subsection prohibts the use of protected research records for any action involving the individual or for any investigation of the individual. The indivdual may consent to allow these records to be disclosed for such a purpose, provided that such consent is freely given. However, records may not be so disclosed by the record keeper, even if he believes it would be in the best interests of the individual. Information released under subsection (b) (2) (E) to prevent a crime of violence would be permitted as evidence; because there are no restrictions on its further use; it is no longer protected by the Act. This subsection is not intended to preclude the use of aggregate or unidentifiable research information in such a proceeding.

(f) Designation of Agency Research Records:

This subsection requires agency heads to decide whether records will be covered by the Act, before the collection or compilation of the records begins. Prior designation is necessary to assure that proper protections are established, that proper notices are given, and that everyone associated with the research file knows its status as a legally protected file.

(g) Research Contracts and Grants:

This subsection addresses Federal contractors and grantees who collect information directly from individuals or acquire it from a secondary source. It applies the Act's provisions directly to contractors and grantees, and requires that all such contracts and grants incorporate the general requirements of the Act. It requires contractors and grantees to establish safeguards during the term of the contract or grant and procedures for disposing of or protecting identifiable records when the contract or grant is over. While agencies will still control the particular terms of the contract, this subsection specifies the areas that must be addressed. Nothing in this subsection is intended to preclude agencies from requiring stricter protections than the bill requires for research records that they fund through contacts and grants.

(h) Ciminal Penalties for First and Subsequent Offenses:

This subsection sets the fines for violating the disclosure provisions of the Act at not more than $5,000 for the first offffense and not more than $20,000 for subsequent offenses.

(i) Civil Liability:

This subsection provides a civil right of action for an individual aggrieved by any violation of the Act. If confidential research records collected under the auspices of the Federal government are to be shared with researchers who are not accountable in any way to the Federal government, then those researchers must be made accountable to the individuals to whom the records pertain. It is anticipated that private enforcement action will be the most powerful tool in ensuring compliance with the Act's requirements by those outside the Federal government.

Paragraph (1) gives a right to recover any actual damages sustained by an individual resulting from a violation of the Act.

Paragraph (2) gives a right to recover general damages in addition to any award of actual damages. General damages may be compensatory, based on the nature and seriousness of harm suffered by the individual, as well as punitive, based on the circumstances of the violation by the defendant.

Paragraph (3) gives individuals a right to seek any appropriate equitable and declaratory relief necessary to enforce the requirements of the Act.

Paragraph (4) allows costs and reasonable attorney's fees to be awarded to an individual bringing a successful action for damages or equitable relief. This provision is intended to be analogous in effect to the attorney's fees award provision of the Water Pollution Control Act (33 U.S.C. Sec. 1365) as interpreted by the courts.

Paragraph (5) grants jurisdiction to hear actions brought under the Act to appropriate United States District Courts and, concurrently, to state, territorial, or other courts otherwise of competent jurisdiction.

(j) Administrative Sanctions:

This subsection provides for agency action against contractors and grantees who violate the Act. Any knowing violation can subject the contractor or grantee to a fine of up to the amount of the contract or grant, with a maximum of $50,000. Repeated violations make the contractor or grantee liable to debarment from participation in Federal research contracts or grants for one to ten years. Adjudication proceedings would be held in accordance with the Administrative Procedure Act.

(k) Exemption of Research Records Covered by Other Laws:

This subsection provides that the Act does not supersede any other laws that protect the privacy of research subjects at least as strongly as the Act does. It contains a list (not intended to be exhaustive) of laws that specifically apply to research records. Any provisions of those laws that are not as protective of individual privacy would be superseded; the rest of the law would remain in force. Where those laws do not address an issue, this Act would apply.

Sec. 3. Conforming Amendments to the Privacy Act of 1974.

Conforming amendments to the Privacy Act of 1974 are needed for several reasons. First, the Privacy Act protects only information contained in "systems of records," which by definition are "retrieved" by an individual identifier. This bill would also protect information that is not retrieved by individual identifier but would identify or reveal something about a particular individual if it were released. For example, a list of names of individuals who have a certain characteristic would not by itself constitute a "system of records," because it is not retrieved by an individual's name. But such a list, if it were compiled with Federal funds for research, would be covered by this bill because it would identify the individuals on it.

Second, the coverage of this bill extends to Federal agencies, contractors, and grantees, while Privacy Act protections apply only to agencies and some contractors. The reason for the broader coverage of this bill is that much Federally-sponsored research is conducted under grants, and to leave those records out of the bills coverage would deny protection to those research subjects who now have no legal protections and few effective administrative ones.

Third, the use and disclosure limitations that this bill places on research records are much stricter than those of the Privacy Act. A major objective of the conforming amendments to the Privacy Act is to establish privacy protections for Federally-held research records that are consistent with the protections established by the bill for Federally-funded research records.

Subsections (a) through (c) add the definitions of "research record" and "research purpose" to subsection (a) of the Privacy Act.

Subsection (d) would replace subsection

(b)(5) of the Privacy Act, which allows disclosure without consent of the individual for "statistical research or reporting" purposes. Subsection (b)(5) is replaced because it requires that the records not be disclosed in individually identifiable form, thus defeating the needs of many researchers. The replacement provision would allow disclosure of identifiable information without consent of the individual for research purposes under essentially the same conditions established by the research bill for disclosure for a research purpose by a person outside the Federal government.

Subsection (e) would add research records to the types of exempted systems about which the President makes an annual report to the Congress.

Subsection (f) would exempt research records from all Privacy Act provisions except:

(b)(4) Disclosure to the Bureau of the Census, to carry out the provisions of title 13;

(b)(6) Disclosure to the National Archives, when historical value warrants;

(e)(3) Notice to the individual at the time of collection;

(e)(4)(A)-(F) and (I) Publication of annual system notice (excluding access procedures);

(e)(9) Employee rules of conduct;

(e)(10) Safeguards;

(l) Archival records;

(o) Publication of notice of new system; and

(p) Annual report of exempt systems.

Another objective of amending the Privacy Act is to exempt research records from Privacy Act requirements that would negate the strong protections of the research bill or would burden researchers with procedures that are appropriate only for records used to make decisions about or take actions affecting individuals. In particular, research records would be exempt from the following Privacy Act provisions:

(b)(1) Disclosure to agency employees a need to know: Disclosure within an agency would be allowed only under subsection (b) of the research bill, which lists specific allowable purposes and conditions for disclosure of research records. The looser standard of "need to know" would not apply.

(b)(2) Disclosure required by the Freedom of Information Act (FOIA): Research records, which by definition are individually identifiable, would be protected under FOIA exemption (3), "specifically exempted from disclosure by statute." Research information that has been stripped of any identifying information would not be protected by the research bill and would still be subject to disclosure under the FOIA.

(b)(3) Disclosure for a routine use: The routine use disclosure provision could not be used to override the disclosure provisions of this bill. Only those disclosures that meet the requirements of the research bill could be made.

(b)(5) Disclosure for research purposes: Disclosure of research records for a research purpose would have to be made under subsection (b)(2)(D) of the research bill, which specifies the conditions for such disclosure.

(b)(7) Disclosure for law enforcement purposes: Disclosure for use against the record keeper would be allowed under the conditions of subsection (b)(2)(B) of the research bill. That section of the bill requires a judicial order to compel disclosure, and permits public disclosure of a research record as evidence in a proceeding only after the record subject has been given notice of the proposed publication and an opportunity to contest it. Disclosure for use against the record subject would not be allowed.

(b)(8) Disclosure in compelling circumstances: Such disclosure would be allowed only for a bona fide medical emergency, pursuant to subsection (b)(2)(A) of the research bill, or to prevent physical injury to an individual, pursuant to subsection (b)(2)(E).

(b)(9) Disclosure to the Congress: Disclosure to the Congress could be made for any of the allowable purposes in subsection (b) of this bill, including audit, research, and at the request of the record subject.

(b)(10) Disclosure to the Comptroller General: Disclosure to the Comptroller General would be allowed pursuant to subsection (b)(2)(C) of the research bill, which provides for disclosure for audit purposes.

(b)(11) Disclosure pursuant to court order: Disclosure pursuant to court order would be allowed only in connection with legal action against the record holder, and then only under the conditons of subsection (b)(2)(B) of this bill.

(c) Accounting of Certain Disclosures: The purpose of requiring an accounting of disclosures from Privacy Act systems of records is twofold: to allow individuals to know who has had access to information about them and why, and to facilitate the propagation of corrections or amendments to the record. The former purpose is obviated by the strict limits in the bill on who can have access to research records and for what purpose. The propagation of corrections, which is vital when information is used to take actions affecting individuals, is not important to an individual in the research context, where no decisions are made on the basis of the records. Researchers would, however, be able to propagate corrections of the research data through the written agreement that must accompany each transfer for a research purpose.

(d) Access to records: The purpose of access is to allow individuals to see and correct information that is used or disclosed to make decisions or take actions affecting them. Since research records, by definition, are not used to make decisions about individuals, access is of little or no benefit to the research subject. The Privacy Act already exempts records that are "required by statute to be maintained and used solely as statistical records" from individual access; this bill extends that exemption to statutorily-protected research records. (Of course, agencies would not be precluded from allowing individuals to have access to their own records.)

(e)(1) Maintain only relevant and necessary information: A standard of "relevant and necessary" is important when information is used to make decisions. However, in a research context, a strict standard of relevance regarding the information collected and maintained is inappropriate.

(e)(2) Collection from individuals for determinations: No "determinations about an individual's rights, benefits, and privileges" are made on the basis of research records, so this provision of the Privacy Act would not be applicable to research records.

(e)(4)(G) and (H) System notice concerning access procedures: Because the research bill does not provide for access to research records, the requirement for a notice of access procedures would not apply.

(e)(5) Accurate records for determinations: No determinations are made based on research records, so this provision of the Privacy Act would not apply to research records.

(e)(6) Dissemination of only accurate information outside the Federal government: Decisions affecting individuals are not based on research information, so there is no need to require greater accuracy than the research protocol will already assure.

(e)(7) No First Amendment collection without consent or statutory authorization: This prohibition is important when information is used to make decisions, because individuals must not feel that their rights, benefits, or privileges can be affected by the exercise of their First Amendment rights. However, the strict protections that the research bill provides for such information will allow research to be conducted without having a "chilling effect" on an individual's exercise of his First Amendment rights. Even though the government now funds such research through contractors and grantees, the research bill will assure that it can continue this research.

(e)(8) Notice before disclosure under legal process: Such notice is required under subsection (b)(2)(B) of the research bill, which goes further than the Privacy Act does in protecting the individual's interest by giving him standing to contest the disclosure.

(e)(11) Publication of notice of change in routine uses: Routine uses of research records would be limited to those specified in the research bill, so changes would be transparent to the individual and this provision of the Privacy Act would not be applicable. Agencies may publish those changes if they wish.

(f) Agency rules for access and contest: Access and contest are not required for sysstems of research records, so the provision that agencies establish procedures is not applicable.

(g), (i) Civil remedies, criminal penalties: These sanctions, which are geared to violations of the Privacy Act, apply only to agencies and a few contractors and include only fines, actual damages, and attorney fees. Subsections (h) and (j) of the research bill provide for higher fines, actual and punitive damages, injunctive relief, and attorney fees, and apply to any agency, contractor, or grantee that violates the Act. Such strict penalties are necessary to provide a strong deterrent to the disclosure of sensitive research information.

(h) Rights of legal guardians: The Privacy Act does not define "minor," nor does it cover the records of deceased individuals, who can only exercise their rights through their wills. Subsection (b)(1) of the research bill sets the age of 12 years for an individual to control the use of research information about himself, and details who can consent to disclosure of the records of a decedent.

(j), (k) General exemptions, specific exemptions: Research records would have a separate exemption under the research bill, so they would not be subject to the provisions of the other types of exemptions.

(m) Government contractors: The research bill specifically subjects Federal contractors and grantees to all of its provisions, instead of the limited application of this subsection of the Privacy Act.

(n) Mailing lists: The Privacy Act does not prohibit disclosure of names and addresses for mailing lists. The research bill would absolutely prohibit the use of research records for any such purpose.

(q) Effect of other laws: This section of the Privacy Act prohibits an agency from using another part of 5 U.S.C. Sec. 552 to deny an individual access to his own records if the Privacy Act permits such access. Since the research bill would eliminate the requirement to grant access under the Privacy Act, this Privacy Act provision would not be applicable.

SEC. 4: Identification of Agency Research Records:

This section gives agencies one year from the date of enactment to implement the provisions of the Act. By that time agencies must designate which existing records will be covered by the Act, and must establish procedures to designate new files before data collection begins. This will assure that appropriate protections are in place and that the protected status of research records is clear to everyone with access to them.

By Mr. RIBICOFF:

S. 869. A bill to amend section 207 of title 18, United States Code. Read twice and placed on the calendar.

(The remarks of Mr. Ribicoff when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. CANNON (for himself and Mr. Laxalt):

S. 868. A bill to transfer the control and jurisdiction of Ruby Lake National Wildlife Refuge, Nevada, to the State of Nevada; to the Committee on Environment and Public Works.

RUBY LAKE NATIONAL WILDLIFE REFUGE

Mr. CANNON. Mr. President, I introduce for myself and my distinguished colleague (Mr. Laxalt) a bill which will transfer management authority of the Ruby Lake National Wildlife Refuge in Nevada from the U.S. Fish and Wildlife Service to the State of Nevada to be administered by a State conservation agency to be designated by the Governor.

This legislation is prompted by several factors. First is the desire of the State of Nevada and other Western States to have a hand in the management of some of the vast public domain lands located within their borders. This specific action is prompted by a recent permanent restraining order issued by the U.S. District Court for the District of Columbia prohibiting the use of pleasure boating on the deep waters of Ruby Lake unless electric motors of 10 horsepower or less are used.

It has become very discouraging, Mr. President, to constantly have decisions made by everyone, except Nevadans, on how Nevada resources may be developed and used. An environmental impact assessment by the Fish and Wildlife Service found, inconclusively, that unrestricted boating adversely affected the nesting canvasback and readhead ducks who use the area for nesting purposes. The State then entered into negotiations with the Fish and Wildlife Service with the assistance of the Nevada congressional delegation in an effort to limit pleasure boating consistent to the needs of he nesing duck population. My constituents were willing to accommodate the findings even though they were inconclusive. An agreement was reached which effectively protected both interests.

That agreement would have limited powerboating both to noncritical times of the season and to non-nesting areas. Unfortunately, this arrangement was not sufficient to the narrow interest goals of a conservation group, "Defenders of Wildlife," who brought suit for an injunction against implementing the agreement. An injunction was granted on the basis that the Service had not followed appropriate procedures for formal determination that such recreational use did not interfere with the basic purpose of the refuge. Despite the fact that this goal guided the Service in its protracted negotiations on the agreement, the Service capitulated and declined to defend its position further or issue the declaration. The recreational desires and needs of many Nevadans were sacrificed in order to avoid further contention. The recreational interests of Nevadans, in whose State the refuge exists, were given no consideration by this single interest preservationist group which had leverage outside the State to impose its single-minded requirements. And the process was abetted by the Fish and Wildlife Service which worked out the agreement and knew of the requirements for both wildfowl propogation and the compatability of limited recreational use at the refuge.

I point out, Mr. President, that my Nevada constituents agree that the wildlife at Ruby Marshes should be protected. The agreement reached with the Fish and Wildlife Service would have effectively limited boating during the critical nesting season and prohibited boating at all times in the critical nesting areas. But the agreement would have permitted some recreational boating consistent with wildlife values in an area which simply does not have any water recreation alternatives. While that carefully crafted agreement was overthrown, it now is time to return some reason to the use of the Ruby Marshes, which prompts this bill today.

By Mr. CRANSTON (by request):

S. 870. A bill to amend title 38 United States Code, to extend the delimiting date for veterans under certain circumstances; to limit the time for filing claims for educational benefits based upon disability; to modify the standards of progress requirements; to modify the 50-percent employment requirements; to eliminate the requirements for counting BEOG's and SEOG's in the 85 to 15 enrollment ratio; to modify payment of educational benefits to incarcerated veterans; to permit certain foreign training; to pay benefits for certain continuing education programs; to strengthen statutory provisions on measurement of courses and on overpayment of educational benefits; to repeal the authority for pursuit of flight and correspondence training; to repeal the authority for pursuit of certain PREP training; and for other purposes; to the Committee on Veterans' Affairs.

GI BILL AMENDMENTS ACT OF 1979

● Mr. CRANSTON. Mr. President, I am introducing today, at the request of the administration, S. 870, the proposed GI Bill Amendments Act of 1979. I ask unanimous consent that the letter of transmittal, the section-by-section analysis, and the text of the bill be printed in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 870

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "GI Bill Amendments Act of 1979".

TITLE I—GI BILL PROGRAM ADJUSTMENTS

Sec. 101. Section 1662(a) of title 38, United States Codes, is amended by—

(1) inserting in clause (1) immediately after "application" the following: "made within one year following the last date of the delimiting period otherwise determined by this section, or within one year after the termination of the period of mental or physical disability, or within one year after the enactment of this provision, whichever is the later,"; and

(2) inserting at the end thereof a new clause (3) as follows:

"(3) Notwithstanding the provisions of clause (1) of this subsection any eligible veteran, as defined in section 1652(a)(1) of this chapter, who served at least one day of active duty on or after August 5, 1964, and before May 8, 1975, may, subject to counseling as required by section 1663 of this chapter, be paid educational assistance for any unused entitlement for an additional period of two years beyond the termination date of the delimiting period as otherwise provided in clause (1) provided:

"(A) The course to be pursued during such period is an approved on-job training course, or

"(B) The course is an approved vocational-technical or high school course either of which leads to a vocational objective or a secondary school diploma (or an equivalency certificate) and provided further that the veteran has not received a secondary school diploma (or an equivalency certificate).

"No educational assistance payable pursuant to this clause shall be authorized unless the veteran shall have submitted an application for the extension within 1 year from the effective date of this clause or the last date of the delimiting period otherwise applicable to such veteran, whichever is later.".

Sec. 102. Section 1663 of title 38, United States Code, is amended by adding at the end thereof a new sentence as follows:

"Counseling will be required and provided a veteran prior to the approval of payment of an educational assistance allowance based upon an extension of the veteran's delimiting period as authorized by section 1662(a)(3)(B) of this chapter.".

Sec. 103. Section 1671 of title 38, United States Code, is amended by striking out the second sentence and inserting in lieu thereof the following:

"The Administrator shall approve such application unless the Administrator finds that (1) such veteran or person is not eligible for or entitled to the educational assistance applied for; (2) the veteran's or person's selected educational institution or training establishment fails to meet any of the requirements of this chapter or chapter 36 of this title; (3) the veteran's or person's enrollment in, or pursuit of, the program of education selected would violate any provision of this chapter or chapter 36 of this title; or (4) the veteran or person is already qualified.".

Sec. 104. Section 1673 of title 38, United States Code, is amended by—

(1) amending subsection (a)(2) to read as follows:

"(2) any course with a vocational objective, unless the eligible veteran or the institution offering such course submits justification showing that at least one-half of the persons who discontinued or completed such course over the preceding two-year period, and who are considered available for employment, attained employment in an occupational category for which the course was designed to provide training. Such employment must constitute the person's primary vocational pursuit and major source of occupational income. In computing the number of persons who discontinued or completed the course over any such two-year period, there shall not be included in such number those individuals who received assistance under this title for pursuing the course while serving on active duty. The provisions of this clause shall not apply to any course offered by an educational institution if the total number of veterans and eligible persons enrolled in the institution during the two-year period does not exceed 35 per centum, and the course had met the requirements of this clause for two consecutive reporting periods;";

(2) amending subsection (c) to read as follows:

"(c) The Administrator shall not approve the enrollment of an eligible veteran in any course to be pursued by open circuit television (except as herein provided) or by radio. The Administrator may approve the enrollment of an eligible veteran in a course, to be pursued in residence, leading to a standard college degree which includes, as an integral part thereof, subjects offered through the medium of open circuit television."; and

(3) amending subsection (d) by striking out the comma following "institution" and the phrase "by the Veterans' Administration under this title and/or by grants from any Federal agency" and inserting in lieu thereof "or by the Veterans' Administration under this title".

Sec. 105. Section 1674 of title 38, United States Code, is amended by striking out the second sentence thereof.

Sec. 106. Section 1676 of title 38, United States Code, is amended to read as follows:

"(a) An eligible veteran may not enroll in any course at an educational institution which is not located in a State, unless such veteran enrolls in an approved course leading to a standard degree, or the equivalent, to be pursued at an educational institution of higher learning so recognized by the foreign government's commissioner of education, or the equivalent, and approved by the Administrator.

"(b) The Administrator, in the Administrator's discretion, may deny or discontinue the educational assistance under this chapter of any veteran in a foreign educational institution if the Administrator determines that such enrollment is not in the best interest of the veteran or the Federal Government.".

Sec. 107. Section 1682 of title 38, United States Code, is amended by—

(1) amending clause (1) of subsection (d) to read as follows:

"(1) Notwithstanding the prohibition in section 1671 of this title prohibiting enrollment of an eligible veteran in a program of education in which such veteran has already qualified, an otherwise eligible veteran shall be allowed educational assistance (A) up to six months (or the equivalent thereof in part-time assistance) for the pursuit of refresher training to permit such veteran to update such veteran's knowledge and skills and to be instructed in the technological advances which have occurred in such veteran's field of employment during and since the period of such veteran's active military service; or (B) for the pursuit of continuing education or training required by Federal, State, or local law either to attain professional or vocational relicensure or to retain employment in a particular profession or vocation.";

(2) striking out in clause (2) of subsection (d) "refresher" and inserting in lieu thereof "education or"; and

(3) adding at the end thereof new subsections (f) and (g) as follows:

"(f) The educational assistance allowance of an eligible veteran pursuing a course in part by open circuit television, as provided in section 1673 of this chapter, shall be computed in the same manner as for an independent study program as provided in subsection (e) of this section.

"(g) The educational assistance allowance of a veteran who is incarcerated in a Federal, State, county, or local prison or jail, and who is pursuing institutional training, shall be paid as follows:

"(1) if the veteran is pursuing the course on a less than half-time basis, payment shall be made for the veteran's tuition and fees, and such payment shall not exceed (A) the established charges for such tuition and fees which the institution requires similarly circumstanced nonveterans enrolled in the same program to pay, or (B) $311 per month for a full-time course, whichever is the lesser;

"(2) if the veteran is pursuing the course on a half-time or more basis, and has no dependents, such veteran shall be entitled to the amount payable at the appropriate rate prescribed in column II of the table set forth in subsection (a)(1) of this section, with the amount required for the veteran's tuition, fees, and books paid to the veteran and any amount in excess of such costs withheld by the Veterans Administration for payment to the veteran upon release from incarceration; or

"(3) if the veteran is pursuing the course on a half-time or more basis, and has dependents, such veteran shall be entitled to the amount payable at the appropriate rate prescribed in column II of the table set forth in subsection (a)(1) of this section, with the amount required for the veteran's tuition, fees, and books paid to the veteran and any amount in excess of such costs withheld by the Veterans Administration for payment to the veteran upon release from incarceration (unless the veteran advises the Veterans Administration in writing that the veteran releases any or all of such withheld funds to the veteran's dependents); and that portion of the allowance payable on account of the veteran's dependents as prescribed in such table to be paid to the veteran's dependents.".

TITLE II—SURVIVORS' AND DEPENDENTS' PROGRAM ADJUSTMENTS

Sec. 201. Section 1712(b)(2) of title 38, United States Code, is amended by inserting immediately after "application," the following:

"made within one year following the last date of the delimiting period otherwise determined by this section, or within one year after the termination of the period of mental or physical disability, or within one year after the enactment of this provision, whichever is later,".

Sec. 202. Section 1721 of title 38, United States Code, is amended to read as follows:

"The Administrator shall finally approve an application if the Administrator finds that (1) section 1720 of this title has been complied with, (2) the proposed program of education constitutes a "program of education" as that term defined in this chapter, (3) the eligible person is not already qualified, by reason of previous education or training, for the educational, professional, or vocational objective for which the courses of the program of education are offered, (4) the eligible person's proposed educational institution or training establishment is in compliance with all the requirements of this chapter and chapter 36 of this title, and (5) it does not appear that the enrollment in or pursuit of such person's program of education would violate any provisions of this chapter or chapter 36 of this title.".

Sec. 203. Section 1723 of title 38, United States Code, is amended by—

(1) amending subsection (a)(2) to read as follows:

"(2) any course with a vocational objective, unless the eligible person or the institution offering such course submits justification showing that at least one-half of the persons who discontinued or completed such course over the preceding two-year period, and who are considered available for employment, attained employment in an occupational category for which the course was designed to provide training. Such employment must constitute the person's primary vocational pursuit and major source of occupational income. In computing the number of persons who discontinued or completed the course over any such two-year period, there shall not be included in such number those individuals who received assistance under this title for pursuing the course while serving on active duty. The provisions of this clause shall not apply to any course offered by an educational institution if the total number of veterans and eligible persons enrolled in the institution during the two-year period does not exceed 35 per centum, and the course had met the requirements of this clause for two consecutive reporting periods;";

(2) amending subsection (c) to read as follows:

"(c) The Administrator shall not approve the enrollment of an eligible person in any course to be pursued by open circuit television (except as herein provided), or by radio. The Administrator may approve the enrollment of an eligible person in a course, to be pursued in residence, leading to a standard college degree, which includes, as an integral part thereof, subjects offered through the medium of open circuit television."; and

(3) inserting at the end thereof a new subsection (e) as follows:

"(e)(1) An eligible person may not enroll in any course to be pursued at an educational institution not located in a State or in the Republic of the Philippines, unless such person enrolls in an approved course leading to a degree, which is the equivalent of a standard college degree, to be pursued at an educational institution of higher learning so recognized by the foreign government's commissioner of education, or the equivalent, and approved by the Administrator.

"(2) The Administrator, in the Administrator's discretion, may deny or discontinue the educational assistance under this chapter of any eligible person in a foreign educational institution if the Administrator determines that such enrollment is not in the best interest of the eligible person or the Federal Government.".

Sec. 204. Section 1724 of title 38, United States Code, is amended by striking out the second sentence thereof.

Sec. 205. Section 1731 of title 38, United States Code, is amended to read as follows:

"(a) The Administrator shall, in accordance with the applicable provisions of this section and of chapter 36 of this title, pay to each eligible person (or to the parent or guardian of the eligible person where applicable) who is pursuing a program of education under this chapter an educational assistance allowance to meet, in part, the expenses of the eligible person's subsistence, tuition, fees, supplies, books, equipment, and other educational costs.

"(b) The educational assistance allowance of an eligible person pursuing a program of education at an educational institution shall be paid as provided in chapter 36 of this title.".

Sec. 206. Section 1732 of title 38, United States Code, is amended by—

(1) amending subsection (c) to insert a new clause (4) as follows:

"(4) The monthly educational assistance allowance to be paid on behalf of an eligible person pursuing a course in part by open circuit television, as provided in section 1723 (c) of this chapter, shall be computed in the same manner as for an independent study program as provided in section 1682(e) of this title."; and (2) inserting at the end thereof a new subsection (e) as follows:

"(e) In the case of an eligible person who is incarcerated, the educational assistance allowance shall be computed at the same rate as prescribed in section 1682(g) of this title for incarcerated veterans without dependents.

TITLE III—ADMINISTRATIVE ADJUSTMENTS

Sec. 301. Section 1780(a) of title 38, United States Code, is amended by—

(1) inserting after "enrollment" in the second sentence thereof "and pursuit";

(2) inserting a comma immediately after the word "institution" in clause (1) and by inserting the following: "the provisions of such regulations as may be promulgated by the Administrator pursuant to subsection (f) of this section,"; and

(3) striking the semicolon at the end of clause (1) and inserting in lieu thereof a period and the following: "Where the actual pursuit of one or more unit subjects is for a period of time which is shorter than the enrollment period at the educational institution, payment may be only for the actual period of pursuit;".

Sec. 302. Section 1780(f) of title 38, United States Code (as redesignated by section 404 (6) of this Act), is amended by inserting after "determine" in the first sentence thereof "and define".

Sec. 303. Section 1784 of title 38, United States Code, is amended by—

(1) amending the catch line to read as follows:

"Reports by veterans, eligible persons and institutions; reporting fee";

(2) striking out "Educational" in subsection (a) and inserting in lieu thereof "Veterans, eligible persons and educational";

(3) inserting "such" immediately following "each" in subsection (a);

(4) redesignating subsection (b) as subsection (c) and inserting after subsection (a) the following new subsection:

"(b) Educational institutions shall, without delay, report to the Administrator any fact which the educational institution knows or through the exercise of reasonable diligence should know which indicates the course or educational institution does not, or has not, met any of the requirements of chapters 34, 35, or 36 of this title."; and

(5) amending the table of sections at the beginning of chapter 36 of title 38, United States Code, by striking out:

"1784. Reports by institutions; reporting fee." and inserting in lieu thereof

"1784. Reports by veterans, eligible persons and institutions; reporting fee.".

Sec. 304. Section 1785 of title 38, United States Code, is amended to read as follows:

"(a) Whenever the Administrator finds that an overpayment has been made to an eligible persons or veteran, the amount of such overpayment shall constitute a liability of the eligible person or veteran.

"(b) Whenever the Administrator finds that an overpayment has been made to an eligible person or veteran as the result of (1) the willful or negligent failure of an educational institution to report, as required by this chapter or chapter 34 or 35 of this title and applicable regulations, to the Veterans' Administration excessive absences from a course, or discontinuance or interruption of a course by the eligible person or veteran, or (2) false certification by an educational institution, the amount of such overpayment shall constitute a liability of the educational institution.

"(c) Any overpayment referred to in subsections (a) and (b) may be recovered, except as otherwise provided in section 1784 (b) of this title, in the same manner as any other debt due the United States.

"(d) Notwithstanding subsection (c), any such overpayment may be waived as to the eligible person or veteran as provided by section 3102 of this title, provided, however, that waiver of the overpayment as to the eligible person or veteran shall in no event release the educational institution from its liability under subsection (b).

"(e) Any amount collected from the eligible person or veteran shall be reimbursed to the educational institution which is liable pursuant to subsection (b), to the extent that collection was made from the educational institution. This section shall not preclude the imposition of any civil or criminal liability under this or any other law. Nothing in this section or any other provision of this title shall be construed as requiring any institution of higher learning to maintain daily attendance records for any course leading to a standard college degree.".

Sec. 305. Section 1788(a)(4) of title 38, United States Code, is amended by—

(1) inserting after "university" the first time it appears "in residence";

(2) inserting after "on a" the following: "standard";

(3) inserting after "fourteen semester hours" the first time it appears "per semester";

(4) deleting after "deficiency" the following: "and which the educational institution considers to be quarter or semester hours for other administrative purposes"; and

(5) inserting a period after the word "course" at the end thereof and the following:

"For the purpose of this clause, the term 'in residence on a standard quarter- or semester-hour basis' shall mean study at the site (campus) of a college or university, or off-campus at an official resident center, requiring pursuit of regularly scheduled weekly class instruction at the rate of one standard class session per week throughout the quarter or semester for one quarter or one semester hour of credit. A standard class session is defined as one hour (or 50 minute period) of academic instruction, two hours of laboratory instruction, or three hours of workshop training".

Sec. 306. Section 1788(a) of title 38, United States Code, is amended by inserting in clauses (1) and (2) immediately after "1775" the following: "(a)(1)".

Sec. 307. Clause (4) of section 1795 of title 38, United States Code, is amended to read as follows:

"(4) chapters 31, 32, 34, 35 and 36 of this title and the former chapter 33".

Sec. 308. Section 1631(a)(1) of title 38, United States Code, is amended by adding at the end thereof the following: "The 36 month maximum shall be subject to the provisions of section 1795 of this title limiting the aggregate period for which any person may receive assistance under two or more programs of education administered by the Veterans Administration.".

TITLE IV—REPEAL OF AUTHORITY FOR PURSUIT OF FLIGHT AND CORRESPONDENCE TRAINING

Sec. 401. Chapter 32 of title 38, United States Code, is amended by—

(1) striking out section 1631(c); and

(2) amending section 1641 to read as follows:

"The provisions of sections 1663, 1670, 1671, 1673, 1674, 1676, and 1683 of this title and the provisions of chapter 36 of this title, with the exception of sections 1777, 1780(b), and 1787, shall be applicable to the program.".

Sec. 402. Chapter 34 of title 38, United States Code, is amended by:

(1) striking out in section 1652(c) "correspondence school,";

(2) striking out in section 1662(c) "or flight training within the provisions of section 1677 of this chapter,";

(3) striking out in section 1673(b) "Except as provided in section 1677 of this title, the" and inserting in lieu thereof "The";

(4) repealing section 1677 in its entirety;

(5) striking out in section 1681(b) the comma following "education" and the phrase "other than a program exclusively by correspondence or a program of flight training,";

(6) repealing section 1681(c);

(7) striking out the center heading which immediately precedes section 1681(c);

(8) striking out in section 1682(a)(1) "1677 or"; and

(9) amending section 1684 to read as follows: "1684. Apprenticeship or other on-job training

"Any eligible veteran may pursue a program of apprenticeship or other on-job training and be paid a training assistance allowance as provided in section 1787 of this title.".

Sec. 403. Chapter 35 of title 38, United States Code, is amended by—

(1) striking out in section 1701(a)(6) "correspondence school,";

(2) striking out in section 1734 "(a)";

(3) repealing section 1734(b); and

(4) amending the catch line at the beginning of section 1734 to read as follows:

"1734. Apprenticeship or other on-job training".

Sec. 404. Chapter 36 of title 38, United States Code, is amended by—

(1) striking out the comma following "or training" in section 1780(a) and the phrase "other than a program by correspondence or a program of flight training,";

(2) by striking out in section 1780(a) the semicolon and the word "or" at the end of clause (4) and inserting in lieu thereof a period;

(3) by striking out clause (5) of section 1780(a);

(4) repealing section 1780(b);

(5) striking out the center heading which immediately precedes section 1780(b);

(6) redesignating sections 1780 (c), (d), (e), (f), and (g) as sections 1780 (b), (c), (d), (e), and (f) respectively;

(7) striking out in section 1780(d) (as redesignated by clause (6) of this section) "(d)" and inserting in lieu thereof "(c)";

(8) striking out in section 1780(e) (as redesignated by clause (6) of this section) "(d)" and inserting in lieu thereof "(c)";

(9) striking out in section 1784(a) "or, in the case of correspondence training, the last date a lesson was serviced by the school";

(10) striking out in section 1784(b) "(d)" and inserting in lieu thereof "(c)";

(11) repealing section 1786 in its entirety; and

(12) striking out in section 1798(c) "correspondence, flight,".

Sec. 405. (a) The table of sections at the beginning of chapter 34 of title 38, United States Code, is amended by—

(1) striking out

"1677. Flight training."

and

"1684. Apprenticeship or other on-job training, correspondence courses.";

and

(2) inserting in lieu thereof

"1684. Apprenticeship or other on-job training.".

(b) The table of sections at the beginning of chapter 35 of title 38, United States Code, is amended by—

(1) striking out

"1734. Apprenticeship or other on-job training; correspondence courses.";

and

(2) inserting in lieu thereof

"1734. Apprenticeship or other on-job training.".

(c) The table of sections at the beginning of chapter 36 of title 38, United States Code, is amended by striking out

"1786. Correspondence courses.".

Sec. 406. Section 604(a) of the Act of October 24, 1972, entitled the "Vietnam Era Veterans' Readjustment Assistance Act of 1972" (86 Stat. 1099) as amended by section 3 of the Act of July 10, 1974, an act entitled "An Act to amend title 38, United States

Code, to provide a ten-year delimiting period for the pursuit of educational programs by veterans, wives, and widows" (88 Stat. 292), is amended by deleting the following: "(1) eligible to pursue a program of education exclusively by correspondence by virtue of the provisions of section 1786 of such title (as added by section 316 of this Act) or (2)".

TITLE V—REPEAL OF AUTHORITY TO PURSUE PREDISCHARGE EDUCATION TRAINING (PREP) UNDER CHAPTER 32

SEC. 501. Chapter 32 of title 38, United States Code, is amended by—

(1) striking out section 1631(b) in its entirety; and

(2) renumbering subsection 1631(d) as (b).

SEC. 502. Chapter 34 of title 38, United States Code, is amended by—

(1) amending section 1661(c) to read as follows:

"(c) Except as provided in subsection (b) and in subchapter V of this chapter, no eligible veteran shall receive educational assistance under this chapter in excess of 45 months.";

(2) striking out sections 1695, 1696, 1697, and 1698 in their entirety;

(3) striking out the subchapter heading preceding section 1695; and

(4) striking out in the table of sections at the beginning of chapter 34 the following:

"Subchapter VI—Predischarge education program

"1695. Purpose; definition.
"1696. Payment of educational assistance allowance.
"1697. Educational and vocational guidance.
"1698. Coordination with and participation by Department of Defense.".

SEC. 503. Chapter 36 of title 38, United States Code, is amended by—

(1) striking out in the third sentence of section 1780(c)(2) (as redesignated by section 404(6) of this Act) "(other than under subchapter VI of chapter 34)";

(2) striking out in section 1780(c)(2) (as redesignated by section 404(6) of this Act) "5" and "6" and inserting in lieu thereof "4" and "5" respectively;

(3) striking out clause (3) in section 1780 (c) (as redesignated by section 404(6) of this Act);

(4) striking out in section 1780(c)(4) (as redesignated by section 404(6) of this Act) "paragraphs (2) and (3)" and inserting in lieu thereof "paragraph (2)";

(5) striking out in section 1780(c)(5) (as redesignated by section 404(6) of this Act) "5" and inserting in lieu thereof "(4)";

(6) renumbering sections 1780(c)(4), (5), and (6) (as redesignated by section 404 (6) of this Act) as sections 1780(c)(3), (4), and (5) respectively;

(7) striking out in section 1780(d) (as redesignated by section 404(6) of this Act) "and (3)";

(8) striking out in section 1780(e) (as redesignated by section 404(6) of this Act) "(except as provided by subsection (d)(3) of this section)";

(9) striking out in section 1784(b) "1780 (d)(5)" and inserting in lieu thereof "1780 (c)(4)";

(10) striking out in section 1788(a)(6) "or 1696(a)(2)";

(11) striking out in section 1789(b)(5) "or VI";

(12) striking out in section 1798(c) the comma following "on-job" and the phrase "or PREP"; and

(13) striking out in section 1798(f)(2) "1780(d)(5)" and inserting in lieu thereof "1780(c)(4)".

TITLE VI—MISCELLANEOUS

SEC. 601. Section 3503 of title 38, United States Code, is amended by—

(1) deleting the word "or" in the last sentence of subsection (d)(1); and

(2) inserting after "July 4, 1946" in such sentence a comma and the following: "or (c) any forfeiture of educational benefits under chapters 31, 32, 34 or 35 of this title".

TITLE VII—TECHNICAL AMENDMENTS—EFFECTIVE DATE

SEC. 701. Section 1740 of title 38, United States Code, is amended by inserting "(as defined in section 1701(a)(1)(A) of this chapter)" after "person".

SEC. 702. Section 1790(b)(2) of title 38, United States Code, is amended by striking out "therefor" and inserting in lieu thereof "for".

SEC. 703. The GI Bill Improvement Act of 1977 (Public Law 95-202) is amended—

(1) by striking out "paragraph (1)" in section 305(b)(3) and inserting in lieu thereof "paragraph (2)"; and

(2) by striking out "honorand" in section 401(a)(1)(B) and inserting in lieu thereof "honorable".

SEC. 704. The provisions of this Act shall become effective on October 1, 1979, or the first day of the second calendar month following the date of enactment, whichever occurs later.

VETERANS ADMINISTRATION,
Washington, D.C., March 26, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill titled the "GI Bill Amendments Act of 1979."

This draft bill incoporates numerous proposed changes in the education programs administered by the Veterans Administration for veterans and dependents. A general description of the major changes proposed in the bill is followed by a more detailed explanation of each of the proposed changes which is enclosed.

Title I of the draft measure would, among other things, carry out the President's recommendations, contained in his message to the Congress of October 10, 1978, calling for an extension of the current 10-year delimiting date for veterans of the Vietnam era who are in need or who are educationally disadvantaged. The proposal would allow veterans an additional 2-year period in which to (a) pursue on-job training or, if they have not received a high school diploma or a General Equivalency Certificate (GED), (b) pursue a vocational training program leading to a vocational objective, or (c) pursue a program of education leading to the high school diploma or equivalency certificate. This would permit these disadvantaged veterans who lack job skills or education an opportunity to receive training and/or education to permit them to enter the job market. Counseling would be provided the educationally disadvantaged veterans to assure they are placed in appropriate programs.

Title I would also make two basic changes in section 1673 of title 38, United State Code, relating first to the 50 percent employment requirement imposed on vocational training; and second to the so-called 85–15 veterans-student enrollment limitation.

Turning to the first proposed change, current law bars the Administrator from approving the enrollment of eligible veterans and dependents in courses with a vocational objectve unless the school or the veteran submits justification showing that at least one-half of the persons who completed the course, and are not unavailable for employment, have been employed in the occupation for which trained.

Section 204 of Public Law 94–502 directed the Veterans Administration to make a study of the vocation objective programs approved for the enrollment of veterans and other eligible persons under Veterans Administration education programs to determine the extent to which they are in compliance with the provisions of law, with our findings to include data on compliance with the 50 percent employment provisions of section 1673 (a)(2). Our report, entitled "Study of Vocational Objective Programs Approved For the Enrollment of Veterans" (Senate Committee on Veterans' Affairs Print No. 23, 95th Congress; House Committee on Veterans' Affairs Print No. 147, 95th Congress), was submitted to the Congress on July 11, 1978.

Consistent with the findings of that report, three changes are being recommended for this particular section of law. First, the provisions would be modified to provide an exemption from the requirement for those educational institutions which have 35 percent or less of those in receipt of GI Bill allowances and have met the reporting requirement for the preceding two consecutive reporting periods. We believe this proposal would alleviate the reporting requirements for a great number of schools thus providing a savings for them.

The second proposed change would require those schools subject to the reporting requirements to include in their 50 percent employment computation not only those individuals who completed the course, but those who discontinued the course prior to completion as well. This proposed provision could have a dual effect. It could, on the one hand, give schools "credit" for those individuals who commenced the course, left it prior to completion, but, nevertheless, obtained sufficient skills from the course to obtain employment in the qualifying objective. On the other hand, it should eliminate the practice of some schools of disenrolling a student prior to graduation in an effort to avoid having to include the student in the 50 percent employment computation.

The third proposed change would require the student to be employed in an occupation which constitutes his or her major source of occupational income. This would eliminate those individuals, presently included by some schools, who have been minimally employed only part time or on a spare time basis in the occupation for which trained.

With respect to the enrollment limitations, title I would also eliminate the requirement in section 1673(d) of title 38 that schools, in computing the so-called 85–15 veteran-student enrollment figure, include those individuals who are in receipt of Basic Educational Opportunity (BEOG) or Supplementary Education Opportunity (SEOG) grants.

Public Law 94–502 amended section 1673 (d) to bar the enrollment of veteran-students, not already enrolled, in any course (with certain limited exceptions) for any period during which the Administrator found that more than 85 percent of the students enrolled in the course had all or part of their tuition, fees, or other charges paid to or for them by the school, by the Veterans Administration, or by grants from any Federal agency. Public Law 95–202 inserted an exception for those schools having 35 percent or fewer veterans or persons receiving such assistance. This same law directed the Administrator to make a study to determine the effects of these requirements.

The findings of this study were submitted to the Congress on November 16, 1978, in our report entitled "The Necessity and Desirability of Including Recipients of Federal Grants Other Than the Veterans' Administration in the 85–15 Ratio Computation" (Senate Committee on Veterans' Affairs Print No. 28, 95th Congress; House Committee on Veterans' Affairs Committee Print No. 168, 95th Congress).

The study concluded that prior to the requirement that BEOG and SEOG recipients be included, the 85–15 ratio requirements were effective in preventing abuses found in schools with all-veteran and all-eligible person enrollments. It also found that a significant number of schools do not have the administrative capability of reporting the ratio of these students. Thus, the proposal made here would eliminate the requirement that BEOG and SEOG recipients be counted in the ratio requirement.

Title I would further repeal a provision of current law (38 U.S.C. 1674) linking satisfactory progress with course completion time. This was added to the law by Public Law 94–502, but has proved to be unworkable. It has imposed administrative burdens on the schools, led to some anomalous and often unjust results for students, and has been a great source of friction between the Veterans Administration and the collegiate educational community.

Sections 1775 and 1776 of title 38 presently require that schools have, publish, and enforce standards of progress in order to have their courses approved. In addition, section 1780(a)(4) of title 38 prohibits payment of educational assistance for the pursuit of a course not counted toward graduation requirements.

Section 305(b)(2)(B) of Public Law 95–202 required a study by the Veterans Administration of the statutory standards of progress requirements. The results of the study are contained in our report to the Congress entitled "Progress or Abuse—A Choice" (House Committee on Veterans' Affairs Print No. 170, 95th Congress; Senate Committee on Veterans' Affairs Print No. 30, 95th Congress), transmitted on December 6, 1978. This study concluded that the standards of progress currently enforced by most accredited colleges and universities, together with the other provisions of law we have just cited, are generally sufficient to avoid abuse. Consequently, we believe the completion time standard of section 1674 can safely be deleted, and such a proposal has been included in the draft bill.

Title II of the draft bill proposes to make a number of changes in the provisions of chapter 35 governing programs of education pursued by eligible dependents. Comparable provisions have been included to revise the 50 percent employment and standards of progress requirements for these eligibles to equate them with those applicable to eligible veterans under chapter 34.

Title III of the draft measure would make a number of changes in chapter 36 of title 38 involving the administration of our veterans' and dependents' education program. These changes would, for the most part, codify and clarify existing practices and procedures which have been followed by the Veterans Administration for a number of years.

Title IV of the draft measure would repeal current authority for pursuit of flight training by veterans under chapter 32 and 34 of title 38 and would also repeal current authority for pursuit of correspondence training by veterans, surviving spouses, and spouses under chapters 34 and 35. A termination date of October 1, 1979, or the first day of the second calendar month following the date of enactment, whichever is later, beyond which neither program of training could be pursued, would be set in the draft bill.

On July 11, 1978, the Veterans Administration sent to the Congress its report on "Study of Vocational Objective Programs Approved For the Enrollment of Veterans." This report contains the most recent data relative to the effectiveness of flight and correspondence training programs. This study found that flight and correspondence training are not achieving their intended purpose—to help provide a source of continuing substantial professional employment for veterans and dependents.

The study shows, for example, that in the area of flight training, although completion rates are high (an average of 76 percent), graduates are shown to have been quick to accept very limited, part-time employment for the purpose of free or reduced-rate flying rather than for professional employment. As we pointed out in our discussion of the 50 percent employment requirement set forth in section 104 above, current law does not specify whether job placement needs to be full time. We have found that a number of flight schools have used this lack of definition to achieve high placement ratios in technical compliance through the use of graduates as part-time instructors. Thus, the study concluded that although placement data for flight schools appears to be high, based on statistics representing technical compliance with the law, in terms of full-time paid jobs, placement is much lower.

The most recent correspondence completion statistics indicate that completion rates for vocational courses offered by correspondence averaged as low as 41 percent.

We believe that the ineffectiveness of these two programs in achieving their intended purpose, along with potential for abuse within these programs, necessitates their termination. There is ample evidence that the training does not lead to jobs for the majority of trainees and that the courses tend to serve avocational, recreational and/or personal enrichment, rather than basic readjustment and employment objectives.

Title V of the draft bill would terminate the Predischarge Education Program (PREP) provided under chapter 32 of title 38. This is the contributory education program provided those individuals initially entering active service on and after January 1, 1977.

Under current law, service personnel are permitted to pursue PREP training programs during the last 6 months of their first enlistment. These programs are designed to provide them with courses which will aid them to enroll in and pursue a program of education in the future.

The proposal would terminate the PREP authority prior to the enrollment of any potentially eligible individuals to pursue such courses. Today the Department of Defense operates viable inservice education programs. These benefits, which range all the way from vocational training through graduate work, are available in the military service. Thus, the continued need for PREP is no longer apparent.

The Department of Defense agrees with our proposal to discontinue this program believing that adequate inservice education programs are available and the continuance of PREP would duplicate efforts of these programs and contribute little to the military mission.

There are a number of provisions in the draft bill which will cost money. However, these will be offset by the savings which will occur as a result of the provisions for repeal of the flight, correspondence, and PREP training programs. Therefore, it is estimated that enactment of the draft bill would result in a net direct benefits savings of $4,874,000 in Fiscal Year 1980 and in net direct benefits savings of $41,965,000 over the first 5 fiscal years. It is also estimated that enactment would result in net administrative savings in Fiscal Year 1980 of $1,046,200 and in net administrative savings over the first 5 years of $2,586,000. A summary of the costs/savings by fiscal year and by program is enclosed.

We request this bill be introduced and recommend its favorable consideration.

We have been advised by the Office of Management and Budget that enactment of this draft bill would be in accord with the President's program.

Sincerely,

Max Cleland,
Administrator.

COST/SAVINGS ESTIMATE—GI BILL AMENDMENTS ACT OF 1979

TOTAL NET SAVINGS FOR THIS BILL

[Dollar amounts in thousands]

Fiscal years	Trainees	Benefits cost	Man-years	Administrative cost
1980	−45,100	−$4,874	−63	−$1,046.2
1981	−36,490	5,282	−49	−766.0
1982	−37,780	−6,022	−34	−444.2
1983	−40,165	−19,081	−23	−232.1
1984	−35,650	−17,270	−16	−97.5
Total		−41,965	−185	−2,586.0

COST ESTIMATE—2-YR EXTENSION

Fiscal years	Trainees	Benefits cost (thousands)
1980	31,900	$54,000
1981	33,500	56,715
1982	22,000	37,245
1983	10,400	17,605
1984	8,400	14,220
Total		179,785

COST SAVINGS—TERMINATION OF FLIGHT AND CORRESPONDENCE TRAINING

[Dollar amounts in thousands]

Fiscal years	Trainees	Benefits savings	Man-years	Administrative savings
1980	−74,500	−$57,849	−63	−$1,073
1981	−64,390	−49,137	−49	−845
1982	−54,480	−41,094	−38	−667
1983	−46,665	−35,087	−28	−491
1984	−41,250	−30,342	−25	−460
Total		−213,509	−203	−3,536

COST ESTIMATE—CH. 32 COUNSELING

[Dollar amounts in thousands]

Fiscal year	Ch. 32 trainees	Counseling cases	Man-years	Administrative cost
1980	11,400	501	1	$47.9
1981	30,000	1,320	3	127.0
1982	51,800	2,279	7	268.9
1983	68,500	3,014	7	293.4
1984	90,000	3,960	10	387.6
Total	251,700	11,074	28	1,124.8

COST SAVINGS—REPEAL OF PREP AUTHORITY

[Dollar amounts in thousands]

Fiscal years	Trainees	Benefits savings	Man-years	Administrative savings
1980	−2,500	−$1,025	−1	−$21.1
1981	−5,600	−2,296	−3	−48.0
1982	−5,300	−2,173	−3	−46.1
1983	−3,900	−1,599	−2	−34.5
1984	−2,800	−1,148	−1	−25.1
Total		−8,241	−10	−174.8

SECTION-BY-SECTION ANALYSIS OF PROPOSED DRAFT BILL

The first section of the proposed draft bill provides that the Act may be cited as the "GI Bill Amendments Act of 1979."

TITLE I—GI BILL PROGRAM ADJUSTMENTS

Section 101 proposes to make two amendments to section 1662 of title 38, United States Code. The first would set a 1-year period within which veterans may apply for and obtain an extension of their delimiting periods where they have been unable to complete their education within the regular 10-year period of time because of a physical or mental disability. The 1-year time period would commence at a date dependent on the circumstances in the individual case, but not earlier than 1-year after the effective date of the proposed legislation.

The second amendment to section 1662 proposes to carry out the President's recommendations, contained in his message to the Congress of October 10, 1978, calling for an extension of certain Vietnam era veterans' delimiting dates under specified circumstances.

Public Law 95–202 amended 38 U.S.C 1662(a)(1) to permit veterans, who are prevented from training during the basic delimiting period because of a physical or mental condition, an extension of time within which to commence or complete the chosen program of training. However, the law does not specifically require the individual to act promptly in seeking this relief. Failure to seek training within a reasonable period of time would defeat the intent of the educational assistance program which is to enable a veteran to readjust to civilian life. We believe a 1 year limitation is consistent with the congressional intent behind the extension of the delimiting date provided for by Public Law 95–202.

Consequently, a person seeking a delimiting date extension, by reason of hardship resulting from a physical or mental disability, is required to apply for the extension within 1 year after the disability is removed or within 1 year after the original delimiting date, or 1 year from the enactment of this proposal, whichever is the later.

Current law [38 U.S.C. 1662(a)(1)] provides that no educational assistance may be afforded an eligible veteran under chapter 34 beyond the date 10 years after the veteran's last discharge or release from active duty after January 31, 1955, except for time lost due to a physical or mental disability.

The President, in his message to the Congress on October 10, 1978, on "Vietnam Era Veterans" (House Document No. 95–396), emphasized that many educationally disadvantaged and needy Vietnam era veterans have not taken full advantage of their GI Bill education benefits during the 10-year period available to them. In addition, the unemployment rate is higher for Vietnam era veterans who are educationally disadvantaged, members of minority groups, or disabled than for other Vietnam era veterans who are not so situated.

Section 101 would also provide a 2-year extension of the current 10-year delimiting date to permit veterans who served during the Vietnam era (August 5, 1964–May 7, 1975) to pursue programs of on-job training. This permits such veterans to receive training and have marketable skills to be employed by industry. It also permits Vietnam era veterans who are educationally disadvantaged (who have not received a high school diploma or equivalency certificate) 2 additional years to pursue vocational-technical and high school courses to upgrade their education. Suitable counseling is also provided these Vietnam era veterans to assure they are placed in appropriate training programs.

It is estimated that enactment of this program would cost $54,000,000 in Fiscal Year 1980 and would cost $179,785,000 over the first 5 fiscal years.

Section 102 would amend section 1663 of title 38 to require counseling for those veterans who seek extended delimiting date benefits under the provisions of section 1662 (a)(3)(B) (see section 101 above). Those individuals are believed to be in greater need of guidance and encouragement with reference to utilizing available educational opportunities than other veterans.

Section 103 would amend section 1671 of title 38 to include express authority to disapprove an application for benefits filed by a veteran or serviceperson if enrollment would be precluded under any of the provisions of chapter 36 of title 38.

Section 1671 currently provides, in part, that the Administrator shall approve an application for educational assistance benefits unless the veteran or person is not eligible for, or entitled to, such assistance; the program of education selected fails to meet any of the requirements of chapter 34 of title 38; or the veteran or serviceperson is already qualified. Although we believe the Administrator has the authority to disapprove an application based on an enrollment precluded under chapter 36 [e.g., 38 U.S.C. 1789, 1790, and 1791], this amendment would clarify and expressly codify such authority.

The proposed change provides logical consistency as between the chapter 34 and chapter 36 provisions.

Section 104 proposes three changes to section 1673 of title 38. The first would amend subsection (a)(2) to provide certain revisions in the so-called 50 percent employment reporting rule. Two of the changes would tighten up on the requirements to call for inclusion of those who enroll in the course, but discontinue before completion, and require employment in a vocational pursuit that represents the basis for the individual's vocational income. A further change would provide an exemption for many schools which have 35 percent or fewer veterans and dependents enrolled under certain circumstances. The second change to the section would amend subsection (c) dealing with courses pursued by open circuit television. The third would amend subsection (d) with respect to the so-called 85–15 veteran-student enrollment ratio requirements to eliminate the need to include Basic Educational Opportunity Grant (BEOG) and Supplemental Educational Opportunity Grant (SEOG) recipients.

The first change would amend section 1673(a)(2) of title 38, United States Code, to strengthen the 50 percent employment requirement. The proposed amendment would also liberalize the reporting requirements by more narrowly focusing the application of the 50 percent employment test. The current 50 percent employment test provisions require a showing that at least one-half of the persons who completed the course over the preceding 2 years obtained employment in the category for which the course was designed to qualify them. The change would include in the required one-half those who discontinued the course as well as those who completed it. This would have a dual effect. On the one hand, it would give schools "credit" for those students who left prior to completion but who, nevertheless, obtained sufficient skills from the course to obtain employment in the qualifying objective. On the other hand, it would eliminate the practice by some schools of disenrolling a student prior to graduation in an effort to avoid having to include the student in the 50 percent employment computation.

Further, the proposed change, by requiring that the qualifying employment constitute the individual's primary vocational pursuit and major source of occupational income, makes the employment test more representative of the effectiveness of the school's training. Thus, it would no longer be sufficient for a school to establish minimum compliance by including in its computation a graduate who, for example, is employed in the occupation for which trained on a limited spare-time or part-time basis.

Finally, the proposed amendment would eliminate continued reporting by schools to justify their having met the 50 percent employment requirement, provided that they have 35 percent or less veteran-dependent enrollment and can show a history of compliance with the employment requirement for the preceding two consecutive reporting periods. These changes are consistent with the legislative changes recommended to improve administration of the 50 percent employment requirement contained in a study entitled "Study of Vocational Objective Programs Approved For the Enrollment of Veterans," a report of which was submitted to the Congress on July 11, 1978 (Senate Committee on Veterans' Affairs Print No. 23, 95th Congress; House Committee on Veterans' Affairs Print No. 147, 95th Congress), as required by section 204 of Public Law 94–502.

Concerning the second proposed change, current law [38 U.S.C. 1673(c)] provides that the VA shall not pay an educational assistance allowance for a course pursued by open circuit TV unless the open circuit television training is an integral part of a residence course leading to a standard college degree and the major portion of the course requires conventional classroom or laboratory attendance. While the legislative history indicates that Congress did not intend to permit payment for the television portion of such a course, if the television portion was equal to or greater than the residence portion, the VA has been paying for the television portion equivalent to 1 credit hour less than the residence portion. The allowance for the combination has been computed the same as independent study-resident study combination [38 U.S.C. 1682 (e)]. This is appropriate since many independent study courses rely heavily on open circuit television training.

The amendment specifies that regardless of how the open circuit television portion of the course is approved, i.e., part of a residence course or part of an independent study course, (1) payment can be made even if the television training predominates and (2) the method of computation is the same in both cases. This avoids inequities by insuring that similar training would be paid for in a uniform manner and places in the code policy that the VA has established and used for some time.

The third proposed change would amend subsection (d) of section 1673 to eliminate the computing of certain individuals in connection with the so-called 85–15 enrollment requirement.

Public Law 94–502 amended section 1673 (d) to provide that the Administrator of Veterans Affairs shall not approve the enrollment of any eligible veteran, not already enrolled in any course other than one offered pursuant to subchapter V of chapter 34 (educationally disadvantaged veterans), any farm cooperative training course, or any course described in section 1789(b)(6) of title 38 (courses offered on military bases) for any period during which the Administrator finds that more than 85 percent of the students enrolled in the course are having all or part of their tuition, fees or other charges paid to or for them by the educational institution, by the Veterans Administration under title 38 and/or by grants from any Federal agency. The Administrator may, under the law, waive such requirements in whole or in part if the Administrator determines it to be in the interest of the eligible veteran and the Federal Government.

Additional provisions (added by Public Law 95–202) state that 1673(d) shall not apply to any course offered by an educational institution if the total number of veterans and persons receiving assistance under chapters 31, 32, 35, or 36 of title 38 and enrolled in the institution equals 35 percent or less of the total student enrollment at the institution, except that the Administrator may apply the provisions of the law in cases where there is reason to believe that the enrollment of such veterans and persons may be in excess of 85 percent of the total student enrollment in a course.

Previously, funds received from Federal agencies other than the VA were not factors in making the required computation. Since the enactment of Public Law 94–502, numerous groups, organizations and individuals have informed the Congress of what they perceive to be the burdensome effects of the inclusion of Federal grant recipients in the 85–15 ratio computation. These criticisms have continued despite the permanent waiver by the Veterans Administration of the requirement to include all Federal grant recipients, with the exception of Basic Educational Opportunity Grant (BEOG) recipients and Supplemental Educational Opportunity Grant (SEOG) recipients, and the temporary waiver by the Veterans Administration of the requirement to include BEOG and SEOG recipients.

During June 1977, Congressional hearings, representatives of the Veterans Administration were asked if it would be disadvantageous to the Veterans Administration's efforts in curbing abuse to eliminate from the computation of the 85–15 ratio the inclusion of the BEOG and SEOG recipients by legislation rather than through regulation. The Veterans Administration officials responded that the Congress might wish to examine the implications of such a move. The VA was, therefore, directed (section 305(a)(3) of Public Law 95–202) to conduct a study of the effects of the requirements. The results of this study were made available to the Congress on November 16, 1978 ("The Necessity and Desirability of Including Recipients of Federal Grants Other Than From the Veterans' Administration in the 85–15 Ratio Computation"; Senate Committee on Veterans' Affairs Print No. 28, 95th Congress; House Committee on Veterans' Affairs Committee Print No. 168, 95th Congress).

This study concluded that:

(1) Prior to the change in the law requiring the inclusion of BEOG and SEOG recipients in the 85–15 ratio computations, the 85–15 ratio requirements were generally effective in preventing abuses found in schools with all-veterans and all-eligible person enrollments;

(2) A significant number of educational institutions do not have the administrative capability to report the ratio with BEOG and SEOG students included; and

(3) The integrity of the program could be maintained without inclusion of BEOG and SEOG students.

Based upon these findings, the study recommended that the law be amended to rescind the requirement that recipients of BEOG or SEOG benefits shall be considered in computing 85–15 ratios. This recommendation is incorporated in the proposed change suggested here.

Section 105 would amend section 1674 of title 38 by removing the provision linking satisfactory progress with course completion time.

The statutory standard for satisfactory progress contained in section 1674 has proved unworkable. It has imposed significant administrative burdens on schools, led to some anomalous and unjust results for students (requiring exercise of VA discretionary waiver authority), and been a great source of friction between the VA and the collegiate educational community.

The wisdom of having separate standards of progress for veterans is questionable. Such standards are not only burdensome, but also may appear discriminatory. On balance we believe it is preferable to rely on school standards applicable to all students, provided such standards are enforced.

Sections 1775 and 1776, as amended by Public Law 94–502, require that schools have, publish, and enforce standards of progress in order for their courses to be approved. Further, section 1780(a)(4) now prohibits payment of educational assistance for pursuit of a course not counted toward graduation requirements. These provisions, when coupled with effective oversight by the State approving agencies and the VA, should substantially reduce abuses related to standards of progress. Clearly, such provisions will not tolerate school standards of progress which permit retention of a student whose record reflects only failing grades.

We believe that the published standards of progress of most accredited colleges and universities, together with the mentioned provisions of sections 1775, 1776(b)(6) and (7), and 1780(a)(4), should be sufficient to avoid abuse. Consequently, we recommend that the completion time standard of section 1674 be deleted.

This amendment is consistent with the findings, conclusions, and recommendations contained in the study, required by section 305 of Public Law 95–202 entitled "Progress or Abuse—A Choice." This study investigated the need for legislative and administrative actions regarding standards of progress provisions of the GI Bill and class session requirements of the Veterans' Administration Regulations, and was transmitted to the Congress on December 6, 1978 (House Committee on Veterans' Affairs Print No. 170, 95th Congress).

Section 106 proposes a restructuring of section 1676 of title 38. The change clarifies the requirements under which foreign training may be pursued.

Current law (38 U.S.C. 1676) provides that an eligible veteran may pursue a program of education at an educational institution not located in a State only if such institution is an approved institution of higher learning. However, the statutory definition of the term "institution of higher learning" [38 U.S.C. 1652(f)] does not embrace schools located in a foreign country. Rather, it refers to schools empowered by State educational authority under State law to grant a degree or, when no such law exists, schools accredited for degree programs by a recognized accrediting agency.

In order to correct this inconsistency (an apparent oversight when the definition of "institution of higher learning" was added by Public Law 94–503 § 202), the proposed amendment clarifies, in subsection (a), the nature of the foreign course enrollment permitted. The change allows enrollment only in a foreign school which is recognized to be comparable essentially to a fully recognized degree-granting institution by the appropriate foreign education authority, and is approved by the Administrator. We believe this would be consistent with the Administrator's statutory responsibility for approving courses offered by such institutions [38 U.S.C. 1772(b)].

In some cases, eligible veterans may have been unable to use their educational benefit entitlement because they resided in a foreign country, or because they wanted to pursue a college level program of education not leading to a standard college degree, which was available only at an educational institution located in a foreign country. The proposed change would allow relaxation of the foreign training restriction to permit receipt of educational benefits in those institutions recognized by the foreign government's commissioner of education (or the equivalent) as being equatable to a standard college degree course, and is approved by the Administrator.

The proposed new subsection (b) contains the existing provision of section 1676 which gives the Administrator discretionary authority to deny or discontinue the educational benefits of an eligible veteran enrolled in a foreign educational institution when such enrollment is found not to be in the best interest of the veteran or the Federal Government.

Section 107 proposes three modernizing changes to section 1682 of title 38. The first would amend subsection (d) to grant the Veterans Administration authority to pay veterans educational assistance allowance benefits where they are pursuing continuing education courses which are required for relicensure or continued employment. The second would add a new subsection (f) providing for the method of payment of benefits where a veteran is pursing a program of education in part by open circuit television. The third would add a new subsection (g) to provide special educational assistance allowance payment procedures for incarcerated veterans in training under chapter 34.

The first proposed change to section 1682 would amend clause (1) of subsection (d) to permit payment of educational assistance to otherwise eligible veterans for continuing education required by Federal, State, or municipal law for relicensure or continued employment.

Currently, section 1671 of title 38 prohibits approval of educational assistance for any program for which the veteran is already qualified. However, persons increasingly are being denied employment or are prevented from attaining relicensure in various occupations unless they take specified courses. Continuing education is now being emphasized in a number of professions, most notably the medical and legal professions.

Clause (2) of subsection (d) would be amended to reflect that payment for the continuing education authorized by the previous clause shall be at the same rate as is applicable to the pursuit of refresher training.

The second proposed change to section 1682 would add a new subsection (f) providing, as noted above, for the method of payment of benefits where a veteran is pursuing a program of education in part by open circuit television. The change here would carry out the change in approval of such training proposed in section 1673, which is discussed above in section 104.

If the course consists of a combination of open-circuit television training and residence training, the manner in which payment of benefits shall be computed is the same as programs in which the training is partly independent study and partly residence training. Thus, if the majority of the course is by open-circuit television, or if the two portions are equal, the credit assigned for the open-circuit portion is to be reduced to one less than the credit for the residence portion. The two portions are then combined and benefits are computed in the usual manner as for residence training. If, on the other hand, the open-circuit portion is less than the residence portion, the credit hours of each are merely combined and benefits are computed for the combined credit hour load as though the entire course were residence training.

Turning to the third proposal, current law [38 U.S.C. 1681(a)], provides for payment of monthly educational assistance allowances to veterans pursuing programs of education. The monthly allowance includes funds to meet, in part, the expenses of the veteran's subsistence, tuition, fees, supplies, books, equipment, and other educational costs. Under the proposal, where an incarcerated veteran is pursuing his or her program of institutional training on less than a half-time basis, he or she would be paid only for the cost of the tuition and fees. This would be the same as the provision in current law applicable to service personnel and other veterans pursuing programs on less than a half-time basis.

Where the incarcerated veteran is pursuing his or her program on a half-time or more basis, the veteran is, under current law, paid the statutory amount based upon the amount of pursuit. Thus, in such cases, the incarcerated veteran is having his or her subsistence paid for by the prison officials and is, in addition, receiving what amounts to subsistence payments from the Veterans' Administration. The proposal would limit the payment of the educational assistance allowance directly to incarcerated veterans without dependents to the cost of tuition and fees, plus books. Any excess would be withheld by the VA to be paid to the veteran at the time of his or her release from prison.

In those cases where the veteran has dependents, the veteran's costs would be paid directly to the veteran as indicated above with the excess to be withheld to be paid upon release from incarceration, unless the veteran specifically authorizes release of part or all of such excess to his or her dependents. In any case, dependents would be paid that portion of the educational assistance allowance payable on account of dependents.

A number of complaints have been received from prison officials concerning excess funds paid to prisoners by the VA. They have advised that this additional money has caused problems with regard to narcotics, thefts, etc. This provision would help the family while the veteran is in prison, assist the veteran on release from incarceration, and alleviate some of the morale problems created by the availability of these funds to prisoners.

TITLE II—SURVIVORS' AND DEPENDENTS' PROGRAM ADJUSTMENTS

Section 201 would amend section 1712(b)(2) of title 38 to incorporate into chapter 35 the same limitations on filing claims for extensions of delimiting dates where the individual has been unable to pursue his or her program of education because of a physical or mental disability as are contained in section 101 of the draft bill.

Section 202 would amend section 1721 of title 38 to clarify and expressly codify the Administrator's longstanding authority to disapprove an application if enrollment would be precluded under any of the provisions of chapter 36. A similar amendment to section 1671, for veterans training under chapter 34, is provided in section 103 of the draft bill.

Section 203 proposes three changes to section 1723 of title 38. The first change would establish the same 50 percent employment requirements for approval of the enrollment of an eligible person in vocational courses under chapter 35 as are applicable to veterans under chapter 34 as proposed in section 104 of the draft bill. The second change would incorporate into chapter 35 the same provisions for approval of training in open circuit television courses as are contained in the proposed amendment to section 1673, also set forth in section 104 of the draft bill. The final proposed change would delete from subsection (c) of this section the provisions relative to approval of the pursuit of foreign training by an eligible person, and would add a new subsection (e) at the end of the section containing provisions dealing with such training. Such provisions would incorporate into chapter 35 the same restrictions on pursuit of foreign training, and provisions for denying or discontinuing educational benefits for pursuit of such training as are contained in the proposed amendment to section 1676 set forth in section 104 of the draft bill.

Section 204 would amend section 1724 of title 38 by deleting the statutory definition of what constitutes unsatisfactory progress. This proposed change to the standards of progress requirements for eligible persons under chapter 35 is similar to the proposed amendment to section 1674 of title 38 governing veterans training under chapter 34. The rationale for the change to section 1724 is the same as for the change to section 1674 discussed in the analysis of section 105.

Section 205 would amend section 1731 of title 38 to make chapter 35 educational assistance payment requirements conform with those of chapter 34. The proposed change amends section 1731(a) to show that not every eligible person must have a guardian and that payment may be made directly to the eligible person whether that person is the child or spouse of the veteran. Secondly, the proposed change replaces the present language of section 1731(b) with language similar to that found in section 1681(b) governing payment of educational assistance to eligible veterans.

Current law [section 1731(a)] authorizes the Veterans Administration to make advance payments of educational assistance allowance to eligible persons training under chapter 35 provided the requirements of 38 U.S.C. 1780 are met. However, section 1731(b) bars the payment of benefits to eligible persons pursuing courses not leading to a standard college degree for any period until the Administrator receives certifications from the person and the school as to the individual's enrollment in and pursuit of the course of education during the period for which payment is to be made.

Whatever justification there may have been for these seemingly inconsistent provisions certainly no longer exists. Eligible persons under chapter 35 share with eligible veterans under chapter 34 the same needs which the advance payment statute was expressly designed to meet. Moreover, we can conceive of no greater abuse potential by the former than by the latter. Administrative control is assured, in any case, since the Administrator has authority under redesignated section 1780(f) to set requirements for certification of attendance and pursuit and to withhold payment until such justification is received.

Thus, the amendment would equalize treatment of eligible veterans and eligible persons. It would also reduce the burden on schools and the Veterans Administration in processing certifications of attendance and pursuit.

Section 206 proposes to make two amendments to section 1732 of title 38, United States Code. The first would incorporate into the chapter 35 program the same provisions on payment of open circuit television training as are provided for veterans in the proposed amendment to section 1682 which is discussed in section 107 of the draft bill. The second would impose restrictions on payment of chapter 35 benefits to incarcerated individuals similar to those imposed on veterans without dependents in the amendment to chapter 34 also discussed in section 107 of the draft bill.

TITLE III—ADMINISTRATIVE ADJUSTMENTS

Section 301 would amend section 1780(a) of title 38 to make three changes. The basic purpose of these changes is to clarify the period of pursuit for which educational assistance is payable and the Administrator's authority to determine the type, character and extent of pursuit of any program of education for which the eligible veteran or person receives an educational assistance allowance.

The first change to be proposed in clause (1) of the subsection restores language which appeared in the statute prior to its amendment by Public Law 92-540 in 1972. Prior to that time, separate sections pertaining to measurement were located in both chapters 34 and 35. In the 1972 enactment the two provisions were consolidated into one section which was then placed in chapter 36 of title 38, a chapter previously reserved for administrative provisions. In the consolidation, the words "and pursuit" were dropped from the language. This change will restore the omitted words and assure that students are paid only during periods of actual pursuit of training subject, of course, to the specific exceptions provided in paragraphs (A), (B), and (C) of subsection (a).

The second proposed change to clause (1) of subsection (a) of the section is intended to clarify and emphasize that no educational assisstance allowance shall be provided to an eligible veteran or person for any period for which the Administrator determines, pursuant to regulations promulgated under redesignated section 1780(f) of this title, that the individual is not pursuing his or her course.

The third change proposed interrelates with the two previously proposed changes. The purpose is to codify VA regulations and the practice that benefits are paid only for actual course pursuit. Although these practices have been challenged, the court in *Wayne State* v. *Cleland* has confirmed the VA's traditional authority to determine the nature and extent of course pursuit for which benefits are payable. In the light of this longstanding approved authority, we are codifying it in this proposed change. Thus, for example, when a unit subject requires pursuit on an accelerated basis for a few days during only 2 weeks of a 10–13 week quarter, and the school, for administrative purposes, considers the enrollment period for such subject to be the entire quarter, the period of benefit payment, nevertheless, shall be limited to the 2-week period of actual required pursuit.

Section 302 would amend section 1780(g) of title 38 and redesignate it as section 1780(f) to emphasize further the authority of the Administrator to define, for payment purposes, the enrollment in, pursuit of, and attendance at programs of education.

Although the Veterans Administration has no authority nor desire to regulate the policies and regulations established by an educational institution for its own purposes, it clearly has both the authority and the obligation to define and determine the course enrollment, pursuit, and attendance consistent with congressional intent concerning the circumstances under which educational benefits may be paid.

Section 303 would amend section 1784 of title 38 to require educational institutions to report facts of which they have knowledge, or of which they through the exercise of reasonable diligence should know, which indicate that the course or the school does not comply with the requirements of chapters 34, 35, and 36 of title 38.

Under the existing provisions of section 1785 of title 38 a school may only be held liable for overpayments, if the overpayment results from willful or negligent failure to report or from a false report. Most VA reports relate to the facts of the particular veteran or eligible person. In some cases payments are made by the VA based upon an erroneous belief that the school and course are in compliance with the law. Not all such violations of the law are specifically reportable to the VA. They may only be an implied part of the certification as to the student. Thus, a school could make enrollment reports that are technically accurate, yet the veteran or eligible person should not have been paid because the school or the course does not meet the legal requirements of chapters 34, 35, and 36. If the school knew, or should have known of the defect, it should be, consistent with the congressional intent of section 1785, liable to the VA for the overpayments unless it makes the facts known to the VA.

The section is also amended to indicate that veterans and eligible persons shall report changes in status. The reason for this change is more fully explained in connection with the explanation to section 304 below. The table of cases is amended to reflect the revised headings.

Section 304 amends section 1785 of title 38 to require of veterans and eligible persons the same duties to report changes in status that are now required of educational institutions.

Section 1785 imposes liability directly on the schools for the enumerated acts but no similar explicit duty is required in that section of the veteran or eligible person. We have long provided by regulations that the veteran or eligible person must report changes in status timely and truthfully. The proposed amendment will simply codify this longstanding practice. In each of these two situations direct, explicit statutory provisions should be included in title 38.

Section 1785 is also amended to clarify that the veteran or eligible person and the educational institution are jointly liable to the VA for overpayments. In some cases schools have objected to being held liable for overpayments as to which the veteran is absolved by waiver as authorized by section 3102 of title 38. This amendment codifies traditional practice that the school is not only jointly liable, but that the Federal Government has the legal right to seek its remedy from the school alone, if a veteran has been granted a waiver.

Section 305 amends section 1788(a) of title 38 to codify and clarify the full-time measurement standard embodied in clause (4) of subsection (a) and the category of courses which such standard is intended to embrace.

The amendment limits the application of section 1788(a)(4) to those undergraduate collegiate degree courses pursued in residence on a standard quarter- or semester-hour basis. The term "in residence on a standard quarter- or semester-hour basis" is expressly defined in the amendment as requiring pursuit of regularly scheduled weekly class instruction on campus at the rate of one standard class session per week throughout the semester for one semester hour of credit. This standard traditionally has been followed by the majority of collegiate institutions and remains the generally accepted quantitative measure of course pursuit.

The Congress recognized this tradition when it first established the minimum credit load to be considered full-time pursuit for VA educational benefit purposes. Since it was commonly accepted that each collegiate hour of credit required 1 hour of class and 2 hours of outside preparation each week, the time, resources, and energy required of the student pursuing 14 semester hours warranted the full-time assistance allowance provided. Moreover, such application of time toward educational pursuit roughly equalled that of the full-time student pursuing other forms of training. Thus, a 14-semester hour minimum for full time not only was consistent with full-time measurement standards in the collegiate community, generally, but also was on a par with the pursuit required of noncollege course students for full-time benefits.

The Congress subsequently liberalized the minimum credit load which could be considered full-time in certain circumstances to less than 14 but not less than 12 semester hours or the equivalent. This was done in recognition of a substantial change in certain college enrollment practices and veteran needs. It is important to note, however, that this limited statutory acceptance of a lesser number of credits considered full time did not affect the character or extent of pursuit which the Congress expected such credits to represent.

The Congress intended that the term "semester-hour" as used in the statute be construed in its traditional sense. And, since the enactment of the Korean conflict GI Bill, the Veterans Administration has consistently interpreted and implemented the statutory course measurement provision for institutional undergraduate courses offered on a quarter- or semester-hour basis in this manner.

However, some within the educational community recently have challenged the VA Administrator's authority to apply the traditional credit-hour measurement standard to "nontraditional" courses which they claim have been structured to meet the special needs of their student population. These schools contend that section 1788(a)(4) requires that the VA pay full-time educational assistance allowance when the school, not the VA, determines that the veteran is a full-time student. They complain that the VA has ignored innovations in educational approach and has unlawfully intruded into their academic affairs. A few have gone to court to prevent the VA from implementing any class session requirements.

We want to emphasize that the VA has not imposed and has no intention of imposing its determination of what constitutes full-time training on any school. We do, however, have both the right and the responsibility to determine the proper statutory rate of benefits which the Congress intended would be paid a veteran based on the nature and extent of such veteran's pursuit of an approved program of education.

Further, the Congress and the VA have taken notice of certain "nontraditional" approaches to education. The Congress, for example, has expressly recognized independent study programs and enacted special provisions governing the rate of educational assistance payable for pursuit of such courses [38 U.S.C. 1682(a)]. Whether other collegiate programs which do not fit the traditional mold are entitled to similar legislative recognition is a matter for congressional determination.

The Administrator's interpretation and implementation of section 1788(a)(4) were recently confirmed in the case of *Wayne State University* v. *Cleland*, 440 F. Supp. 811 (E.D. Mich. 1977), rev'd & remand'd. Nos. 78-1141, 78-1142 (6th Cir. Dec. 21, 1978). Although this decision by the Sixth Circuit establishes a strong precedent, we believe that a statutory codification of the VA's longstanding policies and practices in determining such course measurement will ensure nationwide uniformity of application and eliminate any further misunderstanding.

Section 306 amends section 1788(a) of title 38 to clarify that the provisions of clauses (1) and (2) thereof which reduce the number of clock hours of attendance required for payment for full-time benefits in the case of courses "approved pursuant to section 1775 of this title" are limited to courses accredited by nationally recognized accrediting agencies.

The legislative history of both section 509 of Public Law 94–502 and section 304 of Public Law 95–202 clearly shows that the Congress, in enacting the mentioned liberalized measurement provisions, intended to limit such measurement to approvals under section 1775(a)(1); i.e., courses accredited and approved by a nationally recognized accrediting agency or association. For example, in the Senate report on S. 969 (S. Rept. No. 94–1243, page 127), which bill was ultimately enacted as Public Law 94–502, it was noted that:

"The Committee, in permitting a reduction in clock hours; expressly excludes supervised study in computing the required number of hours. This new measure is limited to schools accredited by nationally recognized accrediting agencies and approved pursuant to section 1775. The Committee has been assured by representatives of those applicable accrediting bodies that such clock-hour reduction will not result in the diminution of the quality of courses offered. Accordingly, the Committee expressly intends that such accrediting bodies take appropriate measures so that this does not occur. Any evidence to the contrary will result in prompt Committee reevaluation of the amendments made by the section."

The congressional intent was reaffirmed with the further amendment of such provisions by Public Law 95–202. (See S. Rept. No. 95–468, 95th Congress, 1st Session, pages 86–87.) The present amendment simply perfects the expression of such intent.

Section 307 would amend section 1795 of title 38 to provide that limitations on periods of educational assistance under two or more VA programs shall include chapter 32.

Section 1795 limits total entitlement accorded a person eligible under two provisions of law to 48 months. However, subparagraph (4), which was enacted earlier in time, fails to include the new chapter 32 program in this limitation. Thus, a veteran eligible for 36 months of benefits under chapter 32 could also, if eligible, receive an additional 48 months under chapter 31 or 45 more months under chapter 35. The amendment, thus, includes chapter 32 to be consistent with the congressional intent of section 1795 relating to multiple benefits.

Section 308 of the draft bill merely amends chapter 32 to reiterate the change to the rule regarding multiple program eligibility made by section 307.

TITLE IV—REPEAL OF AUTHORITY FOR PURSUIT OF FLIGHT AND CORRESPONDENCE TRAINING

Title IV of the draft bill contains numerous amendments to chapters 32, 34, 35 and 36 of title 38 proposing to terminate the authority for pursuit of flight training by veterans and pursuit of correspondence training by veterans, spouses, and surviving spouses. The changes would repeal the basic authority (sections 1677 and 1786) for pursuing these forms of training and would also eliminate the numerous references made in other sections of title 38.

Chapter 34, title 38, currently provides for payment of 90 percent of the tuition charge to eligible veterans for flight training. Correspondence programs are administered under the provisions of chapter 36 of title 38, which also require the Veterans Administration to pay 90 percent of the established charges. Chapter 32 requires 100 percent reimbursement for individuals training under that program.

Our years of experience in administering education programs for veterans and their survivors convince us that flight and correspondence courses have not fulfilled their intended purpose—helping the beneficiary adjust to his or her changed circumstances by providing the training required for basic employment. In both cases there is ample evidence that the training does not lead to jobs for the majority of trainees and that the courses tend to serve avocational, recreational and/or personal enrichment, rather than basic employment objectives. In this connection see the Veterans Administration study entitled "Training By Correspondence Under The GI Bill, An In-Depth Analysis" submitted to the Senate Committee on Veterans' Affairs on August 10, 1976 (Senate Committee Print No. 49, 94th Congress, 2d Session).

On July 11, 1978, the Veterans Administration sent Congress its "Study of Vocational Objective Programs Approved for the Enrollment of Veterans," prepared pursuant to Section 204 of Public Law 94–502 (Senate Committee Print No. 23, 95th Congress; House Committee Print No. 147, 95th Congress). This report contains the most recent compilation of data relative to the effectiveness of the flight and correspondence training programs. It is our view this study supports the conclusion that flight and correspondence training are not achieving their intended purpose, i.e., to help provide a source of continuing substantial professional employment.

For example, in the area of flight training, the study points out that although completion rates are high (an average of 76 percent), graduates are quick to accept very limited, part-time employment for the purpose of free or reduced-rate flying rather than for professional employment. The 50 percent employment requirements of 38 U.S.C. 1673(a) do not specify whether job placement needs to be full time and we have found that a number of schools, especially flight schools, have used this lack of definition to achieve high placement ratios in technical compliance through the use of graduates as part-time instructors. Thus, the study concluded that although placement data for flight schools appear to be high, based on statistics representing technical compliance with the law, in terms of full-time paid jobs, placement is much lower.

The most recent correspondence completion statistics (a 1976 study) indicate that completion rates for vocational courses offered by correspondence averaged as low as 41 percent.

We believe that the ineffectiveness of these two programs in achieving their intended purpose, along with the potential for abuse within the programs, merits their termination.

It is estimated that repeal of authority to pursue flight and correspondence programs would result in direct benefits savings of $57,849,000 in Fiscal Year 1980 and in direct benefits savings over the first 5 fiscal years of $213,509,000.

In the amendment of section 1641 of title 38 (section 401 of the bill), we have deleted references to the flight and correspondence training sections of chapters 34 and 36. In addition, we have added a new reference to section 1663. The effect is to authorize the Veterans' Administration to furnish counseling to those individuals eligible for benefits under this chapter who wish to apply for such assistance. We believe counseling should be made available to these individuals to assure they are pursuing a program of education appropriate to their needs.

TITLE V—REPEAL OF AUTHORITY TO PURSUE PREDISCHARGE EDUCATION TRAINING (PREP)

Title V of the draft bill would provide for termination of the Predischarge Education Program (PREP) provided under the chapter 32 contributory education program for servicepersons. The basic authority [38 U.S.C. 1631(b)] would be repealed. In addition those provisions of chapters 34 and 36 containing the authority to carry out the PREP program under chapter 34 are also eliminated. That program was terminated by section 210(5) of Public Law 94–502 by barring any enrollments or reenrollments after October 31, 1976. The provisions of chapter 34 and 36 were left in title 38, however, to form the basis for implementing the chapter 32 program.

Current law (subchapter III of chapter 32, title 38) provides Veterans Administration educational assistance to aid servicepersons to prepare for their future education, training or vocation by providing them with the opportunity to enroll in and pursue a program of education authorized by subchapter VI of chapter 34 during the last 6 months of the individual's first enlistment.

The Department of Defense administers an All-Volunteer Army. To attract qualified men and women into the all-volunteer military forces, the military services recognize that they must provide effective inducements, among which educational opportunity is one of the most attractive.

The proposal would terminate the Predischarge Education Program prior to the enrollment of any potentially eligible individuals to pursue such courses. The continued need for PREP is no longer apparent. Today the Department of Defense operates viable inservice education programs. These benefits, which range all the way from vocational training through graduate work, are available in the military service.

The Department of Defense concurs in the amendment believing that adequate inservice education programs are available and the continuance of PREP would duplicate efforts of these programs and contribute little to the military mission.

It is estimated that repeal of the auhority to pursue PREP programs would result in direct benefits savings in Fiscal Year 1980 of $1,025,000 and in direct benefits savings over the first 5 fiscal years of $8,241,000.

TITLE VI—MISCELLANEOUS

Section 601 would amend section 3503 of title 38 to delete the exception to the general forfeiture rule found in subsection (d) of current law.

Section 3503 of title 38 provides, in part, that any individual who in any way perpetrates a fraud under any of the laws administered by the VA, except insurance benefits, forfeits any claim or potential claim for VA benefits. Subsection 3503(d) limits the application of forfeiture after September 1, 1959, to individuals residing or domiciled outside a State at the time the act occurred, unless such individual ceases to be a resident or domiciled abroad prior to the statute of limitations tolling for a criminal offense.

Prior to the enactment of Public Law 86–222, effective September 1, 1959, veterans could be subject to forfeiture within a State. Congress felt that the forfeiture procedures subjected an individual to double jeopardy, forfeiture of VA benefits and punishment under the fraud statute. Congress limited forfeiture to offenders living abroad who were outside the jurisdiction of United States courts.

However, subsequent experience demonstrates that such jeopardy is infrequent. The Veterans Administration rarely is able to successfully pursue fraud cases against the debtor. In part this is due to the reluctance of the Department of Justice or the courts to enforce such actions. As a result, a number of veterans do not believe they will be penalized for their fraudulent acts and persist in consciously accepting money under fraudulent circumstances. We believe that the overpayments problem could be remedied, in part, if forfeiture was available as a deterrent.

The effect of the amendment is to reinstate forfeiture where the veteran is residing or domiciled in the United States and obtains educational assistance benefits through fraud by seeking monetary benefits that he or she would not otherwise be entitled to receive from the Government.

TITLE VII—TECHNICAL AMENDMENTS—EFFECTIVE DATE

Section 701 would amend section 1740 of title 38 to insert immediately after "person" the following: "(as defined in section 1701 (a)(1)(A) of this chapter)". This clarification would assure that the special restorative training program authorized by Subchapter V of chapter 35 of title 38 is applicable only to the children of veterans and is not designed to apply to spouses or surviving spouses. This would merely assure that the beneficiaries of the special restorative program are those who are intended to benefit from this program.

Section 702 proposes a technical change in section 1790(b)(2) of title 38. The subsection requires the Administrator to give notice to veterans and eligible persons where action is taken to discontinue benefits to such individuals. We believe it is clear that the correct word to be utilized in the last sentence of the subsection is "for" rather than the word "therefor" which was enacted in section 306, Public Law 95–202.

Section 703 contains two proposed technical changes to be made in specified sections of Public Law 95–202. In enacting subsection (b) of section 305 of that law, Congress inserted four separate clauses. In the first, it provided changes in section 1674 and 1724 of title 38 dealing with regulations to be issued by the Administrator concerning standards of progress. In the second, it called for a study to be made concerning standards of progress. In the third, it authorized the appropriation of $1,000,000 for the conducting of the study provided in clause (2). However, instead of properly citing clause (2), relating to the study, the law inadvertently cited clause (1). This change merely provides the correct citation.

The second proposed correction is an amendment to section 401(a)(1)(B) of Public Law 95–202 and is designed to correct the present language which reads "honorand" to properly read "honorable". This merely corrects what appears to be a printer's error occurring at the time the enrolled enactment was printed.

Section 704 of the measure provides that its provisions shall take effect on October 1, 1979, or the first day of the second calendar month following the date of enactment, whichever occurs later.●

By Mr. DOMENICI:

S. 871. A bill to amend the Public Buildings Act to require that parking fees be charged at all parking lots and facilities owned or operated by the United States; to the Committee on Environment and Public Works.

PARKING FEES ACT OF 1979

● Mr. DOMENICI. Mr. President, employees of the Federal Government—including U.S. Senators—enjoy benefits that are rightly resented by many taxpayers. One of those goodies is free or very low cost parking at work. At a time when an energy shortage should be sending us in search of ways to encourage a greater use of mass transit, we continue to simply give parking spots away, encouraging Government employees to drive to work. Such a policy is no longer appropriate.

Employees at the headquarters at the General Services Administration here in Washington pay nothing—not a dime—to park at that downtown location. By contrast, people who work at private industry or those Federal employees not lucky enough to rate a spot at the GSA lot and use a commercial lot nearby may pay $60 to $75 a month to park. Is that fair? Does that encourage the use of Washington's spectacular—in appearance and cost—new Metro subway system? I think not.

Of course, some Federal employees are

charged for parking. But those charges are minimal, and are intended to pay solely for the operations of the lot. Employees at the Department of Transportation headquarters building, for example, pay $6.85 a month to park.

One of the most blatant examples of free parking is that it is provided to employees right here at the U.S. Capitol where employees of the Senate and House, as well as the Members themselves, park for free. Why should my staff, or why should I, have free parking when people in private industry a block away pay $55 a month for parking? This is a position I have not always endorsed. But the logic of the argument is overwhelming and I have no intellectual option but to admit the inequity of asking the private sector to pay and allowing the public sector a free ride.

The Office of Management and Budget has the authority to direct Federal agencies to charge fees. In the past, I had anticipated OMB would act on this issue without the need for enactment of a law. But OMB has failed to act. The Congress could charge its Members and employees, but it has not.

The bill I am introducing today is very simple. It would require that any employee of the Federal Government who uses any Government owned or operated parking space must pay a parking fee that is equivalent to commercial rates in the area. In an effort to encourage carpooling, my bill permits a lower rate for cars carrying four or more persons. And it is written to assure that a member of the public who visits a Federal building on business will not have to pay.

I think that is a fair and reasonable approach. Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 871

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Parking Fees Act of 1979."

SEC. 2. (a) The Congress finds that employees of the United States pay nothing, or only a modest fee, for parking an automobile at work on Federal property, a service for which an employee in private industry usually pays commercial rates. The Congress also finds that such a policy of free or low-cost parking by Federal employees discourages the wide use of mass transit and other energy-efficient modes of transportation.

(b) The Congress, therefore, declares it shall be the policy of the United States to charge the equivalent of commercial parking rates at all parking lots under the control of the United States.

SEC. 3. The Public Buildings Act of 1959, as amended (40 U.S.C. 601-616) is amended by inserting a new section after section 12, and by renumbering subsequent sections accordingly:

"SEC. 13. (a) Beginning on October 1, 1979, a fee for the parking of any automobile or other motorized vehicle used for transporting passengers to and from the place of employment shall be charged at all parking facilities owned, controlled, or operated by any Federal agency. Such fees shall be established at the equivalent of the commercial parking rates prevailing in the general area for similar facilities.

"(b) Funds received under this section shall be used to pay for the operation of such facility and any necessary maintenance. Funds remaining from such fees shall be deposited in the general revenues of the Treasury.

"(c) This section does not apply to parking at military bases or other isolated facilities where no nearby commercial parking exists. The fees required by this section may be reduced to encourage the use of carpools carrying four or more passengers. This section shall not apply to persons using parking facilities under the control of the United States for business purposes for periods of up to two hours." ●

By Mr. CHAFEE:

S. 872. A bill to amend section 5(e) of the Food Stamp Act of 1977 to increase the amount of the deduction allowed under such section for excess shelter expense, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD STAMP ACT

● Mr. CHAFEE. Mr. President, today I am introducing legislation amending the Food Stamp Act of 1977 to provide for more equitable distribution of benefits to those households suffering from exceedingly high home heating costs.

Spiraling energy costs seriously affect all of us, but particularly the Nation's poor who must spend a large portion of their income to heat their homes, leaving little to cover other basic household necessities such as food, rent, and clothing. The Department of Energy reports that home heating costs are skyrocketing, outpacing overall consumer price rises by 100 percent. For example, from January 1975 to June 1978, home heating oil prices increased 52 percent while overall consumer prices increased 25 percent—and predictions for the future are equally discouraging.

My proposal addresses these rising costs. While I support the intent of the food stamp reforms to improve program efficiency and operation while maintaining fiscal responsibility, the 1977 act's newly imposed excess shelter cost cap fails to reflect the wide regional disparities relative to home heating costs. For example, annual home heating costs in the Northeast are approximately 51 percent higher than in the South and approximately 87 percent greater than costs reported for the Western States. How then does this arbitrary shelter cost cap impact on those States burdened with such energy costs? The overall result has been a drastic reduction in benefits for many households or a change in eligibility status. In my own State of Rhode Island, 60 to 70 percent of the program recipients have lost some of their benefits as a result of the 1977 act and approximately 4 percent of the pre-1977 households will become ineligible for benefits of any kind.

My amendment attempts to alleviate these inequities by increasing the limit on excess shelter cost deductions. Presently, the shelter cost cap stands at $80. My proposal would raise this figure to $105. The shelter cost limit would continue to be adjusted every July 1 and January 1 to reflect changes in the CPI.

Raising the shelter cost deduction recognizes existing regional differences relative to energy consumption and permits those households most vulnerable to rising heating costs to claim a lower net dollar income, thereby qualifying them for an increased allotment of food stamps with which to adequately feed their families. In addition to providing more equitable distribution of benefits, raising the limit, instead of totally removing it, retains an important feature of the food stamp program—fiscal responsibility. While my proposal will require some increase in total program expenditures, I believe it is a necessary measure and one which will underscore the Federal Government's longstanding commitment to help our Nation's poor.●

By Mr. RIBICOFF (for himself, Mr. BENTSEN, and Mr. TOWER):

S. 873. A bill to amend the Internal Revenue Code of 1954 to waive in certain cases the residency requirements for deductions or exclusions of individuals living abroad; to the Committee on Finance.

Mr. RIBICOFF. Mr. President, I am today introducing legislation to insure fair tax treatment for Americans working overseas who are forced to return to the United States by circumstances beyond their control in the country in which they are working. Senator BENTSEN has worked closely with me in developing this legislation. I am pleased that he and Senator TOWER are cosponsors of this legislation.

At the present time, Americans living and working abroad are eligible to use section 911 or 913 of the Internal Revenue Code. These provisions are intended to offset excess living costs and to provide a modest incentive for Americans to work in hardship cases. In order for a person to qualify to use section 911 or 913, that person must be a bona fide resident of a foreign country or must be present in a foreign country for at least 17 out of 18 months.

It has come to my attention as a result of the recent occurrences in Iran that the above requirement can cause severe injustices in certain situations. For example, a constituent of mine worked in Iran for 14 months and then was forced to return to the United States because of the revolution in Iran. That individual would have stayed in Iran for the required 17 of 18 months but for the disturbances in Iran. As a result of only being there for 14 months, he is prohibited from using the excusion or itemized deductions provided by sections 911 and 913. This is the case even though he was in Iran for the entire 1978 calendar year. He incurred a full year of extraordinarily high housing and living costs but cannot take advantage of the provisions Congress provided so that inflated taxes would not be paid on excess living costs.

The legislation being introduced today corrects this situation by permitting the Secretary of the Treasury to waive the 17 out of 18 month requirement in certain specified situations. The Secretary could grant such a waiver when, after consultation with the Secretary of State, he determines that individuals were required to leave a foreign country because of war, civil unrest, or similar adverse conditions in the foreign country which precluded the normal conduct of business by the Americans required to leave.

The Secretary's waiver decision would be made with respect to a particular situation in a foreign country. The determination woud not be made based on the situation of individual employees or particular companies. The American worker must have been required to return to the United States because of conditions in the foreign country which made it impossible for Americans to continue normal business operations.

If a waiver were granted in a specific situation, the American worker could deduct expenses deductible under section 913 attributable to the period that the individual was living and working in that foreign country. If an individual is eligible for a flat exclusion (under section 911), that individual would be entitled to the exclusion prorated for the portion of the calendar year spent in the foreign country.

This legislation would be applicable to taxpayers who are required to leave a foreign country after September 1, 1978. Thus, if the Secretary granted a waiver with respect to Iran—and it is contemplated that he will grant such a waiver—this legislation would apply to those Americans who lived and worked in Iran but were forced to leave because of the recent revolution in that country.

There is no requirement in the legislation that the waiver decision be made by the Secretary of Treasury prior to the American employee leaving the foreign country in question. There will be occasions when U.S. citizens will have to decide on their own that a place is unsafe or that it is not possible to continue normal business operations because of disturbances in a country. For foreign policy or other reasons, the decision by the Secretary might be delayed. As long as a waiver is eventually granted by the Secretary and the Secretary is satisfied that the taxpayer left because of the conditions in the foreign country necessitating the waiver, the taxpayer could take advantage of the provisions of sections 911 and 913.

Mr. President, this straightforward legislation corrects a technical problem with sections 911 and 913. These provisions failed to take account of situations where a U.S. taxpayer, before having lived and worked in a foreign country for 17 out of 18 months, is forced to leave that country due to conditions in that country beyond the taxpayer's control. I urge the prompt enactment of this legislation.

Mr. President, I ask unanimous consent that the text of this legislation be printed at this point in the Record.

There being no objecion, the bill was ordered to be printed in the Record, as follows:

S. 873

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (j) of section 913 of the Internal Revenue Code of 1954 (relating to deduction for certain expenses of living abroad) is amended by adding at the end thereof the following new paragraph:

"(4) WAIVER OF PERIOD OF STAY IN FOREIGN COUNTRY.—For purposes of paragraphs (1) and (2) of subsection (a), an individual who for any period is a bona fide resident of or is present in a foreign country and who—

"(A) leaves such foreign country—

"(i) during any period during which the Secretary determines, after consultation with the Secretary of State or his delegate, that individuals were required to leave such foreign country because of war, civil unrest, or similar adverse condtions in such foreign country which precluded the normal conduct of business by such individuals, and

"(ii) before meeting the requirements of such paragraphs (1) and (2), and

"(B) establishes to the satisfaction of the Secretary that he could reasonably have been expected to have met such requirements,

shall be treated as having met such requirements with respect to that period during which he was a bona fide resident or was present in the foreign country.".

(b) (1) The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 1976, but only with respect to periods an individual was a bona fide resident of or present in a foreign country and did not meet the requirements of section 913(a) (1) or (2) of the Internal Revenue Code of 1954 with respect to such periods because he left the foreign country after September 1, 1978.

(2) The Secretary of the Treasury or his delegate may make determinations under section 913(j) (4) (A) (i) of such Code, as added by subsection (a), for any period after September 1, 1978.

(3) In the case of an individual who elects under section 209(c) of the Foreign Earned Income Act of 1978 not to have the amendments made by that Act apply, the Secretary, for purposes of section 911(a) (1) and (a) (2) of the Internal Revenue Code of 1954, as in effect before such amendments, shall apply rules for determining periods of residence or presence in a foreign country similar to the rules provided in section 913(j) (4) of such Code, as added by subsection (a).

● Mr. BENTSEN. Mr. President, I am pleased to join Senator Ribicoff in cosponsoring legislation to waive, in certain cases, residency requirements for American taxpayers living and working abroad.

Under present law, a citizen is eligible for deductions under section 913 of the IRS Code if he or she is a bona fide resident of a foreign country or countries for an entire taxable year or if they are physically present in a foreign country or countries for 510 days within an 18-month period.

Last year, when we revised the code as it relates to the tax treatment of citizens living and working abroad, we neglected to provide for the crucial contingency of a foreign emergency. When civil unrest in a foreign country necessitates the departure of U.S. personnel, I feel it is unjust to penalize these individuals for circumstances beyond their control.

This bill waives the mandatory period of stay if the Secretary of the Treasury determines that American taxpayers have been required to leave a foreign country because of civil unrest, disturbances, or other adverse conditions which preclude the normal conduct of business by such individuals. The waiver applys to Americans forced to leave their jobs after September 1, 1978.

Mr. President, recent circumstances in Iran provide an excellent example of why we need such legislation. According to State Department figures, there were 42,000 Americans living and working in Iran as of September 1978. By the end of January 1979, this figure has dropped dramatically to approximately 12,000 citizens. Last month, Americans in Iran numbered fewer than 3,000. In other words, almost 40,000 Americans working in Iran were compelled to leave their jobs due to mounting anti-American sentiments and civil disturbances.

As the internal political situation worsened, resulting in the shutdown of American facilities in Iran, Americans left the country in droves only to find themselves ineligible for foreign tax treatment. I believe there is an urgent requirement for legislation to allow those Americans whose employment abroad was prematurely interrupted to maintain their expatriate tax status. No precise estimates are available but it is believed that several thousand Texans will suffer an unexpected financial loss without this needed legislation. In this manner, we will help eliminate some of the hardships these individuals are subject to at the present time.●

By Mr. CRANSTON:

S. 874. A bill to abolish the California Debris Commission; to the Committee on Environment and Public Works.

CALIFORNIA DEBRIS COMMISSION

● Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to abolish the California Debris Commission.

This Commission, consisting of three officers of the Army Corps of Engineers, was established in 1893 to regulate hydraulic mining activities in the State. At that time, hydraulic mining was a highly important activity in California. But it resulted in large deposits of silt, sand, and gravel being deposited in the Sacramento and San Joaquin River systems, impairing the usefulness of the stream channels for navigation and flood-carrying purposes. The California Debris Commission was set up to insure that prospective hydraulic mine operators provide adequate debris restraining facilities, or pay for debris storage in reservoirs built by the Federal Government. In addition to this regulatory function, the California Debris Commission was to serve as a construction agency in the building of Federal debris control facilities.

Mr. President, the California Debris Commission has long since fulfilled its mission and serves no useful purpose today. The California Department of Water Resources has recommended that the Commission be abolished. The bill I am introducing would terminate the Commission on September 30, 1979 and transfer any unexpended funds to the Secretary of the Army.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

S. 874

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of The Act of March 1, 1893 (183 Stat. 507*) is hereby amended by adding the following new subsections:

"Sec. 1(b) The California Debris Commission shall be abolished on the last day of fiscal year 1979.

(c) All authorities, powers, functions, and duties accorded the Commission shall, on the last day of fiscal year 1979, be transferred to the Secretary of the Army, acting through the Chief of Engineers.

(d) The assets, liabilities, contracts, property, records, and the unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used arising from, available to, or to be made available in connection with the functions transferred by this section, subject to section 202 of the Budget and Accounting Procedure Act of 1950, shall be transferred to the Secretary of the Army, acting through the Chief of Engineers, for appropriate allocation. Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated."●

By Mr. SCHMITT (for himself, Mr. PRESSLER, and Mr. YOUNG):

S. 875. A bill to provide for the establishment, ownership, operation, and regulation of a commercial Earth resources information service, utilizing satellites and other technologies, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EARTH RESOURCES INFORMATION CORPORATION ACT OF 1979

● Mr. SCHMITT. Mr. President, today I am introducing for myself and Senators PRESSLER and YOUNG the Earth Resources Information Corporation Act of 1979. The bill would provide the statutory authority for the creation of a self-sustaining commercial service for the gathering and dissemination of Earth resources information and would represent the initial operational component of the comprehensive national space policy I have proposed in S. 212, the National Space and Aeronautics Act of 1979.

The Earth Resources Information Corporation Act of 1979 is a revised version of S. 3625, a bill I introduced on October 14, 1978. Subsequent to its introduction, I circulated S. 3625 for comments to representatives of industry, business, labor, State, and local governments and other critical sectors of the national economy. The revised bill reflects the thoughtful views and suggestions received from the many individuals who responded to my requests for comments.

EARTH RESOURCES INFORMATION

The terms "earth resources" and "remote sensing" are gradually becoming a part of our everyday vocabulary, although not yet exactly household phrases.

Remote sensing as an act in science has been around for a long time—first and foremost in the form of man's eyes. Even though we are very far from duplicating with instruments and systems the capabilities of those eyes and their unbelievably sophisticated data processing system we call the brain, we have learned over the past decade to vastly extend their reach. Satellites, high-altitude aircraft, increased knowledge about the Earth and its resources, an explosion of technology in the sensing of the response of natural materials to electromagnetic radiation, and the unbelievable expansion of data processing techniques have all contributed to making visible and useful that which was previously hidden and wasted.

The broad-scale use of the unique view of the Earth offered by satellites began in the 1960's with the development of the communications and weather satellite systems. The obvious success of these efforts, culminating in Comsat, Intelsat, and the World Weather Watch, was based on the long-established need for global communications and weather information and the long existence of infrastructure to use communications and weather information.

Commercial and governmental applications for an operational Earth resources information system have been well demonstrated. The hearings of May and June 1977, of the Science, Technology and Space Subcommittee and many other recent reports support the viability of an operational Earth resources system. In particular, the following major areas for the utilization of satellite capabilities can be cited:

Improved agricultural information and production based on the identification and repetitive monitoring of crop yields, damage, and infestations.

Improved rangeland management and production based on the identification and repetitive evaluations of vegetation, soil, water, and livestock characteristics.

Improved forest products production based on identification of types and suitability of trees and on repetitive monitoring of changes due to natural and human effects.

Improved water resource management through direct and repetitive measurement and evaluation of surface water and by geologic evaluation of soil and subsurface features.

Improved targeting of favorable localities for mineral and energy exploration and expanded production based on more rapid and higher quality geologic maps and on the sensing of various elements due to their signatures in vegetation, mineral, soil, textural, or thermal characteristics.

Improved general and specific purpose maps for development planning and evaluation.

Improved repetitive monitoring of changes in urban and rural situations due to human habitation.

Improved monitoring of natural or artificial environmental changes based on repetitive coverage using a wide variety of techniques.

Improved identification, evaluation, and monitoring of marine and coastal resources through repetitive coverage.

ENERGY INFORMATION

Energy is an area that illustrates the integrated use of Earth resources information. Remote sensing in our energy future will have potential applications in two major fields: Fuel production and energy conversion. In fuel production, remote sensing will be broadly applicable so long as we are dependent on the use of large amounts of fossil fuels. This usefulness will continue to some degree even into a future of inexhaustible energy sources until there are alternatives to petroleum as the feedstock for the creation of fertilizers and other chemicals. In energy conversation, remote sensing will be applied so long as we must monitor and regulate the waste energy and undesirable or dangerous byproducts from the conversion of one form of energy to another.

The most clearly defined role for remote sensing in fuel production will be in the increased efficiency by which we explore for and identify potential petroleum reserves in frontier areas.

Most workers in this field would agree that several inherent features of various types of remotely acquired data, particularly those from satellites, permit the rapid assessment of possible targets for ground inspection. These capabilities are: First, broad area, repetitive coverage under uniform and multispectral conditions that can be used for rapid reconnaissance mapping, monitoring, and planning; second, broad and local area coverage that reduces or eliminates the effects of variations because of illumination, clouds, and vegetation; and third, comparisons of the spectral signatures of productive versus unexplored areas.

Once targets for ground inspection are identified using combinations of remote sensing techniques, then the sequential application of rock and soil alteration studies, isotope geochemistry, amplitude enhancement of geophysical data, and finally test drilling can be used to progressively confirm the nature and extent of possible reserves.

Remotely acquired data can be applied to other specialized problems of fuel production. Of particular interest are the identification of rock structures that can effect the mechanics of coal production and the delineation of natural oil seeps offshore. In addition, the detailed assessment of the true insolation potential of specific sites for large solar energy plants also appears feasible.

The efficient and broad scale monitoring and predictive capabilities of remote sensing techniques have yet to be extensively applied in other potentially fertile fields related to energy production. With remote and repetitive monitoring of watershed and reservoirs, and predictions based upon that monitoring, it will be possible to optimize hydroelectric energy production, irrigation and flood control. In addition, sea, air, and pipeline transport of energy and goods can be optimized through continuous control and monitoring of natural impediments and hazards, pollution effects and energy efficient routes.

There also appears to be a very clear role for remote sensing in the monitoring and regulation of waste heat and undesirable byproducts produced by energy conversion. However, we have yet to systematically exploit this potential. The list of possible new services and areas for cost savings is long, ranging from the monitoring of thermal and effluent pollution to the planning of land use by individual State and local groups. The results of many past and current experiments by many investigators have verified this environmental role for remote sensing.

INTERNATIONAL BENEFIT

There is one more great potential benefit of remote sensing technology that is often forgotten or is considered with only short-term insight. This is the bridge of long-term friendships and mutual benefit that can be built between the United States and the emerging nations of the world upon the foundation of space technology. The decade of Apollo and Skylab have convinced many peoples and their leaders that through space technology they can bring themselves into the 20th century. With access to these systems, the chronic problems of resource management and education can be solved by the emerging nations. Agricultural monitoring and predictions and explorations for energy and minerals can all be considered possible with the establishment of the appropriate national and international infrastructures.

The construction of the bridge of international friendship and mutual benefit through space technology will not be easy. It will take far more foresight than that to which most of us are accustomed. On the other hand, the bonds of hope and good will are already there to be used.

EXISTING OPERATIONAL STRUCTURES

Well-established operational programs exist in telecommunications and weather forecasting, other components of a World Information System. These are manifested, respectively, in the Comsat/Intelsat and World Weather Watch activities.

These two areas of activity illustrate several of the organizational and management options available in the development of other components of a more broadly based World Information System.

Comsat, for example, is a publicly held, regulated corporation with many of the advantages of being a part of our competitive, stockholder controlled, free enterprise system. In addition, because of its unavoidable international activities, Comsat must submit to Federal guidance in foreign policy-related matters. After 16 years, this innovative commercial arrangement appears to be working very well.

Intelsat, on the other hand, is a unique user-based international management organization for global satellite telecommunications to which Comsat is our designated national representative. Intelsat's success is the result of its national members having a vested interest, as users, in the international management of truly international technical and physical resources that are the "common heritage of mankind." This model could be much more widely applied in space-related activities as well as in areas such as the management of international waterways, deep sea resources, and international nuclear wastes.

A different, noncommercial multinational management approach has been applied in the World Weather Watch. In this organization, the United States, the Soviet Union, Japan, and the European Community have or will have made available to the world the weather information gathered by their nationally controlled satellites. This arrangement is coordinated by the World Meteorological Organization and the International Council of Scientific Unions. This type of arrangement appears to work best where it is generally recognized that the information made available by technology should be generally disseminated without restriction because of its immediate value to the health and safety of large numbers of human beings.

The technology and perceived uses of earth resources information collected from space and aircraft have advanced to the point where an operational organization is warranted. Commercial, institutional, State and local government, and Federal Government users of such information all have testified to this fact on numerous occasions before committees of the Congress. The data from the developmental NASA Landsat system now in operation is in ever-increasing demand. Other nations are beginning their own developments clearly with an eye toward marketing earth resources information on a worldwide scale.

The potential advantages in the use of Earth resources information lie in both the commercial and public sectors which suggests that the operational management of an Earth resource information system should be organized as an investor-owned, regulated corporation modeled after the successful experience with Comsat in the telecommunications field.

EARTH RESOURCES INFORMATION CORPORATION ACT

The Earth Resources Information Corporation Act which I introduce today closely parallels the statutory structure and the successful experience of Comsat. This bill establishes a policy to create a commercial Earth resources satellite corporation which will be made operational no later than two years after the enactment of the act and provide the widest possible participation by private industry, on a nondiscriminatory basis. It will be a private corporation regulated by the Federal Communications Commission.

The role of the FCC will be to insure effective competition and to consult with the Small Business Administration to insure that equitable opportunities are provided for small businesses. Additionally, the FCC will insure that the opportunity to purchase Earth resources data, under just prices, will be available to all persons and organizations. Other FCC regulatory responsibilities include insuring that controls are established, prescribing accounting standards and regulations, and authorizing issue of capital stock. It is recognized that the FCC will have to expand the scope of its present responsibility to encompass the regulation of Earth resources and information services.

It will be the responsibility of the National Aeronautics and Space Administration to advise the FCC on technical characteristics of earth resources information systems as well as furnishing launching services for the corporation on a reimbursable basis. NASA's experience in setting up Comsat will also be of assistance in the initial operation of this corporation. It will be essential for NASA to continue to conduct research and development to refine the capabilities of the system. NASA also will be involved with the planning and development of the corporation.

The Earth Resources Information Corporation will have a 17-member Board of Directors. Three of the members will be appointed by the President; the Departments of Agriculture, Commerce, and Interior, and the National Association of State Governors will each appoint one member; and 10 members will be elected by the stockholders. The corporation will be authorized to issue stocks which carry voting rights. It is the intent of this act to encourage the widest feasible distribution of stock to the American public.

This act would authorize the corporation to market raw and preprocessed data on Earth resources, own and operate the Earth resources satellites, own and operate ground receiving stations, and own and operate information distribution centers for the sale of raw and preprocessed data. In order for this corporation to be successful, it must, most importantly, be responsive to public needs and national objectives relating to resource information services. Sums not to exceed $20 million would be authorized to be appropriate for fiscal year 1981 for the purpose of Federal purchase of stock in the corporation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 875

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SHORT TITLE, DECLARATION OF POLICY, AND DEFINITIONS

SHORT TITLE

SEC. 101. This Act may be cited as the "Earth Resources Information Corporation Act of 1979".

DECLARATION OF POLICY AND PURPOSE

SEC. 102. (a) The Congress declares that it is the policy of the United States to establish as expeditiously as practicable a commercial Earth resources information service, which will be responsive to public needs and national objectives, and which will serve the Earth resources information needs of the United States and other countries.

(b) The new Earth resources information service is to be made operational as promptly as possible and is to disseminate timely, continuous, and reliable Earth resources information at the earliest practicable date.

(c) In order to facilitate this development and to provide for the widest possible participation by private enterprise, the Earth resources information service shall be in the form of a private corporation, subject to appropriate governmental regulation. It is the intent of Congress that all persons and organizations, domestic and foreign, shall have nondiscriminatory opportunity to purchase Earth resources information; and that the activities of the corporation created by this Act and of the persons or companies participating in the ownership of the Earth Resources Information Corporation shall be consistent with Federal antitrust laws.

(d) In recognition that Earth resources information is gathered and disseminated by electronic means which utilize similar technology and resources that now are utilized by systems which are regulated by the Federal Communications Commission, the area of regulatory responsibility granted to said Commision shall be expanded to encompass regulation of Earth resources information services.

DEFINITIONS

SEC. 103. As used in this Act, and unless the context otherwise requires—

(a) The term "Earth resources information service" refers to a system of satellites and other appropriate data collecting systems, capable of monitoring Earth and near-Earth resources, transmitting this raw data to Earth receiving stations, the processing of this data for use by the user organizations and the distribution of the processed data to those requesting it. This is also to include such associated equipment and facilities for tracking guidance, control, and command functions as are not part of the generalized launching, tracking, control, and command facilities for all space purposes.

(b) The term "corporation" means the Earth Resources Information Corporation.

(c) The term "Administration" means the National Aeronautics and Space Administration.

(d) The term "Commission" means the Federal Communications Commission.

TITLE II—IMPLEMENTATION OF POLICY

SEC. 201. (a) In order to achieve the objectives and to carry out the purposes of this Act, the President shall—

(1) aid in the planning and development and foster the execution of a national program for the establishment and operation, as expeditiously as possible, of an Earth resources information service;

(2) provide for continuous review of all phases of the development and operation of such a service, including the activities of an Earth resources corporation authorized under section 301 of this Act;

(3) coordinate the activities of governmental agencies with responsibilities in the field of Earth resources information so as to insure that there is full and effective compliance at all times with the policies set forth in this Act;

(4) transfer to the corporation authorized under section 301 of this Act, where consistent with national security and the objectives of this Act, any functions and parts of functions of any other Federal entity or officer which relates primarily to the functions of the corporation as provided by this Act; and in connection with any such transfer, the President may provide for appropriate transfers of records and property;

(5) exercise such supervision over relationships of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of the United States;

(6) insure that timely arrangements are made under which there can be foreign participation in the establishment and use of an Earth resource information service;

(7) take all necessary steps to insure the availability of the Earth resources information service for general governmental purposes and to insure that each Federal entity which utilizes data and information of the kind that are provided by the corporation shall procure such data and information from the corporation at a just and reasonable price except where a separate Earth resources information service is required to meet unique governmental needs, or is otherwise required in the national interest; and

(8) exercise such supervision over the corporation to insure that advances in Earth imaging from space will be permitted under controls and when such needs are justified and assessed in relation to civil benefits, national security, and foreign policy; and to establish controls, as appropriate, on other forms of remote Earth sensing.

(b) In order to achieve the objectives and to carry out the purposes of this Act, the Administration shall—

(1) advise the Commission on technical characteristics of the Earth resources information service;

(2) with the approval of the Commission approve technical characteristics of the operational Earth resources information service communication and noncommunication satellite systems, ground receiving stations and associated systems;

(3) cooperate with the corporation in research and development to the extent deemed appropriate by the Administration in the public interest;

(4) insure that the corporation takes an active marketing role so that all Government agencies and other users which might benefit from Earth resources information are made aware of its availability and applications;

(5) consult with the corporation with respect to the technical characteristics of the Earth resources information service;

(6) furnish to the corporation, on request and on a reimbursable basis, satellite launching and associated services required for the establishment, operation, and maintenance of the Earth resources information service satellite system; and

(7) to the extent feasible, furnish other services, on a reimbursable basis, to the corporation in connection with the establishment and operation of the system.

(c) In order to achieve the objectives and to carry out the purposes of this Act, the Commission shall—

(1) insure effective competition, including the use of competitive bidding where appropriate, in the procurement by the corporation of apparatus, equipment, and services required for the establishment and operation of the Earth resources information service; and the Commission shall consult with the Small Business Administration and solicit its recommendations on measures and procedures which will insure that small business concerns are given an equitable opportunity to share in the procurement program of the corporation for property and services, including but not limited to research, development, construction, maintenance, and repair;

(2) insure that all persons and organizations, domestic and foreign, shall have nondiscriminatory opportunity to purchase Earth resources information under just and reasonable prices, charges, classifications, practices, regulations, and other terms and conditions; provided that provision of such information shall be subject to controls established under section 201(a)(8), and further provided that such prices and charges will cover the cost of the service exclusive of costs incurred by the Administration for research, development and testing on remote sensing systems, subsystems and components carried out under the authority of the National Aeronautics and Space Act of 1958;

(3) insure that subject to the controls established under section 201(a)(8) all civilian information distributed by the corporation to any person or organization, whether domestic or foreign, shall be complete and unabridged, and that no information shall be withheld from one person or organization which is given to another person or organization;

(4) prescribe such accounting regulations and systems and engage in such ratemaking procedures as will insure that any economies made possible by an Earth resources information service are appropriately reflected in charges for resources information;

(5) prescribed standards of quality, approved by the Administration, for Earth resources information produced by the corporation, and set schedules for the corporation's fulfillment of data requests;

(6) insure that the corporation allocates certain of its time and resources to the development of improvements in its services and in its products; and that activities of the Commission, the Administration, and the corporation are coordinated in this regard;

(7) require that additions be made by the corporation with respect to facilities of the Earth resources information service where such additions would serve the public interest, convenience, and necessity;

(8) authorize the corporation to issue any share of capital stock, except the initial issue of capital stock referred to in section 304 (a), or to borrow any moneys, or to assume any obligation in respect of the securities of any other person, upon finding that such issuance, borrowing, or assumption is compatible with the public interest, convenience, and necessity and is necessary or appropriate for or consistent with carrying out the purposes and objectives of this chapter by the corporation;

(9) insure that no substantial additions are made by the corporation with respect to facilities of the Earth resources information service unless such additions are required by the public interest, convenience, and necessity;

(10) insure that the corporation maintains all levels of operation and service now performed by the Earth Resources Observation System Data Center; and

(11) make rules and regulations to carry out the provisions of this subsection.

TITLE III—CREATION OF AN EARTH RESOURCES INFORMATION CORPORATION

CREATION OF CORPORATION

SEC. 301. There is authorized to be created an Earth Resources Information Corporation for profit which will not be an agency or establishment of the United States Government. The corporation shall be subject to the provisions of this Act and, to the extent consistent with this Act, to the business corporation laws of the State in which it is incorporated. The right to repeal, alter, or amend this Act at any time is expressly reserved.

PROCESS OF ORGANIZATION

SEC. 302. The President, no later than 2 years after the enactment of this Act, shall appoint incorporators, by and with the advice and consent of the Senate, who shall serve as the initial board of directors until the first annual meeting of stockholders or until their successors are elected and qualified. Such incorporators shall arrange for an initial stock offering and take whatever other actions are necessary to establish the corporation, including the filing of articles of incorporation, as approved by the President.

DIRECTORS AND OFFICERS

SEC. 303. (a) The corporation shall have a board of directors consisting of individuals who are citizens of the United States, of whom one shall be elected annually by the board to serve as chairman. Three members of the board shall be appointed by the President, by and with the advice and consent of the Senate, effective the date on which the other members are elected, and for terms of 3 years or until their successors have been appointed and qualified, except that the first three members of the board so appointed shall continue in office for terms of 1, 2, and 3 years, respectively, and any member so appointed to fill a vacancy shall be appointed only for the unexpired term of the director whom he succeeds. The three members appointed by the President shall be selected from the Earth resources data user community with the intent that they would provide representation of said user community on the board. One member each shall be appointed by the Department of Agriculture, the Department of Commerce, and the Department of the Interior, to be chosen and to serve as described above with regard to members appointed by the President. One member shall be appointed by the National Association of State Governors. Ten members shall be elected by all stockholders, and other such officers as may be named and appointed by the board, at rates of compensation fixed by the board, and serving at the pleasure of the board. No individual other than a citizen of the United States may be an officer of the corporation. No officer of the corporation shall receive any salary from any source other than the corporation during the period of his employment by the corporation.

FINANCING OF THE CORPORATION

SEC. 304. (a) The corporation is authorized to issue and have outstanding, in such amounts as it shall determine, shares of capital stock, without par value, which shall carry voting rights and be eligible for dividends. The shares of such stock initially offered shall be sold at a price not in excess of $100 for each share and in a manner to encourage the widest distribution to the public. Subject to the provisions of subsection (d) of this section, shares of stock offered under this subsection may be issued to and held by any persons.

(b)(1) Twenty percent of the shares of stock authorized for issuance at any time by the corporation shall be reserved for purchase by the Federal and State Governments. At no time after the initial issue is completed shall the aggregate of the shares of voting stock of the corporation owned by the Federal and State Government exceed 20 percent of such shares issued and outstanding, unless the corporation is under-capitalized.

(2) At no time shall any stockholder other than the Federal Government own more than 10 percent of the share of voting stock of the corporation issued and outstanding.

(c) The corporation is authorized to issue, in addition to the stock authorized by subsection (a) of this section, nonvoting securities, bonds, debentures, and other certificates of indebtedness as it may determine. Such non-voting securities, bonds, debentures, or other certificates in indebtedness of the corporation as a data distributor may own shall be eligible for inclusion in the rate base of the distribution to the extent allowed by the Commission. The voting stock of the corporation shall not be eligible for inclusion in the rate base of the distributor.

(d) At no time shall more than an aggregate of 20 percent of the voting stock of the corporation be owned by non-United States citizens.

POWERS AND DUTIES OF THE CORPORATION

SEC. 305. (a) In order to achieve the objectives and to carry out the purposes of this chapter, the corporation is authorized to—

(1) plan, initiate, construct, own, manage, and operate itself or in conjunction with foreign governments or their designated entities a commercial Earth resources information service;

(2) receive by transfer all functions of production and operation which relate primarily to the functions of the corporation as prescribed by this Act, which are now carried out by other Government agencies including those carried out by the Administration and the Earth Resources Observation System Data Center; such transfer of functions to also include appropriate transfers of records and property;

(3) market Earth resources raw and preprocessed data;

(4) own and operate Earth resources satellites, aircraft and other appropriate data collection systems;

(5) own and operate ground receiving stations; and

(6) own and operate information distribution centers for the provision of raw and preprocessed data.

(b) Included in the activities authorized to the corporation for accomplishment of the purposes indicated in subsection (a) of this section, are, among others not specifically named—

(1) to conduct or contract for research and development related to its mission;

(2) to acquire the physical facilities, equipment, and devices necessary to its operations, including satellites, aircraft, and associated equipment and facilities, whether by construction, purchase, or gift;

(3) to purchase satellite launching and related services from the United States Government;

(4) to contract with authorized users, including the United States Government, for the services of the Earth resources information service;

(5) to develop plans for the technical specifications of all elements of the satellite system; and

(6) to procure from the private sector, insofar as possible, the communications services needed to establish communication networks as may be necessary to transmit Earth resources information to users.

(c) To market "value-added" Earth resources information only through a subsidiary corporation which shall receive no preference in any way whatsoever in comparison to other entities which acquire raw and preprocessed data from the corporation.

(d) To carry out the foregoing purposes, the corporation shall have the usual powers conferred upon a stock corporation by the laws of the State in which it is incorporated.

TITLE IV—MISCELLANEOUS

FOREIGN BUSINESS NEGOTIATIONS OF THE CORPORATION

SEC. 401. Whenever the corporation shall enter into business negotiations with respect to facilities, operations, or services authorized by this chapter with any international or foreign entity, it shall notify the Department of State of the negotiations, and the Department of State shall advise the corporation of relevant foreign policy considerations. Throughout such negotiations the corporation shall keep the Department of State informed with respect to such considerations. The corporation may request the Department of State to assist in the negotiations, and that Department shall render such assistance as may be appropriate.

SANCTIONS

SEC. 402. (a) If the corporation created pursuant to this Act shall engage in or adhere to any action, practices, or policies inconsistent with the policy and purposes declared in section 201, or if the corporation or any other person shall violate any provision of this Act, or shall obstruct or interfere with any activities authorized by this Act, or shall refuse, fail, or neglect to discharge his duties and responsibilites under this Act, or shall threaten any such violations, obstruction, interference, refusal, failure, or neglect, the district court of the United States for any district in which the corporation or other person resides or may be found shall have jurisdiction except as otherwise prohibited by law, upon petition of the Attorney General, to grant such equitable relief as may be necessary or appropriate to prevent or terminate such conduct or threat.

(b) It shall be unlawful for any person, directly or indirectly, in any manner other than through the channels of data dissemination established by the Commission and the corporation, to sell or disclose to any other person any Earth resources information which is compiled by the corporation.

(c) Nothing contained in this section shall be construed as relieving any person of any punishment, liability, or sanction which may be imposed otherwise than under this chapter.

(d) It shall be the duty of the corporation to comply, insofar as applicable, with all provisions of this Act and all rules and regulations promulgated thereunder.

REPORTS TO THE CONGRESS

SEC. 403. (a) The President shall transmit to the Congress in January of each year a report which shall include a comprehensive description of the activities and accomplishments during the preceding calendar year under the national program referred to in section 301, together with an evaluation of such activities and accomplishments in terms of the attainment of the objectives of this Act and any recommendations for additional legislative or other action which the President may consider necessary or desirable for the attainment of such objectives.

(b) The corporation shall transmit to the President and the Congress, annually and at such other times it deems desirable, a comprehensive and detailed report of its operations, activities, and accomplishments under this Act.

(c) The Commission shall transmit to the Congress, annually and at such other times as it deems desirable, (i) a report of its activities and actions on anticompetitive practices as they apply to the Earth resources information service; (ii) an evaluation of such activities and actions taken by it within the scope of its authority with a view to recommending such additional legislation which the Commission may consider necessary in the public interest; and (iii) an evaluation of the capital structure of the corporation so as to assure the Congress that such structure is consistent with the most efficient and economical operation of the corporation.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 404. There are authorized to be appropriated to the President, for purposes of carrying out the provisions of section 304(b)(1), sums not to exceed $20,000,000 for the fiscal year ending September 30, 1981.●

By Mr. CHILES (for himself and Mr. STONE):

S. 876. A bill to terminate construction of the Cross-Florida Barge Canal project effective July 1, 1979, to adjust the boundary of the Ocala National Forest, Fla., and for other purposes; to the Committee on Environment and Public Works.

● Mr. CHILES. Mr. President, I introduce on behalf of myself and Senator STONE a bill to terminate authority for further construction of the Cross-Florida Barge Canal.

This legislation is equivalent to a measure passed by the Senate in the 95th Congress but not acted upon by the House. It was fully explored in a hearing held by the Water Resources Subcommittee of the Environment and Public Works Committee, and I would hope that the Senate can complete action on the bill early in this session.

The case for this proposal is clear and convincing.

The President in his environmental message of May 23, 1977, called for termination of the barge canal project.

The Governor and Florida cabinet, acting as head of the Florida Department of Natural Resources, have recommended against completion of the canal.

The Army Corps of Engineers, after a thorough reexamination of the project, giving consideration to all environmental and economic factors, has concluded that completion is not warranted.

Quite recently the Natural Resources Committee of the Florida House of Representatives, by an almost unanimous vote, approved legislation providing for transfer of the State held canal lands and abolishing the Florida Canal Authority, pending enactment of Federal deauthorization legislation.

The majority of Floridians agree that the canal should not be built and that its adverse impact outweighs any possible remaining benefits.

Discussion of a canal across the northern portion of Florida dates back to 1826. In 1942, the Congress authorized the Cross-Florida Barge Canal project. Funds were appropriated in 1962 and work began in 1964. By 1971, construction was one-third completed when the President, by Executive order, halted work on the project to prevent potential environmental damage. The Governor and Florida cabinet suspended any further support for the canal until completion of a new cost benefit analysis and an environmental impact statement.

The Corps of Engineers was assisted in the environmental assessment project by an interagency coordinating group consisting of Federal and State agencies. Among the participating agencies were the Department of Interior, Environmental Protection Agency, Department of Agriculture, Forest Service and State agencies including the department of natural resources, Florida Game and Fresh Water Fish Commission, the canal authority and the department of administration.

It was concern with the environmental damage the canal would incur that prompted initial efforts to stop construction and undertake a restudy. The completed environmental impact statement makes very clear that this concern was well justified. The Washington-level policy group, consisting of the Departments of Agriculture and Interior as well as EPA and CEQ, concluded that hydrologic, pollution, fish and wildlife, recreation and other environmental considerations as presented in the impact statement warranted a strong recommendation against completion of the canal.

Of particular importance is the threat construction and operation of the canal would pose for the Florida aquifer and consequently Florida's water supply. The Florida aquifer is a water-filled underground layer of fragmented limestone which provides the region's supply of fresh water. Twenty-eight miles of the canal would cut down into this limestone, raising the possibility of interchange between canal waters and the rest of the aquifer. Information developed by professional hydrologists and geologists points to the prospect of serious contamination of the aquifer if such an interchange should take place.

Another primary environmental concern is the Oklawaha River system. The Oklawaha River basin is a subtropical ecosystem containing an unusual diversity of habitats with their associated plant and animal life. Its value is underscored by the fact that it is the only river of this type in central and south Florida remaining in a relatively natural setting. Completion of the canal would result in the loss and degradation of this unique river valley with its wildlife and recreational opportunities.

Economic as well as environmental factors argue against continuation of the barge canal project. The Governor and Florida Cabinet in 1972 requested a new cost/benefit ratio analysis to include up-to-date interest rates and construction costs and a reevaluation of recreational benefits to determine if the canal represented a prudent expenditure of taxpayers' dollars. The court, in releasing impounded restudy funds, also required that the restudy report include a current cost/benefit evaluation.

The corps' restudy report and evaluation by Federal and State agencies warrant the conclusion that the canal cannot be justified as a good investment. By almost any standard of measure, the comprehensive cost of completing and operating the canal outweighs the economic benefits to be derived. It is only through use of an unrealistic discount of 2⅞ percent that a benefit-to-cost ratio greater than "1" can be achieved. If the project is evaluated with interest rates used on currently authorized projects, the annual average losses for the canal would be prohibitive. The actual cost to complete the remainder of the project is estimated by the Department of the Army to be approximately $330 million.

Other factors pointing to the economic unfeasibility of the project include the failure to adequately assess the cost of adverse effects on environmental quality; the absence of valuation placed on the Oklawaha River ecosystem; and no evidence of major economic development or activity which may be attributable to canal completion.

The combination of environmental and economic considerations presents a most convincing case for terminating authorization for further construction of the Cross-Florida Barge Canal. Perhaps most compelling is the conclusion of the corps itself that:

> When the marginal economic justification is combined with adverse environmental impacts, the combined total effect does not favor completion.

The legislation we are introducing today terminates authority for further construction of the barge canal. In addition, it extends the boundary of the Ocala National Forest, and transfers lands administered by the Corps of Engineers to the Secretary of Agriculture to purchase lands held or acquired by the Canal Authority of the State of Florida within the boundary of the Ocala National Forest, as extended. Sums necessary to acquire these lands are authorized to be appropriated.

The time is long overdue for putting the barge canal project to rest. I hope we can accomplish enactment of legislation to that end in this Congress.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 876

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) effective July 1, 1979, authority for further construction of a high-level lock barge canal from the Saint Johns River across Florida to the Gulf of Mexico in accordance with the Act of July 23, 1942 (chapter 520; 56 Stat. 703), is terminated.

(b) The Secretary of the Army, acting through the Chief of Engineers, is authorized to operate and maintain the existing facilities (and lands appurtenant thereto) of the Cross-Florida Barge Canal project in such manner as he determines to be necessary, pending further disposition by law of the project, its facilities, and lands.

(c) The boundaries of the Ocala National Forest, Florida, are extended to include the lands north and west of the Oklawaha River as shown on the map dated July 1978, on file with the Chief of the Forest Service, Department of Agriculture, Washington, District of Columbia, and available to the public in the office of the appropriate regional forester, forest supervisor, or forest ranger.

(d) Within the boundaries of the Ocala National Forest as extended by subsection (c) of this section, lands or interests in lands and improvements owned by the United States and administered by the Corps of Engineers, Department of the Army, shall be transferred to the Secretary of Agriculture to be administered and made a part of the Ocala National Forest, Florida, at such time as the Secretary of the Army deems such action to be appropriate, but not later than September 30, 1980, except that the Secretary of the Army, acting through the Chief of Engineers, may operate and maintain the existing facilities of the Cross-Florida Barge Canal project within the extended boundaries of the Ocala Forest pending further disposition by law with respect to such facilities.

(e) (1) The Secretary of Agriculture shall acquire lands and interests in lands held on the date of enactment of this Act by the State of Florida within the boundaries of the Ocala National Forest, as extended by subsection (c), with donated or appropriated funds, by purchase, gift, or exchange. For acquisition of lands or interests in lands held by the State of Florida, the Secretary of Agriculture shall pay not less than the purchase price paid by the Canal Authority of the State of Florida plus interest compounded annually at the average rate at which the Authority borrowed funds for project acquisition purposes over the total period of financial commitment by the Authority.

(2) There are authorized to be appropriated for the fiscal year 1980, such sums as may be necessary to carry out the provisions of this subsection.●

By Mr. CRANSTON:

S. 877. A bill directing the Secretary of the Interior to conduct a study with a view to determining the feasibility of establishing the Juan Bautista de Anza National Historic Trail; to the Committee on Energy and Natural Resources.

● Mr. CRANSTON. Mr. President, today I submit for appropriate referral legislation directing the Department of Interior to undertake a study of the route of the Juan Bautista de Anza expeditions into California for possible inclusion in the National Historic Trails System. I ask unanimous consent that the bill be printed in the RECORD following the conclusion of my remarks.

Mr. President, many Californians seek to commemorate the Spanish explorations of California by designating the route of de Anza's expeditions from Horcasitas, Mexico, to what is now the San Francisco Bay area. Although the Spanish had previously made land and sea forays into California and established some settlements, it was the leadership of the commander of the outpost at Tubac, Mexico, Juan Bautista de Anza, who established an overland route that was suitable for transporting settlers, soldiers, and supplies.

The State of California's Recreational Trails Committee and the director of the Department of Parks and Recreation, Mr. Russell Cahill, support a national historic designation for the de Anza expedition routes of 1775 and 1776, which resulted in the founding of the city of San Francisco. It is my feeling that a study by the National Park Service is in order to determine the desirability and feasibility of memorializing this pioneer trail with a national historic trail designation.

While de Anza marched across uncharted land to reach the Pacific Ocean and later, San Francisco, much of this region is now heavily developed urban, industrial, and agricultural land. I feel a study is essential to define potential problems, and to determine opportunities for linking many of California's cities by a recreational trail before Congress considers a final designation. It is also my hope that the Secretary of the Interior would explore with the Government of Mexico the possibilities of commemorating this expedition route on both sides of the border.

The bill authorizes an appropriation of $150,000 for the study, and mandates its completion within 18 months following enactment of the legislation.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 877

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Interior is authorized and directed to conduct a study to determine the feasibility and desirability of establishing the overland route taken by Juan Bautista de Anza in connection with his travels from the United Mexican States to San Francisco California, as a national historic trail under the National Trails System Act.

(b) The results of such study shall be submitted to the President and the Congress on or before the expiration of the eighteen-month period following the date of the enactment of this Act.

(c) The study authorized by this Act, including reports and recommendations, shall, except to the extent otherwise provided by this Act, be conducted in accordance with the applicable provisions of the National Trails System Act, as amended (16 U.S.C. 1244).

SEC. 2. There is authorized to be appropriated such sum, not to exceed $150,000, as may be necessary to carry out the study authorized by this Act.●

By Mr. ROTH (for himself, Mr. DANFORTH, Mr. NELSON, and Mr. BAUCUS):

S. 878. A bill to streamline and simplify the generally applicable requirements attached to Federal assistance programs and their implementation; to facilitate the consolidation of assistance programs; to provide for multiyear funding of certain grant programs; to expedite the processing of applications for Federal assistance involving more than one grant; to extend and amend the law relating to intergovernmental cooperation; and for other purposes; to the Committee on Governmental Affairs.

Mr. ROTH. Mr. President, I am introducing important legislation today with Senators DANFORTH, NELSON, and BAUCUS to reform the the administrative burdens that excessive paperwork and regulation imposed on State and local governments and other recipients of Federal assistance. An identical bill will be introduced in the House by Representatives LES AUCOIN, LEE HAMILTON, and CLARENCE BROWN.

The Federal Assistance Reform Act was developed last year after several months of consultation and coordination among our offices and with representatives from public interest groups. The legislation was introduced last summer and preliminary hearings were held in mid-July. Due to the press of legislative business in the last Congress, however, we could not give careful and thorough consideration to the bill. This year I plan to ask for lengthy and comprehensive hearings on this proposal as well as other issues related to the operation and development of the existing Federal grant-in-aid system.

This reform legislation was developed, in part, to address the costly and cumbersome procedures for receiving Federal domestic assistance and implementing Federal program objectives. It is sadly true today that many communities choose not to participate in the domestic assistance process because the cost and regulatory burdens outweigh the program benefits. As a consequence, many communities are becoming dropouts in the grantsmanship quest for Federal program benefits.

In my remarks today I would like to outline some of the more serious problems that have plagued domestic assistance administration and explain the approach for reform that we believe would be of significant improvement. Our aim is to improve and streamline the delivery of domestic assistance to recipients.

The bill has several major purposes. First, it provides for greater uniformity of progam requirements that must be fulfilled by grant recipients. Across-the-board requirements such as citizen participation, equal opportunity, planning, and environmental quality would be standardized so that a recipient would not be asked to comply with different regulations for each administering agency.

A second major aim of the legislation is to facilitate the administration of programs by providing funding commitments 1 year in advance of State and local budgeting deadlines.

Third, the Joint Funding Simplification Act would be completely revised to allow State, local and nonprofit groups to use Federal assistance more effectively by administratively packaging Federal assistance programs. This proposal would allow assistance recipients to deal with one agency and one set of rules rather than many bureaucracies and a jungle of redtape.

Fourth, State or local governments could request a certification of approval from the responsible Federal agencies that they are in compliance with all cross-cutting requirements applying to the grants administered by each of those agencies. Once certified, a State or local government would not be required to fulfill all the redtape regulations associated with the many cross-cutting requirements. The certification would in no way allow the State or local governmental units to escape their responsibility to fulfill the law; it would merely cut the redtape and paperwork in a most effective manner.

Finally, the legislation will encourage and expedite the consolidation of many categorical programs to improve efficiency and reduce redtape.

Mr. President, the haphazard administration of grant dollars to State and local governments used to be a small problem in Washington. In 1960, $7 billion was distributed to State and local governments in the form of grants-in-aid. Today it is a big problem—the fiscal year 1979 budget targets $82.1 billion for intergovernmental transfers to city, county, and State governments. Even if most of the President's proposed budget cuts are approved by Congress, approximately $83 billion will go to State and local entities in fiscal year 1980. Managing this annual budget is equivalent to managing a corporation with gross sales the size of Exxon Corp. and Ford Motor Corp. combined. Overseeing this huge Federal grants system efficiently with a minimum of redtape and confusion has become a serious problem.

The expanded amount of Federal dollars going to the State and local governments is not the only, nor indeed the greatest, problem facing the Federal grants management system. One of the severe problems is the increased number of Federal agencies which currently administer grant programs. The responsibility for providing assistance to State and local governments has been widely scattered. In the mid 1960's, some 123 different Federal bureaus or divisions administered one or more aid programs. In 1966, all but two of the then 11 cabinet rank departments offered some form of assistance. By 1975, grant programs were offered by some 74 bureaus within 28 Federal agencies and departments. With so many Federal players involved it has become quite difficult to keep track of the progress and development of Federal grant procedures.

As if the number of Federal grant agencies were not enough, the number of Federal grant programs is even more startling. Although some of the grants which previously existed have been consolidated into block grants, there are still far too many categorical grants in our Federal grants system. The number of separate grant programs for very specific purposes run by the Office of Education of the Department of Health, Education, and Welfare, to use a disturbing example, is 85. Among them are grants for bilingual vocational education, media services, and film loan program centers, undergraduate instructional equipment, university community services programs and consumer and homemaking education. Other functional areas, such as heath services, are nearly as crowded and contain only a few less programs. The sheer volume of grants programs has made it increasingly difficult to manage the Federal grants system with a minimum of paperwork, delay and redtape.

The number, variety, and confusion apparent in assistance programs is compounded by continuing management weaknesses evidenced by the agency primarily responsible for overseeing the system: The Office of Management and Budget. Since its creation in 1921 when it was a part of the Department of Treasury, OMB has assumed three primary duties: Budget preparation, legislative clearance, and management improvement. Through the years since its creation but especially during the reorganization efforts of 1967, 1970, and 1973, attempts were made to improve OMB's handling of the issues relating to Federal management, including intergovernmental and interagency coordination. The symbolic representation of these efforts was the addition of the "M" to the agency's name in 1970.

Sadly, these attempts to strengthen the "management side" of the agency have proved to be largely unsuccessful. The fact remains that despite official disclaimers, the agency's management activities have never come to be regarded as important as its budgetary role. Consequently, the agency has in fact had limited success and has made a limited effort to obtain full compliance with its management initiatives. The agency, for a variety of reasons, has been lax in its enforcement of management circulars, monitors the grants management system in a largely reactive fashion, and has failed to foster greater intergovernmental cooperation in existing and newly created programs. In sum, its efforts have not been effective in reducing the redtape and the profusion of regulations and requirements which currently saddle the Federal grants process, and its failures, added to the problems described earlier, have reduced the effectiveness and utility of grant programs.

During the present administration, grants administration has received less emphasis than it deserves. For example, within OMB there exists a Division of Intergovernmental Affairs which has the responsibility for coordinating and managing agency directives governing the administration of Federal assistance programs. The former Director of the Division resigned several months ago and a replacement for him has only recently been appointed. The absence of a strong Director in this important Division has left a vacuum in the management side of the grants system and makes accountability for the improvement of the system difficult to place.

Even more serious is the lack of oversight exercised by OMB over the various grants management circulars and Executive orders. In September of 1977, the President issued a memorandum designed to force the agencies administering Federal assistance programs to streamline and simplify their administrative requirements and procedures. An assessment of the effectiveness of this Presidential directive by the Advisory Commission on Intergovernmental Relations completed last year indicates that only marginal improvements were made in reducing the regulatory burden thrust upon grant recipients by the existing assistance application process. It is apparent to me that administrative actions, however laudable, are seldom very effective. We need to do more to streamline the Federal assistance system and I believe this legislation provides at least a beginning point.

Mr. President, despite a decline in public sector growth in 1977, the trend during the past quarter century has been toward an unparalleled expansion of government. State, and local governments have grown rapidly, as demonstrated by the nearly threefold increase in their work forces from about 4.1 million to 12.2 million between 1955 and 1976, and the nearly tenfold increase in their own revenues during the same period, from about $34 billion to approximately $249 billion. The roles of these governments have also expanded and diversified greatly.

While the size and scope of State and local responsibilities have grown, policy initiatives, allocational decisions and administrative authority have increasingly been centralized at the national level. This expansion of the Federal Government's role has taken a variety of forms. Federal aid to State and local governments was 40 times greater in 1978 than it had been 30 years earlier and a significant amount of these grants are in the form of general revenue sharing and block grants which now comprise almost one-fourth of what was once an entirely categorical system. These newer grants have greatly expanded the contemporary intergovernmental partnership, as virtually all State and local units are recipients of Federal aid and are, therefore, bound by the accompanying conditions and controls.

We are now heading into a new era in the evolution of our federal system. It is apparent that the first indication of this new phase is going to involve a restructuring of our current attitudes towards Federal assistance programs. In absolute terms, Federal grants to State and local governments may increase this year but it is likely that in real terms a reduction in Federal funding for State and local programs may in fact occur. It is also likely that grant programs, such as general revenue sharing, will be redesigned and changed to fit changing perceptions of the Federal/State/local system.

The Governors and State legislators have begun to react to these shifts in attitudes by proposing that Federal grant programs be streamlined and consolidated, that the paperwork and regulation associated with grants be reduced to minimal levels and have asked that more flexibility be built into the existing grants system.

I support their efforts to make our Federal assistance system more flexible and less cumbersome and I believe the legislation I am introducing today will be a major improvement in current assistance management practices. Even more important, it is apparent to me that the improvements we make in the management of Federal assistance programs can be translated into improved productivity and lower tax rates at the State and local levels.

A recent GAO report entitled "State and Local Government Productivity Improvement: What is the Federal Role?" explores some of these issues at length. With respect to grants management the report notes:

> The most important impact of the Federal Government on State and local government productivity is the Federal grants system. The impact (of this system) on productivity is primarily negative because of the delays and additional costs caused by the myriad of regulations and excessive "red tape" imposed through the Federal grants system itself.
>
> The national economy is strengthened by improvements in the productivity . . . of the state-local sector, which accounted for 15.1 percent of the GNP in 1976.

The report recommends that the Congress institute fundamental changes in the Federal assistance system to streamline the applications process and help improve productivity.

The GAO study also recommends that Congress consider several other changes to improve local productivity including a recommendation to consider, in the words of the report:

> Standardization of Federal employment, nondiscrimination, environmental review, planning and other cross-cutting requirements among all Federal programs, with designation of an appropriate Federal cognizant agency for certification of grantee compliance with each requirement. Legislation was introduced in the 95th Congress, 2d Session, to streamline and simplify cross-cutting requirements. (Federal Assistance Reform Act, S. 3267).

S. 3267 is the Federal Assistance Reform Act as introduced last year and I am hopeful that the improved legislation I am proposing today can help us move toward a more streamlined grants process as recommended by the GAO.

Mr. President, the GAO report highlights the impact of the so-called cross-cutting statutes on the operation of our Federal grants system. Currently, there are at least 33 cross-cutting regulations routinely attached to most aid programs. Over 490 categorical grants are now funded for use by State and local governments with several hundred more remaining unfunded but still alive in statute. This is an increase of over 11 percent since the last survey, completed by ACIR, in 1975.

The 33 so-called across-the-board or cross-cutting requirements are attached, in varying forms, to almost every one of the 490 grant programs, creating an incredible hodge-podge of strings and regulations. A partial listing of such requirements would include nondiscrimination statutes and regulations, environmental protection requirements, planning and project coordination laws, labor and procurement standards, and various public participation requirements. In one policy area alone, citizen participation, there are over 140 different programs requiring some form of citizen participation. ACIR recently discovered that 83 programs have been enacted since 1970 which require citizen participation of one type or another. Thirty-one different forms of citizen participation exist and four broad Federal statutes cover that same public policy goal.

My point is obvious: There are too many cross-cutting strings attached to Federal grant programs.

It is clear that the cross-cutting requirements attached to each grant are burdensome, difficult to comply with and often conflicting. The attached Federal "strings" in grant-in-aid programs have made it difficult for the States and their local governments to use available Federal moneys effectively and productively. As if all of this was not bad enough, each of these cross-cutting statutes can be interpreted differently by each agency and all Federal agencies have issued their own regulations to implement the various statutes. As a result, potential grant recipients must not only know the cross-cutting laws which apply to each grant program, they must also become familiar with the regulations which each agency promulgates to implement the law; and the Federal agencies which administer grant programs affecting the State and local governments can be very imaginative. It is sad but true that the bureaucrats as well as the Congress, seem to be able to cut redtape in only one direction—lengthwise.

How did we let our grant system become so snarled and twisted in redtape? The general revenue sharing program illustrates just how Federal cross-cutting strings have been allowed to sprout.

Revenue sharing began as a program to allocate Federal moneys to local governments whose use of such funds was supposed to be largely discretionary. Cutting redtape and eliminating regulatory snags was one of the primary reasons for the creation of revenue sharing. Under the original program, each recipient government was required to follow its normal hearing procedures to assure public participation. This meant that a local government was to budget, appropriate, and spend its revenue sharing funds under the same procedural safeguards it applied to funds appropriated from its own tax revenues. In addition, local governments were required to complete one planned-use report and one actual-use report for each entitlement period, file these with the Secretary of the Treasury and publish each report.

The revenue sharing amendments of 1976 added more requirements to the act and significantly increased local regulatory burdens. Local governments are now required to hold two public hearings where no hearings were mandated previously. Each of these hearing provisions is accompanied by technically specific publication requirements. Even more disturbing, three reports are now required of local governments on an annual basis.

The original act wisely contained waiver provisions so small local governments and those receiving relatively little revenue sharing money would not be required to fulfill the burdensome reporting requirements. Sadly, the regulations issued by the Office of Revenue Sharing removed even these provisions. In the area of revenue sharing, as in most other Federal grant programs, it is apparent that redtape, bureaucratic dallying and plain insensitivity to the needs of local government has begun to shackle the program.

The public participation strings added to the revenue sharing program are similar to some of the cross-cutting requirements attached to most other grant programs in an attempt to encourage citizen involvement. The growth of these requirements in the revenue sharing program is amazingly similar to the process which has gradually added the many cross-cutting requirements contained in our Federal grant-in-aid system. The process is a gradual one, adding a new public participation requirement here and an environmental requirement there until a massive system of Federal statutes and requirements has grown up around the grants system. Because of the huge volume and complexity of these requirements, many of them, though seeking to reach laudable goals, become useless and largely pro forma in nature. The system has become too huge and confusing to manage and its benefits are questionable.

What has resulted from this twisted network of crosscutting requirements, regulations, and statutes? For one thing, smaller jurisdictions have been hard pressed to compete for needed Federal grants. Drawn into the grants process by expanded use of block grants and general revenue sharing, smaller jurisdictions have been finding that they are less and less capable of complying with the plethora of Federal mandates. As one HUD official recently acknowledged, "Government in general is not taking into account the capacity of these small jurisdictions to deal with Federal programs."

The costs of the system have vastly increased, in part due to crosscutting mandates, and both State and local officials and Federal administrators are finding that the costs of many grant programs are greater than the benefits. Numerous examples of the administrative costs of the crosscutting regulation thicket have been revealed in the press and by congressional studies and reports. For instance, crosscutting and other grant requirements have prompted the State of Georgia's Department of Education to use a rule of thumb of $5,000 for determining whether to apply for grants from Federal agencies. If the possible grant award would be less than $5,000, the State estimates it would lose money in the paperwork process associated with the grant application and therefore does not apply for it. A large share of these paperwork costs are mandated by the various crosscutting requirements. In another case, the city of Tulsa, Okla., estimates that it spends 15 to 20 percent of all the Federal aid it receives just to apply for and administer Federal grants. Many cases have arisen in recent years in which towns, counties or States have refused Federal grants because of excessive Federal requirements and costs. The explosion of Federal crosscutting strings has indeed had serious negative effects on the utility and effectiveness of Federal grants.

Mr. President, I must emphasize at this point that the exact costs these crosscutting statutes impose upon State and local recipients is not yet known with any degree of accuracy. The Paperwork Commission spent considerable amounts of time trying to calculate general paperwork costs and although they did not analyze the costs mandated by crosscutting statutes alone, they did find that paperwork costs State and local governments somewhere around $9 billion a year. In addition, the Commission concluded:

> Much of the red tape and paperwork results from the non-assistance programs mandated on State and local governments to achieve national objectives such as environmental protection, non-discrimination and civil rights, occupational safety and others.

The Commission suggested that this problem be dealt with in the following manner:

> The Federal Government (should) assign either a single agency or a cognizant agency full authority over Federal non-assistance program requirements to achieve national objectives such as environmental protection and non-discrimination.

This recommendation is embodied in the proceduces created by the Federal Assistance Reform Act.

The legislation we introduce today seeks to address the problems noted by the Paperwork Commission through the provisions described in title I. It provides that within 90 days of enactment of the act, the President would be required to designate a single Federal agency which would be responsible for issuing a standard set of rules and regulations in each of 10 subject areas. These areas include citizen participation, procurement standards, environmental protection requirements, and planning requirements which are attached to most grant programs with the intent of achieving certain national policy objectives. Once the standardized rules and regulations have been issued, each of the Federal agencies having responsibility for a Federal grant program in which the various crosscutting requirements apply would be responsible for implementing the standardized regulations in its programs. The Office of Management and Budget would have the general responsibility of monitoring the new act and adjudicating any disagreements which arise between the agencies during implementation.

The simplification and clarification provided by our legislation would prevent State and local governments from complying with differing standards and regulations in each grant application. It would strengthen the management role of OMB by providing for a simple and rational system of crosscutting requirements and by delegating to it the role of interagency manager and facilitator with respect to the provisions of the act. The legislation would aid the agencies in their administration of grants programs because grant applications submitted by State and local governments would be better prepared under the streamlined system created by this legislation. It would also improve agency administration of the various national policy objectives by allowing each agency to devote less staff time to sorting out the paperwork associated with specific cross-cutting programs and more to improving the administration of those programs and the ongoing grants process. Finally, the bill will, in my opinion, improve the enforcement of these national policy objectives, not by adding increased staff but rather by simplifying compliance procedures and the understanding recipients have of them. Overall, the provisions contained in title I work to the benefit of all the participants in the grants system and in the long run should help save money, time, and unnecessary effort.

The legislation also makes improvements in the Joint Funding Act which are badly needed. The Joint Funding Simplifications Act of 1974 was passed because of the need for a coordinated, unified Federal response to State and local requests for multi-Federal assistance which had been apparent since the creation of Federal grant assistance. The act was intended to enable State and local governments to use Federal assistance more effectively and efficiently, and to adapt that assistance more readily to their particular needs through the wider use of comprehensive projects drawing upon resources from more than one Federal agency, program, or appropriation. Ideally, the joint funding concept should promote and provide support for the accomplishment of State and local projects and the fulfillment of Federal objectives by allowing a combination of funds from several Federal agencies to be used in a concentrated manner.

Unfortunately, the grand designs originally contemplated for the program have not been fulfilled. Joint funding is not working. As of October 1977, there were only two new joint funding projects initiated and funded. Simplification, as envisioned in the legislation, has not occurred. In some cases, unnecessary redtape, excessive paperwork, duplication, delay, confusion, and frustration often associated with existing grant administrative practices and individual programs have been compounded rather than allevated.

There has been a noticeable lack of commitment toward implementation of the joint funding process at the Federal level. This has been manifested in a number of ways, from lack of agency participation in joint funding projects to the inability of many States or local governments to gain consideration of their proposals because no Federal agency would "volunteer" to serve in a lead capacity. Joint funding has not been viewed by the agencies as part of their mission, but rather as an additional unnecessary responsibility. Because the joint funding process is different from the normal categorical grant processes utilized by most agencies, joint funding matters have often been shuffled to the bottom of the pile. Generally, though the joint funding process could be immensely valuable to State and local governments, it has seldom been utilized due to agency indifference.

Title III of our legislation would completely revise the Joint Funding Simplification Act. The bill provides language mandating a more serious consideration of the joint funding process by Federal grant agencies. It forces the agencies to examine programs and develop effective packages of assistance programs as well as develop streamlined procedures for administering jointly funded projects. Although many do not believe the act is worth resurrecting, I believe the importance of the concept behind the Joint Funding Act merits some attempts to make necessary improvements.

The legislation proposes several other grants management reforms, two of which deserve special note. One of these provisions would allow State and local governments to petition agencies administering Federal assistance programs for a certificate of compliance. The certificate, once approved by the respective agency, would be accepted as proof that the State or local government was in compliance with State or local laws or regulations which are at least as stringent as the standard rules and regulations mandated by the Federal Government. Upon approval, the State or local unit would no longer be required to fill out all of the forms and reports required by each agency for the newly standardized cross-cutting requirements attached to each grant. The result will be a significant decrease in paperwork frustration and redtape.

The second important aspect of the bill are the provisions contained in title II. The procedures in title II are designed to encourage Presidential and congressional consideration of grant consolidations. They would require the President to submit consolidation proposals when he finds such action would improve efficiency or enhance program effectiveness. Congress would consider each consolidation plan under a procedure somewhat similar to the reorganization process although both Houses of Congress would have to pass resolutions of approval and the President would have to agree to the consolidation before it could become law.

Mr. President, this bill promises to reduce the tremendous regulatory burdens thrust upon State and local grant recipients. In the end, however, the regulatory cost savings which will result from the enactment of this bill will benefit the taxpayers of the States and localities which use Federal grant funds. They are the ones who pay for the waste and paperwork which plagues our grants system. They must pay for the 28 percent of grants expenditures which goes solely to administrative overhead and redtape in some grant programs. They are the ones who pay for the services funded by Federal grants but receive inadequate returns on their investments because of the inefficiencies of our grants system. The taxpayers deserve efficient and effective programs and this bill is designed to achieve such efficiencies.

We cannot ignore the role the grants system plays in the lives of all Americans. While the system may be little known to many citizens, it helps pay for many local services such as sidewalk construction and law enforcement and affects to some extent the fiscal operations of almost every State or locality in the Nation. If Federal assistance were not available last year, State and local taxes, which amounted to approximately $195.5 billion nationwide, would have had to have been raised by an additional third to cover the revenue shortfall.

Mr. President, I ask unanimous consent that a summary of the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SHORT SUMMARY AND BACKGROUND OF THE FEDERAL ASSISTANCE REFORM ACT

The Federal Assistance Reform Act is a major grants reform bill designed to accomplish several goals. Among them are: (1) significant reductions in the amount of paperwork and associated costs which occur in the existing grants application process (2) streamlining of regulatory requirements and procedures in the grants system (3) promoting improved productivity at the state and local level by simplifying federal assistance programs and improving program efficiency (4) improving federal/state/local cooperation by removing regulatory roadblocks and frustrations (5) saving tax dollars at the federal level by improving efficiency and reducing costs and (6) allowing state and local governments to realize savings in program administrative costs by reducing redtape and thereby helping to reduce the burdens of government service costs to the taxpayer.

The legislation grew out of nearly one and one-half years of work and is based on the 14 volume study "The Intergovernmental Grant System: An Assessment and Proposed Policies" published recently by the Advisory Commission on Intergovernmental Relations and contains provisions recommended by the Commission on Federal Paperwork. It was introduced last year as S. 3267 and initial hearings were held in the Intergovernmental Relations Subcommittee of the Committee on Governmental Affairs last July.

There are four principal titles in the legislation:

Title I is designed to reduce the overregulation and paperwork afflicting the federal assistance system. The title is designed to streamline and simplify some of the more than 33 so-called cross-cutting requirements found in the grants system. Cross-cutting requirements are national policy objectives, such as citizen participation, which are attached to grant programs in a bewildering variety of forms causing huge regulatory problems. Title I would simplify this system by requiring standardized regulations, monitored by a single agency, to be adopted for various cross-cutting statutes by all grants administering agencies.

The second title in the bill sets down a procedure designed to encourage Presidential and Congressional consideration of grant program consolidations. Many of the paperwork problems arising in the federal assistance system occur because there are too many small, related categorical grants which are inefficient and costly to administer. Title II provides for a special process, similar in many ways to the procedures set down in the Reorganization Act of 1977, designed to facilitate the adoption of program consolidations.

Title III completely revamps the old Joint Funding Simplification Act which was originally designed to encourage federal grants administering agencies to allow a number of categorical grants to be used as if they were a single program. It was supposed to allow a state or local government to fill out one application, deal with one agency and comply with one set of rules rather than having to fight several agencies and many different rules to obtain grants meant for one project. This title of the bill would force agencies to work with their counterparts to develop grants which would be compatible and could be packaged into one grant proposal. Each granting agency would also be required to design streamlined administrative procedures to enhance this process.

The fourth title of the bill is intended to encourage Congressional consideration of grants programs which could be advance funded. Advance funding provides appropriations for one fiscal year, or more in a few cases, beyond the fiscal year for which an appropriation is passed. This type of funding for federal assistance programs helps improve the state and local budget process and enhance program effectiveness.

FEDERAL ASSISTANCE REFORM ACT OF 1979: SECTION-BY-SECTION ANALYSIS

TITLE I—ADMINISTRATION OF GENERALLY APPLICABLE FEDERAL ASSISTANCE REQUIREMENTS

Sec. 101. Amends the Intergovernmental Cooperation Act of 1968 by adding a new title VII—Administration of Generally Applicable Federal Assistance Requirements.

Sec. 701.—Statement of Purpose indicates that it is the intention of this title to encourage simplification, standardization and more uniform compliance in the administration of national policy requirements which have become generally applicable to Federal assistance programs.

Sec. 702.—The Definitions cover (a) "generally applicable requirements," (b) "designated agency," and (c) "assistant recipient."

Sec. 703.—Assignment of Designated Agencies lists ten types of generally applicable requirements, and directs the President to designate a single rule-making agency to establish standard rules and regulations in each of the ten areas. Provides for the designation of rule-making agencies in new subject areas, either through authorizing legislation or Presidential assignment.

Sec. 704.—Issuance Of Standard Rules and Regulations establishes procedures and timing for issuance of standard rules and regulations by the designated agencies. Directs each such agency to prepare amendments to its rules and regulations to reflect new legislation and changing conditions. Sets a one-year time limit for development by the designated agencies of standard rules and regulations. Provides that standard rules and regulations will be binding upon agencies administering grant programs and mandates that all administering agencies will conform to the standard rules and regulations unless the designated agency, in light of statutory provisions, grants a variation. Allows applicants with pending grant applications to request that adopted standard rules and regulations apply to their applications.

Sec. 705.—Role Of Federal Agencies In Achieving Compliance assigns the federal department administering assistance programs to which approved rules and regulations apply the responsibility for securing compliance with the respective rules and regulations. Permits the designated agencies to render assistance to the administering agencies as they carry out their compliance responsibilities. Establishes a process by which recipient governments may certify that they are in compliance with State and local requirements that are at least equivalent to the standard rules and regulations. Allows administering agencies to withdraw certifications after notice and a hearing and permits grantees to appeal such decisions to the responsible designated agency for an advisory opinion.

Sec. 706.—Legislation To Remove Impediments To Implementation provides a procedure, somewhat similar to that by which Congress expeditiously approves or disapproves legislation, designed to remove impediments to the formulation of standard rules and regulations. Permits the designated agency to study the standard rules and regulations for which they are responsible and eliminate or revise those regulations which are costly, unmanageable or ineffective. Establishes a procedure for drafting legislative remedies subject to the approval of the President where such outmoded rules and regulations are required by law.

Sec. 707.—General Oversight provides that the President designate the Office of Management and Budget to oversee the implementation of this Title. Provides that OMB should monitor the activities undertaken by the agencies to comply with this Title and convene interagency meetings to eliminate conflicts.

TITLE II—CONSOLIDATION OF FEDERAL ASSISTANCE PROGRAMS

Sec. 201. Amends Title 5, United States Code, by inserting a new Chapter 10 comprised of Sections 1001 through 1007.

Sec. 1001.—Purpose, specifies that the bill seeks to promote economy and efficiency in the planning, administration and oversight of federal assistance programs.

Sec. 1003.—Federal Assistance Program Consolidation Plans, authorizes the President to submit federal assistance program consolidation plans to Congress when he determines that such consolidations will realize one or more of the bill's purposes. The President must name the single agency which will receive responsibility for administering the consolidated programs. The plan must stipulate the terms and conditions of the consolidation and compare them with those to be merged. The President must deliver his plan to both Houses of Congress on the same day while they are in session. There is a 30-day grace period between the delivery of plans dealing with one or more of the same programs.

Sec. 1004.—Limitations On Powers, prohibits the consolidation of programs which are not functionally related and the assignment of administrative responsibility to an agency which did not have responsibility for one or more of the affected programs prior to the consolidation. Each consolidation plan is limited to two or more federal assistance programs. In order to take effect the consolidation plan must be transmitted to Congress before December 31, 1984.

Sec. 1005.—Method Of Taking Effect, provides that a consolidation will take effect when the President approves a resolution supporting the consolidation plan passed by the House and Senate within 90 calendar days of continuous session after the plan was transmitted to the Congress. The appropriate committees in the House and Senate must consider a consolidation plan for 30 days of continuous session of Congress after submission of the plan. During this 30-day period the President may make modifications or revisions in the plan. The committees considering the plan must report their recommendation to the full House or Senate within 60 days following the date of the plan's introduction. If a committee reviewing a resolution has not reported at the end of 60 days of continuous session of Congress, it is discharged from further consideration of the resolution and the resolution is placed on the calendar of the House involved. Postponement of the consideration of a consolidation plan is prohibited.

Sec. 1006.—Effect On Other Laws And Regulations, provides that when a consolidation plan so specifies, it may supersede a portion or all of a previously enacted statute with which it is in conflict.

Sec. 1007.—Rules Of Senate And House Of Representatives On Consolidation Plans, assures that all Congressional action on consolidation plans will be carried out in accord with the rules of the respective Houses of Congress.

Sec. 1008.—Reporting Requirement stipulates that the President shall report to the Congress annually on the contents of consolidation packages proposed and their implementation status. If the consolidation authority is not exercised in any calendar year, the reason for such inaction shall be cited in the report for that year.

TITLE III—INTEGRATED GRANT DEVELOPMENT

Sec. 301.—Amends the Joint Funding Simplification Act of 1974 by striking out the existing provisions and substituting a new Act entitled the "Integrated Grant Development Act of 1979". Indicates the Act is intended to create a management process for federal assistance administration which will permit the more effective and efficient realization of program goals.

Sec. 2.—Purpose indicates that the Act is intended to improve federal assistance program performance by allowing State, local and non-profit organizations to more effectively meet their needs by administratively packaging certain federal assistance programs.

Sec. 3.—Basic Responsibilities Of The President And Heads Of Federal Agencies provides that the President shall issue regulations to carry out the intent of this Act. Provides that most federal agencies must identify related programs which could be funded jointly, must issue guidelines to facilitate joint funding, and review and modify administrative requirements which might prevent joint funding of related programs. Provides that any agencies which participate in integrated grant projects must contribute proportionately to the lead agency's administrative costs. Directs agency heads to take any actions, within the scope of their statutory powers, to further the purposes of the Act. Directs the President to designate the OMB to assume the overall guidance and implementation of this Act.

Sec. 4.—Application Processing directs that all agency heads participating in integrated grant management projects shall assure, as far as possible, that reviews and approvals for projects are handled without delays, that applicants are required to deal with a minimum of federal officials and that applicants are informed promptly for all agency decisions.

Sec. 5.—Special Authorities—Basic Conditions. Provides that the authorities described in Sections 6, 7 and 8 shall only be used when the individual problems of a particular integrated grant project cannot be addressed using the procedures set forth in other sections of this title.

Sec. 6.—Establishment Of Uniform Technical Or Administrative Requirements provides that when a particular project would otherwise be subject to conflicting administrative rules, agency heads shall adopt and adhere to uniform requirements with respect to financial management, timing of the release of grant funds, the criteria for choosing between grants or contracts and procedures relating to the disposition of/or accountability for records or property acquired with federal assistance. Permits the formation of a single panel or board to review integrated grant project proposals. Permits federal agency heads, upon the application of the head of a general government or with the agreement of several State or local agency heads, to waive their single agency or specific organizational unit requirements attached to various grants programs.

Sec. 7.—Delegation of Powers permits agencies to delegate powers or functions to fulfill the purposes of this Act.

Sec. 8.—Funding Arrangements And Procedures to facilitate assistance recipient use of integrated grants, permits the establishment of integrated management funds which will account for funds as though derived from a single federal assistance program. Directs that any project covered by an integrated management fund should have a single, non-federal matching share where such matching shares are attached to several grants.

Sec. 9.—Auxiliary Provisions permits funds available for technical assistance to be used for such assistance in connection with proposed or approved integrated grant projects.

Sec. 10.—Federal-State Assistance And Agreements permits federal agencies to enter into agreements with States to extend the benefits of the Act to local recipients.

Sec. 11.—Requires President to report to the Congress on the activities taken under the Act. Requires the report to include estimations of the costs and benefits of the Act to Federal, State, and local governments and non-profit organizations and requires the report to be submitted one year before the expiration of the Act.

Sec. 12.—Definitions.

Sec. 13.—Effective Date And Expiration. The Act is effective 120 days following enactment and expires five years following the date upon which it becomes effective.

TITLE IV—ADVANCE APPROPRIATIONS

Sec. 401.—Provides that the Intergovernmental Cooperation Act of 1968 is amended by adding a new Title VIII comprised of Sections 801 through 803. These sections require the Congressional Appropriations Committees, in consultation with the authorizing committees and the Congressional Budget Office, to consider whether spending authority for federal financial assistance should be provided at least one fiscal year in advance of the fiscal year in progress, and by requiring that such Committees should periodically report to their respective Houses their recommendations concerning changes in the provisions governing spending authority or budget authority.

Sec. 402.—Amends Section 201 of the Budget and Accounting Act of 1921 by providing that the budget may include requests for new budget authority for advance appropriation programs and their estimated outlays for the next succeeding year. If new budget authority is authorized for an advanced appropriation program for any following year, it may include a request for new budget authority for advance appropriation programs and their estimated outlays for any such following year.

Sec. 403.—Amends Section 301(d)(7) of the Congressional Budget Act of 1974 to include five-year projections of new budget authority and outlays for each program of federal financial assistance and a statement of any significant changes in the proposed levels of federal financial assistance, as defined in the Intergovernmental Cooperation Act of 1968.

Sec. 404.—Clarifies the relationship of Sections 401 and 403 with respect to the rules of the House and Senate.

TITLE V—MISCELLANEOUS

Sec. 501.—Amends Section 201 of the Intergovernmental Cooperation Act of 1968 by authorizing pertinent officials of recipient local governments to request information on grant funds coming into their respective jurisdictions. OMB is required to oversee compliance with this provision.

Amends Section 204 of the Intergovernmental Cooperation Act of 1968 to extend its single department or agency waiver authorization to any single State or local government department, agency, multimember board or commission, or a single bureau, division, other organizational unit, or specific officer within a department, agency, or multimember board or commission of State or local government; appropriate local as well as State officials are authorized to request such a waiver.

Amends Title II of the Intergovernmental Cooperation Act of 1968 by adding a new section which standardizes statutory maintenance of effort provisions: the State and local recipient's expenditures will be no less than the average spent for the previous two years for the aided activities. Provides that the minimum may be waived by the federal agency head in certain hardship cases (in accordance with criteria established by the OMB).

By Mr. CHILES:

S. 879. A bill to provide lump sum death benefits for certain Federal law officers and firefighters killed in the line of duty, and for other purposes; to the Committee on Governmental Affairs.

● Mr. CHILES. Mr. President, I am introducing legislation designed to provide lump sum death benefits for certain Federal law officers killed in the line of duty. This bill is a companion measure to H.R. 2543, introduced by Congressman Gibbons.

Under this legislation, Federal protective officers, who are charged with the responsibility of protecting Federal buildings and their occupants, will be treated as other law enforcement officers with respect to the payment of death benefits. At present, the survivor of a GSA Federal protective officer who is killed in the line of duty receives no death benefit. Survivors of other law enforcement officers are eligible for a lump sum payment of $50,000.

The need to correct this inequity is underscored by a recent tragedy in Tampa, Fla., in which a Federal security guard, Robert L. Timberlake, was killed while on duty in the Tampa Federal building. Since 1976, three Federal protective officers have died in the line of duty and one has been shot and wounded. The bill I am introducing today is retroactive to January 1976, so as to benefit the widow of Robert L. Timberlake and the survivors of the other Federal protective officers killed.

This measure will have a minimal budget impact and serves to redress an obviously inequitable situation. I hope that it will receive prompt consideration and approval by the Senate.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 879

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DEATH BENEFITS

Section 1. (a) Section 8133 of title 5, United States Code, relating to compensation in case of death, is amended by adding at the end thereof the following new subsection:

"(g) If a law enforcement officer or firefighter as defined in section 8331 of this title dies as a result of injuries sustained in the performance of duty, the United States shall pay, in addition to other benefits authorized by law, a lump sum payment of $50,000 to the person or persons surviving on the date of death in the order of precedence established under subsections (a) and (b) of section 8705 of this title. No payment shall be made under this subsection if, by the end of the four-year period beginning on the date of the death of the employee, no claim for payment by a person entitled under this subsection is made. Payment under this subsection shall be made by the head of the Federal agency concerned out of appropriations available to such agency for such purposes for fiscal year 1979.".

(b) Section 8331(20) of title 5, United States Code, defining law enforcement officer, is amended by inserting immediately before the period at the end of the first sentence thereof the following: "and including any Federal protective officer employed by the General Services Administration or any nonuniformed special policeman referred to in section 5 of the Act of June 1, 1948 (40 U.S.C. 318d)".

ASSAULTS ON FEDERAL PROTECTIVE OFFICERS

Sec. 2. Section 1114 of title 18, United States Code, relating to protection of officers and employees of the United States, is amended by inserting "and including any Federal protective officer employed by the General Services Administration or any nonuniformed special policeman referred to in section 5 of the Act of June 1, 1948 (40 U.S.C. 318d)," immediately after "Department of Justice,".

EFFECTIVE DATES

Sec. 3. The amendments made by section 1 of this Act shall be effective with respect to any law enforcement officer or firefighter (as defined in section 8331 of title 5, United States Code, as amended by that section) who dies on or after January 1, 1976. The amendment made by section 2 of this Act shall take effect on the date of enactment of this Act.●

By Mr. HATFIELD (for himself and Mr. Gravel):

S. 880. A bill to amend the Internal Revenue Code of 1954 to provide that a taxpayer conscientiously opposed to participation in war may elect to have his income, estate, or gift tax payments spent for nonmilitary purposes; to create a trust fund (the World Peace Tax Fund) to receive these tax payments; to establish a World Peace Tax Fund Board of Trustees; and for other purposes; to the Committee on Finance.

WORLD PEACE TAX FUND ACT

● Mr. HATFIELD. Mr. President, today I am reintroducing the World Peace Tax Fund bill to amend the Internal Revenue Code of 1954 in order to provide a way for conscientious objectors to elect to have their tax payments spent for nonmilitary purposes.

As each of us knows, from the large volume of mail and personal visits from those conscientiously opposed to war, our present tax system is working a grievous injustice against people who, while not required to bear arms, must still pay for others to do so and for the continuing and widening arms race. Requiring taxes for current military outlay from people whose moral and spiritual background and framework forbid them participation in violent means of conflict resolution is a dark blot upon our national human rights policy.

It is my strong conviction that we as a body should move to permit citizens opposed to war on moral and theological grounds, and who have entered responsibly into the rigors of demonstrating conclusively their conscientious status, the opportunity to have that portion of their income, estate, and gift taxes normally spent by the military directed to peace-related activities instead.

William Penn argued this very issue with the English monarch in 1711. Since the first Congress this matter has been upon the legislative agenda. But today, as the specter of nuclear conflagration widens, and we as a nation become more ensnared by the worldwide arms race, it is not only an issue of equity but of urgent moral policy. It is time to declare in an unequivocal fashion that we as a nation give support to peacemakers. It is time to extend the long honored principle of conscientious objection to payment of taxes for the military. No citizen should be forced to violate compelling opposition to violence. And, yet, today citizens in each of our States are under threat of imprisonment if they persist in following the highest good that they know. Others of our constituents are choosing to earn less money than they could in order to maintain a nontaxable income level.

The World Peace Tax Fund Act would not lower total tax payments or diminish tax obligations, as many current deductions now do. Rather, it recognizes deep convictions and removes the awful dilemma facing conscientious objectors to disregard their moral beliefs or disobey the laws of the land. Under this measure, conscientious objection would be determined by the criteria established by the Selective Service Act.

Those who qualify, then, may choose to have an appropriate percentage of their tax dollars transferred by the Treasury into a trust fund to be established by the bill. The percentage would be figured each year according to the amount of budgeted "current military outlay."

An estimated 0.5 to 9 percent of income taxpayers would use the World Peace Tax Fund checkoff if it became law. This is based on the membership of the Church of the Brethren, Mennonites and Quakers—Friends—who are the principal supporters of WPTF, and have a combined membership of 540,000. A survey taken at the time of the Calley sentence in 1971 by Harris indicated 9 percent thought a soldier not justified in shooting an enemy in war, and is the only indication known of a poll of the public at large on conscientious objection.

The WPTF fund would be approximately $180,058,000 if 0.4 percent of income taxpayers used the fund and $4,501,450,000 if 10 percent used it.

This fund, administered by a board of citizens appointed by the President and Congress, would disburse funds to programs of a peace-related nature.

The 1979 world peace tax fund bill has been redrafted to include several new activities which would be eligible to receive these transfer funds. The National Academy of Peace and Conflict Resolution, which had a 2-year study commission authorized in the Educational Services Act of the 95th Congress, would be a most fitting recipient. Another concordant option added to this version is a "retraining of workers displaced by conversion from military production." These alternatives are bold symbols as well as practical ways to begin to redirect our energies as a nation committed to bringing a wider peace in our troubled world.

The denominational church support for this bill is wide and growing: The U.S. Catholic Conference, an organization of Catholic bishops, declared in 1973:

> We encourage legislative efforts which offer citizens, who object for reasons of conscience to paying taxes to support military programs, the option of allocating a portion of their tax payment to fund peace and development oriented programs.

The 10-million-member Methodist denomination, while not a traditional "peace church," such as the Quakers, Mennonites, or the Brethren, supports the world peace tax fund concept. William Willoughby, of the Washington Star, reported from Portland, Oreg., on May 5, 1976:

> The General Conference of the United Methodist Church, the country's second largest Protestant denomination, gave its endorsement to individuals who, for reasons of conscience, withhold a portion of their tax dollars which would be used for war and promoting the arms race.
>
> The action, included in a comprehensive resolution on world peace and matters directly related to it, is reflected of a growing feeling in many churches in the United States that they should not be forced into supporting programs with which they have strong moral and theological conflicts.
>
> . . . it does hold as one of its official statements the assertion that "what the Christian citizen may or may not do is to obey persons rather than God, or overlook the degree of compromise in even our best acts, or gloss over the sinfulness of war."
>
> The resolution said, "Christian teaching supports conscientious objection to all war as an ethically valid position." It also asserts that ethical decisions on political matters must be made in the context of the competing claims of Biblical revelation, church doctrine, civil law, and one's own understanding of what God calls him or her to do.

Further, the resolution, approved by the General Conference of the United Methodist Church, states:

> We therefore, support all those who conscientiously object; to preparation for or participation in any specific war on all wars; to cooperation with military conscription; or to the payment of taxes for military purposes; and we ask that they be granted legal recognition.

The United Church of Christ passed a supportive resolution during its 1977 general synod meeting:

> Whereas, we look for guidance from the life, teaching and suffering of Jesus; his passion for human well-being; his solidarity with the vulnerable against the false order of the day; his embodiment of peacefulness and courage in his ministry; his readiness to stand against the imperialism of his day with the whole of his life, and
>
> Whereas, we must look for alternatives to war to settle international conflicts, and;
>
> Whereas, a bill to establish a World Peace Tax Fund, i.e., H.R. 4897 and S. 880, has been introduced in Congress which would amend the Internal Revenue Code to provide that taxpayers conscientiously opposed to participation in war may elect to have their income, estate, or gift tax payments spent for nonmilitary purposes, and;
>
> Whereas, we recognize the dilemma of conscientious objectors who wish to pay their full share of taxes but cannot accede to thus participating in war which is against their beliefs, and;
>
> Whereas, the Quaker, Brethren, Mennonite and United Methodist churches have already acted in this area;
>
> Therefore be it resolved that the 11th General Synod of the United Church of Christ gives full support to the swift passage of legislation establishing a World Peace Tax Fund and urges individual members of the UCC to write their appropriate legislators.

Possibly the most compelling affirmative statement to date came from the October 7 and 8, 1978, New Call to Peacemaking Conference in Green Lake, Wis.:

> This meeting, a cooperative effort of Brethren, Friends and Mennonites, was called to renew the Historic Peace Churches' commitment and promotion of nonviolence as a way of life. This statement represents a distillation of the resolutions and recommendations developed by 27 small groups, each of which met four times during the course of the Conference. Prior to the Green Lake Conference there were some 26 regional conferences in 13 regions involving more than 1,600 people.
>
> ### CONFRONTING MILITARISM AND THE ARMS RACE
>
> Because our security is in Jesus Christ, we reject reliance on "national security." We reaffirm our membership in Christ's kingdom and in the global community by denouncing national and military idolatry. Because the earth is the Lord's we declare that the resources presently wasted on national military systems in all countries should be transferred to meet the genuine needs of the world's people.
>
> ### CONVERSION TO A PEACE ECONOMY
>
> With awareness of the destructive, wasteful, and inflationary effects of military-related expenditures, we support:
>
> 1. Research and action toward economic conversion to non-military production, with assistance for those who are temporarily unemployed during the process.
> 2. Transfer of tax monies from the military budget to programs meeting human needs.
>
> ### WAR TAX RESISTANCE
>
> 1. We call upon members of the Historic Peace Churches to seriously consider refusal to pay the military portion of their federal taxes, as a response to Christ's call to radical discipleship.
> 2. We challenge ourselves and also our congregations and meetings to uphold war tax resisters with spiritual, emotional, legal, and material support.
> 3. We call on our church and conference agencies to enter into dialogue with employees who ask, for reasons of moral conviction, that their taxes not be withheld.
> 4. We suggest that alternative "tax" payments be channeled into a peace fund initiated by the New Call to Peacemaking or into existing peace funds of constituent groups.
> 5. We call on our denominations, congregations and meetings to give high priority to the study of war tax resistance in our own circles and beyond.
>
> ### WORLD PEACE TAX FUND
>
> In keeping with our past support of alternative service provisions for conscientious objectors to the draft, we urge support for

congressional enactment of a World Peace Tax Fund as an alternative to compulsory financial support of war and preparation for war.

Thomas Jefferson said, in the Virginia Statutes of Religious Freedom in 1799, that—

> To compel a man to furnish contributions of money for propagation of opinions which he disbelieves, is sinful and tyrannical.

I am strongly persuaded that this bill is sound in its approach to the reduction of tyranny against a certain portion of our population.

Legally, it has precedent in the selective service statutes which have recognized an individual's right to alternative civilian service. Federal courts have also exempted individuals, for religious reasons, from social security taxes.

PRECEDENTS FOR TAX EXCEPTIONS FOR CONSCIENTIOUS OBJECTORS

First. Section 1402(e) of the Internal Revenue Code provides an exemption from payment of self-employment taxes for duly ordained, licensed or commissioned ministers and members of religious orders, or for Christian Science practitioners upon their filing an application for exemption together with a statement that they are conscientiously opposed to, or because of religious principles, they are opposed to participation in an insurance plan like that provided by the Social Security Act.

Second. Section 1402(h) of the Internal Revenue Code similarly relieves members of qualified religious faiths, primarily the Amish, of the duty to pay the social security tax. By this code provision, enacted in 1965, Congress acknowledged and accommodated the conscientious objection of the Amish, to participation in insurance plans. The tax exemptions provided by sections 1402(e) and 1402(h) of the Internal Revenue Code were modeled after the exemption of conscientious objectors from the draft.

Third. The revised conscription bill of February 24, 1864, contained provision for conscientious objectors which allowed them to be considered noncombatants "or shall pay the sum of three hundred dollars to such person as the Secretary of War shall designate to receive it, to be applied to the benefit of the sick and wounded soldiers," U.S. Statutes at Large, 38th Congress, 1st session, XIII, page 9.

Fourth. In 1863 Secretary of War Stanton made the following proposition to the Society of Friends, Baltimore. He proposed to create a special fund for the benefit of the Freedman and to exempt Friends from military service upon the payment of $300 into this fund. Such payment may not be as in other cases to the district provost marshal, but to his fiscal agent at Washington to be credited on his books to the Freedman, and that Friends can have the disbursement of it through their own agents, and laborers.

Fifth. A memorial of the Society of People, commonly called Shakers, contained a brief statement of the principles and reasons on which their objections and conscientious aversion to bearing arms, hiring substitutes, or paying an equivalent in lieu thereof, are founded, in 1818, addressed to the Legislature of New Hampshire.

> We are not ungrateful to God for the privileges and freedom we enjoy, nor do we forget the patriotic Legislature of 1808, who considered our conscientious scruples, and sacred rights in the fifth section of the militia bill; and concurred with the constitution and rights of man, that we should, and of right ought to be exempt from military duty, and from all equivalents on that account.*

Morally, the fund not only nurtures the individual conscience opposed to war, but it acknowledges the deeper held and recently elucidated American social commitment to peace.

Tangibly, the peace fund is a way this Nation, following the lead of President Carter, can speak out for human rights and the sanctity of life, and call into question our high expenditures to arm ourselves and the world. It is a way that we can show our commitment to a SALT III reduction in nuclear arms levels and greater security for our country and the world.

And finally, the world peace tax fund allows those who are personally committed to nonviolence to practice it legally in the support of the kind of compassionate human service which has always been our best defense.

This bill is similar to House bill H.R. 4897, introduced in the 1st session of the 95th Congress by Representative Ronald V. Dellums of California with 28 cosponsors. It is my understanding that the bill will be reintroduced shortly in the House.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 880

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "World Peace Tax Fund Act".

Sec. 2. World Peace Tax Fund.

(a) Creation of Trust Fund.—There is hereby established within the Treasury of the United States a special trust fund to be known as the "World Peace Tax Fund" (hereinafter referred to as the "Fund"). The Fund shall consist of such amounts as may be transferred to the Fund as provided in this section.

(b) Transfer to Fund of Amounts Equivalent to Certain Taxes.—

(1) In general.—There are hereby transferred to the Fund amounts equivalent to the sum of the amounts designated during the fiscal year by individuals under sections 2506, 2210, and 6099 of the Internal Revenue Code of 1954 for payment into the Fund. Such amounts shall be deposited into the Fund, and shall be available only for the purposes provided in section 8 of this Act.

(2) Method of transfer.—The amounts transferred by paragraph (1) shall be transferred at least monthly from the general fund of the Treasury to the Fund on the basis of estimates by the Secretary of the Treasury of the amounts, referred to in paragraph (1), received in the Treasury. Proper adjustment shall be made in the amounts subsequently transferred to the extent that prior estimates were in excess of or less than the amounts required to be transferred.

Sec. 3. Income Tax Payments to World Peace Tax Fund.

(a) In General.—Subchapter A of chapter 61 of the Internal Revenue Code of 1954 (relating to returns and records) is amended by adding at the end thereof the following new part:

"Part IX—Designation of Income Tax Payments for Transfer to World Peace Tax Fund.

"Sec. 6099. Designation by Individuals.

"(a) In General.—Every eligible individual (other than a nonresident alien) whose income tax liability for any taxable year is $1 or more may designate that his income tax payment for that year shall be paid into the World Peace Tax Fund established by section 2 of the World Peace Tax Fund Act.

"(b) Definitions.—As used in this section—

"(1) Eligible individual.—

"(A) In general.—The term 'eligible individual' means an individual who certifies on his return of tax that he is conscientiously opposed to war in any form, and who—

"(i) has been exempted from combatant service and training in the armed forces of the United States as a conscientious objector under section 6(j) of the Military Selective Service Act (50 U.S.C. App. 456(j)), or prior corresponding law, or

"(ii) demonstrates to the satisfaction of the Secretary that he is conscientiously opposed to participation in war in any form within the meaning of such section.

"(B) Verification.—The Secretary may require any taxpayer who makes a designation under subsection (a) to provide such additional information as may be necessary to verify his status as a person conscientiously opposed to participation in war in any form.

"(C) Challenge of status.—If the Secretary determines that a taxpayer who makes the designation provided for by subsection (a) is not entitled to make that designation, then the Secretary may bring an action, in the United States District Court for the district in which that taxpayer has his residence, for a declaratory judgment as to whether the taxpayer is entitled to make that designation as a person conscientiously opposed to participation in war in any form.

"(2) Income tax liability.—The term 'income tax liability' means the amount of the tax imposed by chapter 1 on an individual for any taxable year (as shown on his return) reduced by the sum of the credits (as shown on his return) allowable under subpart A of part IV of subchapter A of chapter 1, other than the credit allowed by section 31.

"(3) Income tax payment.—The term 'income tax payment' means the amount of taxes imposed by chapter 1 and paid by or withheld from an individual for any taxable year not in excess of his income tax liability.

"(c) Manner and Time of Designation.—A designation under subsection (a) may be made with respect to any taxable year,

"(1) at the time of filing the return of the tax imposed by chapter 1 of such taxable year, and

"(2) at any other time (after the time of filing the return of the tax imposed by chapter 1 for such taxable year) specified in regulations prescribed by the Secretary.".

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*Prior to which, the state of Massachusetts had done the same and since that time the Legislatures of New York, Connecticut and Kentucky have followed the example; and wisely considered the natural and constitutional rights of our brethren in those states; and have exonerated them from all military duty, and from tendering any equivalent whatever for the same.

Sources: 3. 4. & 5. are from Conscience in America, edited by Lillian Schlissel, N.Y., E. P. Dutton & Co., Inc., 1968.

(b) Clerical amendments.—The table of parts of subchapter A of chapter 61 of such Code is amended by adding at the end thereof the following:

"Part IX. Designation of Income Tax Payments for Transfer to World Peace Tax Fund.".

(c) Question Placed on Return Instructions.—

(1) Subpart B of part II of subchapter A of chapter 61 of such Code (relating to income tax returns) is amended by adding at the end thereof the following new section:

"Sec. 6017B. World Peace Tax Fund Designation Information.

"Each return with respect to the tax imposed by chapter 1 shall include the question 'Are you conscientiously opposed to participation in war in any form?' together with an opportunity to respond affirmatively or negatively to the question. Each publication of instructions with respect to such return shall include an explanation of the purpose of the World Peace Tax Fund and the criteria for determining whether one meets the requirements of section 6(j) of the Military Selective Service Act (50 U.S.C. App. 456(j)), and shall state that only a person who meets those criteria may indicate an affirmative response to that question on the return and may make the designation provided by section 6099.".

(2) The table of sections for such subpart is amended by adding at the end thereof the following new item:

"Sec. 6017B. World Peace Tax Fund Designation Information.".

(d) Effective Date.—The amendments made by this section shall apply with respect to—

(1) taxable years beginning after December 31, 1978, and

(2) any taxable year ending before January 1, 1979, for which the time for filing a claim for refund or credit of an overpayment of tax has not expired on the date of enactment of this Act.

(e) Rules Applicable to Returns of Tax for Taxable Years Ending Before January 1, 1979.—

(1) Penalties for failure to pay tax.—Any civil or criminal penalty imposed on an individual for failing or refusing to pay all or a part of the tax imposed by chapter 1 of the Internal Revenue Code of 1954 shall be vacated and set aside if the person upon whom the penalty was imposed—

(A) pays the tax due (with interest), and

(B) establishes to the satisfaction of the Secretary of the Treasury that his failure or refusal to pay was based upon his conscientious objection to participation in war in any form within the meaning of section 6(j) of the Military Selective Service Act (50 U.S.C. App. 456(j)) or prior corresponding law.

(2) Disposition of amounts collected.—There are hereby transferred to the Fund amounts equal to the sum of the amounts paid into the Treasury by persons under the provisions of paragraph (1).

Sec. 4. Estate Tax Payments to World Peace Tax Fund.

(a) In general.—Subchapter C of chapter 11 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new section:

"Sec. 2210. Designation of Estate Tax Payments for Transfer to World Peace Fund.

"(a) In general.—An eligible individual (within the meaning of section 6099 (b) (1)) may elect that the tax imposed by section 2001 on his taxable estate shall be transferred when paid to the world Peace Tax Fund established under section 2 of the World Peace Tax Fund Act. The election may be made by the executor or administrator of the estate under written authority of the decedent.".

(b) Clerical amendment.—The table of contents for subchapter C of chapter 11 of such Code is amended by adding at the end thereof the following:

"Sec. 2210. Designation of estate tax payments for transfer to World Peace Tax Fund.".

(c) Effective date.—The amendments made by this section shall apply with respect to the estates of decedents dying after December 31, 1978.

Sec. 5. Gift Tax Payments to World Peace Tax Fund.

(a) In general.—Subchapter B of chapter 12 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new section:

"Sec. 2506. Designation of Gift Tax Payments for Transfer to World Peace Tax Fund.

"(a) In General.—An eligible individual (within the meaning of section 6099 (b) (1)) may elect that the tax imposed by section 2501 shall be transferred when paid to the World Peace Tax Fund established under section 2 of the World Peace Tax Fund Act.".

(b) Clerical Amendment.—The table of contents for subchapter B of chapter 12 of such Code is amended by adding at the end thereof the following:

"Sec. 2506. Designation of gift tax payments for transfer to World Peace Tax Fund.".

(c) Effective date.—The amendments made by this section shall apply with respect to gifts made after December 31, 1978.

Sec. 6. Authorization of Appropriations.

(a) Certification by Comptroller General.—As soon after the close of each fiscal year as may be practicable, the Comptroller General shall determine and certify to the Congress and to the President the percentage of actual appropriations made by the United States from the Federal Funds Budget during the preceding fiscal year which were made for a military purpose. The certification shall be published in the Congressional Record upon receipt by the Congress.

(b) Authorization of Appropriations.—There is hereby authorized to be appropriated each year a certain portion of the Fund to the World Peace Tax Fund Board of Trustees for obligations and expenditures in accordance with the provisions of this Act. This portion is determined by applying the percentage figure derived in subsection (a) above to the money transferred to the Fund in each fiscal year, and adding to that sum all moneys in the Fund previously authorized to be appropriated to the Board of Trustees but not yet appropriated. Moneys remaining in the Fund shall accrue interest according to the prevailing rate in long-term Government bonds.

(c) Surplus Covered Into General Fund.—The remaining portion of the Fund is authorized to be appropriated to the general fund of the Treasury of the United States. No part of the money transferred to the general fund under this subsection shall be appropriated for any expenditures, or otherwise obligated for military purposes.

Sec. 7. Board of Trustees.

(a) Establishment of Board.—There is established a World Peace Tax Fund Board of Trustees (hereinafter referred to as the "Board") which shall be composed of 11 members appointed as follows:

(1) nine members, not more than five from the same political party, appointed by the President, by and with the advice and consent of the Senate, from among individuals who have demonstrated a consistent commitment to world peace and international friendship and who have had experience with the peaceful resolution of international conflict; and

(2) two members, who shall also meet the above criteria, one of whom shall be appointed by the President pro tempore of the Senate from among the Members of the Senate, and one of whom shall be appointed by the Speaker of the House of Representatives from among the Members of the House, and both of whom shall serve ex officio.

(b) Terms of Office.—The term of office of each member of the Board shall be six years, except that the term of office for four members initially appointed under subsection (a) (1) shall be three years. Members may serve until their successors are appointed, except that if any member appointed under subsection (a)(2) ceases to serve as a Member of Congress, his term of office on the Board shall terminate at the time he ceases to serve as a Member of Congress. Each member shall be eligible for reappointment for one additional term, but no person shall serve for more than twelve years as a member of the Board. Six Trustees shall constitute a quorum.

(c) Filling of Vacancies.—Any vacancy in the membership of the Board shall not affect its powers and shall be filled in the same manner in which the original appointment was made. The term of office of any person appointed to fulfill the unexpired term of a member shall consist of the unexpired portion of such member's term.

(d) Chairman.—The Board shall elect a Chairman from among its members.

Sec. 8. Duties of the Board.

(a) Payments.—The Board may make payments as authorized by appropriation Acts, by way of grant, loan, or other arrangement under such conditions and upon such terms as it considers necessary.

(b) Research funds; nondomestic programs.—Funds designated for the purpose of research may be directed to governmental or nongovernmental, national, or international organizations. Funds for nondomestic programs involving the providing of goods and services shall be restricted in distribution to the United Nations and associated agencies.

(c) Eligible activities.—Activities eligible to receive money from the Board shall include but not be limited to:

(1) the National Academy of Peace and Conflict Resolution;

(2) research directed toward developing and evaluating nonmilitary and nonviolent solutions to international conflict;

(3) disarmament efforts;

(4) retraining workers displaced by conversion from military construction;

(5) international exchanges for peaceful purposes;

(6) improvement of international health, education, and welfare; and

(7) programs for providing information to and education of the public about the above activities.

(d) Applications.—The Board shall publish regulations for the submission of applications for funds by persons and agencies, and shall determine the eligibility of such persons and agencies to receive payments or loans. Before approving the application of any such person or agency the Board shall determine, after a comprenhensive review of all the functions and activities of the person or agency requesting approval, that such functions and activities have a nonmilitary purpose.

(e) Submission of budget.—The Board shall submit its budget to the Congress, shall report to the President and to the Congress annually on its activities, and shall provide a complete accounting of all funds received and disbursed pursuant to this Act.

(f) Displacement of other funds.—It is the intent of this Act that the Fund shall not operate to release money for military expenditures which, were it not for the existence of the Fund, would otherwise have been appropriated for nonmilitary expenditures.

SEC. 9. SUBMISSION OF BUDGET.

Notwithstanding any other provision of law, the Comptroller General shall carry out the activities and review of the Board which would be carried out by the Office of Management and Budget if the Board were an agency within the executive branch of the Government; and may establish such requirements as he deems necessary to carry out his authority under this section. The Office of Management and Budget shall not have jurisdiction over the Board. The Board shall submit its budget, requests for appropriations, and related reports to the Congress in accordance with such requirements and procedures as the Comptroller General may establish.

SEC. 10. POWERS AND ADMINISTRATIVE PROVISIONS.

(a) COOPERATION OF OTHER AGENCIES.—Each department, agency, and instrumentality of the Federal Government, including independent agencies, is authorized and directed to cooperate with and furnish to the Board, to the extent permitted by law, upon request made by the Chairman, such information as the Board may require to fulfill its duties under this Act.

(b) EXECUTIVE DIRECTOR; EXPERTS AND CONSULTATIONS.—Subject to such regulations as the Board may adopt, the Chairman may—

(1) appoint and fix the compensation of an Executive Director and such additional staff personnel as he deems necessary; and

(2) procure temporary and intermittent services to the same extent as authorized by section 3109 of title 5, United States Code.

(c) COMPENSATION.—Members of the Board shall be compensated at the maximum rate permitted by law under the General Schedule for Government employees or consultants, on a per diem basis, and shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their duties as members of the Board.

SEC. 11. DEFINITIONS.

For the purposes of this Act—

(1) "military purpose" means any activity or program conducted, administered, or sponsored by an agency of the Government which effects an augmentation of military forces, defensive and offensive intelligence activities, or enhances the capability of any person or nation to wage war,

(2) "actual appropriations for military purpose" includes but is not limited to amounts appropriated by the United States in connection with—

(A) the Department of Defense;

(B) the Central Intelligence Agency;

(C) the National Security Council;

(D) the Selective Service System;

(E) activities of the Department of Energy that have a military purpose;

(F) activities of the National Aeronautics and Space Administration that have a military purpose;

(G) foreign military aid, and foreign economic aid made available to any country for the purpose of releasing local funds for military activities; and

(H) the training, supplying, or maintaining of military personnel, or the manufacture, construction, maintenance, or development of military weapons, installations, or strategies;

(3) "agency" means each authority of the Government of the United States, whether or not it is within or subject to review by another agency, but does not include—

(A) the Congress; or

(B) the courts of the United States; and

(4) "person" includes an individual partnership, corporation, association, or public or private organization other than an agency.

SEC. 12. SEPARABILITY.

In any section, subsection, or other provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such section, subsection, or other provision to other persons or circumstances shall not be affected thereby.●

By Mr. CRANSTON (by request):

S. 881. A bill to amend title 18, United States Code, with respect to the protection of certain officers or employees of the United States, and for other purposes; to the Committee on Veterans' Affairs.

● Mr. CRANSTON. Mr. President, I am introducing today, at the request of the administration, S. 881, a bill to amend title 18, United States Code, with respect to the protection of certain officers or employees of the United States, and for other purposes. I ask unanimous consent that the letter of transmittal and the text of the bill be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 881

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1114 of title 18, United States Code, is amended by inserting after "of the Department of Agriculture assigned to perform investigative, inspection, or law enforcement functions," the following: "or any officer or employee of the Veterans' Administration assigned to perform investigative or law enforcement functions".

VETERANS ADMINISTRATION,
Washington, D.C., March 23, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill, "To amend title 18, United States Code, with respect to the protection of certain officers or employees of the United States, and for other purposes." It is requested that this draft bill be introduced, and considered for enactment.

The purpose of the bill is to increase the protection available under Federal law to certain employees of this agency.

In the conduct of its programs, which includes the maintaining of security and the protection of persons and property at hundreds of hospitals and cemeteries throughout the United States, this agency employs over 1,500 individuals appointed by the Administrator as police officers and investigators. These individuals are authorized by law to make arrests for violations of law occurring on property under the charge and control of the Veterans Administration.

Many incidents have occurred on such property involving threats of violence or actual violence against Veterans Administration police and investigators while in the performance of their duties. In attempting to cope with the overall increase in crimes committed on Veterans Administration property over the past several years, and to provide a secure setting for patients, employees, and visitors, these individuals have been subject to increasing assaults, at times very serious in nature.

A number of these incidents in the recent past have caused concern because of the absence of Federal law protection for Veterans Administration police and investigators. These employees are not within the scope of section 1114 of title 18, United States Code, which makes it an offense to kill certain Federal employees. They, therefore, do not come within the scope of the Federal assault statute, 18 U.S.C. § 111, which makes it an offense to assault any of those employees listed in section 1114. Accordingly, effective Federal prosecution of those responsible for the commission of assaults on our law enforcement personnel is normally precluded.

It is my belief that Federal employees responsible for enforcing rules, regulations, and Federal laws on Veterans Administration property, and investigating wrongdoing in connection with the administration of agency programs, deserve the fullest protection afforded by Federal law. If the agency is to function, and if our hospitals and cemeteries are to remain relatively secure so as to be safe for patients, visitors, and employees, the commission of all types of crimes must be discouraged to the greatest extent possible.

I believe that a major step in this regard would be to bring those employees who have been appointed by me to act as police officers and investigators, within the coverage of the Federal assault statute, 18 U.S.C. § 111. The enclosed draft bill would bring them within the terms of section 1114 of title 18, which, in accordance with the terms of section 111, would make it a Federal offense to kill, forcibly assault, resist, oppose, impede, intimidate, or interfere with them in the conduct of their official duties. They would be provided the same protection that these sections now give to similarly situated employees of the Federal Bureau of Investigation, Postal Service, Department of Interior, National Park Service, the National Aeronautics and Space Administration, Department of Labor, and the Consumer Product Safety Commission, among others.

This draft bill is identical to one we submitted during the Second Session of the 95th Congress, and which was later introduced in the House of Representatives as H.R. 13151 and in the Senate as S. 3121.

We are advised by the Office of Management and Budget that there is no objection from the standpoint of the Administration's program to the submission of this legislation to the Congress.

Sincerely,

MAX CLELAND,
Administrator.●

By Mr. WALLOP:

S. 882. A bill to amend paragraph 5 of section 613A(c) of the Internal Revenue Code of 1954; to the Committee on Finance.

● Mr. WALLOP. Mr. President, in a little less than 2 years most independent oil producers will find cash available for exploration beginning to diminish. This unpleasant surprise will result from a well-publicized at the time, but in most cases now forgotten provision of the percentage depletion legislation enacted by the Tax Reduction Act of 1975.

Among other things, this legislation provided that the amount of production eligible for the tax return percentage depletion deduction would be limited to 2,000 barrels of oil, or its equivalent in gas per day in 1975 declining to 1,000 barrels per day (BPD) allowable for 1980 and thereafter. Through 1980 this production would be depletable at a rate of 22 percent of gross income—the rate in effect since 1970.

This scaledown in quantities eligible for depletion has not had significant effect on the majority of producers. A review of various industry production information suggests that no more than 200 of the approximately 10,000 oil producers in the United States have average daily production in excess of 1,000 barrels.

Commencing in 1981, however, even the smallest oil producer will feel the next series of depletion reductions specified by the 1975 legislation. Although the quantity of oil and gas available for depletion will remain constant at 1,000 barrels, or natural gas equivalent barrels, per day, the percentage depletion rate will be gradually reduced to 15 percent for 1984 and thereafter.

When the rate scaledown is fully effective in 1984, every producer eligible for percentage depletion will find that it is entitled to approximately 32 percent less depletion than it was in 1980.

The tax dollars saved by percentage depletion frequently are significant to a producer's cash flow and thus its ability to engage in exploration and development activities.

A recent study by Price Waterhouse & Co. discussed the relationship of depletion tax savings and drilling activities. According to Price Waterhouse after the percentage depletion rate was cut from 27½ to 22 percent in 1970 there were 2,008 fewer wildcat wells drilled in 1970 than in 1969, a drop of 21 percent. This was the largest decline in exploratory drilling in a single year in the history of the domestic industry. Exploration activity did not recover to the 1969 level until 1977, even though oil and gas prices began to rise dramatically after the 1973 Arab embargo.

The 1981–84 rate reduction, however, may be of even greater impact than that of 1970. The reduction from a 22 percent depletion rate to a 15 percent depletion rate represents a cut in a producer's depletion deduction of as much as 32 percent compared to the 20 percent reduction when the rate dropped from 27½ percent in 1969 to 22 percent in 1970. Thus the upcoming dip in the percentage depletion rate will be more than 1½ times as great as that in 1970.

This bill would eliminate the scheduled reduction in the percentage depletion rate in order to prevent a further deterioration of our domestic oil producing capability.●

By Mr. WALLOP:

S. 884. A bill to require the Secretary of Transportation to make incentive grants, and to reduce the apportionment of Federal-aid highway funds to States based upon the percentage of motor vehicles exceeding the 55 mile per hour speed limit on either rural or urban public highway systems within such State; to the Committee on Environment and Public Works.

● Mr. WALLOP. Mr. President, with the passage of the Surface Transportation Assistance Act of 1978, Congress reaffirmed its commitment to the national maximum 55 mile per hour speed limit and adopted a penalty provision to encourage compliance and enforcement.

The provision requires that 5 percent of a State's Federal highway funds be withheld if more than 70 percent of the vehicles on its highways traveled in excess of the 55 mile per hour limit during 1979. The threshhold percentage drops to 60 percent in 1980, and to 50 percent in 1981. In 1982 10 percent of a State's funds will be withheld if more than 40 percent of the vehicles on its highways travel in excess of the limit.

I will not debate the propriety of the 55 mile per hour limit at this time, but I submit that if we have a law we should both enforce it, and encourage compliance with it, regardless of our personal opinions concerning its propriety. However, in attempting to encourage compliance and enforcement, Congress relied on an oversimplified statistical formula, and fell into an age-old trap. As a result, our plan to encourage enforcement of the law and compliance with the speed limit does little more than penalize a handful of rural States for something they can do precious little about, their natural topography.

If our real purpose is to encourage compliance and enforcement of the 55 mile per hour speed limit, then our present scheme is deficient for four reasons:

First, it fails to recognize that all across the Nation, speeds tend to be higher on wide-open rural roads than on urban ones, and that some States naturally have more miles of rural roads.

Second, it fails to take into consideration the State's enforcement efforts relative to other States.

Third, it fails to consider that some States have higher volumes of pass-through traffic and, therefore, a State's citizens often do not have control of the average speeds driven on their highways.

Fourth, it fails to take into consideration Federal actions which frustrate the State's enforcement efforts.

The real difference in speed limit compliance rates is caused by differences in natural topography and driving conditions, factors which are beyond a State's control. The U.S. Department of Transportation's statistics for 1976 indicate that on a national basis, only 57 percent of the vehicles traveling on urban interstate segments exceeded the 55 mile per hour speed limit. At the same time, 69 percent of vehicles traveling on rural segments exceeded the limit. On multiland undivided highways, usually found in urban areas, the percentage exceeding the limit is down to 41 percent.

These figures confirm what ought to be obvious. People have a natural tendency to drive faster on wide-open, rural highways than on crowded beltways and urban freeways. It logically follows that in States where a greater percentage of the vehicular miles traveled are on rural roads, the percentage of vehicles exceeding any uniform national speed limit will be greater.

The Department of Transportation's statistics confirm that the percentage of vehicles exceeding the limit in States having a higher ratio of rural to urban roads is greater than those States with a lesser ratio. Only Vermont, has a greater ratio of rural to urban driving than does Wyoming. And significantly, of all the 50 States, Vermont has the third highest percentage of vehicles exceeding the 55 mile per hour speed limit, 73 percent.

When we think about it, this factor shows our penalty provision to be quite like a bill of attainder, which our Founding Fathers had the good sense to prohibit in our Constitution. A bill of attainder seeks to punish descendants for crimes of their ancestors. Perhaps the settlers of Wyoming should have built winding roads, rather than straight through our open prairies, or attempted to include more soon-to-be urban areas within our borders. Perhaps the Federal Government should not have insisted on design standards for 80 miles per hour. At any rate they did not. Perhaps Wyoming, and other rural States can never hope to avoid the discrimination which this provision has imposed on us.

The second deficiency in our scheme is that it fails to take into consideration a State's actual and relative enforcement efforts. In fact, it is based on an assumption which the Department of Transportation's statistics do not support. Take my State of Wyoming as an example. The number of speeding citations issued in Wyoming increased more than 1,100 percent from 1973 through 1977. This increase was far greater than in any other State. In fact, for every mile driven, your chances of receiving a speeding citation in the State of Wyoming are greater than in any other State. The likelihood of receiving a speeding citation in Wyoming is more than twice as great as that in 40 other States. Let us put this in terms which are somewhat easier to comprehend. The Wyoming State Highway Patrol issues one speeding citation for every 60,000 vehicle miles traveled in the State of Wyoming. Statistically this means that 1 out of every 155 cars which travels the length of our State is likely to receive a speeding violation.

Is it not ironic that of the 10 States doing the most active job of enforcing the 55 mile per hour speed limit, 2 are expected to be penalized in 1979, and 4 are expected to be penalized in 1980 under our scheme to encourage enforcement and compliance.

The third error in our scheme is that it assumes that the people of the State are in complete control of the speeds of vehicles on their highways. This premise assumes that only vehicles from a given State travel in that State, or that the relative degree of interstate or pass-through traffic is equal for all States. The fact of the matter is, 40 percent of the noncommercial vehicles on Wyoming's Federal-aid Highway System are from out of State. On Interstate 80, through southern Wyoming, more than 60 percent of the noncommercial traffic is out of State. If commercial traffic were accounted for, the out-of-State figures would no doubt be higher. Therefore, every Wyoming citizen could obey the speed limit, yet Wyoming still could be penalized under the scheme which we have devised. Perhaps the settlers of Wyoming should have excluded from our State such wonders as Yellowstone National Park, which every year has a visitation rate five times greater than the population of the entire State of Wyoming. Again, I am glad that they did not.

And finally, our penalty provision fails to take into consideration Federal actions which frustrate the State's enforcement efforts. For instance, the Federal Communications Commission has denied the State of Washington permission to test solar power drone radars intended to trigger speed radar detectors. Though these devices would trigger motorists' radar detectors and induce them to slow down, they are in violation of the Commission's regulations.

We should also be aware that the penalty was adopted by Congress with full knowledge that additional funds were authorized to assist States in enforcement of the national maximum speed limit. Section 202(4) of the act authorizes $50 million for fiscal 1979 and $67.5 million for fiscal years 1980 through 1982 to assist States in their efforts to enforce the limit. However, the authorization bill was passed after the fiscal 1979 appropriations bill, and the President's proposed fiscal 1980 budget does not recommend funding for this program. The penalty provision is only part of the mystical carrot-and-stick approach Congress devised. We not only developed an unworkable criteria for application of the stick, but we seem to have forgotten the carrot.

If subsection 154(f) of the Surface Transportation Assistance Act of 1978 goes into effect as written, we will be denying Federal funds to a few States, not because they have failed to take adequate enforcement measures, and not because of their citizens' contempt for the law. We will not be "teaching the people of those States a lesson," as some contend, for they are not to blame for much of the problem for which they are being held accountable. Rather, we will be penalizing a few rural States because they are rural, because they are blessed with wide-open spaces, and because as national statistics show, they have more of the type of roads on which people all over this country normally drive faster.

No system to encourage enforcement and compliance will be totally equitable. But it is not difficult to fashion a system which is far more equitable than that which will be imposed when subsection 154(f) goes into effect at the end of fiscal year 1979.

The bill which I introduce today will require that States monitor speeds on both rural and urban portions of the highway system and submit speed data separately for both. States in which the required percentage of compliance is violated for either rural or urban portions of those highway systems would lose the percentage of funds now required by subsection 154(f). In this way, States with a higher percentage of rural roads will not be discriminated against. We will judge by an equitable standard.

This bill does not correct all of the problems which I have pointed out in regard to our penalty provision. I hope that it can serve as a focal point for a reexamination of this issue in light of the facts which I believe are self-evident.●

By Mr. WEICKER:

S.J. Res. 55. A joint resolution to establish a Presidential Commission on Civilian Nuclear Power; to the Committee on Governmental Affairs.

COMMISSION ON CIVILIAN NUCLEAR POWER

● Mr. WEICKER. Mr. President, I am today introducing a joint resolution to establish a Presidential Commission on the Future of Civilian Nuclear Power in the United States.

The American public is rightly shaken by the very real danger and confusion of the Three Mile Island nuclear plant disaster.

The future of nuclear power is on the line. Nuclear power plants now generate over 13 percent of U.S. electrical needs; numerous plants are in various stages of development, and nuclear power had been expected to produce as much as 25 percent of total electricity by the end of the century.

In the wake of the Three Mile Island accident, drastic reactions are being promoted, ranging from a moratorium on further nuclear plant development to the shutdown of all existing nuclear plants.

Mr. President, opinions, particularly those being aired after the accident at Three Mile Island, should not become national policy. We need facts, not emotion.

Therefore, I am introducing a joint resolution to establish a Presidential Commission to review the status and future of civilian nuclear power in the United States.

The Commission would not be simply a panel of "experts" associated with nuclear power, but rather be a credible panel including representatives from the academic community, environmental organizations, and the public sector.

The 15-member Commission would include: Vice President MONDALE as Chairman; one Member each from the Senate and the House; two representatives from the nuclear manufacturing industry; two spokesmen from the utility power companies; two representatives of the scientific academic community; three representatives of environmental organizations; and three persons from the public sector.

The purpose of the Commission is to examine the following issues:

First. The public health and safety and welfare of the community at large.

Second. The public health and safety of transporting and storing civilian spent fuel and of ultimately disposing of civilian nuclear waste to the operators and to the public at large.

Third. The public health and safety of the design and the operation of civilian nuclear facilities to workers and the community at large.

Fourth. The cost-benefit of nuclear power compared to present and future energy alternatives.

Fifth. The financing of the cost of construction, operation, and decommissioning civilian nuclear facilities and its impact on the consumer and the utilities.

Sixth. The licensing, regulatory and litigation procedures associated with the design, construction, and operation of civilian nuclear facilities.

Seventh. The availability of and cost of natural uranium and enriched uranium fuel.

Eighth. The availability and adequacy of liability insurance for all phases of civilian nuclear power operations.

Ninth. The adequacy of emergency contingency planning for all phases of civilian nuclear power, including the respective roles and responsibilities of Federal, State, and local officials.

The Commission would be required to issue a report of its findings and policy recommendations to the President and the Congress by the end of this year.

Mr. President, it is time to remove politics and emotion from the nuclear debate and get down to evaluating concerns and opportunities, rather than having 100 legislative hearings predesigned to prove a point. We need one review upon which future policy can be shaped.

Mr. President, I ask unanimous consent that the text of the resolution be printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 55

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Commission on Civilian Nuclear Power Act of 1979".

PURPOSE

SEC. 2. It is the purpose of this Act to establish a Presidential Commission on the future of civilian nuclear power in the United States.

ESTABLISHMENT OF COMMISSION

SEC. 3. (a) The President shall appoint a Commission on the Future of Nuclear Power in the United States (hereinafter referred to in this Act as the "Commission") which shall be composed of 15 members as follows—

(1) the Vice President, who shall be chairperson;

(2) one member of the House of Representatives;

(3) one member of the Senate; and

(4) twelve individuals who are qualified by experience and background in matters relating to nuclear power.

Of the 12 individuals appointed under paragraph (4), 2 shall be representatives of the utilities industry, 2 shall be representatives of the nuclear manufacturing industry, 2 shall be representatives of the academic community, 3 shall be representatives of environmental organizations, and 3 shall be representatives of the general public.

(b) Eight members of the Commission shall constitute a quorum for the transaction of its business.

(c) The members of the Commission shall elect a Vice Chairperson from among its members. It is the duty of the Vice Chairperson to serve in the absence of the Chairperson.

(d) The members of the Commission shall be appointed not later than 30 days after the date of the enactment of this Act. If the members of the Commission have not been appointed within the above period, the Commission shall begin to transact business as soon as 4 members have been appointed and shall have all the power and authority to act as if the full membership had been appointed.

(e) All members of the Commission who are not officers or employees of the Federal Government shall receive compensation at the rate of $200 for each day such member is engaged in the performance of the duties vested in the Commission. All members of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred in connection with their activities as members of the Commission.

DUTIES

SEC. 4. The Commission shall examine the issues and status and make recommendations including the following:

(1) the public health and safety and welfare of the community at large;

(2) the public health and safety of transporting and storing civilian spent fuel and of ultimately disposing of civilian nuclear waste to the operators and to the public at large;

(3) the public health and safety of the design and the operation of civilian nuclear

facilities to workers and the community at large;

(4) the cost-benefit of nuclear power compared to present and future energy alternatives;

(5) the financing of the cost of construction, operation, and decommissioning civilian nuclear facilities and its impact on the consumer and the utilities;

(6) the licensing, regulatory and litigation procedures associated with the design, construction, and operation of civilian nuclear facilities;

(7) the availability of and cost of natural uranium and enriched uranium fuel;

(8) the availability and adequacy of liability insurance for all phases of civilian nuclear power operations; and

(9) the adequacy of emergency contingency planning for all phases of civilian nuclear power, including the respective roles and responsibilities of Federal, State, and local officials.

REPORT

SEC. 5. The Commission shall submit a report on its findings and recommendations to the President and the Congress not later than December 15, 1979.

ADMINISTRATIVE PROVISIONS

SEC. 6. (a) Subject to such rules and regulations as may be adopted by the Commission, the Commission is authorized—

(1) to appoint and fix the compensation of an Executive Director, and such additional personnel as it deems necessary to enable the Commission to carry out its functions, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification in General Schedule pay rates, but—

(A) in the case of the Executive Director, at a rate equal to that for level V of the Executive Schedule under section 5316 of title 5, United States Code; and

(B) in the case of all other personnel, at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title; and

(2) to procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code.

(b) The Commission is authorized to enter into agreements with the General Services Administration for procurement of necessary financial and administrative services, for which payment shall be made by reimbursement from funds of the Commission in such amounts as may be agreed upon by the Chairperson and the Administrator of General Services.

(c) Any Federal employee subject to the civil service laws, rules, and regulations may be detailed to the Commission, and such detail shall be without interruption or loss of civil service status or privilege.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. There are authorized to be appropriated to carry out the purposes of this Act $1,000,000.●

ADDITIONAL COSPONSORS

S. 104

At the request of Mr. SCHMITT, the Senator from Indiana (Mr. LUGAR) and the Senator from New Hampshire (Mr. HUMPHREY) were added as cosponsors of S. 104, the Regulatory Reduction and Congressional Control Act.

S. 230

At the request of Mr. JAVITS, the Senator from Minnesota (Mr. BOSCHWITZ) and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 230, the Nurse Training Amendments of 1979.

S. 237

At the request of Mr. DECONCINI, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 237, the Magistrate Act of 1979.

S. 266

At the request of Mr. MOYNIHAN, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 266, to amend the Social Security Act with respect to the issuance of social security cards.

S. 267

At the request of Mr. MOYNIHAN, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 267, to amend title 18, United States Code, to prohibit the counterfeiting and forgery of social security cards, and the sale of such cards.

S. 336

At the request of Mr. MATHIAS, the Senator from Connecticut (Mr. WEICKER), was added as a cosponsor of S. 336, a bill to amend the Internal Revenue Code of 1954 to provide that married individuals who file separate returns may be taxed at the same rate as an unmarried individual.

S. 535

At the request of Mr. SCHMITT, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 535, the Nuclear Waste Transportation Safety Act.

S. 557

At the request of Mr. BENTSEN, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 557, to amend the Internal Revenue Code of 1954 to encourage greater retirement savings.

S. 619

At the request of Mr. MATHIAS, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 619, a bill to prohibit unfair taxation by a State of electricity generated in that State and transmitted to and consumed in another State.

S. 632

At the request of Mr. MOYNIHAN, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 632, to amend the Food Stamp Act to eliminate restrictions on excess shelter expense deductions with respect to households which are composed of persons 65 years of age or older or who are recipients of benefits under title XVI of the Social Security Act.

S. 697

At the request of Mr. SASSER, the Senator from Pennsylvania (Mr. HEINZ), the Senator from South Carolina (Mr. THURMOND), and the Senator from Maine (Mr. COHEN) were added as cosponsors of S. 697, to reduce by $500 million the amount which may be obligated for travel and transportation of officers and employees in the executive branch during fiscal year 1980.

S. 755

At the request of Mr. RIBICOFF, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 755, the Regulation Reform Act of 1979.

S. 799

At the request of Mr. SCHMITT, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 799, the Copper Environmental Equalization Act of 1979.

S. 847

At the request of Mr. TALMADGE, the Senator from Louisiana (Mr. LONG) was added as a cosponsor of S. 847, to amend the Internal Revenue Code to provide a tax credit for each barrel of oil produced from shale and for natural gas produced from geopressured brine.

SENATE RESOLUTION 49

At the request of Mr. SCHMITT, the Senator from Arizona (Mr. DECONCINI) and the Senator from North Carolina (Mr. MORGAN) were added as cosponsors of Senate Resolution 49, to disapprove Amtrak route terminations.

SENATE RESOLUTION 98

At the request of Mr. BENTSEN, the Senator from Indiana (Mr. BAYH) and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of Senate Resolution 98, to disapprove the President's gasoline rationing program as drafted.

SENATE RESOLUTION 125—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. CANNON, from the Committee on Commerce, Science, and Transportation, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 125

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. 413, a bill to provide assistance to airport operators to prepare and carry out noise compatability programs, to provide assistance to assure continued safety in aviation, to provide assistance to aircraft operators to aid them in complying with noise standards, and for other purposes.

Such waiver is necessary to permit consideration of new spending authority (as detailed below) to become effective in a fiscal year for which the first concurrent resolution on the budget has not been agreed to. Specifically, the new spending authority for which this waiver is needed arises from the authorization of additional funds from the Airport and Airway Trust Fund, as contained in titles I and II of S. 413, for a future fiscal year not yet considered by the Budget Committee. The total amount of the additional funding for fiscal year 1980, is $190,000,000.

Compliance under section 303(a) of the Budget Act is not possible because of the multiyear nature of airport development projects under the Airport and Airway Development Act. These projects are for airport development and construction that may take several years to complete and call for assurance that Federal funding will be committed to that project in order to permit the airport operator to sell municipal bonds to raise the local authority's share of the project costs. This need for future commitment for planning purposes has been recognized by the Congress since the creation of the trust fund in 1970, and creates a need for the earliest possible passage of S. 413.

Additionally, the Committee is of the opinion that the safety needs to be addressed by these funds cannot be delayed solely to accommodate the Budget schedule. After the

San Diego air crash Congress was criticized for allowing a trust fund surplus of over two billion dollars to lie idle while obvious safety needs went unmet. Timely action on this legislation is imperative to demonstrate that the Congress will respond in a timely manner to its aviation safety, as well as its budgetary, responsibilities.

The entitlements contained in S. 413 represent both renewals and extensions of existing spending programs under the Airport and Airway Development Act. Because Congress anticipated possible modification and review of the ADAP program, the legal basis for expenditures of trust fund moneys for discretionary programs expires at the end of fiscal year 1979, leaving no authority to spend discretionary funds in 1980. Yet the need for continued and increased discretionary funding for 1980 has been clearly demonstrated and is documented by a backlog of over $900,000,000 in accumulated requests for ADAP funds of which over $600,000,000 have been identified by the Federal Aviation Administration as high priority programs. Without the renewed and increased discretionary level for 1980, many airport safety programs will not be funded. The Airport and Airway Trust Fund, from which these needed projects are in major part sponsored, is currently running a surplus of well over $2,000,000,000 which will not be significantly reduced by the additional spending programs and authority contained in S. 413.

The comparable legislation pending before the House of Representatives contains substantially identical spending programs for fiscal year 1980 as are contained in the Senate bill, S. 413. The possibility therefore that a conference committee agreement will contain higher figures than those contained in S. 413 is remote.

The Committee has demonstrated its concern with the need for budgetary restraint by proposing in the bill as introduced modest increases in funding, notwithstanding the fact that this program generates its own revenue. The Committee went still further to reduce the total expenditure increase by amendment in Committee.

Finally, as the Airport and Airway Development Act was created in 1970 and reviewed in 1976, it expires at the close of fiscal year 1980. The levels of authorization written in 1976 to run through 1980 could not have anticipated the dramatic growth in air traffic, in part due to the passage of the Airline Deregulation Act of 1978, which has not only increased the pressures on airport development and construction but also created a significant surplus in the trust fund.

Mr. CANNON. Mr. President, on behalf of the Committee on Commerce, Science, and Transportation I am submitting a section 303 budget waiver resolution to allow the full Senate to consider the Aviation Safety and Noise Abatement Act of 1979 prior to the first budget resolution. I urge the Senate's support for this waiver as it is most important to proceed without delay on this legislation.

In the aftermath of the San Diego air disaster last fall, Congress came under strong criticism for "sitting on" a $2 billion surplus in the aviation trust fund while parts of the Nation's air traffic and airport systems were still in need of additional safety-related improvements. The absence of a properly equipped reliever airport in the San Diego area was very likely the reason the small private aircraft involved in the collision with the PS9 airliner was using Lindbergh Field for a training flight. The need for timely action is clear in this case. Continued inertia in the face of the trust fund surplus (currently the fund stands at over $4 billion with an unobligated balance of $2.6 billion) would properly draw congressional responsibility for the safety of air travel into question. I hope the Senate will agree that there is no justification for diluting the urgency of air safety requirements.

The aviation trust fund from which the moneys for these projects is drawn, is a user-generated fund supported by ticket tax and other revenues. There are no general revenues involved. While the legislation would increase spending by $190 million, fiscal year 1980 trust fund revenues will still exceed total expenditures from the fund. In other words, the surplus will increase further even with the proposed increased spending.

To obviate the negative impact of the increased spending of $190 million, I plan to offer a floor amendment to the bill to take $190 million from the uncommitted surplus to be applied toward the FAA's operations and maintenance budget. In other words, $190 million less will be needed from the fiscal year 1980 general revenues to fund the FAA's operating budget.

I hope the Senate will support the granting of the requested waiver which will allow us to proceed without delay on this important legislation.

SENATE RESOLUTION 126—SUBMISSION OF A RESOLUTION TO DISAPPROVE REORGANIZATION PLAN NO. 1

Mr. RIBICOFF submitted the following resolution, which was referred to the Committee on Governmental Affairs:

S. RES. 126

Resolved, That the Senate does not favor the reorganization plan numbered 1 transmitted to the Congress by the President on April 2, 1979.

● Mr. RIBICOFF. Mr. President, I ask unanimous consent that the text of Reorganization Plan No. 1 of 1979 be printed in the RECORD.

There being no objection, the Reorganization Plan was ordered to be printed in the RECORD, as follows:

REORGANIZATION PLAN NO. 1 OF 1979

Prepared by the President and transmitted to the Senate and House of Representatives in Congress assembled, April 2, 1979, pursuant to the provisions of Chapter 9 of Title 5 of the United States Code.

OFFICE OF THE FEDERAL INSPECTOR FOR CONSTRUCTION OF THE ALASKA NATURAL GAS TRANSPORTATION SYSTEM

Part I. Office of the Federal Inspector and Transfer of Functions.

Section 101. Establishment of the Office of Federal Inspector for the Alaska Natural Gas Transportation System.

(a) There is hereby established as an independent establishment in the executive branch, the Office of the Federal Inspector for the Alaska Natural Gas Transportation System (the "Office").

(b) The Office shall be headed by a Federal Inspector for the Alaska Natural Gas Transportation System (the "Federal Inspector") who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter prescribed by law for Level III of the Executive Schedule, and who shall serve at the pleasure of the President.

(c) Each Federal agency having statutory responsibilities over any aspect of the Alaska Natural Gas Transportation System shall appoint an Agency Authorized Officer to represent that authority on all matters pertaining to pre-construction, construction, and initial operation of the system.

Section 102. Transfer of Functions to the Federal Inspector.

Subject to the provisions of Section 201, 202, and 203 of this Plan, all functions insofar as they relate to enforcement of Federal statutes or regulations and to enforcement of terms, conditions, and stipulations of grants, certificates, permits and other authorizations issued by Federal agencies with respect to pre-construction, construction, and initial operation of an "approved transportation system" for transport of Canadian natural gas and "Alaskan natural gas," as such terms defined in the Alaskan Natural Gas Transportation Act of 1976 (15 U.S.C. 719 *et seq.*), hereinafter called the "Act", are hereby transferred to the Federal Inspector. This transfer shall vest in the Federal Inspector exclusive responsibility for enforcement of all Federal statutes relevant in any manner to pre-construction, construction, and initial operation. With respect to each of the statutory authorities cited below, the transferred functions include all enforcement functions of the given agencies or their officials under the statutes as may be related to the enforcement of such terms, conditions, and stipulations, including but not limited to the specific sections of the statute cited. "Enforcement", for purposes of this transfer of functions, includes monitoring and any other compliance or oversight activities reasonably related to the enforcement process. These transferred functions include:

(a) Such enforcement functions of the Administrator or other appropriate official or entity in the Environmental Protection Agency related to compliance with: national pollutant discharge elimination system permits provided for in Section 402 of the Federal Water Pollution Control Act (33 U.S.C. 1342); spill prevention, containment and countermeasure plans in Section 311 of the Federal Water Pollution Control Act (33 U.S.C. 1312); review of the Corps of Engineers' dredged and fill material permits issued under Section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344); new source performance standards in Section 111 of the Clean Air Act, as amended by the Clean Air Act Amendments of 1977 (42 U.S.C. 7411); prevention of significant deterioration review and approval in Sections 160–169 of the Clean Air Act, as amended by the Clean Air Amendments of 1977 (42 U.S.C. 7470 *et seq.*); and the resource conservation and recovery permits issued under the Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6901 *et seq.*);

(b) Such enforcement functions of the Secretary of the Army, the Chief of Engineers, or other appropriate officer or entity in the Corps of Engineers of the United States Army related to compliance with: dredged and fill material permits issued under Section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344); and permits for structures in navigable waters, issued under Section 10 of the Rivers and Harbors Appropriation Act of 1899 (33 U.S.C. 403);

(c) Such enforcement functions of the Secretary or other appropriate officer or entity in the Department of Transportation related to compliance with: the Natural Gas Pipeline Safety Act of 1968, as amended (49 U.S.C. 1671, *et seq.*) and the gas pipeline safety regulations issued thereunder; the Federal Aviation Act of 1958, as amended (49 U.S.C. 1301, *et seq.*) and authorizations and regulations issued thereunder; and permits for bridges across navigable waters, issued under Section 9 of the Rivers and Harbors Appropriation Act of 1899 (33 U.S.C. 401);

(d) Such enforcement functions of the Secretary or other appropriate officer or entity in the Department of Energy and such enforcement functions of the Commission, Commissioners, or other appropriate officer or entity in the Federal Energy Regulatory Commission related to compliance with: the certificates of public convenience and necessity, issued under Section 7 of the Natural Gas Act, as amended (15 U.S.C. 717f); and authorizations for importation of natural gas from Alberta as predeliveries of Alaskan gas issued under Section 3 of the Natural Gas Act, as amended (15 U.S.C. 717b);

(e) Such enforcement functions of the Secretary or other appropriate officer or entity in the Department of the Interior related to compliance with: grants of rights-of-way and temporary use permits for Federal land, issued under Section 28 of the Mineral Leasing Act of 1920 (30 U.S.C. 185); land use permits for temporary use of public lands and other associated land uses, issued under Sections 302, 501, and 503–511 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1732, 1761, and 1763–1771); materials sales contracts under the Materials Act of 1947 (30 U.S.C. 601–603); rights-of-way across Indian lands, issued under the Rights of Way Through Indian Lands Act (25 U.S.C. 321 *et seq.*); removal permits issued under the Materials Act of 1947 (30 U.S.C. 601–603); approval to cross national wildlife refuges, National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd–668jj) and the Upper Mississippi River Wildlife and Fish Refuge Act (16 U.S.C. 721–731); wildlife consultation in the Fish and Wildlife Coordination Act (16 U.S.C. 661 *et seq.*); protection of certain birds in the Migratory Bird Treaty Act (16 U.S.C. 703 *et seq.*); Bald and Golden Eagles Protection Act (16 U.S.C. 668–668d); review of Corps of Engineers dredged and fill material permits issued under Section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344); rights-of-way across recreation lands issued under the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601–4–4601–11); historic preservation under the National Historic Preservation Act of 1966 as amended (16 U.S.C. 470–470f); permits issued under the Antiquities Act of 1906 (16 U.S.C. 432, 433); and system activities requiring coordination and approval under general authorities of the National Trails System Act, as amended (16 U.S.C. 1241–1249), the Wilderness Act, as amended (16 U.S.C. 1131–1136), the Wild and Scenic Rivers Act, as amended (16 U.S.C. 1271–1287), the National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*), the Act of April 27, 1935 (prevention of soil erosion) (16 U.S.C. 590a–f), and an Act to Provide for the Preservation of Historical and Archeological Data, as amended (16 U.S.C. 469–469c);

(f) Such enforcement functions of the Secretary or other appropriate officer or entity in the Department of Agriculture, insofar as they involve lands and programs under the jurisdiction of that Department, related to compliance with: associated land use permits authorized for and in conjunction with grants of rights-of-way across Federal lands issued under Section 28 of the Mineral Leasing Act of 1920 (30 U.S.C. 185); land use permits for other associated land uses issued under Sections 501 and 503–511 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761, 1763–1771), under the Organic Administration Act of June 4, 1897, as amended (16 U.S.C. 473, 474–482, 551), and under Title III of the Bankhead-Jones Farm Tenant Act of 1937, as amended (7 U.S.C. 1010–1012); removal of materials under the Materials Act of 1947 (30 U.S.C. 601–603) and objects of antiquity under the Antiquities Act of 1906 (16 U.S.C. 432, 433); construction and utilization of national forest roads under the Roads and Trails System Act of 1964 (16 U.S.C. 532–538); and system activities requiring coordination and approval under general authorities of the National Forest Management Act of 1976 (16 U.S.C. 1600 *et seq.*); the Multiple Use-Sustained-Yield Act of 1960 (16 U.S.C. 528–531); the Forest and Rangelands Renewable Resources Planning Act of 1974 (16 U.S.C. 1601–1610); the National Trails System Act, as amended (16 U.S.C. 1241–1249); the Wilderness Act, as amended (16 U.S.C. 1131–1136); the Wild and Scenic Rivers Act, as amended (16 U.S.C. 1271–1287); the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460 *et seq.*); the Federal Water Pollution Control Act of 1972 (33 U.S.C. 1151 *et seq.*); the Fish and Wildlife Coordination Act and Fish and Game Sanctuaries Act (16 U.S.C. 661 *et seq.* and 694, 694a–b, respectively); the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470–470f); an Act to Provide for the Preservation of Historical and Archeological Data, as amended (16 U.S.C. 469–469c); the National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*); the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001 *et seq.*); the Soil and Water Conservation Act of 1977 (16 U.S.C. 2001 *et seq.*); and the Act of April 27, 1935 (prevention of soil erosion) (16 U.S.C. 590a–f);

(g) Such enforcement functions of the Secretary or other appropriate officer or entity in the Department of the Treasury related to compliance with permits for interstate transport of explosives and compliance with regulations for the storage of explosives, Title XI of the Organized Crime Control Act of 1970 (18 U.S.C. 841–848);

(h) (1) The enforcement functions authorized by, and supplemental enforcement authority created by the Act (15 U.S.C. 719 *et seq.*);

(2) All functions assigned to the person or board to be appointed by the President under Section 7(a) (5) of the Act (15 U.S.C. 719e); and

(3) Pursuant to Section 7(a) (6) of the Act (15 U.S.C. 719e), enforcement of the terms and conditions described in Section 5 of the *Decision and Report to the Congress on the Alaska Natural Gas Transportation System*, as approved by the Congress pursuant to Public Law 95–158 (91 Stat. 1268), November 2, 1977 (hereinafter the "*Decision*").

Part II. Other Provisions.

Section 201. Executive Policy Board.

The Executive Policy Board for the Alaska Natural Gas Transportation System, hereinafter the "Executive Policy Board", which shall be established by executive order, shall advise the Federal Inspector on the performance of the Inspector's functions. All other functions assigned, or which could be assigned pursuant to the Decision, to the Executive Policy Board are hereby transferred to the Federal Inspector.

Section 202. Federal Inspector and Agency Authorized Officers.

(a) The Agency Authorized Officers shall be detailed to and located within the Office. The Federal Inspector shall delegate to each Agency Authorized Officer the authority to enforce the terms, conditions, and stipulations of each grant, permit, or other authorization issued by the Federal agency which appointed the Agency Authorized Officer. In the exercise of these enforcement functions, the Agency Authorized Officers shall be subject to the supervision and direction of the Federal Inspector, whose decision on enforcement matters shall constitute "action" for purposes of Section 10 of the Act (15 U.S.C. 719h).

(b) The Federal Inspector shall be responsible for coordinating the expeditious discharge of nonenforcement activities by Federal agencies and coordinating the compliance by all the Federal agencies with Section 9 of the Act (15 U.S.C. 719g). Such coordination shall include requiring submission of scheduling plans for all permits, certificates, grants or other necessary authorizations, and coordinating scheduling of system-related agency activities. Such coordination may include serving as the "one window" point for filing for and issuance of all necessary permits, certificates, grants or other authorizations, and, consistent with law, Federal government requests for data or information related to any application for a permit, certificate, grant or other authorization. Upon agreement between the Federal Inspector and the head of any agency, that agency may delegate to the Federal Inspector any statutory function vested in such agency related to the functions of the Federal Inspector.

(c) The Federal Inspector and Agency Authorized Officers in implementing the enforcement authorities herein transferred shall carry out the enforcement policies and procedures established by the Federal agencies which nominally administer these authorities, except where the Federal Inspector determines that such policies and procedures would require action inconsistent with Section 9 of the Act (15 U.S.C. 719g).

(d) Under the authority of Section 15 of the Act (15 U.S.C. 719m), the Federal Inspector will undertake to obtain appropriations for all aspects of the Federal Inspector's operations. Such undertaking shall include appropriations for all of the functions specified in the Act and in the general terms and conditions of the *Decision* as well as for the enforcement activities of the Federal Inspector. The Federal Inspector will consult with the various Federal agencies as to resource requirements for enforcing their respective permits and other authorizations in preparing a unified budget for the Office. The budget shall be reviewed by the Executive Policy Board.

Section 203. Subsequent Transfer Provision.

(a) Effective upon the first anniversary of the date of initial operation of the Alaska Natural Gas Transportation System, the functions transferred by Section 102 of this Plan shall be transferred to the agency which performed the functions on the date prior to date the provisions of Section 102 of this Plan were made effective pursuant to Section 205 of this Plan.

(b) Upon the issuance of the final determination order by the Director of the Office of Management and Budget for the transfers provided for by subsection (a) of this section, the Office and the position of Federal Inspector shall, effective on the date of that order, stand abolished.

Section 204. Incidental Transfers.

So much of the personnel, property, records and unexpended balances of appropriations, allocations and other funds employed, used, held, available, or to be made available in connection with the functions transferred under this Plan, as the Director of the Office of Management and Budget shall determine, shall be transferred to the appropriate agency or component at such time or times as the Director of the Office of Management and Budget shall provide, except that no such unexpended balances transferred shall be used for purposes other than those for which the appropriation was originally made. The Director of the Office of Management and Budget shall provide for the terminating of the affairs of the Office and the Federal Inspector upon their abolition pursuant to this Plan and for such further measures and dispositions as such Director deems necessary to effectuate the purposes of this Plan.

Section 205. Effective Date.

This Plan shall become effective at such time or times as the President shall specify, but not sooner than the earliest time allowable under Section 906 of Title 5 of the United States Code, except that the provisions of Section 203 shall occur as provided by the terms of that Section.●

SENATE RESOLUTION 127—SUBMISSION OF A RESOLUTION TO LIMIT THE NUMBER OF SENATE EMPLOYEES

Mr. DOMENICI submitted the following resolution which was referred to the Committee on Rules and Administration:

S. Res. 127

Whereas the number of employees of the United States Senate has doubled during the past decade, and whereas such an increase in staff imposes additional costs on the taxpayer, creates a more cumbersome, less efficient Congressional bureaucracy, and generates unnecessary work that diverts the attention of members from their role as national policy makers,

Now, therefore, be it resolved that the United States Senate hereby establishes a ceiling on the number of persons to be employed by the United States Senate at a level no greater than the number of persons who were so employed as of March 31, 1979.

Sec. 2. In order to implement this resolution more effectively, the Secretary of the Senate shall report on the number of persons employed by the United States Senate as of March 31, 1979, and at the end of each quarter thereafter. Such report shall be printed in the Congressional Record. The Secretary of the Senate shall also report to the Senate, within three months of adoption of this resolution, on the benefits of reducing by 10 percent the size of the maximum Senate staff no later than December 31, 1980.

● Mr. DOMENICI. Mr. President, I am today introducing a resolution that is intended to halt the growth in that bloated bureaucracy that we know as the staff of the U.S. Senate.

Controlling the regular Federal bureaucracy is, of course, a serious problem. But I believe that expansion in the Senate's own bureaucracy, growing at a far faster rate than the bureaucracy downtown, needs also to be halted. In the past decade, the number of Senate staff has approximately doubled to 7,275 last year, or more than 72 staff personnel per Senator.

My purpose in bringing this resolution to the Senate is not to complain about work. I expect we will all be working as hard and as long, no matter what the size of our staffs. Rather, I am deeply concerned with the proliferation of staff because, I believe, the presently bloated staff is a disservice to the American public.

It means that elected officials are spread more thinly, giving us less time to reflect, less time to evaluate what is going on.

Every Member of this body, and every person who works here, knows the frustration imposed by too many hearings, competing with too many markups, producing too many bills, attracting too many extraneous amendments, requiring too many record votes. We become so wrapped up in rushing from one meeting to the next that we may not be able to focus our attention on the important issues of national significance. We are tempted to become more dependent on others, whether the staff or special interests.

What happens with all this staff? To justify its existence, staff generates new bills and new amendments and new hearings. More legislation, Mr. President, is not better legislation. More staff is not better staff. More conflicts on our schedule does not encourage better thought.

It may be argued that we need more staff because the world is growing more complex. Not true. We are simply inflicting complexities upon ourselves with more people winding up more and more ideas that produce more votes and more debates and more hearings and more markups.

Doubtless, some people will say: Why don't you, Senator Domenici, set an example and cut back your staff? Frankly, I do not believe it can be done by one or two Members acting unilaterally. We must step off the treadmill together. If 99 Senators are swamped with staff, one cannot go it alone by himself.

By halting the growth in staff, I believe we will be providing a greater service to our constituents: giving them a chance to get their money's worth in better, leaner, and more effective legislating. And, of course, my resolution does not cut back staff, although it directs a report for a possible 10 percent cut in the future. Rather it says we have reached a peak—do not add any more staff. And maybe we will find it better to cut back on staff in the years ahead.

One of the reasons the Senate may refuse later this spring to appropriate additional funds to complete the extravagant Hart Senate Office Building is that all this new space will do nothing other than to lead to yet another round in staff growth. It is interesting to note that the largest increase in Senate staff—over 1,000 persons—occurred in 1975, right after the final plans and new appropriation were made for the Hart Building.

Mr. President, the resolution I am introducing today is a very simple one. It places a freeze on any expansion in Senate staff, setting it at a maximum as of March 31, 1979. The Secretary of the Senate is also required to make a quarterly report on the number of employees and the implementation of this resolution, together with recommendations on a 10 percent reduction in staff.

Mr. President, I ask unanimous consent that a copy of figures on the number of Senate employees since 1960 be printed at this point in the Record.

There being no objection, the figures were ordered to be printed in the Record, as follows:

Number of Senate Employees

1960	2,643
1961	2,713
1962	2,889
1963	2,982
1964	3,071
1965	3,219
1966	3,294
1967	3,587
1968	3,632
1969	3,847
1970	4,140
1971	4,624
1972	4,626
1973	5,078
1974	5,284
1975	6,351
1976	6,716
1977	6,424
1978	7,275

Sources.—Library of Congress, using Civil Service Commission figures.●

SENATE RESOLUTION 128—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. STENNIS, from the Committee on Armed Services, reported the following original resolution, which was referred to the Committee on the Budget:

S. Res. 128

Resolved, that pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 429, a bill to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurements of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes.

Such waiver is necessary because section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year.

These authorizations are for additional programs needed for Fiscal Year 1979.

For the foregoing reasons, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to S. 429 as reported by the Committee on Armed Services.

SENATE CONCURRENT RESOLUTION 18—SUBMISSION OF A CONCURRENT RESOLUTION PROPOSING APRIL AS "FAIR HOUSING MONTH"

Mr. MATHIAS (for himself, Mr. Bayh, Mr. Bradley, Mr. DeConcini, Mr. Durenberger, Mr. Garn, Mr. Hatfield, Mr. Heinz, Mr. Javits, Mr. Levin, Mr. McGovern, Mr. Pell, Mr. Ribicoff, Mr. Riegle, Mr. Stafford, Mr. Stevenson, Mr. Stone, Mr. Tsongas, Mr. Williams, Mr. Stevens, Mr. Proxmire, and Mr. Matsunaga) submitted the following concurrent resolution, which was referred to the Committee on the Judiciary:

S. Con. Res. 18

Whereas it is the policy of the United States to guarantee to every citizen the right of fair housing; and

Whereas this right and the responsibilities attendant on it are set forth in the National Fair Housing Law, Title VIII of the 1968 Civil Rights Act; and

Whereas every year since 1968 the Month of April has been set aside each year for commemoration of the Fair Housing Law; now, therefore, be it

Resolved, that the Senate (the House of Representatives concurring) recognizes the month of April as Fair Housing Month and that the Congress of the United States hereby rededicates itself to the promulgation and practice of the letter and spirit of the Fair Housing Law so that fair housing will become a right that can be realized by every American.

● Mr. MATHIAS. Mr. President, April marks the 11th anniversary of the enactment of the Fair Housing Law, known as title VIII of the Civil Rights Act of 1968. April 4 also marks the 11th anniversary of the tragic death of a great leader of the civil rights movement, Martin Luther King, Jr.

The resolution I am submitting today on behalf of several of my colleagues recognizes the month of April as "Fair Housing Month" and recommits the Congress to the goals of the Civil Rights Act of 1968. Representative Don Edwards is introducing a companion resolution today in the House.

Title VIII of the Civil Rights Act prohibits discrimination in the sale or rental of housing because of race, color, religion, national origin, or sex. Over 80 percent of the Nation's housing stock is subject to the Fair Housing Law, while the remainder is covered by the Civil Rights Act of 1866 with respect to racial discrimination.

For the past 11 years, title VIII has served as the Federal "big stick" behind local and State efforts to assure equal access to housing. Title VIII, however, is not a perfect law because it does not provide the Department of Housing and Urban Development with cease and desist powers in cases of alleged discriminatory housing practices. Instead, HUD is only authorized to attempt conciliation between disputing parties—landlord and tenant, or, seller and buyer.

This method of resolving fair housing complaints has proved to be inadequate. As HUD Secretary Harris has noted—

> The lack of adequate enforcement power has been the most serious obstacle to the development of an effective fair housing program within HUD. Our present authority is limited to a purely voluntary process of 'conference, conciliation, and persuasion.' I will not dwell upon the ironies associated with a law that mandates HUD to investigate and to establish the existence of violations of law, and then limits the Secretary to asking the discovered lawbreaker whether he wants to discuss the matter. Simply put, 'conciliation' all too often has proved an inadequate means of securing compliance with the substantive provisions of Title VIII.

Because of this anachronism in the law, I, along with Senators Bayh, Heinz, Javits, and Metzenbaum, have once again introduced legislation to provide HUD with cease and desist powers. A companion bill has also been introduced in the House by Representatives Don Edwards and Robert F. Drinan.

In the course of the first 2 days of hearings on our bill, S. 506, we heard testimony from the Department of Housing and Urban Development, the Justice Department, and the Leadership Conference on Civil Rights, among others, which was strongly supportive. We hope to continue those hearings in order to perfect our legislation.

In his written state of the Union message, the President also expressed his willingness to work with the Congress to correct the weakness in the existing civil rights law.

Our late colleague, Senator Hubert Humphrey, was always in the forefront of civil and human rights and had been a cosponsor of my bill in the last Congress. His perspective on the costs of all forms of discrimination, not only housing, is important to bear in mind. He reminded us that:

> Even if discrimination cost this nation not one penny, we would have the moral obligation to eradicate it. But we must not close our eyes to the staggering costs we incur each year for our failure to open wide the doors of opportunity for every American.

Today the Congress rededicates itself to a dream—that every American, regardless of race, color, religion, national origin, or sex, shall not be denied equal opportunity to succeed in their endeavors. One of those most basic endeavors is the freedom to choose where one wishes to reside. Assuring equal access to housing was but one of the dreams which Martin Luther King, Jr., shared with this Nation in the 1963 March on Washington. Dr. King's stirring words still inspire us today:

> I have a dream that one day this nation will rise up and live out the true meaning of its creed: 'We hold these truths to be self-evident, that all men are created equal' . . . .
>
> I have a dream that one day my four children will live in a nation where they will not be judged by the color of their skin but by the content of their character.

We in the Congress must continue to be vigilant about fair housing so that Federal institutions lead the way in assuring fair housing and equal opportunity for all Americans.●

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF EDUCATION—S. 210

AMENDMENT NO. 132

(Ordered to be printed and to lie on the table.)

Mr. MOYNIHAN submitted an amendment intended to be proposed by him to S. 210, a bill to establish a Department of Education.

● Mr. MOYNIHAN. Mr. President, I am today submitting an amendment to S. 210, the Department of Education bill. This amendment would incorporate within the proposed new Department most of the many education-related programs and agencies of the Federal Government that are left out of the bill as reported.

I do this with the greatest admiration and affection for my good friend, the distinguished chairman of the Committee on Governmental Affairs, who has favored a Cabinet-level Department of Education for many years and whose perseverance has now given us the opportunity to consider this proposition. I need hardly add that creation of a new Cabinet department is a step of the most fundamental importance and one to be taken only after full discussion.

The bill the Senate considered last fall was substantially broader in scope and more complete in execution than is the present version. Numerous attempts were made to weaken and deplete it. I enthusiastically joined with Senator Ribicoff and the committee in resisting these efforts, but in most cases we were unable to do so. The amended bill was so narrow in scope that I did not believe that its remaining contents deserved Cabinet status. It is with the hope of reversing those decisions, and creating a full-fledged Department of Education worthy of Cabinet status, that I offer the present amendment to S. 210.

My purpose is straightforward: If we are to have a Cabinet-level Department of Education, we should take pains to understand what it means to designate "education" as an organizing principle for the Federal Government. It is, in my view, a legitimate organizing principle; the Federal Government has a large and important role in American education, a role that is currently embodied in hundreds of programs located in every agency of the executive branch. It is no small undertaking to gather these programs together. But if we are not prepared to do so, perhaps we should ask ourselves what interest is served by establishing a narrowly based and fragmentary department.

A narrow Department of Education, organized primarily around the concept to public elementary and secondary schooling, will lead to the politicization of education itself. This is something that those of us who have welcomed Federal aid to education said would not happen. It is something that opponents of Federal aid to education have said would happen.

Until now we have kept education out of politics. Are we now to end that noble tradition? Are we to give a single set of interests a seat at the Cabinet table? Are we to miss a genuine opportunity—the kind of opportunity that comes but once in a generation—to create a Department of Education as broad in its conception as is education itself and as broadly-based in its interests and its constituencies as is the Federal role in education today?

It may be said that this amendment is unnecessary, for it is well known that the new Department, once created, can later be enlarged. The Reorganization Act of 1977 empowers the President to submit reorganization plans to the Congress that automatically take effect unless disapproved within 60 days. Although new executive departments cannot be established by reorganization plans, individual programs, subdepartmental units and other agencies can be relocated in this manner. As the Committee on Governmental Affairs pointed out in December, "the new Department will represent a sound base upon which to build new initiatives and consolidate, in the future, more scattered Federal education programs."

If that is our intention, there is no need to wait. Let us recognize the far-reaching implications of defining education as an organizing principle for the Federal Government and let us act now on the basis of that principle. That is the burden of my amendment.

I would add only that the programs and agencies I propose to include in the new Department do not represent a fanciful conception of "education" as a Federal activity. Without exception, they are listed by the U.S. Commissioner of Education in the catalog of Federal Education Assistance programs—1978, (Government Printing Office, 1978) or by the Office of Management and Budget in the fiscal 1980 budget charts depicting Federal support for education, training, and university-based research. (See Special Analyses, Budget of the U.S. Government, table L.-4, and the Budget of the U.S. Government, page 218.) They represent the present extent of Federal involvement with schools, colleges, and students. I submit that if we are not prepared to include them in a new Department of Education, perhaps we do not really want to have a Department of Education.

Let me suggest several additional concerns.

First. A Department of Education established in an atmosphere of adamant opposition by the administration to any measures that would significantly help nonpublic education would be a devastating blow to the principle of pluralism in American education.

Second. The exclusion from the proposed department of most Federal activities affecting higher education attests not only to the narrowness of the proposed legislation, but also to the implicit decision that higher education is to have no spokesman of any kind at the Cabinet table. This is particularly troublesome in view of the manifest fact that Federal programs today have a markedly stronger impact on the well-being of higher education; our colleges and their students are much more heavily dependent on Federal support than are our primary and secondary schools.

Third. The creation of a Department of Education devoted to the narrow range of public elementary and secondary education all but guarantees that such a department will be the permanent captive of narrow political interests. For almost two centuries, Americans have striven to keep education out of politics. All our State and local arrangements have been designed for this explicit purpose. At the national level, the great strength of Federal support for education has been its nonpolitical character and the wide bipartisan support it has enjoyed. These programs have been debated without regard to party. They have been grounded in consensus and comity and respect for the nonpolitical nature of education itself.

A new Department of Education, politicized at birth, will undermine this tradition more surely than anything we could do. Everything the opponents of Federal aid to education said would happen, will happen. Those of us who fought for Federal aid will have been proved unthinking at best, unreliable at worst. Federal education programs and policies will themselves become political. A gain for one group will be seen as a loss for another. An advantage for one interest or faction or program will be perceived as disadvantageous to others. Electoral and partisan politics will become entangled with educational policy.

A real Department of Education would embody a broad conception of education as a human endeavor and would encompass the manifold education-related activities of the Federal Government. The present bill does nothing of the sort. Instead, it elevates to Cabinet status a handful of programs pertaining to one aspect of education, an aspect of singular importance to a particular set of interests in the society that happen to exercise a considerable amount—an increasing amount—of political influence at every level from local precincts to national elections.

I would not object to a genuine Department of Education. Indeed I would welcome discussion of that complex proposition. The Federal Government has a large and legitimate role in American education. The Federal investment in education and education-related activities will be approximately $23.7 billion in the present fiscal year and if we add to that, as I believe we must, federally sponsored research conducted in colleges and universities, the total comes to $27.1 billion. These are not imaginary numbers. They are the figures tallied by the Office of Management and Budget in the 1980 budget documents.

The Federal Government has a pervasive role in education. Our great universities derive as much as half their income from Federal sources. Our schools look to Washington as the source of support for dozens of programs. Millions of students, particularly at the college level, finance their own educations with the help of myriad Federal aid programs.

The Federal Government has a long history of involvement with education dating back to 1787 when the ordinance authorizing the sale of 2 million acres of the Northwest Territory to the Ohio Co. set aside two townships "for the support of a literary institution" that was to become Ohio University at Athens.

In recent years, I have been much involved with this complex evolution. In 1964, I helped negotiate the compromises that cleared the way for passage of the Elementary and Secondary Education Act of 1965. As a member of the planning group for the war on poverty I helped develop the proposals that led to enactment of the college work-study program in 1964. I drafted the Presidential messages to Congress in 1970 that proposed the National Institute of Education, the basic educational opportunity grants program and the support for post-secondary educational reform that became the fund for improvement of post secondary education. I opened Congressman JOHN BRADEMAS' 1971 hearings on the National Institute of Education.

I recite this history only to establish that I have welcomed and worked for a major Federal role in American education. The reason the national Government is active in education is because there are numerous national interests and purposes that can only be served through and with the assistance of educational institutions.

So numerous are those interests and purposes, however, that education is now entangled with almost every department and agency of the Federal Government. I am submitting herewith a list of the agencies currently providing support for education and related activities. One finds all 12 Cabinet-level departments, dozens of major organizational units within those departments, and 17 independent agencies and other governmental units.

The point is straightforward. Education pervades the Federal Government as much as the Federal Government pervades education. It is in that context that one must appraise the proposed education department. It turns out to consist only of the Education Division of HEW plus a few unrelated programs, of which the only substantial one is the network of overseas schools now run by the Defense Department for the dependents of servicemen. I am submitting a list of the hundreds of education programs and activities run by the Federal Government that are not included in the proposed department. Most of these are included in my amendment, although not all. I have not, for example, proposed to transfer the Military, Naval and Air Force Academies, although they are legitimately seen as educational institutions.

What is the point of creating a Cabinet department that leaves out more than half the Federal activities bearing on the primary concern of that department?

There is no point, although there is an explanation. The explanation is that the legislation does not take education seriously as an organizing principle for the Federal Government. The bill would not focus Federal efforts on education. It seemingly does not recognize that education is a complex enterprise with an intricate network of ties to the Federal Government which might be rewoven in a creative and workmanlike pattern if we were seriously interested in better education and better Government. To do less is to make a transparently symbolic political gesture that will not improve education and will likely inhibit our abilities to improve Federal efforts bearing on education.

With respect to younger children, the central shortcoming of the proposed bill is its assumption that education is equivalent to classroom instruction in public schools for children between the ages of 6 and 17. If research has taught us anything, it has taught us that what takes place in the school classroom is only one, and not the most powerful, influence on the education of children. Why then separate it from early childhood programs, from health and mental health programs, from community-based social services, from child welfare programs, from nutrition programs, and from child protection and human development activities?

With respect to post-secondary education, the central shortcoming of the proposed bill is its failure to recognize that most Federal activities affecting the well-being of colleges, universities, and their students are located outside the Educational Division of HEW. They include the major student aid programs of the Social Security Administration and the Veterans' Administration; the support for basic and applied scientific research that is provided by the National Institutes of Health, the National Science Foundation, and a dozen mission-oriented agencies; the many programs of support for medical training and education; the curricular programs of the National Endowment for the Humanities; the affirmative action and civil rights enforcement efforts of four separate agencies; the billions of dollars in employment training that are administered through CETA and other programs; the tax expenditures overseen by the Treasury Department; and many more.

In my view, education could become a legitimate organizing principle for the

Federal Government. Certainly few areas in which the Federal Government is involved are more important to the well-being of American society. But if we are to organize around it let us be serious about it. Let us recognize that education is too important and too sensitive and too vulnerable to be trifled with. Let us therefore not trifle with it. Let us instead apply ourselves to the major structural realignment of the executive branch that would be necessary.

To do only what this bill proposes is to trivialize both education and the Cabinet by subordinating them to the political influence of a single special interest group. That is what troubles me so.

The great sin of our age has been politicization.

Each year, for how many years now, some institution previously thought quite unrelated to politics suddenly becomes the focus of intense political pressures. Legislation follows.

Each year, for how many years now, private relationships previously thought to be no one's business but that of the individuals and small groups involved suddenly become politicized and are subjected to intense political scrutiny. Laws or regulations ordinarily follow.

Consider education. For a century and a half the American people went to extraordinary—and extraordinarily successful—lengths to insulate education from politics. The result is a remarkable network of insulating mechanisms: local school boards and school committees, State boards of education, college trustees, university regents.

Little by little, politics is trying to take over. This was predicted by those who opposed Federal aid to education. Persons such as I said, nonsense; the Federal Government will never abuse its powers.

We have taken pains to keep politics out of education at the national level. Perhaps the most important thing we have done is to disperse responsibility for—and power over—education throughout the agencies of the executive branch and the committees of the Congress. We have embodied the diversity of American education in the very diversity of our structural arrangements, policymaking processes and jurisdictional assignments. We have recognized that education is a multifaceted, pluralistic and complex enterprise that is best shielded from politics by making it answer to no one in particular.

If we are serious about establishing a Department of Education, then we should take pains to insure that the Department embodies the broadest possible conception of education and contains within itself all the tensions, and competing interests, and alternate approaches, and rival conceptions and multiple concerns that now characterize the Federal Government's involvement with education. One can imagine a department that would be as diversified as the educational enterprise itself, in which no one faction or institutional interest or particular group would be perceived as dominating that department. In that way, education's freedom from political domination might be safeguarded by the need to accommodate a hundred interests and concerns.

This course of action would not be without perils of its own, and the kind of department I have described will not be easy to create; either as a matter of public administration—for much of the executive branch would be affected by so sweeping a reorganization—or as a matter of legislation, given the evident desire of many groups to keep programs of importance to them outside the Department of Education.

But if we are not prepared to make that effort at this time, I submit that it may be better for now not to do anything. A narrowly conceived, narrowly based agency, embodying a single aspect of education, beholden to a single set of interests in education, and containing but a small fraction of the Federal Government's activities in education would be the worst possible outcome. It would lead directly and irrevocably to the politicization of education and of the Federal role. It would forge too direct and too close and too strong a link between Federal education activities and partisan politics. Let us forbear to do that. Let us, at the very least, heed the hippocratic maxim that is the earliest lesson learned by new medical students: primum non nocere. First, do no harm.

Mr. President, I ask unanimous consent that tables and the text of my proposed amendment be printed in the RECORD.

There being no objection, the amendment and tables were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 132

On page 81 between lines 4 and 5 insert the following:

(F) an Assistant Secretary for Employment Training;

(G) an Assistant Secretary for the Arts and the Humanities;

(H) an Assistant Secretary for Graduate Education;

(I) an Assistant Secretary for Nonpublic Education;

(J) an Assistant Secretary for University Research and Development;

(K) an Assistant Secretary for Veterans' Education;

(L) an Assistant Secretary for Health Education;

(M) an Assistant Secretary for Early Childhood Education;

(N) an Assistant Secretary for School Nutrition Services;

(O) an Assistant Secretary for Indian Education;

On page 81 line 5 strike out "(F)" and insert "(P)".

On page 81, line 6, strike out "(G)" and insert "(Q)".

On page 81, line 7, strike out "(H)" and insert "(R)".

On page 81, line 8, strike out "(I)" and insert "(S)".

On page 81, line 24, strike out "(G)" and insert "(Q)".

On page 97, strike out lines 19 through 21.

On page 97, line 22, strike out "(xiv)" and insert "(xi)".

On page 97, lines 23, strike out "(xv)" and insert "(xii)".

On page 97, line 24, strike out "(xvi)" and insert "(xiii)".

On page 105, strike out lines 7 through 12, and insert the following:

(c)(1) There are transferred to the Secretary, all functions of the Secretary of Health, Education, and Welfare—

(A) under sections 301, 304, 306, 307, 308, 310, and 311 of the Public Health Service Act, relating to the provision of support for training and research and technical assistance in the areas of health care technology, health statistics, and health education information;

(B) under section 301 of such Act, relating to the granting of awards for research and development in the areas of mental health, drug abuse, and alcoholism;

(C) under sections 301 and 311 of such Act, section 502(a) of the Coal Mine Health and Safety Act of 1969, and section 21 of the Occupational Safety and Health Act of 1970, relating to grants for training in the area of occupational safety and health;

(D) under section 472 of the Public Health Service Act, relating to the Alcohol National Research Service Awards, the Drug National Research Service Awards, and the Mental Health National Research Service Awards;

(E) under part B of title VII of such Act, relating to the provision of grants for training in the area of family medicine;

(F) under subpart 4 of part C of title VII of such Act, relating to the National Health Service Corps Scholarship Program;

(G) under section 770 of such Act, relating to the provision of capitation grants to improve the quality of schools in the health profession;

(H) under section 772 of such Act, relating to grants to health professions schools for special projects, start-up assistance, and assistance for financial distress;

(I) under section 792 of such Act, relating to special project grants for assistance in the training of personnel in the allied health professions;

(J) under sections 801 and 805 of such Act, relating to the provision of grants, loan guarantees, and interest subsidies for the construction of nursing schools;

(K) under section 810 of such Act, relating to the provision of capitation grants for the support of education in nursing schools;

(L) under sections 820, 821, and 822 of such Act, relating to special projects for improvements in nurse training, nurse practitioner training programs, and advanced nurse training programs, respectively;

(M) under section 1003 of such Act, relating to training grants and contracts concerning family planning services;

(N) under section 1131 of such Act, relating to the establishment of comprehensive hemophilia diagnostic and treatment centers;

(O) under section 410 of the Drug Abuse Office and Treatment Act of 1972, relating to demonstration and education programs concerning drug abuse;

(P) under section 410 of such Act, relating to training programs for personnel in the area of drug abuse;

(Q) under part B of title III of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, relating to alcohol training programs;

(R) under section 401 of the Older Americans Act of 1965, relating to special programs for training of personnel to provide services for the aging;

(S) under section 421 of such Act, relating to demonstration projects for services to the elderly;

(T) under part A of title V of the Economic Opportunity Act of 1964, relating to child development and Project Head Start;

(U) under title XX of the Social Security Act, relating to grants for the training and retraining of staff who provide services under such title;

(V) with respect to programs for physical fitness and sports established pursuant to Executive Order 11562, issued September 25, 1970; and

(W) any other function of the Secretary of Health, Education, and Welfare not specifically transferred by this paragraph which the Director of the Office of Management and Budget determines to relate to health manpower training.

(2) There are transferred to the Secretary all functions of the Surgeon General of the United States—

(A) under section 303 of the Public Health Service Act, relating to training grants in the areas of mental health, alcoholism, and drug abuse; and

(B) under section 422(e) of such Act, relating to grants for continuing dental education and training in expanded auxiliary management.

(d) The National Institutes of Health are transferred to the Department.

On page 106, between lines 21 and 22, insert the following:

(d) There are transferred to the Secretary all functions of the Secretary of Defense—

(1) relating to the provision of loans of industrial equipment to educational institutions; and

(2) under section 201 of the Federal Civil Defense Act of 1950, relating to the development of the capabilities of architectural or engineering students to assist in civil defense efforts.

On page 106, line 22, strike out "TRANSFERS OF FUNCTIONS FROM" and insert "TRANSFER OF".

On page 106, beginning with line 24, strike out through line 23 on page 107 and insert the following:

Sec. 303. (a) There is transferred to the Department the National Science Foundation, and there are transferred to the Secretary all functions of the National Science Foundation or the Director of the National Science Foundation.

(b) All officers, employees, assets, liabilities, contracts, grants, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function, office, agency, or bureau transferred under this section are transferred to the Department.

On page 108, strike out lines 3 through 9, and insert the following:

Sec. 304. (a)(1) There are transferred to the Secretary all functions of the Attorney General and the Law Enforcement Administration—

(A) under section 406 (b), (c), and (f) of Omnibus Crime Control and Safe Streets Act of 1968, relating to the student loan and grant programs known as the Law Enforcement and Education Program and the Law Enforcement Intern Program;

(B) under section 406(e) of such Act, relating to the Law Enforcement Assistance Educational Development Program; and

(C) under section 407 of such Act, relating to the Law Enforcement Assistance Training Program.

(2) There are transferred to the Secretary all functions of the Attorney General—

(A) under the Comprehensive Drug Abuse Prevention and Control Act of 1970, relating to the training of professional and enforcement personnel in the area of narcotics and dangerous drugs and to the provision of technical assistance for public education concerning drug abuse; and

(B) under sections 332(b) and 346 of the Immigration and Nationality Act, relating to citizenship education and training.

(b) The National Institute of Juvenile Justice and Delinquency Prevention is transferred to the Department..

(c) The National Institute of Corrections established pursuant to sections 4351 through 4353 of titel 18, United States Code, is transferred to the Department.

On page 108, strike out lines 18 through 21, and insert the following:

Sec. 306. (a) There are transferred to the Secretary all functions of the Secretary of Labor or the Department of Labor—

(1) under section 303(c)(2) of the Comprehensive Employment and Training Act;

(2) under the Comprehensive Employment and Training Act which relate to the program commonly known as the Apprenticeship Outreach Program;

(3) under part B of title III of such Act, relating to grants for doctoral dissertation in employment and training research and institutional grants for employment and training research;

(4) under part B of title IV of such Act, relating to the Job Corps; and

(5) under the National Apprenticeship Act of 1937, relating to apprenticeship training programs.

On page 108, line 23, insert "(1)" immediately before the period.

On page 108, immediately after line 23, insert the following:

TRANSFERS OF FUNCTIONS FROM THE DEPARTMENT OF AGRICULTURE

Sec. 307. There are transferred to the Secretary all functions of the Secretary of Agriculture or the Department of Agriculture—

(1) with respect to the operation of the Graduate School, and

(2) under the National School Lunch Act and the Child Nutrition Act of 1966.

TRANSFERS OF FUNCTIONS FROM THE DEPARTMENT OF COMMERCE

Sec. 308. (a) There are transferred to the Secretary all functions of the Secretary of Commerce—

(1) under the Maritime Academy Act of 1958; and

(2) under the Act entitled "An Act to provide for the dissemination of technological, scientific, and engineering information to American business and industry, and for other purposes", approved September 9, 1950 (64 Stat. 823).

(b)(1) There are transferred to the Secretary all functions of the Secretary of Commerce, the Administrator of the National Oceanic and Atmospheric Administration, and the National Oceanic and Atmospheric Administration under the National Sea Grant College and Program Act of 1966.

(2) There are transferred to the Secretary all functions of the Secretary of Commerce, the Director of the National Bureau of Standards, and the National Bureau of Standards under the Act of March 1, 1901 (56 Stat. 1449), which relate to the provision of calibration and testing services to State and local governments, academic institutions, businesses, organizations, and individuals.

TRANSFERS OF FUNCTIONS FROM THE DEPARTMENT OF ENERGY

Sec. 309. There are transferred to the Secretary all functions of the Secretary of Energy—

(1) under subsections (a) and (b) of section 31 of the Atomic Energy Act of 1954, which relate to the provision of—

(A) research and training experience to college and university science and engineering faculty and students;

(B) training or retraining concerning energy resources to college science and engineering faculty members and high school science and social science teachers;

(C) assistance to colleges and universities in the acquisition of nuclear materials and the use of research reactors for nuclear science and engineering educational programs;

(D) traineeships for graduate engineering students in fields relating to energy conversion, health and safety, and environmental sciences and engineering; and

(E) used nuclear equipment to colleges and universities in the United States in order to allow such colleges and universities to equip laboratories for instructional purposes; and

(2) under sections 3 and 141(b) of such Act, relating to the establishment of motion picture film libraries, the provision of information services such as exhibits, public speakers, publications, and reference and analysis services, and the establishment of citizens' workshops in fields relating to energy.

TRANSFERS OF FUNCTIONS FROM THE DEPARTMENT OF THE INTERIOR

Sec. 310. (a) There are transferred to the Secretary all functions of the Secretary of the Interior—

(1) relating to the education of Indians, Alaskan Natives, and Aleuts;

(2) under the Act entitled "An Act to promote the development of Indian arts and crafts and to create a Board to assist therein, and for other purposes", approved August 27, 1935 (49 Stat. 891);

(3) under title I of the Water Resources Research Act of 1964, relating to the provision of assistance and grants to State water resources research institutes; and

(4) under sections 300 and 304 of such Act, relating to the stimulation of research in water resources and the dissemination and cataloging of information concerning such research.

(b)(1) There are transferred to the Secretary all functions of the Secretary of the Interior, the Bureau of Mines, and the Director of the Bureau of Mines under section 15 of the Federal Metal and Nonmetallic Mine Safety Act and under section 502 of the Federal Coal Mine Health and Safety Act of 1969.

(2) There are transferred to the Secretary all functions of the Secretary of the Interior, the Director of the National Park Service, and the National Park Service which relate to programs concerning national environmental study areas and the development of national environmental education.

TRANSFERS OF FUNCTIONS FROM THE DEPARTMENT OF STATE

Sec. 311. There are transferred to the Secretary all functions of the President with respect to and administered by the Secretary of State—

(1) under section 211(d) of the Foreign Assistance Act of 1961, relating to the provision of assistance to research and educational centers in the United States for the purpose of strengthening and carrying out programs for the economic and social development of other countries; and

(2) under the Mutual Educational and Cultural Exchange Act of 1961, relating to educational exchange programs for graduate students and university lecturers and research scholars.

TRANSFERS OF FUNCTIONS FROM THE DEPARTMENT OF TRANSPORTATION

Sec. 312. (a) There are transferred to the Secretary all functions of the Secretary of Transportation—

(1) under section 92 of title 14, United States Code, which relate to the Coast Guard Cooperative Marine Sciences Program; and

(2) under sections 10 and 11 of the Urban Mass Transportation Act of 1964, relating to grants for urban mass transportation managerial training and for university research and training in urban mass transportation, respectively.

(b) There are transferred to the Secretary all functions of the Secretary of Transportation and the Administrator of the Federal Aviation Administration under the Federal Aviation Act of 1958 which relate to aviation education.

TRANSFER OF FUNCTIONS FROM THE COMMUNITY SERVICES ADMINISTRATION

Sec. 313. There are transferred to the Secretary all functions of the Director of the Community Services Administration under title II of the Economic Opportunity Act of 1964.

TRANSFERS FROM THE GENERAL SERVICES ADMINISTRATION

SEC. 314. (a) There are transferred to the Secretary all functions of the Administrator of General Services—

(1) under chapter 21 of title 44, United States Code, relating to the provision of reference services to the public and to agencies of the Federal Government concerning the records of the Federal Government and historical materials in Presidential libraries; and

(2) under sections 2110 and 2307 of such title, relating to the provision of audiovisual materials to the public.

(b) The Consumer Product Information Coordinating Center, established pursuant to Executive Order 11566, isued October 26, 1970, is transferred to the Department.

TRANSFERS OF FUNCTIONS FROM THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

SEC. 315. There are transferred to the Secretary all functions of the Administrator of the National Aeronautics and Space Administration and the National Aeronautics and Space Administration under section 203 (a) (3) of the National Aeronautics and Space Act of 1958 which relate to the space science education project and the technology utilization project.

TRANSFERS OF FUNCTIONS FROM THE VETERANS' ADMINISTRATION

SEC. 316. (a) There are transferred to the Secretary all functions of the Administrator of Veterans' Affairs—

(1) under sections 4101(b)(1) and 4114 (a)(3) of title 38, United States Code, relating to the education and training of health services personnel;

(2) under subchapters II, III, and IV of chapter 82 of such title, relating to the provision of grants to affiliated medical schools and the provision of assistance to health manpower training institutions;

(3) under chapters 32, 34, and 36, relating to educational assistance to veterans;

(4) under chapter 31 of such title, relating to vocational rehabilitation for disabled veterans; and

(5) under chapter 35 of such title, relating to educational assistance to dependents of veterans.

(b) In carrying out the functions transferred under subsection (a)(1), the Secretary shall consult with the Administrator of Veterans' Affairs in order to assure the efficient administration of such functions.

TRANSFERS OF FUNCTIONS FROM THE ENVIRONMENTAL PROTECTION AGENCY

SEC. 317. There are transferred to the Secretary all functions of the Administrator of the Environmental Protection Agency—

(1) under section 103(b) of the Clean Air Act, which relate to the provision of fellowships and manpower training grants in the area of air pollution control;

(2) under sections 7007 and 8001 of the Solid Waste Disposal Act, relating to grants for occupational training involving the design, operation, and maintenance of solid waste disposal systems and grants for research in areas relating to solid waste disposal, respectively;

(3) under section 104(g)(3)(A) of the Federal Water Pollution Control Act, relating to grants for graduate training in water pollution control;

(4) under sections 109, 110, and 111 of such Act, relating to grants to improve the training and education for undergraduate students in the area of water quality control;

(5) under sections 104(b)(5) and 104(g) (3)(B) of such Act, relating to fellowships in the area of water pollution control.

TRANSFER OF THE NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

SEC. 318. (a) The National Foundation on the Arts and the Humanities, together with the National Endowment for the Arts and the National Endowment for the Humanities, are transferred to the Department.

(b) All officers, employees, assets, liabilities, contracts, grants, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function, office, agency, or bureau transferred under this section are transferred to the Department.

TRANSFERS OF FUNCTIONS FROM ACTION

SEC. 319. There are transferred to the Secretary all functions of the Director of ACTION under title I of the Volunteer Service Act of 1973, relating to the University Year for ACTION, the National Student Volunteer Program, and the Youth Challenge Program.

TRANSFERS OF FUNCTIONS FROM THE APPALACHIAN REGIONAL COMMISSION

SEC. 320. There are transferred to the Secretary all functions of the Chairman of the Appalachian Regional Commission and the Secretary of Health, Education, and Welfare under section 202 of the Appalachian Regional Development Act of 1965 which relate to grants for the planning and operation of child development programs.

TRANSFERS OF FUNCTIONS FROM THE LIBRARY OF CONGRESS

SEC. 321. There are transferred to the Secretary all functions of the Librarian of Congress—

(1) under the Act of March 3, 1931 (46 Stat. 1487), relating to the provision of books, recordings, and other materials for the blind and physically handicapped;

(2) under the Act of June 28, 1902 (32 Stat. 480), relating to distribution of data concerning Library of Congress cataloging;

(3) relating to the program commonly known as the Library of Congress photoduplication service;

(4) with respect to the provision of information to the Congress, the executive and judicial branches of the Government, and the research community concerning the collections of the Library of Congress;

(5) with respect to the provision of general and specialized reference and bibliographic services;

(6) with respect to the provision of research and referral services in science and technology; and

(7) with respect to the provision of reference and consultation services in the preservation, restoration, and protection of library materials.

TRANSFERS OF FUNCTIONS FROM THE GOVERNMENT PRINTING OFFICE

SEC. 322. There are transferred to the Secretary all functions of the Superintendent of Documents under chapter 19 of title 44, United States Code, relating to Federal depository libraries.

TRANSFERS OF FUNCTIONS FROM THE SMITHSONIAN INSTITUTION

SEC. 323. (a) (1) There are transferred to the Secretary all functions of the Board of Regents of the Smithsonian Institution and the Smithsonian Institution under sections 5579 through 5593 of the Revised Statutes which relate to—

(A) programs of basic research and public education;

(B) academic appointments of scholars and students to study at the Smithsonian Institution;

(C) the Chesapeake Bay Center for Environmental Studies;

(D) the provision of educational services to elementary and secondary schools;

(E) the international exchange of scientific and literary publications and governmental documents;

(F) the provision of assistance and advice to museums, including training, advisory services and counseling, direct payments, and dissemination of technical information;

(G) the Smithsonian Science Information Exchange, Inc.;

(H) the Smithsonian Institution Traveling Exhibition Service;

(I) the program commonly known as the Smithsonian Special Foreign Currency Grants for Museum Programs, Scientific and Cultural Research and Related Educational Activities; and

(J) the Canal Zone Biological Area and the Smithsonian Tropical Research Institute.

(2) The transfer of functions under paragraph (1) (J) is subject to the provisions of Annex A to the Agreement in Implementation of Article III of the Panama Canal Treaty.

(b) There are transferred to the Secretary all functions of the Board of Trustees of the Woodrow Wilson International Center for Scholars under the Woodrow Wilson Memorial Act of 1968.

TRANSFERS OF FUNCTIONS FROM THE NATIONAL GALLERY OF ART

SEC. 324. There are transferred to the Secretary all functions of the trustees of the National Gallery of Art relating to the National Gallery of Art Extension Service.

TRANSFER OF THE PRESIDENT'S COUNCIL ON PHYSICAL FITNESS AND SPORTS

SEC. 325. (a) The President's Council on Physical Fitness and Sports established pursuant to Executive Order 11562, issued September 25, 1970, is transferred to the Department.

(b) All officers, employees, assets, liabilities, contracts, grants, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function, office, agency, or bureau transferred under this section or transferred to the Department.

On page 109, line 3, strike out "Sec. 307." and insert "Sec. 326.".

On page 109, between lines 8 and 9, insert the following:

TRANSFER OF FUNCTIONS RELATING TO THE PROVISION OF FINANCIAL ASSISTANCE TO COLLEGES AND UNIVERSITIES FOR RESEARCH AND DEVELOPMENT

SEC. 327. (a) There are transferred to the Secretary all functions of—

(1) the Secretary of Health, Education, and Welfare;

(2) the Secretary of Defense;

(3) the Secretary of Energy;

(4) the Secretary of Agriculture;

(5) the Secretary of the Interior;

(6) the Secretary of Commerce;

(7) the Secretary of Transportation;

(8) the Secretary of Labor;

(9) the Secretary of State;

(10) the Secretary of the Treasury;

(11) the Secretary of Housing and Urban Development;

(12) the Attorney General;

(13) the National Science Foundation and the Director of the National Science Foundation;

(14) the Administrator of the National Aeronautics and Space Administration;

(15) the Administrator of the Agency for International Development;

(16) the Administrator of the Environmental Protection Agency;

(17) the Chief of the Army Corps of Engineers;

(18) the Director of the Arms Control and Disarmament Agency;

(19) the Chairman of the Consumer Product Safety Commission;

(20) the Board of Regents of the Smithsonian Institution;

(21) the Administrator of the Veterans' Administration; and

(22) the Chairman of the Nuclear Regulatory Commission,

which relate to the provision of financial assistance, by way of grants, contracts, or other arrangements, to colleges and universities for the conduct of research and development.

(b) Within 60 days after the date of enactment of this Act, the Director of the Office of Management and Budget shall determine which functions and programs shall be transferred to the Secretary pursuant to this section.

On page 109, line 10, strike out "Sec. 308." and insert "Sec. 328.".

On page 109, between lines 13 and 14, insert the following:

TRANSFER OF FUNCTIONS RELATING TO CHILD'S INSURANCE BENEFITS

SEC. 329. Within 60 days after the date of enactment of this Act, the President shall submit a reorganization plan to the Congress in accordance with the provisions of chapter 9 of title 5, United States Code, which transfers to the Secretary all functions of the Secretary of Health, Education, and Welfare which relate to the provisions of child's insurance benefits under section 202(d) of the Social Security Act which are payable on account of a child being a full-time student.

On page 73, in the table of contents, strike out the item relating to section 303 and insert the following:

Sec. 303. Transfer of the National Science Foundation.

On page 73, in the table of contents, strike out the items relating to sections 307 and 308 and immediately after the item relating to section 306, insert the following:

Sec. 307. Transfers of functions from the Department of Agriculture.
Sec. 308. Transfers of functions from the Department of Commerce.
Sec. 309. Transfers of functions from the Department of Energy.
Sec. 310. Transfers of functions from the Department of the Interior.
Sec. 311. Transfers of functions from the Department of State.
Sec. 312. Transfers of functions from the Department of Transportation.
Sec. 313. Transfers of functions from the Community Services Administration.
Sec. 314. Transfers from the General Services Administration.
Sec. 315. Transfers of functions from the National Aeronautics and Space Administration.
Sec. 316. Transfers of functions from the Veterans' Administration.
Sec. 317. Transfers of functions from the Environmental Protection Agency.
Sec. 318. Transfers of functions from the National Foundation on the Arts and the Humanities.
Sec. 319. Transfers of functions from ACTION.
Sec. 320. Transfers of functions from the Appalachian Regional Commission.
Sec. 321. Transfers of functions from the Library of Congress.
Sec. 322. Transfers of functions from the Government Printing Office.
Sec. 323. Transfers of functions from the Smithsonian Institution.
Sec. 324. Transfers of functions from the National Gallery of Art.
Sec. 325. Transfer of the President's Council on Physical Fitness and Sports.
Sec. 326. Transfer of the Advisory Council on Education Statistics.
Sec. 327. Transfers of functions relating to the funding of research and development for colleges and universities.
Sec. 328. Effect of transfers.
Sec. 329. Transfers of functions relating to child's insurance benefits.

ATTACHMENT 1

TABLE 154.—FEDERAL FUNDS FOR EDUCATION, BY AGENCY: FISCAL YEARS 1976 TO 1978

[In thousands of dollars]

Agency	Total			
	Fiscal year 1976	Transition quarter	Fiscal year 1977 (estimated)	Fiscal year 1978 (estimated)
(1)	(2)	(3)	(4)	(5)
Total	25, 698, 875	6, 291, 504	26, 776, 177	25, 062, 979
Department of Health, Education, and Welfare	8, 743, 567	2, 161, 679	9, 405, 700	8, 930, 588
Education Division	(6, 676, 596)	(1, 677, 244)	(7, 819, 673)	(7, 504, 345)
Public Health Service	(1, 021, 191)	(277, 679)	(793, 108)	(636, 178)
Social and Rehabilitation Services	(91, 893)	(20, 113)	(109, 177)	(93, 916)
Office of Human Development	(511, 591)	(143, 999)	(529, 828)	(527, 249)
Special institutions	(125, 944)	(31, 264)	(153, 914)	(168, 900)
Department management	(316, 352)	(11, 380)		
Department of Agriculture	2, 159, 445	505, 932	3, 289, 074	2, 484, 231
Department of Commerce	14, 923	4, 092	18, 942	17, 441
Department of Defense	1, 197, 873	370, 323	1, 339, 594	1, 473, 492
Department of Housing and Urban Development	13, 261	52, 451	83, 684	69, 463
Department of the Interior	356, 843	151, 261	376, 419	438, 709
Department of Justice	65, 908	27, 729	75, 878	71, 080
Department of Labor	3, 291, 000	1, 095, 000	3, 355, 000	3, 374, 000
Department of State	39, 281	11, 395	43, 997	46, 409
Department of Transportation	38, 405	10, 291	41, 661	43, 364
Department of the Treasury	12, 768	2, 853	18, 475	28, 226
ACTION	6, 718	1, 844	6, 207	4, 789
Appalachian Regional Development Commission	64, 019	7, 259	56, 300	53, 400
Corporation for Public Broadcasting	70, 000	25, 000	103, 000	107, 150
District of Columbia	86, 911	17, 998	69, 342	128, 689
Energy Research and Development Administration	6, 338	1, 612	9, 471	17, 070
Environmental Protection Agency	6, 612	1, 600	5, 280	5, 200
General Services Administration	14, 221	4, 871	15, 118	15, 162
Harry S. Truman Scholarship Foundation	556	467	1, 957	1, 716
International Development Assistance	32, 581	4, 848	44, 234	53, 934
Library of Congress	116, 503	27, 471	144, 753	170, 371
National Aeronautics and Space Administration	4, 533	1, 288	4, 700	4, 800
National Commission on Libraries and Information Science	280		1, 755	1, 870
National Foundation on the Arts and the Humanities	14, 215	5, 894	13, 567	19, 578
National Science Foundation	34, 199	3, 483	28, 108	30, 097
Smithsonian Institution	56, 336	15, 441	57, 531	60, 474
U.S. Information Agency	3, 870	1, 712	3, 954	3, 976
Veterans' Administration	5, 425, 000	760, 700	4, 017, 900	3, 262, 700
Research and development in colleges and universities (all agencies)[1]	3, 822, 699	1, 016, 000	4, 144, 576	4, 145, 000

[1] Detailed on reverse side.

Source: National Center for Education Statistics, "Digest of Education Statistics" 1977–78, table 154, p. 156.

TABLE L-4.—RESEARCH AND DEVELOPMENT SUPPORT TO UNIVERSITIES AND COLLEGES[1]

[In millions of dollars][2]

Department or agency	Obligations			Outlays		
	1978 actual	1979 estimate	1980 estimate	1978 actual	1979 estimate	1980 estimate
Health Education, and Welfare	1, 705	1, 993	2, 001	1, 595	1, 739	1, 931
(National Institutes of Health)	(1, 492)	(1, 737)	(1, 747)	(1, 398)	(1, 528)	(1, 686)
National Science Foundation	551	604	681	508	563	631
Defense—military functions	308	331	372	294	317	359
Energy	232	238	251	225	238	250
Agriculture	173	210	218	156	177	179
National Aeronautics and Space Administration	130	146	151	132	131	136
Agency for International Development	24	48	66	15	22	31
Environmental Protection Agency	43	47	49	30	38	43
Interior	35	40	42	32	36	39
Commerce	34	39	37	34	39	37
Transportation	15	21	21	15	19	19
All other[3]	37	39	39	33	38	38
Total	3, 285	3, 755	3, 927	3, 067	3, 358	3, 692

[1] Summarizes Federal R. & D. support at universities and colleges by agency.

[2] Amounts reported an this table are included in totals for conduct of R. & D.

[3] Includes the Departments of Justice, Labor, State, Treasury and Housing and Urban Development, the Corps of Engineers, the Arms Control and Disarmament Agency, the Consumers Product Safety Commission, the Smithsonian Institution, the Veterans Admininstration, and the Nuclear Regulatory Commission.

FEDERAL EDUCATION PROGRAMS AND ACTIVITIES

ATTACHMENT 2

NOT TRANSFERRED BY S. 210

I. Education Programs listed in the Catalog of Federal Education Assistance Programs, (U.S. Office of Education 1978).

DEPARTMENT OF AGRICULTURE

School Breakfast Program.

Nonfood Assistance for School Food Service Programs.

National School Lunch Program.

Special Milk Program for Children.

Child Care Food Program.

Summer Food Service Program for Children.

National Agricultural Library Service.

DEPARTMENT OF COMMERCE

Importation of Duty-Free Educational and Science Materials.

Sea Grant Support.

State Marine Schools.

U.S. Merchant Marine Academy.

Calibration and Testing Services.

National Technical Information Service.

DEPARTMENT OF DEFENSE

Industrial Equipment Loans to Educational Institutions.

Civil Defense-Architect/Engineer Student Development.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Health Statistics Training and Technical Assistance.

Mental Health Training Grants.

Drug Abuse Demonstration Programs.

Family Planning Services-Training Grants and Contracts.

Occupational Safety and Health Training Grants.

Alcohol Research Development Awards.

Alcohol National Research Service Awards.

Alcohol Training Programs.

Drug Abuse Education Programs.

Drug Abuse Research Development Awards.

Drug Abuse National Research Service Awards.

Drug Abuse Training Programs.

Mental Health Research Development Awards.

Mental Health Research Service Awards.

Public Health/National Health Service Corps Scholarship Program.

President's Council on Physical Fitness and Sports.

Comprehensive Hemophilia Diagnostic and Treatment Centers.

Nurse Practitioner Training Programs.

Advanced Nurse Training Programs.

Allied Health Professions-Special Project Grants.

Training in Expanded Auxiliary Management.

Continuing Dental Education Grant Program.

Biomedical Research Support.

Health Professions-Capitation Grants.

Nurse Training Improvements-Special Projects.

Nursing School Construction-Assistance-Direct Grants, Loan Guarantees and Interest Subsidies.

School of Public Health-Grants.

Biotechnology Research.

Minority Biomedical Support.

Family Medicine-Training Grants.

Health Manpower Educating Initiative Awards.

Health Professions-Financial Distress Grants.

Health Professions-Special Project.

Health Professions-Start-Up Assistance.

Nursing Capitation Grants.

Cancer-Construction.

Cancer Research Manpower.

Child Development-Head Start.

Developmental Disabilities-Demonstration Facilities and Training.

Special Programs for the Aging-Training.

Special Programs for the Aging-Multidisciplinary Centers of Gerontology.

Special Assistance to Refugees from Cambodia, Vietnam and Laos in the United States.

Public Assistance Training Grants-Title XX.

Minority Access to Research Careers.

DEPARTMENT OF THE INTERIOR

Indian Education-Adults.

Indian Education-Contracts with Indian Tribal Organizations.

Indian Employment Assistance.

Indian Education-Dormitory Operations.

Indian Education-Federal Schools.

Indian Education-Colleges and Universities.

Indian Property Acquisition-Transfer of Indian School Properties.

Indian Education-Assistance to Schools.

Facility School Construction Planning and Equipping.

Mine Health and Safety Education Training.

Indian Arts and Crafts Development.

National Environmental Study Areas and National Environmental Education Development Programs.

Water Recources Research-Assistance to State Institutes.

Water Resources Research-Matching Grants to State Institutes.

Water Resources Scientific Information Center.

DEPARTMENT OF JUSTICE

Law Enforcement Assistance-Narcotics and Dangerous Drugs-Training.

Public Education on Drug Abuse-Technical Assistance.

Desegregation of Public Education.

Citizenship Education and Training.

Law Enforcement Assistance-Educational Development.

Law Enforcement Assistance-Training.

Law Enforcement Assistance Administration-JJDP National Institute.

Corrections Training and Staff Development.

DEPARTMENT OF LABOR

Apprenticeship Outreach.

Apprenticeship Training.

Job Corps.

Employment and Training Research-Doctoral Dissertation Grants.

Employment and Training Institutional Grants.

DEPARTMENT OF STATE

Institutional Centers to Aid Foreign Development.

Educational Exchange-Graduate Students.

Educational Exchange-University Lecturers (Professors) and Research Scholars.

DEPARTMENT OF TRANSPORTATION

Coast Guard Cooperative Marine Sciences Program.

Aviation Education.

Urban Mass Transportation Grants for University Research and Training.

Urban Mass Transportation Managerial Training Grants.

APPALACHIAN REGIONAL COMMISSION

Appalachian Child Development.

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

Motion Picture Film Libraries.

Faculty and Student Participation-Laboratory Cooperative Program.

Faculty Training Institutes, Short Courses, and Workshops on Energy and Environmental Subjects.

Research Reactor and Materials Assistance.

Traineeships for Graduate Students in Enginering, Studies Related to Energy Conversion, Health and Safety, and Environmental Sciences and Engineering.

Used Nuclear-Type Equipment Grants.

Information Services-Exhibits, Public Speakers, Publications, Reference, and Analysis.

Citizens' Workshops.

GENERAL SERVICES ADMINISTRATION

National Archives Reference Services.

National Audiovisual Center.

Consumer Information Center.

GOVERNMENT PRINTING OFFICE

Depository Libraries for Government Publications.

LIBRARY OF CONGRESS

Books for the Blind and Physically Handicapped.

Distribution of Library of Congress Cataloging.

Library of Congress Photoduplication Service.

Library of Congress Publications.

Library of Congress References and Bibliographic Services.

Research and Referral Services in Science and Technology.

Reference and Consultation Services in Preservation, Restoration, and Protection of Library Materials.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Space Science Education Project.

Technology Utilization.

NATIONAL ENDOWMENT FOR THE ARTS

Promotion of the Arts-Architecture and Environmental Arts.

Promotion of the Arts-Dance.

Promotion of the Arts-Education.

Promotion of the Arts-Literature.

Promotion of the Arts-Music.

Promotion of the Arts-Public Media.

Promotion of the Arts-Federal-State Partnership.

Promotion of the Arts-Theatre.

Promotion of the Arts-Expansion Arts.

Promotion of the Arts-Visual Arts.

Promotion of the Arts-Special Projects.

Promotion of the Arts-Museums.

NATIONAL ENDOWMENT FOR THE HUMANITIES

Promotion of the Humanities-Media Grants.

Promotion of the Humanities-General Research Program.

Promotion of the Humanities-Fellowships and Stipends for the Professions.

Promotion of the Humanities-Education Pilot and Development Grants.

Promotion of the Humanities-Higher Education Projects.

Promotion of the Humanities—Public Program Development.

Promotion of the Humanities—Youth Programs.

Promotion of the Humanities—Summer Seminars for College Teachers.

Promotion of the Humanities—Cultural Institutions.

Promotion of the Humanities—Fellowships for Independent Study and Research.

Promotion of the Humanities—Fellowships in Residence for College Teachers.

Promotion of the Humanities—Humanities Institutes.

Promotion of the Humanities—Summer Stipends.

Promotion of the Humanities—Fellowships at Centers for Advanced Study.

Promotion of the Humanities—National Board of Consultants.

Promotion of the Humanities—Centers for Research.

Promotion of the Humanities—Interpretive Museum Exhibitions and Interpretive Programs.

Promotion of the Humanities—Research Materials.

Promotion of the Humanities—Elementary and Secondary Education Program.

NATIONAL SCIENCE FOUNDATION

Intergovernmental Program.

Science and Society Program.

Mathematical and Physical Sciences and Engineering.

Astronomical, Atmospheric, Earth and Ocean Sciences.

Biological, Behavioral, and Social Sciences.

Science and Technology Policy Research and Analysis.

COMMUNITY SERVICES ADMINISTRATION

Community Action.

Summer Youth Recreational Program.

SMITHSONIAN INSTITUTION

Smithsonian Institution Programs in Basic Research and Public Education.

Academic Appointments.

Chesapeake Bay Center for Environmental Studies.

Educational Services—Elementary and Secondary Education.

International Exchange of Scientific and Literary Publications and Governmental Documents.

Museums—Assistance and Advice.

Smithsonian Science Information Exchange, Inc.

Smithsonian Institution Traveling Exhibition Service.

Smithsonian Special Foreign Currency Grants for Museum Programs, Scientific and Cultural Research and Related Educational Activities.

Smithsonian Tropical Research Institute.

Woodrow Wilson International Center for Scholars-Fellowships and Guest Scholar Programs.

VETERANS ADMINISTRATION

Education and Training of Health Service Personnel.

Grants to Affiliated Medical Schools—Assistance to Health Manpower Training Institutions.

Veterans Educational Assistance (G.I. Bill).

Vocational Rehabilitation for Disabled Veterans.

Dependents Educational Assistance.

Post-Vietnam Era Veterans' Educational Assistance Program.

ENVIRONMENTAL PROTECTION AGENCY

Air Pollution Control Fellowships.

Air Pollution Control Manpower Training Grants.

Solid Waste Disposal Training Grants.

Water Pollution Control-Professional Training Grants.

Water Pollution Control-Technical Training Grants.

Water Pollution Control Fellowships.

NATIONAL GALLERY OF ART

National Gallery of Art Extension Service.

ACTION

University Year for Action.

National Student Volunteer Program.

The Youth Challenge Program.

II. Federal Research and Development Activities conducted in Colleges and Universities as listed in Special Analysis, Budget Of The United States Government, Table L–4, (Office of Management and Budget, 1979).

TABLE L–4.—RESEARCH AND DEVELOPMENT SUPPORT TO UNIVERSITIES AND COLLEGES[1]

[In millions of dollars][2]

Department or agency	Obligations 1978 actual	Obligations 1979 estimate	Obligations 1980 estimate	Outlays 1978 actual	Outlays 1979 estimate	Outlays 1980 estimate
Health, Education, and Welfare	1,705	1,993	2,001	1,595	1,739	1,931
(National Institutes of Health)	(1,492)	(1,737)	(1,747)	(1,398)	(1,528)	(1,686)
National Science Foundation	551	604	681	508	563	631
Defense—military functions	308	331	372	294	317	359
Energy	232	238	251	225	238	250
Agriculture	173	210	218	156	177	179
National Aeronautics and Space Administration	130	146	151	132	131	136
Agency for International Development	24	48	66	15	22	31
Environmental Protection Agency	43	47	49	30	38	43
Interior	35	40	42	32	36	39
Commerce	34	39	37	34	39	37
Transportation	15	21	21	15	19	19
All other[3]	37	39	39	33	38	38
Total	3,285	3,755	3,927	3,067	3,358	3,692

[1] Summarizes Federal R. & D. support at universities and colleges by agency.

[2] Amounts reported in this table are included in totals for conduct of R. &D.

[3] Includes the Departments of Justice, Labor, State, Treasury and Housing and Urban Development, the Corps of Engineers, the Arms Control and Disarmament Agency, the Consumers Product Safety Commission, the Smithsonian Institution, the Veterans Administration, and the Nuclear Regulatory Commission.

III. Other Federal Programs and Activities related to Education.

DEPARTMENT OF DEFENSE

United States Military Academy.

United States Naval Academy.

United States Air Force Academy.

Civil Defense Staff College.

Civil Defense Staff College-Student Expense Program.

Civil Defense University Extension.

Reserve Officers Training Corps. (ROTC).

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Dependent and Survivor's Benefits under Section 202(d) of the Social Security Act.

DEPARTMENT OF THE TREASURY

Tax Information and Education, Internal Revenue Service.●

RESOLUTION OF CONSUMER CONTROVERSIES—S. 423

AMENDMENT NO. 133

(Ordered to be printed and to lie on the table.)

Mr. SIMPSON submitted an amendment intended to be proposed by him to S. 423, a bill to promote commerce by establishing a national goal for the development and maintenance of effective, fair, inexpensive, and expeditious mechanisms for the resolution of consumer controversies, and for other purposes.

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, pursuant to chapter 9, title 5 of the United States Code, the President submitted on April 2 Reorganization Plan No. 1, to create an Office of Federal Inspector for the construction of the Alaska Natural Gas Transportation System. The Governmental Affairs Committee will hold a hearing on the plan on Thursday, April 12. The hearing will be held in room 3302, Dirksen Senate Office Building, and will begin at 9 a.m.●

SUBCOMMITTEE ON ENERGY RESOURCES AND MATERIALS PRODUCTION

● Mr. JACKSON. Mr. President, on Tuesday, April 24, 1979, the Subcommittee on Energy Resources and Materials Production will hold hearings on S. 688, the proposed fiscal year 1980 authorization for the Department of Energy. This hearing will deal specifically with the Naval Petroleum and Oil Shale Reserves.

The hearing, which will be chaired by Senator FORD, will begin at 10 a.m. in room 3110 of the Dirksen Senate Office Building. Questions about these hearings should be directed to George Dowd of the subcommittee staff at 224–2564.●

SUBCOMMITTEE ON ENVIRONMENT, SOIL CONSERVATION AND FORESTRY

● Mr. MELCHER. Mr. President, last month it was the intention of the Subcommittee on Environment, Soil Conservation and Forestry of the Commmittee on Agriculture, Nutrition, and Forestry to hold an informational hearing on the administration's proposal to create a Department of Natural Resources.

The hearing was postponed at the administration's request.

It has now been rescheduled for 10 a.m., Tuesday, April 10, in room 324 of the Russell Senate Office Building.

Witnesses will be Dr. Richard McArdle, Mr. Edward C. Crafts, and a representative of the Office of Management and Budget.

Congressional witnesses are also invited to testify. Those Members who wish to testify should contact Denise Alexander at 4–0014.●

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

● Mr. JACKSON. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of a public hearing before the Energy Research and Development Subcommittee of the Committee on Energy and Natural Resources.

The hearing is scheduled for Thursday, April 12, 1979, beginning at 9:30 a.m. in room 6226, Dirksen Senate Office Building. Testimony is invited regarding S. 496, a bill to increase the appropriation ceiling for title I of the Colorado River Basin Salinity Control Act of 1974.

For further information regarding the hearings, you may wish to contact Dr. Willis Smith of the subcommittee staff at 202/224-4431.●

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, on Friday, April 6, the Governmental Affairs Committee will continue its hearings on major regulatory reform bills pending before the committee. This Friday's hearing will provide administration testimony on the President's proposal, the Regulation Reform Act of 1979, S. 755.

Our witnesses on Friday will be Charles Schultze, chairman, Council of Economic Advisers; Douglas Costle, administrator, Environmental Protection Agency and chairman, Nuclear Regulatory Council; and John White, deputy director, Office of Management and Budget.

We will be continuing our hearings on regulatory reform during April and May. I anticipate that there will be 2 or 3 days of hearings during each of the weeks of April 23, April 30, and May 7.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Tuesday, April 24, to consider housing authorization legislation for fiscal year 1980.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, April 10, to mark up legislation on gasoline conservation and rationing proposals.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, April 5, 1979 beginning at 3:30 p.m. for a briefing by ACDA and DOD officials on the impending SALT treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON RURAL DEVELOPMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Rural Development of the Committee on Agriculture, Nutrition and Forestry be authorized to meet during the sessions of the Senate on Monday, April 9, to hold hearings on S. 670, the Rural Development Policy and Coordination Act of 1979, and on Thursday, April 12, to mark up that same bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE RENAISSANCE CENTER

● Mr. RIEGLE. Mr. President, April the 15th will mark the second anniversary of the dedication of the Renaissance Center, a $350 million vote of confidence by the private sector in the future of the city of Detroit.

The Renaissance Center, located on the downtown Detroit waterfront, includes the world's tallest hotel, the Detroit Plaza, four 39-story office towers, and a 340,000 square foot retail mall area. Recently, a commitment was made by two major development firms to construct two additional 21-story office towers in this complex. While the Renaissance Center has had a dramatic impact on Detroit, by pumping as much as $1 billion into the city's economy, and by creating or retaining more than 4,000 permanent jobs, it also provides clear evidence of the potential which exists to revitalize other troubled urban centers in this country.

Certainly, this development project would have never come to fruition without the constant and intense efforts of several of Michigan's most influential business leaders, and the significant financial commitments of many of the State's largest corporations. In fact, the Renaissance Center is financed through a $200 million first mortgage loan, the largest ever made for single real estate development; and is backed by a 5-member partnership, the largest investment group ever assembled for a major real estate project.

Thus, the phenomenal success of the Renaissance Center, 2 years after its dedication, demonstrates the impact which conscientious and unflagging corporate leadership can have on a community like Detroit. But, it also offers a challenge to the private sector—in Michigan and throughout the Nation—to continue to step up to its responsibility to address the problems of its communities; to act as a partner with the public sector in seeking solutions to these problems; and to, at times, assume a leadership role on endeavors which are best undertaken by private business, rather than Government.

As Senator from Michigan, I am both proud of the revitalization which Detroit has already undergone as a result of the Renaissance Center, and hopeful that this growth and development will continue—in Detroit and in other cities in our Nation.●

REGULATION REGULATION REGULATION

● Mr. TALMADGE. Mr. President, I hope every Member of the Senate had an opportunity to read Monday's editorial in the Washington Post. The editorial entitled "Regulation Regulation Regulation" makes a point which I have been trying to make for the last 2 years. The point is that the excessive regulation that now plagues the Nation's economy and the American people is a direct result of the way that Congress drafts our laws.

I am in support of all efforts that are being made by President Carter and by Members of the Congress to make Federal regulations more reasonable and to reduce the volume of such regulations. I am a cosponsor of S. 262 introduced by Senator RIBICOFF to require a regulatory impact statement on all significant regulations issued by an agency. I am in support of President Carter's Executive order requiring the same thing and of the new legislative package that he is offering.

However, as the Washington Post has indicated, none of these efforts can be successful until Congress faces up to its responsibility to do a better job of drafting our laws. What the Washington Post did not say and should have said is that if the Senate would comply with the Talmadge rule, Senate Rule 29.5, adopted in 1977 to require a regulatory impact statement on each bill reported from a Senate committee, it would be forced to do a better job of drafting legislation. It would avoid some of the excessive paperwork and regulations which have occurred in the past. Moreover, if the House of Representatives had a similar rule, the effect would be especially beneficial.

I am delighted that a group of Senators led by Senator CHILES of Florida and Senator BENTSEN of Texas has agreed to try to enforce the Talmadge rule on an ad hoc basis in the Senate. Only when we in the Congress live up to our responsibility to carefully review the amount of regulation that all new legislation will entail and its impact on the Nation's economy and its people—then and only then will we make a significant cut in the proliferation of Federal regulation.

Mr. President, I ask that the Washington Post editorial be printed in the RECORD.

The article referred to follows:

REGULATION REGULATION REGULATION

A group of lawyers spent a few hours here on Friday talking about what might happen if the truth-in-lending act were rewritten in two simple sentences. One would say lenders had to disclose the true annual interest rate on their loans. The other would say what the penalty would be for not doing so. Period.

The idea has appeal. The truth-in-lending act, although itself short by modern legislative standards, has already generated over 3,000 pages of regulations and administrative interpretations, and more are on the way. Because of either the law or the huge amount of paperwork—people argue about which—consumers are presented with documents they don't read and probably wouldn't understand if they did; and businessmen are continually wondering whether every "i" needs to be dotted and every "t" crossed—how serious government is about enforcing all these intricate obligations.

The only consensus reached by this meeting of lawyers, as far as we could tell, was that it might be possible to eliminate *some*, but not *much*, of the tangle of administrative interpretations. Consumer groups evidently feel that without such detailed rules and regulations businesses will find ways to conceal useful information from customers. Business groups seem to feel that they will be left unprotected against charges of wrongdoing unless each step they must take is spelled out in advance. Government regulators think they needed to produce all

3,000 pages in the first place to help businessmen know what to do. Nobody, except possibly those who organized the meeting and a few eccentrics who admire plain-spoken English, seemed to take the idea seriously.

We do. And we dwell on this meeting precisely because it says so much about the current onslaught of overregulation that is driving a large part of the nation mad. President Carter had it just right the other day when he described the dealings many Americans have with government as consisting of a "bewildering mass of paperwork, bureaucracy and delay." Unfortunately, the president's remedy—the proposals he has sent to Congress to "reduce, to rationalize and to streamline the regulatory burden"—won't do much good.

The centerpiece of the president's program is an effort to improve the rule-making process. He wants to speed it up (something desperately needed) by setting deadlines for agency action. But he also wants to inject more public participation into the process and he wants to require each agency to publish what might be called a regulatory-impact statement. That statement would examine the costs and benefits of alternative methods of reaching the goal the agency has in mind.

Do you begin to see the built-in problem here? This new procedure could conceivably be a help in making wise choices. But any agency that has been using common sense is probably already weighing these costs and benefits. And there is at least as strong a likelihood, if the past tells us anything, that the new regulatory-impact statements would become just one more part of the bureaucratic rigmarole, one more generator of a useless paper heap.

Like the gestures of his predecessors, most of Mr. Carter's proposals deal with the symptoms of over-regulation, not its cause. Three thousand pages of regulations and interpretations concerning a single piece of legislation do not spring from some malevolent bureaucratic plot. They are a direct result of the way Congress drafted the law. Bewildered by the complexities that lawyers and others can cook up in relation to the most seemingly simple matters, Congress writes laws that reflect that complexity—carving out exemptions for one interest group after another, delegating too much authority to regulatory agencies and passing the buck to them on politically difficult questions—and expressing all this in a prose that is incomprehensible to any but other people who talk that way.

So the true solution to overregulation can only be found when Congress realizes that cat's-cradle complication is not synonymous with wisdom or fairness. Maybe some some of the president's proposed administrative reforms will help. But the most he can do is smooth bureaucratic rough edges. The important part is up to Congress. That is where they write all those regulation-prone and rule-generating statutes in the first place, though you wouldn't guess it from the way they complain about them later.●

DR. STEPHEN HORN ON THE DEPARTMENT OF EDUCATION

● Mr. CRANSTON. Mr. President, one of my most perceptive constituents in the field of education has written the distinguished chairman of the Senate Governmental Affairs Committee in support of S. 210, the bill to create a Department of Education.

Dr. Stephen Horn, president of the California State University at Long Beach, is one of the most skilled and articulate voices in matters affecting education. I believe his letter of March 20, 1979, to Senator RIBICOFF, is an extremely valuable statement on behalf of the proposed Department, and I recommend his statement to my colleagues. I ask that his letter be printed in the RECORD.

The letter follows:

CALIFORNIA STATE UNIVERSITY,
Long Beach, March 20, 1979.

Hon. ABRAHAM RIBICOFF,
Chairman,
Committee on Governmental Affairs,
United States Senate,
Washington, D.C.

DEAR SENATOR RIBICOFF: I deeply regret that until now extensive overseas and domestic travel has prevented me from providing my comments on S. 210, the bill to establish a Department of Education.

I support the concept of a separate federal Department of Education with Cabinet representation. Postsecondary, Secondary, and Elementary education needs are simply not receiving the coordinated attention that they should at the federal level. For a long time, I had hoped that the Department of Health, Education, and Welfare structure could be made to work. It is clear that it has not and it can not. That the Commissioner of Education has the resources but is little more than a bureau chief, that the assistant secretary of education has the responsibilities but lacks real authority, that the Under Secretary and the Secretary of HEW are preoccupied with health care, hospital cost containment, and welfare reform problems are facts known to all of us and are not reflections on the capabilities of the current incumbents. Indeed, those incumbents are extremely able individuals. The problem lies in the structural arrangement of their relationships and the opportunities which are daily lost by a failure to focus on the problems which need to be coordinated.

For an organization to function effectively, it needs talented people arranged in some logical way with the provision for executive leadership which can relate to internal and external constituencies. Too often, the Commissioner of Education's background in either public school or university administration has determined the temporary focus of the Office of Education. That is perhaps understandable, but federal activity should not depend on an "either/or" relationship; there needs to be a "both/and" relationship. The passage of S. 210 would provide a sufficient array of executive-level positions to permit the attraction of individuals of commitment, experience, and recognition who could properly reflect the diversity and plurality of American education at all levels.

S. 210 would also provide that the Office of Civil Rights would report to the Secretary of Education. Currently there is little assurance of input by the Commissioner of Education or the Assistant Secretary of Education to the Director of the Office of Civil Rights. With the Director of that office reporting to the Secretary of HEW, there is no reason why there should be. In a decade of service as Vice Chairman of the United States Commission on Civil Rights, I have seen time and again that there must be a close interrelationship between program managers and those who review agency civil rights enforcement if we are to achieve the goals specified by Congress. A working relationship needs to be established so that program managers are conscious that they must look at broader civil rights questions and the consequences of their actions prior to making decisions which implement public policy. If "civil rights" considerations are seen as something which only those in an Office of Civil Rights worry about, the result will surely be a litigious rather than a programmatic approach. Opportunities for positive action and cooperation will be lost. An Office of Civil Rights can always serve as a conscience for a department, but if civil rights considerations are to become part of the ongoing operational goals of an agency, then there must be the opportunity for the Secretary and the Under Secretary to meld those perspectives together on a regular basis. The structure contemplated by S. 210 permits that. The existing education structure within HEW permits neither the Assistant Secretary nor the Commissioner to do that.

Two decades ago, as the administrative assistant to the Secretary of Labor, I saw the difficulties of assuring responsiveness to the policy mandates of the Congress and the President. A cabinet officer and appropriate support staff as contemplated in S. 210 are in a much better position to relate to the President, the staff in The White House, and the Office of Management and Budget as well as to the variety of relevant Congressional committees and subcommittees than is a Commissioner buried several layers down in the hierarchy of a department where the principal executive energies are consumed with very difficult problems other than education.

It is also vital that the executives of the proposed department relate to the wide range of groups which have a stake in the many aspects of American education. Policy is not formulated or implemented in a vacuum. Successful initiatives in legislation and realistic administrative implementation result from a willingness to listen to a variety of national, regional, and local groups and to integrate a variety of perspectives in what some have described as "the Washington legislative community." Unless this is done at a high level, the result will be policy implementation by default as those without the responsibility assume the responsibility with little or no control by either the Congress or the executives nominated by the President and confirmed by the Senate. Such a process now exists in several areas and does not assure responsible government in a democratic society.

I do not agree with those who fear that a Department of Education "jeopardizes the pluralism and diversity which are the hallmarks of American education." The present lack of coordination of policy as it pertains to education and the almost bureaucratic glee with which rules are currently being written portend greater dangers for "the pluralism and diversity" which exists than does an accountable structure as proposed in S. 210. Where Congress and the President can deal with a Cabinet officer who can articulate a broader perspective of American education and who is supported by other executives who represent "the pluralism and diversity" of American education, I believe there is less danger to federal control than having GS–13's, 14's, and 15's "make policy" because the responsible executives are distracted by other and more pressing daily demands as they are at the present time in HEW. Above all, a responsible and visible structure permits the Congress and its committees and subcommittees to hold accountable those responsible and, thus, to carry out the commitment which is basic to any freely elected legislative body. That commitment was perhaps best expressed by Trollope, whose Plantagenet Palisser advised his son when the latter was elected to Parliament: "You are there as the guardian of your fellow countrymen—above all that they be free." In the modern regulatory state, the question is not whether there will be regulation, but whether that regulation will be responsible and accountable and in conformity with the intent of the Congress.

The establishment of a Department of Education with its Secretary in the Cabinet does not inevitably lead—and should not lead—either to the national accreditation of education programs or to the federal government assuming the primary role for the funding of any or all levels of education.

The position of assistant secretary of education was established to provide a focal point for the coordination of education programs throughout the executive branch. That concept was doomed to failure from the start. It should be clear to most that assistant secretaries do not have to be listened to by those in other executive departments and agencies. The Secretary of Education would at least have a chance to focus attention on the unnecessary differences which exist in federal education programs and first try persuasion on a Cabinet colleague. Failing that, the Secretary could assure that OMB and White House attention focused on the problem.

Hardly a week goes by that some issue does not arise which causes those of us in higher education to ask: Why is it that the right federal hand does not know what the left federal hand is doing? This week's example from the University's Director of Financial Aid concerns the difference in the application process required for a student seeking financial assistance from the Bureau of Indian Affairs (BIA) and the process required for any of the Title IV funds administered by the Office of Education in HEW. While the Office of Education has made significant progress in simplifying the application process for aid funds under its control, the application process required for assistance from programs administered by the Bureau of Indian Affairs in Interior (BIA) almost always has the net effect of doubling the paperwork and extending the application time by a minimum of three months for the BIA applicant. Why should a student who happens to be Indian be required to engage in a differential application process that is at best duplicative, cumbersome, and time consuming, whereas a student who happens to be White, Black, Mexican-American, or Asian-American can access financial aid funds with significantly less difficulty?

Is it federal intrusion on "the pluralism and diversity . . . of American education" to want to straighten out that discrepancy? As a university president, I do not think so. Neither do I think Indian students would resent having the same ground rules apply to them in a comparable situation as now apply to other federally-funded students. That is but one of dozens of examples which could be recited. In the past various programs of the Department of Agriculture and the Veterans Administration have caused—and continue to cause—similar wonderment.

In a more positive sense, a Department of Education will permit more effective linkages with other governmental programs. As a nation, we have been negligent in failing to pursue international education opportunities. A close supportive relationship needs to be developed with the International Communication Agency as well as with the many private groups which have a dedicated interest in this area. Much more also needs to be done to link comprehensive employment programs with our pluralistic educational system. A Secretary of Education relating to a Secretary of Labor can help work toward that end.

A particular controversy has developed within the higher education community concerning the possible separation of the Science Education program from the National Science Foundation. "Do not separate science 'education' from 'research,'" many plead. Frankly, I see little substantive change in actual practice whether Science Education remains with the NSF or is transferred to the proposed Department of Education. I suspect a change might well enhance Science Education opportunities for those hundreds of educational institutions which are not in the top fifty Ph. D. granting and largely research universities. As a nation, we have not provided minority students, in particular, the access for science education in the elementary, junior high school, and high schools of our country. If we are to do so, this requires a close working relationship between these pre-college institutions and a wide range of public and private urban universities. I suspect the transfer of Science Education would also compel the National Science Foundation to scrutinize with care the degree to which it is funding basic research in other than the largely select research universities. Currently the presence of Science Education within the NSF provides the illusion of NSF support for a wide range of public and private colleges and universities. The transfer of Science Education to a Department of Education would make for easier and more viable accountability as to where science "research" and science "education" funds are going and the processes by which they are getting there.

I have reviewed S. 210 and the February draft of the Administration's Department of Education bill. Personally, I feel that S. 210 could be strengthened and some unnecessary fears relieved if the first "Statement of Findings" were taken from Section 101(a) of the President's proposal: "The Congress of the United States finds that: (a) education is fundamental to the development of individual citizens and the progress of the nation as a whole; . . ." That language correctly stresses the role of the individual and the nation rather than simply the emphasis on "the Nation" as exists under Section 101(1) of S. 210.

I also feel that Section 103 of S. 210 "State and Local Responsibilities for Education" should be revised to include Section 103 of the President's proposal which relates to "Prohibition Against Federal Control of Education."

I commend you on the establishment of intergovernmental (Section 213) and interagency (Section 214) advisory bodies. With reference to the latter Federal Interagency Committee on Education, I have two suggestions. The first is that the Commission on Civil Rights not be represented on the Committee as it is now in Section 214(c)(2)(B)(xv), but that the Chairman of the United States Commission on Civil Rights be added to Section 214(c)(3) along with "the Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, and the Executive Director of the Domestic Policy Staff" as one of those who "may each designate a member of the staff of such agencies to attend meetings of the Committee as observers."

I make this suggestion as an individual member of the Commission and do not pretend to represent the views of my colleagues who have not had the matter before them. I shall ask my four colleagues to consider the question at the next meeting of the Commission on April 11th.

I base my own position on the fact that the Commission has civil rights oversight and monitoring, but not enforcement, responsibilities across the spectrum of federal departments and agencies. For a time, Congress designated the Commission as one of the five members of the Equal Employment Opportunity Coordinating Council. There we participated along with the Civil Service Commission, the Department of Justice, the Department of Labor, and the Equal Employment Opportunity Commission. The latter four were the action agencies. We were not. We asked to be relieved of this membership and we have been.

Earlier I mentioned the relatively undeveloped federal interest in international education. Given the linkages between American higher education and nations overseas and the transfer of the Bureau of Educational and Cultural Affairs from the Department of State to the redesignated International Communication Agency, I would suggest that your committee consider the possibility of including the International Communication Agency in lieu of the Commission on Civil Rights under Section 214(c)(2)(B)(xv).

With our rich diversity of public and private institutions, the basic responsibility for education policy and curriculum will remain at the State and local levels. As you are well aware, having in the Cabinet a voice for Education does not undercut that historic relationship. What we need now is not the continued illusion of freedom in the existing fragmentation but an opportunity for responsible individuals selected by the President and confirmed by the Senate to interact with those of us in education in order that we might preserve and enhance that diversity.

I hope these comments are of some use. I commend you and your colleagues on the Committee on Governmental Affairs for the leadership which you have provided in this long neglected area.●

A PROFILE OF SENATOR HUMPHREY

● Mr. GOLDWATER. Mr. President, our distinguished colleague from New Hampshire (Mr. HUMPHREY) is the subject of a profile article in the April issue of Air Line Pilot. Maybe I am prejudiced because of past experiences, but I do not believe the Senate can have too many pilots as Members.

Senator HUMPHREY knows aviation from the ground up. He is a welcome addition to the U.S. Senate.

Mr. President, I commend this article to my colleagues and ask that it be printed in the RECORD.

The article referred to follows:

THE SENATOR FROM ALLEGHENY

(By J. Ponte, Jr.)

The serious expression softened momentarily and the blue eyes glinted as they gazed through the Dirksen Senate Office Building window. A jet airliner was weaving southward over the Potomac River toward a landing at Washington National Airport. Just a year ago, the young senator reflected, he was sitting in that cockpit, guiding an airliner through the overcast sky to a safe landing on DCA's Runway 18.

Much had happened since he last flew as a first officer aboard an Allegheny Airlines DC-9. In February 1978, he was granted a six-month leave of absence from the carrier. In July 1978, he married. On Nov. 7, 1978, after risking his entire life savings to finance an uphill campaign, Gordon J. Humphrey, ALPA No. 36341-6, was elected by the people of New Hampshire to represent them in the United States Senate.

The native New Englander is believed to be the only airline pilot ever to reach the Senate. "I prefer to refer to myself as an inactive airline pilot rather than an ex-airline pilot because I'm still on the seniority list at Allegheny Airlines," he explains, adding, "if I am re-elected in 1984, I will be 50 at the end of that term and will have been away from airline flying for 12 years. It is unlikely I would go back." Humphrey is grateful to his former employer for the leave of absence, which enabled him to campaign full time and then serve his six-year Senate term. "Allegheny was very cooperative in this whole operation. They deserve a lot of credit," he says.

LONGSHOT CAMPAIGN

Humphrey, who at 38 is one of the Senate's youngest members, deserves a lot of credit, too. His campaign against 15-year Senate veteran Thomas J. McIntyre, a Democrat, was given little chance to succeed, even by his own pollster. A conservative Republican, Humphrey had never run for office before and had only recently gotten involved in politics, although the interest was not new.

"Over the last few years, like so many other people I suppose, I had become increasingly concerned about the way things were going in this country and at the same time became increasingly convinced that I could do a better job than a great many people in office," says the professional aviator, recalling his political motivation.

Humphrey's concerns include deficit spending by the federal government, which he feels is "the genesis of inflation," U.S. foreign policy decisions over the last few years, including the Panama Canal treaty and the Mainland China/Taiwan issue, and the lack of emphasis on maintaining a strong national defense.

In the summer of 1977, the Boston-based pilot joined the Conservative Caucus in New Hampshire, where he had lived since 1974. The group was the state chapter of a national political organization whose views coincided with his. Within days, Humphrey was the caucus's state coordinator, charged with organizing its activities throughout New Hampshire. By February 1978, he had decided to run in the state's September Republican Senate primary. He won it easily. Now, the real battle began—the political neophyte challenging the veteran incumbent.

Before long, Humphrey had sunk $100,000 into his election campaign. "If I had had any idea how expensive it would be, I probably wouldn't have run," he quips, half seriously. "I ended up putting my entire life savings into the thing. Had I lost, that money would have been written off. Since I won, it is slowly being repaid through contributions." Additional contributions enabled Humphrey's compaign to spend a total of $430,000, a substantial portion of which was used to buy highly effective television spots on Boston stations, an unprecedented move in a New Hampshire election.

Despite pessimistic polls, Humphrey persisted. He flew a rented light airplane to travel to communities throughout the state, taking his case directly to the people. Humphrey's grassroots approach was his most effective campaign tool. He attacked current government policies and outlined his conservative philosophy, but did so with an articulate, affable style.

"I knew for the last three weeks that we were going to win even though the experts thought we were going to get slaughtered," he recalls. "I was just a lot closer to the grass roots after campaigning for 10 months, seven days a week. I could see it, I could feel it."

Humphrey's hunch proved correct. On November 7, enough New Hampshire voters agreed with his stances for a balanced federal budget, a stronger U.S. defense posture, a right-to-life constitutional amendment and new directions in foreign policy, to give Humphrey a slim, but adequate, 6,000-vote margin over McIntyre.

His victory shocked political pundits everywhere. Humphrey, who reads voluminously, concentrating on political and military subjects, was more surprised at his decision to run than his victory. "I have always had an interest in government and history and politics and expected that someday I would run for office, but never really gave much thought to running for an office as high as this," he confesses. Neither did anyone back in Bristol, Conn., where Humphrey grew up. "I was generally regarded to be pretty quiet, not the kind of person you'd expect to become involved in public life."

CONNIE CLEANER

As a youngster, Humphrey developed an interest in aviation and flying—something he says he inherited from his dad, who would take him along with his brother and sister to the local grass airstrip each Saturday to watch the small planes fly in and out.

After graduating from high school, Humphrey enlisted in the Air Force. He applied for aviation cadet training and was accepted, but the program was discontinued along with the young airman's military flying career. Upon finishing his four-year hitch, he enrolled in George Washington University in Washington, D.C., but after a year dropped out due, he says, to lacking funds and lagging interest.

Next came a job with Eastern Airlines at Washington National Airport cleaning airplanes "including lavatories." But the flying aspirations remained. "I used to go like hell to get my job finished so that I could spend a few hours sitting in the cockpit," he says, recollecting his unauthorized self-training in the operation of Constellations and DC-7's.

Convinced that he'd enjoy flying professionally, Humphrey began lessons at nearby Rose Valley Airport (now PG Airpark) in Maryland. At Eastern, where he worked nights, the aspiring pilot was promoted to the operations branch and got to be friendly with several pilots who encouraged him to continue his training. When Eastern underwent a reduction in force, Humphrey "busted bags" at Allegheny for awhile before finally receiving his commercial rating.

"After I got my commercial license, I found a job ferrying little planes from the factory (principally Piper Aircraft plants in Lock Haven, Pa., and Vero Beach, Fla.) to distributors around the country and down in South America," he remembers. "I did that for a year and a half. Then I got a job with an outfit called Zantop Air Transport (later known as Universal Airlines). They operated C–46's mostly out of Detroit, flying automobile parts around the country. I did that for a year."

In 1967, he achieved his career objective of flying with an airline. He was back at Allegheny, but handling airplanes this time instead of bags. Humphrey flew an assortment of aircraft for the regional carrier, including the Fairchild F–27, Convair 580, BAC 111, and DC–9, during his 10 years of service. But his career did not advance as quickly as he had hoped. Humphrey remained a reserve first officer for 10 years, due, according to the newly elected senator, to Allegheny's corporate stagnation under the airline industry's regulated environment.

It came too late to help his flying career, but Humphrey believes deregulation is "a healthy thing. I am very much for it in a phased and gradual way. I was probably one of the few airline pilots who was for deregulation well before it came about. And was so strictly for selfish reasons, really. I sat in the right seat for 10 years and when I left Allegheny Airlines, I was still a reserve copilot. I was flying all the time with guys who had become captains in five years or so. I finally came to the conclusion that there wasn't enough growth. Allegheny and every other airline were applying for routes and being denied year after year after year. There was far too much regulation, and it should be lifted. I think my theory was borne out."●

S. 697—TRAVEL BUDGET REDUCTION FOR EXECUTIVE BRANCH EMPLOYEES

● Mr. BOREN. Mr. President, the distinguished Senator from Tennessee, Mr. SASSER, has introduced S. 697, a bill to reduce the travel budget of employees in the executive branch by half a million dollars.

The figures he revealed at the time of the introduction of the bill are truly astounding—a fiscal 1980 request by the President for $7.9 billion for travel for Federal employees in all agencies.

This figure works out to 22,000 Government trips per day—every day, Sundays and holidays included—throughout the full fiscal year.

The Senate recently debated about amendments to the debt ceiling bill—amendments that were aimed at balancing the budget. The Senate has been working hard to achieve this goal without disrupting, unnecessarily, the many vital programs and services Government can and should deliver to the people.

During my recent trips home to Oklahoma to visit with Oklahoma citizens I was told many times that inflation must be brought under control.

There is nothing more certain than the fact that excessive Government spending is one of the major causes of inflation. I believe we should immediately begin to cut all unnecessary spending of our taxpayers money and get serious about balancing our national budget—and S. 697 is a perfect place to do both.

With this theme in mind, I have joined as a cosponsor of S. 697, by Senator SASSER.

I fully realize the importance of a certain amount of travel is necessary to keep our Government agencies well informed with personal inspections and briefings. At the same time, however, I also see a great number of travel plans conducted by Federal employees that with a little advanced planning could be handled in a much less expensive manner, and equally as many trips that could be eliminated completely.

I feel we should make our Government workers more responsible; if a budget will only stretch so far, you can be sure that travel plans will begin to receive sharp second looks from Government officials, and justification for trips will suddenly become more important.

Quite aside from the question of wasteful spending, this bill will also assist in another area of concern to our Nation—the conservation of energy. At a time when every citizen is being asked to conserve energy, Federal employees should be limiting their travel to the essential minimum. I find it disturbing to note that while the Secretary of Energy is urging the public to conserve energy, the Department of Energy travel budget request is up by $4 million for fiscal year 1980.

For once, I think we should give the taxpayers of our Nation an example of fiscal responsibility. I am pleased to join my colleague, Senator SASSER, in this worthy effort. It is another necessary step in moving toward a balanced budget.●

AN ARMY OF VOLUNTEERS MARCHING TOWARD 1984

● Mr. SCHMITT. Mr. President, it seems that the criticism of the Department of Energy which we have heard recently is unwarranted. As we in the Congress have been complaining about the energy crisis and DOE, the Department has been developing a plan which not only will deal with the energy problem, but one which may have many other useful purposes.

I am referring to an article which appeared in the March 4, 1979 issue of the Sunday Star-Ledger of Newark, N.J. The headline reads: "Jersey chosen to 'model' carpool plan." The plan being proposed, Mr. President, would involve "an army of volunteers" compiling information about people's workplaces and traveling habits. The article reads:

> The dramatic plan, the Star-Ledger has learned, involves an army of volunteers knocking on every door to determine where employees live and work and to match them up into thousands of convenient carpools.

Just think, Mr. President, how useful it will be for the Government to have all this information. The article goes on:

> The mayor's office in each community will be used to organize volunteers, who will be assigned specific streets and neighborhoods to canvass.

I wonder whether the Department of Energy plans to appoint block captains.

Mr. President, it is important to point out, however, that our citizens do not have to participate in this program. David Bardin, Administrator of the Department of Energy's Economic Regulatory Administration, made this point very clear when he said:

> Motorists have a choice. Either they try and make this daring plan work, or they do nothing and wait for rationing to restrict their lives.

With such an accurate statement of the only two possible options available to us, it is indeed difficult to imagine anyone not participating. I do, however, wonder whether there are any plans for dealing with the "unpatriotic" citizens who refuse to divulge the required information to a member of the "army of volunteers."

Mr. President, we would be remiss if we did not utilize this army of volunteers, this information-gathering network for other purposes. Perhaps we could use this network for the 1980 census—to get great detail on every individual. We could later ask individuals their party affiliation, voting patterns, et cetera. All the information which could be gathered by the Government would be very useful to various groups such as labor unions, political parties, and other organizations.

New Jersey State Energy Commissioner Joel Jacobson realizes the value of this network. He stated:

> I like the idea of knocking on doors and organizing carpools. We did something like that in the labor movement when we went from door to door, asking residents to vote.

So why should not the Government get into the habit of going door to door either soliciting information or encouraging certain actions? After all, other groups do it.

Mr. President, apparently the Department of Energy does not understand the difference between labor organizations or political parties and the Government. Apparently, DOE is also unaware of the various laws protecting privacy which the Congress has enacted over the years. The warning of Mr. Bardin demonstrates the failure of DOE to comprehend free choice and the difference between economic incentives and political coercion.

I do not intend to discuss again, at this time, the energy problem which we are facing except to say that attempts to force or scare people into carpooling will not solve the problem. The failure of this administration to propose a real energy plan dealing with the economics of energy production and consumption is one reason why we are facing an energy crisis. It is naive to even suggest that individuals driving to work alone are the cause.

Mr. President, what concerns me even more than the naive nature of this proposal are the implications of the program; 1984 is only 5 years away. It seems the Department of Energy would like to bring it even closer. When I read about "an army of volunteers knocking on every door" to solicit information which the Government has no right to know, I become concerned.

When I hear Government officials threatening individuals into complying with programs, I become concerned. When freedom and free choice are threatened and Government becomes powerful enough to know more and more about individuals, I become very concerned.

History shows us that the freedoms of individuals are most vulnerable during times of crisis and political or economic instability. Unfortunately, people often are willing to compromise a little of their freedom for some security, never realizing that the price for that extra stability may entail most or all of their freedom. It seems that the Energy Department is playing on the fears of individuals to implement this program which is unprecedented in our history.

Mr. President, I support efforts to conserve energy, including carpooling—voluntary carpooling and not Government organized. There are many companies which provide the mechanism for interested individuals to organize carpools. There is no need for Government to send out individuals soliciting this information. It is ironic that a nation which does not even have a list of eligible individuals for conscription would devise a plan such as this.

The threat to the privacy and freedom of individuals is ever present and requires eternal vigilance. This particular threat, Mr. President, has begun. The "army of volunteers" is marching.●

THE ATTEMPT TO DEAUTHORIZE THE TENNESSEE-TOMBIGBEE WATERWAY

● **Mr. STENNIS.** Mr. President, I wish to comment on a bill which has been introduced by the Senator from Wisconsin (Mr. NELSON) to deauthorize a water resources development project which is under construction and well on the way toward completion, the Tennessee-Tombigbee Waterway. I strongly urge the rejection of this attempt to halt the construction of this project, which has vast regional and national benefits.

The construction of the Tennessee-Tombigbee Waterway was considered by Congress over a period of many years before it was initiated, and it has been subjected to far more extensive analysis and reanalysis than the average water resources project. Since the initiation of construction the project has been reexamined annually in connection with the appropriation of funds for the following fiscal year. I have every confidence in the affirmative findings of the authorizing committees and the appropriations committee of both the House and the Senate over the years, and the repeated favorable actions of the full Congress on this project.

The Tennessee-Tombigbee was also carefully examined by President Carter's administration as a part of his review of water resources projects, during his first few months in office. That analysis reconfirmed the value of this very worthy project, and the President has since budgeted for the waterway at almost the maximum capability each year.

A court case on this project is now in progress. It was filed against the Government and the Tennessee-Tombigbee Waterway by a railroad and some environmental organizations. The plaintiffs alleged lack of authorization for the project channel width, challenged various aspects of the economic analysis and raised several environmental points. Many of the allegations are similar to those raised in a 1971 lawsuit which was decided in favor of the Government.

The district court has ruled on the authorization for the project width dismissing the complaint with prejudice. There may be an appeal. Pending its outcome, if filed, the other issues are stayed. They are still in court. The Chief of Engineers, General Morris, stated publicly that he intends to carefully observe the established tradition of not arguing a pending lawsuit outside the courtroom. I believe that is proper and should be observed.

In the event that the case should be successfully appealed and continued, I am confident that the Government's case will prevail, on its merits.

I would like to discuss briefly the benefits and costs of the Tennessee-Tombigbee Waterway, its present status, quote some figures on the conservative nature of the Corps of Engineers procedures in estimating future navigation benefits, and assess the costs of delaying the project.

The initial annual benefits of the Tennessee-Tombigbee are $107 million, progressing to $143 million per year.

The benefits are regional and national in nature. A new transportation corridor is opened between the gulf coast and much of the mid-continent of the United States, extending to Pittsburgh, Chicago, and the Great Lakes, St. Louis, and into the Missouri Valley. Transportation savings on basic commodities will lower production and marketing costs to a major part of the population.

Some limited navigation benefits will be available as the project proceeds, but it is essentially a through waterway, and any delays in completion would forgo the new large annual benefits.

On the Tennessee-Tombigbee, 50 contracts have been completed or are underway; $516 million has been expended or obligated under these contracts.

During the rest of this fiscal year 13 more contracts will be awarded. On September 30, 1979, 68 percent of the Federal contract work will be completed or underway.

The total Federal cost is $1.53 billion. To date, Mississippi and Alabama have completed six highway relocations, including new bridges across the waterway. Four relocations are in progress. During the rest of fiscal year 1979 and next fiscal year, they will start nine more highway relocations.

Experience with completed navigation projects shows that the Corps of Engineers has been conservative in estimating future benefits.

The Tennessee-Tombigbee Waterway will be a link between the Tennessee, Ohio and upper Mississippi Rivers on the north, and the Port of Mobile and the Gulf Intracoastal Waterway on the south.

The Tennessee River navigation project carries more than ten times the annual tonnage estimated for its justification at the time of construction.

The upper Mississippi River navigation project exceeded projections seven times over within 10 years of completion.

The Ohio River navigation project carries 10 times the traffic originally projected.

The Gulf Intracoastal Waterway between New Orleans and Mobile exceeded projections eight times over in the first 8 years of operation.

The most recently completed major navigation project is the Arkansas River project, from the Mississippi River to Tulsa, Okla. Tonnage on this waterway has consistently exceeded the estimated annual amounts since the project was completed in 1970. Traffic has grown from 4 million tons in 1970 to 10.1 million tons in 1978.

The projected traffic estimate when the project was built was that it would reach 13.2 million tons in 1984. At the present rate of growth the traffic will be 19 million tons by that date.

It is estimated that the Arkansas River Waterway has stimulated $3 billion in industrial capital improvements. Since 1970, 450 firms and 50,000 new jobs have been added in the project areas.

Prior to construction of the Tennessee-Tombigbee, economists predicted that $2.6 billion in new industry would come to the area by the year 2000 because of the waterway. That figure has almost been reached in 1979; $2.4 billion in new industry has been announced in Mississippi and Alabama counties near the waterway since 1972.

In 1972 it was predicted that 28,000 new jobs would be created. It is now projected that 135,000 new jobs will result by the year 2000.

The costs of delaying the Tennessee-Tombigbee for any reason would be tremendous. For example, to terminate present contracts for 1 year and then restart construction, the costs to the Federal Government would be $233 million. These include termination costs, inflation, restarting costs and benefits foregone. In addition, there would be loss of employment of almost 2,000 man-years and $30 million in payroll losses, which is $265,000 per day.

There are no valid, new and compelling reasons to propose the delay of this project, or its termination.

It is my understanding that the Senate Committee on Environment and Public Works has already planned oversight hearings later this year which will include the Tennessee-Tombigbee Waterway and the economic analysis. The chairman informs me that the hearings will not be designed as a forum for consideration of repeal of the authorization, but any interested Member of the Senate, including Senator Nelson, will be afforded an opportunity to state his views at the hearings.

Mr. President, this project will pay for itself in benefits. Its construction is an investment in the future, and will bring economic benefits for generations to come. It has deserved the support it has received from Congress and from three administrations. I strongly urge the continuation of construction of the Tennessee-Tombigbee Waterway at the maximum efficient speed, so as to complete this new link in our inland water transportation system and to realize the very large annual benefits which are both regional and national economic benefits.●

SALT II

● Mr. GOLDWATER. Mr. President, we have read a lot recently to the effect that the American people favor a new SALT agreement with the Soviets by a large margin. For example, a story in the Washington Post last month carried a headline which said "81 Percent in U.S. Back New SALT in Poll." But, the committee on the present danger is now taking issue with these contentions. In effect, it claims that the polls showing heavy public support for SALT II asked the wrong questions. This whole subject was treated at some lengths recently in the Air Force Association's publication entitled "Field Service Report." And because of its importance to the ongoing debate over possible ratification of a SALT II treaty, I ask that it be printed in the Record.

The material follows:

Public Support for SALT II?

With the United States and the Soviet Union reportedly very close to agreement on a new strategic arms limitation accord, the crucial question now is whether or not the US Senate will ratify SALT II. The Administration repeatedly has cited strong popular support for SALT—allegedly expressed in national public opinion surveys—as a major reason why the Senate should approve the proposed treaty.

Last month, for example, *The Washington Post,* in reporting on a survey used the headline: "81 Percent in US Back New SALT in Poll."

Now the Committee on the Present Danger has taken issue with some of these contentions. The Committee is a nonprofit, nonpartisan, organization whose officers include David Packard and Paul H. Nitze, both former Deputy Secretaries of Defense, and Elmo R. Zumwalt, former Chief of Naval Operations.

The Committee, in a statement issued March 15, said it "has been increasingly puzzled by the reported results of national polls, commissioned by networks and newspapers, which assert that American public opinion is overwhelmingly in support of SALT II. . . .

"Inspection of the actual polling questions, which were not usually carried in the newspapers, revealed that the respondents were being asked whether they favored the concept of arms limitation without reference to any of the specific provisions of the actual treaty under negotiation. For example, here is the question asked by CBS and *The New York Times*:

Do you think the US should or should not negotiate a treaty with the Russians to limit strategic weapons?

"It is not surprising that 63 percent responded 'Yes.' And here is the question asked by NBC and the Associated Press:

Do you favor or oppose a new agreement between the United States and Russia which would limit nuclear weapons?

"Again, the expected happened—81 percent said 'Yes.'" (Note: as reported in *The Washington Post* headline cited above.)

"The only wonder is that there wasn't 100 percent affirmative response.

"Both questions dealt with a hypothetical treaty—a treaty that, by implication, would place equal limits on both sides and would be enforceable and verifiable. . . .

"Highly generalized, hypothetical and simplistic questions with no effort to measure gradations of response provide data which furnish little insight into relevant public attitudes and are apt to be completely misleading.

"If you ask the wrong questions, you get the wrong answers.

"Therefore, in accord with our basic purpose of achieving a national discussion of the foreign and national security policies of the United States and with our continuing research and educational activities directed toward that objective, the Committee on the Present Danger last month commissioned a nationwide scientific poll of American attitudes toward SALT II and related issues, providing highly specific questions and a range of highly specific responses.

"The poll was made by telephone during the period beginning 23 February and ending 3 March 1979. The polling was conducted for the Committee by George Fine Research, Inc., of New York City, a highly respected and experienced independent polling organization which has conducted previous polls on other subjects for *The New York Times, The Washington Post* and the Columbia Broadcasting System (CBS).

"The poll encompassed 1,211 respondents and secured responses to 12 substantive questions (7 multiple choice and 5 true/false). The respondents represented a scientifically developed sample of the American people above 18 years of age. The margin of error in polls of this nature and size is generally recognized to be at plus or minus 3 percent. . . ."

The primary question asked in this poll and the results are as follows:

The United States is now negotiating a strategic arms agreement with the Soviet Union in what is known as "SALT TWO." Which one of the following statements is closest to your opinion on these negotiations:

	Percent
I strongly support SALT II	8.3
SALT II is somewhat disappointing, but on balance, I would have to support it	11.7
I would like to see more protection before I would be ready to support SALT II	41.7
I strongly oppose the SALT II arms agreement with the Russians	8.6
I don't know enough about the SALT II Treaty to have an opinion yet	29.6

As a result of its poll the Committee reached these major conclusions:

"The American people are skeptical about SALT II, don't know much about it and, clearly, are not prepared to support the treaty without additional safeguards.

"We have been reading and hearing from the Administration and the media that a large majority of Americans back the new SALT treaty and that support for it is at the highest level in three years. To the contrary, this current poll demonstrates that only 8.3 percent of those polled strongly support SALT II; approximately the same number (8.6 percent) strongly oppose it. Another 11.7 percent support it 'on balance' despite their feeling that the treaty is 'somewhat disappointing.' So the total of those who now support it, strongly or reluctantly, is only 20 percent—1 out of 5. . . . A large number of Americans do not have sufficient information on SALT II to reach a considered judgment."

Meanwhile, in the March 16 issue of The Washington Post, staff writer Robert G. Kaiser relied on another pollster to question the Committee's conclusions. The expert cited is Paul B. Sheatsley, senior survey director of the University of Chicago's National Opinion Research Center. As reporter Kaiser stated, in part:

"The Committee on the Present Danger also asked detailed questions based on the contents of SALT II to see if people knew what was in it (two-thirds or more of them apparently did not) and to determine how attitudes changed if certain information was provided. Sheatsley and other polling experts said these questions were argumentatively drafted and too difficult for the general public to understand.

"Sheatsley, who has written widely on polling techniques said the simpler questions asked by the big polling organizations 'set the atmosphere' and 'show that in general public opinion is favorable toward negotiating a new agreement.' "

But, again, that merely refers to support for an arms limitation agreement in general. There appears to be no tangible evidence of strong public support for the specific terms of SALT II, as claimed by the Administration.

Indeed, even if the Committee on the Present Danger can be faulted for its polling techniques, it seems to have made the point that lack of knowledge about SALT II is so widespread that it is unrealistic to conclude that the public either supports or opposes it.●

S. 240 AND THE RIFKIN CASE

● Mr. RIBICOFF. Mr. President, as the author of the Federal Computer Systems Protection Act, S. 240, I was interested in the trial of Stanley Mark Rifkin, the computer analyst who was convicted and sentenced to an 8-year term in connection with the theft of $10.2 million from the Security Pacific Bank of Los Angeles. I asked the Department of Justice if S. 240 would be actionable in the Rifkin case. Philip B. Heymann, Assistant Attorney General, Criminal Division, replied for the Department and said:

> The Computer Fraud and Abuse statute, as proposed, goes to the heart of activities like those discussed in the newspaper account you enclosed. While the initial perpetration, as described, does not appear to have required a complex assault on the computer system or its programs, it apparently necessitated a thorough understanding of the integration of the computer into banking procedures. It is clearly within the ambit of S. 240 as drafted, though it might well be classified as a wire fraud or banking violation.

It is useful to note that Rifkin had also been alleged to be involved in a second crime, an attempt to steal $50 million in the transfer of funds from the Union Bank of Los Angeles to the Bank of America in San Francisco. The Government did not go forward with this case against Rifkin. Nonetheless, the Justice Department's comments on this second Rifkin matter are of interest. Mr. Heymann wrote:

> Alternatively, the subsequent activities described, since purportedly perpetrated within a single state might have failed the jurisdictional requirements of wire fraud or other existing Federal proscriptions, and be assailable only by a statute such as S. 240, if enacted.

Mr. President, I request that my letter of February 14, 1979, to Attorney General Griffin Bell; Mr. Heymann's March 26, 1979, reply; and a Wall Street Journal article of February 14, 1979, be printed in the RECORD.

The material is as follows:

FEBRUARY 14, 1979.

Hon. GRIFFIN BELL,
Attorney General,
Department of Justice,
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: The enclosed article from the February 14, 1979 Wall Street Journal concerns the government's cases against Stanley Mark Rifkin, the computer consultant who is alleged to have stolen $10.2 million from the Security Pacific Bank in Los Angeles and is alleged to have fraudulently transferred $50 million from the Union Bank of Los Angeles to the Bank of America in San Francisco.

The Rifkin cases are of interest to me because of S. 240, the Federal Computer Systems Protection Act. According to this Journal article it would appear that Mr. Rifkin's alleged actions in these cases involve the indirect access to computers of financial institutions in furtherance of a scheme to defraud. These cases are the kind I had in mind when I drafted S. 240. Would you be kind enough to let me know if S. 240, as introduced January 25, 1979, would be actionable in the Rifkin cases? In addition, I would like to know if the government is in any way handicapped in the Rifkin cases because there is no federal computer crime statute as envisioned in S. 240.

Your assistance in this matter is very much appreciated.

Sincerely,
ABE RIBICOFF.

U.S. DEPARTMENT OF JUSTICE,
Washington, D.C. March 20, 1979.

Hon. ABRAHAM RIBICOFF,
Chairman,
Committee on Governmental Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of February 14, 1979, inquiring into the applicability of S. 240 in the Rifkin case. While I cannot discuss the merits of the particular case, I will be glad to address your questions in a general sense.

The Computer Fraud and Abuse statute, as proposed, goes to the heart of activities like those discussed in the newspaper account you enclosed. While the initial perpetration, as described, does not appear to have required a complex assault on the computer system or its programs, it apparently necessitated a thorough understanding of the integration of the computer into banking procedures. It is clearly within the ambit of S. 240 as drafted, though it might well be classified as a wire fraud or banking violation.

Alternatively, the subsequent activities described, since purportedly perpetrated within a single state, might have failed the jurisdictional requirements of wire fraud or other existing Federal proscriptions, and be assailable only by a statute such as S. 240, if enacted.

I trust that this response, although belated, is helpful. As you can appreciate, only the prosecutor who investigates and ultimately understands all the aspects of a case can most effectively determine the appropriateness of charging specific violations.

We have discussed S. 240 on the phone recently and should you have further questions, I would be pleased to hear from you.

Very truly yours,
PHILIP B. HEYMANN,
Assistant Attorney General.

[From the Wall Street Journal, Feb. 14, 1979]

DEFENDANT IN A PLOT TO TRANSFER MONEY FACES NEW CHARGES

LOS ANGELES.—Stanley Mark Rifkin, who allegedly stole $10.2 million from Security Pacific Bank here in October using a complex wire-transfer scheme, is being accused of again attempting to transfer money fraudulently.

The U.S. attorney's office here charged that the 32-year-old computer consultant, along with a friend, Patricia Ferguson, attempted last Monday to transfer $50 million from Union Bank here to the Bank of America in San Francisco.

Mr. Rifkin had been free on bail in the Security Bank affair, awaiting the start of his trial tomorrow. But while free, he apparently hatched another money-transfer scheme with Miss Ferguson that eventually involved an undercover Federal Bureau of Investigation agent, according to an affidavit by the agent filed in federal court here yesterday.

The affidavit filed by the U.S. attorney's office stated that Miss Ferguson, who had mortgaged her house to help post Mr. Rifkin's original bail, met with the undercover FBI agent last Friday. The U.S. attorney's office declined to elaborate yesterday on the agent's affidavit or to say who initiated the contact.

According to the agent's affidavit, Miss Ferguson allegedly requested that the undercover agent contact an unidentified "banker" at Union Bank about making a fraudulent wire transfer. On Monday, Mr. Rifkin allegedly met with the agent to tell him how to accomplish the wire transfer.

Mr. Rifkin told the agent he planned to use the transferred money to purchase bearer bonds in San Francisco and then immediately leave California, the affidavit alleges. According to the agent, Mr. Rifkin said he planned to make the transfer "pretty much the same way" as he had at Security Pacific, but this time to do it right."

In the Security Pacific affair, Mr. Rifkin was caught by the FBI in San Diego two weeks after the alleged $10.2 million theft had taken place. In that two weeks, Mr. Rifkin had flown to Switzerland and purchased $8.1 million in diamonds that he apparently planned to sell upon his return to the U.S.

In a pretrial ruling last week, a federal judge held that key evidence in the government's case against Mr. Rifkin, including the diamonds, was "inadmissible as evidence."

The judge said that the arrest warrant for Mr. Rifkin didn't provide the proper source material and that therefore the arrest by FBI agents in San Diego, was a case of "illegal search and seizure."

Last Monday, the U.S. attorney's office decided against appealing the judge's ruling, citing the "negative impact of delaying the case."

Both Mr. Rifkin and Miss Ferguson were arrested yesterday after the U.S. attorney's complaint against them was filed in federal court here. A magistrate set the bail for each of them at $1 million.

The complaint charged both Mr. Rifkin and Miss Ferguson with "conspiring" to "cause false entries to be made" in a bank money-transfer system.

In the Security Pacific scheme, the bank said earlier that Mr. Rifkin gained access to the bank's wire-transfer room last Oct. 25 because bank personnel recognized him as a consultant to one of the bank's contractors. While inside, Mr. Rifkin observed that day's security coding, according to a bank spokesman.

Later that day, Mr. Rifkin, impersonating a bank officer, allegedly placed a call transferring the $10.2 million to a New York City bank. He then withdrew the money from the New York bank and flew to Switzerland, according to federal authorities.

A Union Bank spokesman said last night that he hadn't any knowledge of the alleged scheme by Mr. Rifkin and Miss Ferguson.●

HALT FRAUD AND ABUSE FROM EXCESS MEDICARE PAYMENTS FOR BLOOD AND BLOOD PRODUCTS

● Mr. PERCY. Mr. President, the Federal Government must respond swiftly whenever abuses of our Nation's health care programs are uncovered. Otherwise, escalating health care costs will be fueled at a rate that not only drains the taxpayer's resources but also undermines our Nation's health.

On February 26, 1979, the U.S. General Accounting Office released a report which found that certain independent blood banks have disregarded medicare billing instructions resulting in a multi-million-dollar annual abuse of medicare funds. Mr. President, I shall submit for the RECORD selected highlights of the report.

The GAO first notified the Health Care Financing Administration (HCFA) by letter on December 12, 1977, that improper blood charges and payments were being made. However, HCFA has yet to revise its regulations or institute corrective actions to eliminate these costly abuses. I am concerned that HCFA respond immediately, before more taxpayer funds are misapplied. To this end, in a letter dated March 22, 1979, I requested a detailed report from HCFA describing:

First, the present steps being undertaken to correct the abuses, and

Second, efforts that have been made to detect and recoup improper medicare payments to blood banks.

Mr. President, I shall submit for the RECORD a copy of the letter.

I must emphasize, Mr. President, that GAO's investigative efforts on this issue have been exemplary. When the Federal Government receives such thorough documentation demonstrating abuses of its program, the affected Federal agencies must respond promptly. I trust and expect that Assistant Secretary for Health Dr. Julius Richmond will take prompt action in this regard, consistent with the high priority President Carter and HEW Secretary Joseph Califano have both assigned to the elimination of blatant fraud and abuse involving precious taxpayer moneys. I am awaiting Dr. Richmond's response.

The material submitted follows:

U.S. SENATE,
Washington, D.C., March 22, 1979.

Hon. JULIUS RICHMOND,
Assistant Secretary for Health, Department of Health, Education, and Welfare, Washington, D.C.

DEAR DR. RICHMOND: On February 26, 1979, the General Accounting Office issued a report entitled, "Actions Needed to Stop Excess Medicare Payments for Blood and Blood Products." As the ranking minority member of the Permanent Subcommittee on Investigations, with direct oversight responsibility for HEW health care programs, I have given close attention to the GAO report and view its findings with considerable concern.

The GAO report notes that blood banks typically charge a "processing fee" which covers the cost to process a unit of blood. Other blood banks charge an additional "nonreplacement fee" which is assessed when a patient may enroll in a blood insurance compensate for these nonreplacement fees, a patient may enroll in a blood insurance program. Such a program guarantees replacement of blood used by its members.

Presently, Medicare pays all blood processing fees. Medicare will also pay nonreplacement fees beyond the first three units of blood used. However, if a patient is enrolled in an insurance program or is able to find the necessary donors to replace blood used, Medicare is *not* obligated to pay the nonreplacement fee. (Section 3235.B of the Health Insurance Manual—13, Section 2103 of the Health Insurance Manual—15)

The GAO findings show that for the past several years the blood banks investigated have prevented Medicare patients from replacing the blood when it was available through blood insurance programs. *Instead, these blood banks chose to bill Medicare for nonreplacement fees—opting for money over blood at considerable expense to the federal government.*

The GAO estimates that these overpayments could total millions of dollars annually. In these times of escalating health costs, the Medicare programs cannot tolerate such abuse. Affordable blood and blood products are essential elements of our national health. We must reduce these unwarrented costs to the taxpayer.

The GAO report notes that disparate treatment of Medicare and non-Medicare patients by some community and hospital blood banks is a prime factor contributing to the overpayments problem. In spite of HEW regulations emphasizing equal treatment of both Medicare and non-Medicare patients, GAO found:

". . . The blood banks we visited did not treat Medicare patients the same as non-Medicare patients for reducing or eliminating blood fees. The blood banks limited the number of blood credits they would release to offset nonreplacement fees for Medicare patients but placed no such limitations on non-Medicare patients. Some blood banks also allowed credits for non-Medicare patients for either component or blood processing fees but did not allow such credits for Medicare patients." (GAO Report, p. 5)

With respect to the unequal treatment of Medicare patients, then-Health Care Finance Administrator Robert Derzon commented on February 1, 1978, that both Medicare and non-Medicare beneficiaries *must* be treated equally in any situation regarding blood. Nevertheless, Administrator Derzon stated that the resulting effect of unequal treatment of Medicare and non-Medicare patients has been to:

"* * * disproportionately increase Medicare's share of the cost of blood where a provider accepts blood replacement from non-Medicare beneficiaries but not from Medicare beneficiaries. Similarly, *to reject replacement credits for Medicare beneficiaries where such credits would reduce blood processing costs or blood component fees is neither a consistent nor a prudent and cost-conscious practice on the part of a provider.* * * *" (GAO report, p. 48, Appendix IV, Comments to Question 1.) (emphasis added)

Clearly, the intent of HEW regulations governing Medicare payments for blood and blood products is now being subverted on a national scale by certain community and hospital blood banks. These Medicare overpayments abuses were brought to the attention of HCFA officials by GAO during December, 1977. Yet during the intervening 14 months, it appears that no corrective actions have been instituted.

Unfortunately, as the GAO notes, present HEW regulations governing Medicare payments for blood and blood products are inadequate to alleviate the abuses identified in its report. In light of Secretary Califano's own noteworthy and progressive efforts to curb mismanagement and eliminate the $7 billion worth of fraud in HEW programs, the GAO's proposals to tighten HEW regulations *and recoup* past Medicare overpayments assume a particular urgency. Whatever the legal considerations may be in recouping past overpayments, a serious effort must now be made to return these monies to the federal government.

Moreover, I remain unconvinced that remedial legislation—as proposed by HEW Inspector General Morris, to broaden HEW enforcement against suspect blood bank practices—is needed to solve what is essentially an internal administrative problem. (See GAO report, p. 30, Appendix II, Overview) Congress need not pass new legislation whenever a deficiency in program management develops, as in this instance involving fraudulent practices by some community and hospital blood banks. HEW should act—now; it need not wait for Congress to force it to do something—eliminate fraud—which it should do without being told and which the American public has every right to expect it to do.

I therefore request forthwith a detailed report describing:

Present steps being undertaken by HEW to correct the Medicare overpayments problem as discussed in the GAO report. This should include, but not be limited to, a specific timetable for implementing revised regulations;

HEW efforts to detect and recoup past Medicare overpayments resulting from improper hospital and community blood practices.

Your attention to this matter is greatly appreciated. If you have any questions, please have one of your staff members contact Chuck Berk, Special Counsel to the Senate Permanent Subcommittee on Investigations, at 224–1117.

Sincerely,

CHARLES H. PERCY,
Ranking Minority Member.

[Comptroller General's report to the Congress]

ACTIONS NEEDED TO STOP EXCESS MEDICARE PAYMENTS FOR BLOOD AND BLOOD PRODUCTS

DIGEST

Medicare insurance for the aged and disabled covers health care services, including blood and blood products. It reimburses hospitals for fees charged by blood banks for blood processing.

Many blood banks also charge a nonreplacement fee when blood used by a patient is not replaced or donated on a patient's behalf. Medicare claims for nonreplacement fees have totaled over $110 million since 1971.

Blood replacement practices at some community and hospital blood banks have not been consistent with Medicare regulations. For several years the blood banks have prevented the use of blood replacement credits to cancel blood fees which Medicare would pay. Consequently, charges to Medicare for blood and blood products have been overstated, and substantial overpayments have occurred.

GAO's evaluation of the nationwide impact of such practices was limited by the lack of data on blood credits available to Medicare patients. However, based on the limited information obtained, GAO concludes that excess payments by Medicare could total millions of dollars annually.

Some hospitals did not follow other Medicare billing instructions that affected Medicare payments:

Hospitals charged nonreplacement fees to Medicare and to Medicare patients for blood supplied by community blood banks that charged only processing fees. This increased Medicare payments and required patients to either replace blood or pay for units not covered by Medicare.

Hospitals do not submit corrected bills to Medicare when blood banks release blood credits after the hospital has billed Medicare. When improper replacement practices of blood banks are stopped and blood banks are required to release all needed credits, hospitals' failure to submit corrected bills will result in excess Medicare payments to hospitals. GAO recognizes, however, that submitting corrected bills could result in added administrative costs.

Medicare controls did not prevent unfair blood billing and replacement practices. Intermediaries responsible for administering the program were generally unaware of the blood billing and replacement practices of blood banks and hospitals, or of the impact those practices have on Medicare payments. The intermediaries' monitoring procedures usually ignored these issues. Although the Health Care Financing Administration identified some blood billing and replacement problems, needed improvements in billing instructions and program monitoring activities have not been made.

RECOMMENDATIONS

The Secretary of Health, Education, and Welfare (HEW) should direct the Administrator, Health Care Financing Administration, to:

Revise Medicare billing instructions to more clearly require that hospitals and blood banks allow Medicare patients the same opportunities as allowed non-Medicare patients to eliminate blood fees.

Revise Medicare instructions to provide that nonreplacement fees charged on processing-fee-only blood are not allowable charges to Medicare.

Improve corrected billing requirements for late blood credits to more accurately and economically account for Medicare blood replacements.

Request the Office of the Inspector General or require its fiscal intermediaries to identify hospitals and blood banks that have engaged in improper practices and seek recovery.

Require, as a condition for reimbursement of blood costs, that hospitals enter into formal agreements or understandings with community blood banks that obligate the blood banks to comply with Medicare billing and replacement instructions.

Require intermediaries to review blood billing and replacement practices at hospitals and blood banks as part of their regular review and audit procedures to assure equal replacement opportunities for Medicare patients.

Periodically assure that intermediary monitoring efforts applicable to the matters covered in this report are properly performed, that appropriate records are being retained by hospitals and blood banks that bill Medicare for patient blood use, and that corrective actions are taken as needed.

HEW generally concurred with GAO's recommendations, but commented that the most comprehensive response to the problems would be remedial legislation. Pending enactment of such legislation, HEW identified other more immediate actions to be taken. GAO believes that the actions planned should alleviate the problems but recognizes that legislation may be a more appropriate long-range solution. In several instances, interim measures could improve the timeliness of planned corrective actions.

HEW COMMENTS AND OUR EVALUATION

In commenting on a draft of our report (see app. II), HEW noted that the problems we cited are not unique to Medicare but exist wherever there are third-party arrangements to pay for blood. HEW believes that the most comprehensive response to the problems would be remedial legislation to permit the Federal Government to directly influence blood bank practices to assure equal treatment of all patients. HEW noted that, pending enactment of legislation, it had identified certain actions it would take to address specific problems identified in our report.

HEW agreed with our recommendations that Medicare billing instructions be revised. HEW recognized the need to clarify and expand regulations and policies concerning the application of replacement credits and, to this end, has changed some instructions and is considering changing others. HEW also agreed to revise its regulations to eliminate Medicare recognition of nonreplacement fees for processing-fee-only blood as a reimbursable cost.

Although HEW recognizes the need to clarify its policy in these areas, we are concerned that it is not acting to resolve these matters quickly. Although we notified HCFA by our December 12, 1977, letter that improper blood charges were being made, it has yet to take action to curtail such practices. We believe that HCFA should continue its plans to revise the Medicare regulations but, in the interim, it should notify providers as soon as possible that replacement credit practices we found are contrary to Medicare policy and should be stopped.

Regarding our recommendation for improving corrected billing requirements, HEW noted that Medicare policy clearly mandates complete accounting for late blood credits, but that it would continue to review corrected billing procedures to determine whether additional improvements could be developed. HEW also noted that later credits must be accounted for by the providers on its cost report. We found, however, that this procedure did not appear to assure proper accounting for late credits. We believe HEW should give more attention to developing reliable procedures to assure that such credits are properly accounted for by providers.

Regarding our recommendation that HEW take action to recover excess Medicare payments, HEW said it would instruct its intermediaries to make appropriate financial adjustments to provider cost reports whenever significant errors in blood replacement practices are identified during the course of its audit process. HEW also suggested that our report identified several areas where its instructions were ambiguous or not specific, and therefore subject to different interpretations. HEW stated that it may therefore be difficult to hold hospitals and blood banks accountable for past actions and to make a persuasive legal argument for recovery of overpayments.

While we did point out certain problems concerning the clarity of Medicare regulations, in this case the applicable regulations are clear. As stated in our report, Medicare regulations specifically provide for equal treatment of Medicare and non-Medicare patients, but the blood banks we visited did not treat Medicare patients the same as non-Medicare patients for the purpose of reducing or eliminating blood fees. The customary blood replacement credit practices which the blood banks applied to non-Medicare patients were not applied to Medicare patients. We continue to believe that in this matter, the applicable regulations provide a sufficient basis for HEW to seek to recover excess Medicare payments.

HEW concurred with our recommendation that hospitals enter into agreements that would obligate blood banks to comply with Medicare instructions. HEW noted, however, that this would still be an indirect control of blood bank practices and would be administratively complex and expensive. HEW believed that legislation to clarify responsibilities of blood banks might be a more workable approach. We agree that our recommendation would be an indirect control and recognize that legislation may be a more appropriate long-range solution. As HEW noted in its comments, it intends to study the overall implication of a comprehensive revision of the provider agreement. We believe that study should be undertaken and the results evaluated before further considering any legislative recommendations. However, we continue to believe that, in the interim, prompt action is needed to remedy existing problems.

HEW agreed with our recommendations on the need for improved monitoring of blood billing and replacement practices by fiscal intermediaries and on the need to assure that intermediary monitoring efforts are properly performed. HEW noted, however, that it does not have legal authority to audit the books of independent blood banks.

Not all blood banks are independent. In a number of cases, blood banks are operated by hospitals which are Medicare providers and, therefore, are subject to review and audit by intermediaries. We recognize that in cases where a hospital is dealing with an independent blood bank, intermediaries cannot audit the blood bank itself, but rather will have to rely on information available at the hospital as a means of reviewing blood billing and replacement practices.●

THE SELECTIVE SERVICE SYSTEM

● Mr. GOLDWATER. Mr. President, Maj. Gen. Robert F. Cocklin, AUS, retired, executive vice president of the Association of the U.S. Army, recently made a strong presentation before a House Armed Services Subcommittee for revitalization of the Selective Service System. Among other things, he claims such action would constitute a visible sign for the rest of the world of our determination to maintain a deterrence against war and a sign we are committed to our way of life and intend to preserve it. Because of the continuing importance of this issue, I ask that a statement by General Cocklin to the House subcommittee be printed in the RECORD.

The statement is as follows:

A STATEMENT BY THE ASSOCIATION OF THE U.S. ARMY TO THE MILITARY PERSONNEL SUBCOMMITTEE OF THE HOUSE ARMED SERVICES COMMITTEE

Mr. Chairman, Members of the Subcommittee: I am Major General Robert F. Cocklin, AUS Ret., Executive Vice President of the Association of the United States Army. I appreciate very much the opportunity to appear before you to express our Association's long-time, dedicated support of the efforts to revitalize the Selective Service System and America's emergency mobilization capability.

My statement will be brief. The more detailed point I would like to submit, with back-up substantiation, are contained in a printed statement that has been furnished to the Committee and which I ask be included in the record of this hearing.

It seems to me, Mr. Chairman, that there are two essential sub-issues under the question of the future of the Selective Service System. The first of these is the very practical consideration of this nation's ability to defend itself. I will not go into detail about the serious deficiencies of the military manpower situation today because you are all very familiar with them. However, I must remind all present in this room today of the difficulty all the active military services are having in recruiting sufficient numbers of qualified people, male or female; of the fact that the Army Reserve and Army National Guard are at least 150,000 below needed strength; and that the Individual Ready Reserve, the Army's only responsive source of the kind of trained individual replacement manpower that would be needed very early in a mobilization, is fully a half-million individuals under-strength. The Acting Director of the Selective Service System has recently testified to the inability of the system to respond in a timely manner to Defense Department mobilization needs. At this point in our history the United States is unable to muster its full military potential, not only for the lack of sufficient weapons and ammunition but because we have driven ourselves into a manpower crisis.

I would hope that the members of this Committee are as skeptical as we are about some Department of Defense contentions that the shortages in the IRR are not of importance because trained personnel from amongst veterans and retirees would be rapidly available in a real emergency. I would remind you that no mechanism exists for keeping track of retirees other than their paychecks, and we would assume that most of the retirees would be well beyond the age to fill the vacancies that the IRR is intended to meet. And as for veterans who are not on the rolls for retirement, an even more difficult problem exists in identifying them than would the registration of new selectees. These practical considerations do not address the inequities of demanding further service from those who have served while there are so many eligibles who have never done so.

The second sub-issue is one of morality. The wise men who wrote our Constitution gave you, the members of Congress, the power to ". . . call forth the militia." This constitutional language had its genesis in the early colonial practice of requiring of every man a part in the defense of the common good. With variations, that notion has stood us in good stead for more than 200 years. I am alarmed when I hear or read statements that deny citizen responsibility for the common defense. On February 26, for example, the editor of the Outlook section of the Washington Post wrote a diatribe against selective service, saying that to force his children to serve their country would require them to pay ". . . a disproportionate price." In a letter to which I have not yet received a reply, I asked the gentleman if he had determined just what a fair price might be for his children to continue living under our system. The gentleman advanced as well the idea that the only ones who should ever have to defend a policy are the men who make it. I pointed out that to carry this notion to its logical conclusion would mean that the only ones who would have to pay taxes would be the legislators who levied them and the chief executive who signed them into law.

A revitalized Selective Service System would play a most significant role as a visible sign of our determination to maintain a deterrence against war—a sign that we are committed to our way of life and intend to preserve it. Today a potential adversary need not look very deep before concluding that if he strikes hard and fast the United States will not be able to respond without a conscience-wrenching resort to nuclear war.

Now is the time to begin moving promptly out of the trap we have built for ourselves since a viable Selective Service was discarded in 1972. At the very minimum we must reinstitute registration so we know who and where the potential selectees are. Better yet, we need to reconstruct the Selective Service System down to the local board level—so registrants can be classified—and that reconstructured system should be exercised at least yearly in the conduct of a truly random sequence number callup. There are historical indications that the existence of this viable system may produce increased enlistments in the reserve components, but if this does not occur or even if it does, it would be good to have authority to draft for training and service in the IRR at least.

A number of bills on this subject have already been submitted by concerned members of the House and Senate. They range from bare bones requests to renew registration, to a very involved plan for national service. It is up to you to decide how far we need to go, but I urge you to go at least as far as a system that can perform the functions the Military Selective Service Act already says it should. Either HR 1901 or HR 2404, submitted by Congressman G. V. Montgomery and co-sponsored by Congressmen Won Pat and Hillis of this subcommittee and by several other members of the Armed Services Committee, would meet our views most effectively.

I mentioned, Mr. Chairman, that my second consideration, and the one about which I have been talking, was a moral one. And I believe very firmly that if we don't start now to get the Nation, as individuals and families, more personally and directly involved in what it takes to preserve our values and beliefs, then I fear we are in even deeper trouble than is the subject of this hearing. Whose responsibility is it to protect our country's interests?

The 120,000 members of the Association of the United States Army feel very strongly about this issue, Mr. Chairman, as indicated by the resolution printed at the end of the statement I have submitted for the record. The majority of the members of this Association are those who would bear the brunt of the first strikes if we are unable to deter war. Their commitment is on the record for all to see. They need to know there is no lack of will to give them the support and reinforcement they would need so badly. So do our potential adversaries.

Thank you very much for this opportunity to testify. I would be happy to answer any questions you might have.●

ESSAY OF JOSEPHINE SANKY

● Mr. CHAFEE. Mr. President, I would like to bring to the attention of my colleagues a fine essay written by Ms. Josephine Sanky, of Central Falls, R.I. Ms. Sanky, who is a 17-year-old senior at Central Falls High School, won first place for her essay in a contest sponsored by the Rhode Island Federation of Republican Women.

I extend my warmest congratulations to Josephine upon receipt of such a distinguished honor and ask that her essay be printed in the Record.

The essay follows:

How Politics in Rhode Island Affects My Family and Me

Politics in Rhode Island has a great influence over my life and the lives of my family. It is very important in allowing me to live freely within the establishment of our Democracy. Politics serve to achieve cohesion within our conservative, economy-minded government.

Politics in Rhode Island is a system which contributes to the administration and management of public affairs. It is a double check between different government agencies. Political parties are in constant competition for power in our government. This competition enables the public to become involved in decisions made concerning them. When a policy is in question, or an election is to be held, the people are allowed to vote. These decisions constitute the general standards of living in Rhode Island.

One of the major and most pressing political issues of today, which affects me and my family is maintaining peace. In the Vietnam War, many of our young men were drafted to fight in Southeast Asia, against Communist aggression and persuasion. Some people lost fathers, brothers, and sons. Many people felt that the United States should never have gotten involved. However, there were also some who felt that Americans should fight. There was a great deal of disagreement between many political groups and organizations. These groups kept a close check on the President and his procedures. There was a great hope among all people that the war would end quickly.

The maintenance of peace with the Soviet Union, also has an effect on my life. Presently, our country is in a peaceful coexistence with Russia. However, if Russia should put pressure on the United States, our country could go to war. If this does occur, many political parties may split on this decision. Their final decision will have a definite push or pull in our movement toward war.

Politics in Rhode Island is also concerned with coping with the social needs of the people of this state. Many political groups are helping to solve the problems of ignorance, poverty, disease, and hunger among different people. They are trying to give all families the opportunities to live healthy lives.

Many people are worried about the disarmament and the control of nuclear energy. If negotiations between other counties are made, and a treaty is ratified by the Senate, many political groups will quickly become interested. This treaty will have a great effect upon our state and governmental standing.

Although racial discrimination in our state is being eliminated, there are still large groups of minorities, who continue to fight for equal rights and opportunities. Political movement against discrimination will greatly affect many families. It will demolish any barriers, which stand in the way of justice for all in our society.

The American people are spending millions of dollars each year in space exploration. This issue is becoming an intense political debate. There is a great deal of money needed for the poor and the sick in our own state. Are we morally correct, in spending so much money on research. Any decisions made will affect me now and in the future.

I am a student in the Public Education

System. The decision of improving our education system will also affect me. Today's Public Educational System allows any child who wishes to learn, a chance to go to school and take part in educational activities. It also grants educational programs for the handicapped and the disabled. If Congress agrees to support the improvement of education in Rhode Island, the political groups of our state will play an important role in either accepting or rejecting further improvement of education.

Protecting our natural resources involves the conservation of the Narragansett Bay and Rhode Island coastlines. This has a great affect upon the ecology of Rhode Island. Rhode Island's fishing industry will greatly increase if measures are taken to preserve the coast against pollution and waste. Rhode Island's economy will rise. As we beautify our environment, we will receive more business from interested tourists and sightseers. If many of the poltical groups of Rhode Island agree to push for environmental protection, our water and food will have better protection against contamination. All the people of Rhode Island should be proud of their state and agree to work together in maintaining its beauty.

If is extremely important that industry is allowed to come into the state of Rhode Island. Industry provides millions of jobs for the unemployed of our state. Industrial taxes pay for education and health programs, which are greatly needed within our state. If political leaders invite industry to Rhode Island, the economy of our state will gradually rise.

We now live in a free enterprise system. Heavy taxes play an important role in faltering the growth of Rhode Island's economy. Political groups are now watching the President very closely. There is a great hope that taxes will eventually be cut down to allow the common middle-man a chance to advance.

The essence of the Rhode Island political system is the politician, and the men and women who work with him in developing the solutions to the problems which face our state. These people, which make up the large majority of interested citizens within our state, help the politician get elected to office. With the competitive decisions, guidance, and close check of different political groups, the politician of Rhode Island can accomplish the vital roles necessary for maintaining peace and happiness for my family and me.●

SALT II TREATY

● Mr. BELLMON. Mr. President, it is anticipated that President Carter will very soon be sending a SALT II treaty to the Senate for consideration. This may well be the most important issue facing this or any Congress.

For many years, the major powers have been building up arsenals of nuclear destructive weapons with the cautious hope that they will never have to be employed. The specter of a nuclear holocaust is reason enough for nations which truly love peace to come to an agreement regarding the stockpiling of such arms.

Like President Carter, most Americans want meaningful arms limitation treaties. I believe this hope is shared by Members of the Senate as well.

The Constitution bestows upon the President the power, "by and with the advice and consent of the Senate," to make treaties. The treaties this country makes—and keeps—form the visible basis for our foreign policy.

The Senate of the United States has a vitally important role in the making of any strategic arms limitation treaty. The President should appreciate the need for our thorough, independent appraisal of the proposed SALT II treaty, achieved through full and searching debate. He should not expect or ask us to ratify for other reasons than our considered and informed view that the treaty, as proposed, is in our best national interest and that of the other nations of the world.

Consideration of the SALT treaty demands a thoughtful, informed, open-minded debate, because it is a highly complex matter, it is interrelated to other issues, and it is subject to varying interpretations.

As an illustration of the complexity of the issues involved, consider these questions which have been raised and must be addressed:

What are the appropriate criteria for judging the mutual interests of the United States and the Soviet Union?

How can we accommodate our role as peacekeeper of the free world with our desire to restrain the arms race?

How should we assess acceptable risks to our security and that of world peace?

What national means of verification of compliance are attainable and adequate?

How much reliance should be placed on an assessment of Soviet capabilities and how much on intent?

To the extent we rely on an appraisal of intent, how confident can we be that our judgment is correct?

These are all questions requiring serious deliberation and debate.

Likewise important value judgments must be made regarding issues which are interrelated. In the report of the Senate interparliamentary delegation to the Soviet Union, which I had the privilege of cochairing with Senator RIBICOFF late last year, we sought to clarify some of the distinctions on the interrelatedness of issues.

On the one hand, SALT cannot and should not be divorced from other arms control, foreign policy, and international issues.

On the other hand, the issues are neither the total behavior pattern of the Soviet leaders nor the overall nature of their system.

It might be reassuring if, taking the narrow approach, we could rely on an assessment of the technical capabilities of weaponry involvement in SALT and, thereby, look primarily to our military leaders for judgment. Or, taking the broadest view, we might choose to relate all aspects of Soviet capabilities and behavior at home and abroad to our deliberations.

Both these approaches have some merit, but it is probably more appropriate for us to strike a middle position between the narrow and broader spectrum of interrelations. By what method this is done will require careful and difficult weighting of relevant factors before reaching a judgment relative to treaty ratification.

As a practical matter, the President must realize that SALT II cannot be considered strictly in isolation from what is happening in the rest of the world. The treaty will be debated on the floor of the Senate in the context of world events.

Finally, the need for the treaty and the effect of such an agreement is subject to widely varying interpretations.

If the need is to provide a basis for reducing our arms expenditures and those of the Soviet Union, then the likelihood of higher defense budgets and new weapons system introduction on both sides raise serious questions.

If, on the other hand, we are engaged in a process of negotiations that will provide increased stability and reduced danger in the continuing competition among the superpowers, then the outcomes of SALT II and eventually SALT III may seem to be more attractive.

The question is, which is the appropriate view? Or is neither an appropriate basis for judgment?

We must also concern ourselves with the perception of the need and effect of a SALT Treaty among NATO members, Japan, and other countries throughout the world. Strategic arms negotiations are not of sole interest to the superpowers. As others have differing perceptions of need and effect than we do, we should understand and carefully weigh their views in our deliberations.

All these questions and others require a full airing and discussion.

Mr. President, it is imperative that the President and the Senate work together in shaping a SALT II Treaty. I have been greatly concerned about the manner in which President Carter has made some decisions regarding defense policy on the basis of what might someday be in a treaty. For example, procurement of cruise missiles in fiscal year 1979 was deferred, because of "uncertainty as to how SALT II Protocol provisions affecting these systems will be reflected in future agreements." In another instance, the Secretary of the Air Force revealed before the Defense Appropriations Subcommittee that the decision as to how to base the MX ICBM had been deferred until fiscal year 1981, because of "White House concerns about possible provisions in SALT II." The White House was evidently concerned that the basing mode the Air Force had decided upon last year might not be acceptable to the Russian SALT II negotiators.

Surely the Senate would not advise the President to make decisions on the basis of what might someday be in a treaty. In fact, the War Powers Act specifically prohibits the President from making decisions on that basis.

The President has sent teams around the Nation to sell the SALT Treaty. Others have engaged in media campaigns to oppose SALT II.

If the President were to set forth for us, forthrightly and without rhetoric, his reasons for signing the treaty, an appropriate level and tone for our deliberative debate might be laid. By dealing with each of the complexities, interrelationships, and varying interpretations of the SALT issues, the President could help set an initial, productive course for Senate debate.

Recently I had occasion to hear President Carter give his appraisal of world events. It was an impressive and forceful presentation. The President obviously believes that things are going our way. He admits there are some rough spots. The sheep refuse to lie down with the lions. Some of the sheep will not even lie down together. But in his view the signs are mostly good and we are making real progress toward the "broad sunlit uplands" that Winston Churchill saw resulting from an allied victory.

Mr. President, I wish I could share Mr. Carter's optimism. Unfortunately I cannot. My own observations of world affairs, reinforced by the views of many who are far more experienced in foreign policy matters than President Carter and myself, convince me that international relations are at a most critical stage.

The United States is increasingly viewed from abroad as a helpless giant, tied down like Gulliver.

This is a decisive period in world history. Critical decisions will have to be made in the realm of foreign policy in the next few years.

It is true there is only one captain of the ship of state. But there are a lot of us in the boat together. No prudent captain ignores the advice of his navigator and it does little good for the captain to steer north while the crew continues rowing south.

Treaties form the basis for this Nation's foreign policy, and foreign policy is not the exclusive domain of the President. The Senate must exercise its constitutional authority in the making of this Nation's treaties.

Mr. President, it is incumbent on the Senate to call upon the President to seek our advice and consent as prescribed by the Constitution in the conduct of foreign policy. We should urge him to proceed with great care in negotiating SALT II and advise him not to send the Senate a treaty which stands no chance of ratification.

We should wish the President well in his efforts to achieve a meaningful, workable, and enforceable arms limitation treaty. But we should not give the President our proxy. Rather, as individual Members of this deliberative body, we are obligated by our constitutional responsibility and the gravity of the issue to make up our own minds.●

THE ILLUSORY GOALS OF PEACE

● Mr. GOLDWATER. Mr. President, if we are to continue in the contradictory and confusing national policy of recent years, we will have abdicated our real potential to lead the world toward peace.

This is the conclusion reached by the association of the U.S. Army in a year-end assessment for 1978 entitled "The Illusory Goals of Peace." The association goes on to say that "vacillation and a lack of commitment to our military strength will continue to erode our ability to influence the direction of peace."

Mr. President, because of the importance of this report to events that are now taking place around the world, I ask that it be printed in the RECORD.

The report is as follows:

THE ILLUSORY GOALS OF PEACE—A YEAR-END ASSESSMENT, 1978

INTRODUCTION

The Balance of Power: A distribution of military and economic power among nations that is sufficiently even to keep any one of them from being too strong or dangerous.—*Webster's New World Dictionary*

For many centuries men have attempted to achieve their goals by arranging alliances with nations, corporations, or families that had complementary assets. The instruments of these alliances have been, variously, treaties, mergers or marriages. In the commercial arena the purpose of the alliances today are the same as they were long ago—to achieve a financial advantage. As warfare has become more destructive of human life and national treasure, the purpose of international alliances has shifted toward maintenance of balanced power that will sustain the *status quo*.

To be sure, history is replete with instances in which a contrived imbalance has aided aggression. From Alexander the Great to Adolf Hitler aggressors have gathered sympathetic or overwhelmed people into alliances to support their conquests. On its face, the situation has not changed much today. There are two major concentrations of national power with stated goals that are obviously inimical to each other but there is commerce on a nation-to-nation basis between the politically inimical parties.

In his quest for world peace President Woodrow Wilson told the U.S. Senate, "There must be, not a balance of power, but a community of power; not organized rivalries, but an organized common peace." His dream for lasting peace through a League of Nations was never ratified by that same Senate and the League failed. Its successor, the United Nations, has only come to grips with aggression once, in Korea, and while its agencies have performed many useful deeds, the UN has little credibility as a keeper of the peace.

So the two powers that now hold the safety of the world in their hands, the United States of America and the Union of Soviet Socialist Republics, carry on their own negotiations ostensibly to achieve a balance of nuclear war capabilities. At the same time, they are competing economically and politically on a regional level, one party to maintain the status quo and the other to achieve hegemony over any portion of the planet that becomes vulnerable.

This competition is not being conducted in a vacuum. In each region there is a host of factors at work to make the competitors adjust their positions and their techniques. A political line that might be soft-sold in Africa would have to be pressed very hard in South Asia. If there is any common thread, it is most apparent in the under-developed areas where human aspiration for a better life, regardless of the political framework under which it might be achieved, is paramount. The political system that can promise the greatest improvement fastest in those areas is the most salable commodity.

Economics is an increasingly important factor in the relationship among nations. In our assessment of "The Shrinking World" at the close of 1977, the Association of the United States Army called renewed attention to dependency among nations for the raw materials and manufactured goods that contribute to a healthy economy. No nation is truly independent of outside sources although some, like the Soviet Union, are less dependent than others. Unfortunately, the United States' dependency is growing far more rapidly than our ability to establish and maintain satisfactory relations with all our suppliers and customers.

It is the purpose of this paper to look at the balance of power as it existed in 1978 and at those things that happened to change it. Obviously, some of the changes that became apparent in 1978 actually started to move several years ago and much of the movement that took place in 1978 will have its greatest impact in the future. We will look at the balance regionally but must conclude with an assessment of the balance existing between the two major protagonists.

Hopefully, this assessment of the balance can serve as a guide to those who must make the important judgments about its impact and about those things that must be done to keep it from becoming a balance of terror.

THE UNITED STATES AND THE WORLD

Those of us who live in a free society often find it hard to appreciate the fact that we are a political minority. According to the latest report from Freedom House, a non-partisan organization that has been keeping tabs on the degree of personal and political freedom in the world for the past 26 years, only 35 percent of the world's people live in freedom. Another 21 percent are citizens of nations which permit partial freedom but the largest segment of the world's population, 44 percent, lives in countries which deny political and civil rights.

Membership in these categories of freedom is a changing thing. This year Freedom House added Spain and Portugal to the list of "free" countries because dictatorships in those countries have been excised and popularly elected governments have taken office. Nations that have slid into the "not free" list during the past year include Argentina, Paraguay, Thailand and the Congo.

Free—43 nations

Australia, Austria, Bahamas, Barbados, Belgium, Botswana, Canada, Colombia, Costa Rica, Denmark, Fiji, Finland, France, Gambia, Great Britain, Greece, Grenada, Iceland, India, Ireland, Israel, Italy, and Jamaica.

Japan, Luxembourg, Malta, Mauritius, Nauru, Netherlands, New Zealand, Norway, Papua New Guinea, Portugal, Spain, Sri Lanka, Surinam, Sweden, Switzerland, Trinidad and Tobago, Turkey, U.S.A., Venezuela, and West Germany.

Partly free—48 nations

Bahrain, Bangladesh, Bhutan, Bolivia, Brazil, Comoros, Cyprus, Djibouti, Dominican Republic, Ecuador, Egypt, El Salvador, Ghana, Guatemala, Guyana, Honduras, Indonesia, Kenya, Kuwait, Lebanon, Lesotho, Liberia, Madagascar, and Malaysia.

Maldives, Mexico, Morocco, Nepal, Nicaragua, Nigeria, Pakistan, Peru, Philippines, Quatar, Senegal, Seychelles, Sierra Leone, Singapore, South Africa, South Korea, Swaziland, Syria, Taiwan, Tonga, United Arab Emirates, Upper Volta, Western Samoa, and Zambia.

Not free—64 nations

Afghanistan, Albania, Algeria, Angola, Argentina, Benin, Bulgaria, Burma, Burundi, Cambodia, Cameroon, Cape Verde, Central African Empire, Chad, Chile, and China.

Congo, Cuba, Czechoslovakia, East Germany, Equatorial Guinea, Ethiopia, Gabon, Guinea, Guinea-Bissau, Haiti, Hungary, Iran, Iraq, Ivory Coast, Jordan, and Laos.

Libya, Malawi, Mali, Mauritania, Mongolia, Mozambique, Niger, North Korea, Oman, Panama, Paraguay, Poland, Rhodesia, Rumania, Rwanda, Sao Tome and Principe.

Saudi Arabia, Somalia, Sudan, Tanzania, Thailand, Togo, Transkei, Tunisia, Uganda, USSR, Uruguay, Vietnam, Yemen-Aden, Yemen-Sana, Yugoslavia, and Zaire.

At no time in the history of the United States has its welfare been tied more closely to economic events in other parts of the world. As the United States must turn increasingly to overseas sources of raw materials and as American buyers purchase increasing quantities of manufactured products from foreign production lines, the value of the U.S. dollar has been shrinking on world markets. Where American tourists could once travel abroad and enjoy many creature comforts permitted by a favorable rate of exchange the situation has now reversed itself and foreign visitors find travel in the United States more economical because they can buy dollars cheaply. For U.S. military personnel an overseas assignment is now a financial hardship, not a chance to put a little money aside.

Of course there are some areas of foreign trade in which the United States has little choice but to continue participation at a disadvantage. The most notable of these is the procurement of sufficient petroleum to keep our motor-driven way of life going. In 1977 the United States imported $44.7 billion worth of petroleum products and $25.6 billion (57.3 percent) of that total came from the Middle East and Africa. Whether we like it or not the United States is inextricably bound up in the stability of these areas because of our dependency on their petroleum assets. The very recent severe restrictions on the outflow from Iran to the U.S. augurs at a minimum a substantial increase in U.S. prices for gasoline and quite possibly government rationing.

The great complexity in gathering reports of exports and imports keeps the official U.S. government tally of their magnitude almost a year behind the calendar but the most recent Department of Commerce figures (for 1977) show that the United States continues to spend considerably more on imports from abroad than it gets from its own exports. Over the period since 1971, for example, imports from Japan have grown from $7.3 billion a year to $18.6 billion. For that same period U.S. exports to Japan rose from $4.1 billion a year to $10.5 billion. The balance of payments gap favored the Japanese by $3.2 billion in 1971 but climbed to $8.1 billion by 1977. Some of this growth was undoubtedly due to the inroads of inflation, as it took more dollars to buy a given amount of Japanese merchandise, but the basic reason for the growth was the success of Japanese manufacturers in competition with their U.S. industrial counterparts.

In 1971 the United States' trade with the world was almost in balance, with $44.1 billion in exports and $45.5 billion in imports but by 1977, while exports climbed to $120.2 billion, imports ballooned to $146.8 billion, a trade deficit of $26.6 billion. This is predicted to grow about $32 billion when figures for 1978 are added up. Very few exchanges of commodities have stayed in balance or continued to favor the United States. One of these is food and grain, where the United States continues to have a favorable balance of about $2.5 billion a year. Over the 1971–1977 period, however, the negative balance in trade of industrial raw materials has jumped tenfold, from $4.3 billion in 1971 to $42.1 billion in 1977. There can be no doubt that the future of the United States as an economically viable entity depends largely on the strength and determination it demonstrates in conducting its international affairs.

But if the United States has a major weakness in conducting its international affairs it is the lack of a clearly defined and consistent foreign policy. Whereas the Soviet Union hews to a foreign policy that supports its long range—and clearly stated—philosophical goals the United States policy is unpredictable, changing with the whim of political administrations and with the ebb and flow of day-to-day events. A foreigner having to deal with the United States never knows when our vital interests will be detoured by a transitory concentration, like that on human rights, or by the manifestation of pressure from special interest groups. Democracy is a difficult business partner.

Because military power is an important instrument of foreign policy, the military establishment in the U.S. suffers from the same inability to be consistent as the foreign policy it must support. The result is fluctuation in manpower levels, hot-and-cold attention to hardware procurement, and periodic intellectual wandering among the various types of warfare the forces should be prepared to conduct. Even the deployment of U.S. forces fluctuates with shifting foreign policy moods. Right now attention to NATO and the defense of the Western Alliance is getting heavy attention after being relegated to the back seat during our earlier preoccupation with the Far East. At the other end of the scale our commitment to the defense of Northeast Asia is now in question and U.S. forces that could influence a military action in that area are dwindling. However, the most recent intelligence reassessment of the North Korean forces could turn that around again.

Trying to gauge the state of military power in the world is like painting a moving train—a train that is not only moving but going in at least two directions at the same time. Some parts of the train, like the Soviet Union, the People's Republic of China and a host of developing nations, are building ever-larger military forces. Other parts, like the United States, the United Kingdom and Canada, are trimming their forces to meet budgetary limitations, manpower realities and their changing foreign policy focus. The following chart shows the shifts in the part of five major military powers over the past ten years. These nations were singled out because they have the ability to extend their military power beyond their borders. The Federal Republic of Germany has larger land and air forces than the United Kingdom, for example, but it is not included because it lacks the naval assets to project its forces beyond its immediate frontier area.

The chart shows some spectacular changes. Over the past ten years the Soviet armed forces grew by about 13 percent and those of China by 57 percent (although the great increase in China may be due at least in part to improved reporting procedures on the part of the International Institute for Strategic Studies in London). The United States' forces dropped by 41 percent following the end of the war in Southeast Asia. There were substantial increases in the number of land-based tactical aircraft (not including transports and helicopters) in Russia and China, a very large decrease in those of the United Kingdom and a drop of almost 1,000 tactical aircraft in the U.S. Air Force inventory.

During the years from 1968 to 1978 the Soviet surface fleet almost doubled in size while the number of U.S. surface combatants was halved. In terms of the worldwide balance of military power, this may be one of the most significant features of the decade. The Soviet navy is no longer merely a coastal patrol force to provide security for the sea approaches to the Soviet Union. It is now capable of contesting with the combined North Atlantic Treaty Organization navies for the control of the Atlantic sea lanes and for free passage of the Mediterranean. It can also wield heavy influence on the outcome of any confrontation in the Western Pacific Ocean area.

U.S. FORCES OVERSEAS (AS OF SEPT. 30, 1978)

[Worldwide total: 487,900—Change in 1978: Up 10,210]

	Now	Change in 1978	
	Change in 1978: Up 16,300[1]		
In Europe:			
West Germany	234, 300	Up	10, 000
Britain	22, 300	Up	2, 200
Italy	12, 100	Up	700
Spain	8, 800	Down	400
Turkey	4, 800	Up	100
Greece	3, 700	Up	100
Iceland	2, 800	Down	100
Belgium	2, 000	None	
Netherlands	2, 200	None	
Portugal	1, 400	None	
6th Fleet	34, 800	Up	3, 900
Total	330, 000		
	Change in 1978: Down 300		
	Now	Change in 1978	
In Latin America:			
Panama Canal Zone	9, 300	None	
Puerto Rico	4, 000	Up	200
Guantanamo	2, 300	Down	500
Total	15, 600		
	Change in 1978: Down 5,090		
	Now	Change in 1978	
In the Pacific and Far East:			
Japan and Okinawa	46, 000	Down	2, 000
South Korea	41, 600	Up	1, 100
Philippines	14, 400	Down	1, 600
Guam	8, 400	Down	300
Taiwan	750	Down	250
Midway Island	380	Down	420
Australia	680	Down	20
7th Fleet	25, 900	Down	1, 600
Total	138, 110		
	Change in 1978: Down 700[1]		
	Now	Change in 1978	
In other areas:			
Bermuda	1, 300	None	
Diego Garcia	1, 200	Up	100
Iran	900	Down	100
Morocco	160	Down	640
Canada	650	Down	50
Total	4, 210		

[1] May not add, due to rounding.

Source: U.S. Department of Defense.

The years since 1968 also saw the eclipse of the United States' dominances in strategic nuclear weaponry. The number of Soviet submarines that could launch strategic missiles more than doubled and the number of ballistic missiles that could be launched from those subs went from zero to 1015. At the same time the Soviet ICBM force increased from 1000 to 1400. Throughout the period the U.S. force of sea and ground launched intercontinental ballistic missiles remained constant. France and China entered the ICBM club during the period. China is believed to have a force of between 60 and 80 nuclear-armed missiles with sufficient range to give them a strategic impact. France is understood to have about 18 ICBM's to be ground launched and has commissioned four ballistic missile submarines, each with a capability to fire 16 missiles. Like the United States, the United Kingdom's strategic missile force has remained constant. Its power is concentrated in four ballistic missile submarines armed with U.S.-designed missiles.

A 10-YR FORCE COMPARISON—NATIONS ABLE TO PROJECT MAJOR COMBAT ELEMENTS

	Soviet Union		China		United Kingdom		France		United States	
	1968	1978	1968	1978	1968	1978	1968	1978	1968	1978
Personnel, all services	3,220,000	3,638,000	2,761,000	4,325,000	427,000	313,253	505,000	502,800	3,500,000	2,068,800
Army divisions	140	169	115+	135+	(1)	(2)	(3)	11+	18+	16+
Marines	8,000	(4)	[5] 30,000	[5] 38,000	9,000	7,468	600	(6)	302,000	191,500
Tactical aircraft	4,000	4,650	2,500	4,800	600	174	304	351	2,800	1,838
Interceptors	3,700	2,720	[7] 3,000	[7] 4,000	100	96	120	120	588	331
Strategic aircraft	155	135	12	80	80	98	45	60	520	382
Major surface ships [8]	130	243	45	74	78	72	51	53	337	159
Patrol/torpedo boats	400	435	157	755	[5] 50	47	14	21	0	6
Attack carriers	1	3	0	0	2	0	3	2	15	13
Attack submarines	187	174	32	74	32	27	19	21	113	75
Missile submarines	43	90	0	0	4	4	0	4	41	41
SLBM's	0	1,015	0	0	64	64	0	64	656	656
ICBM's	1,000	1,400	0	60–80	0	0	0	18	1,054	1,054
Tanks	[5] 30,000	50,000	[5] 8,000	10,000	[5] 1,000	1,171	[5] 2,000	2,160	8,000	10,500
Tube artillery	[5] 15,000	20,000	[5] 15,000	18,000	[5] 300	352	(9)	663	4,800	5,500
Tactical nuclear missile launcher	[5] 800	1,300	0	0	0	(10)	60	30	456	(11)

[1] 15 Bde plus 53 Regts.
[2] 20 Regts plus 55 Sep Bns.
[3] 6 plus 8 Regts.
[4] 5 Regts.
[5] Approximation.
[6] 1 Bn.
[7] Potential by diversion of Air Force and Navy aircraft.
[8] Does not include amphibious warfare vessels for any nation.
[9] Unknown.
[10] 1 Regt.
[11] 12 Bns.

Source: International Institute for Strategic Studies. The Military Balance, 1968/69 and 1978/79.

But the growth in armed forces has not been concentrated in the major powers. The troubled nation of Iran had developed the strongest military establishment in the Middle East, with the possible exception of Israel. Developing nations in Africa, Latin America and South Asia are turning more and more of their scarce economic assets to the purchase of arms. The smaller shiekdoms of the Persian Gulf area that had no military forces at all ten years ago are now able to pay petro-dollars for the wares of the world's arms manufacturers.

As 1978 closed, the role of the United States in the world arms trade was at best ambivalent. After President Carter's 1977 proclamation that he would not permit the sale or grant of new, sophisticated weapons except to NATO nations, Australia, New Zealand and Japan there has been a chain of exceptions made, accompanied by accusations from Mr. Carter's critics that he was more interested in getting foreign trade credits than in capping the arms trade. In the meantime, however, there has been an unexpected entrant in the Western Hemisphere arms trade, Brazil, which is marketing a wide range of weaponry including armored cars and light combat aircraft.

There is one constant that should pervade any analysis of the balance of power in the world today. That is the Soviet Union's never-diminishing concentration on the expansionist ideals of Marxist/Leninist Socialism. While Soviet leaders may claim from time to time that their largest-in-the-world military establishment has no other purpose than to secure its borders against threats from enemies, the fact remains that the Soviet Union is the only major nation in the world attempting to implement a policy of political dominance—and that dominance, according to their political philosophy, may be achieved by any means at hand.

EUROPE IN 1978—THE FOCUS WAS ON POLITICS

1978 was forecast to be the year in which political unrest brought about major shifts in European governments. As it turned out, those shifts either did not take place or were of such miniscule size as to have little immediate effect on the European power structure. The United States' commitment to the security of Europe was reemphasized, late in the year, by President Carter's determination to live up to the pledge of three percent annual real growth in NATO-related defense expenditures while, at the same time, he was ordering a minimum growth policy in non-military areas.

But even as this pledge was being made the U.S. dollar was continuing to slide in European money markets as the currencies of France, West Germany and Switzerland—all major trading media—bought more and more cheapening dollars. The slide was halted temporarily by U.S. action to buy back surplus dollars but the mid-December decision of mideast oil producing nations to raise the price of petroleum by 14.5 percent over the next year sent the dollar skidding downward again. The sensitivity of the dollar to the availability of fossil fuel supplies was emphasized once again. The significant political and economic events in Europe during 1978 can be summarized as follows:

France

One of the forecasts for political upheaval in 1978 was the seeming surety of a communist-dominated government in France. The Communist Party had been building strength steadily and there seemed to be no way to avoid their ascendency in the 1978 legislative elections. The only acknowledged stumbling block to that long-held Communist goal was the likelihood of Socialist Party success in luring away leftist-inclined voters. When the results of the election were in, the ruling coalition of moderate and right wing parties headed by President Valery Giscard d'Estaing had retained their substantial margin in the National Assembly with 288 seats compared to the Communist/Socialist parties total of 199 seats.

While some of the success of the Giscard government in retaining seats can be attributed to bickering within and between the Communist and Socialist ranks, the size of the voter turnout for the election certainly played a major role. Final vote counts showed that 85 percent of the electorate went to the polls, an all-time high since Charles DeGaulle established the Fifth Republic in 1958. Obviously, more middle class, non-union voters turned out than were expected.

The defeat for the Communists was not total. To the contrary they achieved some of their tactical goals by preventing the Socialists from gaining any more strength, by maintaining their own hold over about one-fifth of the voters and by keeping their unusual status as a sort of parallel society within many French institutions. Nevertheless, through year's end, the French political scene displayed a stability that could not have been projected several months earlier.

Italy

Although Italy's Communist Party was not given any jobs in Premier Giulio Andreotti's cabinet, they did agree to participate in the government at a time of crisis. Leftist guerrilla groups were terrorizing the country and the Communists, rightly or wrongly, were being blamed for spawning the kind of atrocity that brought about the kidnapping and murder of former Premier Aldo Moro.

Participation with Andreotti's Christian Democrat government, however, backfired on the Communists. Party membership stopped growing for the first time in many years and, in fact, dropped off slightly. In local elections across the length and breadth of the Italian peninsula Communist voting strength decreased by amounts ranging from a few percentage points to as much as 50 percent. Communist leader Luciano Lama has pleaded with Italian workers to support what he calls "cooperative opposition" by deferring many demands for higher pay, shorter hours and improved fringe benefits. Ignoring both Lama's request and the hard fact of a nearly bankrupt government the workers have responded by listing new, broader demands and threatening crippling strikes if they were not percentage points to as much as 50 percent. with no widespread strikes underway. Nevertheless, Italy must be considered an unknown but risk quantity in any equation evaluating assets.

Portugal

The vitality of newly-restored democracy in Portugal was threatened several times during 1978. The coalition government led by Socialist Premier Mario Soares was toppled in July when a wave of criticism erupted over their handling of matters including the restoration of land seized by squatters during the 1974 revolution and delays in the establishment of a national health care system.

President Antonio Eanes (who is also a general) fired Soares on the advice of the Military Council of the Revolution which, under Portugal's new constitution, acts as an advisory body to the president. President Eanes chose former minister for industry Alfredo Da Costa to form a new government amid charges by the ousted Soares that there was an anti-democratic conspiracy to disrupt the Portugese political system and set up a Chilean-style military dictatorship.

Spain

The people of Spain ratified a new constitution this year which sets up a constitutional monarchy. While the approval could not be classed as overwhelming, it was a solid victory for those attempting to restore some form of normalcy to Spain's political institutions. Unfortunately the ratification did not appease the Basque separatists who continued their campaign of terrorism in port of demands for political independence. Recent assassinations of military officers have brought pressure on King Carlos to set up a military government to counter terrorism. To date the King has refused to do this.

At year's end there had been no movement by the newly elected Spanish government to ally itself with the North Atlantic Treaty Organization. Spain seemingly will steer an independent political course, permitting the United States to retain a reduced number of military bases there in return for direct military aid, with no allegiance to NATO.

Turkey

By voting to eliminate the ban on arms shipments to Turkey the United States Congress took a large step toward improving relations between the two countries and may have deterred a Turkish inclination to turn more toward the Soviet Union for military equipment and economic aid.

Most of the U.S. bases in Turkey which were closed in retaliation for the U.S. arms embargo have been reopened and restrictions on the movement of U.S. personnel in Turkey have been lifted. With renewed access to its prime supplier of military equipment, Turkey's ability to reach its potential as a member of NATO will be greatly improved.

Internal tensions erupted in widespread rioting in Turkey late in December. At one point, 13 cities were under martial law and an estimated 93 people had been killed in the riots. In the interior, along the Syrian border, the riots were between two Moslem sects and had a primarily religious cast. In the larger cities, however, the disturbances were politically motivated, with right-wing students demonstrating against the government of Prime Minister Bulen Ecevit and left-wing students supporting him. The unrest provided new fuel for Ecevit's political opponents at a time when he was beginning to make some progress toward relief from the country's economic troubles.

West Germany

With more than two-thirds of U.S. forces committed to NATO stationed within its borders, the Federal Republic of Germany plays an important role in keeping that U.S. force able to do its job—and the most important part of that role is the actions the FRG takes to support the value of the U.S. dollar.

While the FRG has been sharing the cost of maintaining the U.S. forces it has been unable to take up the slack as the value of the U.S. dollar has continued to slide downward. The results have been varied. The U.S. commander of a major logistics complex proposed to hire more U.S. citizens because their pay would cost less than that of the Germans already on his payroll. This recommendation was met by demands from a German union that the commander be relieved for threatening their jobs. U.S. service personnel, in spite of increased housing and subsistence allowances, are finding it more and more difficult to survive when living "off post" and those living in the barracks or in military family quarters are seldom able to take vacations away from U.S. facilities. Many acts of kindness on the part of German landlords have been of some assistance but the problem continues to worsen.

The FRG is not without problems of its own. A new espionage scandal struck Chancellor Helmut Schmidt's Social Democratic Party when three of its prominent members were accused of being paid agents of a communist-bloc intelligence apparatus. Chancellor Schmidt moved quickly to remove the suspicion, fearing a repetition of earlier spy scandals which resulted in political disaster for former Chancellor Willy Brandt.

While many nations are striving to slow down their birth rates the West Germans have become concerned over a precipitous drop in birth. The decline in births, if continued, would cut their 61.3 million population in half by the year 2050 and shrink it to a mere 20 million in a century. More and more foreign workers are playing important roles in German industry and the birth rate among these families is staying well above the native German rate.

There has been real bitterness in German governmental circles over U.S. policies on human rights and the handling of the neutron bomb issue. Senior FRG officials from Chancellor Helmut Schmidt on down have become increasingly vocal in their displeasure with U.S. policies. They are but reflecting what one national publication has headlined as "Global Disenchantment Over Carter's Diplomacy."

The Soviet Union and the European Communist Bloc

As 1978 closed the Soviet Union was no less a threat to the status quo. In fact, its expenditures for armament continued to rise at a rate of between 8 and 10 percent each year and the "defense" share of the Soviet gross national product has been well above 15 percent for the past two years. By contrast, the United States' growth in defense expenditures over and above the rate of inflation was less than 3 percent in Fiscal Year 1979 and will probably stay at that level in the upcoming Fiscal Year 1980. The U.S. defense share of the GNP continues at five percent or less.

This Soviet level of defense expenditure continues to contradict some U.S. State Department assessments that the Russian citizenry has had a bellyful of sacrifices for the military while the production of consumer goods and general movement toward improvement of the quality of life continue to lag. While not going so far as to predict open rebellion, some State Department analysts insist there are ways for the disgruntled Soviets to make their unhappiness known and that these expressions have already begun to surface. The Soviet production base, these analysts say, cannot be stretched further to support new military production without serious internal discontent.

In the meantime, the Soviet Union continues to export arms to Third World nations and to shrink its economic aid programs. The U.S. Central Intelligence Agency, in a report published late in December 1978 estimated that the Soviets delivered the equivalent of $4 billion in military aid to Third World countries in 1977 (the all-time high was $4.1 billion in 1974) while cutting economic aid back to just $392 million that year, with most of it going to India. The biggest customers for Soviet military equipment in 1977 were the radical Arab states of Syria, Iraq, Algeria and Libya but considerable attention was also paid to African countries south of the Sahara.

Ironically, the Soviet foreign aid programs brought back about $1.5 billion in hard cash credits badly needed to help support Russian imports of technology, food products and semi-manufactured goods.

The relationship between the Soviet Union and its European Communist allies has been adjusting yearly as the smaller bloc countries adapt their economics and their political systems to meet shifting conditions. In general terms, the people of Communist Poland have more individual liberties, such as freedom to travel abroad and access to the arts and literature of the non-communist world, than any of the other bloc countries although Hungary is not far behind. It is estimated that 60,000 of the 200,000 Hungarians who fled to the West after the 1956 rebellion against Communist domination have returned to live in their native land. Bulgaria, the smallest of the bloc nations and traditionally the most closely allied to the Soviet Union, has diversified its economy and has found that the personal profit motive is the best way to increase industrial and agricultural production. Romania's President Nicolae Ceausescu has purged several highly placed hardline Communists from his cabinet and has been openly seeking commercial ties with the West.

Compared to its Warsaw Pact allies, the Soviet Union may in fact be in the poorest position as far as providing creature comforts for its citizens is concerned. Appliances, like refrigerators and color television sets, are widely available to consumers in the bloc countries while still scarce in the Soviet Union. The Poles are actually finding themselves in the very Western position of having more motor vehicles than their supply of rationed petroleum from the USSR will support. Polish production of Fiat automobiles jumped from 164,000 cars in 1975 to 279,000 in 1977 and Poland began looking for outside sources of oil, knowing that it would have to pay the much higher world price. In the meantime, the Polish economy is showing enough strength to encourage Western bankers, mostly West German, to continue to extend credit despite an accumulation of more than $13 billion in unpaid loans.

Poland remains one of the few Communist nations where the Church is a major factor in day-to-day life. In heavily Catholic Poland, the churches are busy every day and crowded on Sundays. The election of a Pole to be the first non-Italian Pope in centuries has strengthened the Polish Church even more. A government attempt to censor a Christmas message from Pope John Paul II was met with defiance, both within the Church and in government-controlled news media.

Communist Yugoslavia is not a part of the Soviet sphere of influence, and it is bent on finding ways to assure its future independence. This year aging President Tito visited several foreign capitals, including Moscow, Peking and London and was the first communist head of state to make an official call at the Carter White House. The United States, in turn, is committed to keeping Yugoslavia independent of the Soviets after the 86-year-old Tito is no longer able to exercise leadership.

NATO and the Warsaw Pact—A 1978 Balance

In his testimony before the Senate Armed Services Committee early in 1978 General Alexander Haig, Supreme Allied Commander in Europe, said the buildup of Warsaw Pact forces in Western Europe over the past ten years was obscured from view in the United States by preoccupation with the war in Southeast Asia, by euphoria derived from seeming improvement in relations with the Soviet Union and by a worldwide socioeconomic crisis that diverted attention from security requirements.

"Thus what we are now seeing is less a radical increase in Soviet capabilities," he said, "than growing awareness of the momentum Soviet efforts have already achieved, its potential impact on the USSR's international conduct, and the resultant dangers it presents to Western security."

General Haig told the senators that there had been no spectacular events along the route of march toward the Soviet's current position of tactical superiority in Europe. "Unfortunately, the very steadfastness of Soviet progress has helped conceal its ramifications," he said.

10-YR COMPARISON OF THE BALANCE, 1968–78

	Northern and Central Europe			Southern Europe		
	NATO	Warsaw Pact	(Of which U.S.S.R.)	NATO	Warsaw Pact	(Of which U.S.S.R.)
1968:						
Divisions[1]	25	57	32	33	37	19
Tanks	4, 800	11, 500	6, 000	1, 600	4, 300	1, 100
Tactical aircraft:						
LT bombers	50	450	400	0	200	200
Close support	1, 500	1, 650	1, 120	540	980	740
Interceptors	720	3, 000	2, 000	280	1, 360	1, 000
Recon	530	280	200	130	210	160
1978:						
Divisions	27	70	45	37	33	11
Tanks	7, 000	21, 100	13, 650	4, 300	6, 800	2, 500
Tactical aircraft:						
LT bombers	160	130	125	0	50	50
Close support	1, 400	1, 350	925	628	375	125
Interceptors	435	2, 025	900	220	1, 000	425
Recon	380	550	350	90	220	150
Combat manpower (1,000's):[2]						
1968	450	600	330	425	390	200
1978	626	943	638	550	388	147

[1] Division equivalents. ISS data for 1968 expressed in terms of brigades. Conversion to division equivalents based on 3 brigades per division.

[2] 1968 data expressed in terms of manpower in combat brigades; 1978 in terms of manpower in all combat formations.

Source: International Institute for Strategic Studies: "The Military Balance," 1968/69 and 1978/79.

In *The Shrinking World, 1977—A Year-End Assessment*, published just a year ago, the Association of the United States Army took note of the increasing disparities in the European balance of power favoring the Soviet Union and its Warsaw Pact allies. At the same time the Association cautioned that a valid assessment of these disparities should include judgments on the capabilities of the weaponry, its sustainability, the state of training of the troops using the equipment and the resupply/reinforcement portions of the balance equation.

While this caution is still appropriate for an assessment at the end of 1978, our use of the ten-year span of comparisons may well have swung the prime emphasis back to consideration of pure members. The ten-year comparison magnifies the numerical differences, making qualitative and other subjective judgments less significant. Although the International Institute of Strategic Studies may have changed their counting procedures since the 1968 *Military Balance* was prepared, their basic data was considered valid then and the institute's accuracy has been refined each year since. The following charts, based on ISS data, tell the tale without much help.

Having looked at the charts one must ask a very basic question: "Why would the Soviet Union and its allies, while claiming that all their military forces in Western Europe have a purely defensive mission, build those forces into such an overwhelming position of numerical superiority?" If, as most tactical doctrine maintains, a defensive posture permits economy of force, why should the avowedly defensive Warsaw Pact structure be built up to such a level?

The charts show us that the number of Warsaw Pact divisions immediately available for combat in Northern and Central Europe has increased by 13 over the last ten years compared to an increase of two NATO divisions, a net gain in the Warsaw Pact preponderance of 11 divisions—and all of them *Soviet* units. Since 1968 NATO has added 2,200 main battle tanks to its fleet but, during the same period, the Warsaw Pact tank force has grown by 9,600—more than four times the increase on the NATO side.

Recognizing that the basis for computing combat manpower has changed since 1968 (the 1968 total only included manpower in combat brigades while the 1978 figure included the strength in all combat formations) the increase in Pact fighting manpower has still been spectacular. While NATO combat strength moved upward by 176,000 in the ten-year period, the Warsaw Pact fighting manpower jumped by 343,000—and over 300,000 of that increase was in Soviet units, reflecting their buildup of 13 divisions in Western Europe since 1968.

One of the most difficult aspects of a 10-year comparison of NATO capabilities vis-a-vis the Warsaw Pact is gauging the size and effectiveness of the navies involved. Much has been written about the transformation of the Soviet Navy from a coastal patrol force to a "blue water" navy, capable of projecting combat power far beyond the shores of the USSR. Soviet surface combat units have almost doubled in number since 1968 and, while the number of Russian attack submarines has decreased slightly, the current submarine fleet contains many more nuclear-driven boats and its overall capability is much greater.

It is just as well known that the United States surface fleet, the biggest contributor to NATO's sea control forces, has dropped in strentgh by more than half in that same period without any spectacular increase in individual ship capability that might compensate for the decline in numbers.

Numerically the combined NATO fleets are still superior to that of the USSR but their tasks are far more difficult. As the potential aggressor, the Soviet Union can choose the time and place for an attack and concentrate its forces on its own time schedule. The NATO navies, to the contrary, must be disposed to cover all the likely areas of attack, from the Eastern Mediterranean (and perhaps even the Red Sea) to the Atlantic shipping lanes. The NATO superiority in numbers, then, is badly diluted by a multiplicity of missions—keeping the sea lines of communication open in several directions, protecting convoys of troop and cargo ships, finding and destroying Soviet ballistic missile submarines and, if called upon, projecting combat power ashore in the form of air strikes or amphibious landings.

Any intelligent assessment of the balance between NATO and the Warsaw Pact must include a discussion of the substainability of the forces and must make an underlying assumption concerning the likely duration of a conflict between the two alliances. Commenting on the great difficulty NATO would have in reinforcing and resupplying itself once war started, General Sir Peter Whitely, Commander of NATO Forces, North, told the Annual Meeting of the Association of the United States Army, "Everything we have is in the shop window. Behind it we must have everything we need to carry out a war of indefinite duration,"

General Whitely's assumption of ". . . a war of indefinite duration," understandably reflects the military professional's desire to insure a reliable flow of supplies, replacements and reinforcements keeping pace with his operations. But politics and good military sense don't always mesh very well, so it is the policy of the Carter Administration to assume a short war in Europe (perhaps as short as 30 days) because that kind of assumption puts a finite ceiling on expenditures for stockpiling, industrial preparation and transportation capabilities.

Unfortunately, the capability of NATO to support a full-scale war with the Warsaw Pact for even 30 days is questionable, due to a variety of factors such as the lack of commonality in the national supply systems, disagreements about what actually constitutes 30 days of combat supplies and a tendency on the part of some in the United States to overestimate the abilities of the strategic mobility system.

A recent Special Report by the Association of the United States Army, *Strategic Mobility—Can We Get There From Here, In Time?* concluded that while there is adequate airlift to move predesignated reinforcements from the United States to man prepositioned equipment in Germany, there is grave doubt that cargo capacity exists to move bulk supplies and manpower in the face of Soviet interdiction of the sea and air lines of communication. In essence, if a NATO war lasted longer than 30 days or was so violent that personnel casualties and supply expenditure exceeded the carefully planned levels, The Warsaw Pact forces, with their manpower and supply sources close at hand, could expect attrition to accomplish what they might not be able to do in combat.

THE FLANKS

In any comparison of military capabilities in Europe it is easy to overlook the areas which may actually be the most perilous, the Northern and Southern flanks of the NATO area. In each of these, NATO forces patrol borders directly adjacent to Soviet home territory, not that of a Warsaw Pact ally, and the USSR could find it strategically advantageous to move directly across those borders, either as a forerunner to a major attack in the NATO central region or as an individual act of aggression to gain a long-term advantage.

An attack across the Soviet border with Turkey could result in seizure of the Bosphorus and Soviet control of the waterway between the Black Sea and the Mediterranean. It would also put the USSR in a commanding position for further aggression into the Mid-East. Conditions in Turkey today lend themselves to weakening resolve in NATO participation. The aftermath of the U.S. arms embargo will be felt in the Turkish armed forces for many years in the form of inferior equipment and animosity toward the United States. Economic problems play into the hands of leftist agitators and recent rioting has produced new political instability. At this point in time Turkey must be considered an uncertain bastion in NATO defenses.

The problems in the North are of a very different nature. The rugged territory of Norway forms a defensive bulwark against an overland Soviet attack and provides valuable bases from which NATO submarine-hunting units can monitor the passage of the Soviet undersea fleet from its bases on the White Sea around the Kola Peninsula and into the North Atlantic. Conversely, all of Norway is within easy reach of home-based Soviet aircraft and many of its key ports are within reach of Soviet amphibious forces. Norway would have to be reinforced quickly in the event of an invasion out of Russian territory, but beyond occasional exercise involving U.S. Marines or small Allied Command Europe (ACE) Mobile Forces not much attention has been given to northward reinforcement.

A Soviet attack on one of the flanks without a concurrent thrust at the NATO Central Region could well prove to be the greatest test of alliance solidarity. There would be no immediate impact on the core area of NATO if Norway or Turkey were attacked individually and it might be difficult to rally popular and political support for a reinforcement effort resulting in a direct confrontation with the USSR. Without a timely reaction, however, the tenuous credibility of the NATO commitment to the common defense would be destroyed.

Mutual and balanced force reduction— Another year of talk without real progress

Efforts to reduce the concentration of military forces between the North Sea and the western border of the Soviet Union have been underway since the end of World War II and for the past five years they have been the subject of formal negotiations between the NATO nations and the Warsaw Pact countries. But after five years the best that can be said for the effort is that it has not been abandoned. There has been little real progress toward an agreement.

For the first three years of the Mutual and Balanced Force Reduction (MBFR) negotiations, the talks centered on gross numbers of troops on each side and progress was completely blocked by refusal of the Warsaw Pact delegation to provide figures on the number of their troops deployed in the NATO area. When figures were finally submitted in 1976, the NATO negotiators maintained they were at least 100,000 below the actual level.

The last published offer by the NATO side would have called for the withdrawal of about 29,000 U.S. troops and 1,000 tactical nuclear weapons in exchange for the pullout of five Soviet divisions with as many as 75,000 troops and 1,700 tanks. While this exchange would still not provide even approximate parity, the NATO side was prepared to accept it. The proposal had apparently died on the negotiating table.

Hopes were raised in mid-year, however, when the Soviet negotiators agreed to an eventual mutual ceiling of 700,000 along with the previously described draw down. This was the first time the Warsaw Pact side had made a concrete proposal that might be acceptable to the NATO side. Unfortunately, the disagreement over the actual numbers of Warsaw Pact troops presently on the ground erupted once again, with the Pact claiming a reduction of just 105,000 would get its forces down to the 700,000 level and NATO maintaining that a reduction of about 250,000 would be required.

The year's negotiations ended on that mixed note of hope and disagreement.

Theater nuclear weapons and chemical warfare

The NATO forces, represented primarily by the United States element, continue to enjoy superiority in the numbers of theater nuclear weapons available and the accuracy of the associated delivery systems. During the year President Carter made the decision to permit some pre-production work on neutron weapons and the Soviets responded with an announcement that they looked into these enhanced radiation devices but abandoned them as infeasible. Western weapons experts believe that the Soviet statement is probably a smoke screen to cover their failure to keep abreast of the necessary technology.

In the meantime two theater nuclear weapons systems have become major issues in the progress toward a new strategic arms limitation (SALT) treaty. On the Soviet side the SS–20, with a range of 5,500 miles (just below the accepted strategic range limit) has become a ticklish point because it can be easily modified to become a true intercontinental missile. U.S. plans to field a theater version of a cruise missile have alarmed the Soviets because they claim it would be impossible to distinguish between the theater and strategic versions.

Soviet superiority in preparation for the use of chemical warfare remains unchallenged. There is little question that they could use chemical weapons to preserve the momentum of an attack into NATO territory or at any time the success of a major operation was in jeopardy. U.S. procurement in the chemical area during Fiscal Year 1979 will be limited almost entirely to detection devices and protective equipment. In the meantime the U.S. strategic stockpile of chemical weapons continues to deteriorate.

There are some indications that the Carter Administration will look favorably this year on the annual Army request for permission to establish production facilities for the new binary family of chemical weapons. This new system would eventually eliminate storage problems with the strategic stockpile because its elements are non-toxic until mixed just seconds away from the target. Hopefully the new 96th Congress will be favorably disposed toward the establishment of binary production facilities.

WHAT THE FUTURE SEEMS TO HOLD

Even if every member of NATO abides by the pledge to increase real NATO-oriented defense spending by at least three percent each year, there is little hope of catching up to the momentum of the Soviet Union's military buildup. Nevertheless, the combined effort upgrades the alliance's military credibility. It begins to reflect the ingredient of *will* that has not had much visibility. To be sure, even if the financial assets were available, NATO need not build its forces to numerical parity but would be better advised to eliminate weaknesses in firepower, logistic support, commonality and strategic mobility.

Above all else, NATO must assure itself that it can get the best possible performance from its forces-in-being and that those forces can expect to be resupplied and reinforced swiftly when the need arises. There needs to be, as well, the added deterrence of a credible effort to upgrade NATO's military capability.

THE MIDDLE EAST—PROMISE AND TURMOIL

Two events focused renewed attention on the Middle East during 1978, the seemingly successful conclusion of summit talks between Egypt and Israel and the outbreak of rebellion in Iran. The first event brought Nobel Peace Prizes to Israel Prime Minister Menachem Begin and Egyptian President Anwar Sadat but, as this paper was being written, the agreed deadline for signing a peace treaty had passed with little hope for swift conclusion of the negotiations.

When the world watched the drama-packed signing of the Camp David agreements at the White House on September 17, 1978, the path toward lasting peace between Israel and Egypt seemed well charted. The agreements reached between Prime Minister Begin and President Sadat, with personal involvement on the part of President Carter, were outlined by the following major points:

I. "A Framework for Peace in the Middle East" covering the future of the West Bank-Gaza Strip areas now occupied by Israel.

A five-year transitional period of civil self-rule for Palestinian inhabitants.

Withdrawal of Israeli military forces in the West Bank-Gaza Strip to garrisons in specified locations.

Negotiations involving Egypt, Israel, elected representatives of the Palestinians, and Jordan, if it will join, to determine the final status of the areas.

No new Israeli settlements to be established during the negotiations.

Security arrangements which may involve United Nations forces, special security zones, demilitarized zones and early warning stations to be negotiated. U.S. officials said no American troops would be involved in such operations.

An exchange of letters covering the status of East Jerusalem. There was no indication of their contents.

II. "A Framework for the Conclusion of a Peace Treaty Between Egypt and Israel" covering the Sinai and bilateral relations.

An Egyptian-Israeli peace treaty to be signed within three months.

Phased Israeli withdrawal from all of Sinai to begin within three to nine months after signing of the peace treaty. Final withdrawal to be within three years.

Israeli airfields in the Sinai to be returned to Egyptian civilian control.

Security zones of several kinds to be established in the Sinai.

Normal relations between Egypt and Israel to be established at the completion of the first major Israeli withdrawal.

In the flush of early success there seemed to be no serious impediment to meeting the December 18, 1978, date for signing a peace treaty but, as the negotiations moved into more detailed discussions, problems began to arise. Reactionary Israelis fought the plan to withdraw settlements in the Sinai and, at one point, the Israeli legislative body, the Knesset, actually moved to establish some new settlements. Problems continued over the future of Jerusalem and about a solution to the Palestinian problem. Mid-level negotiators for both sides were sent back to Washington for face-to-face sessions in the shadow of the White House but made little progress. As the December 18 date approached, U.S. Secretary of State Cyrus Vance attempted one last round of shuttle diplomacy but failed to accomplish much. In the meantime Menachem Begin went to Oslo, Norway, to accept his share of the Nobel Prize for Peace but Anwar Sadat sent a proxy, saying he was too busy working for peace to spare the time. The ingredients for a successful conclusion are in place; the U.S. has put its prestige on the line. What is needed now by the 1978 Nobel Award winners is a clear evidence of will, preservance, and compromise that will bring the peace that both nations need so badly.

As 1978 came to a close, the most perilous situation in the Mideast centered on political unrest in Iran that has brought the country's oil production to a standstill, caused foreigners to leave the country in fear for their safety and pushed the government of Shah Reza Pahlavi to the brink of collapse. The countries of Western Europe that procure a large proportion of their petroleum needs from Iran have had to turn to other sources, strengthening the dictatorial hand of remaining oil producers.

The source of the revolutionary zeal exhibited on the streets and in the oil fields of Iran is not entirely clear. To be sure, the Shah has ruled Iran with a hard hand and there have been many documented cases of political repression against any budding opposition. Still, he and his wife have made great strides in improving the standard of living and cultural and educational base throughout the country. They have made a tremendous effort to move their country into the modern world.

Ayatollah Khomeini, a conservative Moslem holy man, is the most widely accepted opposition catalyst. Speaking from exile in Paris, Khomeini has repeatedly called for the overthrow of the Shah and the establishment of a Moslem-based government.

The Soviet Union has coveted Iran for years. Russian forces have literally been driven from Iranian territory after both world wars and in 1942 Soviet Foreign Minister Molotov declared that all the territory south of the Soviet city of Baku on the Caspian Sea was properly within the Soviet sphere of influence. Together with Afghanistan and Pakistan, Iran forms a non-Arab bloc between the USSR and a much-desired warm water port on the Persian Gulf or Arabian Sea—and Afghanistan is already firmly under Soviet influence.

There is little doubt that the Soviet Union has been able to infiltrate hundreds of Farsi-speaking Soviet citizens into Iranian communities along the 1,600-mile border between the two countries and to make good use of large Afghan and Armenian minorities in Iran as a cover for other agents. But the real base of insurgency is the Moslem religion. To complicate matters there is a well organized branch of the Palestinian terrorist movement in Iran which has been responsible for several assassinations, including the recent ambush of an American oil company official.

To date the public utterances of the United States government have been entirely supportive of the Shah, in spite of his acknowledged violations of President Carters human rights policies. An undercurrent of dissatisfaction with that position began to surface late in December, however, based on the conclusion that the Shah's future was very much in doubt and that continuing U.S. support would jeopardize U.S. relations with any subsequent regime in Iran. The year ended amid reports that the Shah was attempting to find an opposition leader who would agree to form a government, after which the Shah would leave the country at least temporarily. This is a situation so fluid as to defy prediction.

A ten-year comparison of the military forces in the area shows startling growth. The following table shows the percentages of change in the size and equipment of the major military forces in the Mid-East since 1968 but the table, by itself, cannot tell the whole story. The increase in the Egyptian armed forces, for example, was sponsored by the Soviet Union and took place just before Egypt launched the 1973 Yom Kippur attack against Israel. The failure of that invasion and subsequent political disagreements between Egypt and the USSR have left the expanded Egyptian forces without a source of spare parts or replacement equipment and the United States has begun to creep very cautiously into that gap.

MID-EAST ARMED FORCES, 1968–78

[Percentage of change]

	Total armed forces	Tanks	Combat aircraft	Naval combatants
Egypt	+87.2	+49.1	+53.0	0
Iran	+86.9	+648.0	+129.5	+72.2
Iraq	+158.5	+230.4	+57.6	+220.0
Israel	[1] +45.5	+233.3	+101.1	+116.1
Jordan	+23.6	+117.3	+280.0	0
Saudi Arabia	+62.5	+333.3	+327.5	+33.3
Syria	+276.0	+504.7	+161.3	−.07

[1] Mobilization strength.

Iraq and Syria, with all-out support from the Soviet Union, have shown the largest overall military growth in the Mideast. Saudi Arabia, which could well afford to equip much larger forces, has had some growth but has tailored its forces carefully to fit its defensive needs. Jordan, on the other hand, has been forced to get assistance from Saudi Arabia to achieve a modest buildup and modernization of its forces. Iran has had the largest well trained and most modern military forces in the area with munificent expenditures of the then readily available oil money.

Soviet hegemony in the Persian Gulf area is making rapid progress. The Ethiopian revolutionary government has welcomed military aid from the USSR and Cuba, and South Yemen is now providing the bases for Soviet ships that were denied by Somalia's rejection of further Soviet presence. Between 6,000 and 7,000 Cuban troops have recently been shifted from Ethiopia to South Yemen to train the South Yemini army and there are believed to be at least 2,000 East German security police in the tiny former shiekdom who are not only training local security forces but actually controlling and commanding them.

Western and Asian dependency on the Mideast as their prime source of fuel was demonstrated once again by unhappy but resisting acquiescence to the recent OPEC increase in the price of oil. Every ten to fifteen minutes a laden tanker sails out of the Straits of Hormuz between Iran and the United Arab Emirates bound for the United States, Europe or Japan. An unfriendly regime in control of either side of that narrow body of water could effectively stop the ship traffic without firing a shot and precipitate retaliation by the oil consuming nations that could inflame the entire region.

The regional growth in the size and sophistication of military forces brings the surety of modern, destructive warfare to an area of the world whose continued productivity is vital to many nations.

AFRICA—AN AGGRESSIVE USSR IS SQUEEZING OUT AN INDECISIVE UNITED STATES

A review of events on the African continent during 1978 gives one a sense of *deja vu* as everything seems to be happening again: In Rhodesia guerillas are attacking settlements and the government is responding with attacks on guerrilla bases; Angolan troops have again invaded Zaire; Idi Amin has misbehaved again; underlaying it all, the Soviet Union and its Cuban mercenaries are somehow involved in every destabilizing action on the continent.

Certainly there has been no slackening of Soviet determination to involve itself in any way that could ultimately lead to overlordship in what is potentially the world's richest continent. Acting as agents for the USSR, the Cuban presence in Africa has now grown to more than 42,000 with the bulk of that number divided between Angola and Ethiopia. In May, President Carter revealed that he had written "private, sealed messages" to the Soviet President Brezhnev stating that the Soviet actions in Africa and particularly their sponsorship of Cuban surrogates was a threat ". . . . to American-Soviet friendship and to the nurturing and enhancement of the principals of detente."

The words were hardly out of the President's mouth when, on the 11th of May, Cuban trained (and probably led) Angolan troops invaded copper-rich Shaba province of Zaire, touching off a bloodbath that killed at least 40 foreigners and uncounted numbers of natives. France and Belgium dispatched paratroopers to Zaire to help evacuate about 2,500 other foreigners while the United States sent 18 Air Force transports to provide the airlift. President Carter, who had made a campaign point of alarm about the freedom of previous presidents to involve the United States in foreign conflicts, now complains that new congressional limitations on presidential actions are too restrictive.

At the time of the Zaire invasion, there were eight small wars going on in Africa, and the Soviet Union and Cuba were directly involved in six of them—Zaire, Rhodesia, Namibia, Angola, Eritrea and Ethiopia. The other two—in Chad and the Western Sahara—were being backed by Libya and Algeria respectively, both of which receive arms from Russia and have Cuban military detachments in residence.

During the year the tragi-comic leader of Uganda, Idi Amin, launched an invasion of neighboring Tanzania which festered in the northern section of Tanzania for several weeks while Amin told the world he was just responding to Tanzanian aggression. Finally sensing that world opinion was once again going against him, Amin withdrew his troops after wreaking as much havoc as possible.

Hopes that a new biracial regime in Rhodesia could bring the bloody insurgency there to an end have not been realized. During the year guerillas shot down a Rhodesian airliner, apparently with a Soviet-supplied SA–7 missile, and conducted a very effective rocket attack on the primary oil storage facility for the entire country. Terrorism continued unabated, marked by the mass murder of some white missionaries and their families and by continued raids on white-owned farms. Guerillas armed by the Soviets and trained by Cubans operate out of bases in Mozambique and Zambia with the acquiescence of those governments but retaliatory raids by Rhodesian forces against those bases bring loud complaints.

President Carter is also feeling pressure from Saudi Arabia based on concern over the growing Soviet presence in the Horn of Africa. Saudi leaders fear that eventually the USSR, either by itself or through one of its proxies, will threaten passage of the Red Sea of the Gulf of Aden. Having successfully helped the Ethiopians to expel Somalian forces from disputed territory in the Ogaden region the Soviet-Cuban contingent has turned its attention to clearing out Eritrean opposition along Ethiopia's Red Sea coast. The Cuban presence there is estimated at between 16,000 and 17,000.

Surprisingly, 24 percent of United States' oil imports come from Africa, with 18 percent originating in Nigeria and six percent in Libya. In addition, Algeria has contracted with U.S. importers to sell 1.2 trillion cubic feet of liquified natural gas each year. The first delivery under that contract was made in March 1978.

Algeria and Libya are both countries in transition, with strong ties to the Soviet Union established during their struggles for independence. Additional uncertainty about future U.S. relations with Algeria was created by the death, late in December, of "President-for-Life" Houari Boumedienne. Although he was a Marxist, and a fervent hater of the U.S., he was enough of a practical politician to recognize his country's need for some commerce with the non-communist world. Boumedienne discouraged strongly the development of young leaders in his country who might at some later date challenge him. Hence, there are no well-known candidates to succeed him. The odds would have to favor a successor no less hostile to the U.S.

The situation in Lybia is even more uncertain as far as that country's relations with the outside world are concerned, primarily due to the Utopian economic and social measures being applied by Colonel Muammar Qadaffi. The revolutionary leader's "Green Book" is a sort of Libyan *Mein Kamph*, detailing plans for compulsory political participation, universal military service and confiscation of all property not needed by an individual family. The Libyan government has taken over almost all commercial establishments but has retained former owners or their employees to operate the businesses. With income from expropriated oil fields, Libya is embarked on an ambitious program of construction encompassing ports, roads, airports, hospitals and schools.

Algeria and Libya signed a mutual defense treaty in 1975, but even with continued Soviet help their armed forces remain small compared to those of Egypt, a constant detractor of the Qadaffi regime.

If left unchecked the Soviet Union will gradually achieve its desired hegemony over most of Africa, thereby gaining a position of prime advantage for access to the industrial raw materials of the continent which, at the moment, the United States needs more than the USSR.

Nothing in the course of events during 1978 indicates any intention on the part of the United States to reverse or even stalemate this dangerous process.

ASIA AND THE PACIFIC—A DRAMATIC CHANGE IN THE STATUS QUO

President Carter's surprise announcement on December 15 that the United States and the People's Republic of China had agreed to establish normal diplomatic relations opens the door to a wide spectrum of change throughout the Asia/Pacific region that will evolve in years to come. Coming so late in the year, however, it has not had much impact so far except to generate protestations of bad faith from the Republic of China on Taiwan and to lead several members of the U.S. Congress to seek half-hearted legal restraints on the President's intent to abrogate the long-standing mutual defense treaty with the Taiwan government.

The drama of December was staged with a backdrop of eleven months of significant events ranging from political upheaval in the mountains of Afghanistan to long sought agreement on the future of U.S. bases in the Philippines.

In April, a Soviet-sponsored coup overthrew the inept reactionary government of Afghanistan, but before that new regime has completed its first six months, another rebellion was underway in the mountain tribes who wanted no part of an upstart system that tried to force them to change their ways. In an effort to protect the new government from a counter-coup, the Soviets have placed "advisors" in every Afghan military unit of battalion or greater size. Government buildings in Kabul are patrolled by troops armed with recently uncrated Soviet AK-47 automatic rifles and dozens of Russian-built tanks ring the seat of government and block roads into the city.

For many years, the Russians have contended for passage through Afghanistan to a warm water port. Battles between British troops and Russian-supported native zealots for control of the Khyber Pass between Afghanistan and Pakistan have been the frequent subject of Hollywood adventure films. Now the Soviets have built an all-weather road from their frontier all the way to the Khyber Pass and are just the width of Pakistan away from the warm waters of the Arabian Sea.

In Pakistan, meanwhile, one issue seems to be all-consuming—the future of former Prime Minister Ali Bhutto who was condemned to death more than a year ago by a revolutionary military tribunal for crimes against the people of Pakistan. Bhutto has been kept in solitary confinement while awaiting a hearing on his appeal from the death sentence. The Supreme Court of Pakistan heard his plea late in 1978 but is not expected to hand down its ruling for several weeks. If the court upholds the sentence, the military regime now ruling Pakistan will have to decide if executing Bhutto will solve a problem or create one. Bhutto still has a sizeable following and, as time has passed, more Pakistanis seem to be willing to forget Bhutto's transgressions.

India's endemic problems with its exploding population, disease and hunger go on little diminished. For the first time a Communist block of candidates has been elected to govern a major city, Calcutta, but is reportedly working carefully within the existing system to achieve social improvement without political turnmoil.

The Southeastern corner of Asia has once again erupted in warfare as Vietnamese forces, reportedly aided by dissident Cambodians, have escalated the simmering border warfare between the two Communist states to an all-out invasion. Vietnamese attacks had largely been limited to the Parrot's Beak salient west and north of Ho Chi Minh City (Saigon) until mid-December but then their offensive gained momentum, breaking through to capture the Cambodian province capital of Kratie. By the first week in January 1979 Vietnamese attacks were underway all along the Cambodian border with a major thrust out of the Mekong Delta area making good progress toward Route 4, the main supply route between Phnom Penh, the Cambodian capital, and Kompong Som, the main seaport of the Gulf of Siam. Most of Cambodia's Chinese-supplied war material flows from that port to Phnom Penh. By January 8, Phnom Phen had fallen and the Cambodian government had fled.

As the Vietnamese and their Cambodian insurgent allies raced almost unopposed across Cambodia, China began to move troops and equipment to its border with Vietnam and to reinforce units along the Soviet border. None of the troop movements was very large, however, and they were interpreted as mostly symbolic.

The Cambodian government has accused the Soviet Union of permitting Russian pilots to fly bombing missions against the Cambodian territory but no response has been forthcoming from Moscow. This is another indication of the continuing conflict between the USSR and China in this area, with the Russians continuing to back the Vietnamese, as they did throughout the war within Vietnam, and the Chinese aiding the Cambodians. The United States has issued statements expressing alarm over the spreading warfare and hope that someone will do something to stop it. Quite obviously the United States will not.

The ramifications of the invasion are a good illustration of the perils in foreign policy. When the United States supported a United Nations resolution condemning Viet nam's aggression we, at the same time, contradicted our earlier censure of Cambodia for a wide range of human rights violations, including mass murder, and reversed a trend toward better relations with Vietnam. Undoubtedly our improved rapport with China, chief sponsor of the defunct Cambodian regime, had a bearing on the decision to condemn Vietnam.

After almost ten years of negotiating, the United States and the government of the Philippines have reached agreement on the future status of Clark Air Force Base and the Subic Bay Naval Station, the only remaining major U.S. bases in the Southeast Asia area. Nominal command of the bases will be transferred to the Philippine government and the Philippine flag will fly higher than the U.S. flag, but U.S. commanders are expected to have full operational control of their units. A long-standing agreement that the host government will be informed before any combat missions are flown from Clark will continue. The U.S. flew no combat missions from the Philippines during the Vietnam War to avoid having to comply with this structure.

Part of the agreement calls for the Carter Administration to make its "best efforts" to assure $500 million in military and economic aid for the Philippines during the next five years. The new agreement will be reviewed every five years.

Late in 1978 new intelligence estimates by the U.S. Army were revealed which raised the number of divisions in the North Korean order of battle from fewer than 30 to at least 40. While there was some unofficial comment from the U.S. State Department and in the press that the revised estimates were self-serving, supportive of Army resistance to further U.S. ground force withdrawals from South Korea, there were no denials of their accuracy. The new North Korean division total gives them an almost two to one advantage over the forces of the Republic of Korea which has 21 divisions or division equivalents.

This followed an announcement to the Joint Military Armistice Commission in October that U.S. troops had found another tunnel under the demilitarized zone, this one the largest yet located. The tunnel is a mile long with the last 1,400 feet on the South Korean side of the DMZ and is 246 feet below the surface at its lowest point. U.S. engineers estimated that 1,000 men an hour could move through the tunnel to be in place south of the DMZ prior to a North Korean attack. The North Korean representative to the Armistice Commission denied any involvement by his government, saying that if they wanted to attack they would not need tunnels.

Continuing their drive toward independence from the Soviet Union for military hardware the North Koreans are now building tanks copied after the Soviet T–62 which was the Russian main battle tank prior to production of the newer and better T–72. Production of the T–62's will permit the modernization of the North Korean tank fleet which is now equipped with older Soviet T–54's. The South Koreans are responding by developing a new tank of their own to replace their antiquated fleet of U.S. M–47's and M–48's.

The first increment of U.S. ground troops has been withdrawn from Korea to make good on President Carter's campaign pledge. The move was made so precipitously that home bases for the withdrawn units had not been chosen in time to permit families to join their sponsors on their return to the United States. Congress has dictated that no further shifts will be made without their approval and the revelation of the greater imbalance between the indigenous ground forces may result in further limits in the President's freedom of action.

In Japan there is growing alarm that the United States' ability to live up to its pledge to provide security for Northeast Asia is declining rapidly. The withdrawal of U.S. troops from Korea is the public and primary focal point for their disquietude but they are also aware that the U.S. Seventh Fleet is declining in numbers and capability. There is some feeling, too, that the abrupt abrogation of the U.S./Taiwan defense treaty is symptomatic of a lack of resolve on the part of the United States, particularly if that resolve is weakened by an opportunity to achieve unilateral advantage, as has occurred with the new relationship with the People's Republic of China.

In response to a new generation and to their growing fears about U.S. capabilities and intentions, Japan has slowly slid past its long-held limit on defense spending (one percent of gross national product) and has begun to buy or produce more sophisticated defensive weaponry. Japanese Air Force interceptors have scrambled almost daily for years against encroaching Soviet aircraft but now they want to extend the range and capability of the interceptors, give their air defense missile systems longer range punch and improve their antisubmarine warfare capability. All this may be accomplished within the current manpower strength of the Japanese armed forces, but from a capabilities standpoint at least, the rearming of Japan has already begun.

The country left farthest out on a limb as a result of normalization between the U.S. and China is, of course, the Republic of China or Taiwan. The sudden loss of their status as the recognized government of China and the concurrent abrogation of the U.S./Taiwan defense treaty has created an emotional issue that most surely transcends the true peril of an invasion by the mainland Chinese. Taiwanese officials able to look at the situation calmly have admitted that they have known for three years the change in status was inevitable. It has been common knowledge since the earliest stage of negotiations between the U.S. and the People's Republic that withdrawal of recognition and abrogation of the treaty were basis positions on the Chinese side of the bargaining.

Nothing in the demeanor of the PRC since the normalization of relations with the U.S. has reflected the bellicose attitude it has so often exhibited toward Taiwan. To the contrary, shelling of the offshore islands from the mainland has been stopped and Chinese leaders have talked more in terms of gentle persuasion than of invasion.

In the brief time since the U.S. and China formally exchanged ambassadors, there have been only a few indications of what the new relationship can mean. One of the first was the announcement that Coca-Cola would be imported into China immediately and that bottling plants would be built soon. The second, and certainly more significant, was the announcement that the U.S. Steel Company had agreed to build a steel mill in China that would be the world's largest. While the commercial merit of this plan is obvious there are many, less obvious, strategic implications for the United States, for the Soviet Union and for the rest of the world.

Accompanied by wall posters demanding improvements in the quality of life for the Chinese masses and by expressions of admiration for western ideas that only recently were taboo, China has taken that "great leap forward" to join the rest of the world in the 20th Century. We would have to look far into the future to predict the ultimate effect his leap has on the history of mankind.

THE WESTERN HEMISPHERE—A YEAR OF CONTRASTS

The most apparent contrast in the Western Hemisphere during 1978 was the relative tranquility in the northern part of the hemisphere while much of Latin America was in political and economic turmoil.

The most significant single event of the year for the hemisphere was the ratification of treaties which will ultimately turn-over the Panama Canal and the Canal Zone to the Republic of Panama. Few issues have so sharply divided the hemisphere on both the international and inter-personal level. The United States had a very large stake in the ultimate outcome of the treaty with the nations of Latin America prepared to condemn any failure to write a satisfactory treaty or, ultimately, to ratify one. To the Latin nations, the canal was a last vestige of colonialism.

Within the United States, public opinion polls had shown individuals against the turnover by a margin of two to one. There was very strong feeling that President Carter was giving away something the United States had built and paid for and was, in addition, jeopardizing a major strategic asset. Nevertheless, the first treaty, transferring the canal by the year 2000, was ratified on March 16 by a vote of 68–32.

The second treaty, guaranteeing the canal's neutrality, was clouded for a time by efforts on the part of Senator Peter Domenici (R-NM) to add language giving the United States the right to intervene in the canal's affairs any time its operation might be threatened by labor problems, political upheaval or military action. General Torrijos, the Panamanian leader, reacted strongly to the Domenici proposal, saying he could not expect the people of Panama to approve that kind of limitation. Senator Domenici finally agreed to much softer language and the second treaty was also ratified by the Senate.

In essence the treaty says that after the year 1999 only Panama will operate the canal or maintain military forces and defense sites within its national territory. However, the amendments written by the Senate guarantee the United States the right to use military force to preserve the canal's neutrality after the year 2000. U.S. warships are guaranteed the right to "go to the head of the line" for passage of the canal in time of war.

President Carter's policy of promoting the enhancement of human rights continues to be a bone of contention with many of the nations of Latin America. The leaders of nations beset by insurgencies that have triggered strong reaction and sometimes resulted in abuses of Carter's standards for individual freedom, feel the United States is prepared to let them be overthrown. There is some support for Carter among those countries that have been able to elect their governments democratically (like Venezuela, Colombia, Costa Rica, and Jamaica) but even these have experienced the trauma of guerilla warfare and are sympathetic to those nations still trying to preserve themselves.

The economic ties between the United States and the rest of the hemisphere probably override the political tension that exists in some areas. Canada is by far the United States' largest trading partner and the recent confirmation that Mexico's oil and gas fields are of much greater potential than previously assumed has served to put new emphasis on relations with the second of our closest neighbors. Canada has enjoyed a year of relative stability with agitation among its French-speaking citizens in Quebec for independence assuming a less strident posture.

Since 1971 U.S. imports from Latin America have jumped from about $6 billion a year to more than $20 billion with almost half of that total represented by petroleum products. During the same period U.S. exports to Latin America rose from $6 billion a year to more than $18 billion, mostly in manufactured goods. United States imports from Canada during 1977 totalled almost $26 billion, mostly raw materials. By contrast, the United States imported $18.5 billion worth of goods from Japan that year.

During 1978 long-simmering hatred for the Samoza regime among the broad populace in Nicaragua erupted into open revolt. A commando-style operation to free a group of political prisoners was carried out by Sandanista guerrillas who made a successful escape to sanctuary in Panama. The Sandanista action and the subsequent street fighting it triggered had the support of the Nicaraguan Catholic clergy. Young Nicaraguans, armed with little more than pistols, shotguns and hunting rifles, engaged the National Police in pitched battles. Subsequent harsh tactics used by the police in searching for insurgents brought further international censure on the Samoza government and, because the government forces were armed with U.S.-made weapons, the United States was perceived to be aiding the dictatorship. Samoza has since made some effort toward reconciliation but tension in Nicaragua remains high.

Despite their advances as members of the industrialized world, Latin American nations will still march to the brink of war over very small issues. This year two of the more advanced nations in Latin America, Chile and Argentina almost went to war over the rights to three tiny islands at the southernmost tip of the continent. Foreign observers were convinced that Chile had international law on its side in its effort to retain control of the islands off the coast of Argentine Tierra Del Fuego, one of the most bleak, inhospitable areas of the world. Nevertheless, Argentina held air raid drills in preparation for war and dispatched fleet units southward. In the end the shaky Argentine government of General Jorge Videla agreed to submit the issue to international arbitration. Videla apparently was convinced that his military regime did not have enough popular support to sustain it through a war.

Throughout the year there was a repeated theme in comments about the United States by its neighbors to the South: "The United States maintains we are partners in the development and welfare of our hemisphere and yet it hardly notices us except to criticize what we do. If we were true partners, the United States would be more sensitive to our problems and might concentrate more effort within the hemisphere."

The facts seem to bear out the theme. Of the $802 million in U.S. goods distributed overseas by the United States Agency for International Development during 1977, $712 million went to Near East countries, $25 million went to Asia and $27 million went to Africa. Only slightly more than $11 million was distributed in all of Latin America.

A NEW STRATEGIC ARMS LIMITATION TREATY—A PLEDGE FOR PEACE OR INVITATION TO DISASTER?

The purpose of SALT is to improve national security, basically by introducing stability to our nuclear stalemate.—Spurgeon M. Keeny, Jr., Acting Director, U.S. Arms Control & Disarmament Agency, November 29, 1978.

This statement of purpose from the then acting head of the agency most closely involved with the U.S. side of negotiations for a new strategic limitation treaty obviously assumes that the United States and the Soviet Union have, in fact, achieved a stalemate. This assumption is a handy one for the negotiators on both sides since it easily disposes of the argument that true parity does not really exist.

There are three essential ingredients that must be included in any SALT agreement if it is to be truly in the best interest of the country. The first of these is the equivalency of the forces which will exist during the 1980's. In our present posture the U.S. would be almost certain to undergo a dip in equivalency before programs involving advanced technology and newer weapons could turn the trend upward. It is not so clearly understood that the disparities which developed from SALT I were not really as much the failure of the Russians to live up to their side of the bargain, as it was the failure of the United States under the present administration to proceed with the strategic programs which were part of the planning at the time SALT I was put into effect.

A second very important ingredient must be the impact of SALT II on our allies. This challenge has been pretty well met as a result of the ringing support President Carter received from our allies; England, France and Germany, during the summit at Guadeloupe.

The final ingredient is the more difficult one of credible verification.

The key to public acceptance of the SALT II treaty now approaching its final form is proof that it will leave the United States with sufficient strength in long-range nuclear weapons to forestall any temptation on the part of the USSR to engage in nuclear blackmail. The purpose of this section of the Association of the United States Army Year-End Assessment is not to declare that the proposed treaty is bad or good but to see if that fundamental assumption is truly valid. This finding, coupled with the overwhelming wish of the people of the United States to guarantee the survival of our way of life, should set the tone for our reaction to SALT II.

The SALT II treaty now being negotiated is expected to do three things:

Create a basic agreement to last through 1985 and:

Set numerical limits on weapons

Set qualitative limits (banning certain types of systems, such as ballistic missiles on surface ships)

Establish verification procedures

Establish a short-term protocol (to expire in 1980) which would temporarily cover issues not ready for long-term resolution, such as mobile ICBM's and cruise missiles.

Provide a statement of principles in which the two nations commit themselves to the SALT process and set guidelines for the eventual negotiation of the next stage—SALT III.

Based on the public announcements from the U.S. Arms Control and Disarmament Agency, SALT II would have the following quantitative effect: Initially set a limit of 2,400 strategic nuclear vehicles (the limit agreed upon at the 1974 Vladivostok meeting of President Ford and General Secretary Brezhnev) but subsequently lowering the ceiling to 2,250. Within that total there would be a limit of 1,320 on heavy bombers armed with long-range cruise missiles and ballistic missiles with MIRV'd (Independently Targetable Reentry Vehicle) warheads. A further breakdown limits MIRV'd ballistic missiles to 1,200 only 820 of which can be intercontinental ballistic missiles.

Since the USSR now has about 2,500 delivery vehicles that fall into these categories it would eventually have to dismantle or destroy about 250 of them to meet the limit. The United States, already below the ceiling, would have the option of increasing its delivery force by almost 200 vehicles.

The pure numbers of delivery vehicles, with no qualitative embellishment seems to tell us that at the moment the United States is in an inferior position—until we realize that, because the U.S. vehicles have many more MIRV'd warheads, the smaller number of delivery vehicles can deliver almost twice as many warheads.

But even that comparison is too simplistic. Because the Soviet delivery vehicles have a throw weight capacity one-third larger than those of the United States, each Soviet warhead will deliver more megatonnage, or destructive power. Also, many more of the Soviet delivery systems can be launched from the sea where they are hard to find and destroy—and the United States still puts substantial reliance on a fleet of aging bombers, as yet without the cruise missiles that would improve their survivability and penetration capability.

To find Soviet ICBM silos and to monitor new development activity, U.S. intelligence agencies must rely heavily on what is euphemistically known as National Technical Means (NTM)—satellites and other sensing devices. Without belittling the NTM capability, which is remarkably accurate and sensitive, one cannot escape the conclusion that any device could be fooled at least in part by an enemy who knows its capabilities, and since the Soviets apparently have acquired the operating details of our most sophisticated satellite we must assume they will be able to confuse it.

The verifiability of conformance with the treaty will, of course, be a cornerstone of its success or the root of its failure. Unfortunately, it could turn out that the first indication of failure would be to count more attacking warheads than were known to exist. The U.S. negotiators say they are confident of our ability to verify Soviet compliance by purely technical means. As an example they cite an instance during the negotiations when the U.S. side told Soviet civilian participants what they knew to be the true number of a certain type of Soviet vehicle. The U.S. team was later chastized privately by Soviet military participants because until then they had been successful in keeping the number a secret from the civilian members of their delegation.

Still other issues cloud the picture of SALT II and its impact on our security:

The BACKFIRE bomber is a high-speed, swingwing bomber not unlike the U.S. FB-111, but it is capable of reaching a number of strategic targets in the United States on one-way, unrefueled missions. It is primarily being used as an arm of Soviet naval aviation and, while it is used in that way, the U.S. negotiators have asked for nothing more than assurance from the Soviets that it will be used as a theater weapons system and that production rates will be controlled. This is, of course, a tradeoff for excluding our forward based aircraft from treaty regulation.

The U.S. MINUTEMAN ICBM force is growing more vulnerable as Soviet megatonnage and accuracy increases. The Air Force has proposed to minimize the vulnerability of the land-based missile force by deploying a new mobile system called the MX but the Carter administration has been reluctant to embark on what will surely be an expensive program. With the very realistic assumption that present MINUTEMAN silos are at the top of the Soviet target list, the only way to assure maximum effectiveness of the MINUTEMAN force is to launch it as soon as a multiple-missile strike by the USSR is detected. This obviously maximizes every element of U.S. response time, from detection to presidential decision-making to the launch order. If there is a breakdown anywhere along the line through technical failure or indecision, the bulk of our second-strike capability would be lost. It is a risk the USSR might find acceptable.

Amid all the debate over the wisdom of strategic arms limitation there are only a few voices saying the whole notion is bad. And well-thought out question about the propriety and effectiveness of what has been negotiated must be based on how well the proposed treaty will get the job done. The U.S. Senate will have to ask the question and then answer it in the ratification process.

CONCLUSION

The world of 1978 was not one of despair. Quite the contrary. It was a dynamic year. It was a year which saw the ratification of the Panama Canal treaties, the full recognition of Red China by the United States, continued active efforts for peace in the Mideast, the elimination of the Turkish arms embargo, and a major effort to provide a basis for strategic arms limitation. Surely that is an agenda that bespeaks action.

We have great opportunities in the time ahead. We need first of all a firm and consistent foreign policy that is clear to both ourselves and to the rest of the world. Such a policy will need as well the credibility of an adequate national defense posture to support it. These two actions alone would give us a real chance to diffuse many of the potential trouble spots.

But if we are to continue in the contradictory and confusing national policies of recent years we will have abdicated our real potential to lead the world toward peace. Vacillation and a lack of commitment to our military strength will continue to erode our ability to influence the direction of peace.

It is hard in the basic American syndrome to accept less than victory in the 100-yard dash. But the one who most often brings home the team victory and wins the greatest laurels is the dedicated entry in the decathlon. He is the one who is willing to stay the discouraging course. This is the kind of contest in which the leadership of our country is most frequently challenged.

Some of the new members of both the Administration and the Congress are ill-trained for the race. A new generation, to which depression and major war are unknown, cannot be expected to respond intuitively to these two dangers that lurk constantly on the fringes of many major actions. It becomes imperative then that all of us bend the body of our past knowledge and experience to help the Government meet the tremendous challenges and opportunities which 1979 so surely provides.

We must recognize that even in history hindsight is not infallible. But it is imperative now that we draw on history and the lessons of the world's year we have just examined to insure that we make the sacrifices and accept the inconvenience that can preserve security. This can provide us with the opportunity to savor fully what the knowledge and progress of the ages has heaped upon us so abundantly. Time becomes a rapidly diminishing luxury.●

ISRAEL PROPOSES STRONG ENERGY CONSERVATION MEASURES

● Mr. PERCY. Mr. President, I wish to commend the Government of Israel for its recently announced energy conservation program.

According to a recent wire story, Israeli Defense Minister Ezer Weizman has announced a campaign to reduce defense-related fuel consumption by 8 percent.

Israel also plans to impose a 1-day-a-week ban on the use of private motor vehicles. As a further measure, the Government will increase its already steep tax on gasoline. At present, Israeli motorists pay $2.32 for a gallon of regular gasoline.

A few years ago, Americans might have regarded these measures as irrelevant to our own country's needs. Today we cannot afford this luxury. Strong Government leadership is urgently needed if we are to prevent energy problems from draining our economy and gravely jeopardizing our national security.

We should consider having the United States assume leadership in setting strong, concrete goals for reducing the energy demands of our Government's numerous agencies. A reduction in Federal energy consumption could substantially lighten the burden which American taxpayers now bear. It would also provide a highly visible model for individual States, localities, and private businesses to follow.

The Government must also consider ways to encourage Americans to reduce their use of fuel for transportation. If we are to allow the price of gasoline to rise by decontrolling domestic crude oil prices, we must simultaneously expand our mass transit systems and aggressively pursue alternative sources of energy.●

INSURING A JUST PEACE

● Mr. JAVITS. Mr. President, last Sunday our distinguished colleague, Senator Dole, delivered an address before "Young Israel" in New York City concerning peace in the Middle East entitled "Insuring a Just Peace."

As Senator Dole points out, much work remains to be done before a true and lasting peace can be achieved in the Mideast, and we as a nation will be called upon to continue to provide the mediation and leadership that has proved to be so vital in this historic effort. I ask that the text of Senator Dole's remarks be entered in the Record.

The remarks follow:

Remarks of Senator Bob Dole

You call yourselves the children of Israel. Many of you have recent ancestors who fled from European oppression, discrimination, war and poverty. Like most Americans you have pride for and a commitment to your ethnic heritage, expressed in a keen and abiding interest in foreign policy in general, and in particular towards Israel, that other haven for the oppressed and the dispossessed. I am deeply honored to share your dedication to a strong, a free, and a permanent Israel.

A CALL FOR COURAGE

If we have learned anything in recent months it is that a President must provide leadership to which the American people can respond. Nowhere is that truer than in foreign policy. It was evident by its absence in Iran and Africa. It was strikingly evident by its success in President Carter's recent trip to Egypt and Israel.

That leadership must give focus to the rising demand for stand-up diplomacy in support of our legitimate interests.

When challenged on the international scene we must respond. We must face those who would shove us aside or they will do just that.

The source of the challenge is no mystery. There is only one imperialist country left in today's world—its name is the Soviet Union. Russia itself, seeks constantly to expand its influence and power. But it also acts violently through its two agents, Cuba and Vietnam.

This is a fact which we overlook at our own peril. Yet we have overlooked the hard reality of Soviet imperialism.

We have overlooked the bitter truth—that the Soviet Union is an aggressive, expansionist nation on the march—and we can only hope to respond from a position of superior strength and unflinching will.

Israel understands this very well, which is one reason an Israeli-Egyptian Peace Treaty took so long to negotiate. This treaty is, perhaps, an excellent first step toward real peace. Today we celebrate this peace. Tomorrow we formalize it. But for the future tomorrows there remain problems which we must keep in mind. It is not enough for us to ratify euphoria. We must turn our attention to new dilemmas.

Peace in the Middle East.

The words seem too good to be true. Indeed the sentiment is premature. But it is not premature to review the ingredients for a successful recipe in the Middle East, one which allowed this much progress toward peace to be made. It is not premature to begin applying the lessons learned on the larger world stage and affecting the workings of U.S. foreign policy as a whole. We will especially need these lessons when it comes time to address the Palestinian problem.

One main lesson stands out. One element must be grasped. In a nutshell, it is that American strength and determination is not just a negative factor—a means of preventing hordes of enemy forces from overrunning our lands and our allies. Rather it is first and foremost—if used properly—a positive factor, a means of contributing to peace and security all around the world.

Why is this so? Primarily because gambles—and all negotiations are in certain respects gambles—must be grounded on a firm foundation. In the Middle East, there is no substitution for direct American participation in that foundation. Let's review the record to see why.

A LESSON PAINFULLY LEARNED

Initially the Carter Administration tried to make peace in the Middle East on the cheap. The new team tried to limit America's role to one of co-chairman of the Geneva Conference. Amazingly enough, we tried to lower our stance, to adopt a position no higher than the Soviet Union's.

We would remain as the primary military, economic, and political backer of Israel. But we would opt out of the peace process once the Geneva Conference room filled. We would become just another of many participants.

But Sadat and Begin were shrewd enough to catch the drift and grasp the danger. Sadat did not want a reduced U.S. role; he did not support a U.S. withdrawal. He did not want an elevated Soviet role. And he did not cherish the notion of sitting alongside the P.L.O., the Soviets, and the radical Arab states any more than Begin longed to sit across the table from them.

Then as now, both Sadat and Begin desperately needed American military strength, American economic assistance and American political commitment. Only by leaning on Washington for necessary support could they gamble to end three decades of bloodshed on terms acceptable to the main parties.

The agreement leading to the signing of tomorrow's treaty illustrates one inescapable fact about the world today. Quite simply, smaller nations cannot afford to compromise their security unless their strongest ally, the United States, shows itself willing to become involved in the settlement—and what comes after.

Israel exists on the thin margin of survival. She cannot gamble without some backing in security.

Without doubt, the Carter administration learned the lesson of the positive contribution of American strength late in the game.

It looked around the world and realized the truth of what many of us had been saying for some time—that American fire-power and will-power were essential for preserving the type of world we want for our children and grandchildren.

It appreciated the relationship between events it had previously thought unrelated. It saw how an announced troop withdrawal scheme from South Korea terrified many Asian friends. It saw how our shabby treatment of Taiwan had set off a heated debate in Israel. It saw how rough handling of U.S. policies and U.S. diplomats from Afghanistan to Mexico City had set signals beaming around the world that America is a has-been power.

Most important, it saw how the Fall of Iran had upset virtually everyone in the region. Both Israel and Egypt were badly shaken. Israel had received over half its oil from Iran, who continued the flow even during the 1973 Arab oil embargo. Egypt, of course, looked to Iran as a close ally; when the Shah departed, he admittedly headed to Cairo, where he was warmly received. The Iranian revolution terrified the Saudis, who are fiercely anti-Soviet and have voiced strong concern over the confusing, contradictory policies eminating from Washington these days.

Perhaps it was the fall of Iran which finally shook the Carter administration.

Whatever the reason, at least now our leaders are learning the lesson that only American determination and strength can lead to peace and stability around the world.

THE ROAD TO A LASTING PEACE

The Middle East treaty signals the first realization of that lesson.

It is up to the President whether he will choose to utilize this opportunity to his, and the nation's, advantage. He has an opportunity to join with the new bipartisans behind a program of military strength second to none and a cohesive foreign policy that solidifies every friendship and maximizes every advantage.

We must rekindle the lost confidence in our allies. We must not hesitate to project our military power, the symbol of our national will and purpose. Our alliances for mutual security and friendship must be reaffirmed. The past decade has seen us falling away from a firm commitment to our alliance systems, as various nations have succumbed to internal economic pressure or outside political/military aggression.

We must approach the upcoming debate over a new SALT Treaty with caution, with idealism tempered by the cold knowledge of Soviet adventurism and the steady growth of the Soviet military threat. We must never forget that perceptions of strength are often as important as strength itself, and much of the world today perceives America as a nation on retreat from its international responsibilities.

In the wake of the Vietnam fiasco, many in our government are convinced that isolation from the world is required if the world is to live in peace. They believe, if it seems possible, that if only America will leave the rest of mankind alone, then peace will break out and passions will be calmed.

But the world is not that simple, and America is not an enemy to peace. If we would only wake up to the facts; we are still the world's strongest democracy, the richest economy, the most advanced technology. As we approach the turbulent Middle East, we shouldn't forget the pitfalls that open in the sands that have flowed over so much history. But neither should we forget our potential to make peace—not a jerry built or temporary armistice, but a peace that will last beyond our time, and insure the survival of Israel for all time to come.

Looking to the future, we realize that the road to stable peace and security will be a long and winding one. The primary problem will remain the future of the Palestinians and the west bank or, as prime minister Begin calls it, Judea and Samaria.

Much can be said about the issue, and compromise is inevitable if there is to be any stable resolution of this problem, or complex of problems. However, the starting point—as with so many issues over the past three decades—must acknowledge the security of Israel. The P.L.O. cannot expect to champion the rights of the Palestinians and awaken the world's conscience if it continues to call for the destruction of the state of Israel. When it is willing to live peaceably alongside the Jewish state—then and only then—can the world, and particularly the Americans and Israelis, address the important question of political boundaries and government in the territory.

It is important to realize that the entire Palestinian issue is one which arose largely because of Arab intransiegence. This is in marked contrast to the holier-than-thou stance many Arab states now adopt towards their "Palestinian brethren."

We all may ponder why didn't the Arab states accept all Palestinians into their societies in the late 1940's and early 1950's, rather than leave them in wretched refugee camps which breed discontentment and misery and spawned an entire generation of guerrillas and terrorists? Thinking of other similar situations around the world, one remembers thousands of East Germans fleeing the horrors of Marxism to freedom in the West. Not for a minute did the West Germans relegate those refugees to camps. Rather they accepted them and integrated them into their society as full citizens since they—like the Palestinians and the Arabs—spoke the same language, shared the same culture and felt a deep spiritual kinship.

Territorial disputes are not ended by tomorrow's treaty. Indeed they have just begun. In my opinion, the Golan Heights should be permanently invested with a joint UN-Israeli peace keeping mission—not just a token force but a full establishment of men, equipment and physical structures that would make any Syrian military sweep impossible. I suggest that various international organizations or their branches be headquartered in the Heights—A new city of peace as institutional block to aggression by any force—one in which all nations of the world would have a stake.

The Arab cry for autonomy for the West Bank and Gaza provokes another question: Why were those territories never granted political autonomy between 1948 and 1967, when both were in strictly Arab—not

Israeli—hands? By the same token, why did we not press President Sadat to grant Israel rights to oil produced in the very Sinai fields developed by the Israelis. Instead, we have guaranteed Israel's energy needs, a seemingly generous gesture that, in fact, holds the potential for future bitterness and further erosion of Israeli political independence.

Saudi Arabia has been one of the most moralistic of the Middle East countries on these issues. The media frequently refers to the Saudi Kingdom as a "valuable U.S. ally" in the region, and indeed, they are fiercely anti-Soviet.

Yet they seem less than fiercely supportive of our goals for a reasonable and peaceful settlement. Even though the U.S. exports to Saudi Arabia some two-thirds of its food requirements and provides for much of its security against possible outside threats, still the Saudis harshly condemn the Israel-Egyptian peace treaty. The Saudi press calls for a holy war against Israel to "regain" the beloved city of Jerusalem, and the Saudis threaten to cut off their flow of our petrodollars to Egypt. One's patience wears a bit thin.

But our unrequited love for the Saudis demonstrates one of the basic Middle East realities—namely that when all is said and done, Israel will remain our main friend and ally in that volatile region.

The point is often made that Israel needs the United States. Equally true is the fact that America needs Israel.

The Jewish state is, after all, the only true democracy in the region and the only stable regime. Every other state in the region may be changed in political structure. A well aimed bullet could plunge the region into devastating war. It could fundamentally change a nation's internal structure and internal policies. Nassar and Sadat illustrate the importance of fate in the world's affairs. Israel, on the other hand, remains a rock of stability and permanence wherein a change of government does not mean a change in systems of government of basic international policies.

Israel remains a military power, a strategic asset in an area where America—without the friendship of Iran—needs all the strategic assets it can muster, and an intelligence conduit on regional and larger affairs.

THE MORAL OBLIGATION

Israel is our friend. She is our ally. More than that, she remains what she has always been—a towering example of moral leadership in a world that usually prefers rule of the aggressive.

Israel lives in the name of human dignity. She carries in the heart of her constitutional and political state a message that is profoundly moral. It is not unjust to say that Americans look up to Israel, for the living proof she provides that God still ordains men's affairs, and that mankind still heeds His call.

In the words of Pope Paul VI, "Peace is something that is built up day after day, in the pursuit of an order intended by God, which implies a more perfect form of justice among men."

It is that peace that Israel seeks for her people. It is that peace that America must guarantee. To do less would be a betrayal of our past, and of our claim to speak the language of justice and decency. Peace must come to the middle east. But it must not be the peace of the dead.●

SICK HOSPITALS

● Mr. TOWER. Mr. President, now that President Carter has managed to afix an American imprint on a peace treaty in the Middle East, and thereby reduce the tensions in that volatile area of the world to some degree, it is time he turn his attention to the area of most concern to Americans. Inflation is, of course, one area the administration has yet to be able to explain much less reduce. It can claim no victories for reducing inflation's devastating impact on this country's livelihood.

Mr. President, we have in this country an annualized inflation rate in excess of 15 percent. I believe it is time to ask what the administration proposes to do about this miserable statistic. Energy prices are advancing ever higher as Arab countries merely laugh at American responses to a worsening dependence on foreign supplies. Our energy policy is a laughingstock. We subsidize foreign countries while domestic exploration and production sits idle—hamstrung by policies and regulation inhibiting our own ability to meet the energy challenge.

Wage and price guidelines established to short circuit rising costs have been meaningless, and the administration has been uncharacteristically timid with an explanation of why with such price increases, it will even consider allowing the Teamsters Union to negotiate a wage settlement reported to be in excess of 30 percent over the next 3 years.

All the while, Mr. President, Government continues programs and policies exacerbating the very inflation the administration says it is committed to curbing. Our national productivity rate is the worst among the industrialized nations, and no comprehensive policies exist to reverse this lagging productivity, productivity which has been the source of American technological excellence in the past, and the only hope for an increased standard of living in the future.

One might ask, Mr. President, is anyone minding the store in Washington? It is certainly cause for wonder.

A penetrating article on one facet of Government's inability to match the right solutions with economic problems can be found in the Wall Street Journal editorial of April 3. It is an excellent treatise on the state of the health industry in this country. It asks the same question many of us in the Senate have been asking, and many more Americans have been asking in recent weeks. Does the administration have a basic grasp of the causes of inflation in this country? So far, the administration's response to higher prices would indicate that it does not.

Mr. President, I ask that the following editorial be printed in the RECORD and I commend the thoughts herein to my colleagues.

The editorial follows:

SICK HOSPITALS

As the 1980 elections approach, it would be hard to find a better reflection of broader American political tensions than the issue of rising hospital costs.

Their sharp increases have fueled the demand for national health insurance, which in turn has been at the center of the private sector-public sector struggle throughout the postwar era. But just when the U.S. is asking itself how much further it wants government health insurance to go, Britain is asking itself if it has gone too far, having damaged both health care quality and fiscal stability.

Jimmy Carter, faced with Teddy Kennedy's challenge, is trying to finesse the issue. He proposes a 9.7%-a-year "cap" on hospital cost increases. He says capping payments will somehow raise more money to help pay for a $10 billion to $15 billion expansion of government insurance coverage in 1983.

All of which, it seems to us, raises some core issues about the American economy and polity.

The United States is already well advanced towards a system of "free" hospital care, meaning that over 90% of costs have been socialized through public and private insurance schemes. Without doubt, this has lowered cost restraints. Costs also have been pushed up by general inflation, the predations of malpractice lawyers and federal Hill–Burton Act policies that have encouraged overexpansion.

But the thing that is least understood, and yet has the most bearing on the present political debate, is the fact that government "cost containment" efforts themselves have contributed to rising costs. They have damaged the financial structure of hospitals and saddled the public with wasteful bureaucracy. For Mr. Carter to say that he will buy more health care with further "cost containment" is a little like proposing to make cheese go further by giving more to the mice.

The most perverse form of containment has been the limitations applied since 1975, under the 1972 Social Security amendments, to Medicare and Medicaid reimbursements to hospitals. As administered by HEW, these limits hold reimbursements at, and sometimes below, the direct costs of services. If the hospital is to generate any surpluses, they have to come from somewhere else. Since Blue Cross reimbursements are also limited, that means that hospitals must try to get what surpluses they can from charges to commercial insurers and private patients, which has sharply raised charges to such payers.

The annual analysis of hospital costs made by accountants Touche Ross & Co. shows hospitals making ever larger allowances for reimbursement shortfalls. And as their charges to private patients rise, they are incurring higher bad debt losses. The combination of allowances and had debts rose to 18.6% of total patient revenues in the 1977 Touche Ross survey, up from 17.9% in 1976.

Well-endowed hospitals, such as New York's Columbia Presbyterian, have dipped into endowment funds to meet shortfalls, but this is hardly an attractive solution. It erodes funds intended to support advances of medical technology.

Other hospitals have worse troubles. Richard J. Oszustowicz, a health care administration professor at the University of Minnesota, says many are resorting to borrowing to meet working capital needs (a syndrome reminiscent of the one that put New York City in the soup). The Touche Ross survey shows that interest costs climbed fastest, at 18%, of any single hospital cost in 1977.

The Touche Ross analyst, Robert F. Rosenstiel of Los Angeles, finds the outlook bleak on the basis of his look at the 135 representative hospitals covered by the 1977 survey. "With the present rate of inflation," he writes, "income from operations can hardly be expected to provide sufficient funds either for the replacement of equipment and facilities or for expansion. In fact, even routine maintenance has been deferred in significant amounts."

HEW's answer to all this would be that the whole purpose of the controls is to force hospitals to reduce "waste." But a careful look at hospital cost sheets reveals that the primary source of waste is not maladministration or technological "frills" or "over utilization" of hospitals by patients and physicians.

It is a massive overlay of federal, state and local regulation that makes hospitals one of the nation's most regulation-burdened industries.

In New York State, with a particularly manic set of state regulators, a recently released survey, based on 1976 results, found hospitals ruled by no fewer than 164 regulatory agencies, including 40 at the federal level. The costs inflicted by these agencies amounted to 25% of total hospital budgets, or a statewide average of $38.86 per patient day. The Hospital Association of New York State, which did the survey, says the costs have risen further since 1976. New York State now has price controls similar to those of Connecticut, Maryland and a few other states, for example. HEW, according to the American Hospital Association, promulgates from 650 to 750 new or revised regulations affecting hospitals each year.

Some hospital regulation is of the type that afflicts all industry, OSHA rules and minimum wage legislation, for example. But ever since the big surge of Medicare and Medicaid demand pushed hospital charges up in the late 1960s, hospitals have been subjected to a whole series of "cost containment" laws, all of which have generated substantial costs to hospitals and taxpayers with, at best, dubious results. Federal and state governments have applied these measures to try to hold down soaring Medicare and Medicaid costs.

There has been "certificate of need" regulation, along public utility lines, to try to make hospitals prove they need a new piece of equipment before acquiring it. Health Planning Agencies try to analyze the need for hospitals themselves, often creating rather than reducing planning confusion. Perhaps the biggest failure has been Professional Standards Review Organizations, set up under a seven-year-old federal law. The PSROs, expensively staffed with doctors and served with hospital paperwork, are supposed to second-guess decisions by other doctors on matters that affect hospital costs, such as whether to operate on a heart patient. Even HEW has admitted that the PSROs have failed to save money, but they're still around.

The reasons why regulatory failures are not scrapped are instructive. The political thrust for such efforts derives from a knowledge by their advocates that health care cannot be fully nationalized in this country until some way is discovered to control health care costs. The experience with direct government operation of VA and public health hospitals has shown that to be the route to gross inefficiency. And it is difficult to destroy the decisionmaking powers of doctors short of conscripting them.

But despite such failures, it still is argued by Senator Kennedy and HEW bureaucrats that government control of health care must be extended. They insist that when the government finally obtains full control of hospitalization insurance, it will finally be able to hold down costs. They are not deterred by the failure of national health systems elsewhere to control costs and maintain quality. In Britain, private health care is returning to vogue for this reason.

Mr. Carter is trying to deal with these conflicts and pressures with his proposed "cap." But as the above analysis suggests, it is unlikely that the cap can generate anything but added regulatory costs. Moreover, it will be patently unfair, penalizing the nation's best hospitals—the ones that have been the most efficiently managed, that provide teaching services and that offer the most advanced technological services. Working capital problems will be further aggravated, bringing about financial collapse for some hospitals. Medical advancement will slow. Patients will not get more for less, as the administration implies. They will get less for more.

We can think of few areas where the effect of federal intervention has been more counter-productive. And yet the surest way for its advocates to succeed is through destruction of the present system, which is well underway. The hospital cost issue is a reflection of a larger problem that we have not yet begun to solve.●

ABSENCE DUE TO OFFICIAL BUSINESS ON MARCH 27, 1979

● Mr. PERCY. Mr. President, I was unable to be present for the session of the Senate on March 27 due to a meeting of the President's Commission on the Coal Industry, of which I am a member. I ask that the permanent RECORD for that day show that my absence during the several votes I was forced to miss was due to official business.

The PRESIDING OFFICER. Without objection, it is so ordered.●

SOVIET INTERVENTION IN AFGHANISTAN

● Mr. PELL. Mr. President, I have read with dismay the allegations made in the Soviet press concerning foreign involvement in Afghanistan. The Soviets are not only claiming that Afghanistan's neighbors, Iran and Pakistan, are stimulating that insurgency but have now gone so far as to claim that the United States is behind these activities.

Let us look at the record of who is intervening in Afghanistan. I know of no evidence to support claims that Pakistan or Iran is instigating or supporting the insurgency, and I have been authoritatively assured that the United States is not involved.

What we also know, however, is that from the very beginning of the Marxist regime in Kabul last April, the number of Soviet advisers in Afghanistan has grown steadily—not only the military advisers who have traditionally worked within Afghanistan, but Soviets have appeared in many ministries in Kabul, especially those concerned with security. We remember that there were Soviet advisers with the Afghan police on that tragic day when Ambassador Dubs was killed. The Marxist leaders of Afghanistan have made no secret of their close ties to Moscow. Indeed, it is the very closeness of these ties that has served to discredit the Kabul regime in the eyes of so many of its people.

Since the outbreak of fighting, Soviet involvement has grown rapidly. Soviet soldiers are not only training Afghan troops, they are operating together with them in the bloody campaigns to suppress the insurgency. In addition, there has been an increase in Soviet military supply to Afghanistan. On March 28, the Washington Post carried credible reports of huge Soviet cargo planes flying into Kabul and off loading tanks and armored personnel carriers. The urgency of this operation signals growing Soviet concern; the nature of that equipment suggests more direct involvement and an effort at domestic repression.

We know from the record in Hungary and Czechoslovakia that the Soviets fabricate stories of foreign intervention to cover up their own actions. The Soviets claim that they have the right to intervene in so-called socialist countries to insure that these governments remain in power—no matter what the will of the people may be.

The assertion of a right to intervene in a neighboring country can on longer be regarded as acceptable international behavior. The extension of direct or indirect Soviet military power into the heart of South Asia can only bring instability to a region that is struggling hard to overcome old patterns of hostility, and invite the counterintervention of other outside forces.

It is clear that the Afghan people fear the policies of their government. Not least of all, they fear the imposition of atheism from an avowedly Marxist regime supported by the power of the Soviet Union—which has ruthlessly oppressed Islam and all religions. The Afghans do not want to become central Asian republics of the Soviet Union nor should they have to. The Soviet Union must allow the people and government of Afghanistan to work out their own problems and find a solution that meets the needs of the country.

We seek no advantage from this process nor should the Soviets. The President called last week upon outside powers not to intervene in the affairs of Afghanistan. I strongly support that call and am sure that all the Members of this body join me. Beyond that, I call upon the Soviet Union to step back from its campaign of misrepresentation against the United States and other nations.●

DOMESTIC OIL DECONTROL

Mr. BELLMON. Mr. President, it is often true that, if a problem is stated simply, a solution to the problem is obvious. Let me state, simply, the energy problem. "There is insufficient domestic supply to meet demand."

Now, that is not "one" of our energy problems; that is "the" energy problem. It is simply stated, and there are two obvious solutions. One is to reduce demand. The other is to increase domestic supply.

You may wonder why we have not solved the energy problem long ago, since the problem is so easy to state and two solutions are so obvious. We have not solved it because no one has had the political courage to impose either solution.

REDUCE DEMAND

One obvious solution is to reduce demand. If we allow (or force) the price for energy to go up, some consumers—those who are sensitive to the price of energy—will use less.

That solution—conservation—was the basis of the original energy plan the Carter administration sent Congress for enactment. We did not enact it because it had a fatal flaw. President Carter proposed to drastically raise the price of energy to everyone by taxes, but then, he proposed to refund it to those who were hurt by the higher prices. Taking money from those who are not hurt by higher prices and giving it to those who are may be socially desirable. But it will not result in reduced demand. In fact, it will result in increased demand.

Congress would not go along with the President's original plan to reduce demand because we realized that the system of rebates made it self-defeating. On the other hand, removing the flaw—the rebates—would result in millions of Americans on low or fixed incomes being hurt by the higher prices. So the first obvious solution, reducing demand, turned out to be unacceptable.

INCREASE SUPPLY

The other obvious solution is to increase domestic supply. If we allow (or force) the price for energy to go up, some producers—those who are sensitive to the price of energy—will produce more.

We are told that President Carter intends to propose a new solution to the energy problem. This time he will try to encourage increased domestic supply. It is essential that this plan not contain the same kind of self-defeating flaw his earlier plan had. We must remember what it is we are trying to do and we must make sure that we do not—by trying to solve some social problem—cancel out the desired effect.

It will do no good to decontrol the price refiners are allowed to pay for domestically produced crude oil unless that increased revenue goes to the producers of domestic energy.

There are some who worry about what oil producers will do with the increased revenue they would get from increased prices. There are others—and the number of us is increasing—who worry about what the country will do unless we get increased domestic energy production. In the past, when the energy industries were encouraged to do so, they plowed back their revenue into increased production. If we encourage them to put the increased revenue from domestic crude oil production back into energy exploration and production, they will. There are some who worry about oil producers investing in alternative energy resources. But there are others—and the number of us is increasing—who worry about the commercial viability of an energy resource that private energy companies show no interest in. If a company accustomed to making billion dollar investments in such enterprises as drilling for oil on the north slope or in the north sea, is not willing to take the risk of building a high-Btu coal gasification plant, then that tells me something. Nothing Secretary Schlesinger can say about the commercial viability of that plant is likely to impress me as much.

It is important that, as the Congress begins working with the administration to enact President Carter's supply-oriented energy plan, we remember what it is we are trying to do. We are trying to solve the energy problem. The problem is that there is insufficient domestic supply to meet demand.

The first solution—reducing demand—hurt too many consumers, and producers were not helped at all. The second solution—increasing domestic supply—will help producers, but consumers will still be hurt. It is important that we not defeat the purpose of increasing domestic supply by whatever we do to help those consumers who are hurt. Domestic production will not be increased if the increased price is taken from the domestic producer and given to the injured consumer.

But, as I stated in an earlier speech here on the floor, more than half of the increase in price on domestic crude oil comes back to the Government, in the form of taxes. Immediate decontrol would mean about $5 billion more in taxes per year, even if domestic production did not increase. If the expected production increase were realized, that would mean another $1.5 billion a year in taxes (as well as $3 billion a year less we would have to hand over to OPEC).

If domestic oil producers are encouraged to plow their increased revenue from decontrol back into domestic oil and gas exploration and production, or into other energy resources the administration may wish to encourage, then (based upon past history) that is what they will do. We can assure American consumers that they are not being taken advantage of. We will see that they are not.

And if we take the additional tax revenues at all levels of government and use that revenue to mediate the effect that decontrol of domestic crude oil will have on some consumers, then our goal of increased domestic production can be met even while social problems of a secondary nature are being solved.

I believe that, as we implement the President's new supply-oriented energy plan, all of us have got to keep our eye on the ball. Before we pass a law that is supposed to help solve the energy problem—and before DOE issues a regulation to implement that legislation—we ought to ask ourselves: "Will this law—or regulation—result in increased domestic energy supply?"

If the answer is "no," then that law—or regulation—does not help solve the energy problem. It may be desirable for some other reason and maybe we ought to enact it. But we must not delude ourselves into thinking that by doing so we are helping to solve the energy problem.

The point is, that if the President's supply-oriented energy plan has a self-defeating element (as the original demand-oriented plan did) then it is up to Congress to eliminate it. If no such flaw is found in the proposed plan, then it is the responsibility of Congress to see that none gets introduced, either by Congress or bureaucracy.

I am confident that, if the President proposes a comprehensive plan to increase domestic energy supply, then Congress will work with him to insure that increased revenues to producers will not be misused, and that consumers who would otherwise be hurt by higher energy prices can be protected. That is the remarkable thing about this second of the obvious solutions to the energy problem. Not only do we solve the energy problem, but we can at the same time help solve social, economic, and national security problems, as well.

RECESS

Mr. ROBERT C. BYRD. Mr. President, the Senate is ready to go out but is awaiting the arrival of the Senator from Wisconsin to make a statement.

I ask unanimous consent, therefore, that the Senate stand in recess until the Senator can get to the floor to make a statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Thereupon, at 3:32 p.m., the Senate took a recess until 3:37 p.m.

Mr. ROBERT C. BYRD. The distinguished Senator has arrived, and the Senate will be on its way.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER (Mr. ZORINSKY). The Senate will come to order. The Senator from Wisconsin.

A FAIR SHAKE FOR SAVERS

Mr. PROXMIRE. Mr. President, as Senators may recall, there was a flurry a couple of months ago about a complaint about the fact that small savers by law—by law, mind you—are only allowed to receive 5 percent interest on their deposits in banks. That is what the law provides.

If you put your money in a passbook in a bank that is all you can get, 5 percent. If it is in a longer term account the law lets it go up a little bit, but it keeps it down pretty low. If there ever was an interference with the free market that is it.

I put in a bill, S. 59, early in the year to modify that, to permit the interest rate to go up gradually at one quarter of a percent every 6 months so it will not have a disruptive effect.

You would have thought I had murdered my mother from the reaction I got from the industry. The savings and loan people descended upon Washington. They called their Senators and said, "This is going to ruin us, this is going to ruin the housing industry." There is no way they would pay more than 5 percent.

They have to find a way. The reason they say they have to hold it down is that if they pay a higher rate of interest then gradually interest rates will go up on mortgages.

That may be the case. I hope it is not the case. Whether it is the case or not, however, Mr. President, it seems to me you either believe in the free market or you do not. We should not pass a law saying that by law you cannot pay a market rate, that you cannot compete by paying interest to small savers and, on the other hand, say that bankers are free to get into the free market and charge any interest rate they wish to for borrowers.

Mr. President, I wish to call to the attention of the Senate an editorial appearing in the New York Times on April 3, 1979 entitled "A Fair Shake for Savers."

The financial institution regulatory agencies now administer a comprehensive set of rate controls which dictate the rate of interest financial institutions can pay depositors.

The interest rate controls are unfair to the small saver and do not fundamentally cure the problems caused to the home mortgage market during periods of tight money and high interest rates.

I introduced Senate Resolution 59 to stop the discrimination against the small saver. I also intend to introduce legislation to phase out these interest rate controls over a 10-year period.

The New York Times editorial makes the points for financial institution reform and the removal of interest rate ceilings. And, while we all may not agree on the precise cure at this early stage, financial institutions reform is one area that needs to be addressed in the Congress.

I ask unanimous consent that the New York Times editorial be printed in the Record following my remarks.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

A Fair Shake for Savers

If you deposit $100 at the corner savings bank, the interest is 5¼ percent a year. If you bring in $10,000 and leave it for six months, you get about 9½ percent. But if you have $100,000 and buy a certificate of deposit from a bank, the rate could exceed 10½ percent.

Unfair? The Federal Government, which regulates the rates paid by banks and savings and loans, thinks so. So why, in now changing the system, is the Government merely proclaiming a new set of inequalities? Why promise very small accounts only some break, as yet unspecified, and why reduce the interest of those $10,000 six-month certificates? The answer, in part, is that the regulators aim to stanch the flow of mortgage money to an overheated housing industry. More important, they are coping with their conflicting obligations to the saving public and to the savings institutions.

This Federal *ad hoc-ery* pleases no one very much, but it does demonstrate the need for basic regulatory reform so that five or ten years from now the choices will be easier.

At the heart of the matter is the specialization required of savings institutions. Commercial banks get most of their deposits from checking accounts and use the money to make a wide variety of loans. Savings and loan companies and savings banks must confine most of their lending to home mortgages; as compensation for this restriction, they have been given a competitive edge in attracting savings: the right to offer one-quarter percent more interest than commercial banks.

The trouble begins when the Federal Reserve, trying to restrain the economy, uses its authority to push up interest rates on new loans. The income of the savings institutions—the interest they collect on mortgages—changes little because mortgages carry fixed interest charges from past years. But their expenses—the interest they must pay to lure depositors—tend to rise with market rates.

Thus the regulators are trapped between their obligations to savers and their obligations to the savings institutions. If the interest paid to depositors were allowed to rise, as fairness dictates, the savings banks and savings and loans could end up paying 9 to 10 percent to many depositors while the mortgages they wrote years ago keep returning only 6 or 7 percent. If, on the other hand, they were to maintain low ceilings on interest, the savings institutions would remain healthy at the expense of many depositors.

So the regulators have been seeking compromises that raise the return for some savers while keeping the interest paid by savings institutions within affordable bounds. That, in part, explains the recent decision to offer better rates to small savers and less attractive rates to those in the $10,000 category. Yet, it offers no long-term solution to the problem.

The only wholly fair way out would be to reduce the losses incurred by savings institutions when interest rates rise too fast. Two such approaches would eventually allow the Government to abandon all regulation of interest on savings deposits.

Savings banks and savings and loans could be permitted to make loans of short duration—personal loans, auto loans—so that their income would rise enough to pay the rates required to attract deposits.

Savings institutions could be allowed greater freedom to peg mortgage rates to future market rates. Such "variable rate" mortgages would transfer part of the risk of changing interest rates to homeowners, whose monthly payments might go up (or down by $10 to $20 as rates fluctuate in the market.

Either way, the savings institutions could avoid, without the aid of the Government, the squeeze on their income that comes with tight monetary policy. Equally important, depositors who keep their spare funds in regular savings accounts—largely lower- and middle-income families—would not be denied a fair return. There is ample reason for not abandoning Federal controls on savings interest overnight. But there is no excuse for continuing to rely on regulation when the alternatives would work better.

GENOCIDE AND ITS HORRORS: THE THREAT CONTINUES

Mr. PROXMIRE. Mr. President, the spring of 1945, almost 34 years ago, marked the official end of World War II in Western Europe. Yet the devastating effects of this tragic incident and the events comprising it, particularly the horrors of genocide, may never be erased.

Under certain conditions, Mr. President, the potential threats exist even today. If genocide happened in a civilized nation like Germany, could it not happen anywhere? Yes, Mr. President, this treachery has continued, repeatedly, throughout the world. Consider for a moment the Biafran Civil War, Uganda and the Cambodian situation, where the brutal carnage of human life may very well constitute the crime of genocide.

Genocide, Mr. President, is not respectful of ideology; it is adaptable to any political extreme. In Germany itself, the fountainhead of this inconceivable atrocity, a traditional band of neo-Nazis, the MPD Party, remains in existence. Coupled with the emergence of "New Left" organizations in Germany, it poses an ominous, ever-present threat to the coalition government.

No panacea exists to eliminate all crimes from extremist ideologies Mr. President. But a small step can be made through the treaty now before this Senate. Ratification of the Genocide Convention would outlaw the atrocities of genocide on an international basis. Yet for 30 years this Senate has refused to accept its responsibility in supporting a treaty which would guarantee the basic rights to life for all mankind. The time has come for us to confront this issue squarely and act upon it in the interest of humanity. Again today, Mr. President, I implore, let us ratify the Genocide Convention.

Mr. President, I thank the distinguished majority leader, and I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Wisconsin.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR RECOGNITION OF CERTAIN SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two orders which already have been entered for the recognition of Senators on tomorrow, the following Senators be recognized, each for not to exceed the time stated, but not necessarily in the order stated. Let Senators go pot luck, if they wish.

Mr. Hatfield, 15 minutes; Mr. Jackson, 10 minutes; Mr. Baker, 15 minutes; Mr. Domenici, 5 minutes; Mr. Bumpers, 10 minutes; Mr. Wallop, 5 minutes; Mr. Stevens, 15 minutes; Mr. Schmitt, 15 minutes; Mr. Metzenbaum, 10 minutes; Mr. Percy, 15 minutes; Mr. Gravel, 15 minutes; Mr. Weicker, 5 minutes; Mr. Tower, 10 minutes; Mr. Javits, 15 minutes.

All these are to precede routine morning business.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the name of the Senator from Massachusetts (Mr. Kennedy) be added to the list of orders for the recognition of Senators on tomorrow, and that he be allotted not to exceed 15 minutes.

The PRESIDING OFFICER (Mr. Zorinsky). Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the first 3 hours on tomorrow will be taken up by Senators for whom orders have been entered for their recognition. I do not know the nature of the subject yet, but there will be several Senators participating in that discussion. Upon the conclusion of those orders, there will be a period for the transaction of routine morning business of not to exceed 30 minutes with Senators permitted to speak therein for 5 minutes each, at the conclusion of which the Senate will proceed to consider the Department of Education bill, which is S. 210, Calendar Order No. 54. Senators may get opening statements out of the way tomorrow. If they want to offer amendments, of course, they are certainly entitled to that right. It may be that other matters can be cleared and brought up and disposed of on tomorrow. Rollcall votes may occur.

On Thursday we will have a good attendance. I have an indication that all 59 of my flock will be here. So I hope we can get some business transacted tomorrow.

I thank all Senators for their cooperation today in clearing the way to proceed to consider the Department of Education bill.

I thank the minority and thank the Republican leader, the acting Republican leader (Mr. SCHMITT), and others.

RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9 o'clock tomorrow morning.

The motion was agreed to; and at 3:42 p.m. the Senate took a recess until tomorrow, Thursday, April 5, 1979, at 9 a.m.

NOMINATIONS

Executive nomination received by the Senate April 3, 1979, under authority of the order of the Senate of April 2, 1979:

COMMODITY FUTURES TRADING COMMISSION

Read P. Dunn, Jr., of Maryland, to be a Commissioner of the Commodity Futures Trading Commission for the remainder of the term expiring April 13, 1980, vice William T. Bagley, resigned.

Executive nominations received by the Senate April 4, 1979:

THE JUDICIARY

Dolores Korman Sloviter, of Pennsylvania, to be U.S. circuit judge for the third circuit, vice a new position created by Public Law 95–486, approved October 20, 1978.

COUNCIL OF ECONOMIC ADVISERS

George C. Eads, of California, to be a member of the Council of Economic Advisers, vice William D. Nordhaus, resigned.

HOUSE OF REPRESENTATIVES—*Wednesday, April 4, 1979*

The House met at 3 p.m.

The Chaplain, Rev. James David Ford, B.D., offered the following prayer:

Almighty God, source of wisdom and power, we give thanks for Your bountiful gifts to us—the gifts of life and hope, of compassion and understanding, of forgiveness and reconciliations.

We give thanks for the high and holy traditions of generations past, for those eternal values that have given us purpose and direction in spite of confusion and doubt. We are conscious that Your creative handiwork is the basis of all we hold dear, that our Nation from the beginning has professed that we are a people under Your divine guidance and in Your word we could trust. May we continue that awareness as we seek to serve You and the Nation in our time and day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

DEFENSE CIVIL PREPAREDNESS STUDY

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, the defense civil preparedness study, resulting from the Skelton amendment to the Defense Authorization Act for fiscal year 1979, has just been presented to Congress. The study researches the special civil defense needs of areas of the United States, which are the high-risk areas, that contain the U.S. strategic nuclear retaliatory forces or significant defense related research laboratories or facilities. Missouri Senator THOMAS EAGLETON had a significant role with this measure on the Senate side.

I would like to point out to my colleagues that the study concludes that the current civil defense programs in the high-risk areas would be "relatively ineffective under any type of nuclear war, and for any amount of warning."

I would encourage every Member of Congress to read this study in order to learn of the problems with civil defense in the high-risk or counterforce areas, such as western Missouri and 37 other regions of the Nation; also, to learn of possible solutions to the problems.

Providing for the common defense, which is our duty to perform, begins at home—hence the need for adequate civil defense.

MEXICO HONORS E "KIKA" DE LA GARZA OF TEXAS

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. ZABLOCKI. Mr. Speaker, as chairman of the Committee on Foreign Affairs, I feel it is my duty, as well as my privilege, to inform our membership of a singular foreign honor which was recently bestowed upon one of our distinguished colleagues, the gentleman from Texas (Mr. DE LA GARZA).

Last week, at a ceremony in Mexico City, the gentleman from Texas was presented the Order of the Aztec Eagle by the Honorable Santiago Roel, Minister of Foreign Relations of Mexico, who acted under specific instructions issued by the President of Mexico, His Excellency José Lopez Portillo.

The Order of the Aztec Eagle was established in December 1943 by then-President Manuel Avila Camacho as an award to foreign heads of state, foreign diplomats, and other foreigners who have rendered distinguished service to the Republic of Mexico.

I would like to point out that the gentleman (Mr. DE LA GARZA) is the first and only Member of the House of Representatives to have received this award, and I know that all Members of this body share a sense of pride and admiration over that achievement. Other award winners include such notables as: Dwight D. Eisenhower, Franklin Roosevelt, Nelson Rockefeller, former U.S. Ambassador Robert C. Hill, and Mike Mansfield. So the gentleman is in very good company, indeed.

Upon being notified of this honor, the gentleman observed:

> This decoration represents the character of our border country, the generations of cooperation, good-will and understanding that have existed among the people on both sides of the Rio Grande.

Since a characteristic sense of modesty prevents him from elaborating further, I would merely like to add that no one has contributed more, both as a legislator and a native son of the border region, toward the creation of such understanding and good will than has the gentleman from Texas; it is recognition long overdue on both sides of the Rio Grande.

Finally, let me say that I have only one regret—that the gentleman no longer serves as a member of the Committee on Foreign Affairs, where he clearly belongs. He left the committee, I might add, against the best judgment of its chairman and for technical reasons beyond the chairman's control.

Fortunately, we will still have the benefit of his wisdom, his experience, and above all—his leadership as chairman of the House delegation to the 19th Mexico-United States Interparliamentary Conference, which is scheduled to take place in Mexico this year during the Memorial Day recess.

To the gentlemen fom Texas, the Honorable KIKA DE LA GARZA, I offer at this time, on behalf of all of his colleagues, our congratulations, our respect, and our appreciation for bringing honor to the Congress of the United States.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I am happy to yield to the gentleman from Texas.

Mr. KAZEN. Mr. Speaker, I want to join the distinguished chairman of the Committee on Foreign Affairs in paying tribute to our colleague, the gentleman from Texas, the Honorable KIKA DE LA GARZA, on the occasion of his being awarded the Order of the Aztec Eagle, the highest award that Mexico can bestow on any person outside of Mexico, and as the chairman has so well stated, he is the only Member in the history of this House to have received it. It is a great tribute to this man who has done so much to increase the good will and understanding between our two countries and I certainly wish to commend him and congratulate him and I know that he has the good wishes of the entire membership of this House.

Mr. ZABLOCKI. Mr. Speaker, I thank the gentleman for his contribution.

□ 1505

TELEVISING OF PROCEEDINGS OF HOUSE OF REPRESENTATIVES

(Mr. FISHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FISHER. Mr. Speaker, yesterday the House Gallery was expanded to hold millions of persons throughout the United States—from Maine to Hawaii.

I am particularly proud that Arlington Telecommunications Corp. (or ARTEC), located in my congressional district, has helped make possible this new chain of communications between the public and its representatives.

ARTEC in Arlington, Va., receives the TV microwave signal from Capitol Hill, relays it to a nearby transmitter which bounces it off a fixed satellite over the equator off the coast of Peru. From there the signal is returned to some 370 cable TV stations all over the United States.

I visited ARTEC yesterday to see a tape of the telecast of House proceedings sent live to millions of potential viewers. The transmission was first class.

Let us hope that this greater accessibility to the policy and decisionmaking process of Government will serve to encourage more of our citizens to participate in that process—and thereby to improve it.

COST OF AIRBORNE ALTERNATIVE TO LAND-BASED MX MOBILE MISSILE PLAN

(Mr. CAVANAUGH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. CAVANAUGH. Mr. Speaker, I am seriously troubled by a report carried in the New York Times of April 3, 1979, which indicates the Pentagon has recently completed a study regarding the cost of an airborne alternative to a land-based MX mobile missile plan. The news account of the Pentagon study indicates that the study estimates that 10 to 15 new operational airbases would have to be constructed at a cost of $30 billion in order to provide an effective alternative to the "shell game" multiple empty silo option for ground-based placement of the MX.

The Air Force currently maintains 19 underutilized air land bases in the Midwestern States of Ohio, Michigan, Indiana, Illinois, Missouri, Oklahoma, Kansas, Nebraska, South Dakota, North Dakota, Montana, and Wyoming.

The news account did not indicate if the study conducted by Under Secretary William Perry evaluated the full utilization of these existing facilities in the development of an airborne launch option for the MX missile. It is inconceivable that these facilities could not handle the bulk of the air launch burden of 250 advanced transport missile launch aircraft and would need to be supplemented by an additional 10–15 newly constructed airfields at a cost of $30 billion.

This proposal casts serious doubt on the validity of the Perry study and raises the question of whether the study was conducted in an objective fashion designed to present real alternatives for the development of a cost effective MX deployment mode or simply as an internal Pentagon method to scuttle all alternatives to the "shell game" multiple silo deployment system.

□ 1510

PERMISSION FOR COMMITTEE ON ARMED SERVICES TO HAVE UNTIL MIDNIGHT FRIDAY, APRIL 6, 1979, TO FILE REPORT ON H.R. 2575, MILITARY PROCUREMENT AUTHORIZATIONS, 1979

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may have until midnight Friday, April 6, 1979, to file a report on the bill (H.R. 2575) to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, and Navy vessels, and for research, development, test and evaluation for the Armed Forces, and for other purposes.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from Illinois?

There was no objection.

REPUBLICANS WIN HOUSE SEATS IN SPECIAL ELECTIONS IN CALIFORNIA AND WISCONSIN

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, it is with great delight, and maybe a little bit of pride, that I rise to announce to my colleagues the results of yesterday's special elections in California and Wisconsin. Both were won by Republican candidates.

The elections of Bill Royer in the 11th District of California, and of Tom Petri in the 6th District of Wisconsin, are great personal victories for two top-flight candidates. They both demonstrated that a highly qualified candidate who puts together a strong campaign that addresses the concerns of the voter is going to win.

With yesterday's results, we Republicans have now won six of seven contested special House elections since the Carter administration took office. I see this as further evidence that, when we are able to gain the attention of the American people, it is the Republican message they want to hear.

I would like to extend my heartiest congratulations to Congressmen-elect Bill Royer and Tom Petri and NRCC. I look forward to welcoming them to the House, and to working with them.

ITALIAN CULTURE WEEK IN NEW YORK CITY

(Mr. ZEFERETTI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZEFERETTI. Mr. Speaker, I want to just briefly mention the fact that the city of New York is currently observing Italian Culture Week. This observance draws special attention to the rich heritage enjoyed by the millions of Italian Americans living in the New York metropolitan area, and the occasion is a source of great pride to us all.

In April of 1978, Italy was the victim of a series of terrorist attacks and social unrest. Now, just 1 year later, the nation has come to grips with their problems and, through the faith and perseverence of the Italian people, I am confident they will succeed and return on the road to social and economic well-being.

Italian culture has made invaluable contributions toward the enrichment of American art, science, education, and numerous other fields of endeavor too numerous to mention. Having helped to settle and expand the United States, I want to remind my colleagues—and all Americans—of the valuable contributions made by those of Italian descent. I am certain that the further contributions of Italian Americans will continue to play a constructive role in the progress made by the United States in the decades to come.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C., *April 4, 1979.*

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:45 a.m. on Wednesday April 4, 1979, and said to contain a message from the President wherein he transmits the 8th special message for fiscal year 1979 under the Impoundment Control Act of 1974.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

TWO NEW DEFERRALS OF BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–88)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report two new deferrals of budget authority totalling $109.8 million. The deferrals involve aircraft research and development activities of the Department of Defense and the Interior Department's exploration program at the National Petroleum Reserve in Alaska.

The details of the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *April 4, 1979.*

FIFTEENTH ANNIVERSARY OF THE DEATH OF GEN. DOUGLAS MACARTHUR

(Mr. DORNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN. Mr. Speaker and my colleagues, of all the heroes that providence has raised up among our people, few have equaled the stature of General of the Armies Douglas A. MacArthur. Today marks the 15th anniversary of the passing of that extraordinary American hero. I would hope that my colleagues would note in the RECORD of yesterday's session, on page 7101, a tribute to the general. I believe there has never ever been a moment in this very Chamber where more tears have run down more cheeks of Congressmen, a few still with us to confirm that fact, than when Gen. Douglas MacArthur addressed this House in April 1951 to say farewell to a magnificent career of public service.

I think, with all due respect to General Grant, who fought so well for Lincoln to hold our Union together, or to the very elegant Gen. Robert E. Lee, or with all due respect to our countless naval and marine heroes, from John Paul Jones to Admirals Nimitz and King and to our great airmen from Mitchell to Arnold, and with respect to the legions of Americans who hold in such high regard our greatest field commander, General Patton, I nevertheless do not think any of these magnificent heroes stands as tall in history as our greatest military figure Gen. Douglas MacArthur. Only Gen. George Washington, the Father of our country excelled MacArthur's military achievements. And in a much more difficult area of historical recognition—building peace—time will hold MacArthur as a giant for his achievements in postwar Japan.

Gen. Douglas A. MacArthur will be remembered by generations in the future more as a colossus among the world's fighters for peace than for being the genius warrior that he certainly was.

☐ 1520

REPORT ON RESOLUTION PROVIDING FUNDS FOR SELECT COMMITTEE ON THE OUTER CONTINENTAL SHELF

Mr. NEDZI, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–84), on the resolution (H. Res. 195) providing funds for the Select Committee on the Outer Continental Shelf, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

Mr. NEDZI, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–85) on the resolution (H. Res. 174) to provide for the expenses of investigations and studies to be conducted by the Select Committee on Narcotics Abuse and Control, which was referred to the House Calendar and ordered to be printed.

REAFFIRMING U.S. COMMITMENT TO NORTH ATLANTIC ALLIANCE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the joint resolution (H.J. Res. 283), reaffirming the U.S. commitment to the North Atlantic Alliance, and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 283

Whereas April 4, 1979, marks the thirtieth anniversary of the signing in Washington of the North Atlantic Treaty;

Whereas the alliance created by the treaty constitutes the manifestation of the ties which bind the democracies of Europe and North America and of their determination to preserve their common heritage of individual liberties, the rule of law, and the dignity of humankind;

Whereas the peace and stability insured by the alliance for thirty years has fostered the well-being and freedom of nearly six hundred million human beings;

Whereas the conditions for political stability and economic prosperity derive from the military security provided by the alliance; and

Whereas the search for world peace, mutual respect among the nations of the world, and reduction in armaments are attainable only in a secure environment: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the North Atlantic Alliance be reaffirmed as a vital commitment and cornerstone of United States foreign policy, and that the bipartisan spirit which inspired its birth be rededicated to the purpose of strengthening it further in the cause of peace and security.

SEC. 2. The Congress recognizes the contribution of our Canadian and European allies to the common defense and to the preservation of the civilization and common heritage of the West.

SEC. 3. On the occasion of this thirtieth anniversary, the Congress pledges its support for the Alliance as the indispensable basis for the achievement of our mutual security, the reduction of tensions, and the pursuit of improved relations among all nations.

SEC. 4. The Congress requests that the President forward a copy of this resolution to the chief of state of each member country of the North Atlantic Treaty Organization.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 1 hour.

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Joint Resolution 283, reaffirming the U.S. commitment to the North Atlantic Alliance. The resolution was introduced by the gentleman from Wisconsin and 31 cosponsors including the majority leader WRIGHT and minority leader RHODES on March 28. On Monday, April 2, the Committee on Foreign Affairs reported the resolution favorably by unanimous voice vote.

The purpose of House Joint Resolution 283 is to commemorate the 30th anniversary of the signing of the North Atlantic Treaty by—

Reaffirming the U.S. commitment to NATO;

Recognizing the contribution of our Canadian and European allies to the Alliance;

Pledging the support of Congress for the Alliance; and

Requesting the President to send copies of the resolution to the chief of state of each member country of NATO.

The resolution further emphasizes the bipartisan spirit which facilitated the treaty negotiations. I am certain that bipartisan support for NATO is as as strong now as it was more than 30 years ago.

More than a generation has passed since the takeover of Czechoslovakia, the Berlin Wall, and the invasion of Korea. The world has undergone changes never imagined by most of us; the nature of the threat has changed, and so has the Alliance.

Today, we are confronted by dangers that are as much political, economic and social, as they are military. For some, NATO is weakened as much by success as anything else. After all, we have avoided a major war with the Eastern bloc; the prosperity of the NATO countries has increased enormously; and the 15 nations of the Alliance—every one of them with a democratically elected government—comprise the bulk of free countries of the world.

The future of western civilization is no less uncertain now than it was on April 4, 1949. We and our allies in Canada and Europe need each other now more than ever. On this, the 30th anniversary of NATO, I urge my fellow colleagues to join together in reaffirming our firm and unswerving commitment to the North Atlantic Alliance and to adopt this resolution.

Mr. BROOMFIELD. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. Mr. Speaker, I am delighted to yield to my colleague, the ranking minority member of the Committee on Foreign Affairs, the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Speaker, the resolution we have before us today reaffirms the U.S. commitment to the North Atlantic Alliance. As my colleagues know, NATO, as a vital commitment and cornerstone of our foreign policy, plays an important role in the maintenance of peace and stability for the Western world.

Since 1949, when the Alliance was formed, NATO has been of great value to both the United States and the European community. That the West has remained free and protected is in no small part attributable to the Alliance. Most importantly, NATO has denied the Soviet Union the opportunity to dominate Western Europe and has provided the West with a sense of security and confidence. Moreover, NATO has given us a better opportunity to seek a gradual resolution of East-West differences, including reductions in arms, on terms that can be more acceptable to the West.

On the eventful occasion of this 30th anniversary of the North Atlantic Alliance, it is especially important that the United States reaffirm its unswerving commitment to our NATO friends and allies. Truly, that is the purpose of the resolution before us today—and I urge my colleagues to support it.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution, House Joint Resolution 283.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

□ 1525

The SPEAKER pro tempore. Without objection, the previous question is ordered on the joint resolution.

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INTERNATIONAL DEVELOPMENT COOPERATION ACT OF 1979

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 202 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 202

Resolution providing for the consideration of the bill (H.R. 3324) to authorize appropriations for fiscal years 1980 and 1981 for international development and economic assistance programs and for the Peace Corps, and for other purposes

Resolved, That upon the adoption of this resolution it shall be in order to move, sections 303(a)(4), 401(b)(1), and 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3324) to authorize appropriations for fiscal years 1980 and 1981 for international development and economic assistance programs and for the Peace Corps, and for other purposes, the first reading of the bill shall be dispensed with, and all points of order against said bill, except against title V thereof, for failure to comply with the provisions of clause 5, rule XXI, are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and on amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. Bolling) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Maryland (Mr. Bauman), pending which I yield myself such time as I may consume.

Mr. Speaker, this is a relatively normal rule. The waivers on the Budget Act are more technical than real, because amendments will be offered to achieve compliance with the Budget Act.

The waiver which covers everything except title V with regard to appropriations is obviously necessary to bring this bill up at this time. The only peculiarity of the rule is that title V is excepted from that protection, and that was the price of getting the rule adopted in time for the matter to be here today. We did not have the votes in the Committee on Rules without that amendment. Therefore, that amendment passed; and it will be possible to strike the title which deals with the Peace Corps on a point of order. It then, I believe, will also be possible for the committee, if it wishes, to come in with a substitute amendment.

Mr. Speaker, I say I believe; because I am not sure, and I am not trying to make the ruling for the Chair. However, I suspect that it will be possible for the Committee on Foreign Affairs to offer a substitute amendment which is in order by leaving out the appropriation so that, in effect, the Committee on Foreign Affairs will have an opportunity to accomplish somewhat indirectly what it had sought to accomplish directly.

Mr. Speaker, I do not apologize for the rule, because the majority of my committee supported it, but I would have preferred another version.

Mr. BONKER. Mr. Speaker, will the gentleman yield.

Mr. BOLLING. I am glad to yield to the gentleman from Washington.

Mr. BONKER. Mr. Speaker, I would like to ask the gentleman from Missouri (Mr. Bolling) whether this is a normal procedure, to object to waiving the rules, under the circumstances.

Mr. BOLLING. It is not exactly normal, nor is it very abnormal. It has happened a number of times before, but we cannot say it is a precedent.

Mr. BONKER. Were there other provisions in the bill which called for a similar waiver and was this just an exception?

□ 1530

Mr. BOLLING. This was the exception, and there is no mystery about the reason for it. A very distinguished member of the Committee on Rules is also one of the two, shall I say, graduates of the Peace Corps, and he had very strong feelings on the matter. As is usual in this institution, when a member of a committee dealing with a matter has very strong feelings, there are a good many people on the committee who listen to him with some keenness.

Mr. BONKER. Let me ask the Chairman further if a point of order is raised when we come to title V, and that point is sustained by the Chair, then would it be possible to offer an amendment that would strike the objectionable feature of that title and have it restored?

Mr. BOLLING. I am not in a position to make a flat statement on that, but, as I said in my original statement, it is my impression that that would be possible, but I cannot be sure, because the Chairman at the time might rule differently.

Mr. BONKER. I thank the Chairman.

Mr. BOLLING. Mr. Speaker, I reserve the remainder of my time.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Missouri is quite correct. This is not a very good rule, but it is probably the best we could get from the Committee on Rules under the circumstances. He is correct in noting that there are a number of waivers contained in this rule in order to get around the Congressional Budget Act of 1974. I will not take the House's time to point out all of them, but it is said they will be cured by amendments offered by the committee. I do wish the committees of the House would progress to the point where they are able to read and apply the Budget Act and thus would report legislation that would comply before it is brought to the Committee on Rules. As we may recall, the Budget Act is supposed to be a means for orderly consideration of money matters in this House, but it has been honored in the breech, waived more often than it has in fact been followed.

The House rule forbidding appropriations in a legislative bill was waived for most of this bill, because there are a number of parts that otherwise would have been removed on a point of order. Again, I do not think this waiver makes for orderly procedure.

I would like, however, to call the attention of the House to a few matters of substance, because I know of no great opposition to the pending rule. This $8 billion-plus foreign aid bill, which will allow authorizations for 2 years, contains a number of remarkable provisions. I think the Members who have not had the time to read the entire bill and report as the gentleman from Maryland has done, to the point of weariness, should be advised of what is in it.

For instance, in title I we find an authorization for 2 years for $24 million which in part apparently is to be used for locating and eventual production of gas and oil in foreign countries at a time when this country is having difficulty producing these commodities itself. That extraordinary suggestion may be justified in debate at some point on this bill, but I doubt it can be.

There is also a provision on page 14 which rather quietly waives existing law against enormous contributions to the United Nations from the U.S. Treasury for technical assistance. That in itself is a reversal of prior congressional action.

On page 17 we find a provision that with little explanation in the report, wipes out sanctions against foreign assistance to countries that confiscate American fishing vessels, which was a major issue before the Congress a few years ago, and those Members from coastal States might want to look into that.

There is also an expansion of the southern African fund which is to go to a number of different countries in that area. It is not too clear which countries, because the section, section 533, again, rather quietly removes the restriction on aid to the Communist frontline countries that have been engaged in aiding the guerrilla warfare against Rhodesia. That means that this section places this Congress, if it is not amended, on the side of the guerrillas and against the black and white Rhodesians.

There is in title IV a brand new $65 million institute, complete with a council, a deputy director, a director, and 20-some members of that council, that could be compensated at very high levels of pay at a time when we were supposedly not going to create any new agencies. And the bill for the first time contemplates a brand new giant foreign aid agency to be known as the International Development Corporation Agency, IDCA, and that, too, gives serious pause to some of us.

Lastly, the bill sets up the Peace Corps as an autonomous agency, possibly to be folded into this new foreign aid agency, IDCA.

So this is one of the most interesting foreign aid bills we have had out of the billions of dollars of bills over the years. I hope all the Members will read it, as I have.

Having no further request for time, I yield back the remainder of my time.

□ 1535

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Washington (Mr. BONKER).

Mr. BONKER. Mr. Speaker, I yield back any time I have, because the chairman of the Committee on Rules has already responded to my inquiry.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ZABLOCKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3324) to authorize appropriations for fiscal years 1980 and 1981 for international development and economic assistance programs and for the Peace Corps, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3324, with Mr. LEVITAS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Wisconsin (Mr. ZABLOCKI) will be recognized for 1 hour, and the gentleman from Michigan (Mr. BROOMFIELD) will be recognized for 1 hour.

The Chair now recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. I yield myself such time as I may consume.

Mr. Chairman, at the very outset I want to first of all commend the gentleman from Michigan, the ranking minority member of the Committee on Foreign Affairs, for his cooperation as well as that of all of the other members of the Committee on Foreign Affairs for their efforts in preparing the bill for floor action.

Mr. Chairman, our committee comes before you and the Committee of the Whole with a bipartisan bill.

Before explaining the provisions of the bill, however, I feel I would be remiss if I would not commend the gentleman from Maryland (Mr. BAUMAN) for pointing out some of the provisions of the bill. I know the gentleman always studies the legislation that comes from the Committee on Foreign Affairs and particularly the reports, especially the minority views. We regret the fact the gentleman is not a member of our committee, because I am sure he would have a broader outlook and might even be supportive of the legislation before us if he were a member of the Committee on Foreign Affairs. The gentleman would be a valuable addition to our committee, I can assure the House.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. Mr. Chairman, I would be delighted to yield to my friend, the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman for his kind comments. I have a high respect for the gentleman and the members of the committee; but I know all of them only too well. I doubt seriously that any closer association than I have had with them in the past would produce any change in my position. It would only confirm it.

Mr. ZABLOCKI. Mr. Chairman, I assure the Committee that if the gentleman were a member, he could help indeed add language to the report so that it would be more understandable.

Mr. Chairman, H.R. 3324, the International Development and Cooperation Act of 1979, indeed, as the gentleman from Maryland said, authorizes appropriations of slightly over $8 billion over a 2-year period. In fact the bill authorizes $4,171,473,000 for international economic assistance in fiscal year 1980, and $4,372,513,000 in fiscal year 1981; so it is a 2-year authorization. It is also a bill which is in our own national interest.

□ 1540

First, let me point out the programs carried out under this measure will help to raise the living standards of the people in the developing countries. As they increase their living standards and develop economic viability, they will increase their purchasing power, which will result in increased U.S. exports to those countries.

Indeed American goods and services purchased by the developing countries more than doubled between 1973 and 1978 reaching $34 billion in 1978.

Mr. Chairman, this is a very important fact we should take into consideration. This is not a giveaway program. By the aid that we are giving the developing countries we are helping to develop markets for our export goods. Further, this bill helps to promote peace and stability in areas of the world such as the Middle East.

I must say, Mr. Chairman, these are vital areas to the well-being of the United States. Consequently, a substantial portion of the funds authorized in H.R. 3324 for fiscal years 1980 and 1981 are for programs for the Middle East.

The principal program for which funds are authorized are as follows, Mr. Chairman: $1.351 billion in fiscal year 1980 and $1,574 million in fiscal year 1981 for bilateral development assistance to poor countries. This is a new directions aid which emphasizes the war on hunger and other basic human needs programs. And $160 million in fiscal year 1980 for Sahel development contribution to the multilateral Sahel development project provided for in this legislation.

This bill contains $25 million each year, that is fiscal year 1980 and fiscal year 1981, for American schools and hospitals abroad. A very popular program. very widely supported by our colleagues in the House and in the Senate.

The bill provides $25 million a year for international disaster assistance; $15 million each year for African refugees; $268 million in fiscal year 1980 and $285 million for fiscal year 1981 for AID operating expenses; and $277,190,000 in fiscal 1980 and $315,325,000 in fiscal year 1981 for international organizations and programs.

Mr. Chairman, the bill also allows use of funds appropriated for fiscal year 1979 to be used to pay for the United States assessed contributions to the United Nations agencies engaged in furnishing technical assistance.

I must underscore, this is a very important provision because the limitation on the use of funds for the U.N. that was put on an appropriation bill last year has caused the United States to be in the same category as the Soviet Union as far as being in arrears in contributions to the United Nations is concerned.

A particularly important authorization at this time is the Economic Support Fund which is economic aid to promote special U.S. political and security interests abroad. The bill authorizes $1.895 billion for this special account for fiscal year 1980 and $1.950 billion for fiscal year 1981. The bulk of this is for the Middle East in support of the peace effort. Egypt is earmarked for $750 million each year and Israel is earmarked for $785 million each year.

Mr. Chairman, two items which can be cited under the heading of organizational changes also should be addressed.

□ 1545

One is the Institute for Scientific and Technological Cooperation provided for in title IV of the bill. This Institute was strongly requested by the President as an instrument through which our scientific and university communities could strengthen the use of scientific research in attacking development problems in poor countries. Meanwhile the President, under congressional mandate, is sending a foreign aid reorganization plan to the Congress which would set up an "International Development Cooperation Agency"—IDCA—to coordinate and consolidate AID programs. This bill provides that the Institute will be under IDCA and will be authorized appropriations of $25 million in fiscal year 1980 and $40 million in fiscal year 1981.

Mr. Chairman, I submit that we could not authorize as an appropriation moneys for a purpose more worthwhile.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I am delighted to yield to the gentleman from Florida.

Mr. FUQUA. Mr. Chairman, I appreciate the gentleman's yielding.

At this point I just want to rise, Mr. Chairman, and commend the gentleman from Wisconsin (Mr. ZABLOCKI) and his committee for including this title IV in this bill. The Committee on Science and Technology is very much interested in this title, and we feel that supplying science and technology to the advancement of modern countries has long been recognized. I want to commend the gentleman for inserting this title in the bill. I strongly support it, and I testified before the gentleman's committee in behalf of this particular title.

Mr. Chairman, I thank the gentleman for yielding.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman from Florida (Mr. FUQUA) for his contribution. I must underscore the fact that the gentleman from Florida, the chairman of the Committee on Science and Technology, has been invaluable in his assistance. His testimony before our committee was such that it fortified our position in the establishment of this Institute.

I want to thank the gentleman for his support and commend him for his interest. He did a great job for the United States.

Mr. Chairman, title V of the bill authorizes funds for the Peace Corps and at the same time makes an organizational change. The Peace Corps, by action of our committee, is detached from ACTION and is placed under the International Development Cooperation Agency, although on an autonomous basis which will enable the Peace Corps to retain its own identity while still being a member of the Development Assistance family. The testimony our committee heard was that the Peace Corps should never have been placed under ACTION, and it does not belong there now.

By an overwhelming vote, the committee recommended that the Peace Corps be placed under IDCA.

The authorization for the Peace Corps is $105,404,000 in fiscal year 1980, and $112,888,000 for fiscal year 1981.

Again I must underscore the fact, Mr. Chairman, that this is a 2-year bill, as was the security assistance authorization passed by the House last week.

The committee favored a 2-year cycle as being in line with the Budget Act suggestion to give the executive branch more forward planning time on these programs. It also allows for more intensive committee oversight between authorizing bills. The appropriations will of course continue on an annual basis.

If there is a need for the review of any program for fiscal year 1981, we will be doing the necessary reviewing, and I can assure my colleagues and the members of the committee that the Committee on Foreign Affairs will give full consideration to recommendations which may be made by the executive branch, although we will not necessarily approve or agree.

In summary, the committee believes this is an excellent bill. It implements significant aspects of our foreign policy toward important parts of the world. It serves our national interest by serving the cause of peace in the Middle East and elsewhere, and by advancing the economies of developing countries, which in turn helps our own economy.

Mr. Chairman, I urge its overwhelming passage.

● Mr. FUQUA. Mr. Chairman, I would like to take this opportunity during the general debate of the International Development Cooperation Act of 1979 to address comments to one segment of this bill—title IV. Title IV provides for the establishment of an Institute for Scientific and Technological Cooperation. I commend Mr. ZABLOCKI and his leadership—and thank him for his cooperation in working with the Science and Technology Committee in drafting this legislation.

The importance of applying science and technology in the advancement of modern countries has long been recognized. In the past we have invested hundreds of millions of dollars in technical assistance and technology transfer programs. We have enjoyed notable successes of which countries such as Brazil and the Republic of Korea are excellent examples. But, all too often the beneficiaries of such aid are unable to assimilate the technology because of social, geographical, or cultural problems. Processes and techniques are not readily transferable from one country or culture to another, without unforeseen and undesirable consequences. We know a great deal about growing wheat in Iowa and sending man into space. We know too little about applying scientific and technical knowledge for the mutual benefit of ourselves and the developing nations.

Science and technology of benefit to developing countries can also benefit us. We all share common goals of properly maintaining our environment, managing our natural resources and obtaining adequate sources of energy. Without the active participation and cooperation of the rest of the world the achievement of such goals is impossible. In international trade, nations of the developing world are important partners. We need to think in terms of what these relationships will be 10 years ahead—and help to improve their ability to trade with us.

The space program provides a good example of the kind of science and technology leading to mutual benefits through international cooperation. The Landsat program, using remote satellite sensing, provides immense amounts of geological and geographic data useful to this and other countries. We now have the ability to estimate water reserves, crop potentials, pollution in the oceans and atmospheres, and the potential location of fossil and petroleum resources. The future will bring the ability, among other things, to determine mineral and natural resource distribution. To do this successfully we must have the cooperation of the developing world.

The proposed Institute is one step toward implementing such a policy in the cooperative use of science and technology.

I strongly urge my colleagues to adopt this proposal and vote in favor of title IV.●

□ 1550

Mr. BROOMFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today we are considering legislation that has a direct impact upon many areas of U.S. foreign policy around the world.

For example, the legislation before us authorizes $785 million in economic assistance for Israel and $750 million for Egypt. These funds are not related to the recent peace treaty between Egypt and Israel.

Rather the funds in this bill represent the level of aid the United States has provided to these two countries since their Sinai II agreement of 1975. During the last several years the Congress has stressed that these aid levels were designed to promote peace in the region. In 1979 we can say that we have indeed, through our assistance, helped to stimulate progress toward peace in the Middle East. In the aftermath of the peace treaty, U.S. aid to Egypt and to Israel is considered important to the creation of the stability and prosperity those nations need to keep them on the road to peace and induce other nations to join them.

The U.S. relationship with Israel goes back for many years and has been very special. This aid is a demonstration of the strong U.S. commitment to the security and well-being of Israel, with which we have close political, moral, cultural, economic, trade, and religious ties.

The U.S. relationship with Egypt, though much newer, is developing a new warmth and strength. And it is in U.S. interests and in the interests of Israel for the continuation of a stable and friendly government in Egypt. President Sadat personifies our close bilateral ties and the Egyptian commitment to peace. Therefore, it is important to help Egypt solve its problems such as food shortages, the lack of technical training, and urban overcrowding. The aid proposed for Egypt is designed to attack these problems squarely. They include projects to improve Egypt's agricultural productivity, stimulate a more aggressive private sector including private investment, provide training in essential skills, and help Egypt address its population growth problems.

The Committee has stressed in the strongest of terms that the Agency for International Development direct its attention not only in Egypt but also in other countries and other regions to the solution of agricultural, educational, and health problems. Reinforcing our emphasis, the committee has placed the old security supporting assistance account which is economic aid in this development bill rather than the security bill.

While the supporting assistance levels for Israel and Egypt remain the same, I would point out that the authorization for fiscal year 1980 of $60 million for Jordan is lower than a year ago. The administration requested $98 million for the coming fiscal year. The committee supported only $60 million of this amount, deferring $38 million for the Maqarin Dam to the following fiscal year. Jordan presents a difficult case. King Hussein has not brought his country into the Camp David peace process but he is an old and good friend of the United States. He has long been the leading Arab moderate. And we expect the King and his country will play a major part in finding a solution to the Palestinian question that is acceptable to Israel. Therefore, now is not the time for the United States to turn its back on Jordan and I urge the support of my colleagues for the aid funds for Jordan in this bill.

Syria is another question. Syria has played a leading role in stimulating the opposition of the rejectionist states to the Camp David process. President Assad has grown more intemperate in his criticism of President Sadat and the Egyptian-Israeli peace. Syria, unfortunately, has also tightened its restrictions on the Syrian Jewish community. The administration's fiscal year 1980 request for Syria was $60 million, a reduction from the $90 million program of fiscal year 1979. However, the committee cut the proposed Syrian program still further—to $45 million. But I think that there is good reason—considering the outcome of the Baghdad Conference and Syria's hard line role at the conference—to further cut or eliminate this program. U.S. resources are too strained to give aid funds to a country that actively works against our vital interest in peace between Israel and Egypt. In fact, I shall join my colleague, the gentleman from Illinois (Mr. Derwinski) in an amendment to prohibit any funds from this bill to be directly used to provide assistance to Syria.

I also believe that the United States should not provide aid to Afghanistan, a country with an avowedly Marxist Government, which is closely allied to the Soviet Union. The Foreign Affairs Committee voted to end all U.S. aid to Afghanistan. Now, there are some who would argue that aid projects in the areas of population and agriculture should go forward no matter what government exists in Kabul and what policies emanate from that government. I could not disagree more. Not only are U.S. resources strained to meet the legitimate needs of our friends but this is a government that offered us no cooperation in preventing the tragic murder of the U.S. Ambassador, Spike Dubbs. Indeed, while the Ambassador was held hostage, Afghan Government officials refused to see U.S. Embassy personnel. Instead, with Soviet advisers present, the Afghan Government, contrary to expressed U.S. requests, directed the storming of the hotel where the Ambassador was held, which resulted in his death.

Mr. Chairman, I would like to point out that this legislation continues the thrust of the "New Directions" congressional mandate which directed AID to concentrate U.S. development assistance efforts on the poor majority in developing countries. Consequently, the bill before us authorizes funds for fiscal years 1980 and 1981 to support self-help development projects in agriculture, rural development and nutrition, population planning, health, and education and human resources development.

For example, a major component of our development assistance is the variety of projects directly related to helping the people in developing countries to help themselves by increasing their own food resources through the use of improved agricultural techniques.

The important points to emphasize are: First, these programs are focused on meeting basic human needs. Second, they are planned and structured to encourage self-help participation by the people receiving that assistance.

In summary, this legislation not only provides assistance important to peace in the Middle East but also helps the poor in developing nations to help themselves. I urge passage of this bill.

□ 1555

Mr. ZABLOCKI. Mr. Chairman, I yield 7 minutes to the gentleman from Maryland (Mr. Barnes).

Mr. BARNES. Mr. Chairman, I rise for the first time as a Member of this House to support the bill that is before us today. For a decade and a half this country's program of participation in the economic and social development of the world has been preempted by our involvement in a war in which we should not have been involved and by the crisis in leadership which so sorely affected the full range of our obligations to people, whether of foreign lands or here at home.

At last in 1977 an administration took office which understood the role which this Nation must take in world affairs, and which professed a determination that our shameful performance of years past should be brought to an end.

This country invented foreign economic assistance. We proved through the Marshall Plan that the long term benefits to a stable world and to our own economy far exceed the short term costs of foreign aid. For that program, we committed over 3 percent of our gross national product to helping others to help themselves and to become partners with us in a new world economy.

By 1977, however, we ranked an embarrassing 13th among the 18 industrialized nations in the percentage of GNP which we contributed in official development assistance. We mustered a mere 0.22 percent of GNP as our investment in the future of the global community. In 1977 that meant that each American contributed $19.18. That may sound like a reasonable investment, until you realize that every Swede contributes $94.37, and that we spent over $425 per person in the United States for military expenditures.

I regret to report that the situation has not changed significantly since 1977. President Carter, upon taking office, promised to double U.S. development assistance by the early 1980's. Now, the word that is used is "increase." At the rate we have been going, it will be lucky if we have not reduced the level of our aid by the 1980's. And in value terms, because of inflation, we already have.

The administration's failure to move toward fulfillment of its original promise is understandable; we are suffering severe economic problems, and there is doubt that this Congress would support significant increases even if the President proposed them. But we certainly should be willing to offer no less than what we have been contributing in the past.

H.R. 3324—the International Development Cooperation Act of 1979—fulfills that modest obligation. Although the bill falls far short of what I would propose, it is a good bill, carefully developed in subcommittee and full committee, guided by the administration's requests, and within the total budget amounts allocated by the Budget Committee. It deserves our approval.

There is a special reason which commends H.R. 3324. Two days ago, fulfilling a congressional mandate from last year, the President submitted to the Congress a proposal for the reorganization of U.S. development assistance machinery. The plan incorporates within a new International Development Cooperation Agency the varied programs of several longstanding agencies—the Agency for International Development, the Overseas Private Investment Corporation, and the Development Coordination Committee—as well as a new Institute for Scientific and Technological Cooperation (establishment of which is provided for by H.R. 3324).

After too many years of disorganization and lack of coordination, I believe that the new IDCA structure offers the country an opportunity finally to begin to fulfill its commitments regarding international development. I think IDCA offers us a chance, at last, to coordinate our varied programs of international involvement in development endeavors.

The President's proposal—while not quite as complete and exciting as we might have hoped—will nevertheless be a great leap forward in the ability of the United States to take its proper role in world development. Given the right machinery, we now must have the resources to make it work. The International Development Cooperation Act provides at least a portion—even if, in my judgment, a minimum portion—of those resources.

There are a few improvements which need to be made in H.R. 3324. I urge your support for these:

In an unwise action, the Foreign Affairs Committee included a provision to prohibit direct and indirect aid to Afghanistan. I have no desire to offer assistance to Afghanistan, and am quite happy to see direct U.S. funds terminated. But neither have I any desire to violate U.S. treaty obligations, to default on U.S. commitments to the United Nations and other international organizations, or to further undermine U.S. influence and leadership in international bodies. This provision—like all other provisions which attach strings to U.S. payments to international organizations—violates international law and is counterproductive to U.S. interests. It should be deleted.

The committee fell short, by a few votes, of transferring U.S. allocations of rice to Zaire from title I—which permits corrupt distribution of the rice by the Government of Zaire and official profiteers—to title II, which would channel rice through proven private and voluntary organizations, such as CARE, UNICEF, and the Seventh Day Adventist World Service. The amendment to be offered by Representatives Solarz and Goodling will not reduce the quantity of rice provided; it will simply assure that the rice reaches people who are hungry instead of people who are greedy.

Mr. Ritter of Pennsylvania will offer an amendment proposing establishment of a "Peace Development Fund" as a channel for our industrialized allies to join us in underwriting the costs of peace in the Middle East. I am sure all Americans share the appreciation that peace between Israel and Egypt is of benefit to all of us—the United States, Europe, and Japan—and all of us should share in supporting it.

There are also proposed changes in this bill which will not improve it, and I urge the House to reject them.

Perhaps no single issue more undermines U.S. influence in international organizations than the Helms amendment which this Congress passed last year—I assume when everyone was asleep—which has the effect of prohibiting any U.S. payments of dues to the United Nations or its related agencies. We, who have so often called others to account for their delinquency, are now ourselves delinquent and for reasons and in a fashion which is totally contradictory to our true purposes and best interests. H.R. 3324 repeals the Helms amendment; if we pass nothing else today, we must pass this repeal.

There are those who question the bill's provisions to establish a new Institute for Scientific and Technological Cooperation. They ask, "Why establish a new agency at a time when we are trying to reduce the number of agencies and spenders of the taxpayers' money?" The answer is that Government programs should not be judged on quantity, but quality. The factor which requires establishment of the ISTC is effective value. In a world of increasing competition and ever-increasing demand, there is one product in which the United States far surpasses all other producers: Scientific and technological creativity. And that is the product for which a great number of countries—especially the advanced developing countries like Mexico—are asking.

This institute will enable us to maximize our efforts to address sophisticated development problems from a perspective which best applies our scientific and technological excellence. Deletion of this title from the bill would be a cruel blow to our ability to demonstrate to advanced developing countries this Nation's appreciation of their role in a cooperative world order.

There will also be efforts to delete this bill's provisions which transfer the Peace Corps from its current status as a subsidiary of ACTION to an independent position within the general framework of the new International Development Cooperation Agency. Most of the momentum for a change in the Peace Corps' affiliation has originated among those who question or quarrel with the direction the Peace Corps has taken under the leadership of ACTION. Frankly, I do not share that quarrel; I support the orientation which Sam Brown has offered both the domestic and the international elements of ACTION. But I also recognize that this continuing quarrel impedes the ability of the Peace Corps to pursue effectively its mission—of people-to-people cooperation in self-reliant development. And that quarrel will continue to undermine the Peace Corps so long as it is a subservient part of a Government bureaucracy. The Bonker-Zablocki compromise, therefore—which establishes the Peace Corps as an independently governed unit within the general coordination of IDCA—is a uniquely creative solution to the problem, and sustaining it will allow the Peace Corps to get about its business of peace.

I hope that my colleagues will join me in supporting this extremely important and useful bill which provides for continued U.S. participation—and, hopefully, resumed U.S. leadership—in the building of an equitable, peaceful world society with a fair and decent opportunity for every person with whom we share this Earth. It is an investment in our future which we simply cannot afford to neglect.

☐ 1600

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. Derwinski).

Mr. DERWINSKI. Mr. Chairman, I wish to call the attention of the Members to the supplemental views on H.R. 3324 signed by a few Members, to show that this is a bill the full membership of the House should thoroughly review and amend to reflect the will of the House.

My colleague, Mr. Bonker, after considerable study, has proposed that the Peace Corps be taken out of ACTION. I support the compromise decision reached by the Committee on Foreign Affairs providing for a Peace Corps tied to the new International Development Cooperation Agency (IDCA) or, if IDCA is not created, an independent Peace Corps. I oppose any action that would keep the Peace Corps as part of ACTION.

Mr. Lagomarsino's amendment would extend the State Department's program of sharing its reporting on human rights with the Congress by including in that reporting other countries as well. The Department keeps human rights records on all countries but limits its reporting to Congress to those countries receiving U.S. aid. Mr. Lagomarsino would permit us to compare the human rights records of, for example, the captive nations of Eastern Europe, where human rights are systematically abused. Certainly, Patricia Derian and her staff in the Office of Human Rights and Humanitarian Affairs should be as interested in reporting on human rights abuses in the Soviet Union, East Germany, Albania, and Communist China as they are in historic allies such as Argentina and Brazil.

I have learned to my chagrin that the Democratic Study Group in its April 3 fact sheet has marred an unparalleled record for accuracy. In describing the provision of the Committee on Foreign Affairs cutting off aid for Afghanistan, the DSG reports that both direct and indirect aid were affected. It was my intention in offering the Afghanistan amendment in the Foreign Affairs Committee to cut only direct aid. Only title I funds were involved. Indirect aid was not included.

Mr. Chairman, I will be brief at this point since there will be a number of amendments before us which will require quite a bit of discussion.

I also suggest to the Members that our chairman, the gentleman from Wisconsin (Mr. Zablocki), deserves special credit for his handling of this measure. This is one of those bills with respect to which one cannot win friends. Foreign aid is not popular anywhere. It is not popular to rank-and-file voters. It is not popular with most recipient countries because they do not think they are receiving enough, and it is not popular at the State Department because they feel Congress has been miserly and has set the figures too low. It is a program which is an annual unhappy experience for us.

However, many of the programs which are part of the foreign aid package are, in fact, necessary.

There is no doubt that the United States must maintain a major role in the Middle East. There is no doubt that we must work with the allies which we do retain in Asia, Africa, and the Middle East.

Mr. Chairman, I would suggest that the Members look at the bill as objectively as possible. There are some good cuts which could be made. There are some provisions which are necessary.

Mr. Chairman, I will be offering at the apropriate time, an amendment to cut the funds in the bill for Syria. It seems to me inconsistent, considering the tremendous burden we will be asked to bear over the next few years in aid to maintain the peace initiative, that we have an ongoing aid program with the country which is in the vanguard of torpedoing the peace effort.

Mr. Chairman, in my opinion, there should be no aid unless it is in the practical interest of the United States.

□ 1605

Our Government is supposed to carry out foreign policy consistent with the best interests of our country and our people, that happens to be in the best interest of peace, that happens to be in the best interest of stability in most of the countries of the world.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. Zablocki).

Mr. ZABLOCKI. Mr. Chairman, I yield 5 minutes to my colleague and dear friend, the chairman of the Committee on Banking, Finance and Urban Affairs, the gentleman from Wisconsin (Mr. Reuss).

Mr. REUSS. Mr. Chairman, I thank my colleague and friend, the gentleman from Wisconsin, for yielding and for his great leadership in bringing this bill to the floor, a well crafted bill, and for participating in what I have been listening to in a very constructive debate. I have profited by what the always reliable gentleman from Michgian (Mr. Broomfield) has had to say, by the rationale for our economic aid given by the gentleman from Illinois (Mr. Derwinski) and by a notable maiden speech on foreign aid by our new colleague, the gentleman from Maryland (Mr. Barnes). I wish to take this opportunity to clarify and strengthen the legislative history of this bill insofar as it evidences a clear intention on the part of the committee and the Congress, first, that the housing guarantee program is to operate only in those countries which are otherwise eligible for foreign aid, and second, that it will be targeted to areas of need in those countries.

It is true that this program has operated and can be expected to continue to operate without a significant expenditure of appropriated funds, and thus with only minimal direct budgetary impact. We must never forget, however, that credit itself is a scarce and finite resource. Credit guaranties in one area mean that fewer such guaranties will be available for use elsewhere, including our own country.

Section 112(d) of the bill amends section 223(j) of the Foreign Assistance Act of 1961 in a way which requires that guarantees issued under the program must be for housing projects which "are coordinated with and complementary to any development assistance being furnished under chapter 1 of this part."

Can the manager of the bill tell me whether it is the intention of the cross-reference to chapter 1 to make the policy guidelines in sections 101 and 102 of the Foreign Assistance Act of 1961 as amended applicable to the administration of the housing guarantees authorized in sections 221 and 222?

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I will be delighted to yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Yes, I can assure the gentleman that is very definitely the intention. I would like to call to the attention of the gentleman from Wisconsin, as well as the members of the committee, that in the committee report on page 20 we clearly spell out the intent of the committee, and I can assure the gentleman that we are in agreement as to what the limitation should be in this housing guarantee program.

Mr. REUSS. I thank the gentleman for his response and ask, in conclusion, whether it would not be not only inappropriate but beyond the legal powers of the administration to issue guarantees in fully developed countries which have the capacity, if not always the will or the way, to deal with poverty within their own borders.

Mr. ZABLOCKI. Will the gentleman yield?

Mr. REUSS. I will be delighted to yield to the gentleman.

Mr. ZABLOCKI. That is certainly and very definitely true.

Mr. REUSS. I thank the gentleman and commend him once again.

Mr. Chairman, I yield back the remainder of my time.

□ 1610

Mr. BROOMFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama (Mr. Buchanan).

Mr. BUCHANAN. Mr. Chairman, 1979 has been designated as the "Year of the Child" in an effort to focus our attention on the needs of children throughout the world. As we stand here today, this very minute, children are starving to death. Every minute of every day an average of 28 children die of malnutrition and related diseases.

If it were in my power, I would lay upon the mind and the conscience of every Member of the Congress the plight of the 15 million children who will die this year and of the many millions more who are seriously malnourished.

If it were in my power, I would make you think about them every single day and then ask yourselves, can I oppose an effort by the people of the wealthiest country in the history of the world to provide some assistance to the poorest of the poor.

The funds authorized by this legislation will not insure that all of them will live, but there can be no question that there are children alive today who would not be were it not for our past assistance and there are children who will die without the assistance provided by this legislation.

The United States cannot, nor should it be expected to feed, clothe, and educate the entire world. But we can, and, in my judgment, must play a major role in mankind's struggle against want and in helping lesser developed nations to become more self sufficient, and better able to provide the needs of their own people.

More than 60 nations today have a per capita income of under $500 and some 40 of these have a per capita income of less than $250 a year. At the same time, we in the United States enjoy one of the highest standards of living in the world with a per capita income of $6,643.

Many of these nations have literacy rates of 15 or 20 percent while ours approaches 100 percent.

The average American lives in a home or apartment where running water and electricity are taken for granted in contrast to millions in the lesser developed countries whose nearest water supply may be miles away and who are extremely fortunate if they have electricity at all during their lifetimes.

Can we be sure that among the thousands who will die as we debate the merits of this bill there will not be one who could find the cure for cancer, be a leader of peoples or a great educator. The developed nations have shown again and again, with our Abraham Lincolns, our George Washington Carvers, and our Marie Curies, that individuals from humble beginnings can have a major impact for good in our world.

It is not inconceivable, therefore, that a child living in a 10- by 4-foot mud and thorn-branch hut with his or her family in Kenya, if given the opportunity for life, could affect all of our lives or those of our children for the better.

The legislation before us today will not bring an immediate end to these vast numbers of deaths nor an end to the suffering of many, many millions more who are seriously malnourished or diseased. The amounts provided are far too small. I do believe, however, that the $4.1 billion authorized for fiscal year 1980 and the $4.3 billion for fiscal year 1981 will at least help alleviate some of the pain, hunger, and suffering which abound in our world.

These amounts reflect an increase of only $1 billion since 1965—a 25-percent increase in our foreign economic assistance during a 15-year period in which inflation rose by more than 110 percent.

Yet today there are those who express strong concern over even the relatively limited amount of our economic assistance. I would note that for fiscal 1980 we are spending $4.1 billion for economic assistance as compared to the $28.2 billion which Americans spend annually on alcoholic beverages or the $16.5 billion spent for tobacco products.

The legislation before us today seeks to address some of the worst problems of world poverty in such areas as agricultural development and nutrition, health and education, and population planning.

In my judgment, Mr. Chairman, the arguments for these most basic types of assistance to our neighbors throughout the world are strong enough to stand solely on humanitarian grounds. But there is another side to this issue which I have yet to address and that is the benefits derived right here in the United States by these programs.

By helping these nations to develop, we are creating markets for our own products and millions of jobs for our own people. My own State of Alabama received more than $30 million in AID grants, contracts, and purchases for fiscal 1978, reflecting the fact that AID spends the majority of its funds in the United States. During this same period, the U.S. companies exported some $52.1 billion in goods to the developing countries.

We will hear today challenges to the efficacy of our economic assistance programs and some of these charges will be well founded. As a 12-year veteran of the House Foreign Affairs Committee, I will be the first to admit that the Agency for International Development and the programs it administers are less than perfect. Of course, I would also be willing to admit the same about the august body in which we all serve. At the same time, we have been working over the years to insure that these programs become more efficient and effective and I believe we have succeeded to a great extent.

In 1973, we adopted the new directions legislation which places the focus of our economic assistance toward the poorest nations. Each year since, through the authorization process, we have refined the legislation and directives to make AID even more responsive.

This year's authorization creates an Institute for Scientific and Technological Cooperation to assist developing countries in finding solutions to problems which are hampering their own development. We have also created an independent Peace Corps in an effort to improve the work of that Agency.

It is my understanding that next week, the President will send to the Congress a further foreign aid reform package to create an umbrella agency to better coordinate our economic assistance efforts.

Our own programs to feed the hungry, heal the sick, and educate the illiterate stand in shining contrast to the massive military assistance of the Soviet Union which serves neither to meet the needs of the hungry nor to enhance stability and peace. Yet, with all our wealth and our technological advancements, we are not leading the world in seeking to help those less fortunate than ourselves. In fact, we are 13th in the world among the developed countries in official assistance.

Private voluntary organizations and church groups in the United States contribute substantially more aid, in fact, U.S. PVO's rank fifth among the nations in economic assistance. It is evident, therefore, that the American people are deeply concerned over the plight of their fellow citizens of the world. Given this demonstrated concern, our humanitarian obligations and the benefits which accrue to citizens of the United States from this legislation, Mr. Chairman, I have no doubt that it is in our best interest.

I will close by noting that in the few minutes which it has taken me to address this body, an estimated 200 children will have succumbed to the ravages of hunger and malnutrition. I will say to my colleagues, you hold the lives of these children in your hands, and I would urge you vote to spare those lives—for their sakes and for ours.

□ 1615

Mr. ZABLOCKI. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. BLANCHARD).

Mr. BLANCHARD. Mr. Chairman, the International Development Cooperation Act of 1979 contains an authorization for $15 million for fiscal years 1980 and 1981 to provide refugee relief and reconstruction on Cyprus.

I want to stress as strongly as I can that there is a real need for this assistance. The people of Cyprus have suffered great hardships as a result of the Turkish invasion. Approximately 40 percent of the island, representing 70 percent of the economic wealth of the country, was occupied by the Turks. Over one-third of the population were driven from their homes and properties, and have since become refugees, many of whom have had to live in the open for months at a time.

In the past 4 years the Government of Cyprus, in the face of tremendous economic adversity, has made every effort to use economic aid to provide a survival level of assistance to thousands of displaced and unemployed people. The government has also tried to begin the task of reestablishing their industrial concerns and the basic infrastructure of their economy.

Of course, in view of the very limited amount of resources available to the Cypriot Government, and also in view of the continued Turkish occupation and the resulting unstable climate, the task of maintaining even the basic necessities has been difficult.

I must say that our Government's apparent attempt to ignore the lack of progress on the question of the Turkish occupation has certainly not helped this situation. We in Congress were told that lifting the arms embargo would be the most effective way to gain progress toward a just solution on Cyprus. We were told that if the embargo was lifted Turkey was prepared to cooperate in order to achieve a fair settlement. Yet, after some 7½ months, virtually no progress has been made, and the Turkish Government has shown little interest in cooperation.

The Greek Cypriots have, in fact, unconditionally accepted Secretary General Waldheim's framework for the resumption of intercommunal talks, while the Turkish Cypriots have not. And yet the administration this year is seeking a total of $300 million in military and economic aid for Turkey, constituting a 33 percent increase, without any conditions whatsoever concerning progress on Cyprus. At the same time the administration has proposed sending $159.8 million in aid to Greece, which represents a 10-percent decrease from fiscal year 1979.

I remain very concerned about our approach to this matter and I hope that my colleagues will join with me in watching this situation carefully. Because if we do not see any signs of progress, or signs of the Turkish Government's willingness to earnestly work toward a just solution for the people of Cyprus, then I think our Government must consider other, more effective ways to encourage a just resolution of this problem.

I do however, want to take this opportunity to commend the committee for including this much needed humanitarian aid for the people of Cyprus in this bill. I am hopeful that a more lasting solution to the problems faced by the people of Cyprus can be achieved in the very near future.

□ 1620

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. HARSHA).

Mr. HARSHA. Mr. Chairman, I thank the gentleman for yielding this time to me.

I have a question I would like to direct to the chairman of the committee, the gentleman from Wisconsin (Mr. ZABLOCKI). Could the gentleman inform me as to whether there is any money in this legislation for any of the OPEC countries or other oil-producing countries that are exporting oil to the United States.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, there is some money for Indonesia in the fiscal 1980 program. There is $107,269,000 in Public Law 480 titles I and II. There are also AID grants of $99,820,000.

There is an AID grant for Nigeria of $3 million.

As far as Ecuador is concerned, there is no direct assistance to Ecuador at the present time. There is a small program that may be resumed in 1980, but it was not included in the executive branch presentation.

So the two countries I mentioned, Indonesia and Nigeria, are included. We do have some assistance for them.

Mr. HARSHA. Mr. Chairman, it is my understanding we are importing oil from these countries to which the gentleman refers, is that correct?

Mr. ZABLOCKI. Yes, we are certainly importing oil from Nigeria.

Mr. HARSHA. Mr. Chairman, may I ask, why are we, for example, giving Nigeria a $3 million grant for foreign aid from taxpayers' money when they are exporting to the United States over 900,000 barrels of oil a day and since they have just upped the price about $4.50 a barrel?

This would mean the consumer of America would pay around $3 million 600 thousand per day for their oil, and then we turn around and give our taxpayers' money to a country that is raising the price of oil on us.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I am happy to yield to the chairman of the committee.

Mr. ZABLOCKI. Mr. Chairman, since the gentleman is informed of the amount of oil that Nigeria exports to the United States, he must be informed that the $3 million is for agricultural programs for Nigeria. I am sure that with the need for oil as an energy source for the United States, certainly the gentleman from Ohio does not suggest Nigeria should not sell oil to our country.

Furthermore, Mr. Chairman, Nigeria was most cooperative at a time when there was an oil embargo by other OPEC countries.

So why should we punish a country like Nigeria—and the gentleman intends, I understand, by amendment, to cut out this aid—when they have been most cooperative with the United States?

Mr. HARSHA. Mr. Chairman, I will ask, why are they not cooperating when we turn around and give them a $3 million grant to help their agricultural program? Why do they not take that into consideration when they talk about raising the price?

They are not giving any consideration to the American consumers when they raise the price for a barrel of oil by $4 or $4.50, whatever it may be. They are already getting $14.50 a barrel, and now they want to get $18.50 per barrel.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield further?

Mr. HARSHA. Yes, I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, the gentleman, of course, knows that Nigeria is only one country of all the oil producing and exporting countries in the world, and it has been much more responsible than some of the other oil producing countries. It has not taken the lead in raising oil prices.

☐ 1625

Some countries, of course, likewise, are complaining that the prices of the agricultural products that we export to their countries have increased.

Mr. HARSHA. But the other countries that have not been so cooperative are not getting foreign aid. Nigeria is getting foreign aid. That is my objection.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, I take this time to ask a few questions of the appropriate members of the committee who may wish to respond. My first question has to do with the same question just raised by the distinguished gentleman from Ohio (Mr. HARSHA).

I gather, from section 104 of the bill, that this is a new expansion of foreign aid into our financing of energy programs for foreign countries. And on page 8, I find, in lines 15 through 22, language which authorizes the amount for 2 years of $24 million to be doled out it says, to facilitate geological and geophysical survey work to locate potential oil, natural gas, and so on.

One might assume, from that language, that the United States possibly might develop these energy sources in foreign countries, if indeed our taxpayers' money is used to fund them. But the last line interests me, especially, and I wonder whether or not it indicates that some of these funds are to go to OPEC countries, because the language says that the funds are to go to developing countries," especially those which are not members of the Organization of Petroleum Exporting Countries." My question is: Are any of this $24 million, even in the amount of $1, to go to OPEC countries and, if so, what justification is there for that? There may be a rational explanation.

Mr. PEASE. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Ohio, if this is his area of expertise.

Mr. PEASE. I thank the gentleman for yielding, and I am happy to explain that it is certainly my intent that money not go to OPEC countries. The whole idea of this language, which was put in in the committee at my suggestion, is to diversify oil, to make the lesser developed countries not dependent upon OPEC, and also to improve our own national situation by diversifying the source of supply around the world.

Mr. BAUMAN. Is there any money, though, under this bill slated to go to any OPEC countries?

Mr. PEASE. This particular section was a new section. There are no programs whatever currently set up to carry out this section. So as of the moment, the answer is no.

Mr. BAUMAN. The gentleman will admit that the language, as phrased, indicates that it might very well be used for that purpose.

Mr. PEASE. That is true. It is my understanding that the gentleman from Kansas may want to make it explicit that there will not be any money going to the OPEC nations, and I certainly would have no objection to that.

Mr. BAUMAN. If the gentleman from Kansas has an amendment for that purpose, I would certainly commend him, because I think some clarification is needed.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Kansas.

Mr. GLICKMAN. I thank the gentleman for yielding.

Mr. Chairman, I think the section of the bill is good, but I agree with the gentleman from Maryland (Mr. BAUMAN) that I think it should be absolutely clear in the legislative language of the bill that no funds whatsoever will go to any OPEC country for this purpose, and I will offer an amendment to the bill on that point.

Mr. BAUMAN. I thank the gentleman for his assurance.

Mr. PEASE. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. PEASE. I thank the gentleman for yielding.

Mr. Chairman, I just want to make it clear once again that it has been my intent all along.

Mr. BAUMAN. I thank the gentleman.

Mr. Chairman, I would like to direct the attention of the Committee to page 14, lines 19 through 24. As I understand this language, this is a repeal, in effect, of the Helms-Rousselot amendment, which was adopted last year in an appropriation bill dealing with funding for the United Nations. This section has the effect, if passed into law, of greatly increasing the United States contribution to a number of UN agencies for the purpose of furnishing technical assistance, so much so that the United States will bear a disproportionate burden of the cost of funding of these agencies, despite more than 5 years' history of congressional mandates that we are not to be burdened with these UN payments out of proportion to what other countries pay. What is the purpose of this? Why should our taxpayers be asked to have our contribution considerably increased, when the Congress has repeatedly said they want a more equitable division of these costs?

Mr. ZABLOCKI. If the gentleman from Maryland will yield, as the gentleman knows, the United States has been consistently critical of those countries that do not meet their obligations or pay their assessments to the United Nations Organization.

☐ 1630

The Soviet Union was one such nation. By the amendment that was adopted to an appropriation bill, it prohibited the United States from meeting its obligation. Also, by our own statute, we are obligated to pay our assessments. We are unable because of the so-called Helms-Rousselot amendment to the appropriations bill to make those contributions, to fulfill our obligations, so we are in the same status.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. BROOMFIELD. I yield 3 additional minutes to the gentleman from Maryland.

Mr. ZABLOCKI. At the present time the United States finds itself in the same status as the Soviet Union, in arrears in its payments to United Nation's organizations such as the World Health Organization.

Mr. BAUMAN. If I may interject, the reason the Soviet Union is in arrears is that they have refused to pay. The reason we have reduced our payment to the U.N. is because our Congress has decided that we have paid a disproportionate amount for too long. We are trying to force other nations to pay their equal burden. The American taxpayers should not bear the lion's share.

Mr. ZABLOCKI. The Soviet Union is in default by the decision of the Kremlin. The United States is also in default because the Congress has erred with an amendment which prohibits our Government from paying its obligation. If the gentleman will yield further, over the years, we have by persuasion of our executive branch, lessened our contribution to the United Nations. But, to cut off our support to the U.N. entirely, as the Helms-Rousselot amendment did, is irresponsible.

Mr. BAUMAN. I would say to the gentleman he is in rare form today but I emphatically deny that the Helms amendment cuts off all aid to the U.N. We are simply trying to do what I thought the gentleman has repeatedly assured this House, and that is reduce the percentage the United States pays into these U.N. technical assistance programs. We have for 5 years expressed the hope that the State Department would negotiate this and bring the figure down. Finally, last year we adopted legislation governing this fiscal year, and here this bill comes out of the committee and undoes the intent of the Congress.

Mr. ZABLOCKI. If the gentleman will yield further, the gentleman knows that is not a percentage cut. It cuts U.S. contributions entirely, and I think the gentleman knows that.

Mr. BAUMAN. It does not cut off U.N. funds entirely. It is a recognition of the disproportionate share we have paid over the years.

Mr. ZABLOCKI. I do not feel that is a valid argument at all.

Mr. BAUMAN. I would say to the gentleman from Wisconsin, it seems to me the committee might have taken a little better care to carry out the will of the Congress, which was expressed in the Helms-Rousselot amendment, by act of both Houses. Now we find before us this repealer that is going to substantially increase our liability to the United Nations unless it is stricken out. It is even retroactive in effect and goes back for this fiscal year of 1979.

If I may pass to another question, on page 17, I alluded in my remarks earlier to the repeal of section 620(o) of the Foreign Assistance Act of 1961. I think, if I am not mistaken, that was the old so-called Pelley amendment, which dealt with the confiscation of American fishing vessels. Of course, there has been a change in the International Law of the Sea, the 200-mile limit, but why is this stricture removed?

Mr. ZABLOCKI. If the gentleman desires to put back a barnacle on the statute books which is no longer operative and is obsolete——

The CHAIRMAN. The time of the gentleman from from Maryland has again expired.

Mr. ZABLOCKI. I yield 2 additional minutes to the gentleman.

I know the gentleman does want to see that our laws and our statutes are cleaned up when necessary. All we are doing is removing a provision that is no longer operative; it is obsolete. But, if the gentleman wishes if he wants to clutter the bill, we will propose such an amendment to put it back.

Mr. BAUMAN. The gentleman from Maryland has a number of barnacles he would like to propose to put on this Ship of State sailing through here. This provision is not obsolete. I say to the gentleman that my information is that the members of the Merchant Marine and Fisheries Committee, the chairman and the subcommittee chairman, none of these knew of this change. I cannot speak for them, but I believe they are not exactly pleased.

Mr. ZABLOCKI. First, the gentleman knows that they do not have jurisdiction in this respect as far as this legislation goes, and I do not agree with him that they were unaware that this repeal was in this legislation. I would not insult them in that manner because I think perhaps some of them may have not known that there even was such a provision.

Mr. BAUMAN. I say to the gentleman from Wisconsin that they know it now, and I think there will be an amendment offered, not by the gentleman from Maryland, but by others.

□ 1635

I do not mind reading this bill, every line and every word every year, as well as the report. I find it always complies with the Ramseyer rule. It always complies with the requirement of showing statutory changes covered by the bill. In fact, that is where I get most of my hints of what the gentleman's committee really is doing, not from the report. I compliment the gentleman and his staff on the ability to handle matters like this involving changes in law which are so important to all the American taxpayers.

Mr. ZABLOCKI. If the gentleman will yield further, Mr. Chairman, I feel that the committee has just been paid a left-handed compliment.

Mr. BAUMAN. Not left handed from the gentleman from Maryland, right handed.

Mr. ZABLOCKI. Mr. Chairman, I am sure also that the gentleman from Maryland knows that our committee never has been and never intends to be deceptive, never; and therefore, "ship ahoy."

The CHAIRMAN. The time of the gentleman from Maryland (Mr. BAUMAN) has expired.

Mr. BROOMFIELD. Mr. Chairman, I yield 1 additional minute to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, having had my ship "ahoyed" by the chairman of the committee, may I direct his further attention to this magnificent institute created in title IV.

In checking with the folks on the Committee on Post Office and Civil Service and elsewhere, I found, as the gentleman knows, we are going to take care, presumably, of the supergrade problem by putting these positions back in the supergrade pool. However, my concern is about the members of this council, some 25 members, who are to be compensated at the rate described on page 34, which reads: "an employee under the General Schedule established by section 5332 of title 5."

A question has been raised which I have not been able to solve. It was mentioned that they could receive that compensation plus the bonuses allowed the Executive Service created by the reform legislation on the Civil Service which was passed last year.

If that is so, they could be getting as high as $60,000 each, which would make it a very attractive position, perhaps even for some Members of the House.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for yielding. The gentleman's interpretation is in error. No, they could not receive that type of extra compensation.

As a matter of fact, the Committee on Foreign Affairs received on March 30 from the chairman of the Subcommittee on Human Resources of the Committee on Post Office and Civil Service a letter regarding this very section to which the gentleman refers.

Mr. BAUMAN. That is not the one printed in the report dealing with the supergrades. I have read that. This is another letter dealing with the compensation of the council members.

Mr. ZABLOCKI. That is another letter. We are going to clarify it by amendment.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman from Wisconsin.

● Mr. BROWN of California. Mr. Chairman, I rise today to support title IV of H.R. 3324 for the creation of an Institute for Scientific and Technological Cooperation.

I have been following for some time the efforts for creating such an Institute. Last month I was pleased to appear before the Committee on Foreign Affairs and offer my views on this question. In working on such issues as natural resources, agriculture, environment, oceans, atmosphere, space, and energy, I have noted that science and technology do not and cannot operate independently of the rest of the world. Progress in these areas requires the collaboration and cooperation of all nations.

One can well ask the question as to why such a new organization is necessary especially given our concerns for growing bureaucracy and the expanding role of our government. I would share with you my thoughts as I gave them before the Committee on Foreign Affairs.

Simply put, our present development organizations have not worked well in addressing various problems in applying science and technology for development; problems of long-term research and development needs; problems of addressing regional rather than country specific needs; problems of organizational management to address effectively specific S. & T. applications; problems in attracting the needed and necessary expertise from our scientific and technological community.

I feel strongly that the proposed Institute will do much to eliminate these problems. Perhaps, more importantly, it would allow us to help developing countries to help themselves and become contributing partners in the modern world.

I strongly urge the adoption of this Institute.●

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER resumed the chair.

The SPEAKER. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On April 2, 1979:

H.R. 2534. An act to provide for a temporary increase in the public debt limit, and for other purposes.

On April 3, 1979:

H.R. 1147. An act to extend temporarily the authority of the Secretary of the Treasury to waive the imposition of countervailing duties.

The SPEAKER. The Committee will resume its sitting.

INTERNATIONAL DEVELOPMENT COOPERATION ACT OF 1979

The Committee resumed its sitting.

Mr. BROOMFIELD. Mr. Chairman, I reserve the balance of my time.

Mr. ZABLOCKI. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, all time has expired.

Pursuant to the rule, the Clerk will now read the bill by titles.

The Clerk read as follows:

H.R. 3324

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "International Development Cooperation Act of 1979".

TITLE I—DEVELOPMENT ASSISTANCE

AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

SEC. 101. (a) Section 103(a)(2) of the Foreign Assistance Act of 1961 is amended by amending the first sentence to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $716,131,000 for the fiscal year 1980 and $789,000,000 for the fiscal year 1981.".

(b) Section 103(b) of such Act is amended by adding at the end thereof the following:

"(3) The Congress recognizes that the accelerating loss of forests and tree cover in developing countries undermines and offsets efforts to improve agricultural production and nutrition and otherwise to meet the basic human needs of the poor. Deforestation results in increased flooding, reduction in water supply for agricultural capacity, loss of firewood and needed wood products, and loss of valuable plants and animals. In order to maintain and increase forest resources, the President is authorized to provide assistance under this section for forestry projects which are essential to fulfill the fundamental purposes of this section. Emphasis shall be given to community woodlots, agroforestry, reforestation, protection of watershed forests, and more effective forest management.".

(c) Section 103 of such Act is amended by adding at the end thereof the following new subsection:

"(f) The Congress finds that the efforts of developing countries to enhance their national food security deserves encouragement as a matter of United States development assistance policy. Measures complementary to assistance for expanding food production in developing countries are needed to help assure that food becomes increasingly available on a regular basis to the poor majority in such countries. Therefore, United States bilateral assistance under this Act and the Agricultural Trade Development and Assistance Act of 1954, and United States participation in multilateral institutions, shall emphasize policies and programs which assist developing countries to increase their national food security by improving their food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing postharvest food losses, and improving food distribution.".

POPULATION AND HEALTH

SEC. 102. (a) The first sentence of section 104(g) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

"(1) $216,321,000 for the fiscal year 1980 and $255,000,000 for the fiscal year 1981 to carry out subsection (b) of this section; and

"(2) $150,301,000 for the fiscal year 1980 and $210,000,000 for the fiscal year 1981 to carry out subsection (c) of this section.".

(b) Section 104(d)(1) of such Act is amended by inserting immediately before the period at the end of the second sentence the following: ", and through community-based development programs which give recognition to people motivated to limit the size of their families".

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

SEC. 103. The second sentence of section 105(a) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $132,004,000 for the fiscal year 1980 and $140,000,000 for the fiscal year 1981, which amounts are authorized to remain available until expended.".

ENERGY PROGRAMS

SEC. 104. (a) Section 102(b) of the Foreign Assistance Act of 1961 is amended—

(1) in paragraph (5) by striking out "and" immediately after the last semicolon and by inserting "; and energy development and production" immediately before the period; and

(2) in paragraph (7) by inserting "the development, production, and" immediately after "promotes".

(b) Section 106 of such Act is amended—

(1) in subsection (a)—

(A) by striking out paragraph (2), and

(B) by redesignating paragraphs (3) through (6) as paragraphs (2) through (5), respectively;

(2) by redesignating subsections (a) and (b) as subsections (c) and (d), respectively; and

(3) by inserting the following new subsections (a) and (b) immediately after the section caption:

"(a)(1) The Congress finds that energy development and production are vital elements in the development process, that energy shortages in developing countries severely limit the development process in such countries, that two-thirds of the developing countries which import oil depend on it for at least 90 percent of the energy which their economies require, and that the dramatic increase in world oil prices since 1973 has resulted in considerable economic hardship for many developing countries. The Congress is concerned that the value and purpose of much of the assistance provided to developing countries under sections 103, 104, and 105 are undermined by the inability of many developing countries to satisfy their energy requirements. Unless the energy deficit of the developing countries can be narrowed by more fully exploiting indigenous sources of energy such as oil, natural gas, and coal, scarce foreign exchange will increasingly have to be diverted to oil imports primarily to the detriment of long-term development and economic growth.

"(2) The Congress recognizes that many developing countries lack the investment capital as well as access to the necessary technology to locate, explore, and develop indigenous energy resources.

"(3) The Congress declares that there is good potential for at least a moderate increase by 1990 in the production of energy for commercial use in the developing countries which are not members of the Organization of Petroleum Exporting Countries. In addition, there is a compelling need for vigorous efforts to improve the available data on the location, scale, and commercial exploitability of potential oil, natural gas, and coal reserves in developing countries, especially those which are not members of the Organization of Petroleum Exporting Countries. The Congress further declares that there are many benefits to be gained by the developing countries and by the United States and other developed countries through expanded efforts to expedite the location, exploration, and development of potential sources of energy in developing countries. These benefits include, but are not limited to, the following:

"(A) The world's energy supply would be increased and the fear of abrupt depletion would be lessened with new energy production. This could have a positive impact upon energy prices in international markets as well as a positive effect upon the balance of payments problems of many developing countries.

"(B) Diversification of the world's supplies of energy from fossil fuels would make all countries, developing and developed, less susceptible to supply interruptions and arbitrary production and pricing policies.

"(C) Even a moderate increase in energy production in the developing countries would improve their ability to expand commercial trade, foreign investment, and technology transfer possibilities with the United States and other developed countries.

"(4) Assistance for the production of energy from indigenous resources, as authorized by subsection (b) of this section, would be of direct benefit to the poor in developing countries because of the overwhelming impact of imported energy costs upon the lives of the poor and their ability to participate in development.

"(b)(1) In order to help developing countries alleviate their energy problems by improving their ability to use indigenous energy resources to produce the energy needed by their economies, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for energy programs involving research on and development of suitable energy sources, pilot projects to test new methods of energy production, or the collection and analysis of information concerning the potential of a country for producing energy from indigenous resources and concerning the energy needs of its economy.

"(2) Of the funds made available to carry out this section, up to $9,000,000 for fiscal year 1980 and $15,000,000 for fiscal year 1981 shall be used to facilitate geological and geophysical survey work to locate potential oil, natural gas, and coal reserves and to encourage exploration for potential oil, natural gas, and coal reserves in developing countries, especially those which are not members of the Organization of Petroleum Exporting Countries.".

(c) Section 119(a) of such Act is amended by amending the first sentence to read as follows: "The President is authorized to furnish assistance under this chapter for cooperative programs with developing countries in energy production and conservation through research on and development and use of small-scale, decentralized renewable energy sources for rural areas carried out as integral parts of rural development efforts in accordance with section 103 of this Act.".

TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS

Sec. 105. Section 106(d) of the Foreign Assistance Act of 1961, as so redesignated by section 104(b)(2) of this Act, is amended to read as follows:

"(d) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $136,122,000 for the fiscal year 1980 and $180,300,000 for the fiscal year 1981, which amounts are authorized to remain available until expended.".

HUMAN RIGHTS STUDIES AND ACTIVITIES

Sec. 106. Section 116(e) of the Foreign Assistance Act of 1961 is amended by striking out "the fiscal year 1979" and inserting in lieu thereof "each of the fiscal years 1980 and 1981".

RENEWABLE AND UNCONVENTIONAL ENERGY TECHNOLOGIES

Sec. 107. (a) Section 119 of the Foreign Assistance Act of 1961 is amended by redesignating existing subsection (a) as subsection (b) and by inserting the following new subsection (a) immediately after the section caption:

"(a) The Congress finds that energy production and conservation are vital elements in the development process and that energy shortages in developing countries severely limit the development progress of such countries. Inadequate access by the poor to energy sources as well as the prospect of depleted fossil fuel reserves and higher energy prices require an enhanced effort to expand the energy resources of developing countries, primarily through greater emphasis on renewable sources. Renewable and decentralized energy technologies have particular applicability for the poor, especially in rural areas.".

(b) Such section is further amended by redesignating existing subsection (b) as subsection (d) and by inserting the following new subsection (c) between subsections (b) and (d), as so redesignated by this subsection and subsection (a) of this section:

"(c) Such programs may include research, development, demonstration, and application of suitable energy technologies (including use of wood); analysis of energy uses, needs, and resources; training and institutional development; and scientific interchange.".

SAHEL DEVELOPMENT PROGRAM—IMPLEMENTATION

Sec. 108. Section 121(c) of the Foreign Assistance Act of 1961 is amended by inserting the following sentence immediately after the first sentence: "In addition to the amount authorized in the preceding sentence, and funds otherwise available for such purposes, there is authorized to be appropriated to the President for purposes of this section $160,000,000.".

RELATIVELY LEAST DEVELOPED COUNTRIES

Sec. 109. Section 124(c)(2) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new sentence: "Amounts due and payable during fiscal year 1980 and fiscal year 1981, respectively, to the United States from relatively least developed countries on loans made under this part (or any predecessor legislation) are authorized to be approved for use, in accordance with the provisions of paragraph (1) of this subsection, in an amount not to exceed $18,800,000 for fiscal year 1980 and $18,200,000 for fiscal year 1981.".

DEVELOPMENT AND ILLICIT NARCOTICS PRODUCTION

Sec. 110. Chapter 1 of part 1 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"Sec. 126. Development and Illicit Narcotics Production.—(a) The Congress recognizes that illicit narcotics cultivation is related to overall development problems and that the vast majority of all individuals employed in the cultivation of illicit narcotics reside in the developing countries and are among the poorest of the poor in those countries and that therefore the ultimate success of any effort to eliminate illicit narcotics production depends upon the availability of alternative economic opportunities for those individuals, upon other factors which assistance under this chapter could address, as well as upon direct narcotics control efforts.

"(b) In planning programs of assistance under this chapter for countries in which there is illicit narcotics cultivation, the agency primarily responsible for administering this part should give priority consideration to programs which would help reduce illicit narcotics cultivation by stimulating broader development opportunities.

"(c) In furtherance of the purposes of this section, the agency primarily responsible for administering this part shall cooperate fully with, and share its expertise in development matters with, other agencies of the United States Government involved in narcotics control activities abroad.".

AMERICAN SCHOOLS AND HOSPITALS ABROAD

Sec. 111 Section 214(c) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(c) To carry out the purposes of this section, there are authorized to be appropriated to the President $25,000,000 for the fiscal year 1980 and $25,000,000 for the fiscal year 1981, which amounts are authorized to remain available until expended.".

HOUSING AND OTHER CREDIT GUARANTY PROGRAMS

Sec. 112. (a) Section 222(a) of the Foreign Assistance Act of 1961 is amended—

(1) in the second sentence by striking out "$1,180,000,000" and inserting in lieu thereof "$1,505,000,000"; and

(2) in the third sentence by striking out "1980" and inserting in lieu thereof "1982".

(b)(1) Section 222A(a) of such Act is amended by striking out "five" and inserting in lieu thereof "six".

(2) Section 222A(c) of such Act is amended by striking out "$15,000,000" and inserting in lieu thereof "$20,000,000".

(3) Section 222A(h) of such Act is amended by striking out "until September 30, 1979" and inserting in lieu thereof "through September 30, 1982".

(c) Section 223(f) of such Act is amended—

(1) by striking out everything after "not" in the first sentence through "exceeds" in the second sentence and inserting in lieu thereof "exceed"; and

(2) by striking out "such Department" and inserting in lieu thereof "the Department of Housing and Urban Development".

(d) Section 223(j) of such Act is amended—

(1) in the first sentence, by striking out "(1)" and all that follows through "(3)" and inserting in lieu thereof "are coordinated with and complementary to any development assistance being furnished under chapter 1 of this part and which"; and

(2) by striking out the last sentence.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

Sec. 113. (a) Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Acts for such purposes, $277,190,000 for the fiscal year 1980 and $315,325,000 for the fiscal year 1981.".

(b) Notwithstanding any other provision of law, funds appropriated for the fiscal year 1979 to meet the annual obligations of membership of the United States in the United Nations and its specialized agencies may be made available for the furnishing of technical assistance by the United Nations and its specialized agencies.

INTERNATIONAL DISASTER ASSISTANCE

Sec. 114. Section 492 of the Foreign Assistance Act of 1961 is amended by striking out "$25,000,000 for the fiscal year 1979" and inserting in lieu thereof "$25,000,000 for the fiscal year 1980 and $25,000,000 for the fiscal year 1981".

ASSISTANCE FOR AFRICAN REFUGEES

Sec. 115. Section 495F of the Foreign Assistance Act of 1961 is amended by striking out "the fiscal year 1979" in the second sentence and inserting in lieu thereof "each of the fiscal years 1980 and 1981".

COMPLETION OF PLANS AND COST ESTIMATES

Sec. 116. Section 611(b) of the Foreign Assistance Act of 1961 is amended by striking out "Memorandum of the President dated May 15, 1962" and inserting in lieu thereof "Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973".

REPRESENTATION OF THE DEPARTMENT OF ENERGY ON THE DEVELOPMENT COORDINATION COMMITTEE

Sec. 117. Section 640B(a) of the Foreign Assistance Act of 1961 is amended in the third sentence by inserting "Energy," immediately after "Agriculture,".

REIMBURSABLE DEVELOPMENT PROGRAMS

Sec. 118. Section 661 of the Foreign Assistance Act of 1961 is amended in the first sentence by striking out "$3,000,000 of the funds made available for the purposes of this Act for the fiscal year 1979" and inserting in lieu thereof "$3,800,000 of the funds made available for the purposes of this Act for the fiscal year 1980 and $5,000,000 of the funds made available for the purposes of this Act for the fiscal year 1981".

OPERATING EXPENSES

Sec. 119. Section 667(a) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "fiscal year 1979" and inserting in lieu thereof "fiscal years 1980 and 1981"; and

(2) in paragraph (1) by striking out "$261,000,000" and inserting in lieu thereof "$268,000,000 for the fiscal year 1980 and $285,000,000 for the fiscal year 1981".

REGISTRATION OF PRIVATE VOLUNTARY AGENCIES

Sec. 120. Sections 123(b), 607(a), and 635(c) of the Foreign Assistance Act of 1961 and sections 104(f) and 202(a) of the Agricultural Trade Development and Assistance

Act of 1954 are amended by striking out "Advisory Committee on Voluntary Foreign Aid" and "Advisory Committee" wherever they appear and inserting in lieu thereof "Agency for International Development".

MISCELLANEOUS REPEALS

SEC. 121. Section 105(c), the last sentence of section 111, sections 113 (b) and (c), section 118(c), and section 620(o) of the Foreign Assistance Act of 1961 are repealed. Subsection (d) of section 113 of such Act is redesignated as subsection (b).

ADJUSTMENT OF AUTHORIZATION ACCOUNT LEVELS

SEC. 122. Appropriations for the fiscal year 1981 may be made to carry out sections 103 through 106 of the Foreign Assistance Act of 1961 in an amount up to 10 percent greater for any such section than the amount specifically authorized to be appropriated by that Act for the fiscal year 1981 for such section, except that the total amount appropriated for the fiscal year 1981 to carry out sections 103 through 106 of that Act may not exceed the total amount authorized to be appropriated by that Act for such sections for the fiscal year 1981.

INTER-AMERICAN FOUNDATION

SEC. 123. Section 401(s)(2) of the Foreign Assistance Act of 1969 is amended to read as follows:

"(2) There are authorized to be appropriated to carry out the purposes of this section not to exceed $25,000,000 for fiscal year 1980 and not to exceed $30,000,000 for fiscal year 1981. Amounts appropriated under this section are authorized to be made available until expended.".

REPORT ON RESETTLEMENT OF INDOCHINESE REFUGEES

SEC. 124. The President shall study the prospects for permanent resettlement of Indochinese refugees, in conjunction with bilateral and multilateral development assistance programs, so that no disruption of the economy of a host country would result. The President shall periodically report the results of this study to the Congress, with a preliminary report to be submitted no later than one hundred and twenty days after the date of enactment of this Act.

ASSISTANCE TO LATIN AMERICAN AND CARIBBEAN COUNTRIES

SEC. 125. It is the sense of the Congress that the United States should provide significantly increased resources for development programs in Latin America and the Caribbean which address problems common to the Western Hemisphere, and that provision of such assistance to Latin American and the Caribbean countries, including transitional developing countries, is consistent with the purposes of part I of the Foreign Assistance Act of 1961.

ASSISTANCE FOR AFGHANISTAN

SEC. 126. None of the funds authorized to be appropriated by the amendments made by this title may be made available for assistance for Afghanistan unless the President determines, and reports to the Congress, that assistance for Afghanistan is in the national interest of the United States.

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

□ 1640

Mr. BAUMAN. Reserving the right to object, Mr. Chairman, this title, I know, will be the subject of a number of amendments because it is rather all inclusive. Is there any indication that the chairman would ask to limit time on this?

Mr. ZABLOCKI. Will the gentleman from Maryland yield?

Mr. BAUMAN. Of course; I yield to the gentleman.

Mr. ZABLOCKI. I thank the gentleman for yielding.

The gentleman from Maryland knows that over the months that I have served as chairman I have not taken such an irresponsible step as to limit debate so early in the game. Of course it is not my intention.

Mr. BAUMAN. Further reserving the right to object, the gentleman from Maryland remembers with sadness the occasion of the Taiwan implementing legislation a few weeks ago. That was late in the game, as the gentleman stated, but he forced a limit on debate.

Mr. ZABLOCKI. If the gentleman will further yield, that was after there was ample evidence that there were dilatory tactics and repeated amendments, only slightly changed, and the hour was late. Members wanted to leave, and they insisted that the gentleman from Wisconsin take such a move. He did it reluctantly, I will say, as the gentleman from Maryland recalls. Again I want to reassure the gentleman it is not my intention to limit debate on this title.

Mr. BAUMAN. On title I?

Mr. ZABLOCKI. On title I.

Mr. BAUMAN. I appreciate those assurances.

With those assurances, Mr. Chairman, I will not object.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDMENT OFFERED BY MR. HARSHA

Mr. HARSHA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARSHA: Page 18, line 23, after the word Afghanistan add the words "or Nigeria".

Mr. HARSHA. Mr. Chairman, this is a rather simple amendment. It applies to that section 126 where assistance to Afghanistan is prohibited by this legislation except that unless the President determines and reports to the Congress that such assistance is in the national interest of the United States.

I preferably would like to cut out even that flexibility, but being realistic, I doubt very seriously if I can get an amendment through without giving the President that flexibility.

We are at the present time importing from Nigeria 900,000 barrels of oil per day. Just recently Nigeria joined the OPEC countries and raised their price of oil to the United States by $4.50 per barrel. In my judgment, at a time when this country is facing aggravated inflation, when we are cutting back in the Congress, and on behalf of the administration as well, many of the programs that serve the citizens of this country because we are trying to hold down the expenditures by the Federal Government, I do not think it behooves the Congress to turn around and give foreign aid or a $3 million grant that is provided in this legislation to any country that is gouging the American consumer by adding these unconscionable price increases on oil. We are at their mercy, and I doubt if the American taxpayer appreciates having his taxes sent overseas on foreign aid anyway, but certainly not under circumstances where that country, after receiving our foreign aid, is turning around and jacking up the price of oil which this country has to have to survive.

The purpose of my amendment is to not permit this grant to go to Nigeria in view of their attitude in raising the price of oil to almost $18.50 per barrel for oil. I think that is an unconscionable act on the part of the country of Nigeria. A raise of $4 alone on 900,000 barrels amounts to $3,600,000 per day, and the grant is only for $3 million. I realize that, but they are getting more than the grant every day by this one increase in the price of oil, which the United States must have.

I urge the adoption of my amendment.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I will be happy to yield to my friend, the gentleman from New York.

Mr. WOLFF. I thank the gentleman for yielding.

I am in great sympathy with the approach of the gentleman. However, I fear that to couple Afghanistan and Nigeria in the same amendment is something that I would find very objectionable. The reason that we cut our aid to Afghanistan was not in any manner, shape, or form one based on economic reasons; it was based on the fact that our ambassador was killed in Afghanistan. The situation in Afghanistan is entirely different from what it is in Nigeria.

□ 1645

The important element, as I see it here, I think the gentleman's amendment in another place would be perhaps well taken; but to couple the two together would defeat the purposes that we hope to achieve in our cutting of the aid to Afghanistan.

Mr. HARSHA. Well, I thank the gentleman for his contribution. I am not trying to infer that the circumstances are the same between Afghanistan and Nigeria; but the staff on the committee suggested that that would be an appropriate place for it.

Mr. BROOMFIELD. Mr. Chairman, would the gentleman yield?

Mr. HARSHA. I would be happy to yield to the gentleman.

Mr. BROOMFIELD. Mr. Chairman, I support what the gentleman is trying to do, but I think the amendment, as drafted, is technically incorrect.

Mr. HARSHA. Mr. Chairman, I thank the gentleman for his contribution. I certainly do not propose to get Afghanistan and Nigeria involved in any interplay at all. I did not intend to even infer that the situation in those countries is similar, that is not the intent of my amendment.

Mr. Chairman, I ask unanimous consent that my amendment be withdrawn from section 126 and that a new section 127 be inserted in the bill with the same language as 126, with the country Afghanistan struck out and the country Nigeria inserted.

The CHAIRMAN. If the gentleman will withdraw the amendment by unanimous consent, the Chair would suggest that it be resubmitted in writing as an amendment for a separate section.

Mr. HARSHA. Mr. Chairman, I thank the Chairman and I ask unanimous consent to withdraw the amendment at this time, without prejudicing the offering of a further amendment.

The CHAIRMAN. It will be without prejudice to offering a further amendment.

Is there objection to the request of the gentleman from Ohio?

There was no objection.

AMENDMENT OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GLICKMAN: H.R. 3324 is amended by deleting "especially those which are not" on page 8, line 21 and inserting in lieu thereof, "excluding".

Mr. GLICKMAN. Mr. Chairman, we have discussed this briefly just a moment ago. This will amend the section on page 8, section 104(b) (2), so that the last two lines will read, "Excluding members of the Organization of Petroleum Exporting Countries."

Mr. Chairman, the intent of this is to make it absolutely clear that none of these funds under this section, which are to be utilized to develop oil and gas reserves in lesser developed countries, and which amount to $24 million that the gentleman from Maryland (Mr. BAUMAN) referred to in the colloquy that I had with the gentleman, would be used to go to any OPEC nation. My amendment would prohibit that from happening.

The OPEC nations have plenty of money to do their own development. We should not be contributing.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I am happy to yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, the gentleman's amendment clarifies the intent of the Committee on Foreign Affairs. We thank the gentleman for his amendment and are ready to accept the amendment on this side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas (Mr. GLICKMAN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. NELSON

Mr. NELSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NELSON: Page 18, immediately after line 25, insert the following new section:

LIMITATION ON ASSISTANCE TO PERU

SEC. 127. Funds authorized to be appropriated by this title may not be used to provide assistance to Peru until such time as all United States citizens who, on the date of enactment of this Act, are being held in Peruvian jails without formal charges have been either released or formally charged.

Mr. NELSON. Mr. Chairman, I have a horrible situation with the family of one of my constituents, a young fellow named Elbert Ayala, Jr., and his fiancee, Debora Bushard, who have been in the Peruvian jails for 17 months without any kind of formal hearing and without any kind of formal charge being lodged against them.

☐ 1650

Mr. Ayala is in the Louis Goncho Prison and Mrs. Bushard is in the Chorrillos Prison, both in Lima.

Now we have varying standards of justice as we perceive it throughout this world but certainly America operates on the standard that people have a right to a speedy trial and, in fact, that is the law throughout most of these 50 States.

I personally contacted the Peruvian Embassy here. I have contacted our State Department and I want to bring this to the attention of this body and to the chairman of the Foreign Affairs Committee, this grave injustice in what allegedly is a drug-related case but where charges have not been brought and a formal hearing has not been held in 17 months. In my judgment it is unconscionable.

Mr. ZABLOCKI. Will the gentleman yield to me?

Mr. NELSON. Certainly, Mr. ZABLOCKI.

Mr. ZABLOCKI. I thank the gentleman for yielding.

Certainly the gentleman from Wisconsin joins my colleague from Florida in his concern and assures him that not only I as chairman but our colleagues on the Committee on Foreign Affairs will do everything we can to see that the people incarcerated in prison in Peru will be given at the least an early trial.

Mr. WOLFF. Will the gentleman yield?

Mr. NELSON. Yes, indeed, I will yield to the gentleman from New York.

Mr. WOLFF. Let me echo the sentiments of the chairman of the Committee on Foreign Affairs by saying as chairman of the Select Committee on Narcotics that we will make representations immediately to find out why a trial has not been held and to attempt to accelerate the action upon the part of the Peruvian Government.

Mr. GILMAN. Will the gentleman yield?

Mr. NELSON. Certainly I will yield to the gentleman from New York.

Mr. GILMAN. I want to commend the gentleman for his concern and while we certainly should make certain that anyone who is involved in narcotics trafficking receives the punishment due to them, we should also carefully make certain that the human rights and civil rights are being preserved. I want to commend the gentleman for his interest. As a member of the Select Committee on Narcotics I, too, will try to be of assistance to the gentleman in this endeavor.

Mr. NELSON. You are very kind. The doctrine of fairness is all I think we are trying to apply here.

Mr. FASCELL. Will the gentleman yield?

Mr. NELSON. Certainly I will yield to my colleague from Florida.

Mr. FASCELL. I thank the gentleman for yielding. All of us can sympathize with the gentleman because we have all probably had cases of similar nature. The action you complain about is unconscionable. There is no excuse anywhere to hold anybody without formal charges, regardless of what the circumstances may be. A case of this kind involving a young child, having the father 17 months in jail without any prospects of knowing whether he is going to be charged, tried or released is particularly odious and demands prompt action by the United States and the Government of Peru.

The subcommittee which I chair, as the gentleman knows, has been involved in the investigations of the protection of American citizens abroad, and while not condoning in any way any criminal activity, neither do we condone brutality or denial of those rights generally recognized under international law or humanitarian standards.

We have held many hearings on this subject of Americans who have been physically abused or whose rights have been ignored or denied. We have been successful in getting the U.S. State Department to urge other Governments to take corrective action.

We have had similar problems with other countries which we have worked out. Mexico being the principal example.

I can assure the gentleman that the committee will fully and immediately support the gentleman from Florida in his efforts to get justice for his constituents.

We will urge the State Department to represent the strong need for cooperation from the Peruvian Government.

Mr. NELSON. It is my understanding there are in excess of 30 U.S. citizens now in the jails in Lima. Is that correct?

Mr. FASCELL. I understand it is either 29 or 30 who are now incarcerated in Peru.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. FASCELL and by unanimous consent, Mr. NELSON was allowed to proceed for 2 additional minutes.)

☐ 1655

Mr. FASCELL. Mr. Chairman, there are 29 Americans incarcerated in Peru, as I understand it, right now. Thirty-seven Americans were arrested in 1978, and 25 were released during the calendar year, so we had a net growth of 12, which is not as bad as it has been.

We have had cooperation from the Government of Peru. I might simply say that this is not by way of any defense of the action in this particular case. Peru does not have the same procedures or mechanisms with which we are all familiar. Nevertheless there is no excuse for not moving on this case.

The matter has now been brought to their attention and will again be brought to their attention for some immediate consideration.

Mr. NELSON. Upon the assurances of the leadership of the Foreign Affairs Committee and subcommittees and the Select Committee on Narcotics, that there will be immediate and vigorous attention and action on this specific case, which is extraordinary and unconscionable, I therefore withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENT OFFERED BY MR. HARSHA

Mr. HARSHA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. HARSHA: Page 18, after line 25, insert the following:
>
> ASSISTANCE FOR NIGERIA
>
> SEC. 127. None of the funds authorized to be appropriated by the amendments made by this title may be made available for assistance for Nigeria unless the President determines, and reports to the Congress, that assistance for Nigeria is in the national interest of the United States.

Mr. HARSHA. Mr. Chairman, this is a perfection of the previous amendment that I offered and later withdrew at the suggestion of the Chair because of its imperfections. Since that amendment has been withdrawn and the corrections made, I think the amendment is now proper and in proper legal form, and I so offer it with the same sincerity as when I offered the previous amendment.

I do not think, at a time when we are talking about cutting back on social security benefits in this country, when we are cutting back on social and welfare programs to aid the poor and the disadvantaged, and when we are asking our own citizens to tighten their belts and help control this inflation, that we ought to be sending taxpayers' money overseas to a country which, by its own initiative and action, has raised the cost of oil $4 a barrel to a price that is already almost triple what we get for domestically produced oil in this country.

The grant to Nigeria is only $3 million. It is to provide technical assistance in the agricultural field so that they can produce more, so they can have better crop production. I understand that.

But by the same token, they are getting from the American consumer $3,600,000 per day simply by this raise in oil prices. I think it is unconscionable for us to go ahead and spend the taxpayers' money to give foreign aid to these countries that are gouging the American taxpayer and the American consumer by these unconscionable increases in the price of oil.

Mr. Chairman, I urge the adoption of my amendment.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I am happy to yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, I wish to associate myself with the remarks of the gentleman from Ohio (Mr. HARSHA).

I think this is a method by which we can demonstrate our concern about the excessive increases made by the OPEC nations in oil prices. This amendment also provides a Presidential waiver, concerning the denial of U.S. development assistance to an OPEC country if the President feels it is in the interest of U.S. security.

Mr. Chairman, I commend the gentleman from Ohio (Mr. HARSHA). I think it is in our interest if we do agree to this amendment.

Mr. HARSHA. Mr. Chairman, I thank the gentleman from Michigan (Mr. BROOMFIELD) for his remarks.

I do want to point out, as the ranking minority member on the subcommittee said, that the President is left by this amendment with all the flexibility he needs. If he still finds that it is in the best interests and in the national interest of this country, he can go ahead and make that award or grant to Nigeria.

But in the meantime, this should convey the message to these OPEC countries and these other countries that we are not sitting back idly and letting them continue to gouge the American consumer and then turn right around, turn the other cheek, and continue to pay them foreign aid.

Mr. WINN. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from Kansas.

Mr. WINN. Mr. Chairman, I appreciate the gentleman's yielding.

I just wanted to point out that I think the gentlewoman from New Jersey (Mrs. FENWICK) may wish to make some comment. She could not get the gentleman's attention, and I might ask the gentleman to yield to me so I could yield to her, if I have his permission.

Mr. HARSHA. Mr. Chairman, I will be glad to yield to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I thank my colleague for yielding.

Mr. Chairman, I must rise in opposition to this amendment. We are talking now about one of the greatest nations of Africa. Its population has grown to 80 million people, and they cannot feed their people. They are using the money to buy food, but what they really need most urgently is this small seed money that can be directed by technological experts into the development of increased food production.

We cannot go on forever feeding the whole world. At the moment we have a surplus, and indeed Nigeria can and does buy some of it. But what we must do in these countries is to develop their production through technical assistance.

That is what this is for—to help them grow their own food so that they can be self-sufficient. This is an enormous nation, and they are struggling under different conditions. They can be helped. They need technology in order to do it. That is what this is for.

I would hate to see this amendment adopted. Nigeria is not a nation that should be penalized. It is a nation that has been a stabilizing force, and it is an important one. I would not want to have anything suggest that we do not wish Nigeria well.

□ 1700

Mr. HARSHA. Mr. Chairman, Nigeria may have 80 million people, but the United States has over 200 million people.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. HARSHA) has expired.

(By unanimous consent, Mr. HARSHA was allowed to proceed for 1 additional minute.)

Mr. HARSHA. Mr. Chairman, the United States has over 200 million people, maybe 220 million people, many of whom, if this constant increase in the price of gas and oil is not stopped, are not even going to be able to drive to work. They are not going to be able to sustain themselves. While the gentlewoman from New Jersey has my respect in her thoughtful approach to this thing, I think it is time that we start to take into consideration the desires and the needs and the wants of the American people and the American taxpayers. Nigeria is going to get an additional $3,600,000 a day every day of the year that we import 900,000 barrels of oil. Certainly they can use that $3 million to sustain this grant we are going to give them from the American taxpayers, and I think it is time this Congress showed these countries in one way or another that it is time to start calling a halt to these constant rises in oil prices which are draining the very life out of the American economy and the American taxpayer.

I urge the adoption of my amendment.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio.

Mr. Chairman, the United States has some very, very important interests in contributing to the economic base of Nigeria. After all, Nigeria is the largest and one of the most important nations in Africa. Even though an oil producer, Nigeria is a relatively poor nation, with a per capita gross national product of less than $300 a year. This is less than, for example, that of Liberia, Zambia, or Senegal. Reflecting Nigeria's dual economy, three-quarters of Nigeria's estimated 80 million people live at a poverty edge below $295-per-year level. We want to increase this level. This small amount of $3 million is for agricultural development for research and development projects, in order that they can feed their own people. Given the poverty of the majority of its large population and the financial costs associated with the accelerated development program, Nigeria's oil revenues are not large in relation to its largely self-financed massive development efforts. Nigeria's capital development expenditures are estimated to have increased from $826 million in fiscal years 1973 and 1974 to $8,112 million in 1978. I point this out because Nigeria is making an effort in its own behalf. The funding we are proposing for Nigeria is very modest, Mr. Chairman. This amount will serve as a very useful stimulus for the transfer and exchange of technology. It is not intended to meet financial resource requirements. I must point out to the gentleman from Ohio, Mr. Chairman, that Nigeria has never participated in any oil boycott of the United States. And as far as pricing, Nigeria has been very responsible.

□ 1735

As I said earlier in debate, Nigeria is but one of the OPEC countries, and, while others have tried to increase the amount in a skyrocketing effect, Nigeria was responsible. But, when the prices are increased, Nigeria also must join the others in the increase. Now, the gentleman from Ohio should understand that our country depends on oil for our energy. I wish we were not so dependent upon imported oil, which acts to imbalance our trade and increase our overseas indebtedness. But, if we adopt this amendment, unnecessarily punishing one OPEC country, as the gentleman chooses to do, because they are an OPEC country, despite the fact that they are a developing country and despite the fact that they have millions of poor within their borders, I think is irresponsible. Nigeria has spent $40 million on reimbursable technical assistance projects. There will be an additional Nigerian expenditure in fiscal year 1980 of $20 million. Therefore, Mr. Chairman, for all of the reasons I have stated, and since we anticipate Nigeria to provide the majority of financing for these activities which we are making or providing seed money, I hope we do not adopt the gentleman's amendment, because it would be very counterproductive.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(By unanimous consent Mr. ZABLOCKI was allowed to proceed for 1 additional minute.)

Mr. HARSHA. Will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Ohio.

Mr. HARSHA. I thank the gentleman from Wisconsin. I would like to point out that none of the other OPEC countries were receiving foreign aid in this particular bill.

Mr. ZABLOCKI. Yes, there are.

Mr. HARSHA. What other countries are receiving it? I am trying to find out.

Mr. ZABLOCKI. Indonesia is receiving aid, and Ecuador will.

Mr. HARSHA. Then I shall submit an amendment that that applies to them also at the appropriate time, but all the other OPEC countries are not receiving foreign aid. Nigeria is charging more for its oil than any of the other OPEC countries. It is getting $18.56 a barrel now. That is higher than Algeria or Libya or the other OPEC countries. So the point is this, if they are getting $3,600 million——

Mr. ZABLOCKI. If I may retrieve my time, Mr. Chairman, let me say to the gentleman, if they did not sell to us, if they went on the spot market, they could get more for their barrels of oil. When the gentleman has proposed that he would include the others, he would only be compounding his errors. Therefore, I urge the amendment be defeated.

Mr. SOLARZ. I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, in addition to all of the arguments that have been advanced in opposition to this amendment by the chairman of the Foreign Affairs Committee, the gentleman from Wisconsin, and the minority member of the Subcommittee on African Affairs, the gentlewoman from New Jersey, I would like to offer several other arguments in opposition to this amendment. First, it seems to me, what counts is not the source of a country's income, but its per capita income. To be sure, Nigeria is a member of the Organization of Petroleum Exporting Countries, but the fact is that it has a per capita income of only $380 a year, which makes it, by any standard, one of the poorest nations in the world. It is a country in which there are millions upon millions of people who are living in desperate circumstances, on the very margin of a decent and dignified existence. To the extent that this great country of ours, which has only 6 percent of the world's population, but one-third of the world's gross national product, is trying to use some of its bounty and largess to help the poorest people of the world improve their standard of living, it seems to me that Nigeria clearly qualifies as a country which ought to be entitled to our assistance.

□ 1710

Second, what I find, in a way, most objectionable about this amendment is that it singles Nigeria out for discriminatory treatment.

If the gentleman does not want to provide development assistance to any country which belongs to OPEC regardless of how desperately poor the people of that country may be, then why did not the gentleman include Ecuador and Indonesia, two other OPEC countries which are also receiving our development assistance, in his amendment?

I would submit that in the absence of equal consideration for all OPEC countries, this amendment is clearly a discriminatory one.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, am I to understand that we have long-term supply contracts for oil with Nigeria?

Mr. SOLARZ. That is my understanding.

Mr. FASCELL. As I understand it, the spot price for oil on the world market is $22 or $23 a barrel. If we had no long-term commitments for supply and if it were not a fixed price—and I am not saying that I support a fixed price—obviously the oil could be dumped on the world market at a lot higher price; is that correct?

Mr. SOLARZ. I think the gentleman's observation is well taken.

Mr. Chairman, let me offer two other reasons that I think this amendment really should be defeated. The first is that Nigeria has one out of every four people in Africa. It is not only the largest but in many respects the most important and influential African nation. Nigeria is not a Communist country. It is not under the control or domination of the Soviet Union. It has, in fact, been very supportive of our efforts to bring about negotiated settlements of the conflicts which are now raging throughout southern Africa. And to the extent the House of Representatives goes on record against any aid program in Nigeria whatsoever, it would constitute a slap in the face to a country which has been very helpful in the past in our efforts to achieve negotiated solutions to the conflicts in Rhodesia and in Namibia and a country whose help we are going to need in the future as we continue to address these pressing problems.

Lastly, and perhaps most importantly, however—and I would like to direct these remarks not only to the gentleman from Ohio (Mr. HARSHA), who has offered this amendment, but to some of my other friends on the minority side of the aisle who are always offering amendments when the foreign aid bill comes up to cut out the aid program to one repressive regime after another—I want to say that Nigeria is a country which after more than a decade of military rule has just announced that it plans to hold free and democratic elections and to tranfer power to a civilian government in the next few months.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield at that point?

Mr. SOLARZ. I am happy to yield to my friend, the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, did I understand by the gentleman's comment that Nigeria is dictatorial and repressive? Is the gentleman classifying them as such?

Mr. SOLARZ. No. What I meant to say was that Nigeria has had a military dictatorship for the last decade.

Mr. ROUSSELOT. Therefore, it is a sort of repressive government; is that correct?

Mr. SOLARZ. Of which I do not approve.

Mr. ROUSSELOT. The gentleman does not approve of it?

Mr. SOLARZ. However, if I can make the point, the fact is that Nigeria has just decided to reestablish a democratic system in that country. They are transferring power from the military regime to a civilian government. They are going to have elections.

Mr. ROUSSELOT. I am aware of that.

Mr. SOLARZ. Mr. Chairman, I think I have the time. I did not interrupt the gentleman.

Mr. ROUSSELOT. I know they are going to have elections.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has expired.

(On request of Mr. ROUSSELOT, and by unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. Mr. Chairman, I will be happy to answer the questions of the gentleman from California (Mr. Rousselot) and yield time to him. However, I would appreciate it if the gentleman would not interrupt me in the middle of my statement.

To answer the question as to when the elections are going to be held, my understanding is that they have been scheduled for this fall.

□ 1715

The political campaign has begun. Political parties have been organized. The candidates have taken to the bush. They are out campaigning. I think that when we get a country of 80 million people who say "goodby to dictatorship, forget about military government, we now want to join the ranks of the handful of democratic societies in the world," that is a development which we ought to applaud rather than condemn. That is why I think that of all the countries in Africa, if there is any one country from which we do not want to cut foreign aid, it is Nigeria, because I think that in the very same sense that we cut out funds for countries that have abandoned democracy and have established a dictatorship, it makes sense to provide a little bit more money to countries that have abandoned dictatorship and established democracy.

I really believe that my good friend, the gentleman from California (Mr. Rousselot), whatever other disagreements we may have about Africa or anything else, probably joins me in welcoming this development. Surely he would prefer Nigeria to be governed by a democratic system of government than by a dictatorial system of government. If in light of that development we adopt this amendment, and cut out foreign aid to Nigeria, it is our way of saying not only to Nigeria but to the other countries of Africa and the developing world, "If you move from a dictatorship to a democracy, we really do not care about it, and it is certainly not going to be reflected in the level of aid which we will give you."

Mr. ROUSSELOT. Will the gentleman yield further?

Mr. SOLARZ. I yield to the gentleman.

Mr. ROUSSELOT. I thank the gentleman for yielding. Do I understand now by what the gentleman said that we should selectively give foreign aid to repressive dictatorship governments that may move toward democracy? Is that what the gentleman is saying?

Mr. SOLARZ. I am saying that in my judgment when a country moves from a dictatorship to a democracy——

Mr. ROUSSELOT. Which they have not done yet, but they may do.

Mr. SOLARZ. Which does not happen very often in the world, but when it does, I think that is something which should appropriately be reflected in the level of foreign aid which we provide that country.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Rousselot, and by unanimous consent, Mr. Solarz was allowed to proceed for 3 additional minutes.)

Mr. SOLARZ. I do not mean to suggest that we ought to cut off aid to every country in the world which is not a democracy, because if we did that, unfortunately we would have to almost completely eliminate the foreign aid program.

Mr. ROUSSELOT. That certainly would be a shame.

Mr. SOLARZ. I think that would represent a withdrawal from the realities of the world as they exist today. But what I think we should do is to try to use the limited resources we have available in our foreign aid program to encourage countries to move in this direction, and when a country does, I should think it is something which we ought to reward rather than penalize.

Mr. ROUSSELOT. My taxpayers back home are saying that we should not give aid to repressive dictatorships, but maybe the gentleman's taxpayers back home, who can now watch this on television, would be delighted to hear that he wants to be selective as to which repressive dictatorships he gives their hard-earned money to.

Mr. SOLARZ. I would say to the gentleman that I have supported from time to time amendments to cut out aid programs in countries that I do not think deserve it. I will be offering an amendment later on in the consideration of this bill to cut out the title I rice program in Zaire because I think that is a totally corrupt program, and the government in that country has no capacity to distribute food to the people who really need it. So where the aid is not deserved, and where it is not necessary, I am against it. This is one case where it is needed. The people of Nigeria are desperately poor. There are other OPEC countries receiving our aid. Therefore, cutting out Nigeria is discriminatory. Nigeria, lastly, is a country that has been very supportive of American diplomacy throughout Southern Africa.

Mr. ROUSSELOT. Will the gentleman yield further?

Mr. SOLARZ. I yield to the gentleman.

Mr. ROUSSELOT. Does this bill cut out aid for Zaire, that other repressive government he referred to?

Mr. SOLARZ. The Subcommittee on Africa unanimously recommended that we transfer the title I rice program in Zaire into a title II rice program, which means that it would be distributed not through the Government of Zaire, a completely corrupt conduit, but rather through private voluntary organizations which would have a much better chance of getting it to the people of the countryside who really need it.

Mr. ROUSSELOT. But it is still going to Zaire?

Mr. SOLARZ. That recommendation, unfortunately, was reversed in the full committee, but I intend, together with the gentleman from Pennsylvania (Mr. Goodling), the ranking minority member of the subcommittee, to offer it on the floor in order to reinstitute the subcommittee's recommendation. It would go to Zaire under our amendment, but it would go, not through the Government of Zaire, but through private voluntary organizations.

Mr. ROUSSELOT. I just want to understand how we make the distinction of which repressive dictatorship we give this money to. I am not for giving it to anybody.

Mr. SOLARZ. If that is the case, then I do not think the gentleman will have any problem opposing this amendment.

Mr. ROUSSELOT. I am for it.

Mr. SOLARZ. But this is an amendment which cuts out aid to a country which is about to become democratic.

□ 1720

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

I will be brief, but I want to reiterate two or three points. First, let me say, a while back there was a very excellent cartoon, I believe by Herblock in the Washington Post which showed an image of our President flying through the air and some people sprawled out on the ground and others standing. The cartoon said:

> This is the cartron bomb. It knocks down your friends and leaves your enemies untouched.

Well, I have to say with all due respect to my distinguished friend, the gentleman from Ohio, I think that is what is happening in this amendment. Nigeria has been a reliable friend of the United States in Africa. Nigeria continued to supply us oil all during the embargo and has never been a part of an embargo, as the chairman has said.

Nigeria has been important to us in other ways as a friend in foreign policy. It is a trading partner of growing importance to the commercial interests of the United States and to our country itself. It is an important country in Africa and it is a friend whom we ought not to alienate by a gratuitous slap-in-the-face with this kind of amendment.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Certainly, I would be glad to.

Mr. FASCELL. Mr. Chairman, can the gentleman think of any rationale why a country whose major resource happens to be oil, should sell that oil for a price less than it can obtain on a world market?

Mr. BUCHANAN. I certainly cannot, and this again demonstrates friendship, not enmity, that they could sell at higher prices elsewhere. They have followed the OPEC leadership in the increase of the price of this asset, but this is a poor, not a rich OPEC country, as has already been said.

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I would be happy to yield to the gentleman from Ohio.

Mr. HARSHA. Mr. Chairman, if the act of Nigeria is a friend, I do not want to have many friends like that, when I am being gouged to the tune of $3,600,000 a day for every day in the year.

I think instead of standing up here

and bleeding for the poor people of the poor country of Nigeria, we had better start to shed a tear for the poor American consumer and taxpayer.

Mr. BUCHANAN. Well, I share the gentleman's frustration with the OPEC countries and with the energy situation.

I would say, however, and the gentleman may wish to amend his amendment, we do single out one black African country of several OPEC nations that receive aid in this bill, and it is a country that has been a friend of the United States.

I would say to the President and to the Congress that what we need is an energy policy in the United States. What we need is an energy effort of the magnitude of the space effort of the 1960's to achieve the sufficiency and end an unacceptable reliance on a handful of small countries for this country's vital energy supplies and for supplies that are vital to the whole western world. Oil is still the lifeblood of modern industrial society. We are in an unacceptable situation. I share the gentleman's frustration over it, but a lot of the blame has to lie on our door for not developing a sound and massive energy policy and program some years ago, like that suggested by President Ford when he was in office.

Mr. HARSHA. Mr. Chairman, if the gentleman will yield further, if the amendment did contain the language identifying the other countries to which the gentleman refers, would the gentleman support the amendment?

Mr. BUCHANAN. If the gentleman added the other countries, that would improve the amendment; but in my judgment, it would still constitute a mistake and it is unlikely that I would support it.

Mr. MINISH. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Certainly, I would be glad to.

Mr. MINISH. Mr. Chairman, I will satisfy the gentleman's wishes, because I have an amendment that deals with all the OPEC countries.

PARLIAMENTARY INQUIRY

Mr. MINISH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MINISH. Mr. Chairman, would my amendment be in order as a substitute for the Harsha amendment?

The CHAIRMAN. If the gentleman desires to offer his amendment, the chair will be better able to respond to the gentleman's inquiry when the amendment is offered.

AMENDMENT OFFERED BY MR. MINISH AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HARSHA

Mr. MINISH. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. Minish as a substitute for the amendment offered by Mr. Harsha: Page 18, immediately after line 25, insert the following new section:

PROHIBITION ON ASSISTANCE TO MEMBERS OF THE ORGANIZATION OF PETROLEUM EXPORTING COUNTRIES

Sec. 127. Funds authorized to be appropriated by this title may not be used to provide assistance to any country which is a member of the Organization of Petroleum Exporting Countries.

□ 1725

The CHAIRMAN. The Chair will respond to the gentleman's parliamentary inquiry.

The subject matter of the gentleman's amendment is broader than the specific subject matter of the amendment of the gentleman from Ohio and, therefore, technically might not be germane. However, unless a point of order is made against it, the Chair will not rule on that question.

Mr. HARSHA. Mr. Chairman, reserving a point of order, and I shall not insist upon my point of order, does the gentleman's amendment strike out the amendment that I offered?

The CHAIRMAN. The amendment of the gentleman from New Jersey is a substitute for the amendment of the gentleman from Ohio and applies to any country which is a member of the Organization of Petroleum Exporting Countries.

Mr. HARSHA. In the event the gentleman's amendment were adopted it would take the place of my amendment and Nigeria would not be in it, if Nigeria is not an OPEC country. Is that not correct?

The CHAIRMAN. The Chair is not in a position to interpret the effect of the amendment.

Mr. BROOMFIELD. Mr. Chairman, I reserve a point of order. I would like to ask the sponsor of the substitute, he deletes or does not provide for Presidential waiver, is that correct?

Mr. MINISH. That is correct.

The CHAIRMAN. The gentleman from New Jersey is recognized for 5 minutes.

Mr. MINISH. Mr. Chairman, the measure before us today contains more than $100 million direct and indirect aid to members of the OPEC bloc. I am extremely concerned something could be interpreted as granting implied congressional approval for the OPEC policies that already have cost our people billions of dollars.

For anyone not aware of it, OPEC has increased its charge for a barrel of oil from $1.80 in 1970 to $14.54 today. The oil cartel's latest act has been to increase prices by 9 percent and to allow unlimited surcharge as proof that those countries will stop at nothing to bleed every dollar they can get from the American consumer.

It is about time that the United States put a halt to OPEC's greedy price gouging and profiteering. To me, it is totally contradictory that we cite OPEC as a major cause for the inflation we face today and at the same time turn around and give those countries $100 million of the taxpayers' money. I cannot in good conscience go home and justify these contradictions to my constituents and I do not think anyone else here can.

The United States has been more than generous to the countries of OPEC. Since 1946 the American taxpayers contributed more than $6.6 billion in direct assistance to those nations. In return our people are now paying 80 cents a gallon for gasoline largely as a result of the OPEC pricing policies.

Mr. Chairman, the time has come for the United States to make use of every tool at our disposal to show OPEC and the rest of the world that we will not be subject to economic blackmail.

My amendment is a good first step in that direction and I ask my colleagues to support it.

Mr. ASHBROOK. Will the gentleman yield?

Mr. MINISH. I will be happy to yield to the gentleman from Ohio.

Mr. ASHBROOK. I want to congratulate my colleague for offering this amendment. It might very well be entitled "They asked for it and they got it" amendment. During the entire debate there has been an objection to singling out one country. I think what my colleague is doing makes great sense and I think it is needed. I think the American taxpayer and consumer would support an amendment if they could vote on it and let us hope their elected representatives will see it the same way.

Mr. MINISH. I thank my friend for his support.

□ 1730

The CHAIRMAN. Do any of the Members who have reserved points of order insist on their points of order?

If not, the Chair recognizes the gentleman from Illinois (Mr. Derwinski).

Mr. DERWINSKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am convinced that some of the Members were not listening earlier when the gentleman from New York (Mr. Solarz) made a very profound and practical comment that may have sailed over the heads of many Members.

The gentleman from New York (Mr. Solarz) pointed out to us very accurately that there are three OPEC nations that draw support from this bill: Nigeria, Ecuador, and Indonesia. Now, it so happens that these three countries, because of their historic problems, large populations, weak infrastructures, and many other reasons, have this problem: Their wealth, if we assume that oil brings automatic wealth, has not really seeped down. They have no real strong middle class in these countries. The wealth has not reached the man in the street.

In contrast, of course, in Saudi Arabia they have too much money. They cannot spend it at home. They keep it stashed abroad, because too much money at home would completely distort what smacks of what is the traditional style of their people.

I make this point because it is obvious that what we have on the floor of the House is the idea that we are now going to "get OPEC."

There is nothing monolithic about OPEC. OPEC is an artificial collection of countries using the temporary situation in the energy field to extract as high a price as possible. The three countries singled out by this amendment—again, Nigeria, Indonesia, and Ecuador—are not the culprits of OPEC. They are the boys that just have to go along. The big shots in OPEC are Saudi Arabia, Kuwait, and Iran.

I would suggest that the practical thing to do is to defeat the Minish substitute and then defeat the Harsha amendment.

Mr. Chairman, I have no objection to our telling every one of the OPEC nations to "go and stuff it," but not until we are self-sufficient in energy. At a time when we are importing almost 50 percent of our energy, what good comes from thumbing our noses at countries that have energy leverage?

Instead of supporting this amendment, as some Members are, I would suggest they call 1600 Pennsylvania Avenue and ask the present occupant there to release all price controls on American domestic oil. Once we solve our own energy problem, then we can start telling OPEC where to head in.

This is the wrong time and the wrong place, and it is being done under the wrong circumstances. The three countries that are targeted by this approach are three countries who have been steadfast in continuing to supply the United States. They did not embargo us in 1973 and 1974. They have increased their production to us whenever we have needed it.

Mr. Chairman, I would hope that the House would rise above the momentary temptation to slap at this monster called OPEC and realize we have three good, sound, reliable nations who have been good supporters. This is no time to cause any problems for them or for us.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. DERWINSKI) has expired.

(On request of Mr. WOLFF, and by unanimous consent, Mr. DERWINSKI was allowed to proceed for 2 additional minutes.)

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Yes, of course, I yield to the gentleman from New York.

Mr. WOLFF. Mr. Chairman, I want to echo the sentiments of the gentleman in the well, with specific emphasis upon one of the nations involved. That nation, which happens to be in the area of interest of the Subcommittee on Asian and Pacific Affairs, is Indonesia.

Indonesia is critical to the United States, not only as an energy supplier but, if we are to maintain our position in Asia, Indonesia is critical to our total position.

If the gentleman has an idea that he would like to reach out and in some fashion penalize those nations that are squeezing the United States, I think there are other methods that can be used, other than this particular type of broad-brush approach, which actually affects some of our friends rather than those who are doing the major job of attempting to squeeze us as a nation.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the distinguished gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, I thank the gentleman for yielding, and I want to associate myself completely with his remarks.

I would point out just one other thing, and that is this: Whereas the Harsha amendment had the disadvantage of being discriminatory and singled Nigeria out from all the other OPEC nations that receive our aid and were eliminated from the list, it at least had the advantage of a Presidential waiver.

The substitute amendment that is now before us, while it does apply to all three of the OPEC countries included in the list of those nations that receive development assistance, has no Presidential waiver whatsoever, which means that if a situation should develop where the President believes that it is in the national interest for our own country to provide some of these desperately poor nations with some limited development assistance, he would be completely precluded from doing so.

So, for all of the reasons mentioned by the gentleman in the well, Mr. Chairman, I urge the rejection of the substitute and of the amendment.

□ 1735

Mr. DERWINSKI. I thank the gentleman for his inspiring support.

AMENDMENT OFFERED BY MR. BROOMFIELD TO THE AMENDMENT OFFERED BY MR. MINISH AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HARSHA

Mr. BROOMFIELD. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. BROOMFIELD to the amendment offered by Mr. MINISH at a substitute for the amendment offered by Mr. HARSHA: Strike the period after "countries" and in lieu thereof insert ", unless the President determines and reports to the Congress that such assistance is in the national interest of the United States."

Mr. BROOMFIELD. Mr. Chairman, what have attempted to do here now is to take the Minish amendment, which does not name countries and provide a Presidential waiver. I think this would improve it, and I would hope the chairman of the Committee on Foreign Affairs would accept it.

Mr. MINISH. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from New Jersey.

Mr. MINISH. Is that the Presidential waiver?

Mr. BROOMFIELD. Yes, it is.

Mr. MINISH. I accept it.

Mr. BROOMFIELD. I thank the gentleman and I am interested in whether the gentleman from Wisconsin (Mr. ZABLOCKI) accepts it.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman for yielding.

Mr. Chairman, I was very sincere in my opening remarks. I had commended the gentleman for his cooperation and for his efforts. But I do not, for one moment, want to try to make a bad amendment slightly better. I do not think this amendment deserves any improvement only defeat. Therefore, I would not accept the gentleman's amendment.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I thank the gentleman for yielding.

Mr. Chairman, it is not very often that I see two great statesmen like the gentleman from Wisconsin and the gentleman from Michigan in disagreement, but I would suggest that the Members realize that a bad amendment is a bad amendment. The Presidential waiver attached to the Minish amendment makes a bad amendment minutely less troublesome. So I would suggest a rejection of the Broomfield amendment to the Minish substitute and then the Harsha amendment, and let us go about the job of doing good work on this bill and not trying to tilt windmills with the OPEC countries.

Mr. PEYSER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it is seldom that I would take the floor in a foreign affairs bill to speak against the distinguished chairman of the Committee on Foreign Affairs and, particularly, my colleague from New York, who has labored, as several of my colleagues from New York have, on that committee. But I believe there comes a time when a legislative body such as the Congress must act to express for the people that they represent in this country the frustrations that our people feel today. It may not be completely right, but here is one chance for the American people to hear the Members of Congress say, "The hell with these OPEC countries, we are not going to give them anything." Somebody said that is irresponsible. I do not think that is irresponsible. I think we have to send a clear signal to these people that there comes a point when we are not going to be pushed into an impossible situation any further.

I will tell the Members one action I think would come out of this. I think if the Congress were to pass the Minish amendment, the people of the United States would be willing finally to tighten their belts and to do something in conservation which they have not been willing to do yet because they see us in the Congress continuing to treat these OPEC countries just as though nothing is wrong. So I think we ought to pass this amendment.

□ 1740

I think we ought to make it very clear that we are voting to do something that will have an impact in some way to hurt these OPEC countries that have raised such havoc in our own country. I think it is of the utmost importance. I think that while it starts out maybe as a light little amendment that did not have a great deal behind it, I think if we begin to think about it, as the American people become aware of it, I think it becomes perhaps one of the most important things that we can do right now.

I would urge that we support the Minish amendment and that we send this message, however mild it may be, to these OPEC countries to say that America is beginning to get a little backbone on this issue.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I will be glad to yield to my colleague from New York.

Mr. WOLFF. Does the gentleman really feel that by limiting this small amount of aid that is involved here, that this message is going to be really felt in these countries. Does the gentleman really feel on the question of this message—and we are not doing very well with the post office right now—the message that we are going to get through is not going to be of that great moment to the people of these countries that are concerned? I am sorry, it will be to the people but not to the Government.

Mr. PEYSER. I may say to the gentleman that if it does not have that real importance to those countries, then I see no reason for not passing the Minish amendment, because we are not going to be doing a great deal that can harm them. But, I view it as a way of doing something for the American people.

I have supported foreign aid programs, but I do not believe that we ought to give the OPEC countries one red cent in anything.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I commend the gentleman for his opinion, but I suggest that he is off target. The only three countries that would be affected by these pending amendments are countries that have been consistent suppliers of the United States. The leaders of OPEC, the countries that run the operation, are not receiving support under this bill. So, we are hurting our friends.

Mr. PEYSER. I recognize that, but I also recognize that these countries have gone right along with OPEC. They have taken every increase, and now they have—I believe, and I would be willing to be corrected here—Nigeria is actually leading the way in the extra charge for oil. So, I do not feel that is a wrong.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I would merely say that our good friend from Illinois has expounded two very interesting points. One, if you are being squeezed, it should make a difference whether you are being squeezed by a friend or one who is not a friend. As the gentleman so ably pointed out, I do not think the American people make that distinction. If they are being squeezed, they are being squeezed.

Second, if you are part of curtailing those who just go along, somehow that is not as bad.

The CHAIRMAN. The time of the gentleman from New York has expired.

(At the request of Mr. ASHBROOK and by unanimous consent, Mr. PEYSER was allowed to proceed for 2 additional minutes.)

Mr. ASHBROOK. The concept that if you are in compliance with somebody or some organization or some group that is doing something that is improper, wrong, or damaging, somehow that does not damage you as much; that would be like saying that the people who drove the cars of the Dillingers in the mid-1930's were only along for the ride, they did not pull the trigger. We have a concept of law of an accomplice, complicity, before the fact, that they are as much a part of it. We should send a message to them just as we send it to the leaders.

Mr. PEYSER. Mr. Chairman, last Sunday I spoke to a meeting in Yonkers, N.Y., and it was a meeting where people only wanted to talk about the problems of energy. One of the questions put to me was that they said, "Why don't you do something about the OPEC countries? Let's not sell them food or let's not sell them something."

They are looking for something, but here we are not talking about selling; we are talking about giving, and I just do not think we should be giving them anything.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield further?

Mr. PEYSER. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, may I just point out again to the gentleman that the OPEC countries are not a homogenous group. There is all the difference in the world between Indonesia and Saudi Arabia. If there was some way that we could cut off aid to Saudi Arabia I would join the gentleman, but there is no aid there.

□ 1745

However, Indonesia, Nigeria, and Ecuador are totally different. This is a wrong effort to get at a noble objective.

Mr. PEYSER. Mr. Chairman, I must say that if the Saudi Arabians were in this, I am sure we would have another argument, because they are our friends in other ways, and that argument would be that we should not attack them.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding.

I was very interested in the remarks made by our friend and colleague, the gentleman from Illinois (Mr. DERWINSKI), about Saudi Arabia. He said there was nothing in this bill for Saudi Arabia.

If the Members will read the bill very closely, they will find an authorization for $140 million for the United Nations Development Programs in this bill. The UNDP has a 5-year program for Saudi Arabia in the amount of $10 million.

The CHAIRMAN. The time of the gentleman from New York (Mr. PEYSER) has expired.

(On request of Mr. YOUNG of Florida and by unanimous consent, Mr. PEYSER was allowed to proceed for 1 additional minute.)

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield further?

Mr. PEYSER. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, the United Nations Development Program has a 5-year program for Saudi Arabia for $10 million. It is not a lot of money, but there is money in this bill for Saudi Arabia.

In addition, while we are discussing that part of the world, UNDP also has a 5-year program of $20 million for Iran, so there is more to this legislation, and Saudi Arabia is covered.

Perhaps we need another amendment when we get to the section on the voluntary contributions to UNDP.

Mr. PEYSER. Mr. Chairman, I thank the gentleman from Florida (Mr. YOUNG).

In the closing part of my time, I would just like to say that we view this as a vote to give expression to the American people and let them know we are sharing their frustrations, and we are willing to do something about it, even if it is only a little something.

Mr. Chairman, I think that is where we ought to come down on this vote at this time.

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Broomfield amendment.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Just for the sake of the record, Mr. Chairman, debates like this one tend to get out of control.

In any event, my dear friend, the gentleman from Florida (Mr. YOUNG), should know that yes, it is true that UNDP has a program in Saudi Arabia. Saudi Arabia happens to be one of the largest voluntary contributors to the UNDP, and one does not throw the baby out with the bath water.

Mr. Chairman, the issue is, Do we want to take a direct step against three countries which have been faithful suppliers of the United States in times of international crisis, Nigeria, Indonesia, and Ecuador? That is the issue. OPEC is a smokescreen.

Mr. BUCHANAN. Mr. Chairman, the gentleman is correct. There may be a fourth country, Venezuela. Since there are housing guarantees for Venezuela involved in this legislation, it could be affected.

May I say, Mr. Chairman, that I share the concern of the gentleman from Illinois (Mr. DERWINSKI) and of my chairman, the gentleman from Wisconsin (Mr. ZABLOCKI), that we should not slap down our friends.

Yet, I grew up as a Republican in Alabama, and I have been a Republican in this House for going on 15 years. I go through life hoping I am wrong, Mr. Chairman, because I am usually in the minority.

I fear that with an amendment like this one, those of us who are speaking against this as a slap at our OPEC friends which will be affected are in the minority. Should that be the case, I would urge my friends to join me in supporting the gentleman from Michigan

(Mr. BROOMFIELD) so that we will at least leave a Presidential waiver in this bill.

I would point out to my Republican friends that this puts Mr. Carter on the spot. He has to waive a prohibition of aid for OPEC countries, but I will say to my Democratic friends that unless we put the waiver in, we will have an absolute prohibition against such aid to these selected, poor, and friendly OPEC countries; that sort of action which I am so concerned about.

Mr. Chairman, I urge support for the Broomfield amendment.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, in response to our distinguished friend, the gentleman from Illinois (Mr. DERWINSKI), he mentioned the great contribution of Saudi Arabia to the United Nations Development Program.

Last year all of the OPEC countries put together contributed 4.4 percent to the total UNDP program, while the United States contributed over 25 percent to the total program.

Therefore, I do not think we can give any great applause or commendations to any of the OPEC countries, including Saudi Arabia, for a great contribution to the United Nations Development Program. I just think that that argument is weighted on the side that OPEC countries are not making a sizable contribution to the UNDP, yet Saudi Arabia will receive $10 million from the United Nations Development Program over this 5-year period.

□ 1750

Mr. BUCHANAN. I will say to the gentleman, I strongly agreed that the oil-rich countries should be doing more to assist those developing countries that are politically alined with them in the U.N. I, however, do not support slapping down our friends in this bill, particularly so long as we are in the position we are, with the absence of self-sufficiency on energy that we ought to have and ought to move toward.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding.

Is it not true that one of the greatest setbacks to development for the developing countries in the world has been the tremendous increase in the cost of energy to them brought about by the price increases of the OPEC countries? The OPEC countries are the ones really setting back development.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from New York.

Mr. WOLFF. I thank the gentleman for yielding.

If we look at the bill itself and look at the countries to which this amendment is directed, I would say that there is $3 million for Nigeria; there is virtually nothing for Ecuador; so what we are doing is directing an amendment against Indonesia as the single country, which is the single country within OPEC that has been trying to help the United States out of its problem, one that did not agree to the embargo, one that did not agree to the boycott, and the one that continued to help the United States in its problems throughout Southeast Asia. If that is the purpose of the amendment, then go ahead and vote for it. Vote for the idea of censuring a friend in Southeast Asia.

Mr. YOUNG of Alaska. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am not rising in support of or opposition to the amendment, but I have with great interest listened to the debate about energy and how we should punish those friends in the OPEC nations—if we do have friends in the OPEC nations. It is interesting to me that we have some people talk about the fact that we have to send a message to them to protect our people because they are gouging us in the price of oil and gas. I hope those same people saying this will listen on May 15 when we have an opportunity to come to grips with the real problem of this Nation: that is an administration that does not want to produce the fossil fuels which this Nation contains within its borders.

We are now faced with the proposition, and we will be faced with that, and a proposal that would like to lock up approximately 300 billion barrels of oil in the State of Alaska—yes, I said 300 billion—and enough coal in the United States alone to solve our problems. Yet we have people who do not want to decontrol. We have people who want to shut down a nuclear plant because of an incident, and we are not coming to grips with the problem. We can spank OPEC's hands all we want. We can send them a message, but that does not solve the problem. The problem sits right in this body and with an administration that has got its head buried in the sand, and not oil sand. It is an administration that does not want to solve the problem. I say to those on this floor who talk about spanking OPEC's hands—I am not saying that to my friend particularly—let us remember, if we want to solve the problem our constituents are faced with, let our oil and gas and our coal be produced as it should be, produced so we can solve the problems of this Nation, as this body should be doing.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from Texas.

Mr. ROBERTS. I thank the gentleman for yielding. He has certainly put his finger on a point that should have been brought out a long time ago. The gentleman has enough problems even with his new oil. My people are getting $5.25 for the best oil in the world, and we pay income tax so we can give to these other countries.

Mr. YOUNG of Alaska. It does not make sense. Until we come to grips with this problem, we are going to be content with this type of debate.

Mr. ROBERTS. I thank the gentleman.

Mr. BREAUX. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first of all, I am not a member of this distinguished committee and am not privy to much of the debate that goes on within the committee. But I heard someone on this side of the aisle make a point that I thought was well taken. He said sometimes we get so excited about a situation that we want to do something so bad that we want to do it even if it is the wrong thing to do. I think that is the situation we are facing right here today.

We are looking at a case where everybody back home will wholeheartedly agree we ought to do something with the OPEC nations. This is not the amendment to do it on. We are talking about three countries that are members of OPEC, one of which is the main target of this amendment, the country of Indonesia. It is not an oil-rich nation.

□ 1755

Indonesia is not a Kuwait. It is not a Saudi Arabia. Indonesia is a country with approximately 85 million people living in an area about the size of the State of Tennessee. They are not driving around in limousines, their per capita income, the average per year in that country is less than $300 per person. This is a country which is barely making it in the international community.

In addition, the money we are talking about, $101 million, in foreign aid that is going to Indonesia, is not being squandered around that country. Over three-fourths of the money that we are giving to Indonesia in this aid program is coming back to the United States because we are selling them products that are produced in the United States under a food for peace program; so we are not just giving it away to a foreign country that is floating in oil; but what we are doing, I think, is crafting a very carefully prepared bill to protect a country where the average citizen is earning less than $300 a year.

In addition, we are getting that money back, because we in turn are selling them through a loan program money that is going to be used in American products. That makes sense. If we want to do something against the oil-rich nations of OPEC, we should direct our attention to some of the oil-rich nations. Indonesia is not one of those nations.

It has been pointed out very correctly that they have stood by our side when we have needed supplies. They have argued on a regular basis that it is proper and appropriate to continue exporting oil to the United States. Let us not step on the toes and feet of a friend. Let us direct our attention to those countries that are really ripping off the United States.

I would suggest, just as a concluding remark that we vote for the Broomfield amendment, because it does at least allow the President some discretion; but let us vote against the Minish amendment and also the amendment of the gentleman from Ohio (Mr. HARSHA).

Mr. STUDDS. Mr. Chairman, will the gentleman yield?

Mr. BREAUX. I yield to the gentleman from Massachusetts.

Mr. STUDDS. Mr. Chairman, I thank the gentleman for yielding.

I want to congratulate the gentleman for his statement. The realities of the world and foreign policy, and in this particular instance of OPEC, are so infinitely more complex than the rhetoric on this floor would sometimes lead us to believe.

I fervently believe, naive as it may sound, that the people of this country are considerably more intelligent and more capable of appreciating those complexities and the nuances and subtleties of foreign policy than we so often give them credit for.

I think the gentleman speaks with great courage.

May I also say to the gentleman, I assume there is method in his madness, because the same logic that has been advanced on behalf of this amendment, we have heard Members on the minority side weep tears about the gouging of the American people. I suspect the same Members are fervently in favor of decontrolling the price of U.S. crude oil and gasoline, which would, of course, further gouge the American people.

I am sure the gentleman from Louisiana would not want an amendment which would remove all assistance from oil-producing States, such as Louisiana and Texas.

I congratulate the gentleman for his stand.

Mr. MINISH. Mr. Chairman, will the gentleman yield?

Mr. BREAUX. I yield to the gentleman from New Jersey.

Mr. MINISH. Mr. Chairman, I thank the gentleman for yielding.

The gentleman said that there are other ways of doing it. Can the gentleman enlighten me and the rest of the Members in whatever way we can get at those oil-rich countries?

Mr. BREAUX. Surely. We participate with many of the oil-rich nations in the international conferences where the State Department embraces their position, supports them in international conferences while they regularly beat us over the head with OPEC price increases.

I think we should send a message to the State Department to try and clamp down on those areas where we embrace them in international conferences.

The idea that we want to do something against the oil-rich countries is not to attack a poor nation. Indonesia is legitimately a poor nation and deserves our support.

Mr. HYDE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, Indonesia and Nigeria and Ecuador are not the heart of OPEC; so this amendment does not strike a blow at OPEC. OPEC is Iraq, it is Libia. It is Algeria, it is Kuwait, it is the United Arab Emirates; it is Saudi Arabia.

Now, they have a commodity that we want and it is in short supply. They are charging what the market will bear. That is a great free enterprise principle. Why are we mad at them? We ought to be mad at ourselves.

Up to 1967 we could excess produce oil, but we lost that capacity, because we started to become in bondage with environmentalists; we started not to build refineries. We became hooked on cheap $3 a barrel oil which we could import and we lost the capacity to produce. Today we refuse to unleash the ability of this country to produce petroleum. We could drown OPEC in a sea of oil if we would deregulate.

The gentleman from Massachusetts got up there and said that would be more price gouging. If we really want to hit OPEC, then let us deregulate the price of petroleum. Then we will stimulate production and we will defang OPEC. That is the answer. We should not be mad at countries who are charging what the market will bear. We have denied ourselves this commodity because we have refused to let our domestic petroleum industry produce. It is our fault, not theirs.

☐ 1800

We look at Alaska, which is sitting on oceans of oil and we lock it up for fauna and flora. It is nonsense.

Let us wise up and blame ourselves and unleash the capacity of this country to produce oil. That will hit OPEC where it hurts.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. BROOMFIELD) to the amendment offered by the gentleman from New Jersey (Mr. MINISH) as a substitute for the amendment offered by the gentleman from Ohio (Mr. HARSHA).

The amendment to the amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment, as amended, offered by the gentleman from New Jersey (Mr. MINISH) as a substitute for the amendment offered by the gentleman from Ohio (Mr. HARSHA).

The question was taken; and the Chairman announce that the noes appeared to have it.

RECORDED VOTE

Mr. HARSHA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 175, noes 222, not voting 35, as follows:

[Roll No. 75]

AYES—175

Abdnor
Addabbo
Albosta
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
AuCoin
Badham
Bafalis
Barnard
Bauman
Beard, R.I.
Benjamin
Bennett
Bethune
Bevill
Blanchard
Boner
Bouquard
Brinkley
Broomfield
Broyhill
Burgener
Byron
Campbell
Carney
Clausen
Cleveland
Coleman
Collins, Tex.
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, R.W.
Dannemeyer
Daschle
Davis, Mich.
Devine
Dickinson
Dodd
Donnelly
Dornan
Duncan, Tenn.
Early
Edwards, Okla.
Emery
English
Evans, Ga.
Evans, Ind.
Ferraro
Florio
Fountain
Frenzel
Gaydos
Ginn
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Heckler
Hillis
Holt
Hopkins
Hughes
Hutto
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Jones, Tenn.
Kazen
Kelly
Kindness
Kramer
Latta
Leath, Tex.
Lederer
Lee
Levitas
Lewis
Loeffler
Long, Md.
Lott
Lujan
McClory
McDonald
McEwen
McKay
Marlenee
Martin
Mathis
Mica
Michel
Mikulski
Miller, Ohio
Minish
Moffett
Montgomery
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Natcher
Neal
Nelson
Nichols
O'Brien
Panetta
Pashayan
Patten
Patterson
Paul
Perkins
Peyser
Quayle
Quillen
Ratchford
Regula
Rinaldo
Ritter
Roberts
Roe
Rose
Roth
Rousselot
Rudd
Russo
Santini
Sawyer
Schroeder
Schulze
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snyder
Solomon
Spence
St Germain
Stack
Stangeland
Stenholm
Stump
Symms
Taylor
Vander Jagt
Vento
Walker
Wampler
Watkins
Weaver
White
Whittaker
Williams, Mont.
Wilson, Tex.
Wydler
Wylie
Yatron
Young, Fla.
Zeferetti

NOES—222

Akaka
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
Bailey
Baldus
Barnes
Beard, Tenn.
Beilenson
Bereuter
Bingham
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Buchanan
Burlison
Butler
Carr
Cavanaugh
Cheney
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
D'Amours
Daniel, Dan
Danielson
Deckard
Dellums
Derrick
Derwinski
Dicks
Dingell
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Erdahl
Erlenborn
Ertel
Evans, Del.
Fary
Fascell
Fazio
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Foley
Forsythe
Fowler
Frost
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gray
Gudger
Guyer
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Hefner
Heftel
Hinson
Holland
Hollenbeck
Holtzman
Horton
Howard
Huckaby
Hyde
Jeffords
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kemp
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Leach, La.
Lehman
Leland
Lent
Livingston
Lloyd
Long, La.
Lowry
Lundine
Lungren
McCloskey
McCormack
McDade
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Mikva
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Nedzi
Nolan
Nowak
Oakar
Oberstar
Ottinger
Pease
Pickle
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Reuss
Rhodes
Richmond
Robinson
Rosenthal
Rostenkowski
Roybal
Sabo
Satterfield
Scheuer
Sebelius

Seiberling
Shannon
Sharp
Simon
Skelton
Slack
Smith, Iowa
Snowe
Solarz
Spellman
Stanton
Stark
Steed
Stockman
Stokes
Stratton
Studds
Swift
Synar
Tauke
Thomas
Traxler
Treen
Trible
Udall
Van Deerlin
Vanik
Volkmer
Walgren
Waxman
Weiss
Whitehurst
Whitley
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Yates
Young, Alaska
Young, Mo.
Zablocki

NOT VOTING—35

Anderson, Ill.
Bedell
Biaggi
Boggs
Burton, John
Burton, Phillip
Carter
Chappell
Davis, S.C.
de la Garza
Diggs
Dixon
Flood
Ford, Mich.
Ford, Tenn.
Fuqua
Hightower
Hubbard
Johnson, Colo.
Kildee
Leach, Iowa
Luken
Marriott
Mitchell, N.Y.
Mollohan
Myers, Pa.
Obey
Pepper
Rodino
Runnels
Staggers
Stewart
Thompson
Ullman
Wyatt

□ 1815

Messrs. SMITH of Iowa, OTTINGER, and SCHEUER changed their vote from "aye" to "no."

So the amendment as amended, offered as a substitute for the amendment, was rejected.

The result of the vote was announced as above recorded.

□ 1820

Mr. HARSHA. Mr. Chairman, in view of the previous vote, I ask unanimous consent that I may withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The amendment offered by the gentleman from Ohio (Mr. HARSHA) is withdrawn.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: Page 17, beginning in line 3, strike out "section 118(c), and section 620(o)" and insert in lieu thereof "and section 118(c)".

Mr. MURPHY of New York. Mr. Chairman, H.R. 3324 contains language that would repeal section 620(o) of the Foreign Assistance Act of 1961. This section of the act provides that the United States shall take into consideration, when determining whether or not to furnish foreign assistance under this act to a foreign country, whether such country has seized or imposed any penalty or sanction against any U.S. fishing vessel on account of its fishing activities in international waters.

Mr. Chairman, I understand the reason the administration is giving for the repeal of section 620(o) of the act is that when it came into being the United States only recognized a 12-mile fishery zone off the shores of any nation. As the Members are aware, in 1976 the United States extended its fishery zone from 12 to 200 miles. In view of that extension, the administration has now determined that since other countries are extending their zones to 200 miles that this provision is no longer needed in the law.

Mr. Chairman, there are three reasons why we need to retain this provision. First, the Fishery Conservation and Management Act of 1976, which extended our fishery zone from 12 to 200 miles, excludes from its coverage tuna. Consequently, the United States does not recognize the right of any nation to regulate tuna beyond 3 miles of its shores. This policy of the United States is based on the fact that tuna is a highly migratory species and that it should be regulated only pursuant to an International Convention.

Second, when extending our fishery zone from 12 to 200 miles, the Congress also established a policy with respect to coastal species, such as shrimp. The United States recognizes the right of a coastal nation to regulate coastal species out to 200 miles from its shores. However, in doing so, it is the policy of the United States that such nation will take into account traditional fishing activities of fishing vessels of the United States and will share excess stocks of fish that will not be used by its own fishermen with fishermen of other countries.

Third, the Fishermen's Protective Act provides for reimbursement to United States fishermen when a vessel of the United States is seized by a foreign country under a claim that we do not recognize, such as a seizure for fishing tuna beyond 3 miles of its shores. The act also provides for reimbursement when U.S. vessels are seized within 200 miles of a country's shores, such as when the vessels are fishing for shrimp, and the conditions and restrictions placed upon such vessels are more onerous than the conditions and restrictions which the United States imposes on foreign fishing vessels off its shores.

Mr. Chairman, the provision of the Foreign Assistance Act which this legislation would repeal is still needed in trying to encourage cooperation from foreign nations that continue to illegally seize U.S. fishing vessels. For example, the country of Brazil seized 15 United States shrimp vessels during the early months of last year and Costa Rica and Peru recently seized several U.S. tuna vessels while fishing beyond 100 miles from their shores.

Although sanctions are included in the Fishermen's Protective Act that would provide for the deduction of fines, fees, and other charges paid to a country to obtain release of a U.S. fishing vessel illegally seized the irony of the situation is that the deductions have never taken place since the act authorizes the President of the United States to waive such deductions if he determines it is in the national interest not to do so.

Mr. Chairman, it is imperative that section 620(o) of the Foreign Assistance Act be retained as this is the only effective means the United States has at this time of trying to deter the illegal seizure of U.S. fishing vessels by foreign countries.

In fact, as our fishing vessels continue to fish under the policies established by the Congress of the United States, without this provision, there would be many more seizures and by countries which we give assistance to under the Foreign Assistance Act. The only sensible thing to do is retain this provision in the Foreign Assistance Act, and that is what my amendment would do.

□ 1825

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I will be happy to yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman for yielding.

The repeal of section 620(o) was called to the attention of the Committee by the gentleman from the Eastern Shore, the gentleman from Maryland during debate. I then advised him that the Committee had been informed that this section was one of the outdated sections of the act no longer needed. Indeed, I had earlier characterized it as a barnacle. Since then, and after the gentleman from New York (Mr. MURPHY) had brought to my attention some of the details that this section refers to, I must amend my earlier characterization that it is a barnacle. It is not a barnacle and, therefore, on this side we will accept the gentleman's amendment.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I just wanted to thank the gentleman from Wisconsin (Mr. ZABLOCKI) for withdrawing his barnacle.

Mr. ZABLOCKI. If the gentleman from New York would yield again, I did learn, I might say to the gentleman from Maryland, it is not a barnacle at all, but it is a scallop—or better yet, Mr. Chairman, a delicious Maryland Eastern Shore crab.

Mr. FORSYTHE. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from New Jersey.

Mr. FORSYTHE. I thank the gentleman for yielding.

I also want to congratulate the gentleman from Wisconsin (Mr. ZABLOCKI). I think it is very important that this language stay in the law. I congratulate my Chairman also for taking part in this, the gentleman from Maryland.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title I?

Mr. ZABLOCKI. Mr. Chairman, I had intended to move that the Committee do now rise, but if any Member wants to offer an amendment, we would have an opportunity to study it overnight.

AMENDMENTS OFFERED BY MR. QUAYLE

Mr. QUAYLE. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. QUAYLE: Page 2, beginning in line 11, strike out "and $789,000,000 for the fiscal year 1981".

Page 4, beginning in line 7, strike out "and $255,000,000 for the fiscal year 1981"; and beginning in line 10, strike out "and $210,000,000 for the fiscal year 1981".

Page 4, beginning in line 24, strike out "and $140,000,000 for the fiscal year 1981, which amounts are" and insert in lieu thereof ", which are".

Page 8, beginning in line 16, strike out "and $15,000,000 for fiscal year 1981".

Page 9, beginning in line 15, strike out "and $180,300,000 for the fiscal year 1981, which amounts are" and insert in lieu thereof ", which are".

Page 9, beginning in line 21, strike out "each of the fiscal years 1980 and 1981" and insert in lieu thereof "the fiscal year 1980".

Page 11, line 10, strike out "$160,000,000" and insert in lieu thereof "$30,000,000".

Page 11, line 15, strike out "and fiscal year 1981, respectively,"; and beginning in line 20, strike out "and $18,200,000 for fiscal year 1981".

Page 13, beginning in line 3, strike out "and $25,000,000 for the fiscal year 1981, which amounts are" and insert in lieu thereof ", which are".

Page 14, beginning in line 17, strike out "and $315,325,000 for the fiscal year 1981".

Page 15, beginning in line 5, strike out "and $25,000,000 for the fiscal year 1981".

Page 15, beginning in line 10, strike out "each of the fiscal years 1980 and 1981" and insert in lieu thereof "the fiscal year 1980".

Page 16, beginning in line 4, strike out "and $5,000,000 of the funds made available for the purposes of this Act for the fiscal year 1981".

Page 16, line 11, strike out "fiscal years 1980 and 1981" and insert in lieu thereof "fiscal year 1980"; and beginning in line 14, strike out "for the fiscal year 1980 and $285,000,000 for the fiscal year 1981".

Page 17, strike out lines 7 through 25 and redesignate sections 124 through 126 as sections 122 through 124, respectively.

TITLE III—ECONOMIC SUPPORT FUND

Page 22, beginning in line 1, strike out "and for the fiscal year 1981, $1,950,000,000".

Page 22, strike out lines 7 through 12 and insert in lieu thereof the following:

"(b)(1) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1980, not less than $785,000,000 shall be available only for Israel and not less than $750,000,000 shall be available only for Egypt.

Page 22, beginning in line 14, strike out "and for the fiscal year 1981"; and strike out line 21 on page 22 through line 2 on page 23.

Page 23, beginning in line 13, strike out "amounts" and all that follows through "1981" in line 16 and insert in lieu thereof "amount authorized to be appropriated to carry out this chapter for the fiscal year 1980, $68,000,000".

Page 24, line 6, strike out "amounts" and insert in lieu thereof "amount"; and beginning in line 8, strike out "and for the fiscal year 1981, $15,000,000 for each such year" and insert in lieu thereof ", $15,000,000".

TITLE IV—INSTITUTE FOR SCIENTIFIC AND TECHNOLOGICAL COOPERATION

Beginning on line 37, line 24, strike out ", and $40,000,000 for the fiscal year 1981".

TITLE V—PEACE CORPS

Page 45, beginning in line 23, strike out ", and for fiscal year 1981 $112,888,000'; and on page 46, beginning in line 3, strike out "and fiscal year 1981".

Mr. QUAYLE (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD, and that they be considered en bloc.

The CHAIRMAN. The Chair would like to inquire of the gentleman from Indiana whether his unanimous-consent request pertained to the amendments as they relate to other titles beyond title I?

Mr. QUAYLE. Yes, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

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Mr. ZABLOCKI. Mr. Chairman, I reserve the right to object.

Mr. Chairman, I have reserved the right to object for the purpose of inquiring of the gentleman from Indiana if the gentleman's en bloc amendments providing for a 1-year, rather than a 2-year authorization, as the Committee on Foreign Affairs has recommended, would apply to all titles in the bill.

Mr. QUAYLE. Mr. Chairman, if the gentleman will yield, yes, that is the express purpose. This amendment was drafted by the legislative counsel to provide for 1-year authorization, rather than 2-year authorization.

As the gentleman knows, the amendments relate to many titles and that is why I asked that they be considered en bloc. That is all these amendments do. They are very simple and direct amendments.

Mr. ZABLOCKI. It would be more orderly, Mr. Chairman, if we would take the amendments to each title; but I will not object, because by taking them en bloc for all titles under the unanimous-consent request that the gentleman would obtain, we can dispose of the matter in one vote.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. QUAYLE. I would, of course, yield to my distinguished chairman.

Mr. ZABLOCKI. Mr. Chairman, I am sure the gentleman would not object if the gentleman from Wisconsin would move that the Committee do now rise.

Mr. QUAYLE. Mr. Chairman, I would be happy to accommodate the gentleman. If the gentleman desires to move to rise at this time, I have no objection.

Mr. ZABLOCKI. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BRADEMAS) having assumed the chair, Mr. LEVITAS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3324) to authorize appropriations for fiscal years 1980 and 1981 for international development and economic assistance programs and for the Peace Corps, and for other purposes, had come to no resolution thereon.

NATIONAL PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1979—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-89)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Public Works and Transportation, and to the Committee on Banking, Finance and Urban Affairs, and offered to be printed:

To the Congress of the United States:

I am today transmitting to Congress the National Public Works and Economic Development Act of 1979. To millions of Americans in distressed urban and rural communities this legislation will mean new private sector jobs and economic progress, new income and new hope for the future.

This legislation will help strengthen the economic development of distressed urban and rural communities. It will provide new private sector jobs and badly needed income to the citizens of these communities. It will strengthen their tax bases and attract new private investment. It will help these communities support essential public services without imposing high property taxes on their citizens. And it will help these communities and their citizens become more self-sufficient in the future.

This legislation is based on one overriding fact of our economic life today. Our Nation can no longer afford to rely only on government to provide jobs and income to our disadvantaged citizens and to our distressed communities. We must continue to harness the vast resources of the private sector to help us meet these important challenges. The legislation that I am sending to Congress today is another major step in this direction.

Two years ago when I took office, our economy was struggling to recover from the deepest recession since the great Depression. Unemployment was high, industrial capacity was idle and the incomes of American workers were well below expectations.

Today more than 7.5 million new jobs have been created in our economy and factories across the country have regained high levels of production. Family incomes, after adjustment for inflation, have risen substantially and so have business profits. Our economy is much stronger today than when I took office, just 2 years ago.

Despite this period of strong economic expansion, there are numerous rural and urban areas that have not participated fully in our Nation's economic health. These areas still have very high unemployment, low average incomes, substantial poverty and loss of jobs. They do not have enough private investment to provide jobs to their residents, nor do they have the private sector tax base to support essential public services.

The problems of these rural and urban communities have not been solved fully by national economic policies. These communities require special targeted aid to bring in new private sector jobs and investment. Only with this targeted assistance can we be assured that all areas of our Nation, both rural and urban, will participate in the Nation's economic prosperity.

Since taking office, I have focused the resources of the Federal government on programs that will retain existing jobs, bring in new jobs and income, and expand the tax base of these economically troubled communities. I have expanded both the tax incentives and the Federal grant and loan programs available to businesses that remain or locate in these areas. With the help of the Congress we already have accomplished a great deal.

—I have proposed, and Congress has enacted, legislation establishing the Urban Development Action Grant (UDAG) program in the Department of Housing and Urban Development. This program, which I propose to fund at $675 million in my Fiscal Year 1980 budget, provides grants to economically distressed cities and urban counties for projects that create private sector jobs and new tax base in these communities. The first $599 million of UDAG grants have stimulated more than $3.6 billion of private investment in these communities. In addition, we have encouraged cities and counties to use more of their Community Development Block Grant funds for economic development projects.

—I have expanded funding for the economic development grant, loan and loan guarantee programs that are administered by the Economic Development Administration (EDA) in the Department of Commerce. EDA programs were funded at approximately $400 million in FY 1977 when I took office. If the legislation I am transmitting today is approved, our FY 1980 budget will contain approximately $1.3 billion in budget authority for EDA's economic development programs.

—With Congress' approval, I have greatly expanded the Farmers' Home Administration's business and industry loan program from approximately $350 million in loan guarantees in FY 1977 to $1 billion in FY 1980. This increase complements the substantial growth that I have proposed for FmHA's overall program.

—With Congress' approval, I expanded the existing Investment Tax Credit (ITC) to provide a ten percent tax credit for the rehabilitation of factories, warehouses, hotels, stores and other businesses. Previously, the ITC had applied only to new plant and equipment. My FY 1980 budget projects that $1.8 billion of private sector rehabilitation will be assisted by this tax credit.

—With the help of Congress, I have implemented a significant new tax credit to encourage private sector businesses to hire the economically disadvantaged. The targeted jobs tax credit will provide a tax credit of 50 percent of the wages, up to $3,000, for any employee hired from one of seven target groups. My budget estimates that a tax expenditure of $500 million will be required to implement this program in FY 1980.

—I proposed and Congress enacted amendments to the Comprehensive Employment and Training Act (CETA) which include provisions to make CETA more responsive to the needs of private sector employers. CETA's new private sector jobs initiative will allow CETA to reimburse private employers for part of the wages and other expenses incurred as part of on-the-job training or job-upgrading programs. I have requested $400 million in a supplemental that is urgently needed this year to fund this program.

As a result of these actions and the legislation I am transmitting today, the Federal government will provide more than $3 billion of direct expenditures and tax expenditures and almost $3 billion of loan guarantees to stimulate private sector jobs and investment in economically troubled communities and to encourage private sector businesses to hire the economically disadvantaged. This amounts to a 700 percent increase in both the amount of budgetary assistance and the amount of loan guarantee aid provided for these purposes above Fiscal Year 1977 levels.

To assist these communities further in regaining their economic and fiscal stability, I am hereby transmitting to Congress the National Public Works and Economic Development Act of 1979. This legislation is part of my overall effort to strengthen the Federal government's economic development programs. That effort will include:

—the National Public Works and Economic Development Act of 1979;

—a $275 million increase in the authorization for the UDAG program submitted early in March;

—a reorganization plan to be submitted later this year that will transfer the Farmers' Home Administration's (FmHA) business and industrial loan program and the Small Business Administration's (SBA) State and local development corporation programs to EDA;

—separate legislation that will consolidate the programs currently managed by SBA and FmHA into the consolidated economic development financing program in EDA. This legislation will be submitted after Congress has completed action on the reorganization plan; and

—legislation that will reauthorize and expand the work of the Multi-State Regional Action Planning Commissions.

The National Public Works and Economic Development Act of 1979 will strengthen and expand the Federal government's ability to bring private sector jobs and investment to economically troubled urban and rural areas. The bill provides various incentives—grants, direct loans to businesses, loan guarantees and interest subsidies—to encourage businesses to invest in areas with high unemployment, low average incomes, significant poverty and loss of jobs. The bill will help to rejuvenate economically troubled communities in both rural and urban areas.

There are three major elements to this legislation. The first is a consolidated and substantially expanded public works and economic development grant program. It consolidates into one grant program the authorities previously included in Titles I, IV and IX of the current EDA legislation. The public works and economic development grants will be available for the design, construction and rehabilitation of public facilities; the capitalization of State and local government revolving loan programs; the funding of State economic development projects; the provision of assistance to private sector businesses that expand or locate in economically troubled areas; and the financing of special projects that provide immediate jobs for the unemployed. I will request $575 million of budget authority in FY 1980 for this grant program.

A second part of this legislation authorizes a variety of financing incentives to encourage private sector businesses to remain, locate or expand in economically distressed urban and rural areas. The consolidated economic development financing program will make available direct loans, loan guarantees and interest subsidies to businesses that provide private sector jobs in economically distressed communities. It consolidates the loan and loan guarantee assistance currently available under EDA's Title II program with the financing incentives previously proposed for the National Development Bank. It will be the foundation for the consolidated economic development loan and loan guarantee program that I have proposed as part of my reorganization effort. My budget proposes that $570 million of budget authority and $1.8 billion of loan guarantee authority be available for this program in Fiscal Year 1980.

The third key part of this legislation will provide economic development planning assistance to urban and rural areas and technical assistance to both the public sector and the private sector. It will help State and local governments and the private sector strengthen their capacity to work together to rebuild the economic base of economically distressed urban and rural communities. I will request that approximately $90 million of budget authority be provided in Fiscal Year 1980 for this program.

The National Public Works and Economic Development Act will provide the foundation for the consolidated economic development loan and loan guarantee program that I announced as part of my reorganization proposals. Later this year, I will transmit to Congress a reorganization plan that transfers to EDA the business and industry loan program from FmHA and the State and local development company loan programs from SBA. This reorganization plan will bring the major economic development loan and loan guarantee programs together into one economic development financing program in EDA. It will make it possible for the Federal government to provide one-stop service to urban and rural communities and private businesses that are seeking economic development loan and loan guarantee assistance. It also will streamline Federal aid in this area, reduce Federal red tape and improve the management of the economic development financing programs. After Congress has acted upon the reorganization plan, I will submit legislation that consolidates the SBA and FmHA program requirements into EDA's economic development financing program.

The economic development legislation, reorganization plan and accompanying program consolidations will substantially expand the economic development aid available to rural and urban areas. I intend to ensure that both rural and urban areas are guaranteed a fair share of the new resources. In addition, I will take every step to preserve and strengthen our capacity to deliver this aid to rural and urban areas efficiently and promptly.

This package of economic development legislation and reorganization proposals represents an important departure from previous urban and rural assistance efforts. For the first time, the Federal government is committing substantial resources to attracting private sector jobs and investment to the lagging areas of our country. For the first time, we are asking the private sector to join us in our redevelopment efforts. I am hopeful that Congress will join me in this sensible approach to urban and rural problems and will enact this important legislation.

JIMMY CARTER.

THE WHITE HOUSE, *April 4, 1979.*

GEN. JOHN W. ROBERTS

(Mr. KAZEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. KAZEN. Mr. Speaker, because of previous commitments here, I could not be present at the retirement ceremony of one of the great Air Force generals of our time. John W. Roberts, the first Air Training Command officer to wear four stars, was honored March 23 in my district at Air Training Command headquarters, at Randolph Air Force Base in San Antonio.

The sentiments shared by his many friends and fellow citizens were well expressed in an editorial in the San Antonio Light. In order that my colleagues may share the appreciation of General Roberts' service, I want to call Members' attention to the editorial:

TRIBUTE TO GEN. JOHN W. ROBERTS

A distinguished 36-year-long military career came to a close in San Antonio today, with the retirement of one of the Air Force heroes of this time.

Gen. John W. Roberts, commander of the Air Training Command, has taken off the blue and stepped into civilian life.

We want Roberts to know we have considered him that kind of military hero we want as our neighbor.

A parade on the east flightline of Randolph Air Force Base, the headquarters of Roberts' Air Training Command, was one of the highlights of Roberts' retirement day.

Among the guests on the reviewing stand with Roberts were to be Secretary of the Air Force John C. Stetson, Air Force Chief of Staff Gen. Lew Allen Jr. and San Antonio area community leaders.

Roberts, senior Air Force officer on active duty in the Southwest and one of only 13 Air Force four-star generals, has headed the Free World's largest training system since August 1975.

He assumed command of ATC as a lieutenant general, but two years ago, when the growing importance of training prompted Air Force headquarters to upgrade ATC to a four-star command, he became the first ATC commander to wear four stars.

As ATC commander, Roberts has directed a work force of more than 110,000 at 15 bases in the United States, and at Field Training Detachments worldwide. ATC is in charge of all initial military, flying and technical training in the Air Force.

Last spring, the command assumed responsibility for Air Force education programs through the Air University at Maxwell Air Force Base, Ala.

Roberts enlisted in the Army Air Corps in 1943 as an aviation cadet. Pinning on his wings the following spring, he worked as an instructor pilot until being assigned to a fighter wing in Germany.

Returning to the United States, he won top individual scoring honors in the first Air Force fighter weapons meet.

During the Korean War, Roberts flew combat missions and served as a flight commander and squadron operations officer. In the years that followed, he successfully completed various assignments in the United States.

After graduating from the National War College in 1965, he went to Air Force headquarters as assistant chief of the Special Warfare Division, then became chief of the Systems Division of the Defense Communications Planning Group at the Naval Observatory.

Sent to Vietnam, he commanded a fighter wing and served as director of the Tactical Air Control Center.

Roberts returned to Air Force headquarters in Washington in August 1970 as deputy director, then director of Personnel Plans.

In 1973, he became Air Force deputy chief of staff for personnel, then transferred to ATC in 1975.

For his contributions to the Air Force personnel resource programs management, he received the prestigious Zuckert Management Award.

In November 1976 noncommissioned officers of the command bestowed the ATC Order of the Sword on Roberts. The highest award NCOs can proffer, it provides a means of recognizing individuals for their conspicuous and significant contributions to the welfare and prestige of the NCO corps and the military community. Only the sixth person to be presented the ATC Order of the Sword, Roberts said he considers it the most significant single award he ever received.

In his three and one-half years as ATC commander, Roberts emphasized the importance of ATC training to Air Force day-to-day readiness. He developed a program in which ATC personnel successfully augmented operational commands during combat exercises at home and abroad.

We are proud of John W. Roberts, new civilian, and the group he has commanded.

INTRODUCTION OF SENSE OF THE HOUSE RESOLUTION ENCOURAGING DEVELOPMENT OF NONNUCLEAR ENERGY RESOURCES AND ENERGY CONSERVATION

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FISH. Mr. Speaker, today, I am introducing a sense of the House resolution urging the President to encourage the development of nonnuclear energy resources and the conservation of domestic energy in all sectors of use.

This Nation has just experienced the worst accident in the history of commercial operation of nuclear power plants, threatening an estimated 630,000 residents in the surrounding area of the Three Mile Island nuclear generating station. In addition, a series of recent events, prior to the Three Mile Island accident, have raised serious questions about the use and safety of nuclear power. For instance, the Nuclear Regulatory Commission closed five plants across the country because of design failures. The NRC also withdrew its unqualified endorsement of the Rasmussen report. The Department of Health, Education, and Welfare says that the risks of cancer from low-level radiation are more uncertain than ever. And, a committee representing 14 Federal agencies reports that the ease of nuclear waste disposal has been overestimated.

In the area of conservation of our energy use, a February 1979 report by the President's Council on Environmental Quality concluded that—

> The United States can do well, indeed prosper, on much less energy than has been commonly supposed. The principal basis for this good news is the accumulating evidence that the means are available to wring far more consumer goods and services out of each unit of fuel that we use.

The report continues:

> Technology to increase greatly, productivity of the U.S. energy system is at hand. It is also economical.

A determined national effort to improve energy productivity could result in a low energy growth rate by the year 2000, which assumes no greater reliance on nuclear power generation than that contemplated from nuclear plants in operation or under construction.

The text of my resolution follows:

H. RES. —

Resolution expressing the sense of the House of Representatives that the President should encourage the development of nonnuclear energy resources and should pursue the conservation of domestic energy in all sectors of use:

Whereas, the technical reliability and safety of using nuclear energy for the production of electrical power have become matters of great public concern;

Whereas, the technical feasibility of adequate, long-term nuclear waste disposal has not been clearly established;

Whereas, there is a likelihood of significant proliferation risks associated with the continued use of nuclear energy for the production of electrical power in this Nation;

Whereas, the events at the Three Mile Island Nuclear Power Plant in Middletown, Pennsylvania, and other recent events connected with the generation of electricity from nuclear power plant operations demonstrate the possibility of extraordinary nuclear occurrences in the future;

Whereas, the Nation's future energy needs can be met if a firm national commitment is now made to the development of alternative energy resources; and

Whereas, a determined National commitment to energy conservation will reduce not only our domestic energy consumption, but also, maintain the nationally desired standard-of-living and lead to significant economic benefits from increased energy productivity: Now, therefore, be it

Resolved, That the President should encourage the accelerated commercialization of alternative energy technologies and should pursue a determined National commitment to the conservation of domestic energy in all sectors of use in the formulation of any National energy strategy or policy.

IS ANYBODY OUT THERE LISTENING?

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROTH. Mr. Speaker, I would like to call to the attention of my colleagues an especially thoughtful editorial that appeared in the April 1 edition of the Appleton Post-Crescent. It is heartening to see that, despite the emotional rhetoric that so often surrounds the energy problem, rational, measured discussion still persists. We all know that there are numerous alternative energy resources available to this country: Oil, coal, nuclear, solar, gasahol, and wind among others. Unfortunately, the interest groups proselytizing for the adoption of one particular energy form at the same time seem to argue for the exclusion of all others.

The costs and benefits of our energy alternatives are rarely debated without bias. With that in mind, I commend this excellent editorial to my colleagues.

DREYFUS ON ENERGY

Governor Dreyfus' remarks about energy needs before the Wisconsin Electric Cooperative Association were timely. The OPEC nations had just announced a 9% boost in oil prices plus the possibility of a surcharge. President Carter had delayed his own energy proposals in light of the increase. There is no question but that energy needs of the future and how they will be met are critical.

The governor was also right in pointing out to nuclear detractors that the primary alternative, coal, also has drawbacks. "Expanding coal mining will have social and human costs," he warned. Mine explosions and cave-ins have been responsible for hundreds of thousands of deaths of miners. There has also been health damage to those who spend so much of their lives underground.

The governor's well thought out logic on the dangers of nuclear alternatives probably will be drowned out by the furor and publicity over the radiation leaks that developed at the Three Mile Island nuclear plant near Harrisburg, Pa. And, indeed, the incident will do more to mobilize and unify the antinuclear groups than anything in the past.

The Three Mile Island incident and recent closing of nuclear plants, primarily along the Eastern seaboard, certainly raises some serious concerns about the safety precautions taken in nuclear plant construction as well as problems over eventual disposal of radioactive wastes.

The governor proposed a long overdue drive to determine whether solar energy can really be developed to take over a large share of the power now produced by oil. The federal government has been lax until recently in pushing the investigation of both solar and wind power, presumably because of lack of interest in industry. Yet independent research, often by idealists, has demonstrated that a certain percentage of the energy needs could be fulfilled through solar power in particular—and it won't run out as all fossil fuels eventually will. Nor is there any dangerous waste disposal. More experiments with gasahol also merit attention. United States agriculture has shown a tremendous capability in grain production which could be important even if the optimum has been reached.

But doubts must remain about the reaction by the general public to the warnings. Is anybody out there listening?

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INTRODUCING THE FINANCIAL REGULATION SIMPLIFICATION ACT OF 1979

(Mr. STANTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STANTON. Mr. Speaker, today I am introducing the Financial Regulation Simplification Act of 1979. I am pleased to say that I am joined in this effort by all 14 other members of the minority on our House Banking Committee.

Our bill is aimed at eliminating unnecessary costs and burdens imposed on the economy by Federal regulation.

Mr. Speaker, our bill both compliments and corrects an omission of President Carter's Executive order of March 1977, "Improving Government Regulation," by requiring the financial regulatory agencies to initiate the same type of regulatory reform as all other executive agencies are now required to undertake.

Our bill requires that the Federal financial regulatory agencies periodically review existing regulations in the light of the bill's policy goals.

Our bill clearly states six separate policy goals which must be used as a standard in issuing any new regulations:

First, the need for and purpose of the regulation are to be established clearly;

Second, meaningful alternatives to the regulations must be considered before any regulation is issued.

Third, compliance costs, paperwork, and other burdens on the financial institutions, consumers, and public are to be minimized;

Fourth, conflicts, duplications, and inconsistencies between the regulations issued by the Federal financial regulatory agencies are to be avoided;

Fifth, participation and comment by other agencies, financial institutions, and consumers must be available; this does not mean, however, that formal, trial-type hearings on each and every proposed regulation are required; and

Finally, when regulations are issued they shall be as simple and clearly written as possible and understandable by those who are subject to the rules.

Each agency is required to establish a program to insure the periodic review of existing regulations in order to achieve the objectives I have just outlined. So that agencies are held accountable to the Congress for implementing the provisions of the financial regulation simplification bill, each agency is to provide a report of its progress, annually, to the House and Senate Banking Committees. It should be emphasized that we are not looking for another major report from financial regulatory agencies; the required progress report can be included in the regular annual report each agency submits to Congress.

Over the years, financial regulations have provided significant benefits to consumers. But, at the same time, Federal financial regulatory agencies have not achieved their regulatory objectives in an efficient and cost-effective manner. The result, all too often, has been the imposition of costly duplicative and unnecessary burdens on both financial institutions and consumers.

There is a building inventory of research which demonstrates how staggering are the costs of Government regulation of business. The most disturbing aspect of this trend, however, is that much more is involved than just direct costs of regulations. Increasing regulations contribute to this Nation's severe inflation problems; productivity growth a necessary ingredient of a health economy is eroded by the regulatory process; innovation is stifled through the effect of cumbersome regulations.

A recent Joint Economic Committee study on the costs of Government regulation of business indicated that in 1977, the aggregate cost of that regulation is estimated to be as much as $103 billion. This same study indicated that the cost of administering Federal regulations increased 115 percent over the past 5 years to almost $5 billion in 1979.

In recent years, productivity has grown at a very slow rate. From 1948 to 1965, the average annual rate of productivity growth for private business was 3.2 percent, from 1965 to 1973, it averaged 2.3 percent but since 1973 the rate has fallen to an unacceptable 0.9 percent. The Council on Wage and Price Stability estimates that the proliferation of various types of regulations is responsible for 0.4 percent per year reduction in productivity growth during the past 5 years. The number seems small, but had productivity been 0.4 percent better in each of the last 5 years it would have translated into $28 billion more real economic growth than was, in fact, the case. Incidentally, that amount is about equal to the projected 1980 fiscal year Federal deficit. This trend in turn has been an important contribution to accelerating inflation.

Last December the Domestic Policy Review of Innovation Committee submitted a report to the Department of Commerce detailing how regulations have impeded innovation. While no precise estimates were developed, the committee was firm in its conclusions. These are a few of their many findings:

Funds for R. & D. are diverted to testing programs for environmental and health effects, greater than prudence dictates reducing the funds available for new product or process innovation. This uncertainty may be the greatest inhibitor to the innovation process and requires serious attention and response.

For example, Prof. Sam Pellzman of the University of Chicago has estimated that the 1962 amendments to the Food and Drug Act are delaying the introduction of effective drugs for about 4 years, as well as leading to higher prices for pharmaceutical products.

While to the best of my knowledge, no accurate numbers are available on the cost of Federal financial regulation, we can assume that the costs are substantial. It is clearly a responsibility of Congress in its oversight activities of financial regulatory agencies and particularly of the agencies themselves to carry the regulatory process only to the point where added costs equal the added benefits of regulation and no further. It is my belief that we should also search for ways to increase the role given to competition and market forces. It has been shown repeatedly and this is the way to achieve our objective in the most efficient and fair manner.

I am also persuaded by the growing body of research from within Government academia and business that less regulation and more competition among financial institutions will have many beneficial side effects. These will include help in our critical fight against inflation, improved productivity in producing our Nation's goods and services and increased capital formation, all of which are necessary to insure the country's long-term social and economic health. As Barry Bosworth, Director of the Council on Wage and Price Stability said in testimony this February before our Economic Stabilization Subcommittee, that excessive Government regulations not only mean higher inflation but in turn slower productivity growth and reduced capital formation.

By approving this act, we can confidently say that we have contributed to restoring our Nation's economic health, even if only in a small way, and perhaps only over the long run. Improving Government regulations and streamlining the regulatory process are goals which should receive bipartisan support. I urge my colleagues to adopt this legislation and help lessen the regulatory burden on both financial institutions and consumers.

CONGRESSMAN LEDERER JOINS COLLEAGUES IN INTRODUCING BILL PROVIDING FOR WINDFALL PROFIT TAX ON DOMESTICALLY DECONTROLLED OIL

(Mr. LEDERER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEDERER. Mr. Speaker, I rise today to join my colleagues, Mr. COTTER and Mr. SHANNON, in introducing a bill which provides for a windfall profit tax on domestically decontrolled oil.

President Carter is scheduled to announce his 1979 energy priorities, including a plan for decontrolling oil prices, within the next few days. We anticipate that his program for decontrol will be a moderate one.

In view of the recent and unjustified price increases by OPEC, it is my fear that this decision to decontrol will present an opportunity to our Nation's oil producers to gain large windfall profits. Such a result would be unacceptable to both myself and my constitutents.

I believe that most Americans are concerned about our energy problems. However, it is also true that there is a large number of people in this country who believe that the "oil crisis" is a hoax. How can we justify to the American people this decontrol of oil prices when, by decontrol, the oil companies would earn an additional $10.5 billion in 1980. If the United States is going to have to pay higher prices for gasoline, then we should all have to bear this burden and not just those who purchase gas at the pump.

This proposal would address itself only to the windfall profits area. It would place a tax of 85 percent on the difference between the adjusted base price of oil and the selling price. I recognize that this tax is tough, but I feel that it is fair. I think that a 15-percent profit is a fair return and should certainly be an incentive for future expansion and development.

We in the Congress must begin to face our responsibilities in the energy area. There are no easy solutions to our difficulties. My colleagues and I feel that this question of decontrol and windfall profits deserves a full hearing by the House. We offer our bill as a viable alternative in this discussion.

OPEN HOUSE AMENDMENTS OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANDERSON) is recognized for 10 minutes.

● Mr. ANDERSON of Illinois. Mr. Speaker, today I am introducing a package of 10 amendments to the House rules known as the "Open House Amendments of 1979." This is the third Congress in which I have introduced a package of House rules reforms aimed at making the House more effective, open and accountable. In the last Congress a bipartisan group of 66 Members cosponsored some or all of these reforms.

I am especially optimistic about the prospects for some of these reforms in the 96th Congress given the announced intention of the new chairman of the Rules Committee (Mr. BOLLING) to devote more attention to our original jurisdiction responsibilities, and given the creation of a Select Committee on Committees to study and make recommendations on House rules X and XI dealing with committee jurisdictions and procedures.

It has been reported by some that there is a new antireform mood running through the House, a backlash against what some perceive as an excess of reforms over the past decade. While some legitimate concerns have been raised that there has been an overdemocratization of our committee system without proper rationalization, and an overpurification through stringent new financial ethics requirements, I do not think this body is averse to continuing to make meaningful improvements in this institution—to making the House more efficient, effective, open, and accountable to the public.

Mr. Speaker, House reform is a dynamic process as the problems and responsibilities confronting this institution change and as new Members are elected to this body with fresh ideas and their own set of priorities and needs. Over half the membership of this body has come to the House since 1974. This large infusion of new blood has helped to reinvigorate this institution and has forced us to reexamine the way we do things, as well we should. We all return to this House every 2 years with a fresh mandate from our constituents and we are particularly aware at the beginning of this Congress that the people expect more and better of us in terms of holding down inflation, eliminating unnecessary Government spending and regulations, and, in general, of being more open, accountable and responsive to the people.

The modest package of reforms I am introducing today are by no means presented as a cure-all for all the ills which plague our system of Government. They do not, for instance, address the need to realine our committee jurisdictions along more rational and functional lines in order to make our workload more manageable and less duplicative. That is the principal challenge confronting our new Select Committee on Committees and it will not be an easy or noncontroversial task. Instead, the reforms I am proposing are designed to strengthen our oversight capabilities, deal more effectively with violations of our Code of Official Conduct and other ethical requirements, and make our committee system more open, accountable and manageable.

In the area of oversight, my amendments would require each committee having more than 20 members, other than Budget and Appropriations, to create an oversight subcommittee. At present this is an optional requirement under our rules. My amendments would further require each committee to formally develop and adopt an oversight agenda and timetable at the beginning of each Congress which would be submitted to the Committee on Government Operations for hearings, and, after consultation with the majority and minority leadership, publication of a report by the Government Operations Committee setting forth the various oversight agendas together with recommendations to insure proper coordination. The Committee on Government Operations would also be responsible for assessing the oversight activities of our committees at the end of each Congress. At present, such oversight plans are submitted, usually without any input from the committee members. The present rule simply requires discussions between appropriate representatives of each committee and appropriate representatives of the Government Operations Committee. While there has been considerable improvement in these oversight plans in this Congress over previous Congresses, there is still little formal formulation of these plans by the committees involved.

In the area of ethics reform, my amendments would require the Committee on Standards of Official Conduct to file a report on any investigation it has undertaken, and would permit the House to direct the committee to undertake an investigation. Moreover, any Member who has filed a complaint with the committee may call up in the House a privileged resolution directing an investigation if the committee has not voted to investigate the complaint within 15 days after its receipt. Under the present rules, the committee is not required to file reports on its investigations, and it may only undertake an investigation on the vote of a majority of its Members, thus permitting as few as 6 of that committee's 12 members to thwart the will of a House majority.

My fourth amendment would limit each House committee, except Appropriations, to no more than six subcommittees. At the end of the last Congress our 22 standing committees had some 151 subcommittees, an average of 7.5 per committee excluding the Rules and Standards Committees. Most House Members agree that subcommittee proliferation has become one of our greatest problems. While I have not yet inventoried the number of subcommittees in this 96th Congress, I suspect the Democratic Caucus attempt to deal with this problem by limiting Members to no more than five subcommittee assignments, had little or no effect in reducing the number of subcommittees. In the 93d Congress, by contrast, just 5 years ago, our 21 standing committees had just 125 subcommittees. So, there has been a 21-percent increase in standing committee subcommittees in just the last half decade.

While it might be argued that this increase was necessary to handle an increased committee workload, the statistics do not bear this out. In the 90th Congress some 1,745 measures were reported from House committees, compared to 1,490 in the last Congress; 1,659 measures were passed by the House in the 90th Congress, compared to 1,615 in the 95th Congress; and 640 measures were enacted into law in the 90th Congress, compared to 634 public bills enacted into law in that last Congress. So, our legislative productivity has not been increasing with the increase in subcommittees. What is most likely happening instead, with the multiple referrals instituted in the 94th Congress, is that more subcommittees are spending more time going over the work of other subcommittees. Our big mistake in adopting the Committee Reform Amendments of 1974 was in permitting these multiple referrals without undertaking a comprehensive overhaul of committee jurisdictions.

My fifth amendment would require all committees to keep a verbatim transcript of all committee action of a legislative or investigative nature, and to permit public inspection of these transcripts except for those portions the committee determines the disclosure of which would endanger our national security or violate any law or rule of the House. The present House rule only requires that committees make available for public inspection the result of each rollcall vote. While some committees do permit public inspection of their transcripts, there is no uniform requirement for this under the House rules. The people and the press should have access to the records of all official committee proceedings other than those matters required to be kept confidential for national security or personal privacy reasons.

My sixth amendment would ban all proxy voting in committees. This was a recommendation of the Bolling-Martin Select Committee on Committees in the 93d Congress, and was adopted by the House. But the proxy ban was nullified by the Democratic Caucus at the beginning of the 94th Congress and incorporated in the House rules for that Congress. If we expect our committees to do a credible and conscientious job of legislating, we cannot countenance this form of legislating in absentia.

My seventh amendment would require all committee meetings to be open unless a committee majority votes to close a meeting for national security, personal privacy, or budget or personnel reasons. Under the present House rule a committee meeting can be closed for any reason, unlike committee hearings which can only be closed on the narrow grounds of national security or personal privacy.

My eighth amendment would restore the majority quorum requirement in committees for the transaction of business, including the markup of legislation. This would not alter the existing rule permitting as few as two members to constitute a quorum for the purpose of taking testimony. But, under the present House rule, as few as one-third of a committee's members may constitute a quorum for the transaction of all business other than reporting a measure, in which case a majority must be present. Again, this one-third quorum requirement encourages absenteeism and makes the quality of the legislative product reported from committees and subcommittees unrepresentative of the committee.

My ninth amendment would make it possible for any member of a committee to demand a rollcall vote on any matter, and would also require a rollcall vote on reporting any measure, and the publication of that vote in the committee report. Many committees now require a fifth of a quorum or a fifth of those present and voting to demand a rollcall vote.

Finally, the last of my amendments would require a verbatim transcript to be kept of all House-Senate conference committee meetings, if it is agreed to by the Senate conferees. Moreover, the transcript of all open meetings would be available for public inspection in the offices of the committee from which a majority of the House conferees were appointed and all transcripts would be available for inspection by any House Member. When some of the most important legislative decisions on a bill are hammered out in conference committees, there should be an accurate record of those proceedings both for the information of the public and for the purpose of a complete legislative history.

Mr. Speaker, tomorrow I will be circulating a "Dear Colleague" letter soliciting cosponsors for my "Open House Amendments." I hope my colleagues will join in cosponsoring all or at least some of these important House reforms.

At this point in the Record, Mr. Speaker, I include a summary of my proposals and the text of my resolution:

SUMMARY OF OPEN HOUSE AMENDMENTS OF 1979

Sec. 1. *Oversight Subcommittees*—Each committee other than Appropriations and Budget having more than 20 members would be required to establish an oversight subcommittee.

Sec. 2. *Oversight Agendas*—Each committee would be required to formally develop and adopt an oversight agenda and timetable at the beginning of each Congress and submit it to the Government Operations Committee within 60 days of the convening of the Congress. The Government Operations Committee would be required to hold hearings on these oversight agendas and, after consultation with the majority and minority leadership, publish the agendas together with its recommendations for coordination within 90 days after the convening of the Congress. The Government Operations Committee would also be required to assess the oversight activities reported by each committee at the end of each Congress and publish its evaluation.

Sec. 3. *Ethics Investigations*—The Committee on Standards of Official Conduct would be required to issue a report on any investigation it has undertaken. The House may direct an investigation by a resolution reported from the Rules Committee or by a resolution called up by any Member who has filed a complaint if the Committee does not vote to investigate it within 15 days after receipt of the complaint.

Sec. 4. *Subcommittee Limitation*—Each standing committee, other than Appropriations, shall establish no more than 6 subcommittees.

Sec. 5. *Public Access to Committee Records*—Each committee shall keep a verbatim transcript of all legislative and investigative action which shall be made available for public inspection unless it involves matters which would endanger the national security or violate any law or rule of the House. A separate summary would also be kept of all committee action which would also be available for public inspection.

Sec. 6. *Proxy Voting Ban*—No vote could be cast by proxy in committee.

Sec. 7. *Open Committee Meetings*—All committee meetings would be open to the public unless a committee majority votes to close a meeting for national security, personal privacy, or internal budgetary or personnel reasons.

Sec. 8. *Quorum Requirement*—A majority of a committee would constitute a quorum for the transaction of any business, including the markup of legislation.

Sec. 9. *Committee Voting*—A rollcall vote could be demanded on any question by any member of the committee and would be mandatory on reporting any measure or matter, and the results of such a vote would be published in the committee report.

Sec. 10. *Conference Committee Transcripts*—A verbatim transcript would be kept of all conference committee meetings with the consent of the Senate conferees. The transcripts of all open meetings would be available for public inspection, and all transcripts would be available for inspection by House Members.

H. Res. 204

Resolved, That this resolution may be cited as the "Open House Amendments of 1979".

OVERSIGHT SUBCOMMITTEES

Section 1. Rule X of the Rules of the House of Representatives is amended in the following way:

In Rule X, clause 2(b)(1), the second to last sentence is amended to read as follows: "Each such committee having more than twenty members shall establish an oversight subcommittee to assist in carrying out its responsibilities under this subparagraph.".

OVERSIGHT AGENDAS

Sec. 2. Rule X of the Rules of the House of Representatives is amended in the following way:

In Rule X, clause 2(c) is amended to read as follows:

"(c) At the beginning of each Congress each standing committee shall meet to formulate and formally approve an oversight agenda and timetable for that Congress. Within 60 days after the Congress convenes, each committee shall submit its oversight agenda and timetable to the Committee on Government Operations. The Committee on Government Operations shall hold formal hearings on such committee oversight agendas and timetables and, after consultation with the majority and minority leadership in the House, shall submit a written report to the House containing each committee's oversight agenda and timetable, together with any recommendations it may have to assure the most effective coordination of such activities and otherwise achieve the objectives of this clause. Such report shall be submitted not later than 90 days after the Congress convenes. Each committee shall submit to the Committee on Government Operations, not later than November 30 of each even-numbered year, a final report on its oversight activities for that Congress, and not later than January 2 of each odd-numbered year the Committee on Government Operations shall report to the House its evaluation of the oversight activities of each of the committees in relation to the oversight agendas and timetables submitted by each of the committees at the beginning of that Congress.".

ETHICS INVESTIGATIONS

Sec. 3. Rule X of the Rules of the House of Representatives is amended in the following ways:

(a) In Rule X, clause 4(e)(1)(B) is amended to read as follows:

"(B) to investigate, subject to subparagraph (2) of this paragraph, any alleged violation by a Member, officer, or employee of the House, of the Code of Official Conduct or any law, rule, regulation, or other standard of conduct applicable to the conduct of such Member, officer, or employee in the performance of his duties or the discharge of his responsibilities, and, after notice and hearing, the Committee shall, whenever it has undertaken an investigation, file a written report with the House containing its findings together with whatever recommendations for action it may deem appropriate in the circumstances;".

(b) Rule X, clause 4(e)(2)(A), is amended by inserting before the period at the end thereof the following: "or, in the case of an investigation, by direction of the House on adoption of an appropriate resolution".

(c) Rule X, clause 4(e)(2)(B), is amended by inserting before the period at the end thereof the following: "or (iii) upon adoption by the House of a resolution directing the committee to undertake such an investigation: *Provided*, That such resolution has either been reported from the Committee on Rules or has been called up in the House as a matter of high privilege by a Member who has transmitted a complaint under subparagraph (2)(B)(i) of his paragraph on which the committee has failed to approve an investigation within 15 legislative days of the receipt of the complaint".

SUBCOMMITTEE LIMITATION

Sec. 4. Rule X of the Rules of the House of Representatives is amended in the following way:

Rule X, clause 6(c), is amended to read as follows:

"(c) Each standing committee of the House of Representatives, except the Committee on the Budget, that has more than twenty members, shall establish at least four subcommittees, but in no event shall any standing committee, except the Committee on Appropriations, establish more than six subcommittees.".

PUBLIC ACCESS TO COMMITTEE RECORDS

Sec. 5. Rule XI of the Rules of the House of Representatives is amended in the following ways:

(a) Rule XI, clause 2(e)(1) is amended to read as follows:

"(e)(1) Each committee shall keep a verbatim transcript of all committee action on matters of a legislative or investigative nature which shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee, except for such portions of the transcript, the disclosure of which the committee determines would endanger the national security or violate any law or rule of the House of Representatives. A separate written summary shall be kept of all such committee action including information on every vote taken by the committee, whether by voice, division or rollcall. Information on any vote on any question shall include a description of the amendment, motion, order or other proposition, and, in the case of rollcall votes, the name of each Member voting for and each Member voting against such amendment, motion, order, or other proposition, and the names of those Members present but not voting. Such written summary shall be available for public inspection in the offices of the committee not later than one day after the day on which the action was taken and shall continue to be available for public inspection in the offices of the committee at least until the adjournment of the succeeding Congress.".

(b) Rule XI, clause 2(k)(7) is amended by striking the period at the end thereof, inserting in lieu thereof a comma, and adding the following: "consistent with the provisions of subparagraph (e)(1) of this clause.".

PROXY VOTING BAN

Sec. 6. Rule XI of the Rules of the House of Representatives is amended in the following way:

Rule XI, clause 2(f) is amended to read as follows:

"(f) No vote by any Member of any committee or subcommittee thereof with respect to any measure or matter may be cast by proxy.".

OPEN COMMITTEE MEETINGS

Sec. 7. Rule XI of the Rules of the House of Representatives is amended in the following way:

Rule XI, clause 2(g)(1) is amended to read as follows:

"(g)(1) Each meeting for the transaction of business, including the markup of legislation, of each standing committee and subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by a rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public because disclosure of matters to be considered would endanger national security, would violate any law or rule of the House of Representatives, or relates solely to internal committee budget or personnel matters; *Provided*, however, that no person other than members of the committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public.".

QUORUM REQUIREMENT

Sec. 8. Rule XI of the Rules of the House of Representatives is amended in the following way:

Rule XI, clause 2(h)(2) is amended to read as follows:

"(2) A majority of the members of each committee shall constitute a quorum for the transaction of business, including the markup of legislation.".

COMMITTEE VOTING

Sec. 9. Rule XI of the Rules of the House of Representatives is amended in the following way:

Rule XI, clause 2(1)(2) is amended to read as follows:

"(2)(A) A rollcall vote on any question in committee may be demanded by any member of the committee.

"(B) No measure or recommendation shall be reported from any committee except by rollcall vote, a majority of the committee actually being present, and the names of those members voting for and against reporting the measure or recommendation shall be included in the committee report.".

CONFERENCE COMMITTEE TRANSCRIPTS

Sec. 10. Rule XXVIII of the Rules of the House of Representatives is amended in the following way:

Rule XXVIII is amended by adding the following new clause:

"7. A verbatim transcript shall be kept of the proceedings of each conference committee meeting between the House and Senate, with the consent of the managers on the part of the Senate. Such transcripts of any conference committee meeting which is open to the public shall be made available by the committee from which a majority of the House conferees have been appointed for inspection by the public at reasonable times in the offices of such committee not later than three legislative days after the committee of conference has filed its report, and shall remain available for public inspection for the duration of that Congress. All conference committee transcripts shall be made available by the committee from which a majority of the House conferees have been appointed for inspection by any Member of the House not later than one day after the day on which the transcript was taken, subject to the rules of that committee.".●

CORRECTING THE RECORD ABOUT AFGHANISTAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Zablocki) is recognized for 5 minutes.

Mr. ZABLOCKI. Mr. Speaker, it is ironic that as the Western presence is being reduced in Iran and neighboring Afghanistan, the Soviet press should complain of "foreign involvement" in the current insurgency against the pro-Soviet, Marxist regime in Kabul. Specifically, the allegation has been raised that Iran and Pakistan are "provoking" the fighting which has broken out between Moslem rebels and the Afghan government forces and that the United States is somehow responsible for these developments.

These charges are spurious. There is no evidence to support the claim that either Pakistan or Iran is promoting or supporting the insurgency. In fact, it is well known that the newly installed Government of Iran is having its own problems with the Baluchis—a non-Persian minority which Iran shares with Pakistan and Afghanistan in the southeastern border region. The Baluchis—like the Kurds and Turkomans who inhabit Iran's northern border with the Soviet Union—belong to the Sunni Moslem sect rather than the Shiite sect to which the Khomeini followers adhere; hence the influence of the Ayatollah over the Baluchis is negligible at best. Moreover, I have been advised at the highest level of our Government, that the United States is in no way involved in the Afghan insurgency.

What is happening in Afghanistan today is the direct result of Soviet intervention in the affairs of that traditional, religiously oriented society. It is a matter of record that ever since the Marxist regime assumed power approximately a year ago, the number of Soviet advisers has increased dramatically—not only within the military—where Soviet influence has long been a major factor—but also within the various ministries, especially those dealing with security.

It will be recalled that Soviet advisers were present at the scene of Ambassador Dubs' tragic demise and, according to some firsthand press accounts of that episode, even appeared to be directing the assault on the hotel room in which the Ambassador was being held by his captors. In fact, the Afghan leaders have made no attempt to conceal their close ties to Moscow—which is the main cause of the current unrest.

Ever since the fighting began in Afghanistan, Soviet military involvement has steadily increased. Afghan troops are not only being trained by the Soviets, but Russian soldiers are even directly participating in the bloody encounters with the Moslem rebels. According to recent reports, new supplies of Soviet tanks and armored personnel carriers are being delivered at an escalating rate—not for defense against a foreign "invader", but for use against the Afghan people—at home.

The pattern of first subversion and then repression is not new . . . It is reminiscent of the Hungarian uprising and the Prague, "spring". In each case, Soviet military intervention was undertaken to "protect" the unpopular Communist regimes of illegitimate origin against "imperialist" design. It was a justification which lacked credibility in the fifties and sixties, just as it lacks any semblance of credibility today.

Let us frankly recognize the facts of life in Afghanistan today: The Afghans are a religious, Moslem people who are opposed to the Marxist orientation of their leaders. They do not wish to become a Soviet republic or even a satellite, and they have a long history of resistance to foreign domination. This, and this alone, accounts for what is taking place in that country.

The United States does not seek to exploit this Soviet-created dilemma, nor is it even in a position to do so. Last week, the President called for nonintervention by all foreign powers in the internal affairs of Afghanistan. I support that position wholeheartedly, and I call upon the Soviet Union to reassess its own position in a situation of its own making. Blaming other countries or outside "conspiracies" for its own folly will not suffice.

□ 1840

UNITED STATES-ASIAN IMMIGRATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY) is recognized for 5 minutes.

● Mr. McKINNEY. Mr. Speaker, today I am introducing legislation which amends the admission provisions of the Immigration and Nationality Act to provide preferential treatment to certain children of U.S. Armed Forces personnel. My bill specifically addresses the needs of those individuals, often referred to as Amerasians, who have been abandoned by their American fathers in Korea, Vietnam, Laos, and Thailand. The Amerasians have for too long been a forgotten responsibility of the United States. These young people grow up attempting to take their place in a culture that is unable and often unwilling to assimilate them. They live in poverty and are considered by most of their countrymen to exist outside the mainstream of that society.

Children of this second-class citizenry suffer emotionally due to ill-treatment in school by peers and teachers alike and upon reaching adulthood find it nearly impossible to secure respectable employment. The United States is in large part accountable for the current conditions of Amerasian individuals and in this "International Year of the Child," our country should meet its responsibility for securing a better future for these sons and daughters of U.S. citizens.

Private voluntary organizations (PVO's) including the Friends of Children and the Pearl Buck Foundation, have dedicated their energies to improving the future of Amerasians by providing them with opportunities to live in the more tolerant culture of the United States. While the PVO's have been putting forward their best efforts, current immigration law has greatly restricted their progress. A typical example can perhaps best explain the difficulties experienced by the PVO's.

Recently, Friends of Children contacted the U.S. Embassy in Seoul on behalf of an Amerasian girl. They were told the waiting list for the review of an Amerasian entry request was from 5 to 10 years long. The U.S. Consul further stated that no new applications were even being accepted and went on to suggest that her only hope for emigration to the United States was for her to marry a U.S. citizen. Clearly, the situation calls for improvement.

Under current law, Amerasians qualify for permanent immigrant visas under the lowest (8th) preference class, the nonpreference category, as stated in section 203(a) of the Immigration and Naturalization Act. Because this nonpreference category attracts a number of applications which is far in excess of the total quota limit, the children of American citizens have little or no chance of entering the United States.

My bill would allow Amerasians to apply for a permanent resident visa under the first preference (nonmarried sons and daughters of U.S. citizens) and fourth preference (married sons and daughters of U.S. citizens). The legislation would provide a system to identify parentage and require an incoming alien to retain a sponsor who would be legally committed for the Amerasians financial security for a period of 5 years, upon entering the United States.

Obviously, a major barrier to classifying an Amerasian as a son or daughter of a U.S. citizen is the lack of documentation. How does one prove parentage without a birth certificate? How does one prove that he/she is a child of a parent who refuses to acknowledge their existence or who, in fact, may not be aware of their existence? The bill I have introduced would direct the Department of State and the Immigration and Naturalization Service to compose a board of "appropriate" officials to review the immigration applications of these individuals.

The consular office, in reviewing the applications, will be directed to consult with PVO's and with the government of the applicant in question in determining their claim for immigration. In some instances, a birth certificate or baptismal record may exist. In other cases, records kept by the local government, photographs, letters, or proof of past financial support from an American father may be employed in determining a claim. In any event, those Amerasians who are granted permanent immigration status would be required to adhere to all other regulations under immigration law and would, as I have stated, be required to obtain a sponsor who is legally committed for their financial security at a level equivalent to 125 percent of the U.S. Census Bureau's poverty threshold for a period of 5 years.

In short, the objective of my bill is to allow Amerasians to lay claim to immigration status under the first and fourth preference categories, establish a system of identification for those claims and insure that once in this country, they will not be left to become a public charge and experience the same hardship as was brought on them in the past. It is time that this country acknowledge its role in the plight of these peoples' lives. And, our involvement in Laos, Vietnam, Thailand and Korea will not be totally ended until we do.●

NATIONAL FOREIGN LANGUAGE WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

woman from New Jersey (Mrs. FENWICK) is recognized for 5 minutes.

● Mrs. FENWICK. Mr. Speaker, last year the President established a Commission on Foreign Language and International Studies, to assess the need in the United States for foreign language and foreign area specialists. The Commission, of which I am a member, has already met on a number of occasions, and it will present a report at the end of this year. The level of interest in this subject has been most encouraging, and so have the offers of help we have received from individuals and organizations throughout the country.

During this week, which has been designated "National Foreign Language Week," we do well to consider the present situation of foreign studies in this country. The study of foreign languages and an understanding of foreign cultures are among the least general and most neglected of the subjects offered in our schools and universities. This neglect contributes to a dangerous parochialism—dangerous because the increasing interdependence of the countries on this planet makes such parochialism an anachronism. It is a characteristic particularly unsuited to present world conditions.

To study and try to understand those who have a set of values completely different from our own is an absolutely essential first step toward a more peaceful and rational world. In the 1975 Helsinki Accords, to which our Nation is a signatory, it was agreed to "encourage the study of foreign languages and civilizations as an important means of expanding communication among peoples for their better acquaintance with the culture of each country, as well as for the strengthening of international cooperation." With this provision in mind, and on the recommendation of the Commission on Security and Cooperation in Europe, the President acted to establish this Commission.

An orderly, peaceful world demands an effort on America's part to make it possible for us to communicate directly with others, and, above all, to understand them. During this week we should all give some thought to ways in which this goal can be accomplished.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. BEREUTER) is recognized for 5 minutes.

● Mr. BEREUTER. Because of a speaking engagement yesterday, I was forced to miss a recorded rollcall vote on the House floor. I wish to state for the record that had I been present, I would have voted "Yea" on final passage of H.R. 595, the bill authorizing the administrator of the General Services Administration to dispose of tin from the national and supplemental stockpiles.●

THE PASSING OF IRENE MILDRED PEPPER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 5 minutes.

● Mr. O'NEILL. Mr. Speaker, it is with a deeply saddened heart that I rise on this occasion to pay a personal tribute to an outstanding American woman and the wife of Congressman CLAUDE PEPPER, the late Irene Mildred Pepper.

Many of us knew Mildred Pepper for the international recognition of her work in charitable, church, civic, political, and governmental organizations. She was National Chairman of the women's division of the National Parkinson Foundation and National Chairman of the Annual Bob Hope Dinner held in Miami Beach to raise funds for the benefit of the Parkinson Foundation. She was also a board officer of the Marie Snyder chapter of the University of Miami Women's Cancer Association.

Many of my colleagues on the Democratic side recall her outstanding service to the Democratic Party over the years as she participated with her husband in attending every Democratic National Convention since 1940. She has served as president and vice president of numerous women's Democratic clubs throughout the State of Florida and in the Nation's Capital. She has been an active participant in the Democratic Congressional Wives Forum.

Many of the Members of the Florida delegation are familiar with her service as vice chairman of the city of Miami's committee on ecology and beautification and remember when she originated the annual "Mildred Pepper Palm Tree Day" to replace which were being destroyed by palm tree blight in Miami.

For all these remarkable achievements, and for her distinguished service to humanity, to her community and her Nation, Mildred Pepper was indeed, as our First Lady, Rosalynn Carter, noted in a tribute to her, "one of the original liberated women" in America.

For those of us who knew her as a close, personal friend, we will remember Mildred Pepper as a beautiful and loving wife who was always at CLAUDE's side when he needed her, a wife who was with him throughout all the triumphs and disappointments of public life, and a great American woman who gave willingly and unselfishly to her community and her Nation.

I can think of no finer tribute to Mildred Irene Pepper than the one expressed by her husband of 43 years. CLAUDE PEPPER said of his wife:

> She was a perfect wife and possessed all those noble virtues which have adorned great women from time immemorial. Her beautiful life has left a glow which will illume and inspire others for generations to come.

My wife, Millie, joins me in expressing our sincerest and heartfelt sympathies to CLAUDE PEPPER in this time of great sorrow.●

ANNOUNCEMENT OF HEARINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

● Mr. RODINO. Mr. Speaker, I wish to announce that the Subcommittee on Monopolies and Commercial Law will hold 1 day of public hearings on Tuesday, April 10, 1979, to consider H.R. 2060 and a companion bill, H.R. 2204, and a proposed bill by Mr. BUTLER of Virginia.

These bills would restore the effective enforcement of our antitrust laws.

The hearing will be held in room 2141, Rayburn House Office Building and will commence at 9:30 a.m.●

FOREST SERVICE REORGANIZATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WEAVER) is recognized for 10 minutes.

● Mr. WEAVER. Mr. Speaker, the administration intends to move the U.S. Forest Service from the Department of Agriculture as well as the National Oceanic and Atmospheric Administration from the Department of Commerce, both to the Department of the Interior, which will be renamed the Department of Natural Resources.

Further, the administration also intends to put the business and industry loan program of the Farmer's Home Administration—which provides loans to agriculture businesses in rural areas—under the Economic Development Administration.

Mr. Speaker, I am steadfastly opposed to a weakening of the Department of Agriculture, which generally has addressed well—and with understanding—the problems of rural people. This point is ably made by my friend and distinguished colleague, Mr. ED JONES of Tennessee, in a recent speech before the 32d Annual Southern Agribusiness Forum, and I ask that it be printed in its entirety in the RECORD for the information of my colleagues.

With regard to the moving of the National Oceanic and Atmospheric Administration, I find it incredible that the administration would propose moving an agency that was formed less than 9 years, on October 20, 1970, by Reorganization Plan No. 4 of 1970 and which just completed another substantial organizational change in 1978. It seems to me the agency should have an opportunity to operate before anything is done further to its organizational structure. The speech follows:

REMARKS OF REPRESENTATIVE ED JONES

> It is indeed a pleasure for me to address the Southern Agri-business Forum. I have been attending these meetings for years and am honored that you think my thoughts and views might be of value to you.
>
> At the present time one of the most troublesome issues facing agriculture in Washington is the Administration's proposal to reorganize the Department of Agriculture into oblivion.
>
> A double-barreled attack has been launched on USDA in two proposals. One would transfer the Forest Service to a new Department of Natural Resources and another would transfer the important Business and Industrial Program from the Farmers Home Administration to the Economic Development Administration. The general plans have been announced by President Carter, and we expect to see the details within a few weeks.
>
> All of us who care about the future of

agriculture and the rural economy in the South should be seriously concerned about the Government's natural resources reorganization plan which President Carter will soon be sending to Capitol Hill.

The plan is a serious mistake. Many of us in Congress tried to point out the problems to the White House in advance. We told the Administration the proposals were basically an effort to revive a plan which appeals to academic theorists, but not to people who know the realities of economics and politics. This is a plan which theorists and bureaucratic empire-builders have been proposing repeatedly for about half a century, and which has been rejected—for sound reasons—every time it has been suggested to Congress.

Now, the President has said he will send his version of the natural resources organization plan to Congress in a few weeks. If the plan arrives as advertised, it will automatically go into effect unless either the Senate or the House votes to reject it within sixty days.

I believe that adoption of this plan would hurt rural areas, farmers, and ultimately the entire regional and national economy. I intend to do everything I can to defeat the proposal when it comes to Capitol Hill. I hope that everyone who has any concern for the welfare of Southern agriculture will join in this fight.

The reorganizational proposal, as outlined to us by the White House, would convert the present Interior Department into a new agency to be called the Department of Natural Resources.

The new resources department would include all the agencies in the present Interior Department. In addition, it would get the National Oceanic and Atmospheric Administration from the Commerce Department and the U.S. Forest Service from the Department of Agriculture.

The decision to shift the ocean and weather programs into the proposed new Department is very controversial. Critics point out that, among other things, it would result in burying important ocean program issues under a deep layer of bureaucracy . . . and it would put decisionmaking power on vital ocean programs into the hands of officials with no background or constituency in the field.

I want to concentrate now, however, on the plan to shift the U.S. Forest Service out of its traditional home in the Department of Agriculture.

If we allow a change of that kind, we will be opening the door to two major developments.

First, we will be downgrading the quality of federal forestry operations—particularly in areas like the South where most forest lands are privately owned.

Second, we will be weakening the U.S. Department of Agriculture as a force in the Federal Government. That would weaken the Department's ability to carry out its responsibilities in promoting farm and food programs, rural development, research and many other important operations.

All of you who follow policy in some of these areas know that, as a practical matter, there is always conflict within the Federal Government over matters like farm and food policy. That is a fact of life, and it will continue to be a fact of life. Because this is true, we need a Department of Agriculture with enough clout to serve as an effective voice for farmers and rural interests when decisions are being made within the administration. If we stand by and allow the transfer of the Forest Service, with 26 percent of the USDA's employees and 8 percent of its budget, the result will be a weaker Agriculture Department. That step could lead to other raids on the Department which would leave rural people with still less impact on their government. In fact earlier versions of this plan would have transferred all or part of the Soil Conservation Service out of USDA.

My opposition to weakening the Agriculture Department as a government institution has nothing to do with partisan politics. I was against the idea when former President Nixon proposed it, and I am against it now. I believe you will find that it was strongly opposed by a bipartisan coalition during the Nixon Administration, and it is being fought on a equally bipartisan basis today.

There is a great deal more behind the opposition to this plan than the fact that it would greatly weaken the ability of the USDA to serve rural people. If that were the only argument against the reorganization, we might be on weak grounds in asking urban people to join in opposing the plan. But the fact is that there are sound reasons to kill the proposal on grounds that it would reduce the efficiency of forestry and related programs.

If the reorganization program is adopted, for example, the Forest Service programs of assistance to private woodland owners would be shifted out of the Agriculture Department. Those programs would be transferred to the control of officials in a department with no particular concern for the needs and problems of private operators. Inevitably, assistance to nongovernment forestry would suffer—and this is particularly important in the South.

Also, the transfer as proposed would leave some of the programs which affect private woodland owners still in the Agriculture Department. Specifically, the Forest Incentive Program of cost-sharing payments would remain in the Agricultural Stabilization and Conservation Service. This means that if the reorganization program is allowed to go into effect, some farmers and other rural landowners would find themselves dealing with two federal Departments instead of one as at present. That may sound like promoting efficiency to the so-called management experts in the Office of Management and Budget, but it does not sound good to me.

The next result would be less effective forestry. This would be costly to farmers and other landowners, but it could be far more costly in the long run to the general public which needs a continuing and expanding supply of timber products. Nobody who has looked at the cost of housing in recent years can have any doubt about the importance of doing everything we can to promote expanded wood production on private land—as well as effective, balanced management of government lands. Forest experts have been telling us for years that the greatest potential for expanding wood production in future years lies on our privately-owned lands. If the pending reorganization plan is approved, that potential will shrink.

Planners who want to propose effective methods of organizing our Federal Government should go a step beyond their simplistic idea that since both the Interior and Agriculture Department have programs involving land and trees, the programs are the same and can be combined.

That kind of exercise may sound appealing on the surface to people who think government management is a process of drawing boxes on an organization chart. In fact, it is nonsense and it can be dangerous nonsense.

If anyone takes the trouble to look below the surface, he will find that we have evolved over the years a system in which there is a close and vital relationship between land resources and the production of food and fiber, including timber. We have a closely-linked structure including elements ranging from production assistance to matters like conservation, research and extension. That system has evolved, not because it looks neat on an academic chart, but because it works well for farmers and the public. We should not throw it away because some so-called experts want to revive the kind of reorganization plan which has been turned down every time it was offered beginning in the New Deal days.

The President has also indicated he will ask Congress to permit the transfer of some rural development programs—for business and industrial development—from the USDA to the Economic Development Administration.

I am strongly opposed to this transfer for two primary reasons. First, the Department of Agriculture and only the Department of Agriculture has an understanding of and sympathy for rural people and their problems. The Economic Development Administration does an admirable job of serving the big cities and the urban areas. They do not serve rural areas with any adequacy and as far as I know EDA has only one employee in the State of Tennessee. The agency is urban oriented, urban dominated and would continue to be urban dominated after they are granted jurisdiction over rural programs.

Over $1 billion in loans to rural businesses and industries are being made annually through the Farmers Home Administration business and industrial loans. The fruits of the program are notably evident to those of us interested in rural America.

In Tennessee last year the B & I program created over 5,000 new jobs and over 9,000 jobs were saved through refinancing for failing businesses.

Many of the firms assisted through this program are directly agriculturally related. Perhaps some in this audience have participated in the program. Can any of you imagine the owner of a struggling feed mill or slaughterhouse in the small towns of Tennessee, Mississippi or Louisiana having to deal with some EDA bureaucrat in Nashville, Atlanta, or New Orleans. Currently they can work with their county supervisor in the Farmers Home office. They deal with a person they know, a person who knows them and understands their problems.

In the next few weeks the Congressional Rural Caucus, a group of rural Congressmen will be continuing the fight to maintain the integrity and stature of the Department of Agriculture. Louisiana's Gillis Long and I serve together on the Executive Committee of that organization which is chaired by Representative Wes Watkins of Oklahoma. We share a no compromise position on this issue and have jointly sponsored a Resolution expressing our opposition.

The Chairman of the House Committee on Agriculture is one of the nation's strongest and most loyal friends of rural America and under his leadership the Committee will fight all efforts to weaken the Department of Agriculture.●

ON YOUTH UNEMPLOYMENT AND YOUTH JOBS PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois (Mrs. COLLINS) is recognized for 5 minutes.

● Mrs. COLLINS of Illinois. Mr. Speaker, I take this opportunity to draw the attention of the people of this country to the urgent need for a solution to one of our most tragic problems—the widespread unemployment of our youth.

Today marks the fourth anniversary of the assassination of Rev. Martin Luther King, Jr. I can think of no more meaningful way to acknowledge Dr. King's sacrifice of his life for the principle of equal opportunity than to urge the President and this country to honor our youth and, therefore, to enrich the future for all of us by providing the opportunity for our young people to learn firsthand the value of useful and gainful employment. The President has proposed that we gut the summer youth program by 250,000 jobs down to a level of 750,000 for fiscal year 1980. With the Federal Government reporting its latest figures at 35.5 percent unemployment for black youth, I believe we are teaching our children a bitter lesson: "There are no jobs for you and you will probably never be trained for and will never find meaningful work. In this land of plenty, you are destined to be left behind."

I will not tolerate an attitude on the part of our Government that withholds the necessary tools for self-improvement from the hands of a 16-year-old in the name of reducing inflation. I ask you: What is the price of a lifetime of unemployment both in economic and social terms? The answer is: The price is so tragically high it cannot be computed.

Three months ago, I took action to repair the damage to the summer youth program that was inflicted by the President's proposed fiscal year 1980 budget. I introduced House Resolution 83 which calls on the President to restore the 250,000 summer youth program jobs he has so calmly excised. The House Education and Labor Committee subsequently saw fit to recommend to the House Budget Committee a substantial increase in the summer youth program to a level of 1,165,000 jobs for fiscal year 1980. Although I would have liked to have seen the Budget Committee follow suit, I support the decision of this committee—announced only 2 days ago—to recommend one million summer youth jobs program for the coming fiscal year.

The CETA summer youth employment program has provided jobs to at least 1 million young people during the summer months in the last 3 years. Teenage unemployment rates tend to run almost three times the overall unemployment rate and black teenage unemployment rates have recently been two-and-a-half times white teenage unemployment rates—and these figures do not begin to reveal the real level of black joblessness. Last summer, the CETA summer youth program accounted for over two-fifths of all jobs held by 14 to 19-year-old minority youth.

The summer program reaches an extremely disadvantaged clientele which has little or no chance of employment otherwise; 30 percent of the youth are from families receiving AFDC, 18 percent are from families receiving other public assistance and two-fifths are from families with incomes of less than $5,000 annually. Because participants must be from families with incomes of 70 percent or less of the lower living standard, or $7,300 for a family of four, the money earned by a youth during the summer months may be critically important in providing basic necessities.

The summer program also has a positive work experience impact. In a recent survey conducted for the Department of Labor, 75 percent of the participants in the sample felt that the program taught them what they had to do to get a good job.

In my mind, there is no greater service we can provide to our young people than to open their eyes to the demands of the working world at the same time that we offer them the opportunity to pull themselves up by their own boot straps. To do less is to waste our most precious resource and our hopes for the future of this country.●

WINDFALL PROFITS TAX

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 15 minutes.

● Mr. COTTER. Mr. Speaker, today I am introducing on behalf of myself and my friend from Pennsylvania (Mr. LEDERER) and my friend from Massachusetts (Mr. SHANNON) a comprehensive but fair windfall profit tax on domestically decontrolled oil.

This effort represents our overriding concern that the President's decision to decontrol oil is an opportunity for U.S. oil producers to reap windfall profits because of the unjustified and punitive price gouging now underway by the OPEC oil cartel.

I am very conscious that our Nation depends on foreign oil. This is the root cause of our energy problem. At the same time, I cannot justify to myself or to my constituents giving U.S. oil companies another $10.5 billion in 1980.

Further, I do not believe removal of controls will achieve conservation goals attributed to higher prices. In fact, I am concerned that deregulation will have serious regional economic impact. It is unfortunate, but, I believe true, that oil and gasoline consumption is not as elastic as many energy experts argue. If this is true, decontrolling prices is nothing more than an "income transfer program in reverse"—taking from the poor, elderly, and middle class, and giving to the wealthy—in this case, the oil companies.

Our proposal is strictly designed to tax windfall profits.

It places a tax of 85 percent and the difference between the controlled price—which by the way is now adjusted monthly and will continue to be adjusted under the bill—and selling price. This windfall profits tax will be criticized by opponents as "unfair and vindictive" but it consciously provides the oil industry with needed revenue to continue exploration and refinery development and expansion. In addition, there is no tax on newly discovered oil so there is every incentive to expand exploration.

While many of us agree that DOE regulations are complex and cumbersome, U.S. oil companies did have a banner year in 1978 under controls. Under our proposal, the oil industry would continue to have the needed capital to continue their efforts.

The bill is conspicuously silent in the uses for the windfall profits tax receipts. It is my view that there is little merit in a fight over cutting up the pie if we only have an empty pie pan on the table. We need to raise the revenue before we spend it.

In short, Mr. Speaker, this bill is designed as a standard by which to judge the President's tax proposal. Our bill does the following:

It taxes windfall profits at 85 percent rate.

There is no phase out of the tax.

It raises $32.1 billion over 5 years if there is full decontrol.

It exempts newly discovered oil from the tax.

It prohibits the use of deduction for depletion and intangible drilling to offset the windfall profits taxes.

It continues the monthly adjustment to the basic price for "old" oil and "new" oil.

It continues beyond the 1981 expiration of price control since the windfall for existing oil continues after that date.

In conclusion, Mr. Speaker, we all realize that a windfall profits tax has a long way to go, but I believe the American people, and I include those in the oil industry, have no desire to further exacerbate the economic consequences caused by OPEC oil increases—nor to profit unfairly from our dependence on foreign oil. I am hopeful that the 96th Congress will live up to its responsibility in this area. I am enclosing a summary of the bill, a longer technical explanation, and a revenue estimate based on the assumption of full decontrol. I am also enclosing a copy of the proposed legislation.

GENERAL EXPLANATION OF COTTER WINDFALL PROFITS TAX

This bill would impose an 85-percent tax on all profits resulting from crude oil price increases in excess of what producers could receive under the price control regulations which were in effect in March 1979. This result is achieved by applying an excise tax to domestically produced crude oil. Unlike most excise taxes, producers will not be able to pass the tax on as higher prices to consumers because the tax does not apply to imported oil and U.S. producers cannot raise the price of domestic crude oil above the price of imported oil.

The oil subject to tax will be oil which would have been subject to price controls under the price control regulations in effect in March 1979. The tax base will equal the gap between the actual selling price for the oil and the controlled price of the oil as of March 1979 adjusted for inflation. Increases in State severance taxes resulting from the higher prices will be excluded from the tax. Also, there will be exemptions for newly discovered crude oil and Alaskan crude oil. The tax rate will be 85 percent.

Technical Explanation of Cotter Windfall Profits Tax

This bill would impose a windfall profits tax on crude oil produced from domestic oil wells. The tax would be an excise tax set at 85 percent of the windfall profit on each barrel of taxable crude oil.

Crude oil subject to the tax would include oil produced from a well located in the United States or in a U.S. possession which would have been subject to price controls if the oil price control regulations in effect on March 31, 1979, were continued. Oil designated as newly discovered oil according to rules similar to the rules for determining new natural gas under section 102 of the Natural Gas Policy Act of 1978 would be exempt from the tax imposed by this bill. This exemption covers oil produced from new Outer Continental Shelf leases; from new onshore wells which are at least 2.5 miles from the nearest existing well or at least 1,000 feet deeper than any existing well within 2.5 miles; and from a reservoir which did not produce commercial quantities before April 20, 1977. In addition, all oil transported through the trans-Alaskan pipeline is exempt from the tax.

The windfall profit subject to tax under this bill would be the amount by which the price of a barrel of crude oil exceeds its adjusted base price. The adjusted base price for a barrel of oil would be the price in March 1979 under the price controls for oil from the same property (or oil of the same grade and location if no oil was produced from the property in March 1979), adjusted for inflation occurring after March 1979. Taxpayers could deduct the increase in State severance taxes in excess of what would have been imposed if the barrel had been extracted and sold on March 31, 1979, at its base price. (For this purpose, increases in the rate of severance taxes after March 31, 1979, would not be taken into account.)

The windfall profit on a barrel of crude oil could not exceed the net income attributable to the barrel. Net income for a taxable period would be determined by dividing taxable income from a property by the number of barrels of taxable crude oil produced from the property. Taxable income would be computed without any deductions for depletion, for the windfall profits tax, and for intangible drilling and development costs. (However, the costs of drilling a dry hole would be allowed.)

Generally, the purchaser of crude oil would collect and pay over the windfall profits tax imposed with respect to such oil by deducting the amount of such tax from the amounts payable to the producer. The producer, that is the person entitled to the depletion deduction with respect to the crude oil, would be treated as having paid the tax. However, in the case of certain production payments, the operator of the property, and not the holder of the production payment, would be required to pay the windfall profits tax. Purchasers would be required to provide producers with monthly information statements on such tax payments. Willful failures to furnish such information would be subject to criminal penalties. If the tax paid exceeds the net income limitation, producers could obtain refunds of such overpayments.

For purposes of determining percentage depletion under the income tax, gross income would be reduced by the amount of the windfall profits tax.

The provisions of the bill would become effective on the first day of the first month beginning after the date of enactment.

ESTIMATED REVENUE EFFECTS FROM DECONTROL OF CRUDE OIL PRICES AND WINDFALL PROFITS TAX AS PROPOSED BY MR. COTTER

[In billions of dollars]

	Calendar year liabilities					
	1979[1]	1980	1981	1982	1983	1984
Net revenue effect on Treasury receipts from:						
Decontrol	2.0	3.2	2.6	2.5	2.3	2.1
Windfall profits tax	4.6	7.2	5.8	5.4	5.0	4.6
Total	6.5	10.5	8.4	7.8	7.3	6.8

[1] As of July 1.

Note: Details may not add totals because of rounding.

H.R. 3421

A bill to impose a windfall profits tax on domestic crude oil

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Crude Oil Windfall Profits Tax Act of 1979".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. WINDFALL PROFITS TAX.

(a) IN GENERAL.—

(1) AMENDMENT OF SUBTITLE D.—Subtitle D (relating to miscellaneous excise taxes) is amended by adding at the end thereof the following new chapter:

"Chapter 45—WINDFALL PROFITS TAX ON DOMESTIC CRUDE OIL

"Sec. 4986. Imposition of tax.
"Sec. 4987. Amount of tax.
"Sec. 4988. Definitions and special rules.
"Sec. 4989. Records and information; regulations.

"SEC. 4986. IMPOSITION OF TAX.

"(a) IMPOSITION OF TAX.—There is hereby imposed on the windfall profits from taxable crude oil removed from the premises during each taxable period an excise tax as provided in this chapter.

"(b) BY WHOM PAID.—Except as provided in section 4988(h) (relating to production payments), the tax imposed by this section shall be paid by the person entitled to the deduction under section 611 for depletion with respect to the crude oil.

"SEC. 4987. AMOUNT OF TAX.

"(a) IN GENERAL.—The amount of the tax imposed by section 4986 with respect to any barrel of taxable crude oil shall be 85 percent of the windfall profit on such barrel.

"(b) FRACTIONAL PART OF UNIT.—In the case of a fraction of a barrel, the tax imposed by section 4986 shall be the like fraction of the amount of such tax imposed on a whole barrel.

"SEC. 4988. DEFINITIONS AND SPECIAL RULES.

"(a) TAXABLE CRUDE OIL.—For purposes of this chapter—

"(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the term 'taxable crude oil' means any domestic crude oil which would be subject to a first sale ceiling price under the regulations prescribed under section 4(a) of the Emergency Petroleum Allocation Act of 1973 as such regulations were in effect on March 31, 1979, and without regard to any termination of the application of such regulations.

"(2) NEWLY DISCOVERED OIL.—

"(A) IN GENERAL.—The term 'taxable crude oil' shall not include any newly discovered crude oil.

"(B) NEWLY DISCOVERED CRUDE OIL.—The determination of whether crude oil is newly discovered crude oil shall be made under regulations prescribed by the Secretary which contain rules similar to the rules used in determining whether natural gas is new natural gas for purposes of section 102 of the Natural Gas Policy Act of 1978. Such regulations shall designate an appropriate Federal agency to perfrom functions similar to the functions performed by the Federal Energy Regulatory Commission under section 503(b) of such Act.

"(3) CERTAIN ALASKAN OIL.—The term 'taxable crude oil' shall not include any crude oil produced from a well north of the Arctic Circle.

"(b) WINDFALL PROFIT.—

"(1) IN GENERAL.—For purposes of this chapter, the term 'windfall profit' means the excess of the removal price of the barrel of crude oil over the sum of—

"(A) the adjusted base price of such barrel, and

"(B) the amount by which—

"(i) any severance tax imposed with respect to such barrel, exceeds

"(ii) the severance tax which would have been imposed if the barrel had been extracted and sold on March 31, 1979, at the base price.

The amount of severance tax taken into account under subparagraph (B)(i) shall not exceed the amount which would have been imposed under the State law in effect on March 31, 1979.

"(2) NET INCOME LIMITATION ON WINDFALL PROFIT.—The windfall profit on any barrel of crude oil shall not exceed the net income attributable to such barrel. For purposes of the preceding sentence, the net income attributable to a barrel shall be determined—

"(A) by taking the taxable income from the property (within the meaning of section 613(a)) for the taxable period attributable to taxable crude oil and computed without an allowance for depletion and without any deduction for the tax imposed by section 4986 or for costs deductible under section 263(c) (other than those incurred in drilling a nonproductive well), and

"(B) by dividing such taxable income by the number of barrels of taxable crude oil produced from such property during such taxable period.

If any portion of the taxable crude oil removed from the property is applied in discharge of a production payment which is an economic interest in the property, the gross income from such portion shall be included in the operator's gross income from the property in computing his taxable income for purposes of subparagraphs (A) and (B).

"(c) REMOVAL PRICE.—For purposes of this chapter—

"(1) IN GENERAL.—Except as otherwise provided in this chapter, the term 'removal price' means the amount for which the barrel is sold.

"(2) SALES BETWEEN RELATED PERSONS.—In the case of a sale between related persons (within the meaning of section 103(b)(6)(C)), the removal price shall not be less than the constructive sales price for purposes of determining gross income from the property under section 613.

"(3) Oil removed from premises before sale.—If crude oil is removed from the premises before it is sold, the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(4) Refining begun on premises.—If the manufacture or conversion of crude oil into refined products begins before such oil is removed from the premises—

"(A) such oil shall be treated as removed on the day such manufacture or conversion begins, and

"(B) the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(5) Meaning of terms.—As used in this subsection, the terms 'premises' and 'refined product' have the same meaning as when used for purposes of determining gross income from the property under section 613.

"(d) Base Price.—For purposes of this chapter, the term 'base price' means, with respect to any taxable crude oil, the first sale ceiling price (as of March 31, 1979) which would apply to such oil under the regulations prescribed under section 4(a) of the Emergency Petroleum Allocation Act of 1973, as such regulations were in effect on March 31, 1979.

"(e) Adjusted Base Price.—

"(1) In general.—For purposes of this chapter, the term 'adusted base price', when used with respect to any barrel of crude oil, means the base price for such barrel plus an amount equal to—

"(A) such base price, multiplied by

"(B) the inflation adjustment for the calendar month in which the crude oil is removed (or deemed removed) from the premises.

The amount determined under the preceding sentence shall be rounded to the nearest cent.

"(2) Inflation adjustment.—For purposes of this subsection—

"(A) In general.—The inflation adjustment for any calendar month is the percentage by which—

"(i) the CPI for such calendar month, exceeds

"(ii) the CPI for March of 1979.

The percentage determined under the preceding sentence shall be rounded to the nearest 1/10 of 1 percent.

"(B) CPI.—The CPI for any month is the Consumer Price Index for All Urban Consumers published by the Department of Labor for such month.

"(f) Other Definitions.—For purposes of this chapter—

"(1) Crude oil.—The term 'crude oil' includes a natural gas liquid recovered from a gas well in lease separators or field facilities.

"(2) Domestic.—The term 'domestic', when used with respect to crude oil, means crude oil produced from an oil well located in the United States or in a possession of the United States.

"(4) Barrel.—The term 'barrel' means 42 United States gallons.

"(5) United States.—The term 'United States' has the meaning given to such term by paragraph (1) of section 638 (relating to Continental Shelf areas).

"(6) Possession of the United States.—The term 'possession of the United States' has the meaning given to such term by paragraph (2) of section 638.

"(7) Taxable period.—The term 'taxable period means—

"(A) the period consisting of June 1979, and

"(B) each calendar quarter thereafter.

"(g) Members of Affiliated Group as One Person.—If two or more corporations are members of an affiliated group making a consolidated return with respect to the tax imposed by chapter 1 for a taxable year or years which include any entire taxable period, such corporations shall be treated as one person for purposes of the tax imposed by section 4986 for such taxable period.

"(h) Liability for Tax in Case of Certain Production Payments.—If a portion of the crude oil removed from a property is applied during the taxable year in partial or complete discharge of a production payment which—

"(1) qualifies as an economic interest in property, and

"(2) is not limited by time or to a specified number of units, but will be fully discharged only when a specified dollar amount (plus interest or other charges, if any) has been received by the holder of the production payment,

then the tax imposed by section 4986 on such portion of the crude oil shall be paid by the operator of the property and not by the holder of the production payment. In any case in which the operator can establish that the production payment could not have been ultimately discharged but for the windfall profits on crude oil applied against the production payment, the operator of the property shall be entitled to recover from the holder of the production payment such tax paid by the operator on the oil and gas applied against the production payment.

"(i) Collection of Tax by Purchaser.—

"(1) In general.—If the removal price of any taxable crude oil is determined under section 4989(c)(1)—

"(A) the tax imposed by section 4986 with respect to such crude oil shall be collected by the purchaser of such crude oil by deducting the amounts of such tax from amounts payable for such oil,

"(B) the producer shall not be required to file a return of the tax imposed by section 4986 with respect to such oil, and

"(C) the producer shall be treated as having paid the amount of tax collected by the purchaser on the due date prescribed by section 6076 for filing the return for the taxable period in which such oil was removed from the premises.

"(2) Producer.—For purposes of paragraph (1), the term 'producer' means the person entitled to the deduction under section 611 for depletion with respect to the crude oil.

"Sec. 4989. Records and Information; Regulations.

"(a) Records and Information.—Each person liable for tax under section 4986, each partnership, trust, or estate producing domestic crude oil, each purchaser of domestic crude oil, and each operator of a well from which domestic crude oil was produced, shall keep such records, make such returns, and furnish such information with respect to such oil as the Secretary may by regulations prescribe.

"(b) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this chapter."

(2) Clerical amendment.—The table of chapters for subtitle D is amended by adding at the end thereof the following new item:

"Chapter 45. Windfall profits tax on domestic crude oil."

(b) Technical Amendments.—

(1) The first sentence of section 164(a) (relating to deduction for taxes) is amended by inserting after paragraph (4) the following new paragraph:

"(5) The windfall profits tax imposed by section 4986."

(2) The first sentence of section 613(a) (relating to percentage depletion) is amended by striking out the period at the end thereof and inserting in lieu thereof the following: ", and (in the case of oil wells) reducing such gross income by the amount of the tax imposed by section 4986 (relating to windfall profits tax)."

(c) Time for Filing Return of Windfall Profits Tax.—

(1) Part V of subchapter A of chapter 61 (relating to time for filing returns and other documents) is amended by adding at the end thereof the following new section:

"Sec. 6076. Time for Filing Return of Windfall Profits Tax.

"Each return of the tax imposed by section 4936 (relating to windfall profits tax) for any taxable period (within the meaning of section 4988(e)(7)) shall be filed not later than the 15th day of the third month (15th day of the fourth month in the case of an individual) following the close of the taxable period."

(2) The table of sections for such part V is amended by adding at the end thereof the following new item.

"Sec. 6076. Time for filing return of windfall profits tax."

(d) Certain Information Required To Be Furnished.—

(1) General rule.—Subpart B of part III of subchapter A of chapter 61 (relating to information concerning transactions with other persons) is amended by adding at the end thereof the following new section:

"Sec. 6050C. Information Furnished by Purchaser and Operator Regarding Windfall Profits Tax on Domestic Crude Oil.

"(a) Certain Information Furnished by Purchaser.—Under regulations prescribed by the Secretary, the purchaser of domestic crude oil (within the meaning of section 4988(f)) shall furnish to the person liable for tax under section 4986 with respect to such oil a monthly statement showing the following:

"(1) the amount of taxable domestic crude oil purchased from such person during such month,

"(2) the removal price of such oil,

"(3) the base price and the adjusted oase price with respect to such oil,

"(4) the amount of such person's liability for tax under section 4986 with respect to such oil,

"(5) the severance tax liability with respect to such oil, and the severance tax liability which would have applied with respect to such oil under the rates in effect on March 31, 1979, and

"(6) such other information as may be required by regulations prescribed by the Secretary.

"(b) Information Furnished by Operator.—Under regulations prescribed by the Secretary, if the purchaser of domestic crude oil and the operator of the well from which such crude oil was produced make a joint election under this subsection, the monthly statement required to be furnished by the purchaser under subsection (a) shall be furnished by such operator.

"(c) Time for Filing Monthly Statement.—Each monthly statement required to be furnished under subsection (a) or (b) for any month shall be furnished before the first day of the second month which begins after the close of such month.

"(d) Certification Furnished by Operator.—Under regulations prescribed by the Secretary, the operator of the well from which crude oil subject to the tax imposed under section 4986 was produced shall certify (at such time and in such manner as the Secretary shall by regulations prescribe) to the purchaser the base price (within the meaning of section 4988(d)) with respect to such crude oil. For purposes of section 6652(b) (relating to additions to tax for failure to file other returns) such certification shall be treated as a statement of a payment to another person.

"(e) Cross References.—

"(1) For additions to tax for failure to furnish information required under this section, see section 6652(b).

"(2) For penalty for willful failure to supply information required under this section, see section 7241."

(2) Technical and conforming amendments.—

(A) Section 6652(b) is amended by striking out "or section 6051(d)" and inserting in lieu thereof the following: "section 6050C (relating to information regarding windfall profits tax on domestic crude oil), or section 6051(d)".

(B) The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new item:

"Sec. 6050C. Information Furnished by Purchaser and Operator Regarding Windfall Profits Tax on Domestic Crude Oil."

(e) Criminal Penalty for Failure To Furnish Certain Information.—

(1) In general.—Part II of subchapter A of chapter 75 (relating to penalties applicable to certain taxes) is amended by adding at the end thereof the following new section:

"Sec. 7241. Willful Failure to Furnish Certain Information Regarding Windfall Profits Tax on Domestic Crude Oil.

"Any person who is required under section 6050C (or regulations thereunder) to furnish any statement, information, or certification to any other person and who willfully fails to furnish such statement, information, or certification at the time or times required by law or regulations, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and upon conviction thereof, shall be fined not more than $10,000, or imprisoned not more than 1 year, or both, together with the costs of prosecution."

(2) Clerical amendment.—The table of sections for such part II is amended by adding at the end thereof the following new item:

"Sec. 7241. Willful Failure to Furnish Certain Information Regarding Windfall Profits Tax on Domestic Crude Oil."

(f) Information Furnished by Partnerships, Trusts, and Estates.—

(1) Information to be furnished to partners and to beneficiaries of estates and trusts.—Subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new section:

"Sec. 6050D. Information to be Furnished to Partners and to Beneficiaries of Estates and Trusts.

"(a) Requirement.—Under regulations prescribed by the Secretary, each partnership, estate, and trust required to file a return pusruant to section 4989 for any taxable period shall furnish to each partner or beneficiary, as the case may be, a written statement showing the following:

"(1) the name of such partner or beneficiary,

"(2) information received by the partnership, trust, or estate pursuant to section 6050C.

"(3) such partner's or beneficiary's distributive share of the items referred to in paragraph (2), and

"(4) such other information as may be required by regulations prescribed by the Secretary.

"(b) Time for Furnishing Written Statement.—Each written statement required to be furnished under this section with respect to any taxable period shall be furnished before the first day of the third month following the close of such period."

(2) Clerical amendment.—The table of sections for such subpart B is amended by adding at the end thereof the following new item:

"Sec. 6050D. Information to be Furnished to Partners and to Beneficiaries of Estates and Trusts.

(g) Effective Date.—The amendments made by this section shall take effect on June 1, 1979.●

● Mr. SHANNON. Mr. Speaker, today I am joining with two of my colleagues on the Ways and Means Committee in introducing the "Crude Oil Windfall Profits Tax Act of 1979." Quite simply, this bill would impose an 85-percent windfall profits tax on any increased revenues the domestic oil industry will receive under the decontrol plans being considered by the President.

It is not yet clear if the President will propose phased or complete decontrol. In some respects this decision is not important. The oil industry's own figures show they are now making record profits and under either form of decontrol these profits will increase dramatically.

The oil industry maintains that they must have adequate incentives to explore for new oil. Many people would contend that the incentives under recent price increases are already more than adequate. These incentives will only continue to increase under this act since producers will retain 15 percent of increased revenues. However, producers will not be allowed to gouge the American consumer by charging the world price which is set by the OPEC monopoly and is not affected by the laws of supply and demand.

The windfall profits tax we are proposing will not apply to newly discovered oil, Alaskan oil, stripper wells and tertiary recovery methods. It is in our national interests to encourage production from these sources of oil. It is not in our interests, however, to allow a massive transfer of wealth from U.S. consumers to oil companies.

Mr. Speaker, it is becoming increasingly obvious that energy issues will be extremely important in the 96th Congress. The most immediate question concerns the decontrol of domestic oil prices. I have joined in this legislation in order to let it be known that decontrol, either phased or complete, is completely unacceptable without a strong but fair windfall profits tax. The bill we have introduced today meets these criteria. It will protect consumers while also encouraging domestic exploration and production.

Decontrol without a windfall profits tax is, at best, an act of faith—faith in the oil companies to use this money to increase exploration and production. This is an act of faith which is not justified. Decontrol without a stiff windfall profits tax will only mean more profits, more diversification, and more ads in newspapers extolling the virtues of the free market system.●

PEACE AND JOBS REFERENDUM ADOPTED BY MADISON, WIS.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Kastenmeier) is recognized for 5 minutes.

● Mr. KASTENMEIER. Mr. Speaker, yesterday by an overwhelming vote of almost 2 to 1, 34,770 to 18,143, voters in the city of Madison, Wis., adopted the Peace and Jobs Referendum stating:

> Do the people of the city of Madison urge the President and their congressional delegates not to use tax dollars to increase spending for military purposes and instead urge them to use those tax dollars to create jobs and provide needed services to our people?

I sincerely hope that this move by the voters of Madison will inspire similar efforts across the country to reorder national spending priorities.

Everyone supports cuts in Federal spending. But, how can one possibly justify exempting the military from such cuts while domestic programs bear the brunt of the burden of austerity?

Indeed, one can argue that military spending has been a major contributor to the Federal deficit, to inflation, and unemployment.

We constantly face the burden of Federal deficits and a public debt that can largely be attributed to spending on wars and the aftermath of wars.

Military spending feeds inflation by increasing disposable income and aggregate demand but not enlarging the supply of goods available for the civilian market. What results is a pressure on prices.

And, because military production is not as labor intensive as civilian programs, money that could be spent creating jobs in the civilian market goes instead to buying high-priced equipment for military production.

Mr. Speaker, the health and welfare of our people are just as vital to our national security as any bomber or nuclear submarine.

We simply cannot continue to place the needs of our people on the back burner. Our domestic problems will either ultimately become insurmountable, or the people will rise in revolt—or both.

The referendum in Madison may, in fact, be a sign that the revolt has started.●

CLINCH RIVER BREEDER REACTOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Brown) is recognized for 10 minutes.

● Mr. BROWN of California. Mr. Speaker, I take this time to place the Carter administration's position statement on the proposed Clinch River breeder reactor and the U.S. liquid metal fast breeder reactor program in the Congressional Record. This articulate, concise, and balanced position paper should be of interest to each and every Member of this body.

While I am confident that few Members look forward to the annual debate on this topic, it is my belief that this year the Congress will recognize that the Carter administration, and especially President Carter himself, are correct in their position.

Mr. Speaker, the following material was presented earlier today before the Committee on Science and Technology.

Since it is a matter of great importance to all of us, I recommend its review:

Statement of John M. Deutch Before the House Science and Technology Committee, April 4, 1979

THE UNITED STATES LIQUID METAL FAST BREEDER REACTOR PROGRAM

Mr. Chairman and Members of the Committee, it is a pleasure to appear before you to discuss the Department of Energy's breeder program proposal. I am accompanied today by Mr. Robert Ferguson, the Program Director for Nuclear Energy.

I would like to review briefly the Department of Energy's nuclear energy policy. In consonance with the National Energy Plan, DOE has the responsibility of shaping a program based on the exploitation and improvement of present Light Water Reactor (LWR) technology combined with a deliberate and reasoned step into the future. On the one hand, we wish to affirm our support for the present programs to enhance near-term LWR commercial deployment. In this area, efforts are being vigorously pursued to improve the technology, reduce institutional impediments, and establish a publicly acceptable and technically reliable capability for safely managing radioactive waste.

We are exercising caution, however, in proceeding to the next generation of nuclear technology—the fission breeder option. Various factors have led to the conclusion that we now are afforded additional time to develop the breeder technology in a more deliberate and comprehensive manner. Our fission energy strategy calls for maintaining a strong breeder research and development program including the assessment of all promising advanced fission options for their economic, technical, industrial, and nonproliferation merits. A broad-based program that thoroughly addresses both technical and institutional concerns will permit us to achieve a state-of-readiness, should a policy decision be made to proceed to demonstration and/or deployment of an advanced fission system.

Before I discuss the breeder program proposal which we have planned for 1980 and beyond, I would like to provide some perspective for the redirection of this program which has occurred in the last two years. As you are aware, in April 1977, the fission energy development policy was reoriented away from commercialization of LWR reprocessing technology and demonstration of the liquid metal fast breeder reactor. This redirection was the result of two main influences. The first was a lessened sense of urgency for LMFBR deployment in the U.S., due to: (a) reduction in the rate of deployment of converter reactors in the U.S. and abroad; (b) significant technical opportunities to improve the efficiency of the LWR: and (c) improved knowledge of uranium ore availability. These factors combined to move the date at which economic considerations favor breeder deployment beyond 2020. The second influence was the increasing concern about the risk of nuclear weapons proliferation. Proliferation considerations simply reinforce the economic arguments made above. As part of this program redirection, the Administration proposed to terminate the Clinch River Breeder Reactor project.

I have provided for the Committee a chart which details the best projections which the Department has for termination costs of the CRBR.

Briefly, the estimated termination costs for CRBRP, assuming an April 1, 1979 termination, are $160.6 million; assuming an October 1, 1979 termination, the estimated costs are $151.1 million.

It is our objective that the legislative action terminating CRBRP would include the authority to use uncosted prior years CRBRP appropriations to cover termination expenses.

In the event of an April 1, 1979 termination, the uncosted prior years CRBRP appropriations would have been sufficient to cover the estimated termination costs. A July 1 termination date would result in the need for an additional $14.7 million to cover termination activities since prior CRBRP appropriations are being expended to continue project activities at the approximate rate of $15 million per month.

The above termination estimates include such costs as completion of selected design and component activities, preparation of a final engineering report and the closeout of the remaining engineering and component activities.

Estimated project expenditures to date are about $554 million from DOE and $100 million from the utilities and other sources for a total of about $664 million.

Our current best estimate of the time at which full LMFBR commercialization is economically warranted is about 2020. If one allows about 35 years for completing the research, development, and demonstration program and for an orderly transition from a light water reactor economy to a breeder economy, then the date for a commitment to construct the next developmental plant is some time in the mid-1980's.

The breeder strategy for the FY 1980 budget proposal recommends that we focus our efforts on a conceptual design study of a larger LMFBR plant supported by a sound base R&D program that would enable an informed judgement to be made at the conclusion of the study. The conceptual design would incorporate advances in technology since the inception of CRBRP, would have a plant rating closer to commercial targets than CRBRP, and would provide a vehicle for developing licensing criteria. This study will be domumented in a conceptual design report providing preliminary design, construction, and operating cost and schedule estimates. In addition, a limited preliminary safety analysis report will be prepared.

The report, which is scheduled for completion by March of 1981, will provide comprehensive data for consideration by the President and Congress in their decisions as to the next phase of breeder development. If the decision is made to go forward with a larger LMFBR project, we would be in a position to initiate detailed engineering design and long-lead procurements for a Federally funded and managed research and development plant as soon as funding was made available. Also, the INFCE/NASAP programs will have been completed and their results can provide input to the decision. The NURE work will be farther along, and we will have another couple of years to observe the LWR market.

It should be emphasized that a commitment now to a research and development plant is not part of the LMFBR program redirection. Such a decision must await the outcome of the assessments, but this will be one of the options available to the President and Congress in 1981.

A strong parallel base technology program complements the conceptual design study and is capable of supporting the expeditious pursuit of detailed design and construction of the next development plant should that decision be made. The adequacy and relevance of the base program is measured by relating base technology outputs and schedules to the requirements of a developmental plant.

The technology for the heat transport system is relatively independent of the results of the nonproliferation assessments. Therefore, this effort is proceeding as before, but using the conceptual design study as its focal point. On the other hand, the fuel system and fuel cycle is quite dependent on the nonproliferation assessment results. Therefore, we are emphasizing flexibility of fuel and fuel cycle in the design studies and the technology development.

In conjunction with the reorientation of the breeder program, the fuel cycle research and development program has been consolidated and reoriented to support fuel cycle concepts deemed consistent with our nonproliferation objectives. Reprocessing for breeder reactors only appears to be required in this context. Thus, since fuel reprocessing will be conditioned on eventual deployment of a breeder, the fuel cycle program will focus on developing breeder fuel reprocessing technology, while recognizing the need for reprocessing fuel from other reactors to provide initial fuel loads for breeders and to establish a synergistic system of breeders/nonbreeders.

The breeder issue inevitably becomes one of timing. The timing of the need for commercial deployment determines the appropriate pace and associated scale-up risk in the research, development, demonstration, and deployment effort.

Breeder timing is governed principally by two factors:

The extent of the uranium resource base and the rate at which it can be mined and milled, and

The rate at which that resource is consumed by converter reactors.

Considerable uncertainties attend any estimates of these parameters. There are, as well, uncertainties in our ability to develop, demonstrate, and deploy interim measures such as LWR fuel utilization improvements and advanced isotopic enrichment, which could buy us some time.

Our immediate objective, therefore, is to configure the LMFBR program such that we are ready and poised, in 1981, for whatever decision is made concerning the need and timing for the breeder.

Mr. Chairman, over the past two years many good men and women have been involved in this controversy on both sides of the issue. I feel safe in saying that the force which has motivated all parties in this issue is the desire that the United States have an assured, economic and acceptable supply of energy in the next century. Our disagreements have been on the timing, not the objective. Our agreements have been on the ultimate necessity of this course.

The Administration and I personally wish to put this area of disagreement behind us and work toward those goals upon which we all agree.

We have all spent many hours over the past two years working on this problem. I am here today to assure you that the Administration and the Department stand ready to double or treble those hours if it will aid us in reaching that goal which we all agree is essential to our future.

Mr. Chairman, I would be pleased to answer any question which you might have at this time.

Department of Energy,
Washington, D.C.

Hon. Mike McCormack,
Chairman, Subcommittee on Energy, Research, and Production, House of Representatives, Washington, D.C.

Dear Mr. McCormack: In response to your letter of April 3, I am submitting the attached answers to the questions which you posed. Please note that question No. 1 has been answered in the text of my testimony.

Sincerely,

John M. Deutch,
Acting Assistant Secretary for Energy Technology.

Question 2: In 1977 the General Accounting Office, at former Chairman Teague's request, ruled that the CRBR project was properly authorized in Public Law 91-273

(a) if the Administration is seeking termination of the project, why has it not requested specific language to deauthorize the project?

(b) Absent specific statutory language to deauthorize the CRBR project, how does the Administration suggest that it be terminated?

Answer: (a) Since the President announced his desire to terminate the CRBR project in April 1977, the Administration has been working diligently with the Congress in an effort to reach a legislative accommodation of this very complex and difficult situation. Although proposed statutory language to accomplish this end was developed, submitted and considered by the Congress in the last session, it was not enacted. The Administration intends to continue to pursue this course of action in the present Congress and is working with Committee staff toward its accomplishment in a manner that will be acceptable both to the Administration and to Congress.

Answer: (b) As indicated in the answer to 2(a) above, it is the Administration's intent to continue to pursue a mutually acceptable legislative solution to this situation. The Administration believes that it is in the best interest of all concerned to reach an agreed accommodation on this question rather than force a protracted confrontation on technical, legal grounds.

Question 3: Please provide a tabular chart setting forth how the $160 million in obligated funds (required for termination on or before April 1, 1979) would be distributed to cover the Administration's FY 80 proposal for: (a) Completion of component procurements, (b) Contract settlements, (c) Completion of systems design, (d) Final report, (e) Other potential costs.

Answer 3: The breakdown of the CRBRP termination estimate associated with an April 1, 1979 start of termination is presented on the attached chart. This estimate does not include any reimbursement of utility contributions.

We expect that authorization to terminate CRBRP would be accompanied by:

1. The authorization to use uncosted prior year CRBRP appropriations to cover termination expenses, and

2. Any necessary supplemental appropriations.

In the event of an April 1, 1979 start of termination, the uncosted prior year CRBRP appropriations would be sufficient to cover the estimated termination costs. Prior CRBRP appropriations are currently being used and obligated to cover on-going project activities. A termination start date later than April 1, 1979 would likely result in the need for a supplemental appropriation to cover termination activities since prior year appropriations are being expended at an approximate rate of $15 million per month to continue project activities.

CRBRP PROJECT, ESTIMATED FUNDING FOR APR. 1, 197 TERMINATION START

[In millions of dollars[

	Fiscal year—			
	1979	1980	1981	Total
(a) Completion of component procurements	12.4	14.9	0.5	27.8
(b) Contract settlements:				
Close out and settlement of terminated procurements (includes vendor management cost)	21.6	7.2	0	28.8
Manpower cost to manage subcontracts to completion, terminate subcontracts and settle claims	6.3	13.6	4.5	24.4
Personnel relocations	.3	.5	.2	1.0
Personnel terminations	2.4	3.3	3.1	8.8
(c) Completion of systems design	10.0	10.0	0	20.0
(d) Final report	6.8	10.8	0	17.6
(f) Other potential costs	15.0	15.1	2.1	32.2
Total	74.8	75.4	10.4	160.6

Question 4: Since the Administration has not requested funds to pay back the utility share of the CRBR project ($102 million to date), what evidence is there that they will not request reimbursement? If the utilities agree not to request pay-back, what new project management options are open to the Department? Have these alternative arrangements been discussed with the Project Management Corporation (PMC)? What is the PMC position on alternatives?

Answer: The Department does not presently have any evidence that the utilities will not seek reimbursement of their contributions to date. As was indicated in testimony last year, this is a very complex, complicated situation, and the question as to whether the utility contribuions will be refunded is a matter which will have to be considered in some detail along with other elements of the problem in the light of whatever action this Committee may take on the Bill currently before you.

Question 5: What specific differences, if any, does the current Administration proposal contain relative to previous "compromises" on the question of a commitment to construct a breeder? If this new proposal does not contain any commitment, what feature does it include that, if adopted would lead to the operation of a breeder plant at an earlier date than under other proposals considered by the Congress?

Answer: There have been two suggested "compromises" on the commitment to build a liquid metal fast breeder reactor demonstration power plant.

An amendment, offered by Representative Flowers in July 1978, to the DOE FY79 Authorization Bill (HR 12163) would have amended Public Law 91–273 to authorize and direct the Secretary of Energy to complete only system design and testing of selected components for Clinch River, to conduct a conceptual design study for an advanced demonstration plant and report the results by March 31, 1981 along with a base technology program plan. Further, that the Secretary should take contractual action as required to implement these provisions and that an additional $55 million would be appropriated along with unexpended prior appropriations for these activities. This amendment was defeated.

Discussions with members of the Senate Energy Committee resulted in a proposed compromise which called upon the Secretary of Energy either to continue CRBR or decide that it did not meet national requirements and should be discontinued. In the latter case, CRBR systems design and major component development and testing should be completed and under Public Law 91–273, design, construction and operation of a new breeder reactor program should be initiated by contracting for a conceptual design effort to be completed by March 31, 1981 and providing an expanded LMFBR base technology program.

The current administration proposal calls for the termination of the Clinch River project through the amendment of Public Law 91–273. However, Clinch River System Design, selected component development, a conceptual design study and an expanded technology program would be conducted. No commitment to build a breeder demonstration plant is implied or intended prior to completion of the conceptual design. This technical effort is sufficient to maintain a viable breeder technology foundation for a subsequent decision. The conceptual design study is of a plant more nearly of commercial scale, and if coupled with successful component development and testing, may permit more rapid commercialization of breeder technology if that is warranted.●

JAY SOLOMON'S DEPARTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, it is with regret that I note the departure of Jay Solomon as Administrator of the General Services Administration last week.

As chairman of the Subcommittee on Public Buildings and Grounds during this Congress and as a member of that subcommittee during previous years, I had the pleasure of working closely with Jay Solomon while he served at GSA. He was an able administrator. His work at GSA is an example of the type of public service that the American people want of their public officials. He has set a standard of excellence and integrity in the job that he has done which I believe is not only exemplary for GSA, but for other agencies. His efforts have reflected great credit on President Jimmy Carter who appointed him and whom he served with great loyalty.

Twenty-two months ago, Jay Solomon came to GSA. It was an agency plagued with problems, many of which were evident only to those at GSA. Jay Solomon did not try to hide them. He saw fraud, abuse, and mismangement, and brought these inherited problems to the attention of the public. In doing so, he assumed the tremendous responsibility of investigating them and instituting changes to bring them to an end.

Jay Solomon came to GSA to build, to create, to beautify, to economize, and to improve. He did not come to clean the stables and be a policeman. But, that came to pass. While he could not devote all his efforts to the positive elements, Jay Solomon was able to improve while cleaning up the mess.

As one would guess, making major changes in the usual way of doing business in a bureaucracy of 37,000 people is a difficult task. Jay Solomon pursued this course vigorously and was not dissuaded by the frustrations of bureaucratic inertia. Because of his diligence and perseverance, he has made inroads in ridding GSA of widespread fraud, abuse, and mismanagement. Of course, he has not been able to eliminate all the problems during his tenure, but he has started the process. As a result of the GSA investigation so far, 40 people have been indicted and 30 others have pled guilty.

What is particularly important in these efforts to weed out corruption and abuse at GSA is that it restores confidence in the American people in their Government. It gives credence to the fact that those who violate the public trust will not go unchallenged. At a time when the perception of public officials is low and the American people are skeptical about their tax dollars being protected, Jay Solomon stands out as an example of a public official who takes his responsibility seriously and requires accountability from his agency. I am sure that this will serve as a continuing source of pride to Jay Solomon as he pursues other goals, and something for which we are all indebted.

The Subcommittee on Public Buildings and Grounds will particularly miss Jay

Solomon because of his interest and concern and knowledge about the public buildings program. His career before entering Government service was in private sector construction, management and development of buildings, and his first-hand knowledge of this area has been extremely helpful to the subcommittee's work. During his tenure as GSA administrator, he translated some of his experience in private sector construction and management techniques to GSA with the many favorable results. For example GSA now requires roof inspectors to do continual on-site inspections during construction, and adequate soil testing must be made before foundations are laid. This will hopefully mean more soundly constructed Federal buildings with fewer problems that enormously add to costs. As Chairman of the Subcommittee on Public Buildings and Grounds, I have requested a list of changes in GSA construction policy, which Jay Solomon has implemented during his tenure, so that in exercising our oversight function we can see that some of these basic principles of construction management are continued.

On behalf of the Subcommittee on Public Buildings and Grounds, I want to express appreciation and thanks for the outstanding job that Jay Solomon has done at GSA, and his cooperation with the subcommittee's efforts. I expect, and will assure, that his successor will continue his many constructive changes at GSA and will carry on in the fine example which has been set.

To Jay Solomon, I say, "Thanks for a good job and good luck."

At this point, I place in the Record an article about Jay Solomon which appeared in the Washington Post on March 21, 1979.

The Wisdom of Solomon: GSA's Administrator Has Left His Mark

(By Wolf Von Eckardt)

Jay Solomon is a hard act to follow.

He is not only the first General Services administrator who had the guts to tackle the long-suspected, far-reaching corruption of the agency that supplies the federal government with paper clips and buildings.

He also is the first General Services administrator to recognize that the quality of federal paper clips and buildings has enormous influence on the quality of life in this country.

Big words, I know, but justified by the enthusiasm and effectiveness with which Solomon has improved GSA's architecture, design, historic preservation efforts and willingness to make public buildings public.

Solomon apparently has displeased some politicians, who, in turn, displeased the president's men. They encouraged his resignation, effective today.

And they discouraged America's intelligentsia about the Carter administration.

The White House obviously did not realize that, quite aside from his whistle-blowing, Solomon was the symbol of the administration's interest in culture—particularly since the Carter-appointed leaders of the National Endowments for the Arts and Humanities are not exactly charismatic leaders.

To replace Solomon, the president has nominated Rear Adm. Rowland G. Freeman III, commandant of the Defense Systems Management College at Fort Belvoir who, I am sure, can be counted on to keep paper-clip purchases shipshape.

The admiral, who is a defense procurement expert, is pledged to continue Solomon's herculean effort at cleaning GSA's Augean stable. The question is whether, with the help of the Justice Department and honest investigators, he also will try to go beyond the stable hands to the big horse traders outside.

The almost equally important question is whether the admiral has the imagination, or even the interest, to revive the Jeffersonian tradition of making government buildings, offices and graphics not only the pride of the community but also symbols of the dignity and good taste of the American government.

An inspired and inspiring federal image is not the computer output of sophisticated cost-benefit programming. Nor does it come naturally, even to honest bureaucrats. Some of the shockingly ugly buildings GSA gave us before Solomon were the results not of corruption, but of honest stupidity and bad taste.

One of the inspired and inspiring things Solomon has ventured is his effort to bring the crafts back into building. At his instigation, crafts persons are working closely with the architects on a $21-million federal court and office building in San Jose, Calif. The idea is that wood and stone carvings, ceramics, metal work, handwoven fibers and other works of individual craftsmanship are not pasted on or installed after the building is completed, but worked into the building's design as an integral part of the structure.

Pioneering ideas such as this, which may have a profound effect on future architecture, are not stimulated by sophisticated procurement systems but by sophisticated minds. Solomon cares that things are done not just efficiently but also creatively.

One of the first moves Solomon made when he became head of GSA was to restore the mandatory expenditure for artistic embellishment of a public building to half of 1 percent of the total construction cost. His predecessor wanted to reduce the amount to three-eighths of 1 percent. Financially, the difference is hardly significant, particularly in these days of cost overruns and costly design mistakes.

But on a $20-million federal building the difference between half of 1 percent and three-eighths of 1 percent amounts to $250,000—an amount that, I am sure, exceeds what Michelangelo was paid for his "David."

Another example of Solomon's concern for culture and livability are his efforts to save and restore historic landmark buildings by adapting them to federal use. Legislation to make this possible was passed before Solomon took office. But Solomon's personal fair and intelligent enthusiasm has made the restoration of the old post offices in Washington and St. Louis, the Union Railroad Station in Nashville, Tenn., the old Customs House in New York and others, national examples and catalysts. In disputes about the integrity of the old building versus the new use, the Solomonic judgment favored historic integrity, a judgment I applaud.

Contrary to what bureaucratic convenience and conventional management wisdom consider "cost effective," Solomon chose architects for important commissions on the basis of limited design competitions, involved interested members of the public in the discussion of design and planning problems, and opened federal buildings to public use for neighborhood and ethnic festivals, art exhibitions and other community events.

But perhaps even more important than this "living buildings" program and the integration of crafts into architectural design is Solomon's innovation of an architectural "post-occupancy evaluation" of federal buildings. It means simply that architects, contractors, managers, psychologists and others go back a year or so after a building is completed to see how it works and what can be learned from its failures and successes.

Oddly enough, this rarely is done, certainly not in a systematic manner. Our refusal to look back is one reason we see so little advancement (in contrast to fashionable changes) in our building design.

With all these innovations and more, Jay Solomon has restored meaningful and lasting efficiency—as opposed to seeming, short-range efficiency—to a small but important part of the federal government.

We hope Adm. Freeman seizes these innovations and moves them forward, full steam ahead.●

DRUG ABUSE—A SERIOUS AND GROWING NATIONAL PROBLEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LaFalce) is recognized for 30 minutes.

● Mr. LAFALCE. Mr. Speaker, Queen Elizabeth I used it to relieve menstrual cramps; Indian monks take it to repress physical desires; the Chinese had used it since the 15th century B.C. as an anesthetic and an intoxicant; Margaret Trudeau, Canada's estranged First Lady, describes her youthful drug experience in a new autobiography: "I smoked pot with the best of them (hippies) and came to love it; * * * I drank it all in—the music, the drugs, the life."; and over 43 million Americans have tried it. Marihuana, by any name, has had a long and mysterious history.

Its use and abuse continues to be at the center of a serious national social problem, affecting every community, including those in western New York. The use of marihuana and other drugs, illegal or not, continues to grow in popularity and in social acceptance; at the same time, the impact of this growth troubles and befuddles school administrators, public officials and social commentators.

Testifying last month before a congressional committee, a top Government official pointed out that:

> The national cost of drug abuse, estimated at $10 billion, hardly reflects the immeasurable social costs in terms of lives ruined due to poor health, criminal conduct, economic dependence and incompetence in discharging work and family responsibilities.

While the ruinous effects of drug abuse are impossible to summarize, statistics about drug use are astounding and revealing:

Sixty percent of young adults, according to Government studies, have tried marihuana.

Seven million or more Americans have used PCP, an extremely dangerous substance known as "angel dust."

Nineteen percent of Americans aged 18–25 have tried cocaine.

In western New York, the figures are no less shocking. In a study released last November by the New York State government, western New York was found to have the largest problem in terms of casual and chronic drug use among high school age youth in the entire State. Over 56 percent of the 187,000 students aged 12–17 surveyed had used marihuana, over 12.5 percent had used hallucinogens, and nearly 15 percent had used PCP.

This kind of widespread local drug

use has led authorities to intensify their investigations and law enforcement efforts. In November, a 3-month investigation in suburban Buffalo ended with the arrest of nearly 50 persons, most of which were teenagers. Four were adolescents between 13 and 15.

When public concern over drug use reached a crescendo in the late 1960's and early 1970's, much concern was given to marihuana and heroin use. Today, marihuana has become an increasingly accepted part of society, especially for the young, while heroin use has declined. Attention has now turned to drug use by precollege youth, and the growing use of other drugs, such as PCP, cocaine, quaaludes and nonprescription use of valium, barbituates, and amphetamines.

Across the United States several disturbing drug abuse trends are growing. First, there has been a shocking growth in the use of marihuana by youth under the age of 17, forcing school officials to deal with increasing numbers of academic and disciplinary problems. Second, the abuse of legal drugs—sedatives, stimulants and tranquilizers—among all age groups has continued to grow, leaving community and religious groups to deal with numerous problems. Third, cocaine, the "glamor high," has become widespread in its use, virtually overnight.

The social and economic costs of drug abuse are almost incalculable. Court dockets continue to be crowded with drug-related crimes; social counseling centers devote much of their time to handling drug-related family problems; and countless billions are spent annually on mental and physical problems caused by drug abuse.

Clearly, the solutions to drug abuse are not easily within our grasp. Today's youth are better educated to the pitfalls of drugs than any other generation, yet drug use grows; certainly this is a symptom of a greater problem.

While the causes of drug abuse may vary from loneliness and boredom to peer pressure or simply pleasure seeking, there is no doubt that cutting off illegal drug supplies would make drug use more difficult.

That goal would best be served by cutting down on the illegal drug traffic from Latin America, where much or most of the illegal drugs emanate. Puerto Rico is a major transfer point for northbound drugs. Each year more than 1,500 pounds of cocaine is smuggled into Puerto Rico from South America en route to the Eastern United States. The country of Colombia, however, is the "drug king" of the world. As the head of the U.S. Drug Enforcement Administration puts it:

> Colombia is the largest supplier of cocaine and marijuana in the world. It's a trafficker's paradise.

Cocaine alone generates more annual revenues for Colombia than its largest legal export, coffee. These billions of dollars find their way into politics, the courts, and into innumerable banks and companies in Colombia and the United States. While Colombia's battle against drug traffic has been stepped up (with U.S. aid), the profits from the business are so amazing (1,000 percent profit margins are common), that it will be difficult to destroy an industry comprised of native villagers, enterprising "blockade runners" and multimillionaire underworld figures.

U.S. Government efforts to stem this tide of illegal drugs are increasing. Erie County Sheriff Kenneth J. Braun recently noted that "there's a renewed emphasis on trying to control the importation of drugs into the U.S.," especially those from major drug-producing nations in South America.

The House of Representatives recently reestablished its Select Committee on Narcotics Abuse and Control. I have discussed the problems of controlling and reducing drug abuse at length with the committee chairman, LESTER WOLFF, who has asked me to join him in his investigations into ways to deal with the problem. Representative WOLFF intends to look directly into the use of Puerto Rico, a U.S. territory, as a transfer point, as well as the rampant problems in Colombia, by going directly there to ascertain what the United States can do to combat these situations. His investigation in Colombia will be from April 16–18, and in Puerto Rico from April 19 through 20. I hope to assist and participate in his investigations, and then render a complete and detailed report.●

SOLUTION TO ENERGY CRISIS TOO SIMPLE FOR WASHINGTON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 5 minutes.

● Mr. ALEXANDER. Mr. Speaker, since my appointment as a member of the National Alcohol Fuels Commission, I have turned my attention to a number of matters pertaining to our energy dilemma. One of the first things I would observe is the self-reliance and inventiveness of our people. Recent evidence of this inventiveness is an Arkansan named Stanley Barber. Though imaginative and creative, Stanley shares what I feel is a growing impatience among the public with the failure of Washington to provide an alternative to U.S. dependence on petroleum. Stanley's development of an automobile propelled exclusively on 100 percent alcohol produced from abundant organic matter may well be one solution to our dilemma. I would like to share with my colleagues an article written about Stanley Barber's invention by a prominent Arkansas attorney, Judge Jim Johnson, and which appeared in the Arkansas Democrat.

SOLUTION TO ENERGY CRISIS TOO SIMPLE FOR WASHINGTON

(By Jim Johnson)

Soon after President Carter went on national television and declared that America's energy crisis is the moral equivalent to war, my wife, Virginia, and I were privileged to ride to Washington in an automobile propelled exclusively on 100 percent alcohol.

We were the guests of Stan and Cumilla Barber of Fort Smith who were taking Stan's unique invention to the nation's capital on the invitation of Sen. John L. McClellan.

While in Washington, this magnificent piece of machinery was viewed and driven by the highest representatives of the Department of Energy and the most powerful members of the United States Congress.

From the presentation made to these national leaders, there could be absolutely no doubt but that this invention has long since passed the experimental stage into perfection. Not only did the engine run smoother on alcohol than on gasoline, but it got better mileage.

The answer to the energy crisis was at hand. Alcohol can be produced from any organic matter. The various methods have been known to man almost from the beginning of time. In fact, the best on record has been the product of unlettered hill people who never saw the inside of a laboratory.

But this occasion was not hailed as the break-through it was. It has been virtually ignored by all those in authority. The answer was too simple for Washington. No government money had gone into the project. No expensive studies had been made. It had been entirely developed by good old American ingenuity inspired by the free enterprise system.

Soon thereafter, Senator McClellan died and Senator Eastland retired. An eerie veil of silence—as if the result of a mum conspiracy—has shrouded the Barber solution ever since. All we can hear about is impractical satellite solar energy systems and cumbersome experimental hydrogen plants.

Undaunted, the Barbers have continued to work at the risk of their health and their fortunes to bring their solution to the nation's attention. They have displayed through it all a kindred spirit to that little ragged band of patriots who left footprints of blood in the snow at Valley Forge.

In spite of the obvious duplicity of officialdom, professing a desire for a solution while closing their eyes to the truth, Stan Barber accepted one more invitation to appear before the Department of Energy in Washington. On December 5, 1978, he testified as follows:

"I am Stanley Barber, a bridge contractor, from Fort Smith, Arkansas. I own and operate Stanley Barber Construction Co., 8 Boston Square, Fort Smith, Ark. . . .

"I am glad to report that our system providing the motorist with the option of burning 100 percent alcohol or 100 percent gasoline has been well proven. Furthermore, we have introduced this fuel system to the fork lift industry for use inside warehouses and other confined areas.

"At this time, we have a Caterpillar fork lift, powered by a four cylinder Continental engine, in service at the Whirlpool Corp.'s plant in Fort Smith. This machine has 2,376 hours since conversion to alcohol on July 20, 1977.

"In its 2,376 hours of operation we have not replaced spark plugs—or any other part with the exception of a $4.50 "glolug" (used to facilitate starting on exceptionally cold days). Normal spark plug life on a conventional LPG fork lift is 400–500 hours.

"It consumes 4.5–5 gallons of fuel per eight-hour period, compared to a 5–6 gallon per eight hours consumption for standard LPG fork lifts. The fuel consumption is somewhat lower for the alcohol powered vehicle than LPG vehicles.

"Although no specific standards have been calculated for fork lifts, for comparison we have reviewed the state of California emission standards for four cylinder engines. These standards include 250 ppm for hydrocarbons (the alcohol powered fork lift compared favorably at 145–185 ppm), and two percent carbonmonoxide (alcohol fork lift again compared favorably with .002 percent at idle and .001 percent at 2400 rpm).

"During the 2,376 hours of use we have experienced no loss of power in comparison with standard vehicles.

"Also, it is highly popular with drivers as the machine runs cooler, without the hotter exhaust common to the standard LPG vehicles.

"At present, we are converting two more forklifts to alcohol for Whirlpool for further analysis.

"We also have an Allis Chalmers fork lift with this fuel system working and undergoing tests in the Gerber Products Company's plant in Fort Smith, Ark.

"We have experienced comparable results with the two automobiles that we have converted to this duel fuel system. One being a 1974 Pontiac with a 453 cubic inch V–8 Engine, and the other a 1975 Dodge Colt with a four cylinder engine. There are 169,000 miles on the Pontiac, the last 89,000 since conversion to alcohol, and 35,000 miles on the Dodge.

"The Pontiac was converted to alcohol at 80,000 miles, and the engine was completely stripped down at 118,000 miles for inspection purposes. At that time we found the valves, pistons, block, heads and crankshaft in perfect condition. Consequently, we reassembled the engine, replacing only the timing chain and gear, camshaft, valve lifters and seals. Since the 118,000 mile inspection, the spark plugs have been changed once, at 168,000 miles.

"There has been no power loss in any of these units, and from all indications we expect a tremendous increase in the life of all these engines.

"Contrary to reports stating that alcohol offers only half as many miles per gallon as gasoline, our system of inducing the alcohol fuel to the engine has yielded essentially the same miles per gallon, with far cleaner emissions. Furthermore, we are paying only 52 cents per gallon for methanol as opposed to 70 cents per gallon for gasoline.

"Now with the dual fuel system proven, more alcohol production must be accomplished in an orderly way. I feel impelled to stress production as opposed to research because we already know how to make alcohol, and can have it in production before another redundant and costly research study can be set up.

"Facilities can be increased exclusively by a few dominating interests or equally by smaller units located close to redundant farm products and supplies of industrial and municipal waste.

"You are fully conscious that the dollar owes its fall in value internationally, primarily to our dependence on foreign oil for 50 per cent of our fuel. Alcohol produced from our own excess products and equally from our industrial and municipal waste is the most attractive present answer to this dire situation.

"Government can encourage this transition by assisting dedicated individuals and groups in every state to establish such facilities with long-term loans (government guaranteed). By helping the small producers close to redundant materials you avoid monopolistic practice.

"Specifically, we believe that plants beyond the four authorized by Congress through the Department of Agriculture should be established in orderly progression to process all forms of waste. This should be done now so that the state of the art will be maturing in time to halt the dollar hemorrhage produced by imported oil.

"We suggest the government authorize attractive loans to create facilities across the country.

"This would accomplish five things:

"1. Restore our energy independence.

"2. Help our balance of payments problem.

"3. Break the back of the OPEC oil cartel.

"4. Stimulate our economy.

"5. Provide new employment at the expense of the Arabs.

"This program would not require tax money—only loan guarantees.

"Thank you again for this opportunity."

It is virtually undisputed that the Schlesinger solution to the energy problem is to cause the price of petroleum products to rise so high the people cannot afford them. This strategy has worked to some extent in the field of natural gas. After all the dire predictions when the price controls were lifted on natural gas, we now seem to have a surplus. Can we be sure that the same will be true in the field of other petroleum products?

This policy raises a number of questions. Do we have enough domestic oil production and reserves to sustain us in the event of a war? Is this policy calculated to serve the interest of this country and her people, or is it calculated to serve the interest of the big oil companies? Are shortages being artificially created? If not, then why has the government in the past few days, right on the heels of the Iranian oil cutoff, closed down five major atomic generating plants on the East Coast, thereby necessitating the use of thousands of additional barrels of oil each day to make up for the loss of the atomically produced electricity.

All of this makes one wonder—what the hell is going on? The rationing books have already been printed. Another super bureaucracy is being readied to spring into action. The cost of that one activity alone if devoted to the production of alcohol would make a big dent in our national energy requirements. Add this to just a part of the funds which have been promised to Egypt and Israel in the name of peace and the United States could be totally energy independent.●

FAA RULES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. JONES) is recognized for 5 minutes.

● Mr. JONES of Oklahoma. Mr. Speaker, like many other Members, I have been contacted by large numbers of constituents who have expressed dismay with the Federal Aviation Administration's proposed rules on controlled visual flight. These proposed rules would greatly expand the FAA's control of our airspace in the name of safety. However, the vast majority of my constituents who have contacted me seriously question the premise that these rules would actually improve safety.

In order to resolve their questions, I referred many of their letters to the FAA for that agency's response. However, the FAA only responded with a pro forma letter that my constituents' letters would be entered in the hearing record.

I therefore felt it necessary to contact the FAA personally with a condensed list of the questions my constituents raised. Because I believed these to be important questions I thought the people had a right to a substantive response to their concerns.

My constituents and I wonder about the haste with which these proposals have been made. The FAA has said through its representatives that these proposals are not a result of the tragic San Diego midair collision of last fall. However, FAA administrator Langhorne Bond did not mention these proposals while testifying before the Ways and Means Oversight Subcommittee just 4 days before the San Diego crash. Because it seemed to me that these proposals might be a hasty attempt to tighten air traffic control after the San Diego crash I asked the FAA the status of the proposals as of September 21, 1978—the day Administrator Bond testified before the Ways and Means Oversight Subcommittee.

Next, I asked the reason the FAA wanted to control all airspace above certain altitudes when their own figures showed that the vast majority of near air collisions occur at low altitudes. Further, only 14 percent of all near midair collisions between VFR and IFR aircraft occur within 30 miles of an airport into which or from which an airplane was flying according to the figures the FAA presented in the Federal Register. Yet, the FAA wants to expand the air space controlled by its terminal control areas. I asked for a reconciliation of these facts.

Finally, because the FAA wants to more than triple the number of terminal control areas in the Nation, I have asked the FAA for figures on the relative safety of the TCA's and other portions of our air control system in terms of the numbers of deaths occuring in TCA's and other portions of the air control system. The FAA should be able to document its claim that the control it provides in the TCA's greatly increases the safety factor for air travelers.

Air safety is literally a matter of life and death. I agree with the people of my district who have told me that air safety is the paramount consideration in Government regulation of the air. However, we do not dispatch a firetruck to save a drowning swimmer, or throw a life preserver to someone trapped in a burning building: the safety measures must be appropriate to the danger. Otherwise, actions taken in the name of safety may be in vain. I join the people of Oklahoma's First District in hoping that the FAA will not try to expand its control of the airspace unless it will surely increase the safety of air travelers.●

HAIRDRYERS—THE HIDDEN DANGERS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland (Mrs. SPELLMAN) is recognized for 5 minutes.

● Mrs. SPELLMAN. Mr. Speaker, last week, Washington television station WRC–TV broadcast the results of a lengthy investigation it conducted into possible health hazards associated with asbestos-lined hair dryers.

The station's conclusion was that these hair dryers spew out tiny particles of cancer-linked asbestos and that, as a result, they pose a serious hazard to the health of the users. The report, aired Wednesday, March 28, almost immediately caused two major chain stores temporarily to take asbestos-lined hair dryers off their shelves. In addition, it has triggered follow-up inquiries by House and Senate subcommittees and the Consumer Product Safety Commission.

Mr. Speaker, at this point, we do not know what these follow-up inquiries will yield, but they most certainly should be pursued and pursued vigorously.

Mr. Speaker, for the benefit of any of my colleagues who may have missed

WRC's Wednesday broadcast, I am including a transcript of the report on asbestos-lined hair dryers in the Record at this point. I urge anyone not familiar with WRC's findings to read it. The future health of millions of Americans—both men and women—could well depend on what is ultimately determined in this matter.

WRC-TV's Report on Hairdryers: The Hidden Dangers Aired, Wednesday, March 28, 1979, 6 p.m.

Speaking: Lea Thompson, "The Investigators:" This is not a gun . . . it doesn't shoot bullets . . . but what comes out can be just as deadly.

This investigation started last July when a local photographer sent us his 5 year old hairdryer that he said was blowing fibers all over his prints. NewsCenter 4 tested that dryer. What we found coming out was asbestos.

The asbestos comes from the insulator used to prevent the plastic barrel of the dryer from melting. And "The Investigators" have found that this is not an isolated problem.

Based on government and industry figures for 1977, there were 25 million handheld hairdryers in use around the country, but no one in industry or government could or would tell us how many dryers have been made using asbestos components.

Yet our survey shows that out of 112 new and used dryers we looked at, 24 contained asbestos insulators. Most of the used dryers were provided by Goodwill Industries. We bought our new dryers at 7 retail chains representing 300 stores in the Washington metropolitan area. Twenty percent contained asbestos barrel linings. That's one out of every five we looked at.

We confirmed the presence and the extent of the asbestos hazard at EMV Laboratories in Rockville. Its scientists are experts in asbestos analysis. Insulation samples we selected from the dryers in our survey were examined. Samples from 24 different models tested positive for asbestos.

Then we selected six models and asked EMV to determine how much asbestos was being blown out.

John Wehrung, Executive VP—EMV Associates: "The older the hairdryer, and the more evident the amount of wear on the insulation material, the greater the amount of the discharge."

Thompson: The new machines used in the test were a Penney's 1400 watt Pro Gun, a 1000 watt Sears men's dryer, and a mini dryer that goes by the name, Dandy. The used machines included older but similar Sears and Penney's models, and our Photographer's Norelco.

The oldest hairdryers, the Norelco and Penney's, put out the highest concentration of asbestos. But in each and every case, the hairdryers discharged asbestos particles.

Wehrung: "Asbestos particles are being discharged. They're in a respirable size range. It is evident in our electron microscopy studies that they can be broken into many more smaller fibers after being discharged from the hairdryer."

Thompson: The results of the discharge test are particularly significant because the asbestos is being discharged near the face and usually in the confined environment of a bathroom.

To make matters worse, asbestos that settles in a room can be stirred up by many different means, including further use of a hairdryer.

Thompson: The Environmental Defense Fund sees itself as a watchdog, trying to get government to clean up matters EDF considers to be a danger to human health. EDF's Dr. Joseph Highland says NewsCenter 4's tests show the amount of asbestos coming out of hairdryers can be compared to living near an asbestos mine and inhaling its dust . . . or to the levels of asbestos being released from some school ceilings.

Joe Highland, Environmental Defense Fund: "The levels in hairdryers that are coming out say, in an average weekly use in an average room, come forward in the same range and that's what we're finding in public schools and that level in public schools has been deemed a health hazard and has to be cleaned up according to the Environmental Protection Agency."

Thompson: This report, done for the Department of Health, Education and Welfare, cites study after study done over the past thirty years which confirms the link between asbestos and cancer, and the fact that if enough is inhaled, it can lead to the deterioration of the lungs . . . or worse . . . lung cancer, cancer of the chest or abdominal cavity.

The major concern is the accumlative build up of asbestos in the body and there are many manmade sources of asbestos already in the atmosphere. The demolition of older buildings, the release of asbestos from brake linings in cars, gravel containing asbestos on roads and driveways, talcum powder, even urban air itself carries concentrations of asbestos.

Highland: "The asbestos levels coming out of hairdryers are not insignificant. They're highly significant and they fall within ranges which we've associated in the past with the incidence of disease later in life."

Thompson: Is any amount of asbestos safe?

Highland: "No. There's no amount of exposure that can be considered safe. Every level of exposure increases the incidence of possible disease so every level is a concern."

Thompson: In 1977 the U.S. government estimated that because of past exposures to asbestos 58, 75,000 cancer deaths a year could be expected. How many of those can be attributed to hairdryers? No one knows. (The younger a person is when he or she is exposed to asbestos, the greater the likelihood of cancer later in life. Studies show that after a period of 30 years from the time of exposure, cancer may develop.

Further, if one smokes cigarettes and is exposed to asbestos, the chances of getting cancer are greatly increased.

In the case of hairdryers it would be easy to eliminate the use of asbestos. There are other alternatives available, such as aluminum mica, space-age plastics, none of them adding significantly to the cost of a hairdryer. Indeed, in 80 percent of the hairdryers that we've looked at those alternatives are used.

Let's look at exactly where we are. There is no question that asbestos is a cancer causer. You should not breath asbestos. And yet, one out of every 5 new hairdryers we looked at still has an asbestos lining in it. And every single one we tested for discharge spewed out asbestos. There is no need for asbestos insulation in hairdryers. There are plenty of alternatives, but it's there anyways.

So, where is the government in all of this? Well, we asked the U.S. Consumer Product Safety Commission about the use of asbestos in hairdryers nine months ago. We were told then that it wasn't a problem. A report done for the CPSC by Kerney Management Consultants indicates that only one manufacturer uses asbestos and that it is phasing out asbestos in favor of mica.

The manufacturers themselves were the source of information for the Kerney Report. One of them was General Electric. We found three different General Electric hairdryer models with asbestos liners on the shelves just two weeks ago. To show you just how easy it is to make hairdryers without asbestos, Jack Cloherty went to one of the few manufacturers of hairdryers here in the United States.

Speaking: Jack Cloherty, "The Investigator:" We're at American Electric in Culver City, California. This firm is one of the few left in the United States that manufactures hairdryers. Most of them now are manufactured in Southeast Asia. But here at American Electric they use mica board—like this—instead of asbestos in their product.

This company took asbestos out of its hairdryers because of the recognized health hazard. American Electric President, Ron Purer:

Ron Purer, President, American Electric: "We find that our own test of other people's dryers—and I'm not going to mention any brands, that dropping it or rough handling will cause flaking depending on the composition of the asbestos—sometimes with a harder finish or a softer finish—the softer finishes tend to wear with the abrasion of the air and makes the fiber come off."

Cloherty: The nation's largest producer of hairdryers, Gillette, took asbestos out of its product in 1973. Gillette Director of Product Integrity, Robert Giovacchini:

Robert Giovacchini, Director of Product Integrity, Gillette: "The conclusion we came to was that if there was an alternative material that could be used, which was just as good, why run the risk of having asbestos fibers?

Cloherty: But asbestos dryers are still on the market. Where does the asbestos come from? Well, most of the ones we tested come from Southeast Asia. The Southeast Asian factories build the dryers to specifications given to them by the American companies. How then does asbestos get into the hairdryers? Well, U.S. firms point the finger at Underwriters Lab, the testing firm that sets standards for electrical appliances for government and industry clients.

Even though the hazards of asbestos have been known for years, Underwriters Lab here in Santa Clara, California still calls for asbestos in hand-held dryers. Here on page 17 of the standards it says: "insulating material and actual contact with the heating element shall be asbestos or other material resistant to combustion."

Apparently many manufacturers don't read past the word asbestos although it's clear from the U.L. Standards they have other options.

One company that still uses asbestos in its hairdryers is Sears.

Joanne Mattiace, Sears: "We have looked in the area at hair blowers and in fact a laboratory engineer has taken at least one hair blower, taken a look at it, and determined that based upon the amount of asbestos in the product, as well as the nature of that asbestos it presents no hazard whatsoever."

Cloherty: So based on that look at one hairdryer, Sears decided to keep selling asbestos-lined dryers in its stores. Its major competitor, Penney's and Montgomery Wards, also use asbestos. And NewsCenter 4 has learned that some General Electric, Hamilton Beach and Conair models still use asbestos as well.

Sunbeam says it stopped making this asbestos-lined dryer in 1976. We found it in a store two weeks ago.

When we asked major retailers why they were still selling hairdryers with asbestos, they either say that they didn't know it was there, or that Underwriters Lab recommended it.

Underwriters Lab officials refused to talk with us about their asbestos standards. But interestingly, since we started this investigation, things here at UL began to happen. Now they're talking about issuing a ruling removing the word asbestos. It's still a proposal, and they gave us this prepared statement on it. It concluded that "UL is in the process of prohibiting such use of asbestos in products listed by UL. Substitute materials are available and it is felt to be the public interest to require their use. February 23, 1979."

So in its new proposed standard, UL implies that its old standard was not in the public interest. The question is, why did it take the lab so long to wake to the asbestos problem, and why hasn't the federal government done anything to stop the asbestos threat? Lea Thompson has been trying to get the answer to that question at the Consumer Product Safety Commission.

Thompson. The U.S. Consumer Product Safety Commission lists asbestos as one of its top priorities, yet we have had a hard time getting it to take an interest in this issue. After we had that Norelco tested we turned our findings and the Norelco over to the Commission staff for testing. In January we obtained a copy of this CPSC Memo which says it looks like our hairdryer is putting out asbestos but that more testing is needed by electron microscopes.

Regardless, up until last weekend—two months later—nothing further had been done. That's when we turned over our electron microscope test data. Then things started to happen at CPSC.

Susan King, Chairman, U.S. Consumer Product Safety Commission: "The Commission has begun the procedures for the order of more sophisticated tests, as a result of the first hard data that we received this past weekend."

Thompson: That's the test results we gave them.

King: "And we are proceeding on that. We have found as early as Monday night that the hairdryers that we put under test on Monday at National Bureau of Standards do in fact, contain asbestos. We will proceed with the testing to determine the nature of fibers that are released and the degree of potential hazard to consumers in recently foreseeable use of the product."

Thompson: The CPSC staff feels our figure of 25 million hairdryers in use in this country is low. It projects 60 million. Based on its preliminary research this weekend, it thinks there may be 15 million asbestos hairdryers in consumers hands.

King: "We intend to consider later this week at a commission meeting the possibility of requiring from manufacturers an update and much more complete information as to the use of asbestos in both domestic and imported hairdryers."

Thompson: Why did you wait so long? Why did you have to have our final test before you acted?

King: "Until we received the very hard data over the weekend that demonstrated that there were resperable fibers available from the products that you submitted to us we could not justify going forward on an emergency contract."

Retailers could take asbestos off the market voluntarily but realistically, only the government, specifically the Consumer Product Safety Commission can ban asbestos-lined hairdryers from the marketplace.

Jim Hartz: So, in the meantime Lea, what can people do to insure that they don't buy hairdryers with asbestos or aren't using one that has absestos in it?

Thompson: Well, first Jim, I think it's important to know that the National Bureau of Standards tells us that a hand-held hairdryer can last as long as ten years, and of course our tests show the older the dryer, if it has asbestos, the more hazard there probably is.

Cloherty: The number one thing to remember is not to try to disassemble your hairdryer to find out if it has an asbestos lining. That can do more harm than good. Look down the barrel of your dryer in bright direct light. If the paper lining of the barrel or the board used to separate the heating element is made up of a white grayish material like this, it's probably asbestos. If there are fibers sticking out of the board, it is even more likely that it is asbestos. If there is any doubt, the safe thing to do is to discard the dryer for a new one. You might also try getting the manufacturer to exchange your dryer for one that doesn't contain asbestos.

Thompson: And Jack, it's important to remember that no definitiveness of hairdryers which have and don't have asbestos exists. However, we have prepared a list of those hairdryers we found in the Washington metropolitan area that EMV Labs has tested and confirmed contained asbestos. If you would like that list, send a self-addressed stamped envelope to: Hairdryers, Box 4, Washington, D.C. 20044 and we'll try to help.●

YOUTH UNEMPLOYMENT AND YOUTH MARCH FOR JOBS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 60 minutes.

Mr. CONYERS. Mr. Speaker, 11 years ago today, the Reverend Dr. Martin Luther King, Jr. fell dead from gunfire in Memphis, Tenn. He was in Memphis to give support to municipal workers, sanitation workers, who were struggling for jobs, decent working conditions, reasonable wages for work done. Memphis was the last of so many great events, causes, and actions that Dr. King devoted his life to. There was Birmingham and the civil rights movement to end legal segregation in 1963; Selma and the struggle to win full political rights in 1965; Montgomery to end segregation in public facilities in 1955; and many other campaigns of conscience to put a stop to segregation, overcome housing and school discrimination, win a better life for citizens, create jobs for the young and the old, who knew the value of work, who attempted to find work, but for whom there was no work to be had.

On a personal note, when I first ran for Congress from the First District of Michigan in 1964, I campaigned on three interrelated themes: Jobs, equality, and peace. Dr. King was a major influence in my public life. I recall he broke a tradition of not entering into electoral politics when he agreed in 1964 to support my candidacy.

Each year on April 4, during the past several years, activities have been held around the country by young people that speak to the public purposes that Dr. King dedicated his life to. In the last years of his life, Dr. King turned his attention increasingly to the issue of jobs and economic justice. That was the reason for the poor people's march in Washington, which he did not live to participate in. That was why he traveled to Memphis in April 1968, to participate with the sanitation workers. One statement he made a few months before his death stands out in my mind now. Dr. King said:

> I am still convinced that the struggle for peace and the struggle for civil rights as we call it in America happened to be tied together . . . I feel that the people who are working for civil rights are working for peace; I feel that the people working for peace are working for civil rights and justice.

That statement was made in the context of the Vietnam war and the struggle for full employment. Dr. King was often criticized for speaking to issues beyond those narrowly defined by others as civil rights issues. He continually had to assert his right to define the issues and identify the struggles that engaged him. The fact of the matter is that in the last years of his life he spoke more and more about the interconnections of peace, jobs, civil rights, and justice. And of all the facets of unemployment that he dealt with, the one that concerned him the most was youth unemployment, the unwillingness of our society to provide young people with the opportunities to work, earn a decent living, to distinguish themselves among their peers. The theme of this year's commemoration—providing opportunities to young people and to give them reason for hope and confidence in the future—is, therefore, the most fitting and appropriate theme of all in honoring Dr. King.

Late this afternoon and into this evening—and I understand in a few places, continuing into next week—there have been and will be in 20 cities marches, rallies, and conferences on the issue of jobs for young people. The cutbacks in youth employment programs proposed by the administration on the indications in Congress that these cuts will be approved, and on the reasons why the President and the Congress have refused to make jobs and work a top priority, at least as high a priority as peace in the Middle East or the means of securing an adequate supply of fuel.

Joblessness among our young people has never been higher, not at least in the past two decades. The official jobless rate among all young people, ages 16 to 19, was 16.3 percent in 1978. Among black youth the official rate was 37 percent. The National Urban League, that has a measure for unemployment that includes discouraged workers and dropouts from the labor force, calculates that the real overall rate is closer to 26 percent and the real young black jobless rate is closer to 57 percent. There are few other areas of social and economic life that have shown as little improvement as the area of youth unemployment. Yet we find that the administration has sent to Congress a budget that includes cuts of 300,000 or more in jobs and job training positions for young people. The question is: Why do they want cuts in youth job programs at a time when youth unemployment is at an all-time high? Why did the President create the Vice President's Committee on Youth Unemployment—indicating some seriousness and urgency—and at the same time seeks substantial cuts in youth jobs programs? Why should not the issue of opportunities and jobs for young people also warrant a Camp David summit meeting, a peace process with our own kids, our own future?

I stand here today in this special order on youth unemployment and the youth march for jobs events in 20 American cities to show my support for the efforts of these young people to take constructive actions, to raise the awareness of the American people and their representatives regarding the seriousness of the youth unemployment problem. These young people are not sitting back. They are becoming politically active. They are raising questions of those who govern them. They are getting involved in public life. I applaud the youth march for jobs coalition, that is sponsoring these events—the churches, labor unions, public interest organizations, and the individuals who belong to the coalition, which includes, I am told, over 50 national organizations—for their activism, for their sense of justice, for their courage. They are living and working in the spirit of Dr. King. They are doing what he would be doing right now, if he were alive. They are championing justice, freedom, and dignity for all Americans.

Mr. Speaker, I am grateful to my colleagues for joining me in this special orders on jobs for youth. I have received many statements that will be inserted in the Record. I am also inserting several statements by young people from around the country who have had direct experience with unemployment and who want to communicate directly to their representatives on the urgent need for new jobs for young people. I thank my colleagues for participating in this special orders.

At this point in the Record, I wish to insert information about the jobs for youths events, copies of letters from young people about unemployment. This is to be followed by statements of colleagues who wished to participate in the special orders, but who were unable to be on the floor:

House of Congress,
Washington, D.C.

Dear Representative: I am twenty-six years of age, and I have a B.S. in Business Marketing from the University of Dayton, Dayton, Ohio. I am presently a VISTA/ACTION Volunteer here in Dayton.

In the last four years since graduation I have experienced the frustration of searching for a career position. I have had to take numerous odd jobs in order to bring in some income while I looked for a position of my choice.

To try to explain what it is like being unemployed or doing something out of your field of training and experience is a very difficult task. When a person has the tools and ambition to make something of oneself, and only due to the fact of employment is that person held back; a healthy, young, and creative person can deteriorate within from anxiety and frustration.

To you Representatives, I raise this challenge to go to the unemployment office and wait on line, and try to put yourself in the shoes of the unemployed. If you have already experienced unemployment you would have to know and you would have to have sympathy for the problem. If you have not experienced the frustration, try to understand our problem, because not until you do, will you truly be able to make a decision on behalf of the struggle and problem of the unemployed.

I trust as a servant of the public, a wise and affirmative action will be taken to alleviate the problems of the unemployed for the young, the old and the minority.

Thank you for your time and consideration and if you have any question or comments please do not hesitate to contact me.

Sincerely yours,
John Louis Necroto.

To Members of Congress:

I have been asked to write about the high unemployment rate of the younger adults in this country. We have always been told that we are the future. How can we be without jobs?

My name is Pamela Jeffers. I am 25 years old and live in Dayton, Ohio. I have been out of school since 1972 and although I have worked off and on since 1972 the jobs never lasted long.

I have been unemployed now for over a year and must rely on Public Assistance to live on. It's not that I don't want to work. I do but the jobs are not there.

I have the experience necessary to work in the clerical field. I graduated from the Government Job Corps program in 1974; since then my jobs have amounted to waiting on tables and maid work. I hope and pray that as members of Congress you can do something for the future of the younger adults in America.

Respectfully yours,
Pamela J. Jeffers.

When I dropped out of high school it was to help my mother out at home. I was trying to get a good job. I found out about the NYC II program. I am now in it and going to school for auto mechanics. I am getting some money from being in the program and going to school but I want to work full time so I can help out more at home and maybe get my other brother and friend in this program too.

Hernando Williams.
New York, N.Y.

Dear Sirs: I am writing because I need a job. I'm 15 years old and I'm a good worker. I have good skills. I always do a good job. But last year I searched for a job all summer long. But my luck ran out on me.

So I am counting on you helping me to get a job. Would you help me please? Because I am looking for a better summer. Thank you.

Sincerely,
Leonard Harris.
Buffalo, N.Y.

How does it feel to be unemployed?

Being hungry can be a desperate feeling. That is how many youth feel today. There are desperate, tense, vibrations in the youth of today. We feel there is no hope for the future. Day after day, day after day goes by and its always the same old story. We try to make a clean life for ourselves and everytime we try it's a slap in our face. "No jobs today" "come back tomorrow" "sorry we're all filled up" "fill out an application", "come back next week". We get pushed to the point of no direction. We find the only course available is illegal rackets, the drug scene, selling loose joints on the corner. Some of us join the armed forces because we're discouraged from finding jobs.

Eliot Flores.
New York, N.Y.

Warwick, R.I., *March 31, 1979.*

I am a 21 year old student. When I decided to go back to school, I had to quit my full time job. Since I entered school, I have applied for dozens of night jobs, full or part time. I am willing to do any kind of work, but I am still unemployed. I do not have the money to go back to school next year, or to contribute to my own support.

I feel I am a burden to my family since my father is also unemployed. I am afraid that when I drop out of college, I will still be unable to find a job.

I am a hard worker and feel that I deserve a job. The fact that I simply can't get a job has proven to be a great hindrance in my life and has left me a confused and unhappy person.

Michael J. Stevenson.

My name is Michael Stark. I am 20 years of age, a vet and unemployed. I was terminated from my last job on January 19th. Before that I had only worked on and off.

Since last January, I have not worked at all and have been trying to make ends meet on unemployment insurance that amounts to one-half of my previous wage.

Finding work in Chicago has been anything but fruitful. I have applied to nearly 90 corporations including U.S. Steel, Zenith and the Regional Transportation Authority and as far away places as Boeing of Seattle. Not only did I not get any of these jobs, but I haven't gotten a response either by phone or otherwise.

This is humiliating, as I rather would work for wages than sit around the house and wait.

Michael Stark.
Chicago, Ill.

I'm now working through neighborhood youth corps at a Boys Club. Even though I'm working, I'm looking for a better job. People don't understand when I say I need a job. At the job I'm now at, I'm making $2.90 an hour, working only 2 hours a day and they're trying to cut out the program.

What would I do to make things better? First, I want better wages. Second, I want a job where I can learn. Also, there should be lots more summer jobs.

To me, going into the army isn't the answer. They're usually running away from something, like no job, from a girl, the law, or something.

I'm in high school now and I'd like to be a boiler engineer or electrical engineer.

Thank you,
Terrence S. Woods.
Detroit, Mich.

To whom it may concern:

I, Barbara Murray, am writing this letter to tell you how much I need a job and how many obstacles I found in trying to get one.

First, I'm a senior at Hyde Park High School in Boston which means I need money to go to college. I know there are loans and college grants floating around but the chances of getting them aren't good.

There's always my parents but they are elderly people with bills to pay and there are other things just as important as me going to college.

In the past, I have had jobs and looked for others. But they don't work out. For example, Project Y.E.S. says that my family is over income for me to be in the program, but they don't understand how hard it is to get money.

The state seems to always want to keep us off the streets but they won't give us a job to keep us out of trouble.

Who can help me?

Barbara Murray.
Boston, Mass.

Baltimore, Md.

Dear Congressman Conyers: I am a layed-off ship repair yard worker from Baltimore.

I, and hundreds of other young people "employed" at this yard, are getting to the point where we have to consider welfare in order to live.

Speaking for myself, I want to *work,* because I can earn more money for myself and my family and do something constructive.

My father works hard all his life, and his father before him, in order to make better lives for their children. I want a chance to do the same, but for today's young people. that future we need looks pretty grim.

Sincerely yours,
James Baldridge.

Pittsburgh, Pa.,
April 1, 1979.

Dear Friends: I am a high school graduate. For over a year I have been trying to get a job in the poverty program but never got one. I get interviewed but never hired. They sent me out on many interviews. I feel that they are afraid to hire Blacks. And they keep telling me that they want experienced people. How can I get experience if no one wants to give me a job?

Bob Ector.

Dear Sir: I am a 17 year old drop out who has been looking for a job for nine months.

I have went around my neighborhood and even farther than that and asked every place I went for a job. Most of the people said they don't have no jobs. Some of them said if I was older then maybe. I know I need to get my G.E.D. but right now my family needs money and since I am the oldest I want to help them. A lot of my friends been looking for a job too. Some of them have got to stealing from other people to get some money. I know that there is some government programs like CETA for kids. But most of them are for kids who in school. The program for kids out of school are always full. Can you do anything to help kids like me? Maybe you can send more money to the programs for dropped out kids. Maybe you can set up some more programs so kids can go to school part-time and work part time. I hope you can do something so kids like me don't have to worry so much. I think I would be a good worker and my friends too. We just need a chance.

YOUR FRIEND.

☐ 1845

Mrs. CHISHOLM. Mr. Speaker, will the gentleman yield?

Mr. CONYERS. I yield to the gentlewoman from New York.

Mrs. CHISHOLM. I thank the gentleman for yielding.

Mr. Speaker, I would like to take a moment to comment on an issue which I believe is in desperate need of attention—the unemployment situation of this Nation's youth, and more specifically the catastrophic situation facing minority teenagers in the job market.

While the unemployment picture for Americans overall in 1978 brightened, unemployment among minority youth remained at record levels. Official statistics obscured the fact that in the innercity areas the actual unemployment rate of black youth is upward of 45 percent.

Concentration of unemployment among minorities and young people in certain communities has helped to lower the profile of unemployment in the public consciousness. When the unemployed person is black and a teenager from the central city, the problem is less immediate and pressing to those Americans who lie outside the population of the structurally unemployed.

Over the last several years the labor force participation rate, which is a measure of those who are both unemployed and looking for work, has been increasing for white youth but progressively declining for black teenagers. The unemployment rates of white youth tend to more closely correspond with fluctuations in the economy at large. But for black youngsters unemployment and labor force participation cannot be explained merely by changes in the state of the economy.

Information which I have received indicates that at no time in the last 20 years has the unemployment level for white teens risen higher than 17 percent, while unemployment among black teenagers has remained at 25 percent or more since 1958.

My friends, we run the danger of permanently excluding a generation of black youngsters from participation in the job market. Where are these youth who are no longer in school, looking for work, or receiving public assistance? They are in our streets creating record levels of violent crimes; they are crowding our juvenile penal institutions as multiple offenders; they are young mothers trying to raise infants and at the same time complete maturation themselves; and they are drug addicts and alcoholics who have used these substances to escape the hopelessness and drudgery of their daily lives. We must all share responsibility for the shortcomings of these youth and together we must work to develop meaningful employment options for these teenagers.

If we are to possibly make inroads into the serious problems of youth unemployment, we need a fresh approach and innovative leadership. There is an absolute necessity for closer cooperation among educational institutions, labor and public employment agencies, and stronger connections with forces outside of the traditional job training community. The relationship between the education of our Nation's youth and their gainful employment must be reexamined and reaffirmed. We know full well that millions of children leave our schools each year unable to cope with the realities of today's highly competitive labor market. We must understand that the struggle for equity in education and employment opportunities continues for black and brown children. I wish to commend HEW, Assistant Secretary, Mary Berry and Labor Assistant Secretary, Ernest Green for their recent initiatives in this area. The joint HEW/DOL Youth Program is only a beginning. Much more must be done to encourage effective educational programs to improve employment opportunities for youth, "particularly preparation that endures beyond the first job."

Although I recognize the difficult choices facing the Administration regarding the Federal budget, the President's approach to solving America's economic woes will no doubt worsen the problem of minority and youth unemployment.

Implicit in the administration's 1980 budget is the assumption that inflation is more of a serious threat to the economy than is unemployment. Absent from the President's discussion of his proposed budget is an honest, in-depth analysis of the kind of unemployment this Nation is experiencing. The pockets of high unemployment, especially among youth, has created disparities which resemble an economic caste system. To allow this disparity to persist, the President, in effect, supports the trade-off theory of unemployment and inflation: that a certain level of unemployment must be tolerated in order to fight inflation.

Although the American people have witnessed a high rate of unemployment and an increase in inflation in the last 10 years, the President insists on using this discredited trade-off theory in an attempt to stabilize the economy. The President's willingness to employ this approach shows a basic disregard for the fundamental message of the Humphrey-Hawkins Act. This law states that a truly healthy economy will both produce jobs and limit inflation for all segments of our society.

In the interests of reducing the Federal budget, the President's 1980 budget includes dangerous cutbacks in job training and public service employment which will further erode employment opportunities for American youth.

In the CETA program, the Government's primary training mechanism, the President has proposed to reduce title VI public service employment jobs by at least one-seventh. Prime sponsors under title VI will be cut approximately 24 percent in fiscal year 1980. In fiscal year 1976, 45 percent of CETA public service employees enrollees were low income, 40 percent were minorities, and 22 percent were under 22 years old.

The training provided by PSE employment helps to equalize the opportunities available to youth, minorities, and low income. It also reduces the cost of uncontrollable transfer payments and entitlement programs such as welfare, medicaid, and unemployment compensation, which comprise the bulk of the Federal budget. Nevertheless, the President claims to be saving the taxpayers' money through cutting these job training programs. I contend that the tax cost will be greater if those who could once benefit from PSE jobs are unemployed.

The President has also recommended that 250,000 jobs be cut from the summer youth job program for fiscal year 1980. One of the methods that the administration has chosen to reduce the demand for these jobs is to prohibit program eligibility for 14-year olds. If Congress should decide not to go along with cuts in funding and eligibility for the youth programs, the youth unemployment and training segment of YEDPA which funds youth work may not get any increase over fiscal 1979 funding.

In summary, the President's 1980 budget as it relates to youth unemployment gives at best, superficial treatment to this structural problem.

There are many other important issues relating to minority and youth unemployment which time does not permit me to discuss. I can only hope that I have conveyed the ever-increasing seriousness of this situation and the importance of our Nation's leaders addressing this issue with swiftness and determination.

☐ 1855

Mr. CONYERS. Mr. Speaker, I thank my colleague, the gentlewoman from New York (Mrs. CHISHOLM) for her very perceptive statement.

Mr. Speaker, I now yield to the gentleman from Vermont (Mr. JEFFORDS), who has been very dedicated, as a Member of the Committee on Education and Labor, to the cause of youth employment.

Mr. JEFFORDS. Mr. Speaker, current youth employment programs funded under title IV of CETA are doing something to help economically disadvantaged youths in the United States obtain jobs, but not enough. Recent estimates put the unemployment rate for young people aged 16 to 19 at 16.1 percent, and that for black youths in central cities at 35.5 percent and more. Projections are that the unemployment rate will be stable for the 16–19 age group, but will go up for the 20–24 in the next few years. Thus, even though well-intended administration programs have helped many youths find jobs, there are still large numbers of young people searching unsuccessfully for work. The youth employment provisions of CETA provide jobs for about 240,000 youths in year-round programs, and 750,000 additional in the summer. Yet, unemployed persons under 24 years of age make up one-half of the unemployed, meaning there are over 3 million youths who need both jobs and help in the skills to hold these jobs.

Well intentioned as they are, current youth employment programs are simply an under-funded quilt of old, limited notions of how to deal with this continuing problem. The two most promising new programs to come out of the 1978 CETA reauthorization, the Youth Incentive Entitlement Projects (YIEPP), and the Private Sector Initiative Program, (PSIP) are not being given adequate attention or support by this administration. Indeed, the YIEPP budget is being slashed by $105 million. Yet many agree that the YIEPP approach of guaranteeing jobs to youths who remain in school represents one of the few bold new departures in policy in the history of youth employment programs. Overall, the administration proposes a net cut in youth employment programs of $112 million, the equivalent of 228,700 "service years" of jobs for kids.

Worse even than this administration's apparent indifference to the youth employment crisis, is the apparent inability of administration social policy thinkers to develop new and useful approaches to this problem. The YIEPP program, for example, was developed on a bipartisan basis within this Congress. It is the only fresh approach to this problem to receive a national trial in years. Yet, the administration is planning to "phase out" the program before the results are in. We do not know if the entitlement approach will succeed, but it must be given a longer trial.

Current administration-supported youth employment programs continue to foster and create dependence on the part of those whom they are designed to serve. Because these programs are not designed to wean participants away from Government supplied jobs, the young people who hold these jobs are not helped to function independently in society.

I have the greatest respect for the sincerity and ability of administration social planners, but I feel very strongly that in this instance they are missing the two most important points:

One. Jobs supplied by Government cannot eliminate the problem of youth unemployment, because it is a genuine crisis—we need over 450,000 jobs just to bring the black youth unemployment rates down to that of white youth in the 16-to-24 age group, and (1.5 million jobs) to bring the youth unemployment rate down to that of all workers about 6 percent.

Two. More important than simply guaranteeing jobs, is the challenge of helping young people become independent, productive citizens, rather than members of a dependent class. We offer a patchwork of programs that does not concentrate on a coordinated approach to providing all the help necessary to help young people become productive citizens.

CURRENT POLICIES CREATE A DEPENDENT CLASS

We must devote our limited resources to helping young people gain the skills that will help them enter and remain in the work force. Government jobs and Government handouts will not erase poverty, because they do not address the social incapacities of the recipients. Our current programs do not recognize that individuals must be helped to realize that they have control over their own lives. No matter how much we do to help the external environmental conditions individuals face, we encourage passivity and apathy if we do not help young people realize they control their own lives. Current programs simply allow individuals to transfer responsibility for their lives to the Government. Thus, we create a dependent class of people to whom we give whatever they have, and from whom we expect nothing. As one observer has noted: "The dependent class, because it is disadvantaged, is supposed to have less than normal responsibilities." I submit that the paternalism of our social programs betrays a total lack of respect for the recipients; we do not expect anything from them, and the message to them is that we do not believe they are capable of anything. Well, I disagree; I know that every young person can contribute to our society.

HOW TO FIGHT YOUTH UNEMPLOYMENT

We must coordinate our efforts to mount a bipartisan, unified, efficient approach to the youth unemployment crisis. Educational institutions, CETA, private employers, and other agencies must all work together to help each individual assume both the rights and the responsibilities of a citizen. We cannot afford to allow the turf squabbles of bureaucrats in Washington and State capitals to stand in the way of our efforts to deal with this crisis. We must invite and involve employers in both the public and private sectors in the fight. We must redesign our programs so that youth need not become dependent on Government jobs. Each client youth must be helped to realize that he or she has both rights and responsibilities. We must focus our programs on the product we expect: Contributing members of society. This means fewer handouts and more counseling and work on basic job-holding skills, career education, job training, basic literacy, and careful placement. For example, the World Christian Training Center in my distinguished Chairman GUS HAWKINS' district in Los Angeles, Calif., helps each youth enrolled to learn basic job skills. The program makes demands on youth and helps them to meet those demands: They must be prompt, well-groomed, polite, and most of all, productive. And the results show: 103 or 106 enrollees were placed in permanent jobs last year by this project. We need more efforts of this sort, projects which show our respect for youth by making demands on every individual.

In summary, let me say the youth employment picture is bleak and growing worse. This administration has not met the problem directly. Jobs alone will not solve the problem, but this administration has cut even jobs for youth. Therefore, it is up to us to meet the crisis, and I have hope. I know that we can turn this problem around by focusing our efforts on the need to help every young person become a productive member of the work force. The jobs are there for those who have the skills; our job is to help America's youth gain those skills.

□ 1900

Mr. CONYERS. I appreciate my colleague's comments and observations. His work on the committee is well known. It gives importantly, to this body a bipartisan flavor, to this very important and ignored issue in our body politic. How do we put these several millions of youngsters to constructive work?

I now yield to my colleague, the gentleman from New York (Mr. GARCIA).

Mr. GARCIA. I want to thank the gentleman from Michigan.

Mr. Speaker, going into this summer, I can only wish that each and every Member of Congress, and indeed the leaders of big business in this Nation, can visit my district, the South Bronx. There, more eloquently than anything I can say, can one grasp the devastating results of unemployment.

Combined with the ever escalating cost of living, joblessness can strip away the last vestiges of self-respect and dignity for men and women everywhere. Over and over again, the rallying cry for rehabilitation of the South Bronx has been first and foremost, jobs.

The outlook in this area is bleak. We are told that instead of increasing assistance to produce jobs, budget recommendations include substantial cuts in youth job programs. It is disheartening to note that the jobless rate among all youth, ages 16 to 19, was 16.3 percent in 1978. In the South Bronx, this grim figure is far greater, and a contributing factor to crime and alienation of our youngsters.

A walk through the streets of the South Bronx or any inner city to see the young people with idle hands and idle time can be a chilling experience. There are few other domestic concerns more vital than creating useful and gainful jobs for our young people. There can be no more worthy theme than to link the memory of Rev. Martin Luther King with the Youth March for Jobs Coalition—one of the most basic needs of our time, providing people opportunities to America's young people and hope and confidence in the future.

I heartily applaud the efforts of all those individuals and organizations that are involved in this effort.

I want to applaud the gentleman from Michigan, and I want to associate myself with all of the remarks that have been made on this floor this evening.

Mr. CONYERS. I thank my colleague for his sensitive and pertinent observations.

I now yield so much time as he may consume to the gentleman from New

York (Mr. WEISS), a member of the Subcommittee on Employment Opportunities.

Mr. WEISS. I thank the gentleman from Michigan for yielding to me. I want to commend him for the leadership that he has given, not just in requesting this special order but in the whole area of unemployment and in providing the impetus and the drive to be sure that this Congress and this Administration does not allow the issue of unemployment among so many of our people to be forgotten. I think this Nation owes him a debt of gratitude.

I am pleased to participate in this special order on youth unemployment and youth jobs programs. These are issues that concern me a great deal and to which I have devoted a major part of my congressional effort. It is most fitting that on the anniversary of the assassination of the Reverend Martin Luther King, Jr. the Congress and the Nation devote this time to consider a problem that was so important to him and that remains of critical importance today. I am therefore glad to have this opportunity to join this effort.

Mr. Speaker, we must constantly bear in mind that hundreds of thousands of our young people are unemployed. The official statistics are staggering: the jobless rate among all youths ages 16–19 remains 14 percent; the rate for minority youths of this age is in excess of 35 percent. And this only tells part of the story—the official figures do not count those who are discouraged and have not actively sought work.

This is a national tragedy. This country, which rightfully prides itself on its humanity and economic skill, is allowing hundreds of thousands of our young people to remain idle. Without work, without income, without purpose, these youths have little reason to hope for the future. They have no real opportunity to acquire skills and work experience. This is neither humane nor is it economical.

And young people want to work. It is possible to recite case after case of large numbers of young people lining up to apply for a small number of jobs, and even camping out overnight in order to have a good chance at a job. In the recent snow emergency in the District of Columbia, Metro advertised for people to clear railroad yards and stations. People began to arrive at 4 o'clock in the morning, and hundreds had to be turned away. Almost every day large numbers of young people crowd the employment offices of the Urban League. In Atlanta, a recent job notice attracted such a crush of applicants that a plate glass window was shattered as they attempted to get in line. And in New York City more than 100,000 applications are expected for only 50,000 summer youth jobs.

Yet this very week, Congress is considering budget cuts that would reduce our already totally inadequate funding for youth employment programs. The administration has proposed to cut back the Young Adult Conservation Corps, the youth incentive entitlement pilot project, and the summer youth program by some 230,000 jobs in order to save $112 million out of total estimated Federal outlays in fiscal year 1980 of $531 billion. The sum of $112 million is not a significant part of total Federal expenditures but 230,000 individual young people are significant.

Moreover, our total Federal expenditures on all youth employment and training programs is very small. In fiscal year 1979, these expenditures, including programs administered by HEW, came to only eight-tenths of 1 percent of total estimated outlays, and only one-fiftieth of 1 percent of estimated gross national product—an infinitesmal amount. This hardly begins to deal with the enormous need, nor does it express any real commitment to deal with this critical national problem.

It is argued that inflation is our No. 1 problem and we must reduce Federal outlays in order to control it. It is true that decisions on expenditures must be made with care. But, creating jobs for those who would otherwise be unemployed is not inflationary. On the contrary, it increases national wealth by putting idle resources to use. It also results in lower expenditures for income transfer payments which are nonproductive. And, it is the right thing to do.

We must recognize that we are faced with a generation of young people whose job prospects have been affected by major economic and social changes beyond their control, including advanced technology, urbanization, regional shifts in jobs and population, and a long history of racial discrimination and inadequate education. Private industry has not demonstrated any real ability to deal with this. In the past, the private sector provided numerous jobs for unskilled and semi-skilled individuals. More recently, it has put such people out of work. It is therefore essential that Government take an active role in providing job and training opportunities that will make young people productive and permanent members of the work force.

Today there are youth marches for jobs taking place in over 20 cities throughout the country. I am proud that New York City is among the cities participating. These marches vividly demonstrate the need and desire of young people for a chance to work and to be independent. It is essential that we recognize this desire and aid in its accomplishment.

We must always bear in mind that we are talking about individual human beings—young people who want to be productive and who have not yet found a place in our complicated economy. This situation will have disastrous consequences to national productivity and morale if it is allowed to persist—we must not allow it to. We should not be talking about reductions in funding for youth employment programs—we should be talking about what more we can do.

● Mr. RANGEL. Mr. Speaker, I rise in support of my fellow colleague from the First District of Michigan, the Honorable JOHN CONYERS, JR., in behalf of the efforts of those coalitions which have sponsored the Youth March for Jobs which will be held throughout the country today.

In this the International Year of the Child, what can be said about the economic status of the youth of our Nation? Unfortunately, one would have to report that the number of poor and depressed children in this country is increasing. Our youth, specifically the black youth of our country, are hit hard by unemployment. The rate of unemployment for blacks between 16 and 19 years of age reached a distressing 35.2 percent in February of this year, while the comparable statistics for whites was only 15.1 percent. Further, according to the National Urban League's hidden unemployment rate, when discouraged individuals are included, approximately 57 percent of all black teenagers were unemployed in 1978. What is most alarming is that this situation is not a recent phenomenon. Over the past 10 years the unemployment rate for blacks has been twice that of whites.

We have the responsibility to provide meaningful leadership and direction for all American children. The persistently high level of unemployment of black youth denies them the work experience necessary to secure meaningful employment as adults. We cannot deny that there is a direct correlation between unemployment and crime. Unemployment breeds resentment, frustration, and indignation. Employment promotes pride, dignity, accomplishment, and self-respect.

The administration's proposed cuts in youth employment programs will only serve to further perpetuate this problem. I urge all of my colleagues during this period of inflation to give serious consideration to the youth of our country, the leaders of tomorrow. It is clear that by ignoring the youth unemployment problem, we are ignoring youth itself. The responsibility that we refuse to assume today will inevitably be reflected in the increased cost which will have to be borne in the future.●

● Mr. PEPPER. Mr. Speaker, I come before you today, under this special order, with a sad heart and enraged temperament.

Sad, because I picture to myself the thousands, many of which I have met—thousands upon thousands of young black men and women, aged from 16 years of age to 24, whose imagination is unkindled by our society, whose enormous energies are left without direction to benefit no one and whose elders have failed them by giving them no hope, no guidance, no training, no care, no self-respect—no jobs.

Enraged, Mr. Speaker, because I see things to be done all over, beginning with the elderly and the disabled who need a hand to help them or have insights to share, environmental damage to be rectified, housing to be rebuilt, parks to be landscaped and planted, equipment to be repaired, auxiliary services to science to be rendered, freight to be moved across country, and so on, and then I see these young black people so discouraged at home, because they have pounded the streets and found no one willing to hire them, until they are not even part of the unemployment statistics anymore, because it seems hopeless to them to find a job.

Mr. Speaker, I believe in our free system of private enterprise and individual competition and I know what it means to work for an education and a livelihood at a young age, because I have done it and have supported myself when I was just past high school in Alabama. If I had not had the opportunity to work lowly jobs, if no one had taken a little time to show me the ropes, if individuals had not inspired me, taught me, given me hope, I would not be here today after a long career in public service.

I believe our society, which was founded with the aim of enabling its citizens to engage in the pursuit of happiness, owes these kids a chance to enter the lists and compete. We, who are senior and more experienced than they, owe them counseling, teaching, and useful employment. None of us would be where we are today, but for such assistance. One could not even learn to speak, except by being spoken to in the first place. It is high time our country spoke to these young people and offered them full membership in its useful ranks.

The President has rapidly reduced unemployment this past year, so that among married men the rate of unemployment is down to something over 2 percent. But he has not nearly finished the job, where young black men and women are concerned. The estimated unemployment rate among this group for the Miami, Dade County, region in 1979 will be a little over 15 percent for the age group of 16 to 19 years and about 10 percent for the 20 to 24 year olds. This does not speak for those outside the statistics: those who have never been employed and those who have given up looking after weeks and months of fruitless search for a job.

Let us do something about this, let us all work together to give these young people something to do, to give them skills, hope, and pride.●

● Mr. MOAKLEY. Mr. Speaker, today I rise to speak about a problem that faces not only my colleagues in Congress, but the Nation as a whole; a problem which has now reached a stage of crisis. Youth unemployment has reached the "zero hour."

For the past few years, the unemployment rate for youths between ages of 16 and 19 has skyrocketed. In 1975, the unemployment rate hit an unbelievable high of 19.9 percent. Since 1975, the rate has decreased ever so slowly. In February 1978, the rate of unemployment stood at a level of 17.2 percent.

I agree with Secretary Marshall's recent statement that the human dimensions of the structural youth problem are serious. We are witnessing an entire generation of young people coming of age without steady, rewarding jobs, without a bright future before them. This should be sufficient to force us to make every effort to combat the problem.

Unemployment rates in my own State, Massachusetts, have remained high since the recession of 1970–71 but in more recent unemployment, almost four points higher than the national average. Statistics indicate that the rate for our youth is at an even higher level. It is interesting to note, however, that despite high unemployment among youths, especially minority youth, skilled jobs all over the country are vacant. Without skilled workers to fill these jobs, our economy will become less productive and more vulnerable to inflationary pressures.

As we talk about youth unemployment we must remember that this is not only a problem which affects our youth but whole families as well. Many teenagers which are being harshly affected by unemployment are from families which need the added income which the youth provides in order to deter suffering and deprivation. Our whole Nation is affected by this problem. The costs associated with unemployment, underemployment and discouraged workers are staggering. We need only look at welfare, unemployment compensation, and related other programs, including the cost to maintain correctional facilities which are indirectly the result of unemployment. Let us not close our eyes to the needs of our youth and their families.

I recall the long struggle we faced in the last Congress to work out a compromise on Public Law 95-93, the Youth Employment and Demonstration Projects Act. We must make this and other programs for youth work for the betterment of our society. The need is now greater than ever. It is the young people of today who will be our leaders and our strength of tomorrow. We must not fall down on our commitment to them but we must help them build strength of character and self-assuredness. I urge my fellow colleagues to stand behind our young people and strive to reduce the levels of unemployment which affect them adversely.●

● Mr. FLOOD. Mr. Speaker, I join with my colleagues today to speak about a most important subject—a problem which affects every State in this country, and a problem for which we must find a solution. I am, of course, speaking about youth unemployment. The statistics are staggering. Over 16.3 percent of all youth in this country is without a job. We have created many programs designed to employ young people, but unfortunately our problem still exists.

In my congressional district, unemployment is well above the national average and the youth jobless rate is no exception. This, coupled with the fact that there are fewer job opportunities for the young, makes it important that the career selections made by our young people are intelligent and realistic. Many jobs are filled with overqualified job seekers. This is evidence that the younger, not as educated, not experienced job seeker needs guidance; not only to rationally choose a career goal, but also to seek, secure, and maintain full-time gainful employment.

You have all heard the old shoe, "Sorry; no experience, no job!" But how can youth gain employment experience if they cannot secure a job? One answer is working well in Luzerne County, Pa.—Youth Employment Service of Luzerne County (YES). Yes, a private nonprofit organization, has two major thrusts: To initiate realistic career potential awareness and to increase employment potentiality of youth. Knowledge of how to look for a job effectively is a basic skill every young person needs.

Youth Employment Service is unique in its approach. Each youth is dealt with as an individual case. Since every person enrolling in the YES program comes from a different background—drug and alcohol users, juvenile delinquents, high school dropouts, hardcore unemployed, welfare recipients, first time job seekers, all income levels, minorities, women, status offenders, institutionalized youth, physically handicapped, and mentally handicapped—it is necessary to continuously design and utilize new and innovative approaches to assist youth in the securement and retention of jobs.

YES is specifically tailored to meet the needs of the young clientele. It is a quality versus quantity program. YES assists young people in the self-motivation necessary to secure unsubsidized employment in the private sector. YES provides youth with opportunities in alternative education, career experimentation, and job experience.

In reviewing youth services across the Nation, YES has found that it is one of the few organizations completely geared toward the problems facing unemployed youth. As a result, YES has organized the National Youth Employment Service, the purpose of which is to create a national network to disseminate information, to service consultants and to assist organizations in the development of quality youth employment programs.

YES can boast of gains made in the furtherance of youth employment since being funded as a juvenile deliquency prevention program by the Pennsylvania Commission on Crime and Delinquency Prevention. This was the first youth employment program funded in Pennsylvania, and the commission currently uses the "YES concept" for its funding guidelines. In the past year alone, 75 requests have been made for information, consultation and replication of the YES model. These requests were made by CETA/YETP, Government-funded agencies, universities, and private youth serving agencies.

This is certainly a brief description of what Youth Employment Service does for our communities but it shows, without a doubt, the potential that lies in programs of this nature. It is important that at this critical juncture, we look at all available solutions and I give my wholehearted support to programs like Youth Employment Service, which offers the best service to our youth—career-oriented counseling to assure continued gainful employment. If you give a young person a job, he has the job for only as long as the program lasts; but if you teach a young person how to get a job, he possesses the skill necessary for long, satisfying, full-time employment.●

● Mr. HAMILTON. Mr. Speaker, on April 4 the Youth March for Jobs Coalition will be holding marches, rallies, and conferences around the Nation to draw attention to an important problem: the lack of employment opportunities for young people. To the evidence of this need being collected, here today I wish to add the letters of two teenagers from my district in southeastern Indiana:

Mr. HAMILTON: The Federal Government should have more jobs for the younger people.

If they could get us jobs, crime rates and other things would stop. Myself, I am getting sick and tired of raking leaves and cutting grass for money. I am fifteen and everywhere I go they say you have to have a work permit. You, the government, should be helping me instead of being against me.

Respectfully,

DONNY THOMPSON.

CLARKSVILLE, IND.

HON. LEE HAMILTON: I would like some information on the problems that young people have in finding decent paying jobs.

I personally know a lot of young people who applied for jobs. For a lot of the jobs you go to the unemployment bureau and often are told that veterans are given first preference. I do not think this is fair as we need jobs, too.

I've had first hand contact with people who say that people are hired in and never turn a hand to work, but, at the same time, there are many young ambitious people who are willing to work but are never given the chance.

Don't you think something should be done?

Thank you,

JUDY HUBER.

JEFFERSONVILLE, IND.

I hope this Congress will not disappoint the hopes of serious-minded young people like Donny Thompson and Judy Huber, both of whom are ready to work and take a constructive place in adult society. I urge my colleagues in the House to support sufficient funding for Federal youth employment programs.●

● Mr. MAZZOLI. Mr. Speaker, the February 1979 unemployment rate for white teenagers aged 16 to 19 was 16.5 percent; for nonwhite teenagers it was a staggering 35.5 percent. If you take into account discouraged workers—teenagers who are unable to find a job and drop out of the labor market—then the unemployment rate is much higher.

The unemployment statistics among different subgroups are even more startling, if you are age 16 to 24, not in school, nonwhite, a school dropout, or live in a poverty area of a central city, or a combination of these, then your chances of being unemployed are steadily increased, anywhere from 1 in 2 to 2 in 5.

This country cannot afford the economic and human costs of this continual squandering of our most precious national resource—the youth of America.

Many general reasons for the high rate of youth unemployment have been cited, among them:

Job search, the proportion of young workers searching for jobs; lack of experience, education, and training;

Business cycle, unemployment rates for all age groups vary with economic conditions;

Demography, a bulge in the youth population has occurred; and

Government policies, policies established to help a large segment of the population sometimes work to the disadvantage of youth—minimum wage, and so forth.

For nonwhite youth, specific causes of unemployment have been cited:

Racial prejudice and discrimination;

Location in poverty areas;

Education and training inadequacies;

Rapid increase in the number of nonwhite teenagers; and

Declining availability of unskilled, entry-level jobs in the inner city.

Any discussion of the causes of youth unemployment leads to one conclusion: the problem is multifaceted and it requires a combination of solutions.

In the past, the Government has attempted to be the cure-all for youth unemployment.

Policies to pump up the economy, with the thinking that everyone, and thus youth, will benefit, have had a negligible impact on youth unemployment. A furtherance of such policies is simply not feasible in these inflationary times.

Pumping billions of dollars into jobs programs has certainly helped, but there have been problems with these programs. Jobs are not reaching the hardcore unemployed and those that are are not providing the experience and training needed to keep youth in the job market.

The President, in his fiscal year 1980 budget, has suggested substantial cuts in jobs programs, including cuts of 250,000 jobs in the summer youth employment program, nearly 15,000 in the Young Adult Conservation Corps, and 20,000 positions in the youth incentive entitlement pilot project program.

The future prospects of these past policies range from dim to uncertain at best. Where do we go from here?

This special order draws much-needed attention to the problem. We now must get to the business of pursuing solutions which are feasible and which must be jointly applied if we ever hope to solve the youth unemployment problem.

A consistent, balanced approach to youth unemployment is one which encompasses all of the following solutions:

Educational policies which will prepare our youth for the job market;

Adequate resources for jobs programs which reach the hardcore unemployed and which provide the experience and training needed to insure the future employability of our youth;

Tax policies which strengthen the involvement of the private sector in the youth unemployment problem, such as incentives for hiring unemployed youth and investment incentives to bring the jobs back into the cities. These policies must minimize redtape and paperwork passed on to business, a common complaint leading business to refuse to participate, and must include safeguards to prevent abuse and insure that the jobs are provided and that they will improve the future employability of youth;

A rethinking of governmental policies which have worked to the detriment of unemployed youth—consideration of a lower minimum wage for youth with safeguards to prevent abuse; and

Stepped-up enforcement of antidiscrimination statutes.

Standing alone, none of these solutions will be politically popular and none will work. But together, they provide a reasonable and consistent approach to the youth unemployment problem, the only approach if we are serious about solving perhaps the most serious long-term domestic problem this country faces.

We mortgage our future when we sit idly by and allow thousands of our youth to go unemployed for lack of a decent job and remain unemployable for lack of adequate skills, training and experience.

I pledge to consistently support a combination of solutions so that our youth may have hope and confidence in the future.●

● Mr. BROWN of Ohio. Mr. Speaker, in this country today, there is no greater social and economic crises than youth unemployment, particularly minority youth unemployment. I commend the gentleman from Michigan for allowing us to address that problem in this forum and at every other appropriate opportunity so that the focus on this crisis is kept steady by this Congress and this country.

We must not only address the youth unemployment problem, but we must develop new approaches to solving the problem. I stress new approaches because the statistics on youth unemployment are a national embarrassment; and the statistics on minority youth unemployment are a national disgrace. After 5 years of economic expansion, almost 40 percent of minority teenagers want a job and cannot find one. Is there better proof that new approaches to this problem are needed than the fact that this economy has created over 10 million jobs in the past 5 years and the minority youth unemployment rate is the same as it was 5 years ago.

In the face of this evidence, we hear from too many sources that youth unemployment will simply be reduced as the minority labor force grows older and, therefore, becomes more work orientated and more experienced. Nothing is further from the truth. Growing older will not provide the skill training that is so desperately needed by the structurally unemployed. Growing older will not fight the barriers of discrimination. Growing older will not make an untrained and inexperienced worker more employable. This belief must be repudiated and its effects in delaying a national effort to fight structural unemployment must be ended.

This House will not find it easy to forge this new national effort.

Too often, when discussing the unemployment and employment situation in general, we have found ourselves divided over the issue of public versus private sector initiatives. I have participated in those debates on the side opposite of many of the participants in this special order. However, we all must realize that when we confront this particular growing problem of youth unemployment, both sectors are needed. Too heavy a reliance on either sector will not provide the balance necessary to solve this complicated problem.

Public sector initiatives are necessary in times of economic downturn when the private sector cannot absorb the unemployed in general, much less the structurally unemployed. This is important because the youth who is fortunate enough to find a job will be the first fired during times of economic contraction. The public sector is also needed because it provides the support services that ease the transition from school to work.

The private sector has a primary role to play in the creation of jobs for youth. The Joint Economic Committee, on which I have served for the past 10 years, has been at the forefront of the fight against structural unemployment. Recently, we conducted hearings on how to best attack this problem, and offered solid solutions to the problem in our consensus annual report.

The witnesses that appeared before the committee stressed that private-sector initiatives must be expanded. This expansion is necessary because the private sector offers efficiency in training and targeted employment. The private sector initiatives must be expanded because it is in the private sector that the more permanent jobs exist.

And I must emphasize that there is not a more dynamic tool to be used to fight this problem than the involvement of small business. If methods are initiated by this House that bring small business actively into the fight, we will have gone a long way to solving the youth unemployment problem.

I invite the Members to read the section concerning structural unemployment in the 1979 Joint Economic Report which outlines a strategy of combining the private and public sectors in a national effort to reduce youth unemployment. That report offers a clear program to fight all forms of structural unemployment, including youth unemployment.

There is one other fact of present-day political life that will make it difficult for us to establish this national effort against youth unemployment. That is, we are in a very tight budget condition. However, I must tell you that new measures to reduce youth unemployment that require new budget expenditures will be dollars well spent and in the long run, will reduce the difference between expenditures and revenues.

This is so because the structurally unemployed youth does become the structurally unemployed adult. They and their families face a lifetime of welfare. If properly designed and targeted measures can be devised to provide the skills necessary for permanent job placement for the structurally unemployed, the necessary expenditure will be reduced, and I believe surpassed, by additional tax payments and additional welfare cost reductions due to the lifetime of employment.

Obviously, our greatest concern is what a lifetime of unemployment does to the human spirit. Can any of us truly imagine the effects of being 18 years old and having full knowledge that you face a lifetime of unemployment; the full knowledge that you will not have the opportunity to improve your economic condition; and the full knowledge that you cannot determine your own future.

The crushing effects on the human spirit provide the reason why we must act now to reduce youth unemployment. Labor economists agree that the structurally unemployed youth does become the structurally unemployed adult. If we fail to help those youths get started on the right track of permanent, meaningful employment, we relegate them to a life of little opportunity, little self-determination, and, worst of all, little hope.●

● Mr. MURPHY of Illinois. Mr. Speaker, I have long been concerned about the need for our Nation to reduce its unemployment rate, particularly among young people.

The high rate of unemployment among teenagers today is very troubling because our Nation has made great progress in reducing the overall jobless rate. The unemployment rate has decreased steadily since the 1974–75 recession, so that it now stands at 5.7 percent. What is more, the number of jobs in our economy has grown substantially—up by 347,000 just last February. And yet, the Labor Department's most recent statistics show that unemployment among teenagers actually rose from 15.7 percent in January to 16.1 percent in February.

Even more disturbing, the jobless rate for black youth stands at 35.5 percent. The National Urban League has estimated that when discouraged workers are factored in, the jobless rate among black youth reaches as high as 57 percent in our inner cities.

Few things are as economically, socially and personally rewarding as holding a job. Conversely, the consequences of not having a job can be painful and devastating. Society suffers as well when young people cannot find work, and often turn to crime and drugs instead.

That is why I am supporting those who are rallying for jobs today on the anniversary of the assassination of Dr. Martin Luther King.

Dr. King devoted his life toward creating a just society for all Americans. One of the best ways to achieve that aim is to give our young people a chance to carve out a future of their own with useful and productive jobs.

Mr. Speaker, I call on Congress and leaders at the national, State and local level to help find a solution to the youth unemployment problem. By doing so, we not only provide jobs to those who need them, but lay a better foundation for our Nation's future.●

● Mr. SIMON. Mr. Speaker, the problems facing teenage workers in today's labor market lie primarily on two levels. They suffer from the same realities as older workers in that many cannot find jobs, many are underemployed, and many receive substandard wages. But this situation magnifies in intensity for teenagers. While teens comprise only one-tenth of the Nation's labor force, they constitute nearly one-fourth of the unemployed. For black youths, the percentages are even more dismal. The rate for black teenagers is nearly 2½ times greater than for whites.

Young people encounter additional barriers to employment that are unique to youths. Lacking job experience, the young are often barred from employment simply because of the expense of training. A vicious cycle begins. Unable to develop good job habits, teens often cannot attain favorable employment records necessary to land jobs. Even when employment can be obtained, the young are the most marginable of employees.

It is true that for some teenagers, unemployment is a temporary condition. For others, however, it is a severe handicap.

When teens are unemployed, they cannot contribute to family income. Often, education plans must be cut short. Independence from parents is inhibited. A feeling of helplessness can develop which could prompt youths to drop out of the labor force indefinitely.

We must confront the fact that youth unemployment is a problem which does not come and go with the years. It is not a wound which can be treated with simple band-aid measures adopted from time to time. It is, rather, a malady requiring constant supervision and treatment in order to curb its effects. We can deal with teenage unemployment, but only if our efforts are consistent and properly targeted. Our youth employment programs must be ready when needed, and they are needed now.

Youth employment programs have been criticized for several reasons: mismanagement, causing displacement of older workers, creating busy work for program clients. We should deal with these deficiencies, but we must also insure the future of youth unemployment programs.

It is a myth, not based in fact, that when a hard-to-employ person goes to work, others are put out of work. This was one of the arguments used against civil rights legislation. We found it was false.

It is equally falacious to argue that when we put a teenager to work, an older worker will be replaced.

Gainful employment for youths is available. Trees need to be planted, parks need to be restored, services need to be provided. We need the services that teens can provide.

Public service employment does not need to be inflationary. We can emphasize providing jobs for those most in need—where the economy is depressed, where managers cannot afford to hire and train young workers, where industry is lacking, where the lack of jobs in an area promotes high crime rates, high dropout rates, or drug abuse, where we now pay people—on welfare or unemployment compensation—for doing nothing. We know that teenage unemployment does not exist in a vacuum; untreated it can lead to a rash of related problems.

I know. Many of these conditions exist in my district. We need the CETA youth programs. In 1970, one study showed statistics revealing that nearly 45 percent of the teenagers in my district, age 16 to 21, were either unemployed, out of school, or completely out of the labor market. Current figures indicate that unemployment levels for teens in my district are still well above the national average. We are making progress, but still have a long way to go.

Our law enforcement officials support CETA youth programs as a major deterrent against juvenile delinquency. Our school administrators support CETA youth programs as a major deterrent against higher dropout rates and instances of drug abuse. Our teachers support CETA youth programs as an overall positive influence on young people, teaching responsibility and self-reliance.

Because of the state of the economy, we must now emphasize our role of fiscal managers. Any manager will tell you that the key to good business is the effective usage of resources to handle needs. We have the needs—there are welfare roles to lower, projects to be completed, and young people to employ. We have the resources—there is a vast pool of diversified talent in our Nation's teenagers that wants to be developed. Let us put those resources to work on those needs.●

● Mr. MIKVA. Mr. Speaker, today marks the anniversary of the assassination of Rev. Martin Luther King, Jr. And it is proper that on this day we are all reminded of the ideals that he stood for, of the goals that he placed on the national agenda, of the public awareness he authored. I am pleased to join with my colleague from Michigan (Mr. CONYERS) and with several other distinguished colleagues in supporting the Youth March for Jobs Coalition, whose activities today all across the country are patterned in the best traditions of the late Dr. King. Their goal is to focus attention on a most pressing national issue: youth unemployment.

Our single most important national resource is our youth. We must do all we can to provide them with hope, not despair. We must do all we can to open the doors of opportunity, not close them. We must help build their confidence in the future, not shatter their faith. They are the very foundation upon which we build that future and if that foundation is not strong, then our hopes for the future cannot be strong either.

It is difficult, however, to speak of hope to a teenager who cannot find a job. And their numbers, tragically, have been growing. The figures do not tell a happy tale. Unemployment among our youth has experienced a dramatic rise in the last decade, especially among minorities. The jobless rate among all youths aged 16 to 19 was 16.3 percent in 1978, nearly triple the national average. Among black youths the rate was an astounding 37 percent. That is shameful. Yet it is a devastating social commentary that that figure no longer seems to raise as many eyebrows as it used to. Why? It is because that figure has been so high for so long that, in a perverted way, it has lost its shock value. It is important that we are all reminded today of the magnitude of this problem.

The economic picture, by most projections, is not bright. It will likely get darker before it will get brighter. In the face of this, Congress must maintain an ever watchful vigil over the Federal programs designed to help our youth. We cannot lessen our commitment to programs that provide summer jobs for teenagers, career counseling, on-the-job training, apprenticeship opportunities. We cannot lessen our commitment to youths of the inner city, where the problem is most prevalent.

The Youth March for Jobs Coalition today is helping to focus attention on this most serious problem. They are reminding us of our obligation to provide our youth with opportunities and a confidence in the future. We would all do well to take time more often and remember these goals.●

● Mr. RUDD. Mr. Speaker, I appreciate very much the gentleman from Michigan (Mr. CONYERS) conducting a discussion on youth unemployment.

This is an appropriate time, I believe, to bring the attention of my colleagues to an excellent review of one Federal policy already in existence which has proven counterproductive—the Government-mandated minimum wage.

A distinguished black economist has analyzed the adverse unemployment effects which are borne by young workers, particularly young minority workers, as a consequence of mandatory minimum wage laws.

This analysis was conducted by Walter E. Williams, an associate professor of economics at Temple University in Philadelphia. Dr. Williams has written extensively on the impact of minimum wage laws.

Professor Williams has observed, quite accurately, I believe, that a major contributing factor in youth unemployment statistics is the counterproductive effect of minimum wage laws.

Employment statistics and economic reality continue to demonstrate that the almost perennial increases in the minimum wage have resulted simultaneously in increasingly high levels of unemployment among our Nation's young people who wish to work.

The minimum wage laws have had the effect of causing unemployment and hardship among the very people the laws are meant to help, the less skilled workers of our Nation, who are, for the most part, young.

As Dr. Williams notes:

> These workers are not only made unemployable by the minimum wage law, but opportunities to upgrade their skills through on-the-job training are severely limited by law.

While proponents of minimum wage are no doubt seeking to raise workers' wages as an antipoverty weapon, the actual result is quite the opposite. Professor Williams observes:

> The sad fact of business is that low skilled workers are not so much underpaid as they are underskilled. The way to help them, and as well poor countries, is to make them more productive; this cannot be done with a stroke of the legislative pen.

His thesis runs contrary to the established wisdom in Congress. Dr. Williams is actually reporting that Federal legislation cannot overturn the economic facts of life.

Mr. Speaker, I commend to my colleagues the thought-provoking commentary of one of the Nation's most innovative black economists.

I ask that excerpts from the article by Dr. Walter E. Williams, entitled "The Minimum Wage and Minority Employment Opportunities" as reprinted by the National Federation of Independent Business be printed at this point in the RECORD:

[Excerpts]

THE MINIMUM WAGE AND MINORITY EMPLOYMENT OPPORTUNITIES—THE REAL IMPACT OF GOVERNMENT-MANDATED PROGRAMS

(By Walter E. Williams)

MINIMUM WAGE LAWS

Federal and State minimum wage laws represent governmentally mandated prices that are intended to produce a pattern of events that differ from those produced in free markets. This kind of intervention in the labor market had as its origin the Fair Labor Standards Act of 1938 which provided for a minimum wage of 25 cents per hour which has been periodically increased until $2.65 per hour was achieved in January 1978. The current legislation requires that the minimum wage be periodically increased until $3.50 per hour is achieved in 1981. Defenders of minimum wage laws claim that it prohibits low wages and exploitation by long hours. Defenders also argue that by preventing low wages, the minimum wage law functions as an anti-poverty weapon.

The moral issues surrounding the minimum wage law controversy are elusive and difficult to evaluate in any scientific way. However, we can scientifically study causes and effects of the minimum wage law. Reaching agreement in this arena may make the task of solving the moral and political arguments easier.

In practice legislated minima specify a legal hourly wage that is higher than that which would have occurred with free market forces. The effects of the minimum wage law that interests us most result from two important limitations on the powers of Congress: (1) While it is clear that Congress has the power to legislate wage increases, unfortunately Congress does not have the power to legislate corresponding increases in worker *productivity;*[2] (2) While Congress can legislate the price at which a labor transaction may occur, it cannot require that that transaction actually be made.

To the extent that the minimum wage law requires that some workers be paid a wage which exceeds their productivity, employers will predictably make adjustments in their use of labor.[3] Such an adjustment will produce gains for some workers at the expense of other workers. Those workers who keep their jobs and receive higher wages clearly gain. The losers are those workers who are most disadvantaged in terms of marketable skills; these workers will lose their jobs and others will not be hired in the first place.

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This effect of the minimum wage law is readily seen if we put ourselves in the place of a businessman and ask: If a wage of $2.65 must be paid no matter who is hired what kind of worker does it pay the firm to hire?[4] The answer, in terms of economic efficiency, is for the firm to hire those workers whose productivity is at least $2.65 per hour. If such workers are available it does not pay the firm to hire workers whose value of output is only $2.00 per hour. Even if an employer were willing to train such a low skilled worker, the fact that the worker must be paid an amount higher than the value of his output, plus training costs, makes on-the-job training an unattractive economic proposition.

The distributional impact of legislated minima, that is, *who* bears the economic burden of the law, is of considerable interest. As suggested, the workers who bear the heaviest burden of the minimum wage law

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Footnotes at end of article.

are those who are most marginal in terms of their skills. These are workers who employers perceive as being less productive or more costly to hire. In the U.S. labor market there are at least two well identified segments of the labor force who share this characteristic to a greater extent than do other segments. The first group consists of youths in general. They are relatively low skilled because of their age, immaturity and lack of work experience. The second group, which contains members of the first group, are some racial minorities such as blacks and Hispanics who as a result of racial discrimination and other socioeconomic factors are disproportionately represented among low skilled workers. These workers are not only made unemployable by the minimum wage law, but opportunities to upgrade their skills through on-the-job training are severely limited by law.[5]

It is no accident that it is precisely these segments of the labor force who are disproportionately represented among unemployment statistics. Youth unemployment, even during relatively prosperous times, is two to three times that of the adult labor force. *Black* youth unemployment ranges from five to seven times that of the adult population. In some major metropolitan areas it is reported that black youth unemployment is 70 percent as is the case in Oakland, California.[6]

While most people are familiar with the current statistics on black youth unemployment (45 percent) relative to white youth unemployment (14 percent), not many are aware that this is a recent development. For example, in 1948 black youth unemployment did not differ significantly from that of white youths. For that year, blacks, age 16–17, had an unemployment rate which was *less* than whites of comparable age—9.4 percent unemployed compared to 10.2 percent for whites. In the same period and into the early sixties, black youths had a higher labor force participation rate than did white youths.

Faced with these statistical facts, one naturally asks why have labor market opportunities deteriorated so precipitously for black youths? Could it be that American society was *less* racially discriminatory then as compared to now? It would be very difficult to sustain such an argument in the affirmative. Neither could one sustain the argument that earlier blacks, as a group, had higher skill levels than their contemporary counterparts. The weight of evidence produced by academic research is that high unemployment for some population groups is directly related to changes in the level and extent of coverage of the minimum wage law. Nearly all economists who have studied the effects of the minimum wage law conclude that the most adverse unemployment effects are borne by young workers, particularly young minority workers.[7] These observations prompted Nobel Laureate Milton Friedman, who has also studied the minimum wage law, to call it the most anti-Negro law on the books.

RACIAL DISCRIMINATION

The racial impact of the minimum wage law would exist in the absence of racial preferences on the part of employers. However, if employers have racial preferences, the minimum wage law serves to reinforce racial discrimination. To understand how this happens, one only has to accept the Law of Demand which postulates: the lower is the cost of an object of desire the greater is its rate of consumption, and vice versa.

For example, suppose there are two groups of workers who are equally productive but differ in some other respect. Type X workers are willing to work for $2.00 per hour and type Y are willing to work for $2.65. The cost to the employer of discriminating against type X workers is 65 cents per hour per employee. If, however, there were a law requiring all employees to be paid a minimum wage of $2.65 per hour, the cost to the employer of discriminating against type X workers becomes *zero*! According to the Law of Demand, given a taste for racial discrimination, there will be more discrimination when its cost is lower.

* * * * *

WHO BENEFITS FROM THE MINIMUM WAGE LAW?

If one is convinced that the minimum wage law has effects such as those discussed, the next question may be: why does the minimum wage law have the strong political support it has traditionally enjoyed? In general when a law has strong political support, there is a politically powerful community of interests that benefit from the law. To identify this community of interests, we ask what group(s) of people expend the largest amount of resources toward political efforts to raise the minimum wage law and extend its coverage? In the U.S., it is unambiguously labor unions who have been the minimum wage law's strongest supporters. Initially, one may be puzzled by such a finding. Why should labor unions be the strongest supporters of the minimum wage law when their members earn wages that far exceed the legislated minimum? Could it be that labor unions are altruistic people with a deep and unabiding concern for the less fortunate among us?

Insights to this issue are gained when we recognize, as economists do, that for many activities low skilled labor is a substitute for high skilled labor. This means that firms can use various mixtures of labor quality to produce a given output. For example, suppose that a fence can be produced by using either one high skilled worker or by using three low skilled workers. If the wage rate for skilled workers is $38.00 per day and $13.00 per day per low skilled worker, the firm which sought to minimize cost would employ the high skilled worker. The reason is that production costs would be $38.00 compared to $39.00 which would have to be paid three low skilled workers.

Given these conditions the high skilled worker knows that any wage demand exceeding $39.00 per day would cost him his job. The high skilled worker would soon recognize that one of the ways to increase his income is to advocate a minimum wage of say, $20.00 per day in the fencing industry. The arguments that the high skilled worker could use to gain political support are those typically used by labor unions: "to raise the standard of living," "prevention of worker exploitation," "reduce poverty," and so forth. After the enactment of a minimum wage of $20.00 per day, the high skilled worker can now demand any wage up to $60.00 per day and have a high probability of retaining his job. If there were no minimum wage, such a demand would have cost the high skilled worker his job. Therefore, regardless of the stated intentions of the minimum wage law, its effect is to price high skilled labor's competition out of the market.

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WIDELY ACCEPTED MYTHS ABOUT THE LABOR MARKET

Effective legislative policy to solve many labor market problems has been hampered by a number of myths that have received wide currency. Debunking these myths is a first important step for intelligent policy formulation.

Myth Number One—"The unemployment problem faced by youths and others is that there are no jobs available." This statement accepted at face value is the same as saying that all human wants have been satisfied and no one wants more of some good or service. There is no evidence to support such an assertion. The quantity of labor hired depends on its price. The higher its price the less that is hired. What people really mean to say is that at some particular wage there are no jobs available for some people. Nothing is strange about this observation. At some particular wage, anyone will find that his labor services are not demanded. For example, if the writer informed his employer that the minimum wage that he were willing to accept is $75,000 per year, he would find his labor services unused (unemployed). This notion applies to any worker. The differences that we find are: a wage that causes some people to be unemployable is higher than that which would cause other people to be unemployable.

Myth Number Two—"The minimum wage will give workers increased purchasing power which will sustain high employment." This myth assumes that workers keep their jobs and work the same number of hours as before. Some workers will and some will not. The workers who lose their jobs as a result of a hypothetical right to earn $2.65 will find that the hypothetical right will not buy them groceries or clothes. (It is also important to realize that a wage increase does not automatically mean an increase in purchasing power: if the wage increase is not based on increased productivity, it is artificial and leads only to an increase in prices and therefore a decline in purchasing power).

Myth Number Three—"If teenagers are allowed to work at subminimum wages, sons will be employed while fathers go unemployed." This statement is an example of the lump of labor fallacy. It assumes that there are a finite number of jobs and the acquisition of a job by one person of necessity requires that another person lose his job. There is no evidence to support this contention. After all, the number of persons holding jobs during the colonial period numbered less than one million: today there are over 94 million persons holding jobs in the U.S. economy. The overwhelming effect of a subminimum wage for youths would be that of increasing total employment.

Myth Number Four—"Many people are unemployed because they have low skills and few job qualifications." Low skills explain low wages but cannot, alone, explain unemployment. People are qualified or unqualified only in a relative sense, relative to some wage. For example, a carpenter who is *qualified* and hence *employable* at a wage of $5.00 per hour may be *un*qualified and *un*employable at a wage of $12.00 per hour. This idea applies to anything. A Sears suit is unqualified to sell for the same price as a Pierre Cardin suit. Sears suit, if required by law to sell for the same price as a Cardin suit, would be unemployed (unsold).

Myth Number Five—"High youth unemployment reflects the baby boom of the post World War II era." This myth reflects a basic misunderstanding of the laws of supply and demand. Given a demand, an increased supply of labor results in lower prices, not unemployment. It just happens that in U.S. labor markets, prices are prevented from adjusting to those consistent with full employment.

Myth Number Six—"Widespread automation is the cause of high unemployment rates for a large sector of the labor force." This myth reflects amnesia and the lump of labor fallacy. First, higher relative wages are the chief cause of automation. When wages rise relative to capital, firms have incentives to substitute capital for labor. For example, when elevator operators negotiated a wage rate that exceeded their productivity, a few years later we saw widespread installation of automatic elevators. When tomato pickers were brought under the minimum wage law, later we saw widespread use of tomato harvesting machines. As the California Farmworkers organize and secure higher wages, we now see the introduction of grape picking and strawberry picking machines.

Second, this myth is an example of the lump of labor fallacy because it asserts that

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society has no use for the labor displaced by machinery. We have already debunked this myth.

Myth Number Seven—"The minimum wage law is an anti-poverty weapon." If this were true, we would have an instant solution to the world's poverty and underdevelopment. We would just advise countries to raise their minimum wage. The sad fact of business is that low skilled workers are not so much underpaid as they are underskilled. The way to help them, and as well poor countries, is to make them more productive; this cannot be done with a stroke of the legislative pen.

Myth Number Eight—"High unemployment of inner city blacks is due to jobs moving to the suburbs." *Fact*: the ratio of black to white unemployment in suburban areas (those that have large black populations) is very similar to the ratio of black to white unemployment in the cities.

These and many other labor market myths have maintained their popularity down through the ages primarily because they have been self-serving to particular interest groups and because many people are decent and persuaded by moral argument. Debunking of these myths is an important ingredient towards the solution of unemployment and poverty for large segments of American society.

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FOOTNOTES

[2] Minimum wages do not differ significantly in its effects from fraudulent grades given in our school systems. A "D" student does not become an "A" student by merely writing an "A" on his report card. Nor does a low productivity worker become a higher productivity worker by declaring him so with the minimum wage law.

[3] Americans, victimized by anti-business ideology, do not fully understand why the businessman makes these and other adjustments. The businessman in the literal sense of the word is really an employee. Customers, acting collectively, are employers. The fact that customers exhibit preferences for lower prices to higher prices forces the businessman to make adjustments that minimize costs. If he does not, he will lose his customers (and investors) to those firms who do make the corresponding adjustments. He would not have to make these adjustments if his customers were indifferent to prices.

[4] Actually the minimum compensation which must be paid a worker is considerably higher if we include fringe benefits such as medical and accident insurance, Social Security, vacation pay and the like.

[5] Most people acquire work skills by working at "subnormal" wages which is the same thing as paying to learn. Inexperienced doctors (interns) work at wages which are a tiny fraction of that received by trained doctors. It is ironic and tragic that low skilled youths from poor families are denied an opportunity to gain skills. This is what happens when a high minimum wage forbids low skilled workers to pay for training in the form of working for a lower wage. Teenagers, for the most part, are not supporting families and can afford to work at low wages.

[6] Black youths suffer more than do white youths when the minimum wage is raised. With a higher wage requirement, employers are more selective in hiring; they raise worker qualifications. Because of relatively poor schooling, higher job qualifications will exclude black youths to a greater extent than white youths.

[7] See references bibliography for a partial listing of minimum wage studies.

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Walter E. Williams, *Youth and Minority Unemployment* (California: Hoover Institution Press, 1977).●

● **Mr. CONYERS.** Mr. Speaker, in 20 cities across the Nation, young people conducted marches, rallies, and conferences on the urgent need for jobs. These events took place on the anniversary of the assassination of Rev. Martin Luther King, Jr., April 4, 1979.

I want to bring to the attention of my colleagues the fine work of the broad-based coalition—Youth March for Jobs Coalition—that sponsored these events. They are raising public awareness of the youth unemployment issue, providing young people with constructive activities, and creating an ever stronger citizen and community organization throughout the Nation to support new youth jobs programs.

The following is a statement of the purposes of the Youth Job Coalition, the activities that were held in cities, and a list of the members and sponsors of the coalition:

NEW YORK.—The Youth March for Jobs Committee today released information on the delegation of youth leaders and adult supporters who will be present in Washington, D.C. on Wednesday, April 4.

The delegation will be representing the endorsers and participants of the nationally coordinated actions for youth jobs and affirmative action being held in cities throughout the nation on that day.

Members of the delegation include: Reverend Greggory Brown, Chairman, Youth March for Jobs Committee; Andre S. Burnett, Director, National Third World Student Coalition, United States Student Association; Frank Jackalone, National Chairperson, United States Student Association; Clark Johnson, International Association of Machinists and Aerospace Workers, AFL–CIO; Reverend Robert E. Jones, President, National Coalition of Economic Justice; Kujaatele Kweli, Director, Youth Development Division, National Urban League; L. Calvin Moore, Legislative Director, Oil, Chemical and Atomic Workers International Union, AFL–CIO; Issac Saxon, Chairman, Pittsburgh Youth March for Jobs; Lisa Tsapogas, Youth Council Coordinator, National Coalition for Economic Justice; James Steele, National Chairman, Young Workers Liberation League; Jerry Tucker, United Auto Workers.

The delegation will be presenting the demands of the April 4th actions and holding meetings with various representatives of government, which include: A meeting with White House Representative, Tom Glenn, Executive Director of the Task Force for the Vice President's Committee on Youth Unemployment; a meeting with members of the Congressional Black Caucus including Cardiss Collins, Chairman; a press conference at the Capitol Building; a meeting with Congressman Augustus Hawkins, Chairman of the House Committee on Employment Opportunities; and a meeting with Robert Knight, Office of Senator Gaylord Nelson, Chairman of the Senate Committee on Employment, Poverty and Migratory Labor.

Following are details of what will be happening in each city on April 4:

Chicago, Ill.—Wednesday, April 4, 4:00 p.m.—mass youth delegation to Federal Building at Dearborn and Jackson Streets, speakers outside. Phone: (312) 939–5365—Robert Lilly, NAACP youth division of Chicago.

New Haven, Conn.—Wednesday, April 4—press conference-informational picketline to New Haven Federal Building. This is part one of a two-part activity which will include an April 21 conference on jobs and affirmative action.

Los Angeles, Calif.—Wednesday, April 4, 4:30 p.m.—rally at West Los Angeles Community College, speakers and entertainment. Phone: (213) 938–6241.

Washington, D.C.—April 4, 6–10:00 p.m.—rally "in the Spirit of Martin Luther King," Metropolitan AME Church, 15 and M St. NW, speakers and entertainment. Phone: D.C. Youth March for Jobs—(202) 678–2266.

Pittsburgh, Pa.—Saturday, April 7, 11:00 a.m.—March from Freedom Corner to Market Square, rally at Market Square at 12:00, speakers and entertainment—phone: (412) 441–8725.

Cleveland, Ohio—Saturday, April 14, noon—march from Chester Commons to Hanna Mall, speakers and entertainment. Wed., April 4—rally at East End Community Center, speakers and entertainment—phone: (216) 692–0287.

Detroit, Mich.—Wednesday, April 4, 3:00 p.m.—march from McNamara Federal Building down Michigan Ave. to Kennedy Square, rally at Kennedy Square, speakers and entertainment. Phone: (313) 834–1461.

Newark, N.J.—April 4, 4:00 p.m.—youth jobs rally at Newark Federal Building, Broad and Walnut Street, speakers and entertainment. Phone: 642–8080.

Jersey City, N.J.—April 4, 4:00 p.m.—demonstration at Exchange Plaza Federal offices. Phone: (201) 659–5279.

Philadelphia, Pa.—April 4, 3:00 p.m.—youth marches to City Hall from 30th Street Station in West Philadelphia and from Progress Plaza on Broad St. in North Philadelphia. Rally at 4:00 p.m. at City Hall in conjunction with Stop Recycling of Housing Movement, speakers and entertainment. Phone: (215) 467–1900.

Baltimore, Md.—April 4, 4:00 p.m.—youth jobs rally at City Hall, speakers and entertainment. Phone: (301) 433–3269.

Providence, R.I.—April 4, 1:30 p.m.—rally at the Statehouse lawn in downtown Providence. Mayor will proclaim April 4 as Youth Jobs Day. Speakers and entertainment. Phone: (401) 751–3319 or 272–7989.

Boston, Mass.—April 4, 6–10:00 p.m.—Youth Jobs Convention at Faneuil Hall, discussion on state youth jobs legislation, speakers and entertainment. Phone: (617) 661–3519.

Portland, Maine—April 4, 7:00 p.m.—candidates night with candidates for the May elections to city council and representatives of YWCA, 37 Spring St. Phone: (207) 774–4067.

Seattle, Wash.—April 4, 4:00 p.m.—demonstration at the Federal Building, Second St. and Madison, speakers and entertainment. Phone: (206) 323–1431.

New York City—April 4, 4:00 p.m.—march from Federal Plaza to City Hall, rally at City Hall at 5:00 p.m., speakers and entertainment. Phone: (212) 673–3700.

Louisville, Ky.—April 4, 3:00 p.m.—march and rally at Federal Building at 6th and Broadway march to CETA Administration office on 6th and Liberty for a lobby. Phone: (502) 778–2701.

Austin, Texas—April 4, 12:00 p.m.—press conference at East 1st St. Neighborhood Center 1619 East 1st St. April 7th—demonstration at Austin Community College Ridgewood Campus, 12:00 p.m. Phone: (518) 476-0641.

Among the list of over 200 endorsers are:

Rev. William S. Sloan Coffin, Jr., Senior Minister, Riverside Church, New York.

Congressman John Conyers Jr., (Michigan).

Bernard Firestone, Sec. Treas., Chicago & Central States Joint Board ACTWU.

International Assoc. of Machinists and Aerospace Workers, AFL-CIO.

Frank Jackalone, National Chairman, U.S. Student Association.

Yolanda King, Martin L. King Jr., Center for Social Change, Atlanta.

Kujaatele Hweli, Director, Youth Development Division, National Urban League.

Congressman Parren Mitchell (Maryland).

L. Calvin Moore, Legis. Director, Oil, Chemical & Atomic Workers Int'l. Union AFL-CIO.

Operation PUSH.

Congressman Charles B. Rangel (New York).

Mark Thomas, Vice President, SCLC West, Los Angeles.

Washington Bullets, National Basketball Association.

Washington D.C. Central Labor Council.

National Board YWCA.

For more information call: Youth March for Jobs (212) 673-3700.

NATIONAL ACTIONS FOR JOBS FOR YOUTH, APRIL 4, 1979

LIST OF ENDORSEMENTS*

Partial list:

Rev. William S. Sloan Coffin, Jr., Senior Minister, Riverside Church, New York.

Congressman John Conyers, Jr. (Michigan).

Bernard Firestone, Sec. Treas., Chicago & Central States Joint Board, ACTWU.

International Association of Machinists & Aerospace Workers, AFL-CIO.

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L. Calvin Moore, Legis. Director, Oil, Chemical & Atomic Workers Int'l Union, AFL-CIO.

Operation PUSH.

Congressman Charles B. Rangel (New York).

National Board YWCA.

Also the following:

Action for Individual Development (AID, Inc.), Boston.

Afrikan American Students Association, Brooklyn, N.Y.

Sheryl Agard, President, Black Student Union, Santa Monica H.S., Santa Monica, Cal.

Americans for Democratic Action, Los Angeles Chapter.

Cedric Anderson, Director, Southside YMCA, Los Angeles.

ASPIRA, Inc. of New Jersey.

Associated Students Organization of West Los Angeles Community College.

William Barth, Central Committee Member, California Democratic Party.

State Senator Thomas Bartosiewicz, New York.

Irwin Becker, Director, Coalition for Consumer Justice, Central Falls, R.I.

Black Caucus, Union Theological Seminary.

Black Students Association of U.C.L.A.

Black Studies Department, New York City College.

Black United Front, Philadelphia.

Borough of Manhattan Community College Student Government Association, N.Y.

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State Senator Major Owens, New York.

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Francis P. Spetrini, Mass. Fair Share, Boston.

Jack D. Spiegel, District Director, United Shoe Workers, AFL–CIO (Chicago).

Sports for the People, New York City.

James Steele, National Chairman, Young Workers Liberation League.

Mattie Stone, Chairperson, Homewood Brushton Concerned Citizens, Pittsburgh.

Students for a Progressive America, University of Rhode Island.

Stuyvesant Heights Christian Church (Disciples of Christ), Brooklyn, N.Y.

Summer Teen Employment Program, Cambridge YWCA, Mass.

Mrs. Ola Taylor, Senior Class Sponsor, West Philadelphia H.S.

Raymond L. Tetrault, Director, Latin American Apostolate, Providence, R.I.

Kay Tillow, Vice President, District #1199, National Union of Hospital & Health Care Employees, AFL–CIO (Pittsburgh).

Mark Thomas, Vice President, S.C.L.C. West, Los Angeles.

Twenty-first Congressional District Caucus, Cleveland.

University of Southern California Chapter of MECHA.

Santa Monica City College Chapter of MECHA.

United Bronx Parents, Bronx, N.Y.

Cynthia Vanda, Director, University Women's Center, University of Pittsburgh.

Watertown Multi-Service Center, Boston.

West Side Cluster of Centers & Settlements, New York City.

Westchester Coalition for Jobs (New York).

State Representative John F. White, Jr., Pennsylvania.

Donna Williams, Senior Class President, West Philadelphia H.S. Senior Class.

Agnes Willis, Executive Board Member, Coalition of Black Trade Unionists.

Women Speak Out for Peace & Justice/WILPF, Cleveland.

Roberta Wood, Local #65, United Steelworkers of America, AFL–CIO (Chicago).

Women for Racial and Economic Equality.

Y.E.S./Bilingual Remedial Reading, Boston.

Laura Younger, Chair, Public Policy Committee, Cambridge YWCA, Mass.

Youth Light Youth of Bethesda United Presbyterian Church.

Central Labor Council, Washington, D.C.

Washington Bullets, National Basketball Association.

Board of Education, Washington, D.C.

Local 3, United Auto Workers, Detroit.●

● Mr. STOKES. Mr. Speaker, I commend the gentleman from Michigan, (Mr. CONYERS) for affording this opportunity to his colleagues to address an issue which is of great concern to us all.

Unemployment is one of the most debilitating conditions which can face an American. When any person remains jobless for a long period, despite attempts to find work, it can lead only to complete hopelessness, frustration, and despair.

Unemployment is a particularly serious problem for black Americans. Discrimination in employment opportunity in our society has caused many young black men to grow into adulthood never having had a job. The situation was exceptionally well expressed by Terry E. Johnson, a reporter for the Cleveland Plain Dealer when he wrote:

> If somebody does not give Clyde D. Coleman a job soon, he just might turn to a line of work that includes a little robbery, burglary and numbers running.
>
> It's not that Coleman, 20, wants to become a criminal. But he has learned being young and black often add up to unemployed and frustrated.

As recently as this February, white unemployment decreased, while during this same period black unemployment has been rising. In fact teenage black unemployment rose 3 percent from January to February this year. The effects of this unemployment are twofold, for in addition to the waste of human resources, there are increased financial drains. These drains are caused by the need for additional police, larger mental and correctional facilities, and greater welfare rolls. The increased costs bring the imposition of higher taxes on neighborhoods that are already disadvantaged.

The problem of black unemployment has been ignored too long. Only recently has there been any general recognition of the situation and a willigness to do something about it. I am gratified that one organization that has issued a call to action is the Cleveland AFL–CIO, which recently adopted the following resolution:

> Whereas, black workers suffer unemployment at more than twice the rate for all workers, and
>
> Whereas, the unemployment rate for February was 5.7% for the Nation as a whole, but officially 11.9% for black workers and actually much higher than that, and
>
> Whereas, the official unemployment rate for all teenagers was 16.1%, but was 35.5% for black youths and is known as high as 60% in cities such as Cleveland, and
>
> Whereas, the gap between the rate of unemployment for the total population and the rate for black workers continues to widen, therefore
>
> *Be it resolved* that the Cleveland AFL–CIO Federation of Labor joins with the A. Phillip Randolph Institute and the black labor leadership caucus in calling on Congress and President Carter to design plans to relieve minority unemployment, and
>
> *Be it further resolved* that we demand that President Carter abandon budget cutting and other economic policies that are certain to create higher unemployment and disproportionately damage the opportunities and hopes of black jobseekers.

An industrial effort, led by Norton Simon. Inc., was described by the Associated Press:

> David Mahoney figures that if every large U.S. firm hires one black youth for every 100 workers it now employs, the jobless rate for young blacks could be cut in half in a year.
>
> So Mahoney—chairman and chief executive of Norton Simon Inc., a diversified firm that owns Hunt-Wesson, Max Factor, Canada Dry and Avis, and employs 25,000 men and women—has pledged to do just that.
>
> Concerned with an unemployment rate for black youths that hovers near 40%, Mahoney said his company will hire 250 such youths in the next year.
>
> If other firms follow suit, Mahoney said it could be the start of a low-cost, simple, effective way to deal with the problem.
>
> "We can make a difference," Mahoney said this week. "We must reach out to include the youth of our nation and prove to them that they are not defeated before they start."
>
> Mahoney announced his program the night he received the National Brotherhood Award from the National Conference of Christians and Jews. About 2,000 businessmen heard Mahoney's pitch for an employment program.
>
> "If the 1,000 largest industrial corporations in America and the 50 largest banks and retailers were to hire 10 minority youths for every 1,000 employes, that would open up 200,000 jobs," he said. "That's enough to fill Shea Stadium three times and enough to open the doors to nearly half the 445,000 presently unemployed blacks."
>
> No other business leaders have come forward yet to back the proposal. But Orhan Sadikkhan, senior vice president for Norton Simon, said Mahoney had discussed the idea with a number of executives, and the response to the proposal has been "very, very encouraging."
>
> "It's the ultimate in a low-overhead, low-bureaucratic approach," Sadikkhan said.
>
> Sadikkhan said the push for industry to hire minority youths will not replace government programs.
>
> "We cannot rely solely on our government mechanisms. HEW (the Department of Health, Education and Welfare) spends millions, and we're still losing ground on the problem," he said. "This program is supplemental, but it will have great impact. That's the beauty of it."
>
> Some of the youths will be hired for new positions, others for old jobs that are unfilled, Mahoney said. Most of the jobs will be at lower levels, and therefore the program will not be costly.
>
> "You're not going to hire these guys at $55,000 a year," said Sadikkhan. "We think employers ought to be able to afford it. And this is on-the-job training.
>
> "Once these young people enter the system, once they cross the Rubicon, three months later they may end up going to school or getting another job. But you've captured them in the system."
>
> And Mahoney seems certain that an end to chronic black unemployment is just as attainable as record profits.
>
> "We cannot solve society's ills all at once, but we can take giant steps by our commitment to measurable objectives," Mahoney said. "Like any other goals, social goals can be set and met."

Let us hope that these actions are an indicator of a growing nationwide awareness and are used as models for action throughout the country.●

☐ 1905

GENERAL LEAVE

Mr. CONYERS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous material, and that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

OPENNESS IN GOVERNMENT THREATENED BY HOUSE RESOLUTION 165

(Mr. EDWARDS of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. EDWARDS of California. Mr. Speaker, I was distressed by the vote of the House of Representatives last week to pass House Resolution 165. Passage of this resolution amended the rules of the House to permit the Select Committee on Intelligence and its subcommittees to vote to close its meetings to the public with only two Members present and voting.

Until this resolution was approved by the House, a meeting could be closed when a majority of the committee was present and voted to close. This rule was implemented in 1977 in an effort to bring more openness to House proceedings. House Resolution 165 reverses this trend toward openness and could set a dangerous precedent for other committees to seek exemptions to the rule.

Proponents of the rule change argued that the Select Committee on Intelligence had difficulty in having a majority of the members present at its meetings. Therefore, they contended, it was impossible for the committee to close meetings when it discussed sensitive matters of national security. I believe that this situation is a sad commentary on the willingness of members of this body to be diligent in exercising oversight of the intelligence community. If the select committee has such difficulty in getting members to attend its meetings and must conduct business with only two members present, how can it hope to perform its responsibilities effectively?

Although the House has already passed House Resolution 165, I want to share with my colleagues a letter sent to Congressman CHRIS DODD and myself from the American Civil Liberties Union. The letter addresses the points I have raised and will, I hope, persuade my colleagues to be more cautious in relaxing House rules for no more reason than the convenience of House Members.

The letter reads as follows:

AMERICAN CIVIL LIBERTIES UNION,
Washington, D.C., March 29, 1979.
Hon. CHRISTOPHER J. DODD,
Cannon House Office Building,
Washington, D.C.
Hon. DON EDWARDS,
Rayburn House Office Building,
Washington, D.C.

GENTLEMEN: We want to join you in expressing our strong opposition to H. Res. 165, which reduces the voting requirement for determining when the House Permanent Select Committee on Intelligence, or any of its subcommittees, can close its sessions to the public.

It is our belief that this measure, permitting meetings of the full committee or any of its subcommittees to be closed to the public upon the vote of just *two* members, is further evidence of Congress' disturbing withdrawal from its commitment to exercise responsible oversight with respect to the intelligence community on the public record.

The trend toward a return to secrecy began last year when Congress refused to make public the total budget authorization figure for the intelligence community—despite the fact that the Carter Administration had no objection to its disclosure by the Congress. Congress then compounded its fault by approving the intelligence budget even though it was not granted sufficient access by the intelligence community to information necessary to determine whether the budget was justified.

As we understand it, the real reason for H. Res. 165 is that the Select Committee on Intelligence and its subcommittees were experiencing increasing difficulties on obtaining the quorum necessary to conduct their official business. This indication that a majority of the committee's members are apparently unwilling to perform their oversight responsibilities is particularly disturbing.

The proposed solution, however, not only runs counter to principles of open government and accountability, but constitutes a serious departure from the general policy expressed in the Intelligence Committee's own recently-adopted rules for the 96th Congress. Rule 3 explicitly states that "meetings of the committee and its subcommittees shall be open to the public" unless it is otherwise determined by "a record vote in open session . . . with a majority present." [Emphasis added.] The rule implicitly rejects a policy allowing an entire meeting to be closed to the public, stating that only "a portion or portions of any such meeting may be closed to the public." This restriction is limited to occasions when "the matters to be discussed or the testimony to be taken at such portion or portions" relate to six specific categories of information.

H. Res. 165 seriously undercuts Rule 3. Fewer meetings will be held in public and fewer Members of Congress will exercise oversight. In the face of the past record of intelligence abuses and the near-unanimous view of the House that the failure to oversee the intelligence agencies was chiefly responsible for permitting these abuses, H. Res. 165 is an abdication of responsibility and a troubling precedent for the future.

Yours sincerely,

JERRY J. BERMAN,
Legislative Counsel.●

MEDICARE BLOOD REPLACEMENT FEE SYSTEM

(Mr. EDWARDS of California asked and was given permission to extend his remarks at this point in the RECORD.)

● Mr. EDWARDS of California. Mr. Speaker, under present law, medicare patients are responsible for either replacing or paying cash for the first three pints of blood received during medical transfusions. This "blood replacement fee" system was originally included as an incentive to encourage blood donations. However, due to poor health, most elderly medicare patients are unable to donate blood themselves or through friends, and as a result, must pay the "nonreplacement fee" required as compensation. While averaging approximately $25 per pint, the charges at certain blood banks and hospitals can cost as much as $60 per pint of blood.

This practice imposes a heavy financial burden on the limited resources of medicare patients, who already face costly medical bills. Statistics from the Department of Health, Education, and Welfare indicate that 64 percent of the elderly patients requiring blood transfusions in 1971 and 1972 were unable to replace transfused blood, and had to pay the "blood replacement fee" out of their fixed incomes. During 1972 alone, this amount totaled over $13 million.

In addition, most blood is initially donated freely to blood banks by volunteers who receive no benefit or remuneration. However, while the individual donor receives no financial compensation for their act of generosity, the large sums of money collected through the "blood replacement fee" system results in a financial windfall to those hospitals and blood banks using it. Since 1971, for example, medicare claims for "nonreplacement fees" have totaled over $110 million.

A recently released General Accounting report entitled "Actions Needed To Stop Excess Medicare Payments for Blood and Blood Products" conclusively demonstrates the enormous financial loss incurred by the medicare program and the taxpayers as a result of this "nonreplacement fee" system. As stated in the report:

> Provider hospitals have charged Medicare substantial sums for non-replacement fees as well as blood component and blood processing fees. Although the amount of improper charges resulting from blood bank replacement credit restrictions on Medicare was difficult to determine, (the General Accounting Office) believes that it could total millions of dollars annually. (page 11)

According to the GAO report, various practices and procedures employed by blood banking institutions are directly responsible for these excessive losses to the medicare program. Primary among these is the greater opportunity provided non-medicare patients for reducing their blood fees. These distinctions between medicare and non-medicare patients are in direct violation of the Social Security Act and medicare regulations, and constitute a major source of financial abuse.

Many blood banks studied by the GAO limit the number of blood credits they release to offset "nonreplacement fees" for medicare patients, yet place no such limitations on non-medicare patients. In addition, many blood banks refuse to allow any previously donated blood credits to cancel blood fees, as well as refusing to acknowledge blood previously donated to the voluntary system run by the American Red Cross. This "nontransferability" of credits creates serious problems for individuals who are in need of emergency blood at a blood bank which refuses to accept the transferability of blood, and seriously weakens the incentive to voluntarily donate blood in the event of a future emergency.

The GAO report highlights the fact that medicare charges for blood are further inflated through improper billing practices. Many hospitals do not comply with the intent of certain medicare blood billing requirements. Specifically, some hospitals charge "nonreplacement fees" to medicare for blood supplied by community blood banks—such as the American Red Cross—that do not charge a "nonreplacement fee", and often do not submit corrected bills to medicare when additional blood credits become available. These practices result in increased and unwarranted medicare payments, and do not constitute a prudent or cost-conscious practice on the part of the provider.

There are additional problems with the "nonreplacement fee" system of providing blood and blood products. One recent study by the New York Blood Center reports that the occurrence of post-transfusion hepatitis is more than double with blood collected through voluntary community donations, such as the American Red Cross.

The American Red Cross, which collects and provides more than half the blood required for the Nation's health needs, does not rely on the "nonreplacement fee" system, similar to almost every European nation. For those receiving American Red Cross blood, the charge is solely the processing fee, which relates to the cost of administering, storing, typing and cross-matching the donated blood. Indeed, the American Blood Commission declared in 1977 that the "nonreplacement fee" practice is contrary to the national blood policy.

It is clear therefore, that the use of of the "blood replacement fee" system is neither cost-efficient nor necessary. The use of this system tends to penalize those least able to afford the penalty, does little to promote donor recruitment, and results in substantial unearned financial benefits to private blood banks at the expense of the medicare program. Both the taxpayer and the elderly medicare recipient are shamefully abused by this blood banking practice.

I am today introducing two bills to relieve the public of these unnecessarily high costs involved in obtaining blood, as well as removing an abusive financial obstacle faced by medicare patients. The two bills would eliminate the use of the "blood replacement fee" system currently in effect. The first would abolish this system in the medicare program, while the second would provide for the removal of this practice from all of our Nation's blood banking institutions.

I would welcome my colleague's support for these proposals, so that we may insure the efficiency of our Nation's health.●

HOUSE CONCURRENT RESOLUTION RECOGNIZING APRIL AS FAIR HOUSING MONTH

(Mr. EDWARDS of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. EDWARDS of California. Mr. Speaker, April 11, 1979, marks the 11th anniversary of the enactment of the Fair Housing Law, title VIII of the Civil Rights Act of 1968. Today, April 4, 1979, marks the 11th anniversary of the death of Martin Luther King, Jr. Sadly, those two events are linked; as many of you will recall, it took the crisis following that terrible event to compel the Congress to finally make fair housing explicitly and definitively an integral part of the Nation's organic law.

The resolution I am submitting today designates the month of April as "Fair Housing Month," and recommits the Congress to the goals of the Civil Rights Act of 1968. Senator CHARLES MATHIAS is introducing a companion resolution today in the Senate. This recommitment befits the memory of Reverend King, and I am pleased to offer this symbol of that spirit. However, much of the promise of title VIII remains to be fulfilled. The levels of racial residential segregation have not improved. Recent surveys indicate that discriminatory housing acts are shockingly frequent, and occur throughout the Nation.

Today, we pledge a renewal of our efforts not only to end housing discrimination, but to replace ghettos with truly integrated residential patterns. Only by achieving this will we be able to find lasting solutions to the problems of discrimination in employment and education.●

A TRIBUTE TO THE LATE HOWARD H. CANNON

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, from time to time, it is said that the human being is our society's greatest natural resource. Certainly documentation for this statement has evidenced itself on a continuing basis as we give witness to the dedication and achievement of some of our fellow citizens. During their lifetimes, they were achievers forever performing deeds complementary to the best interest of our society.

A dear friend who indeed falls into this category was called home by the Almighty several days ago. One, who by virtue of his involvement could account for pages and pages of noteworthy achievements each of which produced good for our citizenry, is the late Howard H. Cannon. He was held in great esteem by fellow law practitioners across the Nation and held in equal esteem by everyone at home. Typical of his involvement was his service on my Service Academy Advisory Board which, despite his exceptionally heavy schedule, he so conscientiously fulfilled. I pay tribute to this great man and offer my sympathy to his family.

I attach some material which appropriately describes Howard Cannon.

IN MEMORY OF HOWARD H. CANNON (1903–79)

The following is the text of a presentation made to Howard H. Cannon in commemoration of his retirement from the Board of Directors of Lincoln First Bank and was written by his friend, James D. Heffernan:

Strong, sinewy product of our northern soil
Its stern lessons ingrained, integral to the man.
Nourished by truth in Ivied Halls
Grasped knowledge, stored it deep
Thus fashioned lawyer, gentleman
Compassionate and wise.
Liberal, conservative, gifted to garner the Best of both;
In currents of change, steadfast, resolute.
Master of prose, lucid, logical, pure
Pungent, earthy at times.

Shining exemplar of his craft
Counselor, advocate, adversary with equal grace.

Leader, teacher, contributor, critic
Passing on to those who hear
The way to greatness
Scholar
Friend
Loved
Admired.

MARCH 23, 1979.

[From the Syracuse Post-Standard March 24, 1979]

HOWARD CANNON RITES—LAWYER EULOGIZED BY PASTOR

(By Ramona B. Bowden)

Holy Cross Roman Catholic Church in DeWitt was filled to capacity Friday with family, friends and colleagues as well as city and county officials who came to pay their respects to Howard H. Cannon.

Cannon died Monday in Crouse-Irving Memorial Hospital.

Those attending the concelebrated Mass of Christian Burial included Mayor Lee Alexander, U.S. Rep. James Hanley and many lawyers.

The Most Rev. Frank Harrison, bishop of Syracuse, gave the final absolution and blessing for the dead. He was accompanied by the Most Rev. Thomas J. Costello, auxiliary bishop.

Cannon had been associated with the legal firm of Bond, Schoeneck and King for more than 50 years. The firm closed its offices Friday to allow partners, associates and employees to attend the rites.

Monsignor Daniel B. O'Brien, pastor of Holy Cross, was the eulogist.

The monsignor has been the family pastor since 1943 when the family moved into their new home in DeWittshire, the same year when this church had its beginning. Cannon his wife Marian were among the original parishioners of Holy Cross, O'Brien noted.

The priest said that God granted the Cannons two occasions of great happiness when their daughters, Mary Ellen and Betsy, were married in the church sanctuary.

"But recent years brought two testing challenges as the ravages of age and dedication took their toll of these two fine people, partners and parents after a half century of exemplary Christian marriage," he said.

"This is Christ's way. First joy, then sorrow—repeated again and again—His life and ours as we endeavor to follow in His footsteps," O'Brien said.

He compared life to the liturgy of Lent "which first takes one to the mountain top to rejoice in Christ's Transfiguration. Then comes Passiontide and our descent with Him into the Valley of Kidron to suffering, death and burial. But out of this comes the glory of resurrection."

"For Howard all these steps have been taken—with dignity, patience and love—so that now he shares in the glory of his risen Lord," the monsignor said.

"He used well and effectively the many gifts of both nature and grace God had entrusted to him," his pastor said. "We join in thanking the good Lord for having sent Howard our way. We are all the better for his having walked in our midst, for all his love and loyalty on this earthly scene."

"We thank his dear family for so generously sharing him with us. May the joy of the risen Christ console and strengthen us as we endeavor to perpetuate in our lives the values and truths that Howard so lived and loved," he concluded.●

MESA, ARIZ., NAMED "ALL AMERICA CITY"

(Mr. RHODES asked and was given permission to extend his remarks at this point in the Record.)

● Mr. RHODES. Mr. Speaker, I am pleased and delighted that the city of Mesa, Ariz.—my home town—has been named an "All America City" by the National Municipal League.

Mr. Speaker, I would like to share with you and my colleagues some of the outstanding civic work performed by the people of Mesa to achieve this award:

In one instance, a group of individual citizens and community organizations established a community service center that has been hailed by the Department of Health, Education, and Welfare as the "largest and most comprehensive one-stop social service center in the United States."

In another project, high school students from Mesa and the nearby Indian reservation teamed up to remove from the Salt River obstacles that had caused 18 people to drown.

In addition, the city of Mesa, the Mesa Association for Retarded Children and the Mesa public school system worked together to provide special education programs for minorities and for the handicapped.

Mr. Speaker, this honor is well-deserved recognition of participation in—and concern for—community affairs on the part of the citizens, the distinguished Mayor, Wayne Pomeroy, and the Mesa City Council, and I salute them on this achievement.●

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT—ADVISORY OPINION NO. 5

(Mr. BENNETT asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BENNETT. Mr. Speaker, I submit for printing in the Record at this point a formal advisory opinion approved unanimously by the Committee on Standards of Official Conduct on April 4, 1979, stating the committee's interpretation of clause 11 of House rule XLIII, the Code of Official Conduct.

Clause 11 was added to the Code of Official Conduct when the House adopted its rules for the 96th Congress on January 15, 1979.

In essence, clause 11 deals with the use of congressional letterheads or envelopes, or facsimiles thereof, by non-House individuals, groups, or organizations.

The opinion was issued as a result of numerous requests from Members and employees for an interpretation of clause 11. Copies of the opinion will be sent to the offices of all Members.

The material follows:

Advisory Opinion

Subject: General interpretation of House Rule XLIII, clause 11.

Reason for issuance: The Committee has received a number of inquiries concerning the application of House Rule XLIII, clause 11, to specific factual situations. This advisory opinion is issued to provide a general interpretation of the rule for the guidance of Members and interest parties.

Background and discussion: House Rule XLIII, clause 11, adopted on January 15, 1979, provides as follows:

"A Member of the House of Representatives shall not authorize or otherwise allow a non-House individual, group, or organization to use the words 'Congress of the United States', 'House of Representatives', or 'official business', or any combination of words thereof, on any letterhead or envelope."

This addition to the Code of Official Conduct took effect upon adoption. The primary purpose of clause 11 is to prohibit Members from authorizing private organizations to use a facsimile of their congressional stationery to solicit contributions or political support in a direct mail appeal. Such use of congressional letterhead by non-House groups is clearly intended to convey the impression that the solicitation is endorsed by the Congress or is related to the official business of the Member who signs the letter. In adopting clause 11, the House has determined that the use of congressional letterhead facsimiles by private organizations is a deliberate misrepresentation which reflects discredit upon the House of Representatives.

Rule XLIII, clause 11 generally would prohibit a Member from authorizing a non-House individual or group to use that Member's congressional stationery, or any letterhead that purports to be an official communication from the Congress, in any mailing paid for with non-appropriated funds. This prohibition would apply to any letterhead designed in such a manner as to convey the impression that the letter is an official communication. The Committee emphasizes that Rule XLIII, clause 2 directs Members "to adhere to the spirit and letter of the Rules of the House of Representatives . . ." Therefore, since clause 11 is intended to prohibit solicitations by private interest groups on facsimiles of congressional stationery, it would appear to be a violation of the spirit of that rule if a Member authorized a non-House group to use letterhead that did not contain the words prohibited by clause 11, but which was designed to convey the impression that it is an official communication from the Congress. For example, letterhead which purports to be an official communication by containing a Member's committee assignments, office address, and the "congressional seal" would be contrary to the spirit of clause 11. The Committee notes in this regard that title 18 of the United States Codes, section 713, specifically prohibits use of the United States seal for the purpose of conveying a false impression of sponsorship by the United States Government.

The clause 11 prohibition is not intended in any way to restrict a Member's communication with the public or his right to lend his name to any organization or interest group. The rule imposes no restriction on a Member's freedom to sign a fund-raising appeal or other solicitation of political support on a non-House group's own letterhead, and be identified as a Member of Congress. Similarly, a Member's name and title may appear in the letterhead of a non-House organization (e.g., if the Member serves in an official capacity or honorary position with that organization), provided that the letterhead does not purport to be an official communication from the Congress.

The term "non-House individual, group, or organization" as used in the rule would not extend to a Member's principal campaign committee. The Committee understands that the clause 11 prohibition on lending congressional letterhead to private groups was not intended to prohibit a Member from using a facsimile of official stationery in fund-raising activities for his own campaign. This interpretation is based on the debate in the Democratic Caucus which recommended adoption of clause 11 on December 6, 1978, and on the legislative history on a similar amendment that was offered to the Ethics in Government Act during the 95th Congress (see Congressional Record, September 20, 1978, page H10212). It should also be noted that the Senate Select Committee on Ethics issued an advisory opinion imposing comparable prohibitions on use of official stationery by non-Senate groups, and did not apply those prohibitions to a Senator's campaign committee.

The Committee emphasizes again in this regard that the clear intent of clause 11 is to prohibit special interest groups and other private organizations from using congressional letterheads for political solicitations. Such use of congressional stationery facsimiles conveys the false impression that the private group is sponsored or endorsed by the House of Representatives. This is not the case when a Member, strictly on his own behalf rather than for a third party, uses a facsimile of his personalized official stationery for campaign fundraising appeals or other political mailings. With respect to campaign solicitations, the Committee notes that such letters must include a notice regarding the availability of campaign reports filed with the Federal Election Commission, as required by title 2 of the United States Code, section 435. Moreover with respect to other political mailings, the Committee does not believe that it is improper for a Member to use his congressional letterhead to send, for example, thank-you notes to contributors or other politically-related letters which may not be mailed under the frank. The Committee is confident that use of a Member's personalized congressional letterhead for political mailings on his own behalf would not be misinterpreted as an official communication from the House of Representatives or an endorsement by the Congress. In sum, the abuse of congressional stationery that clause 11 is designed to correct is not present in the case of a Member's campaign committee, nor was the rule intended to prohibit a Member's use of his congressional letterhead for political mailings.

The prohibitions of clause 11 also would not apply to the Democratic and Republican Congressional Campaign Committees, nor would it apply to the various informal Member organizations or caucuses composed solely of the Members of Congress. These ad hoc Member groups, which are quasi-official in nature, and the party campaign committees would not be considered "non-House organizations" for purposes of Rule XLIII, clause 11.

FEDERAL TRADE COMMISSION IMPROVEMENT ACT

(Mr. BROYHILL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. BROYHILL. Mr. Speaker, along with my colleague from New Jersey (Mr. Rinaldo), I am reintroducing legislation to reauthorize the Federal Trade Commission for the next 3 fiscal years. In addition to reauthorizing the agency, the bill contains certain substantive amendments to the FTC Act. For example, section 2 of the bill would exempt savings and loan institutions from certain provisions of the FTC Act in the same way in which banks are now exempt. In our view, there is no good reason to establish different regulatory schemes for various types of financial institutions. The bill also contains a requirement that FTC rules be sent to Congress for review and possible veto before those rules will become final. On several occasions, the House has voted to include such a provision in the FTC Act, and I am hopeful that this year we can convince the other body that this provision is a substantial improvement to the act. Finally, the bill contains certain provisions which will, I am convinced, greatly improve the rulemaking process at the FTC.

The bill we are introducing today is substantially similar to the bill which we introduced several weeks ago, H.R. 2367. It does contain one improvement, however. Section 5 of the bill requires that the agency when issuing a proposed rule state what regulatory and nonregulatory alternatives it considered when formulating the proposal. The bill we are introducing today also requires that the agency cost out the alternatives which it considered. I want to make clear that there is no requirement that the agency chose the least costly alternative. We do believe, however, that it is important that the agency be aware of the costs of the various possible ways of achieving its policy goals. A copy of the bill follows:

H.R. —

A bill to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in the Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Trade Commission Improvements Act of 1979".

Sec. 2. That section 20 of the Federal Trade Commission Act (15 U.S.C. 58) is amended—

(1) by striking out "and" after "1976;"; and

(2) by striking out "1977. For fiscal years ending after 1977, there may be appropriated to carry out such functions, powers, and duties, only such sums as the Congress may hereafter authorize by law." and inserting in lieu thereof "1977; not to exceed $75,000,000 for the fiscal year ending September 30, 1980; not to exceed $80,000,000 for the fiscal year ending September 30, 1981; and not to exceed $85,000,000 for the fiscal year ending September 30, 1982.".

Sec. 3. (a) Section 5(a)(2) of the Federal Trade Commission Act (15 U.S.C. 45(a)(2)) is amended by inserting after "banks," the following: "savings and loan institutions described in section 18(f)(3),".

(b)(1) Section 6(a) of the Federal Trade Commission Act (15 U.S.C. 46(a)) is amended by inserting after "banks" the following: ", savings and loan institutions described in section 18(f)(3),".

(2) Section 6(b) of the Federal Trade Commission Act (15 U.S.C. 46(6)) is amended by inserting after "banks," the following: "savings and loan institutions described in section 18(f)(3),".

(3) The proviso at the end of section 6 of the Federal Trade Commission Act (15 U.S.C. 46) is amended—

(A) by inserting after "banks" the following: ", savings and loan institutions described in section 18(f)(3,"; and

(B) by inserting ", in business as a savings and loan institution," after "banking".

(c)(1) Section 18(f)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(f)1)) is amended—

(A) in the first sentence thereof—

(i) by inserting "or savings and loan institutions described in paragraph (3)" after "banks" each place it appears therein; and

(ii) by inserting "or (3)" after "(2)";

(B) in the second sentence thereof, by inserting after "System" the following: "(with respect to banks) and the Federal Home Loan Bank Board (with respect to savings and loan institutions described in paragraph (3))"; and

(C) in the last sentence thereof—

(i) by inserting "each" before "such Board" the first place it appears therein;

(ii) by striking out "such Board finds that (A)" and inserting in lieu thereof "(A) either such Board finds that";

(iii) by inserting "or savings and loan institutions described in paragraph (3), as the case may be," after "banks" the first place it appears therein.

(iv) by inserting after "or (B)" the following: "the Board of Governors of the Federal Reserve System finds"; and

(v) by striking out "the Board" and inserting in lieu thereof "such Board".

(2) Section 18(f) of the Federal Trade Commission Act (15 U.S.C. 57a(f)) is amended by redesignating paragraphs (3), (4), and (5) thereof as paragraphs (4), (5), and (6), respectively, and by inserting after paragraph (2) thereof the following new paragraph:

"(3) Compliance with regulations prescribed under this subsection shall be enforced under section 5 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464) with respect to Federal savings and loan associations, section 407 of the National Housing Act (12 U.S.C. 1730) with respect to insured institutions, and sections 6(i) and 17 of the Federal Home Loan Bank Act (12 U.S.C. 1426(i), 1437) with respect to savings and loan institutions which are members of a Federal Home Loan Bank, by a division of consumer affairs to be established by the Federal Home Loan Bank Board pursuant to the Federal Home Loan Bank Act.".

Sec. 4. (a) Section 18(a)(1) of the Federal Trade Commission Act (15 U.S.C. 57a (a)(1)) is amended by striking out "The" and inserting in lieu thereof "Subject to the provisions of subsection (i), the".

(b) Section 18 of the Federal Trade Commission Act (15 U.S.C. 57a) is amended by adding at the end thereof the following new subsection:

"(i)(1) Notwithstanding any other provision of this Act, simultaneously with prescribing any rule under this Act, the Commission shall transmit a copy thereof to the Secretary of the Senate and the Clerk of the House of Representatives. Except as provided in paragraph (2), the rule shall not become effective if—

"(A) Within 90 calendar days of continuous session of the Congress after the date the rule is prescribed, both Houses of the Congress adopt a concurrent resolution, the matter after the resolving clause of which is as follows: 'That the Congress disapproves the rule prescribed by the Federal Trade Commission dealing with the matter of , which rule was transmitted to the Congress on .', the blank spaces therein being appropriate filled; or

"(B) within 60 calendar days of continuous session of the Congress after the date the rule is prescribed, one House of the Congress adopts such a concurrent resolution and transmits such resolution to the other House, and such resolution is not disapproved by such other House within 30 calendar days of continuous session of the Congress after such transmittal.

"(2) If, at the end of 60 calendar days of continuous session of the Congress after the date on which a rule is prescribed, no committee of either House of the Congress has reported or been discharged from further consideration of a concurrent resolution disapproving the rule, and neither House has adopted such a resolution, the rule may go into effect immediately. If, within such 60 calendar days, such a committee has reported or been discharged from further consideration of such a resolution, or either House has adopted such a resolution, the rule may go into effect not sooner than 90 calendar days of continuous session of the Congress after such rule is prescribed unless disapproved as provided in paragraph (1).

"(3) Congressional inaction on, or rejection of, a resolution of disapproval under this subsection shall not be deemed an expression of approval of the rule involved.

"(4) For purposes of this subsection—

"(A) continuity of session is broken only by an adjournment of the Congress sine die; and

"(B) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of 30, 60, and 90 calendar days of continuous session of the Congress.".

(c) The amendments made in this section shall apply to any rule of the Federal Trade Commission which has not become final on or before March 1, 1979. If any such rule becomes final after such date, but before the date of the enactment of this Act, such rule shall cease to be in effect and shall be subject to the provisions of section 18(i) of the Federal Trade Commission Act, as added by subsection (b).

Sec. 5. (a) The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by redesignating section 21 as section 27 and by inserting after section 20 the following new sections:

"Sec. 21. The Commission, in connection with carrying out any proposed rulemaking under section 18, shall—

"(1) prepare a statement relating to the need for, and the purposes and applicability of, the proposed rule involved in accordance with section 22;

"(2) prepare a statement containing an analysis of regulatory and nonregulatory alternatives to such proposed rule in accordance with section 22; and

"(3) carry out an economic impact analysis of such proposed rule, and of each regulatory and nonregulatory alternative to such proposed rule, in accordance with section 23.

"Sec. 22. The Commission shall include in the general notice of proposed rulemaking required in section 553(b) of title 5, United States Code—

"(1) a statement which—

"(A) describes in specific terms the need for the proposed rule involved and the purpose which will be served by such proposed rule;

"(B) indicates the legal basis for the prescription of such proposed rule; and

"(C) specifies the scope and applicability of such proposed rule; and

"(2) a statement which—

"(A) describes each regulatory and nonregulatory alternative which was considered by the Commission in connection with preparation of such proposed rule, and includes a summary of the economic impact analysis prepared by the Commission in accordance with section 23 with respect to each such alternative;

"(B) discusses the reasons for selection of such proposed rule as the most effective means for the achievement of the policy goals and purposes of the Commission, taking into account the results of the economic impact analysis prepared by the Commission in accordance with section 23 with respect to each regulatory and nonregulatory alternative considered by the Commission; and

"(C) indicates the manner in which the economic impact analysis prepared by the Commission in accordance with section 23 with respect to the proposed rule, and each regulatory and nonregulatory alternative considered by the Commission, was taken into account in connection with selecting the proposed rule as the most effective means for the achievement of the policy goals and purposes of the Commission.

"SEC. 23. (a) The Commission, in connection with carrying out any proposed rulemaking under section 18, shall prepare an economic impact analysis of the proposed rule involved and of each regulatory and nonregulatory alternative to such proposed rule. Such analysis shall examine—

"(1) the direct and indirect costs associated with compliance with such proposed rule and with each such alternative;

"(2) the potential inflationary or recessionary effects of such proposed rule and of each such alternative;

"(3) the direct or indirect effects which such proposed rule, and each such alternative, may have on employment;

"(4) the effects which such proposed rule, and each such alternative, may have on competition in businesses and industries affected by such proposed rule, with particular attention to any competitive effects upon small businesses;

"(5) the effects which such proposed rule, and each such alternative, may have on consumer costs, with particular attention to effects upon economically depressed segments of the national population;

"(6) the impact of such proposed rule, and each such alternative, on productivity in businesses and industries affected by such proposed rule; and

"(7) the impact of such proposed rule on recordkeeping and reporting requirements, including—

"(A) an estimate of the number of, and a description of the classes of, persons who would be required to maintain records, submit reports, and fulfill other information-gathering requirements under such proposed rule; and

"(B) an estimate of the nature and amount of information which would be required to be contained in such reports, the frequency of such reports, and the costs associated with complying with such recordkeeping, reporting, and other information-gathering requirements.

"(b) The Commission shall take the economic impact analysis prepared in accordance with subsection (a) into account in preparing the statement required in section 22(2).

"(c) Copies of each economic impact analysis prepared by the Commission in accordance with subsection (a) shall be made available by the Commission for public inspection and copying during normal business hours, subject to the payment of a reasonable fee to cover any cost of such copying. Such copies shall be made available beginning on the date on which the Commission publishes a general notice of proposed rulemaking in the Federal Register in accordance with section 553(b) of title 5, United States Code.

"SEC. 24. (a)(1) Each statement prepared by the Commission under section 22 in connection with a proposed rulemaking, and included in the general notice of proposed rulemaking, shall be included by appropriate reference in the publication of the final rule in the Federal Register.

"(2) If the Commission makes any change or alteration in any statement specified in paragraph (1) before publication of the final rule, then the Commission shall include in such publication a detailed explanation of the nature of, and reasons for, each such change or alteration.

"(b) The Commission shall prepare a statement, which shall be signed by the chairman of the Commission and shall be included in the publication of the final rule involved in the Federal Register, indicating that the chairman of the Commission has reviewed such final rule and that—

"(1) such final rule is stated in clear, readily understandable, and unambiguous language which specifically describes the scope and applicability of such final rule;

"(2) such final rule is not in conflict with any existing rule prescribed by the Commission or by any other Federal agency;

"(3) such final rule shall not be interpreted or otherwise construed in such a manner as would make such rule in conflict with any existing rule prescribed by the Commission or by any other Federal agency; and

"(4)(A) such final rule is not duplicative of any existing rule prescribed by the Commission or any other Federal agency; or

"(B) in any case in which such final rule is duplicative of any such existing rule, there is a need for such duplication.

In any case in which a final rule is duplicative of any existing rule, the statement required in this subsection shall include a description of such duplication, together with an explanation of the need for such duplication.

"SEC. 25. (a) The Commission shall review each rule prescribed by the Commission not later than 5 years after such rule is prescribed (and not later than the end of each 5-year period thereafter) in order to determine whether—

"(1) such rule continues to be necessary, taking into account technological and other developments, any changes in economic and other conditions, and any changes in the policies and priorities of the Commission, which have occurred since such rule was initially prescribed;

"(2) such rule is carrying out the purposes it was designed to carry out at the time it was initially prescribed;

"(3) such rule is in conflict with, or is duplicative of, any existing rule prescribed by the Commission or any other Federal agency;

"(4) the language of such rule should be simplified or clarified; and

"(5) such rule should be amended or repealed.

"(b) The Commission shall, not later than 5 years after the effective date of this section, review each rule prescribed by the Commission which is in effect on such effective date in order to make the determinations specified in subsection (a) with respect to each such rule.

"(c) The Commission, in making the determinations required in subsection (a) and subsection (b), shall take into account—

"(1) the number and nature of complaints, comments, and suggestions received by the Commission with respect to the rule involved; and

"(2) the nature and extent of any burdens imposed by such rule upon persons required to comply with such rule, as compared to the effectiveness of such rule in achieving the purposes for which it was initially prescribed.

"(d) The Commission shall, as soon as practicable after the Commission begins to review a rule in accordance with subsection (a) or subsection (b), publish such rule in the Federal Register and request the submission of materials and comments relating to such rule by interested parties.

"(e) Determinations made by the Commission under subsection (a) or subsection (b) shall be based upon—

"(1) materials and information which are in the possession of the Commission at the time it begins to review the rule involved; and

"(2) materials and comments relating to such rule which are submitted to the Commission by interested parties.

"(f) The Commission shall publish each determination required in this section, together with a summary of the reasons for such determination, in the Federal Register.

"SEC. 26. (a) If the Commission fails to comply with any procedural requirement established in section 21 through section 25, then any person may file a petition for judicial review in an appropriate circuit court of the United States not later than 60 days after such failure to comply.

"(b) Upon the filing of a petition under subsection (a), the court shall have jurisdiction to review the action of the Commission, and if the court finds that the Commission has failed to comply with any procedural requirement the court shall order the Commission to suspend further rulemaking proceedings relating to the rule which is the subject of the petition, or to order the Commission to suspend further enforcement of the rule, until the Commission is in compliance with the procedural requirements established in section 21 through section 25.

"(c) The judgment of the court in any action brought under this section shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28, United States Code.".

(b) The amendments made in subsection (a) shall apply to proposed rulemakings of the Federal Trade Commission which commence after the date of the enactment of this Act.

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GENERAL LEAVE

Mr. WILLIAMS of Montana. Mr. Speaker, I ask unanimous consent all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentleman from Connecticut (Mr. COTTER).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. MARRIOTT (at the request of Mr. RHODES), for today, and tomorrow, on account of official business.

Mr. PEPPER (at the request of Mr. WRIGHT), for today, on account of death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. ZABLOCKI, for 5 minutes, today, and to revise and extend his remarks.

(The following Members (at the request of Mr. JEFFRIES) to revise and extend their remarks and include extraneous material:)

Mr. MCKINNEY, for 5 minutes, today.

Mrs. FENWICK, for 5 minutes, today.

Mr. BEREUTER, for 5 minutes, today.

Mr. JEFFORDS, for 18 minutes, today.

Mr. Kemp (at the request of Mr. Jeffords), for 10 minutes, today, and to include extraneous matter.

(The following Members (at the request of Mr. Williams of Montana) to revise and extend their remarks and include extraneous material:)

Mr. O'Neill, for 5 minutes, today.
Mr. Rodino, for 5 minutes, today.
Mr. Weaver, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mrs. Collins of Illinois, for 5 minutes, today.
Mr. Cotter, for 15 minutes, today.
Mr. Rose, for 5 minutes, today.
Mr. Kastenmeier, for 5 minutes, today.
Mr. Hutto, for 5 minutes, today.
Mr. Brown of California, for 10 minutes, today.
Mr. Levitas, for 5 minutes, today.
Mr. LaFalce, for 30 minutes, today.
Mr. Alexander, for 5 minutes, today.
Mr. Jones of Oklahoma, for 5 minutes, today.
Mrs. Spellman, for 5 minutes, today.
Mrs. Spellman, for 60 minutes, on April 5, 1979.

EXTENSIONS OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Fuqua, to follow remarks of Mr. Zablocki in the Committee of the Whole on H.R. 3324 today.

Mr. Giaimo, and to include extraneous matter.

(The following Members (at the request of Mr. Jeffries) and to include extraneous matter:)

Mr. Anderson of Illinois.
Mr. Rinaldo.
Mr. Findley.
Mr. Jeffords.
Mr. Lungren.
Mr. Lent.
Mr. Dickinson.
Mr. Young of Alaska.
Mr. Wydler.
Mr. Crane.
Mr. Ashbrook in three instances.
Mr. Gradison.
Mr. Beard of Tennessee.
Mr. Emery.
Mr. Rhodes.
Mr. McClory.
Mr. Gingrich in two instances.
Mrs. Snowe.

(The following Members (at the request of Mr. Williams of Montana) and to include extraneous matter:)

Mr. Levitas.
Mr. Hamilton.
Mr. Won Pat.
Mr. Van Deerlin.
Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. Bolling.
Mr. Ireland.
Mr. Lehman.
Mr. Dixon.
Mr. Mazzoli.
Mr. Barnes.
Mr. Bonker.
Mr. Luken in two instances.
Mr. Beard of Rhode Island.
Mr. Roe.
Mr. Conyers in four instances.
Mr. Cotter.
Mr. LaFalce.
Mr. McCormack.
Mr. Leland.
Ms. Mikulski.
Mr. Bonior of Michigan in two instances.
Mr. Harkin.
Mr. Long of Maryland.
Mr. Ottinger in two instances.
Mr. Jones of Oklahoma.
Mr. Smith of Iowa.
Mr. Breaux.
Mr. Zablocki.

ADJOURNMENT

Mr. CONYERS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 10 minutes p.m.), the House adjourned until tomorrow, Thursday, April 5, 1979, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1169. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting reports that the appropriations to the Department of the Treasury for "Taxpayer service and returns processing," Internal Revenue Service, and for "Salaries and expenses," U.S. Secret Service, for fiscal year 1979, have been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriations, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

1170. A letter from the Acting Assistant Secretary of Defense (Comptroller), transmitting a list of contract award dates for the period March 15 through June 15, 1979, pursuant to 10 U.S.C. 139; to the Committee on Armed Services.

1171. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of the Federal Republic of Germany for permission to transfer certain U.S.-origin military equipment to the Government of Singapore, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1172. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a report on the programing and obligation of funds authorized for relief and rehabilitation assistance to victims of the March 4, 1977, earthquake in Romania, pursuant to section 495D(a) of the Foreign Assistance Act of 1961, as amended; to the Commitee on Foreign Affairs.

1173. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting the justification for an increase in the funding level of the Agency's proposed fiscal year 1979 program in Paraguay, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

1174. A letter from the Inspector General, Department of Energy, transmitting notice of a delay in the submission of the annual report of his office, required by section 208(c) of Public Law 95–191; to the Committee on Government Operations.

1175. A letter from the Deputy Director for Administration, Central Intelligence Agency, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1176. A letter from the Chairman, National Commission on Libraries and Information Science, transmitting the Commission's views on the proposed establishment of a Department of Education; to the Committee on Government Operations.

1177. A letter from the president, American Academy and Institute of Arts and Letters, transmitting the annual report of the Academy and Institute for calendar year 1978, pursuant to section 4 of its charter; to the Committee on House Administration.

1178. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend section 6(e)(2) of the Land and Water Conservation Fund Act of 1965, as amended; to the Committee on Interior and Insular Affairs.

1179. A letter from the Clerk, U.S. Court of Claims, transmitting the court's judgment order in docket No. 236-E, *Gila River Pima-Maricopa Indian Community, et al.* v. *The United States;* to the Committee on Interior and Insular Affairs.

1180. A letter from the Clerk, U.S. Court of Claims, transmitting the court's judgment order in docket Nos. 254 and 124–B, *The Miami Tribe of Oklahoma, et al., Ira Sylvester Godfroy, et al., etc.* v. *The United States;* to the Committee on Interior and Insular Affairs.

1181. A letter from the Clerk, U.S. Court of Claims, transmitting the court's judgment order in docket No. 332–C–1, *Yankton Sioux Tribe* v. *The United States;* to the Committee on Interior and Insular Affairs.

1182. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting the Agency's annual report on implementation of the Toxic Substances Control Act, pursuant to sections 30, 9(d), and 28(c) of the act; to the Committee on Interstate and Foreign Commerce.

1183. A letter from the Secretary, Interstate Commerce Commission, transmitting notice that the Commission is unable to render a final decision in Investigation and Suspension Docket No. 9198, *Grain, Iowa, Minnesota, and Nebraska to Pascagoula, Mississippi* within the initially specified 7-month period, pursuant to 49 U.S.C. 10707(b)(1); to the Committee on Interstate and Foreign Commerce.

1184. A letter from the Administrator, Law Enforcement Assistance Administration, Department of Justice, transmitting the 10th annual report of the administration, covering fiscal year 1978, pursuant to section 519 of Public Law 90–351, as amended, to the Committee on the Judiciary.

1185. A letter from the Administrator of Veterans Affairs, transmitting a report covering calendar year 1978 on cases in which equitable relief from administrative error was granted, pursuant to 38 U.S.C. 210(c)(3)(B); to the Committee on Veterans' Affairs.

1186. A letter from the Chairman, U.S. International Trade Commission, transmitting the Commission's 17th quarterly report on trade between the United States and the nonmarket economy countries, pursuant to section 410 of the Trade Act of 1974; to the Committee on Ways and Means.

1187. A letter from the president, Gorgas Memorial Institute of Tropical and Preventive Medicine, Inc., transmitting the 50th annual report of the Gorgas Memorial Laboratory and the audit report of the Institute for fiscal year 1978, pursuant to section 3 of the act of May 7, 1928, as amended; jointly, to the Committees on Foreign Affairs and Interstate and Foreign Commerce.

1188. A letter from the Comptroller General of the United States, transmitting a report on U.S. air defense capabilities in Europe (PSAD-79-27, April 4, 1979); jointly, to the Committees on Government Operations and Armed Services.

1189. A letter from the Comptroller General of the United States, transmitting a report on the evaluation of programs in the Department of Transportation (PAD-79-13, April 3, 1979); jointly, to the Committee on Government Operations, Interstate and Foreign Commerce, Merchant Marine and Fisheries, and Public Works and Transportation.

1190. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to protect the privacy of medical information, to amend the Privacy Act of 1974, and for other purposes; jointly, to the Committees on Government Operations, Interstate and Foreign Commerce, Ways and Means, and the Judiciary.

1191. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting the 15th report on abnormal occurrences at licensed nuclear facilities, covering the quarter ended December 31, 1978, pursuant to section 208 of Public Law 93-438; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

1192. A letter from the Secretary of Health, Education, and Welfare, transmitting his second bimonthly report on the progress of the influenza immunization program, pursuant to section 317(j)(1)(B)(ii) of the Public Health Service Act, as amended (92 Stat. 3574); jointly, to the Committees on Interstate and Foreign Commerce and Appropriations.

1193. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal years 1980 and 1981; jointly, to the Committees on Interstate and Foreign Commerce and Public Works and Transportation.

1194. A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to provide public works, business financing, and other development assistance to alleviate economic distress; jointly, to the Committees on Public Works and Transportation, and Banking, Finance and Urban Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BRADEMAS: Committee on House Administration. House Resolution 195. Resolution providing funds for the Select Committee on the Outer Continental Shelf; with amendment (Rept. No. 96-84). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 174. Resolution to provide for the expenses of investigations and studies to be conducted by the Select Committee on Narcotics Abuse and Control; with amendment (Rept. No. 96-85). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 3417. A bill to amend the Small Business Investment Act of 1958; to the Committee on Small Business.

By Mr. ALEXANDER:

H.R. 3418. A bill to amend the retirement provisions of title 5, United States Code, to include as creditable service for purposes of the civil service retirement system certain periods of public-school service outside of the Canal Zone by individuals who become subject to such provisions for public-school service within the Canal Zone; to the Committee on Post Office and Civil Service.

By Mr. BEARD of Rhode Island:

H.R. 3419. A bill to amend section 122(i)(2) of the Comprehensive Employment and Training Act to provide for certain waivers where necessary to carry out the purposes of that section; to the Committee on Education and Labor.

By Mr. BROYHILL (for himself and Mr. Rinaldo):

H.R. 3420. A bill to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in the act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. COTTER (for himself, Mr. Lederer, and Mr. Shannon):

H.R. 3421. A bill to impose a windfall profits tax on domestic crude oil; to the Committee on Ways and Means.

By Mr. PHILIP M. CRANE:

H.R. 3422. A bill to provide for the confidentiality of medical and/or dental records of patients not receiving assistance from the Federal Government, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DUNCAN of Tennessee:

H.R. 3423. A bill to amend title II of the Social Security Act to make it clear that every beneficiary is entitled to apply the monthly earnings test (under the amendment made by section 303 of the Social Security Amendments of 1977) in at least 1 year after 1977; to the Committee on Ways and Means.

By Mr. EDWARDS of California:

H.R. 3424. A bill to deter the charging of replacement and nonreplacement fees by blood banks; to the Committee on Interstate and Foreign Commerce.

H.R 3425. A bill to amend title XVIII of the Social Security Act with respect to the charging for blood furnished medicare patients; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

By Mr. FOLEY:

H.R. 3426. A bill to amend the Federal Mine Safety and Health Act of 1977 to provide that stone mine operators and sand and gravel mine operators shall not be subject to the requirements of such act; to the Committee on Education and Labor.

H.R. 3427. A bill to amend title 39, United States Code, relating to nonprofit service clubs mailing matters at third-class nonprofit rates; to the Committee on Post Office and Civil Service.

By Mr. HALL of Texas:

H.R. 3428. A bill to amend title 18 of the United States Code to modify certain time limits imposed with respect to the prosecution of Federal offenses, and for other purposes; to the Committee on the Judiciary.

By Mr. HUGHES:

H.R. 3429. A bill to amend the Export Administration Act to prohibit the export of any domestically produced crude oil or fuels, to provide for the conservation of Alaskan oil, and for other purposes; jointly, to the Committees on Foreign Affairs, and Rules.

By Mr. JEFFORDS:

H.R. 3430. A bill to amend the Federal Election Campaign Act of 1971 to prohibit Members of Congress from accepting any honorarium (including paid or reimbursed expenses) in excess of $500; to the Committee on House Administration.

H.R. 3431. A bill to amend the Federal Power Act to permit the Federal Energy Regulatory Commission to enter into agreements with States under which State authorities may exercise the licensing authority of the Commission with respect to small hydroelectric projects at existing dams, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 3432. A bill to appropriate funds to the Department of Energy for the small hydroelectric power projects program; to the Committee on Interstate and Foreign Commerce.

Mr. JONES of Oklahoma:

H.R. 3433. A bill to simplify the private foundation return and reporting requirements under the Internal Revenue Code of 1954, and to make private foundation information returns more readily accessible to the public; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. Rousselot, Mr. Rangel, Mr. Stark, Mr. Brodhead, Mr. Downey, and Mr. Fowler):

H.R. 3434. A bill to amend the Social Security Act to make needed improvements in the child welfare and social services programs, to strengthen and improve the program of Federal support for foster care of needy and dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes; to the Committee on Ways and Means.

By Mr. KAZEN:

H.R. 3435. A bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes; to the Committee on Ways and Means.

By Mr. LEDERER:

H.R. 3436. A bill to amend the Health Programs Extension Act of 1973 to provide for unbiased consideration of applicants to federally supported health professional schools; to the Committee on Interstate and Foreign Commerce.

By Mr. LEVITAS (for himself and Mr. Johnson of California) (by request):

H.R. 3437. A bill to amend the John F. Kennedy Center Act; to the Committee on Public Works and Transportation.

By Mr. McCLORY:

H.R. 3438. A bill to amend the Voting Rights Act of 1965 to limit certain aspects of its coverage for other than racial groups; to the Committee on the Judiciary.

By Mr. McKINNEY (for himself, Mr. Udall, and Mrs. Fenwick):

H.R. 3439. A bill to amend the Immigration and Nationality Act to provide preferential treatment in the admission of certain children of U.S. armed forces personnel; to the Committee on the Judiciary.

By Mr. MAGUIRE:

H.R. 3440. A bill to provide for improved verification of the incomes of families receiving assistance under section 8 of the U.S. Housing Act of 1937; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MURPHY of New York (by request):

H.R. 3441. A bill to provide a comprehensive system of liability and compensation for oil spill damage and removal costs, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

By Mr. MURTHA (for himself, Mr. Gaydos, Mr. Benjamin, Mr. Regula, Mr. Buchanan, Mr. Stokes, Mr. Lloyd, Mr. Murphy of New York, Mr. McKay, Mr. Biaggi, Mr. Nedzi, Mr. Minish, Mr. Quillen, Mr. Applegate, Mr. Murphy of Pennsylvania, Mr. Ertel, Mr. Hanley, Mr. Hall of Texas, Mr. Luken, Mr. Chappell, Mr. Myers of Pennsylvania, Mr. White, Mr. O'Brien, Mr. Murphy of Illinois, Mr. Bailey, Mr. Mitchell of New York, Mr. Moorhead of Pennsylvania, Mr. Volkmer, Mr. Wolff, Mr. Rose, Mr. Atkinson, Mr. Slack, Mr. Gonzalez, Ms. Mikulski, Mr. Oberstar, Mr. Flood, Mr. Perkins, Mr. Whitley, Mr. Rahall, Mr. Yatron, Mr. Beard of Rhode Island, Mr. Howard, Ms. Oakar, Mr. Hansen, Mr. Thompson, Mr. Russo, Mr. Ford of Michigan, Mr. Heftel, Mr. Wyatt, Mr. Rodino, Mr. Nowak, Mr. Davis, Mr. Mottl, Mr. St Germain, Mr. Steed, Mrs. Chisholm, Mr. Mollohan, Mr. Lederer, Mr. Walgren, Mr. Jenrette, Mr. Hefner, Mr. McCormack, Mr. Florio, Mr. Whitten, Mr. Natcher, Mr. Annunzio, Mr. Jones of Tennessee, Mr. Price, Mr. John L. Burton, Mr. Zeferetti, and Mr. Dingell):

H.R. 3442. A bill to reform the antidumping and countervailing duty laws, and for other purposes; to the Committee on Ways and Means.

By Mr. PERKINS (for himself and Mr. Bennett):

H.R. 3443. A bill to authorize assistance for the encouragement and improvement of citizenship education, and for other purposes; to the Committee on Education and Labor.

By Mr. PREYER (for himself and Mr. Goldwater) (by request):

H.R. 3444. A bill to protect the privacy of medical information, to amend the Privacy Act of 1974, and for other purposes; jointly, to the Committees on Government Operations. Interstate and Foreign Commerce, and Ways and Means.

By Mr. RINALDO:

H.R. 3445. A bill to amend the Social Security Act to encourage philanthropic support for nonprofit hospitals; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. ROE:

H.R. 3446. A bill to incorporate the Gold Star Wives of America; to the Committee on the Judiciary.

By Mr. SANTINI:

H.R. 3447. A bill to amend the Boulder City Act of 1958 to authorize the Secretary of the Interior to transfer to the city of Boulder City, Nev., certain portions of a water supply system, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. SPELLMAN:

H.R. 3448. A bill to amend chapter 87 of title 5, United States Code, to increase the amounts of regular and optional group life insurance available to Federal employees and provide optional life insurance on family members and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. STAGGERS (by request):

H.R. 3449. A bill to authorize the Secretary of Commerce to conduct policy assessments, collect data, and work to improve the balance of payments with respect to international travel; to the Committee on Interstate and Foreign Commerce.

By Mr. STANTON (for himself, Mr. Wylie, Mr. McKinney, Mr. Hansen, Mr. Hyde, Mr. Kelly, Mr. Leach of Iowa, Mr. Evans of Delaware, Mr. Green, Mr. Paul, Mr. Bethune, Mr. Shumway, Mr. Campbell, Mr. Ritter, and Mr. Hinson):

H.R. 3450. A bill entitled "The Financial Regulation Simplification Act of 1979"; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WEAVER:

H.R. 3451. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the Illinois River in Oregon as a component of the National Wild and Scenic Rivers System; to the Committee on Interior and Insular Affairs.

By Mr. YOUNG of Alaska:

H.R. 3452. A bill to provide a minimum level for retirement salaries of certain Federal judges in territories and possessions; to the Committee on the Judiciary.

H.R. 3453. A bill to amend section 8335(e) of the United States Code; to the Committee on Post Office and Civil Service.

H.R. 3454. A bill to amend title 39 of the United States Code to provide reduced rates for certain mail matter sent by the United States Olympic Committee, its affiliated organizations, and the Lake Placid Olympic Committee; to the Committee on Post Office and Civil Service.

H.R. 3455. A bill to amend the Internal Revenue Code of 1954 to permit a deduction based upon the cost of living in certain States in determining adjusted gross income; to the Committee on Ways and Means.

H.R. 3456. A bill to amend the Internal Revenue Code of 1954 to exempt from tax a portion of the income of individuals not employed by the Federal Government who live in a State in which Federal employees receive an allowance based on living costs and conditions of environment; to the Committee on Ways and Means.

By Mr. DICKINSON:

H.J. Res. 290. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling attendance in schools other than the one nearest the residence to insure equal educational opportunities for all students wherever located to the Committee on the Judiciary.

By Mr. MOFFETT:

H.J. Res. 291. Joint resolution to include energy prices in the President's anti-inflation program; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ROE:

H.J. Res. 292. Joint resolution to designate April 24, 1979, as "National Day of Remembrance of Man's Inhumanity to Man"; to the Committee on Post Office and Civil Service.

By Mr. DERWINSKI (for himself, Mr. Philip M. Crane, Mr. McClory, and Mr. O'Brien):

H. Con. Res. 96. Concurrent resolution expressing the sense of the Congress with respect to the incorporation of Latvia, Lithuania, and Estonia into the Union of Soviet Socialist Republics; to the Committee on Foreign Affairs.

By Mr. EDWARDS of California:

H. Con. Res. 97. Concurrent resolution recognizing April as Fair Housing Month; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of Illinois:

H. Res. 204. Resolution to amend the Rules of the House of Representatives for the purpose of strengthening its oversight capabilities and its ethics investigative procedures, and of making the proceedings of its committees more open and accountable; to the Committee on Rules.

H. Res. 205. Resolution to amend rule XXVII of the Rules of the House of Representatives to require that no measure may be considered under a suspension of the rules unless certain conditions are met; to the Committee on Rules.

By Mr. FISH:

H. Res. 206. Resolution expressing the sense of the House of Representatives that the President should encourage the development of nonnuclear energy resources and should pursue the conservation of domestic energy in all sectors of use; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

By Mr. JACOBS:

H. Res. 207. Resolution to amend the Rules of the House of Representatives to require that measures affecting the salaries, freebies, or emoluments of Members or former Members of Congress be adopted by rollcall vote; to the Committee on Rules.

By Mr. JEFFORDS:

H. Res. 208. Resolution to amend rule XLVII of the Rules of the House of Representatives to prohibit a Member from accepting any honorarium (including paid or reimbursed expenses) in an amount greater than $500; to the Committee on Rules.

By Mr. STAGGERS:

H. Res. 209. Resolution to approve standby emergency temperature restrictions on certain buildings (DOE standby conservation plan No. 2); to the Committee on Interstate and Foreign Commerce.

H. Res. 210. Resolution to approve standby emergency advertising lighting restrictions (DOE standby conservation plan No. 3); to the Committee on Interstate and Foreign Commerce.

H. Res. 211. Resolution to approve standby emergency weekend sales restrictions on gasoline (DOE standby conservation plan No. 1); to the Committee on Interstate and Foreign Commerce.

H. Res. 212. Resolution to approve the standby gasoline rationing plan (DOE standby rationing plan No. 1); to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

112. By the SPEAKER: Memorial of the Legislature of the State of Idaho, relative to proposals for the transfer of the Forest Service from the Department of Agriculture; to the Committee on Agriculture.

113. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to extension of the Federal revenue sharing program; to the Committee on Government Operations.

114. Also, memorial of the Legislature of the State of Idaho, relative to development of a dam and hydroelectric generating facility at the Pleasant Valley-High Mountain Sheep site on the Snake River; to the Committee on Interior and Insular Affairs.

115. Also, memorial of the Senate of the State of Arizona, relative to AMTRAK funds and service; to the Committee on Interstate and Foreign Commerce.

116. Also, memorial of the Legislature of the State of North Dakota, relative to AMTRAK service and schedules; to the Committee on Interstate and Foreign Commerce.

117. Also, memorial of the Legislature of the State of California, relative to anchovies; to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. RAILSBACK:

H.R. 3457. A bill for the relief of John H. R. Berg; to the Committee on the Judiciary.

By Mr. RHODES:

H.R. 3458. A bill for the relief of the J. R. Norton Co.; to the Committee on the Judiciary.

By Mr. WALGREN:

H.R. 3459. A bill to waive the statute of limitations with regard to the claim of Eazor Express, Inc. of Pittsburgh, Pa., against the United States; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 9: Mr. Dougherty.

H.R. 33: Mr. Weiss, Mr. Bingham, and Mr. Stokes.

H.R. 136: Mr. Hutto, Mr. Smith of Iowa, Mr. Edwards of California, Mr. Miller of California, Mr. Addabbo, Mr. Walker, Mr. Stack, Mr. Marriott, and Mr. Goodling.

H.R. 154: Mr. Florio, Mr. Hyde, Mr. Corrada, Mr. Scheuer, Mr. Frenzel, Mr. Vento, Mr. Jacobs, Mr. Dickinson, Mr. Symms, Mr. Stangeland, and Mr. Whitley.

H.R. 165: Mr. Moakley, Mr. Boland, Mr. Clay, Mr. Traxler, Mr. Madigan, Mr. LaFalce, Mr. Weaver, Mr. Nolan, Mr. Conte, Mr. Richmond, Mr. Flippo, Mr. Lundine, Mr. Kildee, Mr. Ford of Tennessee, Ms. Mikulski, Mrs. Spellman, Mr. Whitley, Mr. Hughes, Mr. Addabbo, Mr. Mikva, Mr. Blanchard, Mr. Bonior of Michigan, Mr. Lederer, Mr. Coelho, Mr. Bedell, Mr. Downey, Ms. Oakar, Mr. Akaka, Mr. Fazio, Mr. Rosenthal, Mr. Ford of Michigan, Mr. Ottinger, Mr. Luken, Mr. Markey, Mr. St Germain, Mr. Vento, Mr. Moffett, Mr. Charles Wilson of Texas, Mr. Edgar, Mrs. Fenwick, Mr. Weiss, Mr. Solarz, Ms. Holtzman, Mr. Clinger, Mr. Flood, Mr. Rodino, Mr. Price, Mr. Roe, Mr. Davis of Michigan, Mr. Gilman, Mr. Harris, Mr. Dornan, Mr. Guarini, Mr. Gephardt, and Mr. Wolpe.

H.R. 201: Mr. McCloskey, Mr. Evans of Georgia, Mr. McDonald, and Mr. Symms.

H.R. 202: Mr. McCloskey, Mr. Daniel B. Crane, Mr. Evans of Georgia, Mr. McDonald, and Mr. Symms.

H.R. 277: Mr. Phillip Burton, Ms. Holtzman, Mr. Howard, and Mr. Price.

H.R. 571: Mr. Treen, and Mr. Hillis.

H.R. 662: Mr. Collins of Texas, and Mr. Robert W. Daniel.

H.R. 677: Mr. Collins of Texas.

H.R. 1140: Mr. McKinney.

H.R. 1290: Mr. Glickman, and Mr. Hamilton.

H.R. 1297: Mr. Bedell.

H.R. 1597: Mrs. Snowe, Mr. Hinson, Mr. Broomfield, and Mr. Kramer.

H.R. 1598: Mrs. Snowe, Mr. Hinson, Mr. Broomfield, and Mr. Kramer.

H.R. 1600: Mr. Gradison, Mr. Mitchell of New York, Mr. Montgomery, Mr. Archer, Mr. Roth, Mr. Campbell, Mr. Bedell, Mr. LaFalce, Mr. Grisham, Mr. Buchanan, Mr. Evans of the Virgin Islands, Mr. Clinger, Mr. Bafalis, Mr. Broyhill, Mr. Panetta, Mr. Nowak, Mr. Ichord, Mr. Martin, Mr. Kemp, Mr. Duncan of Tennessee, Mr. Rousselot, Mr. Erdahl, Mr. Evans of Georgia, Mr. Corcoran, Mr. Grassley, Mr. Symms, and Mr. Marriott.

H.R. 1658: Mr. Nichols, Mr. Edwards of Alabama, Mr. Bevill, and Mr. Flippo.

H.R. 1906: Mr. Dornan, and Mr. Trible.

H.R. 1964: Mr. Hagedorn.

H.R. 2152: Mr. Goodling, Mr. Corcoran, Ms. Mikulski, Mr. Kemp, Mrs. Collins of Illinois, Mr. Bonior of Michigan, Mr. Glickman, Mr. Buchanan, Mr. Phillip Burton, and Mr. Dornan.

H.R. 2212: Mrs. Bouquard, Mr. Cavanaugh, Mr. Evans of the Virgin Islands, Mr. Stark, Mr. Williams of Montana, and Mr. Wolpe.

H.R. 2254: Mr. Lott, Mr. Dornan, and Mr. Collins of Texas.

H.R. 2291: Mr. Corcoran, Mr. Biaggi, Mr. Mottl, Mr. Pritchard, Mr. Forsythe, Mr. Addabbo, Mr. Lederer, Mr. Perkins, Mr. McDade, Mrs. Snowe, Mr. Richmond, Mr. LaFalce, Mr. Lungren, Mr. Stratton, Mr. Akaka, Mr. Clinger, Mr. Pashayan, Mr. Thomas, and Mr. Scheuer,

H.R. 2447: Mr. Fowler, Mr. Matsui, Mr. Panetta, Mr. Seiberling, Mr. Walgren, Mr. Weiss, and Mr. Young of Alaska.

H.R. 3100: Mr. D'Amours, Mr. Van Deerlin, Mr. Ertel, Mr. Blanchard, and Mr. Goodling.

H.R. 3159: Mr. Brown of Ohio, Mr. Lee, Mr. Stockman, Mr. Collins of Texas, Mr. Kemp, Mr. Corcoran, Mr. Devine, Mr. Moorhead of California, Mr. Lungren, Mr. Hyde, Mr. Lagomarsino, Mr. Lott, Mr. Kelly, Mr. Rousselot, Mr. Campbell, Mr. Moore, Mr. Livingston, Mr. Madigan, Mr. Gingrich, Mrs. Holt, Mr. Marriott, Mr. Walker, Mr. Treen, Mr. Daniel B. Crane, Mr. Archer, Mr. Lewis, Mr. Lent, Mr. Wampler, Mr. Forsythe, Mr. Young of Alaska, Mr. Symms, Mr. Quayle, Mr. Whitehurst, Mr. Sebelius, Mr. Robinson, Mr. Dannemeyer, Mr. Hance, Mr. Frenzel, Mr. Cheney, and Mr. Paul.

H.R. 3335: Mr. Hughes.

H.R. 3370: Mr. Nedzi, and Mr. Blanchard.

H.J. Res. 196: Mr. Grassley.

H.J. Res. 265: Mr. Mineta, Mr. Levitas, Mr. Murphy of New York, Mr. Cleveland, Mr. Solomon, Mr. Downey, Mr. Simon, and Mr. Zeferetti.

H. Con. Res. 7: Mr. McCloskey, Mr. Evans of Georgia, Mr. McDonald, Mr. Symms, and Mr. Daniel B. Crane.

H. Con. Res. 54: Mr. Barnes.

H. Con. Res. 85: Mr. Bauman, Mr. Cleveland, Mr. Derwinski, Mr. Ratchford, Mr. Harkin, Mr. Fish, Mr. Yates, Mr. Murphy of Illinois, Mr. Stark, and Mr. Fazio.

H. Res. 57: Mr. McCloskey, Mr. Dannemeyer, Mr. Evans of Georgia, Mr. McDonald, and Mr. Symms.

H. Res. 105: Mrs. Smith of Nebraska.

H. Res. 181: Mr. Livingston, Mr. Broyhill, Mr. Stump, Mr. Hefner, Mr. Davis of Michigan, Mr. Whitehurst, Mr. D'Amours, Mr. Patten, Mr. Maguire, Mr. Zeferetti, Mr. Cheney, and Mr. Cleveland.

H. Res. 190: Mr. Cavanaugh, Mr. Hinson, Mr. Pease, Mr. Nolan, Mrs. Byron, Mr. Mitchell of Maryland, Mr. Barnes, Mr. Williams of Montana, Mr. Shelby, Mr. Lott, Mr. Andrews of North Dakota, Mr. Yatron, Mr. Weaver, Mr. Kindness, Mr. Young of Florida, Mr. Kildee, Mr. Buchanan, Mr. Weiss, Mr. Rahall, Mr. Bonker, Mrs. Bouquard, Mr. Long of Maryland, Mr. Edwards of Oklahoma, Mr. Coelho, Mr. English, Mr. Goodling, Mr. Beard of Tennessee, and Mr. Frost.

PETITIONS, ETC.

Under clause 1 of rule XXII,

96. The SPEAKER presented a petition of the City Council, Salem, Mass., relative to approval of the final environmental impact statement on the proposed highway connection from route 128 at Lowell Street to Interstate 95 in Peabody, Mass.; to the Committee on Public Works and Transportation.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3324

By Mr. BONER of Tennessee:

—Page 46, after line 9, insert the following:

REDUCTION IN AUTHORIZATIONS

Sec. 602. (a) Notwithstanding any other provision of this Act, the amount appropriated under any provision of this Act—

(1) for the fiscal year 1980 may not exceed the amount specifically authorized to be appropriated for the fiscal year 1980 by such provision less eight percent of that amount; and

(2) for the fiscal year 1981 may not exceed the amount specifically authorized to be appropriated for the fiscal year 1980 by such provision less ten percent of that amount;

except that, in applying this section with respect to appropriations to carry out chapter 4 (economic support fund) of part II of the Foreign Assistance Act of 1961, the amounts specified in section 532(b)(1) of that Act for Israel and Egypt shall be excluded in determining the aggregate amounts which may be appropriated.

(b) Not to exceed $96,600,000 for fiscal year 1980 and $117,000,000 for the fiscal year 1981 may be appropriated under section 121(c) of the Foreign Assistance Act of 1961.

By Mr. RITTER:

—On page 24, immediately after line 25, insert the following new section:

MIDDLE EAST PEACE DEVELOPMENT FUND

Sec. 306. It is the sense of the Congress that the President take all appropriate steps to negotiate with other industrial nations an agreement for the creation of a Peace Development Fund whose purpose would be to underwrite the costs of implementing a Middle East peace.

EXTENSIONS OF REMARKS

NONPROFIT STATUS FOR U.S. OLYMPICS

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, today I am introducing legislation which would entitle the U.S. Olympic Committee, its national governing bodies, its affiliated multisport organizations, and the Lake Placid Olympic Committee in the category of nonprofit organization to the special postal rate. This inclusion consists of less than 50 organizations, some of which operate under the special rate. The cost of this special rate to the Postal Service would be no more than $500,000 per year. I recognize that a few of the organizations entitled to the special rate under this bill have interests in areas unrelated to Olympic sports. In these cases, such organizations may use the special rate where their mail pertains to amateur sports.

I would like to add that educational organizations already enjoy a special postal rate. I believe that extending this privilege to organizations which perform a different type of educational function, training, and assisting amateur athletics, is in order.

We demonstrated our support of athletics in the United States by the enactment of the Amateur Sports Act in the 95th Congress. To further demonstrate our support for national and international sports organizations, this measure would enhance our olympic team by freeing funds which could be used to assist the training of such athletes.

Specifically, the special rate would charge 2.7 cents per piece of mail sent third class as compared to 8.4 cents per piece of mail sent regular third class. In addition, books and catalogs would be charged 14 cents per pound under the special rate as compared to 36 cents per pound under the regular rate. Finally, bulk third class would be charged 17 cents per pound as compared to the regular rate of 41 cents. It is obvious from comparing the different rates that the savings would significantly benefit our sports organizations.

As you know, the Internal Revenue Service recently considered amateur sport organizations as tax exempt organizations. While I realize that the U.S. Postal Service is not obligated to abide by the IRS rulings, generally, the special postage rate is given to nonprofit, tax exempt organizations. It is paradoxical to allow tax deductions for donations to Olympic organizations if we immediately negate the advantage by requiring that the respective organizations pay full postage costs which are not required by similar organizations.

Mr. Speaker, recognizing the needs of our Olympic teams, I urge my colleagues to support this bill.●

THE POWER OF CONGRESS TO INCUR DEBT

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. GRADISON. Mr. Speaker, with good reason the American people are telling us that they are not satisfied with the way the Federal Government is handling their money. Clearly, when a majority of the States have passed resolutions calling for a constitutional amendment restricting the discretion of the Federal Government to borrow money, the time has come for Congress to respond.

Many Members have responded with drafts of constitutional amendments calling for balanced budgets, repayment of the national debt, and restrictions on spending as well as statutory proposals with the same goal. I have joined with my colleagues on various proposals both constitutional and statutory. Hearings and debates have brought into focus what I believe is the crux of the issue: The power of Congress to incur debt.

The discussion to date has also highlighted the extreme difficulty in drafting an amendment that is well-defined, that preserves the spirit of the Constitution, and that cannot be circumvented. With these goals in mind I have introduced the following amendment to the Constitution of the United States:

Article —

SECTION 1. The Government of the United States shall not incur direct or indirect debt without an affirmative vote of two-thirds of both Houses of Congress.

SEC. 2. The Congress shall have the power to enforce this article by appropriate legislation.

Some have argued that requiring a two-thirds vote would provide excessive power to the minority in Congress. Yet the Founding Fathers recognized certain decisions were of such consequence that they merited a broader consensus than a simple majority. The Constitution requires a two-thirds vote to override a Presidential veto, propose a constitutional amendment to the States for ratification, ratify a treaty in the Senate, or expel a Member. To require a two-thirds vote on the incurrence of debt similarly acknowledges that borrowing is a serious matter, an action not to be taken lightly, and every bit as important as other matters which require more than a majority vote. In my judgment the proposed amendment provides needed flexibility, recognizing that debt increases may be needed under some circumstances—but requires that broad support exist before the borrowing option is exercised.

I welcome comments on this amendment and cosponsorship by those who support it.●

SEAFORD HIGH SCHOOL BAND TO REPRESENT THE UNITED STATES AT INTERNATIONAL YOUTH MUSIC FESTIVAL

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. LENT. Mr. Speaker, I wish to call to the attention of my colleagues a signal honor that has been bestowed upon the Seaford High School Band, from Seaford, N.Y., in my Fourth Congressional District.

The Government of Belgium has invited the band to represent the United States at the 27th annual International Youth Festival of Music to be held the last week in April in Neer Pelt, Belgium.

Mr. Speaker, this is the first time in the 27 year history of this international event that an American high school band has been invited to participate in this music festival. All of us in the Fourth Congressional District are very proud that the Seaford band has been selected for this high honor. We salute the some 80 members of the band, and the Band Director Joseph Manos for this significant achievement.

The selection of the Seaford High School Band as the first to represent the United States at this noted music festival is a well-deserved tribute to the outstanding musical ability and the dedicated work of the band members and their director. I know their performances at the music festival will bring international recognition of the fine musical talent to be found among our Nation's young people.

Mr. Speaker, I believe we all are aware that in recent years we have seen an unfortunate tendency to overemphasize the negative aspects involving the youth of our Nation. We hear a great deal of the problems of the younger generation, but very little about the many accomplishments of that generation. We tend to overlook the fact—and it is a fact—that the overwhelming majority of our young people contribute in a very positive way to their communities and to their country.

In the hope of providing some counterbalance to the negative impressions about our young people, I am taking this opportunity to inform my colleagues of the achievement of the Seaford High School Band. I know that all of you will join me in wishing them the greatest possible success as the representative of the United States at the 27th International Youth Music Festival in Belgium.●

THE NORTH-SOUTH DIALOG: A FALSE DIVISION

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. BONKER. Mr. Speaker, I recently had the privilege of introducing Senator CHURCH at conference in Seattle on the New International Economic Order: I found his comments thoughtful and enlightening, and thought they should be shared with my colleagues:

THE NORTH-SOUTH DIALOG: A FALSE DIVISION

(By Senator FRANK CHURCH)

It is a pleasure to be here in Seattle to discuss with you the state of our relations with developing countries and their importance to a strong and stable American economy. Indeed, it is fitting for this conference to be held in the State of Washington, which has for so many years been ably represented by Senator Magnuson and Senator Jackson. In my 23 years in the Senate, no other two Senators have had more to do with the enactment of major legislation.

In May of 1974, at the Sixth Special Session of the United Nations General Assembly, developing countries of the so-called Third World, as a result of their dissatisfaction with the current economic system, demanded the establishment of a new International Economic Order. Their demand was undoubtedly connected with their observance of how the OPEC oil cartel had gained the upper hand over the great industrialized nations of the West.

The New International Economic Order was to be fashioned through a North-South Dialog, during which the underdeveloped Third World countries demanded sweeping changes in trade, aid, and investment policies, with particular focus on Western Europe, North America and Japan.

In some ways, this North-South Dialog has a tone of a false dichotomy. It presents the image of a Southern Hemisphere made up of impoverished lands, victimized by the rich, advanced nations of the North. Once before, a few short years ago, we took an equally simplistic view of a world split between the East and the West. In the depths of the Cold War, our political maps were often drawn in two colors—one portion solid red, denoting the communist world, and the other solid blue, denoting the free world.

In retrospect, no such world—perceived as consisting of two monolithic blocks—ever really existed. Yet, we were blind to the fractures behind the Iron Curtain, until the cracks opened into fissures, and communist governments turned upon one another with smouldering acrimony, seething hostility, and, finally, open war—the conflagration we have recently witnessed in South-East Asia.

By the same token, our touted "free world" was never composed, in the main, of free countries, but of despotisms and dictatorships of many different kinds, among which were sprinkled a smattering of truly free lands, few and far between.

We are in danger of making a similar mistake with the North-South concept. All of the richest countries are not located in the North. Indeed, the richest of all, as measured by per capita income, are today located in the Middle East. Nor are all countries in the North developed and prosperous. Several of our European allies—Spain, Portugal, Turkey, and Greece, for example, are plagued with widespread poverty and insufficient development.

It is equally true that all of the South is not poor—some southern countries are rich and well developed—the Union of South Africa comes readily to mind. Others, like Brazil, Mexico, Taiwan, and South Korea, to name but a few, are, in some circles, no longer considered developing countries at all, but rather as "newly industrialized."

With such variety, the interests of the Third World countries are anything but monolithic. For some, the decisions that we make with regard to tariffs and other trade issues are far more important than our foreign aid. This is not to say that rich nations should not continue to provide financial assistance to the poorest of the developing countries. Aid to improve health care and nutrition for the most impoverished should continue.

But of more enduring importance to many of the developing countries is trade. In 1977, for example, these countries earned more foreign exchange from just one month's exports, than they received from official development assistance from all major donors for the entire year.

* * * * *

In addition to being an important market for our agricultural products, developing countries also purchase sizeable quantities of U.S. manufactures—actually more than Western Europe, Japan, and all the Communist countries combined.

Nor is this trading relationship a one-way street. The U.S. imported $67 billion worth of products from developing countries in 1977, constituting 45 percent of all U.S. imports, although 22 percent of these imports we were forced to buy at prohibitive prices, as the result of our growing dependence on OPEC oil.

Unlike OPEC, there are hopeful spots of cooperation developing between North and South. For instance, Southern nations who are major exporters of tin, have joined together with Northern consuming nations and attempted to fashion an agreement intended to cushion extreme fluctuation in the world market price for tin.

The United States is the world's largest consumer of tin, importing almost all we consume. We joined the Fifth International Tin Agreement in 1976 in the belief that it would benefit us by providing a measure of price and supply stabilization in an otherwise volatile market. Unfortunately, the International Tin Agreement (ITA) has not performed well. It has failed to moderate skyrocketing prices.

Last year, I attempted to bolster the flagging International Tin Agreement. I introduced an amendment which would have authorized the President to contribute 5000 tons of surplus tin from our national defense stockpile to the tin buffer stock of the ITA. An additional 30,000 tons of surplus tin would also have been disposed of by the General Services Administrator. The U.S. contribution owing the ITA would have been sold by the International Tin Council. This sale, together with the sale of 30,000 additional tons by our own government, would have brought the price of tin below the target ceiling set in the ITA, and substantially reduced the inflationary impact of high tin prices Here was a case where the U.S. Government—often accused of being a major source of inflation—could have acted to moderate prices.

Unfortunately, the amendment failed to clear both houses of Congress before adjournment last year. But, I remain dissatisfied with the peformance of the International Tin Agreement. I will urge that it be restructured when the current agreement expires in 1981, so that it can better cope with market extremes.

The farmers and businessmen of the Northwest share in common with the developing countries the hardship imposed by wild gyrations in the prices of basic commodities. Take sugar, for example. The extreme fluctuation in sugar prices is as harmful to sugar beet farmers in my state of Idaho as to growers in Jamaica. Prices which whipsaw from 7 cents to 70 cents a pound are as injurious to the health of our national economy as they are disastrous to the sugar beet farmer attempting to make a living. To remedy this, the U.S. Government joined with many others from both North and South—developed and developing countries, consumers and producers—in which over 70 nations participated. The goal of this Agreement is to stabilize the price of sugar on international markets via a series of quotas and national buffer stocks within a free trade range of 15 to 19 cents per pound.

Unfortunately, to date, the success rate of international commodity agreements has not been reassuring. Because of this poor track record, I held the International Sugar Agreement captive last year in the Senate Foreign Relations Committee. I felt we must first enact an adequate domestic "insurance" program for our own farmers. Now, I am reasonably confident that the Congress will pass, and the President sign, legislation to insure the survival of our domestic sugar industry. As soon as this occurs, I will move forward expeditiously to secure Senate ratification of the International Sugar Agreement.

Only the test of time will demonstrate whether the I.S.A. is a well crafted commodity agreement to which all signatory nations will adhere. Only the test of time will show whether this agreement can successfully withhold stocks in reserve during times of surplus, in order to guarantee a fair return to producers, and supply additional sugar in a time of shortage to moderate excessive price increases to consumers.

Some form of international commodity agreement is now called for to raise the price of wheat above today's distress levels. The wheat growers of Washington, Oregon, and Idaho, along with the wheat growers of Canada, Australia, and Argentina share a common problem—they face wheat prices approaching record lows in terms of their real purchasing power.

The Administration has recently sent to the Senate Protocols for the Fourth Extension of the 1971 International Wheat Agreement—a purely consultative arrangement. These protocols are now before the Senate Foreign Relations Committee. I intend to use this opportunity to review various proposals for cooperative arrangements among major wheat producers—proposals which would seek to raise the price of wheat to at least $4 a bushel at the farm gate.

On April 13, I will lead a delegation of the Senate Foreign Relations Committee and leaders of American business and agriculture to the People's Republic of China. The Pacific Northwest will be ably represented on the trade delegation by: Messrs. William H. McMurren, President of Morrison-Knutsen Co.; Robert K. Pedersen, Chairman of the Board, Ore-Ida Foods; Juan del Valle, Executive Vice President of Boise Cascade Corporation; Arthur A. Oppenheimer, Chairman of the Board of Oppenheimer Cos.; De Von R. Woodland, President of the National Farmers Organization; and George F. Brocke, President of G. F. Brocke and Sons. The purpose of the trip will be to explore new and expanding trade positions with China.

Future commerce with China will be of particular importance to the Pacific Northwest. Seattle will undoubtedly be a major transshipment point for American goods destined from this new Far Eastern market. However, we must remember that aside from all the technical trade difficulties which are yet to be resolved—the extension of U.S. Export-Import Bank trade credits to the PRC, and whether to grant Most Favored Nation Status—the PRC remains a developing country with all the limitations that entails. For American business, this market will be a totally new venture with all the uncertainty which usually surrounds entry into unchartered waters. Similarly, for the PRC, after almost 30 years of isolation from western markets and business practices, initial commercial transactions are likely to be undertaken cautiously.

Last year the U.S.-PRC trade flow totaled slightly more than $1 billion. Estimates suggest that U.S. exports to China may grow to $13 billion by 1985. With over 1 billion people to feed, agricultural exports should be high on China's shopping list. The United States, and in particular, the Pacific Northwest, with its high quality grain, will I am sure, become an important supplier of these needs. Last year, in order to facilitate agricultural exports to China, Congress passed legislation which would permit the extension of three year agricultural credits from the Commodity Credit Corporation to the Peking Government, the credit worthiness of which, incidentally, is excellent.

In addition to providing agricultural exports to the PRC, the United States can perform a vital service to both countries by sharing its technical expertise and capital equipment to further oil and gas discovery and production. Current estimates place PRC oil reserves at approximately three times those of current U.S. reserves. Successful exploration of these oil reserves can provide the Chinese economy with energy supplies necessary for industrialization, as well as mixed foreign exchange through sales on the international energy market. Either way, additional energy supplies will help to moderate the ever tightening world oil supply.

Nowhere is it more apparent than in the case of oil that the division of the world into North and South does not apply. Impoverished oil importing countries of the Third World share with us the urgent necessity to curtail oil imports. For these costly imports undermine a poor country's development potential by divesting sorely needed resources to pay for foreign fuel.

The potential for oil and gas production exists in the developing world. A recent study by the World Bank indicated that some 50–60 developing countries—currently oil importers—could produce oil and/or gas domestically. Currently, only 14 developing countries are doing so. One of our closest neighbors, Mexico, is estimated to have proven and probable oil and gas reserves of almost 50 billion barrels.

We in the North must encourage and assist developing country efforts to bring as yet untapped domestic oil and gas supplies "on stream."

But it isn't enough that the U.S. assist developing countries in adding additional oil and gas supplies to the world market. The North—the developed world, must reduce its escalating dependence on imported oil from the Middle East. In addition, the United States must take action domestically to lessen its increasing dependence on imported oil—currently estimated at 47 percent of our total oil demand. This can be most rapidly accomplished by cutting through the knot which has created a glut of oil on our West Coast, while serious shortages threaten soon to develop elsewhere in the country. Presently, 800,000 barrels of oil are "shut in" in Alaska and 300,000 in Elk Hills, California, simply because pipelines have not been constructed to market these supplies.

We must also seek to convert, where feasible, to alternate fuels. Recent estimates by the Department of Energy indicate that the conversion of energy supplies of public utilities from oil to natural gas would reduce our oil demand by 400,000 barrels a day.

Likewise, by using a mixture of gas and alcohol to fuel American automobiles, U.S. oil imports could be reduced by fully one-fifth. I introduced legislation during the last Congress to require that all service stations sell gasohol—a 90%/10% gasoline/alcohol blend. The use of gasohol would require no alterations in current automobiles. The technology to produce it is well known. Alcohol is readily produced from woodwastes or surplus agricultural products—all renewable resources. Over 500 stations in the Midwest are now selling gasohol. I have once again introduced this legislation and will work actively for its passage.

United States officials must break through the morass which, until now, has impeded the full use of Alaskan oil, and has seen progress on conversion of generating plants from oil to alternate energy sources proceed at a snail's pace. Failure to do so will mean that U.S. prestige and influence in the world economy will continue to decline as larger trade deficits further weaken our domestic economy and drive down still further the already diminished value of the dollar. Our ability to bridge the gap between North and South—to exert strength and positive influence in the world—depends on a prosperous and healthy American economy.

There truly can be a New International Economic Order—but it should be an order which is not imposed by one group upon another—instead, it should be an order which encourages the growth of world commerce to the benefit of all. Only this kind of New Economic Order, of benefits to both developing and developed nations, constitutes a worthy goal.●

DEV O'NEILL WAS A GOOD FRIEND

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. WON PAT. Mr. Speaker, I am greatly grieved today to hear of the recent death of an old friend and the former photographer of the U.S. Congress, Dev O'Neill.

I am proud to number myself among those who called Dev a friend. And in the great tradition of friendship, Dev never let his friends down. On too many occasions to remember, Dev was always present to take that all important photograph. His keen sense of humor and deep-seated knowledge of Congress and the unique needs of Dev's own constituents—the Members of the House and Senate, assured us that he would do a perfect job every time.

During his years in charge of photography in the House, Dev O'Neill shot thousands of memorable pictures that will forever record the important times he lived and worked in. My own wall, as does the wall of many of our colleagues, are adorned with examples of Dev's fine handiwork.

Dev's passing is truly a loss to his many friends. When he retired a few years ago, we all hoped he would enjoy a long rest which he so richly deserved. He has left many friends here on Capitol Hill and he has left a rich legacy of photographs that future generations will value for their professionalism and for their historical value.

It was typical of Dev to make certain that we would not be left without the best of talent to replace his skills and we can forever be grateful that one of Dev's most able assistants, Keith Jewell, today runs the operations of the House Democratic Photographers with the highest level of skills that Dev himself would appreciate.

To Dev's family and friends, I extend my deepest regrets at his untimely passing. May he rest in peace in the knowledge that he will long live in the memory of those he left behind. Thank you.●

GENERAL REVENUE SHARING

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. WYDLER. Mr. Speaker, I am today adding the names of 19 additional Members of Congress to H.R. 2291, to extend for 4 fiscal years the authorization of appropriations for the State and Local Fiscal Assistance Act of 1972, generally referred to as general revenue sharing. This brings the total number of cosponsors to 41.

More and more Members of the House are realizing the importance of continuing the program as it is a vital part of their district's revenue. There is no formula change; no gimmicks; and no increase in spending. Rather, the bill simply makes a 4-year extension of the existing program.

No one can deny the importance of the program to the States. The discontinuance of it would be disastrous—a fact which we must all consider in evaluating the program's worth.

The cosponsors of this bill are:

Cosponsors of H.R. 2291—General Revenue Sharing, April 4, 1979

Hon. Joseph Addabbo of New York.
Hon. Dan Akaka of Hawaii.
Hon. Mario Biaggi of New York.
Hon. Clarence Brown of Ohio.
Hon. John Buchanan of Alabama.
Hon. James Cleveland of New Hampshire.
Hon. William Clinger of Pennsylvania.
Hon. Barber Conable of New York.
Hon. Tom Corcoran of Illinois.
Hon. Charles Dougherty of Pennsylvania.
Hon. Arlen Erdahl of Minnesota.
Hon. Edwin Forsythe of New Jersey.
Hon. William Green of New York.
Hon. Frank Horton of New York.
Hon. John LaFalce of New York.
Hon. Robert Lagomarsino of California.
Hon. Raymond Lederer of Pennsylvania.
Hon. Gary Lee of New York.
Hon. Norman Lent of New York.
Hon. Dan Lungren of California.
Hon. Joseph McDade of Pennsylvania.
Hon. Robert McEwen of New York.
Hon. Parren Mitchell of Maryland.
Hon. Ron Mottl of Ohio.
Hon. Austin Murphy of Pennsylvania.
Hon. Charles Pashayan of California.
Hon. Ed Patten of New Jersey.
Hon. Carl Perkins of Kentucky.
Hon. Joel Pritchard of Washington.
Hon. Nick Joe Rahall of West Virginia.
Hon. Charles Rangel of New York.
Hon. Fred Richmond of New York.
Hon. Robert Roe of New Jersey.
Hon. James Scheuer of New York.
Hon. Olympia Snowe of Maine.
Hon. Sam Stratton of New York.
Hon. William Thomas of California.
Hon. Ted Weiss of New York.
Hon. G. Wm. Whitehurst of Virginia.
Hon. Larry Winn of Kansas.
Hon. Leo Zeferetti of New York.

LACK OF MINORITY MANAGERIAL OPPORTUNITIES IN PROFESSIONAL SPORTS

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. DIXON. Mr. Speaker, since 1947, when the late Jackie Robinson broke the color barrier in professional baseball, blacks have made an incalculable contribution to professional athletics in the United States. One need only review the box scores of the morning's sports page to be reminded of the thrills, achievements, and excitement generated by numerous gifted black athletes.

I find it disturbing, however, that professional sports opportunities for minorities seem to end with the athlete's retirement from active competition. The dearth of blacks in front office, managerial, and coaching positions is highly disproportionate to their numbers, and their talents, on the playing field. It is astounding, for example, that baseball owners, who are known for changing managers as often as they change their shirts, have hired only two blacks to serve as their field generals. Professional football has yet to hire its first black head coach. Even in professional basketball, where a majority of its players, and virtually all of its "stars" are black, only 3 out of its 22 coaches are black. This "double standard" casts serious doubts upon the popular conception of professional sports as an avenue of advancement and upward mobility for minority youth.

Recently, the Los Angeles Times published an interview between Will Grimsley of the Associated Press and Frank Robinson, now a coach with the Baltimore Orioles. Mr. Robinson, a star outfielder with five major league teams and the only man to win the Most Valuable Player award in both leagues, was also the major's first black manager. More significant, he is a proud, articulate and outspoken black athlete, with numerous astute observations on the problem I have described. A copy of the article follows:

Frank Robinson: Doors Closed

(By Will Grimsley)

Miami.—"The black ballplayer might as well face it," said a disillusioned Frank

Robinson. "When he gets through doing his thing on the field, he better look elsewhere—there is no other place for him in baseball.

"It's sad, but it's true."

The words are an echo out of the past, from the lips of another man named Robinson—the late Jackie Robinson (no kin). A couple of decades ago, Jackie was rattling the game's foundations with the same explosive rhetoric.

It didn't change things then. It isn't changing them now.

Although most of the country's old racial barriers, in society as well as sports, have been erased—largely due to Branch Rickey's bold move of signing Jackie Robinson to a Brooklyn contract in 1947—one bastion remains unsullied.

That, argues Frank Robinson, is that the black man was created to toil—whether it be on the river levees or on the athletic field—and never to direct or lead.

"Why don't we have black managers and black general managers in baseball?" he asked rhetorically. "Why aren't more retired black stars in radio and TV? Why aren't there more black quarterbacks in pro football?

"I'll tell you. It's a throwback to the slave days. There is a misconception that blacks don't have the intelligence to be leaders. They have muscles, and speed and natural skills. When these skills wear out, they have nothing else to offer.

"So people think. That is what discourages me."

Robinson, still a lean, sleek athlete at age 43, was a standout player for the Cincinnati Reds for 10 years before joining the Baltimore Orioles where he played on four World Series teams.

He is a certainty for the Hall of Fame. He was named to the all-star team 11 times. He is the only player to win the Most Valuable Player award in both leagues.

He became the first black man to manage in the majors. Late in 1974, he was traded by Baltimore to the Cleveland Indians and named to manage the team, starting in 1975. He held the post until June 18, 1977 when he was released. He had a fling last year at managing Rochester in the triple-A International League but was not rehired after a losing season. He rejoined the Orioles as a coach.

"I don't intend to be a coach the rest of my life," he said. "If nothing comes my way, I must look somewhere else."

"Robby got a bad deal at both Cleveland and Rochester," an Oriole spokesman said. "He did a good job at both places with lousy material. I think the trouble was a clash of personalities."

Robinson indicates the motives ran deeper. They probably, he hints, had to do with the color of his skin.

"There are so many outstanding black guys in baseball who would make good managers," he insisted. "Maury Wills, Bill White, Larry Doby . . . I don't like to name anybody because I'd leave some worthy person out. But the talent is out there. It ought to be tapped."

For years, baseball men plugged the Dodgers' late Jim (Junior) Gilliam as prime managerial material. People wondered why Hank Aaron, Ernie Banks and Willie Mays got more than token front office posts.

Aaron, the home run king, never gave a hint that he had dugout aspirations. Hall of Famer Ernie Banks was regarded as too much of a "rah rah guy." Mays said, "I couldn't stand to manage—I'd be itching to play."

Frank Robinson is an exception. As a player, he was an inspirational leader, called "The Judge" by his teammates. Like Jackie Robinson, he is gutsy, strong-willed respected, not afraid to be disliked.

He is managerial stuff. And he has a legitimate gripe.●

CORPORATE FARMING

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. FINDLEY. Mr. Speaker, the voices which warn of the growth of corporate farming in the United States seem to be increasingly numerous and strident. The facts are to the contrary, at least in the heartland of American agriculture. This theme is well treated in a commentary by the editor of the State Journal Register of Springfield, Ill. Editor Ed Armstrong's commentary follows:

CORPORATE FARMING NOT THREAT YET

(By Ed Armstrong)

A great amount of concern has been expressed recently by parties ranging from the American Agriculture Movement to the U.S. secretary of agriculture about the demise of the family farm.

There have been warnings that a few corporations may get control of food production in this country with the result that the consumer will be at their mercy in regard to food prices.

Agriculture Secretary Bob Bergland told National Farmers Union members a couple of weeks ago: "I, for one, do not want to see an America where a handful of giant operators own, manage and control the entire food production system. Yet that is where we are headed."

It may be the direction in which we are headed, but we are still a long way from there.

The American Farm Bureau Federation is much less concerned about the trend, perhaps because it is dominated by the larger, more successful farmers. But it cites some figures from the U.S. Census Bureau to back up its claim that corporate farming is not yet, at least, much of a threat to the family farm concept.

According to the Farm Bureau, corporate farming accounts for 11 percent of the land being farmed and 18 percent of the value of agricultural products sold.

That looks like a sizeable hunk, but there's a ringer in the term "corporate farm." The Farm Bureau says 79 percent of all corporate farms are family owned and operated. In many instances family farms have found it to their advantage to incorporate, primarily because of tax laws.

The farm organization claims that agricultural corporations with more than 10 shareholders produce only 5.3 percent of total U.S. farm sales, and only 3 percent of all corporate firms are operated by conglomerates.

Corporate farming is not presently a big thing in much of the Midwest. It is concentrated in the cattle feeding ares of the West and Southwest and in the big fruit and vegetable producing states such as California, Florida and Hawaii.

Is it coming our way? I don't see much evidence of it.

Other trends that Bergland cited are, however, more apparent. He said tax laws encourage high-income non-farmers to pay more for land than its productive worth because of benefits of investment credits, capital gains taxes, accelerated depreciation and other tax devices. That, he said, encourages the trend toward fewer and fewer farms.

Undoubtedly there's some truth to that analysis, but it appears to me that in Illinois it is the big farmers, perhaps stimulated by the same tax laws, who are bidding up the price of land beyond its productive worth.

Other forces also share responsibility for encouraging larger farm units. Mechanization and specialization are the principal ones. Equipment is bigger, so one operator can handle more acres, and because the equipment is more expensive, the operator has to have more acres to pay for it. Many farmers raise grain only—little or no livestick—and that takes more acres too. Some livestock people have massive operations, so they have a big investment on fewer acres.

Land ownership in Illinois is not concentrated in a few hands. A look at a plat book—a book of maps showing land ownership—proves that. I counted approximately 150 different owners of land in one typical township of 36 square miles in Central Illinois. That figures out to an average of less than 200 acres per owner.

It doesn't mean the average farm size is less than 200 acres. Many of those plots are rented to farm operators who till several hundred acres. Many plots are owned by absentee landlords—often heirs of persons who worked the land in earlier years—and are now managed by banks.

It is understandable that those who revere the small family farm as a way of life are unhappy with trends toward bigness, but bigness is a trend throughout our economy.

Still, I see no evidence that corporate farming is really very near in central Illinois.●

A FRIEND IN NEED

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. RINALDO. Mr. Speaker, my attention has been drawn to a report in a U.S. Marine Corps newspaper about an award made by the Armed Forces Benefit and Aid Association to a recruit who gave his time and efforts to help friends in need.

The award went to L. Cpl. Russell K. Harmon, whose home is in the 12th Congressional District of New Jersey.

The report details unstinting service given to others and reflects creditably on Lance Corporal Harmon and on the Marine Corps.

I have extended my congratulations and personal commendation to L. Cpl. Harmon and am pleased to submit the report from the San Diego Marine Corps Recruit Depot paper Chevron, for the attention of my colleagues:

A FRIEND IN NEED

Lance Corporal Harmon, a unit diary clerk, was recently recognized by the Armed Forces Benefit and Aid Association for "notable and outstanding achievement" in the aid of a local service family during a period of extreme hardship.

His award reads in part: "upon discovering friends EN2 (engine man second class) Steven Snell, United States Navy, and his wife Candace had both suffered broken kneecaps, LCpl. Harmon volunteered to assist them during their immobility. During this period, LCpl. Harmon has done all the driving for the Snell family, including shopping and daily trips to and from the Naval Hospital where Steven is assigned temporarily. Housecleaning, laundry and assisting with the Snell's five-year-old daughter were also involved."

The 21-year Marine was introduced to the Snells while participating in a bowling league.

The Newark-born, Roselle, New Jersey-raised Marine plans to attend college at Montclair State in New Jersey when he leaves the Corps. He said that he would like to study industrial security after which he would like to launch a civil service career.

Marines are noted for their loyalty and devotion, and LCpl. Harmon has upheld that reputation through his unwavering devotion and loyalty to his duty and his friends.●

TAX RELIEF

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, today I am introducing legislation that proposes a solution to an historical inequity within our Tax Code. As you know, people in the United States are taxed at a standardized progressive rate. Unfortunately, this creates a very real problem for taxpayers who live in States with above average living costs for they are taxed at an equal rate to people residing in States with below average living costs.

The two bills that I propose today would rectify this inequity. My first bill is designed to allow a tax deduction based on the cost of living in certain areas. The second measure would allow non-Federal employees, working in States where Federal employees receive an income exclusion level on the cost of living, to be eligible for the same exclusion.

Throughout the history of our Nation, the Tax Code has addressed and attempted to correct inequities within the tax system. I believe that our forefathers in 1787 demonstrated the need to maintain flexibility, sensitivity, and the necessity of having laws that generally apply to every American. At the same time, our forefathers showed us the importance of recognizing unique and uncommon situations. It only follows that in the situation described above, the law should be amended to account for the special needs of areas with high costs of living.

Our tax brackets are progressive so that the higher one's income, the higher the rate of taxation. The progressiveness of this system has gone relatively unchallenged, however, the assumption that needs to be questioned is the notion that one's income has the same buying power in all parts of the country and should, therefore, be taxed at the same rate. The economy of certain areas result in cost and price structures that are unique to the respective areas. The tax code unfortunately does not take this into account for taxes are levied as though the cost and price structure of each area were comparable. Taxpayers living in high cost areas whose high income levels reflect the cost of living in their State are taxed as if their income level represented a greater purchasing power. In essence, these people are penalized by virtue of their residences. My fellow Alaskans and I pay the highest per capita tax in the country, nearly double that of the next highest taxed State. This, however, does not represent a level of affluence double to residents of the other 49 States, but rather nominal incomes adjusted for the high cost of living; that is, food, shelter, and clothing. In addition, Alaskans on fixed incomes are faced with an extra burden as they pay their taxes under the current law.

I would like to point out that Alaska is not the only State that encounters this high cost situation. Hawaii and many Eastern States have the same problem. Mr. Speaker, the bill I am proposing would remedy this inequity by allowing an individual to deduct a percentage of income equal to the percentage by which the cost of living exceeds the national average.

I am also proposing an alternative measure that would allow a non-Federal employee residing in high cost States to have an income adjustment to account for these costs. Currently, civil service employees in Alaska receive a 25-percent cost-of-living adjustment from the Federal Government. This assistance is a nontaxable adjustment that is added to the base pay of Federal employees, but it is not available to non-Federal employees living under the same cost-of-living conditions. This tax burden upon employees within the private sector is a disincentive, therefore, this bill would equalize their tax responsibility with those federally employed workers. The bills which I have introduced in this regard contain limitations upon Federal employees who receive a nontaxable cost-of-living allowance.

Mr. Speaker, the legislation that I have introduced will correct some inequities within our tax system. This Federal tax relief will particularly aid States where the cost of living is significantly above the national average. In short, these measures would negate a perpetual disincentive to live in States where there is a high cost of living and instead encourage economic and social progress in these areas.

I urge my colleagues to carefully consider the bills which I have proposed.●

EMMETT KELLY, A PANACEA OF OUR ILLS

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. BEARD of Rhode Island. Mr. Speaker, Emmett Kelly's death on March 28, 1979 leaves a genuine void in American society. When times were bleak, circumstances were dreary, and things were blue, his "Weary Willie" characterization made people smile. His uncanny brand of humor made happiness contagious.

Emmett Kelly's incomparable style brought joy and vitality despite national depression, war, and turbulence. His "Weary Willie" enriched the lives of all he touched. With his passing goes an American symbol whose contribution to our national heritage is unrivaled.

His own words best describe the kind of panacea he was for us:

> I am a sad and ragged little guy who is very serious about everything he attempts—no matter how futile or how foolish it appears to be. I am the hobo who found out the hard way that the deck is stacked, the dice "frozen", the race fixed and the wheel crooked, but there is always present that one tiny, forlorn spark of hope still glimmering in his soul which makes him keep on trying.
>
> All I can say beyond that is that there must be a lot of people in this world who feel that way and that, fortunately, they come to the circus . . .
>
> By laughing at me, they really laugh at themselves, and realizing that they have done this gives them a sort of spirtual second wind for going back into the battle.●

WHEAT CARTEL

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. BOLLING. Mr. Speaker, the grain merchants and traders at the Kansas City Board of Trade have asked me to bring to the attention of my colleagues an article by Fred Kiewit of the Kansas City Star in opposition to a proposal for establishing a wheat cartel. The Board of Trade of Kansas City, Mo., Inc., has been both a cash grain and wheat futures contract market for more than 100 years. My friends there feel that the article is of topical interest and makes some significant points that should be remembered as the wheat cartel issue is considered:

WHEAT CARTEL IDEA: ECONOMICS, MORALITY QUESTIONABLE

> Farmers at the National Farmers Union convention whooped it up here last week when three U.S. and Canadian senators said the time seemed ripe for major world grain producers to establish a wheat cartel.
>
> There is just one thing wrong with the propcsal from an economic viewpoint—to say nothing of the moral implications: It wouldn't work.
>
> The reason an international agreement to fix world wheat prices would fail is simple.
>
> First, unlike petroleum—which the senators used as an example when speaking to the Kansas City convention—wheat could be grown almost anywhere in the world. Could be, that is, if the price was right.
>
> Second, there are many substitutes for wheat in both the human food and livestock feed categories, whereas there is no reliable substitute now available for oil when it comes to powering a mechanized western society.
>
> Those two reasons do not even begin to address the moral issues of further restricting the distribution of a vital food source in a world where at least 500 million of the world's more than 4 billion persons already are malnourished.
>
> Nor do they consider that the world's biggest wheat producer by far, the Soviet Union, likely never would be a party to

the cartel. The USSR itself probably could undermine the combined efforts of the U.S., Canada, Australia and Argentina to raise wheat prices to levels suggested by the senators.

The same fundamental logic ought to put to rest a proposal by Rep. James Weaver, D–Oreg., who urges that a federal agency be created to sell U.S. grain and thus create for this country the equivalent of the oil cartel. And even the suggestion of a government monopoly, of course, set off shock waves in U.S. grain trade.

That is not to say Sen. George McGovern, D–S. Dak.; Sen. Henry Bellmon, R–Okla., and Sen. Hazen Argue of Canada were engaging in a bit of flim-flam when they appeared on a seminar discussing the next steps in pricing grain in world markets. The problem facing wheat growers in exporting countries is serious: Many of them are selling wheat for less than the cost of production, while importing nations through various protective schemes are enriching national treasuries and their own farmers with that same wheat.

Bellmon pointed out that Japan which buys U.S. wheat for around $3 a bushel through a government agency, resells the same wheat to its own domestic users for roughly three times that price. The European Economic Community does about the same thing, using the proceeds from U.S. wheat to subsidize its own inefficient agriculture, which then competes directly with U.S. farmers.

"I believe our countries ought to work together to see to it that money goes, not to governments, but to our farmers," Bellmon said.

Argue said the collapse of talks in Geneva that were designed to lead to a new International Wheat Agreement now opens the door to some other kind of action, namely a multinational agreement involving the four major exporters.

McGovern said he thought a cartel might help insure that growers receive at least their cost of production, plus a reasonable profit. He said the price of a bushel of wheat probably should be between $4 and $5 on the world market. The South Dakotan also said the four exporters control about 85 percent of the wheat moving internationally, and that they could set the world price. With the collapse of the IWA talks and the probability they will not be resumed in time for action this year, McGovern said "the door is now open for our government and others to move with a clear conscience."

McGovern also observed the grain producers of the world also have been watching the actions of the Organization of Petroleum Exporting Countries (OPEC), and have seen the value of co-operation instead of cut-throat competition.

The three presented one side of the coin accurately and fairly. But they failed to mention, or even acknowledge, that coin has another side.

Ignoring the fact that other similar commodity agreements, including earlier wheat pacts, historically have not worked because of breakdowns resulting from intense economic competition, experts and long-time observers on the grain trade narrow the current problem down to basics. Oil, of course, has been the exception; yet even among the OPEC nations there is continuing a lot of argument over pricing.

Those familiar with world wheat trade take the USSR as one nation that could upset any pricing cart. The USSR normally grows about twice as much wheat as even the United States, whose production in 1978 was about 2 billion bushels. In the USSR, wheat is both a feed and a food grain, whereas in the rest of the world, wheat is utilized almost exclusively as a human food. The USSR, of course, is subject to crop failures more than most other producing nations because of its geographical location, but in most years it is self-sufficient in wheat, both for feeding and for human food. At times of plenty it also is an exporter mostly within its trading bloc.

The authorities explain that if a price cartel among the western producers boosted the world wheat price to $4 or $5 a bushel, the USSR would simply join the action, sell its wheat abroad for a bit less and then import corn or grain sorghums for one-half the price for livestock and poultry feeding. Roughly one-third of the wheat grown in the USSR now is consumed as feed. That quantity thrown on the market would quickly be the end of any efforts to stabilize world wheat prices at an artificial level.

That is just one example. There are others involving rice, barley and other types of grains.

The key variety would be rice, whose use as human food far exceeds that of wheat. Americans fail to consider the role of rice because they don't grow or consume much. But in most other areas of the world, especially throughout Asia, the Middle East and Africa, the consumption of rice dwarfs the use of wheat. Yet they are to some extent interchangeable, and an artificially high price of wheat would do one of two things depending upon economics: Stimulate the production of wheat in rice areas and thus increase the supply of wheat, or increase the human appetite for rice at the expense of wheat. In either event, most authorities are certain, wheat and its growers' cartel would suffer.

Another inescapable result is that a high world price for wheat would create a production surge across the world where it can be grown successfully. And given the wide variety of adaptable wheats now being bred, that grain could be grown on every continent and in almost every climate. World grain production in a few years would be turned helter-skelter.

"The minute you start fixing price by government decree instead of demand, you begin to affect something else in this delicately-balanced world agricultural picture," one authority said.

Like any complex issue in today's world in which national destinies have become intertwined, there would be secondary effects the senators failed to address. One grim option is that certain governments would simply let some of its people die of starvation. It has happened.

Then there is the matter of storage, for example, that is highly important. It so happens the United States, Canada and to an increasing degree the USSR are the only nations with the storage capacity to put their grain aside while waiting for buyers for their $4–$5 wheat. In commercial off-farm storage alone, the U.S. can hold about 7 billion bushels of grain, roughly twice the capacity it had just 20 years ago. On-farm capacity, never accurately measured, adds enormously to that total.

But the rest of the world is in more or less a hand-to-mouth situation. Indeed, storage capacity in some of the emerging nations is limited to burlap bags piled on a loading dock and covered with plastic or grain dumped in crude structures, including mud huts. Obviously, if such countries grew wheat, and most of them might, their production would have to be used at home, sold immediately or left to rot.

"When you grow wheat in those countries, you have to sell what you won't need in the extremely short run," a Kansas marketing specialist noted. "To heck with the price. The only country that really can store grain over the long term is the United States."

Another student of world grain marketing noted the combined wheat exports from the United States and Canada in the crop years of 1972–73 and 1973–74 were only about 2 percent of the reported available food supplies of all kinds in the world, according to the Rome-based Food and Agriculture Organization (FAO). The exports from those two leading producers totaled 1.7 billion bushels each year.

"I don't believe history records any monopoly has been able to have its way when it controls only 2 percent of the world supply of a good or its substitute," the spokesman said.

No one argues that the three senators and others of a similar bent are not individuals trying earnestly to solve a sticky situation. But the best that specialists in the matter see coming out of it all is persuasive conversation. Any attempts to blackmail the world on wheat as the OPEC nations have been able to do in petroleum surely would backfire and result in an even more unenviable predicament for the struggling wheat producers.

One doesn't have to go very far back in history to find an example. In the early years of this decade, when the world experienced a food shortage and the United States was fighting an earlier round of food inflation, a previous U.S. administration embargoed soybean shipments to Japan at a time when there was no real shortage of soybeans.

Japan, thoroughly alarmed because it could no longer count on the U.S. as a dependable supplier, invested hundreds of millions of yen in developing soybean production in Brazil. That country is now onstream as a significant soybean producer, though a drought this year admittedly has cut its current crop.

"That soybean area never will come back out of production, though there will be weather fluctuations," one observer noted. "It is there to stay. The same thing could happen in wheat production through any artificial manipulation of the price."●

CLAY HYDER TRUCKING CO. WINS 1978 FLEET SAFETY CONTEST

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. IRELAND. Mr. Speaker, I am pleased to call to the attention of my colleagues the fact that on March 28, Clay Hyder Trucking Co. of Auburndale, Fla., was honored as the grand prize winner in the 1978 fleet safety contest conducted by the common carrier conference—irregular route, an affiliate of the American Trucking Association.

The award was presented to William Bostick, vice president of Clay Hyder, at the 31st annual meeting of the conference in Palm Springs, Calif. The conference represents more than 500 irregular-route motor carriers in the 48 contiguous States.

Clay Hyder was selected a unanimous winner of this prestigious national safety contest on its effective driver training, maintenance of equipment, participation in safety programs and organizations and safety incentive programs and overall contribution to highway safety.

Clay Hyder trucks logged 20,492,614 miles in 1978 with an accident ratio of 2.49 per 1 million miles—an outstanding achievement.

I would like to congratulate this fine

Florida trucking company on its outstanding accomplishment and give a special salute to Mr. Guy Bostick, president of Clay Hyder Trucking Co., for dedication to highway safety.

Thank you, Mr. Speaker.●

SAVAGERY IN CAMBODIA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. ASHBROOK. Mr. Speaker, since the fall of Cambodia to the Khmer Rouge we have been hearing a steady stream of horror stories from this small Asian country. The savagery of the Communist forced migrations and labor programs have been well documented by those survivors who managed to escape the slaughter. There does not seem to be any end to the inhumanity. Cambodia has been ravaged by an invasion from Vietnam and now, according to a Newsweek magazine reporting team, the carnage continues under the new rulers.

Since the collapse of the pro-West governments in Cambodia and South Vietnam we have not seen much of the peace and prosperity that many claimed would arise in Southeast Asia. I remember many critics of America's involvement in Vietnam declared that it was the United States that was causing all the bloodshed. It has been almost 4 years since the United States had any influence in this area. Since that time the Soviet Union and Communist China have held sway over events in that part of the world. The bloodshed continues at an alarming rate. We will probably never know the full body count under Communist rule.

This week we will be considering the International Development Cooperation Act of 1979, H.R. 3324. I will be offering an amendment to prevent any of our tax dollars from going directly or indirectly, to either Cambodia or Vietnam. Given the bloodshed that we have witnessed I do not think that our Nation should reward two of the worst offenders of human rights by being a partner in aiding their savage regimes. For my colleagues information I submit the Newsweek article entitled "Cambodian Carnage" into the RECORD. I hope they bear it in mind when they consider H.R. 3324:

CAMBODIAN CARNAGE

(*When Vietnam conquered Cambodia early this year, its avowed purpose was to put an end to the murderous ways of the Khmer Rouge regime. But the carnage in Cambodia goes on. From Bangkok,* Newsweek's *Holger Jensen reports:*)

For the eighteen men, women and children of Ching Ha village in northwest Cambodia, the arrival of Vietnamese troops nearly three months ago marked a brief but real liberation. More than a hundred of their fellow villagers had been executed for minor infractions—or had simply died of overwork, starvation or lack of medical care—during the preceding four years of Khmer Rouge savagery. The Vietnamese fed the peasants, gave them pots and pans and told them that they were free to travel. So when their protectors moved on to the larger town of Sisophon, 10 miles away, the emaciated survivors of Ching Ha tagged along.

In Sisophon, the Vietnamese largesse ended as more and more refugees crowded into the town. The group from Ching Ha—believing claims that the new Heng Samrin government and its Vietnamese allies had established full control of the countryside—decided to return home to harvest the rice crop they had left behind. Halfway there, they were captured by a band of 30 Khmer Rouge guerrillas, who bound their hands and led them to a camp close to the Thai border. The next morning, their captors marched them into the forest and set upon them with axes. "I fell after being hit in the face," 24-year-old Suen Mot recalled last week at a refugee camp in Thailand. "When they had finished, they left. I thought I was going to die, but later I found I could move." As Suen crawled away from the killing ground, he came across a youth called Pum, whose throat had been slashed, deeply but not fatally, from ear to ear. The two then managed to drag themselves across the border to safety.

What they do best: Suen's report and others like it, as well as a remarkably frank commentary broadcast on Radio Phnom Penh last week, indicate that the Vietnamese invasion has not ended Cambodia's agony. In some ways, it has deepened and perhaps prolonged the suffering. The 100,000 Vietnamese troops control major towns and road junctions. But the Khmer Rouge have free rein in the countryside and continue to do what they do best—kill people. Refugees from villages only briefly occupied by the Vietnamese say that the Khmer Rouge returned as soon as the invaders left and executed anyone who had had any dealings with them, even those who had only accepted food. The refugees talk also of Khmer Rouge cadres who were captured by the Vietnamese and turned over to Cambodian civilians to be killed.

Ty Kim An, a 34-year-old former schoolteacher who wandered through Battambang Province for a month before he managed to reach Thailand, told his debriefers: "I saw dead, stinking bodies along the roads, heard the guns every night and saw many burned-out trucks and tanks." Geng Son, 33, who lived on a farming commune just outside the Cambodian capital, said that when the Vietnamese forces arrived they threw open a Khmer Rouge warehouse and allowed the people to take anything they wanted—rice, sugar, fish sauce, radios and bicycles. Geng took a bicycle and pedaled 300 miles across Cambodia to the Thai border with his wife on the crossbar. "Many bridges were destroyed," he said. "At some places along the road there were piles of dead civilians with their throats slit. At other places there were dead Vietnamese and Khmer Rouge. I was never far from the sights, the sounds and the smells of killing."

Self-protection: Last week's broadcast by Cambodia's new revolutionary council painted a picture of bloodshed and anarchy. Conceding that Vietnamese attempts to annihilate Khmer Rouge holdouts "have not been completely successful," the new regime disclosed that it had been forced to issue weapons to Cambodian villagers for self-protection. In areas where the Vietnamese are in firm control, it admitted, corrupt officials have been "toying with the job" and mistreating the people. "Some have gone so far as to keep concubines in the collectives to serve their own pleasure," the broadcast said. It warned that such a situation could lead to a revival of the "feudal system"—a reference to the days of deposed Prince Norodom Sihanouk. Indeed, the report cited one incident in Kratie Province where rebel forces "waved Sihanouk's flag and boasted that they were Sihanouk's forces to mislead public opinion."

The commentary did not specify whether it was criticizing Cambodian or Vietnamese officials. But Hanoi remains in firm control of the revolutionary council. It has sent one of its most able diplomats, Vo Dong Giang—a chain-smoking theoretician with weaknesses for fancy watches and English cigarettes—to act as its proconsul in Phnom Penh. Experts in Bangkok saw Giang's hand in the priorities spelled out by Radio Phnom Penh: first, the extermination enemy forces "before the end of the dry season in July," followed by the improvement of living conditions.

Helplessness: Meanwhile, the killing goes on. Cambodians are still fleeing their country at the rate of 1,000 a month, and refugee officials in Thailand say the new arrivals are in even worse shape than their predecessors, so dazed by the hardships they have endured that they can barely function. "They can't build their own shelters, they don't want to go anywhere and they don't want to do anything," says a camp worker. "They're zombies." ●

THE SAFETY FIRST CLUB OF MARYLAND

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. LONG of Maryland. Mr. Speaker, I would like to bring to the attention of my colleagues the activities of the Safety First Club of Maryland, a nonprofit citizens' organization formed in 1956 to promote safety on our streets and highways. I have just received the following letter from Mr. Maurice Shochatt, executive vice president of the club:

The Safety First Club of Maryland will feature the theme, "Master Motor Menace" at the organization's 23rd "Leader in Lifesaving" Anniversary Banquet to be held May 1, 1979, at the Mercantile Club in Baltimore, Md. "Leader in Lifesaving" Awards will be presented at the Banquet to the Hon. Benjamin L. Cardin, Speaker of the Maryland House of Delegates, the Motor Vehicle Administration of the State of Maryland and David Seidman, President of the Safety First Club of Maryland.

The organization's major objectives are to help reduce traffic accidents and fatalities; Stress the importance of traffic safety among our youth; Work for the passage and enforcement of statutes aiming to reduce our tragic traffic toll; and give recognition to the deserving for attainments in the field of traffic safety.

The Safety First Club of Maryland believes that traffic supervision and control belong in the sphere of duly-constituted experts and authorities. Nevertheless, such groups as the Safety First Club of Maryland can render services through planned and consistent safety programs, campaigns and activities aimed at helping to reduce the mounting toll.

To help call attention to the "Master Motor Menace" theme of the organization's 23rd Anniversary Banquet, the Safety First Club of Maryland is disseminating the "I'm Just A Steering Wheel" message, prepared by the Joseph Katz Advertising Company to stimulate interest in traffic safety. The company was headed by the late Joseph Katz, a Board member of the Safety First Club, who gave the organization full permission to reprint the message whenever deemed appropriate. The text is as follows:

"I'm just a wheel. A steering wheel. And you're my captain. Behind me you're the lord and master of a miracle. You can make me take the kids to school. You can turn me down the sunny road toward town. With me you can guide your goods to the market place . . . you can rush the sick to be healed . . . you can go in minutes to places hours away. You can do magic.

"Yet, in the blink of an eye, in the tick of your watch, I can turn deadly killer. I can snuff out the life of a kid still full of life—maybe your kid. I can twist a smile into tears. I can wreck and cripple and destroy. I can deal out death like the plague. And I'm no respector of persons. A child, a grandmother, even you, my friend . . . It's all the same to me.

"I'm sensitive, I respond instantly in the hands you give me. Give me calm hands, steady hands, careful hands . . . and I'm your friend. But give me unsteady hands, fuzzy-minded hands, reckless hands . . . then I'm your enemy, a menace to the life, the happiness, the future of every person, every youngster riding, walking, playing."

I was made for pleasure and usefulness. Keep me that way. I'm in your hands. I'm just a steering wheel. And you're my captain. Behind me you're the lord and master of a miracle . . . or a tragedy. It's up to you!

Citizens in Maryland and elsewhere are urged to join the Safety First Club of Maryland in its "Crusade for Safety" to protect their lives, their dear ones, their neighbors, and their fellow Americans.●

HELP FOR FEDERAL EMPLOYEES IN ALASKA

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, today I am introducing two bills that would correct inequities that exist for Federal employees in Alaska.

The first bill would amend title 5 of the United States Code to provide additional cost-of-living adjustments in civil service retirement annuities of certain retired employees in Alaska as long as they continue to live in Alaska. Each retired employee who has performed 10 years of service in Alaska prior to separation and after the beginning date of his annuity, who continues to live in Alaska would receive an increase of 25 percent as long as he lives in Alaska. This is also applicable to the annuity of survivors of the retired employee.

I have also introduced a bill that will help clerical and managerial employees of the Alaska Railroad. These workers were brought under the Alaska Railroad Retirement Act in June of 1940. This law requires that a railroad employee retire at age 62 with 15 years of service. There is no provision exempting clerical workers from this requirement, which is an unjust restriction since they do not face the same hazards as railroad transportation employees.

This bill would exempt clerical and managerial employees from this provision.●

STATUS OF THE CONGRESSIONAL BUDGET FOR FISCAL YEAR 1979

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. GIAIMO. Mr. Speaker, in order to keep Congress advised of the effect of its spending and revenue actions compared to the overall totals set in the second budget resolution, section 308(b) of the Congressional Budget Act of 1974 requires periodic reports to be issued to the Congress. As chairman of the House Budget Committee, I submit to Congress from time to time, these parliamentarian's status reports reflecting the current level.

The House Budget Committee today is notifying the Speaker of the House of the current levels of congressional action on the budget compared to the spending ceilings and revenue floors established by the second budget resolution for fiscal year 1979, which was adopted on September 21, 1978. Under the Budget Act a point of order lies against any measure that would cause the spending ceilings or the revenue floor established by a concurrent resolution on the budget to be breached.

The estimate of current level included in this report covers all enacted budget authority, including the continuing resolution, and estimates of entitlement authority and other mandatory spending items which require further appropriations action.

This report also includes reestimates of the fiscal year 1979 budget which were submitted by the President in his January 22, and March 15, 1979, budget submissions. A complete review of these revisions has been conducted by the Budget Committees and the Congressional Budget Office and these agreed upon reestimates have been incorporated in the new levels.

Today's report indicates that the following amounts in the second budget resolution for fiscal year 1979 are still available: For budget authority, $3,181 million and for revenues, $8,765. Outlays to date for fiscal year 1979 have exceeded the resolution ceiling by $3,943 million.

The outlay ceiling has been breached primarily because the costs of certain ongoing programs and activities directly responsive to the economy have been reestimated and have turned out higher than was anticipated in the second budget resolution last year. These programs and activities such as interest on the debt and unemployment are directly responsive to the economy. As interest rates increase, as they have in the past months, mandatory payments for interest on the Federal debt have increased by almost $4 billion. Virtually all of the increase is for programs and activities funded under law already enacted at the conclusion of the last session of Congress. In other words, the outlay ceiling has not been breached because Congress has spent more since the second budget resolution was agreed to, but rather because outlays for ongoing programs and activities are now estimated to cost more primarily because of the impact of the economy on the budget.

It now becomes necessary, if Congress is to handle emergency or urgent funding situations, which Congress faces from time to time, to revise the second budget resolution for fiscal year 1979. This should be done in May when we consider the first budget resolution for fiscal year 1979.

A copy of my letter to the Speaker and of the committee's report are attached:

COMMITTEE ON THE BUDGET,
Washington, D.C., April 4, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: On January 30, 1976, the Committee on the Budget outlined the procedure which it had adopted in connection with its responsibilities under Sec. 311 of the Congressional Budget Act of 1974 to provide estimates of the current level of revenues and spending. I am herewith transmitting the status report under H. Con. Res. 683, the Second Budget Resolution for FY 1979. This report reflects the resolution of September 21, 1978, and estimates of budget authority, outlays and revenues based on all completed action on spending and revenue measures as of close of legislative business April 2, 1979.

Sincerely,

ROBERT N. GIAIMO,
Chairman.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1979 CONGRESSIONAL BUDGET ADOPTED IN HOUSE CONCURRENT RESOLUTION 683

(Reflecting completed action as of March 29, 1979)

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate level	555, 650	487, 500	448, 700
Current level	552, 469	491, 443	457, 465
Under resolution	3, 181	—	—
Over resolution	—	3, 943	8, 765

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and which exceeds $3,181 million for fiscal year 1979, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 683 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and which would result in outlays for fiscal year 1979, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 683 to be exceeded.

REVENUES

Any measure that would result in a revenue loss exceeding $8,765 million for fiscal year 1979, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 683.

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., April 2, 1979.
Hon. ROBERT N. GIAIMO,
Chairman, Committee on the Budget, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311(b) of the Congressional Budget Act, this letter and supporting detail provide an up-to-date tabulation of the current levels of new budget authority, estimated outlays and estimated revenues in comparison with the appropriate levels for those items contained in the most recently agreed to concurrent resolution on the budget. This report for fiscal year 1979 is tabulated as of close of business March 29, 1979.

This report incorporates CBO reestimates for FY 1979 resulting from review of the President's 1980 budget data.

[In millions of dollars]

	Budget authority	Outlays	Revenues
1. Enacted	547,449	486,248	457,500
2. Entitlement authority and other mandatory items requiring further appropriation action	5,744	5,228	—
3. Continuing resolution authority	—	—	—
4. Conference agreements ratified by both Houses	−724	−34	−35
Current level	552,469	491,443	457,465
Second concurrent resolution	555,650	487,500	448,700
Under resolution	3,181	—	—
Over resolution	—	3,943	8,765

Sincerely,

ALICE M. RIVLIN, *Director.*

PARLIAMENTARIAN STATUS REPORT SUPPORTING DETAIL, FISCAL YEAR 1979 AS OF CLOSE OF BUSINESS MARCH 29, 1979
[In millions of dollars]

	Budget authority	Outlays
I. Enacted:		
Permanent appropriations and trust funds	268,679	247,448
Previously enacted (95th Congress, 2d session	343,997	304,026
Offsetting receipts (including amounts generated by current appropriation action)	−65,206	−65,206
Enacted this session:		
Sale of silver dollars (P.L. 96-2)	−20	−20
Deferral resolution (S. Res. 50)	—	1
Total, enacted	547,449	486,248
II. Entitlement authority and other mandatory items requiring further appropriation action (Anticipated supplementals including pay):		
Function 050:		
Department of Defense:		
Civilian and military pay raises	1,849	1,843
Retired pay	156	156
Function 150:		
Payment to Foreign Service Retirement Fund	4	4
Offsetting receipts	−4	−4
Export-Import Bank (pay)	—	•
Function 350:		
Federal Crop Insurance Corporation (pay)	—	1
Function 370:		
Federal Home Loan Bank Board (pay)	—	2
Federal Savings and Loan Insurance Corp. (pay)	—	•
Function 400:		
Department of Defense: Panama Canal Corporation (pay)	—	1
Department of Transportation:		
St. Lawrence Seaway Company (pay)	—	•
Coast Guard retired pay	4	4
Federal-aid highways (pay)	—	5
Function 500:		
Department of Health, Education, and Welfare:		
Grants to States for social services	189	189
Student loan insurance fund	243	—
Human development services	57	57
Function 550:		
Department of Health, Education, and Welfare:		
Grants to States for medicaid	554	554
Federal hospital insurance (pay)	—	4
Function 600:		
Department of Agriculture:		
Food stamp program	245	245
Child nutrition	150	10
Department of Health, Education, and Welfare:		
Assistance payments program	91	91
Federal old-age and survivors insurance (pay)	—	72
Department of Labor:		
Unemployment trust fund—pay raise	—	1
Office of Personnel Management: Civil Service retirement and disability (pay)	—	1
Railroad Retirement Board:		
Railroad retirement account (pay)	—	1
Regional rail transportation protective account	57	57
Function 700:		
Veterans Administration:		
Compensation and pensions	1,025	972
Readjustment benefits	377	223
Function 750:		
The Judiciary: Court of Appeals, salaries of judges	4	3
Function 800:		
Office of Personnel Management:		
Payment to civil service retirement	335	335
Offsetting receipts	−335	−335
Function 920:		
Allowances: Civil agency pay raises	742	736
Total, entitlements	5,744	5,228
III. Continuing resolution authority	—	—
IV. Conference agreements ratified by both Houses	—	—
First rescission bill, 1979 (H.R. 2439)	−724	−34
Total current level, as of March 29, 1979	552,469	491,443
Concurrent resolution of September 23, 1978	555,650	487,500
Over ceiling	—	3,943
Under ceiling	3,181	—

NOTE.—Detail may not add due to rounding.●

SUSPENSION REFORM

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. ANDERSON of Illinois. Mr. Speaker, today I am introducing an amendment to House Rule XXVII which would reform the procedure known as suspension of the rules. As my colleagues know, this procedure has traditionally been reserved for minor, noncontroversial matters since only 40 minutes of debate are allowed, no amendments may be offered, and a two-thirds vote is required for passage of a measure under this procedure.

The need for reform of the suspension procedure became apparent in the last Congress when a record number of bills were considered under suspension (453), comprising a record 28 percent of all measures passed by the House. Just a decade ago, in the 90th Congress, when more measures were actually reported, passed and enacted, only 167 were considered under suspension, comprising only 10 percent of the measures passed by the House. Clearly, the reliance on the suspension procedure by the leadership in the last Congress had grown all out of proportion to its intended use, especially when one considers all the bills involving expenditures in the hundreds of millions of dollars which were brought up under suspension.

In recognition of this overuse and abuse of the suspension procedure, the Democratic Caucus at the beginning of this Congress took a peculiar, two-step approach to the problem. On the one hand, the caucus adopted an amendment to its rules establishing guidelines for the Speaker to follow in scheduling matters under suspension. In essence, these guidelines prohibited the Speaker from scheduling any matter under suspension which involved expenditures in excess of $100 million in any fiscal year, but permitted the Democratic Steering and Policy Committee to exempt the Speaker from this requirement. The caucus also proposed an amendment to the House rules eliminating the requirement for a second, or question of consideration, on suspensions unless a copy of the measure was not available at least 1 legislative day in advance of its consideration.

Mr. Speaker, while the caucus guidelines may be sufficient in curbing the use of the suspension procedure for consideration of bills which may involve the authorization or appropriation of large sums of money, one must ask why this was dealt with in the caucus rules and not in the House rules. Presumably, the Speaker could easily secure an exception to the guidelines through the Democratic Steering and Policy Committee which he chairs, and yet the House would be deprived of a vote on whether that matter should be considered under suspension by virtue of the elimination of the seconding requirement.

The resolution I am offering today would close this loophole by establishing suspension criteria in the House rules and giving the House, not the Democratic Steering and Policy Committee, final authority to determine by majority vote whether a measure should be considered under suspension if any of these criteria are breached.

Specifically, my resolution would prohibit the consideration of a measure under suspension unless the committee of jurisdiction or chairman and ranking minority member of that committee specifically authorize its consideration under suspension, the House is given advance notification by at least the last legislative day of the week preceding the scheduled suspension, and the bill does not authorize or appropriate in excess of $50 million for any fiscal year. If a point of order is sustained against the consideration of any motion to suspend the rules for violation of any of the above criteria, it would then be up to the House to decide by a vote on consideration whether to proceed with the bill under suspension. In effect, the resolution restores the old seconding requirement for those cases in which any of the criteria are breached.

At this point in the RECORD, Mr. Speaker, I include a table of comparative data for the 90th through 95th Congresses and the text of my resolution.

The information follows:

COMPARATIVE DATA: 90TH TO 95TH CONGRESSES, U.S. HOUSE OF REPRESENTATIVES

	90th	91st	92d	93d	94th	95th
Measures reported	1,745	1,542	1,401	1,363	1,495	1,490
Measures passed	1,659	1,642	1,469	1,914	1,624	1,615
Public bills enacted into law	640	695	607	651	588	634
Yea and nay votes	478	443	457	632	807	1,035
Measures considered under suspension	167	185	194	255	325	453
(a) Passed	(159)	(181)	(184)	(254)	(300)	(420)
(b) Failed	(8)	(4)	(10)	(1)	(25)	(33)
Suspensions as percent of total measures passed	10	11.3	13.2	13.3	20	28

Sources: Daily Digest, final issues; Congressional Research Service.

H. RES. 204

Resolved, That Rule XXVII of the Rules of the House of Representatives is amended in the following ways:

In Rule XXVII, clause 1, designate the existing paragraph as paragraph "(a)" and add the following new paragraph:

"(b) It shall not be in order to consider a motion to suspend the rules and pass a bill or resolution unless—

(1) consideration of the bill or resolution under a suspension of the rules has been specifically authorized by (A) the committee having jurisdiction over the bill or resolution, by rollcall vote, in open session and with a majority present; or (B) the chairman and ranking minority member of the committee having jurisdiction over the bill or resolution in a written request to the Speaker;

(2) the House has been notified orally, while the House is in session, by at least the last legislative day of the week preceding the scheduled consideration of the bill or resolution under a suspension of the rules as to: (A) the number of the bill or resolution; (B) its short title or a brief description; (C) whether any amendment will be offered thereto; and (D) the date on which it is scheduled to be considered; and the text of any amendments to be offered thereto, together with the notice, shall be printed in the appropriate portions of the Record on the day on which such oral notice is given to the House; and

(3) the bill or resolution does not authorize or appropriate in excess of $50,000,000 for any fiscal year.".

Rule XXVII, clause 2, is amended to read as follows:

"2. If a point of order is sustained against the consideration of any motion to suspend the rules and pass a bill or resolution for failure to comply with any provision of clause 1(b) of this rule, it shall nevertheless be in order to consider such motion if consideration is agreed to by a majority of those present and voting, a quorum being present, and such question shall not be subject to debate.".

Rule XXVII, clause 3(a), is amended by striking the words "or has been seconded pursuant to clause 2 of this rule".●

SAM FRIEDEL

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. O'NEILL. Mr. Speaker, it is with a saddened heart that I join my colleagues on this occasion in paying a special tribute to a distinguished former Member of the House of Representatives, Sam Friedel.

Sam came to the House of Representatives the same year I did. In fact, we were both members of the spirited 83d class. I knew and worked closely with Sam for 18 years. Sam was a popular and well-respected Member on both sides of the aisle. He was a no-nonsense Member of the House, hard-working, conscientious, and dedicated to representing the interests of Maryland's Seventh District. A consummate, grassroots politician, Sam understood so well the important maxim that all politics are local.

Many of us remember Sam's important work as the chairman of the House Administration Committee, as well as his distinguished service as the ranking member of the Commerce Committee. Most importantly, we remember Sam for the admirable qualities of integrity, fortitude, and principle and as a dedicated and devoted public servant who always put first the interests of his beloved home State of Maryland.

Sam was privileged to enjoy a long and satisfying life. Those of us who served with him were honored and proud to have worked with such a great American and fine public servant.

My wife, Millie, joins me in expressing our sincere condolences to the family of Sam Friedel.●

SUBURBAN GUN PLAY

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. VAN DEERLIN. Mr. Speaker, in all the hue and cry over gun controls, we often overlook the fact that the misuse of firearms is a problem that is just as ubiquitous in the quiet suburbs as it is in the big cities.

Lowell Blankfort, former publisher of the Chula Vista Star-News who now writes a weekly column for the newspaper, has documented recent shootings in San Diego's South Bay area, a mostly suburban area which is part of my congressional district. The six cases cited by Mr. Blankfort all occurred since the first of this year, and all within a limited area.

While it is true the victims might have been attacked in any event, the assailants could not have attacked with such deadly impunity if they had not had handguns.

Mr. Blankfort is a skilled and provocative writer, and his essay is eminently readable regardless of how one feels about gun controls.

The article follows:

HAVE GUN, WILL . . . ? ?

(By Lowell Blankfort)

Nineteen-year-old Armando Lopez of National City and a half dozen friends from the Chula Vista-National City area were relaxing on a bench near the Organ Pavillion in Balboa Park after seeing a Sunday night movie.

Suddenly another group of youths came up to them, informed them it was their "territory" and told them to beat it. Not wishing any hassle, Armando and his friends did just that. As their car was about to leave, Armando stuck his head out the window. The next thing he remembered was a burning in his neck. He had been shot.

The bullet lodged in his throat and came within a hair's breadth of killing him. A surgeon removed it, and later a young suspect, also 19, was arrested. Armando still wonders why anyone would try to kill someone for sitting on a park bench.

Lori Risk, 17, a Chula Vista High School student, was sound asleep in the bedroom when her boyfriend's 17-year-old brother began cleaning the new gun he had bought just that morning. Lori never woke up. The boy forgot he had put in a cartridge that morning, the gun accidentally discharged, and the bullet went through Lori's brain.

Thomas Hequet, 31, of Chula Vista and his former wife had their problems. Early this month, Hequet had one he never anticipated. Making a phone call at a bar on Broadway, he turned and saw his wife brandishing a pistol. She fired four bullets into him, wounding a finger, his right elbow and a shoulder. Doctors say he will recover.

Nobody is sure exactly what happened, but police say it seems to have had something to do with a dispute over a girl friend. Anyway, Joe Gonzalez, 21, a Chula Vistan, and a companion were trying to break into an apartment along Imperial Beach's waterfront where several people they knew had gathered.

There were guns around and shots were fired, and suddenly Joe Gonzalez lay dead.

Police, at first called it murder and arrested a couple of youths, then released them, saying self-defense was involved. But whoever's at fault, including himself, Joe Gonzalez no longer lives.

John Thrasher, in his early 20s, answered a knock on the door of his Paradise Hills home early last week. The callers were two youngsters, under 18. One pointed a gun at Thrasher and shot him through the throat. Thrasher was hospitalized, and one of the youngsters arrested. Police said drugs were involved.

Ray LaDuke, 44, had been told that driving a taxi can be a dangerous business. Now he knows it. Two passengers ordered him to drive them to the corner of 3rd St. and E Ave. in National City. When he got there, they pulled out a gun, made him surrender his wallet—then shot him through the head.

Somehow, though in agony, he managed to call on his radio for help. Otherwise, he would have died.

Now I have no way of knowing for sure whether—if there were tighter controls on guns—Lori Risk and Joe Gonzalez would be alive today, or Armando Lopez and Thomas Hequet and John Thrasher and Ray LaDuke would have been spared the pain and anguish of hospitalization, or whether it would be safer to sit on park benches or drive taxis for a living, or even be sure you'll wake up when you go to sleep.

After all, as the Gun Lobby insists, people can do each other in by other means if they're so determined (though a gun is a lot simpler to use than, say, a knife, and a lot less risky too).

But I do know that all of the above gun incidents (plus others I don't have space for) have taken place merely since the first of this year, not in New York or Chicago or Los Angeles, but in our own South Bay.

I do know that the U.S. is the only country in the world without effective handgun control laws—and also has the highest handgun death rate of any country in the world.

And, I do know that, if you or someone in your family owns a handgun, you are twice as likely, as the average American to be murdered, accidentally shot or commit suicide.

Public opinion polls show that, by overwhelming majorities, Americans favor federal handgun registration laws and requiring permits for buying a rifle. Even among gun owners, 71% favor gun control.

Yet the gun lobby, primarily the National Rifle Assn., its coffers filled with millions from gun and ammunition manufacturers, continues to terrorize our legislators into burying gun-control legislation.

It's time the vast majority show their feelings are as strong as the NRA-brainwashed minority. An initiative for gun control laws is being talked in California. And public officials should be put on notice that, if they don't vote gun control, they will become targets for defeat.

Only then will gunplay stop being an increasing part of the American way of life—and death.●

MILDRED PEPPER

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. LEHMAN. Mr. Speaker, deepest sympathies and sorrows are with my distinguished colleague, CLAUDE PEPPER, in the death of his lovely wife, Mildred.

Mildred was so strong, yet sensitive and creative, and her strength so personified the best of her generation that moved this Nation to greatness.

I am sure that all of us who know of and benefited from Mildred's noble and humanitarian efforts toward a better and healthier world, stand in recognition that her passing is a real loss, both to her family and to mankind.●

PAX AMERICANA

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. LEVITAS. Mr. Speaker, since the Second World War, the world has been dominated by what became known as the "Pax Americana." The United States took its place as one of those rare nations which, at a certain period in time, extend their influence to cover the known world. The Romans and the British each influenced the world far beyond their own borders.

The question is now being asked, will the Pax Americana go the way of the Pax Romana?

In a recent CBS radio broadcast, Ben Wattenberg addressed that question.

He said, and I agree, that the Pax Americana gave to the world a belief in the value of the individual, and not just in philosophical terms, but in a living, breathing, workable democracy in which the individual is prized.

Do we have the ability to continue influencing our world and making our invaluable contribution? Yes; if we have the will to do so.

Mr. Wattenberg's inspiring and thought-provoking remarks follow:

REMARKS OF BEN WATTENBERG

I'm Ben Wattenberg.

Suddenly, foreign policy has taken center stage in the theater of American politics. Revolution in Iran, assassination in Afghanistan, insult in Mexico, incursion in Vietnam, war in the Yemen, abandonment in Taiwan—and, now, with hope in our hearts, perhaps the beginning of peace in the Middle East.

President Carter's critics have said that America is in retreat. The president has said it's a new world, that a policy of restraint is in our own best interest. But both sides agree that foreign policy will be one of the greatest issues of the 1980 election. Well, it should be. For what is at stake is of monumental importance. Quite simply, the issue is this: Is the American Century ending?

After World War II, America became, for a third of a century, a member of the most select club in human history. From ancient Greece and ancient Rome, to France of the 17th century, to England of the 19th century, certain nations at certain times have dominated their world, controlled events and made great history.

After World War II, America's military force was the mightiest in the world. Our technology spread around the globe. Our movies and our television shows were watched in a hundred lands. Our music set the world's tone. Our currency was the world's standard.

In ancient times, when Rome's power ruled the world, it was called "Pax Romana"—the Roman Peace. In our era it was called "Pax American." And now we must wonder if it's coming to an end. I think the answer to that question is self-contained in the answer to another question: Did the dominance of the American Century indeed yield one of those great creative moments in history? I think it did.

First, it's been an era of general peace—not total peace, but general peace. Second, it's been a time of massive prosperity, not only for rich nations but for poor nations, too. Third, a noble idea has spread under the umbrella of Pax Americana. The notions that men can rise above class or station, that men can speak their own mind and that they have status above the state—these are the only insurgent and radical ideas of our time, and they have an American taproot.

Can all this continue? Well, I think history tells us that great cultures only flourish under the umbrella of great power. We and our allies can still have that power; we can still wield it with both fortitude and moderation if we agree that it's worth it. If we do, I think the American Century can continue. And if we don't, sooner or later you may not be hearing six divergent—viewpoints on Spectrum from me, Ben Wattenberg, or from anyone else.●

IMPROVING GOVERNMENT PERFORMANCE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for April 4, 1979, into the CONGRESSIONAL RECORD:

IMPROVING GOVERNMENT PERFORMANCE

Whenever I visit and talk to people in the Ninth District or see the comments of constituents who write to me, I get a message that is loud and clear: "Make the federal government work better!"

The attitude of Hoosiers in particular and Americans in general is plainly one of disappointment with government. They believe that they are not getting their money's worth from government. They feel that government is more often a burden than a help to them. We in Congress need to address ourselves to legislative solutions to the many problems which have eroded the people's trust and confidence in public institutions. That trust and confidence can be restored only if workable solutions are found.

I am sponsoring several bills in the 96th Congress which should help us tackle many of the problems of government. The bills will not solve all the problems immediately, but they are a start toward a smaller, more efficient, and more compassionate federal sector. The following are some of the bills I have introduced so far:

The Sunset Act of 1979: This bill would require that all federal programs be reviewed and reauthorized at least once every ten years. It would terminate funding for any program which Congress did not reauthorize. It would also specify that all programs of a similar nature be reviewed at the same time and in relation to one another. Quite simply, the object of this bill is to have Congress determine which programs are needed and which are not, and to eliminate those programs that have outlived their usefulness or have duplicated the functions of other programs.

The Legislative Oversight Act of 1979: While the Sunset Act proposes to have Congress review programs already in existence, this bill would have Congress provide more guidance for programs from the beginning. A major problem with the structure of government today is that Congress (which is constitutionally mandated to make the law) passes vague legislation, leaving it to executive agencies (which are legally directed to carry out the law) to write rules and regulations to "fill the gaps". Unfortunately, the rules and regulations do not necessarily follow congressional intent. This bill would require that all legislation authorizing new programs contain language setting out the objectives and planned annual accomplishments of the programs. It would also require agencies to submit annual reports on progress toward their goals.

The Administrative Rulemaking Reform Act: More commonly known as the "congressional veto," this bill would allow either the House or Senate to examine proposed rules and regulations, and to reject them if they appeared to be excessive, unreasonable, or outside the bounds of congressional intent. Under this bill, Congress could more fully exercise its power as the national lawmaking body. The congressional veto is the best device I know to control runaway bureaucracy.

Amendments to the Administrative Procedures Act: These amendments would require executive agencies to publish economic impact statements for all new rules and regulations. In the context of comprehensive cost-benefit analyses, the impact statements would show the effects of the rules and regulations on consumers, businesses, markets, and government bodies. Too frequently, the full effects of rules and regulations are not considered. This bill would ensure that all effects were considered.

The Biennial Budgeting Act: This bill would aid Congress in its review and reauthorization of programs by creating a two-year budget cycle. The first year of the congressional term would be devoted to a detailed examination of programs, and the second year would be used for the actual appropriation of funds. Passage of this act would surely make sunset review much easier. It would also force Congress to take its responsibility for oversight much more seriously.

Paperwork reduction bills: I have submitted two bills to reduce the burdensome amount of federal paperwork. The first, the Paperwork Redtape and Reduction Act of 1979, would establish an Office of Federal Information Management Policy responsible for handling a centralized and more efficient information system. The second, the Federal Assistance Paperwork Reduction Act, would make several changes in application procedures for federal grant-in-aid programs to cut and consolidate the paperwork required in applying for and maintaining federal funding.

Through these bills and others, many of my colleagues and I are attempting to overcome many of the difficulties that have cropped up as government has grown in size and complexity. Such legislation can help to restore trust and confidence in government by improving government performance.●

COMMUNITY GATHERING PLACE

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. LUNGREN. Mr. Speaker, this Saturday a local community in my district, Hawaiian Gardens, will dedicate their new city hall and community complex.

This long-awaited center will provide the people of Hawaiian Gardens not only with place to conduct the business of government, but a social and fitness center as well.

The complex will house where the local charitable and civic groups in Hawaiian Gardens can hold meetings.

It will provide space for city councilmen to meet directly with their constituents.

It will also have a full-size gymnasium, special gymnastics room, boxing and weight lifting room, a crafts center, handball and racket ball courts, and men's and women's locker room.

In short, it is a real community gathering place not just another government building housing courts and offices.

This center is a little jewel to the people in Hawaiian Gardens.

I hope this facility will bring their local government closer to them, and provide an opportunity to build even closer ties among the people of Hawaiian Gardens.●

THE VIETNAMESE GULAGS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. ASHBROOK. Mr. Speaker, since the fall of Saigon international aid has been going into the now united Communist Vietnam. The United States provides tax dollars to help finance the international organizations that funnel aid to Vietnam and other Communist countries. I think it is a sad commentary that after years of sacrifice to stop communism we are asking our taxpayers to watch their money being laundered through organizations and into Communist Vietnam. Today Vietnam is one of the worst violators of human rights in Asia. The following article, from Le Monde describes part of the tragedy happening in Southeast Asia:

GULAGS IN NAME OF SECURITY

(By Roland-Pierre Paringaux)

HO CHI MINH CITY.—Since May 1975, a curtain of silence has fallen in Vietnam on the subject of human rights, in general, and the fate of hundreds of thousands of detainees, in particular. In Hanoi and former Saigon, questions on this subject are considered, at best, "unfriendly," and at worst, intolerable "meddling in Vietnam's domestic affairs." So it is not possible to get an idea, even an approximate one, of either the number or the state of the prisoners, whether former military officers and government employees of the old Saigon regime now undergoing "reeducation," political detainees or Buddhist and Catholic priests, or common criminals.

With Vietnam on a war footing and squaring up on the Chinese and Cambodian frontiers to the "fifth columns" and "agents" of those countries, civilian and military security services once more hold unchallenged power over the population in the North and the South. But does the situation justify the present Communist regime of Hanoi behaving today exactly as the anti-Communist government of Saigon used to do and routinely resorting to repression and preventive detention on mere suspicion or on the strength of a denunciation, which it has elevated to a civic duty? Does it justify Hanoi's herding into camps of all those who do not fit in with the new order? The question has been asked often enough in the past to be asked again today.

Last April I put the number of former collaborators of the Saigon government now being held in camps and prisons at 80,000, half of whom were in the North. Vietnamese refugees and opponents of the Hanoi government living in Paris say the total figure is 800,000—ten times higher and back it up with fully documented details. The Vietnamese authorities counter such allegations with a stolid silence or react with propaganda which cannot help but reinforce one's worst suspicions. For instance, didn't Hanoi keep claiming that the lawyer Tran Van Tuyen was alive and well even after he had died in prison? One example which doesn't lead one to have faith in Government pronouncements.

The Vietnamese leaders had declared that after three years all detainees held in "re-education" camps and not liberated would be tried in people's courts for their "crimes." Three and a half years have gone by and most of the prisoners are still in camps. None seems to have been formally tried. Besides, it is clear the problem isn't even one of justice, which in any case is synonymous with power. It depends on the goodwill of 17 men in the party's political bureau. "Re-education" is not a punishment in the ordinary penal sense. At best it is an administrative measure of unlimited duration imposed by the victor on the vanquished.

Moreover, the military authorities appear to be transferring detainees from the camps under their jurisdiction to those run by the prison administration. Nobody knows what the status of a "re-educated" person would be following such a transfer.

Celebrating National Day on September 2, Hanoi announced that prisoners would be released. A few appear to have been freed. In the South, in some *chays* (usually a group of about 400 detainees, but the number varies according to the size of the camp), one or two prisoners were let out. But not one of a wide sampling of 100 former Vietnamese officers and government employees married to Frenchwomen, who on this account would be entitled to come to France once they are liberated, had been freed up to the end of September.

Visits to prisoners are impossible in the North, and only irregularly permitted in the South. Sometimes three to four months elapse between visits. The duration of the visits, which take place in the presence of guards, varies between five and 15 minutes. Food is scrappy, health care and medicines generally nonexistent. It should be pointed out, though, that here the population is hardly better off where shortages are concerned.

In the South, instead of being given a genuine political re-education, General Thieu's former soldiers and government employees are forced to clear jungle land and build dykes, often close to the Cambodian border, in Tay Ninh and Phuoc Long provinces. Up to 10,000 prisoners worked at one time in the latter province. Output norms are high, working conditions arduous, and malaria is endemic. In the North, especially in the Ten Bai region, I learned from very reliable sources, the cold and the lack of food result in "a high death rate." Detainees have been employed everywhere in clearing minefields.

Hanoi is gradually releasing men who can be immediately re-employed, like doctors, technicians and teachers in particular. However, once released, they still need six months to recover their civic rights. They must spend three months of this period on earthwork projects, either doing the whole stint at one go or in spells of ten or 15 days at a time. After that, they must find work, and for this they must bribe corrupt bureaucrats. Those who aren't authorised to live in cities are practically forced to set up in the "new economic zones" with or without their families, or try to get out of Vietnam.

No less alarming is the situation in the prisons. The names of penitentiaries of sinister fame we used to hear about in the days of the Saigon government are cropping up again in conversations. These were the names which mobilised a part of world public opinion against Saigon. At the time the Democratic Republic of Vietnam quite rightly never let a chance go of denouncing the inhuman gulag. Now that they are in power, these same leaders are filling it with "reactionaries," "saboteurs," "conspirators," "enemy agents" and "traitors." However, unlike what used to happen before, no foreign investigating commission is allowed to verify the accuracy of these ignominious assertions. The well-known militants who, under the old regime, courageously devoted themselves to defending political prisoners have all gone silent. Some are in official jobs, others behind bars.

Ho Chi Minh City's big Chi Hoa prison, which before April 1975 held some 10,000 people crowded in degrading conditions, is again said to be full. Extensions are said to be underway in Le Van Duyet prison, in the south of the city. Its four-by-eight metre cells which used to hold up to 35 prisoners each until this year are now said to contain over 50, with the prisoners taking turns to sleep. I was told of similar prisons in the provinces, but of course these stories cannot be verified.

Last month (September) the authorities arrested a surgeon from a Saigon hospital who, it was said, talked too freely, complaining about working conditions and the lack of facilities. The same fate befell Cao Giao and Thai Lang last June, two journalists well known for their independent judgment and opposition to the former Saigon regime.

With three other French journalists, I tried to find out what had happened to a number of people whose names we submitted to the authorities. But it was a sheer waste of time. We did receive a few answers from officials. Here are some of them.

Huynh Tan Phat, former president of the provisional revolutionary government and now a Vice-Premier, said: "Almost all the detainees have been freed. A very small number are still held. I don't have a list. Prisoners are freed everyday." On the subject of those who helped the revolution, in particular the PRG, who are still held in prisons, he had this to say: "One must beware of those who disguise themselves as revolutionaries in order to play the enemy's game. There are camps administered by the army and camps under the ministry of the interior (security). If you have lists of names, go inquire at the ministry. It will give you the answers."

Lu Ki Ky, secretary-general of the Association of Vietnamese Journalists, assured that "95 per cent of the prisoners have been freed." But out of how many? That he didn't know. Despite his official position, "he knew of no journalists who were arrested in the South." To his mind, the West had a wrong idea of detention camps. "It would be more to the point to consider them as camps for creating and learning." And he went on to compare them, absurdly, to "big chicken farms."

"Before releases are granted," Ky said, "the people of every village, every neighborhood must be consulted. It's up to the people to decide. If a release is granted prematurely, the people will not be happy."

When he was asked who, besides "the people" constituted the "competent authorities," he answered curtly: "It's none of your business." And when taxed about incarcerations without trial, he had this to say: "This is our regime."

It could be the last word. But an unnamed official had another to add: "Right now, security takes priority over everything else. It's not possible in the present circumstances to free people who could make use of their freedom to threaten us from within." ●

THE VALUE OF TUITION TAX CREDITS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. PHILIP M. CRANE. Mr. Speaker, as the costs of a postsecondary education continue to rise, students and parents are faced with the likelihood of reduced choices as they approach the education marketplace. The sad reality today is that many students must secure more than a good scholastic record in order to enroll in a good college; they must also secure outside financial assistance. As this problem becomes more pervasive, the citizens of our Nation, individually and collectively, stand to lose.

To address this problem, I have introduced a bill which would provide a tax credit of $1,000 for expenditures of tuition, fees, books, supplies, and equipment required for enrollment and instruction at an institution of higher education or a vocational school. The full credit may be granted to those with a tax liability equal to or greater than the amount of credit offered, while those paying less than $1,000 in taxes would be eligible to receive a credit equal to their tax liability. Immediately following its passage, this bill would provide the full credit of $1,000 for every subsequent taxable year.

A credit of $1,000 is necessary to meet current expenses in financing a college education. The College Entrance Examination Board (CEEB) reports that between the 1970–71 school year and the 1976–77 school year, the average tuition and fees for 4-year colleges rose 54 percent at private institutions and 57 percent at public institutions. In CEEB's report, "Student Expenses at Post-Secondary Institutions, 1978–79," evidence indicates that this rising trend in educational costs continues. From the 1977–78 school year to the 1978–79 school year, budgeted costs increased 5.3 percent for resident students at public 4-year institutions, and 6.1 percent for resident students at private 4-year institutions. Figures for nonresident students in each category increased approximately 5 percent as well. These figures support the CEEB's observation that over an 8-year period—since school year 1970–71—increases at public 4-year institutions have risen by 64.8 percent, while costs have increased by 74.5 percent at private 4-year institutions.

While there has been a continuing increase in college expenses, there has also been a decline in those attending postsecondary institutions. In the "National Center for Educational Statistics Bulletin," December 1978, Marcie D. Eldridge, administrator, NCES, cited that:

> For the second time in three years enrollment in the nation's colleges and universities is down.

Increasing costs could eventually restrict those pursuing a postsecondary education. Without a bill of this type, we are endorsing financial discrimination against middle income Americans.

Morgan Frankel, an analyst in taxation from the Economic Division of the Congressional Research Service, studied the benefit of a $1,000 credit for middle income families. His report indicates that those with incomes under $15,000 would represent 51.3 percent of the cumulative percentage for the tax benefit, and those with incomes under $25,000 would bring the cumulative percentage benefit to 83.6 percent.

This tax credit proposal will not create another bureaucratic regulation. In his column, "A Valuable Tuition Credit," Washington Post, March 26, 1978, George F. Will cited this key virtue: "A tax credit involves no administrative burden" and is not merely a ". . . routine bureaucratic reflex." This concept enables the amount of credit to be subtracted directly from the amount owed by the taxpayer, hence these funds are utilized by the citizens rather than the Government for the means of education desired.

In his book, "Crisis in College Finance? Time for New Solutions," Roger A. Freeman sums up the urgent need for a program to insure the freedom of choice and diversity for our Nation's young people pursuing the high level of education which we have thus far afforded them, saying:

> The scope and depth of knowledge available and required are growing at an explosive rate; the nation's future depends increasingly on having its citizenry more broadly educated, yet more thoroughly trained in science, technology, and other special fields.

The cost of a tuition tax credit plan has been discussed in dollar terms as a "revenue loss," however, in the long run, the program would become a "revenue investment" as the revenues would lead to higher learning, better job opportunities, and consequently a more productive economy providing the Federal treasury with higher tax revenues.

As a former college educator, I firmly believe that the key to America's future lies in its young people. Revenue loss can be printed simply in terms of dollars and cents, but a monetary investment in our future cannot be itemized. Our tax system recognizes the need to encourage capital investment by business to keep the economy strong. Our tax code must also reflect the realization that educating our young people is an equally sound investment in the future of our country. Education is the key to an informed electorate which, in turn, provides the foundation for our democracy. As our third President, Thomas Jefferson, founder of the University of Virginia, appraised the value of education, so would I:

> I know no safe depository of the ultimate powers of society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them, but to inform their discretion by education.●

U.S. AID FOR RHODESIA ELECTIONS

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. DICKINSON. Mr. Speaker, it is my belief that the Carter administration should reevaluate its position on the upcoming elections in Rhodesia. The Birmingham News recently ran an editorial by James J. Kilpatrick dealing with that very issue which I would like to share with my colleagues:

WHY WON'T U.S. AID RHODESIA ELECTIONS?

(By James J. Kilpatrick)

It is worth returning to the Rhodesian issue one more time, if only to plead with President Carter to reconsider the obstructionist position he and his advisers have taken. In this critically important matter, Mr. Carter is dead wrong; the senators who oppose him are dead right.

Barely a month remains before Rhodesia is to conduct elections to a new biracial parliament under the newly approved constitution. These are not sham elections. They represent a profoundly serious effort by white and black leaders to create a truly viable republic in the heart of southern Africa.

Now, "viable" is one of those useful words that have been damaged in bureaucratic handling. It means "capable of living," and that is precisely what is at stake next month in Rhodesia-Zimbabwe—the birth of a government that is capable of surviving the terrible stresses that will follow in the spring and summer.

CIVIL WAR THE ALTERNATIVE

The United States makes all the difference. With our help, and Britain's, the infant will pull through; without it, the effort will die. Chaos and civil war most surely will follow.

What is asked of Mr. Carter at this point? Only that he authorize a team of observers for the April elections. It seems little enough to ask. After all, this is the key element the United States has been demanded for years—free elections open to all Rhodesians over the age of 18.

But the elections will have little meaning if they are not certified as free and open by neutral observers. Without such certification. United Nations sanctions will remain in effect.

A bipartisan group of senators clearly comprehends the situation. The group includes such liberals as McGovern of South Dakota, such moderates as Schweiker of Pennsylvania and DeConcini of Arizona, and such conservatives as Hayakawa of California. They are willing to have a look; they perceive nothing that is wrong, and everything that is right, in sending observers.

What are Mr. Carter's objections? The president himself has never spelled them out. Various spokesmen have complained that the elections cannot be regarded as open if the guerrilla factions of Robert Mugabe and Joshua Nkomo "are not allowed to participate."

That was how U.N. Ambassador Andrew Young put it a few days ago. But only their own obduracy prevents the ZANU and ZAPU factions from voting with everyone else.

It also is complained that there never has been a multi-party conference that would bring Mugabe and Nkomo together with leaders of the transitional government: Smith, Muzorewa, Sithole and Chirau. But Ian Smith months ago tried to negotiate with Nkomo as the better of the two terrorist commanders; Nkomo's rebels responded by shooting down an unarmed civilian plane and then slaughtering the survivors.

Until passions cooled, a conference could not have succeeded. Now Smith has renewed his offer to meet. Mugabe and Nkomo have refused, and Mugabe has published a list of "traitors" he intends to execute when he seizes power. The list include Muzorewa, Sithole and Chirau.

Still further, it is complained that the new constitution gives 28 percent of the seats in parliament for 10 years to whites who constitute 4 percent of the population. Senator Hayakawa makes the point that this has been the pattern in Africa as one-time colonies have achieved independence.

FORMULA USED BEFORE

When Tanzania was created, 30 percent of the seats went to 1 percent of the population. In Kenya, 30 percent of the seats went to 4 percent. In Zambia, half of the 30 parliamentary seats were reserved for 84,000 Europeans; half went to 3.5 million blacks. Such provisions are transitional, and they are essential.

Finally, it is objected that to dignify the April elections, even by sending neutral observers, would be to alienate such states as Mozambique, Angola, Tanzania, Zambia and Botswana. But is it supposed that these states would sever all relations with the West and make war upon Zimbabwe? Nonsense!

The situation could be peacefully resolved—but nothing will be peacefully resolved so long as Mr. Carter refuses to go the first mile.●

REMEMBERING REV. MARTIN LUTHER KING, JR.

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. CONYERS. Mr. Speaker, 11 years ago today Rev. Martin Luther King, Jr. was tragically assassinated in Memphis, Tenn. The passing of time ordinarily has a way of dulling or tarnishing the memory of our national leaders. Such has not been the case with the memory of Dr. King. In America's history he stands among a small number of great leaders for whom respect, affection, and admiration have grown with each passing year.

Martin Luther King. Jr. possessed extraordinary qualities. He was a deeply religious man, the son and grandson of two prominent ministers, at whose church—the Ebenezer Baptist Church in Atlanta—he too became a minister. In his religious practice and his preaching of the social gospel that it is man's duty not only to have faith, but also to serve others (according to Luke: "To heal the brokenhearted, to free the captives, to set at liberty them that are bruised") Dr. King transformed the religious and secular life of the American people and, indeed, of peoples throughout the world.

Dr. King's stature rests on many other qualities: A singular self-discipline and steadiness, an unshakable faith in the basic goodness of man, a dedication to raising up the lives of the disadvantaged, exceptional courage, and an irrepressible dream for racial and economic justice.

Like the great teacher before him, his guiding lights—Christ, Socrates, Gandhi—Martin Luther King, Jr. engaged individuals in a process of seeking after the truth. He was convinced in the basic goodness of individuals, but he also knew that ignorance was widespread and change, frightening. Many critics accused Dr. King of fomenting violence through his actions. They were unable to see that the tragic violence that occurred during the civil rights struggle did not arise out of the nonviolent civil disobedience of Dr. King's movement, but out of the conditions of anger, antagonism, tension, and violence that existed very close to the surface of everyday life. In Dr. King's words, the tension that already existed had to be "exposed, with all the tension its exposure creates, to the light of human conscience and the air of national opinion before it can be cured."

Martin Luther King, Jr.'s tireless efforts in the North and South were largely responsible for the vitality of the civil rights movement and the passage of the landmark civil rights laws in the 1960's. It may be said that his counsel influenced Presidents Kennedy and Johnson in moving them toward leadership on civil rights. In all of his activities during the civil rights movement, Dr. King spoke for all people. "Black and White Together—We Shall Overcome" was Martin King's credo to the last. I do not think it is an exaggeration to say that Dr. King helped change the face of America.

Martin Luther King, Jr.'s memory is honored in a great many ways, at home and abroad. Thirteen States, as well as most major cities in the United States, honor him through public holidays or days of observance. Dr. King's gravesite in Atlanta has become a national shrine at which world leaders have paid their respects.

In each Congress from the 90th Congress onward, I have introduced in the House of Representatives a bill to designate Martin Luther King, Jr.'s birthday a national holiday. I thank 118 of my colleagues who have joined in cosponsoring this legislation, H.R. 15; and invite my other colleagues to earnestly consider supporting and cosponsoring the bill. Twenty-six Senators have joined Senators BAYH, KENNEDY, and DOLE in cosponsoring S. 25, the companion bill. President Carter has also endorsed the Martin Luther King, Jr. national holiday bill.

I am aware that the public holiday is an honor that, heretofore, has been reserved only for President Washington, Columbus, and great national events. May I respectfully suggest that this honor also be conferred on Dr. King, who was the leader of the greatest modern example of popular political action in this country. Martin King caused a rebirth in this Nation, a reaffirmation of the ideas of freedom and justice which is the cement which binds us together.

We ought to have a way to honor this great human being and reaffirm the ideals he lived and died for. To honor him through a national holiday would also, of course, bestow a great honor on black Americans and represent another step forward in reconciling the lives and dreams of all the peoples who compose this Nation.

Dr. King championed justice and liberty for all Americans. He exemplified a very special ideal in human history—the ideal of serving one's fellow brothers and sisters. In teaching us how to live in justice and in freedom, and how to die as well, Dr. Martin Luther King, Jr. taught us a great deal, indeed.●

CARNEGIE AWARD FOR HEROISM

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. EMERY. Mr. Speaker, on January 28, 1979, an 11-year-old resident in my district was rescued from certain death on an ice-floe in Maine's 30-degree waters by an 18-year-old who risked his own life to save a stranger. In recognition of this act of selfless courage, David Harrison of Kennebunk has been nominated to receive the Carnegie Institute's coveted award for individual heroism.

As we celebrate the International Year of the Child, it seems especially appropriate to share with you the following account of this remarkable incident and to commend the courageous young Maine man who risked his life to save another.

[From the Journal Tribune, Jan. 29, 1979]

KHS SENIOR RESCUES 11-YEAR-OLD

(By John Young)

KENNEBUNK.—It was just another winter Sunday afternoon for 18-year-old David Harrison.

The Kennebunk High School senior decided to visit a friend, Tammy Phillips, and drove down to her family's Great Hill Road home at Kennebunk Beach.

A few minutes later, he would be swimming through the near-freezing ocean, risking his own life to rescue a stranger.

Harrison says he was talking with Tammy on the sun porch of her parent's home about 2 p.m., when Mrs. Brian Phillips—in near-hysterics—interrupted.

Their attention was then fixed on two young boys, caught on an ice floe which was heading out to sea in the rapid currents of the nearby mouth of the rain-swollen Mousam River.

Harrison says the two boys, later identified as Scott Carney, 11, of Kennebunk Beach, and Paul Chaisson, 14, of Portland, "tried to land themselves before they hit the tidal water," using sticks as oars.

They were not successful.

Harrison ran from the Phillips' house as the boys tried to make a swim for shore. He was followed by the Phillips' dog, Thaddeus.

At the water line, Harrison says he dropped his shoes, coat, watch and wallet and ran into the churning tidal waters—where the temperature was estimated to be in the mid-30s.

Chaisson, the older of the two castaways, was able to swim out of the main current under his own power, says Harrison, but was unable to stand up because of the effects of the frigid water.

By this time, another Kennebunk High student, Robert Thibodeau, had arrived on the scene, and Harrison says he helped Chaisson get to shore.

That left 11-year-old Scott still in the main current of the river—rapidly moving out in the ebbing tide.

But first, Harrison says he had to deal with Thaddeus, who thought the whole episode was, "fun and games."

Harrison says he was swimming to the younger boy, but the dog kept interrupting the rescue, trying to retrieve Harrison's hat. After the dog put him under water once. Harrison says he finally got Thaddeus turned around, back toward the shore, and he began the 50-yard swim to Scott.

The 11-year-old had been under water once by the time Harrison reached him. He grabbed Scott's collar for the long swim back.

All three were then taken to the Phillips' home. Shortly afterward, Scott and Paul were taken to Webber Hospital in Biddeford by the Kennebunk Fire Department ambulance. The two were treated there for hypothermia and shock and released, according to Kennebunk Police Officer Kent Burdeen, who arrived at the scene shortly after the rescue.

Harrison says he was revived with a hot shower and some rum at the Phillips' house.

Harrison, at school this morning, told the Journal Tribune in a telephone interview that he had taken basic first aid classes at the high school, and had been enrolled in Red Cross swimming classes, although he's never had any lifesaving instruction.

Harrison says he learned later that the two boys were playing on an ice floe in a calm tidal pool, but the current of the river and the rapidly-ebbing spring tide turned the game into a life-and-death situation.

Although his actions Sunday may be considered heroic, Harrison says he's "trying to keep low," today in school.●

SIGNIFICANT SAVINGS CAN BE REALIZED BY ELIMINATING LANGUAGE MINORITY GROUP PROVISIONS FROM THE VOTING RIGHTS ACT OF 1965

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. McCLORY. Mr. Speaker, today I am introducing legislation which will not only cut enormous expenses from State and Federal Government budgets but also eliminate a great deal of confusion and dissension. This legislation is entitled "The Voting Rights Act Repealer Amendments of 1979" and will eliminate the requirement that so-called language minority groups be included within the provisions of the Voting Rights Act. It has the support from a number of my colleagues on both sides of the aisle.

Though I was an enthusiastic supporter of the Voting Rights Act of 1965 and 1970, the amendments in 1975 have been fraught with difficulty and expense diverting funds from many more worthwhile projects to assist minority groups.

Under the mistaken belief that certain minority groups in this country were being discriminated against in the electoral process because of a lack of proficiency in English, the Congress amended the Voting Rights Act with provisions which sought to remedy this alleged discrimination. These amendments provide that a State or political subdivision is now subject to the provisions of the Voting Rights Act if a single language minority comprises 5 percent of the total voting age citizen population, and if the illiteracy rate of that group is greater than the national averages. The act defines "illiteracy" as failing to complete the fifth primary grade.

The effect of these standards is that a State, county, city, or town must provide ballots and ballot information in the languages which meet the 5-percent test.

Many Members of Congress and officials at the Department of Justice, which is charged with enforcing these provisions, are beginning to realize the mistake which has been made. Numerous cities and towns across the country are being forced to spend thousands of dollars to provide bilingual ballots printed in such obscure languages as Cantonese, Tagalog, and Mandarin, even though no members of these minority groups reside within the voting district.

One example of how the current law works is found in the city of San Francisco. The registrar of voters has had to bear the exorbitant cost of printing registration materials, ballots, and ballot information in Cantonese, Mandarin, Spanish, and Tagalog.

Very shortly, the General Accounting Office will release a report of its study of these provisions of the Voting Rights Act. It is my hope that the GAO has concluded that the statute is not only unenforceable, but unnecessary.

Mr. Speaker, the bilingual amendments of 1975 are overbroad and unnecessary. In order to lift the outrageous burden on many of our cities and towns, I am introducing this legislation to repeal the 1975 bilingual amendments to the Voting Rights Act. I am including a detailed section-by-section analysis of this legislation:

SECTION-BY-SECTION ANALYSIS

Section 2. This section strikes language from §4(a) of the Voting Rights Act which incorporates a reference to the bilingual trigger established by the 1975 Amendments in § 4(b). Section 2 does not affect the traditional coverage of the Voting Rights Act accomplished by either the 1965 or the 1970 Amendments.

Section 3. This section deletes from § 4(b) of the Voting Rights Act the bilingual triggering provision added by the 1975 Amendments. Section 3 does not affect the traditional triggering mechanism with respect to the Voting Rights Act of 1975 or the 1970 Amendments.

Section 4. This section deletes § 4(f) of the Voting Rights Act which was added by the 1975 Amendments to the Voting Rights Act. Section 4(f) of the Voting Rights Act is the heart of the bilingual expansion accomplished by the 1975 Amendments. That section prohibits English-only elections by finding an English-only election to be a literacy test equivalent to the literacy test imposed in the old South. Section 4(f) also mandates the printing of all registration or voting notices, forms, instructions, assistance, or other materials or information relating to the electoral process, including ballots, in the language of any covered language minority group. Section 4(f) was not part of the Voting Rights Act of 1965 or the 1970 Amendments and its repeal will not affect traditional coverage under the Act in any way.

Section 5. This section deletes from § 5 of the Voting Rights Act, the preclearance requirements, based upon coverage by the bilingual triggering mechanism added by the 1975 Amendments. This section does not affect the preclearance requirements of § 5 with respect to the Voting Rghts Act of 1965 or the 1970 Amendments.

Section 6. This section limits the coverage of the Voting Rights Act to the fifteenth amendment of the Constitution by deleting references to the fourteenth amendment in §§ 3 and 6 of the Voting Rights Act which were inserted by the 1975 Amendments. Reliance on the fourteenth amendment is unnecessary since traditional fifteenth amendment guarantees have proven sufficient in our ten years of experience under this Act. The voting guarantees of the fifteenth amendment sufficiently safeguard any abridgement of voting rights on account of race or color. The courts have had little trouble in protecting the rights of language minority groups under the fifteenth amendment. This section in no way affects rights protected by the Voting Rights Act of 1965 or the 1970 Amendments.

Section 7. This section deletes a cross-reference in §§ 2, 3, 4(a), 4(d), 5, 6, and 13 of the Voting Rights Act to the guarantees established in § 4(f) (2) of that Act. Section 4 (f) (2) is repealed in § 4 of this bill and any cross-reference in the Act to it must be eliminated. Section 7 in no way affects voting guarantees protected by the Voting Rights Act of 1965 or the 1970 Amendments.

Section 8. This section deletes the definition of "language minorities" and "language minority" groups from § 14(c) of the Voting Rights Act. Repealing the other bilingual provisions of the Voting Rights Act removes the need for a definition of language minority groups. This section does not affect the protection of the Voting Rights Act of 1965 or the 1970 Amendments.

Section 9. This section deletes § 203 of the Voting Rights Act which imposes bilingual election requirements in locations where language minority groups have a lower degree of education than the national average. The onerous requirements of § 203 are identical with the requirements in § 4(f) which is repealed in § 4 of this legislation. Section 9 also contains technical amendments re-numbering successive sections in Title 2 of the Voting Rights Act. This section does not affect traditional protections of the Voting Rights Act of 1965 or the 1970 Amendments.●

CUBA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. ASHBROOK. Mr. Speaker, this week we will be considering foreign aid to a number of countries. As the House considers H.R. 3324, the foreign aid bill, I hope my colleagues keep in mind that indirectly we have been aiding some of the worst violators of human rights in the world. I provide, for my colleagues' attention, two recent examples of people whose human rights have been abridged:

RETURNED PRISONER CITES INHUMANITY IN CUBAN JAIL

(By Otis Perkins and Dick Hogan)

"When you are an American in Cuba it's hell, baby," said Garland J. Grant, who described in an emotion-choked voice how prison guards gouged out one of his eyes with a bayonet and beat another American prisoner to death in a Cuban prison.

Grant, 27, of Milwaukee, Wis., is among six Americans who returned voluntarily from Cuba Tuesday to face air piracy charges that could result in life prison sentences.

Grant was the only one of the six to grant an interview Friday inside the Duval County Jail where he is being held pending his return to face the skyjacking charges in Milwaukee.

He was dressed in a red flowered sport shirt and grayish trousers.

He said he returned to the United States "because I found out I didn't like the Cuban government . . . Cuba is nothing but a pawn of the Soviet Union."

"I'm glad I got to Cuba. It cost me my eye and almost my life," he said, but he learned that Communist Cuban government is prejudiced against blacks.

Grant said he went to Cuba by accident, that his intended destination was Africa where he said he wanted to live. He said he was concerned about black Americans in the United States, but soon learned Cuba was far more racist than the U.S. He said he still wants to go to Africa.

Grant said he was in jail all but two of his seven and a half years in Cuba. Why did he return to the United States, knowing he could spend the rest of his life in prison?

"I am 27 years old," Grant said. "I feel like I'm a thousand years old. I knew I'd probably die in prison there."

He couldn't control his emotions as he recalled the death of another friend he knew as Allen Sweitzer, who had lived in Chicago.

Sweitzer was originally from Chicago and came to Cuba via Jamaica. He was put in prison for 12 years because the Cubans said he stole a car radio, Grant said.

He recalled that Sweitzer wore a "P" on his shirt. A drunken guard wanted to know what the "P" was for, and Sweitzer replied, "prisoner of war."

The guard then "asked him what his nationality was and he said North American." Grant said, "He told him, 'Don't you know that if you're in this country, Americans are dogs?' "

Grant said the guard beat Sweitzer's head against a steel gate, that Sweitzer complained the next day of headaches and died after being taken to a hospital.

Grant said that after Sweitzer died at a hospital, guards asked him and several other prisoners, "Do you know judo?" and tried to get them to sign papers saying they had been responsible for Sweitzer's death.

Calm throughout most of the interview, Grant became violently emotional while describing the prison protest on Oct. 24, 1974, the day after Sweitzer's death, when he and seven other prisoners went up on a water tank to protest the killing.

They refused to come down until they were allowed to talk to officials from the Cuban Department of Immigration or Department of the Interior, Grant said.

Guards went up on the prison roof and pointed AK-47 rifles at them, Grant said, but they still refused to come down, so guards with sticks and machetes surrounded the water tower, and firemen came in with water hoses to force them to come down, he said.

The water was forcing the prisoners off the tower but then "the wind changed and the water started going back on the Cubans."

After that happened, he said, "the gates opened up and guards started coming in with sticks and machetes." They forced the prisoners off the tower by throwing rocks at them and savagely beat them once they were on the ground, he said.

Becoming increasingly more agitated as he recalled the event, Grant told how a guard stabbed him in the eye. "At first I thought it was just swollen." But when he was taken to a hospital after a four-hour wait, a Russian doctor told him it would have to come out.

He said that at the hospital he was "yelling at them, calling them names in Spanish." They gave him a form to sign for his consent to have the eye removed, he said, and when he refused to sign told him they would remove it anyway.

He also raised his shirt to display long scars, which he said were from wounds inflicted by guards' bayonets.

Conditions in Cuban prisons were "inhuman," Grant said. On a typical day food consisted of half a cup of milk and a piece of dry bread in the morning, rotten fish for lunch, "and a lot of rice," which was mainly what prisoners were fed, he said.

When reminded that he faces a possible life sentence for his alleged crime, Grant said, "life is a gamble," and that an American prison would be "paradise compared to the Cuban prisons." Air piracy, a federal offense, carries a prison term of from 20 years to life.

He said he plans to write a book about his experiences in Cuba called "Castro's Paradise, Black Man's Problem," explaining that he feels black Cubans are being exploited by being sent to Africa to fight in wars financed by the Soviet Union.

A Report from Cuba—Castro's Political Prisoners

(By Theodore Jacqueney)

"In our terrible plight, new winds of hope reach Cuban political prisoners," Eleno O. Oviedo wrote to President Jimmy Carter in a letter smuggled out of Cuba from a Havana area prison in February.[*]

Using the same underground postal service a few days later, Miguel Groero Morales wrote to the new American President to say that although his 15-year sentence was up on March 15, his prison term was being extended because he refused the government "rehabilitation" plan which requires political prisoners to renounce their political beliefs. In protest, he planned a hunger strike. A close friend had died in a similar hunger strike response to another sentence extension for rejecting "rehabilitation," Groero wrote. The political prisoner told the president that he "loves life" even though he has been in prison for 15 years, but said he is determined to strike because he will not recant his religious beliefs or his views on democratic liberties.

Both letters were forwarded to the White House in March by Elena Mederos, Fidel Castro's first minister of social welfare and now the publisher of Of Human Rights, a magazine devoted to Cuban political prisoner issues.

In the 18 years Castro has governed Cuba, not one political prisoner has been amnestied. Only those who submit to the ideology of their jailors are freed. Last October, when I travelled in Cuba, one dissident leader told me, "When I heard on a foreign radio broadcast of the Organization of American States investigating political prisoners in Chile, I cried. Why don't they come here and look into our political prisoners, who have been treated as harshly as in Chile and have been in prison so much longer?"

I visited Cuba with an invited group of Ripon Society Republicans, neglecting to mention my human rights interests to Cuban U.N. officials charged with clearing visitors. Once in Havana I rarely went on the programmed official tours. Instead I called on the ex-prisoners, families and friends of prisoners and other underground opponents of the Castro regime to whom I had brought introductions.

TRADE UNIONISTS

Estimates of current Cuban political prisoners range from about 5,000 to more than 50,000. In comparison, Soviet dissident Andrei Sakharov estimates the USSR may hold about 10,000 political detainees: whatever figure is used for Cuba, in proportion to population (9.5 million Cubans, more than 250 million Soviets) Cuba has for more political prisoners.

Among these prisoners are many trade union figures who fought against the old Fulgencio Batista regime with Castro but were imprisoned in the early 1960s as the Cuban Revolution became Communist. Among the imprisoned Cuban labor leaders whose release has been sought in public human rights petitions from many other Latin American trade unionists are:

Reinold Gonzales, national leader of the banking workers union;

Gabriel Hernandez Custodio, secretary general of the pharmaceutical workers union;

Arturo Martinez Pagalday, organizational secretary of the retail clerks union in Havana province;

Herberto Hernandez, secretary general of the Cuban Workers Confederation in Camaguey province;

Pedro Forcade, secretary general of the chemical workers union;

Aldo Cabrera, secretary general of the food processors union;

Reinaldo Nunez, a leader of the Catholic workers union;

Rodolfo Riesgo, a leader of the journalists union; and many others.

Perhaps the most celebrated Cuban dissident is Huber Matos, once Amnesty International's "political prisoner of the year." He was a commander in Castro's rebel army and became military governor of Camaguey province following revolutionary victory in January 1959. Ten months later he resigned, protesting increasing Communist domination of the new government, and was arrested on the now-ironic charge of "slandering the revolution by calling it "Communist'," a charge later changed to "treason."

Ping-ponged around the island's worst prisons for more than 17 years, Matos has been held *incommunicado* in La Cabana prison for the past six years. Members of his family, including his father who is now more than 90 years old, have tried repeatedly to visit him during this period, always unsuccessfully.

PRISON CONDITIONS

Earlier this year Matos was moved from La Cabana to Moralitos prison, about ten miles east of Havana, along with about 900 other political prisoners. Although his present conditions are unknown, his treatment at La Cabana was described to me through communications with his prison mates when I was in Havana. Throughout his six years in La Cabana he was kept in a totally dark, 60 square meter underground cell with between seven and sixteen other men. The prisoners were permitted to see daylight only three times per week, for two-hour periods. The cell was so hot and humid that "in the summer they have to carry water into the cell to pour over themselves. Otherwise they could not live, because of the heat," I was told.

Almost all political prisoners in La Cabana—called "plantados"—allegedly suffered the loss of many teeth; a few had lost all. Prisoners also complained of infestations of rats, mice and "all kinds of insects." The inmates reported steadily worsening vision caused by the lack of light, limb paralysis, hair and eyebrow loss, stomach ulcers and circulation problems. Severe psychological or nervous disorders were also described to me: uncontrollable head-flickings, eyedartings, rapid gestures and sleeplessness, with some prisoners reported screaming through the night.

* * * * *

A comparison is striking: The case of former Chilean foreign minister Orlando Letelier, murdered in ostentatious gangland style, with possible complicity of right wing Cuban exiles, received enormous publicity in the U.S. The case of nearly-murdered Huber Matos, Jr., shot up with comparable Mafia methodology, is almost ignored here. Americans are properly outraged at the predations of the Chilean DINA secret police, with its possible link to the Letelier assassination. But not a word about the Cuban DGI, which in turn may be tied to the Matos shooting, as ruthless a secret police apparatus as DINA, as connected with political prisoner abuses at home and assassinations abroad.

The Cuban government wants the embargo lifted and U.S. trade resumed to try to spur its stagnant economy. "End the embargo" was the repeated demand of Cuban officials I encountered, and communicating this message seemed to me to be their government's main purpose in inviting Americans to the island.

To my surprise, Cuban dissidents in Cuba to whom I spoke agreed! Castro opponents with whom I spoke want passionately to resume trade and diplomatic relations with the U.S., although for very different reasons than the government officials It means opening up Cuba to penetration," explained one implacable Castro foe who took great chances introducing me around to other dissidents and prisoner families. Repeatedly dissidents told me that they hoped for an increase in American diplomats, businessmen, journalists, tourists and other visitors in Cuba.

Whether all Cuban dissidents would agree—or whether this should be the decisive consideration for U.S. policy toward Cuba—I don't know. But this was the view expressed by the dissidents to whom I spoke.

My friends and I hear about the underground in Russia," said another dissident, "about Solzhenitsyn and Sakharov and others of the Russian resistnce. Do you think we do not have our Cuban Solzhenitsyns, our Sakharovs? How could we not, when we are so close to your country and respect the ideas of your country, the democratic process, freedom, liberty? Of course we have people like them here. But how is the world to know, and how can they be protected by world opinion, like the Russians, if there are not journalists here to meet them and write about them, if Castro can arrest them and they disappear?"

Political prisoners in La Cabana prison who provided me the information on Huber Matos also sent a message, put together in consultation: Tell the world we are suffering in Cuba's prisons. You asked about "human rights" in Cuba. In Cuba, these two words are unknown. Cuba and Cubans would like to be free. Help them please. And guard the liberty you have."●

THE CHALLENGE OF THE FCMA

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. BREAUX. Mr. Speaker, at the beginning of this Congress I assumed the chairmanship of the Subcommittee on Fisheries and Wildlife Conservation and the Environment of the Merchant Marine and Fisheries Committee. Over the past few years, this subcommittee has been engaged in a continuing effort to revitalize the U.S. fishing industry. The first major step in this effort was the passage in early 1976 of the Fishery Conservation and Management Act, commonly known as the 200-mile Fishing Zone Act.

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[*] Oviedo wrote that he had served more than two years in the U.S. Army after leaving Cuba, and had been employed by a Florida fishing concern when he and his companions, taking refuge from a storm, were kidnapped from Bahamian territory by Cuban naval forces in 1963.

A major contribution to the development of this legislation was made by a then freshman Member from the State of Washington, Congressman Don Bonker. He labored long and hard to assure that the subcommittee was aware of and responded to the needs of fishermen and related industries in the State of Washington and the Pacific Northwest. Don continues to be an active and effective member of the subcommittee and I intend to make good use of his fisheries know-how as we consider further steps to realize the great potential of this vital American industry.

In recognition of his efforts, Don was asked to make the principal address at the Northwest/Alaska 200-mile Fisheries Impact Conference held in Seattle, Wash., on February 27 and 28. This conference was organized by the Washington State Department of Commerce and Economic Development, the U.S. Department of Commerce, the Pacific Northwest Regional Commission, and the Washington Public Ports Association. It brought together a large gathering of fish processors and harvesters and many others interested in the development of our underutilized species of fish and shellfish.

Mr. Speaker, Congressman Don Bonker's remarks on that occasion provide an excellent insight into the opportunities available to America's fishermen and processors and some of the problems which must be overcome if we are to realize those opportunities. For that reason and because my subcommittee intends to bring related legislation before the House later this session, I would like to share his speech with my colleagues and through them with all those interested in the future of our fishing industry.

THE CHALLENGE OF THE FCMA

(By Hon. Don Bonker)

Our fish and timber resources are unparalleled in the world. Perhaps that is why we have been so complacent while foreign fishermen have scooped up our fish and our logs have been floated away from our shores in ever-increasing numbers. While the export of logs has helped to some degree in American jobs and the value of the dollar, the potential that could be achieved by exporting finished product instead of raw resource far outweighs the benefits of such exports. And, as such discussion pertains to fish, we have in the past defaulted nearly completely by standing by as foreign fleets harvested our fish resources and exported to us the processed product.

But we slowed the process in 1976 by enacting the Fishery Conservation and Management Act. Its provisions that protect fish products within 200 miles of our coasts from foreign harvest provide us the opportunity to expand greatly the impact of fisheries on the United States economy.

I say "opportunity" because while we have seen some progress toward domestic usage, we have not yet scratched the surface of the potential that exists. And the benefits will be realized only if we exercise our opportunity The opportunity will not disappear, rather it will remain as long as the FCMA stands in the statutes. But a failure on our part to open the door to opportunity relinquishes that opportunity to foreign fishermen who stand ready to continue their harvest patterns of the past.

Why? How can this be so? It always intrigues me when I receive correspondence on a law Congress has passed that demands my intervention because provisions of the law are being ignored or disobeyed. Such is the case with the FCMA. The Unilateral Act by the United States Congress to set aside an economic zone within two hundred miles of our shores was undertaken primarily to protect and preserve the fish resources within the zone for domestic use. However, the position of the United States in the world community as a responsible leader did not allow such unprecedented action without recognition of the food needs of the world and the preponderance (nearly one-fifth) of all available seafood in the economic zone we had established. So, the exclusiveness of the domestic use of fish resources within the zone extended only to the limits of capacity for harvest and processing by United States industry. Any stocks that exist beyond that are to be provided for foreign interest on a permit system managed by the Commerce Department.

While many assumed passage of the FMCA would require all foreign fishing vessels to abandon our shores, just the opposite is true. If all foreign fishermen are to leave, it is incumbent upon us to develop an industry that preempts their rights within 200 miles of our costs by utilizing the full potential of the fish stocks found there.

There is ample incentive to do so. A dramatic increase has occurred in domestic seafood consumption in recent years opening expanded markets. The latest available statistics show annual per capita consumption is approaching 20 pounds, up nearly seven pounds in the past two decades. If the current price increases in beef continue, I am confident our per capita consumption of beef, nearly 150 pounds, will fall off while seafood consumption leaps upward.

At the same time worldwide demand for seafood has marched steadily higher. This fact, coupled with a reduction of foreign fishing in the zone, could provide major markets that are already well established, unlike the nearly fledgling domestic markets.

Another incentive is the similar action taken by other countries to reserve the waters within 200 miles of their shores for use by their own nationals. As a result, nations like Japan that consume the major portion of available seafood products have found themselves with less and less fishing area and more and more dependence on imports.

An additional incentive is the possibility of reversal of what is happening in many of our fisheries on fully utilized species. By developing harvest and processing capacity on these newly reserved underutilized stocks we can perhaps relieve the pressure on our fully utilized species.

The contributions of such development of fisheries to the United States economy could more than double, expanding from just over seven billion dollars to over 15 billion dollars. In the process, literally hundreds of thousands of jobs would be added.

Right now, while the United States ranks sixth among the fishing nations of the world, it accounts for only four percent of world landings. And again that is despite the fact that one fifth of the world's fish resources occur within 200 miles of our shores. Foreign fishermen continue to harvest nearly two million metric tons of fish within that zone that under the allocation system that permits them to fish on stocks unused by domestic fishermen.

So, as I have indicated, the incentives for development of the total fishing industry exist. But such development is perceived differently by the various segments of the industry. There are those who want the role of government reduced to the smallest possible. There are those who want harvesting capacity fully developed and assured before marketing or processing capacity is addressed. There are those who want domestic harvest and export of raw product. Some want joint ventures to take advantage of existing foreign technology and foreign demand. And, there are those who shrewdly foresaw the enactment of the FCMA and invested heavily in domestic industry to avoid their interests and those of the foreign nations they represent.

But underlying all these diverse opinions of the direction we should pursue to realize the full potential of what we have carved out for this nation by enactment of the FCMA is an incredible amount of investment by those pioneers who traditionally have been in the forefront of any expansion undertaken. Spearheaded by the hard-nosed, weatherbeaten, independent, small businessmen cusses that man our fishing fleets, new keels for large, modern vessels are being laid at an unprecedented rate. And, as was demonstrated when domestic harvest of tanner crab increased spectacularly, processing capacity expanded to absorb it and Japanese fishermen relinquished the major portion of another species. As domestic harvest increases on other species I have been assured by several of those who dominate the processing industry that capacity will expand to absorb it.

What should the government's role be in this development process? And what special role should I play as chairman of the subcommittee on international development? Does my increasing seniority on the merchant marine committee, dominated by congressmen from the Pacific Northwest (three from Washington), give us an advantage that could be exploited to expedite development of our fishing industry in the Pacific Northwest? I am confident that such is the case.

As a matter of fact, major legislation that will be cosponsored by a majority of the members of the merchant marine committee, including chairman Murphy of New York, is being drafted by my staff in conjunction with his. We are addressing a number of issues in the legislation as we attempt to approach a total development package that best responds to the needs of existing industry.

Perhaps of primary importance is a consolidation of present federal involvement in fisheries. No less than eleven federal departments and agencies are involved in administering the fragmented hodge-podge that makes up fisheries policy in our government. Even consolidation, central to forming the foundation for the steps to come, is viewed in many different ways from outright paranoia to indifference. And the motives of those who advocate it are often suspect.

But beyond that we have an obligation to review the present structure of government to assure that it lends itself to realization of the potential established when we reserved the waters within 200 miles of our shores for domestic use after years of abdication of the sea's bounty to foreign fishermen. We must coordinate the management of the fish resources in cooperation with the states. We must stand as partner to the entire fishing industry to assist in providing the financial help to build fleets that can harvest the seafood necessary to meet domestic and worldwide demand, to provide the research facilities that allow us to follow the most direct path toward full utilization if our fish resources by developing the vessels and gear for efficient harvest, the technology for processing, and a distribution and marketing system that is responsive to changing and increasing demand.

Such a partnership should not be intrusive. However, standing back and throwing money at various segments of the fishing industry is not needed or, in many cases, wanted. We should be ready to make funding available whenever and wherever it is needed but only on a basis where there is a demonstrated desire by the segment of the industry involved. And then, we should assure the program initiated is designed with participation by those who will be impacted by it.

We have begun to see major changes already in the fisheries economic zone. The number of foreign vessels fishing off our shores has fallen rapidly, although actual harvest numbers have not changed so dramatically. All manner of speculation exists about why this is so, and the observer program now initiated and scheduled for expansion will give us first hand information to answer all questions. This retrenchment of foreign fishing effort has not been accompanied, to date anyhow, by appropriate increases in domestic harvest and we must determine why this is so.

This leads naturally to another area of importance that legislation must address. The uncertainty that surrounds nearly every fishery is universal. The fact is that we really don't know what has happened in the past or what is happening presently in the harvest of fish resources. As I said, the observer program on foreign vessels will begin to fill some gaps in our knowledge, but the harvest figures generated by domestic fleets have not been handled in a way that promotes confidence by those who are going to have to be encouraged to invest large amounts of money if the fishery industry is to develop properly. I feel we must remove any obstructions that exist, or are thought to exist, that would preclude enthusiastic financing when funds are needed for expansion. I believe a consolidation of the many data collection functions will serve as the most practical method reducing the uncertainty and raising the confidence of the financial community in the future of the fishing industry.

We must move on another front if we are to realize the full potential of the FCMA. The current high reliance of several fish consuming nations on the fish resources within our economic zone provides us with ready made markets. Our government, however, must begin to remove the trade restrictions that have developed in past years. The fact that many nations have been forced to curtail their fishing effort because of adoption of 200 mile economic zones by so many nation (78) will assist in this. But our state department must be made to understand and fully support the emerging nature of fishing and its increasing importance to our nation and the world. Only in this way can we facilitate the elimination of any trade restrictions that are not in the best interests of our domestic fishing industry.

Finally, I would like to comment on another area that is impeding the effort to move positively to develop a strong, modern fishing industry to meet the challenge of the FCMA. Any consolidation of views or support might be of unestimable importance. The very nature of the harvesting and transportation operations made up as I mentioned before of independent-minded entrepreneurs have succeeded in promoting a higher degree of confusion than is normal in congress as we debate the different approaches that should be taken. Just when we are satisfied we are on the right track on an initiative that will greatly benefit our domestic fishing industry, another voice is heard taking us to task because our action is perceived to be either unduly advantageous to a segment other than their own or not fully conceived to offer the greatest possible advantage to the broadest range of the industry.

If it were possible to encourage a consolidation of views I would be willing to undertake the task. Every report and analysis I have read about problems we face in bringing our fishing industry to a competitive status with that of the nations who have long exploited our fish resources begin their discussion with the caveat that nothing can really be accomplished until our industry is totally unified on all issues. Of course that is not true, but any consensus could make the task of successfully moving some necessary legislative initiatives a much easier one.

I am excited about the positive future that lies before us. I believe we can form alliances, both within the fishing industry and between it and government that will allow us to change the entire structure of fishing nations in the world. We have already, in just a few years, changed this nation's attitude from one of laissezfaire to near bellingerence in its policy on fishing and fish resources. The reversal of nearly 20 years of uncurtailed over-fishing on our fish stocks is underway along with domestic development of the industry. We have taken the first faltering steps and are at the end of the diving board. It is time to jump in and finish what is only begun.●

SOLVING THE HUMAN PROBLEMS OF EXPOSURE TO TOXIC SUBSTANCES

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. LAFALCE. Mr. Speaker, last week I had the opportunity to address the Senate Human Resources Committee on a subject that concerns me deeply—the exposure of Americans to toxic substances and the illnesses and diseases caused by such exposure. A related and no less important problem is the difficulty which persons injured and damaged by such materials face in obtaining compensation for their losses.

My remarks to the Senate committee dealt with this subject and a separate but related aspect of S. 420, the National Workers' Compensation Standards Act of 1979, my longstanding interest and involvement in the question of product liability insurance reform, dealt with under section 10 of the bill.

TOXIC SUBSTANCES

First, with respect to toxic substances, I fully support the efforts of that committee to enact nationwide standards for the award of compensation for work-related injury, illnesses, and disease. Such uniformity is long overdue. This is especially important in the occupational disease field since our understanding of disease caused by occupational exposure is only beginning to deepen. The benefits of establishing uniform compensation policies across the Nation in a developing area such as this are great.

Another very important feature of the bill which I fully support is its call for research on both the cause and effect relationships between disease and chemical exposure, and on the adequacy of a variety of compensation mechanisms. This latter study of the compensation systems would complement a study which I earlier proposed as an amendment to the Toxic Substances Control Act. The study to be conducted by the Council on Environmental Quality has been authorized at a funding level of $2 million by the Consumer Protection Subcommittee of the House Commerce Commitee.

My goal for this study is that it provide the Congress with information needed to formulate wise legislative policies which will adequately deal with the whole range of issues relating to human exposure to toxic substances. Thus, the study will define the scope of the human exposure problem in our country. A second key feature of this study would be to identify and evaluate a wide variety of options for compensating persons injured or damaged by exposure to toxic substances both outside and within the workplace.

The study will also include an analysis and evaluation of the various options for financing compensation programs. Finally, the study is to provide recommendations which address both the critical questions of social policy as well as the practical issues of how to design and carry out one or several compensatory systems. Thus, in many respects, it would be complementary to the study proposed in section 14(b) of S. 420.

However, Mr. Speaker, as much as I support these several features of the proposed National Workers' Compensation Standards Act of 1979, in the vital area of compensation for work-related illnesses and diseases, I want to express my fear that the bill may not go far enough. In specific, the highly tentative nature of the "advisory" role which the bill foresees for Federal standards relating chemical exposure to human injury threatens to limit the effectiveness of this program as a compensation mechanism for work-related diseases. It may be so toothless that it will not serve the major objective of the bill, which is to bring uniformity to workers' compensation programs across the country.

In the past 10 years, we in Congress have recognized that the proliferation of chemical and other substances manufactured and used in our country poses a potential threat to the health of our citizens and our environment. In response, the Congress passed a number of important bills aimed at protecting human health and environmental quality by regulating such substances to limit or prohibit their release into the environment. Examples of such legislation include the Toxic Substances Control Act, the Clean Air and Water Acts, the Federal Insecticide, Fungicide, and Rodenticide Act, the Resource Conservation and Recovery Act, and the Occupational

Safety and Health Act, to name just a few.

I think it fair to say that while the long-term goals of each of these acts were to protect our citizens from unreasonable exposure to hazardous substances, they do not deal with the question of how to compensate persons already injured or suffering damages from exposure to such substances, nor do they consider compensation for future exposure-caused injuries and damages. Thus, our unfinished environmental agenda should include dealing with the real and often tragic human problems caused by toxic substance exposure.

Indeed, Mr. Speaker, I predict that the decade of the 1980's will see a shift in focus from concern for the physical environment to the human environment and specifically upon health effects of exposure to environmental contaminants. As we begin to take control of the physical environmental problems, we should shift our focus to the impacts of past and continuing exposure to toxic substances, both in and out of the workplace, upon our population.

We are only now beginning to appreciate the scope of the chemical exposure problem for our population. We are able only crudely to estimate the numbers of persons who may be suffering ill effects as a result of chemical exposure. Our knowledge of possible occupational exposure, while certainly not complete, suggests that the problem in the workplace may be huge and spread across a wide range of worksites. For example, while the worker in a chemical plant producing pesticides may seem a likely candidate for exposure to toxic chemicals, we also know that certain hospital workers may also be among the highest risk persons. Undoubtedly, there will be many more discoveries in this field.

Although the focus of the Senate hearing was workers' compensation, and thus, exposure in the workplace, I also chose to say a few words about another type of exposure with which I have become painfully aware in the recent past. I refer to the nonoccupational exposure to chemicals, a problem which may be even more severe than occupational exposure, and about which we know even less.

As many of you know, Niagara Falls' Love Canal is in my congressional disstrict. In the Love Canal, we have an example of persons exposed to and injured by toxic materials purely by virtue of where they live. Unfortunately, the Love Canal is not unique. Nor are the issues it raises about liability for human injuries caused by chemical exposure and the possible mechanisms and funding to compensate victims of such exposure.

Although exposure from abandoned hazardous waste dumps may seem only tangentially related to the subject of occupational exposure, I suspect that the relationship is, in fact, very close. In many instances, dump sites are located very near an operating plant or factory. In my own congressional district, for example, we have no less than six cases—and who can say more will not be found—where fumes and effluent from abandoned hazardous waste sites are affecting and possibly injury workers on the job every day.

Mr. Speaker, I have attempted to address some of these problems through legislation of my own. To limit exposure from one source of chemical exposure; namely, abandoned hazardous waste disposal sites, I have introduced H.R. 1048, the Hazardous Waste Control Act. This act would address the Love Canal and the estimated 800 to 1,000 similar abandoned toxic waste dumps across the country by amending the Resource Conservation and Recovery Act to provide for the identification, reclamation, and monitoring of such sites.

Another of my legislative proposals directly addresses the human problems caused by chemical exposure. I refer to H.R. 1049, the Toxic Tort Act.

The Toxic Tort Act would:

First. Create a Federal cause of action for victims of toxic substances, permitting them to seek redress against negligent manufacturers.

Second. Establish an independent agency within EPA to compensate victims of pollution-related injuries regardless of fault. This agency would function, in principle, like a workers' compensation system.

Third. Require EPA to study the relationships between exposure to toxic substances and human disease and authorize EPA to make a "requisite nexus" finding. This would overcome the problem of proving causation with traditional proof requirements.

Fourth. Modify the proof and limitations, requirements which claimants must meet in State workers' compensation proceedings and in court actions, permitting the use of the presumption based on EPA's "requisite nexus" findings.

Fifth. Subrogate EPA to the rights of the injured party, enabling EPA to seek reimbursement from a negligent manufacturer.

As you can see, my Toxic Tort Act addresses several of the same issues addressed by S. 420, the National Workers' Compensation Standards Act of 1979. I would like to focus on two of the key features of these bills and explain what I consider to be the optimum for legislation to address compensation for toxic exposure-related disease and illness.

My bill proposes establishment of a so-called requisite nexus or cause-and-effect determination, between exposure to a toxic substance and the possible health effects from that exposure. The Toxic Pollutant Compensation Agency, an independent office within the Environmental Protection Agency would make the requisite nexus determination. This finding would necessarily precede any award of compensation. However, once made, the requisite nexus would create a rebuttable presumption of causality and thereby provide the standards for compensation in workers' compensation proceedings in all the States.

It would also provide standards for compensation for nonworkplace toxic exposure which would also be handled through the Toxic Pollutant Compensation Agency.

The Toxic Tort Act acknowledges the fact that before we can consider compensation for injured victims of exposure caused illness or disease, we must have a major research effort into the relationships between exposure and disease, and it makes provision for such an effort. But once that determination is made, it would, through the rebuttable presumption and liberalized statute of limitation, facilitate, without mandating, compensation of innocent victims.

I need not remind the Congress that the state-of-the-art of knowledge which can match exposure to a particular chemical with a specific illness is rudimentary at best. Only for a few selected diseases, such as black lung for coal miners and certain cancers of asbestos workers, do we have a reasonable understanding of the cause-and-effect relationship between exposure and disease. Thus, I applaud the efforts of the Senate committee to include within S. 420 a mandate to the Secretary of Health, Education, and Welfare to conduct studies of diseases and recommend standards for:

One. Determining whether particular diseases arise out of and in the course of employment;

Two. Establishing criteria for diagnosing diseases; and

Three. Establishing criteria for determining whether death or disability is due to such diseases.

This mandate in many respects parallels that proposed by my "requisite nexus" determination. In fact, Mr. Speaker, I consider the matter of improving our knowledge and understanding of the relationships between exposure and disease so critical that I would recommend to this subcommittee the option of creating a separate study bill so that if, by some chance, S. 420 did not pass the Congress, this research could begin.

The second issue which I raised regarding S. 420 also deals with the disease section of the bill. With respect to occupational diseases, S. 420 would allow the Secretary of HEW to propose standards for the compensation of work-related diseases to the Labor Secretary who then may propose a recommended Federal standard. After a relatively comprehensive scientific and public review of the standard, the Secretary of Labor may then publish the standard as an advisory standard which each State's workers' compensation agency may choose to implement.

In my view, Mr. Speaker, the fact that the published standard is only an advisory standard which the States may or may not choose to follow in their workers' compensation programs represents a serious difficulty in the occupational disease compensation provisions of this bill. It is true that the bill affords the Congress the opportunity to enact mandatory standards, but only after a 3-year time period has elapsed after publication of the advisory standard. I believe, Mr. Speaker, that the problems of work-related disease and illness caused by exposure to toxic substances are so important and so critical as to warrant the setting of mandatory standards once the necessary cause and effect determination between exposure and a disease is made.

PRODUCT LIABILITY

During the 95th Congress, the House Small Business Subcommittee which I chaired engaged in a most extensive investigation into product liability insurance—the other subject included in S. 420 on which I, during the Senate hearings last week, commented.

Because of my own longstanding interest in this subject, I have followed developments concerning product liability insurance in the Senate. I am immensely pleased to note that the approach recommended by Senators JAVITS and WILLIAMS in section 10 of S. 420 adopts the conclusions reached by my subcommttee last year and embodied in H.R. 11788, introduced in the 95th Congress on March 23, 1978, and H.R. 1675, reintroduced this Congress on January 13, 1978.

Our investigation, of course, dealt with a number of product liability issues. Among them, however, we singled out workplace injuries as occurrences worthy of special consideration. The data available to our subcommittee indicated that workplace injuries, while accounting for a small portion of the number of product liability claims, account for a very substantial portion of claims payments. Specifically, 10.6 percent of all persons receiving product liability payments are injured in the course of their employment; however, these account for in excess of 42 percent of all product liability bodily injury payments made, and on the average represent more than three times the mean bodily injury payment made per incident.

Therefore, by dealing with the workplace injury problem, a substantial impact will be made toward alleviating the total product liability difficulties. In connection with our studies in this area, we considered several different proposals, including making workers' compensation the sole source for recovery, and alternatively, applying comparative fault doctrines to apportion damages between the manufacturer and employer.

We rejected the first of these due in part to the present inadequate compensation levels in effect under many of the State systems. Workers presently can seek redress in two ways—through the workers' compensation system and through litigation against the manufacturer of an unsafe product. To eliminate this second right without providing a counterbalancing change in benefit levels would, we felt, be inequitable at least and possibly a deprivation of the worker's constitutional right.

However, even if compensation levels could be raised, there are still three other grave reservations with this approach. First, making workers' compensation the sole source of recovery with increased benefits is likely to produce significant increases in worker's compensation insurance rates for all employers. Moreover, the fact that the entire burden for these product liability claims would be shifted to the workers' compensation system might cause the insurance industry to panic with respect to pricing this insurance in much the same way that it is panic pricing product liability insurance.

Furthermore, making workers' compensation the sole source would result in two related undesirable effects. Capital goods manufacturers, whose goods are used in the workplace, will lose their incentive to make sure that their products are manufactured with appropriate safety featurs, since only the employer's workers' compensation carrier will be liable in the event of injury. Moreover, this lack of incentive to manufacture safe products can result in blatant disregard by such manufacturers for the safety of the worker, resulting in a host of unsafe products coming into the workplace.

The proposal to permit the manufacturer recourse against the employer on a theory of indemnity or contribution was likewise found to be unacceptable. From the vantage point of the total insurance system, this would not appear to reduce the overall claims paid nor act as a disincentive to litigation on the part of injured employees. Because it would be creating a cause of action where one does not now generally exist,* it is thought that, if anything, this would effect an overall increase in the aggregate rate of product liability and workers' compensation rates; while it might over time reduce product liability rates, it would almost certainly increase workers' compensation rates. Hence, this too was rejected.

Thus, Mr. Speaker, my subcommittee opted for the same approach which Senators JAVITS and WILLIAMS also later decided to adopt, which is contained in S. 420: Injured employees should maintain the right to bring suits against manufacturers. However, the workers' compensation carrier's lien and/or right of subrogation for the benefits that it disburses to the injured employee should be eliminated. Further, the employee's recovery would be reduced by the amount of workers' compensation benefits he has received. The effect of this is to leave the injured employee with the same benefits he would otherwise have under the present system, while at the same time cutting off the right of the workers' compensation carrier to shift its liability. A manufacturer at fault will be responsible to the injured employee, but for a reduced payment. This would remove the incentive for the workers' compensation carrier to institute litigation against manufacturers, and would reduce the overall insurance transaction costs since there can be no apportionment between employers and manufacturers.

This approach, in my judgment, balances the need for equity and the desirability of reduced transactions costs. Workers will not lose, but society as a whole will gain. I am pleased at the progress we have made toward adopting this concept so far, and I hope that the Senate Human Resources Committee retains this concept as it continues its deliberations on this matter.

CONCLUSION

Mr. Speaker, I am, indeed, grateful for the opportunity you have given me today to share my views on these important subjects with you. I support the concepts embodied in S. 420, for, good as it has been, I believe that the time has come for reform of our workers' compensation system.

In particular, I applaud the balanced approach it contains with respect to the product liability issue—a recommendation which closely parallels one my Small Business Subcommittee came to independently last year.

I also applaud the bill's acknowledgment of, and emphasis upon, the need for more research into questions relating to toxic substances. Certainly we need to know more—far more—about cause and effect relationships between exposure to certain chemicals and particular diseases; it is equally important that we look carefully into the options we might use to compensate innocent victims of toxic exposure both in and outside the workplace.

However, I believe that the bill could go further in providing a mechanism for compensating persons who are injured by exposure to toxic substances in the workplace. One of the problems with respect to workers' compensation generally is the disparity among the various States' programs. S. 420 seeks to deal with this by reducing some of these disparities.

Yet, with respect to workers' compensation for exposure to toxic substances, the bill's provisions would rely, at least initially, on voluntary acceptance of this new basis for benefits on the part of the States. In this economic climate, I have to wonder whether any State would take the risk of imposing additional costs on its workers' compensation system, and thus on the cost of doing business in that State, without any assurance that other States would do the same.

I would urge you, then, to give serious consideration to making the toxic substances standards that would be developed under this bill mandatory standards to be applied by all of the States in their workers' compensation schemes.

Mr. Speaker, I am very much encouraged by the initiative S. 420 represents, and with this one proviso I support it wholeheartedly. Congress can and should seek to deal with the very serious human problems which emanate from exposure to toxic chemicals, both in and outside the workplace, and I want to urge my fellow Members of the House to help meet this need by fully supporting this bill, hopefully with the change I have suggested, or a similar bill when it is considered in the House during 1979.●

CAMPAIGN CONTRIBUTIONS

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. RHODES. Mr. Speaker, as we all know, the accuracy of our distinguished Speaker in the realm of political prognostication is virtually legendary. Last fall, for example, he predicted that Republicans would gain about 10 seats in the House, and his forecast turned out to be far more accurate than mine at the time.

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* New York, California, Illinois, and, to an extent, Minnesota are the exceptions.

However, I have just come in possession of a fund-raising letter signed by Thomas P. "Tip" O'Neill, Jr., whose contents would indicate that his famed political radar may not be so infallible after all.

The letter, sent out under the auspices of the Democratic Congressional Campaign Committee, was an appeal for contributions for the Democratic candidates who lost in yesterday's special elections in California and Wisconsin.

In it, my distinguished colleague from Massachusetts warned that the outcome of those races, "2,000 miles apart, will broadcast to the Nation the status of the Democratic Party." It certainly did, and I leave to my colleagues to conclude what that status is.

However, the Speaker went on to note that, and I quote, "the DCCC has budgeted $91,720 for the final efforts in these campaigns."

Since Federal law limits direct contributions from organizations such as the DCCC to a maximum of $10,000 in yesterday's elections, or $20,000 total for both campaigns, I am at a loss to understand how the additional $71,720 was to be legally contributed.

I know that the Speaker is a staunch supporter of the Federal Election Campaign Act. Therefore, I am perplexed that he would appeal for contributions that would exceed those limits by so much.

Perhaps it was a typographical error at the DCCC; or perhaps the Speaker simply misread the numbers, just as he has misread the mood of the electorate in these two elections.

Following is the full text of the letter:

Democratic Congressional
Campaign Committee,
Washington, D.C.

Dear Fellow Democrat: April 3 is a crucial day for the future of the Democratic Party, as we know it, and I need your help. Let me explain why . . .

Our Democratic Party—yours, mine, John Kennedy's, Lyndon Johnson's, Hubert Humphrey's, and Jimmy Carter's—faces a severe test on Tuesday, April 3, 1979—election day in San Mateo, California and Oshkosh, Wisconsin. The outcome of these two congressional elections, over 2,000 miles apart, will broadcast to the nation the status of the Democratic Party.

The two Democrats on the ballot April 3 are representatives of the new generation of political leadership in our Party and our nation. Joe Holsinger, the top assistant to my friend, Leo Ryan, who was murdered in Guyana, and Gary Goyke, the campaign manager in Wisconsin for Hubert Humphrey, are leaders needed in the United States Congress. They share our commitment to a greater America—one that believes in the strength and decency of its people. The Republican alternatives in both districts are the familiar, tired, negative voices of the past, opposed to any progress.

As Speaker of the House, I know the importance of every single vote in the Congress. One vote is often the difference between success for Democratic policies designed to serve the best interests of the American people or a collapse to organized special interests. Your financial assistance is needed to insure that support for Democratic policies and programs continues.

The most important thing that you can do is to provide immediate financial support to keep the Democratic Congressional Campaign Committee (DCCC) working to elect Joe Holsinger and Gary Goyke. The DCCC is a small organization composed of specialists in campaigns committed to the election of Democrats in the Congress.

I'm writing to you to make a personal appeal on behalf of the DCCC—their best efforts are not enough! The Republicans will overwhelm us with money. The Republicans have spent an average of $275,000 in each special election held since January, 1977—we lost four out of six. They are already spending this amount—and more—in California and Wisconsin.

You and I can't afford to watch two more votes lost on the auction block rather than at the polls.

The DCCC has budgeted $91,720 for the final efforts in these campaigns. A $20 contribution from 4,586 staunch Democrats will make the difference!

You know the candidates . . . you know the Republicans' financial advantages . . . you know we need your contribution and we need it now.

Please rush your contribution to us today. With your help, I know we can win!

Sincerely,
Thomas P. "Tip" O'Neill, Jr.

P.S. Our opposition is banking on the hope that you will ignore my letter until it is too late. Thank you.●

AN $82 BILLION MYTH

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mrs. SNOWE. Mr. Speaker, we have heard much in recent weeks concerning Federal aid to State and local governments. In response to the call of many State legislatures for a balanced Federal budget, many lawmakers here in Washington have focused a critical eye upon the $82 billion in "aid" given to States and localities. What is not heard in the debate is much discussion as to the nature of such aid and the circumstances surrounding the growth of these programs over the last 18 years.

I recently came across an article by Floyd and Terry Hyde which discusses aid to State and local government and the "$82 billion myth." The article, which appeared in the National Journal, illustrates that of the $82 billion, over $50 billion represents transfer payments and other aid to individuals. Oftentimes the only State and local connection is that such programs happen to be administered through State and local entities. Other programs, such as pollution control and highways, could more accurately be described as aid to States and localities. However, even here we should not lose sight of the fact that expenditures in many of these areas came at Federal instigation. Further, many of these programs have been mandated by the Federal Government with resultant increases in local property taxes.

Unfortunately, as often happens, one misconception begets another. Many of those who cite the $82 billion figure also have come to the regrettable conclusion that the only way to balance the budget is to cut the general revenue-sharing program. Initially, their prime target is to eliminate State participation in general revenue sharing. Later, revenue sharing aid to localities is certain to come under similar attack. It is ironic that balancing the budget should be accomplished by cutting the most efficient of all the aid programs. We should keep in mind that only 0.1 percent of all revenue-sharing moneys are used for program administration.

Revenue sharing stands for local decisionmaking. Since its inception in 1972, the program has acted to counter the steadily increasing role of Washington bureaucrats and their burdensome regulation of local affairs. I suggest, Mr. Speaker, that we would better serve the taxpayer by carefully examining the 492 categorical programs and eliminate those which no longer serve a useful purpose, rather than focusing congressional ire on general revenue sharing.

Our colleague, Mr. Wydler, has introduced legislation extending general revenue sharing for another 4 years. As a member of the Subcommittee on Intergovernmental Relations and Human Resources of the Government Operations Committee, I have been pleased to cosponsor the legislation introduced by our ranking minority member. The gentleman from New York has also circulated to Members of the House a letter detailing why State governments should be retained in the program. Given the important nature of the subject I think it appropriate to call additional attention to Mr. Wydler's position by including his letter in the Record. I would also ask that the article from the National Journal be included. I am hopeful that my colleagues will find these views informative as they begin to consider the future of the general revenue-sharing program.

The material follows:

House of Representatives,
Washington, D.C., March 19, 1979.

Dear Colleague: I recently introduced legislation, H.R. 2291, extending the general Revenue Sharing program for another four years. Since February 22nd, twenty-three Members have agreed to cosponsor this legislation, and I would like to take this opportunity to encourage additional members to support the bill.

There are ample reasons to extend general Revenue Sharing upon its expiration in October 1980. Revenue Sharing strengthens local decision making, thwarts the increasing role of the Washington bureaucracy in local affairs, and is relatively inexpensive for the Federal government to administer. In fact, on this last point, during 1978, only .1 percent of all revenue sharing expenditures were used to administer the program. This compares favorably with other programs such as HUD's Community Development Block Grants, in which administrative costs ran at approximately .7 percent of the entire program. Operational costs in categorical programs run much higher. Simply put, general revenue sharing is one federal program that performs in an effective and economic fashion. It is the last one that should be cut to balance the budget.

I also believe that state governments should be kept in the program. Unfortunately, much misleading information about the fiscal condition of the states is being disseminated. It is certainly true that all states cumulatively project a surplus of 4.3 billion for 1979. However, almost half the surplus is held in just three states: Texas, Alaska, and California. The attached table illustrates that many other states are not nearly as financially secure. In addition, since most states (48) are required to retain a balanced budget during the entire year, prudent management requires that states retain 4–6 percent of revenues in the form of surplus balances. As the attached chart indicates, state governments nationwide project a 3.6 percent average surplus for 1979, well within the accepted norm. Finally, state governments currently pass through approximately 30 percent of their revenue sharing monies to localities. Cutting out the states is sure to increase the property tax levies in many places.

We all know that the current drive to cut revenue sharing is fueled by Congressional resentment over the constitutional convention/balanced budget drive. In the alternative, we should carefully examine the 492 categorical programs currently on the books and decide where cuts can be made. Cutting one of the only federal programs which has low delivery cost and no bureaucracy is not a responsible way to proceed.

Back a proven program that is the best example of federalism.

Sincerely,

JOHN W. WYDLER,
Member of Congress.

TABLE A-1.—PROJECTED STATE GENERAL OPERATING FUND RESOURCES, EXPENDITURES, AND BALANCES, FISCAL YEAR 1979

[Dollar amounts in millions]

State	1979 projected resources (including 1978 balances forward)	1979 projected expenditures	1979 projected balance [1]	1979 projected operating balance as percentage of 1979 expenditures
Alabama	$1,495.5	$1,495.2	$0.3	0.02
Alaska	1,976.1	1,375.0	601.1	47.3
Arizona	1,053.6	1,023.6	30.0	2.9
Arkansas	772.5	772.3	0	0
California	18,357.7	17,578.4	779.3	4.4
Colorado	1,254.0	1,208.0	46.0	3.8
Connecticut	2,149.6	2,142.2	7.4	.4
Delaware	556.7	539.7	17.0	3.2
Florida	3,050.7	3,021.4	29.3	1.0
Georgia	2,487.4	2,379.6	107.8	4.5
Hawaii	915.4	907.9	7.5	.8
Idaho	319.0	319.0	0	0
Illinois	6,944.0	6,848.0	96.0	1.4
Indiana	1,913.6	1,789.9	123.7	6.9
Iowa	1,594.3	1,491.9	102.4	6.9
Kansas	1,100.1	988.2	111.9	11.3
Kentucky	1,734.2	1,715.9	18.3	1.1
Louisiana	3,857.1	3,819.6	37.5	1.0
Maine	471.7	459.0	12.7	2.8
Maryland	2,500.2	2,298.0	202.2	8.8
Massachusetts	3,656.4	3,601.0	55.4	1.5
Michigan	4,260.7	4,256.4	4.3	.1
Minnesota	3,174.0	3,142.0	32.0	1.0
Mississippi	944.7	892.2	52.5	5.9
Missouri	1,716.2	1,578.4	137.8	8.7
Montana	250.3	240.1	10.2	4.3
Nebraska	574.1	550.8	23.3	4.2
Nevada [2]				
New Hampshire	235.0	219.0	16.0	7.3
New Jersey	4,421.6	4,394.4	27.2	.6
New Mexico	760,7	683.5	77.2	11.3
New York	12,041.2	12,022.9	18.3	.2
North Carolina	2,578.0	2,577.9	.1	.004
North Dakota [2]				
Ohio	4,895.9	4,719.7	176.2	3.8
Oklahoma	779.7	779.7	0	0
Oregon	1,287.9	1,035.8	252.1	24.3
Pennsylvania	5,786.0	5,786.0	0	0
Rhode Island	613.5	603.3	10.2	1.7
South Carolina	1,400.1	1,400.0	.1	.01
South Dakota	195.2	185.7	9.5	5.1
Tennessee	2,457.0	2,456.5	.5	.02
Texas	4,085.1	3,383.0	702.1	20.8
Utah	665.5	656.9	8.6	1.4
Vermont	207.4	207.4	0	0
Virginia	2,289.0	2,276.5	12.5	.6
Washington	3,011.9	2,839.6	172.3	6.1
West Virginia	999.7	965.1	34.6	3.6
Wisconsin	4,960.8	4,866.7	94.1	1.9
Wyoming	217,0	182.0	35.0	19.2
Total	122,968.0	118,675.5	4,292.5	3.6

[1] Balance does not equal resources minus expenditures in some States in view of statutory provisions to transfer part or all of the year-end balance to a separate fund for uses including debt service, capital outlay, tax refunds or rebates, and future-year expenditures.

[2] The reports from these States were incomplete and therefore were not included in this report.

Source: Fiscal survey of the States 1978–79, National Governors' Association.

HOW A BUDGET MYTH BECOMES REALITY: FEDERAL NON-AID TO STATE AND LOCAL GOVERNMENT

(By Floyd H. Hyde and Terry Hyde)

To those of you who have succumbed to the myth that federal grants to state and local governments currently exceed $82 billion annually, and who believe that this now constitutes over 25 percent of their total expenditures, you are wrong; but, at least, you are in good company.

President Carter said it on March 27th, 1977: ". . . total assistance to state and local governments has already been increased by some 25 per cent, from $68 billion in FY '77 to $85 billion in FY '79."

David Broder of *The Washington Post* said it on January 25, 1978: "In 1960, the federal government sent $7 billion to states and cities—a little less than 15 per cent of their total expenditures. In 1970, federal aid reached $24 billion and provided almost 20 per cent of the state/local budgets. This year, it is estimated to be over $80 billion and to account for 27.5 per cent of state/local expenditures."

Senator Hart (D–Colo.) said it on January 31, 1979: "Every one of these states that is passing these resolutions to balance the federal budget is taking a ton of money from the federal government every year, $82 billion all told this year."

Senator Bumpers (D–Ark.) said it on January 31, 1979: "Total federal aid to state and local governments will approximate $85 billion in 1979, or nearly twice as much as the estimated federal budget deficit for fiscal year 1979 of $48.5 billion."

EVERYBODY'S SAYING IT

Newsweek said it on January 29, 1979: "Aid to state and local governments would stay static at $85 billion, equivalent to a 7 per cent loss to inflation."

U.S. News and World Report said it on January 29, 1979: "The federal government accounts for more than $1 out of every $4 spent by state and local governments—about $85 billion this year."

Stuart Eizenstat, President Carter's Domestic Advisor said it on January 25, 1979: "Federal aid to state and local governments has now reached $82.9 billion."

Senator Muskie (D–Ma.) in March of 1977 said he supported the Administration's decision not to allocate tremendous amounts of money to cities in distress, citing $54 billion in urban grants already in effect.

If these eminent Americans and prestigious publications have said so, it must be right. Right? Wrong!

In fact, those federal grants to state and local governments (including school districts) which actually become a working part of their own budgets total approximately $43 billion including $8.8 billion in CETA (Comprehensive Employment and Training Act) monies which are passed through to individuals. (In light of the new CETA Act which prohibits the substitution of CETA employees for regular city personnel, and makes them truly temporary additional jobs, it is clear that local governments for the most part, will receive no benefits from the program. Most local officials point out that the cost of supervising and training temporary employees as "add-on" personnel, while socially desirable, presents more of a burden to them than a benefit. Thus, we maintain that this program should not be included in the category of federal aid to state and local governments.)

If CETA monies and social services funds to individuals ($3 billion) are deducted, a more realistic and accurate figure of $31.2 billion is obtained. This figure represents the "honest" amount of federal aid to state and local governments. Thus, more than $50 billion of the widely-accepted $80 billion-plus does not reach state or local governments at all. Of a total of $532 billion in FY '80 outlays, actual state and local aid represents little more than 5.5 per cent of the total federal budget.

How could there be such a wide discrepancy between the conventional wisdom and what we maintain is the "honest amount" of federal aid?

DOCUMENTING THE MYTH

The answer lies in the method in which the President's Office of Management and Budget compiles and categorizes various kinds of programs and benefits identified in the budget. Specifically, the Special Analyses budget document aggregates, without distinction, those programs giving aid directly to individuals; those that pass aid through state and local governments to individuals; those that provide aid to autonomous entities other than state and local governments; those that fund other federal activities; and those that do provide aid directly to state and local governments to be used by them for specified national objectives. In fairness to President Carter, this federal bookkeeping practice did not begin with his Administration, but the rhetoric that accompanies this data in the FY '80 budget documents and which is so oft-repeated by Administration spokesmen generates additional confusion and misunderstanding.

To illustrate, the following list contains items selected from the "Selected Analyses, Budget of the United States Government, 1980," pages 212 through 246. The text of this analysis states "... federal grant-in-aid outlays to state and local governments are estimated to be $82.9 billion in 1980, slightly above the estimated 1979 total of $77.9 billion." Yet the actual items include such categories as:

[In millions]

Direct payments to individuals:	
Supplemental security income	$50
Medicaid	12, 354
Public assistance	6, 704
Veterans benefits	87
Student assistance	77
Work incentives	365
Food stamps (administration)	342
Child nutrition program	2, 521
Housing payments	2, 674
Refugee assistance	75
Payments to autonomous entities other than State and local governments:	
The Tennessee Valley Authority (TVA)	125
The Corporation for Public Broadcasting	152
Trust Territory of the Pacific Islands	91
Commodity Credit Corporation	75
Center for Disease Control (Atlanta)	109
Funding of various strictly Federal activities:	
Land and water conservation	287
Agricultural cooperative research	98
National Highway Traffic Safety Administration	167
Office of Surface Mining Enforcement	76
Fish and Wildlife Service	88
Aid for federal highways (trust fund)	6, 761
Airports trust fund	570
Drought assistance	2
Bureau of Indian Affairs	18
Indian education	67
Unemployment trust fund	720
Unemployment trust fund (administration of payments)	1, 055
U.S. forest management	24
Federal Railroad Administration	82

Although listed as such, these items are not grants-in-aid to state and local governments at all. While the argument can be made that most of them are worthy expenditures, they belong neither in the budget document entitled "Federal Grants to State and Local Government" nor in the narrative for the special analysis of such aid.

Additionally, this method of data aggregation further creates confusion, in that it implies that such funds go directly to state and local governments to be used by them for inclusion in their own budget. The accompanying text on page 226 is clearly misleading: "Table H-7 also shows grants-in-aid as a per cent of state and local expenditures. This per cent has increased from 15 per cent in 1965 to 27 per cent in 1978, and is estimated to continue to finance almost one-fourth of total state and local expenditures through 1980."

MYTH BEGETS MYTH

Thus, the $82 billion myth spawns another oft-repeated piece of mis-information. If $82.9 billion were, in fact, funneled into state and local budgets, it would constitute more than 25 percent of their total expenditures. However, using the accurate figure of $31.2 billion, we find that federal aid actually constitutes only about 10.4 per cent. Of this amount, the budget does not indicate how much remains with the states and how much is actually received by local governments. The remaining $51.7 billion might better be described as federal *non-aid* to state and local governments.

What is the significance of the above analysis? If federal aid to state and local governments is *not* $82.9 billion but, actually, no more than $32.1 billion, one might still ask, "What difference does that make?"

The fact is that, at this writing, major questions affecting the future of our nation's cities are being debated in Congress and within the Administration. Central to each of the debates is the constant repetition of the myth that "state and local governments are already receiving $82 billion in federal aid."

On January 31, 1979, Senator Lloyd Bentsen of Texas introduced S. 263 on the floor of the U.S. Senate. The bill proposes to amend the State and Local Fiscal Assistance Act of 1972 which provides for general revenue sharing by eliminating states from the program. In co-sponsoring the bill, Senator William Proxmire of Wisconsin urged that the *entire* program be abolished, presumably because of his oft-repeated public statements that federal aid to state and local governments has reached $82 billion annually. And it was in this environment that Senators Gary Hart of Colorado and Dale Bumpers of Arkansas also voiced approval of the bill.

It is critically important that, in the frenzy to respond to Proposition 13 fever, accurate information should be placed before Congress and the American people. It could make a great difference, for example, in determining the future of general revenue sharing, to know that Congress would be cutting $6.8 billion from $32.1 billion, a 21 percent cut, rather than an 8 percent cut in federal aid to state and local governments, should the entire program be eliminated.

In order to obtain a balanced picture of the extent of federal aid to state and local governments, the collection of revenues must also be considered. During the past several decades, in spite of any increase in federal aid, local government's share of the total tax dollar has dwindled dramatically, clearly out of all proportion to any claimed level of increased aid. If all federal, state and local taxes are combined into one single tax dollar, we find that, in 1930, local government kept 50 cents of every dollar, state government 17 cents, and the federal government 33 cents. By 1978, the federal government collected 67 cents of every tax dollar, state government 20 cents and local government 13 cents.

Whenever the issue of the adequacy of federal aid is discussed, this critically important data must also be added to the equation. For every additional one cent retained, an additional $5 billion would be available for use by local governments. This would create a great opportunity for real savings in reducing the costly overhead of an ever-increasing federal bureaucracy. In light of these facts, it may well be that the national debate ought not to be about general revenue sharing alone, but it should include a discussion of general revenue *retention* by local governments.

Thus, it is hoped that the $82 billion myth will be dispelled and that by using correct data, both as to actual grants and as to the sources and amounts of all governmental revenues, Congress and the American people can make better-informed and more equitable decisions regarding federal aid to state and local governments.●

A GALLUP POLL SHOWS STRONG SUPPORT FOR PUBLIC FINANCING

HON. THOMAS S. FOLEY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. FOLEY. Mr. Speaker, a Gallup poll published recently shows that a majority of the American people continue to support public financing of congressional campaigns.

It is important to note that the Gallup survey polled the public about a system far more extensive and far more costly than the partial public financing system proposed in H.R. 1.

The Gallup survey asked voters if they would favor a system of total public financing in which the Government would provide each candidate for Congress with a fixed amount of money for his or her campaign and in which contributions from all other sources would be prohibited.

Fully 57 percent support this proposal, while only 30 percent consider it a "poor idea." These results mirror the findings of a 1977 Harris survey which, by a 49 to 28 percent margin, also confirmed public support for "having all primary and general elections for the House of Representatives and U.S. Senate publicly financed, as Presidential primaries and elections are now financed."

H.R. 1 would not prohibit private contributions. Instead, it provides for a mixed campaign financing system consisting of small contributions from individuals on the local level, public matching funds, party funds and PAC funds.

The system envisioned by H.R. 1 would be far less costly than that proposed in the Gallup or Harris polls. Thus I believe it is safe to assume, Mr. Speaker, that H.R. 1 would command even greater support from the American public.

Mr. Speaker, the fact of the matter is that campaign costs are out of control and are forcing candidates to become increasingly dependent upon so-called special interest PAC's to finance their campaigns. H.R. 1 would provide an alternative source of financing and at the same time would provide a means of putting a ceiling on campaign spending.

At this point, Mr. Speaker, I place in the RECORD an article from the April 2, 1979, issue of the Washington Post which describes the Gallup poll on public financing:

LIMIT ON CAMPAIGN SPENDING IS URGED FOR HILL CANDIDATES

(By George Gallup)

PRINCETON, N.J.—In the face of the staggering amount spent on campaigning in last fall's political races, a majority of the American people, 57 percent, believe the federal government should provide a fixed amount of money for the election campaigns of candidates for Congress and at the same time prohibit all other contributions.

The cost of running for Congress has greatly increased in recent years. In fact, it has been reported that in last fall's Senate and

House contests some 875 candidates for 470 seats spent almost $150 million on their primary and general election campaigns, a record amount. Only two years earlier, the comparable figure was below $100 million.

Political observers feel that, in addition to inflation, the key cause of the vast increase in campaign spending has been the escalation in contributions from political action committees. It is estimated that these groups, which represent corporate, labor and other special interests, gave $35 million or more to congressional candidates last year.

Those who favor limiting, by statute, the amount available to each candidate argue that this would eliminate the reliance of candidates on special-interest groups—which could have an undue influence on a candidate's position on important issues.

The proposal to limit congressional campaign spending has broad bipartisan support in the current survey, with 54 percent of Democrats supporting the idea.

Here is the question asked:

It has been suggested the federal government provide a fixed amount of money for the election campaigns of candidates for Congress and that all private contributions from other sources be prohibited. Do you think this is a good idea or a poor idea?

Here are the national results as well as the findings by political affiliation:

	Good idea	Poor idea	No opinion
National	57	30	13
Republicans	54	32	14
Democrats	57	29	14
Independents	60	30	10

Virtually the same results were obtained when the question was first asked, in 1977.

The findings reported today are based on personal interviews with 1,512 adults, 18 and older, in more than 300 scientifically selected localities during the period Feb. 2–5.●

ORDER OF THE AZTEC EAGLE AWARDED TO CONGRESSMAN E "KIKA" DE LA GARZA

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. ZABLOCKI. Mr. Speaker, I submit for the RECORD the press release on the award by the Mexican Government of the Order of the Aztec Eagle to our colleague, Representative E "KIKA" DE LA GARZA, of Texas, which I referred to in my 1-minute speech earlier today:

Former Mexican Ambassador to the United States, Jose Juan de Olloqui—now Deputy Minister of Foreign Relations—advised Representative E (Kika) DE LA GARZA Monday, February 12, that Mexican President Jose Lopez Portillo had instructed his Department to confer on the Texan Mexico's highest award to foreigners—the Order of the Aztec Eagle.

The Order of the Aztec Eagle was established in December 1943 by then President Manuel Avila Camacho as an award to foreign Heads of State, foreign diplomats and other foreigners who have rendered distinguished service to the Republic of Mexico.

DE LA GARZA, whose family has lived on the border for many generations, said today he had tendered his personal thanks on Tuesday, February 13, to President Lopez Portillo and Minister of Foreign Relations Santiago Roel for the honor conferred on him, his family, and the border area of the country he represents in the Congress. Plans for the presentation of the medal have not yet been made, DE LA GARZA said.

Representative DE LA GARZA said, "This decoration represents the character of our border country, the generations of cooperation, good-will and understanding that have existed among the people on both sides of the Rio Grande."

Shortly after DE LA GARZA was notified about the Mexico decoration Speaker of the House of Representatives Tip O'Neill named the South Texan Chairman of the United States-Mexico Interparliamentary group for the second successive year, the third time DE LA GARZA will actually have served in this capacity. The Parliamentary group will meet in Mexico in May.

The last Member of Congress to have received the Order of the Aztec was Senator Mike Mansfield of Montana when he was majority leader of the U.S. Senate. He is now U.S. Ambassador to Japan.●

PUBLIC FINANCING MAY BE FRINGE GROUP FINANCING

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. GINGRICH. Mr. Speaker, one fear many of us have had for a long time about public financing is that any system which is fair to established third parties will also encourage new fringe parties.

H.R. 1 does nothing to solve this problem. In fact, the bill would increase the problem. Candidates would be able to qualify for matching funds once they were qualified for the general election ballot. Major party candidates would have to wait until any primary and runoff election was complete before they could receive money.

But most States allow third party and independent candidates to qualify for the general election ballot well before the primary. Conceivably they could even use up all the funds allocated for a district.

The Atlanta Constitution wrote an excellent editorial on this March 22, 1979, and I would like to share it with the Members:

FRINGE FINANCING

Hold it. We're not ready to finance just anyone who wants to run for Congress. But that apparently would be the result of a loophole in the proposed public financing bill for congressional candidates.

As it now stands, candidates sponsored by fringe groups such as the vegetarians or single-issue groups such as the anti-abortionists could edge out candidates of major political parties for federal matching funds.

Under the terms of the legislation recently introduced in the House, the government would make available $180,000 in public matching funds in each congressional district, or a maximum of $60,000 each for three candidates. However, the bill contains no provision for pro-rating the funds if there is a shortage of funds or an abundance of qualified candidates. As now written, the funds would be distributed on a first-come, first-served basis.

This means that in states where candidates can qualify by obtaining a small number of signatures on a petition, small special interest groups could conceivably form political parties and raise enough private funds and beat the major parties to the punch for the federal matching funds.

That clearly—whether you support or oppose federal matching for congressional candidates—is not the purpose of the legislation. The loophole should be closed. Sponsors of the legislation say this can be accomplished easily in a number of ways, including establishing a pro-rating system or delaying federal funds until after the primary process. Whatever, let's do it, post haste.●

NUCLEAR HEARINGS SCHEDULED ON SAFETY, WASTES, AND RADIATION

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. McCORMACK. Mr. Speaker, as chairman of the Subcommittee on Energy Research and Production, I have scheduled hearings on three of the leading issues concerning nuclear energy. The hearings, to be held during May and June, will focus on nuclear power plant safety, high-level nuclear waste management and low-level radiation.

The three nuclear energy subjects to be considered are those that have recently received the most publicity and that are of current concern to Members of the Congress. The hearings will provide a thorough review of the latest technical information and policy options on these important subjects; and the Congress will then be able to make informed decisions on them.

Members, or a staff member, are, of course, invited.

First, 3 days of hearings are scheduled for May 15, 16, and 17 on the subject of nuclear waste management, including consideration of the high-level wastes at West Valley, N.Y.; the interagency review group report on nuclear waste management; and proposed legislation mandating the establishment of a Government nuclear waste repository.

Next, 3 days of hearings are scheduled for May 22, 23, and 24 on nuclear reactor safety. These hearings will consider federally supported nuclear safety research and development programs and the implications of the recent incident at the Three Mile Island nuclear power plant.

Finally, 3 days of hearings are scheduled for June 5, 6, and 7 on the subject of low-level radiation. These hearings will review the findings of current studies on the sources and effects of low-level radiation.

Hearings are tentatively scheduled to be held in room 2318 of the Rayburn House Office Building beginning at 10 a.m. Witnesses will be announced later.

May 15, 16, 17—10 a.m., nuclear waste management, 2318 Rayburn Building.

May 22, 23, 24—10 a.m., nuclear reactor safety, 2318 Rayburn Building.

June 5, 6, 7—10 a.m., low-level radiation, 2318 Rayburn Building.●

THE U.S.S. "SARATOGA" SHOULD BE OVERHAULED IN PHILADELPHIA

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. HUGHES. Mr. Speaker, in July of 1976, the Department of the Navy recommended, on the basis of an initial study, that the U.S.S. *Saratoga* and the Navy's three other *Forrestal*-class aircraft carriers be overhauled as part of the service life extension program (SLEP) at the Philadelphia Naval Shipyard.

Since then, this proposal has been studied in depth by other experts at the Pentagon, and in every case they have reached the same conclusion. The overhaul of the U.S.S. *Saratoga* can best be accomplished at the Philadelphia Naval Shipyard.

Despite all of these studies, nearly 3 years have passed and the Navy's recommendations still have not been implemented. I think it is time to bring this foot dragging to an end, and to assign this work to Philadelphia where it belongs.

The simple fact is, Mr. Speaker, that the Philadelphia Naval Shipyard is one of the finest surface ship repair yards in the business, whether public or private. Since 1975, the Philadelphia Naval Shipyard has a record of no cost overruns or cost claims, and of consistent on-time delivery. This impressive record is unmatched by any other facility which has been considered for this work.

The Philadelphia shipyard possesses both the extensive carrier repair facilities, and the experienced skilled employees, that are needed to carry out this portion of the SLEP program. The shipyard contains two carrier drydocks, a carrier pier, and all of the modern, specialized equipment which is needed for carrier overhaul work. The labor force at the Philadelphia shipyard has had a low turnover rate through the years, and many of its employees have had experience with carrier repairs.

I am deeply disturbed by the injustice which would result from a decision not to assign this work to Philadelphia. The economic consequences of such a decision would be felt, not only in Philadelphia, but throughout the entire Northeast part of the country.

If this work is awarded to Philadelphia, it will create an estimated 12,000 jobs in the region by 1985, and generate a payroll of more than $135 million. However, if this work is not assigned to Philadelphia, it will result in the direct loss of 1,300 jobs by 1980, and the indirect loss of at least another 1,300 jobs.

In fact, it is possible that the future of the entire Philadelphia Naval Shipyard hinges on the assignment of this overhaul program. That means the fate of some 20,000 jobs is up in the air at this time, in a region which has suffered nothing but economic setbacks at the hands of the Defense Department during the past few years.

Mr. Speaker, it is time to stop the migration of defense dollars and defense establishments to the South at the expense of the Northeast region. I need only call your attention to the Pentagon's recommendation last week that the basic training mission be disestablished at Fort Dix, N.J. This outrageous recommendation is only the latest in a long series of attempts by the Defense Department to dismantle military facilities in the Northeast.

This migration of military facilities is not only placing the Northeast at an economic disadvantage, but it is also reducing our Nation's defense capabilities. An imbalanced geographical arrangement of defense establishments is clearly not in the interest of our national defense. In the case of Fort Dix, this is the only basic training facility in the entire Northeast. Since the Northeast provides 20 percent of the recruits for the All-Volunteer Army, it is only fair and reasonable to have some military presence close to home. The entire New Jersey congressional delegation intends to fight this proposal to shut down the training mission at Fort Dix, and I hope that other Members will be joining us in this effort.

The same holds true for the Philadelphia Naval Shipyard. How is it in our national interest to jeopardize the future of this facility, and to burden this region with yet another economic hardship? This portion of the SLEP program has already been delayed for 3 years. Any further delays are only going to reduce the Navy's defense capabilities in the 1980's. I think it is time to quit playing games with this program, and to get this work underway in Philadelphia where it belongs.●

PERSONAL EXPLANATION

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. HARKIN. Mr. Speaker, I would like to inform you of my plight in travel to Washington from my home district in Iowa this past weekend. Due to an airline stoppage, I was rerouted and found difficulty in boarding a plane that would bring me to Washington in time for the House proceedings on Monday, April 2. Thus, I was absent for recorded votes on:

Roll No. 70: Santa Ana Indians bill.

Roll No. 71: Call of the House.

Roll No. 72: Previous question on debt limit bill.

Roll No. 73: Final passage on debt limit bill.

Had I been present, I would have voted "aye" to the Santa Ana Indians bill; "aye" to the previous question on the debt limit bill; and "no" to final passage of the debt limit bill.

I respectfully request that my absence for these important votes be noted in the RECORD.●

CONGRESSIONAL SALUTE TO THE HONORABLE ALVIN G. BLAU OF NEW JERSEY, DISTINGUISHED MAYOR, OUTSTANDING CITIZEN, AND COMMUNITY LEADER

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. ROE. Mr. Speaker, on Saturday, April 7, 1979, the residents of North Haledon, my congressional district and State of New Jersey will gather in testimony to the lifetime of exemplary public service of an outstanding citizen, community leader, and good friend, the Honorable Alvin G. Blau, the former distinguished mayor of the borough of North Haledon, whose dynamic and energetic endeavors in community improvement and development are applauded by all of us.

Mr. Speaker, Mayor Blau has, indeed, earned the respect and esteem of all of us for the quality of his leadership and standards of excellence in his dedicated service to our fellow citizens. He has been a resident of the borough of North Haledon since 1950 and served as the borough's esteemed mayor from 1961 to 1978. During his tenure as the community's chief executive officer, he served as the treasurer of the New Jersey Conference of Mayors.

Al Blau is a prominent realtor and has been a staunch supporter and active participant in many civic and cultural endeavors. He is past president of the Passaic County Board of Realtors and a member of the North Haledon Planning Board. He has served as a member of the Board of Trustees of the North Haledon Library and is a former trustee of the Greater Paterson Mental Health Center.

The mayor organized the community's Cultural Center Committee and Swimming Pool Committee which were instrumental in establishing two major landmark recreational facilities for the relaxation and enjoyment of the people of the community—young and adults alike. In 1958, he organized and has served as chairman of a vitally important lifesaving facility, the Blood Bank in North Haledon. He is a founder of the North Haledon Stamp and Coin Club.

Mr. Speaker, we also commend Alvin Blau for his sincerity of purpose and personal commitment in seeking to help the young people of our community. He organized the Youth Guidance Council and served for 10 years as Cub Master of Pack 70 in North Haledon.

Mr. Speaker, I appreciate the opportunity to seek this national recognition of Alvin Blau and all of his good works. His compassion, benevolence, leadership, and dedicated public service has truly enriched our community, State, and Nation. We do, indeed, salute a distinguished citizen, community leader, and great American—the Honorable Alvin G. Blau.●

IOWA WINNER OF VFW VOICE OF DEMOCRACY CONTEST

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. SMITH of Iowa. Mr. Speaker, this year's Iowa winner of the Veterans of Foreign Wars' Voice of Democracy contest is Barbara Regina Mattingly of Newton, Iowa. I am privileged to serve as Barb's Representative in Congress and take special pride in sharing her prize winning speech with my colleagues in the House.

It is as follows:

IOWA WINNER OF 1978-79 V.F.W. VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

America. A land of freedom, plenty, and happiness. From her sparkling eastern seacoasts to her majestic western mountains, America is truly a land richly endowed with proud and timeless ideals. America. A country whose very cornerstone is her proud heritage of freedom, plenty, and happiness. Why do I care about America? The answer should be apparent. I care about America for her ideals of freedom, plenty, and happiness. But the answer is not so simple as that, for I care, not so much about American ideals, as about American realities—realities which are a product of those ideals. Freedom, plenty, and happiness are abstract concepts which I can't understand or appreciate unless I can exercise freedom, enjoy plentitude, and experience happiness. I care about America because I can experience her realities—the fruits of her ideals.

I care about America because she is a reality of freedom. The ideal of "freedom" is hard for me to appreciate, but I can appreciate the real freedoms I exercise in day-to-day life. I'm free to pursue any career which interests me. I'm free to attend any college I choose. I'm free to travel anywhere I desire. I'm free to choose the clothes I wear. I have the freedom to decide my life's course—from its least important detail to its most crucial moment.

Thousands of Americans before me have fought, died, and given up their freedom to protect mine. Because of them, I appreciate even more deeply the chance to exercise my freedoms. I care about America because America—and my fellow Americans—have given me the opportunity to exercise real freedom over my life.

I care about America because she is a reality of plenty. The idea of "plentitude" means little to me—until I stop to think about the abundance of good food, clothing, and shelter which do surround me every day. In so many countries of the world shelter is scanty, clothes are a luxury, and food is non-existent. Growing up in America I have never wanted for anything.

For two hundred years men have struggled to make America the rich, prosperous nation it is. I care about America because so many before me have cared. And I care about America because I appreciate so much the reality of plentitude which she has provided for me to enjoy.

I care about America because she is a reality of happiness. The ideal of "happiness" is difficult for me to appreciate until I remember all the happy moments I experience every day. Moments like going out for pizza with the gang, opening family gifts at Christmas, reading a book beside a fire, or making ice cream on the Fourth of July. When I think of all the happiness I experience every day, I smile and know that happiness is a reality for me. I care about America because she has enabled me to experience happiness in everything I do. I care about America because she has made happiness more than an ideal for me—America has made happiness a reality in my life.

Why do I care about America? Why do I care about a free life? Why do I care about a plentiful life? Why do I care about a happy life? Why do I care about America?

I care about America because of her proud heritage of the ideals of freedom, plenty, and happiness. I care about America because so many of my ancestors have cared and have struggled so hard to preserve those ideals. But above all—I care about America because she has transformed those ideals into the wonderful realities of my life of freedom, plenty, and happiness.●

ENERGY CONSERVATION AND GASOLINE RATIONING CONTINGENCY PLANS

HON. HARLEY O. STAGGERS

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. STAGGERS. Mr. Speaker, today I am introducing resolutions of approval relating to energy conservation and gasoline rationing contingency plans which were submitted to the Congress on March 1, 1979, by the President pursuant to the provisions of the Energy Policy and Conservation Act (EPCA).

The resolutions of approval conform to the procedural requirements of EPCA and have been introduced solely to provide the vehicle for the consideration of these plans within the Interstate and Foreign Commerce Committee and by the entire House. The introduction of the resolutions should not be construed as an indication of my position on each particular plan.

Under the provisions of EPCA, the President is required to develop a gasoline rationing contingency plan and one or more energy conservation contingency plans and then to submit them to Congress for review. The President has submitted a rationing plan and three conservation contingency plans relating to: First, emergency weekend gasoline sales restrictions; second, emergency building temperature restrictions; and third, emergency advertising lighting restrictions. Each plan would become a standby plan only if both Houses of Congress approve the plan within 60 days of continuous session. The plan could not be implemented unless the President made a finding that putting the plan into effect is required by a severe energy supply interruption or in order to fulfill obligations of the United States under the international energy program, and has transmitted the finding to the Congress together with a statement of the effective date and the manner for exercise of the plan. In addition, the gasoline rationing contingency plan, if approved by Congress within 60 days, may not become effective unless the President's request to activate the plan is not disapproved by either House of Congress.●

WILLIAM B. THORNTON HONORED

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. COTTER. Mr. Speaker, I would like to take this opportunity to congratulate Mr. William B. Thornton on being selected as the 1979 recipient of the Greater Manchester Chamber of Commerce "M" Award.

I have known Bill for many years and this community service award is well deserved. He is a man of numerous achievements in Manchester. He is a native of the town and the State. According to the "M" Award Committee, Mr. Thornton has made "Manchester a better place to live and earn a living in understanding and harmony."

Bill has been involved in many areas of interest in Manchester including the Economic Development Commission, the Chamber of Commerce, and the Redevelopment Commission. In addition, Mr. Thornton has expressed his concern through his direct involvement in the community; as a member of the South Methodist Church, a 32d degree Mason and Shriner, a member of the Kiwanis Club, and an adviser to the instructors of the handicapped. His worthy achievements also include being a member of the associate board of the University of Hartford and a director of the University of Hartford Construction Institute.

As a respected leader of Manchester and Connecticut, Bill Thornton is president of Manchester Sand and Gravel Co. He also is a founder of the Connecticut Constructions Industries Associations.

Mr. Speaker, I ask my colleagues to join with me in commemorating Bill Thornton for receiving this privileged recognition from his community. A recent article explains Bill's achievements in greater detail. I have included this article at this point:

CHAMBER AWARD GOES TO WILLIAM THORNTON

MANCHESTER.—The Greater Manchester Chamber of Commerce has announced that the 1979 "M" Award will be presented to William B. Thornton.

Thornton will be officially recognized on April 4 when the Chamber holds its 78th annual banquet. Being honored along with Thornton in the Chamber's annual celebration of local achievement are previously announced 1979 Community Service Award recipients Robert J. Digan, Dr. Douglas H. Smith and Monsignor Edward J. Reardon.

A Manchester native and the President of Manchester Sand & Gravel Company, Thornton is a graduate of Dartmouth College and also attended Amos Tuck School of Business.

Married to the former Lois E. Smith, Mr. and Mrs. Thornton are the parents of three children, Sandra Lee, a student at Kingswood-Oxford School: Steven, a graduate of the University of Maine now associated with Manchester Sand and Gravel Co.; and William, a graduate of Gettysburgh College living in Union Bridge, Md.

In selecting the recipient of the 22nd "M" Award, the Chamber's selection committee adhered to the same set of criteria used since 1957. "The "M" Award recipient must be a stable, well respected member of the community. He or she must have a time proven history of involvement in several community oriented projects which have benefited the welfare of the town as a whole. Qualities such as leadership, ambition, determination, and achievement are important. Wealth and social status are not. Finally, the single most important consideration takes into account the efforts of the individual to make Manchester a better place in which to live and earn a living in understanding and harmony," said the chamber announcement.

Thornton's contributions to Manchester have been many and varied, but have almost always been carried out with a minimum of fanfare and public recognition, the chamber noted.

A member of South Methodist Church, he is a 32nd Degree Mason and a Shriner. He is a former director of the Manchester Water Co., a member and past director of the Chamber of Commerce, a member of the Manchester Kiwanis Club and an advisor to the Instructors of the Handicapped.

Thornton's efforts on behalf of Manchester have also included involvement with the Republican Town Committee, membership on the Redevelopment Commission, CDAP, the town Economic Development Commission and various advisory panels.

An area in which Thornton has had a major impact is the growth and progress of Manchester Memorial Hospital. He has been an incorporator since 1957 and was elected to the Board of Trustees in 1961. He is a member of the hospital board's executive committee and has been chairman of the MMH Long Range Planning Committee for ten years.

Thornton is also active within the Manchester business community, having been elected as corporator of the Savings Bank of Manchester in 1958 and a director in 1966. He is also a member of the SBM Executive Committee and Audit and Examination Committee. In addition, he is a past ten-year member of the Manchester Advisory Board for the Hartford National Bank & Trust Co.

An added area in which Bill Thornton's impact has been felt is the One Hundred Club of Connecticut. A charter member, he is presently a vice president of the organization after terms on several boards and committees.

He is also a member of the Associate Board of the University of Hartford, is a director of the U of H Construction Institute and a director of the Hartford Chapter National Football Foundation.

Within the construction business, Thornton is a founder and former officer of both the Connecticut Ready-Mix Concrete Association and the Connecticut Construction Industries Association. He is a member of the Board of Directors of the National Sand and Gravel Association and the National Ready-Mix Concrete Association.

He has also sponsored and furnished contributions to a wide range of local youth athletic groups, the Band Shell and NETS Tennis Tournament.

"In spite of all that can be researched and documented about Bill's background and involvement, the fact remains that few people in the community will ever realize the full impact of all he has done. His desire to work quietly and behind the scenes has hidden many of his accomplishments, and has served to make the Chamber of Commerce even more pleased to be able to present him the 1979 "M" Award. Bill Thornton typifies community concern, and is an example to all who would work for their town," said James Breitanfeld, president of the chamber.

The April 4 Chamber of Commerce Annual Banquet will serve as a festive conclusion to the Chamber's 1979 celebration of local achievement. Ticket information can be obtained by contacting the Chamber office at 257 East Center Street.●

A RESOLUTION FROM THE GEORGIA STATE SENATE

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. GINGRICH. Mr. Speaker, I would like to call the attention of the House to a resolution passed by the Georgia State Senate commending the work of the National Rifle Association in its efforts to prevent Government control of firearms. I applaud the action of the Georgia Senate as a genuine statement of the views of a majority of Georgians who oppose gun control.

The resolution follows:

GEORGIA STATE SENATE RESOLUTION

A resolution supporting the position of the National Rifle Association on restrictive firearms legislation; and for other purposes

Whereas, the National Rifle Association is now, and for more than a century has been, this country's most effective spokesman against any erosion of the constitutional right to keep and bear arms; and

Whereas, the National Rifle Association correctly maintains that legislation or regulations having the effect of registering or restricting lawful acquisition, possession or use of any particular type of firearms, such as handguns, would represent a giant step toward governmental control of all firearms; and

Whereas, the National Rifle Association correctly maintains that governmental control of firearms would result in disarming law-abiding citizens while criminals would continue to possess and use firearms unlawfully; and

Whereas, such a result completely negates any argument that gun control is an effective method of crime control; and

Whereas, the position of the National Rifle Association on this vitally important issue represents the viewpoint of the vast majority of Georgians.

Now, therefore, be it resolved by the Senate that this body hereby goes on record as complimenting the National Rifle Association for its fine work.

Be it further resolved that the Secretary of the Senate is hereby directed to transmit an appropriate copy of this Resolution to the Honorable Jimmy Carter, President of the United States, to each member of the Georgia Delegation to the United States Congress, and to the Honorable Lloyd M. Mustin, President of the National Rifle Association.●

WE NEED TO EXPORT OUR GREEN THUMB

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. BROWN of California. Mr. Speaker, over the last few months I have been discussing the need for this country to pursue a new foreign policy with developing countries and nonalined countries. For instance, we offer to feed and defend developing countries but do not put equal effort into helping these countries develop their own productive capacity. The application of some of our advanced technology to the food production needs of developing countries would be an excellent area to begin a new aid policy.

Efforts are underway to revise our food aid policy to give it more of a technology transfer orientation and place less emphasis on simply shipping food abroad. We are also going to be considering the establishment of a Federal Institute for Scientific and Technological Cooperation in the near future. This Institute would aid in setting up technological cooperation and technology transfer efforts with other countries and agriculture and related technologies should be given a high priority.

As an example of the technology that will become available in the near future, the following article details a trial underway in Kentucky that applies our best climate prediction, communications, and information processing technologies to farming. Since rural areas are marked by low population densities, they stand to benefit most from this system that allows direct access to a central information source on terms that the individual can set. The potential for developing countries is even greater since they lack the communications network, and frequently the extension service, that we enjoy. Using communications satellites, linking small village information centers to central data banks will allow these countries to leapfrog over copper wire and microwave relay communications systems. And combined with a successful extension system, such as the one being used by David Benor in India, developing countries can stretch their scarce money resources. The promise will become real, however, only if we see the potential and act on it.

The article follows:

GREEN THUMB HOLDS PROMISE FOR FARMERS

WASHINGTON, D.C.—The nation's pesticide bill could be cut an estimated 20 percent with the help of a new science called agricultural weather and a little black box known as "green thumb."

Beginning in October, two counties and approximately 200 farmers in Kentucky will test the box, which is a communications device, and the system devised by the United States Department of Agriculture (USDA) and the National Weather Service (NWS), according to Howard F. Lehnert, Jr., national program leader of the agricultural weather project and on the staff of USDA's Extension Service.

Lehnert and Harold A. Scott, who is chief of NWS's Agricultural Services, teamed up over a year ago to develop this means of getting weather and agricultural data to the country's 3,150 counties and 2.5 million farmers.

"Everything in agriculture is controlled by weather," Lehnert said in a recent interview. "Many biological systems—seed germination, crop development, water needs, crop maturation, weed growth, drying—depend on temperature, storms and the like. By correlating weather and agricultural information, it is possible to greatly reduce the farmer's risks and improve production efficiency."

By combining entomological knowledge, for example, with rural weather observations, the presence of a particular insect appearing at a point in the growing cycle that will cause damage to a given crop can be predicted. Green thumb will be used to let the farmer know precisely when to scout his fields for the expected pest and when not to spray his short-lived pesticide—thus saving on the use of the chemicals with environmental as well as cost benefits, Lehnert stated.

The green thumb box is the key to the agricultural weather (AGWX) dissemination system, he said. By connecting the antenna of the farmer's home television set to his telephone line, the box effectively turns the TV into a computer terminal.

To access the system for the latest local weather, agricultural or market information, the farmer will call a special number at his local County Extension agent's office and be connected to a microcomputer, Lehnert explained. After selecting one item from many blocks of information available, the farmer sits back and the data is loaded at 300 bits/sec. into a 4K RAM memory in his green thumb box.

The telephone connection to the micro is then automatically terminated, and the farmer can view the information at his leisure. If he wants another block of data, the farmer must call the county computer again, Lehnert stated.

The county micro feeding the area's green thumb boxes can be updated by the County Extension staff according to local needs. The computer will also be loaded hourly with state and national information on a dial-up basis by the state computer.

A minicomputer housed in the state university will serve as a "post office" or collecting point for weather and agricultural information for the state, the USDA official said. This machine will be dedicated to the AGWX system and will be loaded with data by the State Extension staff, the state NWS Forecast office and on a dail-up basis by a computer at the National Meteorological Center in Marlo Heights, MD.

This national computer—again a mini—will call each state in turn on an hourly basis to provide radar information and special weather elements forecasts developed every six hours, five days a week, Lehnert added.

Scott and Lehnert would like to see data dumped into the farmers' boxes at 1,200 bits/sec. but fear such a speed will make the terminals—eliminated to cost anywhere from $600 to $3,500—too expensive. Farmers will lease or buy the box and will pay for the local phone call to access the county computer. Eighty-five percent of the nation's farmers can reach their county offices with a local call.

Lehnert and Scott also hope to achieve a data transfer rate over switched phone lines from the national computer to the state computers and on to the county machines at 2,400 bits/sec. They are concerned, however, that the communications lines will only handle 1,200 bits/sec reliably.

The green thumb project is one part of a four-part Extension Service and NWS program, Lehnert said. The federal government wants to obtain and disseminate weather observations from local areas. With a large enough keyboard, a green thumb box can be used by farmers to add local weather observations to the AGWX system.

Research in Nebraska has shown that the use of rural weather data in irrigation scheduling can reduce irrigation water needs 35 percent. That translates into $42 million in savings for the state annually, Lehnert said.

NWS and the Extension Service also want to develop weather and agricultural products for farmers. Finally, the government plans to institute a comprehensive educational program to teach farmers how to get the most out of agricultural weather information.

The Extension Service believes it, too, can realize savings from the AGWX system in dollars and personnel time currently devoted to farmers through publications, mail, mass media, personal visits and the telephone. Green thumb should also improve service to the public by tailoring information to local needs, Lehnert stated.

He and Scott expect that mass media serving farmers can access the system and relay information from it to the farmers when they are in the fields or on the road. The private sector may also find green thumb a useful tool for marketing its wares to the agricultural community, Lehnert added.

The Extension Service and NWS are currently preparing a request-for-proposal (RFP) for the computers and the green thumb boxes. That proposal should be on the street within the month, Lehnert said. While he "would like to see the system provided by a single vendor," the USDA official stated that the government will not permit any manufacturer to "lock the system up. There will be nothing in the green thumb box that will generate a royalty payment to its manufacturer," Lehnert stated.

Asked whether USDA and NWS have considered using the British viewdata system, which also links the TV set to the phone lines and will soon be marketed in the United States, Lehnert said no. "The key difference between green thumb and viewdata is that the British TV–decoder–telephone system is interactive.

"In England, the Post Office also runs the telephone network and its interest is in keeping users on the system as long as possible. With green thumb, the farmers pay Ma Bell, so we want the calls to be as short as possible," Lehnert said.

He noted, however, that green thumb boxes could have a full ASCII keyboard, permitting farmers to talk to the computer and to each other.

Other agencies have been approached by or have contacted the Extension Service about adding their existing databases to the AGWX system. The Federal Aviation Administration, for example, could use green thumb to disseminate pilot briefings on weather conditions.

Similarly, The National Marine Fisheries has talked with fisherman about carrying green thumb-type boxes on board their boats to monitor weather and market information. A demonstration of such a system to fishermen in New England was enthusiastically received, Lehnert said.●

CUTTING BACK ON REDTAPE

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. JONES of Oklahoma. Mr. Speaker, I am reintroducing a bill today that would reduce the paperwork burden on private foundations and charitable trusts which are treated as private foundations under the tax code.

This legislation is identical to the bill which I introduced last year, and which was incorporated into H.R. 12578, the Miscellaneous Revenue Measures Act of 1978. That legislation passed the House of Representatives, but did not clear the Senate, because of a lack of time.

This bill could consolidate the current tax reporting requirements for private foundations by combining the current annual report and annual informational filing into one report. There are over 22,500 private foundations in the United States, and most of us are familiar with the fine, humanitarian work they perform. Enactment of my bill would save an estimated 58,000 man-hours and 100,000 sheets of paper, thus freeing the foundations to go about their job of helping people. The legislation would increase the amount of information on foundations available to the public by consolidating the reports, yet it would do so at a reduction in expense to the foundations, and without requiring any additional information from them.

This bill is a responsible method of cutting back on redtape and duplication in the Federal Government, and I hope that it will receive favorable consideration again this year.●

REMARKS ON CABLE SATELLITE PUBLIC AFFAIRS NETWORK

HON. GEORGE THOMAS LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. LELAND. Mr. Speaker, the cornerstone of democracy is an informed and enlightened public. Today thousands of citizens of the State of Texas will be better informed and more knowledgeable about the workings of their Government because of the Cable Satellite Public Affairs Network. I look forward to the day when my congressional district in Houston is served by a cable system so that my constituents can view the workings of this Congress. C-SPAN, which has been transmitting from the House floor since March 19 will enable millions of Americans to keep in touch with the daily deliberations of the House of Representatives.

I can think of no greater example of an industry serving the public interest than the efforts of the cable television industry in cooperation with C-SPAN to bring to the people of this country the legislative proceedings of their Congress. I am confident that this innovative use of our telecommunications system will not only strengthen our democracy but will contribute to a greater confidence on the part of the American people in their elected officials.

Thank you.●

TRIBUTE TO JIM McDERMOTT

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. OTTINGER. Mr. Speaker, on April 8 at the Glen Island Casino, Jim McDermott, the Iona College adviser to the athletic department, will be inducted into Westchester County's Sports Hall of Fame.

Jim McDermott came to Iona College in September of 1947 following a career of coaching at LaSalle Academy in New York City. During his 13 years at the academy, his basketball teams achieved a record of 210 victories, 40 losses.

During the year of Mr. McDermott's arrival at Iona, the school converted an Army recreation building into its one athletic facility. During the 1948–49 season, the Iona Gaels were invited to participate in the first National Catholic Basketball Tournament in Denver and their outstanding record brought them back for the following 3 years.

By 1953, Iona had achieved national recognition and major college classification now known as division I in basketball. At this time, Iona was well recognized nationally as the "little school with the tough basketball program." Thirty-eight appearances at New York's Madison Square Garden playing many of the best teams in the Nation added to the national respect of Iona as a basketball school.

Unfortunately, starting in 1964, Iona had no home court for its games. Home games were instead played in four different high school gymnaisums. Despite this handicap, Mr. McDermott was ranked in the top 20 basketball coaches in America from 1967 to 1973 when he retired from coaching. His Iona record of 325 victories against 250 losses speaks for itself:

IONA COLLEGE, NEW ROCHELLE, N.Y.

McDermott did not confine his activities to basketball alone. He doubled as baseball coach for twelve years with a winning percentage of over 60%. He served as Director of Athletics until 1976. When he became Athletic Director, Iona sponsored six teams in intercollegiate competition. When he retired as Athletic Director to become Assistant to the President in Athletic Affairs, the program had expanded to eleven men's teams and five women's teams.

In 1974, McDermott realized his dream. Iona opened its new multimillion dollar complex climaxing 27 years struggle on his part to propel what was considered a small school into big time athletic recognition. His achievements were many, and recognition by his peers and community were well recognized as indicated in the honors awarded him as an athletic administrator as well as coach.

McDermott had originally instituted a Basketball Camp. With the new complex. he added an all-round Sports Camp for boys and girls which was highly successful.

Among his many achievements, Mr. McDermott has been: co-founder, twice President of the Middle Eastern College Athletic Ass'n; co-founder, past President of the New York Metropolitan Basketball Coaches Association: past President of the Metropolitan Athletic Directors Ass'n (40 colleges); past President of the Metropolitan Baseball Conference—initiated Fall Collegiate baseball in this country; co-originator of the Queens-Iona Relays, now the Iona Relays, a two day track carnival servicing close to 100 colleges, and over 200 high schools.

He has ranked in the Top Twenty Basketball Coaches of America from 1967–1972 and ranked tenth in active coaches in 1973: was elected to Citizens Savings Bank (Helms Foundation) Basketball Hall of Fame, and was a recipient of three awards from the National Association of Basketball Coaches. (The Merit Award 1969, The Honors Award 1969 and the Distinguished Service Award for contributions to college basketball 1973).

He received the Niagara University Award for great contributions to basketball in 1972 and the Metropolitan College Baseball Conference Award for contributions to college baseball.

His work also brought him the city of New Rochelle commendation/citation for basketball coaching record and service to the Community in College Sports Administration and he is a recipient of the highest honor awarded by the Iona College Alumni Association—The Cornelia Award—for service to Iona College—joining such recipients as Cardinal Spellman, four Iona past Presidents and six members of the Iona Board of Trustees.

Finally, he was elected to the first CHSAA Hall of Fame 1978.●

THE PRODUCTIVITY HOAX

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. CONYERS. Mr. Speaker, concerns about the rate of increase in productivity in the American economy are mounting. Certain official figures indicate that the rate of increase in productivity has dropped over the past decade. Unfortunately, the fine print of these figures, the basis on which they are calculated, has not generally been scrutinized. While the major definition and measure of productivity is the number of units of output per man-hour of production labor, the other measure that indicates a drop in productivity defines productivity in terms of the wages (in constant dollars) that workers receive, rather than the quantity of goods they produce. Defined in this way, assertions that productivity has declined are really assertions that real wages have declined (which is, indeed, true). This manner of measuring productivity is, obviously, without merit; perhaps fit for polemics, but not for sound analysis.

When productivity is measured, however, in terms of output per man-hour of production labor, the figures on productivity are quite different. For example, for manufacturing production, the BLS index of manufacturing productivity increased by 3.5 percent in the 4th quarter, 1978, over the same period in 1977. This rather considerable increase in manufacturing productivity is even more noteworthy when one considers that real spendable earnings of workers in manufacturing industries has been increasing by only 1 to 1½ percent per year—onefourth the rate of the increase in productivity.

While there is in existence a commission studying productivity, as far as I know the results are not yet in. In the meantime, there is all manner of speculation about the causes of the alleged lagging productivity. Some attribute it to inadequate capital investment in industry. Others attribute it to regulations governing the environment that are imposed upon industry. Still others attribute lagging productivity to the habits of the work force. There is, of course, no precise measure, that I know of, to gage productivity in service industries.

Obviously, the subject of productivity is clouded in a great deal of misinformation and inadequate information. Recently, I came across a very fine article on productivity written by Victor Perlo, a distinguished economist and author, whose career traces back to the New Deal and notable work as a member of the Roosevelt administration. He has also authored a number of books, including "American Labor Today" (1968), "Dollar Crisis: What it Means to You" (1969), "Unstable Economy: Booms and Recessions in the U.S. Since 1945" (1973), and "Economic Racism, U.S.A." (1975).

I commend to the attention of my colleagues the following article, "The Productivity Hoax," written by Victor Perlo, that appeared on February 15, 1979 in the Daily World:

THE PRODUCTIVITY HOAX

(By Victor Perlo)

Jimmy Carter's economic program stresses austerity and sacrifice for working people. It is enthusiastically carried out by employers, through limits on wage increases that ensure further declines in real wages, following the 3.5 percent decline in real spendable earnings of private economy workers reported for the fourth quarter of 1978.

The President wrote in his economic report:

> A large part of the worsening of inflation last year, however, stemmed from poor productivity. Over the past decade or more, the rate of growth in our productivity had been slowing. In late 1977 and throughout 1978, the slowdown in productivity growth reached serious proportions. Last year the productivity of our economy increased by less than 1 percent.

Moreover, the economic report bases its policies on the assumption that slow productivity growth will continue.

Subsequently, the Bureau of Labor Statistics (BLS) published the claim that productivity increased only 0.4 percent in 1978.

These calculations are wrong. The method is unsound. The government officials are publicizing figures which defraud workers, and virtually suppressing figures which show that labor productivity, in actuality, is increasing at a normal rate.

Productivity of labor means the number of units of output per man-hour of production labor. The BLS calculates indexes in this way for separate industries.

But in its overall index used by the President it does not follow this procedure. Instead it bases "productivity" mainly on what workers get paid (in constant dollars) for their production rather than how much they produce. As any worker knows quite well, these are quite different. In U.S. manufacturing today, as shown by census figures, production workers get paid barely onefourth of what they produce, as measured by value added by manufacture. And that share has been steadily declining.

To compute "productivity," the BLS defines production as the "real" gross national product (GNP) in the private domestic economy. As the BLS writes:

> GNP is equal to income received by labor and property for services rendered in the current production of goods and services, in addition to capital consumption allowances, indirect business taxes. and several other minor items. (BLS Handbook of Methods. Bulletin 1920, p. 220).

This so-called measure of production is then adjusted to "real" terms with a price index. The largest component in this measure of production is "compensation of employees." Property income is only partly included, and its upward trend is minimized.

Thus the largest element in the BLS's "real" production is "real" compensation of employees. When this is divided by man-hours worked, the largest element in the resulting calculation of "productivity" is real wages per man-hour worked. So the trend in productivity, thus calculated, follows the trend of real wages, with certain upward adjustments.

The alleged slowdown in productivity since 1967 is nothing other than the slowdown and later downturn in real wages. It represents not an actual decline in productivity growth, but a failure of labor to make gains from the very substantial increases in productivity.

The Federal Reserve Board index of manufacturing production represents, insofar as possible, a composite measure of changes in the physical volume of manufacturing output. The BLS publishes an index of man-hours worked by production or nonsupervisory workers in manufacturing. The production index divided by the man-hours index, both on a 1967 base, gives a reasonably objective index of productivity.

Between 1967 and 1978 the index of manufacturing production increased 45.5 percent, while man-hours of production workers increased only 1.5 percent. Thus productivity per man-hour increased 43.3 percent, for a compound rate of 3.3 percent per year. The index of productivity increased each year. The 1978 increase was less than average at 2 percent, but the slowdown was limited and temporary. In the fourth quarter of 1978 productivity was 3.3 percent higher than in the fourth quarter of 1977, regaining the normal rate of increase.

The BLS also calculates an index of productivity in manufacturing. Over the long run, that index is adjusted to the same faulty basis as the general BLS productivity index. But over a short period it also uses the Federal Reserve Board index of manufacturing production. The BLS index of manufacturing productivity increased 2.5 percent in 1978, and 3.5 percent in the fourth quarter of 1978 over the same period of 1977.

But these figures for manufacturing workers are ignored by Carter and the press.

In order to have a fair share of the gain in productivity during 1978, factory workers should have received in the fourth quarter real wages 3.3 percent higher than in the same quarter a year earlier. In fact, their real spendable earnings were 2.2 percent lower. Thus they are entitled to a 5.5 percent catchup increase (3.3 percent plus 2.2 percent) in addition to what they require to cope with the certain 8–10 percent inflation and higher productivity of 1979.

The next showdown between labor and the management/government gangup is in the trucking industry. There's no mention of the teamsters' productivity in government propaganda. Between 1967 and 1977 the volume of freight carried by intercity carriers increased 66.2 percent (American Trucking Association Statistics). Man-hours of trucking and trucking terminals production workers increased 6.2 percent. That means an increase of 56.5 percent, or 4.6 percent per year, in productivity. In the first nine months of 1978 (the latest available), freight carried increased 8 percent over the same months of 1977, while man-hours increased 3.2 percent. That means teamsters' productivity per man-hour increased 4.7 percent during 1978.

But in October, 1978 (the latest month available), their real spendable weekly earnings were down 2.5 percent from the same month of 1977.

Since 1967 their gain in real spendable earnings was only 13.6 percent, or 1.2 percent per year—one-fourth the rate of their increased productivity.

To make up for higher productivity and lower real wages in 1978 teamsters are entitled to a catch-up raise of 7.2 percent (4.7 percent plus 2.5 percent) in addition to what they need to cope with higher living costs and as a reward for higher productivity during 1979.

The 7 percent ceiling which Jimmy Carter and the trucking companies want to impose will assure teamsters of a further cut in real earnings, and an even more drastic cut in their share of the values created by their labor.

The New York Times quotes unidentified economists who use the falsely reported decline in productivity gains as an excuse for an ultra-right attack on workers, minorities, women, and youths. Since Jerry Flint, the Times reporter, quotes Charles L. Schultze, chairman of the Council of Economic Advisers, at the start of the article, and since most of the arguments are identical with those expressed more discreetly in the council's economic report, it is not unlikely that the unidentified economists are the President's economic advisers.

Here are some of the "reasons" these economists give for "low productivity" (New York Times, Jan. 27).

"Equal-opportunity rules that mean the hiring of the less efficient, the less educated and the less skilled to promote equality among the races and sexes."

This is an outright racist slander, and an attack on affirmative action for minorities and women. What evidence is there that Black workers are less productive than white workers on the same job? None. Or women than men? Indeed, there is overwhelming evidence that Blacks have to have superior qualifications to get an equivalent job. For the most part, Blacks with equal qualifications, skills and education are hired for inferior jobs, at lower pay, to whites with the same or less skill and education.

"The baby boom that followed World War II, which has poured millions of youths, with no work experience, into the work place."

This is a comparable slander against the youth to justify attempts to slash the minimum wage for youth and the summer youth jobs program, and maintaining 50 percent unemployment rates among minority youths in the cities.

"A decline in the work ethic, which means that today's worker is more interested in the 'me' in his life than in keeping his nose to the grindstone."

Unlike the capitalists, who are more interested in paying billions in bribes for armament contracts and enjoying their tax-free three-martini lunches and company resorts!

"Featherbedding established and sustained in union contracts."

The old chestnut, justifying the assault which has already gone far to destroy those standard working rules with which organized workers formerly were able to protect themselves against accidents and speedup.

"The social demands of society for a cleaner, healthier environment, which diverts money that might have gone to increase productivity."

Most expenditures for environmental control are in manufacturing, where, clearly, productivity increases are substantial. Furthermore, expenditures to improve the working environment and safety and health often increase productivity, not reduce it. This is nothing but propaganda to justify the current fierce employer offensive against the Occupational Safety and Health Administration (OSHA), and Carter's cuts in safety and environmental budgets, in real terms. The appropriations for OSHA and the Mine Safety and Health Administration, taken together, are increased 3.3 percent, which means a cut of 5 percent in real terms.

"Tax policy that does not encourage investment in the tools that increase manufacturing efficiency."

That's really a joke, just following the latest round of tax cuts for corporations and the wealthy, with record "tax incentives" for investors, who are shockingly favored over workers and other ordinary consumers. It's also a joke with the just released figures on soaring machine tool orders, and the Federal Reserve Board index of business equipment production for December, 1978 at an all-time high of 169.3 (1967 = 100) as compared with 150.3 for industrial production as a whole.

Over the past two years, fixed investment, in constant dollars, increased 19.7%, as compared with 8.8% for personal consumption.

To defend their basic interests, workers and their unions must expose the fraudulent anti-labor, racist propaganda of the government and big business concerning productivity.

This calls for reversing the Carter Administration policies. It calls for slashing the inflationary military budget. It requires freezing monopoly prices and rolling them back. It calls for cutting taxes on workers while closing the $100 billion—plus of big business and wealthy individuals' loopholes, that, together with the military budget, are responsible for the inflationary government deficits. ●

BALLISTIC MISSILE DEFENSE R. & D. PROGRAM

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. BEARD of Tennessee. Mr. Speaker, recent events in Iran have focused attention on the fragile nature of the U.S. intelligence gathering network which monitors Soviet ICBM weapons testing. In order to verify compliance with SALT—present and future—treaty provisions, and to assess Soviet capabilities and programs, a variety of different data gathering methods under the umbrella of national technical means are employed.

One such program is the ballistic missile defense R. & D. program. For many years the BMD radars at the U.S. Kwajalein Missile Range have been monitoring tests of U.S. reentry systems. In this way, critical software and discrimination algorithms have been developed by BMD and are then used extensively in other systems for assessment of intelligence data. The Kwajalein range itself is the primary source for monitoring of Soviet space missions and for the important space object identification (SOI) program.

The participation of the BMD program with the Air Force in the shipboard Cobra Judy radar program will lead to a capability to gather reentry measurements data on Soviet flight test vehicles that does not exist now. These particular sensors will become more significant as the impact of the loss of access to radars located on foreign soil is realized.

Although very significant and of current interest, contributions to the intelligence gathering network are only collateral benefits of the BMD technology. In fact, the primary significance of the BMD program was recognized by the House and Senate Armed Services Committees in 1978 when they recommended to the Department of Defense that the BMD R. & D. program, which had been subject to budget fluctuations, be stabilized at a constant level of real purchasing power. In doing so, the Senate recognized the value of continued BMD research to national defense.

Since the ratification in 1972 of the treaty between the United States and the Soviet Union on the limitation of antiballistic missile systems, the DOD has maintained a ballistic missile defense research program directed at providing the necessary technical expertise and subsystem components required to meet an emergency situation if the treaty were abrogated. The research program has studied the means to provide rapid deployment options at the same time it pursues longer range goals of more effective systems such as exo-atmospheric nonnuclear intercepts. Subsystem hardware and technologies developed by this program, such as the optical probe/exosphere discrimination algorithms have already been considered applicable to another critical area: the Air Force early warning and attack assessment system. The probe would be used to strengthen and augment the warning system and could provide a means to reconstitute the warning quickly, in the event that the primary early warning satellites were attacked.

In the present environment of Minuteman vulnerability the BMD program takes on even more significance. In addition to having application to fixed silo defense—should that option be exercised—BMD provides a means to enhance the effectiveness and flexibility of the preferred basing system to correct the growing vulnerability. This system, the Multiple Protective Structure (MPS) system, depends upon deception for its survival. Such deceptive basing, when applied with BMD, may well provide a cost-effective combination. For example, suppose there are 4,000 aimpoints in the MPS system and 200 missiles deceptively based within them. Such a system, with no defense, is designed to survive an attack by Soviet R/V's in sufficient number to destroy 2,000 aimpoints and still provide the United States with 100 surviving missiles. If defense is now introduced, also deceptively—that is, only the aimpoints which contain a real missile are defended—then the attacker must at least double his attacking force to achieve the same effect. He must attack all the aimpoints at least once—in the simple case of a single interceptor defending each missile—to exhaust the defense before proceeding with his primary attack. Stated another way, BMD deceptively based might be able to effectively double the number of aimpoints in the MPS system.

Finally a vital BMD research program provides the country with the means to monitor Soviet activities and capabilities in these areas. In order to maintain confidence in our ability to monitor Soviet compliance—or violation—of the existing ABM treaty, such a program is a minimum necessity.

To maintain an effective technology base requires motivation. In particular, maintaining an effective BMD research program in the presence of an ABM treaty is a difficult task. The House and Senate Armed Services Committees, in recognition of this problem, attempted to stabilize the BMD R. & D. program in real purchasing power. However, the DOD has ignored this direction and submitted a fiscal year 1980 budget request which is $13.2 million below the 1979 authorized funding level in real dollars. Such action, if not corrected, will hamper the BMD programs efforts to reduce the lead time for a low altitude defense of the ICBM force and to conduct a fiscally efficient demonstration of an exo-atmospheric intercept. Both these programs deserve the support of Congress in their own right. Perhaps more important is the adverse impact of a budget reduction on efficient program management and the political effects of sending such a message to the Soviet Union, especially in the current environment.●

HYDROELECTRIC ENERGY

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. JEFFORDS. Mr. Speaker, today I am introducing two bills which, if adopted, could provide important assistance to the development of an energy resource of great importance to New England and other regions of the country. I speak of small-scale or low-head hydroelectric development.

In a recent report sponsored by the New England Congressional Caucus on New England's Rural Energy Sources small-scale hydroelectric development was characterized as an obsolete technology whose time has come again. The preliminary estimates, the report notes, suggest that potential annual savings of between 7 and 19 million barrels of oil could be realized from the reclamation and retrofitting of New England's small-scale hydroelectric dams. This would represent between 1 and 4 percent of the region's energy needs.

A thoughtful and impressive effort by the New England Energy Congress, which is sponsored by the New England Congressional Caucus and Tufts University, also highlights the importance of hydro development for the region. A preliminary report published in November 1978 asserts that 25 percent of the region's needs, equivalent to better than 500,000 barrels of oil per day, can be met by alternate sources of energy by the year 2000. This total reflects a commitment, which must be undertaken and adequately financed, to double the contribution of hydroelectric energy to the power pool by the end of the century.

Other surveys have forecasted even greater energy savings which could be achieved through the reactivation of New England's unused dam sites. A study prepared for the New England River Basins Commission identified over 1,900 dams, once used for power generation, which could be refurbished and could produce as much as 15 percent of the additional generating capability which will be needed by New England over the next 10 years.

I am confident that similar studies, if undertaken elsewhere, would reveal equally impressive statistics. This country moved away from small dam power generation when other sources of energy, particularly coal and petroleum, offered cheap and efficient fuel for large scale electricity generation. We are now in a period of learning brought about by the pressing fuel crisis and, not surprisingly, we are finding that some of the old technologies, undertaken with modern efficiency, on a small scale are effective, cheap, safe, and environmentally sound.

In a recent meeting with a congressional delegation concerned about the development of alternate sources of energy, President Carter indicated strong interest in rapid development of small-scale hydroelectric projects. His interest is welcome and echoes the already considerable public involvement in this issue. Unfortunately, the public concern has outstripped the Federal Government's ability to respond expeditiously to requests for licenses to construct hydroelectric facilities at small dams. The backlog of license applications at the Federal Energy Regulatory Commission is immense and the small number of employees assigned to this task is inadequate.

FERC has made and is continuing to make attempts to shorten the processing time for license approval, but the numbers involved are overwhelming. A logical solution to this problem is to give those States with the proven capability to issue licenses with due regard for environmental, ecological and historical considerations, the authority to do so. I know that some States may not be prepared at this time to undertake such responsibilities, but others, such as Vermont, already have established mechanisms which, if anything, are even more rigorous in their protection of public interests in licensing matters than are the relevant Federal regulations. The net result of the current situation in which both individual States and the Federal Government must approve licenses has been unnecessary delays. Most small-scale hydro developers have limited resources and therefore delays or additional licensing requirements often discourage planning or make their projects economically risky.

In response to the now confused picture for small-scale hydro developers the Senate and House of the State of Vermont passed a joint resolution which was signed by Governor Snelling on March 27 urging that FERC be requested to create a more coordinated and expeditious licensing procedure and that the Department of Energy be requested to create financial incentives to encourage the development of smaller hydro sites.

The bills I am introducing today speak to these concerns and also reflect some of the recommendations of the New England Energy Congress which I referred to earlier. One of the measures would authorize FERC to enter into cooperative arrangements with individual States to relegate to those States licensing authority for small hydroelectric projects at existing damsites. The other piece of legislation appropriates funds to the Department of Energy for loans to assist the construction of small-scale hydroelectric projects. Congress authorized $100 million for this effort under section 403 of the Public Utility Regulatory Policies Act of 1978. Regrettably, in a spirit of false economy, the administration has not requested an appropriation for this effort. The bill I am introducing seeks to remedy this oversight.

Small-scale hydroelectric development offers the possibility of providing energy-poor sections of this country with a relatively inexpensive, environmentally sound alternate mode of energy production. Given the coming crunch in energy we in this House have an obligation to act as speedily and effectively as possible on this important issue.●

PFC. WILLIAM JAMES TSAKANIKAS CONGRESSIONAL MEDAL OF HONOR BILL GAINING SUPPORT IN HOUSE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. OTTINGER. Mr. Speaker, yesterday, I reintroduced a bill (H.R. 3407) for myself and 15 of my colleagues as cosponsors, authorizing the President to award the Congressional Medal of Honor, posthumously, to William James (Tsakanikas).

Entered in the CONGRESSIONAL RECORD of Monday, March 26, 1979, on pp. 6249–6250, are my remarks on introducing the original legislation (H.R. 3225); the test of H.R. 3225, and the Parade magazine article by Jack Anderson of Sunday, March 25 titled "Why This Dead Hero Should Get the Medal of Honor."

I have received phone calls and letters from across the country this past week—all supporting our efforts in this regard. This past Sunday—April 1—the White Plains Reporter Dispatch, White Plains, N.Y., carried another article about Will James (Tsakanikas) that I would like to share with my colleagues, and I insert it at this point in the RECORD:

MEDAL OF HONOR SOUGHT FOR WW II HERO

(By Steve Burgard)

"Private William J. Tsakanikas, 19, of 29 Park Ave., has been missing in action since the German push into Belgium before Christmas, the War Department notified his parents yesterday." The Reporter Dispatch, White Plains, Jan. 6, 1945.

"No Germans broke or retreated. The range was so close that James (Tsakanikas) could see their faces. He tried to divorce his mind from the faces. With his grease gun, his .50-caliber machine gun, and occasionally his M–1, he tried to imagine himself firing at movement, not at men." The Bitter Woods by John Eisenhower.

William James survived the firefight that endless December day during World War II and lived through his subsequent capture by the Germans to return home to Westchester.

He dropped his Greek surname "Tsakanikas," retaining his middle name, had a family and was as active as a painful combat injury, sustained on Dec. 16, 1944, permitted. He died in 1977.

Last week, Rep. Richard Ottinger, D-Mamaroneck, submitted James' name to Congress for the Medal of Honor, the country's highest military award, for his action in delaying a German thrust during Adolph Hitler's desperate Ardennes offensive.

As a result of the publicity, the New York Yankees have asked his widow, Peg, to throw out the first ball opening day at Yankee Stadium Thursday.

Also present will be a St. Louis chiropractor, Dr. Lyle Bouck, who 34 years ago was a young first lieutenant, James' platoon leader, sharing a foxhole with him in the tiny town of Lanzerath, Belgium.

The Yankees are trying to locate other members of their platoon in the hope of bringing as many of them together as possible.

James and Bouck were in the 18-member Intelligence and Reconnaissance Platoon of the 394th Infantry Regiment of the 99th Division, charged, as Bouck now explains, with "observation, watching, alerting the division to troop movements."

It was a proud unit and well-trained—but not for combat, the role selected by fate.

In the early morning hours Dec. 16, the unit was subjected to a heavy artillery barrage and members dove into foxholes at their position near Lanzerath. There was a tank destroyer battalion in the town, but after the attack the battalion pulled out to the rear.

On radio orders, Bouck, James and two other men went on a scouting mission into the town. "The four of us went into the town and saw huge columns of Germans coming, some across fields, some across roads," Bouck recalled Thursday.

When they returned to position, Bouck called for artillery support. It never came. "There wasn't any way to get out without being exposed," Bouck said.

Eighteen men were on their own against hundreds of enemy paratroopers.

The platoon had a good position at the edge of a wood line. James and Bouck shared a foxhole; James had a submachine gun.

When the Germans arrived, a firefight began and continued all day. The last orders Bouck received before his radio was blasted from his hands were, "Hold at all costs."

In darkness, the Germans moved in and took the platoon position, hole by hole. In an assault on the James and Bouck foxhole, a blast from a German burp gun hit James in the head, destroying the right side of his face.

The captured men (eventually liberated by American forces) were taken to a cafe in the town, where James, then semiconscious, was later to recall hearing a cuckoo clock. The clock, later obtained by a friend, now hangs on the living room wall in the tidy home of Peg James.

"Funny," she said last week, "it stopped chiming after Bill died."

Time, the dispersal of the troops and the agonies of life in German camps left returning American veterans like Lyle Bouck eager to put the past behind.

It was 20 years later, when John Eisenhower, son of the former president, began researching the Ardennes campaign, that the significance of the Dec. 16 encounter became apparent.

Without knowing it at the time, the men of intelligence platoon were in the thick of the German thrust in the Battle of the Bulge. There was no immediate thought of medals, although Bouck points out that everyone in his platoon received the Combat Infantryman's Badge, the Purple Heart and the Bronze Star.

"We were just doing what everyone else was doing," Bouck insists. "We got talking about it later and discovered, 'My God, we were in the center of Hitler's main spearhead.' "

Like collaborators on a jigsaw puzzle Eisenhower talked with James, Bouck and other survivors to piece the Dec. 16 story together. Two Americans died that day; all other platoon members were injured and captured.

Nobody can say for sure how many Germans died at Lanzerath. Bouck, who avoids giving a body estimate, says, "It was a lot, whatever a lot means."

In recent years, White Plains attorney Basil Filardi, a lifelong friend of James, has made it a personal campaign to push for a Medal of Honor.

The effort faces stiff odds. A technicality requires that the recommendation be filed within two years of the act. Nevertheless, Ottinger went to Congress with legislation last week.

Filardi said last week, "When you know Bill's background—when you know how much it took not to run and say, 'to hell with this'—to stay and man those guns—you just want to see justice done."

What kind of man was James? "He was a wonderful husband and a good father," his widow said. "He didn't talk much about the incident till the book (Eisenhower's "Bitter Woods"). He didn't know what he had done."

She continued. "He wasn't bitter." Not bitter, that is, after capture by the Germans, a failed escape attempt and, later, dozens of operations on his face, an ordeal of physical pain scarcely imaginable.

James lived in agony. He held a number of jobs, but couldn't stick with any because he "was always having to go off to the hospital."

He was active in civic affairs, was a conservative Republican and served as Rye Town GOP chairman from September 1975 to February 1977.

A son, Ed, 29, a broker for Muehlstein and Co., credits Peg with sustaining his father through his parents' years together. The couple met at a Veterans Administration hospital where she was an Army nurse.

"He never would have been able to do without mom's support," he said.

There are three other boys, Larry, 30, Doug, 26, and Gary, 23.

But it was James' inner resources which seemed to carry his heroic life beyond the wintry day in Belgium in 1944. "Never getting bitter, living with pain day in and day out—his was a kind of heroism that went on until he was 52," Ed said.

His father was a deeply religious man who believed strongly in God and duty. "Dad's feeling about fate was that you don't go looking for trouble, but when it comes, you meet it," Ed said.

He concluded, "One of his strongest teachings was, "(You are) made by God to walk straight, talk straight and take the consequences. Later on, when I was old enough to understand, he added . . ." Ed smiled, ". . . Think straight." ●

REBIRTH OF PANAMANIAN DEMOCRACY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. DORNAN. Mr. Speaker, the administration failed to gage the tremors in Iran; and official forecasts of political life fell far short of the mark. Even now, I think, we are being treated to a replay of official misperception in the so-called Republic of Panama. I ask that my colleagues take heed, put their ears to the ground and listen to the rumblings of discontent in Panama.

This morning I was privileged to receive a remarkable document signed by representatives of the Panamanian political opposition. The unity of these elements, virtually all of the political dissidents of Panama, from right to left, have joined in an unprecedented show of unity. They are united in calling for a democratization of Panamanian political life and in adopting a set of comprehensive goals to accomplish that task. Years of repression, police state violence, Marxist infiltration, and flagrant abuse of public trust has not destroyed the aspirations of the Panamanian people for political liberty. They press on, and look with hope to a brighter future. The years of frustration may yet erupt into an outburst of indignation. How events will unfold is yet to be determined. I am quite sure that the gentlemen in the State Department are "monitoring the situation." I sincerely hope that their sensors are sharper than in Iran and others, and we are not caught offguard in defending or sympathizing with a regime that has long since lost its legitimacy.

I submit the document for the Record:

National Agreement for the Democratization of the Republic

The signers, in our capacity as authorized representatives of the national political groups concerned over the present state of the Republic, make a firm appeal to Panamanians to belligerantly oppose the present government, laying aside all sectarian ambitions and interests, with a view to changing the elements of the present political system which hinder the effective attainment of democracy and freedom in Panama. The systematic violation of human rights and the manipulation of news have not been sufficient to prevent an ever-growing number of Panamanians, once having freed themselves from fear, from demanding the immediate replacement of a regime which constitutes a standing insult to the dignity of the citizens. Such a situation, evident to all, obliges the government to attempt to mask its dictatorial nature through harmless constitutional reforms and through the artificial formation of official political parties aimed at giving an appearance of legitimacy to a regime which, by its origin and nature, is in opposition to the most elementary principles of freedom and democracy.

Even though the expedience of these years obliges us to reject the guarantees which the present leaders offer, whenever in practice the exercise of the freedoms is limited by the shameless meddling by the authorities in all the political processes, we affirm our determination to fight with all the effective legal means at our disposal, in order to reconstruct the unity of the Panamanian family, guarantee the harmonious development of our economy and obtain social peace for our fellow citizens.

If official interfering closes the mentioned path, the Panamanian people and the political leaders of the democratic opposition will adapt their patriotic actions to the circumstances and the historic responsibility will fall on those who, by usurping power, use it to deny the national majorities their decision-making power and free choice of a sure democratic direction.

In order to direct the country along that path we announce our unwaivable decision to:

I. Fight for the full recovery of democracy in our country, in order to quickly replace the dictatorship that has plunged the Republic into chaos and divided the Panamanian family.

II. Demand that the public power emanate directly from the will of the popular majorities, expressed in free elections, in which all political parties participate, under the guarantee of an Electoral Tribunal which is independent and in which the political opposition will have effective and adequate representation.

III. Fight so that a real functional separation of the Legislative, Executive and Judicial Organs will prevail, without interference from the public force.

IV. Reiterate the need for an immediate direct presidential election as the only means to assure the social, political and economic reconstruction of the Republic, inasmuch as the designation of the Chief Executive through the indirect method has not returned peace to the Nation or even to the governmental sector.

V. State the urgency of directly electing all the members of the Legislative Branch, in elections to be held soon and which will guarantee the true representation of those elected, through equal, direct and secret suffrage.

VI. Insist that the independence, seriousness, impartiality and capability of the Judicial Branch and the Public Ministry be guaranteed and that they be granted their own resources and autonomy to administer them and that the Judicial career be reestablished. As long as the country does not have full confidence in its branches of justice, there will be neither tranquility nor progress.

VII. Establish local governments that correspond to the national situation and which have adequate income. As a result we maintain that all of the local authorities must be elected directly and that the efforts tending to restrict or eliminate income from the corregimientos [local areas], districts and provinces with the excuse of passing them on to the common funds of the State, be rejected.

VIII. Foster a democratic education which meets the needs of a people eager for culture and progress, which meets the aspirations of the educations and which puts an end to the rapid decomposition suffered by educational institutions due to the improvisations of the current regime.

IX. Require that any person may, in practice, found and operate, in complete freedom, the newspapers, radio broadcasting stations or any other means of social communication, without any type of restriction. In this respect, we will fight so that there will be no limit on the freedom of expression or the independence of the radio newsmen, through press laws which restrict or eliminate the possibility for the citizens to state their opinions permanently in the means of communications.

X. Demand a juridic and administrative regime that will guarantee the effective and full operation of individual public and political liberties and in general, the most absolute respect for human rights as defined in the International Conventions that Panama has subscribed to in that area, and that specifically freedom of expression, freedom of gathering, freedom of worship and freedom of not feeling fear be respected.

Bearing in mind the considerations and ends enumerated, the parties and groups which subscribe, without losing their autonomy, nor their capacity to determine privately the juridic status and the future of their respective organizations, join in a National Opposition Front (FRENO) [which means "brake" in Spanish] to which will be able to belong all of the political parties and civic organizations that adhere to the principles and aims contained in the present declaration, whose activities will be coordinated by an executive committee.

Panama, *March 20, 1979.*

Signed by representatives of the Independent Democratic Movement, National Liberation Movement, Christian Democrat Party, Agrarian Labor Party, Liberal Party, Progressive Party, Social Democrat Party, Patriotic Feminine Union, Union of National Renovation (URNA), Third Nationalist Party, Republican Party, Pro-Panamanian Party.

(Translated by Wesley Kerney and Deanna Hammond, CRS Language Services Section, March 1979.) ●

MEMORY NIGHT FOR WORLD WAR I VETERANS

HON. H. JOEL DECKARD

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. DECKARD. Mr. Speaker, I would like to bring to the attention of my colleagues in the U.S. House of Representatives that I have received the honor of presenting appropriate awards to the families of James Earl Gresham and Walter Krausenklaus on the evening of April 7 in Dale, Ind. The evening of the 7th has been designated as Memory Night by the Abe Lincoln Post No. 444 honoring veterans of World War I from the Eighth Congressional District.

Many of our residents in Indiana distinguished themselves serving in World War I, and two in particular deserve special recognition. James Earl Gresham is honored as having been the very first American to step on foreign soil, and was the first American to be killed on foreign soil. His grave among a cluster in France is appropriately marked "Here lie the first soldiers of the great Republic of the United States who died on the soil of France for justice and liberty, November 3, 1917."

Walter Krausenklaus, a native of Lamar, Ind., deserves special recognition as well tonight. Walter is recognized as being the only resident from Dale that was killed in action in World War I. Our heritage has been enriched, because of his sacrifice on October 14, 1918. In light of the fact that our Nation is now suffering from an apparent lack of patriotism, I am especially delighted that I represent a district with such a fine sense of patriotic and civil activity. ●

THE HISTORY OF THE SHORTER WORK WEEK

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. CONYERS. Mr. Speaker, the second national All Unions Conference and legislative lobby to shorten the work week takes place on Friday, April 6, 1979, beginning at 9:30 a.m. in the Cannon Caucus Room, 345 Cannon Building. Nearly 1 year ago, I had the privilege of participating at the first national conference held in Dearborn, Mich. That conference and the several hundred trade unionists who participated generated more enthusiasm and determination than I have witnessed in many a year. This second conference represents a major step forward in melding together the citizen and trade union movement for a shorter work week, that has evolved at the grassroots, with solid congressional and national support. The second conference, hosted by the Greater Washington, D.C., Central Labor Council (AFL-CIO), will draw more than 100 labor organizations from 20 States and representatives of 19 national and international unions, as well as several key central labor councils.

The mission of this second conference to shorten the work week is to win support for the idea of combating unemployment by spreading work among the greatest number of persons in the labor force. Work spreading—the sharing of employment rather than unemployment is to be accomplished by reducing the work week, to 35 hours, eliminating compulsory overtime, and raising the premium rate for overtime work to double-time, thereby encouraging employers to hire new workers. The direction the conference is taking is a solid one and, I believe, enjoys greater support in the Nation than most existing economic policies. The movement to shorten the work week will continue to gain adherents because its goal is to increase employment, not unemployment; spread work rather than countenance a permanent, unemployed underclass in society; increase the sense of economic security among all working men and women, not decrease it; and raise productivity in the workplace, not stifle it.

The history of the shorter work week is a long and distinguished one. It tells the story of the determination of working people to improve their working lives, the conditions under which they work and the things they are working for. It extends back in American history nearly 200 years. A synopsis of its major events follows, which I commend to the attention of my colleagues.

The history of the shorter work week follows:

HISTORY OF THE SHORTER WORK WEEK

Forty years have passed since the Fair Labor Standards Act of 1938, which established the standard 40-hour work week. The reduction in the workweek during that period accounted for substantial gains in employment. There is strong reason to believe that today a similar reduction in the standard workweek, coupled with stronger incentives to employers to hire new workers rather than use their existing workforce on overtime, would generate substantial new employment.

The information below summarizes the history of efforts to reduce the workweek in the United States, and the struggles of the labor movement to accomplish this goal.

A little more than a century and a half ago, the average American worker was at the job from sun-up to sundown.

1791—earliest recorded strike for shorter workweek hours in the U.S. by Philadelphia carpenters.

1827—Boston and Philadelphia carpenters strike for a 10-hour day. These early strikes for shorter hours failed, but the movement continued.

1835—The great Philadelphia general strike in which every union eventually turned out. Three weeks later, the strike was won, and the 10-hour day was enacted by city government and spread to the rest of the country. By the end of 1835 the standard work day for skilled mechanics was 10 hours.

1837—Economic depression began with the panic of 1837 through 1841, which wiped out the gains of the vast majority of workers who were forced to return to 12 and 14 hour days.

1840—President Martin Van Buren established a 40-hour week for federal employees.

1840's and 1850's—Many employers circumvented the few state laws which established 40-hour workweeks by forcing workers to sign release clauses or including them on black lists.

1860—despite heavy resistance by employers, 10 hours became the standard working day for most skilled workers and in most factories; hours reduced from 13–11 hours.

1865—With the end of the Civil War and the return of soldiers to their jobs, the need for shorter hours in order to reduce unemployment intensified. Movement towards the 8-hour day increased.

Ira Steward, "Father of the 8-hour day," and his Machinists' and Blacksmiths' Union lead the 8-hour-day struggle through legislation.

1868—The 8-hour day movement declined. The legislation Congress passed in June 25, 1868 proved to be defective. Value of the 8-hour day was emasculated by the insertion of nullifying clauses.

1873—A 6-year depression killed the hope of a decent 8-hour day.

1880's—The Haymarket tragedy and the general employers' counteroffensive after May 4, 1886, slowed, but did not end, the struggle for a shorter workday.

1890—The carpenters and joiners led the movement for the 8-hour day. The union had reported it won the 8-hour day for over 46,000 workers in 137 cities and nearly 30,000 had reduced their hours from 10 to 9.

1900–1910—During the opening decade of the 20th Century, struggles were waged on all three fronts—for the 10, 9 and 8-hour day.

1910's—Building trade unions, and the International Typographical Union launched campaigns and won 8-hour days. The ITU and other unions spent millions fighting off employers' efforts to increase working hours.

1926—The Fur Workers Union of New York went on strike and won the five-day forty-hour week; the first group of American workers to win this milestone.

1929—The Great Depression stirred much demand and action for a shorter workweek.

1933—A bill declaring compulsory 30-hour workweek promised to create 65 million jobs with no cut in pay. FDR, big business and later the courts opposed this bill.

1938—Compromise legislation called "Fair Labor Standards Act of 1938" was enacted. The 5-day, 40-hour standard was established.●

EFFECT OF HIGHER ENERGY PRICES

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Ms. MIKULSKI. Mr. Speaker, with each day I become increasingly concerned by this Nation's energy problem. I am especially disturbed by the effect of higher energy prices on the already shrinking wallets of the American people and their growing lack of confidence in official statements. My constituents do not believe that they are being given honest information.

I share their concern. Before I am prepared to vote in favor of the President's emergency proposal, I will require the answers to several crucial questions. Among these questions are: To the best knowledge of this administration, is there really an oil shortage? Was the recent rise in energy prices necessary? Is it consistent with the President's inflation-fighting policies? And what plans have been made to cushion the effects of higher energy prices on the American people—especially those on low and moderate incomes?

I would like to share with the House a letter which I recently sent to Secretary of Energy James Schlesinger expressing my concerns regarding this matter:

WASHINGTON, D.C., *March 20, 1979.*

Hon. JAMES R. SCHLESINGER,
Secretary, U.S. Department of Energy,
Washington, D.C.

DEAR SECRETARY SCHLESINGER: The House Commerce Committee, of which I am a Member, will soon vote on the emergency fuel measures proposed by the administration. While I wholeheartedly supported President Carter's original call for a new national energy policy, I am increasingly concerned by present administration attitudes and practices. Specifically, I would like answers to the following very serious questions.

To the best knowledge of this administration, is there presently an oil shortage or have large oil companies begun to hold back on supplies deliberately?

Was the recent rise in energy prices actually necessary? Do you consider it in line with the President's guidelines to control inflation? If not, was any effort made to convince oil companies to abide by their guidelines?

Increasing fuel costs will mean hardship for many on fixed or marginal incomes, especially the elderly, for whom proper supplies of heating fuel are absolutely essential. What plans are now underway to cushion the effects of these price rises? How soon will these plans go into effect?

The proposed rationing system counts only the number of cars rather than people in a household. This system is weighted against working class districts like mine, where people share family automobiles. What is the rationale for choosing to allocate rationed fuel to vehicles rather than individuals.

My constituents, like myself, feel deliberately exploited by the atmosphere of doubt and sudden rise in price over the past few weeks. Without satisfactory answers to these questions, I will be unable to support the administration position at this time.

Sincerely,

BARBARA A. MIKULSKI,
Member of Congress.●

VIETNAM VETERANS ACT

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. BONIOR of Michigan. Mr. Speaker, on March 20, 1979, the Vietnam veterans in Congress reintroduced the Vietnam Veterans Act, H.R. 3102. I would like to submit for the RECORD a section-by-section analysis of that bill for my colleagues who are concerned about the past neglect of the Vietnam veteran and would like to cosponsor that bill:

SECTION-BY-SECTION ANALYSIS VIET NAM VETERANS ACT, H.R. 3102

The Viet Nam Veterans Act, authored by the Viet Nam Veterans in Congress, amends Title 38 of the U.S.C. in order to correct long-standing inadequacies in Viet Nam veterans benefits. The bill reaches employment, health, education, and housing problems. It is divided into Titles, with one Title for each area. The final Title, V, commissions a study of veteran policy.

Practically every provision in this bill has its precedents in programs that have actually been part of the World War II GI Bill or that are currently underway or have been tested in states or local governments. None of them are revolutionary—they are merely evolutionary.

TITLE I—EMPLOYMENT

Viet Nam veteran employment initiatives have been predominantly limited to special consideration under public sector job programs. The two major exceptions have been marked by failure. The 1977 HIRE program developed a large number of job "pledges" but produced an inadequate record of actual hires. The VA's on-the-job training program has declined markedly, with enrollees down 50% between 1974 and 1977. It is held back by a basic structural limitation that precludes direct monetary incentives to employers.

Title I provides an alternate private sector employment program targeted on the needs of veterans with serious employment problems through a creative use of GI Bill entitlement to provide direct employer reimbursement. A second VVIC proposal, the targeted tax credit for employers of Viet Nam vets was passed into law last year.

Section 101: Job Voucher Program. This section creates new use for existing GI Bill education entitlements. Under the provision's approach, a veteran may use up to one year of his GI Bill entitlement as a "voucher" which will provide employers direct monetary reimbursement. Eligibility would be confined to veterans meeting needs tests similar to those under CETA. The amount of the subsidy will equal the amount of the payment under full-time education enrollment: Section 1682(a)(1) of the GI Bill=$311 for a single veteran, $422 for a veteran with two dependents. Any use of the entitlement as a voucher" will be subtracted from the veteran's total period of entitlement under the GI Bill, which presently runs to a maximum of 45 months. Employer eligibility for reimbursement is conditioned on provision of a training program and a provision requiring retention of the veteran six months beyond the expiration of job voucher benefits.

Precedents: A job voucher program was tested in Orange County California with a $5 million Labor Department grant from 1972–1974. That voucher program was also tested in pilot projects in Philadelphia and Los Angeles. A Harvard professor, Dr. Martin Feldstein, has written often on the job voucher concept and has received much publicity in Fortune, Time and other publications.

Interrelation: This program, in conjunction with the enacted tax credit, is designed to provide alternative employment incentive programs to meet the needs of different employers. Section 102(b)(3) of the act, accordingly, precludes attempts to "double claim" a veteran under both programs.

These alternatives seek to complement the existing OJT program by providing a more specialized design. As distinct from the existing OJT program, these alternatives target in on the hard to employ. The OJT program is not need based. To give employers serious incentives to hire veterans with employment problems, they provide flexible direct employer incentives which are not supplied under the existing OJT program.

Section 102: Outreach. An effective program requires outreach, including both advertising and community-based services. Section 102 mandates a VA program of outreach to inform both veterans and prospective employers of the provisions of the act and their advantages.

TITLE II—HEALTH CARE

Section 201: Readjustment Counseling. Viet Nam veterans have faced significant readjustment problems that have resulted in disproportionate suicide and divorce rates, among other problems. A large number of veterans have been affected: the multi-year Cleveland study suggests 25–33% of noncombat and 40–50% of combat veterans face serious readjustment problems. Unfortunately, the VA has felt that its ability to deal with these problems is limited both by their failure to appear until a significant time after military service, which leads to questions of VA responsibility, and by the fact they do not always constitute serious enough disorders to be defined as a disease.

This section grants the VA special and new authority to treat readjustment problems. (To receive counseling, a veteran must request it within one year of discharge or two years of enactment, whichever comes later.) To help ensure that these services will actually be used by Viet Nam veterans who might need them and who are, in many cases, suspicious of the VA, the section is designated to leave maximum room for the use of contract services. In addition, the contracting approach prevents the need for the VA to construct a huge counseling apparatus for a program which will only have to be phased out in a relatively limited time.

Precedents: Psychological readjustment legislation like that contained in Section 201 has passed the Senate in each of the last four Congresses, only to die in the House. Most recently, on March 9th, the Senate Veterans Affairs Committee reported S. 7, which provides for psychological readjustment and drug and alcohol abuse treatment within the VA. The obstacle once again appears to be the House. While much attention was provided to World War II veterans to take care of shell shock problems, no systematic program for dealing with Viet Nam veterans' psychological problems was ever set up.

Section 202: Alcohol and Drug Abuse Treatment. In June, 1977, in testimony before the Senate Veterans Affairs Committee, Administrator Max Cleland emphasized the continued inadequacies in VA alcohol and drug abuse programs. The President's Commission on Mental Health estimates 1,400,000 Viet Nam veterans (16%) need treatment for alcoholism and 200,000 to 400,000 (5%) need treatment for drug abuse. The serious implications of substance abuse require that the VA develop a comprehensive drug abuse program. Section 202 grants authority to do that along with specific mandates on types of treatment.

To ensure an effective response to the problem, treatment is provided for veterans who served in Southeast Asia and received discharges under other than honorable conditions but who have not committed any of the more serious actions that bar veterans from benefits under Section 3103. Many veterans who developed drug problems during their service in Viet Nam received undesirable or bad conduct discharges because of those drug problems. To bar those veterans from treatment prevents them from breaking the circle of drug abuse, bad discharge and further drug abuse. In addition, special contract authority is allowed to place veterans in treatment programs with members of their family when necessary.

Special coordination provisions seek to develop employment prospects for individuals receiving treatment under the program and seek to ensure that all veterans are adequately informed of their rights under military law if they have been discharged under conditions other than honorable.

Precedents: Drug and alcohol abuse programs were in the Senate Health care bill, S.7 and the Senate 1976 Amnibus Health Care Act. The alcohol, drug abuse, and mental health programs of HEW spend over $175 million a year.

Section 203: Choice of Health Care Facilities. For veterans who served in Southeast Asia, special options are provided for choice of facility for treatment under Sections 201 and 202. The veterans may be eligible to receive treatment from community mental health centers under the Community Mental Health Center Act, 42 USC 2689 et. seq. but the prospect of reimbursement by the VA would provide added incentive to treat Viet Nam veterans. In addition, to ensure the availability of services and to underline the over-all intent of this title to maximize contracting, this section specifically provides for contracting for private services, whenever necessary, to ensure the availability of mental health care. Payment is limited to "reasonable" charges, but to ensure the barriers to use are not created by partial payment requirements, the VA is authorized to pay 100% of such "reasonable" charges. In addition, as a cost-saving measure, payment is excluded under this section where a veteran is enrolled in any other insurance plan providing for benefits similar to those under this section.

Precedents: Allowing Viet Nam theater veterans the option of seeking psychological counseling from the provider of their choice, allows veterans to do what Medicare and Medicaid patients can do and what users of the Defense Department's CHAMPUS program can do: select their own doctor. The VA itself already does extensive contracting.

Section 204: Ombudsmen for Patients. Despite the lapse of time since a 1970 Life Magazine article first exposed inadequate health care conditions in VA hospitals, care continues to be inadequate in many ways. According to a $6 million study by the National Academy of Sciences in 1977, both the quality of surgical care and the VA hospital environment were often deficient. To meet these needs in part, this section provides for each VA hospital to have a patient representative or ombudsman, hired by, and accountable to, the GAO, to assist veterans with complaints and to provide Congress with an oversight capacity in the hospital system.

TITLE III—EDUCATION

A serious impediment has existed to adequate use of the GI Bill by Viet Nam veterans: the GI Bill's statutory limitations allowing a veteran only ten years' use after discharge. For many veterans from the early period of the war, when benefits were inadequately low, the ten-year delimitation date has, in effect, excluded them from the GI Bill. Title III corrects this problem.

Section 301: Extension of the Delimitation Date. While some delimiting date may be necessary, the existing limitation works real inequities on veterans from the early period of the war when the GI Bill provided inadequate payments—only $100 per month—lower, without considering inflation, than Korean War payments. These veterans now find, when they try to take advantage of the post 1972–74 benefits program, that use is limited by the delimiting date. Eleven percent of all Viet Nam era veterans had only a year and a half after 1974 to get a college degree. This section extends the delimiting date for veterans who were discharged before December 31, 1969. Use of the new delimitation date for purposes of graduate training is excluded. The ten-year delimiting date continues to apply to veterans discharged after December 31, 1969. This partial and controlled extension not only limits costs, but it also focuses the delimitation date extension on those who need it, giving all veterans an equitable chance to use the benefit changes enacted in 1972–74.

Precedents: A delimitation date extension of a more limited nature passed the Senate in 1977. A major House effort was made in 1975 and 1976 to extend the delimiting date. An earlier effort in 1974 was successful in giving people 10 years instead of the eight contained in the GI Bill.

Section 302: Repeal of State Matching Requirement. Two years ago, the House limited a Senate-passed reform measure that offered Viet Nam era veterans a program of "tuition acceleration". Under a tuition acceleration program, a veteran who, upon completing school still has some unused entitlement, is allowed to use that entitlement to pay off any outstanding VA loans taken out to meet high tuition costs. Under the House modifications, however, the ability to do that was made contingent upon states providing a matching grant. In addition, the House required that the states set up a new fund specifically designed to meet that requirement. No state has yet passed matching legislation. Many states simply cannot afford to. The result is that the House provision has precluded tuition acceleration. Section 302 simply repeals the state matching requirement.

Precedents: Knocking out the state matching requirements restores the legislation to the condition in which it passed the Senate in 1977 unanimously.

TITLE IV—STATE HOME LOAN PROGRAM

The existing home loan program has been plagued by a number of problems. The first is that the VA ceiling on allowable interest rates, which is sometimes below the market rate, results in veterans being forced to compensate the seller for assessed points in one way or the other. This often means a higher selling price for veterans. In addition, the level of home loan guarantees, now $25,000, is not adequate to ensure a loan for an average priced home in today's market. While the original intent was that the guarantee should be for 60 percent of the loan to serve in place of the down payment, the average home now runs $52,000 to $58,000 and is rising daily. The result is that veterans who cannot personally supplement the VA loan are being forced to buy mobile homes and generally cannot compete in the first-home market.

Section 401: State Home Loan Program. This section attempts to encourage answers to the home loan problem. For example, in California, a special bond issue has been floated that meets both of these problems. First, it provides additional money to make available higher loans. Second, since the money comes from a special fund, it is lent at below market rates. Section 401 authorizes the VA to pay the administrative start-up costs for states to establish similar programs. The state programs need not reproduce the California approach. They need only provide direct loans at interest rates below the prevailing market rate.

TITLE V—COMMISSION

The problems of Viet Nam era veteran policy have been relatively unstudied. While the President has established an inter-agency review of Viet Nam veteran policy, that review has remained within the confines of existing programs and has not brought into renewed question the underlying needs and structure of all veterans benefits. Not since President Eisenhower appointed the Bradley Commission has such a study been undertaken. Title V commissions a study that renews the mandate of the Bradley Commission.●

THE STRENGTH OF PATRIOTISM

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. BEARD of Tennessee. Mr. Speaker, it is troubling to me that, in the aftermath of Vietnam, the word "patriotism" has taken on almost negative tones. During the Vietnam era, patriotism was viewed by a vocal minority as a rallying point for those who chose to fulfill their commitments to the U.S. military with honor. In the years since Vietnam, as a result of our experience there, it seems there has been a deemphasis in our schools and in other aspects of our society on teaching our children the sense of patriotism that made this country what it is today. That aspect is patriotism as a source of strength and pride that enables us to survive—as individuals and as a Nation—when circumstances make it all but impossible to do so.

I would like to share with my colleagues a poem that symbolizes to me the strength derived from love of one's homeland that helped a POW from Tennessee survive 7 years as a prisoner of the North Vietnamese. The poem was written by William Porter Lawrence while a prisoner in North Vietnam. Upon his return in 1973, it was designated the State Poem of Tennessee by the State legislature. It is with a great deal of honor and pride that I present this poem to my colleagues and it is with a great deal of honor and pride that I can say Rear Adm. Bill Lawrence is a friend of mine.

Read Adm. Lawrence is now superintendent of the U.S. Naval Academy at Annapolis.

The poem follows:

OH TENNESSEE, MY TENNESSEE

(By William Porter Lawrence)

Oh Tennessee, my Tennessee
What Love and Pride I feel for thee,
You proud old state, the Volunteer,
Your fine traditions I hold dear.

I revere your many heroes
Who bravely fought our country's foes,
Renowned statesmen, so wise and strong,
Who served our country well and long.

I thrill at thought of mountains grand,
Rolling green hills and fertile farm land,
Earth rich with stone, mineral and ore,
Forests dense and wild flowers galore,
Powerful rivers that bring us light,
Deep lakes with fish and fowl in flight,
Thriving cities and industries,
Fine schools and universities,
Strong folks of pioneer descent,
Simple, honest, and reverent.

Beauty and hospitality
Are the hallmarks of Tennessee.

And o'er the world as I may roam,
No place exceeds my boyhood home.
And oh how much I long to see
My Native land, my Tennessee.●

ASLEEP AT THE WHEEL

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 1979

● Mr. OTTINGER. Mr. Speaker, the Federal Aviation Administration is indulging in a dangerous flight of fancy. The FAA appears to believe that pilots have greater than human endurance; that they can undergo the rigors of flight for extended, exhausting durations; and that the strain of long hours in the cockpit will not have telling, treacherous effects on the safety of the journey.

Present FAA regulations permit pilots to fly their craft for up to 12 hours in a 24-hour period. Who would be safe driving an automobile for such a long haul? Should we expect pilots, whose task is more delicate and demanding than driving, to be any more resistant to exhaustion and strain?

Fatigue has been identified as a major factor in many air catastrophes, yet the FAA has left the applicable regulations unreviewed, unresponsive, and unsafe. The details of this deplorable state of affairs are well-depicted in the following article by Jack Anderson which I wish to share with my colleagues:

FAA CONTINUES TO IGNORE PILOT FATIGUE PERIL

(By Jack Anderson)

WASHINGTON.—While exhausted airline pilots are dozing off in their cockpits, federal officials are snoring at their desks—unconvinced that pilot fatigue is a serious threat to safety in the air.

The Federal Aviation Administration is content with rules for pilots' hours that have gone virtually unchanged since 1934. Yet its own files are bulging with foreign accident reports that list pilot fatigue as a factor.

The ground collision that killed 571 persons at Tenerife in 1976 is an example. The Spanish accident report states that the KLM pilots were beginning to feel fatigue when they roared down the runway without clearance and smashed into a Pan Am Jet.

A Pan Am jet crashed into the Pacific shortly after takeoff from Tahiti in 1973, killing 78. The French accident report cited "fatigue resulting from the long flights made over the 18-hour period preceding the accidents" as a likely cause.

In 1977, a Fleming International cargo jet crashed on takeoff at St. Louis, killing the crew of three. According to investigators, the cause was the fatigued pilots' poor judgment and failure to follow proper procedures.

The list goes on and on. But accident reports don't tell the whole story. National Transportation Safety Board officials told us fatigue is cited in U.S. reports only when there is evidence that the pilots had been carousing when they should have been sleeping.

THEY KNOW IT

The pilots themselves know the score. "It's common as rain to see pilots napping." Capt.

William Hoover told our reporters Moira Forbes and Tom Rosensteil.

Another pilot told of a dangerous takeoff on the seventh leg of a day-long flight. "We were so tired we drifted up to a higher altitude than we were supposed to be at, into the pattern of incoming flights," he said. "The ground controllers caught us and told us to get back down."

The story of one transcontinental cargo flight is famous among pilots. Flying at night from New York, all three pilots were asleep as the plane approached Los Angeles. While the tower tried frantically to wake them up, the plane flew over the airport and kept going. When they finally did come to, the crew found they were out over the ocean.

Two pilots told an Air Line Pilots Association task force their method for preventing such situations; two of the crew would sleep, while the third set a kitchen timer to ring every 25 minutes in case he too dozed off.

The FAA still thinks pilots are all iron men—lone eagles immune to the fatigue and boredom that overcome earthbound mortals. Reflecting this attitude, the agency's chief surgeon, Dr. H. L. Reighard, told us: "Fatigue is a subjective factor. Only the pilot knows if he is suffering from it." This is like letting every motorist decide when he's too drunk to drive.

What are the FAA rules on pilot work hours? In brief, on domestic flights, pilots can fly eight hours in a 24-hour period; on overseas flights, 12 in 21. That would be grueling enough, but the rules govern only time in flight—not pre-flight preparation or ground delays.

SIX DAYS RUNNING

Incredible as it seems, the crew of an international flight could fly for six days straight and still meet FAA rules, as long as extra crewmen and bunks are provided.

In the 1960s, when the jet boom really got going, the FAA assigned Dr. Stanley Mohler, then director of the Civil Aeromedical Research Institute, to study the problem of multiple time-zone crossings. He concluded that pilots' "behaviorial integrity" was sometimes "degraded" by the long-distance flights across several time zones, causing "significant impairment of psychological performance."

Mohler recommended changes in the regulations, but the FAA was unable to get the airlines and the pilots to agree on the proposed changes, so it dropped the idea.

There are some in the FAA who recognize the problem. An inspector told us, "In some flights, fatigue factors are excessive and the regulations are inadequate."

The airline industry disagrees. "Fatigue as a safety problem has not been demonstrated," a spokesman for the Air Transport Association said. Tightening the rules in unnecessary, he said—and, of course, would be very expensive.

So far the FAA goes along with the airlines, and the only changes come about as a result of contract provisions worked out between pilots and the individual airlines. In other words, because the FAA is shirking its duty, the safety of millions of air travelers may depend on the bargaining skill of a pilots' union negotiator.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in the meetings as they occur.

An interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, April 5, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 6

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To hold hearings on S. 261, proposed Agricultural Subterminal Storage Facilities Act.
324 Russell Building

Armed Services
General Procurement Subcommittee
To hold hearings on proposed military procurement authorizations requests for fiscal year 1980 for the Department of Defense.
224 Russell Building

Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
To resume hearings on S. 600, to preserve the diversity and independence of American business.
5110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To mark up S. 357, proposed budget estimates for fiscal year 1980, and S. 354, proposed supplemental appropriations for fiscal year 1979, both for NASA.
235 Russell Building

10:00 a.m.
Budget
To continue markup of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

*Governmental Affairs
To hold hearings on S. 755, proposed Regulation Reform Act.
3302 Dirksen Building

Labor and Human Resources
Education, Arts, and the Humanities Subcommittee
To hold oversight hearings on the regulation of the treatment of independent students in the Basic Educational Opportunity Grant program.
4232 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold oversight hearings on the implementation of influenza liability issues.
1202 Dirksen Building

Joint Economic
To receive testimony on the employment-unemployment situation for March.
6226 Dirksen Building

2:00 p.m.
Select on Intelligence
Budget Authorization Subcommittee
To mark up, in closed session, proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S–407, Capitol

3:30 p.m.
Judiciary
To hold hearings on proposed authorizations for fiscal year 1980 for the U.S. Marshals Service's Witness Protection program of the Department of Justice.
2228 Dirksen Building

APRIL 9

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 663, to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.
457 Russell Building

*Judiciary
To resume markup on S. 373, proposed Court-Annexed Arbitration Act, S. 237, proposed Magistrate Act, S. 567, to allow the U.S. Attorney and Assistant U.S. Attorneys for the Eastern District of New York to reside within 20 miles of the district, S. 300, proposed Antitrust Enforcement Act, S. 241, proposed Justice System Improvement Act, to be followed by consideration of the following nominations, David O. Belew, Jr., to be U.S. District Judge for the Northern District of Texas, Robert M. Parker, to be U.S. District Judge for the Eastern District of Texas, Mary Lou Robinson, to be U.S. District Judge for the Northern District of Texas, Harold B. Sanders, Jr., to be U.S. District Judge for the Northern District of Texas, and Martin F. Loughlin, to be U.S. District Judge for the District of New Hampshire.
2228 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on S.J. Res. 28, to provide for the direct popular election of the President and Vice President of the United States.
318 Russell Building

Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To mark up S. 440, proposed Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act, and S. 525, proposed Drug Abuse Prevention, Treatment, and Rehabilitation Act.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To resume joint hearings with the Energy and Natural Resources Subcommittee on Energy Resources and Materials Production on S. 493, proposed Deep Seabed Mineral Resources Act.
3110 Dirksen Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To resume joint hearings with the Committee on Commerce, Science, and Transportation on S. 493, proposed Deep Seabed Mineral Resources Act.
3110 Dirksen Building

Finance
Social Security Subcommittee
To hold oversight hearings on the activities of programs administered by the Social Security Administration.
2221 Dirksen Building

10:30 a.m
*Commerce, Science, and Transportation
To hold hearings on S. 709, proposed authorizations for fiscal years 1980 and 1981 for the U.S. Coast Guard, Department of Transportation.
235 Russell Building

2:00 p.m.
Environment and Public Works
Environmental Pollution Subcommittee
To mark up proposed legislation authorizing funds for fiscal year 1980 for programs under the Toxic Substances Control Act, Safe Drinking Water Act, Ocean Dumping Act, and to consider the Environmental Protection Agency's recommendation to extend the period of availability of authorizations for wastewater treatment construction grants.
4200 Dirksen Building

APRIL 10

9:00 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings on S. 593, proposed Elderly and Handicapped Act, S. 740, proposed Homeownership Opportunity Act, and S. 745, Housing and Community Development Amendments, and other related proposals.
5302 Dirksen Building

Judiciary
Antitrust, Monopoly, and Business Rights Subcommittee
To mark up S. 390, proposed Antitrust Procedural Improvements Act.
5112 Dirksen Building

Veterans' Affairs
To hold hearings on S. 196 and S. 741, bills to extend certain veterans' health benefits programs through fiscal year 1980.
6226 Dirksen Building

9:30 a.m.
Environmental and Public Works
Regional and Community Developments Subcommittee
To hold hearings on proposed authorizations for fiscal year 1980 for the Public Works and Economic Development programs.
4200 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Environment, Soil Conservation, and Forestry Subcommittee
To hold hearings on proposed legislation to create a Department of Natural Resources.
324 Russell Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Fish and Wildlife Service.
1223 Dirksen Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To resume hearings on S. 688 proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

*Finance
To mark up S. 350, S. 351, S. 748, and S. 760, bills to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.
2221 Dirksen Building

2:00 p.m.
Commerce, Science, and Transportation
To hold hearings on proposed authorizations for fiscal year 1980 for the National Advisory Committee on Oceans and Atmosphere.
S-146, Capitol

Select on Intelligence
To mark up, in closed session, proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol

3:00 p.m.
*Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

APRIL 11

9:00 a.m.
Energy and Natural Resources
To hold hearings on the nomination of June Gibbs Brown, of Colorado, to be Inspector General, Department of the Interior.
3110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 663, to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.
457 Russell Building

Judiciary
To hold hearings on S. 414, proposed University and Small Business Patent Procedures Act.
2228 Dirksen Building

Judiciary
To hold hearings on proposed authorizations for fiscal year 1980 for the Land and Natural Resources Division, Department of Justice.
318 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Federal Emergency Management Administration.
1918 Dirksen Building

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on S. Con. Res. 5 and S. Res. 59, both relating to the equity for the small saver.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on S. 758, authorizing funds for fiscal years 1980 and 1981 for programs under the International Investment Survey Act.
6226 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on proposed authorizations for fiscal year 1980 for programs under Sec. 305 of the Coastal Zone Management Act of 1972, and title III of the Marine Protection, Research, and Sanctuaries Act of 1972.
235 Russell Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To continue hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To resume markup on proposed legislation authorizing funds for fiscal year 1980 for programs under the Toxic Substances Control Act, Safe Drinking Water Act, Ocean Dumping Act, and to consider the Environmental Protection Agency's recommendation to extend the period of availability of authorizations for wastewater treatment construction grants.
4200 Dirksen Building

*Finance
To continue markup on S. 350, S. 351, S. 748, and S. 760, bills to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.
2221 Dirksen Building

2:00 p.m.
Commerce, Science, and Transportation
To hold hearings on proposed authorizations for fiscal year 1980 for the Ocean Pollution Research and Development and Monitoring and Planning Act (P.L. 95-273), and Title II of the Marine Protection, Research and Sanctuaries Act (P.L. 92-532).
235 Russell Building

Environment and Public Works
Regional and Community Development Subcommittee
To mark up proposed authorizations for fiscal year 1980 for the Appalachian Regional Commission, and for Title V Regional Action Planning Commissions to promote economic growth.
4200 Dirksen Building

APRIL 12

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 496, to increase the authorization ceiling for Title I of the Colorado River Basin Salinity Control Act of 1974.
6226 Dirksen Building

Environment and Public Works
Resource Protection Subcommittee
To markup proposed legislation authorizing funds for fiscal year 1980 for programs under the Solid Waste Control Act, and for the Environmental Protection Agency's research and development programs.
4200 Dirksen Building

Judiciary
Constitution Subcommittee
To hold hearings on S.J. Res. 34, to extend the term of office of Members of the U.S. House of Representatives to 4 years.
5110 Dirksen Building

Select on Small Business
Government Procurement Subcommittee
To resume hearings on the impact on small businesses of the International Procurement Code being negotiated as part of the multilateral trade agreement.
424 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Treasury.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Mines.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To resume hearings on S. Con. Res. 5 and S. Res. 59, both relating to the equity for the small saver.
5302 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 796, to implement railroad deregulation.
235 Russell Building

Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To resume oversight hearings on the National Park Service's concession policy.
3110 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

APRIL 23

10:00 a.m.
Energy and Natural Resources
To hold oversight hearings on United States activities in Antarctica.
3110 Dirksen Building

APRIL 24

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To receive a briefing on proposed budget estimates for fiscal year 1980 for the Government of the District of Columbia.
S-126, Capitol

9:30 a.m.
Environment and Public Works
Regional and Community Development Subcommittee
To resume hearings on proposed authorizations for fiscal year 1980 for the Public Works and Economic Development Programs.
4200 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Land Management.
1223 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To resume hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
Room to be announced

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To hold hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

APRIL 25

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for governmental direction and support services for the government of the District of Columbia
S-126, Capitol

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold oversight hearings on the Civil Aeronautics Board plan to implement the Airline Deregulation Act (P.L. 95-504).
235 Russell Building

Environment and Public Works
Regional and Community Development Subcommittee
To continue hearings on proposed authorizations for fiscal year 1980 for the Public Works and Economic Development programs.
4200 Dirksen Building

Judiciary
Constitution Subcommittee
To hold oversight hearings on the title I provisions under the Speedy Trial Act of 1974.
2228 Dirksen Building

Labor and Human Resources
To hold oversight hearings on the conditions, trends, and new approaches to linking education, health, and work in the coming decade.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Department of the Interior, to hear congressional witnesses.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
Economic Stabilization Subcommittee
To resume oversight hearings on the administration's anti-inflation program, and to review the relationship between fiscal policy and inflation.
5302 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

*Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To resume hearings on preclinical and clinical drug testing by the pharmaceutical industry.
154 Russell Building

APRIL 26

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for governmental direction and support services for the government of the District of Columbia.
S-126, Capitol

9:30 a.m.
Labor and Human Resources
To continue oversight hearings on the conditions, trends, and new approaches to linking education, health, and work in the coming decade.
4232 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Office of Surface Mining Reclamation and Enforcement, Office of Water Research and Technology.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Economic Stabilization Subcommittee
To continue oversight hearings on the administration's anti-inflation program, and to review the relationship between fiscal policy and inflation.
5302 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

*Energy and Natural Resources
Energy Regulation Subcommittee
To continue hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To mark up proposed authorizations for fiscal year 1980 for the Water Resources Council.
4200 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on proposed legislation on biomedical research programs.
154 Russell Building

1:30 p.m.
Environment and Public Works
Resource Protection Subcommittee
To hold hearings on proposed authorizations for fiscal year 1980 for programs under the Noise Control Act (P.L. 95-153).
4200 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

APRIL 27

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To resume oversight hearings on the Civil Aeronautics Board's plan to implement the Airline Deregulation Act (P.L. 95-504).
235 Russell Building

Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on S. 103 proposed Save Our Schools Act, and S. 449, proposed Charitable Organizations Preservation Act.
2221 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622 proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

Energy and Natural Resources
Parks, Recreation and Renewable Resources Subcommittee
To resume oversight hearings on the National Park Service's concession policy.
3110 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To continue hearings on proposed legislation on biomedical research programs.
4332 Dirksen Building

APRIL 30

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To hold oversight hearings on the implications of the Randolph-Sheppard Act Amendments of 1974.
4232 Dirksen Building

10:00 a.m.
*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

MAY 1

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for public safety services and educational services for the government of the District of Columbia.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the implementation of the Older American Volunteer Program Act (P.L. 93-113).
4232 Dirksen Building

*Veterans' Affairs
To mark up S. 330, to provide for a judicial review of the administrative actions of the VA, and for veterans' attorneys fees before the VA or the courts, and on proposed legislation extending certain veterans' health benefits programs through FY 1980.
412 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Park Service.
1223 Dirksen Building

2:00 p.m.
*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

MAY 2

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for judicial services, and transportation services and assistance for the government of the District of Columbia.
1114 Dirksen Building

9:30 a.m.
Judiciary
Constitution Subcommittee
To resume oversight hearings on the title I provisions under the Speedy Trial Act of 1974.
2228 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for HUD and independent agencies.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Smithsonian Institution.
1223 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

MAY 3

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for human support services for the Government of the District of Columbia.
1114 Dirksen Building

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To markup proposed legislation authorizing funds for fiscal year 1980 for programs under the Endangered Species Act, Anadromous Fish Act, and Noise Control Act.
4200 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for HUD.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on puroposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

MAY 7

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 8

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for economic development and regulation services for the government of the District of Columbia.
1114 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

*Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

MAY 9

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Temporary Commission on Financial Oversight of the government of the District of Columbia.
1114 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

11:00 a.m.
*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

•Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

MAY 10

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Energy and Natural Resources
To hold hearings on S. 685, proposed Nuclear Waste Policy Act.
3110 Dirksen Building

2:00 p.m.
•Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

MAY 11

10:00 a.m.
•Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

MAY 15

10:00 a.m.
Energy and Natural Resources
To resume hearings on S. 685, proposed Nuclear Waste Policy Act.
3110 Dirksen Building

MAY 17

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

CANCELLATIONS

APRIL 6

10:00 a.m.
Judiciary
To resume hearings on proposed authorizations for fiscal year 1980 for the Drug Enforcement Administration, Department of Justice.
2228 Dirksen Building

APRIL 10

9:30 a.m.
Veterans' Affairs
To hold oversight hearings on the role of the Federal Government in providing educational employment.
6226 Dirksen Building

HOUSE OF REPRESENTATIVES—*Thursday, April 5, 1979*

The House met at 11 a.m.

The Reverend A. L. Wyrick, United Faith Foundation, Fresno, Calif., offered the following prayer:

We beseech Thee, almighty God, graciously incline Thine ear to this assembly set before You. Hear us, O God of our salvation. In these troubled hours confronting our Nation, hours which demand decisions of the greatest magnitude, we humbly ask for divine guidance in correctly deciding every issue before this House.

Never allow us to overlook the tragedies of injustice, nor allow our ears to grow deaf, our hearts weary of hearing the cries of the needy of our Nation and the world.

Allow us to know the inner joys of being compassionate and to lay up heavenly treasure through our kindnesses to all who reach out to us.

Grant us wisdom for today and we shall ever adore Thee. Lead us! Most merciful Lord, in the name of Thy holy Son, Jesus. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 41. An act to require the Secretary of Agriculture to convey any interest held by the United States in certain lands located in Bell County, Ky., to the Board of Education, Bell County, Ky.; and

S. 832. An act to extend the authorization for the Federal Election Commission.

REV. A. L. WYRICK

(Mr. COELHO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. COELHO. Mr. Speaker, the prayer this morning was given by Rev. A. L. Wyrick, an ordained Baptist minister who is also president of the United Faith Foundation of Fresno, Calif., in my district.

Known by his friends as Reverend Al, he has directed the United Faith Foundation in its numerous charitable works, including the support of food and other supplies to children in Haiti, Mexico, India, Thailand, Hong Kong, and Brazil. All this is done without regard to their religious beliefs.

I am pleased to note that Mrs. Wyrick is also here with us, as our guest today.

Mr. Speaker, I am grateful for the inspirational message that Reverend Al has brought us. I am sure you join me in welcoming him and his charming wife to Washington and to the House of Representatives.

SOVIET JEWISH PRISONERS OF CONSCIENCE

(Mr. WILLIAMS of Montana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILLIAMS of Montana. Mr. Speaker, several of my first-term colleagues and I today had the privilege of greeting six relatives and friends of Soviet Jewish prisoners of conscience. These freedom fighters are here on a nationwide tour with a freedom van to bring attention to the plight of those who have been imprisoned in the Soviet Union on falsified charges for their real "crime" of applying for exit visas to Israel.

My colleagues and I are concerned about these cases of injustice and about the refuseniks—those who have been refused exit visas to Israel in contravention of the Helsinki accords and other international agreements. I am announcing that my colleagues and I are participating in the campaign organized by the National Conference on Soviet Jewry called Intervention 96, whereby Members of the 96th Congress adopt refuseniks. We feel it appropriate that we, the newest Members of Congress adopt those who have been waiting the longest for exit visas.

Mr. Speaker, we believe with Thomas Jefferson that liberty is a disease that is catching, and it is our duty to further its spread. Whatever enhances freedom and liberty around the world enhances it here at home.

☐ 1105

"SHATTER THE SILENCE VIGIL 1979"—DR. MARKS SOLOMOVICH KOVNER

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOAKLEY. Mr. Speaker, I rise today to participate in the "Shatter the Silence Vigil 1979" on behalf of Dr. Marks Solomovich Kovner, a "refusenik" living in the Soviet Union.

Dr. Kovner's tale is a familiar one,

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

but no less tragic for its familiarity. This man was employed by a university, working closely with his wife on radiophysics research. His two daughters and son were living with them and were, or had, attended the university. All have been hoping to emigrate to Israel since 1975.

The doctor's son, Lyonya, was the first to try. He was rejected and, when he tried to attend a symposium on Jewish culture in Moscow, was arrested for 3 days. The entire family was threatened by the KGB for his wish to emigrate.

In January 1977, the area newspapers began to discredit the Kovners, and the university demanded they show disapproval of Lyonya's Zionist activity. Instead, Ms. Kovner and her two daughters added their names to the list of Soviet citizens trying to emigrate. The girls were immediately expelled, and Ms. Kovner lost her job. The doctor was also dismissed from the university staff, but retained his position on a research grant project.

For months, the women's visa applications were not accepted, even when the Kovners' work was declassified. But in May, 1977 the KGB summoned Dr. Kovner to discuss the situation. They informed him that his family could not emigrate unless he agreed not to apply for emigration for 5 years. Under this threat to his wife and children, Dr. Kovner signed an agreement to the terms. In July his family won their freedom and emigrated to Israel.

Now, Dr. Kovner is alone in Russia. His family has been torn from him and he wishes to join them. He does not recognize the agreement he was forced to sign, and he has applied for emigration. The KGB has refused permission "until 1985, for security reasons," and has also threatened the doctor for his continued Zionist activity.

This refusal is a sham since the doctor's wife worked with him from the beginning, and received security clearance. The truth is more ugly—the KGB is simply continuing to punish the family for being Jewish and wanting to emigrate to Israel.

The Helsinki accords outlaw exactly this type of family separation because of its punitive nature. As cosigners of these accords, we have every legal right to demand an end to such separations. As humanists, we have every moral reason to demand the release of Dr. Kovner. I exercise these rights now, and request that an exit visa be granted the doctor immediately so that he can join his wife and chlidren at the earliest possible time.

This vigil is fighting for the freedom and peace-of-mind of hundreds of "refusedniks," and the Soviet Union would do well to take notice of these pleas for its citizens. Their release will only benefit the particular parties involved as well as the relations between our two great nations. I also urge you, my fellow colleagues, to review this and the many similar cases presented by the vigil, and join us in our struggle for human rights.

LEIB KHNOKH—PRISONER OF CONSCIENCE

(Mr. BONER of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BONER of Tennessee. Mr. Speaker, with us today is Pincus Khnokh, the brother of Leib Khnokh. Leib Khnokh was sentenced to a 13-year term in prison during his first trial in December of 1970 for his desire to emigrate to Israel. Because of the worldwide reaction, the sentence was reduced to 10 years.

Mr. Speaker, I am submitting for the record other details of Mr. Khnokh's sad saga. In the first trial Khnokh was accused of planning an attempted escape to Israel. He protested the distortion of his pretrial interrogation, claiming that it contained statements he never made and omitted explanations he had given. Having renounced his Soviet citizenship, Khnokh contended that he was no longer under the jurisdiction of a Soviet court and refused to answer any questions pertaining to anyone other than the defendents.

The prosecution demanded that Khnokh be given 13 years in strict regime. After worldwide reaction, this harsh sentence was reduced to 10 years. His wife and child are now living in Israel.

LEIB KHNOKH—PRISONER OF CONSCIENCE

Born: October 4, 1944.

From: Riga.

Marital status: Married/one son.

Occupation: Electrician.

Arrested: June 1970.

Tried: December 1970 (First Leningrad Trial).

Charges:

Article #70—"Anti-Soviet agitation and propaganda . . . aim to undermining or weakening Soviet authority . . .";

Article #72—"Participation in an anti-Soviet organization";

Article #64/15—"Betrayal of the Fatherland"; and

Article #93/1—"Misappropriation of state or public property on an especially large scale. . . ."

Sentence: 10 years (to June 1980).

Camp: Perm #35.

Camp address: P.O.B. 5110/1, VS 389/35, Moscow RSFSR, USSR.

Address of Meri Khnokh (wife): Rubinshtein 39/42, Block 51, Yafo Dalet, Israel.

VLADIMIR SLEPAK—CONVICTED OF "MALICIOUS HOOLIGANISM"

(Mr. SHANNON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SHANNON. Mr. Speaker, in Washington with the Freedom Van today is Henrietta Orlovsky, the sister of Maria Slepak and sister-in-law of prisoner of conscience Vladimir Slepak. Mr. Slepak was sentenced last summer to 5 years internal exile for what was characterized by the Soviet authorities as "malicious hooliganism." In fact, what Mr. Slepak did was to hang a sign from his apartment window which read, "Let us go to our son in Israel." Although Maria's 3-year sentence of internal exile for the same incident was suspended, she spends most of her time with her husband.

VLADIMIR SLEPAK

Born: October 29, 1927.

Occupation: Radio Engineer.

Arrested: June, 1978.

Tried: June, 1978.

Charges: Malicious Hooliganism.

Sentence: 5 years in internal exile (to June, 1983).

Exile: Chitinskaya Oblast, Aginsky Rayon, Selo Tsogto Khangli, Dovostrebsvanto (Post Restant) USSR.

Son's address: Aleksandr Slepak, 34/19 Ramot, Jerusalem, Israel.

Wife's address: Maria Slepka, Gorky 15/77, Moscow 103009, RSFSR, USSR.

"GUARDIAN ANGEL" IDA NUDEL—PRISONER OF CONSCIENCE

(Mr. STACK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. STACK. Mr. Speaker, in Washington today with the Freedom Van is Elana Fridman, sister of Soviet prisoner of conscience, Ida Nudel, known as the "guardian angel" for her activities on behalf of Soviet Jewish prisoners of conscience. Ida Nudel was convicted in June 1978 of "malicious hooliganism" and sentenced to 4 years of internal exile. The activity for which this sentence was imposed was her hanging a banner out of her apartment window which read: "KGB, give me a visa to Israel."

IDA NUDEL—PRISONER OF CONSCIENCE

Born: April 27, 1932.

From: Moscow.

Marital status: Single.

Occupation: Economist.

Arrested: June, 1978.

Tried: June, 1978.

Charges: "Malicious Hooliganism".

Sentence: 4 years internal exile (to June 1982).

Camp: In exile.

Address: Vostrebuvanijya Poste Restante, Selo Krivosheyno, 636300 Tomskoi Oblast, U.S.S.R.

Sister's address: Elana Fridman, Nakhlat Yehuda, Rishon Lezion, Israel.

In Ida's last public statement at her court appearance, she said:

> During the past seven years I have learned to walk proudly with my head high as a Jewish woman . . . These seven years have been filled with a daily battle for myself and others . . . None of you, my judges, is capable of finding a punishment that would take revenge and deprive me of the triumph and victory of these seven years.

☐ 110

YOSIF MENDELEVICH, PRISONER OF CONSCIENCE

(Mr. FROST asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FROST. Mr. Speaker, Pincus Khnokh is in Washington with the Freedom Van. Mr. Khnokh is the brother-in-law of another prisoner of conscience sentenced at the first Leningrad trial of December 1970, Yosif Mendelevich. Mendelevich's 15-year sentence was reduced to 12 years in a strict regime labor camp after worldwide protests. His only real "crime" was applying to emigrate to Israel.

An observant Jew, Mendelevich refuses to eat certain foods in his already bare subsistence diet of 1,200 calories per day because they are not kosher. To avoid operating machines on the Sabbath, Mendelevich works extra hours each day to meet his quota.

YOSIF MENDELEVICH

Born: August 3, 1947.

From: Riga.

Marital status: Single.

Occupation: Engineering student.

Arrested: June 1970.

Tried: December, 1970 (First Leningrad Trial).

Charges: Article No. 64/15—"Betrayal of the Fatherland." Article No. 93/1—"Misappropriation of state or public property."

Sentence: 12 years—strict regime (to June, 1982).

Camp: Chistopol.

Camp address: UCHR 5110/1, Moscow RSFSR, USSR.

Sister's address: Rivka Drori, Alon Shvot, Gush Etzion, Israel.

On June 15, 1970, Mendelevich was arrested at Leningrad's Smolnoya Airport for the alleged attempt to steal a plane to Israel. Simultaneously, Soviet Jewish activists were apprehended in cities throughout the Soviet Union.

Mendelevich's parents have repeatedly been threatened with forced eviction from the Soviet Union for their outspoken protest of the inhumane conditions in the labor camp. They are no longer allowed the regulation annual visit with their son.

HUMAN RIGHTS IN SOVIET UNION

(Mr. BARNES asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BARNES. Mr. Speaker, I am honored to participate today with other new Members of the 96th Congress in support of human rights in the Soviet Union. I would alert my colleagues to the case of Mark Dymshitz, who was sentenced to death in the infamous first Leningrad trial of December 1970, because of his desire to emigrate to Israel.

Mr. Dymshitz served as a pilot in the Soviet Army and was employed as an engineer in Leningrad at the time of his arrest. It was only after worldwide expressions of outrage that his death sentence was commuted to 15 years imprisonment in a strict regime labor camp.

Under the terms of his imprisonment, Mr. Dymshitz is permitted only one visit per year, and only one food and clothing parcel and only one letter per year. His treatment is an outrage that deserves continued attention by the Government of the United States in its representations to the Soviet Union.

Mr. Speaker, I would note that Julia Dymshitz, the daughter of Mark Dymshitz, is visiting with us on Capitol Hill today as part of the Freedom Van.

Biographical data on Mr. Dymshitz follows:

Born: May 10, 1927.

From: Leningrad.

Marital status: Married/two daughters.

Occupation: Engineer/Pilot.

Arrested: June 1970.

Tried: December 1970—First Leningrad Trial.

Charges: Article No. 64–15—"Treason"; Article No. 70—"Anti-Soviet agitation and propaganda"; Article No. 72—"Anti-Soviet organization"; and Article No. 93–1—"Stealing State property".

Sentence: 15 years (Strict Regime Camp).

Camp: Perm No. 36.

Camp address: P.O.B. 5110/1, VS 389/36, Moscow RSFSR, USSR.

Wife's address: Alevtina-Dymshitz, Rechov Olei Hagardon 117/27, East Talpiot, Jerusalem, Israel.

ALEKSANDR LEVINZON, FORMER SOVIET PRISONER OF CONSCIENCE

(Mr. WOLPE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WOLPE. Mr. Speaker, in Washington today with the Freedom Van is a former Soviet prisoner of conscience, Aleksandr Levinzon. Mr. Levinzon can tell us firsthand what it is like to serve a term in the Soviet prison system. It is not pleasant, to say the least.

Though he does not have a relative who is a Soviet prisoner of conscience, as a former prisoner he is here to represent all of the nearly 2 dozen prisoners of conscience. In keeping with the theme of my freshman colleagues of helping those who have been waiting the longest, I am speaking on behalf of Hillel Butman, who has been imprisoned since June of 1970 for his desire to emigrate to Israel. His case is of particular concern because of his poor health which is described in a letter by his wife which I am submitting for the RECORD.

Hillel Butman graduated from the Leningrad Institute of Law and then the Leningrad Polytechnic Institute in 1954, having concentrated in the study of languages, history, and literature. When he applied to the Institute of Foreign Languages for continued study, admission to the institute was denied him because he was a Jew. A similar series of anti-Semitic incidents convinced Butman of the isolated and vulnerable position of Soviet Jews. As a result, he developed strong feelings toward the Jewish people and heritage. He began to assemble materials on Jewish life in scrapbooks and, in 1955, began to study Hebrew. Shortly thereafter, Butman started to teach Hebrew to others, sharing with them a common desire to emigrate to Israel.

Butman was dismissed from his position as a legal investigator in 1960 when his office learned of his deep interests in Judaism. After looking for a new job and meeting repeated denials for work in his field, he finally found a position as an engineer in an electrical welding equipment plant.

On June 15, 1970, while vacationing with his family, Butman was arrested and sentenced to 10 years in strict regime. He has been denied a number of "regularly" scheduled visits from his mother and is denied even the minimal rights given to other Jewish prisoners. While in the camp, he started to compile a 12,000-word Hebrew dictionary. To put an end to his "Zionist activities," on September 9, 1974, Soviet authorities transferred Butman to an isolation cell for a 5-month term.

HILLEL BUTMAN—PRISONER OF CONSCIENCE

Born: September 11, 1932.

From: Leningrad.

Marital status: Married, two daughters.

Occupation: Lawyer/Engineer.

Arrested: June 1970.

Tried: May 1971 (Second Leningrad Trial).

Charges: Article No. 64—RSFSR Criminal Code "Treason"; Article No. 70—"Anti-Soviet Propaganda" and Article No. 72—"Anti-Soviet Organization".

Sentence: 10 years—strict regime (to June 1980).

Camp: Vladimir.

Camp address: P.O.B. Od/1 St/2, Moscow, RSFSR, USSR.

Mother's address: Sara Butman, Kirovsky Prospekt 64/66, Leningrad, RSFSR, USSR.

Wife's address: Eva Butman, Kibbutz Naan 73263, Israel.

KIBBUTZ NA'AN, ISRAEL,
February 8, 1979.

To: the Minister of Health, Mr. Petrovsky,
the Ministry of Health of the USSR,
Moscow, USSR.

THE HONOURABLE MINISTER, MR. PETROVSKY: My husband, Hillel Butman, is kept in the Chistopol prison UE 148/ST-4, in the Tartar Republic, since October 1978, where he was transferred from the Vladimir Prison.

My husband is 46 years old, he is already eight and a half years under arrest. It has come to my knowledge that his health condition is continually deteriorating. He is suffering from constant heartburn and pains.

His attempts to get examined by a physician and have a change of diet have been unsuccessful.

Honourable Minister, I request you to bring about an immediate medical examination of my husband and an emprovement in his diet.

Sincerely yours,

EVA BUTMAN,
Wife of Hillel Butman.

Letters of the similar contents were sent to: The Ministry of the Interior Affairs of the USSR; The Prosecutor-General of the USSR; The Head of the State Prison Administration of the USSR (GUITU); The Director of the Chistopol Prison.

CIVIL DEFENSE PROCEDURES IN WASHINGTON, D.C.

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, today on the Washington radio station WTOP I heard a news story that caught my attention. It pertained to civil defense procedures in the Washington, D.C. metropolitan area. One person interviewed said that Washingtonians would be evacuated to Virginia in the event of a nuclear attack or other serious emergencies. Yet it has not been announced to where in Virginia they will be evacuated. The same story told of a local citizens group that is skeptical of civil defense procedures in Washington. So today they are meeting with Marion Barry, the Mayor, to get an honest appraisal of the situation.

Mr. Speaker, this WTOP story follows by 1 day a news conference I had, in which I quoted from a study on civil defense that I initiated, which says that civil defense in this Nation is ineffective. If there were an attack against this Nation, do any of the 535 Congressmen and

Senators know where to take shelter or where to evacuate? The answer, Mr. Speaker, is "No." I think that I have made my point with that question.

We need a strong national civil defense plan—right now.

□ 1115

IMMIGRATION POLICIES IN THE SOVIET UNION

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, I wish to be associated with the remarks that my colleagues have made this morning on the immigration policies in the Soviet Union. Before long, this body is going to be asked to vote on most favored nation status for the Soviet Union. I hope all of those who spoke this morning and the rest of our colleagues will read the RECORD, because you are going to hear people on the floor pleading and stating that the Soviet Union now has liberalized immigration policy, and we should, therefore, extend to them most favored nation status. I say to you that is hogwash and that every one of you should be aware of it, and we should strengthen our resolve to demand and insist on increased immigration and a free immigration policy from the Soviet Union.

PLIGHT OF SOVIET JEWRY

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I am not a freshman in this House, but I would like to join with those who are and who spoke here earlier this morning concerning the plight of Soviet Jewry. I do not think we really understand how terrible it is until we listen to some of the people who have been caught in those claws of injustice.

It was a President from New Jersey who said the business of government is justice. We see what injustices a government can exert upon its own people who are only exercising what should be their rights because their government has agreed to them: the right to travel freely from one place to another for personal or professional reasons, the right to be united with your family—rights that were guaranteed in the act signed in Helsinki on August 1, 1975. These people are asking nothing more than that, and for that they are thrown out of their jobs; they are declared parasites; they are put into prison under the most horrible conditions.

What do we say? How is it possible for this to continue year after year? You have heard the names of the people. You have heard the names of famous people, and those otherwise unknown. We must speak for them all.

□ 1120

PRESIDENT CARTER TO ADDRESS THE NATION ON ENERGY TONIGHT

(Mr. MOFFETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOFFETT. Mr. Speaker and Members of the House, this evening President Carter will address the Nation to make some additional energy proposals, for the most part, on prices.

All indications are that the President will announce his plan to decontrol oil prices.

Mr. Speaker, in the last 3 months there has been a 17-percent annualized increase in energy prices. Particularly in the Northeast many families are being devastated, families well beyond those which are under the poverty level.

For all intents and purposes, the anti-inflation program absolutely exempts energy from this fight against inflation. More specifically, it formally exempts energy companies.

Mr. Speaker, yesterday I introduced House Joint Resolution 291, a resolution to bring energy companies under President Carter's anti-inflation wage and price guidelines. I urge the support of the membership for this important resolution. Let the Congress show that it does not believe that energy prices and energy companies should be exempt from the anti-inflation fight.

PRESIDENT CARTER SHOULD EXERCISE LEADERSHIP IN COMBATING THE ENERGY SHORTAGE

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, as a followup to the remarks of the gentleman from Connecticut (Mr. MOFFETT), we will indeed be exposed to President Carter on prime time television tonight, reportedly on the energy problem.

I hope to heavens that this is not just another Rafshoonized posturing appearance and that the President exercises some leadership. We need leadership in this energy shortage because the position of the administration, at least up until now, is to teach the American people how to live with the shortage.

Mr. Speaker, President Carter does not address the problem of new sources of energy. He is talking about the rationing of fuel. He is talking about allocation of fuel. He is talking about a 55-mile-an-hour speed limit. He is talking about carpools. Those steps do not solve the energy problem. They just teach us to live with the shortage. We must seek new sources of energy. The Congress has to move forward in that direction. It does not make any difference whether it is solar, geothermal, or nuclear energy or strip mines or deep mines or oil shale deposits or offshore drilling or whatever, including the Canadian pipeline. We need new sources of energy so that we no longer have to depend on the unstable OPEC countries.

PERSONAL EXPLANATION

(Mr. KILDEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KILDEE. Mr. Speaker, yesterday I was unintentionally not present for a recorded vote, rollcall No. 75.

If I had been present, I would have voted "no."

REQUEST FOR CONSIDERATION OF SENATE AMENDMENT TO H.R. 2283, WAGE AND PRICE STABILITY ACT OF 1974 EXTENSION

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 2283) to amend the Council on Wage and Price Stability Act to extend the authority granted by such act to September 30, 1980, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Senate amendment is as follows:

Strike out all after the enacting clause and insert:

That section 7 of the Council on Wage and Price Stability Act is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1980".

SEC. 2. Section 6 of the Council on Wage and Price Stability Act is amended by striking out "and not to exceed $2,210,000 for the fiscal year ending September 30, 1979" and inserting in lieu thereof "not to exceed $6,952,000 for the fiscal year ending September 30, 1979, and not to exceed $8,483,000 for the fiscal year ending September 30, 1980".

SEC. 3. Section 3 of the Council on Wage and Price Stability Act is amended by adding the following new subsection at the end of subsection (b):

"(c) The Council is directed to review its policies with respect to the national interest in promoting greater productivity growth and shall submit a report of its findings and recommendations to the Congress by July 1, 1979. Such review shall include, but not be limited to, the need for flexibility in determining compliance with pay and price standards based upon documentable productivity gains resulting from imporved efficiency of the workforce.".

SEC. 4. (a) Section 3(a)(2)(A) of the Employment Act of 1946 is amended by inserting "Federal outlays as a proportion of gross national product," after "productivity,".

(b) The first sentence of section 4(b) of such Act is amended—

(1) by striking out "and" after the semicolon at the end of clause (1);

(2) by striking out the period at the end of clause (2) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(3) reducing the share of the Nation's gross national product accounted for by Federal outlays to 21 per centum or less by 1981, and to 20 per centum or less by 1983 and thereafter, or the lowest level consistent with national needs and priorities: *Provided:* That policies and programs for achieving the goal specified in this clause shall be designed so as not to impede achievement of the goals and timetables specified in subsection (b)(1) for the reduction of unemployment.".

(c) Section 4(c) of such Act is amended by adding at the end thereof the following:

"(3) Upon achievement of the 20 per centum goal specified in subsection (b)(3), each succeeding Economic Report shall have the goal of establishing the share of an expanding gross national product accounted for by Federal outlays at a level of 20 per centum or less, or the lowest level consistent with national needs and priorities: Provided, That policies and programs for achieving the goal specified in this paragraph shall be designed so as not to impede achievement of the goals and timetables specified in subsection (b)(1) for the reduction of unemployment.".

(d) The first sentence of section 4(d) of such Act is amended—

(1) by striking out "and" after the word "unemployment" and inserting in lieu thereof a comma; and

(2) by inserting after the word "inflation" the following: ", and Federal outlays as a proportion of gross national product,".

Sec. 5. Strike section 3(a)(5) of the Council on Wage and Price Stability Act and insert in lieu thereof the following:

"(5) focus attention on the need to increase productivity in both the public and private sectors of the economy, focus attention on the need to move toward full employment, and the Council shall take into consideration the need to stimulate productivity in monitoring wages and prices to determine compliance with promulgated standards;"

The SPEAKER pro tempore (Mr. Williams of Montana). Is there objection to the request of the gentleman from Pennsylvania?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman tell us why we are avoiding a conference so early in the session, even though "there may be some agreement" as to what may occur in conference? Why is the gentleman trying to avoid a conference on the Council on Wage and Price Stability, which agency in my judgment, we really do not need?

☐ 1125

Mr. MOORHEAD of Pennsylvania. Will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to the gentleman.

Mr. MOORHEAD of Pennsylvania. The amendments added by the Senate, in the opinion of the gentleman speaking and in the opinion of members of the Banking Committee on the other side of the aisle, are not terribly significant or terribly important but are helpful, and rather than go through the routine of a conference and come out susbtantially or exactly with what we would have today, in the interest of saving time and money, I think that this can be done by unanimous consent, and I think that for the expedition of business this is a good way to proceed.

Mr. ROUSSELOT. Reserving the right to object, Mr. Speaker, we have heard this story before that if we "do not go to a conference, we save all kinds of money." I assume that is the time of the Members and the staff that would be involved.

Mr. MOORHEAD of Pennsylvania. And the staff printing, and so forth.

Mr. ROUSSELOT. But in the meantime something could happen to show us why we do not need this Council on Wage and Price Stability. As I understand, it expires—and I wish it were sooner—but the authority does expire in September; is that not right?

Mr. MOORHEAD of Pennsylvania. It does not expire until September. The gentleman is correct.

Mr. ROUSSELOT. So we cannot claim there is any great crisis ahead of us if we did not take this bill up today.

Mr. MOORHEAD of Pennsylvania. Will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman.

Mr. MOORHEAD of Pennsylvania. The only thing is that the bill does expand the number of personnel.

Mr. ROUSSELOT. Oh, I remember that. What is it—200 or 300 additional people?

Mr. MOORHEAD of Pennsylvania. 233 people. That is the total they will reach.

Mr. ROUSSELOT. So that if we do not object to going to conference, it is possible that the members of the conferees could maybe trim that down or somebody may discover that we do not need this agency.

Mr. MOORHEAD of Pennsylvania. I say to the gentleman that the Senate bill and the House bill are identical in dollar amounts. Therefore, that would not be subject to amendment in conference.

Mr. ROUSSELOT. In the hope that lightning will strike and we will suddenly understand why we should not extend the life of this unnecessary agency—which I do not think we should have done; I think the House made a mistake—and in the hope that something will occur to alert the conferees as to how unnecessary this Council on Wage and Price Stability really is, I am constrained to object.

The SPEAKER pro tempore. Objection is heard.

APPOINTMENT OF CONFEREES ON H.R. 2283, WAGE AND PRICE STABILITY ACT OF 1974 EXTENSION

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2283) to amend the Council on Wage and Price Stability Act to extend the authority granted by such act to September 30, 1980, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania? The Chair hears none and, without objection, appoints the following conferees: Messrs. Reuss, Moorhead of Pennsylvania, Ashley, Blanchard, Stanton, and McKinney.

There was no objection.

AMENDMENT TO EMERGENCY WEEKEND GASOLINE SALES RESTRICTIONS (STANDBY CONSERVATION PLAN NO. 1)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–90)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interstate and Foreign Commerce and ordered to be printed:

To the Congress of the United States:

Pursuant to Sections 201(d)(1) and 552 of the Energy Policy and Conservation Act (EPCA), 42 U.S.C. 6261(d)(1) and 6422, I am hereby transmitting to the Congress for its approval an amendment to Emergency Weekend Gasoline Sales Restrictions (Standby Conservation Plan No. 1) which I transmitted on March 1, 1979.

The purpose of the amendment is to expand the scope of "comparable programs" which a state may develop in order to qualify for an exemption from the Federal plan. The amendment will further encourage states, or political subdivisions thereof, to develop conservation programs which will qualify them for an exemption from the operation of Federal energy conservation contingency plans should those plans ever be put into effect. Such exemptions for "comparable programs" are authorized under Section 202(b) of the EPCA.

The amendment reflects my belief that states should be given the flexibility to meet their share of any energy shortfall prior to the adoption of nationwide measures. The amendment would expand the size of allowable comparable state programs in two ways. First, it would eliminate the requirement that any alternative state plan be a mandatory one. If a state is able to achieve comparable energy savings through a voluntary plan, this should be permissible. Second, the language in the plan requiring that state alternatives deal with "the same subject matter" as the Federal plan would be eliminated and a requirement that savings be of the same fuel would be substituted. This would allow states to propose any alternative approach so long as it achieved comparable savings of the same fuel.

The procedures for approval by Congress of an amendment to a contingency plan are detailed in Section 552 of the EPCA, and require among other things that a resolution of approval be passed by each House of Congress within 60 days of submittal of the amendment. Inasmuch as the subject of this amendment has been considered thoroughly by the Congress in its deliberations on the conservation contingency plans, I urge the Congress to give this amendment expedited consideration so that it may be approved together with the Emergency Weekend Sales Restrictions plan.

The EPCA does not specify in Section 552 the form which the resolution of approval is to take. As I noted in my submission of the conservation contingency plans on March 1, 1979, it is my view and that of the Attorney General that actions of the Congress purporting to have binding legal effect must be presented to the President for his approval under Article I, Section 7 of the Constitution. Therefore, I strongly recommend that Congressional approval of the amendment be in the form of a joint resolution. If this procedure is followed, the amendment itself, agreed to by the Congress and the President, will not later be subject to possible judicial invalidation on the ground that the President did not approve the resolution.

I urge the prompt and favorable consideration by the Congress of this amendment.

Jimmy Carter.

The White House, *April 5, 1979.*

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, we obviously do not have a quorum here, and I move a call of the House.

The SPEAKER pro tempore. Without objection, a call of the House is ordered.

There was no objection.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 76]

Anderson, Ill.
Andrews, N.C.
Archer
Ashley
Bethune
Biaggi
Boggs
Bonior
Bonker
Brademas
Burton, John
Burton, Phillip
Carter
Chappell
Conyers
Crane, Philip
Daschle
Davis, S.C.
de la Garza
Derrick
Diggs
Dingell
Dodd
Drinan
Eckhardt
Emery
Fascell
Flood
Foley
Ford, Tenn.
Garcia
Gaydos
Giaimo
Gingrich
Gray
Harsha
Heckler
Hubbard
Ireland
Kelly
Long, La.
Lujan
McDonald
Marriott
Mathis
Mavroules
Mazzoli
Moffett
Pashayan
Patterson
Pepper
Rinaldo
Rosenthal
Runnels
Shuster
Spellman
St Germain
Staggers
Stark
Steed
Stewart
Thompson
Udall
Vander Jagt
Young, Alaska

☐ 1145

The SPEAKER pro tempore. On this rollcall 367 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

REPORT ON CONCURRENT RESOLUTION AUTHORIZING PRINTING AS HOUSE DOCUMENT OF A REVISED EDITION OF "THE DECLARATION OF INDEPENDENCE AND THE CONSTITUTION OF THE UNITED STATES OF AMERICA"

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96-86) on the concurrent resolution (H. Con. Res. 65) authorizing the printing as a House document of a revised edition of "The Declaration of Independence and the Constitution of the United States of America," which was referred to the House Calendar and ordered to be printed.

REPORT ON CONCURRENT RESOLUTION AUTHORIZING PRINTING AS HOUSE DOCUMENT OF A REVISED EDITION OF "OUR FLAG"

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96-87) on the concurrent resolution (H. Con. Res. 66) authorizing the printing as a House document of a revised edition of "Our Flag," which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION AUTHORIZING PRINTING AS HOUSE DOCUMENT OF COMMITTEE PRINT ENTITLED "PROPOSITION 13: PRELUDE TO FISCAL CRISIS OR NEW OPPORTUNITIES?"

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96-88) on the resolution (H. Res. 150) authorizing the printing as a House document of the committee print entitled "Proposition 13: Prelude to Fiscal Crisis or New Opportunities?" which was referred to the House Calendar and ordered to be printed.

REPORT ON SENATE CONCURRENT RESOLUTION AUTHORIZING REPRINTING OF SENATE REPORT ENTITLED "FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1979"

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96-89) on the Senate concurrent resolution (S. Con. Res. 15) authorizing the reprinting of the Senate report entitled "First Concurrent Resolution on the Budget—Fiscal Year 1979" (S. Rept. 95-739), which was referred to the House Calendar and ordered to be printed.

INTERNATIONAL DEVELOPMENT COOPERATION ACT OF 1979

Mr. ZABLOCKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3324) to authorize appropriations for fiscal years 1980 and 1981 for international development and economic assistance programs and for the Peace Corps, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 3324, with Mr. LEVITAS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Wednesday, April 4, 1979, title I had been considered as having been read and open for amendment at any point, and pending were amendments en bloc offered by the gentleman from Indiana (Mr. QUAYLE).

The Chair recognizes the gentleman from Indiana (Mr. QUAYLE).

☐ 1150

Mr. QUAYLE. Thank you, Mr. Chairman.

Mr. Chairman, this amendment is very simple. It restricts the authorization from the proposed committee recommendation of 2 years to 1 year. Let me give you a couple of reasons why we should have the 1-year rather than the 2-year period.

First of all, this Congress has been labeled, and I think appropriately so and justifiably so, an oversight Congress. If this is going to be an oversight Congress, I believe that the oversight should begin with budgetary matters. During the hearings and during the testimony by administration officials, the focus was on fiscal year 1980. There was some, but very little, discussion on fiscal year 1981. As a matter of fact, in one of my subcommittees during a question-and-answer session with one of the officials, there was a question concerning the recommendation for 1981. His answer was a tacit admission that really the administration did not have exact figures, that in a way that they were sort of pulling figures out of the air. But, what we are asked to do today is to not only approve the $4.17 billion authorization, but to also pass on fiscal year 1981 authorization of $4.37 billion.

Now, I realize that next year is an election year and it may be convenient not to have to vote on foreign aid; but, I do not think that would be reason enough to have a 2-year authorization rather than a 1-year authorization.

I think for two reasons, basically, one, that we do need oversight, and we need oversight in the budgetary matters; and, two, I do not think that we really have had adequate information to have the 2-year authorization of $4.37 billion. I would heartily recommend to the committee to adopt this amendment and put back the customary 1-year authorization for foreign aid rather than going forward with the 2 year.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, this amendment, or the basic principles which the amendments involves, were discussed at length when the House considered the international security assistance bill. The Foreign Affairs Committee in the instance of the 2-year authorization for the international security bill, as well as for this bill, which provides the economic assistance, believed that it was the better part of wisdom to have a 2-year authorization.

H.R. 3324 provides for a 2-year authorization of appropriations because the committee determined that this would provide opportunities both for more effective implementation and for more effective congressional oversight over these programs.

There have been periods in the past where we did have 2-year or multiyear authorizations. The executive branch would prefer, of course, an open-ended authorization. They had one in the legislation which was the authorization for the Arms Control and Disarmament Agency, an open-ended authorization request for such sums as may be necessary.

☐ 1155

The executive branch had the same request for the Peace Corps for fiscal year 1981; the same request for the international security assistance bill. The committee did not follow that type of proposal or request.

Indeed, I might point out that the gentleman is in error. When we considered the international security assistance bill, perhaps we did not have adequate testimony on the 1981 request, other than with respect to the open-ended feature. However, on the economic bill, there was testimony for both years.

I might point out, Mr. Chairman, that the committee recommendation is in line with the intent of the framers of the concurrent congressional budget process. The Congressional Budget Act of 1974 envisions dual-year authorization cycles to assist both the Congress and the President to better forward planning on such programs. Specifically, section 607 of the Congressional Budget Act requires the President to provide the Congress with year-ahead requests of authorization levels for new budget authority in order to effect a more workable and efficient authorization-appropriation cycle. Two-year authorization requests were submitted to us by the executive branch except for the economic support fund account which, in last year's authorization, was in the international security assistance bill as it passed the Congress.

I might say at this point, too, Mr. Chairman, that the chairman of the Committee on the Budget is supportive of a 2-year authorization. He is at a meeting today. Otherwise he himself would be here to advise the committee that he supports a 2-year authorization.

Further, Mr. Chairman, the 2-year authorization will, in the view of the Committee on Foreign Affairs, better enable us to fulfill legislative oversight responsibility. There are some aspects of the various programs which we want to examine in depth and in detail. When we go along under 1-year authorization cycles, the committee's time is taken up with hearings, floor activity, and conferences, which can extend through most of the session of Congress. A 2-year cycle would allow significantly greater opportunity to follow through on oversight once the authorization is enacted; and, of course, the Committee on Appropriations will continue to appropriate money on a yearly basis.

Meanwhile, should the executive branch need additional authorization of funds, they can send a message to the Congress or a report, and there will be ample opportunity for supplemental or other measures in this field; that is, to authorize additional moneys if the need should arise prior to the time of the next regular authorization bill.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. ZABLOCKI) has expired.

(By unanimous consent, Mr. ZABLOCKI was allowed to proceed for 1 additional minute.)

Mr. ZABLOCKI. Mr. Chairman, I am confident that the gentleman from Indiana (Mr. QUAYLE) is aware of the comparisons in the AID authorization requests for fiscal year 1980 and fiscal year 1981.

We have requests for 1981 of $1,574,300,000 for functional development assistance; $878,000,000 for certain other programs, such as American schools and hospitals and international disaster assistance to Africans, and so forth.

The House Committee on Foreign Affairs recommendations were based for fiscal year 1981 upon these requests, so that we are not groping in the dark. We are not reaching into the sky for figures and amounts. We are responsible in our recommendations, and I hope the gentleman's amendment will be defeated.

☐ 1200

Mr. BROOMFIELD. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment of my friend from Indiana. The gentleman has been an active participant in the Foreign Affairs Committee's consideration of foreign assistance programs, and his ideas and comments have been very helpful in defining important issues during the course of the committee's deliberation.

But, on this matter, reducing this bill to a 1-year authorization instead of 2, I must agree with the distinguished chairman of the Foreign Affairs Committee. A 2-year authorization makes sense. Until a few years ago, it was common practice to have a 2-year authorization. Such an authorization will give AID more flexibility by permitting longer term planning. Economic development is a complicated process and must take into account widely varied social, climate, and economic conditions before actual projects are undertaken in specific countries. It is quite common for project planning and preapproval review to take 2 years.

Although we would be bringing an authorization bill before the House every 2 years, the Foreign Affairs Committee will receive extensive program documentation each year and appropriations legislation will continue on an annual basis.

A 2-year authorization will also improve the committee's ability to conduct effective oversight. Considering the number of countries involved and the variety of programs, oversight is a formidable task. A 2-year authorization would permit the Foreign Affairs Committee to significantly strengthen and concentrate its oversight activities. We could give more thorough and effective attention to the implementation of congressional policy mandates in specific projects.

Last, the House has already agreed to a 2-year authorization for military assistance. It would be inconsistent to insist on continuing annual authorizations for development assistance.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I would be very happy to yield to the gentleman from Alabama.

Mr. BUCHANAN. I thank the gentleman for yielding.

Mr. Chairman, I join the gentleman and the chairman in opposition to this amendment. As the gentleman has just said, the committee in its wisdom did reject a similar proposal on the military bill. I hope it will reject this proposal on similar grounds.

If we are to live within the framework of the budget legislation, it is extremely difficult to have 1-year authorizations. In the years immediately past we had great problems with getting authorizations on time ahead of appropriation bills, and a good deal of criticism was leveled at our own committee for this. The fact is that the committee in this body did get its legislation out on time, but in the other body this was not the case. If we go to the 1-year authorization again, we again are going to have the final end result of authorization legislation coming late behind the budget legislation requirement.

I, therefore, urge that this amendment be defeated.

Mr. BROOMFIELD. I thank the gentleman for his contribution.

Mr. STUDDS. Mr. Chairman, I rise in support of the amendment of the gentleman from Indiana. I should warn the gentleman from Indiana, however, that his amendment might prevail, thereby placing it in great jeopardy.

I would like to correct for the record something that has been said here. Several Members speaking in opposition to the amendment have said that this Committee, that is, the Committee of the Whole House on the State of the Union, rejected a similar amendment last week in the military aid bill. That is not true. This Committee, the Committee of the Whole House, adopted a similar amendment last week to the military aid bill by a vote of 201 to 179.

Shortly thereafter, however, a strange and wondrous thing happened in the Whole House in the presence of a relatively small number of Members. May I say that I do not mean to suggest for one moment that the chairman of the Committee, the distinguished gentleman from Wisconsin (Mr. ZABLOCKI), is anything other than the most extraordinarily honorable and fair chairman. That he is, I think the record should show, and I think this is as appropriate a time as any for it also to show that the Chairman, the gentleman from Wisconsin (Mr. ZABLOCKI), was under the impression that this gentleman, the author of the amendment in question, was aware that there would be a request for a separate vote on his amendment in the Whole House. As a matter of fact, as I understand from reading the RECORD subsequently, the chairman made such an announcement after the adoption of the amendment in the Committee. It is unfortunate that the gentleman from Massachusetts was not present at that time and was not aware of the chairman's intentions; otherwise there would most certainly have been a record vote on the request of the chairman in the Whole House.

☐ 1205

I suspect the amendment would have been reaffirmed by the Whole House.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from Alabama.

Mr. BUCHANAN. Mr. Chairman, I am one of those that made the assertion. I do stand corrected. It was the House not the committee that so voted; however, I think the record should also reflect that the computer indicated that the vote was on matters extraneous to the gentleman's amendment or to this one. A number of the Members reading that description of the vote voted according to that description, which did not really meet the merits of the issue before the committee.

Therefore, I am not at all certain what the Committee of the Whole would have voted, when they voted for the amendment of my friend at the outset, had the vote been properly portrayed.

Mr. STUDDS. Mr. Chairman, I thank

the gentleman for that observation. I will leave it to the gentleman's speculation as to whether the fact that the computer said, among other things, that my amendment increased aid to Panama, as to whether we would have gotten more or less votes had the computer been accurate.

Let me simply say, Mr. Chairman, if I may, that the arguments which were given last week in support of a 1-year authorization for the military aid bill are just as cogent this week with respect to the economic aid bill.

We have no administration requests for the Sahel development program for fiscal year 1981, or for assisting African refugees or for the Peace Corps or, and this is what is most important, for the largest, single component of this bill, the economic support fund, which used to be called security supporting assistance.

We have not had administration requests; so, once again, we have simply had to make our best guess as to what might be appropriate for fiscal year 1981.

As I said last week, in what I thought was a successful attempt to limit the military aid bill to simply 1 year, I concur with the gentleman from Wisconsin (Mr. Zablocki), and with the gentleman from Connecticut, the chairman of the Budget Committee (Mr. Giaimo), that this Congress ought to be moving to 2-year authorizations as a matter of principle, and in order to enable us to conduct our oversight functions more responsibly; but we ought to do so when we are adequately prepared to do so. In the case of the foreign aid legislation this year, we have not been so prepared. We have not had such hearings. We have not had the recommendations of the administration. We are not prepared to do so, and I would suggest that it would not be responsible to attempt to do so before that preparation.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I am happy to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, the discussion as to whether the gentleman's amendment was overturned, it was overturned, by a voice vote, as the gentleman has already stated; so we really do not know what the sentiment of the House would have been had a recorded vote been ordered.

I think the point should be made that it was done rather quickly. Those few of us that were in the Chamber were amazed at the rapidity with which the House was asked to move; that is not a criticism of anybody, that is just very, very clever parliamentary procedure. So I say to my colleague that it is unfortunate that the gentleman's amendment of last week was overturned by a voice vote. That does not mean we cannot do it. It just means that the House really did not have a chance to vote on the record as to whether they wanted to reverse the gentleman's amendment or not.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. Yes; I yield to the chairman.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for yielding. I merely hope that the gentleman from California in using the word quickly would also agree that, after the voice vote to delete the amendment prevailed, the gentleman from Wisconsin hesitated and waited and noted that some of those that had supported the amendment of the gentleman from Massachusetts were there.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(At the request of Mr. Zablocki, and by unanimous consent, Mr. Studds was allowed to proceed for 2 additional minutes.)

Mr. ZABLOCKI. Mr. Chairman, if the gentleman will yield further, as the gentleman from Massachusetts has said, I did give notice that I would ask for a separate vote. The voice vote was predominantly in opposition to the amendment. It was probably done efficiently, but not quickly, or in any way in a manner that went beyond the normal characteristics of the gentleman from Wisconsin. That is, to be fair.

Mr. STUDDS. Mr. Chairman, let me reiterate what I said before. It is entirely true that the chairman indicated publicly on the floor that his intention was to call for such a vote; unfortunately, I did not hear that.

Again, I would say the chairman has been the fairest chairman that it has been my privilege to serve under. I am sure there was no intent to operate in anything other than an honorable fashion.

I might also say, that the gentleman is not only fair, he is extraordinarily skillful if he can pull one on the gentleman from California, who normally does not miss things that are happening on the floor.

Finally, may I urge, particularly for those 201 Members who voted last week in support of my amendment to the military aid bill, support for this amendment by the gentleman from Indiana. The arguments are just as cogent now as they were then.

□ 1210

Mr. BAUMAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I want to urge strongly that the committee support the amendment of the gentleman from Indiana. I think there is another reason that is very important to all of us as individual Members and collectively as a body.

This legislation annually is the only vehicle that presents itself for expression of the views of the House on various foreign policy matters that otherwise would not come before us.

The only other vehicle that is available is the offering of restrictions on the appropriations bill and that is a somewhat imperfect device as we all know. If we are going to cede for a 2-year period our right to act on these foreign policy matters through the medium of the amounts of money which authorize for other countries, we have no chance to express our views on the affairs that are occurring in Africa what may occur in the Middle East. I do not think it is even necessary to point out the volatile nature of our foreign policy all around the world. This one bill is the vehicle we have to express our views. If we allow this bill to go through with a 2-year authorization and reject the gentleman's amendment we will in fact not have that expression. For instance, we are going to be faced with an enormous request for funds to finance the Middle East peace settlement and that ought to certainly weigh on what funding we might grant to other countries.

I think it is the better part of prudence on the part of the House to reduce this bill to a 1-year authorization and allow us to retain our prerogative to act again next year.

I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank my colleague for yielding and, speaking as one who voted for a 1-year limitation on the military aspects of AID, I think our colleague from Massachusetts was absolutely correct in his presentation on that subject. I would like to say something that bothers me as a person who believes in this institution, a person who has been here for awhile. I think we are rapidly getting ourselves into a position where we are going to become known as a "can't do" Congress. On almost every issue that comes before us anymore, we hear "we can't do it, or can't change it or must not become involved." On the Taiwan legislation. Mr. Zablocki would say, "We cannot do this. The People's Republic of China might not agree." It was take it or leave it with no real legislature prerogative left to this body.

The Panama Canal legislation is going to come up and we are going to be told we cannot do this or that as legislators because the President has agreed to the contrary.

In a few months we are going to get legislation on the Tokyo Round trade agreements. We are going to be told "You cannot do it." In fact, we will not be able to make one single amendment. The more we tie our hands, the more we make long-term authorizations, the more this Congress grants to other entities downtown or elsewhere, decision that we should make here, the more we are going to hear week in and week out as we stand up as legislators, "Oh, we cannot do anything about it."

Now here is something we can do. We can make this bad bill a 1-year authorization so at least next year we will have some input and some say.

I would say seriously to the Members of this body who go home and profess to their constituents a desire to make changes that they ought to recognize day in and day out by their votes they are making it impossible for their input to be heard and to make the changes they tell their constituents that they want to make.

As the year goes by and we keep hearing people say, "Well, we cannot do anything about it," let us make sure we recognize that it is on votes like this we tie our hands and put ourselves in that position and if this amendment is turned down and a year from now we hear "Oh, we do not like what is happening in foreign aid." We would have to say, "Oh, well we cannot do anything about it because we have already given a 2-year authorization." Let us not get ourselves into that position.

The more this Congress keeps a degree of oversight and control, the less we are apt to stand up as we have said three or four times this year, and now I can see looking down the line we can say another half dozen times, "We cannot do anything about it." I think for that reason alone, to keep the prerogatives of this Congress which it deserves, we should have a 1-year limitation on the expenditures in this bill and authorization.

I think for the foregoing reason along with many other good reasons that have been advanced the amendment of the gentleman from Indiana clearly should be adopted and I hope it will be.

□ 1215

Mr. LUNGREN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendments.

Mr. Chairman, we all, I believe, recognize that foreign assistance is probably one of the most controversial matters with which we have to deal. I believe that if any of us have looked at the responses to questionnaires we have sent out, virtually almost down the line everyone who returns them tells us that foreign aid is an area in which they want us to cut. They have some tremendous questions about it.

Although we as a country have committed ourselves to foreign aid for the primary purpose of assisting those who are less fortunate, in our effort to act on this purpose, there are standards to be applied, there is policy to be made, and then, of course, we have the question of the amounts of money to be involved.

Whenever we remove ourselves from the ability to make those decisions, or to even consider those matters, the less likely we are to really go forward with the oversight responsibility that we have.

No. 1, we cannot complete action on these authorizing bills without considering the policy involved. Yesterday we considered an amendment with respect to restrictions on Nigeria. We were told that they are moving toward democracy. I, for one, voted against that amendment because I wanted to see exactly how far they are going to go. But that is going to be done this October. It seems to me that if they fail to do that, that is a policy matter we ought to consider in terms of authorizing legislation for the following year.

If we pass this legislation without this amendment, we have eliminated that important opportunity for us to act.

The second part of our consideration of authorizing legislation has to do with budgets. I have been told as a freshman Member here that "you have to understand the budgetary process," that "these authorizations do not appropriate moneys," "that we have to appropriate moneys through the appropriating process."

My question, then, is: What do we have the authorization process for? We know it is at least one step in the budgetary process. We recognize that, and we ought to deal with it. We should not shy away from it because it happens to be a controversial issue, perhaps one of the most controversial issues we are going to have to face between now and the next election.

We have to realize that in making the decision as to those who are less fortunate than we are and on the levels of spending that we are to adopt, we must also decide whether we have higher and better uses for those funds right here at home.

President Truman once said:

> If you lay all the economists down and laid them end to end, they would still all point in different directions.

That is certainly true today.

If we read the financial pages, we know that some are saying we are heading toward a financial boom and others are saying we are heading toward a financial bust. The fact is that we do not know. No one yet knows what the state of the American economy will be 1 year from now. Jobs may be scarce, they may be abundant. If jobs are scarce, the budget is tight, inflation is rampant, and economic growth is sluggish, then we may want to curtail, and may have to curtail, our overseas good works.

We may not have to do this now, but we should at least allow ourselves the option next year. Why tie our hands now? These amendments are simply offered to turn the 2-year authorization into a 1-year authorization. That gives us the option of assuring that next year's foreign aid program will be approved by this Congress, using all our efforts and taking advantage of all our opportunities to make the decisions that our constituents sent us here to make.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Indiana (Mr. QUAYLE).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ZABLOCKI. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 239, noes 157, not voting 36, as follows:

[Roll No. 77]

AYES—239

Abdnor
Ambro
Anderson, Calif.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Boner
Bonior
Bouquard
Breaux
Brinkley
Brodhead
Brooks
Brown, Ohio
Burgener
Burton, John
Butler
Byron
Campbell
Carney
Cavanaugh
Cheney
Clausen
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Dellums
Devine
Dickinson
Donnelly
Dornan
Downey
Drinan
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Flippo
Forsythe
Fountain
Fowler
Frost
Gephardt
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gore
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hansen
Harkin
Harris
Harsha
Heckler
Hefner
Hightower
Hillis
Hinson
Holland
Holt
Holtzman
Hopkins
Horton
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Leland
Levitas
Lewis
Livingston
Lloyd
Loeffler
Lott
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McDonald
McEwen
McHugh
McKay
McKinney
Markey
Marlenee
Martin
Mathis
Mattox
Mavroules
Mazzoli
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Minish
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Myers, Pa.
Neal
Nichols
Oakar
Pashayan
Paul
Quayle
Quillen
Railsback
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Robinson
Roth
Rousselot
Rudd
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sensenbrenner
Shannon
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
St Germain
Stack
Stangeland
Stanton
Stark
Stenholm
Stockman
Studds
Stump
Symms
Tauke
Taylor
Thomas
Treen
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wolpe
Wyatt
Wylie
Young, Alaska
Young, Fla.
Young, Mo.
Zeferetti

NOES—157

Addabbo
Akaka
Albosta
Alexander
Andrews, N.C.
Annunzio
Aspin
Bailey
Baldus
Barnes
Bedell
Beilenson
Bingham
Blanchard
Boland
Bonker
Bowen
Brademas
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burton, Phillip
Carr
Chisholm
Clay
Cleveland
Collins, Ill.
Conte
Corman
Cotter
D'Amours
Danielson
Daschle
Derwinski
Dicks
Dingell
Dixon
Dodd
Dougherty
Duncan, Oreg.
Eckhardt
Edwards, Calif.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Fuqua
Garcia
Gibbons
Gonzalez
Goodling
Gray
Green
Hall, Ohio
Hamilton
Hance
Hanley
Hawkins
Heftel
Hollenbeck
Howard
Jeffords
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kildee
Kogovsek
LaFalce
Lehman
Lent
Long, Md.
Lowry
McDade
Madigan
Marks
Matsui
Mica
Mikva
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nelson
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Rahall
Rangel
Richmond
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal

Russo
Sabo
Scheuer
Sebelius
Seiberling
Sharp
Simon
Smith, Iowa
Solarz
Spellman
Steed

Stokes
Stratton
Synar
Traxler
Ullman
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weiss

Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Zablocki

NOT VOTING—36

Anderson, Ill.
Ashley
AuCoin
Biaggi
Boggs
Bolling
Burlison
Carter
Chappell
Conyers
Crane, Philip
Davis, S.C.

de la Garza
Derrick
Diggs
Emery
Flood
Ford, Tenn.
Frenzel
Gaydos
Giaimo
Hubbard
Lee
Long, La.

McCormack
Maguire
Marriott
Nolan
Pepper
Pursell
Runnels
Staggers
Stewart
Swift
Thompson
Udall

☐ 1230

The Clerk announced the following pairs:

On this vote:

Mr. Philip M. Crane for, with Mr. McCormack against.

Mr. Emery for, with Mr. Pepper against.

Mr. Lee for, with Mr. Thompson against.

Mr. Marriott for, with Mr. Staggers against.

Mr. Runnels for, with Mr. Conyers against.

Mr. Ford of Tennessee, with Mr. Flood against.

Mr. STOKES changed his vote from "aye" to "no."

So the amendments were agreed to.

The result of the vote was announced as above recorded.

☐ 1235

The CHAIRMAN. Are there additional amendments to title I?

AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio: On page 16 immediately after line 6 insert the following new section and redesignate subsequent sections in title I accordingly:

EXCHANGES OF CERTAIN MATERIALS

SEC. 119. Section 663 of the Foreign Assistance Act of 1961 is amended by adding the following new subsection at the end thereof:

"(d) The President shall report to the Congress not later than February 1 of each year on the steps he has taken to implement this section.".

Mr. MILLER of Ohio. Mr. Chairman on May 12 of last year when H.R. 12222 was before the House, I offered this amendment. It was accepted by the committee and agreed to by the House. Later in conference with the Senate it was deleted.

The amendment requires the President to report to the Congress not later than February 1 of each year on the steps he has taken to implement section 663 of the Foreign Assistance Act of 1961 which provides for the bartering of foreign aid for strategic and critical raw materials.

On December 11, 1974, I offered a "barter" amendment to the Foreign Assistance Act and it is now public law to require the President, when he determined it in the national interest, to extend economic and military assistance to an aid recipient country when that country agrees to exchange necessary and strategic raw materials such as oil, metals, and minerals it controls. Such raw materials would be those in short supply in this country and upon receipt would be stockpiled or sold with proceeds of any disposal credited to the U.S. Treasury.

This barter amendment was agreed to overwhelmingly by a recorded vote 244 to 136 in the House. The language was retained in conference and now is section 663 of the Foreign Assistance Act.

By approving acquisition of materials through such barter arrangements, Congress said the taxpayers should have an opportunity to get something of real tangible value in return for the billions of their dollars flowing overseas through the foreign aid program. The Congress also recognized the barter amendment afforded a mechanism to facilitate the acquisition of basic raw materials to run the Nation's industrial economy. By bartering with foreign aid recipients, the United States can gain access to abundant yet undeveloped rich natural resources in the world. In doing so we build our strategic stockpiles at less cost and better assure that our vulnerability to future world market disruptions in flow of raw materials is minimized.

Mr. Chairman, I have a table which outlines the significance of this amendment which I would like to submit for the RECORD:

[Dollar amounts in millions]

Raw material and minerals	Percent of mineral imported by United States	Approximate total value of imports	AID recipient possessing metal	Aid received 1978	1946–77 total aid since World War II
1. Chrome (ore)	92	$200	Philippines	$120.3	$2,518.6
2. Cobalt	97	200	Zaire	51.1	607.6
3. Aluminum (raw material bauxite and alumina—ore and metal).	93	1,000	Jamaica	23.2	132.8
4. Manganese	98	200	Gabon	2.7	13.8
5. Tin	81	600	Bolivia	53.4	747.8
6. Nickel	77	1,100	Columbia	59.1	1,238.1
			Dominican Republic	6.5	498.7
7. Zinc	62	$500	Honduras	$19.3	$227.8
8. Silver	41	400	Peru	56.6	590.2
9. Tungsten (ore)	50	75	Thailand	49.3	2,176.1
10. Iron	29	900	Liberia	7.9	262.9
11. Lead	11	200	Peru	56.6	590.2
12. Copper	19	900	Indonesia	274.7	2,145.3
			Zambia	38.5	7.9

Source: Bureau of Mines, U.S. Department of Interior, "Commodity Data Summaries 1979". Agency for International Development, "U.S. Overseas Loans and Grants 1945–1977." U.S. Economic Assistance, Military Assistance, and Credit Sales. 1979.

Let me refer to one item listed on the chart which illustrates the importance of having the President report on the steps he has taken to implement the "barter" amendment.

For example, the United States must import from foreign sources 97 percent of our cobalt requirements at a cost of roughly $200 million per year. Much of this cobalt comes from Zaire which last year received over $50 million in American foreign aid. I would like to know how the President has utilized section 633 of the Foreign Assistance Act to get something of tangible value in return for this foreign aid.

Mr. Speaker, the use of section 663 and the barter concept has been recognized as an important part of our stockpiling policy. On March 19 this year the House approved H.R. 2154, the new stockpiling policy bill, which encourages the President to use section 663. Section 663 is a workable, valuable tool to provide this country access to the world's vast undeveloped natural resources—resources this country needs. Yet the provision has been unused by the administration. My amendment simply requires the President to study it, examine it, and take possible steps to use and then report that to Congress each year.

Since my amendment was acceptable last year I assume it would have the support of the chairman and his committee again this year.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I will yield to the chairman, the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman for yielding.

Mr. Chairman, at the present time the Congress or the executive branch is required by legislative mandate to file 326 reports. I wonder who reads them, but if the gentleman is insisting, if he will assure the gentleman from Wisconsin that he will read the report that was required, I will accept his amendment.

☐ 1240

Mr. MILLER of Ohio. Mr. Chairman, I will assure the gentleman from Wisconsin that I will read every word, and not only that, but report back to the House as to the contents of that report.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield further?

Mr. MILLER of Ohio. I will yield to the gentleman.

Mr. ZABLOCKI. I am merely tempted to ask, has the gentleman read any of the other 326 reports?

Mr. MILLER of Ohio. I have not read the reports that come to the gentleman's committee. This is a report on bartering, as the gentleman is aware, where we have a problem; it is predicted by the year 2000 we will be out of many of our major metals and the ore that we would need in order to refine the ores into metals; so we need this report.

In the case of chrome, we are importing today 92 percent of our chrome. We are importing so many of our natural resources and we are still giving assistance to those nations that have those natural resources. All we are asking is that we will receive some of that raw material back to the United States for the assistance that we give those nations.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield further?

Mr. MILLER of Ohio. I will yield to the gentleman.

Mr. ZABLOCKI. I thank the gentleman for yielding.

Mr. Chairman, I want to assure the gentleman that the gentleman from Wisconsin realizes the gentleman's sincerity in requesting this report. I know the gentleman is going to carefully read it. I am sure the gentleman will be satisfied that there may be some problems; but the report should be forthcoming.

Mr. MILLER of Ohio. Mr. Chairman, I thank the gentleman.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the ranking minority member.

Mr. BROOMFIELD. Mr. Chairman, we also would accept the gentleman's amendment and compliment the gentleman on the amendment.

Mr. MILLER of Ohio. Mr. Chairman, I thank the gentleman from Michigan.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. MILLER).

The amendment was agreed to.

Mr. MOFFETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise for the purpose of engaging the distinguished chairman of the committee in a colloquy with regard to distribution of Public Law 480 funds.

It is my concern, and I think the concern of many other Members, particularly some of the Lebanese-American Members in the body, that certain countries, particularly Lebanon in this case, have not been targeted for any Public Law 480 funds in the coming year.

I think most Members know that Lebanon has been in a terrible situation, chaotic civil war, much destruction, a growing number of refugees as the months have gone on, not only Palestinian refugees, but increasingly Christian refugees.

I wonder if the distinguished chairman could enlighten myself and the others who are concerned about the situation with regard to the distribution of Public Law 480 funds in Lebanon and Lebanon's absence from the list.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I would be happy to yield.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for yielding.

At the very outset I want to commend the gentleman for calling attention to the fact that the Agency for International Development did not include a Food for Peace program for Lebanon.

I am sympathetic and supportive of the gentleman's intentions. I can assure the gentleman that we will call to the attention of the executive branch the desire that they consider some food assistance for Lebanon. The omission, however, does not necessarily mean that such a program could not be included, at some future date.

I hope that this colloquy, this legislative history, would impress the executive branch to, indeed, include a food program for Lebanon.

I thank the gentleman for raising this issue. I can also assure the gentleman that the chairman of the Subcommittee on Europe and Middle East, our colleague, the gentleman from Indiana, Mr. LEE HAMILTON, has agreed that his subcommittee will follow up and exert every oversight to see that this omission will be corrected.

Mr. MOFFETT. Mr. Chairman, I want to say to the gentleman that not only those of us here are concerned, but I am sure the people of Lebanon are extremely grateful for the gentleman's attention to this matter; not only this matter, but for the gentleman's attention over the years to the needs of Lebanon.

The gentleman from Connecticut (Mr. RATCHFORD) and I have considered the idea of introducing an amendment to cure this in some way; but because of the concern and attention to this matter by the chairman, I think that will be unnecessary.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield further?

Mr. MOFFETT. I would be happy to yield.

Mr. ZABLOCKI. We had, indeed, raised the issue of the lack of inclusion of Lebanon in the projected program and were advised that the absence of a program for Lebanon was in part based upon the fact that Lebanon could neither distribute or utilize such commodities effectively at that time.

□ 1245

It is further my understanding from earlier conversation with the gentleman from Connecticut that this is not true now. Certainly we are hopeful that in fiscal year 1980 the executive branch will look favorably upon the possibility of providing Public Law 480 assistance to Lebanon. If such assistance is needed and it can be appropriately used in Lebanon I can assure the gentleman that we will press for its consideration.

Mr. KAZEN. Will the gentleman yield?

Mr. MOFFETT. I will be happy to yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding.

Let me ask our distinguished chairman, upon what factors does the department downtown base its distribution of Public Law 480 funds? What is the criteria that is used for the receiving countries?

Mr. ZABLOCKI. The basic criteria for the allocation and distribution of Public Law 480 funds is on the basis of need and certainly that can be determined. There is a limitation if the per capita income of a particular country exceeds the international poverty criteria. Then Public Law 480 foods, unless it is an emergency case or on a grant basis, are made available only on a comparatively restricted basis.

In the case of Lebanon no one can question the need. Although the instability in Lebanon was several months ago and there were some problems as to what voluntary agency might even be in a position to distribute the food, I think that day is gone and passed and we should make available to Lebanon Public Law 480 programs.

Mr. KAZEN. If my colleague will yield further, I agree that at one time there were probably not the means to distribute this food because of the chaos that existed in the country but I believe that situation has radically changed now and the situation has stabilized to the point where food can be gotten to hungry people.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. MOFFETT) has expired.

(On request of Mr. DERWINSKI and by unanimous consent Mr. MOFFETT was allowed to proceed for 3 additional minutes.)

Mr. MOFFETT. I yield to the gentleman from Texas (Mr. KAZEN).

Mr. KAZEN. I thank the gentleman.

The per capita income in Lebanon is probably higher than in some of the other countries. However, that is not true at this time. At one time Lebanon was very prosperous. It was the banker for the Middle East and for that part of the world and the people were better off and they did not ask for anything.

It is my understanding now that they have asked for this because they absolutely need it.

I want to thank the chairman for his assurances to us that they will call this to the attention of the State Department and that the gentleman and the chairman of the subcommittee will see to it that Lebanon is considered for receiving these funds.

I thank the gentleman for yielding.

Mr. ZABLOCKI. If the gentleman will yield further, if we had a 2-year authorization I assure you we could have more time to insist upon such a program for Lebanon.

Mr. KAZEN. I am sure that the gentleman could do in 1 year what he can do in 2.

Mr. RATCHFORD. Will the gentleman yield?

Mr. MOFFETT. I will be happy to yield to the gentleman from Connecticut.

Mr. RATCHFORD. I wish to thank the chairman because I represent a district which has thousands of Lebanese Americans who have witnessed the agony, the distress, the horror of having their relatives over there driven out of their homes, experience death, experience all the sadness of seeing a beautiful culture ripped apart with attacks on both sides, with confrontations and with all that goes with seeing a civilized nation torn apart. If there was ever a nation that was a traditional supporter of this country, if there was ever a nation that was peace loving, if there was ever a nation which was a lover of the pursuit of education it is Lebanon. Now in a time of need it finds itself critically needing assistance and regrettably it has been a forgotten country in the whole Middle Eastern dialog.

This concern expressed by you, Mr. Chairman, today through this dialog, I think is evidence, not only to Lebanese Americans but to a proud and peace-loving country that we in America truly care.

I thank the chairman for this expression and for the opportunity for a dialog.

Ms. OAKAR. Will the gentleman yield?

Mr. MOFFETT. I will be happy to yield to the gentlewoman from Ohio.

□ 1250

Ms. OAKAR. Mr. Chairman, I thank the gentleman for yielding.

I want the distinguished chairman of the subcommittee to know that if it were proper, I would have offered an amendment, but I thank the gentleman for his reassurances.

Frankly, I have always been somewhat amazed and appalled at the lack of aid to a country that has always been our ally. I want the record to show that in my discussions with the State Department they have always indicated that Lebanon, indeed, even though it experienced certain kinds of turmoil, was always able to distribute to the people human needs items like food in these kinds of programs, and that is why I really do not understand the rationale, because I do not know that that is accurate in terms of what they have told the subcommittee chairman.

The CHAIRMAN pro tempore (Mr. Volkmer). The time of the gentleman from Connecticut (Mr. Moffett) has expired.

(By unanimous consent, Mr. Moffett was allowed to proceed for 3 additional minutes.)

Ms. OAKAR. Mr. Chairman, will the gentleman yield further?

Mr. MOFFETT. I yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, we are not asking for moneys for military equipment and for all the kinds of things that unfortunately cost more; we are asking for food for those people. That is the issue here.

I just want the subcommittee chairman to know how much I respect his efforts, and I hope that he is successful. Of course, if he is not successful, then we will have to resort to other alternatives like voting against various foreign aid bills, to put it on the line.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I am happy to yield to the gentleman from Minnesota (Mr. Vento), who has been such a leader in this area.

Mr. VENTO. Mr. Speaker, I wish to thank the distinguished chairman of the Foreign Affairs Committee, Mr. Zablocki, for his commitment to insure that the Public Law 480 assistance will continue to be available to Lebanon. I would have actively supported the Moffett amendment to require that the present levels of assistance to Lebanon be maintained in fiscal year 1980, however, the colloquy between Representative Moffett and Chairman Zablocki has satisfactorily resolved this concern. The chairman of the committee and many Members of the body have made very clear their intention, that the food for peace program will continue to be available in Lebanon.

I am certain that most of the Members are well aware of the civil strife that has torn apart Lebanon during the last few years. The administration must be concerned that the food we provide will be delivered to the people in need, a concern we share as well as the capacity of the Lebanese Government to administer such a program. The food for peace program in Lebanon is administered by private charitable groups who have proven their ability to provide this food in spite of the violence. This tragic situation in Lebanon speaks to a continued need for Public Law 480 assistance rather than the elimination of the program.

Mr. Speaker, it is extremely important that we continue our aid to Lebanon. This is not the time to place additional strain on the Lebanese people or their government.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I commend the gentleman from Connecticut (Mr. Moffett) for stimulating this expression of concern by the Members. I think it is important for the people of the State Department, who, I believe, have neglected the situation in Lebanon, to understand this issue. Maybe they have been afraid, because of the turmoil in the country.

But the facts are that Lebanon desperately needs stability, and it needs reemphasis of a unified central government. Anything that we could do in the Congress to help that rebuilding process in Lebanon is in our national interest, as well as in the interest of the people who suffer there.

Mr. Chairman, I commend the gentleman from Connecticut (Mr. Moffett) for his efforts.

Mr. MOFFETT. Mr. Chairman, I thank the gentleman from Illinois (Mr. Derwinski). Let me say that the Lebanese-American people of this country are not unfamiliar with the gentleman's efforts to try to help Lebanon.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to my friend, the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding.

I, too, want to commend the gentleman from Connecticut (Mr. Moffett) and the gentleman from Texas (Mr. Kazen) for their efforts in focusing attention on this glaring omission by the State Department in this part of the world.

For too long we have neglected the problem in Lebanon, and I certainly think we ought to take a good lesson from the State of Israel, which has attempted to assist the Lebanon Christian community to survive in Lebanon. It is time that our Nation did more to help this struggling group of people, and I am certainly appreciative of the statements made by our distinguished subcommittee chairman that he is going to give due attention to this problem.

In recent years, Lebanon has been faced with a chaotic civil war resulting in the needless deaths of thousands of innocent citizens and has made refugees of tens of thousands more. At this very time when their needs are so great, we find that no programed assistance under our food for peace funds have been targeted for Lebanon.

There has been and continues to be a need for assistance to the needy people of that land. It is clearly in the best interests of the United States to do whatever is in its power to reduce the suffering the victims of this continuing crisis that threatens not only the peace and stability of that nation, but that of the entire world.

Lebanon desperately needs our support to help bring about stability within the government. Whatever steps that we can take to reduce the suffering of her people and aid in the reunification of the nation must be taken now. I urge the administration to act immediately to correct this error and address its attention away from those nations who seek to undermine U.S. policy in the area and turn to our friends in Lebanon who are in need.

Mr. MOFFETT. Mr. Chairman, I thank the gentleman from New York (Mr. Gilman) for his help.

Mr. RITTER. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Pennsylvania.

Mr. RITTER. Mr. Chairman, I would like to commend the gentleman from Connecticut (Mr. Moffett) for speaking on behalf of a neglected nation. Lebanon for so many years played such an important role in the Middle East, and I believe that with the proper support of her friends Lebanon can once again play a most important role.

We are right now talking about Public Law 480 funds, and it is essential that Lebanon have its share of those Public Law 480 funds. But I am also considering the fact that we should do more than provide just Public Law 480 funds to assure stability in Lebanon. We must assure reconstruction and do more to help that country which has so often in the past been on the side of the United States.

Mr. Chairman, I thank the gentleman for yielding.

Mr. MOFFETT. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. RITTER) for his assistance.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 18, after line 25, add the following new section:

"SEC. 127. None of the funds authorized to be appropriated by this title may be made available for asisstance to the Republic of Panama, its agencies or instrumentalities."

Mr. BAUMAN. Mr. Chairman, this amendment strikes out the direct foreign aid authorized in the pending legislation for the Republic of Panama.

The amount of money authorized in the bill for 1980, in view of the Quayle amendments just adopted, is approximately $11.7 million. More than a million and a half dollars for the food for peace program, Public Law 480, is not removed from the bill by this amendment.

I want the committee to understand the objective of the gentleman from Maryland in offering this amendment. It is not to permanently deny assistance from the United States through the foreign aid program to the Republic of Panama.

□ 1255

In fact, it may well be that before the end of this session we may wish to look once again at this issue and revise our position. But the gentleman from Maryland feels very strongly that until the implementing legislation, which carries out the provisions of the Panama Canal treaties, are adopted by both the House and the other body and signed into law, we have an obligation to our taxpayers to withhold any additional funding to the Republic of Panama—not as a punishment, not in any way as a restriction or in an effort to criticize that country, but simply to find out what the total cost of these treaties will be.

I think the membership should understand that on October 1 under the terms of the treaty roughly $75 to $100 million a year in payments to Panama will be made directly from the tolls collected from the canal. This is money that will be skimmed off of the top of the income from tolls, and it will go directly to the Panamanian Government, supplementing an annual budget of only about one-half billion dollars last year. So you can see there is an enormous increase in income for Panama that will come as a result of the Panama Canal transfer. In addition to that, the Panamanian Government will receive a great amount of money from facilities that will become theirs on October 1. Some have estimated this income to approach $100 million. On the other hand, hearings before our subcommittee have indicated that the American people, contrary to what we have been told, in addition to these tolls that I have just mentioned, will be obligated, over the life of the treaty, between now and the year 2000, to pay an amount approaching $4 billion in costs, not out of tolls, but out of the Treasury of the United States and the taxpayers' pockets. That money will be necessary to pay for functions previously paid out of tolls by the Panama Canal Company. Much of it will be paid through the Defense Department and other agencies. In the last 4 years, we have given almost $90 million in foreign aid to Panama. Last year our total aid, with housing guarantees, Public Law 480, and other direct aid, came to almost $34 million.

So my only purpose in offering this particular amendment is to hold in abeyance our judgment on what foreign aid, direct foreign aid, should go to Panama, until we have written an equation that will determine exactly how much they will receive from the treaties and other assistance that has been promised by the Carter administration. I think we would be legislating blindly if we did not do this.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. I thank the gentleman for yielding.

Mr. Chairman, does the gentleman know that Panama has by far the largest per capita income in Central America?

Mr. BAUMAN. It does. And not only that, it is first in its class on per capita income, one of the few countries, in fact, the only country, which is still receiving foreign aid, with that high a per capita income.

Mr. CHARLES WILSON of Texas. Mr. Chairman, does the gentleman also know—and I am not absolutely positive of this fact, but I will be, before the day is over—that we have asked for more assistance per capita in Panama, which is the country with the largest per capita income than any other country in Central America?

Mr. BAUMAN. That is true. A nation of about 1.8 million people.

Mr. CHARLES WILSON of Texas. Does the gentleman suspect that it is perhaps possible that, under the guise of the Foreign Assistance Act, we are paying for the treaty yet again?

Mr. BAUMAN. I have no doubt that there were agreements made extraneous to the treaties. And during our hearings before the Panama Canal Subcommittee, which just reported implementing legislation, the State Department constantly referred to this is "the spirit of the treaty," "the understanding of the treaty." This particular amendment does not violate the actual terms of the treaties in any way.

Mr. CHARLES WILSON of Texas. Has the gentleman been to Panama?

Mr. BAUMAN. The gentleman has been to Panama more times than he cares to recall.

Mr. CHARLES WILSON of Texas. Did the gentleman stay at the Holiday Inn in Panama?

Mr. BAUMAN. He did, on two occasions.

Mr. CHARLES WILSON of Texas. In looking out the window of the Holiday Inn, does that look like a very poor and depressed city to the gentleman?

Mr. BAUMAN. The gentleman is quite correct that the immediate environs of the Via Italia, as it is known, on which the Holiday Inn is located, is anything but poor. But as the gentleman knows, the great mass of Panamanians suffer from a poverty that those in the wealthy sections of Panama City do not. I have also seen the poverty in the countryside.

The CHAIRMAN pro tempore (Mr. VOLKMER). The time of the gentleman from Maryland (Mr. BAUMAN) has expired.

(On request of Mr. CHARLES WILSON of Texas and by unanimous consent, Mr. BAUMAN was allowed to proceed for 2 additional minutes.)

Mr. CHARLES WILSON of Texas. Would that then make the gentleman from Maryland conclude that perhaps this large amount of foreign assistance that the gentleman discussed is not really getting to the countryside and to those people, the poor?

□ 1300

Mr. BAUMAN. Well, I think I would have to agree with the gentleman that the direct aid, for instance, provided under Public Law 480 of this act does get there because it goes through voluntary agencies. That is why I exempted it. I think that is helping the people of Panama. But, a great deal of direct foreign aid falls into the hands of a government that has not shown a great deal of ability either in economics or, shall we say, in their desire to handle money, to put it charitably, in a proper manner.

Mr. CHARLES WILSON of Texas. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. Yes.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

To put some perspective here, the gentleman pointed out that the per capita income of Panama is the highest in the area. It is actually about $1,310, which far exceeds most of the other countries in the area; and, it is also a fact that many other countries, and I will just mention one that comes to mind, the Dominican Republic, which has a much lower per capita income, is being phased out of our aid programs, because it exceeds the $500 guideline that we have more or less imposed on AID.

Yet here, as the gentleman pointed out, we are proposing to give rather large amounts of aid to a very small country with a very small population, that has a gross national product far in excess of per capita, far in excess of countries that we have already decided to phase out.

Mr. BAUMAN. As well as a country which is about to receive a capital investment of about $20 billion, which is the estimated value of the canal and all its facilities, plus the enormous payments from tolls, which I just mentioned that could amount to $75 million annually.

Mr. DERWINSKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, first, I recognize that it is not the wisest thing for a Member to do at this point, to come into the well to defend aid to Panama. I am under no illusions that I will win an instant popularity contest by taking the position that I do take.

If I could ask the Members of the House for just 2 minutes of their time and ask that they keep a totally objective attitude, I believe I can convince them that this amendment should not be supported.

The first thing to keep in mind is that the particular aid funds in the bill are not at all related to any negotiations which produced the Panama Canal Treaty. The programs preceded the treaty, so if we are going to use corrective legislation, as some Members hope, to correct the mistakes the Senate made in the treaty, this is not the time and place to do it. The point was raised over the per capita income in Panama. Yes, it looks high, but Panama historically has been ruled by an oligarchy. That oligarchy has the income. The average Panamanian has a per capita income far below the statistical figure. As a matter of fact, in the rural areas where these aid programs are being emphasized, the per capita income is approximately $8 a week.

If you have gone to Panama—and I heard some of the gentlemen discuss the views that they saw from high rise apartments—you are looking at the artificial Panama that is there near the Canal Zone. The economy of it flourishes, because of the canal traffic. But, once you get outside that strip, you see one of the poorest countries in Latin America.

This aid program which would be affected by the amendment is aimed at the rural poor.

□ 1205

It is a good program. It is a sound program. It supports crop diversification, technology, schools, training needed to uplift the standard of living of the people.

Mr. Chairman, if the target in this amendment or in future pieces of legislation is General Torrijos and his particular group running the country at the present time, this is not the vehicle for it. This is an ongoing, longstanding, relatively small program. It serves the truly needy people of Panama outside of Panama City, outside of that population strip along the canal.

I would suggest to the Members this program is probably as meritorious as any program in the bill, and I would ask the Members to defer making this bill a Panama Canal issue. Wait until the Committee on Merchant Marine and Fisheries and the others bring their legislation to the floor. That is the time to meet the Panama Canal issue head on.

Mr. Chairman, I would suggest that in this particular case prudence would dictate support of a practical program for the truly needy people of Panama. This money which is used in this program is not going into the pockets of the present rulers of Panama, be they right of center or left of center.

This program which the AID agency is conducting is for the rural poor.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to my distinguished friend, the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, the gentleman from Illinois (Mr. DERWINSKI) makes some good arguments. I do not disagree with his characterizations of the disparity in income distribution within the Republic of Panama. He is quite correct except that for the last 11 years Panama has not been ruled by an oligarchy, but by a leftwing military dictatorship. That is neither here nor there.

The point the gentleman from Maryland is making is that on October 1 of this year this authorizing legislation will become effective. If my amendment is not adopted, approximately $12 million in foreign aid will go to Panama.

The CHAIRMAN pro tempore (Mr. VOLKMER). The time of the gentleman from Illinois (Mr. DERWINSKI) has expired.

(On request of Mr. BAUMAN and by unanimous consent, Mr. DERWINSKI was allowed to proceed for 2 additional minutes.)

Mr. BAUMAN. Mr. Chairman, will the gentleman yield further?

Mr. DERWINSKI. I yield to the gentleman from Maryland.

Mr. BAUMAN. To continue, Mr. Chairman, on October 1, approximately $12 million in foreign aid under this bill goes to Panama. However, on October 1 the United States will begin paying to Panama, under the terms of the treaty, out of the tolls of the canal, a figure which is now calculated to be about $75 to $80 million a year.

My suggestion is that the toll income ought to be used by Panama to finance these programs for its own people rather than taking this foreign aid out of the American taxpayers' pockets.

I do not think that that is an unreasonable request in view of the enormous amout of money we are making available to Panama from this canal not to mention the fact that the Carter administration is giving them the canal.

That is my reasoning.

Mr. DERWINSKI. Mr. Chairman, let me say that the gentleman from Maryland (Mr. BAUMAN) is never unreasonable.

The point is—and the gentleman touches the key point—that the Panama Canal tolls are not the issue here. The issue is this ongoing program. Incidentally, for fiscal year 1977 it was $13 million; and for fiscal year 1978 it was $20 million, so it has been an ongoing program. It will not be affected by any of the adjustments created by the treaty. Frankly, the tolls, if they rise, may well become a special problem for Panama. They may price themselves out of a fair share of the market if they raise tolls too high.

Mr. Chairman, may I just point out that the gentleman knows from his inspection trips that we cannot dump every possible expense on the people who pay the tolls, because there are alternative means of transportation which may well reduce the canal's significance. That is a very intricate economic problem.

Mr. Chairman, the issue here is simply that this is a good program; it is a rural program. It is not tied to the canal issue.

Mr. BAUMAN. If the gentleman will yield further, Mr. Chairman, it is tied to the canal issue in the precise manner which the gentleman from Maryland suggests. Our taxpayers are being asked to put out $12 million here, and we are turning a $20 billion canal and an enormous amount of toll income over to Panama. I think they can use those moneys to finance these programs.

The CHAIRMAN pro tempore. The time of the gentleman from Illinois (Mr. DERWINSKI) has expired.

□ 1310

(At the request of Mr. HANSEN, and by unanimous consent, Mr. DERWINSKI was allowed to proceed for 2 additional minutes.)

Mr. DERWINSKI. I will yield to the gentleman from Idaho, but before I do, let me point out to the Members there is an interesting scenario going on here like the Christians thrown into the arena in Rome this poor innocent Member is defending the Foreign Aid Agency from the two champion tigers of Panama.

I yield to the gentleman from Idaho.

Mr. HANSEN. I would like to inquire if the gentleman has closely scrutinized the line items as to what the money that we are talking about striking today really entails. Are these all new items, or are there some old items?

Mr. DERWINSKI. Basically these are ongoing items. Of course, like all Members including the gentleman from Idaho, I closely scrutinize everything that comes through the Congress. We are speaking here of rural development programs, which will end in 1985, a program for developing rural growth centers in the countryside, a special program aimed at urban and rural unemployment in people without technology and skills—and, of course, these are the people I mention having a per capita income of $8 a week, and this is emphasized—the programs will include the private, not just the public sector.

Mr. HANSEN. Will the gentleman yield further?

Mr. DERWINSKI. Yes, I yield to the gentleman.

Mr. HANSEN. I would like to point out that in the line items there are a number of asterisks which note that there are many millions of dollars of new programs that were not included in the fiscal years 1978 and 1979 but are now scheduled for 1980. We know that additional aid was promised as part of the conditions of the treaties—that foreign aid would be increased. It seems to me that this matter is very much a part of the Panama Canal Treaty implementation factors and that it should be considered only after we get through with the pending implementation legislation.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. LAGOMARSINO, and by unanimous consent, Mr. DERWINSKI was allowed to proceed for 3 additional minutes.)

Mr. DERWINSKI. May I have the attention of the gentleman from Idaho? I may well join the gentleman in some of the amendments and positions he takes when the actual legislation coming from the Merchant Marine Committee reaches the floor. But my figures indicate that the aid level programs, and that is all we are speaking about here, that the level for 1980 is $12 million, which is just $1 million more than fiscal year 1979. In fiscal year 1978 it was $20 million. If there are conditions attached to and involving any programs in the canal agreement, they will appear in other budget items. They do not appear in the aid program before us.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding. While I do not agree with him, I certainly admire his courage in speaking out in what he considers to be a statesmanlike manner. However, I would like to tell the gentleman that I share his concern about the tolls that must be paid to finance the Panama Canal treaties and what will happen to users of that canal. And, incidentally, that is a matter of some very serious concern to some Western and South American countries. But I am wondering if the gentleman is aware that at least until very recently—I am not sure what the situation is today, but at least until very recently—the administration was considering exporting Alaskan oil to Japan rather than sending it through the Panama Canal and that those shipments of oil make up a rather substantial volume of the volume going through the canal and, therefore, a large part of the toll revenue.

Mr. DERWINSKI. The gentleman knows I have broad shoulders. I want him to understand I cannot—I cannot—defend every administration position on every issue. I do say though that the gentleman is correct. The gentleman knows that if his Governor in the State of California would expedite the issuance of those permits to Sohio so that the oil pipeline could be built across his State, that would be an additional element of competition to the canal.

Mr. LAGOMARSINO. If the gentleman will yield further, I certainly agree with what the gentleman just said. As I pointed out in a hearing on that very subject earlier this week, the Governor of my State did last August tell us that he had taken steps to remove some of the procedural blocking to going ahead with the Sohio pipeline. It was more or less in the nature of "I have slain a dragon," but he neglected to mention, No. 1, that the dragon had been more or less created by him in the first place and, No. 2, that he had not killed the dragon at all; he had merely wounded it, and a wounded dragon is a pretty dangerous animal.

□ 1315

Mr. DERWINSKI. In closing, may I emphasize this is not a Panama Canal issue. It is instead the ongoing, reasonable, practical, successful programs. I would urge the Members to give this issue the maximum objectivity, to save their fire for the bill that the Committee on Merchant Marine and Fisheries will bring to the floor a month from now.

Mr. ZABLOCKI. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I realize it is very difficut to follow an act like the one that just preceded me. My colleague, the gentleman from Illinois (Mr. DERWINSKI) is very articulate and I want to associate myself with the gentleman's remarks in opposition to this amendment.

The gentleman has stated, and I desire to confirm that, indeed, this aid program has no relation to the treaty. If we have any discussion about or any reservation about the treaty, the time to deal with it is when we have legislation implementing the treaty. Certainly the Panama revenues that the gentleman from Maryland refers to is separate from the AID program and it is unlikely that any additional incomes will impact on AID programs.

The programs that we have for Panama, indeed, are very modest. I understand that the chairman of the Committee on Appropriations' Subcommittee on Foreign Operations, the gentleman from Maryland (Mr. LONG) who recently visited Panama, reports that it is the most effective new directions foreign assistance program that he has seen. I am sure that the observation of the chairman of the subcommittee will certainly have some influence on his colleague, the gentleman from Maryland (Mr. BAUMAN).

I am sure the gentleman from Maryland (Mr. BAUMAN) realizes that the gentleman from Maryland, Mr. CLARENCE LONG, is not easily fooled.

Speaking of dollars, let me just say that of the $12,760,000, the bulk of it is loans. There are $11,500,000 of loans and $1,260,000 are grants. Of the loans, $5 million is for agriculture, rural development, and nutrition, and $6,500,000 is for education and human resources.

As the gentleman from Illinois so accurately and clearly spelled out, that indeed, if you go to Panama, to the city of Panama, you get one picture of the economy of that country; but if you go into the countryside away from the canal, you can see what poverty there is.

The Panamanian Government has been most cooperative and committed to our assistance programs. They have funded, despite their budget problems, matching funds and it would be most inappropriate for us to cut this well-functioning program for purely and simply political reasons or because some of us do not like Trujillo.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I imagine the gentleman from Maryland would take exception that I thought it was for political reasons.

Mr. BAUMAN. The gentleman is correct about my taking exception.

Mr. ZABLOCKI. That is why he had introduced the amendment.

Mr. BAUMAN. That is not the reason at all.

Mr. ZABLOCKI. I yield to the gentleman, if the gentleman is going to deny it.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman.

I thought I made it clear in my preliminary remarks in offering the amendment, that this in no way indicates my position on the Panama Canal treaty. I do oppose it. But that treaty took effect 4 days ago. It is now the law of the land. As I understand it, there is no way that that can be changed.

This is simply an attempt on the gentleman's part to save the taxpayers $12 million, in view of the foreign aid which we are giving to Panama on the 1st of October, the most extraordinary foreign aid in our history, a $20 billion canal and the income from that canal at the rate of $80 million to $100 million a year for the rest of this century. That is more foreign aid than we have given to any country in history.

□ 1320

Now why should we be giving another $12 million of the taxpayers' money on top of that?

There is a relation between the two issues. My opposition is not political, it is fiscal. The American taxpayers have had enough of this Panama giveaway and the vote on this amendment will reflect that view.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. ZABLOCKI) has expired.

(By unanimous consent Mr. ZABLOCKI was allowed to proceed for 2 additional minutes.)

Mr. ZABLOCKI. I fully understand the gentleman's explanation of the purpose of his amendment but in my mind it is for political reasons.

Mr. Chairman, I submit the United States needs a strong and stable Panama to insure its ability to manage and safeguard the operations of the canal. It is in our direct national interest to assist Panama in its development efforts.

Again I must underscore that the programs that are here are for the people of Panama, the poorest of the poor in Panama.

The gentleman from Idaho had inquired of the gentleman from Illinois as to what type of programs we have that would be supported or promoted by these funds. They would provide for participation in applying agricultural projects, to assist in the development and delivery of improved farmer technology.

It would also be for the implementation of housing investment guarantee projects; to improve living conditions in the metropolitan slums of Panama.

It would provide assistance in management planning and work force development to improve the government's management capability and to integrate work force development and basic skills into the overall planning effort.

Mr. Chairman, I submit to accomplish these objectives we should, we must, defeat the gentleman's amendment.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. ZABLOCKI) has expired.

Mr. HANSEN. Mr. Chairman, I rise in support of the amendment.

I would just like to make a couple of points. I think it should be noted, when we talk about taking care of the poorest of the poor, we are talking about a nation that is terribly debtridden because of the excesses of their leaders, leaders who could have taken care of their poor if they had chosen to do so. As long as these leaders can depend upon us to do their job, they will continue their scandalous and destructive excesses. Their fiscal irresponsibility has them now using unreal proportions of their tax revenues for debt servicing. When the treaties were signed in 1977, it was about 39 percent and now over 50 percent goes to pay interest on their public debt; and it is said this figure is going up toward 70 percent within the next 2 or 3 years.

It is doubtful there is enough available in the coffers of the United States to take care of the poor in Panama when the leaders themselves do not act responsibly.

We are talking today, however, contrary to what the gentleman from Illinois (Mr. DERWINSKI) said, about generally new programs. It is not an ongoing situation and I think if we are going to talk about authorizing new aid programs, we ought to wait until we can find out exactly what this House and the other body are going to allow as far as treaty implementation legislation is concerned.

It is very much in order to put this aid to Panama question on the back burner for a few weeks until we find out exactly what the total picture is.

There are also other acts of U.S. generosity that Panama has been the beneficiary of which we will not hear about on this floor during the limited debate of this issue. I will cite one example.

☐ 1325

When I was down there in January, I discovered that the World Bank gave Panama a big loan to complete a new airport in the past few years, something they have not been willing to do for any other Central or South American nation. It is against their normal policy.

Panama has been the recipient of a great deal of U.S. aid and various types of windfalls for half a century, and it does not seem to have done anything for the downtrodden people of that nation or for the United States except make the situation worse and create a government that is entirely too demanding and not too friendly.

So, Mr. Chairman, I urge the approval of this amendment which I think will keep things in proper perspective and hold decisions in abeyance until they can be acted upon responsibly.

Mr. HARKIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, last week I was among 272 Members of the House who voted to cut all military aid to Panama. I did so because I, like so many others, was concerned about the past human rights record in Panama and because we believe that the military aid does little to benefit the Panamanian people.

However, I am taking the well today to urge all my colleagues to vote against the amendment now before us which would cut all the economic aid to the people of Panama. I do so for two reasons.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, this amendment does not cut out all of the aid. It leaves a million and a half in for Public Law 480 food assistance.

Mr. HARKIN. Yes, Public Law 480, title II. The gentleman is correct. It does not cut the Public Law 480 title II funds, but it does cut the grant and loan funds for the Agency for International Development program down there.

Mr. Chairman, I say I oppose the amendment for two reasons: No. 1, because the Panamanian people are coming out of a long period of dire economic need.

The fact may be that as they take over the operation of the Panama Canal and as the proceeds from that operation go into their coffers, they will in the future be much more self-sufficient then they are right now. But I think in this transition period it is important that we do not let them down, that we do not take a position that could be highly volatile, and pull the rug out from underneath them and leave them at the whim of a dictator that perhaps none of us in this body like.

So I am hopeful that by the expenditure of this very small amount of money we can keep the Panamanian economy on an even keel and get them through this transition period, after which they will be operating the Panama Canal.

The question is asked: where is this money going? I would like to point out that $5 million is targeted for agriculture, rural development, and nutrition programs. That is $5 million to help, as they say, about 10,000 small and medium-sized farmers, the impact of which would be to reach about 50,000 to 60,000 Panamanian people.

The second reason I urge defeat of this amendment is on the human rights ground. I said that I voted to cut off the military aid because of human rights. I am now asking to keep the economic aid going because of human rights. While that may seem to be a contradiction, I do not believe it is. The recent reports from our own State Department and from the Inter-American Commission on Human Rights that visited them back last fall indicate in every instance that the human rights situation in Panama is improving. It has not been good in the past, but they have taken steps to improve it. Both the reports from our State Department and from the International Commission on Human Rights so indicate.

So I say at this time, when the Panamanian Government and the Panamanian people are making concrete steps to improve the human rights situation, now is not the time to pull the rug out from under them. Now is the time to say, "Yes, we like what you are doing. We like the fact you are not imprisoning people without due process. We approve of the fact you are no longer torturing people. We approve of the fact that you have a judicial system that is operating and in response to that we will keep up our economic aid again to get you through this transition period you are going through right now."

So, Mr. Chairman, I urge my colleagues, even those who may have voted as I did to cut off the military aid, to defeat this amendment and to support this very meager amount of economic aid to the Panamanian people. I think it will do us much more good in the long run than it would to adopt this amendment, because I think if we do, we would just be cutting off our noses to spite our face.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I think the gentleman from Iowa (Mr. HARKIN) has discussed the situation in a very practical fashion.

There was a difference between those votes. I voted just as the gentleman from Iowa (Mr. HARKIN) did and as the gentleman intends to vote now.

May I say, however, that I do not think it was necessary for the gentleman to apologize to the House for a possible inconsistency, since each amendment is an individual matter.

Mr. HARKIN. Mr. Chairman, I thank the gentleman from Illinois (Mr. DERWINSKI).

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The question was taken; and on a division (demanded by Mr. BAUMAN) there were—ayes 18, noes 23.

RECORDED VOTE

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 246, noes 150, not voting 36, as follows:

[Roll No. 78]

AYES—246

Abdnor
Addabbo
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bereuter
Bethune
Bevill
Boner
Bouquard
Breaux
Brinkley
Broomfield
Brown, Ohio
Brovhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Cheney
Clausen
Cleveland
Coleman
Collins, Tex.
Corcoran
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Devine
Dickinson
Dingell
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
English
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Ferraro
Fish
Flippo
Florio
Fountain
Fowler
Fuqua
Gephardt
Gilman
Gingrich
Ginn
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hanley
Hansen
Harsha
Heckler
Hefner
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Huckaby
Hughes
Hutto
Hyde
Ichord

Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Lott
Lujan
Luken
Lungren
McClory
McDade
McDonald
McEwen
Madigan
Marlenee
Martin
Mathis
Mattox
Mavroules
Mazzoli
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nelson
Nichols
O'Brien
Oakar
Pashayan
Paul
Perkins
Peyser
Pickle
Quayle
Quillen
Rahall
Railsback
Regula
Rhodes
Ritter
Roberts
Robinson
Rose
Roth
Rousselot
Rudd
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
St Germain
Stack
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Stump
Symms
Synar
Tauke
Taylor
Treen
Trible
Van Deerlin
Vander Jagt
Volkmer
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zeferetti

NOES—150

Akaka
Ashley
Aspin
AuCoin
Baldus
Barnes
Bedell
Beilenson
Bennett
Bingham
Blanchard
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Conable
Conte
Corman
Cotter
Coughlin
Danielson
Daschle
Dellums
Derwinski
Dicks
Dixon
Dodd
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Erlenborn
Fary
Fazio
Fenwick
Fisher
Fithian
Foley
Ford, Mich.
Forsythe
Frost
Garcia
Gibbons
Glickman
Gray
Hall, Ohio
Hamilton
Harkin
Harris
Hawkins
Heftel
Holtzman
Howard
Johnson, Colo.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Long, Md.
Lowry
Lundine
McCloskey
McHugh
McKinney
Maguire
Markey
Marks
Matsui
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Nedzi
Nowak
Oberstar
Ottinger
Panetta
Patten
Patterson
Pease
Preyer
Price
Pritchard
Pursell
Rangel
Ratchford
Reuss
Richmond
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Simon
Smith, Iowa
Solarz
Spellman
Stark
Stokes
Studds
Swift
Traxler
Ullman
Vanik
Vento
Walgren
Waxman
Weiss
Wirth
Wolff
Wolpe
Wright
Yates
Zablocki

NOT VOTING—36

Anderson, Ill.
Biaggi
Boggs
Carter
Chappell
Conyers
Davis, S.C.
de la Garza
Deckard
Derrick
Diggs
Emery
Fascell
Findley
Flood
Ford, Tenn.
Frenzel
Gaydos
Giaimo
Gonzalez
Hubbard
Long, La.
McCormack
McKay
Marriott
Nolan
Obey
Pepper
Rinaldo
Runnels
Staggers
Stewart
Thomas
Thompson
Udall
Whitten

□ 1345

The Clerk announced the following pairs:

On this vote:

Mr. Chappell for, with Mrs. Boggs against.

Mr. Flood for, with Mr. Ford of Tennessee against.

Mr. Runnels for, with Mr. Biaggi against.

Mr. Carter for, with Mr. Thompson against.

Mr. Emery for, with Mr. McCormack against.

Mr. Marriott for, with Mr. Pepper against.

Mr. Thomas for, with Mr. Staggers against.

Mr. WEAVER and Mr. ROSE changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title I?

PERSONAL EXPLANATION

Mr. McKAY. Mr. Speaker, having been delayed on business pertaining to my district, I missed rollcall vote No. 78 today on the Bauman amendment to H.R. 3324. Had I been here, I would have voted "aye" on that rollcall vote.

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT: Page 14, line 12, strike out "(a)"; and strike out lines 19 through 24.

□ 1350

Mr. ROUSSELOT. Mr. Chairman, I yield briefly to my colleague, the gentleman from New Jersey (Mr. MINISH), who has an important announcement relating to this legislation.

Mr. MINISH. Mr. Chairman, I thank my good friend.

Mr. Chairman, yesterday during the debate on the Minish amendment, there were some people that were concerned about the feelings of Indonesia and just to quote one Member, he said:

> There is nothing monolithic about OPEC. OPEC is an artificial collection of countries using the temporary situation in the energy field to extract as high a price as possible. The three countries singled out by this amendment—again, Nigeria, Indonesia, and Ecuador—are not the culprits of OPEC. They are the boys that just have to go along. The big shots in OPEC are Saudi Arabia, Kuwait, and Iran.

Twenty minutes ago, over the wire services, this statement came over:

> NEW YORK.—Mexico and Indonesia have raised prices of their crude oil exports above the 9 percent increase approved by the organization of petroleum exporting countries last week.
>
> Mexico, which is not an OPEC member but which follows the cartel's pricing patterns, Wednesday boosted the price of its crude oil $3 a barrel, to $17.10 a barrel. The 21 percent increase is retroactive to April 1.
>
> The OPEC increase amounted to $1.20 per barrel, from $13.34 a barrel to $14.54, but the organization said its members could increase prices further if they felt conditions warranted it. Most of OPEC's members have imposed such surcharges, of from $1.20 to $4 per barrel.
>
> Indonesia's increase ranging from 12 percent to 14.5 percent was not described as a surcharge, but rather as a price differential that reflects the higher quality of Indonesian crude oil. The new price for Indonesian oil is between $15 and $16.70 a barrel.
>
> Mexico sells approximately 440,000 barrels a day to the United States out of a total of 530,000 barrels exported daily. Indonesia sends the United States about 500,000 barrels of oil a day.

Mr. ROUSSELOT. Mr. Chairman, I thank my colleague for his announcement. I did support the gentleman's amendment, because I felt it was unwise for our country's taxpayer to be financially supporting those countries that do so well in the revenues they receive from the very high priced oil; so I appreciate my colleague's comments.

Now, I have an amendment before the Committee of the Whole House that I would like to explain.

Mr. Chairman, I rise today to offer an amendment to delete section 113(b) of the International Development Cooperation Act. The language I seek to delete was submitted by the administration in an effort to nulify the Helms amendment to the fiscal year 1979 Appropriations Act for the Departments of State, Justice, Judiciary, and Commerce.

The Helms amendment reflected the will of Congress last year that no funds for international organizations should be made available for the furnishing of technical assistance by the United Nations or its agencies until the U.N. puts technical assistance fully on a voluntary basis. No fiscal year 1979 appropriations for international organizations were to be used for this purpose. The bill before us today, while it primarily deals with voluntary appropriations for technical assistance programs ($140 million worth) also specifically nullifies the ban on funding for mandatory assessments for U.N. technical assistance.

Section 113(b) would authorize funds in the fiscal year 1979 appropriations for international organizations to once again be diverted to pay the mandatory assessments for technical assistance. Section 113(b) would have us revert to the administration position on this issue which the Congress specifically rejected last year, and to which it has objected for the last several years.

The purpose of the Helms amendment is to prod the U.N. into changing its budget procedures so that all technical assistance funds are put back in the United Nation's development program—which is voluntarily funded—and taken out of the U.N. general operating expenses—which are funded through mandatory assessments. Technical assistance programs do not deal with the operating expenses of the U.N. They serve instead to transfer resources from the developed nations to the underdeveloped nations.

The transfer of wealth has traditionally been a voluntary effort, which member nations may choose to support, and over which the Congress of this member nation has discretion as to the purposes and extent of its participation. The taxpayers of this Nation, through Congress, should have the right to decide how much of their dollars are given to foreign nations, and how those dollars are spent. Funding of technical assistance programs through mandatory assessments preclude this right of the American people.

There is a clear precedent for the Helms amendment. In 1972 the United States was paying 31 percent of U.N. costs through the vehicle of "mandatory assessments." Congress simply refused in that year to pay more than 25 percent. The result? Well, the U.N. reformed its budget process and reduced assessments to 25 percent for the United States. This method is admittedly to some extent one of putting the cart before the horse. But it appears to be the only way to persuade the U.N. to change its budget procedures.

The Rousselot amendment would cut off U.S. payments of mandatory assessments for technical assistance until the U.N. puts technical assistance fully on a voluntary basis. That is where such funds belong.

And so I ask approval of my amendment which will have the effect of keeping the Helms amendment in full force and effect as to the use of fiscal year 1979 appropriations.

Now let me answer some questions that have been properly raised by some of my colleagues:

1. Does the Helms Rousselot Amendment delete all U.S. contributions for technical assistance?

No. The Helms Amendment deletes only technical assistance funded through U.S. assessed contributions to the UN. These mandatory contributions are funded in the State Department appropriations bill for FY 79, passed last summer. The Helms Amendment leaves intact the majority of technical assistance contributions which are funded on a voluntary basis through international development assistance appropriations (foreign aid).

2. Does the Helms Amendment block all U.S. contributions to the regular assessed budget of the United Nations?

No. The United Nations, for internal reasons, prefers to accept assessed contributions without earmarking or conditions, and has declined to certify to the U.S. State Department that no part of the U.S. contributions to the assessed budget will be used for technical assistance. The Helms Amendment seeks to persuade the United Nations and its specialized agencies that mandatory technical assistance is an improper exercise of powers and contrary to the understanding of the United States in agreeing to the UN Charter and the organic statutes of the agencies. The United States has already been successful in eliminating mandatory technical assistance in some of the UN agencies. The Helms Amendment attempted to provide leverage on the technical assistance issue only. The attitude of the UN in refusing to reform its budgetary procedures so as to eliminate mandatory technical assistance has created a contrived situation. The Helms Amendment is not a condition or earmarking on programs; it is a condition on the UN's budget structure.

3. What agencies are affected by the Helms Amendment?

[In millions]

United Nations	$2,800
UNESCO	.625
World Health Organization (WHO)	20.931
Food and Agricultural Organization (FAO)	3.200
World Intellectual Property Organization (WIPO)	.110
Total	27.666

4. Are these amounts significant?

They are small in comparison to over-all U.S. contributions to the U.N. But the category is growing at the rate of 50 percent per year. Technical assistance, in contrast to contributions to operational expenses of the U.N., is essentially a resource transfer to other countries. The principle must be established that resource transfers ought to be voluntary, before a precedent is established involving significant percentages of the U.N. budget. At the present level, reform would be relatively painless. But the levels are growing:

In FY 78, the Senate deleted $19.3 million in mandatory technical assistance, although these funds were restored in conference.

In FY 79, the Senate deleted $27.7 million in mandatory technical assistance (the Helms Amendment), and the House agreed by a vote of 143–191.

In FY 80, State is asking for $41.2 million in mandatory technical assistance.

5. When did the issue of mandatory technical assistance suddenly become significant?

The issue became significant when the less developed nations decided about 1976 to "soak the rich" nations by mandatory resource transfers. This was a qualitative departure from the meaning and spirit of "technical assistance" as originally conceived. The U.S. State Department, in its FY 79 budget submission, described the change and the underlying reasons as follows:

"In recent years the issue of the extent to which technical assistance should be financed as a 'normal' part of the regular, assessed budgets of the specialized agencies as against voluntary contributions through the central mechanism of the UNDP has been a subject of international debate and concern. The delays and cancellations of project delivery caused by the UNDP financial liquidity crisis of 1975–76 stimulated pressure from developing countries for more funding through assessed budgets. Specialized agencies saw this issue raised forcefully in their governing bodies, where developing countries increasingly contended that technical assistance no longer should be treated as an ancillary function. *To avoid the vagaries and uncertainties of voluntary funding, they preferred to see technical assistance supported more through assessed rather than voluntary contributions.*" (P. 9, emphasis supplied)

6. Do the U.N. specialized agencies require members to supply technical assistance in their organic statutes?

Two prohibit the use of assessed budgets for technical assistance, and four specifically permit it. The two which prohibit such use are:

International Atomic Energy Agency (IAEA)

Intergovernmental Maritime Consultative Organization (IMCO)

The four which permit it are:

WHO

FAO

WIPO

International Civil Aviation Organization (ICAO) (But ICAO stopped mandatory technical assistance in 1971)

7. Does the U.N. Charter require members to supply technical assistance on a mandatory basis?

"No. The only statement in the Charter with reference to payment of assessments is the following enigmatic sentence:

"Article 17. 2. The expenses of the Organization shall be borne by the Members as apportioned by the General Assembly." The question is whether technical assistance, as a resource transfer to other nations, is to be interpreted as one of "the expenses of the Organization," or whether the Organization is only a conduit for the funds.

8. Has article 17 been rigidly interpreted in the past?

No. To the contrary, in 1972, Congress directed that the President, by a date certain, no longer pay any assessed contribution that was apportioned by the General Assembly in excess of 25% of the entire UN assessed budget. At that time we were paying 31.5% of the UN budget. After initial resistance, the General Assembly reapportioned our assessment.

9. Has the meaning of "technical assistance" changed since it was introduced into the organic statutes of the specialized agencies in the 1940's?

Yes. The "technical assistance" program of today is something that differs in essence from the meaning of "technical assistance" when the statutes were drafted. The State Department in its FY 79 budget submission described the change as follows:

"Technical assistance to developing countries by the UN system originally took the form of relatively small activities by the United Nations itself and by the specialized agencies whose central mandate was seen as promoting international sectoral cooperation for the benefit of a membership at that time less oriented to the problem of global development. These activities initially were financed from assessed budgets. But, as awareness of the magnitude of the larger development problem grew and as calls increased for greater efforts by the UN system in the field of economic and social development, the need for new sources of funds and new organizational arrangements became evident." (p. 4)

"The constitutions of most specialized agencies were written before 1950 when the doctrine of voluntary financing became the basis of the expanded program of technical assistance. . . . *The statutes of other specialized agencies have less specific language which may be construed to authorize what has subsequent to their drafting been defined as technical assistance or operational activities.*" (p. 11, emphasis supplied)

Since the State Department believes that the original meaning and intent of "technical assistance" has changed materially, the question arises as to why the United States does not construe the statutes in a way which supports U.S. interests.

10. Has there been any recent change in the mandatory technical assistance programs?

Yes. The programs changed materially in 1976 after the decisions by the developing countries to shift more programs to assessed contributions (see no. 5, above).

WHO changed entirely the concept and content of its technical assistance programs in 1976, including even a change of name to "technical cooperation." This change is important because 57% of WHO's budget is mandatory technical assistance, and it accounts for the largest amount of mandatory technical assistance. The State Department said in an October, 1977 issue paper, submitted with the FY 79 budget submission:

"In 1976, the Director General of WHO dropped the term 'technical assistance' as connoting *ad hoc* provision of health goods and services upon request. He introduced the term 'technical cooperation' to connote integrated provision by WHO of health goods and services in the framework of a health program or national health plan agreed to by WHO and the member country." (Issue paper, p. 11)

The same point was stated in more sweeping terms in answers submitted by State in response to Congressional interrogatories:

"In 1976, WHO's Director General, Dr. Halfdan Mahler, dropped 'technical assistance' from WHO's official vocabulary explaining that in the new spirit of self-help sweeping the world WHO would cease being a compliant provider of health goods and services and become a partner with member countries in their efforts to attain higher health standards for all their people. He called for WHO regional offices and member governments to collaborate in developing national health goals and plans that reflected 'real' health priorities endorsed by the World Health Assembly. The assistance that member governments requested from WHO was henceforth to fit into these national plans . . .

"While this definition now serves as the guideline for the WHO Secretariat and the member governments as WHO programs and projects come under renewed scrutiny, *it is relatively new*. It does not fit all the programs and projects of WHO yet. The Director General . . . *did not distinguish between programs that more closely resembled the old technical assistance*. (emphasis supplied)

The question therefore arises as to why—if the nature and direction of WHO programs has changed so radicaly since 1976—we are still being called upon to fund WHO principally through mandatory technical assistance. This dramatic shift to programs that are nationally oriented is reason enough to demand that such programs be funded through voluntary contributions, and that they no longer came under the definition of technical assistance in the original organic statutes. Since the WHO contributions are the largest in the mandatory group, solution of the problem on the basis outlined above would go a long way to solving the whole problem.

FAO did not demand mandatory technical assistance until 1976, pursuant to a personal commitment of U.S. Secretary of Agriculture Earl Butz in 1975. But the FAO programs became so demanding that in 1977 even the State Department demanded and got back a portion of the technical assistance funds.

WIPO, established in 1970, did not receive mandatory technical assistance from the United States until 1976.

ICAO, although its statutes specifically mention technical assistance, established mandatory technical assistance budgets only during the period 1969–1971.

11. Is it important to insist upon mandatory technical assistance to make sure that all nations pay their "fair share"?

No. The same argument could be used to make all of the present voluntary programs mandatory. The benefits of "technical assistance" ought to be of sufficient magnitude so that every country that benefits would be persuaded to contribute on a voluntary basis. Moreover, the benefits to the United States ought to be so great that we would continue to contribute on a voluntary basis even if one or two of the lesser countries refused to pay their share. In any case, it is more important for the United States to be working for the principle of voluntaryism than the principle of coercion in the UN.

12. Was the concept that technical assistance should be voluntary the idea of Senator Helms?

No. The deletion of mandatory technical assistance was in accord with long-standing and frequently expressed policy of the U.S. Senate, the U.S. House of Representative, and the Comptroller General of the U.S. For example, the report of the Senate Committee on Appropriations on the FY 79 State Department Appropriations Bill (H.R. 12934) said:

"This committee has repeatedly demanded improved controls over the technical assistance activities of the various agencies in the U.N. development system. Policies of the U.S. notwithstanding, *it is the policy of the Congress which approves the funding contained in this bill, that technical assistance be under the control and supervision of the U.N. development program.*"

Furthermore, the Conference Report on the International Development and Food Assistance Act of 1978 (H.R. 12222), approved by both Houses of Congress, said:

"It is the sense of the Congress that the President should instruct the United Nations to encourage the specialized agencies of the United States to transfer the funding of technical assistance programs carried out by such agencies to the United Nations Development Program."

The UNDP, of course, is the mechanism for voluntary funding.

I urge support of the amendment.

☐ 1355

The CHAIRMAN. The time of the gentleman from California (Mr. Rousselot) has expired.

Mr. ROUSSELOT. I ask unanimous consent that I be allowed to continue for 3 additional minutes.

(By unanimous consent Mr. Rousselot was allowed to proceed for 3 additional minutes.)

Mr. GILMAN. Will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to my colleague from New York, a distinguished member of this Committee.

Mr. GILMAN. Am I correct in believing that the gentleman is trying to pressure the United Nations to change their budgeting procedures so that program funding be voluntary rather than mandated?

Mr. ROUSSELOT. The gentleman is absolutely correct.

Mr. GILMAN. I want to commend the gentleman for his initiative in this endeavor and I certainly support the gentleman.

There is a need to send a message to the United Nations to bring about a reform in its budget process. The American people deserve to determine for themselves just what programs they wish to support. The funding of technical assistance programs through mandatory assessments precludes this right.

Technical assistance programs are not related to the operating expenses of the U.N. that make up the bulk of our assessed contributions. They should remain voluntary in nature to allow the people of this Nation through the Congress to decide how their contributions should be spent. As the gentlemen from Florida (Mr. Fascell) and Alabama (Mr. Buchanan) have both recognized here today, some budget reform is in order and this amendment is one way to bring about pressure for that needed reform.

What this amendment seeks to do is to provide a tool for budget reform. It is not to eliminate any of the salutary programs that we all support. I urge the passage of this amendment.

Mr. ROUSSELOT. I appreciate my colleague's comments and I know they have meaning because he is an active member of this committee and pays attention to these kinds of issues. I appreciate his support.

The vote here is really the concept of voluntary versus mandatory contributions to these special funds. This Congress has spoken to this issue many times. Again, I would like to reemphasize our General Accounting Office has written about this issue and has suggested that we put pressure on the United Nations to clean up their budgetary process. Our Nation has asked that it be done time and time again.

Now this amendment does not affect, as some people may try to tell you, the $140 million in funding for voluntary payment for U.N. technical assistance programs provided for in this authorization for 1980 and 1981. It does not affect that. If you are told at the door as you race in, that this affects the $140 million in this bill, it does not. That will be a false argument. It does affect the concept that our General Accounting Office has suggested to us and which we have voted on in the past, that we should not allow funds, technical assistance, to be mandated out of the general funds of the United Nations.

This amendment preserves the position we have taken in the past to eliminate that concept in this bill that was reintroduced this time as a new idea.

It will exert pressure on the United Nations to change their budget procedures.

There is a precedent for this. Members of this committee have told me about this precedent, where we have taken this kind of action before. In 1972 when the United States was funding 31 percent of the total U.N. costs through mandatory assessments which it is legally obligated to pay, Congress refused to pay more than 25 percent. The result, reform in the U.N. budget procedure.

The CHAIRMAN. The time of the gentleman from California (Mr. Rousselot) has expired.

Mr. ROUSSELOT. I ask to be allowed to continue for 1 additional minute.

(By unanimous consent Mr. Rousselot was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. The result was when we put that pressure on that there was real reform in the U.N. budget procedures and new assessments of, guess what, 25 percent.

This is the way for this Congress to stay involved in the concept of voluntary contributions.

Since we have just reverted again to the 1-year concept, we will have an opportunity each year to make judgments on this issue. Since it is our money that is involved, our taxpayers' money, I think we should follow the suggestion of the General Accounting Office, each House as we have in the past, and support this amendment to return to the voluntary concept.

● Mr. RUDD. I very much support the amendment by my good friend from California (Mr. ROUSSELOT).

Last year, both the House and Senate adopted an amendment to the State Department appropriations bill which specified that none of the funds contained in the bill for the purpose of paying the U.S. assessed contribution to the United Nations were to "be made available for the furnishing of technical assistance by the United Nations for any of its specialized agencies."

The amendment was originally sponsored in the Senate, by the Senator from North Carolina, Mr. HELMS, with the House receding from its disagreement on September 29 by a vote of 191 to 143.

Technical assistance is, in essence, an international transfer payment. It is a resource transfer from one nation to another. The United States has long maintained that such payments should be strictly voluntary, and not mandatory through the assessed contribution to the United Nations.

Nevertheless, the United Nations has persisted in continuing its policy of financing technical assistance through assessed contributions—over which member nations have no control—with increasing frequency.

In fiscal year 1978, the United States paid $19.3 million in such mandatory technical assistance.

In fiscal year 1979, the Congress was asked to appropriate $27.7 million for this purpose.

This is the amount which the Congress eliminated by the provision prohibiting a transfer of money via technical assistance.

For fiscal year 1980, the State Department has already requested a reinstitution of our mandatory contribution to be used for technical assistance. This amount is $41.2 million.

The pattern is clear, and distressing.

These increases represent an annual increase of 50 percent and likely will continue to escalate unless firm measures are taken to insist that only voluntary contributions—such as those contained within H.R. 3324—are permitted to be used for technical assistance.

Proponents of repealing the so-called Helms amendment have stated that it prevents all U.S. contributions to the United Nations. On the contrary.

The United Nations has itself adopted a contrived position whereby they have refused to accept our assessed contributions with this stipulation.

If the State Department would spend as much time and effort trying to convince the United Nations to modify its position as it has in lobbying Congress to change ours, we would probably have no difficulty in persuading the U.N. to change its budgetary procedures.

The question today is whether Congress stands firm to insist on proper distribution of U.S. tax dollars.

It has become obvious that neither the United Nations nor the U.S. State Department otherwise intend to do anything about this situation.

I urge support for striking section 133 (b) from the committee bill. To do so will demonstrate continued suport for the responsible approach which Congress adopted last fall.

Concern has been expressed from a number of fronts about this growing problem over the years. The House Foreign Affairs Committee, the General Accounting Office, the Senate Government Operations Committee and the Senate Appropriations Committee have all voiced criticism of the growing use of technical assistance from the mandatory contributions.

The discontent culminated in two actions taken last year by Congress. On June 26, 1978, Senator RICHARD SCHWEIKER sponsored an amendment to the International Development and Food Assistance bill, H.R. 12222, which instructed the U.S. representatives to the United Nations to work toward a change in this U.N. budget policy.

The text of the Schweiker amendment as incorporated into the conference report is:

> It is the sense of the Congress that the President should instruct the appropriate representatives of the United States to the United Nations to encourage the specialized agencies of the United Nations to transfer the funding of technical assistance programs carried out by such agencies to the United Nations Development Program.

On August 3, 1978, the Senate adopted an amendment sponsored by Senator JESSE HELMS which required that none of the funds appropriated under the appropriations bill for the State, Justice, Commerce, and Judiciary Departments (which included the U.S. mandatory contribution to the United Nations) should be allowed "for the furnishing of technical assistance by the United Nations or any of its specialized agencies."

The House on September 29 at the urging of Mr. ROUSSELOT receded from its disagreement with that Senate amendment (the Helms amendment) by a vote of 191 to 143, and included the restrictive language in the conference report.

Mr. Chairman, I believe that it is important that the House today maintain its support for the important distinction between technical assistance which is voluntary, and that which is mandatory. We should reaffirm our support for close congressional control over U.S. tax dollars which are contributed to international organizations.

Let me emphasize that the amendment adopted by Congress in 1978 does not interfere with the majority of technical assistance contributions which are funded on a voluntary basis through international development assistance appropriations such as we are considering today.

The amendment leaves intact the United Nations development program (UNDP) which is a voluntary contribution program to which the United States regularly contributes. Indeed, a generous authorization for $140 million is contained within the bill we consider today.

The problem has resulted from the fact that about one-half of the total technical assistance supported by the United Nations comes from mandatory contributions, rather than voluntary ones as originally conceived.

The so-called Helms amendment is a legitimate means whereby Congress urges the United Nations to adjust its internal budget procedures to eliminate mandatory technical assistance which has been increasing in recent years.

Let it be clearly understood that the obstacle to continued funding of U.N. programs is not this amendment. Rather, it is the intransigence of the United Nations in adopting a contrived position of refusing to accept U.S. payments with this stipulation attached. The U.N. has refused to certify to the U.S. State Department that no part of the U.S. contributions to the assessed budget will be used for technical assistance, and hence the U.N. has precipitated the funding difficulties.

We are at a deadlock. The State Department now recommends that we cave in and simply allow the United Nations to continue requiring technical assistance through mandatory contributions.

The State Department's acquiescence to the situation becomes all the more obvious when we examine their fiscal year 1980 budget request in which they seek an appropriation for $41.2 million in mandatory technical assistance.

While these mandatory technical assistance payments are a small portion of the total U.S. contributions to the United Nations, they have been steadily on the increase as the following chart outlines:

U.S. MANDATORY TECHNICAL ASSISTANCE TO UNITED NATIONS AND RELATED AGENCIES

(In millions)

Mandatory technical assistance:	
Fiscal year 1978	$19.3
Fiscal year 1979	27.7
Fiscal year 1980	41.2

Congress has demonstrated its increasing concern with this situation. In fiscal year 1978, the Senate deleted the $19.3 million requested for mandatory technical assistance, but the funds were restored in conference with the House.

Despite the restoration of the $19.3 million appropriation, the conference report stated dissatisfaction with the situation:

> The amount approved includes funds for technical assistance which the Senate proposal would not have allowed. Approval of such funding, however, does not mean that the conferees condone the present situation with respect to such funds.
>
> The conferees are concerned over the growing tendency of United Nations specialized agencies to increase their assessed budgets to finance technical assistance programs. The Committee firmly believes that technical assistance should be financed through voluntary contributions, and not by substantial increases in regular assessed budgets of international organizations. In particular, technical assistance activities should be

voluntarily financed by the United Nations Development Program.

Finally, in the fall of 1978, both the House and the Senate agreed on the need to attach a requirement to our mandatory assessment to the United Nations that no funds be used for technical assistance (the Helms amendment).

Let me point out that the United States is not being niggardly in its voluntary contributions. On the contrary, the Committee on Foreign Affairs has recommended a generous voluntary assistance totaling $259 million to U.N.-related agencies in the bill we are considering today.

The primary legitimate recipient of funds for the purpose of technical assistance is the United Nations Development Program which is authorized to receive $140 million under the committee's recommendations.

This is the agency which was specifically set up in 1966 to assume the leadership role in management of all technical assistance. It, and it alone, is the proper vehicle for technical assistance.

I urge my colleagues to continue to insist on a proper accounting of U.S. contributions to the United Nations by insisting on the preservation of the Helms-Rousselot amendment.

I urge the adoption of the amendment.●

□ 1400

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore (Mr. MURTHA) assumed the Chair.

The SPEAKER pro tempore. The Chair will receive a message.

FURTHER MESSAGE FROM THE PRESIDENT

A further message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

INTERNATIONAL DEVELOPMENT COOPERATION ACT OF 1979

The Committee resumed its sitting.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in the foreign operations appropriation bill last year, in the second session of the 95th Congress, the other body, added an amendment to the International Organizations and Programs section. That section authorizes the appropriation of $327,670,000. The amendment which was added—and I quote from the amendment—

> No part may be made available for the furnishing of technical assistance by the United Nations or any of its specialized agencies.

Let me state the purpose of section 113(b) that the Committee on Foreign Affairs, Mr. Chairman, is reporting for consideration. That is the section which the gentleman from California (Mr. ROUSSELOT), by amendment intends to delete. The amendment to the fiscal year 1979 appropriation for State, Justice, Commerce, and the Judiciary prohibits any United States-assessed contribution to the United Nations and specialized agencies to be used for technical assistance.

In addition to cutting the U.S. contribution by $27.7 million, the amount designated for technical assistance, this provision, which was adopted hurriedly in the other body with but a few Members on the floor, has prevented the U.S. Government from providing any of its assessed contributions to the United Nations for fiscal year 1979.

The United States could not make these contributions—and I wish to call this to the attention of the gentleman from California (Mr. ROUSSELOT)—because the President is unable to certify that none of the funds will be used for technical assistance. This is the situation.

The United States always insists, and has insisted, that other United Nations members ought to pay their assessed dues on a regular basis, and that they should fulfill their financial responsibilities. Now we are following and indeed aping the Soviet Union, an acknowledged nondues payer. We are in the same status; we have the same black eye.

Do the Members want us to follow the example that the Soviet Union has played in the United Nations in the past, or are we going to be a respectable Nation and a responsible member of the United Nations, as we have always been?

□ 1405

This amendment, Mr. Chairman, has an unfortunate and, I hope, and I am sure, on the part of the gentleman from California, an unintended effect. It has prevented the United States from making its assessed contributions to various technical United Nations organizations that serve the United States national interest. It is threatening to disrupt their operations.

Let me just give a few examples, Mr. Chairman. The United States has been unable to provide its contribution to the International Civil Aviation Organization. I think we can all agree that it is in the U.S. interest to have common international aviation standards and to provide developing countries with technical assistance to insure that their airports, aviation equipment and practices meet international standards. After all, our airplanes fly to foreign lands, carrying our constituents, our United States citizens. Are we not concerned with their safety? It is also in the U.S. interest to support the International Telecommunication Union, which facilitates international radio and telegraph transmittals.

Mr. VAN DEERLIN. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from California.

Mr. VAN DEERLIN. Just yesterday, Mr. Chairman, I was conducting oversight hearings in the Communication Subcommittee on American preparations for participating in the upcoming World Administrative Radio Conference, which gets underway in Geneva in September of this year.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. ZABLOCKI) has expired.

(On request of Mr. VAN DEERLIN and by unanimous consent, Mr. ZABLOCKI was allowed to proceed for 5 additional minutes.)

Mr. VAN DEERLIN. Mr. Chairman, this is a conference that takes place every 20 years, and what it does is to divide up the spectrum space of the entire world. I do not have to tell the gentleman that in recent decades the emerging nations have been seeking an increasing share of the pie, whether or not they are prepared to use it. Whether or not they have satellites up yet, they want to preserve their rights. American delegates have been embarrassed in earlier conferences when Third World participants have looked out and seen an all-white, all-male, all-engineer delegation from the United States. Due in part to efforts by our subcommittee, the American representation is being broadened this year to include women, to include nonwhites—to greatly variegate the representation by some 60 people who will be carrying the American flag to Geneva for this conference. It will be dreadfully embarrassing for that group if—now that we have resolved one of the most difficult questions of the past—we send them with the United States in default of the paltry 7 percent U.S. share which goes to help support the work of the International Telecommunications Union.

I do hope that this amendment, above all, will be rejected. I know that the chairman of the Committee on Foreign Affairs is having a tough time today with many of these amendments, and I do wish him well in turning this one down.

Mr. ZABLOCKI. I thank the gentleman.

Mr. Chairman, it is an excellent example of how this provision caused the U.S. position in these organizations to deteriorate. I might say to the gentleman that we have had a difficult time and lost our position on some of the amendments today. But I strongly support my position on this issue, because I know what our committee reported is correct, and repeal of the Helms' amendment, as recommended by the committee, is in our national interest. I hope the Committee will approve the recommendation of the Committee on Foreign Affairs and reject the amendment offered by the gentleman from California. There has been one concrete example cited of the effects of the Helms amendment. Let me point out that it is in the U.S. interest to participate in the World Meteorological Organization, which has developed a worldwide network of weather observation and reporting facilities, which helps developing countries with technical assistance so that they can uphold their part of the network. Denying this money is denying our U.S. interest in this particular United Nations Organization effort. It is in the U.S. interest to work with the U.S. Postal Union, of course. Certainly, the gentleman from California cannot deny that. We also need the World International Property Organization, which works to protect patent rights and to establish international patent standards.

And, last, we need the World Health Organization, which undertakes some very important research and technical assistance regarding health problems.

□ 1410

Particularly, we seek to eradicate and prevent the spread of infectious diseases so they do not become a world plague. After all, if there is indeed an epidemic, do we have an insulated wall around our country? Or, are we not exposing ourselves to that epidemic unless we have the World Health Organization assisting in this research and development worldwide

Mr. ROUSSELOT. Will the gentleman yield?

Mr. ZABLOCKI. In just 30 seconds. Because of the ongoing crisis in Pennsylvania, and I am referring now to the Harrisburg nuclear plant, the critical importance of the International Atomic Energy Agency in promoting international standards and practices of nuclear safety should now also be uppermost in our minds. I hope, gentlemen, that the amendment labeled as the Helms amendment will be defeated by not defeating the amendment offered by the gentleman from California. If the gentleman from California will notice, I called it the Helms amendment. I know the gentleman would not want to be associated with an amendment so detrimental to our country's well-being.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(At the request of Mr. Rousselot and by unanimous consent, Mr. Zablocki was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. Mr. Chairman, I yield to the gentleman from California.

Mr. ROUSSELOT. I wish to respond to the distinguished chairman of the Foreign Affairs Committee and also to my good colleague from California (Mr. Van Deerlin).

Nobody has said that our U.S. participation in these special funds will be stopped by this amendment. These funds are voluntary contributions controlled by the State Department through the United Nations Development Program. That U.N. agency handles the voluntary funding for the organizations just mentioned. The United States is not stopped from participating in the International Telecommunications Union and these other agencies.

Our State Department, as the gentleman knows because he deals with this legislation, has the control of how much voluntary participation the United States will give to these agencies. None of that is stopped with this amendment. It is continued, and the State Department under this authorization will still have authority on a voluntary—not a mandatory—basis, out of the general fund to maintain the support of all special funds.

That is the thing we are trying to stop, so that a majority vote of the U.N. cannot jack up our mandatory contribution. It should be done on a voluntary basis.

I know the gentleman would not want to say all 435 Members as of today have to contribute to the Pro-Life Group or some other group, because those are voluntary organizations. That is all we are saying with the Helms-Rousselot amendment. That is what the House said last year. That is what the Senate said last year.

Everybody listening here in the Chamber should know you are not being denied, by voting for this amendment, voluntary contributions. As a matter of fact, you will be delighted to know that our colleague, Mr. Morse, who used to serve here and is now at the U.N., told me that he is able to raise for the fund over which he supervises over $600 billion on a voluntary basis. That is what is being debated here. Do not be fooled by the claim that all these agencies will no longer receive funds.

It is only that it cannot be mandated out of the general fund. That is all.

I appreciate my colleague yielding, because I know he wanted that corrected.

Mr. ZABLOCKI. Well, I must say I cannot agree with the gentleman's shell game, where he says he is taking it for the purpose of furnishing technical assistance from UNDP funds.

Mr. ROUSSELOT. That is what the gentleman is doing in this legislation.

Mr. ZABLOCKI. I do not agree. Let me say, with reference to the gentleman's analogy, that if 435 Members would have to mandatorily contribute to some organization or another, whether it is population control or the ERA, because they are Members of Congress, that is mixing apples and oranges. There is no comparison.

□ 1415

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. Zablocki) has expired.

(On request of Mr. Bingham and by unanimous consent, Mr. Zablocki was allowed to proceed for 5 additional minutes.)

Mr. ZABLOCKI. Mr. Chairman, let me just say to the gentleman from California (Mr. Rousselot), if I may have his attention, that not only is he mixing apples and oranges, but he is adding bananas.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the distinguished chairman for yielding.

The point of this amendment is that it stops not just U.S. contributions to technical assistance activities, which it is aimed at in so many words; it stops contributions to all activities of these international organizations based on their regular budgets.

Here is the kind of thing which WHO does out of its regular budget: Worldwide disease surveys and control, worldwide research on heart disease, worldwide data collection, research on nutrition.

Those are not part of Brad Morse's technical assistance programs. Those are part of the regular programs of WHO.

Similarly, in the case of the U.N. itself, the peacekeeping forces which are today performing an absolutely essential function in the Middle East are paid for from the regular budget of the U.N.

Mr. Chairman, that is what we are being prevented from contributing to under our assessment obligations by the Helms amendment.

If we were just concerned with technical assistance, then the gentleman from California (Mr. Rousselot) might be right that his aim could be met by saying, "We can do it through voluntary contributions."

However, the Helms amendment effectively stops U.S. participation in the entire spectrum of international agencies. Therefore, I would suggest that what this amendment ought to be called is the "Stop The World, I Want To Get Off Amendment."

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman from New York (Mr. Bingham) for his contribution. Further, I want to again underscore that I agree exactly with what the gentleman from New York (Mr. Bingham) has said.

This amendment does not only affect the agencies which the gentleman from California (Mr. Rousselot) has mentioned, but all of our partners.

Mr. Chairman, I must again underscore that the President is unable to certify that none of the funds, no matter what United Nations agencies or organizations are involved, will be used for technical assistance.

Mr. BINGHAM. If the gentleman will yield further, Mr. Chairman, is it not correct that before 1949, when the technical assistance programs on a voluntary basis were inaugurated following President Truman's point IV message, these international organizations which were already set up were already engaged in a variety of activities, some of which could be called technical assistance?

Mr. ZABLOCKI. That is correct.

Mr. BINGHAM. That goes back to the very beginning. In the case of some of them, it goes back to even before World War II.

This amendment, therefore, goes to the heart of the operations of our international programs, and our obligation to help support them.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for his further observation.

I call for a "no" vote on the amendment offered by the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's yielding.

I just want to comment on my colleague's offhand statements. I certainly do not think we can get off the world merry-go-round. Nobody has suggested that. One limitation on mandatory contributions to the U.N. certainly does not force us to "get off the world."

Furthermore, the gentleman is incorrect in suggesting that this stops our ability to participate in the special funds. It does not.

Many of these funds which have been mentioned, including the one mentioned by the gentleman from California (Mr. VAN DEERLIN), my good colleague, are continued by the $140 million allowance.

As a matter of fact, Mr. Chairman, the Helms amendment has been in place for several years now. It has not stopped our voluntary participation in those special funds, and that is the point.

Mr. ZABLOCKI. But it certainly has depleted the funds of the specialized agencies.

It is my understanding, for example, that WHO may come to a very sudden stop at the end of a month or two because we have been defaulting in our contributions to WHO.

Mr. ROUSSELOT. That is not my understanding.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, the point is that it stops our contributions which are set contributions. That is what it stops.

It does not stop our voluntary contributions. That is a different thing. It stops the contributions we are obligated to make under our international obligation.

Mr. ZABLOCKI. Mr. Chairman, I yield back the balance of my time.

□ 1520

The CHAIRMAN. Before recognizing the gentleman from Illinois (Mr. DERWINSKI), the Chair would like to observe that when the Members are engaging in debate in the Committee of the Whole, they should be addressing the Chairman of the Committee; they are not addressing Members who are watching on television sets or others outside the Chamber. The Chair would remind the Members to observe that rule.

The Chair recognizes the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise to oppose this amendment. I recognize that, just like Panama or the Panama Canel specifically, to mention the United Nations triggers a certain pattern of votes. I am under no illusions that defending the U.N. is ever too popular in this Chamber. But I would just like to point out that the practical effect of what I will call the Helms amendment—I will not add the name of the House sponsor because I think he will rethink his position and eventually join the forces of righteousness—the effect of the amendment would be to put us in the position where we violate our obligations to the United Nations. When we do that, that puts us in bed with the Soviet Union.

The real weakness of the U.N. started 20 years ago when the Soviet Union, unhappy with the decision in the General Assembly to send troops to a Congo peacekeeping operation, started to withhold funds. Since then the U.N. has been on the verge of bankruptcy.

The newly discovered friendly country whose capital is Peking has practiced that kind of diplomacy. I would suggest to the Members, we want the United States to be above those tactics.

Perhaps we are not happy with all of our U.N. obligations, but they are legal obligations. We have been a leader at the United Nations. If all the countries performed at the United Nations the way we have, that world body would be far more viable. When we put the United States in the position where we would renounce our obligations, we reduce our effectiveness; we weaken the leadership that we possess there and to me worst of all; we put ourselves right in bed with the policies of the Soviet Union. We are not the Soviet Union; we are a country that has a foreign policy based on nobility, a foreign policy based on the best interests of people in all the world. To put us in the position where we will selectively withhold funds the way the Soviets have done is not consistent with our reputation in the world.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I will yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank my colleague for yielding.

I hope it is not inappropriate—and I am sure my colleague, the gentleman from California, will understand that these comments are offered in all friendship—to remind this House of some of the principles that we used to live by. How can Congress and this Nation be respected if we do not live up to our word?

My father was an old-fashioned American, born in Kentucky, who lived in Minnesota all of his youth. He used to say "a man's word should be as good as his bond. One does not need a $10,000 penalty clause before an honorable man lives up to his word."

If this Nation does not live up to its obligations, what do we say? "It is a piece of paper. We did not mean it." We have got to have some principles in our foreign affairs, as we try to do in our own lives, and surely the acts of this Congress should reflect those principles.

□ 1425

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I have learned something, that our foreign policy is based on nobility. I wonder if my colleague from Illinois thinks that what we did to the Republic of China was an act of nobility?

Mr. DERWINSKI. Well, no. Let me point out that occasionally we have a President who is not infallible; but we in the Congress restored some of that image of nobility when we passed the so-called Taiwan legislation. We did a great job of reestablishing the international reputation of our country.

Mr. ASHBROOK. Mr. Chairman, if my colleague will further yield, that is the second revelation that has come to me this afternoon.

Mr. DERWINSKI. Well, if the gentleman will listen to me, the gentleman will receive a lot more.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent, Mr. DERWINSKI was allowed to proceed for 1 additional minute.)

Mr. DERWINSKI. Mr. Chairman, let me point out, I realize that a lot of countries use the U.N. and target the United States in terms of a whipping boy; but believe it or not, when the chips are down we are the country there that has the respect, we are the country they look to for leadership, and even with our imperfections, the United States is really the key country to any rational worldwide relationship. We are the key country, because even with occasional inconsistencies we do basically try to lead the world in a proper direction.

The United Nations is necessary. It may not be perfect. If we did not have it, we would have to have something like it.

I say that this amendment does a disservice to the role of leadership that we have played and must continue to play there.

I would suggest that we recognize, yes, the U.N. is deficient, but it is absolutely necessary and it has been a good vehicle for the conduct of U.S. foreign policy.

Mr. PRITCHARD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in support of the committee-reported version of H.R. 3324. I strongly oppose the addition of language similar to the Helms amendment which was added in the last Congress in the Senate appropriations bill.

There are three major areas of concern which are affected by an amendment such as this:

International fisheries programs;

International marine scientific research; and

International climate program.

I have been very active in these areas on the Committee on Merchant Marine and Fisheries, and an amendment such as this would affect significantly our country's leadership role in these very important matters.

For example, in the area of marine scientific research, the International Oceanographic Commission (IOC) is of particular concern to the United States. It is the primary intergovernmental forum for developed and developing countries with respect to ocean research and development. Given increasing coastal state jurisdiction over marine scientific research within 200-mile fisheries zones, international cooperation in oceanographic research is the key in the United States acquiring access to foreign states coastal waters to continue to conduct such valuable oceanic and atmospheric research. The IOC serves as an important means to facilitate clearances for U.S. research vessels to operate off the coasts of many developing countries. This access is going to become increasingly difficult for U.S. vessels because of the resource-related nature of much of their research work. Therefore, the role of the IOC is becoming increasingly important, and if anything, its funding should be increased

The Helms prohibition of technical assistance severely affects the UNESCO budget and would in turn affect the IOC program. This cut would sharply affect our ability to participate in such important areas as marine pollution research, fisheries population assessment, ocean monitoring, and data exchange. The United States must depend increasingly upon international goodwill and cooperation in the ocean science area as coastal state jurisdictions proliferate. I can only reiterate the importance of the IOC in this regard.

In addition to the IOC, the Food and Agricultural Organization's Committee on Fisheries has played a very important role in determining the value and extent of resources off the coasts of many countries. Developing countries are becoming increasingly interested in these resources and unless the United States and other developed countries provide some support in establishing accurate resource assessments, there is a strong danger that many of these resources will be overharvested.

The FAO is the only body capable of carrying out global scale research activities and data services which provide reliable information for resource management decisions to all member countries. Also, even though the United States conducts extensive research about catches of its own, many U.S. citizens depend upon the research and data as supplied by the FAO about the status of resources in other areas of the world. There are two ongoing programs being conducted by FAO of particular economic importance to the United States. One involves the Fisheries Development Project in the Caribbean. FAO's attempting to work with U.S. distant water fishermen to develop fisheries resources in the Caribbean area. Also, FAO provides regional fisheries programs to areas such as the South Pacific, the Indian Ocean, and the Southeast Asia area. Because we have membership in these regional organizations, it becomes more likely that the United States will have access if and when these fisheries are developed. This is especially important in the case of tuna fisheries.

Finally, in the area of international climate research, the World Meteorological Organization (WMO) has provided significant research, which must be done on a global basis, to determine a basis for extending the range and scope of weather forecasts. The WMO has increased the availability and timeliness of data which allows more accurate weather predictions, a better assessment of the CO_2 buildup in the atmosphere and its impacts and also provided the United States with better data for forecasting conditions for transatlantic and transpacific flights. International climate research is necessary to better understand the sources and extent of weather systems, and the WMO meets the necessary requirements for providing a strong level of international cooperation in this area.

The oceans and atmosphere are critical international resources which the United States and other nations must manage in a cooperative manner. The U.S. contribution to international organizations aimed at managing what in effect are globally-owned resources is of the utmost importance in achieving wise management and utilization of these resources. Therefore, I strongly support the passage of the authorization bill without language which would restrict the functioning of these important global institutions.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. PRITCHARD. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague bringing this point up and yielding. The gentleman knows full well this amendment will not hurt those agencies, because we presently contribute on a voluntary basis to those agencies and we will continue to do so.

This amendment does not affect that. The State Department has the authority and the power under this legislation to contribute to those agencies; so I know the gentleman did not mean to leave the impression that suddenly it would all stop. To the degree that our State Department feels that those special funds are worthy, they will continue to contribute to them.

The problem here, as the gentleman knows, is budgetary reform. They have not told our Nation many times when they have taken it out of the general funds on an assessed basis, a mandatory basis.

Now, I know that the gentleman favors the concept of voluntary contribution and the power is still there under this legislation to do that. That has not changed. What it does change is the mandatory assessment out of the general funds.

Mr. PRITCHARD. Well, I would say that the gentleman misspeaks. The gentleman said I favor the voluntary approach. I do not think we can work in the United States effectively if we go on the voluntary approach. That is the Russian way to do it. If we are going to have a United Nations approach which is going to work, we have to have the mandatory approach. One, we lose our vote if we do not.

I think in the long run if all the nations in the world go down the road toward a voluntary approach, in the long run America will end up paying more of the bill than if we each one stand up and pay our obligations.

Mr. ROUSSELOT. Mr. Chairman, that is not correct. The gentleman is saying that we lose the vote. That is not so. Very few nations have been challenged on their vote when their assessments are in arrears or delinquent.

Mr. PRITCHARD. Mr. Chairman, I yield to the gentleman from Alabama who told me just recently, just now, that if we go on the voluntary approach basis, we will lose our vote. Is that right, I ask the gentleman from Alabama (Mr. BUCHANAN)?

Mr. BUCHANAN. Mr. Chairman, if the gentleman will yield, we have a legal obligation to pay an assessed share of these various budgets. If we fail to pay that share, we will, in time, lose our votes in those agencies.

Mr. ROUSSELOT. In time.

Mr. BUCHANAN. Yes, in 2 years.

Mr. ROUSSELOT. Four years.

Mr. BUCHANAN. One more year, a total of 2 years.

The point is, I understand what the gentleman seeks to achieve. I am not necessarily hostile to the gentleman's recommendation that this be a voluntary contribution, but one could not force that kind of reform on these various entities with a blackmail technique of withholding our contribution, our share. If we do not live up to our international obligations, in my judgment we cannot hope to succeed. One could only hurt our country and lose its vote.

☐ 1430

It is one thing to work within an entity to try to bring about change. It is quite another to try to impose change by fiat of a single member of that entity in violation of its international obligations. That is what we are looking at.

Mr. ROUSSELOT. I am glad the gentleman does agree with the General Accounting Office recommendation on the budgetary reform and that is what this is all about as the gentleman knows. We discussed it.

Mr. PRITCHARD. If you agree with their approach and we go into the United Nations and get the other members to agree to a voluntary approach that is one thing, but if we from the outside say we are going to go on a voluntary approach while all of the other United Nations and the rules of that organization call for compulsory contributions and assessments, I think that is a wrong way to approach it. I think it is shortsighted. In the long run I think America will carry a disproportionate share of the load if we go the voluntary way.

Mr. GILMAN. Will the gentleman yield?

Mr. PRITCHARD. Yes, I will be glad to yield.

Mr. GILMAN. What the gentleman from California is seeking to do is to encourage overall budgetary reform in the U.N. and I think most of us recognize that some reform is long overdue in that great body.

Mr. PRITCHARD. I do not argue with that.

Mr. GILMAN. The gentleman did mention if it was voluntary it would not work. I would like to point out an example where it works and works well. That is the United Nations fund for drug abuse.

Now our Nation has been paying 80

percent of the cost of that fund, until some of us took an interest in it.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. ROUSSELOT and by unanimous consent, the gentleman from Washington (Mr. PRITCHARD) was allowed to proceed for 2 additional minutes.)

Mr. PRITCHARD. I yield to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. We took an interest and encouraged a voluntary contribution by other nations. We now pay the same amount but our amount is now 40 percent of the overall fund, a fund that is working quite well, a voluntary fund that needed some reform in its budgetary process.

Then, what the gentleman is seeking to do here is to encourage a budgetary reform in the United Nations. It is not that the gentleman wishes us to withdraw from these salutary projects that we all recognize are worthy, but to try to encourage a better utilization of those hard won American dollars.

Mr. PRITCHARD. I yield back the balance of my time.

Mr. FASCELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there is no way you can establish budgetary reform by becoming delinquent in an organization if in 1 year you will be out of the organization because of that delinquency.

The relationship between assessed contributions and voluntary contributions for technical assistance purposes is a discussion which has been going on for a long time in the United Nations and in this Congress. I could very easily join those who seek to provide greater voluntary contributions for technical assistance through multilateral institutions. Except they have fought every effort to provide the full funding for technical assistance through multilateral institutions.

The very purpose which this amendment seeks to serve is, that by tying a conditions to the assessment of the United States in the United Nations and the specialized agencies, that assessment cannot be received with those conditions and therefore the United States is delinquent. It is a hard way to get at the problem but it is totally effective if you are trying to get the United States out of the United Nations. If you are trying to destroy the United Nations, that is what this amendment would do. So it is not simply a violation or a breach of our own statutory duties and obligations. It is contrary to the very purposes that we are seeking to accomplish with respect to multilateral institutions.

☐ 1435

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. Certainly, I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's yielding.

Does the gentleman agree with the General Accounting Office report that budgetary reform is really needed in the U.N.?

Mr. FASCELL. Yes, in general.

Mr. ROUSSELOT. I appreciate that. That is all we are trying to do.

Mr. FASCELL. Yes, I understand that. But let me tell the gentleman that I know a little bit about this. I was at the U.N. and called the General Accounting Office up in 1969 to start this process of budgetary reform.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's doing that. I think that was a worthy effort. This amendment is a part of that reform effort.

Mr. FASCELL. Mr. Chairman, I know we cannot get budgetary reform by the way the gentleman is trying to.

Mr. ROUSSELOT. I think it has worked, because when it went into place, it has gotten their attention, and they know that we do not intend to have this assessed out of the general fund just on the basis of a few countries getting together and jacking the price up. So I think the process has worked well.

Mr. FASCELL. I understand the gentleman's point, and in some cases it is not without merit.

Mr. ROUSSELOT. I appreciate the recognition of that fact by the gentleman.

Mr. FASCELL. But let me say this: We started out with a contribution of 31 percent, and through persuasion and an effort by the Congress. I am going to give Congress a good share of the credit; I do not know whether the gentleman was here at that time or not, but I give him some of the credit—we reduced that to 25 percent.

Mr. ROUSSELOT. And that did have an impact.

Mr. FASCELL. It can be done.

Mr. ROUSSELOT. And we were not drummed out of the U.N. because we reduced our assessment to 25 percent.

Mr. FASCELL. But I do not think we ought to be delinquent in every one of the specialized agencies and in the United Nations on our assessed contributions, because I think that is a fatal mistake.

Mr. ROUSSELOT. But the gentleman does agree that most of these specialized agency funds should be contributed on a voluntary basis, right?

Mr. FASCELL. No, I did not say that.

Mr. ROUSSELOT. But the gentleman agrees with that concept, that that is the way it was set up?

Mr. FASCELL. Mr. Chairman, let me reclaim my time, if I may.

No, I did not say that. I say there has been a tendency in that direction. Because of the failure of the United States to maintain its voluntary contributions to the UNDP for technical assistance and beacuse of our failure to fulfill our obligations to other multilateral institutions for technical assistance, what has happened is that the specialized agencies have built up an in-house capability for the delivery of technical assistance.

We defeat the very purpose that some of us were trying to accomplish by denying funds to multilateral institutions for technical assistance. Now the gentleman comes around with the other side of the coin. He says that now we want to cut out the in-house capability, and the way we are going to do that is by stopping all U.S. funds.

Mr. ROUSSELOT. No, we are not stopping all funds, only the funding from the mandated assessments.

Mr. FASCELL. Mr. Chairman, I do not think we can have it both ways. I think the amendment ought to be defeated.

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I have some sympathy for the GAO recommendations, and indeed, like the gentleman from Florida (Mr. FASCELL), I have served in the U.N. While there, I myself saw the need for reform and tried to assist in achieving reform. As a matter of fact, I served on the fifth committee, the Committee on Administration and Budget, and had the privilege of casting the vote on reducing our share of the assessed budget from 31 percent to 25 percent. My colleague who preceded me on this fifth committee a year before, Gale McGee, however, had to work in unbelievable ways in order to achieve what Congress had demanded.

Mr. Chairman, I would hate to have to go through that every year and do so in a variety of different agencies.

The problem with this method of achieving that end result, I will say to the gentleman, is that it does come in violation of our obligations. It does jeopardize both our input and our vote, and also I am afraid it will not achieve the purpose which the gentleman seeks.

There are five instances where there is specific reference to the furnishing of assistance in the appropriate organic statutes of the organizations involved. Those include the World Health Organization, the Food and Agriculture Organization, the International Civil Aviation Organization, the World Intellectual Property Organization, and the Universal Postal Union. In none of the agencies that are affected is there any prohibition for the use of assessed funds for technical assistance save one.

As has been previously mentioned, the World Health Organization is one U.N. agency that is really doing some substantial work. They have virtually wiped out smallpox all over the world. They have an assessed budget of $205 million, $116.5 million of which is for technical assistance, some 56.8 percent. That organization is very heavily relying on our contribution to continue that very fine work.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield briefly on that point?

Mr. BUCHANAN. Certainly, I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, does the gentleman know of any case of an uncollected assessment where they have not been allowed to vote?

Mr. BUCHANAN. I am of the opinion that if our country gets into that business, we would stand a very grave danger of losing our vote.

Mr. ROUSSELOT. Is there any other country that has had that experience, that has actually lost their vote?

Mr. BUCHANAN. We would perhaps lose our influence and perhaps our vote.

Mr. ROUSSELOT. Mr. Chairman, has the U.N. denied anybody the right to vote who has an uncollected assessment?

□ 1440

Mr. BUCHANAN. I am unaware of a denial of a vote. A decision would have to be made, however, as U.N. procedures require. Again, what would happen to our influence, what would happen to the entities that would be affected, is quite another thing. And finally, this method would be considered a blackmail-type of effort. Again, I helped to fight the battle, and I am aware of the impact on that very separate entity of our saying, "We are going to force you to do something." If we try to do this on all of the different entities of the U.N., I think the method will fail, we will be unable to achieve reform, and the gentleman's amendment would affect our influence and the work in areas we believe to be worthwhile, like those of the World Health Organization, without achieving the reform he seeks.

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield, how would the gentleman achieve that budgetary reform that the gentleman and I have both discussed and which we both feel is essential? The gentleman did it by the other method before when he was a delegate to the U.N. Why does he not believe that will not work again?

Mr. BUCHANAN. I believe that it came in spite of the fact that it came as a mandate from the Congress.

They have always objected to this. It seems to me that in the proposed amendment we would take a position in a way that is as abrasive and as adversary a posture as may be possible. Notwithstanding our position as a superpower, I simply do not think one nation attempting to impose its will upon the whole entity by withholding assessed funds will work. I think it will work in reverse, and I think it will work against reform.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from New York.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. BUCHANAN) has expired.

(On request of Mr. BINGHAM and by unanimous consent, Mr. BUCHANAN was allowed to proceed for 3 additional minutes.)

Mr. BINGHAM. Mr. Chairman, it is the case that in two or three instances votes were denied to members that were in default for a short period of time. But the case that the gentleman from California is referring to is the case of the Soviet Union. And that just about wrecked the organization. When the Soviet Union was in default and the United States was pressing for it to be denied its vote, the membership of the United Nations said, "You are going to tear this body apart, you are going to wreck it." If we take that same course, we will also wreck the United Nations.

I will remind the gentleman that what happened in that case was that in order to try to escape that confrontation, an entire session of the United Nations General Assembly was held without any votes whatever, making the organization powerless.

So if we are trying to destroy the organization—and I would suggest that, based on what the gentleman has said in the past, the strength of this amendment would see that done—this is the way to go about it.

Mr. BUCHANAN. Mr. Chairman, I thank the gentleman for his contribution by setting an example of concern and of responsibility, the United States can lead within the United Nations system. Our influence is greater than the gentleman believes. Our standing with other countries is higher than one may think. There is no country that has a lower standing, when you get down to the bottom line, in the affections and in the respect and in the confidence of the other nations, than the other superpower. I simply do not think we ought to fall into the bad habits of the black-hat-bad-guy superpower. We ought to be the white-hat-good-guy superpower, doing what is right by leading the way in doing what is right, and not the reverse.

Mr. BARNES. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Maryland.

Mr. BARNES. I thank the gentleman for yielding.

Mr. Chairman, I am a new Member of this body, having been a Member of the House only 3 months, so I do not know what went through the minds of the Members when the Helms amendment passed last year. I can only believe that the Members of this body must have been asleep. It is inconceivable, to me, that the House would vote today to destroy the U.S. influence in the international community.

□ 1445

That is essentially what we are talking about here. If the United States says this afternoon that we do not want to participate in international organizations whose charters require our participation in a certain manner, we are, therefore, withdrawing from the world community. That would be an extraordinarily bad action for this House to take this afternoon. I am convinced that there is no more important vote that we will cast this week in the House of Representatives than the defeat of the amendment that is before us now.

I thank the gentleman for his time.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield briefly?

Mr. BUCHANAN. Yes, sir.

Mr. ROUSSELOT. I thank my colleague for yielding. The gentleman should know as a new Member—and I appreciate his identifying himself as a new Member—that that amendment in no way destroyed our regular assessments to the U.N., in no way.

Mr. BAUMAN. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, I would like to call the attention of the committee to what the amendment really does despite all the verbal smokescreen we have heard in the last half hour or so.

I refer to page 14 of the bill, lines 19 through 24. Take a look at it. Just read what it says. First of all, it strikes out existing law—

> Notwithstanding any other provision of law, funds appropriated for the fiscal year 1979—

That is this fiscal year. It is retroactive in effect—

> to meet the annual obligations of membership of the United States in the United Nations and its specialized agencies may be made available for the furnishing of technical assistance—

Now, let us go back and look at the phrase, "United Nations and its specialized agencies."

This amendment does not go to the question of contributions to the United Nations per se or its operational funding. We accepted in the U.N. charter that we were going to have an annual contribution to make, and we have made that. But, focus in on specialized agencies. What are those? Those are agencies like UNESCO, World Health, Food and Agriculture and other agencies.

Now, from the beginning, the understanding of the United States was that these agencies would be financed by voluntary contributions of the members for the most part. About 2 or 3 years ago, a crisis developed in the United Nations Development Fund, a shortage, and all of the so-called Third World countries and others of the United Nations decided that voluntary contributions, including those from the United States, were not yielding enough. They wanted to go to a more certain source of constant funding.

So, the member states set assessed mandatory payments for these various agencies. These assessments have been rising at the rate of about 50 percent a year. The United States is one of those countries that is assessed, and our share is the largest and each year it has gone up. It was $19 million in 1978. The Helms amendment last year deleted about $27 million. And, by the way, this House voted 143 to 191 to support that position.

In this particular bill, the State Department is asking us to give for this technical assistance about $41 million. What is technical assistance? It sounds mysterious. It is foreign aid through the U.N., it is the same as what we call foreign aid on a bilateral basis, nation to nation; in this bill, the foreign aid bill This is foreign aid that goes from our taxpayers to the U.N. through these agencies and to foreign countries.

The issue here is whether an agency of the U.N. is going to appropriate tax money that belongs to the American Treasury and its taxpayers or whether Congress is going to appropriate it.

Now, you say that we are in violation of the U.N. charter. We are in violation because these nations keep upping our assessment every year, when we first understood it was going to be a voluntary contribution. That is the kernel of the gentleman's amendment. He seeks to restore the prohibition against assessing huge contributions. We do not mind perhaps paying the entire amount assessed if they will withdraw their mandatory assessment, and we may voluntarily give it. But we resent being told in this Congress that when the U.N. charter never allowed it, that we are being made scapegoats by countries all around the world; that money is being drawn out of our Treasury through this device of U.N. mandatory assessment. That is the issue here, and all of this business about our having an obligation to pay the U.N. every year a greater amount for technical assistance, or foreign aid, must be stopped, and the pending amendment will do it.

☐ 1450

Mr. Chairman, I think the gentleman's amendment is not only proper; it is a restatement of the position of both Houses of Congress and reflects the views of the gentleman from Wisconsin (Mr. ZABLOCKI) and others who have repeatedly said on the floor that they wanted to effect budget reform within the U.N.

I think the opposition to this amendment, I will say to the chairman, is political. It is political, and we should all resent that.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. Yes, I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, I agree that it is political.

Mr. BAUMAN. The gentleman agrees with me and admits it.

Mr. ZABLOCKI. It is political.

Mr. BAUMAN. The gentleman does agree with me.

Mr. ZABLOCKI. I am more accurate than the gentleman from Maryland was a few minutes ago.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. Against the remote possibility that the gentleman may diminish my remarks, I do yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I certainly do not wish to diminish the gentleman's remarks, since he was successful in deleting the funds from this bill for Panama.

All this amendment does is to seek to return to the normal assessment practice we had until a few years ago.

Mr. BAUMAN. Yes.

Mr. ROUSSELOT. That is why all the complaints that the normal assessments will somehow be diminished are false.

Mr. DERWINSKI. Mr. Chairman, will the political gentleman yield to me?

Mr. BAUMAN. If the gentleman's contemplated statement is cleared by the State Department, yes, I will.

Mr. DERWINSKI. No.

Mr. BAUMAN. I do not yield. The gentleman may only make statements on the floor today, I gather, which are cleared by the State Department.

However, I would yield if I had the time.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. BAUMAN) has expired.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to deal with two or three points where I think there has been some confusion here.

First of all, last year when the Helms amendment was voted on, its effect was not well understood. I was among those standing at the door there and heard the amendment described that as one which would simply strike out mandatory funds for technical assistance. That sounded fine, but it did not just do that.

As we have been trying to explain, the Helms amendment in fact makes impossible all payments of our assessments to the international organizations because all these organizations operate on the principle that no Member can attach conditions to assessed contributions.

Historically, these international organizations—most of them at least— go back before the start of the voluntary, so-called "expanded technical assistance" programs, which were set up following President Harry Truman's historic "Point Four" speech of 1949. Most of these organizations, including the United Nations itself, started before that. They were all based on the principle of assessed membership dues, if you will; and all the Members agreed to that.

Some of the organizations promptly started some technical assistance on a limited basis which we had to contribute to as part of our assessed contribution. Other organizations not only did not do so then, but have never done so. For example, the International Atomic Energy Agency has never had a technical assistance program of much size. Nor does it do very much under the United Nations development programs based on voluntary contributions, which is directed by our former colleague Brad Morse. The IAEA operates an essential program of inspections, safeguards, and so forth. This is the kind of thing which is by the Helms amendment, perhaps not intentionally; but that is the effect of it: That we cannot meet our obligations to contribute to the regular functions of these organizations pursuant to assessment because the charters of those organizations uniformly say, "You cannot attach conditions."

Mr. Chairman, if the Members think about it, that is as it should be. You cannot have an effective international organization, based entirely on voluntary contributions. It would not work. Nor can you have an effective organization if any Member can say, "Yes, I will pay my assessment, but I am going to put conditions 1, 2, and 3 on it."

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I thank the gentleman for yielding.

A statement was made earlier in the debate that the purpose of this amendment was simply to get back to the system the way it was before with respect to assessments for voluntary contributions to the specialized agencies.

I just want to emphasize what the gentleman from New York (Mr. BINGHAM) has pointed out, which is that we have always had assessments, mandated assessments, for the specialized agencies. In addition to that, we have had voluntary contributions, so whoever made the statement that the amendment pending simply would return us to the old system just did not make a correct statement.

The fact is that we have had both types of assessments; that is, mandated and voluntary contributions, to the specialized agencies. The amendment does not affect that one bit except that it requires them not to accept the U.S. assessments.

☐ 1555

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

The problem has been, as the gentleman from Florida (Mr. FASCELL) knows, that the assessments that have been going on are constantly raised, as a matter of fact 50 percent, and it becomes mandatory, no longer voluntary. That is the problem, as the gentleman knows, and that is why we would like to have this reformed.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Florida.

Mr. FASCELL. I thank the gentleman for yielding.

We could solve that problem several ways other than the way the gentleman from California wants to do it, which is decapitate it. One is increase the voluntary contributions.

Mr. ROUSSELOT. Fine. This does not prevent voluntary contributions through the Department of State, as the gentleman knows.

Mr. BINGHAM. Let me reclaim my time just long enough to say you cannot run international organizations on the basis of voluntary contributions, yet that is precisely what this amendment would seek to accomplish. In fact, my good friend, the gentleman from New York (Mr. GILMAN), suggested, perhaps unintentionally, that this amendment would put us on a proper basis within international organizations where they would be funded through voluntary contributions. I submit to the membership you cannot run an effective international organization that way.

Mr. ROUSSELOT. Will the gentleman yield briefly?

Mr. BINGHAM. I yield to the gentleman.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

Mr. Morse was just here, one of our former colleagues, 3 weeks ago. We discussed this very extensively. He does not favor this amendment, I want to make that very clear, but he does say that in the organizations which he supervises at the U.N., he does it entirely by voluntary contributions, and it works. He says it works.

Mr. BINGHAM. Of course, I know it works for that type of organization, but it does not work for the basic run-of-the-mill operations of an organization like the International Atomic Energy Agency, like the U.N. itself.

Mr. McCLOSKEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to ask the author of the amendment a question. We have agreed on so many things recently that I am beginning to feel a little nervous about this amendment. Is it true that his amendment will cut off our technical assistance contributions to the International Food and Agricultural Organization?

Mr. ROUSSELOT. If the gentleman will yield, my understanding is, no, because there is in this bill $140 million that is processed by our Department of State through the United Nations Development Program. That program was set up to handle voluntary contributions to these various special funds.

Mr. McCLOSKEY. But that is voluntary.

Mr. ROUSSELOT. I want to finish one point. It may, as the gentleman from Florida says, cut out additional money that would come by a mandatory assessment, but I cannot answer part of the gentleman's question.

Mr. FASCELL. Will the gentleman yield?

Mr. McCLOSKEY. I will be glad to yield, because what I am concerned about is the global data base that our fishermen are using in the distant water fisheries, and the crab fisheries and tuna fisheries all depend on this U.S. organization which collects fishing information and makes it available to our fishermen. If we were to cut off that assistance to our distant water fisheries, we would be defeating one of the major programs of this Congress to assist those fisheries.

Mr. FASCELL. If the gentleman will yield, I want to say we have done that for 1 year already now. This amendment would just perpetuate that. The other gentleman from California is making the point that it does not have to be that way; we could do it some other way, which may or may not be valid as to whether or not it could be done that way or it should be done that way.

The point is, it is not being done that way. In other words, to answer the gentleman's question, to say that we could do it through the UNDP, when the UNDP does not have enough money to be doing what it is supposed to be doing, does not answer the gentleman's question.

Mr. McCLOSKEY. My concern is this: I understand since October the Department of State has ceased making its contributions to the International Food and Agricultural Organization, and that cuts off the contribution to this assemblage of data base that our fishermen depend upon.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Alabama.

Mr. BUCHANAN. I thank the gentleman for yielding.

The regular assessed budget of FAO is $119.2 million, of which 25 percent is the U.S. share. Their basic charter provides that they can give technical assistance with these assessed funds. The Helms amendment prohibits our contribution to that technical assistance; therefore they cannot accept our 25 percent of that $119 million budget. So the gentleman is precisely correct.

Mr. McCLOSKEY. It seems to me, Mr. Chairman, with due respect to my colleague, the gentleman from California, that I have to oppose this amendment because it seems to me that the entire fishery program of the United States is predicated on cooperation with and the use of this technical data. I thank the Chairman, and I yield back the remainder of my time.

☐ 1500

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment. I shall not use my 5 minutes, Mr. Chairman.

My good colleague, the gentleman from California (Mr. ROUSSELOT), mentioned the UNDP as an example of an agency where they have voluntary contributions.

I could not help but think of our former colleague, Mr. Brad Morse, who heads the UN development program, telling some of us at lunch not too many months ago that Denmark contributes $10 per capita. The Netherlands contributes $6 per capita and the United States contributes 26 cents per capita to the UNDP.

Somehow, that voluntary contribution system of financing agencies results in inequities. I think we have to recognize that.

Second, as I hear all of this debate, I really think it is kind of 34, 35 years back in time. There was a time when militarily we dominated the world because we had the only nuclear weapon. There was a time when we dominated the world economically, because that was the world as it was then. That is a day of the past.

Now we are going to have to work with others and get along with others and trade with others. I do not think we ought to be insensitive to the needs of others. It was someone from the gentleman's political party, I say to my good friend, the gentleman from California, a fellow named "Theodore Roosevelt," who said to "speak softly and carry a big stick."

We ought to do precisely that. We ought to be cooperating with other nations. Stand up firmly when something important is at stake, but not to quibble and look like a big bully who is not getting his way all the time.

Mr. Chairman, I hope the amendment is defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT).

The question was taken; and on a division (demanded by Mr. ROUSSELOT) there were—ayes 13, noes 40.

So the amendment was rejected.

The CHAIRMAN. Are there further amendments to title I?

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Florida: On page 11 strike line 11 through line 21.

Mr. YOUNG of Florida. Mr. Chairman, this amendment speaks to a part of the bill that we have had no debate on in this House at all, ever. It will set a precedent if we allow it to go through in this legislation. The provision I am referring to is on page 11 of the bill and is section 109, which allows forgiveness of loans from the United States to certain other countries. It is $18.8 million for this year in the authorization, and it is another $18.2 million for the next fiscal year, 1981.

My concern is what kind of a precedent we are setting here. If we read the bill, it does not really tell us what it is. If we read the report, it does not tell us very much more about what it is that we plan to do by forgiving these loans.

Now, this was put into the authorizing bill last year by the Senate. The conference approved it. It became part of the law; but those of us in the House did not have one opportunity to enter into any debate or to make any determination just what we intended this precedent to be.

☐ 1505

Mr. Chairman, the reason I am concerned about the precedent is that there are so many countries that owe us so much money. I want to find out whether or not we are now setting the stage, taking the first step toward an eventual cancellation of all debt owed to the United States and subsequently to the American taxpayer. I think it is important that we establish just exactly what this precedent is intended to be.

Mr. ZABLOCKI. Will the gentleman yield?

Mr. YOUNG of Florida. I will be happy to yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman from Florida.

It is certainly not the intention which the gentleman has interpreted. The gentleman knows that in the last session of Congress, the other body, and it is also my understanding the House Committee on Appropriations, received testimony on the basic law in question. I would suspect that they have had hearings. They did not vote blindly. They did accept this legislation.

I might say to the gentleman from Florida that what section 109 of the bill does, in amending section 124(c)(3) of the Foreign Assistance Act is to add the language which authorizes the President to extend debt forgiveness on past loans on a case-by-case basis to relatively least developed countries and then only to the extent that such sums that are forgiven would be used for development projects.

The bill authorizes for this purpose a ceiling of $18.8 million for the fiscal year 1980.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent at the request of the gentleman from Wisconsin (Mr. ZABLOCKI) Mr. YOUNG was allowed to proceed for 3 additional minutes.)

Mr. YOUNG of Florida. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I can assure the gentleman from Florida that the limitation contained in the proposal must also be accepted by the Committee on Appropriations. I am sure the gentleman's fears are unfounded.

Mr. YOUNG of Florida. I would like to ask the chairman again if he intends this to be the only time that we will write this provision for debt cancellation into the law, or will we do it in future authorization bills?

Mr. ZABLOCKI. If the gentleman will yield to me further.

Mr. YOUNG of Florida. I will be happy to yield.

Mr. ZABLOCKI. The basic law would continue unless repealed by a future congress.

I do want to point out we did set a limitation on the countries involved so that there are only 16 of the poorest countries that could qualify under the provisions of this section.

Mr. YOUNG of Florida. Mr. Chairman, as the gentleman knows, things sometimes seem to just work out. Sometimes it appears to be a coincidence but in this case the $18.8 million just happens to coincide with the list provided to me by the State Department of possible debt cancellation to Afghanistan, for example. There is also in this list of those eligible and in this list of dollars that make up the $18.8 million, debt cancellation for Ethopia. There is also a debt cancellation for Somalia. Possible debt cancellation I would say to the chairman. Uganda, possible debt cancellation. For some strange reason, maybe it is coincidental but we have an awful lot of coincidence here, the $18.8 that is in this bill today is the same as the $18.8 on this list I received from the State Department telling which countries are eligible, how much money they would be eligible for for debt cancellation and it comes to $18.8 million. I am sure the gentleman does not blame me for being somewhat suspicious about this.

Mr. ZABLOCKI. Of course I cannot blame the gentleman for being suspicious but it is coincidental that the list of countries that the gentleman has received totals up to the figure of $18 million.

If I heard the gentleman correctly, he mentioned the possibility of forgiveness for Uganda.

□ 1510

Mr. YOUNG OF Florida. Yes.

Mr. ZABLOCKI. I do not know where the gentleman got that list. Uganda is not on the list of countries that will be provided debit forgiveness.

Irrespective of that, let me point out that the countries on the list would be those who have a per capita income of less than $280 per year. I can assure the gentleman they are the poorest of the poor. I can also assure him that the Committee on Foreign Affairs and, I am sure, the gentleman's Subcommittee on International Operations, will continue their oversight.

The CHAIRMAN. The time of the gentleman from Florida (Mr. YOUNG) has expired.

(By unanimous consent, Mr. YOUNG of Florida was allowed to proceed for 3 additional minutes.)

Mr. ZABLOCKI. Mr. Chairman, if the gentleman will yield further, I merely want to end by saying that I can assure the gentleman that his subcommittee and likewise our Committee on Foreign Affairs will continue their oversight of this particular provison.

Mr. YOUNG of Florida. Mr. Chairman, I appreciate the gentleman's comments on this.

However, I have this concern because we see this debt cancellation or the first step toward debt cancellation. Although admittedly it is a small amount of money, back in my district $18 million is a lot of money, but here in Congress sometimes it appears to be nothing more than petty cash.

But it is a lot of money, and there is another $18 million next year. We see in the international organizations to which we contribute that they are now beginning to cancel debts. The International Financial Corporation of the World Bank is beginning to cancel debts, and the International Monetary Fund is now beginning to make loans to help countries pay off debts that they could not otherwise pay off. As for the billions of dollars being loaned around the world through IDA as soft loans, we do not know whether they will ever be paid off, because most are still in the 10-year grace period.

As I look at this report that comes from the Assistant Secretary for economic policy, we have a list of countries here that are in arrears in their payments to the United States, and this does not even account for the World War I debts which we will never get, obviously.

This list of countries shows $523 million-plus worth of past due debts, due the United States and due the American taxpayer from countries that are in arrears.

Some of those countries are, again, Algeria, which is no particular friend of ours; Angola, which has gone over to the Soviets; the Central African Empire, where they spend millions to buy gold for Emperor Bokassa.

In addition, there is Cuba, and I do not think anybody has to say any more about debt cancellations to Cuba, should that come about.

Then we have the Soviet section of Germany; we have India. In addition to all the foreign aid programs, they are more than $5 million behind.

Then there is Iran. Iran is $36 million behind. Kampuchea or Cambodia is $12 million behind. Laos is also behind.

Then there is Libya. We are spending billions of dollars to try to bring about peace in the Middle East. Libya is out there trying to scuttle the whole Carter effort, and yet Libya is into us for $145,000 worth of past due debt.

Mr. Chairman, I want to make sure that countries like these which I have just mentioned, next year and the year after, do not get on the list to have their debts canceled. We owe the American taxpayer better than that.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I am happy to yield to the chairman of the committee.

Mr. ZABLOCKI. Mr. Chairman, every one of the countries the gentleman mentioned on that list would not qualify under this provision. Second, let me assure the gentleman that they never will while I am chairman of the committee.

Mr. YOUNG of Florida. Not under this provision. I acknowledged that in the beginning. But here we are, taking a first step, and sometimes that first step, as small as it might be, leads to a very long journey of giving more American tax dollars to people that I do not want to see getting our tax dollars in the first place, let alone canceling their debts.

The CHAIRMAN. The time of the gentleman from Florida (Mr. YOUNG) has again expired.

(By unanimous consent, Mr. YOUNG of Florida was allowed to proceed for 2 additional minutes.)

Mr. YOUNG of Florida. Mr. Chairman, I wonder if I might ask the distinguished ranking minority member of the committee, the gentleman from Michigan (Mr. BROOMFIELD), if he agrees with what the chairman of the committee has said, that we do not intend this ever to be a full-scale debt cancellation program.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, that is certainly my understanding, and I will certainly support the chairman of the committee in that regard.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I am happy to yield to the chairman of the committee.

Mr. ZABLOCKI. Mr. Chairman, the gentleman from Wisconsin will assure the gentleman, while he is tightening his own belt, that he fully intends to tighten the belt on the foreign aid program.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for his comments. I am hopeful that he sits on this committee long enough—not necessarily as chairman of the committee, because I hope someday the gentleman from Michigan (Mr. BROOMFIELD) will be chairman—to make sure the fears I have today do not become reality. That is the reason I want to raise the issue and get it in the RECORD so that 2 or 3 years down the line, if somebody comes along and wants to cancel out all these debts, at least we can establish what this Congress intended in that regard.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the chairman of the committee.

Mr. ZABLOCKI. Mr. Chairman, the gentleman from Wisconsin only hopes he stays on the committee long enough to take advantage of the full support and cooperation of the gentleman from Florida (Mr. YOUNG) in the program that he espouses.

□ 1515

Mr. YOUNG of Florida. I will say to the chairman of the Committee on Foreign Affairs that one day I might surprise the gentleman and he and I may get together.

Mr. ZABLOCKI. I will not hold my breath.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. YOUNG).

The amendment was rejected.

The CHAIRMAN. Are there further amendments to title I?

If not, the Clerk will read.

The Clerk read as follows:

TITLE II—FOOD FOR PEACE

PRECAUTIONS IN EMERGENCY SITUATIONS

SEC. 201. Section 202(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new sentence: "The President shall take reasonable precaution to assure that the distribution of commodities furnished under this title in emergency situations will not displace or interfere with local food production and marketing in the recipient country.".

ROLE OF INDIGENOUS INSTITUTIONS AND WORKERS

SEC. 202. Section 202(b)(2) of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

"(2) In order to assure that food commodities made available under this title are used effectively and in the areas of greatest need, entities through which such commodities are distributed shall be encouraged to work with indigenous institutions and employ indigenous workers, to the extent feasible, to assess nutritional and other needs of beneficiary groups, help these groups design and carry out their own projects, recommend ways of making food assistance available which are most appropriate for each local setting, and regularly evaluate the effectiveness of each project.".

INCENTIVES FOR ENTERING INTO FOOD FOR DEVELOPMENT PROGRAMS

SEC. 203. (a) Section 301(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) in the first sentence, by inserting ", or the dollar sale value of any such commodities," immediately after "the local sale of such commodities"; and

(2) in the second sentence, by striking out "or funds from the sale of such commodities in the participating country" and inserting in lieu thereof "in the participating country of funds from the sale of such commodities or of the commodities themselves".

(b) Section 305 of such Act is amended by adding at the end thereof the following new subsection:

"(c) When agricultural commodities made available under this title are used by the participating country in development projects in accordance with the applicable Food for Development Program, the dollar sale value of such commodities shall be applied, in accordance with subsections (a) and (b) of this section, against repayment obligations of that country under this Act, with the value of the commodities so used being deemed to be disbursements made at the time of such use.".

(c)(1) Section 303(a) of such Act is amended by striking out "for each year such funds are to be disbursed".

(2) Section 306 of such Act is amended by inserting "a detailed description of how the commodities were used," immediately after "projected targets,".

(3) Section 307(a) of such Act is amended by inserting immediately before the period at the end of the first sentence "or for the use of the commodities themselves pursuant to this title for which such commodities were not completely used during the preceding year".

FULL FORGIVENESS OF REPAYMENT OBLIGATIONS UNDER FOOD FOR DEVELOPMENT PROGRAMS

SEC. 204. Section 305(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following: "Disbursements of funds from the special account in an amount equivalent, as of the date of their original deposit, to the dollar value of the credit furnished by the Commodity Credit Corporation under section 304(a) shall be deemed to be payment of all installments of principal and interest payable thereon for the commodities purchased by the participating country for purposes of this title.".

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, could the gentleman from Wisconsin tell us, in the event that we are occupied for some time with amendments to this title—and I understand there are a number of them—what the plans would be for the remainder of the afternoon, so far as either concluding or rising?

Mr. ZABLOCKI. If the gentleman will yield, I am glad the gentleman has phrased his inquiry more diplomatically than he did yesterday when he had implied that the gentleman from Wisconsin would limit debate.

Mr. BAUMAN. The gentleman is going to get to that in a moment, but I will withhold my unpleasant observations for a moment.

Mr. ZABLOCKI. It is the intention to, hopefully, finish the bill; but if we do not, the committee would rise at 5 o'clock.

There are not too many amendments. Certainly I do not know of more than two to title II. I know the gentleman has amendments later in the bill. But it is the intention of the chairman of the Committee on Foreign Affairs to give adequate debate to every worthwhile amendment.

Mr. BAUMAN. Further reserving the right to object, do I understand that to mean that there will be no attempt to cut off debate on title II or the amendments thereto?

Mr. ZABLOCKI. Not unless there would be a reasonable time for debate on title II, an hour, perhaps.

Mr. BAUMAN. Further reserving the right to object, I would say to the gentleman that there may be several amendments to the section. Some of them are rather broad in scope and heated debate might ensue. I would hope that the gentleman would not cut off debate at any time on this section.

Mr. ZABLOCKI. Title II is only two and one-half pages long. We have taken more time on the reservation of objection than it would take to read the entire title II.

Mr. BAUMAN. That is why I am reserving the right to object. Otherwise it would take twice as long.

Mr. ZABLOCKI. Let me tell the gentleman that we will not close debate until I consult with him.

Mr. BAUMAN. Mr. Chairman, with that assurance, and further reserving the right to object, I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. There are, as I understand, almost eight amendments. Some of these people have waited for some time.

Mr. ZABLOCKI. If the gentleman will yield, they are not to title II. There may be that many to the remainder of the bill, but not to title II.

Mr. BAUMAN. Mr. Chairman, the gentleman has been very kind in his offer to consult, and with that assurance I will withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDMENT OFFERED BY MR. PEYSER

Mr. PEYSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PEYSER: Page 21, immediately after line 20, insert the following new section:

PROHIBITION ON FINANCING OF SALES OF TOBACCO TO GUYANA

SEC. 205. No sales of tobacco to Guyana may be financed for the fiscal year 1980 or the fiscal year 1981 under title I of the Agricultural Trade Development and Assistance Act of 1954.

Mr. PEYSER. Mr. Chairman, with all the very weighty amendments that we have had, this is a very simple one, and one, hopefully, that can be disposed of rather rapidly. As many Members may recall, a number of years ago, it was the habit to have substantial amounts of money, running up to $50 million a year, of the Food for Peace program going for the purchase of tobacco. Year by year, the Congress has been cutting this figure down and I am happy to say that I have been able to contribute to this effort, until finally just 1 year ago the guidelines were set forth saying that the Food for Peace program to the countries that qualify should be used primarily, with very few exceptions, for food and fiber. The action of Congress has been a success, because there is only one country that at this time has indicated a desire for the purchase of tobacco for the Food for Peace program in 1980.

□ 1520

I think that we should establish this right now and eliminate this $500,000, which is what is being requested by Guyana to purchase tobacco. Now, I think that we all can agree that a country like Guyana, I would think, certainly could use that $500,000 far more profitably for its people in helping to feed and clothe them than they can use to purchase tobacco. So, what this amendment does, quite simply, it removes the right of Guyana under the food-for-peace program to acquire this tobacco.

I might say again, it is the only country of all of the countries that come under the aid program that has made any indication of application for the purchase of tobacco.

Now, one other thing that I think we should mention at this time, as well, and it is often said that under this program, basically, the moneys will be repaid to the United States, because under the title I feature, this is really advance money by the Commodity Credit Corporation. Well, in talking to the Commodity Credit Corporation this afternoon, I have found out that a substantial number of countries who have used money to purchase tobacco over the years now have either fallen completely behind, have never made any repayments, and some who are not acknowledged in any way to be capable of repaying the money. So, I think we serve a good purpose here. We let countries know around the world that, while we are very anxious to continue our food-for-peace program, that we do not want it used to purchase tobacco, even in small amounts, for countries that desperately need food and clothing.

With that, Mr. Chairman, I hope my amendment will be accepted, and I yield back the balance of my time.

Mr. JONES of North Carolina. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it seems that every 2 years we come up with this same identical amendment. It is an attack on a legitimate agricultural product. Let us set the proper perspective on how Public Law 480 works. We have title I, and we have title II.

Title I requires some sort, in theory at least, of cash settlement or payment in some form of credit or another from that nation.

Title II is free commodities and food to needy nations, but let me assure you, my friends, that tobacco is not covered in title II. There is no way that any tobacco can be given away free through the Public Law 480 program. It is confined strictly to title I. Let me assure the Members that even we who support the tobacco program agreed 2 years ago to put in definitive language which requires that the food and foodstuff needs of any nation must first be met; and, then if there is any surplus, if they so desire, then tobacco can be shipped under Public Law 480 under title I.

Now, let me emphasize that this is not just Guyana or any other nation saying, "We want $500,000 worth of tobacco." It is carefully screened by the State Department and USDA as to whether it is logical or whether it is reasonable to grant this request.

So, I urge you to respect a legitimate agricultural commodity such as tobacco and think of the 500,000 producers and not slap them in the face. I respectfully contend in all probability the foodstuff that Guyana has requested has been met and fulfilled.

Mr. WHITLEY. Would the gentleman from North Carolina yield?

Mr. JONES of North Carolina. I will be happy to yield.

Mr. WHITLEY. I thank the gentleman for yielding. As the author of the amendment which was alluded to that was adopted by the House in the last Congress, which restricts sales of tobacco under Public Law 480, I can verify that what the gentleman from North Carolina has just said is absolutely correct. We already have it written into the law, both in the Foreign Assistance Act and in the Agriculture Act, that no tobacco will be sold to any nation anywhere under Public Law 480 until all the demands for food and fiber, all of the requests for purchases of food and fiber under Public Law 480 sales, have been met.

☐ 1525

Certainly, this is going to insure absolutely that the State Department and the U.S. Department of Agriculture are not going to approve any sales of tobacco to Guyana or to any other country until all of the requests for Public Law 480 sales of food and fiber must have been met. That is written into the law. We all agreed on it in the last Congress.

Certainly, the amendment offered by the gentleman from New York (Mr. PEYSER) is not necessary. It brands a product in a way in which it should not be branded. Tobacco is a legitimate international commodity. It is produced by a number of countries other than our own, and the amendment accomplishes nothing but mischief.

Mr. Chairman, I thank the gentleman for yielding.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. JONES of North Carolina. I yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, I thank the gentleman, my good friend, for yielding.

I realize the sincerity of his statements, but I think one of the points that was made under title I was that tobacco is under title I, and I agree with the gentleman.

The following countries: Cambodia, Vietnam, Chile, Indonesia, Zaire, India, Pakistan, and Egypt all owe substantial amounts of money under the title I procedures for tobacco, and none of them are repaying this money.

Mr. Chairman, it just seems to me that that raises a real question as to whether the Congress should be allocating this money to countries like Guyana, which have very little likelihood of paying this money back.

Again, I thank the gentleman for yielding.

Mr. JONES of North Carolina. Mr. Chairman, I have one question: The countries which the gentleman mentioned as being delinquent in their tobacco payments, are they also delinquent in payments for other commodities?

Mr. PEYSER. I do not doubt they are at all, but other commodities such as food commodities, of course, are treated separately.

The CHAIRMAN. The time of the gentleman from North Carolina (Mr. JONES) has expired.

(By unanimous consent, Mr. JONES of North Carolina was allowed to proceed for 2 additional minutes.)

Mr. JONES of North Carolina. Mr. Chairman, if the gentleman from New York (Mr. PEYSER) is concerned about the economics of the matter, I will ask the gentleman why he did not include other commodities to the countries in question.

Mr. PEYSER. If the gentleman will yield further, Mr. Chairman, I will say that from my own point of view, I consider the provision of food under the Food for Peace program something that we, as a Nation, should be making every effort to help these poor nations obtain.

I think I just object to providing them with tobacco; that is all.

Mr. JONES of North Carolina. Mr. Chairman, I thank the gentleman from New York (Mr. PEYSER) for his honesty. He has certainly stated his case. That is exactly the reason for his amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. FOUNTAIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I apologize for speaking right behind two others from North Carolina (Mr. JONES and Mr. WHITLEY), but I do this for a dual purpose, to express myself perhaps in a somewhat different way in opposition to the amendment of the gentleman from New York although in some respects saying the same thing, and also to give the gentleman from Kentucky (Mr. HATCHER), who has just arrived, a chance to find out what this amendment does and an opportunity to express himself in opposition to it. He has been presiding over an appropriations subcommittee.

Mr. Chairman, this amendment, as has already been pointed out, is ill-conceived. It would have the unfortunate effect of closing off a vital outlet for foreign credit sales of unmanufactured tobacco grown here in our country.

It is antitobacco, and it is antifarmer. This is getting to be a habit in this body on the part of some Members.

Under the current law, food and fiber commodities, as has been pointed out by the gentleman from North Carolina (Mr. JONES) and the gentleman from North Carolina (Mr. WHITLEY), must be given priority under Public Law 480. Some countries like Syria and Portugal, for example, have shifted emphasis for their Public Law 480 requests from tobacco to other commodities. This is being reduced so that in 1980 there will be only a half million dollars requested, and that is by Guyana, while the Public Law 480 program under this and other authorizing legislation operate to more than a billion dollars. So these are really very small sales and a minute percentage of the total.

☐ 1630

I do not believe that we should enact legislation which would prevent any particular country from requesting or receiving Public Law 480 tobacco.

When the original Public Law 480 program was revised in 1966, Congress strongly encouraged exports of unmanufactured tobacco as part of the title I sales program. We should remember that Public Law 480 shipments are voluntarily bought by foreign countries. It is not a giveaway program. Foreign governments purchasing tobacco process and resell the tobacco within their own countries, within their own borders, to generate public funds for their own development. Local jobs and tax revenues are the resulting byproducts.

A major goal of the Public Law 480 program is to develop new foreign markets for American farm products, including tobacco. Many countries are spending millions of dollars annually for American tobacco as a result of Public Law 480 programs in the past. We are now exporting almost a billion dollars worth of tobacco annually, and that is a part of the approximately $32 billion of agricultural commodities shipped abroad last year and without which I do not know how much our balance-of-payments deficit would now be. We should remember that.

A major goal of this program is to develop new foreign markets for American products. Traditionally, countries do not purchase Public Law 480 tobacco every year over a long period of time. They develop their own methods of manufacturing and selling tobacco products and then begin to import, hopefully, larger quantities of tobacco from our private tobacco exporting companies and pay American dollars for it. It is a commercial transaction. This, of course, favorably affects our foreign export markets and our balance of trade, as I have already indicated.

Foreign countries must make requests for Public Law 480 tobacco. We do not force it on anybody. The preliminary estimates for shipments, such as for Guyana for next year, are made only after the requests are first received and our Government applies field data to arrive at the figures presented to Congress.

Let me emphasize that Public Law 480 has generated strong commercial outlets for many of our farm products, including tobacco, for a total of $32 billion of agricultural commodities. In all likelihood, those markets would then go to other tobacco-producing nations, which include Red China, which produces more tobacco than any other nation in the world, or to India or to Russia, if the Public Law 480 is in effect closed out by this amendment.

The Public Law 480 program serves as a device for promoting American farm products. Guyana in the year 1980 would be the only one that has requested funds. Again, to strike Guyana out would have the effect of almost eliminating the Public Law 480 program, which is still on a country-to-country basis, depending on their requests. It may still serve a useful purpose in the future, enabling us to make commercial sales all over the world—realizing that Russia, China, and other nations are competing with us in the tobacco field.

The tobacco in Public Law 480 is only a tiny fraction of the overall program of $1.4 billion.

The amount for tobacco in fiscal 1980 is only $500,000.

Tobacco under Public Law 480 is export promotion in behalf of American farmers.

It is not aid for economic development of Guyana.

The amendment should be defeated.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. FOUNTAIN. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman for yielding. I commend the gentleman for his statement and want to associate myself with the gentleman's remarks and with his contribution.

Mr. FOUNTAIN. I thank the gentleman for his contribution.

Mr. NATCHER. Mr. Chairman, I move to strike the appropriate number of words.

Mr. Chairman, I do not intend to use my 5 minutes, but I would like to call to the attention of the Members of the Committee that this is a right serious matter for 16 States of our 50 States. We produce tobacco in 16 States, Mr. Chairman, and this is a $10 billion industry. That means a whole lot to a group of small family farmers, and it is of great importance to my people.

Mr. Chairman, we have 50 States. No tobacco is produced in New York State, and my good friend—and he is my friend—the gentleman from New York (Mr. Peyser) knows that. Mr. Chairman, on two different occasions we have had before this House the emergency loan guarantee legislation pertaining to New York City. A good political vote in the State of Kentucky would have been a vote against it, Mr. Chairman. I not only voted to help New York City on two occasions, but as the chairman well knows, I presided the last time we had that legislation up, and my friends in the State of New York will tell you, that I went to the door back here, and as they came in, I said to them, "What concerns New York City concerns my home State of Kentucky."

Mr. Chairman, that is the kind of country we live in, and this is the way it should be. Ask these people from New York here in the Chamber today.

Mr. Chairman, this is a serious amendment. It means a lot to us. The tobacco program is a controlled program. We have an acreage poundage system whereby it is controlled. In the State of Kentucky my people believe that if tobacco is harmful to the health of our people, we want to do something about it, and we are trying to do something about it.

In the food-for-peace program, my good friend, the distinguished chairman of this committee, the gentleman from Wisconsin (Mr. Zablocki) will tell you that this should not be in his bill.

This amendment should be defeated.

☐ 1535

It should not be any part of his bill. Mr. Chairman, we should not do the chairman of this committee that way.

The gentleman from New York (Mr. Peyser) is my friend, and I say that to the gentleman. This is no place for an amendment like this and when another bill comes before this House, Mr. Chairman, to help the city of New York and to help my friend, Ed Koch. I am going back to this door and ask the people to help our friends in New York.

I say to the gentleman from New York (Mr. Peyser) that is the kind of country we live in.

Mr. JENRETTE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. JENRETTE. I yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Chairman, I wish to associate myself with the remarks of the previous speaker.

Mr. JENRETTE. Mr. Chairman, I, too, would take just a moment. I would associate myself with the remarks of the gentleman from North Carolina earlier and the gentleman from Kentucky and say that I stood by the gentleman as we had the Members coming in the door relative to the New York City vote. I not only voted for New York City, I have been mugged a couple times up there and I am still for their financial aid.

I think probably the comments of my friend, the gentleman from Kentucky, that this is one country, it is a great country and that we might have diversity; but I believe this amendment is not proper in this place.

I would ask my colleagues to oppose this amendment.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. JENRETTE. I would be more than happy to yield to the gentleman.

Mr. PEYSER. Mr. Chairman, I thank the gentleman. I appreciate the gentleman yielding.

I appreciate the comments of my good friend, the gentleman from Kentucky (Mr. Natcher) here who has always been very kind to me during my years in the Congress, as have all the Members who have just spoken now.

I do not like finding myself in a position of creating what they view as a problem. I do not view it as a critical problem.

I also want to say that I appreciate obviously the support for New York; but I know that was on the merits as well. Their feelings were guided by the fact that New York deserved their support, and that is what I would expect them to do and I would do the same.

I think that this bill is the only place this amendment can go in, because as the point was mentioned, this is the only place where we are dealing with the Public Law 480 program.

I would simply say this, that we are dealing with one country, as we understand that. This is the only country involved out of all the many countries that are in this program, Guyana is the only one that has made this request. It just seems to me that at this time with the small amount of money involved and with all of the countries now stopping this program basically that we should eliminate it.

I do appreciate the gentleman's courtesy in giving me this time.

Mr. JENRETTE. Mr. Chairman, I appreciate the comments of the gentleman. We however, respectfully disagree on this issue.

I remember my first comments on the floor of the House of Representatives as a freshman Member was in opposition to the gentleman's amendment when the gentleman sat on the other side of the aisle. I thought the gentleman had been born again when he came over here as a Democrat and that we would work closely together.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. PEYSER).

The question was taken; and on a division (demanded by Mr. PEYSER) there were—ayes 3, noes 39.

So the amendment was rejected.

☐ 1540

AMENDMENT OFFERED BY MR. SOLARZ

Mr. SOLARZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLARZ: Page 21, immediately after line 20, insert the following new section:

ZAIRE PROGRAM FOR FISCAL YEAR 1980

SEC. 205. (a) During the fiscal year 1980, no agreement may be entered into under title I of the Agricultural Trade Development and Assistance Act of 1954 with respect to rice for Zaire.

(b) Not more than $5,800,000 worth of rice or other food commodities shall be furnished for Zaire for the fiscal year 1980 under title II of such Act.

Mr. SOLARZ. Mr. Chairman, whenever we consider the foreign aid bill we always hear a lot of sound and fury about corruption in the foreign aid program. From time to time amendments are offered to cut the foreign aid bill across the board, which may result in a reduction in the amount of assistance we can provide to the needy, but which usually does nothing to eliminate the particular programs which were the original cause of our concern.

On other occasions we are presented with amendments which cut out entire countries, which results in the creation of a situation where we throw out the baby with the bath water, eliminating good programs as well as bad ones.

I am offering an amendment this afternoon which offers each and every Member of this House, who is genuinely concerned about corruption in the foreign aid program, the opportunity to vote against and to eliminate one of the most corrupt foreign aid programs in existence.

My amendment would eliminate the title I rice program in Zaire, under which the U.S. Government sells about $5.8 million worth of rice to the Government of Zaire, which in turn distributes it, allegedly, to the people of that country, and would replace it by an equivalent amount of money for a title II rice program in Zaire, as a result of which private voluntary organizations would be given the right and the responsibility for directly distributing the rice in question to the needy and hungry people of that country.

The Subcommittee on Africa, which I chair, after extensive hearings on the subject came to the unanimous conclusion that while there was a clear need for a rice program in Zaire, given the existence of wide-spread malnutrition in the countryside, that the existing title I rice program was so rife with corruption that there was no possibility whatsoever that a continuation of the program would enable us to get the rice to the people who actually need it. We came to the conclusion that a continuation of the title I rice program, while it might provide fuel for the engine of corruption in that country, would do nothing whatsoever to actually provide food for the hungry people of the country.

I said that in my judgment and the unanimous judgment of the Subcommittee on Africa the title I rice program in Zaire was completely corrupt. What do I mean by that? How does the title I program as currently constituted actually work? We buy the rice from rice producers in our own country. We then sell it to the Government of Zaire. The Government of Zaire in turn sells the rice to 26 carefully chosen distributors in Kinshasa, the capital of their country. These distributors in turn sell it to local distributors in different regions around the country. Those regional distributors in turn sell it to other local distributors who are supposed to make the rice available at market prices to the hungry people in the countryside.

The problem is that as this rice works its way down the conduit established by the Government of Zaire about half of it is diverted across the river to Congo Brazzaville where it apparently fetches a much higher price.

It was the feeling of the Subcommittee on Africa that if we wanted a title I rice program in Congo Brazzaville we ought to establish a title I rice program in Congo Brazzaville.

By continuing this program in Zaire the rice goes not to the people of Zaire but across the river to the people of the neighboring country.

☐ 1545

The rice that is not diverted to Congo-Brazzaville, after the various ripoffs and payoffs that are made up and down the line of distribution, ends up being sold at a price about 400 percent above the price at which we sell the rice to the Government of Zaire. By the time it gets to the countryside, one bag of rice costs the average consumer in the country the equivalent of 4 months' salary.

Mr. Chairman, I would submit that under these circumstances it is clear that whatever else this rice program in Zaire might be, it is not a program which is getting rice to the people who need it.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has expired.

(On request of Mr. WOLPE, and by unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. Now, Mr. Chairman, the administration has come to us and said, to be sure, there may be a lot of corruption in the old title I program, but we have a new agreement with Zaire which is designed to eliminate all these abuses.

I have an analysis here which I would be happy to show to any member of the committee which clearly demonstrates that virtually every one of the restrictions in the new title I agreement were in the old title I agreement. Since the Government of Zaire systematically violated every one of the restrictions in the old agreement, there is absolutely no reason to believe they are not going to systematically violate the very same restrictions in the new title I agreement.

"Well," the administration says, "you really have nothing to worry about because for the first time we have got one full-time AID officer in Zaire to make sure this agreement is honored."

Mr. Chairman, Zaire is a country with 25 million. It is the size of the entire United States east of the Mississippi. To expect that one AID officer is going to effectively monitor this agreement in a country in which corruption is endemic makes the search for the proverbial needle in a haystack look easy by comparison.

Our committee came to the conclusion that a much better way of getting this rice to the people who need it is to distribute it to them under the title II program, under which the rice is bought by our Government from rice producers in America—and they do not lose any money—and is then given to various private organizations which are not under the control of the Government of Zaire but which would then directly distribute the rice to the people who need it.

The rice growers who are against this amendment tell us that if we move to a title II program, there will not be a rice program in Zaire because the private voluntary organizations will not be able to distribute it. I have to say to the Members that based on our worldwide experience with the title II program, this is a proposition which is inherently ludicrous.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has again expired.

(By unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. Mr. Chairman, the Subcommittee on Africa has been informed by three prestigious private voluntary organizations— CARE, UNICEF, and the Seventh Day Adventists—that each and every one of them are not only interested in establishing a title II program in Zaire to distribute this rice but that they believe they are perfectly capable of doing so. As a matter of fact, UNICEF right now is already administering a title II program in Zaire. And throughout the entire world, we have over $555 million worth of title II commodities which are being distributed in a grand total of 41 different countries.

As a matter of fact, there are 11 countries which now have title II programs that are far in excess of the title II program this amendment contemplates establishing in Zaire. In Egypt, in Morocco, in Peru, in Ethiopia, in Kenya, in India, in Bangladesh, in Indonesia, in the Philippines, and in Sri Lanka they have title II programs far above the modest title II program we want to establish in Zaire.

Under the circumstances, I fail to see how anybody can seriously maintain that it is impossible to establish a title II program in Zaire.

☐ 1550

Finally, let me just say that if somehow or other it turned out that you could not establish a title II program in Zaire, despite what CARE, UNICEF, and the Seventh Day Adventist say, despite the fact that UNICEF already has a title II program in that country, it would seem to members of the subcommittee that we would be better off with no rice program in Africa at all than to go ahead with the title I program, which is demonstrably corrupt and which shows no promise whatsoever of being able to give the rice to the people in the countryside. If you are against corruption in the foreign aid program, then vote for this amendment, which focuses in on a particular program with respect to which there is incontrovertible evidence that it is not doing what it is supposed to do.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is a fact that some of the allegations relating to a misuse of Public Law 480 rice in Zaire, as the gentleman from New York advised us, are true; and there are steps being taken to correct that. I think it should be very clear, however, to each and every one of us, that to stop the corruption merely by giving the rice free under title II would not be the type of incentive we need. I think the cooperation of the Government is necessary, even if the voluntary agencies have the ability to distribute the rice that they might want and which the gentleman would like to provide under his amendment. The cooperation would be more if we had it under the proposal as the executive branch has requested.

Mr. Chairman, this amendment was defeated in committee by a vote of 11 to 8. Public Law 480, title I, is concessional sales, which means that the Public Law 480 commodities under that program go into the regular commercial distribution system of a country; $5.8 million of title I rice is programed by the executive branch for Zaire in fiscal year 1980. Title II is grants, which is grant and is normally handled through programs involving onsite distribution by voluntary organizations such as CARE, Catholic Relief Services, and the Seventh-day Adventists, as the gentleman from New York mentioned. Included in the program, for example, are school lunch programs, maternal child health, and the like. They are administered by such voluntary agencies. But we were advised, Mr. Chairman, by the Catholic Relief Services, and others, that there was no possibility that they could effectively distribute $5.8 million of rice. They might be effectively able to distribute a portion of this. But if the gentleman is really concerned about the needs of the poorest of the poor, then why should we not send as much as we can? We should make available as much as possible, to be distributed as effectively as possible, within the framework of the recommendations of the executive branch. They have told us—that is, the voluntary agencies—that they do not have the personnel in place to undertake a distribution of this size and the logistics difficulties are very great in the Congo. As the gentleman from New York said, it is a vast country, and the voluntary agencies do not have representatives in every part of it. Catholic Relief Services does hope to start a small program in Baz Zaire soon.

AID has listed a number of measures designed to curb corruption in the use of title I rice. The number of authorized importers and distributors has been held down, the sales are to be in no larger than 5-kilogram bags, quantities and prices available are supposed to be published in the local newspapers, a monitor has been hired to check on the system and, according to the information given to the committee, it is operating better.

☐ 1555

Further, the gentleman knows that upon the complaint that there were irregularities, three distributors were denied any further purchase of rice. Now, the committee report on page 32 makes plain that in giving AID a chance to implement the new anticorruption measures, the committee reserves the possibility of recommending against further title I rice sales in the future if these measures are not successful. In other words, if the new implementation of anticorruption measures is insufficient, the executive branch is to come back and advise us fully and the committee will also be monitoring what happens.

Our AID mission in Zaire and our Embassy have had, we have been told, adequate cooperation from the Government of Zaire in instituting corrective measures.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(By unanimous consent, Mr. ZABLOCKI was allowed to proceed for 2 additional minutes.)

Mr. ZABLOCKI. I submit, Mr. Chairman, that any decision to do what the gentleman from New York wants to do by his amendment, albeit it as sincere and well motivated as he believes it is, would now be too premature and would not only undermine the work of our Embassy and AID mission in developing a rice distribution and pricing plan, but could limit their ability—that is, our representatives in Zaire—to work with the government of Zaire on other problems.

Therefore, Mr. Chairman, I respectfully request that the gentleman's amendment, which was defeated in committee, should be defeated in this committee as we consider this legislation today.

Mr. FINDLEY. Mr. Chairman, I rise in opposition to the amendment.

I think it is well for us to reflect upon the origin of Public Law 480 as we consider this amendment. It was inaugurated frankly and mainly as a means of finding overseas markets, and overseas uses for surplus farm products. Despite the very attractive and appealing label of the food for peace program, it has remained in that category for the most part all through the years; a useful role as a market expansion device, a program which has over the years, I think, developed some entirely private markets for farm products.

Now, if the gentleman's amendment prevails, it will prohibit any title I sales for the year to Zaire. It may well be that during that year no title I sales should be consummated. But, who can look with clarity into the future and know whether or not Zaire is going to undertake reforms which would be adequate in order to justify the extension of a contract for a title I transaction.

It may be said that if that does develop, we can come back with new legislation, but is that not indeed a cumbersome way for us to deal with title I transactions?

It seems to me far better for us to permit the executive branch to make the decision on whether title I agreements should be consummated. The title II route is already open. We need no authorization language to enable the administration to go ahead with title II programs, the so-called donation or giveaway programs; and I hope that circumstances in Zaire will permit the use of this title. The worst aspect of this amendment is that it would carry the grave danger of doing violence to cash markets for U.S. foreign products overseas. I say cash markets, because title I sales require that the value of the grain be paid in hard currency. It requires that the interest on the transaction be paid in our currency, as well.

To be sure, there are attractive terms, but nevertheless it is a cash transaction that does create business for the U.S. farmer. I believe that the administration has the message.

☐ 1600

The gentleman from New York has rendered a good service, I think, in calling attention to the situation in Zaire, to the difficulty the administration has had in the past in carrying out title I programs properly, and to the shortcomings of the internal system which would make it difficult for title II commodities to be distributed. That message is a useful one to have been registered here on Capitol Hill, and I think the message has been registered adequately. It would be a mistake for us to write into the law an absolute prohibition on title I sales for a full year in advance.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Chairman, I appreciate the gentleman's remarks, and I associate myself with the remarks of the gentleman from Illinois (Mr. FINDLEY).

Would not the effect of this amendment be to deny the title I rice to the beneficiaries of that rice, who are the people in Zaire and/or the region of Zaire?

Mr. FINDLEY. It could, indeed, have that effect.

As I said at the outset, it is possible that the administration would view the situation in Zaire as being so desperate that it could not wisely enter into a contract under title I.

For my part, I would much rather leave the decision with the experts in the administration, the experts on Zaire, experts on the administration of title I programs, who would make that determination, and not have us try to make it here in advance, a year ahead, on the floor of the House.

Mr. ALEXANDER. Mr. Chairman, if the gentleman would yield further, is it not so that there are limits to the title II program, which is a charitable program, and that we supplement that program with a title I program, which is the sale of rice products or other food products under this act?

Mr. FINDLEY. From the standpoint of the U.S. taxpayer, it makes complete sense to keep open the title I avenue because title I sales are sales for hard currency, through which the U.S. taxpayer will recover his investment.

Mr. ALEXANDER. Under present budget restraints, would not the effect of the measure be to deny the title I program entirely?

Mr. FINDLEY. Indeed, it would.

Mr. ALEXANDER. Mr. Chairman, I thank the gentleman.

I rise in opposition to this amendment. Proponents of transfer of rice for Zaire from title I to title II contend that Zaire's Government is corrupt and that excess profits are made from the resale of U.S. rice. What the proponents fail to point out is that our Government has been working with the Government of Zaire to institute corrective measures in the distribution and pricing of about 12,000 tons of rice included under the Public Law 480 title I Agreement signed in fiscal year 1978. That rice has just arrived in Zaire and is being distributed in accordance with the new plan. Successful completion of this distribution will render needless the transfer of rice to Zaire from title I to title II. To step in at this point would undermine the work of our Government in correcting past problems and may well jeopardize our ability to work with the Government of Zaire on other matters as well.

Proponents of this amendment want to transfer the rice to title II, the give away section of the Public Law 480 program, and allow voluntary agencies to handle the distribution. Information available to me indicates that there are not enough charitable organizations in place to handle the distribution of rice in this quantity. That fact would lead me to believe that the proponents wish to deny all Public Law 480 rice to Zaire.

This year we are selling 30,000 metric tons of rice to Zaire, making it our third largest customer. The rice is being sold for $8.4 million under a long-term loan.

Mr. Chairman, if we transfer this rice to title II, assuming we can find a distribution network for the rice, the American taxpayer will bear the total cost of the rice, plus an additional $1 million for shipping.

If Zaire were a visibly militant government, as many of its neighbors, then there is perhaps some merit in the arguments of the proponents of this amendment. It does not, however, have a Socialist or Communist government and is in fact a friend to the United States.

This amendment is damaging to the conduct of foreign policy, to the agricultural sector of our economy, and to the taxpayers who will foot the bill if we adopt it.

I urge that the amendment be soundly defeated.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. FINDLEY) has expired.

(On request of Mr. HAMMERSCHMIDT and by unanimous consent, Mr. FINDLEY was allowed to proceed for 1 additional minute.)

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, I rise in opposition to this amendment to express my strong support for the efforts of my distinguished colleague Mr. FINDLEY as well as Mr. BOWEN, to defeat an attempt to transfer the Public Law 480 rice program for Zaire from title I, concessional sales, to title II, grant program, to be distributed by private voluntary organizations.

It is my understanding that the problems encountered in this program under title I have been resolved, and there is no compelling reason to transfer the rice to title II. In recent months our mission has been coordinating efforts with Zaire to institute corrective measures in the distribution and pricing of about 12,000 tons of rice included under the Public Law 480 title I agreement signed in fiscal year 1978. That rice is presently being distributed properly and in accordance with the announced program.

A decision at this point to transfer this program would be contrary to the efforts underway within our Embassy and mission to develop a rice distribution and pricing plan, and, furthermore, might aggravate efforts to resolve some of our other major difficulties with the Government of Zaire.

The amendment before us today assumes that Catholic Relief Services would be willing to undertake a title II program to distribute over 20,000 tons of rice in many areas of Zaire. I think it is realistic to state that it is doubtful that Catholic Relief Services would be able to handle this monumental task. The problems attendant to this type of program under title II would be many, including transportation, funding, distribution and storage.

I ask my colleagues in the House to oppose the Solarz amendment, since it will be harmful to American foreign policy, rice producers, and ultimately costly to the American consumer.

Mr. FINDLEY. Mr. Chairman, if I still have any time, I would like to add that in recent years there has been an effort to change the character of Public Law 480 from a giveaway program for our soft currency sales to hard currency sales so that our customers will move into the totally private sector, and title I is a vital part of that progression.

Mr. Chairman, I yield back the balance of my time.

Mr. BOWEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it was my privilege to have the opportunity to offer the amendment in the Committee on Foreign Affairs which struck the language adopted by the subcommittee of the gentleman from New York (Mr. SOLARZ).

I have had an opportunity to do a good deal of research on the subject, and I think the record probably should be set straight in a number of respects.

First of all, I would like to remind my colleagues that this amendment is opposed very strongly by the administration; of course, by the committee; and by the American Farm Bureau Federation; plus, I feel quite confident, by a large majority of the American taxpayers, who do not really appreciate the wisdom of taking a sales program which has a $5.8 million program for fiscal year 1980 and transferring that to a giveaway program under title II, a giveaway program which would cost those taxpayers that $5.8 million plus an additional $1 million in ocean freight to ship the rice across the Atlantic and then to attempt to distribute it inside Zaire.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. BOWEN. I am happy to yield to my good friend, the gentleman from Texas.

Mr. PICKLE. Mr. Chairman, I rise to speak in opposition to the amendment to shift our rice distribution program in Zaire from a title I to a title II program. This amendment, if passed, could have a serious and damaging effect on the U.S. rice industry.

Under the title II program, distribution of the rice would be handled by private voluntary organizations. I understand that these agencies which distribute title II commodities do not want to operate in Zaire. Without their cooperation, the bottom line is that Public Law 480 rice will not be distributed in Zaire at all. This would have a severe effect on American ricegrowers.

New programs for distribution of rice under title I were recently instituted by the administration to alleviate the corruption involved in the system. They have been in effect only a very short time. These reforms should be given a chance to work by the Congress, before the whole rice distribution program is so greatly changed.

The bill should be allowed to stand as it is, unamended on this point. The people of Zaire who need this rice for their subsistence—as well as the American rice farmer—are depending on it.

Mr. BOWEN. Mr. Chairman, I thank the gentleman from Texas (Mr. PICKLE) for his remarks.

May I say that I spent a good part of yesterday contacting the voluntary organizations which the gentleman from New York (Mr. SOLARZ) referred to, to see just exactly what they would have to say about their capability of distributing the rice in Zaire. Mind you, that would be under the presumption that it is desirable to cancel a sales program and transfer it to a giveaway program.

☐ 1605

I do not happen to buy that presumption; but if you are going to look at it from the ricegrowers' point of view, frankly, and they are going to sell the rice anyway, and they can sell it that way. I do not happen to like that method. But I will say this is what I found in talking to the organizations.

First of all, the Catholic Relief Service said, "Absolutely no," they could not handle it. CARE, which has been mentioned said, "No," there is no way they can do it. They have no program in Zaire, and they have very limited capabilities in Africa. They have not the remotest intention of trying to administer a program of this magnitude. The Seventh-day Adventists say they are doubtful that they can do it. They say they are willing to consider it, but they would have to go around the country and try to raise some money privately to try to operate it. They say they have got other priorities in Africa that rank well ahead of this. They have programs in the Upper Volta, Ruanda, and Ethiopia which they have not gotten started, which they say must come ahead of this priority.

UNICEF says they are toying with the idea of considering rice in Zaire, but their programs are mother and child food programs and food distribution, and they are cutting back on food and nutrition in their departments. So none of these organizations say they have any capability of handling a 20,000-ton title II program in Zaire.

What I say it amounts to if we shift it from title I to title II under these circumstances is we just do not have any rice program in Zaire. There are 25,000 American ricegrowers who are very much dependent upon this industry. It is a large chunk of foreign exchange for our country to earn. I think it would be extremely unwise to take this action.

Mr. BREAUX. Mr. Chairman, will the gentleman yield?

Mr. BOWEN. I yield to the gentleman from Louisiana.

Mr. BREAUX. I thank the gentleman for yielding.

I want to congratulate the gentleman for his remarks and associate my position with the gentleman from Mississippi. But I also want to take this opportunity to congratulate the gentleman from New York (Mr. SOLARZ) for his initial approach in bringing to the forefront a problem that we can all admit does exist in Zaire. There have been some problems in the way they have received the rice they are getting under our aid program. But I think that problem is being corrected.

I would like to ask the gentleman from Mississippi, is it not true that the Department has already in effect a program aimed at trying to correct the very problem that I think the gentleman from New York is trying to address? I think the gentleman's position is, Let us give the Department effort and the effort of the Department of Agriculture a chance to work. By adopting this amendment we would be really pulling the rug out from under the efforts they are trying to make.

Mr. BOWEN. The gentleman from Louisiana is eminently correct.

I would like at this point to address myself to the observations the gentleman from New York (Mr. SOLARZ) has made about the efforts to remedy some of the problems that have developed in the program. Frankly, there has been no opportunity previously for the reforms to begin. There have been only two previous rice distributions made inside Zaire, the 1976 and 1977 crops, and these reforms were begun during the distribution of the 1977 crop which was distributed in 1978. So that really means that they had one crop-year's experience, one distribution experience, to base any kind of reform program on. So it is just getting started.

The program which the Department of Agriculture and which AID are instituting includes a full-time monitoring system involving a number of personnel, not just one man.

I am informed, on the best of advice by the agricultural attaché and his assistant, that the embassy officials not only in Kinshasa, Lubumbashi, and Bukavu are involved in it, but between some 10 and 20 additional American personnel are there to monitor the program.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. BOWEN was allowed to proceed for 3 additional minutes.)

Mr. BOWEN. In addition, rigid price controls are being established and mandated by this country in our dealings with the Government of Zaire. They are required to publish the quantities and the prices, and at every level of transaction, a monitoring is taking place. In fact, only recently two importers were disqualified. One was disqualified for charging too much for rice, and the other for selling it at the wrong place. We presume they sold it across the river in Brazzaville and they were disqualified. The United States has to certify a list of importers and, quite frankly, recently I was shown a telegram that was sent to the Ambassador in Kinshasa at my request, saying that if this program is not run efficiently, they will simply cancel further Public Law 480 rice sales to Zaire. I do not think we can ask any more except to give them a chance, give them a chance to make the reform program work. They have not had a chance. Give them a chance to make it work. If it does not work, I will be the first man to ask that we close it down.

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. BOWEN. I yield to the gentleman from California.

Mr. FAZIO. I appreciate the gentleman's yielding.

I would like to associate myself with his remarks and with the remarks of the gentleman from Louisiana. It seems to me that they have really hit on the most important point for the bulk of the Members on the floor today. Although we are concerned about a taxpayer-financed program under title II, and we are concerned about the inability of charitable nonprofit organizations to initiate the kind of sales that would really deal with the problems of the people of Zaire, I think most of us have to be focusing on the concern that brought the gentleman from New York (Mr. SOLARZ) to the point of bringing this amendment to the floor.

☐ 1610

I think the gentleman's remarks in terms of the administration's awareness of the problems, the attempts to deal with it and the desire on the part of this body, I hope, to give them an opportunity to follow through on their program of policing the rice program in Zaire are very pertinent. I certainly congratulate the gentleman.

Mr. BOWEN. Mr. Chairman, I thank the gentleman from California for his observations.

I simply would like to conclude my remarks by saying that I would like to ask the Members to vote against this amendment for the sake of the some 750,000 people of Zaire who need this rice.

I would like to ask us to vote against it for the sake of the American taxpayers who are being asked to spend about $7 million a year and simply give it away over there rather than sell it. Let us not forget also the rice growers of the country. We grow a great deal of rice in California, in Texas, in Louisiana, in Arkansas, in Mississippi and Missouri. Rice is an important foreign exchange earner for us. We have a sound program in title I that sells the rice. Let us give it a chance to work. Reforms are underway, and as I say, I will be the first man to ask that this program be terminated if those reforms are not successful.

The CHAIRMAN. The time of the gentleman from Mississippi (Mr. BOWEN) has expired.

(By unanimous consent, Mr. BOWEN was allowed to proceed for 2 additional minutes.)

Mr. COELHO. Mr. Chairman, will the gentleman yield?

Mr. BOWEN. I yield to the gentleman from California.

Mr. COELHO. Mr. Chairman, I appreciate the gentleman from Mississippi for yielding. I want to associate myself with the gentleman's remarks.

I would also like to applaud the gentleman from New York (Mr. SOLARZ) for bringing this issue to the attention of the House. With the gentleman's effort and with the efforts of the gentleman from Mississippi, I am sure we can correct the abuses which have occurred.

Mr. BOWEN. Mr. Chairman, the gentleman from New York (Mr. SOLARZ) and I share common goals. We both want an honest, clean program for one, and we are both concerned about the well-being of the people of Zaire and we are sure that working together we can accomplish that goal.

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, after listening to all the testimony in the subcommittee, the subcommittee voted unanimously not to go the title I route. We did not think we could come and tell you people honestly that it has been a good program and that it is the direction we should go; so we took the title II route.

Mr. Chairman, I yield to my chairman, the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, I thank the gentleman from Pennsylvania for yielding.

Let me say that I appreciate the kind words that were said about me by several of the opponents of the amendment.

But I must say I take my responsibilities seriously. When I was in Zaire in January and I saw firsthand evidence about how this program was being corrupted, I felt I had a responsibility to my colleagues in the House and to the people of this country, as the chairman of the Subcommittee on Africa, to try to do something about this program.

Now, our very distinguished chairman, the gentleman from Wisconsin, and the gentleman from Mississippi (Mr. BOWEN) have both argued that, whatever the problems that may have existed with this program in the past, they have now more or less been resolved by virtue of a new title I rice agreement which our Government has entered into with Zaire.

Believe me, I wish it were so simple, because there is nothing I would like more than to make sure that this food gets to the people who need it in the country. But the fact of the matter is that, with one exception, each and every one of the provisions that have been put into the new title I rice agreement, to which the gentleman from Wisconsin and the gentleman from Mississippi referred, are identical to provisions which existed in the previous agreement which the Government of Zaire systematically flouted.

For example, they told us that as a result of the new agreement there now has to be a list of approved importers. They had exactly the same provision in the old agreement and it was flouted.

Then they said there was a new provision for the control of prices at various centers and that could only be sold for a certain amount of money. But they had exactly the same provision in the old agreement and nobody paid any attention to it.

Then they said that they now have to publish and distribute a list in the newspapers of the quantity and the price of the rice that would be available. But they had exactly the same provision in the old agreement and nobody paid any attention to it.

Then they tell us that now there is a new agreement that half the rice has to be sold outside of the capital. Very good. But they had exactly the same provision in the old agreement and that one was systematically violated as well.

There is, however, one difference. In the old agreement we requested Zaire to sell the rice in small bags, 2½ to 5 kilograms.

□ 1615

In the new agreement they are required to sell the rice in small bags. A big deal.

Ladies and gentleman, there are a lot of countries in the world in which corruption is a problem. Corruption is not unknown in this country. But there is no country in the world in which corruption has become a way of life the way it has in Zaire. It is literally endemic. Believe me, if I thought there was the most remote possibility that the new title I agreement would eliminate corruption, I would be willing to give it a chance, too. But to think this agreement can work where the other one did not is really whistling in the wind. Consequently, I think there is but one relevant question and that is: Do we have a better chance of getting the rice to the people through title I or title II?

Under title I what will happen in the future is exactly what happened in the past. A large part of it will be sold in other countries where it fetches a higher price and the rice that remains in the country, after the ripoffs and payoffs down the line of distribution, will ultimately be available to the poor people in the countryside at markups of about 400 to 500 percent above what Zaire pays us for the rice, creating a situation where the people for whom it is intended have to pay 4 months' salary in order to purchase one miserable bag of rice.

There may be problems in implementing the title II program, although I must say there are title II programs of a much greater magnitude in Egypt, in India, in Ethiopia, in Kenya, and in Bangladesh, and it is beyond me why it is not possible to establish a title II program in Zaire as well.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GOODLING. I ask unanimous consent that the gentleman be permitted to continue 1 additional minute.

The CHAIRMAN. Is there objection?

Mr. ZABLOCKI. Reserving the right to object.

The CHAIRMAN. The gentleman from Wisconsin (Mr. ZABLOCKI) reserves the right to object.

Mr. ZABLOCKI. Mr. Chairman, it is my understanding we have 1 additional amendment to title II. I wonder if we could ask unanimous consent debate on this amendment end at 4:30.

The CHAIRMAN. There is already a unanimous-consent request pending.

Mr. ZABLOCKI. After the 1 minute I will make my request.

Mr. SOLARZ. I will conclude in 30 seconds.

The CHAIRMAN. Is there objection? The Chair hears none.

The gentleman is recognized for 1 additional minute.

Mr. GOODLING. I yield 30 seconds to the gentleman from New York (Mr. SOLARZ) and I will yield 30 seconds to the gentleman from Mississippi (Mr. BOWEN).

Mr. SOLARZ. I realize I am not about to be invited to the annual convention of the rice growers when they meet next year, but let me just say that we have a much better chance of getting the rice to the people of Zaire through a PVO program in which it is distributed directly to the people than through a continuation of the title I program. Even if we cannot get a title II program off the ground, however, let nobody be under any illusions that continuing the title I program will get rice to hungry people in Zaire. It will provide tremendous profits to the corrupt distributors and government officials who run the program, but it will not result in a single grain of rice getting to a starving person in the countryside.

Mr. GOODLING. I yield to the gentleman from Mississippi (Mr. BOWEN).

Mr. BOWEN. I thank the gentleman for yielding.

I would like to clear up the confusion in the mind of the gentleman from New York on this subject. That is between the so-called old and new reforms. They are really the same. There is only one reform program for the distribution of rice in Zaire. It was begun during the distribution of the last rice crop when it never had an opportunity to be implemented. This present distribution of rice in Zaire which they received last month is the first time that these reforms have been attempted and I am quite confident they will be successful.

The CHAIRMAN. The time of the gentleman has expired.

□ 1620

The CHAIRMAN. For what purpose does the gentlewoman from New Jersey, a member of the committee, rise?

Mrs. FENWICK. Mr. Chairman, I rise in support of the amendment.

Mr. ZABLOCKI. Mr. Chairman, will the gentlewoman yield for the purpose of allowing me to make a unanimous-consent request?

The CHAIRMAN. The Chair has not yet recognized the gentlewoman from New Jersey (Mrs. FENWICK). The Chair simply inquired, for what purpose does the gentlewoman rise?

For what purpose does the gentleman from Wisconsin rise?

Mr. ZABLOCKI. Mr. Chairman, I rise for the purpose of making a unanimous-consent request.

I ask unanimous consent that all debate on this amendment and all amendments thereto end at 4:30 p.m.?

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. BAUMAN. Mr. Chairman, reserving the right to object could the chairman of the committee tell us, if this request for a limitation of time is granted, what would be his disposition about rising? What time would the committee rise?

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the chairman of the committee.

Mr. ZABLOCKI. Mr. Chairman, we would rise at 5 o'clock.

Mr. BAUMAN. That would presuppose, then, other amendments that would be offered?

Mr. ZABLOCKI. That would presuppose that other amendments may be offered.

Mr. BAUMAN. Mr. Chairman, further reserving the right to object, I was under the impression the gentleman had told some of the members of the committee that we would conclude at 4:30 with the determination of this amendment.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the committee chairman.

Mr. ZABLOCKI. Mr. Chairman, there must be some confusion about this. When the inquiry was made of me, I said we would rise at 5 o'clock, or if we reached title V, whichever came first.

Mr. BAUMAN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. GOODLING. Mr. Chairman, reserving the right to object, would the chairman of the committee consider making that request after the gentlewoman from New Jersey (Mrs. FENWICK), a member of the subcommittee, has had her opportunity to speak for 5 minutes?

Mr. ZABLOCKI. Mr. Chairman, the committee chairman will withdraw his unanimous-consent request until after the gentlewoman from New Jersey (Mrs. FENWICK) has had her 5 minutes, and I hope she will not use all of her 5 minutes.

The CHAIRMAN. The unanimous-consent request is withdrawn.

The Chair recognizes the gentlewoman from New Jersey (Mrs. FENWICK) for 5 minutes.

Mrs. FENWICK. Mr. Chairman, I will not take 5 minutes.

It is very hard to disagree with the distinguished and fine chairman of our committee and with our ranking minority member and others whom I greatly respect. But this is something that is really serious with which we are dealing here. We are trying to feed hungry people.

This is not a commercial sale. This is not something we are selling over the counter on which people are free to make any profit they want. This is money which is in most cases loaned to Zaire. There is some question as to whether it will ever be repaid. It is loaned at 2 percent over the grace period and at 3 percent after the grace period.

The people in America are putting up that money, because they want to do something good; they want to feed people who are starving.

We are asking the same governments that administer the program—they are the same governments that saw all the horrors that went on and that caused them—to institute the reforms, and we are asking those governments to do again what they have been doing. We have no right to do it.

I do not know what the voluntary organizations have told the gentleman. Maybe it is different when he asks them in a different tone, but the ones to which I have spoken are very happy to undertake it.

In Cambodia I have seen the work of the Catholic Relief, Lutheran World Service, CARE, and World Vision. I have seen these magnificent organizations at the airport where the rice was coming in; I have seen them jumping on the trucks and taking it to their storage people. This is what happens when we have people who care and who are working, because they are interested in getting people fed, not in making money.

The man who came before our subcommittee said that, indeed, they would be happy if they had some help with the infrastructure, with the trucks, and so on. If we are trying to get the trucks for them, why not let the volunteers do the distribution? We must begin to fish or cut bait.

This is not a commercial program, no matter whether it is under title I or title II. The people of America are putting money into it, because they want to do something good in both cases. I think they deserve better than a program that has proved corrupt and that has not been administered properly. They are going to have to subsidize this through the interest rates and through the interest payments which are set.

Mr. WOLPE. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Michigan.

Mr. WOLPE. Mr. Chairman, I thank the gentlewoman for yielding, and I want to commend her for her statement and wish to associate myself with her position.

Is this not also the case: that the voluntary agencies have really proven more capable of distributing title II funds? They are handling $250 million worth of supplies in 11 foreign countries. All of this is being done through the voluntary agencies in title II food now, and much more than we envisioned in Zaire is being done in 11 countries.

So the case cannot be made that somehow the supply of food cannot be channeled under title II and, indeed, the reverse is true. If we allow the program to be administered under title I, we are insuring that the food may never reach its destination.

Mrs. FENWICK. Mr. Chairman, I agree with the gentleman, and I thank my colleague for his remarks.

Mr. PEASE. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to my colleague, the gentleman from Ohio.

Mr. PEASE. Mr. Chairman, I thank the gentlewoman for yielding.

I think the bottom line here is that we are dealing with a corrupt governmental regime. We almost lost Zaire a year or so ago, because of that corrupt regime, and we had no standing among the people of Zaire. To the extent we continue funneling rice or grain or anything else through that regime, we are helping to prop it up and we may be hastening the day when the Government is going to fall to the wrong people.

Mrs. FENWICK. Mr. Chairman, I thank my colleague, the gentleman from Ohio (Mr. PEASE).

Mr. Chairman, I would like to reassure my colleagues who are concerned, and rightly so, with the rice sales to the people in this country. There is no reason to believe the Zairians will not continue to like rice. Rice will still be bought, and it will still be sent to Zaire, but it will be distributed to the people who are starving, not to businessmen who want to make money.

Mr. Chairman, I thank my colleagues for their contributions.

The CHAIRMAN. Does the gentleman from Wisconsin (Mr. ZABLOCKI) desire to renew his unanimous-consent request?

Mr. ZABLOCKI. I do, Mr. Chairman.

Mr. Chairman, I renew my unanimous-consent request that all debate on the pending amendment and all amendments thereto end at 4.30 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

☐ 1625

Mr. SANTINI. Reserving the right to object, Mr. Chairman, in view of the explosion of interest that has been demonstrated by the number of Members standing, and in view of the expressed intent to conclude at 5 o'clock this afternoon, it would seem more appropriate and I would hope that the sponsor of the unanimous-consent request would accede to a request that we delay the termination of debate until 4:45, to allow all of those Members standing to be heard on this important subject.

Mr. ZABLOCKI. The gentleman from Wisconsin will agree to the gentleman's request.

Mr. SANTINI. Mr. Chairman, I thank the gentleman, and I withdraw my reservation of objection.

Mr. ZABLOCKI. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close at 4:45 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was agreed to will be recognized for 1 minute and 50 seconds each.

The Chair recognizes the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, the last Member who spoke left the impression that this amendment is needed in order for title II-type contracts to go forward, the type of contracts which put the commodities in the hands of private volunteer agencies for distribution directly to the poor. That creates an erroneous impression. Whether it was intended or not, the impression is there. Actually, this amendment is not needed in order to give full authority to the administration to carry forward with the title II-type program. What the amendment does do is impose an unfortunate rigidity on the Public Law 480 program that may be needed for Zaire in the future, and I hope it will be defeated.

(By unanimous consent, Mr. VOLKMER and Mr. DODD yielded their time to Mr. SANTINI.)

The CHAIRMAN. The Chair recognizes the gentleman from Nevada (Mr. SANTINI).

Mr. SANTINI. Mr. Chairman, I rise in opposition to the amendment.

☐ 1630

Mr. Chairman, I rise in my capacity as chairman of the Subcommittee on Mines and Mining. No, our jurisdiction has not suddenly encompassed a food substance such as rice. I rise to ask the members of the committee to consider a rather obvious and automatic consequence of the gentleman's amendment. The gentleman in his most effective and articulate fashion has suggested that this is solely and exclusively an issue that entails a distribution of foodstuffs to an undesirable governmental entity. I would suggest that it entails another substantial consequence.

First of all, it initiates from the Congress of the United States a message that we disapprove of the Government of Zaire. Whenever we launch the processes of selective identification of those forms of government that we sanction and those we do not, we launch a very shaky premise. Whatever the deficiencies of the Government of Zaire may be, they probably do not come close in terms of the basic denial of an old phrase—human rights—to the U.S.S.R.

Let us assume that the gentleman's intended message of denunciation is communicated to the world, the Government of Zaire falls. What is the result? With the fall of the Government of Zaire also collapses this Nation's primary source of supply of cobalt. Cobalt is one of the principal mineral products of the nation of Zaire. Zaire is the principal supplier of cobalt to the Western World.

The United States of America imports 98 percent of its cobalt. Cobalt is the principal ingredient in steel. If you do not have cobalt, you do not have steel. There is no substitute.

Assume that the Government falls in Zaire. Who then becomes the principal supplier of cobalt to the United States of America? Why, that other champion of good government, the U.S.S.R. The U.S.S.R. is the other principal supplier of the Western World's cobalt.

Now, I do not think these kinds of judgments should be exercised in this kind of consequential oblivion. It seems to me that these factual consequences should be taken in balance before we exercise our sweeping desires to transmit our good intentions across the ocean. It seems to me that if we are going to shift our Nation's principal source of reliance on cobalt from Zaire to the U.S.S.R., then we ought to do so in an intelligent, premeditated, deliberative fashion. The pending amendment could contribute in some small measure to the downfall of the Government of Zaire.

Last year we saw what happened when that country was invaded. The price on the international marketplace of cobalt jumped five times, and guess who bought most of the cobalt on the London metal market? The U.S.S.R. Remember, the U.S.S.R. with the collapse of Zaire, becomes the Western World's principal supplier of cobalt.

I think the chain of cause and effect is there. I would suggest that, before we pursue any adverse legislative course with regard to the nation of Zaire, we should fully comprehend all of the consequences of such a misguided legislative course.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. FOUNTAIN).

Mr. FOUNTAIN. Mr. Chairman, I think the gentleman from Nevada (Mr. SANTINI) has made some meaningful comments which are deserving of serious consideration by this body. I think we ought to look at the total picture. I would like to add that representatives of the Department of Agriculture in whom I have great confidence have talked to me about this matter, and they are extremely concerned about this amendment. They say that they are putting into effect a monitoring program which they believe will be effective with respect to the distribution of rice from Public Law 480 sales, and they will be the first to recommend the abolition of sales to Zaire if the program is not effective.

I want to associate myself with the views of the gentleman from Illinois (Mr. FINDLEY) during his first remarks and his more subsequent remarks, also, with respect to the importance of this program, and the danger of the SOLARZ amendment eliminating all sales and converting all transactions to a giveaway program under title II.

☐ 1635

Frankly, I would rather have a program consisting partly of sales and partly of giveaway than all of giveaway. The Solarz amendment should therefore be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama (Mr. BUCHANAN).

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank my colleague, the gentleman from Alabama (Mr. BUCHANAN) for yielding.

I think the observations of the gentleman from Nevada (Mr. SANTINI) are very important. Cobalt is essential, and we know it; but we are not going to get cobalt out of Zaire if we do not get that railroad running. That is the problem there. There is also a problem of unrest within the nation itself.

If food is costing 4 months' salary, how long can this last? If the army is not paid and is stopping people on the roads and will not allow them to move without paying ransom as they go down each block, how long is such a regime going to last?

Mr. Chairman, nothing could do more to stabilize the country than to have the food delivered properly to the people who need it. Other programs are going forward for Zaire. This is not intended in any way as a bash in the face of the government. This is intended to get food to starving people.

Other programs will help the government to stabilize itself and to bring itself into better accord with the welfare of the people. That is the only stability that country can ever have.

Again, Mr. Chairman, we have to get that railroad running; but if we are going to have peope causing disturbances along the track, we will never get it running. We will not get the cobalt out. There is no doubt about that. The only way the Congo people have ever gotten the metals out is through that railroad, and that railroad is not going to run if the people are not going to be peaceful and satisfied.

Mr. Chairman, I think the amendment is essential from every point of view.

Mr. BUCHANAN. Mr. Chairman, I yield back the balance of my time

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. WOLPE).

Mr. WOLPE. Mr. Chairman, it has been suggested that there is a message which would be conveyed by approval of this amendment to the Zairian Government, a message of disapproval. Mr. Chairman, I think there is a message, and that message is that we are not going to tolerate the kind of corrupt use of American taxpayer programs and funds which is presently in place in Zaire.

The argument has been made, and I think correctly, that Zaire has importance to America in terms of the cobalt that they possess.

As the gentlewoman from New Jersey (Mrs. FENWICK) was pointing out very effectively, in my judgment, we stand to lose access to that cobalt to the extent that we continue to identify ourselves with and support corrupt practices in the developing countries.

Mr. Chairman, if we are really, truly serious about our own national self-interest, we are going to begin to express that self-interest by indicating that we are not going to be supportive in our policies of regimes which are corrupt, which lack the support of the people, and which are inherently unstable. We are, indeed, going to insist that American taxpayer dollars and programs are going to be targeted to the people who are in greatest need and that they will, in fact, reach the people.

The testimony which our subcommittee received in this connection was indisputable. Corruption is endemic. It is institutionalized. We are not talking, in the Zairian case, about a single, occasional corrupt official. We are talking about a system which is based upon corruption.

It is true that AID has indicated intentions to build a more effective monitoring system, but in the testimony before our subcommittee that new system was explained as the hiring of a single monitor to monitor the entire Zairian system.

☐ 1640

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. DERWINSKI).

Mr. SANTINI. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Nevada.

Mr. SANTINI. I thank the gentleman for yielding.

If I might just reemphasize, as we attempt here to engage in our selective exercise of legislative rectitude, ought not we do it in a context of realizing the consequences of our act? The ultimate beneficiary—assuming that this system is based upon corruption, upsets the operations and collapses, do you know who for the next 6 months is the beneficiary of any kind of consequence in terms of the world marketplace of the principal resource of that nation? The U.S.S.R. I find that inherently irrational, contradictory, and self-defeating. I cannot appreciate the logical extension of saying we are going to punish those nations that might have a remote interest in being friendly with us and reward those nations that are manifestly hostile to us, economically hostile to us, and politically hostile to us. Potentially, in a personal sense, I think they have got to accept that kind of reality and consequence as we praise this kind of legislative product.

I thank the gentleman for yielding.

Mr. DERWINSKI. May I say, Mr. Chairman, that the gentleman is not only eloquent, his logic is absolutely devastating.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, I would like to address myself to the new and rather novel argument of my good friend, the gentleman from Nevada. First of all, let me say that if President Mobuto should fall, there is every reason to believe that whoever succeeds him would be willing to sell Zairean cobalt to the United States. There is absolutely no reason to believe that they would cut cobalt off. There is no Communist Party in Zaire. There is no threat of radical Leftist forces in Zaire that would deprive us of these vitally needed resources. But, more importantly, let me say to the gentleman, precisely because we did not want to destabilize the Mobuto Government, we did not eliminate the development assistance program we have in Zaire, which is going to the needy people of the country. We did not eliminate the title I wheat program in Zaire which is benefiting the needy people of the country. We did try to eliminate the rice program, which is not benefiting the needy people of the country.

If the gentleman is really concerned, as I think he is, about the survival of President Mobuto, let me say the worst thing that could happen is the defeat of my amendment, because if President Mobuto is overthrown, it will be because of widespread domestic unrest, hunger, and riots throughout the countryside on the part of people who are not getting enough food to eat. If this title I program is eliminated, the hungry people will not get the rice; there may be riots; and Mobuto could be overthrown, whereas if the amendment is adopted and rice is distributed through voluntary organizations, there is a much better chance the people will get the rice and Mobuto will survive.

This program, in short, is precisely the kind of program that gives foreign aid a bad reputation.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI) to conclude the debate.

Mr. ZABLOCKI. Mr. Chairman, normally if I knew that the voluntary agencies could do the job, I would certainly support the gentleman's amendment. We all know that with voluntary agencies in other countries we get more for the dollar than we spend than in any other type of program. But in this case the executive branch saw fit not to include a dime under title II because the voluntary agencies had problems in Zaire.

There are problems of distribution as well. As I said earlier in the debate, the CRS is intending to come in with a program. I know that some of my colleagues have talked to the voluntary agencies, and if we provide all of this rice free under title II, we will be able to handle it. What do we expect them to say? Of course, they say, "We can," even if they could not. I do not think we should authorize all of the money for title II when we know they cannot do a good job in distribution.

If the amendment had had at least a mix, part 1 and part 2, I could stomach it. Regarding the intentions of the gentleman from New York to end the corruption, and we all are for discontinuing the corruption, I again submit his amendment by giving it all is not going to do it at all. Therefore, I hope the amendment will be defeated.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from New York (Mr. SOLARZ).

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SOLARZ. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 101, noes 246, not voting 85, as follows:

[Roll No. 79]

AYES—101

Applegate
Aspin
AuCoin
Barnes
Bedell
Benjamin
Bingham
Bonior
Bonker
Brodhead
Buchanan
Burton, Phillip
Butler
Byron
Clay
Cleveland
Collins, Ill.
Conable
Dickinson
Dicks
Dixon
Dodd
Downey
Drinan
Eckhardt
Edwards, Calif.
Ertel
Evans, Ind.
Fenwick
Ferraro
Fish
Garcia
Gilman
Gingrich
Glickman
Goodling
Gore
Gray
Green
Hall, Ohio
Harkin
Harris
Harsha
Hawkins
Heckler
Heftel
Holtzman
Hughes
Jeffords
Johnson, Colo.
Jones, Okla.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lehman
Leland
McHugh
McKinney
Markey
Marks
Matsui
Mikulski
Mikva
Mineta
Mitchell, Md.
Moffett
Nelson
Nowak
Obey
Ottinger
Panetta
Pease
Peyser
Pritchard
Rangel
Richmond
Rosenthal
Roybal
Russo
Sabo
Schroeder
Seiberling
Shannon
Simon
Solarz
Spellman
Studds
Swift
Trible
Ullman
Vento
Walgren
Waxman
Weaver
Weiss
Williams, Mont.
Wolpe
Yates

NOES—246

Abdnor
Akaka
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashley
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Bevill
Blanchard
Boland
Bolling
Boner
Bouquard
Bowen
Brademas
Breaux
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Burgener
Burlison
Burton, John
Campbell
Carney
Cavanaugh
Chisholm
Clausen
Clinger
Coelho
Coleman
Collins, Tex.
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Derwinski
Dingell
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
English
Erlenborn
Evans, Del.
Fary
Fascell
Fazio
Findley
Fisher
Flippo
Foley
Ford, Mich.
Forsythe
Fountain
Fowler
Frost
Gephardt
Gibbons
Ginn
Goldwater
Gonzalez
Gramm
Grassley
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Hefner
Hightower
Hinson
Holland
Holt
Hopkins
Horton
Huckaby
Hutto
Hyde
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kazen
Kelly
Kindness
Kramer
Lagomarsino
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McKay
Madigan
Marlenee
Martin
Mathis
Mattox
Mazzoli
Mica
Michel
Miller, Ohio
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
O'Brien
Oakar
Oberstar
Pashayan
Patterson
Paul
Perkins
Preyer
Price
Pursell
Quillen
Rahall
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rose
Rostenkowski
Roth
Rousselot
Santini
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Snowe
Snyder
Solomon
Spence
Stack
Stangeland
Steed
Stenholm
Stockman
Stratton
Symms
Synar
Tauke
Taylor
Traxler
Treen
Van Deerlin
Vander Jagt
Vanik
Volkmer
Walker
Wampler
Whitehurst
Whitley
Whittaker
Whitten
Wilson, Bob
Wilson, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

NOT VOTING—85

Addabbo
Albosta
Anderson, Ill.
Ashbrook
Beard, R.I.
Beilenson
Biaggi
Boggs
Brinkley
Carr
Carter
Chappell
Cheney
Conyers
Crane, Daniel
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Devine
Diggs
Donnelly
Early
Edgar
Emery
Erdahl
Evans, Ga.
Fithian
Flood
Florio
Ford, Tenn.
Frenzel
Fuqua
Gaydos
Giaimo
Gradison
Grisham
Guarini
Hillis
Hollenbeck
Howard
Hubbard
Ichord
Kemp

Latta
Long, La.
Lundine
McCormack
Maguire
Marriott
Mavroules
Miller, Calif.
Minish
Mitchell, N.Y.
Mottl
Murphy, N.Y.
Nolan
Patten
Pepper
Pickle
Quayle
Railsback
Rodino
Roe
Rudd
Runnels
Smith, Nebr.
St Germain
Staggers
Stanton
Stark
Stewart
Stokes
Stump
Thomas
Thompson
Udall
Watkins
White
Williams, Ohio
Wilson, C. H.
Wirth
Wylie
Zeferetti

☐ 1700

The Clerk announced the following pairs:

On this vote:

Mr. Addabbo for, with Mr. Albosta against.

Mr. Zeferetti for, with Mr. Chappell against.

Mr. Stark for, with Mr. Biaggi against.

Mr. Wirth for, with Mrs. Boggs against.

Mr. Runnels for, with Mr. Flood against.

Mr. Ford of Tennessee for, with Mr. McCormack against.

Mr. Beard of Rhode Island for, with Mr. Donnelly against.

Mr. Conyers for, with Mr. Thompson against.

Mr. Dellums for, with Mr. Staggers against.

Messrs. PRICE, SHARP, DAVIS of Michigan, and LONG of Maryland changed their vote from "aye" to "no."

Mr. GLICKMAN and Mr. LEHMAN changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore (Mr. NEAL). Are there other amendments to title II? If not, the Clerk will read title III.

The Clerk read as follows:

TITLE III—ECONOMIC SUPPORT FUND

AUTHORIZATION OF APPROPRIATIONS

SEC. 301. Section 531(b)(1) of the Foreign Assistance Act of 1961 is amended by striking out "for the fiscal year 1979, $1,902,000,000" and inserting in lieu thereof "for the fiscal year 1980, $1,895,000,000 and for the fiscal year 1981, $1,950,000,000".

MIDDLE EAST PROGRAMS

SEC. 302. Section 532 of the Foreign Assistance Act of 1961 is amended by striking out subsection (b) and inserting in lieu thereof the following:

"(b)(1) Of the amounts authorized to be appropriated to carry out this chapter for the fiscal year 1980 and for the fiscal year 1981, not less than $785,000,000 for each such year shall be available only for Israel and not less than $750,000,000 for each such year shall be available only for Egypt.

"(2) Funds authorized to be appropriated to carry out this chapter for the fiscal year 1980 and for the fiscal year 1981 may be made available for Syria or for Jordan if the President determines and certifies to the Congress that such country is acting in good faith to achieve further progress toward a comprehensive peace settlement in the Middle East and that the expenditure of these funds will serve the process of peace in the Middle East.

"(3) Funds appropriated to carry out this chapter for the fiscal year 1981 may be used for the Maqarin Dam and Jordan Valley Irrigation System only if the funds made available for such purpose under this chapter for the fiscal year 1979, including any such funds continued available for the fiscal year 1980, have been obligated.

"(c) It is the sense of the Congress that programs which stress regional development or regional scientific and technical cooperation between Israel and its Arab neighbors can contribute in an important way to the mutual understanding that must serve as the basis for permanent peace in the Middle East.".

SOUTHERN AFRICA PROGRAMS

SEC. 303. Section 533 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 533. SOUTHERN AFRICA PROGRAMS.—Of the amounts authorized to be appropriated to carry out this chapter for the fiscal year 1980 and for the fiscal year 1981, $68,000,000 for the fiscal year 1980 and $85,000,000 for the fiscal year 1981 shall be available for the countries of southern Africa and for a southern Africa regional refugee support, training, and economic planning program to address the problems caused by the economic dislocation resulting from the conflict in that region and for education and job training assistance. Such funds may be used to provide humanitarian assistance to African refugees and persons displaced by war and internal strife in southern Africa, to improve transportation links interrupted or jeopardized by regional political conflicts, and to provide support to countries in that region.".

CYPRUS PROGRAM

SEC. 304. Section 534 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 534. CYPRUS PROGRAM.—Of the amounts authorized to be appropriated to carry out this chapter for the fiscal year 1980 and for the fiscal year 1981, $15,000,000 for each such year shall be available only for Cyprus for refugee relief, reconstruction, or other activities consistent with a reconciliation on Cyprus. Such funds may be made available for such activities only if the President certifies to the Congress that he has determined that such activities relate to or promote or are consistent with a reconciliation on Cyprus and with progress towards a settlement of the Cyprus dispute.".

EARMARKING FOR LEBANON OF UNOBLIGATED BALANCES IN THE MIDDLE EAST SPECIAL REQUIREMENTS FUND

SEC. 305. Of the funds continued available for the fiscal year 1979 for the Middle East Special Requirements Fund by section 103 of the Foreign Assistance and Related Programs Appropriations Act, 1979, which are unobligated on the date of enactment of this Act, $5,000,000 shall be available only for Lebanon and may hereafter be continued available only for such country.

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, I presume that the gentleman from Wisconsin (Mr. ZABLOCKI) has no intention of limiting time whenever this is brought up again. Does the gentleman know when the bill might be scheduled again?

Mr. ZABLOCKI. Mr. Chairman, if the gentleman will yield, it is my understanding that it will be scheduled for further consideration on Monday next.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman, and I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

☐ 1705

Mr. ZABLOCKI. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NEAL, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3324) to authorize appropriations for fiscal years 1980 and 1981 for international development and economic assistance programs and for the Peace Corps, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks during consideration of the bill considered this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

APPOINTMENT AS MEMBERS OF SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

The SPEAKER. Pursuant to House Resolution 13, 96th Congress, the Chair appoints as members of the Select Committee on Narcotics Abuse and Control the following Members of the House:

Mr. WOLFF of New York, chairman;
Mr. RODINO of New Jersey;
Mr. DE LA GARZA of Texas;
Mr. MURPHY of Illinois;
Mr. RANGEL of New York;
Mr. STARK of California;
Mr. ENGLISH of Oklahoma;
Mr. EVANS of Georgia;
Mr. ZEFERETTI of New York;
Mr. NEAL of North Carolina;
Mr. SCHEUER of New York;
Mr. RAILSBACK of Illinois;
Mr. BEARD of Tennessee;
Mr. GILMAN of New York;
Mr. GUYER of Ohio;
Mr. COUGHLIN of Pennsylvania; and
Mr. DORNAN of California.

APPOINTMENT AS ADDITIONAL MEMBERS OF DELEGATION TO ATTEND CONFERENCE OF INTERPARLIAMENTARY UNION

The SPEAKER. Pursuant to the provisions of 22 United States Code 276a–1, as amended by Public Law 95-45, the Chair appoints as additional members of the delegation to attend the Conference of the Interparliamentary Union, held in Prague, Czechoslovakia, on April 16–24, the following Members on the part of the House:

Mr. PREYER of North Carolina; Mr. PICKLE of Texas; Mr. BOWEN of Mississippi; Mr. FOUNTAIN of North Carolina; Mr. MAZZOLI of Kentucky; Mr. LONG of Louisiana; Mr. LEVITAS of Georgia; Mr. MCCLORY of Illinois; Mr. BROWN of Ohio; and Mr. BUTLER of Virginia.

The Chair would announce that he did

on March 21, 1979, appoint the gentleman from Indiana, Mr. HAMILTON, as chairman, and the gentleman from Illinois, Mr. DERWINSKI, as vice chairman, to this delegation.

APPOINTMENT AS MEMBERS OF U.S. GROUP OF NORTH ATLANTIC ASSEMBLY MEETING

The SPEAKER. Pursuant to the provisions of section 1, Public Law 689, 84th Congress, as amended, the Chair appoints as members of the U.S. Group of the North Atlantic Assembly meeting held in Oslo, Norway, May 26–28, 1979, the following Members on the part of the House:

Mr. PHILLIP BURTON of California, chairman;

Mr. HAMILTON of Indiana, vice chairman;

Mr. BROOKS of Texas;
Mr. ANNUNZIO of Illinois;
Mr. ROSE of North Carolina;
Mr. IRELAND of Florida;
Mr. ADDABBO of New York;
Mr. RUSSO of Illinois;
Mr. BOB WILSON of California;
Mr. BROOMFIELD of Michigan;
Mr. FINDLEY of Illinois; and
Mr. WHITEHURST of Virginia.

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 174) to provide for the expenses of investigations and studies to be conducted by the Select Committee on Narcotics Abuse and Control, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the resolution as follows:

H. RES. 174

Resolved, That effective January 3, 1979, the expenses of investigations and studies to be conducted by the Select Committee on Narcotics Abuse and Control, not to exceed $815,000, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such select committee, signed by the chairman of such select committee, and approved by the Committee on House Administration. Not to exceed $40,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Select Committee on Narcotics Abuse and Control shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That effective January 3, 1979, the expenses of investigations and studies to be conducted by the Select Committee on Narcotics Abuse and Control, not to exceed $700,000, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such select committee, signed by the chairman of such select committee, and approved by the Committee on House Administration. Not to exceed $40,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Select Committee on Narcotics Abuse and Control shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 174 provides $700,000 for investigations and studies to be conducted by the Select Committee on Narcotics Abuse and Control.

Mr. Speaker, the amount approved by the House Administration Committee is $22,204 less than this committee received last year and is $115,000 less than the committee requested.

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I will be glad to yield for purposes of debate only.

□ 1710

Mr. CAMPBELL. Mr. Speaker, I rise in support of the resolution and to point out that, as the gentleman has said, the resolution would reduce last year's appropriation from $715,000 to $700,000.

This committee was reinstated by this House just recently by an overwhelming vote, and the resolution had the complete support of the entire Committee on House Administration.

Mr. Speaker, I thank the gentleman for yielding.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman from South Carolina (Mr. CAMPBELL) for his observations.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

● Mr. WOLFF. Mr. Speaker, as chairman of the Select Committee on Narcotics Abuse and Control I rise in support of the resolution.

This resolution will provide the select committee with the funds it needs to operate during calendar year 1979. Although the amount provided in the resolution is 14 percent less that the committee requested, and 3 percent less than our funding level for 1978, it should nevertheless enable us to fulfill our mission as mandated by the House in House Resolution 13. Let me say that I hope this amount will be sufficient.

We have already planned a comprehensive list of activities and hearings for this year, some of which may have to be eliminated on account of this level of funding. We will nevertheless concentrate on the areas of drug abuse treatment, prevention and rehabilitation. We hope to gain a fuller understanding of the phenomena of poly-drug abuse, particularly the rising trend of young people who abuse both drugs and alcohol at the same time. We will also continue our efforts to secure additional international cooperation from those countries which produce the illicit drugs smuggled by tons into the United States each year, as well as to strengthen our law enforcement capabilities.

The amount provided in this resolution, $700,000, is a small price to pay for the potential gains we stand to make in the area of drug abuse. As I said 2 weeks ago when the House overwhelmingly approved House Resolution 13 establishing the select committee in this Congress, we are the only game in town. I ask for your support.●

● Mr. GILMAN. Mr. Speaker, I rise in support of House Resolution 174. Two weeks ago the House overwhelmingly passed House Resolution 13, establishing the Select Committee on Narcotics Abuse and Control, of which I am a member. Today, we are asked to consider House Resolution 174, providing $700,000 for the work of the Narcotics Select Committee, a resolution that I support.

Mr. Speaker, the problem of drug abuse is not going to go away today or tomorrow and the work of the Narcotics Select Committee is not complete. Considering the extensive hearings, publications and field investigations both here and abroad that were conducted during the 95th Congress under the leadership of the distinguished chairman (Mr. WOLFF), considering the complex and difficult task associated with drug prevention and control, considering the billions of dollars lost to our treasury by the illicit financial transactions of the highly organized, well-financed, and sophisticated operations of the international criminal syndicates that extract an estimated $45 billion in sales just in the United States and cost our taxpayers an estimated $10 billion in health care and other services for drug users, and considering that each year several thousand youngsters in this country succumb to an overdose of drugs, the $700,000 budget request by the Narcotics Select Committee is truly modest and reasonable.

Accordingly, Mr. Speaker, I urge my colleagues to support House Resolution 174, to provide the funds for the select committee to continue its work of helping to fight drug abuse and the narcotics traffickers whose pernicious business operations have reached nearly every city, town, and school district in this country.●

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR SELECT COMMITTEE ON THE OUTER CONTINENTAL SHELF

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 195) providing funds for the Select Committee on the Outer Continental Shelf, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 195

Resolved, That for the further continuance of the Select Committee on the Outer Continental Shelf during the first session of the Ninety-sixth Congress, effective January 3, 1979, the expenses of special investigations and studies to be conducted by the Select Committee on the Outer Continental Shelf, acting as a whole, shall not exceed $300,000, including expenditures for the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $50,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House except in conformance with H. Res. 53; and the chairman of the Select Committee on the Outer Continental Shelf shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law, and pursuant to H. Res. 53.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That for the further continuance of the Select Committee on the Outer Continental Shelf during the first session of the Ninety-sixth Congress, effective January 3, 1979, the expenses of special investigations and studies to be conducted by the Select Committee on the Outer Continental Shelf, acting as a whole, shall not exceed $290,000, including expenditures for the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $50,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House except in conformance with H. Res. 53; and the chairman of the Select Committee on the Outer Continental Shelf shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law, and pursuant to H. Res. 53.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 195 provides $290,000 for investigations and studies to be conducted by the Select Committee on the Outer Continental Shelf.

Mr. Speaker, the amount approved by the House Administration Committee is $10,000 less than this committee received last year and is $10,000 less than the committee requested.

Mr. FORSYTHE. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield such time as he may consume to the gentleman from New Jersey, for purposes of debate only.

Mr. FORSYTHE. Mr. Speaker, I thank the gentleman for yielding.

I rise in support of this resolution.

The gentleman has pointed out that it is less than the committee requested, less than last year. I think it is a very modest sum to conduct the activities of this committee, and I am happy to support the resolution.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman for his remarks.

Mr. LEWIS. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield such time as he may consume to the gentleman from California, for purposes of debate only.

Mr. LEWIS. Mr. Speaker, I thank the gentleman for yielding.

This funding request has had considerable discussion in the subcommittee and in the full committee. We actually authorized $290,000 after a request was made for $300,000. That is approximately $6,000 more than they spent last year, or an increase of approximately 5 percent, one of the tightest budgets which we have seen by any committee.

Mr. Speaker, I ask for an "aye" vote.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman for his observations.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The SPEAKER. The question is on the resolution, as amended.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SENSENBRENNER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 210, nays 110, not voting 112, as follows:

[Roll No. 80]

YEAS—210

Akaka
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Archer
Ashley
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Bethune
Bevill
Bingham
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Brademas
Breaux
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Campbell
Carney
Clay
Cleveland
Collins, Ill.
Conable
Conte
Courter
Crane, Philip
D'Amours
Danielson
Davis, Mich.
Derwinski
Dickinson
Dicks
Dingell
Dixon
Dornan
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Fary
Fazio
Ferraro
Fish
Flippo
Foley
Ford, Mich.
Forsythe
Fountain
Fowler
Frost
Gephardt
Giaimo
Gingrich
Ginn
Goldwater
Gonzalez
Gore
Gramm
Gray
Green
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hanley
Hansen
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Holland
Holtzman
Hopkins
Huckaby
Hughes
Hyde
Jeffords
Jenrette
Johnson, Calif.
Jones, N.C.
Kastenmeier
Kelly
Kindness
Lagomarsino
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lowry
Lujan
Lundine
Lungren
McClory
McDonald
McEwen
McHugh
McKay
Madigan
Marks
Martin
Mathis
Matsui
Mattox
Michel
Mikulski
Mineta
Mitchell, Md.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murtha
Myers, Pa.
Natcher
Nedzi
Nelson
Nowak
O'Brien
Oakar
Oberstar
Obey
Panetta
Perkins
Peyser
Preyer
Price
Pritchard
Rangel
Reuss
Rhodes
Rinaldo
Ritter
Robinson
Rose
Rosenthal
Rostenkowski
Rousselot
Russo
Satterfield
Sawyer
Scheuer
Shelby
Shumway
Slack
Smith, Iowa
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
Steed
Stratton
Studds
Treen
Trible
Ullman
Van Deerlin
Vander Jagt
Vento
Walgren
Wampler
Waxman
Whitehurst
Whitten
Wilson, Bob
Wilson, Tex.
Wolff
Wright
Wyatt
Wydler
Yatron
Young, Alaska
Young, Fla.
Young, Mo.

NAYS—110

Abdnor
Andrews, N. Dak.
Applegate
Aspin
AuCoin
Barnes
Bauman
Bedell
Benjamin
Bennett
Bereuter
Blanchard
Brodhead
Byron
Cavanaugh
Clausen
Clinger
Coelho
Coleman
Collins, Tex.
Corcoran
Corman
Coughlin
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Dodd
Drinan
Eckhardt
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fascell
Fenwick
Findley
Fisher
Glickman
Goodling
Grassley
Hall, Ohio
Hamilton
Harkin
Hightower
Holt
Hutto
Ireland
Jacobs
Jeffries
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kazen
Kildee
Kogovsek
Kostmayer
Leach, Iowa
Leland
Lloyd
Luken
McCloskey
McDade
Markey
Marlenee
Mazzoli
Mica
Miller, Ohio
Moffett
Murphy, Pa.
Myers, Ind.
Neal
Ottinger
Pashayan
Patterson
Paul
Pease
Pursell
Quillen
Rahall
Ratchford
Regula
Roberts
Santini
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shuster
Simon
Skelton
Stenholm
Swift
Symms
Synar
Tauke
Taylor
Traxler
Vanik
Volkmer
Walker
Weiss
Whittaker
Williams, Mont.
Winn
Wolpe
Zablocki

NOT VOTING—112

Addabbo
Albosta
Alexander
Ambro
Anderson, Ill.
Ashbrook
Beard, R.I.
Beard, Tenn.
Beilenson
Biaggi
Boggs
Bowen
Brinkley
Carr
Carter
Chappell
Cheney
Chisholm
Conyers
Cotter
Crane, Daniel
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Devine
Diggs
Donnelly
Early
Edgar
Emery
Erdahl
Evans, Ga.
Fithian
Flood
Florio
Ford, Tenn.
Frenzel
Fuqua
Garcia
Gaydos
Gibbons
Gilman
Gradison
Grisham
Guarini
Hillis
Hinson
Hollenbeck
Horton
Howard
Hubbard
Ichord
Jenkins
Kemp
Kramer
LaFalce
Latta
Lehman
Levitas
Long, La.
McCormack
McKinney
Maguire
Marriott
Mavroules
Mikva
Miller, Calif.
Minish
Mitchell, N.Y.
Mottl
Murphy, N.Y.
Nichols
Nolan
Patten
Pepper
Pickle
Quayle
Railsback
Richmond
Rodino
Roe
Roth
Roybal
Rudd
Runnels
Sabo
Smith, Nebr.
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Stewart
Stockman
Stokes
Stump
Thomas
Thompson
Udall
Watkins
Weaver
White
Whitley
Williams, Ohio
Wilson, C. H.
Wirth
Wylie
Yates
Zeferetti

□ 1730

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the two resolutions just agreed to.

The SPEAKER pro tempore (Mr. FARY). Is there objection to the request of the gentleman from Indiana?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H.J. Res. 283. Joint resolution reaffirming the U.S. commitment to the North Atlantic Alliance.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I take this time for the purpose of inquiring of the distinguished majority leader as to the program for the balance of this week and for next week.

Mr. WRIGHT. Mr. Speaker, will the distinguished acting minority leader yield?

Mr. MICHEL. I am happy to yield to the majority leader.

Mr. WRIGHT. Mr. Speaker, we have 2 days of legislative activity scheduled next week, Monday and Tuesday. There will be votes on both days.

We will come into session at 12 o'clock on Monday and at 12 o'clock on Tuesday, and we will adjourn by 5:30 on each day.

On Monday we expect to conclude consideration of the International Development Cooperation Act, which has been under consideration here on the floor for the last 2 days. Having done that, we would take up the bill, H.R. 1301, concerning the international shipment of lottery materials, under an open rule, providing 1 hour of general debate.

On Tuesday we convene at noon, and we will take up two bills under suspension of the rules:

H.R. 2471, Trade Commission and Customs Service, authorizations for fiscal year 1980; and

H.R. 1790, to provide for the disposition of surplus property occupied by the U.S. Postal Service.

Then we would consider H.R. 3363, the State Department authorizations, subject to the granting of a rule.

At the close of business on Tuesday, the House will adjourn until Monday, April 23, at noon, for the Easter district work period.

Mr. MICHEL. Mr. Speaker, if I might make this inquiry of the majority leader, since he said that on both Monday and Tuesday we would be adjourning at 5:30, if perchance the consideration of the International Development Cooperation Act is not concluded on Monday, would that be carried over then to Tuesday?

Mr. WRIGHT. Yes; but I expect we can conclude it on Monday.

Mr. MICHEL. Mr. Speaker, since the

Committee on Rules did not have a quorum today, is there any likelihood that they really would have a quorum in time to get us a rule on the State Department authorization bill scheduled for Tuesday?

Mr. WRIGHT. Well, one always hopes so. In any event, with or without the granting of that rule, we have ample business to occupy our time on Monday and Tuesday.

Mr. MICHEL. Mr. Speaker, I thank the gentleman.

ADJOURNMENT TO MONDAY, APRIL 9, 1979

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

REAFFIRMING THE U.S. COMMITMENT TO THE NORTH ATLANTIC ALLIANCE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the joint resolution (H.J. Res. 283) reaffirming the U.S. commitment to the North Atlantic Alliance, with a Senate amendment thereo, and concur in the Senate amendment.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendment, as follows:

> Strike out all after the resolving clause and insert:
>
> That the North Atlantic Alliance be reaffirmed as a vital commitment and cornerstone of United States foreign policy, and that the bipartisan spirit that inspired its birth be rededicated to the purpose of strengthening it further in the cause of peace and security.
>
> Sec. 2. The Congress recognizes the contribution of the Canadian and European Allies to the common defense and to the preservation of the civilization and common heritage of the West.
>
> Sec. 3. On the occasion of this thirtieth anniversary, the Congress pledges its support for the Alliance as the indispensable basis for the achievement of our mutual security, the reduction of tensions, and the pursuit of improved relations among all nations.
>
> Sec. 4. The Congress requests that the President of the United States forward copies of this resolution to the Chiefs of State of all member countries of the North Atlantic Treaty Organization, and to the Secretary General in recognition of his contribution to the strength and confidence of the North Atlantic Treaty Organization.

Mr. ZABLOCKI (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman explain what this add-on is?

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I will be delighted to yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Speaker, I thank the gentleman for yielding.

The Senate saw fit to add the Secretary General of the North Atlantic Alliance as a recipient of this resolution from the President when the President of the United States forwards copies of this resolution.

Mr. ROUSSELOT. That is the only change?

Mr. ZABLOCKI. That is the only change.

Mr. ROUSSELOT. That is highly significant.

Mr. ZABLOCKI. Mr. Speaker, I should say that is the major change. They may have changed a comma or something.

Mr. ROUSSELOT. Mr. Speaker, I thank the distinguished committee chairman for his explanation, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Wisconsin?

There was no objection.

A motion to reconsider was laid on the table.

□ 1735

ANNUAL REPORT OF CORPORATION FOR PUBLIC BROADCASTING FOR FISCAL YEAR 1978—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

Enclosed is the "Annual Report of the Corporation for Public Broadcasting for FY 1978." prepared in accordance with the requirement of the Public Broadcasting Act of 1967 (Public Law 90–129) as amended.

The Corporation has again prepared a thoughtful report which highlights its efforts for the past fiscal year. The accomplishments of public broadcasting are well articulated with emphasis on television and radio programing, technological innovation, and human development services.

It should be noted that the projections of long range Federal financial contributions from the Federal Government exceed levels contained in the Administration's legislative proposal to reauthorize the Corporation for the period FY 1981–85.

The Annual Report is being forwarded so that it is available to the Congress for its deliberations.

Jimmy Carter.

The White House, *April 5, 1979.*

GOOD NEWS FROM TEXAS

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PICKLE. Mr. Speaker, today I come to the floor with good news about an action by a welfare agency.

Many Members may not realize it, but under Federal law, medicaid is not to pay medical bills that are covered by a private insurance company. And contrary to popular belief, many people on medicaid do carry some kind of limited medical insurance.

But the fact is that it is estimated that the medicaid program is paying literally billions of dollars per year that private insurance companies should pay. If we had some kind of program to collect this money from the private companies, who owe it because they have collected premiums from the poor people for medical coverage, then we would make a real impact on Federal spending.

I brought all this up to the Texas Welfare Agency, the Texas Department of Human Resources, and even gave them a little needle about it in a press release.

To the great credit of the Texas Agency, it did not get huffy about the questioning of their program; instead it set about to do something about it. Their program has been a good success, and the agency is prepared to now go statewide with a program of making the insurance companies pay up.

The Texas demonstration project shows that for every $1 spent on getting money from the private companies, $5 will be gained. This is a 5-to-1 cost benefit ratio.

I would ask that the Record show at this point the press release the Texas Department of Human Resources issued on this program. I am contacting Secretary of HEW Joe Califano to urge him to literally make other States shape up on getting the private companies to pay what the law says that they should pay.

Finally, a big tip of the hat goes to Jerome Chapman, who once again has demonstrated outstanding administrative and leadership abilities as the Commissioner for the Texas agency.

The press release is as follows:

Press Release

> Some 18,000 Texans eligible for publicly-financed health care through the Medicaid program also are maintaining private health insurance, a pilot study conducted by the Texas Department of Human Resources (DHR) has revealed.
>
> Since Medicaid, by state and federal law, is the secondary carrier to all private and group health policies, steps are being sought to enforce the liability of private carriers to pay for health care of these Medicaid patients, according to Jerome Chapman, DHR commissioner.
>
> Chapman said the Board of Human Resources is being asked for authority for DHR to negotiate a contract with National Heritage Insurance Company (NHIC) to identify Medicaid patients who have private health insurance. NHIC is the insuring agent for Medicaid, and up until now, DHR has had limited mechanisms for screening claims against information related to the recipient's private health insurance. If no other insurance policy was shown on the claim form Medicaid paid the bill.
>
> The action to establish the private insuring companies' liability was taken after long and intense study of Medicaid programs in

other states by Texas Congressman J. J. Pickle. A subcommittee chairman of the House Ways and Means Committee, Pickle has strongly urged DHR to investigate health care payment liability by third parties.

"Congressman Pickle and his staff have been extremely supportive of this effort," Chapman said. "He is vitally concerned that public money not be expended for health care where payment should be made from private resources."

DHR conducted a pilot project in 29 central Texas counties, gathering detailed information on Medicaid recipients' private health policies.

Based on the findings, Chapman said, three per cent of the Medicaid population maintains private health insurance benefits. Statewide, this figure would indicate about 18,450 Medicaid recipients have private health insurance, according to Chapman.

Medicaid claims, on the average, amount to about $70 in health care per month. Chapman said $15,498,000 in public funds could be saved in the first year of the contract with NHIC if private insurance companies would assume primary liability and pay medical expenses incurred by those Medicaid patients holding the private policies.

The commissioner said it would cost $1,061,000 to gather and process private insurance information in the first year of the program. Chapman said even if the program were only 60 per cent effective, there would still be a total savings in payment of claims of $5,520,000, making the cost benefit ratio $1 spent to reduce claims by $5.20.

As the program is implemented, Chapman estimated that recipients of public assistance would discontinue paying premiums for private health policies, and that savings in the second and following years would be about $2,810,000. He said the cost of administering the program would drop proportionately to about $969,000 a year. This still would bring a beneficial cost ratio of $1 spent to reduce claims by $2.90, he said.

PICKING UP THE WHITE HOUSE TAB

(Mr. HAGEDORN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HAGEDORN. Mr. Speaker, I share the enthusiasm of the leaders of the nations of Egypt, Israel, and the United States on the signing of the peace treaty at the White House last week. The principal parties involved worked for many months to reach that historic moment. The activities of such an occasion were capped with an appropriate state dinner on the White House lawn later that evening.

I would not be one to complain about the need or desirability of such a dinner because this allowed most of the parties directly involved in the peace negotiations an opportunity to savor the harvest of their labors. However, I feel that the Washington Post was correct when it stated in an editorial that the day was somewhat clouded by the impression that seats at the banquet tables were for sale.

Mr. Speaker, if there is no objection, I include the wording of that editorial at this point in my remarks.

Picking Up the White House Tab

Its too bad that the spectacular state dinner at the White House Monday night was marred by an unwise decision about how to pay the bills. By asking corporations to underwrite much of the affair, Mr. Carter's staff and friends somewhat clouded a day of international celebration and created the impression that seats at the banquet table were for sale.

We doubt that the White House set out to peddle political favors or cash in on corporate desires to cultivate presidential good will. Instead, the White House staff apparently ran into a problem that every host or hostess hits: how to pay for the party of the year. Official budgets for events of state might well have stretched to cover the banquet for three heads of state and 1,300 guests; the case could surely have been made. But this administration is more touchy than most about any hint of White House extravagance; and while it was eager to put on the affair, it was reluctant to ask the taxpayers to pick up the tab.

Several White House aides have argued that tapping corporate coffers both saved public funds and enabled more people to share in celebrating peace. Curiously, however, the White House declined various unsolicited offers of aid. Apparently the solocitors preferred to deal with their own list of business leaders who are used to responding to charitable appeals and understand the blend of public-spiritedness, public relations and politics involved.

Still, no matter how apolitical the whole affair may have been, the maxim that there is no such thing as a free dinner still applies. We wouldn't carp about the donations of flowers, tablecloths and such that White House social offices are continually scrounging for. But It's troubling to see the administration relying on trade-seeking businesses to underwrite the Kennedy Center gala for the Chinese vice premier, and even more worrisome to have corporations asked to pay for Monday's affair. Those are national events that the nation should be willing to support. The Carter administration could help clear the air by asking for straightforward budgets for official entertaining, instead of trying to enconomize in ways that wind up looking suspect, hypocritical or cheap.

Mr. Speaker, the dinner, serving over 1,300 invited guests and ticket purchasers, cost more than $80,000 and the White House gave the authority for a number of banks and companies (including Xerox, Bank of America, and the Chase Manhattan Bank, to "contribute" $5,000 tax-deductible apiece. The White House was sensitive to the possibility of complaints that the American taxpayers should not be required to pick up the tab for such an expensive part of the peace settlement, but there were other ways to come up with the necessary funds than through tax-deductible contributions.

One of the best sources which appears to have been overlooked by the White House during the last minute rush of details was the President's own expense account. The President of the United States is provided by law with an expense account of $50,000 annually to assist in defraying expenses relating to the President's official duties. The catch to this is that if the President decides not to use this expense account, it will count as income and he can legally keep it, although he must pay income tax on it.

U.S. News & World Report magazine reported in its June 26, 1978 and November 20, 1978 issues that President Carter spent only $1,372 of his expense allowance in 1977. The President has $50,000 in his expense allowance for this year. This would have covered a great deal of the expense of this dinner and he would not have had to go to large corporations to ask for "donations." The best and most proper way to have paid for the dinner was from his expense allowance and regular White House entertainment funds.

If the President should decide to retain most of his expense allowance in 1979, I think that he will owe the citizens of this Nation a detailed explanation of why he wanted to keep this money as taxable income when it could have gone to pay for its original intent—official expenses incurred with the office of President.

□ 1740

CONGRESSMAN GILLIS LONG OF LOUISIANA REMAINS IN THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. Rose) is recognized for 60 minutes.

GENERAL LEAVE

Mr. ROSE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to submit their statements in the Record on the subject of this special order.

The SPEAKER pro tempore (Mr. Fary). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. ROSE. Mr. Speaker, it is my privilege today to take this time to pay tribute to one of our colleagues who has just come through what we all realize is a very difficult decision in the life of any Member of this body. Our colleague from Louisiana, Gillis Long, has had a long and illustrious career as a Member of the House of Representatives. It was my privilege to come to Congress with Gillis in 1973, when he returned to this body for the second time.

I understand from my knowledge of him for those many years that ever since he was a young lad he held close to him a desire and ambition to be the Governor of Louisiana. He has come through, in recent months, a rather trying time of decision, and has finally decided to forgo the Governors' race in the State of Louisiana and to remain a Member of the House of Representatives, subject to the will of his constituency in Louisiana.

I have developed through my association with Gillis a deep and abiding respect for his sincerity and his ability, and I was overjoyed when I learned that he had reluctantly backed out of that race. I thought that this was an opportunity for those of us who have come to know him very well to let him know what we thought about his decision, and so we rather quietly encouraged the idea of some comments and reactions to his decision.

I am here to tell you, Mr. Speaker, that the response has been overwhelming. I have before me but a small stack of comments that have been submitted to be included in the RECORD in this special order. I would read only a few.

One Member writes:

> While it is indeed unfortunate that the State of Louisiana will not have one of its most capable sons to serve as Governor, I feel that his State and the entire country will be undeniably benefited from Gillis' continued service in the House of Representatives as an outstanding national legislator and leader.

Another Member writes:

> My friendship with the gentleman goes back many years. I have often sought and welcomed his counsel.

Another writes:

> Mr. Speaker, I thank the gentleman from Louisiana for making what I know must have been a difficult decision, and we are fortunate to be keeping Mr. Long in Washington rather than sending him to Baton Rouge.

A colleague on the Rules Committee writes:

> Gillis has been heard to say, "If it ain't broke, don't fix it." He has diligently applied this theory to his work here in the House. If a program is working well, he lets it alone, but if there are problem areas Gillis works hard to find the solution.

Another writes:

> There are few people serving in this body that could make the decision Gillis has made. It took far greater courage to decide to remain in the House than it would to run for Governor.

Another Congressman writes:

> Gillis' trademarks have always been his integrity and his intelligence. He is one of the wisest Members of this Chamber and is also a man of vision and determination. Gillis has always represented his State and his congressional district with vigor. Yet he has remained a man who knows national interest and one who has taken on national responsibilities. Gillis Long is a statesman and a leader and a friend, and it is good to have him among us.

□ 1745

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. ROSE. I will be honored to yield to the gentleman from Missouri.

Mr. BOLLING. Mr. Speaker, I am delighted that the gentleman took the initiative in setting up this special order.

I had the privilege of serving with GILLIS on two committees, the Joint Economic Committee which I chaired in the last Congress, and the Committee on Rules which I now chair in this Congress.

GILLIS is a subcommittee chairman of each of those committees and does an outstanding job in a very diverse set of fields. One is on international economics, and the other one is on the internal organization of the House.

Mr. Speaker, I know of no Member of the House in the years during which I have been here who is a harder worker than GILLIS LONG. I think that is a terribly important qualification and quality. However, the thing which makes it most unusual—and I am not sure that it has been mentioned yet, although I associate myself with everything which has been said—is that GILLIS LONG has a really deep, visceral commitment to the weak in this country, not only those who are poor and old and sick, but those who are in any way disabled by their circumstances. He is one of the people who, when he makes a decision, is thinking about the people who most need help.

Mr. Speaker, my old friend for whom I had great admiration, Sam Rayburn, and my old friend from whose county I come, Harry Truman, always told me that what was important in a politician was that he represent those who needed help.

GILLIS LONG of all the Members I know here has as strong and as deep a commitment to the weak as anybody here; and I think that is even more important than all of the other great qualifications that he has.

Mr. Speaker, I thank the gentleman for yielding to me.

Mr. ROSE. Mr. Speaker, I thank the gentleman from Missouri (Mr. BOLLING), the distinguished chairman of the Committee on Rules, for those comments.

Mr. McKAY. Mr. Speaker, will the gentleman yield?

Mr. ROSE. I am happy to yield to the gentleman from Utah (Mr. McKAY).

Mr. McKAY. Mr. Speaker, I would like to join in the remarks of the gentleman from North Carolina (Mr. ROSE) and also those of the gentleman from Missouri (Mr. BOLLING) and I concur fully in the statements they have made.

Mr. Speaker, I would like to indicate that it was not long after he came here for his second time that I overheard a Member of this House say to GILLIS LONG, "You act like a young man who wants to go to work."

He has acted that way ever since. His commitment is to go to work to arrive at a decision. There is no hesitation on his part. In my association with him, once a decision is made, there is no dillydallying. In effect, he says, "Let us get on the phone. Let us go and do the job. Let us get it done."

That has been my experience with him.

Also, Mr. Speaker, I have had the pleasure of associating with him on the United Democrats Caucus of Congress, which is a group of moderate Members of this House who deal with trying to steer a course which the party and the Nation will accept and which will be good for the country. GILLIS LONG was the chairman of this group preceding me and was a leader in such items as providing for a film which we hope will enhance the integrity of this House and show the people of this country exactly how things are done rather than through the visionary attitude we get out of textbooks.

We will be announcing the release of that film shortly for viewing by Members of the House. GILLIS LONG was instrumental in helping to put that together and in taking some leadership in it.

Also, with respect to party affairs, there has been a tendency in the party to exclude those who are in public office from the national conventions, and somehow or other, there appears to be an attitude that those of us who carry the burden of implementing party platforms should not have any input in them.

□ 1750

He was the leader to see to it that if we were going to carry the burden, we must also have input into those decisions, and he made major inroads in the course of his chairmanship.

He has also been very active in pushing for good people for leadership. He was the workhorse in the bid that the gentleman from Missouri made, and no one worked harder with more dedication than he did, and I supported him in that action. He is the kind of a fellow, as indicated, who is concerned about people.

I have had some experience in going through some of the trauma that he has just been through at an earlier time, so I am familiar with the internal struggles that he has gone through. I have been given to understand that in Louisiana if one is a Long, where LONG is from, it is one of the noble ventures that one becomes the Governor of the State of Louisiana. That is kind of expected. Unless one has been in those kinds of family traditional expectations, one cannot appreciate how tough that decision was to say, No, I would rather go serve my constituents in the national body, which does not receive the same individual acclaim that one would as a Governor who, as a single agent for the people, is the shining light. Here he is one of many.

In my opinion, he has made a very noble decision and one which will be beneficial to not only his State but to this country, because in his positions on the very key committees which he holds, the Joint Economic Committee and the Committee on Rules, there he can influence not just the effects of public policy on Louisiana but the Nation and maintain in high integrity those things for which he stands and for which obviously he would stand in the State of Louisiana.

I commend the gentleman for having brought this to a special order and would like to extend my congratulations to the gentleman from Louisiana for his very difficult decision, I think, for the benefit of both his people in the State of Louisiana and the country.

Mr. ROSE. I thank the gentleman for his comments.

I will be happy now to yield to the gentleman from Virginia (Mr. HARRIS).

Mr. HARRIS. I thank my colleague for yielding. I would like to take the opportunity to humbly express my appreciation and admiration for GILLIS LONG and for the many courtesies and kindnesses he has shown me, but especially for the leadership he has given to this great House and this great nation.

Mr. ROSE. I thank the gentleman.

Mrs. SPELLMAN. Mr. Speaker, will the gentleman yield?

Mr. ROSE. I yield to the gentlewoman from Maryland.

Mrs. SPELLMAN. I thank the gentleman for yielding.

Mr. Speaker, Robert Frost, in one of his best known poems, described his dilemma on approaching divergent roads in a dense wood. Torn over which of two inviting paths to follow, Frost told of how sorry he was he could not travel both.

Mr. Speaker, I could not help recalling this passage as I gathered my thoughts together to pay tribute today to our close friend and distinguished colleague, Congressman GILLIS W. LONG of Louisiana. As I need not explain to anyone here, GILLIS, until very recently, had been standing at his own vexing crossroads, debating which of two very attractive career paths to follow.

Down one road, this member of one of America's most venerable political families would pursue his life-long dream, the Louisiana governorship. Down the other, he would remain here with us, in the House of Representatives.

Frost solved his dilemma by choosing the road less traveled. "And that," he concluded in the final line of his poem, "has made all the difference."

Similarly, GILLIS LONG, by deciding ultimately to stay in the House, has selected probably the less popular but clearly the better alternative for the Nation as a whole.

To me the reasons for this are obvious. By remaining in the House of Representatives, GILLIS will continue to offer the entire country his wise counsel as a key member of the Rules and Joint Economic Committees and through the United Democrats of Congress, of which he is past chairman.

From these vantage points, GILLIS LONG will be in a unique position to help make the crucial decisions the Nation faces in the months and years ahead. His wisdom and guidance will help steer our Ship of State through what well could be some of its most troubled waters. And that will benefit each and every American, not just those fortunate enough to live in Louisiana.

Mr. Speaker, I would be remiss if I did not add a personal note as well. For in my own tenure in this body, I have called on GILLIS LONG's superior knowledge and experience on numerous occasions. As is his way, he was always there when I needed him, ready and willing to offer his assistance and his moral support. For me, GILLIS's presence here truly has "made all the difference" and I am personally most pleased and grateful—as I know all my colleagues are—that he has decided to remain here with us.

☐ 1755

Mr. BREAUX. Mr. Speaker, will the gentleman yield?

Mr. ROSE. I am happy to yield to the gentleman from Louisiana (Mr. BREAUX).

Mr. BREAUX. Mr. Speaker, as one Member of the Louisiana delegation, I just would like to take this opportunity to assure everyone that GILLIS LONG has not passed on, that he is still very much with us in the House and very much alive and well, despite many of the remarks that sometimes seem like we are only paying him honor after he has departed.

You know, somewhat on a personal note, I think those of us who serve as politicians and statesmen, and I do not find the terms inconsistent, have to consider what GILLIS has done to be a real indication of the strength of the person.

I say that because not many of us, at least I know I would not be one, would have the strength and the courage to run for public office and suffer a defeat and then yet come back and run again and offer himself for public service. That is the type of record that GILLIS LONG has put together and one in which we can all have a great deal of envy.

I know that I, for one, if ever faced with an election and had to suffer a loss in that election, would give it up at that point; but GILLIS LONG's dedication and his perseverance, as so many outstanding Americans who have followed in similar paths indicates, that he had such a tremendous desire to be in public service that he would not worry about whether he would win or lose an election; but the important thing to him was that he was participating. He was in the arena when it was very important to be there.

So I think it is very appropriate that we congratulate the gentleman from North Carolina who has put together this special order for our friend and colleague to recognize at a very appropriate time that he has, of course, made a very serious decision, one that I know all the other candidates for Governor in Louisiana applaud very highly and, of course, for some special reasons that they might have; but those of us who know and respect GILLIS in the House would like to add our congratulations to him for his service and for making a decision which we know was very, very difficult, because his record here is one which I think we can all admire and all can aspire to.

Mr. Speaker, I thank the gentleman.

Mr. ROSE. Mr. Speaker, I thank my colleague for his remarks.

I would like to say in closing that those of us who have spread across the public record today our feelings about GILLIS LONG do this for other reasons than to let the people of Louisiana know what we think of one of their sons; that is certainly one and a very important reason why we take this time to say these words about GILLIS LONG; but to me the crucial reason for why I was willing to say here before the House today, "Let us pay tribute to one of our colleagues," is because the strength character of this man is equal the challenge of the times in which we find ourselves. We live today in a Nation whose future is not altogether certain. We know today that our country is strong and that its people are strong and that they have come through 200 years of freedom and justice; but we know that the years and the decades ahead hold many challenges. There are many problems facing us as a people that we as a legislative body of government must work through. We as a Nation must begin to evolve a higher method of problem solving. We must look more within ourselves for the resources that we will need to carry our country into the future.

Just as we must constantly seek new ways to solve the problems that are all about us, so we must seek out and protect and encourage those leaders among us who have the capacity of vision and the foresight and the ability to bring divergent points of view together into a consensus that ultimately works for the good of this great Nation.

☐ 1800

It is because GILLIS LONG possesses those qualities that we have gathered here today to celebrate, if you please, his decision to stay among us and not to leave, which might well be the more profitable and rewarding personal gain from a position in Louisiana as its governor. He has decided to remain one of us and to help us carry the burden of trying to nurture a greater sense of freedom and justice in our Nation and to make our way through the problems which we know the decade ahead will hold.

It is for that reason we spread across the public record these tributes to our colleague. Those who follow my remarks will give testimony to this great man who we have come here today to honor.

● Mr. WRIGHT. Mr. Speaker, I think there is something very special about this occasion, and I want to thank the gentleman from North Carolina (Mr. ROSE) for arranging it.

Ordinarily when Members gather to pay tribute to a colleague, it is because he has decided to leave our ranks for one reason or another. Today the occasion is the decision of our beloved colleague, the gentleman from Louisiana (Mr. LONG), to remain among us and to foresake election to another office.

There is no doubt in my mind that my friend GILLIS LONG could be the next Governor of Louisiana if he chose to seek that office. Thus it is a mark of the importance of the House of Representatives that he has chosen to continue here.

At a time when many choose to castigate the Congress, to denigrate its role in our federal system, and to suggest that it is no longer relevant, it is heartening to see someone of Mr. LONG's stature choosing to remain a part of this vital institution.

I might add that he is a vital part of this vital institution. Although his service was interrupted by a break of 8 years, he has a knowledge of the House and a grasp of its functions that rivals those of much greater seniority. He is a natural leader. He is a molder of opinion.

Mr. Speaker, I am relieved that GILLIS LONG will not be leaving this body. I look forward to his continued advice and counsel, his assistance in important causes, and his friendship. Louisiana's loss is the Eight District's gain.●

● Mr. PICKLE. Mr. Speaker, I rise to pay my respect and compliments to my colleague, GILLIS LONG, who has decided gubernatorial politics are not for him. We are honored to have him remain a hard-working, vital Member of the House. Now that GILLIS has announced he will not run for Governor, the pundits in Baton Rouge are saying he could have been the front runner. But it is easy to be a front runner when you are no longer running.

GILLIS is a member of the Long family, a political dynasty that is almost synonymous with Louisiana history. But what many folks do not know is that his side of the family is not that closely related to the family of the great Kingfish, Huey Long. Some people think GILLIS is Huey's son. That is wrong. Senator RUSsell is his only son. Gillis was a second cousin removed, or something like that. He never really had much to do with Huey until his student days at Louisiana State University.

Gillis had a couple of friends, and he tried to talk both of them into running for student body president. Well, his talk was not convincing. Neither friend took the bait, so Gillis decided he would give the race a try.

So Gillis pulled out the throttle and ran full speed ahead into college electoral politics. It was a smashing victory. Gillis won his first political contest. The Long name was prominent on the campus.

Early the next morning, just at the crack of dawn, a tired Gillis was awakened by a ringing phone. It was a long distance call. The voice at the other end sounded a bit familiar, but not on a first-hand basis. "Gillis?" The caller inquired—"This is Cousin Russell."

Immediately, Gillis became a member in good standing of the Long family. From then on, in that family, it was "blessed be the ties that bind."

Mr. Speaker, Gillis Long represents a good bit of tradition mixed with healthy innovation. Most everyone knows that Louisiana is the last State in the Union with nickel pay telephones. Just last year, the charge was raised. Huey Long wanted telephones to stay a nickel, as something to help the little person. Similarly, Gillis casts his votes, makes his judgments with the person-on-the-street in mind.

Several years ago, Gillis ran for Governor, but did not win. He was appointed to run the Office of Economic Opportunity in Louisiana, where he became aware first hand of the misery of poverty. As a consequence, Gillis risked the wrath of some of his neighbors by helping minority people in his State. Today, his votes are based on an identification with the problems faced by men and women of all races and creeds. He brings a special way with people.

Gillis Long is also a very prominent member of the 88th Club. He came here during the Lyndon Johnson administration and since that time, he and Kathy have been actively involved in activities of our group. Any gathering of that club revolves around Gillis Long—and his lovely Kathy.

As a member of the Rules Committee, Gillis not only understands the rules of the House but also understands how to implement them in debate on the House floor. He is not only deft in handling his own bills on the floor, but many is the time that he has helped new members with their own legislation—and Gillis does it kindly, unobtrusively and with deftness.

It is no secret that Gillis Long has a brilliant future in this House and some day might occupy one of the top positions in the House. There is no Member of the House more informed, more dedicated and more effective than Gillis Long.

We are sorry he did not go back to Louisiana but we are sure glad that he stayed in Washington.●

● Mrs. HECKLER. Mr. Speaker, Baton Rouge's loss is Washington's gain, and it was good news to hear that my friend and colleague, Gillis Long, will be continuing his outstanding service in the Congress.

Serving with Gillis on the Joint Economic Committee has given me a first hand knowledge of his effective leadership and determined representation for the people of Louisiana's Eighth District.

There is no doubt that Gillis would have continued his record of exceptional distinguished service as Louisiana's Governor, but I agree with the enlightened view of his hometown newspaper that in the long term, his presence in Washington will be even more valuable.

Both personally and professionally, I applaud Gillis' decision and know that his list of accomplishments in behalf of the people of Louisiana's Eighth District will continue to grow here in the Congress.●

● Mr. VAN DEERLIN. Mr. Speaker, Gillis Long arrived here—in a 5-gallon hat, as I recall—the same year I was elected, 17 years ago. We sat alongside one another during my first term on the Interstate and Foreign Commerce Committee.

Gillis soon suffered the impatience that often besets politici—er, statesmen—from Louisiana, especially those bearing the name Long. He left our hospitable surroundings here in Congress in pursuit of State office.

His subsequent return was an occasion for rejoicing. So great, in fact, that Gillis was quickly elevated to a position of power and influence seldom achieved by one whose House service has been interrupted. He not only sits on the Rules Committee, but has become a bigtime television producer—even though his House Chamber proceedings went on the air too late in the season to earn top audience ratings.

Because of his importance to all of us, as well as his conviviality, I join in hailing Gillis Long's decision to remain in Congress.●

● Mr. DOWNEY. Mr. Speaker, Congressman Gillis Long has decided not to reach for the brass ring, although it was well within reach. I join the citizens of Louisiana's Eighth District in applauding his decision to remain in the U.S. House of Representatives.

We all know that Gillis has the makings of a superb Governor because he is an extraordinary Congressman. Thoughtful, hardworking, and compassionate, Gillis continues to teach us the meaning of public service.

Gillis is needed in the House of Representatives, and although his decision was based on the best interests of his constituents, it is clear that it also is in the best interests of his colleagues. His leadership qualities are of immense value to this body. Differences in party affiliation, philosophy, regional needs, and seniority many times divide us. Gillis often provides the glue which creates a working coalition in the public interest out of this diversity.

Gillis Long's talents have had an important and beneficial impact on the House of Representatives and I am glad that they will continue to do so.●

● Mr. OBEY. Mr. Speaker, I was delighted to learn that Gillis Long will be with the House for some time and will not be making the race for Governor.

One of the reasons this House does not function better than it does is that there are so few members who are really interested in the House as an institution and who spend the time and make the effort to understand how it really works and who use that understanding to benefit their State, their region, and their district.

Gillis Long is a student of this House and the people in it. He has an instinct for understanding people, even if he disagrees with them and applying that understanding in a way that makes this House function more effectively as an instrument of the people's will.

There is not the glamour that there is in the Senate or perhaps in other places, but most of the thoughtful work on the Nation's business is done in this House and the House will be able to function more effectively because Gillis has chosen to remain.●

● Mr. FUQUA. Mr. Speaker, it is certainly with mixed emotions that I address these comments to the House about my friend and colleague, Gillis Long, who has so ably represented the Eighth District of Louisiana. His decision to abandon a lifetime dream of being Governor of his native State was doubtless as heartrending for him as it is heartening to his friends and colleagues in this Chamber.

While Mr. Long would make an admirable Governor, I cannot help but feel he is an even greater legislator. Had he departed from our ranks we would have been the poorer, both from the loss of his presence and his guidance. Rarely do we have an opportunity to welcome back to the House someone who has not yet departed the House. I am glad we have this opportunity today.●

● Mr. HUCKABY. Mr. Speaker, Gillis probably could have been elected Governor of the State of Louisiana in the upcoming election. There is every reason to believe that he was the man that all other candidates would have been shooting for in their quest for the Governor's mansion.

But last week Gillis decided to stay here in Washington and we are all better off because of that decision. With the seniority and respect that Gillis has obtained in the House of Representatives, he has also gained admiration from all who know him.

His star is just rising in the House. and there are bigger and better things in store for him here. Because of the respect gained by Gillis' hard work, openness and integrity, there is little doubt that he will play a major role in the House leadership in the years to come. We are certainly glad that Gillis decided to remain in the House. We need him here.●

● Mr. LEACH of Louisiana. Mr. Speaker, throughout the long and colorful history of Louisiana politics, one name stands out—the name of "Long."

Until just a few days ago, there was the possibility that this House of Representatives of the United States of America would lose a member of this illustrious family. Congressman GILLIS LONG, who so ably represents the Eighth District of the great State of Louisiana, was being urged by his friends and associates to seek the highest office in Louisiana—in the tradition of his forebears, Huey Long and Earl Long—through the gubernatorial election to be held this fall.

Fortunately for this great legislative body, GILLIS LONG has concluded that he may best serve his district, his State and his country by remaining in Congress in Washington.

Although there may be great disappointment among those who envisioned GILLIS in the Governor's office in Baton Rouge, there is a sense of happiness on Capitol Hill that he has decided to remain with us.

These are critical times in the history of this country and we are grateful that we may continue to count on the wisdom and experience of this excellent legislator of Louisiana as we conduct the Nation's business.

I applaud your decision to remain with us, GILLIS, and I hope you will remain in these Halls for many years into the future.●

● Mr. ZABLOCKI. Mr. Speaker, I am pleased to join our colleagues today in paying tribute to the distinguished representative from Louisiana, Congressman GILLIS LONG.

While I have no doubts that GILLIS would have served successfully and nobly in the Louisiana State House, had he realized his aspirations to govern that fine State, I am selfishly happy that he decided to remain with us in the House of Representatives.

GILLIS LONG has and will continue to contribute a great deal to this body. Even before he was elected to the 88th Congress, he was familiar with the legislative process and was making contributions through his work on congressional committees. On the Senate side, he served as legal counsel to the Select Committee on Small Business. On the House side, he was appointed chief counsel four times to the Special Committee on Campaign Expenditures.

Mr. Speaker, our colleague is a hard conscientious and determined worker, and he is diversified. In short, he knows how to get things done. Not only has he worked through his committee assignments in the Rules Committee and Joint Economic Committee, but his record shows a keen interest in historic preservation and urban policy. We are fortunate to have him in the House.

I extend my personal and sincere best wishes for a continued and rewarding career as a distinguished representative from Louisiana.●

● Mr. WHITTEN. Mr. Speaker, I take pleasure in joining my colleagues in paying tribute to the splendid service of our friend, Congressman GILLIS LONG of Louisiana.

With a record of outstanding achievement behind him, GILLIS has become one of the strongest men in the U.S. House of Representatives. He richly deserves the honor being paid to him today for a career unmatched to the people of his district, State, and Nation. I know that he has had many requests to make a statewide race in Louisiana and he would have made a great contribution in such a position; however, he has decided to stay here and I know that he will continue to make a great record in the Congress.

I extend to him and his fine family best wishes for the best of everything that life has to offer and, again, congratulate him on his decision to be here among us where we can all benefit from his counsel.●

● Mr. MINETA. Mr. Speaker, I want to thank our colleague CHARLIE ROSE for extending this opportunity to participate in today's discussion of GILLIS LONG's decision not to seek the governorship of Louisiana.

Public office has as its highest mission a dedication to the true public interest. The recent decision of GILLIS LONG to remain in the House as Representative of the Eighth Congressional District of Louisiana is a perfect example of this kind of dedication.

While there is no doubt that GILLIS LONG would serve his State of Louisiana well as Governor, it is absolutely assured that he will continue to offer valuable assistance to his district and his State here in the House of Representatives. In addition, GILLIS LONG's continued leadership in the Committee on Rules, on the Joint Economic Council, and in the United Democrats of Congress, is invaluable to so many of his colleagues who have learned to depend on his insight and ability to lead and shape public policy.

I join with my colleagues today in saying that I am pleased that GILLIS LONG will be with us as we continue the work of the 96th Congress.●

● Mrs. BOGGS. Mr. Speaker, as a longtime friend and admirer of my fellow Louisianian, GILLIS LONG, it gives me special pleasure to rise today to salute him and to say how pleased I am personally that he will continue to serve in the House of Representatives rather than run for Governor of the State of Louisiana.

Although I am sure that GILLIS would make a fine Governor for our State, I agree with my colleagues who feel that his departure from this Hall would create an unusual loss for this body.

I have been watching GILLIS LONG's career develop for many years, and it has been exciting to see the able young attorney become an accomplished legislator—respected by his peers here on Capitol Hill and reelected by ever-increasing majorities by his constituents in Louisiana. In the Rules Committee and on the floor of this House, GILLIS LONG is always an invaluable ally, and I seek his advice on both substance and procedure.

I often call upon GILLIS for his expertise in many matters of public policy and politics—as did Hale before me. In fact, when Hale was chairman of the Special Committee on Campaign Expenditures, it was he who appointed GILLIS counsel. More recently, GILLIS was an invaluable adviser to me during the planning and proceedings of the 1976 Democratic National Convention when I served as chairwoman.

Louisianians in particular are always grateful for GILLIS LONG's expert advice in matters of international trade and economics, developed in the private sector when he was a commodities consultant for a leading New Orleans investment firm. In the House, he has continued this special interest as a member of the Joint Economic Committee.

Of course, one of the chief reasons why I am so delighted that GILLIS LONG will continue to serve in the House is that my dear friend, his wife, Kathy, will remain here as well. Kathy is an astute politician herself and a civic-minded worker, and I would be especially sorry to lose her important contributions to the Nation's Capital.●

● Mr. SHANNON. Mr. Speaker, many of my colleagues in the freshman class were happy to hear of the decision of our friend, Congressman GILLIS LONG, not to become a candidate for Governor of Louisiana. It is no secret that GILLIS was a heavy favorite to be elected Governor and this made his decision a difficult one—but a fortuitous one for those of us in the House of Representatives.

GILLIS has been recognized since first coming here as an intelligent and hardworking legislator, a leader within this institution. What should be pointed out, however, is that he is a gentleman of the first order who always extends himself to be helpful to his colleagues. Many of us who are new to Congress have looked to him for advice and have benefited from his judgment and understanding of how the House works.

GILLIS LONG has in a short period of time won the respect and affection of many new Members in the 96th Congress. His gracious assistance has made many of our adjustments to life on the Hill more pleasurable and smooth than they would have otherwise been.

Many of GILLIS' friends will congratulate him today on his many accomplishments in the House of Representatives, his cofounding of the United Democrats of Congress, for example. His accomplishments are numerous and deserve commendation. He has served the people of Louisiana's Eight District admirably.

I look forward to working with GILLIS in Congress, and I applaud the accomplishments of a man who has such a distinguished record in the House of Representatives.●

● Mr. MATSUI. Mr. Speaker, today we honor one of the most foremost and forthright Members of the U.S. House of Representatives, the distinguished gentleman from Louisiana, the Honorable GILLIS W. LONG.

GILLIS LONG is widely acknowledged as one of the finest Members of Congress. His integrity is unimpeachable. His reputation as an honest and honorable man is well deserved and well known.

Moreover, he is an able, articulate, and active representative who works diligently for the people of Lousiana's Eighth District. Whether it is an individual problem or a matter of broad national concern GILLIS LONG cares.

Equally important, he acts—always in the public interest.

It is both an honor and a pleasure for me to serve in the U.S. Congress with such a distinguished colleague—a colleague we almost lost to the State of Louisiana. But Gillis Long decided not to enter that State's race for Governor. Instead, after 2 years of agonizing, he decided he could serve the Eighth District, the State, and the Nation best by remaining in the House.

This was not an easy decision to make. Gillis Long would most assuredly have served the people of Louisiana well as their Governor. But I, as I am sure are all my colleagues, am very pleased that he will continue his career as a public servant as a Member of the U.S. Congress.●

● Mr. WIRTH. Mr. Speaker, I would like to applaud the decision of Gillis Long to remain here as a Member of the House. Gillis' decision to drop his gubernatorial ambitions was a difficult one, especially in light of the fact that he was considered a leading contender in that race. I am very pleased, however, that he will continue on as one of our distinguished colleagues in Congress.

Gillis' career experience in the House has earned him admiration and respect as a top-notch, determined legislator. As one of the founding members of the United Democrats of Congress, he has helped to bring together Democrats in the House in a spirit of teamwork and cooperation. I have known Gillis for several years and look upon him as one of our most capable leaders.

We all realize that Gillis' decision not to run for the governorship was certainly a tough one to make; his ability to govern the State of Louisiana is unquestionable. But I, for one, am glad that we will still have Gillis as a national leader in Washington and that he will continue for many years to come as a valuable Member of the House.●

● Mr. CLAUSEN. Mr. Speaker, I wish to join with my colleagues in taking note of Gillis Long's decision not to seek the governorship of Louisiana.

There is no question that Gillis will represent the very finest in public service irrespective of the office he holds, but I know all of us here are extremely pleased he has chosen to remain in the Congress and continue doing the job he does so well.

It has been a pleasure to be associated with Gillis in our membership in the 88th Club and I look forward to continuing an enjoyable and productive association with him. I am sure my colleagues would unanimously agree with these sentiments.●

● Mr. DERRICK. Mr. Speaker, Gillis, you have made a very hard decision in deciding not to run for the office of Governor of Louisiana when the political leadership and the people of your State considered you the frontrunner. Knowing of your interest in the governorship and of my own conviction of what a truly great Governor you would have made, I was prepared to campaign with great enthusiasm on your behalf. However, notwithstanding, it was with great pleasure that I learned of your decision to remain in the House of Representatives.

What is a loss for the State of Louisiana is a gain for this Congress and the Nation. Gillis, you have painstakingly worked to pass legislative programs which are in the best interests of all the people of our country. As a member of the Rules Committee, you have worked to insure that only legislation consistent with our country's needs get to the floor for the consideration of the House. Now as the chairman of the Subcommittee on Legislative Process of the Rules Committee, you are chairing efforts to determine how Congress can, through the legislative oversight process, improve the effectiveness and efficiency of our Federal programs.

This is a tall order, but it is necessary that Congress have a better understanding of the goals and planned activities when authorizing new Federal programs and of the accomplishments, failures, waste, and duplication when reauthorizing existing programs. You are energetically and conscientiously directing the subcommittee, on which I have the pleasure to serve, in its consideration of various legislative proposals to improve congressional review of Government programs. Gillis, we have a lot of work cut out for us. I look forward to working with you this Congress and am glad you have decided to remain in the House.●

● Mr. CORMAN. Mr. Speaker, Gillis Long has reached the most difficult decision of his political career. His choice to remain in the House and not seek the governorship of Louisiana demonstrates his selfless service to the Eighth Congressional District of Louisiana.

Gillis put aside his personal, lifetime ambition to do what he felt best for the people of his district. In 10 years of service he has attained a position of leadership in the House. He has had an impact on every measure considered by the Congress through his seat on the Rules Committee, and fought for fiscal restraint and an improved economic picture by voicing his concerns as a member of the Joint Economic Committee.

I am extremely pleased by Gillis' decision to stay with us. His work in Congress will continue to give all the people of Louisiana excellent representation and a strong voice in the affairs of the Nation.●

● Mr. FITHIAN. Mr. Speaker, I would like to take a moment to commend my colleague Gillis Long for his decision to remain with us in the House of Representatives.

Gillis, given your commitment to some badly needed reforms in the House and your personal credibility and influence in that area, I am very pleased you have chosen to stay. While I know that Louisiana, like other States, badly needs someone of your stature and personal integrity at the head of the State government, I also believe the House has great need of such people and particularly of your service.

I just hope you will forgive those of us who consider you a personal friend for the bit of selfishness that shows in our delight at your decision. But while you are denying the people of Louisiana your services as Governor, I believe you will still serve the people of your own district and of the United States generally with great effect in your role in this body.●

● Mr. MIKVA. Mr. Speaker, today I join with several of my colleagues in expressing my pleasure over the fact that Gillis Long has decided to remain in this House. I am reminded of the old adage that there are three ways that you can leave Congress, and two of them are bad. Gillis, however, was contemplating the third route. It is a tribute to him that the choice he faced was one in which he can take pride; to remain a stalwart Member of this House or become a candidate for Governor of his native Louisiana. Political observers note that Gillis could have won that election which, no doubt, made his decision an even tougher one. Gillis is a respected, hard-working and effective Member of this Congress and it would have been our loss if he were to leave. I am personally happy that Gillis has decided to continue to put his considerable talents to use right here in Washington and to serve Louisiana in the fine tradition of which he is an integral part.

Sometimes decisions are made with an impact that cannot be fully appreciated until time has cast its vote. In the case of Gillis Long we need not wait for that vote. The ballots have already been counted and the House of Representatives is the winner.●

● Mrs. BOUQUARD. Mr. Speaker, today I join my colleagues in expressing my personal pleasure in knowing that my good friend, the Honorable Gillis W. Long of Louisiana, will continue to serve in the U.S. House of Representatives as he has done so admirably for the past 16 years.

While it is indeed unfortunate that the State of Louisiana will not have one of its most capable sons to serve as Governor, I feel that his State and the entire country will undeniably benefit from Gillis' continued services in the House of Representatives as an outstanding national legislator and leader. I have been honored to work with Gillis on many issues of mutual concern and without a doubt I believe he is one of the most dedicated Representatives to serve in this distinguished body. Gillis holds important responsibilities in both the Committee on Rules and the Joint Economic Committee and he has been instrumental in seeing that many landmark pieces of legislation have been enacted into law to benefit millions of American citizens. Under Gillis' capable leadership, the United Democrats of Congress has grown to be a major voice reflecting the mainstream of opinion not only within the Democratic party, but also within our Nation at large.

Gillis has served the Eighth Congressional District of Louisiana with distinction for many years and while that State may be losing a Governor, the Nation profits by retaining an outstanding spokesman in the House of Representatives. Thank you, Gillis, for your past service and dedication and for all your future efforts on behalf of America's citizens.●

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the best news I have heard lately—in a time when good news is hard to come by—is the fact that my good friend Gillis Long has decided to stay a Member of the House rather than seek the governorship of Louisiana.

To some it may appear he has turned his back on a bed of roses in order to sleep in a hornet's nest, but the gentleman from Louisiana has always evidenced the wisdom of Solomon in his decisions. Therefore, let me not question his actions, only praise them.

My friendship with the gentleman goes back many years. I often have sought and welcomed his counsel.

For years we met regularly to discuss the issues before the Chamber and the personalities in it.

I can only say that this choice to stay with us rather than to move to the Governor's mansion is one which pleases me and I am sure a multitude in the Chamber.●

● Mr. ZEFERETTI. Mr. Speaker, I would like to join my colleagues today in expressing my deep-felt pleasure in Gillis Long's decision to remain in the House of Representatives. I served with Gillis on the Ad Hoc Select Committee on Professional Sports during the 94th Congress and now have the privilege of serving with him on the Committee on Rules and its Subcommittee on Legislative Process. His leadership and determination as a legislator have been demonstrated on numerous occasions. As one of the most active Members of the House he adds keen desire and dedication to any project he is involved with. The Members of the House of Representatives have the benefit of working together with him and learning from him. He has worked long and hard to serve the interest of the people of his district and will continue to serve them well. It has been and will continue to be my personal privilege and pleasure to serve with him for many years to come.

Gillis, we are glad you are sticking around.●

● Mr. FROST. Mr. Speaker, I rise today to join with my colleagues in honoring the gentleman from Louisiana (Mr. Long). While I know it was a very difficult decision for him to choose not to run a race that he surely would have won, I applaud his decision to remain with us in the House of Representatives.

I must admit, however, when I first learned of the possibility of his making the race for Governor of Louisiana and leaving this body, I did reflect that his all but assured election to that great office in my neighboring State would offer me something more than a friend in the Baton Rouge statehouse. Since I am the least senior Democratic member of the Committee on Rules, his leaving would mean I would move up a chair and no longer would I have the distinction of serving on that committee as the member with the least seniority. But, I am glad my colleague and friend, Mr. Long, has decided to remain with us. His wisdom and experience will serve me far better, as it will serve the other Members of this House, as a Member of Congress and a member of the Committee on Rules, than it would as Governor of the State of Louisiana.

Mr. Speaker, I thank the gentleman from Louisiana for making what I know must have been a difficult decision, and we are fortunate to be keeping Mr. Long in Washington rather than sending him to Baton Rouge.●

● Mr. HANLEY. Mr. Speaker, I share in the happiness of many of my colleagues that Gillis Long has decided not to leave the House of Representatives to seek the Democratic nomination for Governor of the State of Louisiana. I know how difficult that decision was for Gillis; and for those of us who hoped that he would stay, this afternoon is a fine opportunity to express our thanks.

Gillis Long of the Eighth District of Louisiana is truly a national Democrat, a believer in the necessity of a political party's diversity and toleration as a means of articulating a program and a philosophy attractive to the great majority of Americans. Gillis believes that the majority ought to be listened to, and he knows better than most of us that it is a never-ending job to keep political institutions open and responsive to the inclinations and wishes of the majority of Americans.

Gillis' commonsense approach to political and public policy questions is matched only by the enormous warmth and enthusiasm which characterize his daily activities. He is both an architect and a skilled craftsman; he can build as well as design. Every institution of Government must rely for its success on citizens who possess these qualities, and that is why I am so pleased that Gillis has chosen to continue to devote his energies and his talents to the House of Representatives.

Men and women of solid commonsense, moderate in their own views and believers in the viability of the majority center of any institution, possessing a willingness to act as well as speak, dedicated to practical solutions to practical problems, and perfectly willing to work hard every day for the common good, are the lifeblood of politics. Gillis is one of those fellows, and I am glad that it is the House of Representatives which has benefited and will continue to benefit from his presence here.●

● Mr. MOAKLEY. Mr. Speaker, I wish to thank the gentleman from North Carolina (Mr. Rose) for affording us this opportunity to pay special tribute to our colleague, and my good friend, the gentleman from Louisiana (Mr. Long).

As a member of the Committee on Rules, I have had a great opportunity to work with Gillis Long and I have come to respect him as one of the most able, respected, and hardest working Members of this body. It was, therefore, with very mingled feelings that I learned last year of the growing effort in Louisiana to persuade the gentleman to run for the governorship there. Certainly all of us who know Gillis well realize that he would be an outstanding Governor. But, with his return to Louisiana, I would lose a good friend, the leadership would lose an outstandingly useful ally, and we would all lose our resident mediator—a man who has proven so often his special ability to reach compromises and make things happen in Congress.

I am pleased to learn, therefore, that Gillis has decided to stay in the House of Representatives. Although I recognize how difficult it has been for him to decide to turn down the governorship of Louisiana, with electoral victory almost certain, I think he has made a wise and courageous decision.

I recognize that Gillis and I would not always agree on everything. We have a longstanding custom of never talking about sugar legislation. But there are few men I agree with in as friendly a manner as Gillis and I can disagree. And this is his real talent, it is what makes him invaluable in Congress. For he has a special talent for the art of legislation, a willingness to listen, an ability to reason, a knack for persuasion, and an honesty and candor that inspires the trust and esteem in which he is held by all in this Chamber.

I look forward to working with the gentleman from Louisiana here and in the Committee on Rules for many years to come. And I join the gentleman from North Carolina and Gillis' many friends in saying how glad I am that he will stay with us.●

● Mr. MURPHY of Illinois. Mr. Speaker, today I join my colleagues in this special tribute to my good friend, Gillis Long. Gillis and I have served on the Rules Committee together for several years. I have had the privilege of working closely with him on various legislative matters. Gillis is truly one of the hardest working and most able members of this committee and, I might add, in this House. He does his homework. He spends long hours preparing for hearings, helping constituents, in all, representing his district and the State of Louisiana well.

Gillis has been heard to say "If it ain't broke, don't fix it." He has diligently applied this theory to his work here in the House. If a program is working well, he lets it alone. But, if there are problem areas, Gillis works hard to find the solutions.

As the chairman of the Rules Subcommittee on the rules and organization of the House last year, Gillis did an outstanding job. His subcommittee began the arduous task of reviewing current legislative oversight methods and studying new proposals in a search to find more effective ones.

This Congress Gillis is going to continue this work as chairman of the Rules Subcommittee on the legislative process. He will be working with his subcommittee to find effective methods of congressional oversight and program review—ones that will not obstruct the legislative process, but will streamline programs and make them work more efficiently.

Mr. Speaker, I know that Gillis' recent decision not to run for Governor was an extremely difficult one for him. Louisiana will be losing a fine head of State, but the House will keep an able and effective legislator. I am pleased that Gillis has chosen to stay here in the House of Representatives, continuing to represent the Eighth District of Louisiana that he serves so well. I look forward to working with him again this Congress.●

● Mr. PREYER. Mr. Speaker, I join my colleagues in saluting Gillis Long and thanking him for his decision to remain in the House of Representatives. In making this decision, Gillis gives up what was likely to be a successful race for Governor of Louisiana. Resisting the strong political pressures that have been pushing him to run, Gillis has instead chosen to remain in this body serving the people of the Eighth District of Louisiana as he has done so admirably for the past 6 years.

His decision not to run for Governor is welcome news for his constituents. The energies he has shown on their behalf over the past 6 years was not likely to be duplicated by any other Representative. Moreover, his decision is an honor and tribute to this body. We are the real winners in Gillis' decision. We will continue to have the benefit of his wisdom, his legislative experience, and his friendship.

There are few people serving in this body that could make the decision Gillis has made. It took far greater courage to decide to remain in the House than it would to run for Governor. We applaud his courage and are grateful for the choice he made. I know I speak for all my colleagues in saying that we look forward to serving with Gillis for many years in the future.●

● Mr. LONG of Maryland. Mr. Speaker, in addition to having a distinguished surname, you are a distinguished Congressman. I often claim kinship in the hope of enhancing my social standing.

Gillis, I share the delight of our colleagues that you have decided to continue to represent Louisiana in the House.

I know, perhaps better than most in the House, how well you are regarded by your constituents, because I have to reroute some of your mail. It will be easier to continue to send it down the hall than forward it to the Governor's mansion in Baton Rouge.

It is a personal sacrifice to give up your ambition to be Governor of your great State. You have made a hard choice. But you have made the right choice for all of us.●

● Mr. PATTEN. Mr. Speaker, it was with great personal happiness that I recently learned that my dear friend and colleague, Gillis Long, had decided against running for the Louisiana governorship.

Gillis and I are both members of the 88th Club and I have many fond memories of the times we have spent together. I can now look forward to a continuation of this friendship.

I am pleased that Gillis will be remaining in the House to continue his fine work for the people of his district.●

● Mr. BOLAND. Mr. Speaker, here in the House we often say goodby to Members who leave to run for other elective offices. Today we have the opportunity of paying tribute to a Member of this House who has decided to pass up a very attractive opportunity to run for Governor of his State and continue to serve in Congress.

I am referring, of course, to Gillis Long, of Louisiana. With his fine family tradition of public service and his own personal popularity, Gillis Long would have been an extremely strong candidate for Governor. I am sure his decision to remain in Congress was a difficult one. However, I am pleased with the result. The result is that the House will retain one of its most knowledgeable Members. Gillis Long often plays a key role in getting important legislation through the House Rules Committee. I commend him on his fine service to the Nation both here in the House and in Louisiana. I wish him many more years of success.●

● Mr. UDALL. Mr. Speaker, I have been told that Gillis Long will be staying with us here in this House, and I am proud.

Gillis' trademarks always have been his integrity and his intelligence. He is one of the wisest Members of this Chamber, and is also a man of vision and determination.

Gillis has always represented his State and his congressional district with vigor, yet he has remained a man who knows national interests and one who has taken on national responsibilities.

Gillis Long is a statesman and a leader, and a friend. It is good to have him among us.●

● Mr. LEHMAN. Mr. Speaker, I do not recall ever having the opportunity before to participate in a special order for a colleague who is staying in the House. So often, these occasions are leave-takings, tinged more with regret than with joy. But today is a very happy occasion, and, while there is no need to welcome Gillis Long to the House, where he has served long and well, I do welcome his decision to continue his career among us.

There have always been Longs in Louisiana politics, including a Long dynasty in the Governor's mansion and a Louisiana Long among the most powerful Members of the other body. Now we in the House can look forward to a long Long tenure here as well.

We need people like Gillis in the House, people who understand the conflicting demands of conviction and consensus, and, above all, the politics of the possible.

Gillis' decision to stay may have another benefit. I have been waiting a long time for that long definitive book on the Longs of Louisiana, which Gillis has been threatening to write. Perhaps he will now have time to put some of those wonderful Long stories down on paper.

Finally, Gillis has been a good, wise friend to me, and, for once, I do not have to use this little speech to say a formal goodby. Let me just say, Gillis, I am glad you are sticking around.●

● Mr. WON PAT. Mr. Speaker, I have just received welcome news: My good friend and colleague, Representative Gillis Long of Louisiana, has decided to stay with us here in the House of Representatives rather than seek another elective office in his home State.

Frankly, Louisiana's loss is our gain. This may sound a bit selfish, but Gillis Long is one of the true leaders of this House. He is an outstanding Member whose keen legislative skills are a pleasure to watch. He is a man of the highest moral principles and he is a friend who will stay with you through thick and thin. His judgment is unquestionable and I, for one, am thankful that I can continue to count on his friendship and support in the next 2 years.

Anyone who is the least bit familiar with the career of the famous Long family instantly recognizes that Gillis Long is destined to be one of the truly great politicians of the Long clan. Already, he has made an impressive record of public service by extending his deep intellect far beyond the realm of local concerns to embrace those problems which are truly national in character.

In the years to come, I am confident that Gillis Long will continue to make his mark on national legislation and become one of leading lights of the Congress.

Several years ago, I was privileged to have my office across the hall from Gillis. I know him to be a man of great compassion and concern for his fellow citizens. He is keenly interested in finding ways to help all Americans and speaking for the Americans from Guam, I am grateful for his support through the years on a number of key bills which have benefited my constituents.

When our mutual friend, Representative Gunn McKay, informed me recently of Congressman Long's decision to stay in the House, I was pleased. While none of us, who are privileged to call Gillis Long a friend, have any doubt that he would be one of the greatest Governors Louisiana has ever known, I am heartened by the knowledge that this wonderful man and talented politician will be around to challenge us and to provide the kind of leadership this Congress needs.

I join my good friend and colleague, Congressman Charlie Rose and others, in paying tribute to Gillis Long.

Thank you.●

● Mr. BENJAMIN. Mr. Speaker, I would like to pay tribute today to one of our most admired and respected colleagues, Gillis Long.

I was selfishly pleased to hear the news that Gillis has decided to remain as a Member of the House of Representatives rather than run for Governor of Louisiana. While I am certain that the State of Louisiana would greatly profit from his expert administration, I firmly believe that his absence in the House, and particularly on the Rules and Joint Economic Committees, would be sorely felt.

By remaining in Congress, Gillis will continue to serve not only the Eighth District, but also the entire State of Louisiana in an exemplary manner. My deep respect and admiration for my colleague is rooted in his unassuming manner of high accomplishment. Gillis is not only an innovative "ideas" person; he is an achiever—he gets things done. And that is quite a compliment for one involved in normally protracted deliberations.

Gillis Long deserves and receives the deepest admiration from his colleagues for his characteristic vision and integrity. As a cofounder of the United Democrats of Congress, he has been instrumental in developing this organization into a viable and informative service organization for fellow Democrats.

His contributions and example set for this body will be remembered long after his departure—but for now I join with my colleagues in congratulating, and even thanking, him for his decision to remain in the House of Representatives.●

● Mr. HORTON. Mr. Speaker, it is a pleasure for me to participate in the special order taken by Congressman ROSE regarding our good friend and fellow member of the 88th Club, GILLIS LONG. Like those participating in today's special order, I am pleased that GILLIS has decided to continue his career in the House rather than pursue the governorship of Louisiana.

GILLIS and I were both first elected to Congress in 1962. Although we are on different sides of the aisle, he and I worked closely on a number of issues, including professional sports. That mutual interest led to our membership on the Select Committee on Professional Sports during the 94th Congress. I am sure that my colleagues in the House recall the important contributions he has made not only with regard to professional sports, but also to committee reform, and development of the Outer Continental Shelf.

GILLIS has been an active representative of his constituency and an important spokesman on many pressing national issues. Although he would have been an excellent Governor, I am pleased that he has decided to continue his service at the Federal level.●

● Mr. COELHO. Mr. Speaker, even though I am a freshman in the House of Representatives, it has been my pleasure and honor to know and work with GILLIS LONG for many years. As administrative assistant to former Congressman Sisk, I had the opportunity to work with GILLIS because both gentlemen served on the Rules Committee.

Furthermore, both were charter members of United Democrats of Congress, an organization which has grown to over 100 members and which now represents the mainstream of opinion within our party as well as the Nation.

I am happy that GILLIS has decided to remain in the House. In the tradition of the Long family, he has devoted his life to serving the people of Louisiana. I feel that he can do more for the citizens of his State in Congress than he could as Governor of the State. He would make an outstanding Governor, to be sure, but Louisiana would lose more than they would gain. I think the people of his State would long for GILLIS to return to Washington if he left.

The Nation, too, would lose a great deal were he to leave Congress, for GILLIS is long on advice; he is long on counsel; he is long on energy.

Mr. Speaker, it is my fervent hope that, this decision having been made, GILLIS will long be with us. I certainly do not want him long gone.●

● Mr. ANNUNZIO. Mr. Speaker, I am delighted to join my colleagues in applauding the decision of the Honorable GILLIS W. LONG to remain in the House of Representatives rather than run for and win the governorship of Louisiana.

The outstanding and visionary Congressman from Louisiana's Eighth Congressional District, whom I am proud to call my friend, would indeed have made a memorable, hard-working, and dedicated Governor of his home State.

I know that his creative and resourceful approach in solving difficult problems, as evidenced by his outstanding record of accomplishments in the House of Representatives, would indeed have inspired GIL's fellow Louisianians and made his leadership in the affairs of that State a monument to the American political ideal of practical effectiveness in freedom and justice for the benefit of all the people.

Few men have given more of themselves to good government, or have a more compassionate understanding of human problems than has GILLIS LONG as a member of the House Rules Committee and the Joint Economic Committee. He has been in the forefront of efforts to implement meaningful solutions and effective action on behalf of the citizens of our Nation.

GILLIS has become a vital and esteemed Member of the House of Representatives and his counsel and advice are respected. The people of Louisiana are well served by Congressman LONG, and in light of his splendid record of achievements, they can look forward with pride to many more years of his distinguished service on their behalf and on behalf of all the people of this Nation here in our Nation's Capital.●

●Mr. GIAIMO. Mr. Speaker, I, too, am pleased that my good friend, the gentleman from Louisiana (Mr. LONG), has decided to remain in the House of Representatives and forgo the gubernatorial race in his native State. Louisiana may have lost an excellent candidate for Governor, but the House of Representatives has retained a member it can ill afford to lose.

GILLIS LONG is the kind of person we need here today. He is a member of the Joint Economic Committee, and I respect his perspective on the difficult economic decisions facing the Nation. As chairman of the Subcommittee on Rules and Organization of the House Rules Committee, GILLIS will be dealing with such important matters as sunset legislation and the legislative veto—issues of great importance to the House and the Nation.

An excellent legislator, GILLIS is also a good Democrat who believes in his party. In 1973, along with our former colleague Bernie Sisk, GILLIS established the United Democrats of Congress to promote harmony and unity within the party by strengthening the vital center that has brought the party success over the past decades. In 1974, by working closely with Bob Strauss, he played an important role in promoting unity at the Democratic miniconvention. In 1976, GILLIS was largely responsible for securing for Democratic Members of Congress full floor privileges at the National Convention. As chairman of UDC in 1976, he instituted a "meet-the-candidate" series at which Presidential aspirants were given the opportunity to speak to and to listen to Democratic Congressmen.

If I say much more, my comments will sound like a eulogy, and as we all know GILLIS is thankfully very much alive. The 96th Congress has a lot of work ahead of it, and GILLIS LONG undoubtedly will be in the thick of the action. I am honored to call him my friend, and I am glad that he has chosen to remain with us. For whatever the challenge may be, GILLIS will meet it squarely.●

● Mr. MONTGOMERY. Mr. Speaker, I join with my colleagues today in praising the decision of the gentleman from Louisiana, GILLIS LONG, to remain in the U.S. House of Representatives and to continue to seek service in this body. While I am sure he would have made an outstanding Governor of Louisiana, we are gratified that he will remain a Member of the House.

GILLIS is a particularly strong member of the Rules Committee and we could ill afford to lose his services in that capacity. He is dedicated and hard working and approaches his responsibilities as a Rules Committee member with conscientious fervor which is a credit to the House.

From a personal standpoint it has been a privilege to work with the gentleman from Louisiana in the majority whip organization. And I appreciate how cooperative he has always been to me and other Members.

GILLIS, we are glad you are going to remain in Congress. It was a wise and good decision for the American people because they will continue to have the benefit of your service, as well as the people of Louisiana.●

● Mr. JONES of Tennessee. Mr. Speaker, it was with great relief that I learned my good friend, the Honorable GILLIS W. LONG, will not be leaving Washington to run for Governor of his great State of Louisiana. All of us have had the difficult experience of saying goodby to a good friend; it would have been especially hard in this instance because we need GILLIS here in the House of Representatives. I know that since GILLIS was considered by many political experts to be the frontrunner for that office, it must have been a trying and complex decision. Personally, GILLIS, I want to say, "Thank you for staying with us." The Congress will benefit. Louisiana will benefit. I shall benefit.

● Mr. WATKINS. Mr. Speaker, I rise today to join with you and my other congressional colleagues to tell GILLIS we think he made the right decision. There is no doubt in my mind he would make a good Governor, but I am personally glad he has decided to stay on here—we need men of his caliber in the U.S. Congress.

All of us who have worked with GILLIS know he is a hard worker. We are familiar with his outstanding record as a legislator and his work on the House Rules Committee. We know he is dedicated to his constituency—that alone would make him a valuable Member of Congress.

I suppose I also ought to admit that I have a selfish reason for wanting to see GILLIS stay in the House—and that is his work with the Congressional Rural Caucus. I would really hate to lose him. He was one of the founders of the CRC and now serves on the executive committee and you can always count on him.

My relationship with GILLIS in the CRC has shown me a man deeply dedicated to serving the people. He is concerned about those Americans who live in the small cities and the rural communities across this Nation. He is not only concerned about his rural constituents, but his work with the Congressional Rural Caucus proves he is concerned about all the rural areas in this country. He wants to see equity and a fair shake for rural America. He knows the needs of our rural citizens and he is serving those people and helping with their problems.

In closing, Mr. Speaker, I do doubt that the political pundits are right. GILLIS would be the man to beat in the 1979 Governor's race in Louisiana—but I am personally happy he decided to stay with us in Congress.●

● Mr. WOLFF. Mr. Speaker, it is with distinct pleasure that I rise today to pay tribute to my good friend and colleague, the gentleman from Louisiana, GILLIS LONG.

I understand that at one point he was considering running for Governor of his great State, a position for which he is undoubtedly qualified. There is no question that he would make a distinguished Governor, just as he is now a distinguished Congressman from Louisiana's Eighth District. As Governor he would have served his State with the same vision and determination that he now brings to the House. Had he ran for Governor, and had he won, he would, of course, have continued his outstanding record of public service.

But apparently GILLIS has now determined that he can be most effective in his role as one of the leaders of the House of Representatives. Indeed, the people of his district and State are fortunate to be represented by someone of his caliber, and, with his increasing seniority, they can expect that GILLIS will be able to assert and protect their interests even more effectively.

As an influential member of the prestigious House Rules Committee, and as chairman of the Subcommittee on Legislative Process, GILLIS' presence is keenly felt in the Congress. He is a noted specialist in House floor procedures and House rules, and as one of the most effective legislators in the House, he is highly respected by his colleagues.

As a ranking member of the Joint Economic Committee, GILLIS LONG has been a proponent of wise Government spending and is tightfisted with the tax dollar, yet compassionate.

Few Members of this body are more hard working than GILLIS LONG, and few are more diligent and successful at keeping in touch with his constituents than is he.

In short, GILLIS LONG is a key Member of this House. I am proud to be associated with him and to call him my friend.●

● Mr. REUSS. Mr. Speaker, the word that my good friend GILLIS LONG had decided to stay in Congress was a ray of sunshine in a gray Washington week.

The people of GILLIS' district could not have lost. Regardless of how GILLIS decided, they would have had the benefit of his leadership as Governor or Congressman.

This House would not have been so fortunate. Having served with GILLIS on the Joint Economic Committee, and sharing with him the cochairmanship of its International Economics Subcommittee, I would have felt GILLIS' absence most keenly. The country's economy is in a fragile state. As we try to formulate effective economic policy, we would have been hard put to do without GILLIS' economic insight, his political acumen, and his integrity.

So we thank GILLIS for giving us a reprieve, and we are delighted to know that he will be among us for a good long time.●

● Mr. GIBBONS. Mr. Speaker, it is good news for the House of Representatives that GILLIS LONG has decided to spend his political career here in Washington representing the people of his State.

I have known GILLIS for a long time, and I admire his ability and sincerity. I trust that the people of Louisiana will return him to office for a long, long time.●

● Mr. HAWKINS. Mr. Speaker, I thought, and still believe, GILLIS LONG would have made a great Governor of Louisiana. I am equally pleased that he will remain with us.

GILLIS has ably represented his State and as one who shares pride in Louisiana—my own birth State—I respect his decision and am proud to serve in the Congress with him.●

● Mr. RICHMOND. Mr. Speaker, it gives me the greatest of pleasure to join my colleagues today in saying to our good friend, GILLIS LONG: "GILLIS, we're glad you're staying."

There is every indication that GILLIS LONG would have been elected Governor of Louisiana if he chose to run for that office. But GILLIS is also a conscientious and effective Member of this House, an outstanding member of the Rules and Joint Economic Committees, and one of the hardest working of Congressmen. GILLIS is consistently among the earliest arrivals on the Hill each morning. Usually, the first thing he does each morning in the office is to get on the telephone with the folks back home, keeping in personal touch with his constituents.

GILLIS had to choose between a run for the governorship or continuing his service to his constituents of the Eighth Congressional District. He has made his choice.

I value and rely upon GILLIS LONG's wisdom, his friendship, his good humor and, above all, his sage personal counsel. So, while I am sorry he will not be the next Governor of Louisiana, I am very glad that GILLIS LONG will continue to serve in the House. GILLIS, I am truly pleased you are staying.●

H.R. 1539 TO AUTHORIZE COMMERCIAL BANKS TO UNDERWRITE AND DEAL IN REVENUE BONDS OF STATE AND LOCAL GOVERNMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland (Mrs. SPELLMAN) is recognized for 60 minutes.

Mrs. SPELLMAN. Mr. Speaker, I have requested this special order in order to provide for several sponsors of H.R. 1539 the opportunity to present information to this body concerning this important bill and its present status. H.R. 1539, which I introduced on January 25, 1979, would authorize commercial banks to underwrite and deal in revenue bonds issued by State and local governments. Since its introduction, 33 Members have joined me in cosponsoring the bill, and today I am pleased to add the names of 13 more Members to the bill.

I first introduced this legislation in 1975 as H.R. 6621. At that time 31 other Members of the House joined me in sponsoring that or identical bills. Again, in 1977 during the 95th Congress, I introduced the same bill as H.R. 7485. Fifty-one other Members of the House joined me in cosponsoring H.R. 7485 or in introducing several other identical bills. Now, in the still early days of the 96th Congress we already have 46 cosponsors with the list growing daily.

This demonstrates the strong support over three Congresses for this legislation, support which goes across the political, philosophical, and geographical spectrums of the House. There is also wide support for the bill outside the Congress from Federal agencies, from practically all organizations of the State and local officials whose governments issue revenue bonds, and from private organizations such as the National Association of Home Builders, American Bankers Association, and the Dealer Bank Association.

This is not the first time I have addressed the House on this legislation. In May of 1978 and again in June, I brought to my colleagues' attention the strong support of the Board of Governors of the Federal Reserve and its staff for enactment of this legislation. At that time I also pointed out the strong support for the bill among members of the Banking Committee, and the fact that over 30 of those members had called for early hearings on the bill. Subsequently in July, the chairman of the Subcommittee on Financial Institutions indicated to me that hearings would be held after certain other matters were cleared up by the subcommittee.

When these matters lingered on longer than he or I had expected, I went back to him to see whether we could tie down specific dates for hearings. This he graciously agreed to in a letter to me on September 20, 1978, stating that hearings would definitely be held within 7 days after the House completed action on H.R. 13471, the Financial Institutions Regulatory Act.

When FIRA failed to clear the House, when it was brought up in late September, and it seemed it would be delayed to perhaps the end of the session, we then agreed that hearings would be held at the beginning of the 96th Congress, no later than 2 weeks after the Banking Committee organized.

Mr. Speaker, I and the many other supporters of this legislation were pleased that we had finally reached an understanding for hearings on our bill. As we all know, it is normally best for hearings to be held on important legislation before the House considers that legislation. The public hearing gives an opportunity for all, both the supporters and the opponents as well as neutral parties, to provide information and insight on legislation before the House. I am a strong supporter of following that normal process.

Of course, hearings do not guarantee approval of a bill. It is up to the supporters of the legislation to make a case on the record as to the desirability of their proposal and how it will benefit the Nation. This I believe we can do with this legislation, and I have firmly believed so since 1975.

I also know that hearings which establish a favorable case for legislative proposals do not in and of themselves guarantee that the House will consider the proposal. It is important that wide support for a proposal be shown, in order to justify taking up the limited time we have each year for consideration of legislation.

Therefore, I once again, at the beginning of this Congress, seek the same widespread support for the bill we had in the 94th and 95th Congresses. I also encourage the many supporters of the legislation outside of the Congress to continue their efforts on the bill's behalf. The 46 other Members who have so far joined as cosponsors are Democrats and Republicans; conservatives, moderates, and liberals; from New England, the South, the Midwest, and the West; and in many ways are a true cross-section of the Members of the House.

As has been true for many years, the bill is strongly supported by those who are in the best position to assess its impact on the State and local governments which issue revenue bonds, the organizations which represent State and local officials. These include the National League of Cities; U.S. Conference of Mayors; National Governors Association; National Association of Counties; Municipal Finance Officers Association; American Public Power Association; Airport Operators Council International; and National Association of State Auditors, Comptrollers and Treasurers. In addition, despite the concerns expressed by some that bank participation in the municipal revenue bond market will somehow jeopardize the soundness of our Nation's banks, the bill is supported by the Federal Reserve, the Federal Deposit Insurance Corporation, and the Conference of State Bank Supervisors.

Mr. Speaker, if you had asked me, as many did privately at the beginning of this 96th Congress, where I thought we would be at this time, I would have stated, without hesitation, that hearings would have been concluded by the Subcommittee on Financial Institutions and hopefully we would be near active consideration of the bill. Unfortunately, this has not occurred. My colleague from Massachusetts, the former mayor of Peabody, Mr. MAVROULES, indicated in his statement on Tuesday that he found delay of the hearings "hard to understand."

Many of us do, both the supporters of the legislation and the many who are unsure of just what might be accomplished by the legislation and are looking forward to hearings which will set facts forth. Surely, none of us should be afraid of the facts.

I hope to remind the chairman of the Financial Institutions Subcommittee of his good faith promise that hearings would be held early in this session, and I am sure he will not renege on his word.

Mr. Speaker, I have gone on at some length because I believe that you and my other colleagues should be brought up to date on the status of H.R. 1539. I feel strongly that, in this time of inflation and concern about governmental costs, it is imperative that legislation that will ease both of these problems be considered as soon as possible. I intend to continue to seek support from all of you and urge you to join me in calling for immediate hearings on this legislation and to join with us in this important public business.

Mr. HARRIS. Mr. Speaker, will the gentlewoman yield?

Mrs. SPELLMAN. I will be delighted to yield to the gentleman from Virginia.

Mr. HARRIS. Mr. Speaker, I commend the gentlewoman for bringing this legislation before us. I think this legislation is especially important to local governments who need these type bonds to finance vital public services.

The proposal of the gentlewoman, which I cosponsor, is one to facilitate competition in the purchase of these bonds.

As a cosponsor of H.R. 1539, the bill introduced by Mrs. SPELLMAN of Maryland that would allow commercial banks to underwrite revenue bonds issued by State and local governments, I rise to call for hearings on this important matter. Similar bills have passed the Senate on two occasions; however, the House has never even had hearings on the subject.

There is no doubt that passage of this bill would increase competition and reduce the cost of revenue bond financing.

In the last few years, State and local governments have come to rely more and more on revenue bond financing to fund public facilities such as water and sewer systems, park facilities, and hospitals. In fact, revenue bonds accounted for over 60 percent of new municipal bonds issued in 1977—up from 33.6 percent in 1970. Entry of banks into the revenue bond market would increase the percentage of bonds sold on a competitive bid basis, instead of the costly negotiated basis. Competitive bidding could also reduce the interest rate that governments must pay on the bonds and reduce the fees the underwriter charges to manage the issue.

This bill also assures that commercial banks would use their new authority in a responsible manner. Banks would be authorized to underwrite the bonds only if the Comptroller of the Currency ruled them eligible for purchase. Written disclosure of the bank's status as an underwriter would be required before the sale. Furthermore, the amount of bonds that could be owned or committed to purchase would be limited to 10 percent of their capital and surplus.

A matter as important as this certainly deserves congressional airing. House committee hearings would give each legislator the opportunity to decide the merits or demerits of this issue. That is why I respectfully request that the Banking, Finance and Urban Affairs Subcommittee on Financial Institutions schedule the long-overdue hearings on this matter as soon as possible.

Mr. ROUSSELOT. Mr. Speaker, will the gentlewoman yield?

Mrs. SPELLMAN. I will be delighted to yield to the gentleman from California.

Mr. ROUSSELOT. This legislation has been long overdue for several of the reasons that the gentlewoman listed and it is true, as my colleague from Virginia has just said, that many of our local governments and units are put at a disadvantage in not having this source available to them.

I compliment my colleague for attracting the attention of the whole House to this matter and I hope that the Committee on Banking, Finance and Urban Affairs will take up this legislation early.

Mrs. SPELLMAN. I thank the gentleman from California for his support. It does prove that we do, indeed, have rather widespread support for this legislation. It goes across political, philosophical, and geographical lines here in this body.

There is also wide support for the bill outside the Congress, from Federal agencies, from practically all organizations of State and local officials whose governments issue revenue bonds, and from private organizations such as the National Association of Home Builders, the American Bankers' Association and other bank associations.

● Mr. GILMAN. Mr. Speaker, I commend the gentlelady from Maryland (Mrs. SPELLMAN) for taking the initiative to arrange this opportunity for Members of the House to take up the very important issue of authorizing commercial banks to underwrite municipal bonds.

My experience in this area has been shaped largely by my service in the Assembly of the State of New York and as a former counsel to the assembly's committee on local finance, where I became acutely aware of the ramifications of local revenue bond financing. Since we can anticipate the further use of bonds in the State of New York, I feel that the appropriate development of this trend would be significantly enhanced by the adoption of the bill we are now discussing, H.R. 1539.

I have cosponsored and worked for legislation such as H.R. 1539 for several years. It can be utilized as a major weapon against the rising cost of State and local government. Without the expenditure of a single cent of Treasury funds, we can reduce the cost of local government through the spurs to competition provided by this bill. It is anticipated that this bill can save State and local governments many millions of dollars annually, while at the same time insuring that the new authority granted to banks would be exercised responsibly.

Unfortunately, Mr. Speaker, while several bills to accomplish the aim of H.R. 1539 have been introduced in the past, none have been fully considered by the House. Despite the fact that the bills have been backed by substantial numbers of our colleagues and by responsible outside groups, this proposal has not received the serious consideration that it deserves. This session is an appropriate time for such action. While this issue is controversial, the conflicting claims can best be resolved by a fair hearing within the legislative process. That process, however, must begin with appropriate hearings in the proper committee forums, so that the proponents and opponents may make their cases. I believe that such hearings would demonstrate the case for banks being authorized to underwrite these issues.

Two basic long-term borrowing mechanisms are used to finance State and local facilities: General obligation bonds and revenue bonds. Both commercial banks and securities dealers underwrite State and local general obligation bonds. Although revenue bonds are only slightly different from general obligation bonds, only security dealers are permitted to underwrite them. The only significant difference between the two kinds of issues is that revenue bonds are retired by user fees paid by those benefiting directly from the facility involved. The State of New York and its localities are heavy users of revenue bonds. Statewide outstanding bonded indebtedness at the end of 1976 exceeded $4.5 billion, while the bonded indebtedness nationwide exceeded $20 billion. Banks have not been eligible to underwrite any portion of that market; that situation does not make sense.

Since there are so few differences between general obligation and revenue bonds, I do not believe that the public interest is properly served by eliminating competition between banks and the securities industry by reserving the underwriting of revenue bonds as the exclusive preserve of securities dealers. Since past experience in the underwriting of general obligation bonds has shown that commercial banks and security dealers can both work together in underwriting syndicates and separately in direct competition, I see no reason that the securities dealers need any special form of protection to stay in business. In fact, I would not be supporting this bill if I thought that it would do substantial harm to the securities industry.

Our Nation's Governors, through their National Governors' Association, have indicated their support for bank underwriting, as have other organizations representing issuer groups. I believe, as they do, that this legislation will benefit our States and their political subdivisions by fostering healthy competition between those entities capable of underwriting revenue bonds. Accordingly, I urge my colleagues to join in cosponsoring H.R. 1539 and to help get hearings underway in the near future.

I thank the gentlelady for yielding.●

● Mr. PATTERSON. Mr. Speaker, it is seldom that we in the Congress have an opportunity to do something positive about assisting State and local governments without having to create some new and costly Federal program. This rare opportunity presents itself in the form of H.R. 1539, which I have cosponsored to enable commercial banks to underwrite revenue bonds issued by State and local governments, just as banks now have authority to underwrite general obligation bonds issued by these governments.

Last year, I joined with Representative GLADYS SPELLMAN and 50 other of our colleagues in introducing the same bill. Unfortunately, time did not permit its consideration. I urge all of you to join with me and Mrs. SPELLMAN in cosponsoring and supporting H.R. 1539, so that it can become law this year.

Unquestionably, the cost of government is a paramount issue in the citizens' minds. Efforts to restrain that cost, such as proposition 13 in my State, make it exceedingly difficult for governments to provide the parks, schools, hospitals, water and sewer treatment facilities, and the many other public facilities which people want and which are essential to community life.

Proposition 13 in California and similar efforts elsewhere to curb the cost of government, have made revenue bond financing the most feasible method for paying for a community's infrastructure, because those who directly benefit from a facility pay for it. Revenue bonds now represent over 60 percent of new municipal bond issues; and yet, through a quirk in the banking law of the 1930's, a time when revenue bond financing was insignificant, commercial banks are ineligible to participate as underwriters. That makes no sense today.

Expanding the market for revenue bonds to include commercial banks as underwriters will increase competition among underwriters and thereby significantly reduce the cost of revenue bond financing. This kind of competition translates into real savings of several hundred million dollars annually for State and local governments, and ultimately the taxpayers, our constituents.

As a former mayor I know of the financial problems a community has when its sources of capital funds are limited. Having to negotiate for the financing of a new water system, for instance, with but one institution can prove to be a costly experience. On the other hand, when several institutions can bid competitively for the business, the opportunity for cost savings is greatly enhanced. Because of this great potential for cost savings, this legislation is endorsed by the mayors of this Nation through their organizations, the National League of Cities and the U.S. Conference of Mayors, as well as by representatives of revenue bond issuers.

In addition to support from public interest groups, the home building industry endorses this legislation. The National Association of Home Builders, an organization whose membership is deeply concerned over the astronomical cost of new homes, sees the measure as an opportunity to slow spiraling land costs attributable to the high cost of converting raw land into homes for American families.

I hope that we can get on with this effort to bring about dramatic cost savings for our constituents and the communities in which they live by giving this legislation the high priority it deserves in this 96th Congress.

I urge all of you to join in cosponsoring H.R. 1539.●

● Mr. MINETA. Mr. Speaker, I want to thank my colleague, the Honorable GLADYS SPELLMAN, for this opportunity to discuss an issue of mutual interest. That is, bank underwriting of State and local government municipal revenue bonds.

Recent actions in the State of California which seek to halt the spiraling cost of State and local government have become a national symbol for all American taxpayers. The question is: How can governments continue to build public facilities and provide public services without taxing the citizens beyond their ability to pay?

During my many years working in local government, including terms as vice mayor and mayor of San Jose, I followed the rapidly increasing use of revenue bonds, rather than general obligation bonds, in financing the building of local government facilities. The move to revenue bonds is an outgrowth of the rising cost of operations in local government. Revenue bonds are attractive to a local government because the building of a public facility can be financed from the revenues the facility generates over time, thereby avoiding an additional burden on the local government's tax base.

An unfortunate fallout of the move to revenue bonds, however, is the higher cost of revenue-bond financing to a community.

The higher costs are largely due to the fact that, although commercial banks can underwrite general obligation bonds, commercial banks cannot underwrite revenue bonds. Local government is caught in a classic case of rising cost due to a lack of competition.

H.R. 1539, which I have cosponsored, permits commercial banks to underwrite revenue bonds—with appropriate safeguards. Taxpayers would benefit substantially from the increased competition for revenue-bond underwriting business, competition which would cause reduced underwriting costs and interest rates.

The restriction against bank underwriting of revenue bonds grew out of a judicial interpretation of the so-called Glass-Steagall Act of 1933. The act was passed almost one-half century ago in an era when there was grave concern over the future stability of the entire banking community. The Great Depression had been devastating. Legislators were concerned that bank underwriting of some securities would be in conflict with bank's depositor and trustee functions. As a result, the Glass-Steagall Act prohibited commercial banks from underwriting corporate obligations and certain other types of bonds.

Some Federal, State, and local government obligations were exempted from the prohibition. Revenue bonds were virtually unheard of at the time the Glass-Steagall Act became law. Yet, in subsequent court cases, after revenue bond financing became an established alternative to general obligation bonds, the courts ruled that the Glass-Steagall prohibitions included State and local revenue bond underwriting. Conditions have changed markedly since the Glass-Steagall Act became law, and it is now time to remove the obsolete restrictions of the Glass-Steagall Act.

H.R. 1539 would not allow commercial banks to abuse their new position as some claim. On the contrary, H.R. 1539 contains safeguards specifically aimed at avoiding any bank practices which might be considered questionable. H.R. 1539 also addresses the concerns of the legislators of the thirties. Limitations would be placed on the extent of underwriting and investment activity banks could engage in. H.R. 1539 contains carefully written provisions which would assure that banks could continue to meet their fiduciary responsibilities to their depositors.

The Secretary of the Treasury would be required to closely monitor and report to Congress the progress of commercial bank underwriting and the distribution of revenue bond business among various financial institutions.

The Federal Reserve supports H.R. 1539. This support came only after a thorough examination of the issue, and is based on the Federal Reserve's conclusion that the safeguards in H.R. 1539 would be adequate.

I urge my colleagues to join with me in calling for immediate hearings on H.R. 1539, so that the issue may be fully aired. With the facts on the record, I am certain that my colleagues will see the clear opportunity we in Congress have in lowering the costs of local government finance through bank underwriting of revenue bonds.●

GENERAL LEAVE

Mrs. SPELLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order on today.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

□ 1810

SMOG IN THE CLEAN AIR ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, not long after I came to Congress 10 years ago legislation was passed making a national commitment to clean up the air. Public Law 91–604, the Clean Air Act Amendments of 1970, set an ambitious goal of controlling emission levels of pollutants and achieving standards of healthy air quality in our metropolitan areas. I have closely followed the implementation of these laws and have observed that we are not only going nowhere in making our environment livable, but we are wallowing in bureaucratic haze as thick as the smog in Los Angeles on a hot summer day. Having reviewed the expenditure of so much money from the Federal Treasury, I have come to the conclusion that our messy concoction of regulations, procedures, guidelines, and mandates are creating more aggravation than they are worth. Just looking at our record in the effort to clean up the air, I think it is time to apply the brakes and reevaluate the direction of our national clean-air policy.

We should have seen the light a few years ago when the majority of the Nation's air quality control regions failed to meet the ambient standards of the 1970 law, even as late as a year after the original deadline was established. The 1977 amendments to that law have revised the timetable again, but in talking with officials at the Environmental Protection Agency, and with Agency heads in California at the State and local level, I am convinced that this standard of procrastination has become par for the course. Let us face it—we are bogged down in a cesspool of Government rules which have already impacted on our economic growth and program to achieve energy self-sufficiency at a time when the economy and our energy situation are both very uncertain.

There is a great deal of ambiguity as to the precise effect antipollution laws have had on the economy. I know, however, that business and industry are giving more thought to locating plants outside of our borders, that inflation is worsening as a result of costs which bring little benefit in terms of solving the air pollution problem, that jobs are lost—resulting in greater public assistance funding from Washington. The stringent standards which inhibit energy exploration serve only to increase our dependence on foreign sources of energy, something we all admit is undesirable. Productivity is bound to suffer, capital investment is on the wane, and still we are far from meeting the standards set in the Federal legislation.

I want to assure the House, Mr. Speaker, that in no way do I advocate a compromise of our commitment to clean air. But the way we have gone about the job of pollution control has not only been inadequate, but costly. Thought should now be given to making decisions which will be effective, but still flexible enough to take into account the benefit received from the expensive cleanup requirements.

The State Implementation Plans for the July 1 deadline are being readied. The EPA will act on these plans, but if things proceed as they have in the past, Government and industry will be biting at each other's throat with nothing positive to show for it. Why cannot we work within a framework of cooperation, with business doing its part at a measured pace, and with Government doing its share by promoting reasonable public policies?

As the antipollution programs are prepared under the 1977 law, it would be a good idea for the EPA, the California Air Resources Board, and the regional air quality management districts to analyze their proposals and ask themselves, "Is this really going to work? Is the air actually going to be cleaner as a result of this inspection program? Is spending all this money really going to justify itself?" Unless we can honestly answer these questions in the affirmative, I think it is time to get rid of all the smog in the Clean Air Act.●

THE LATE IRENE MILDRED PEPPER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 60 minutes.

● Mr. FASCELL. Mr. Speaker, this week the House lost one of its most familiar and well-loved personalities, the lovely wife of our colleague, CLAUDE PEPPER, Irene Mildred Pepper.

CLAUDE and Mildred were a true love match. In their 42 years of marriage they were rarely separated and their partnership extended into CLAUDE's outstanding political career, as well as in the home. In fact, the people of Florida, and particularly, Dade County, really got two for one when the elected CLAUDE to the Senate in 1936 and to the House in 1962. Mildred was constantly by his side, campaigning with him and advising him on the many pressing issues we all must face.

She was an outstanding community leader in her own right as well. She was well known in Miami for her many contributions in behalf of charitable organizations. She was particularly active in raising money for the National Parkinson Foundation and served as National Chairman of the Women's Division. Her last effort in this regard was just 6 weeks before her death, when she chaired the 10th Annual Bob Hope Dinner for the foundation.

She was also a board member of the Marie Snyder Chapter (named for her late sister) of the University of Miami Women's Cancer Association; the Charles Crittenton Circle of the Florence Crittenton Home in Washington; and a member of the city of Miami's Committee on Ecology and Beautification.

All of us who had the pleasure of knowing her over the years will remember her beauty, graciousness and, above all, her devotion to her husband and his work.

I know our colleagues join me in extending our deepest sympathy to CLAUDE and his family. We can well understand his grief and we will all miss her.●

HAS THE ARMED SERVICES COMMITTEE DECIDED TO SUPPORT SALT?

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Michigan (Mr. CARR), is recognized for 5 minutes.

● Mr. CARR. Mr. Speaker, the CONGRESSIONAL RECORD for March 13 contained one of the more intriguing statements I have read in many months. It stems from House Armed Services Committee print 95–95, entitled "SALT II, an Interim Assessment." This report was highly critical of SALT II, and was in turn criticized by my dissent which was appended to it. On March 13, pp. 4802–4805, my colleague Congressman CHARLES H. WILSON, of California, inserted a critique of my critique of his critique.

While I would like to respond to the broad range of his arguments, my inclination is not to do so at this time, for the reason that fourth-order arguments tend to be low both on readability and public interest. I believe the best course is to wait for whatever position the Armed Services Committee, or a panel thereof, may take during the current year, and to state my views at that time.

There is, however, one paragraph from Mr. WILSON's remarks I would like to discuss, since it deals with ICBM survivability which is today's front-stage-center strategic issue. The paragraph in question follows:

> While I disagree that a MAP cost exchange ratio (U.S. MAP shelters vs. Soviet RVs) must favor the U.S., I believe such a ratio will do so. To credibly threaten our silos, the Soviets simply cannot continue to fraction their ICBM payload. This option is prohibited by SALT II in any event. At some point both missile accuracy and reliability worsen with the increased numbers of warheads. Weight to yield (or payload) also diminishes. In a cost race between our MAP shelters and Soviet missiles, the benefit would accrue to the U.S. Without a U.S. MAP deployment, the cost would be less for a Soviet attempt to threaten U.S. ICBMs. Is it alright then for the Soviets to threaten our ICBMs as long as they do not have to cheat or spend a lot of money, but not alright if they must do both?

Consider: The gentleman from California is probably the most widely-quoted House opponent of SALT II, yet here he is citing a provision of the treaty as preventing the Soviets from hyperfractionating their ICBM's and thereby rendering infeasible the MAP system he regards as vital.

If the gentleman is successful in defeating SALT, he will demolish the cap on Soviet ICBM MIRV warheads, which he himself uses to make the case for MAP.

If MAP loses this protection, on what can it fall back?

Well, the gentleman suggests that hyperfractionation is not feasible because "accuracy and reliability worsen with the increased numbers of warheads. Weight to yield (or payload) also diminishes." This is true after a point, but only if the additional warheads are placed on the same number of launchers. Kill SALT and the launcher limit vanishes; the Soviets will be able to build more RV's with no sacrifice in yield, accuracy, or reliability because they will be able to build more missiles and launchers for them. So this protection, too, goes down the drain if SALT goes.

The gentleman then asserts that, in the absence of SALT constraints, a cost exchange ratio will favor MAP. I ask the gentleman: Where are your figures? On what do you base your assertion? All my assumptions and calculation methods are spelled out in my dissent. Many SALT opponents have told me I am wrong, and that the Pentagon analyses which are also unpromising for MAP are wrong. But they have never produced the numbers on which their assertions are based. Until they do, I see no reason to change my conclusion—which is based, incidentally, entirely on information supplied by the experts in the Office of Defense Research and Engineering.

The gentleman expresses the view that we do not need a favorable cost-exchange ratio. He thus implies the Soviets would not match us, warhead for shelter, even if they can deploy warheads as cheaply as or more cheaply than we can deploy shelters. I have no crystal ball and cannot say for a fact that the gentleman is wrong. But before committing tens of billions of dollars to the proposition that he will be proven right, we need to see some evidence for it. I do not say it does not exist, but I certainly have not seen it, and past Soviet behavior is inconsistent with the gentleman's prediction.

Finally, the question of when it is "all right" for the Soviets to threaten our ICBM's, and when it is not, is beside the point. As far as I am concerned it is wrong for the Soviets to threaten us under any circumstances, but we live in the real world in which they are probably going to do so wherever they can, whether I approve or not. The real issue is this:

It is not all right for us to spend large sums of money for the purpose of protecting our ICBM's, if by doing so we do not end up with protected ICBM's.●

FINANCIAL SERVICES DISCLOSURE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, too many banks are deceiving their depositors about charges assessed on accounts. To remedy this, I am today introducing legislation entitled the "Financial Services Disclosure Act" to correct and prevent these practices.

A survey by the Federal Reserve Board shows the extent of the problem. Half of the banks surveyed advertise so-called "free" checking. In fact, nearly three of every five of those banks imposed some condition on the depositor. Very often a customer is required to maintain a minimum balance in an account. If the balance falls below that balance, even for only a single day, the bank imposes a fee—$2, $3, or more per month. I have seen some banks that charge $6 per month if the customer's balance falls below $500. I do not understand how a bank charging $72 per year can call that free checking.

Ten percent of the banks that advertise accounts that are only conditionally free do not say so anywhere in their ads. This is outright fraud. It is no different than a store advertising a free gift if you come to the store, and then charging customers an entrance fee in order to get the gift.

Many other ads are only barely better. I have seen many that shout free checking in large, bold faced print. Only by looking in the small print at the bottom of the advertisement is the condition revealed.

These conditions are significant. Free accounts are often restricted to those with $5,000 savings accounts, or with an approved line of credit, or to senior citizens. Sometimes the checking is free, but only if the customer buys a package of other services costing $3 to $5 per month.

Checking account ads are not the only ones that mislead consumers. Only a few days ago, a large New York commercial bank ran an advertisement:

> Now no bank pays more interest. Not even a savings bank.

The ad went on:

> Our interest rates . . . can't be beat.

The ad left the impression that all savings accounts at that commercial bank paid earnings at the same rates as saving banks. That is not true for seven of eight types of accounts offered by the bank. For example, that New York bank pays only 4.5 percent earnings on its passbook accounts, three-quarters of a percent less than the earnings paid by most savings and loan associations and ½ percent less than what the law permits that bank to pay. Its other accounts earn ¼ to ½ percent less than the same type accounts at thrift institutions.

Another bank ad offered to pay no cash interest on a 3-year savings certificate. Instead, the depositor could choose a television or a vacuum cleaner. A consumer may be able to decide whether to choose between the television and the cleaner. But how is the consumer to know whether a television set is now equivalent to 6¾ percent compounded daily for 3 years? My bill will help provide the consumer with the information necessary to answer that question. It will require the bank to state the annual percentage rate in the advertisement. In effect, the bank will be required to tell the consumer what the television is worth in terms of earnings on the deposit.

Advertising is not the only area in which banks keep their customers in the dark about their accounts. Only 223 of 846, or 26 percent, of the banks surveyed by the Federal Reserve Board give their customers a document listing the principal terms of checking accounts. Even for savings accounts, barely 50 percent of the banks give their new customers a listing of the terms of the savings account.

These figures are very disturbing to me. When I have my car serviced, a sign in the repair shop tells the cost per hour of the labor. In the supermarket, prices are marked on the goods. New cars have stickers in the window with the list price. I believe banks should also tell their customers what their services will cost.

The survey further revealed the banks' attitudes toward changing the contracts entered into with their customers. Forty-five percent of the banks in the survey that changed the terms of checking accounts within the past 2 years did not send a notice to their customers. Fifty-eight percent of banks that changed savings account terms sent no notices. These banks hope that their customers will not notice the higher fees charged and lower interest earned. This is a devious attempt to keep depositors from knowing that banking at the particular bank is no longer as good as it once was. Such deception thwarts the customer from making a free and informed choice whether to keep his business at the particular bank or take it elsewhere.

These banking practices are widespread. The survey shows that large and small banks, urban and rural banks, and banks in all geographic regions of our country engage in these deceptive and unfair practices.

Inflation already quietly and constantly eats away at the value of consumers' money. Some banks do the same by secretly charging consumers more for the services they provide. That must stop.

To correct these abuses and insure that they do not continue, the Financial Services Disclosure Act will require banks and other financial institutions to disclose the terms of deposit accounts to consumers. This bill will require that charges to accounts be disclosed. Delays in access to funds resulting from check holds must be disclosed. If an account pays interest the consumer will be told the annual percentage rate, the frequency of compounding and how the earnings are computed. Consumers will be told what the financial institution will do at the conclusion of the term of any time deposit.

Financial institutions will be required to notify consumers before account charges are increased or earnings decreased. This serves two purposes. First, consumers are kept aware of the current terms governing their accounts and the cost of the accounts. Second, customers will be able to make informed choices whether the present cost of maintaining a particular account outweighs the benefits received.

The bill also prohibits false and misleading advertising of account terms and conditions. No financial institution will be permitted to advertise free checking without disclosing any limitations it imposes upon the service. Financial institutions that refer to earnings on an account will be required to state the annual percentage rate, the annual percentage yield, the frequency of compounding and the method used to calculate the balance upon which interest is paid. Financial institutions that compound at least daily or use the day of deposit to day of withdrawal balance method would not be required to make those disclosures since those are the methods most beneficial to consumers.

Honest financial institutions will benefit from this law. No longer will they be subject to unfair competition in advertising. Informed consumers will be able to better choose the financial institution that offers what suits the individual consumer's needs. An institution that meets those needs will be able to attract customers and will prosper. Consumers and financial institutions both benefit from truthful advertising and informed choices. My bill will help attain both goals and benefit both groups.

I have prepared a short summary outlining the provisions of the bill which follows:

SHORT SUMMARY OF THE FINANCIAL SERVICES DISCLOSURE ACT

GENERAL

The bill would prohibit unfair advertising concerning consumer deposit accounts, require disclosure of account terms, and provide the consumer with the opportunity to verify the accuracy of charges and earnings posted to accounts.

ACCOUNTS COVERED

The bill would cover all consumer accounts including savings, checking and time deposits, and other accounts such as cash management accounts. Excluded from the definition of accounts are security deposits, insurance contracts, government obligations and trust funds. "Financial institutions" include banks, savings and loans, credit unions and any other institution that holds consumer accounts.

ADVERTISING

Any advertisements relating to the earnings payable on accounts must state the annual percentage rate. If an account does not compound interest at least daily, the advertisement must state the frequency of compounding and the annual percentage yield. If an account does not pay interest from day of deposit to day of withdrawal, the method used must be stated. In addition, advertisements relating to earnings must give clear and conspicuous notice of any minimum amount or time requirements and any penalties for early withdrawal. No advertisement relating to earnings may state the annual percentage yield more conspicuously than the annual percentage rate or state yields or percentage yields other than the annual percentage yield. Use of the term "profit" is forbidden.

No advertisement may use terms such as "free" or "no cost" if there are any conditions that restrict such accounts. Accounts that require minimum balances in order to obtain free services must state the required minimum balance. Accounts that restrict free services to certain classes of depositors must disclose the restriction. In short, if there is a "catch", it must be disclosed.

The bill prohibits misleading or deceptive ads. The advertising provisions would apply to financial institutions and their agents. The section would not apply to the media in which the advertisements appear or through which they are disseminated.

ACCOUNT TERM DISCLOSURES

The bill would require that consumers be given disclosures either upon request or upon the opening of an account. The bill would not require that disclosures be made retroactively to accounts that are already in existence at the effective date of the bill, except in response to a consumer's request.

If earnings are payable on an account, certain information must be disclosed, if applicable. The institution must disclose the annual percentage rate, the annual percentage yield, the method used to determine the balances upon which earnings are paid, frequency of compounding, and the frequency with which earnings are paid. If an account has a minimum balance or minimum term requirement, that must be disclosed. Any provision relating to the renewal of time deposits or the earnings payable after the term of the time deposit must be stated.

All accounts must disclose any charges that may be imposed by them, delays in access to funds deposited by check, and any other term or condition which results in increased cost or decreased earnings to the consumer.

If a financial institution proposes to change any existing account term, it must notify the consumer at least 30 days prior to the effective date of the change. If a change is mandated by government regulations and the financial institution is unable to send the notification of the change 30 days prior to the effective date of the change, the financial institution must notify the consumer within 60 days after the change takes effect. If an account is held by more than one depositor, the financial institution need notify only one of the account depositors of the proposed change.

Financial institutions are not required to send notices to closed or inactive accounts. Accounts are considered inactive if there has been no activity and no communication from the consumer to the institution about the account for 36 months.

VERIFICATION OF ACCOUNTS

Financial institutions would be required to provide consumers with instructions that would permit the consumer to verify the charges or earnings posted to an account. Such instructions would also include a statement of the consumer's rights and responsibilities under this section.

If, after using the information provided by the financial institution, the consumer was unable to verify the amount, the consumer could submit a notice to the financial institution. The notice must be in writing and include the name of the depositor, account number, statement of belief that an error has been made, the suspected amount of the error and the reasons for believing there is an error, or a copy of the depositor's calculations. Upon receipt of the notice, the financial institution has 60 days to investigate and either adjust the account or send a written explanation to the consumer of the reasons why the account is correct. If the consumer continues to allege the same error, the financial institution need do nothing further.

LIABILITY

The bill would impose civil liability only upon financial institutions that increase charges or decrease earnings without proper disclosure to the consumer. There is no civil liability for violations of the advertising provisions or of the verification provisions.

A financial institution's liability is limited to the amount of the actual damages suffered by the consumer. For example, if the consumer was charged $10 more than had been disclosed to him, the liability of the financial institution would be $10. The financial institution can avoid liability by adjusting the account at any time prior to the consumer instituting suit. Should the consumer prevail, the consumer would also recover attorneys' fees.

Actions under this section may be brought within two years from the date of the violation in any State court. Suit may also be brought in Federal court in an individual action if the amount in controversy is $25 or more. Federal class actions may be brought if the total amount in controversy is not less than $1,000.

There is no criminal liability for violations of this bill.

ADMINISTRATIVE ENFORCEMENT

The bill would provide for enforcement by the appropriate financial regulatory agency. Any financial institution that is not subject to regulation by one of those agencies would be regulated by the Federal Trade Commission. Agencies could require financial institutions to make refunds to consumers for violating the disclosure provisions of this bill. No refund could be ordered if the violation occurred more than three years prior to agency action or if, after receiving notice of the violation from the agency, the financial institution refunded the money to consumers on its own.

REGULATIONS

The Federal Reserve Board would have the authority to write regulations to implement the bill. There is no requirement that the Board write such regulations.

RELATION TO STATE LAWS

The bill would supersede State law only to the extent that State law is inconsistent with the bill.

EXEMPTION FOR STATE REGULATIONS

The Federal Reserve Board would be required to exempt accounts from this Act if the Board determined that the accounts were subject to State law that imposed substantially similar requirements as to this bill and that there was adequate provision for enforcement for that State law.

EFFECTIVE DATE

This bill would take effect 180 days after the date of enactment.●

WEEKEND GASOLINE SALES RESTRICTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. HUTTO) is recognized for 5 minutes.

Mr. HUTTO. Mr. Speaker, I rise to oppose Standby Conservation Plan No. 1, which prohibits the sale of gasoline or diesel fuel on weekends. I oppose it because it places undue hardship on certain sectors of the economy, primarily the tourist industry, and is in violation of the Energy Policy and Conservation Act of 1975 which calls for a "reasonable distribution of the burden on all sectors of the economy."

My State alone would lose $8 million in sales volume; $22 million in tax income; and place 29,000 persons out of work, some of whom are semiskilled secondary laborers.

I believe that States should be allowed to develop their own alternative energy plans in order to more uniformly distribute savings to all sections of the country.

For this reason, I urge the Congress to reject the resolution approving Standby Conservation Plan No. 1, and to adopt a more realistic and equitable approach to energy savings which would decrease dependence on foreign oil, increase domestic supplies of oil, develop alternative uses of energy, and encourage sensible petroleum consumption without destroying important sectors of the economy.

BUILDINGS REBORN: NEW USES, OLD PLACES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

● Mr. BRADEMAS. Mr. Speaker, today I had the privilege of delivering the keynote address at a symposium in Washington, D.C., on the subject, "Buildings Reborn: New Uses, Old Places."

I ask unanimous consent to insert the text of my address at this point in the RECORD:

[Keynote Address of Congressman
JOHN BRADEMAS]

"BUILDINGS REBORN: NEW USES, OLD PLACES"

I am delighted and honored to have been invited to be keynote speaker at this symposium on "Buildings Reborn: New Uses, Old Places."

Not only has most of my work in Congress for over twenty years been in support of measures to strengthen education, the arts and humanities, museums and libraries—but the Corcoran is one of my favorite places in this city.

I am pleased to have been introduced by Janet Solinger. Her dedicated work as director of the Smithsonian's Resident Associate Program is known to all of you, and without her efforts, this symposium would not have been possible.

I must say a special word about Barbaralee Diamonstein for Barbaralee's recent book, "Buildings Reborn," has been identified and propelled a movement which brings us together this morning. She has been a driving force in this effort, and we owe her our gratitude.

Let me also say how glad I am that Marion Barry, our new mayor, is with us today.

Mayor Barry has pledged his full support to the arts and humanities, and he has dedicated his administration to rebuilding Washington, D.C. in the spirit of this conference—by preserving the city's structural heritage and finding new uses for it.

The mayor has demonstrated his conviction that in order to rebuild, one need not first tear down.

SMITHSONIAN EXHIBIT

That attitude is a key element of the "Buildings Reborn" movement. As you know, the exhibit—which formally opens here tomorrow—uses photographs, architectural drawings, models, walking tours, lectures and courses—all to illustrate how through creativity and adaption new life can be given to old structures.

The exhibition opened at Chicago's Museum of Contemporary Art and is on view at the Museum of the City of New York. It has come to Washington on its three-year tour to twenty-two cities, under the sponsorship of the Smithsonian's Traveling Exhibition Service.

In Washington, the exhibition is being displayed at the Renwick Gallery—itself proof of the quality and worth of the best of our old buildings in the United States.

As many of you know, the Renwick originally was the Corcoran Gallery of Art. Although the building was started in 1859, the Civil War delayed its use as a museum of art. In fact, the Union Army used the building to store records, clothing and supplies, and the gallery itself was not opened until the early 1870s.

There's more to the history of that stately old building. When the Corcoran outgrew it just before 1900, the then nearly fifty-year-old structure became the U.S. Court of Claims, complete with the drab green government paint that must have resembled an avocado fresco.

Thanks to intervention in the early 1960s by leaders like Dillon Ripley the Smithsonian's Secretary, and others, that fine old building—across Pennsylvania Avenue from the White House—was spared the wrecker's ball. Renovated and reopened in 1972, the building was renamed for its architect, James Renwick.

This conference—the whole "Buildings Reborn" concept—is most timely. Like Dorothy Gale in the Wizard of Oz, many of us these days are finding that that special something of value we all seek often exists, right in our own back yard, right under our noses.

It seems to me that as a nation, more and more citizens are taking stock of their cultural heritage and recognizing that the protection and maintenance of our architectural landmarks, archeological properties, and areas of historical significance should be a matter of high importance.

INNER-CITY RENAISSANCE

This concern is reflected in the increasing impact that the historic conservation movement has had in recent years in cities and towns throughout the United States. At this point, let me focus on the cities.

Slowly, but steadily, the bleak talk of fiscal and cultural doom for the nation's cities is being replaced by visions of inner-city renaissance and openly-expressed hope that cities will be revitalized in ten or fifteen years.

Creative new uses are being found for schools, churches, libraries, industrial and commercial buildings, government buildings, railway terminals, and stately old houses, which had before been left to decay or were threatened by urban developers.

Fortuitously, these efforts are being spurred on by the energy crunch, rising construction costs, the tendency of the more affluent to return to urban living, and the tightening of government money.

IMPORTANT RESOURCES

Old buildings and sites, formerly considered eyesores or discards, are now more often recognized as important resources, an attitude which, of course, greatly bolsters the movement for historic preservation.

This, of course, is as it should be. The structures, architecture, and sites of earlier times are often irreplacable incarnations of America's heritage. They are monuments to talent, skill, tradition and the continuity of culture.

Needless and thoughtless demolition of buildings and places, it seems to me, demonstrates not only an insensitivity to what we were, but a disdain for what we are and what we will be.

So as our cities and towns grow or are rejuvenated, we must be vigilant to both the challenge and opportunity to safeguard the nation's heritage.

This is, of course, not to say that just because a building is old it should be preserved. It makes no more sense indiscriminately to save old buildings than it does to tear them down indiscriminately.

New needs of an expanding society, and new ideas in architecture, construction or use, should not—automatically—take a back seat to preservation. But these elements also should not—automatically—take a front seat either.

Like anything else worth doing, such decisions involve tough choices, often between extreme points of view. There are those who would save any old building, those who would bulldoze any old building; those who feel that anything new is probably second-rate; and those who feel that nostalgia isn't what it used to be.

But, it seems to me, there remains too great a tendency to meet the demands for more space in which to work or live by tearing down the old and putting up the new. Even the best efforts to prevent such destruction are too often unsuccessful.

I'm sorry to have to say that of about 15,000 landmarks designated since the National Register of Historic Places was created in 1966, about 3,000 have since been destroyed. But we need not always respond to present and future needs with a wrecking ball.

EXAMPLES IN WASHINGTON

Wise preservation can continue or renew both the integrity and use of buildings and neighborhoods. There is a good example of this right here in Washington in Georgetown.

There, fine old homes, large and small, have been passed on from generation to generation. New uses have been found for Georgetown's old foundry, flour mill and car barns; warehouses have been converted for office use, one is a jazz club, and two former automobile showrooms now are theatres.

Elsewhere in this city signs of the value of the old abound. Restoration of Capitol Hill homes and business now extends nearly to the Anacostia River. In many other neighborhoods, fine old homes are being restored for residential or commercial use. Residents of Dupont Circle are deeply involved in a zoning fight to preserve that area's beautiful Victorian buildings.

Offices occupy many splendid old buildings along Lafayette Park. Plans are under way to restore the historic Willard Hotel. A downtown dinner theatre has taken up residence in an old Masonic hall. The Old Post Office on Pennsylvania Avenue has been preserved and will soon be the home of the National Endowments for the Humanities and the Arts.

Offices, museums, artists' studios, residences, embassies, chapels, workshops, restaurants, schools, clubs and libraries are "new uses" which have been found for "old places" in Washington—places which range from the old penitentiary at Fort McNair to a former stable at Dupont Circle.

Examples of this regenerative process across the country are many. It is one of the highest forms of recycling.

In Boston, the old City Hall now houses a French restaurant and offices. That city's Chickering Piano Factory now provides studios and housing for artists and craftsmen. There is a thriving commercial center at the renovated Faneuil Hall, the colonial Boston revolutionary meeting place, and the adjacent 19th Century Quincy Market bustles with business.

Union Depot in Duluth, Minnesota, built in 1892 and recently targeted for demolition, now houses a museum, theatre, and offices for local performing groups.

I'm sure that most of you have visited Ghirardelli Square in San Francisco, the former chocolate factory that now teems with shoppers and diners. The 19th Century Blues Armory in Richmond today serves as a 750-seat theatre and office complex. And in San Antonio, Texas, a brewery has been converted to an art musuem.

The leadership for future efforts in the "Buildings Reborn" movement will fall to many of us who have gathered for this symposium—preservationists, developers, bankers, insurance company officials, lawyers, industrialists, and Federal, state and local government officials.

COMMITMENT BY CONGRESS

It may reassure you to know that there are many in Congress who share the commitment to historic preservation and adaptive reuse of buildings and sites.

In fact, from the start of the century, Congress has provided leadership and guidance to the historic preservation movement through a variety of legislative initiatives. I would like to note some of them.

The Antiquities Act of 1906 authorized the President to proclaim as national monuments buildings and landmarks on Federal property.

Under the act which created the National Park Service in 1916, the Secretary of Interior was authorized to provide for the preservation and restoration of historic properties of national significance.

In 1949, Congress chartered the National Trust for Historic Preservation, a non-government organization devoted to the preservation of both public and private historic sites.

In 1966 Congress passed a landmark legislation expanding the Federal commitment to preservation, establishing the National Advisory Council on Historic Preservation, creating a national register of historic properties, and providing Federal matching grants to the states for preservation.

In 1976, amendments to the Land and Water Conservation Fund Act established a historic preservation fund, with revenue derived from offshore oil income, channeling greater Federal assistance to state and community preservation efforts.

President Carter and the last Congress—the 95th—enacted several measures into law that will have an impact on historic conservation. Two of the more significant were the National Parks and Recreation Act of 1978, and the Interior and Related Agencies Appropriations Act.

The Parks and Recreation Act creates eight new national historic sites and parks. It also authorizes grants for an urban parks program which can help in restoring buildings of particular architectural or historic significance. The grants may be used for recreational facilities, including ice skating rinks, tennis and basketball courts.

The Interior Appropriations Act provided a $15 million increase in funds for fiscal year 1979 to the Historic Preservation Fund of the Department of Interior and, for the same year, $1.178 million for the efforts of the Advisory Council on Historic Preservation.

The 95th Congress passed three other pieces of legislation of interest to preservationists. The first was a Federal Highway Act which provides for rehabilitation of historic bridges.

The second was a measure establishing the Lowell National Historic Park in Lowell, Massachusetts, founded in 1828 and one of the more important examples of an early, planned industrial city. Introduced in the House by my friend, then Congressman and now Senator Paul Tsongas, this legislation authorizes $40 million in loans and grants for acquiring land and for historic preservation.

Finally, Congress last year approved a bill establishing the Fort Scott National Historic Site. Built in 1842, Fort Scott served as a frontier outpost along the Santa Fe Trail, as a staging area for the Mexican War, and an important Civil War post.

ADMINISTRATION ACTION

There have been several developments of significance to the cause of historic preservation since President Carter last year announced his "National Heritage Program".

"By preserving places that have special natural, historic and scientific value," the President said in his message, "we can ensure that our children and grandchildren have a chance to know something of the America that we—and our ancestors—simply took for granted."

Developed by a task force headed by Secretary of the Interior Cecil Andrus, the President's program for the first time is providing a focal point within the Federal government for efforts to protect the cultural and natural legacy of the nation.

The new Heritage Conservation and Recreation Service within the Interior Department has provided an agency which can coordinate Federal programs, encourage State and local efforts, and develop a comprehensive inventory of national heritage resources.

Once identified on either a national or regional basis, these resources can be protected through laws, regulations and policies aimed at minimizing destruction and promoting preservation of the resources and their adaptive uses.

Secretary Andrus also initiated a new $1,005,000 program last summer which I believe can be especially important in linking the recognition of the role of historic conservation with some of our more serious national challenges.

This program establishes challenge grants to State and historic preservation agencies for projects to show how historic preservation can be used to solve urban problems, conserve energy, and benefit disadvantaged people.

The matching grants come from the Historic Preservation Fund administered by the Heritage Conservation and Recreation Service.

Another important development came late last year when the National Trust for Historic Preservation announced establishment of a $1 million endangered properties fund to provide "eleventh hour" temporary help to protect threatened historic properties of national significance.

The fund will make loans, purchase options, acquire rights to protect buildings, and pay for other emergency preservation techniques temporarily to protect historic property in jeopardy until more permanent preservation plans can be developed. The fund is to be a revolving one.

To be eligible for endangered properties help, a structure must face clear threat of demolition, severe alteration, neglect, or sale to someone not concerned with preservation. First on the list of the fund is an $18,500 loan to help preserve the Minnesota boyhood home of that remarkable economist, Thorstein Veblen.

Hopefully, this Federal assistance will mean leverage to encourage funds from private sources to help rescue important structures.

TOWARD A COOPERATIVE EFFORT

Let me here emphasize that although there is clearly a genuine and growing interest on the part of Congress and the Administration in historic preservation and adaptive reuse, this interest must be part of a cooperative effort.

I cannot overstate the importance of cooperation among Federal, state and local officials, conservationists and preservationists, leaders of private organizations, developers, architects and other professionals—all to stimulate the reuse and adaption of old buildings and sites.

We need to fashion policies that are cohesive and coordinated. We need to develop mechanisms for action in every state for if we are effectively to protect, preserve and defend the nation's structural heritage. We must work together.

I, for one, am confident that dedicated and talented men and women like those assembled for this symposium today can help inspire Americans in cities and towns everywhere to make the effort for the preservation and adaptive reuse of old buildings truly a nationwide movement.

We in Congress who believe as you do will continue to help. After all, the United States Capitol is nearly one hundred and eighty years old. I assure you that it is one old building for which new uses are constantly being found.●

PROTECTION FOR CIA EMPLOYEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, today I am introducing legislation authored by Senator LLOYD BENTSEN which would protect the confidentiality of the identities of certain employees of the Central Intelligence Agency.

As you know, Mr. Speaker, the safety and position, as well as the effectiveness, of certain U.S. intelligence officers have been compromised in the past several years by the disclosure of those officers' identities by former CIA employees. Incredible as it seems, it is possible that such exposures by former intelligence agency personnel are not illegal. This bill will clarify the law and make it a criminal offense—punishable by up to 10 years in prison or up to $10,000 in fines or both—for former CIA employees to identify certain intelligence officials or to reveal information which can lead to the identification of those officials. The bill will cover the identities of those intelligence officials who have been designated, by an Executive order of the President, as in need of protection. The information which would be confidential would include names, addresses and telephone numbers.

It is important to note that the provisions of this legislation will apply only to those persons authorized to have the confidential information. Those not authorized—for example, reporters—could not be prosecuted under the bill.

Mr. Speaker, it is very unfortunate that there is a need for this legislation. But since there is, and with the consequences for our intelligence community so severe if we do not act, I urge support of this bill.●

ITALIAN CULTURE WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO) is recognized for 5 minutes.

● Mr. ADDABBO. Mr. Speaker, in New York City this week we are celebrating Italian Culture Week. These 7 days bring together not only those of us of Italian-American heritage but all of those from other ethnic backgrounds who have, at least for a brief moment, enjoyed being Italian too.

Those of us who are of Italian extraction are very proud of our heritage and what it means to our family in today's fast-pace life. We have taken part in the number of public and private ceremonies throughout this week which have delineated the contributions to American life that have been made by those of Italian background. Our forefathers who first came to this country helped build the subways and the bridges of America's great cities, while others—skilled artisans at their trades—sculpted works of art that still remain and others, through their music, writing or other talents provided beauty that enhanced the world around us.

But the real contribution of Italian culture has dealt with the family. To the immigrants who arrived penniless in this country seeking opportunity and to those of us who enjoy the benefits of American life today, it has always been the family unit which held the Italian culture together. It is one of the joys and one of the foundations of Italian life that no matter how difficult the world outside may become, the family is there to provide warmth and support to whoever needs it. If we can do nothing else, we would be happy to show that concept of our life so that others may benefit from it.

But, as you know, Mr. Speaker, there is so much more to the Italian way of life than just that. We deal in day-to-day realities too and even as we celebrate this commemorative week, we must also think of events now occurring in Italy as it once more faces critical elections just a few weeks from now.

Our parental nation faces many great problems, internally and outside its borders, which have a distinct bearing on U.S. foreign policy in Europe.

It is in the interest of this country to provide strong support to the people of Italy as they go through the difficult times. I believe that the Carter administration is making a mistake to seek to close its consulate office in Turviv, Italy at this time when the Communist Party has placed such a great emphasis on political activity in that great industrial city.

Our removal can be interpreted as our withdrawal of U.S. interest in Italy which I know is not our policy.

Mr. Speaker, our participation in remembering Italy's contributions I hope will continue not only this week but always for Italy is an important ally in our NATO alliance.●

THE PACIFIC NORTHWEST ELECTRIC POWER SUPPLY AND CONSERVATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 30 minutes.

Mr. ULLMAN. Mr. Speaker, earlier today I introduced the Pacific Northwest Electric Power Supply and Conservation Act. The fact that I am joined in this action by 11 of my colleagues from the States of Oregon, Washington, and Idaho eloquently attests to the critical importance of this bill to our part of the country.

As a region, we stand on the verge of a long and bitter battle over the traditional power supplies that have been so important to our development. The introduction of this bill is intended as a first step toward averting that divisive and potentially destructive battle.

It is by no means the final answer to our unique, regional problems. I think that every cosponsor of this bill will agree that there is a long, legislative path to travel before we have that answer.

But we are unanimously agreed that a legislative solution to our regional energy problems is essential. And our sponsorship of this bill represents our firm commitment to take the time and expend the effort necessary to find that solution with the help, and hopefully the support, of our colleagues in the House.

The bill we have introduced has two significant advantages:

First, it is identical to legislation that was proposed in the last Congress and it has had considerable exposure both in the Pacific Northwest and in the Congress. In short, it is a familiar legislative vehicle.

Second, and more important, it addresses each major aspect of the energy problem that confronts the region, including:

The issue of sharply different and growing rate disparities among individual consumers throughout the Northwest;

The question of public participation in the critical energy decisionmaking process within the region;

The need for a coordinated, aggressive conservation effort; and

The question of obtaining future power supplies in an economical and environmentally responsible manner.

Mr. Speaker, this bill provides a solid foundation on which to resolve our intraregional conflicts and build a responsible program for the future. It enables us to get to the difficult work at hand. We intend to do just that, and we ask the indulgence and the assistance of our colleagues as we proceed.

□ 1815

Mr. Speaker, I want to recognize at this time our colleague from Oregon (Mr. DUNCAN), who has taken a role of leadership in this effort to put together a regional power program.

Mr. DUNCAN of Oregon. Mr. Speaker, I thank the gentleman for yielding, and I want to thank him and Mr. FOLEY, our other colleagues from the State of Washington, the State of Idaho, and the State of Oregon, for the leadership that they have demonstrated in bringing this bill once again before the Congress.

Mr. Speaker, I am pleased to join with all of my colleagues from Oregon, Washington, and Idaho, with the exception of Congressman WEAVER of Oregon who will be introducing his own bill, in the introduction of the Pacific Northwest Electric Power Planning and Conservation Act. This is identical to H.R. 13931 of the 95th Congress.

In introducing this legislation, my colleagues and I are demonstrating our conviction that a legislative solution to the energy problem of the Pacific Northwest is essential and a problem demanding the highest level of our legislative abilities. We have introduced last year's bill because it has been the vehicle for some 22 days of public hearings, mostly in the region, but also here in Washington, and because it is the framework to which the many disparate interested groups have referred, in working out amendments which will be offered.

Each of the sponsors recognizes that many amendments must be considered and that the bill will undoubtedly be extensively amended in the legislative process. We also recognize, however, that this is the nature of legislation; that the final compromises will not and cannot be forged outside of the legislative crucible; that those hard decisions will not be made except under the pressure of time and the almost universally held view that legislation is essential. We cannot finish the job unless we commence it. It is on the commencement that we agree and not, necessarily, the finished product.

The legislation is required because of a number of problems which the region faces; some in common with the rest of the country, others unique to our own situation. Among those are current unavailability of further low cost hydroelectric power production; the uncertainties and high cost of providing additional power production from other sources in face of rising demands. This has created increasing competition for a comparatively static supply. In effect, we are faced with trying to divide up a shortage; long since has Bonneville terminated its contracts with the investor-owned customers. The direct-service industries are faced with a termination of their contracts as they expire in the 1980's. A substantial percentage of the Nation's production of aluminum and all the domestic production of nickel depends upon this power, so we have here a national interest involved. In June of 1976, the public preference agencies were notified that their additional requirements from low cost hydroelectric cannot be met after 1983.

Because of this situation, the disparity in rates charged to the same class of customers by the investor-owned-utilities, as opposed to those of the public preference agencies, has grown increasingly large, creating a very unfair situation that cannot long be tolerated.

Everyone agrees that conservation is the cheapest and best way of extending our supply. The people in our area have moved ahead in this direction, but without legislation of this sort, the effort is bound to be piecemeal, uncoordinated, and less effective. And finally, it has been recognized that we need to forecast our needs and plan how to meet them on a regional basis with close consultation and participation of the States, interested local units of government and the public generally.

This legislation addresses all of these problems. Key to the success of the bill is the extension of the regional self-financing principle, permitting the administrator to acquire, at the region's expense, additional resources to meet load growth, the cost to be recovered through the rates. No one type of energy is mandated, or preferred, except as hereinafter noted. Rather the criteria of cost effectiveness and feasibility is set up to determine the type of resource to be used to meet the need. If a conservation project or a renewable resource is equally as cost effective and feasible as a conventional resource, it will be preferred under this law.

The rate disparity is substantially reduced as the need for BPA to allocate its limited supply of vital power is eliminated. Regional planning is established, with provisions for participation by the public and local government. Conservation will become an integral part of the regional planning.

Last year, Congressman Meeds' committee was in the process of markup when the session ended. A number of amendments were considered and adopted by the committee at that time. I assume that many, if not all of those, will be offered as efforts are made to improve this bill.

The Public Power Council, at Senator Jackson's request, has prepared an amendment that has come to be known as the "rate cap" amendment to insure that preference customers will pay no more under this bill than they would without it. The investor-owned utilities and the industrial users, being convinced that the impact on their rates will be minimal, if any, have agreed to this proposal. Likewise, the industrial users are prepared to surrender their low cost power in exchange for higher cost power under a longer term contract. These higher rates will, in effect, finance the cost of lowering the rates to home and farm customers of the investor-owned utilities.

While the waters of the Columbia have been divided between conflicting uses, for example, energy, fish, irrigation, recreation, and so forth, on a reasonably satisfactory basis through the years, it has been on a more or less ad hoc basis. Some procedure for allocating this resource during a time of shortage should be set up. While it can be argued that this is not the most appropriate vehicle for such, it is an opportunity to accomplish what should be done and I fully expect such an amendment to be a part of the final bill.

Other amendments which will be offered and will be considered will involve further refinements in the conservation provisions and a resolution of the extent and nature of the local participation in the planning and managerial function.

As I have indicated, many problems remain. The job, however, is well begun. There is a feeling today in the Northwest that a legislative solution to our problems is the only practicable one. The alternatives of endless litigation, the swallowing up of our system in a national grid, and the increased alienation of the various interested groups is an unacceptable alternative. Soon the jockeying for a little more advantage must and will cease, whether the objective is a little more energy, a little better price, a little more political power, or what. Each of these lesser concerns must be submerged to the common interest.

Our job as legislators is ultimately to reconcile these remaining differences in a fashion so that while none may be completely satisfied, each can live with the result. To this effort, my colleagues and I pledge our best efforts.

□ 1820

Mr. ULLMAN. Mr. Speaker, I thank the gentleman from Oregon (Mr. Duncan).

Mr. DICKS. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I am glad to yield to our colleague, the gentleman from Washington (Mr. Dicks), who has also worked very aggressively on this matter.

Mr. DICKS. Mr. Speaker, first of all I would like to thank my esteemed colleague, the gentleman from Oregon (Mr. Ullman), for his leadership in this legislative effort. I think he has provided the kind of leadership in trying to build a cohesive regional viewpoint which I think is absolutely essential.

Mr. Speaker, I rise in support of this legislation.

It is my hope that this action, undertaken simultaneously in the House and Senate today, will commit my colleagues in the Pacific Northwest delegation to begin one of the most crucial debates in this Congress; to reach a workable agreement on how the Northwest will plan to make the hard energy supply and conservation choices we must all make before the turn of the century.

If we do not act now; if we, in this Congress, fail to provide timely leadership, events will simply overtake us.

In planning for energy, we are irrevocably under a time crunch. Somehow, we must give regional and national officials the tools with which to make decisions about who uses what kinds of energy and when in a near-future of vanishing options. We are in a race against having to make intolerable compromises.

There are a hundred good technical rationales which justify a legislated energy planning agreement in the Northwest, and I hope we will have the opportunity to express them; but the best reason is a simple one: The growing lack of time to make policy, to act on it and to apply it.

If we do not begin now to find out how we can best make energy policy choices, we will have no choices to make. I urge my colleagues to support this effort.

Mr. Speaker, I would like to make one final point. I, too, as my colleague, the gentleman from Oregon (Mr. Duncan), pointed out, want to emphasize the fact that this is the beginning point. We have had hearings. We know basically where we are going, but I believe that compromise and amendments must be considered and considered thoroughly.

There has also been some discussion to the effect that this legislation in some way would make it easier to finance nuclear power plants in the future, I would suggest that the events at Harrisburg, in my judgment, make it even more essential that we get this bill enacted because as the nuclear options become such that there is much more question about them, it is even more essential that we have a mechanism to provide the conservation and the energy alternatives which are necessary to meet our regional requirements.

Mr. Speaker, this is not a bill designed to build nuclear power plants. It is a bill to try to take care of our regional energy problems and to emphasize conservation and alternatives. I think those two points should be stressed.

Again, Mr. Speaker, I want to thank my colleague, the gentleman from Oregon (Mr. Ullman), for the leadership he has provided in this regard.

Mr. ULLMAN. Mr. Speaker, I thank my friend, the gentleman from Washington (Mr. Dicks).

Mr. SWIFT. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I am pleased to yield to the gentleman from Washington.

Mr. SWIFT. Mr. Speaker, as we face the problem of meeting electrical energy needs for the coming years, it becomes clear we must have an overall design to meet those needs. It is something that is essential to our economy and to the well-being to our people in the Pacific Northwest.

We need a Pacific Northwest regional power plan.

But we must be prepared to compromise to reach this goal. The bill I am cosponsoring today is a basic frame; it is not the finished product. We must complete a great deal of legislative carpentry before this project is done. Some of that work has been already done through difficult but fruitful negotiations over rate structure. Amendments will be added to this bill to preserve and protect public power preference and set a rate structure both public and private utilities can live with. Much of this initial legislative craftsmanship can be credited to the guidance and help of Senator Jackson. Given what seemed to be impossible disagreements, this accord is very impressive. The Senator and all the parties showed there was a strength in compromise.

But there are other differences that must be resolved. And we in the Pacific Northwest must do the work of resolving them. We cannot expect the House to pass the bill if we cannot find effective compromises of our differences. And there are several key points that must be resolved.

Is the conservation section strong enough? I believe it might be. It certainly represents more real authority to mandate conservation than any other entity in the Pacific Northwest. Without it, we face a hopeless hodgepodge of overlapping, expensive, and possibly unnecessary power generation facilities that might well thwart conservation rather than encourage it. However, some feel this provision must be strengthened even more. It is a legitimate concern.

How will the public be represented in the decisionmaking process? The bill would give the Bonneville Power Administration, the only existing body with jurisdiction throughout the region, very substantial authority to direct the future of electrical power generation, distribution, and planning.

The various States and the public must be effectively plugged into the decisionmaking process. But it must be done in such a way that we avoid trying to run a very complex energy system by committee—and have the framework collapse in chaos. It is an important question, one over which there is no universally accepted answer. We must build a steady and sturdy frame for public participation.

These are the major areas of concern. There are others. In the end, the people of the Northwest carry the responsibility of presenting the House a bill in which there is substantial agreement.

As we work on this, we must recognize there is an urgency in establishing a regional plan that provides a reliable electrical energy system. We will work hard to resolve the legitimate differences within our delegation and with various groups in our region.

Compromise, here, is not a dirty word. It is an essential method by which we can achieve a very important goal for all the people in the Pacific Northwest.

☐ 1825

Mr. ULLMAN. I thank the gentleman.

I now yield to my friend, the gentleman from Washington (Mr. BONKER).

Mr. BONKER. I thank the chairman and express my appreciation for making available this time for those of us in the Northwest to express our views on a proposal that has gone into the hopper today that would deal effectively with our regional energy problems.

Mr. Speaker, some of us in the Northwest have been reluctant to endorse a bill that essentially has flaws and one which we cannot fully support until after it has made its way through the process and we have had an opportunity to perfect the bill. But we also feel that it is important that there be a demonstration of support within our region among the congressional delegation that we are serious about coming to grips with the energy-related problems in the Pacific Northwest. With that in mind, I join my colleagues from Oregon, Washington, and Idaho in support of this legislation as a vehicle for us to seriously address the issues. I will submit my statement for the RECORD, but I would like to express continuing concerns I have with a regional energy bill, the foremost of which is the need to find a way to involve the public in regional energy decisionmaking. I am sure that most of my colleagues realize the abundant cheap energy we have in the Northwest and the fact that hydroelectricity has really blessed our area with cheap utility rates.

☐ 1830

But those of us who also pay rates in the Northeast realize just how extensive energy has become. My energy bill in Washington, D.C., is higher than my tax obligations to local government.

I think the time is going to come in the Pacific Northwest when citizens will be paying more in utility rates than they are in property taxes.

Now, when I pay property taxes I have an idea where the money goes. We have elected officials in city and in school districts that give us an opportunity to have oversight responsibility when it comes to those budgets and the expenditure of funds; but when we pay money into the utility bills, we have no idea where that money goes, whether it is being wisely managed, whether the investments are good, whether the decisions about energy resources are valid. We are going to find that people will demand a voice in these energy decisions.

In the Northwest, we have an opportunity in developing legislation that would give us a regional approach to energy problems to involve the public in a substantive way; so one of the real challenges that we have with respect to this legislation is to find a way to involve the public, both in terms of reflecting their constituents in energy-related decisions and in terms of oversight, over management of our energy resources; so that when it comes to energy planning, the projection and the forecasting of energy needs, the decisions about whether we should go with thermal power or renewable resources or a heavy emphasis on conservation, that the public has an opportunity for that input.

The second concern that I have relates to energy conservation. One of the great merits of this legislation is that it tends to statutorily place our energy needs in priority, that the greatest investment will be in energy conservation to be followed by investment in renewable resources and only as a last resort in thermal power.

I think those priorities are correct; but the provisions that relate to conservation are weak. We do not have any assurance that those utilities who are serious about energy conservation are going to practice it or will be rewarded for achieving energy conservation; so we will be looking at amendments that will build in those incentives, so that those utilities that are wasteful and inefficient will be penalized and those who seriously practice energy conservation will be rewarded.

The third concern that I have and I will be addressing through amendments to this proposal relates to our fishery resources. It seems that every means of energy that we develop has an impact on our fishery resources. The hydro dams in the Northwest which have given us a cheap and abundant source of energy has had its impact on the anadromous fish population.

Each dam on the upper river destroys up to 10 or 15 percent of the fish runs that pass through those streams; so we are going to be looking for some assessments of cost to benefit and adverse beneficial impact on fish runs as they make their way down the Columbia River and to the streams in the Northwest.

I am sure my colleagues are going to have other constructive amendments that are going to be offered as we take up this important issue; but I think it is vitally important that the rest of the Congress realize that the Northwest delegation is fully committed to finding a solution to our energy dilemma, that we can bring together a full range of energy resources at our disposal and we can find a way of involving the public in a meaningful way toward making those energy related decisions.

Mr. Speaker, I want to thank the chairman once again for making available this time to the Northwest delegation.

Mr. Speaker, I joined today with many of my colleagues from the Pacific Northwest in reintroducing the Pacific Northwest Electric Power Planning and Conservation Act.

I did so to show my support for a constructive effort to fashion during this Congress an innovative, progressive solution to many of the special energy problems that confront my region.

However, I did not cosponsor identical legislation that was introduced late last year, and I must note that my cosponsorship this year does not in any way signify that I have abandoned several serious, longstanding concerns about the bill. The problems I perceive in this bill parallel problems that I encountered during the 95th Congress.

Major features of this legislation do not have consensus support or anything approaching it in the Pacific Northwest. Certain provisions are also troublesome for important organizations and interests outside the Northwest. I am committed to addressing the concerns that exist both within and without my region, for I know that only in that manner can this proposal be perfected to best serve the people of the Northwest and to prove acceptable to this Congress.

HISTORY AND BACKGROUND

Passage of the Bonneville Project Act in 1937 was the first step toward creating for the Northwest an electric power situation that is unique in the United States. The act authorized construction of Bonneville Dam, the first of many major hydroelectric generating facilities that have blessed the region with an historic abundance of very cheap power. A mix of public, cooperative, and investor-owned utilities are linked to these dams and intertied with one another through an extensive transmission system operated by the Bonneville Power Administration.

However, dams now occupy all the prime sites in the region, and, for the first time, the hydropower supply has been deemed insufficient to meet all future demands. A search for alternative energy supplies and a scramble among competing interests in the region for shares of the very cheap hydroresource are the primary driving forces behind the proposed bill.

The Northwest, like the rest of the Nation, is also increasingly aware of the importance of energy conservation and of nontraditional energy resources. There is growing concern, too, about the need to give the consuming public a greater voice in energy decisions that so dramatically affect their lives. And the deteriorating cost competitiveness of nuclear energy has fostered a desire among some in the region to develop financial incentives for such construction. All of these issues are embodied in the bill.

ISSUES

PUBLIC PARTICIPATION

Participation by a broad segment of the public in setting basic policy is essential to developing a regional program and to implementing it through resource acquisition proposals. These key decisions otherwise quite likely will not be acceptable to nor supported by the people of the region.

A public participation structure tends to become unwieldy if it involves the very large councils or commissions necessary to give direct representation to all interests in a region.

An alternative relies upon a process that satisfactorily guarantees the involvement of interested parties from the outset and throughout the deliberations on key decisions and that insures that decisions will be based on the record with full justifications for the choices made.

Reasonable deadlines for action and the commencement of any ensuing judicial review need not be inimical to full and complete access and participation.

Effective public participation in complex energy decisions depends upon providing interested parties with sufficient independent information and resources to make informed analyses.

FISHERY RESOURCES

The hydrodams on the upper Columbia River have contributed to depleting of the river's anadromous fish species populations. Each dam on the upper river can destroy 10 to 15 percent of the fish that pass over it enroute to the sea. On the return to spawning grounds, the loss of potential egg deposit can be 25 percent, according to a study conducted at Bonneville Dam. Despite mitigating efforts, a continued loss of 7 or 8 percent can still be experienced under relatively good conditions. Thermal power plants and other energy facilities have a potential to cause damage, too, although their full effect is not yet documented.

All assessments of costs/benefits or adverse/beneficial impacts of actions taken under terms of the bill should specifically include fishery resources.

Regional power planning should include a fishery component that assesses the current condition of the fish resources, projects all benefits and adverse impacts on these resources as a result of policies or actions included in the plan, lists plans and methods that mitigate any adverse impacts, suggests a timetable for initiating such mitigating measures and proposes, when appropriate, allocation of the funds necessary to finance them.

Federal management of the Columbia River should be conducted so as to optimize production of salmon and steelhead as well as hydroelectricity. The bills goal of promoting conservation and renewable resources should be strengthened.

PROMOTING LOCAL INITIATIVE

Experience with energy conservation programs indicates that best results are obtained from a combination of price incentives and adoption of appropriate conservation standards.

Local utilities and State and local governments are ultimately responsible for the success of a conservation program, and the bill should direct itself toward insuring their leadership.

In addition to providing positive incentives, the bill should not erect any disincentives to local conservation efforts.

CONCLUSION

I will be offering major amendments to the bill on each of the issues mentioned above. While I am prepared today to accept this legislation as a framework for fashioning a workable compromise bill, it should be noted that the need for substantive improvement remains uppermost in my mind.

☐ 1835

Mr. ULLMAN. I want to commend my friend for his statement. The reservations that he has suggested are shared in part by all of us. Because of that I want to particularly commend him for joining in sponsoring the legislation.

Mr. Speaker, at this time I would like to read a joint statement of myself, Congressmen FOLEY, MCCORMACK, DUNCAN of Oregon, HANSEN, PRITCHARD, SYMMS, AUCOIN, BONKER, DICKS, LOWRY, and SWIFT.

COSPONSORS OF THE PACIFIC NORTHWEST ELECTRIC POWER SUPPLY AND CONSERVATION ACT

Our sponsorship of this legislation represents our firm commitment to work together to resolve a series of regional energy problems that are growing worse.

It does not indicate unanimous support for each and every provision of the Pacific Northwest Electric Power Supply and Conservation Act as it is now proposed. Far from it.

We anticipate that the bill will be amended in the course of the legislative process—perhaps extensively. Most of us have specialized concerns which we will pursue on an individual or joint basis.

But we are unanimously agreed that a legislatice solution to our regional energy problems is essential; and we are committed to taking the time and expending the effort necessary to resolve our differences.

The bill we have introduced addresses each major aspect of the energy problem that confronts the Pacific Northwest:

The need for a coordinated conservation effort;

The question of obtaining future power supplies in an economical and environmentally responsible manner;

The issue of rate disparities within the region; and

The question of public participation in the critical energy decisions of the region.

It is a framework within which we and others throughout the region can forge a compromise that will serve the best interests of the people of the Pacific Northwest.

Now I will yield to my friend from Idaho (Mr. HANSEN), a cosponsor of this legislation.

Mr. HANSEN. I thank the gentleman and commend the gentleman from Oregon and our fellow Representatives from Washington, Oregon, and Idaho in both Houses where there is progressive action being taken.

My colleague, the gentleman from Idaho (Mr. SYMMS), has asked that I speak for us both in indicating our sponsorship of this legislation, the Pacific Northwest Electric Power Supply and Conservation Act which represents our firm commitment to work together to resolve a series of regional energy problems that are growing worse.

As has been said this sponsorship does not indicate unanimous support for each and every provision of this act as it is now prepared. We anticipate that the bill will be altered and amended in the course of the legislative process, perhaps extensively.

We all unanimously agreed that a legislative solution to our regional energy problems is essential and we are committed to extending the effort necessary here in the Congress to resolve our differences and secure a workable program and forge a compromise that will serve the best interests of the people of the Pacific Northwest.

It is by necessity that we unite and hope sincerely for success.

Again I thank the gentleman from Oregon for his cooperation and efforts in renewing this legislative proposal.

● Mr. LOWRY. Mr. Speaker, today I have joined with most of my colleagues from the congressional delegations of Washington, Oregon, and Idaho to introduce the Pacific Northwest Electric Power Supply and Conservation Act of 1979.

This will serve as a vehicle to resolve the electric power problems of the Pacific Northwest region. The bill is by no means perfect, and it is very clearly understood that I and other Northwest Congressmen will work hard to amend parts of the bill to better reflect the needs and interests of our constituents.

But, I am joining in introducing the bill because if we are to have any chance of persuading the rest of Congress, particularly the House of Representatives, to pass legislation aimed at solving the Northwest's critical and unique energy problems, there must be a regional consensus on the need for a bill.

Specific improvements in the bill which I will work for include:

Stronger conservation measures, including mandatory conservation actions. The regional power authority must be required, rather than just encouraged, to institute cost-effective conservation efforts. This will mean insulation programs and more emphasis on development of renewable energy and alternative energy resources.

Strong and clear guarantees of meaningful public input in decisionmaking by the regional power authority, particularly as this relates to the need to construct new generating facilities.

A resolution of the doubts I have that provisions in this bill may constitute a Government guarantee or subsidy of the profits or viability of privately owned utility companies. Unless I am convinced this is not the case, I will work to change that provision of the current bill or, if it is not changed, I will vote against the bill on the floor of the House.

Also, I am joining with Congressman AL SWIFT in introducing additional, complementary legislation to incorporate much of what the city of Seattle has accomplished in the area of energy conservation techniques. I strongly feel that conservation incentives associated with the rate structures can serve to strengthen this bill.

The public should realize that the bill we are all sponsoring is simply a legislative vehicle, a framework for constructive action. It is a draft bill to get the ball rolling so that this session of Congress will address the power problems we face in our region. The fact that the Northwest delegation agrees on the need for power legislation constitutes a major step toward the passage of legislation beneficial to the entire region by the rest of the Congress. Introduction of the bill in this way will insure that all of my constructive amendments will be fairly and fully considered.●

● Mr. AUCOIN. Mr. Speaker, today, I am joining with other members of the delegations from Oregon, Washington, and Idaho in introducing the Pacific Northwest Electric Power Supply and Conservation Act. The bill is an attempt to address the difficult regional electric power planning and production problems the Northwest faces.

This bill, identical to one introduced in the last Congress, represents our commitment to the need to resolve these problems. It demonstrates our pledge to work together on the legislation to iron out specific concerns that each of us has about meeting our regional energy needs.

We do not see it as the final answer to our needs. But it is a beginning and our cosponsorship represents our belief that we must take this very important first step on behalf of our region and its electric power consumers and producers.

Mr. Speaker, as this legislation is introduced, I want to share the statement signed by my colleagues from the Northwest regarding the action we take.●

Mr. ULLMAN. I want to express my appreciation to my colleagues for their statements.

At this point I include the text of the bill that we have been discussing:

H.R. 3508

A bill to assist the electrical consumers of the Pacific Northwest through use of the Federal Columbia River power system to achieve cost-effective energy conservation, to encourage the development of renewable energy resources, to establish a representative regional power planning process, to assure the region of an efficient and adequate power supply, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Pacific Northwest Electric Power Planning and Conservation Act."

FINDINGS

SEC. 2. The Congress finds that—

(a) The Federal Columbia River power system offers a unique opportunity to encourage policies of conservation and efficiency in the use of electric power within the Pacific Northwest region and to demonstrate the effectiveness of such policies to the Nation at large.

(b) The participation and consultation of the States, local communities, ratepayers, and the public at large are essential in development of regional plans and programs related to energy conservation, renewable resources, and other generating resources and orderly planning of the Federal Columbia River power system.

(c) The ratepayers of the Pacific Northwest should continue to pay all costs necessary to produce, transmit, and conserve electric power to meet the region's electric power requirements, including the amortization of the Federal investment in the Federal Columbia River power system.

DEFINITIONS

SEC. 3. As used in this Act—

(a) "Administrator" means the Administrator, Bonneville Power Administration.

(b) "Conservation" means any appropriate improvements in the power system or investment which increases the efficiency of energy production or use.

(c) A conservation measure or a renewable, waste heat or cogeneration resource application is "cost effective" if it results in costs to the Administrator no greater than the cost of the least cost feasible alternative resource, waste heat or cogeneration or resources that the Administrator determines is or can be available for acquisition, and if it provides comparable power benefits, giving full recognition to prospective cost escalations and future availability of fuels.

(d) "Electric power" means electric peaking capacity or electric energy or both.

(e) "Federal base system resources" means the Federal Columbia River power system hydoelectric projects which on the effective date of this Act are in operation or are scheduled for operation on or before June 30, 1983, electric power resources acquired by the Administrator under long-term contracts which are in force on the effective date of this Act, and new resources acquired by the Administrator to replace reductions in capability of the foregoing resources.

(f) "New resources" means all electric power resources acquired by the Administrator, except resources which are Federal base system resources or resources acquired at average cost from the investor-owned utilities pursuant to section 5(b)(2) of this Act.

(g) "Pacific Northwest, region, or regional" means—

(1) the region consisting of the States of Oregon, Washington, and Idaho, the State of Montana west of the Continental Divide, and such portions of the States of Nevada, Utah, and Wyoming as are within the Columbia River drainage basin; and

(2) any contiguous areas, not in excess of seventy-five airline miles from said region, which are a part of the service area of a distribution cooperative served by the Administrator on the effective date of this Act which has a distribution system from which it serves both within and without said region.

(h) "Renewable resources" means a renewable source of energy, including, but not limited to, solar, wind, hydro, geothermal, and biomass, which is used for electrical generation or which will reduce the electrical requirements of a consumer by direct application.

(i) "Residential use or load" means all usual residential, apartment, seasonal dwelling and farm building, electrical loads or uses, and not be exceed a total of one hundred horsepower of farm irrigation and pumping loads for any farm.

(j) "Resources" means electric power, facilities that produce electric power, planned electric power capability of generating facilities whether operating or operable, electric power conserved, and measures to conserve electric power.

REGIONAL PARTICIPATION

SEC. 4. (a) The Administrator shall establish a Bonneville Consumers' Council and a Bonneville Utilities' Council.

(1) The Bonneville Consumers' Council shall be composed of two persons from each congressional district in the States of Washington, Oregon, and Idaho, and the State of Montana west of the Continental Divide, who shall be appointed by the Governors of the State in which each such congressional district is located within ninety days of notification by the Administrator of a vacancy on the Bonneville Consumers' Council. One such person appointed to the Bonneville Consumers' Council from each district shall be an elected official of a local government within such district, and the other person shall be appointed from the general public with a view to diversity of backgrounds and interests.

(2) The Bonneville Utilities' Council shall be comprised of eighteen representatives of Pacific Northwest electric utilities to be selected by these utilities and not more than three representatives of the direct service industrial customers to be selected by them, such selections to be under rules established by the Administrator.

(3) The Administrator shall establish terms and other conditions of service for members of both councils, and shall fill vacancies on the councils in the absence of appointments by a Governor or failure of utilities to select persons.

(b) In order to further ensure widespread and representative public involvement in formulation of regional power programs and policies, the Administrator shall establish and maintain comprehensive programs designed to inform the Pacific Northwest public of major regional electric power issues and to obtain public views and reactions concerning those issues.

(c) The Administrator shall prepare a regional power planning and conservation program to carry out the purposes of this Act. Such program shall be developed in consultation with the Governors of the States of Idaho, Montana, Oregon, and Washington, the Bonneville Consumers' Council and the Bonneville Utilities' Council, and with general public involvement programs. The regional power planning and conservation program shall include a twenty-year regional load/resource forecast, proposed conservation programs, proposed renewable waste, cogeneration and other resources, acquisitions, proposed major transmission system additions and such other program proposals as the Administrator deems appropriate. Such program or any part thereof, may be revised from time to time as the Administrator deems appropriate after consultation with the Governors, the councils and public involvement as provided in this section.

SALE OF POWER

SEC. 5. (a) The Administrator shall offer to sell electric power to each Pacific Northwest utility, at rates established pursuant to section 7, to meet its firm power load in the region which is in excess of such utility's resources committed to such load, subject to the provisions of subsection (b)(2) of this section: *Provided,* That the Administrator determines that he has or can acquire adequate resources to meet such requirements.

(b) Additionally, (1) the Administrator is authorized to sell electric power to regional Federal agencies, and (2) if the Administrator acquires electric power either from a

Pacific Northwest utility at the average cost of resources then available to that utility, or from other resources at a cost equal to or less than the average cost of resources then available to that utility, then the Administrator shall offer to sell to such utility for resale to meet the load of its residential customers in the region an equivalent amount of electric power: *Provided*, That such sale shall be limited to an amount not to exceed 50 per centum of each such utility's residential loads in the year beginning July 1, 1979, and increasing such percentage in equal annual increments to 100 per centum of such load in the year beginning July 1, 1984. Such electric power shall be sold at rates established pursuant to section 7.

(c) The Administrator is authorized to sell to direct-service industrial customers electric power to meet their load requirements so long as such sales provide a portion of the planning and operating reserves for the Federal Columbia River power system. The Administrator shall offer to those direct-service industial customers receiving electric power from the Federal Columbia River power system on the effective date of this Act new long-term power sales contracts effectuating the purposes of this section. Such offer shall expire one year from the date it is tendered by the Administrator. Such electric power shall be sold at rates established pursuant to section 7.

(d) The Administrator is further authorized to sell or otherwise dispose of electric power that is surplus to his obligations incurred pursuant to subsections (a), (b), and (c) of this section in accordance with other statutes related to disposition of power from the Federal Columbia River power system. Such electric power shall be sold at rates established pursuant to section 7.

RESOURCE ACQUISITION

SEC. 6. (a) The Administrator shall conserve electric power through implementation of measures the Administrator determines are feasible and cost-effective including, but not limited to programs for financing residential insulation, increased system efficiency and waste energy recovery. The Administrator shall develop conservation proposals and programs which assist the region's electric power consumers to make efficient use of energy. In addition, he shall assist the promotion of conservation by and among regional consumers by providing technical or financial assistance, and by cooperating with his customers and governmental authorities to encourage voluntary conservation and to devise effective mechanisms for establishing, enforcing, and achieving compliance with mandatory conservation standards.

(b) In the event that the Administrator determines conservation will be insufficient to meet the electric power obligations incurred under section 5, the Administrator shall acquire additional resources from Federal or non-Federal entities to meet the remainder of such obligations. Such acquisition shall be obtained from waste heat, cogeneration or renewable resources the Administrator determines are feasible and cost-effective.

(c) If resources in addition to such resources are needed, then the Administrator shall acquire additional electric power resources giving priority to high efficiency resources, such as combined cycle and magneto hydro-dynamic generation, which he determines to be feasible and cost-effective. All such resources acquired by the Administrator:

(1) shall be consistent with the provisions of the power program for the Pacific Northwest developed pursuant to section 4; and

(2) shall be constructed and operated in a manner to provide efficient, economic, and reliable service.

(d) The Administrator is hereby authorized to construct and operate generating facilities, with the exception of constructing hydroelectric resources, utilizing renewable resources; and to construct such other generating resources as he determines are necessary to assure transmission system reliability.

(e) To the extent conservation or acquisition of resources under this Act require direct arrangements with the ultimate consumers of electric power, the Administrator shall make maximum practicable use of existing institutions able to supply credit to such consumers.

(f) The Administrator is authorized to enter into agreements with sponsors of resources which may be proposed for acquisition by the Administrator to fund or secure debt incurred in the investigation and initial development of such resources.

(g) Prior to the execution of any contract for the acquisition of major resources pursuant to subsection (c) of this section, the Administrator shall have reviewed the proposed acquisitions with the Governors, the Bonneville Consumers' Council and the Bonneville Utilities' Council pursuant to section 4; and he shall submit any comments or recommendations received from the Governors and the Councils along with the proposed contracts and evidence of compliance with the National Environmental Policy Act of 1969, to the Senate Energy and Natural Resources Committee and to the House Interior Committee for review. Thereafter, the Administrator shall publish notice of his intention to acquire such resources in the Federal Register. No such contract shall be executed by the Administrator until ninety days after the date of submittal to the Congress pursuant to this subsection and no financial commitment shall be incurred under this authority until it has been noted in the Administrator's budget submittal made pursuant to section 11 of Public Law 93–454.

(h) The Administrator, at the request and expense of a Pacific Northwest customer, shall acquire, to the extent practicable, any electric power which is required by such customer to replace electric power curtailed or interrupted by the Administrator: *Provided*, That such customer may elect to acquire independently replacement power under terms and conditions as prescribed by the Administrator.

RATE DIRECTIVES

SEC. 7. (a) The Administrator shall establish and periodically modify rates for the sale and disposition of electric power to recover, in accordance with sound business principles, the costs associated with the acquisition, conservation, and transmission of electric power including the amortization of the Federal investment in the Federal Columbia River power system over a reasonable period of years and the other costs and expenses incurred by the Administrator pursuant to law. In addition, prior to July 1, 1982, such rates shall recover revenues in amounts that the Administrator determines are necessary to provide all or a portion of the initial funding for conservation programs to be implemented pursuant to section 6(a). Such rates shall become effective upon confirmation and approval by the Federal Energy Regulatory Commission and shall be established in accordance with sections 9 and 10 of Public Law 93–454 and the provisions of this Act on the finding that such rates (1) are sufficient to assure repayment of the Federal investment after first meeting the Administrator's other costs; (2) are based upon the Administrator's total costs of service, including contingencies and initial conservation funding; and (3) insofar as transmission rates are concerned, equitably allocate the costs of the Federal transmission system between Federal and non-Federal uses.

(b) The Administrator shall establish a rate or rates applicable to the electric power sold for the general requirements of public body, cooperative and Federal agency customers, and to the electric power sold under section 5(b)(2) for the requirements of residential customers in the region. Such rate or rates shall recover the costs of that portion of the Federal base system resources needed until such requirements exceed the Federal base system resources. Thereafter, such rate or rates also shall recover the costs of additional electric power as needed, first from the electric power purchased by the Administrator under section 5(b)(2) and then from new resources.

General requirements as used in this section shall be that portion of a public body's, cooperative's, or Federal agency's directly served electric power load in excess of its own resources that are dedicated to meet such load and exclusive of any large new industrial load whose service is contracted for after October 1, 1978.

(c) The rate or rates applicable to direct-service industrial customers shall be established at a level which the Administrator determines is equitable in relation to the rates charged by the region's electric utilities to their major industrial customers, taking into account the value of power system reserves made available to the Administrator through his rights to curtail or interrupt service to such direct-service industrial customers; the comparative size and character of the loads served; the relative costs of electric capacity, energy, transmission, and related delivery facilities provided, and other service provisions, all as related to the delivery of power to such customers: *Provided*, That prior to July 1, 1984, the rate or rates applicable to direct-service industrial customers shall be established to recover the costs incurred by the Administrator pursuant to section 5(b)(2) and not recovered through rates applicable for other classes of power sold by the Administrator; and such rate or rates shall be established at a level no lower than the weighted average wholesale power costs to the investor owned utilities from their own resource costs and purchases from the Administrator pursuant to section 5(b)(2) for their residential loads in the region as determined by th Administrator: *Provided, further*, That for the period prior to July 1, 1981, such rate or rates may be in the form of a surcharge on rates then applicable to direct-service industrial customers.

(d) In establishing rate schdules of general application, the Administrator may establish a uniform rate or rates for sale of capacity.

(e) Rates for all other firm power sold by the Administrator shall be based upon the cost of the portions of Federal base system resources and additional resources, including new resources, which the Administrator determines are required to support such sales.

(f) The Administrator shall allocate to power rates, as he may determine appropriate, all other costs and benefits including, but not limited to, conservation, uncontrollable events, reserves, operating services, and the sale of excess electric power.

AMENDMENTS TO EXISTING LEGISLATION

SEC. 8. (a) Section 11(b) of Public Law 93–454 is amended by adding a new subparagraph (12) as follows:

"(12) making such payments as shall be required to carry out the purposes of the Pacific Northwest Electric Power Planning, and Conservation Act.".

(b) Public Law 93–454 is amended by striking subsections 13(a) and (b) and substituting the following new subsections:

"SEC. 13. (a) The Administrator is authorized to issue and sell to the Secretary of the

Treasury from time to time in the name of, and on behalf of the Bonneville Power Administration bonds, notes, and other evidences of indebtedness (in this Act collectively referred to as 'bonds') to assist in financing the constructing, acquisition, and replacement of the transmission system, to implement the Administrator's authority pursuant to the Pacific Northwest Electric Power Planning and Conservation Act, and to issue and sell bonds to refund such bonds. Such bonds shall be in such forms and denominations, bear such maturities, and be subject to such terms and conditions as may be prescribed by the Secretary of the Treasury taking into account terms and conditions prevailing in the market for similar bonds, the useful life of the facilities for which the bonds are issued, and financing practices of the utility industry. Refunding provisions may be prescribed by the Administrator. Such bonds shall bear interest at a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities, plus an amount in the judgment of the Secretary of the Treasury to provide for a rate comparable to the rates prevailing in the market for similar bonds issued by Government corporations not to exceed the interest rate which would be applied to such bonds if they were purchased by the Federal Financing Bank. The aggregate principal amount of any such bonds outstanding at any one time shall not exceed $1,250,000,000 plus the principal amount of any bonds outstanding which shall have been issued to finance or assist in financing the Administrator's implementation of the purposes set forth in the Pacific Northwest Electric Power Planning, and Conservation Act.

"(b) The principal of, premiums, if any, and interest on such bonds shall be payable solely from the Administrator's net proceeds as hereinafter defined. 'Net proceeds' shall mean for the purposes of this section the remainder of the Administrator's gross receipts from all sources after first deducting trust funds and the costs listed in section 11(b)(2) through 11(b)(7), 11(b)(11) and 11(b)(12), and shall include reserve or other funds created from such receipts.".

(c) Public Law 88-552 is amended by striking subsection 1(b) and inserting a new subsection (b) as follows:

"(b) Pacific Northwest means (1) the region consisting of the States of Oregon, Washington, and Idaho, the State of Montana west of the Continental Divide, and such portions of the States of Nevada, Utah, and Wyoming as are within the Columbia River drainage basin and (2) any contiguous areas, not in excess of seventy-five airline miles from said region, which are a part of the service area of a distribution cooperative served by the Administrator on the effective date of this Act which has a distribution system from which it serves both within and without said region.".

(d) Public Law 88-552 is amended by adding a new section 10 as follows:

"Sec. 10. All references in sections 1, 2, 3, 5, and 7 of this Act to 'plants', 'energy', 'peaking capacity', and 'generating facilities' shall be applicable to all types of generation and not solely to hydroelectric generation.".

ADMINISTRATIVE SECTIONS

Sec. 9. (a) In carrying out the provisions of this Act, the Administrator is authorized to enter into such contracts, agreements, and arrangements, including the amendment, modification, adjustment, or cancellation thereof and the compromise or final settlement of any claim arising thereunder, and to make such expenditures, upon such terms and conditions and in such manner as he may deem necessary.

(b) Except as specifically provided herein, the authority and duties of the Secretary of Energy and the Administrator shall not be affected by this Act.

(c) The Bonneville Consumers' Council and the Bonneville Utilities' Council shall not be subject to the provisions of the Federal Advisory Committee Act, and any action of a member of such council related to an action of such council shall not be deemed to be a violation of Federal or State antitrust laws.

(d) No later than March 1, 1979, the Administrator shall offer to enter into power sales and purchase contracts to be effective July 1, 1979, with utilities pursuant to section 5(b)(2).

(e) For the purpose of enabling the Administrator to acquire resources from State and local governmental units at a cost no greater that the costs which would be applicable in the absence of such acquisition, the debt obligations described in section 103(a)(1) of title 26 of the United States Code shall not be affected by any contract or agreement regarding the Administrator's acquisition of resources constructed by a State or local governmental unit and for which the administrator determines at the time the commitment for such acquisition is made will not be utilized over the life of the project in whole or in major part by a person who is not an exempt person, as defined in section 103(c)(3) of title 26 of the United States Code.

(f) No provision of chapter 2C of title 15 of the United States Code shall apply to or be deemed to include any "person" or "company" (as defined in 15 U.S.C. 79b(a)(1) and (2)) organized and operated primarily for the purpose of financing, leasing, constructing, owning, managing, or operating part of an interest in, or all of, facilities used for the generation of electricity (together with associated transmission and other facilities), 75 per centum or more of the power from which, or from the part or interest so financed, leased, constructed, owned, managed, or operated, is or will be sold to the Administrator under section 6.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to extend their remarks on the subject matter just discussed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

WINDFALL PROFITS TAX

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Shannon) is recognized for 5 minutes.

● Mr. SHANNON. Mr. Speaker, yesterday I joined with two of my colleagues on the Ways and Means Committee in introducing the Crude Oil Windfall Profits Tax Act of 1979. Quite simply, this bill would impose an 85-percent windfall profits tax on any increased revenues the domestic oil industry will receive under the decontrol plans being considered by the President.

It is not yet clear if the President will propose phased or complete decontrol. In some respects this decision is not important. The oil industry's own figures show they are now making record profits and under either form of decontrol these profits will increase dramatically.

The oil industry maintains that they must have adequate incentives to explore for new oil. Many people would contend that the incentives under recent price increases are already more than adequate. These incentives will only continue to increase under this act since producers will retain 15 percent of increased revenues. However, producers will not be allowed to gouge the American consumer by charging the world price which is set by the OPEC monopoly and is not affected by the laws of supply and demand.

The windfall profits tax we are proposing will not apply to newly discovered oil, Alaskan oil, stripper wells and tertiary recovery methods. It is in our national interest to encourage production from these sources of oil. It is not in our interest, however, to allow a massive transfer of wealth from U.S. consumers to oil companies.

Mr. Speaker, it is becoming increasingly obvious that energy issues will be extremely important in the 96th Congress. The most immediate question concerns the decontrol of domestic oil prices. I have joined in this legislation in order to let it be known that decontrol, either phased or complete, is completely unacceptable without a strong but fair windfall profits tax. The bill we have introduced today meets these criteria. It will protect consumers while also encouraging domestic exploration and production.

Decontrol without a windfall profits tax is, at best, an act of faith—faith in the oil companies to use this money to increase exploration and production. This is an act of faith which is not justified. Decontrol without a stiff windfall profits tax will only mean more profits, more diversification and more ads in newspapers extolling the virtues of the free market system.●

THE PLIGHT OF MARK NASHPITZ

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. Long) is recognized for 5 minutes.

● Mr. LONG of Maryland. Mr. Speaker, I join my colleagues in pressing once again the rights of Soviet Jews to emigrate. The denial of free emigration to the Jewish homeland violates both the Helsinki Final Act of 1975 and the Universal Declaration of Human Rights. Of course we are delighted to see the number of Jews permitted to emigrate increase from 17,337 in 1977 to 29,200 in 1978. We are still distressed that many Jews are not only denied that right but are harrassed, even imprisoned, for attempting to exercise it.

I wish to bring the attention of my colleagues to the case of Mark Nashpitz, a 31-year-old dentist from the town of Selo Tupik, who was demoted to lathe operator after his first application for a visa to emigrate to Israel in January 1970. The reason he was given was that his father had left the U.S.S.R. for Israel in 1956 against the wishes of the Soviet state. Soviet authorities told Mark, "Your emigration to Israel is not in the state interest of the U.S.S.R. as your father is a traitor, and we do not want to encourage traitors."

Mark was among nine Jewish activists who demonstrated in Moscow on February 24, 1975, carrying banners reading "Visas not Prisons." It was broken up within 30 seconds by police and KGB men. In December 1975, the KGB promised him an exit visa if he would turn informer. He publicly protested. As a result he was tried secretly and sentenced on March 31, 1976 to 5 years in exile in Siberia for "disturbing the public order.'"

Mark's father wrote a letter to Mr. Leonid Brezhnev in June 1973, in which he appealed for a change in the government's treatment of his son. The letter said:

> "I am writing to you for the second time, appealing to your humanity and sense of justice. . . . I left the U.S.S.R. in 1956 and came to Israel, the homeland of my people. . . . My son was 8 years old when I left the U.S.S.R. Is he responsible for my action?
>
> "Mark is not permitted to work as a dentist, which is his profession. He is being persecuted because he wants to repatriate to Israel. His situation is desperate. The revenge over innocent people for something they are not responsible for violates both the constitution of the U.S.S.R. and the Universal Declaration of Human Rights.
>
> "Nowadays, the Ukranians and the Bylorussians are permitted to come back to the USSR, as well as the Armenians to return to Armenia, Germans can return to Germany from the U.S.S.R. So why is my son . . . prevented from using his right to repatriate to Israel?
>
> "We the Israelis, do not interfere into the internal matters of any country. What we demand is adherence to the Universal Declaration of Human Rights signed, among others by the USSR. The ideals of freedom and peace are dear to our hearts. I believe in your humanism, Mr. Brezhnev, and I plead with you to permit my son . . . to leave for Israel."

His letter was never answered. It deserved not only an answer but a positive response. I hope that Mr. Brezhnev and other Soviet leaders will reject revenge and restore to Mark Nashpitz and other Soviet Jews the human rights guaranteed them by the Soviet Constitution as well as by the Helsinki accord.●

REGULATION REGULATION REGULATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, in an April 2 editorial titled, "Regulation Regulation Regulation," the Washington Post takes up the cudgel against what it calls "the current onslaught of overregulation that is driving a large part of the Nation mad." The Post cites that Truth in Lending Act, which has generated some 3,000 pages of regulations and administrative interpretations, and lays the blame for this wretched excess not on the bureaucracy, but on Congress.

As the Post sees the problem of overregulation, Congress is at fault for having written "all those regulation-prone and rule-generating statutes in the first place."

There is no arguing against that fact. Congress has the ultimate responsibility and the ultimate fault. However, as a Member of Congress who believes that overregulation is a principal bane of today's body politic, I nevertheless feel that the Post avoids a crucial part of the problem in making this point. It does not seem to have occurred to the Post's editorial writer that in a vast number of cases, unnecessary regulation is not so much the result of a poorly-written law as of unnecessary law.

On October 6, 1977, I addressed the Woman's National Democratic Club here in Washington in a speech entitled "The New Deal Is Dead: May It Rest in Peace." At that time I said, "Today, we are emerging from the New Deal era. The Federal Government is no longer perceived as being all things to all people. The public no longer wants or needs all-encompassing direction and control from Washington."

When influential voices in the society—and I include the Post in that category—seem to operate on the premise that for every problem there has to be a Federal Government answer, it does not really make much difference how simply our laws are written. Unnecessary intrusion into the lives of citizens cannot be made into a virtue by simplifying the language of the law that authorizes that intrusion.

To the extent that Congress has too often in recent years accepted that premise, it has contributed to what the Post calls "the current onslaught of overregulation."

Yet the Post, for all its verbal cudgeling, itself seems vague and imprecise in offering any possible remedy to the problem of overregulation. To be sure these laws are on the books and the bureaucracy that grew out of them is a fact of modern political life. One of the answers to this problem—and I invite the Post's editorial reexamination of this answer in view of its concern regarding overregulation—lies in enactment of H.R. 1776, the Administrative Rulemaking Reform Act, which I introduced on February 1, 1979.

In its editorial, the Post charges Congress with "delegating too much authority to regulatory agencies and passing the buck on to them on politically difficult questions."

Adopting that language, let me say that H.R. 1776, as the Post suggests, puts the buck back where it belongs—with the legislative body that enacts the laws. H.R. 1776 would bring the "politically difficult questions" before the people's elected representatives for review, and possible veto. All those who truly want to take up the cudgel against "the current onslaught of overreregulation" should, therefore, make their voices heard on behalf of the early enactment of this vitally-needed legislation to curb governmental excess.

Although the Post has previously editorialized against the concept of legislative veto, and has made its Op Ed page available to those in disagreement with legislative veto, it ought to reexamine its position, particularly since the Post refused to print my response or make space available for a response. Nor has the Post ever discussed this important issue with me, as the author of the bill. It would be a credit to the Post to reevaluate its policy on this issue.

I invite the editors of the Post, in views of their hard stand on regulation to join with us.

REGULATION REGULATION REGULATION

A group of lawyers spent a few hours here on Friday talking about what might happen if the truth-in-lending act were rewritten in two simple sentences. One would say lenders had to disclose the true annual interest rate on their loans. The other would say what the penalty would be for not doing so. Period.

The idea has appeal. The truth-in-lending act, although itself short by modern legislative standards, has already generated over 3,000 pages of regulations and administrative interpretations, and more are on the way. Because of either the law or the huge amount of paperwork—people argue about which—consumers are presented with documents they don't read and probably wouldn't understand if they did; and businessmen are continually wondering whether every "i" needs to be dotted and every "t" crossed—how serious government is about enforcing all these intricate obligations.

The only consensus reached by this meeting of lawyers, as far as we could tell, was that it might be possible to eliminate *some*, but not *much*, of the tangle of administrative interpretations. Consumer groups evidently feel that without such detailed rules and regulations businesses will find ways to conceal useful information from customers. Business groups seem to feel that they will be left unprotected against charges of wrongdoing unless each step they must take is spelled out in advance. Government regulators think they needed to produce all 3,000 pages in the first place to help businessmen know what to do. Nobody, except possibly these who organized the meeting and a few eccentrics who admire plain-spoken English, seemed to take the idea seriously.

We do. And we dwell on this meeting precisely because it says so much about the current onslaught of overregulation that is driving a large part of the nation mad. President Carter had it just right the other day when he described the dealings many Americans have with government as consisting of a "bewildering mass of paperwork, bureaucracy and delay." Unfortunately, the president's remedy—the proposals he has sent to Congress to "reduce, to rationalize and to streamline the regulatory burden"—won't do much good.

The centerpiece of the president's program is an effort to improve the rule-making process. He wants to speed it up (something desperately needed) by setting deadlines for agency action. But he also wants to inject more public participation into the process and he wants to require each agency to publish what might be called a regulatory impact statement. That statement would examine the costs and benefits of alternative methods of reaching the goal the agency has in mind.

Do you begin to see the built-in problem here? This new procedure could conceivably be a help in making wise choices. But any agency that has been using common sense is probably already weighing these costs and benefits. And there is at least as strong a likelihood, if the past tells us anything, that the new regulatory impact statements would become just one more part of the bureaucratic rigmarole, one more generator of a useless paper heap.

Like the gestures of his predecessors, most of Mr. Carter's proposals deal with the symptoms of over-regulation, not its cause. Three thousand pages of regulations and interpretations concerning a single piece of legislation do not spring from some malevolent bureaucratic plot. They are a direct result of the way Congress drafted the law. Bewildered by the complexities that lawyers and others can cook up in relation to the most seemingly simple matters, Congress writes laws that reflect that complexity—carving out exemptions for one interest group after another, delegating too much authority to regulatory agencies and passing the buck to them on politically difficult questions—and expressing all this in a prose that is incomprehensible to any but other people who talk that way.

So the true solution to overregulation can only be found when Congress realizes that cat's-cradle complication is not synonymous with wisdom or fairness. Maybe some of the president's proposed administrative reforms will help. But the most he can do is smooth bureaucratic rough edges. The important part is up to Congress. That is where they write all those regulation-prone and rule-generating statutes in the first place, though you wouldn't guess it from the way they complain about them later.●

MTN—COUNTERVAILING DUTY AMENDMENTS

(Mr. SCHULZE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SCHULZE. Mr. Speaker, last week I introduced in this Chamber a bill designed to strengthen our trade laws with respect to the enforcement of the countervailing duty statutes. This proposal is comparable to the intent of the so-called Heinz/Moynihan bill introduced in the Senate on March 5 and will, I believe, go a long way toward insuring support for the upcoming MTN agreements.

It appears likely that the President will initial these agreements in the next several weeks and that this Congress will then be called upon to implement the necessary conforming legislative changes to our trade statutes.

My bill will serve as a forum of suggested provisions to be included in the implementing legislation and embodies a series of proposed provisions for the MTN subsidies code.

While we have been assured that the MTN will establish a reasonable set of rules, a code of international behavior, it is critically important that these rules guarantee free and fair trade for all nations of the world.

I am quite ready to deal with our trading partners on fair and equal terms and make reciprocal concessions. I am not, however, willing to allow our domestic industries to face the continued onslaught of subsidized and unfairly traded imports into this country without adequate countermeasures.

It is vital that we write a strong bill of implementation to demonstrate to our trading partners that our determination to insist on fair trade is just as strong as our support of free trade. To that end, I offer this legislation and urge support of its provisions which will insure more vigorous and effective enforcement of the countervailing duty statutes.

Mr. Speaker, I include a summary of the bill at this point in the Record and urge the membership to closely examine the details of the MTN:

Section-by-Section Summary, Countervailing Duty Amendments

Sec. 1(a) Investigation of bounties not specifically pled. Under present practice an investigation would consider only bounties or grants specifically referred to in the petition. This subsection would require the administering authority to include other bounties or grants that might be discovered during the investigation.

Sec. 1(b) Suspension of liquidation during investigation. Under present law duties are assessed only prospectively. This subsection would conform practice to the Antidumping Act and require suspension of liquidation from the point of preliminary determination (or retroactively up to 120 days before the investigation was begun). The investigating period is also shortened to 6 months with a preliminary determination after 3 months.

Sec. 1(c) Injury test. Requires and defines a "more than de minimis" injury test which must be met before duties can be imposed, even if a bounty or grant is determined to exist.

Sec. 1(d) Bounty or grant not to be reduced or offset for export charges or taxes. In calculating a countervailing duty, Treasury currently deducts from the subsidy import duties and taxes paid by the foreign industry, even though they are paid in any case. This subsection would end that practice.

Sec. 1(e) Treatment of start-up bounties or grants. This subsection would help counter start-up subsidies by 1) requiring payment of a countervailing duty regardless of when the subsidy was detected; and 2) requiring that in calculating the duty the subsidy be treated as spread over the amortization period for plant and equipment in that country and that industry.

Sec. 1(f) Publication of reasons for determination. Requires published decisions to be accompanied by a detailed statement of the reasons for them, conforming practices to the Antidumping Act.

Sec. 1(g) Definition of bounty or grant. More clearly defines the terms and includes an illustrative, but not limiting, list of such practices.

Sec. 1(h) Verification of information. Present practice is often to accept statements made during an investigation at face value. This subsection would require verification, and if that were impossible, generally resolve uncertainties in favor of the petitioner.

Sec. 1(i) Reports on subsidy practices. Requires semi-annual report describing any foreign practice which may be a bounty or grant under this section. Each practice must be described in sufficient detail to enable interested parties to determine whether to file a petition.

Sec. 1(j) Administering authority. Deletes references to the Secretary of the Treasury and substitutes "administering authority" reflecting growing support for reorganization of government trade functions.

Sec. 2 Confidentiality. Would enable designates of a petitioner to obtain access to confidential information filed by a foreign source, pursuant to a protective order from federal district court, consistent with the intent of footnote 1 on page 4 of the MTN subsidies code.

Sec. 3 Review of injury determinations. Provides for review of injury determinations on request after 3 years, sooner (but at least after one year) with the submission of a petition demonstrating positively that injury no longer exists and is unlikely to recur. Provides for reimposition of duties, should they be suspended pursuant to such a petition, and if injury subsequently recurs.

Sec. 4(a) Petitioner eligible to seek judicial review. Broadens class of petitioners who can seek judicial review by including trade associations, unions, and other interested parties who at present can file a petition, but cannot seek judicial review.

Sec. 4(b) Class of petitioners. Makes clear that those eligible to file petitions alleging a bounty or grant include unions, trade associations, and other interested parties, and expands the scope of judicial review to include determinations on the amount of duties.

Sec. 5 Section 301 Amendments. Conforms section 301 of the Trade Act of 1974 to the international dispute settlement provisions of the subsidies code. Requires the administering authority to pursue petitions for requests for information on subsidy practices from other signatories. Provides a timetable for considering petitions alleging unfair trade practices by other code signatories, for requesting the GATT to act on such allegations, and for Presidential action pursuant to a determination that such practices have occurred, with due time and consideration allowed for GATT recommendations. Proceedings would generally be open and notices and determinations made would be public.

Sec. 6 Effective Date. Makes the first 4 sections of the bill effective to cases occurring after date of enactment, thus preventing the reopening of current cases.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Pepper (at the request of Mr. Wright), for today, on account of death in the family.

Mr. Derrick (at the request of Mr. Wright), for today, on account of personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Goodling) to revise and extend their remarks and include extraneous material:)

Mr. Goldwater, for 5 minutes, today.

(The following Members (at the request of Mr. Leland) to revise and extend their remarks and include extraneous matter:)

Mr. Fascell, for 60 minutes, today.
Mr. Carr, for 5 minutes, today.
Mr. Weaver, for 5 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Bingham, for 15 minutes, today.
Mr. Hutto, for 5 minutes, today.
Mr. Brademas, for 5 minutes, today.
Ms. Holtzman, for 5 minutes, today.
Mr. Neal, for 5 minutes, today.
Mr. Addabbo, for 5 minutes, today.
Mr. Swift, for 5 minutes, today.
Mr. LaFalce, for 60 minutes, today.
Mr. Ullman, for 30 minutes, today.
Mr. Shannon, for 5 minutes, today.
Mr. Levitas, for 5 minutes, today.
Mr. Long of Maryland, for 5 minutes, today.
Mr. LaFalce, for 60 minutes, on April 9.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Rudd, to revise and extend his remarks to appear in the Record immediately following the remarks of Mr. Rousselot on the amendment Mr. Rousselot will propose.

Mr. Miller of Ohio, and to include extraneous matter, in remarks in the Committee of the Whole today on H.R. 3324.

(The following Members (at the request of Mr. Goodling) and to include extraneous material:)

Mr. Winn.
Mr. McEwen in two instances.
Mr. Forsythe.
Mr. Solomon.
Mr. Symms in three instances.
Mr. McCloskey.
Mr. Lagomarsino in two instances.
Mr. Kramer.
Mrs. Heckler.
Mr. Johnson of Colorado.
Mr. Hollenbeck.
Mr. Abdnor in two instances.
Mr. Taylor.
Mr. Rinaldo.
Mr. Bob Wilson in two instances.
Mr. Brown of Ohio.
Mr. Rousselot in two instances.
Mr. Conable.
Mr. Paul in two instances.
Mr. Martin.
Mr. Gilman.
Mr. Young of Florida.
Mr. Corcoran.

(The following Members (at the request of Mr. Leland) and to include extraneous matter:)

Mr. Murphy of New York.
Mr. Bowen.
Mr. Fascell in two instances.
Mr. Anderson of California in three instances.
Mr. Gonzalez in three instances.
Mr. Volkmer.
Mr. Kildee.
Mr. Vento.
Mr. Conyers in four instances.
Mr. Miller of California.
Mr. Mavroules.
Mrs. Byron.
Mr. LaFalce in 10 instances.
Mr. Brodhead.
Mr. Levitas.
Mr. Luken.
Mr. Mazzoli.
Mr. Boland.
Mr. Dellums.
Mr. Traxler.
Mr. Barnes.
Mr. Mineta.
Mr. Daschle in two instances.
Mr. Nolan.
Mr. Mathis.
Mr. Annunzio.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 41. An act to require the Secretary of Agriculture to convey any interest held by the United States in certain lands located in Bell County, Ky., to the Board of Education, Bell County, Ky.; to the Committee on Agriculture; and

S. 382. An act to extend the authorization for the Federal Election Commission; to the Committee on House Administration.

ADJOURNMENT

Mr. BONKER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 38 minutes p.m.), under its previous order, the House adjourned until Monday, April 9, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1195. A letter from the Assistant Secretary of State for Congressional Relations, transmitting proposed amendments to H.R. 3363, the Foreign Relations Authorization Act for the balance of fiscal year 1979 and for fiscal years 1980 and 1981; to the Committee on Foreign Affairs.

1196. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a report on the study of the emission of sulphur-bearing compounds from motor vehicles and aircraft engines, pursuant to section 403(g) of Public Law 95-95; to the Committee on Interstate and Foreign Commerce.

1197. A letter from the Comptroller General of the United States, transmitting a report on the emergency response planning and capabilities at nuclear facilities of the Nuclear Regulatory Commission, Department of Defense, and Department of Energy and the surrounding communities (EMD-78-110, March 30, 1979); jointly, to the Committees on Government Operations, Armed Services, Interior and Insular Affairs, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAWKINS: Committee on House Administration. House Concurrent Resolution 66. Concurrent resolution authorizing the printing as a House document of a revised edition of "The Declaration of Independence and the Constitution of the United States of America" (Rept. No. 96-86). Referred to the House Calendar.

Mr. HAWKINS: Committee on House Administration. House Concurrent Resolution 666. Concurrent resolution authorizing the printing as a House document of a revised edition of "Our Flag" (Rept. No. 96-87). Referred to the House Calendar.

Mr. HAWKINS: Committee on House Administration. House Resolution 150. Resolution authorizing the printing as a House document of the committee print entitled "Proposition 13: Prelude to Fiscal Crisis or New Opportunities?"; with amendment (Rept. No. 96-88). Referred to the House Calendar.

Mr. HAWKINS: Committee on House Administration. Senate Concurrent Resolution 15. Concurrent resolution authorizing the reprinting of the Senate report entitled "First Concurrent Resolution on the Budget—Fiscal Year 1979" (S. Rept. 95-739) (Rept. No. 96-89). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABDNOR:

H.R. 3460. A bill to amend the Social Security Act to provide long-term care services in certain rural hospitals; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ANNUNZIO:

H.R. 3461. A bill to provide that financial institutions shall disclose to consumers all terms and conditions applicable to certain consumer savings and checking accounts, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. AuCOIN:

H.R. 3462. A bill to amend the Interstate Land Sales Full Disclosure Act; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BEDELL (for himself, Mr. Murphy of Pennsylvania, Mr. Forsythe, Mr. Stokes, Mr. Vento, Mr. Andrews of North Dakota, Mr. Whittaker, Mr. Coelho, Mr. Smith of Iowa, Mr. Leach of Iowa, and Mr. Harkin):

H.R. 3463. A bill to amend title XVIII and XIX of the Social Security Act with respect to extended care services, skilled nursing services, and intermediate care furnished by certain hospitals; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

By Mr. CORMAN (for himself, Mr. Bafalis, Mr. Rangel, Mr. Stark, Mr. Brodhead, Mr. Downey, and Mr. Fowler):

H.R. 3464. A bill to amend title XVI of the Social Security Act to remove certain work disincentives for the disabled under the supplemental security income benefits program, and for other purposes; to the Committee on Ways and Means.

By Mr. BEARD of Tennessee:

H.R. 3465. A bill to provide for the establishment and enforcement of security and accountability procedures necessary to protect weapons and munitions of the Department of Defense against theft and loss, and for other purposes; to the Committee on Armed Services.

H.R. 3466. A bill to amend the Occupational Safety and Health Act of 1970 to provide that any employer who successfully contests a citation or penalty shall be awarded a reasonable attorney's fee and other reasonable litigation costs; to the Committee on Education and Labor.

H.R. 3467. A bill to amend title 18 of the United States Code to increase certain penalties for gun control offenses and to allow the United States to obtain appellate review of certain sentences relating to gun control offenses; to the Committee on the Judiciary.

H.R. 3468. A bill to amend title 18, United States Code, to provide criminal penalties for unauthorized disclosure of classified information, and for other purposes; to the Committee on the Judiciary.

H.R. 3469. A bill to establish a procedure under which the Congress may disapprove rules or regulations adopted by the executive branch which are contrary to law or inconsistent with congressional intent or which exceed the mandate of the statutes which they are designed to implement; to the Committee on the Judiciary.

By Mr. BEARD of Tennessee (for himself and Mr. Wolff):

H.R. 3470. A bill to amend the Controlled Substances Act to authorize a marihuana pretrial diversion program in order that persons subject to arrest for the unlawful possession of small amounts of marihuana or hashish for personal use may receive drug-related counseling rather than be subject to criminal prosecution pursuant to section 404(a) of such act; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CARR (for himself, Mr. Murphy of Pennsylvania, Mr. Whitley, Mr. Jones of North Carolina, Mr. Bailey, Mr. Kogovsek, Mr. Hillis, Mr. Clausen, Mr. Jacobs, Mr. Ertel, Mrs.

Schroeder, Mr. Lloyd, Mr. Murtha, Mr. Johnson of Colorado, Mr. McCloskey, Mr. Dodd, Mr. Jenrette, Mr. Fazio, Mr. Bowen, Mr. Glickman, Mr. Lundine, Mr. Wolpe, Mr. Downey, and Mr. Neal):

H.R. 3471. A bill to amend the Federal Aviation Act of 1958 relating to the authority of the Secretary of Transportation and the Administrator of the Federal Aviation Administration concerning designation of terminal control areas and designation of certain other airspace as subject to air traffic control; to the Committee on Public Works and Transportation.

By Mr. CLAY:

H.R. 3472. A bill to amend title 5, United States Code, to extend certain benefits to former employees of county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CLINGER:

H.R. 3473. A bill to authorize the project for flood control at Lock Haven, Pa.; to the Committee on Public Works and Transportation.

By Mr. CONABLE (for himself, Mr. Vander Jagt, Mr. Frenzel, Mr. Martin, Mr. Bafalis, and Mr. Gradison):

H.R. 3474. A bill to amend the Internal Revenue Code of 1954 to impose a deregulation tax on domestic production of crude oil and to allow a credit against such tax to encourage domestic production; to the Committee on Ways and Means.

By Mr. EDGAR:

H.R. 3475. A bill to amend title 38 of the United States Code to provide for the right of the United States to recover the costs of hospital, nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for nonservice-connected disabilities to the extent that they have health insurance or similar contracts or rights with respect to such care, or have entitlement to private medical care under workers' compensation or automobile accident reparation statutes of any State, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ERTEL (for himself, Mr. Walker, and Mr. Goodling):

H.R. 3476. A bill to improve the communications and other operations of nuclear reactors during emergencies; to the Committee on Interior and Insular Affairs.

By Mr. GILMAN:

H.R. 3477. A bill to impose an excess profits tax on the income of corporations engaged in the production of petroleum and petroleum products for a limited period; to the Committee on Ways and Means.

By Mr. GRADISON:

H.R. 3478. A bill to amend the Internal Revenue Code of 1954 to impose a deregulation tax on domestic production of crude oil and to allow a credit against such tax to encourage domestic production; to the Committtee on Ways and Means.

By Mr. HANLEY:

H.R. 3479. A bill to amend the provisions of title 5, United States Code, relating to air traffic controllers, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HARSHA (for himself, Mr. Snyder, Mr. Mathis, and Mr. Johnson of California):

H.R. 3480. A bill to amend the Federal Aviation Act of 1958 to prohibit the Secretary of Transportation and the Administrator of the Federal Aviation Administration from issuing any rule, regulation, or order relating to certain aspects of the control of navigable airspace; to the Committee on Public Works and Transportation.

By Mrs. HECKLER:

H.R. 3481. A bill to amend the Internal Revene Code of 1954 to provide relief to residential and certain institutional users of refined petroleum products in the event of deregulation of oil prices; to the Committee on Ways and Means.

By Mr. HILLIS:

H.R. 3482. A bill to amend the Federal Food, Drug, and Cosmetic Act to broaden the discretion of the Secretary of Health, Education, and Welfare respecting certain food additives found to induce cancer in animals; to the Committee on Interstate and Foreign Commerce.

By Ms. HOLTZMAN:

H.R. 3483. A bill to target assistance under section 5 of the Urban Mass Transporation Act of 1964 to areas with populations over 1 million; to the Committee on Public Works and Transportation.

H.R. 3484. A bill to increase the Federal share for interstate transfer projects under title 23 of the United States Code; to the Committee on Public Works and Transportation.

By Mr. KASTENMEIER:

H.R. 3485. A bill to amend the Wild and Scenic Rivers Act to designate a segment of the Wisconsin River in Wisconsin as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KASTENMEIER (for himself and Mr. Railsback):

H.R. 3486. A bill to limit governmental search and seizure of materials possessed by persons involved in first amendment activities, to provide a remedy for persons aggrieved by violations of the provisions of this act, and for other purposes; to the Committee on the Judiciary.

By Mr. LaFALCE:

H.R. 3487. A bill to amend the Military Personnel and Civilian Employees' Claims Act of 1964 to increase from $15,000 to $25,000 the maximum amount that the United States may pay to a member of the Armed Forces or to an officer or employee of the United States in settlement of a claim by such member or such officer or employee for losses incident to service as a member of the Armed Forces or an officer or employee of the United States and to eliminate such maximum in certain circumstances; to the Committee on the Judiciary.

By Mr. LEDERER:

H.R. 3488. A bill to require the Secretary of Transportation to approve a project for the construction of an acoustical barrier along a portion of the Interstate System in Philadelphia, Pa., and to increase the Federal share of such project; to the Committee on Public Works and Transportation.

By Mr. McCORMACK:

H.R. 3489. A bill to authorize the Secretary of the Interior to construct, operate, and maintain an enlarged Bumping Lake, Supplemental Storage Division, Yakima project, Washington; to the Committee on Interior and Insular Affairs.

By Mr. McDONALD:

H.R. 3490. A bill to expand the medical freedom of choice of consumers by amending the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under that act solely to assure their safety; to the Committee on Interstate and Foreign Commerce.

By Mr. MATSUI:

H.R. 3491. A bill to amend title 11 of the United States Code to provide that a debt for alimony, maintenance, or support is not dischargeable in bankruptcy, including any such debt that is assigned to any State or agency thereof; to the Committee on the Judiciary.

H.R. 3492. A bill to provide that a debt for a child support obligation which is assigned to a State is not dischargeable in bankruptcy; to the Committee on the Judiciary.

By Mr. MAVROULES:

H.R. 3493. A bill to amend the Internal Revenue Code of 1954 to provide an additional personal exemption for the taxpayer, the taxpayer's spouse, or a dependent, who is disabled; to the Committee on Ways and Means.

By Mr. MITCHELL of Maryland:

H.R. 3494. A bill to amend the Public Health Service Act to provide for the control of vitiligo; to the Committee on Interstate and Foreign Commerce.

By Mr. MOTTL:

H.R. 3495. A bill to reduce the amount of paperwork required by Federal agencies and to increase congressional awareness of the increase in paperwork required by bills and joint resolutions under consideration by Congress; jointly, to the Committees on Government Operations and Rules.

By Mr. NEAL:

H.R. 3496. A bill to protect the confidentiality of the identities of certain employees of the Central Intelligence Agency; to the Permanent Select Committee on Intelligence.

By Mr. NOLAN:

H.R. 3497. A bill to direct the Secretary of the Interior to acquire certain lands for the benefit of the Mille Lacs Band of the Minnesota Chippewa Indians; to the Committee on Interior and Insular Affairs.

By Mr. PASHAYAN (for himself and Mr. Coelho):

H.R. 3498. A bill to exempt lands in the Kings River and Tulare Lake Basin, Calif., from certain acreage limitations of the Federal Reclamation Laws; to the Committee on Interior and Insular Affairs.

By Mr. REGULA:

H.R. 3499. A bill to amend the Internal Revenue Code of 1954 to impose a windfall profits tax on domestic production of crude oil; to the Committee on Ways and Means.

By Mr. SOLARZ:

H.R. 3500. A bill to amend the U.S. Housing Act of 1937 to enable local public housing agencies to enter into security arrangements designed to prevent crimes and otherwise insure the safety and well-being of publice housing tenants; to the Committee on Banking, Finance and Urban Affairs.

H.R. 3501. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, dentures, eyeglasses, and hearing aids among the benefits provided by the insurance program established by part B of such title, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. STAGGERS (by request):

H.R. 3502. A bill to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal years 1980 and 1981; jointly, to the Committees on Interstate and Foreign Commerce and Public Works and Transportation.

By Mr. TAYLOR:

H.R. 3503. A bill to amend title 5, United States Code, to provide that air traffic controllers entitled to immediate retirement annuities may not be entitled to training under section 3381, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. THOMPSON (for himself, Mr. Mineta, and Mr. Conte):

H.R. 3504. A bill to authorize the Smithsonian Institution to plan for the development of the area south of the original Smithsonian Institution Building adjacent to Independence Avenue at 10th Street, Southwest, in the city of Washington; to the Committee on House Administration.

H.R. 3505. A bill to amend the act of July 2, 1940, as amended, to increase the amount authorized to be appropriated for the Canal Zone Biological Area to the Committee on Merchant Marine and Fisheries.

By Mr. UDALL (by request):

H.R. 3506. A bill to enable the Secretary of Energy to utilize revenues from power marketing to carry out his responsibilities related to Alaska Power Administration, Southeastern Power Administration, Southwestern Power Administration, and Western Area Power Administration, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. UDALL (for himself, Mr. Thompson, Mrs. Boggs, Mr. Brademas, and Mr. Ford of Michigan):

H.R. 3507. A bill to expand the boundaries of the Pennsylvania Avenue National Historic Site to include certain historic buildings (including the Albee-Keith Theater Building, the National Metropolitan Bank Building, Rhodes Tavern, and the Old Ebbitt Grill) located along the ceremonial parade route between the White House and the Capitol; to the Committee on Interior and Insular Affairs.

By Mr. ULLMAN (for himself, Mr. Foley, Mr. McCormack, Mr. Duncan of Oregon, Mr. Hansen, Mr. Pritchard, Mr. Symms, Mr. AuCoin, Mr. Bonker, Mr. Dicks, Mr. Lowry, and Mr. Swift):

H.R. 3508. A bill to assist the electrical consumers of the Pacific Northwest through use of the Federal Columbia River power system to achieve cost-effective energy conservation, to encourage the development of renewable energy resources, to establish a representative regional power planning process, to assure the region of an efficient and adequate power supply, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Interior and Insular Affairs.

By Mr. WAXMAN:

H.R. 3509. A bill to extend for 3 fiscal years the authorizations for appropriations under the Safe Drinking Water Act; to the Committee on Interstate and Foreign Commerce.

By Mr. BEARD of Tennessee:

H.J. Res. 293. Joint resolution proposing an amendment to the Constitution of the United States with respect to the assignment of public school students; to the Committee on the Judiciary.

By Mr. MAZZOLI (by request):

H.J. Res. 294. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life to the unborn; to the Committee on the Judiciary.

By Mr. MURPHY of New York (for himself and Mr. Studds):

H.J. Res. 295. Joint resolution to authorize and request the President to issue a proclamation designating the week of May 20 through May 26, 1979, as "National Oceans Week"; to the Committee on Post Office and Civil Service.

By Mr. KEMP:

H. Con. Res. 98. Concurrent resolution expressing the sense of the Congress that, consistent with the spirit of the Olympic Games (to be held in Moscow in the summer of 1980), the Soviet Government should put an end to the oppression of Jews in the Union of Soviet Socialist Republics; to the Committee on Foreign Affairs.

By Mr. STAGGERS:

H. Res. 213. Resolution to approve the amendment to the standby conservation plan No. 1 (DOE standby conservation plan No. 4); to the Committee on Interstate and Foreign Commerce.

By Mr. KRAMER (for himself and Mr. Kogovsek):

H. Res. 214. Resolution disapproving the proposed realinement of the Aerospace Defense Command of the Air Force transmitted to the Committee on Armed Services by the Secretary of the Air Force on March 29, 1979; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. McCLORY:

H.R. 3510. A bill for the relief of Dr. and Mrs. Milton Margoles; to the Committee on the Judiciary.

By Mr. NOLAN:

H.R. 3511. A bill for the relief of Niobe Giovannelli and Pierluigi Pacini; to the Committee on the Judiciary.

By Mr. WHITEHURST:

H.R. 3512. A bill for the relief of Rene Johann Smit; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 54: Mr. Buchanan, Mr. Zeferetti, and Mr. Philip M. Crane.

H.R. 166: Mr. Derwinski.

H.R. 353: Mr. Sebelius, Mr. Benjamin, Mr. Bafalis, Mr. Dornan, Mr. Dougherty, Mr. Mottl, Mr. Natcher, Mr. Murphy of Pennsylvania, Mr. Perkins, Mr. Latta, Mr. Cotter, Mr. Conte, Mr. Johnson of California, Mr. Evans of Georgia, Mr. Bevill, Mr. Railsback, Mr. Carter, Mr. Drinan, Mr. McCormack, Mr. Sensenbrenner, Mr. Leach of Louisiana, Mr. Mathis, Mr. Flood, Mr. Corrada, Mr. Charles Wilson of Texas, Mrs. Holt, Mr. Pepper, Mr. Patten, Mr. Hyde, Mr. Wolff, Mr. Young of Alaska, Mr. Jeffords, Mr. Lederer, Mr. Solomon, Mr. Roe, Mr. Rangel, Mr. Kildee, Mr. Evans of the Virgin Islands, Mr. Buchanan, Mr. Staggers, Mr. Winn, Mr. Bowen, Mr. Sawyer, Mr. Lungren, Mr. Marlenee, Mr. Coughlin, Mr. Chappell, Mr. Won Pat, and Mr. Kemp.

H.R. 598: Mr. Collins of Texas.

H.R. 601: Mr. Kemp.

H.R. 956: Mr. Patterson, Mr. Rose, Ms. Ferraro, Mr. Kemp, Mrs. Spellman, Mr. Long of Louisiana, Mr. Dornan, Mr. Gilman, and Mr. Stokes.

H.R. 1006: Mr. Buchanan, Mr. Coelho, Mr. Daschle, Mr. Goodling, Mr. Gray, Mr. Robinson, Mr. Roybal, Mr. Neal, Mr. Scheuer, Mr. Solarz, Mr. Tauke, and Mr. Young of Missouri.

H.R. 1068: Mr. Ichord, Mr. McCormack, Mr. Coughlin, Mr. Symms, Mr. Chappell, Mr. Martin, Mr. Dornan, and Mr. Hagedorn.

H.R. 1143: Mr. Davis of South Carolina, Mr. Corcoran, and Mr. Williams of Montana.

H.R. 1371: Mr. LaFalce, Mr. Howard, Mr. Addabbo, Mr. Lagomarsino, Mr. Murphy of Pennsylvania, Mr. Dornan, Mr. Murtha, Mr. Ambro, Mr. Roe, Mr. McHugh, Mr. Evans of Georgia, Mr. Davis of Michigan, Mr. Solomon, Mr. Downey, Mr. Lee, Mr. Lundine, Mr. Gephardt, and Mr. Carr.

H.R. 1525: Mr. Moorhead of California.

H.R. 1836: Mr. Patterson, Mr. Rose, Ms. Ferraro, Mr. Kemp, Mrs. Spellman, Mr. Long of Louisiana, Mr. Dornan, Mr. Gilman, and Mr. Stokes.

H.R. 1910: Mr. Dornan, Mr. Williams of Montana, and Mr. Erdahl.

H.R. 2249: Mr. Emery, Mr. Jeffords, Mr. Conte, Mr. Whitehurst, Mr. Beilenson, Mr. Stockman, Mr. Quayle, Mr. Erdahl, Mr. McHugh, Mr. Wolpe, Mr. Lagomarsino, Mr. Maguire, Mr. Giaimo, Mr. McKinney, Mr. McCloskey, Mr. Weaver, Mr. Dellums, Mr. Trible, Mr. Kostmayer, Mr. Guarini, Mr. Cleveland, Mr. Edgar, Mr. Derwinski, Mr. Seiberling, Mr. Philip M. Crane, Mr. Marlenee, Mr. Cavanaugh, and Mr. Anderson of Illinois.

H.R. 2272: Ms. Holtzman, Mr. Ichord, Mr. Simon, Mr. Downey, Mr. Solarz, Mr. Maguire, Mr. Hagedorn, and Mr. Glickman.

H.R. 2418: Mr. Stump, Mr. Hammerschmidt, Mr. Kramer, Mr. Dan Daniel, Mr. Pashayan, Mr. Daschle, Mr. Mitchell of New York, Mr. Derwinski, Mr. Spence, Mr. Ichord, Mr. Clausen, Mr. Cleveland, Mr. Murphy of Pennsylvania, Mr. Jones of Tennessee, Mr. Kildee, Mr. Weaver, Mr. Ireland, Mr. Burlison, Mr. Yatron, Mr. White, Mr. Wyatt, Mr. Bereuter, Mr. Pursell, Mr. Dornan, Mr. Lagomarsino, Mr. Bevill, Mr. Kindness, Mr. Mottl, Mr. Brown of Ohio, Mr. Grisham, Mrs. Bouquard, Mr. McDonald, Mr. Gudger, Mr. McCormack, Mr. Schulze, Mr. Vander Jagt, Mrs. Smith of Nebraska, Mr. Buchanan, Mr. Williams of Ohio, Mr. Emery, Mr. Regula, Mr. Lloyd, Mr. English, Mr. Glickman, Mr. Badham, Mr. Moakley, Mr. Solomon, Mr. Hyde, Mr. Gingrich, Mr. Baldus, Mr. Jenrette, Mr. Whitley, Mr. Williams of Montana, Mr. Livingston, Mr. Patten, Mr. Sawyer, Mr. Roe, Mr. Frenzel, Mr. Hance, Mr. Wolpe, Mr. Cavanaugh, Mr. Grassley, Mr. Aspin, and Mr. Forsythe.

H.R. 2444: Mr. Synar.

H.R. 2538: Mr. Badham, Mr. Collins of Texas, Mr. Dornan, and Mr. Solomon.

H.R. 2548: Mr. Devine, Mr. Hinson, Mr. Trible, Mrs. Spellman, Mr. Kemp, and Mr. Rousselot.

H.R. 2705: Mr. Barnes, Mr. Davis of Michigan, Mr. Edgar, Mr. Erdahl, Mr. Hamilton, Mr. Harkin, Mr. Nolan, Mr. Pritchard, Mr. Richmond, and Mr. Udall.

H.R. 2727: Mr. Daschle, Mr. Madigan, Mr. Bob Wilson, Mr. Taylor, Mr. Loeffler, Mr. Kramer, Mr. Synar, and Mr. Dickinson.

H.R. 3111: Mr. AuCoin, Mr. Kostmayer, and Mr. Treen.

H.R. 3247: Mr. Collins of Texas.

H.J. Res. 215: Mr. Brinkley, Mr. Pepper, Mr. Stangeland, Mr. Waxman, Mr. Zeferetti, Mr. Dodd, Mr. Gilman, Mr. Richmond, Mr. Luken, Mr. Nolan, Mr. Simon, and Ms. Ferraro.

H.J. Res. 216: Mr. Hance, Mr. Waxman, Mr. Fuqua, Mr. Gilman, Mr. Nolan, Mr. Tauke, and Mrs. Holt.

H.J. Res. 220: Mr. Murphy of Pennsylvania, Mr. Green, Mr. Young of Missouri, Mr. Horton, Mr. Young of Alaska, Mr. Wolpe, Mr. Flood, Mr. Winn, Mr. Scheuer, Mr. Long of Maryland, Mr. Fazio, Mr. Frenzel, Ms. Mikulski, Mr. Whitehurst, Ms. Oakar, Mr. Richmond, Mr. Nolan, Mr. Lagomarsino, and Mr. Garcia.

H.J. Res. 275: Mr. Murphy of Illinois, Mr. Murphy of Pennsylvania, Mr. Winn, Mr. Evans of the Virgin Islands, Mr. Lagomarsino, Mr. Perkins, Mr. Corrada, Mr. Horton, Mr. Fazio, Mr. Scheuer, Mr. Jenrette, Mr. Whittaker, Mr. Flood, Mr. Bonior of Michigan, Mr. Simon, Mrs. Bouquard, Mr. Roe, Mr. Snyder, Mr. Grassley, and Mr. Abdnor.

H. Con. Res. 21: Mr. Mikva.

H. Con. Res. 85: Mr. Neal, Mr. Edgar, and Mr. Mineta.

H. Res. 39: Mr. Bedell, Mr. Bennett, Mr. Dixon, Mr. Donnelly, Mr. Downey, Mr. Evans of Georgia, Mr. Fazio, Mr. Fountain, Mr. Lederer, Mr. Nolan, Mr. Pease, Mr. Price, Mr. Rangel, Mr. Wolpe, Mr. Jenrette, Mr. Roe, Mr. Gilman, Mr. Bailey, and Mr. Albosta.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3324

By Mr. BONER of Tennessee:

—Page 46, after line 9, insert the following:

REDUCTION IN AUTHORIZATIONS

SEC. 602. (a) Notwithstanding any other provision of this Act, the amount appropriated under any provision of this Act—

(1) for the fiscal year 1980 may not exceed the amount specifically authorized to be appropriated for the fiscal year 1980 by such provision less eight percent of that amount; and

except that, in applying this section with respect to appropriations to carry out chapter 4 (economic support fund) of part II of the Foreign Assistance Act of 1961, the amounts specified in section 532(b)(1) of that Act for Israel and Egypt shall be excluded in determining the aggregate amounts which may be appropriated.

(b) Not to exceed $96,600,000 for fiscal year 1980 may be appropriated under section 121(c) of the Foreign Assistance Act of 1961.

SENATE—*Thursday, April 5, 1979*

(Legislative day of Thursday, February 22, 1979)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. ROBERT MORGAN, a Senator from the State of North Carolina.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, whose presence is the answer to every prayer, we thank Thee for the priceless gift of another day in which to serve Thee. Keep our vision high and our goals clear. Preserve us from impatience and discouragement. Sharpen our intellect. Grant us sound judgment. Deepen our spiritual insight. May we face the succeeding hours with a resolute determination to do all the good we can, in all the ways we can, for all the people we can. At the end grant us the peace of those whose minds are stayed on Thee.

In the Redeemer's name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 5, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT MORGAN, a Senator from the State of North Carolina, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. MORGAN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DEREGULATION AND RESPONSIBILITY

Mr. ROBERT C. BYRD. Mr. President, in recent years deregulation has been a rallying cry in business and Government.

The call for deregulation has struck a responsive chord among those of us who have been concerned about cutting back on big Government and excessive paperwork, curbing inflation, restoring opportunities for initiative, and increasing competition through a free market.

Most of us are strongly inclined to do what we can to cut redtape, simplify regulations, and create conditions for more efficient Government and industry. All of this, of course, should ultimately redound to the benefit of both business and the consumer.

Many studies have been cited as justification for relaxing Government controls. Prof. Murray Weidenbaum, of the Center for the Study of American Business at Washington University in St. Louis, has calculated the total costs to business and Government for compliance with regulation were $79.1 billion in 1977, $96.7 billion in 1978, and will hit an estimated $102.7 billion this year. These costs include governmental administrative costs, capital investment costs to business, as well as other compliance costs.

A study done for the Business Roundtable shows that the regulatory policies of 6 Federal agencies cost 48 major corporations $2.6 billion in directly measurable effects in 1977.

Data Resources, Inc., has estimated that the cost to business of meeting environmental regulations, after adjustment for inflation, was $9.6 billion last year, and will be up to $12.3 billion this year.

There are some 90 Federal regulatory agencies issuing more than 7,000 rules each year.

The Federal Paperwork Commission has estimated that business costs associated with regulation—many of which are attributable to greatly increased paperwork—amounted to an average of $32 billion per year for the last 10 years.

A major element of President Carter's proposed Regulation Reform Act would be a reduction in the paperwork burden—a move I would strongly support.

The proposals recently submitted to Congress by the President are designed to reduce, rationalize, and streamline the regulatory burden through such steps as cost-benefit analysis.

As part of the move toward deregulation and reducing regulatory complexities, Congress enacted the Air Transportation Regulatory Reform Act of 1978. Currently, there are legislative proposals for deregulation of trucking and the rail freight industry and considerable discussion of a further lessening of controls in the energy field. The Commerce Committee is considering a major revision of the 1934 Communications Act. The proposed legislation would result in a substantial reduction of Federal regulation in the communications industry.

But in this rush toward deregulation we must not lose sight of the necessary corollary of deregulation—namely, responsibility. Implicit in the elimination or reduction by Congress of Federal regulations and controls is the expectation that business and industry will respond in a responsible manner, recognizing their obligation to the public.

Some recent developments have failed to inspire confidence in deregulation and lessening of Federal controls. Consider, for example, the recent reports that oil companies have been shifting petroleum allocations in order to maximize profits, with little regard for the consumer.

Or take the case of the oil company which cited "a quagmire of Federal and State regulation" as the reason for canceling a planned oil pipeline project. In fact, however, it appears that the company may have been motivated by prospects for earning higher profits through the possible export of oil to Japan. This same company reported a recordbreaking 134 percent increase in its fourth-quarter earnings last year. I am pleased that the company has now indicated that it will reconsider its decision to abandon the pipeline project.

AIRLINE DEREGULATION

In particular, I want to look at the case of airline deregulation, since we now have some 7 months of experience behind us.

When it was presented to Congress, airline deregulation was billed as anti-inflationary, with great potential benefit to the consumer. It was supposed to spur competition.

The actual picture is not quite so rosy. Thus, there are some significant fare reductions on certain routes. But the airlines have established their own "quagmire" of fare regulations. In most cases, there are so many restrictions and requirements—minimums and maximums—on the "super" fares that I wonder how much, if any, reduction the traveler really receives. Most airlines set aside only a limited number of seats for reduced-fare passengers. So even though a would-be passenger may meet all the "qualifications," he or she still may be unable to get the advertised reduced fare.

As for the anti-inflationary impact, the airlines have raised their regular fares at every opportunity, and are planning still further increases. There was a 3.2-percent across-the-board increase of standard fares in November 1978, and there is a pending request for another 4-percent increase. Some airlines say that they will ask for even higher increases soon because of rising fuel costs. In any case, the net result is that many business people and travelers are paying more to fly than ever before.

This is only one aspect of the airlines' performance under deregulation. Even more distressing is the conduct of some of the airlines in seeking to abandon or reduce service. Although some air carriers have used deregulation to add new routes and cities, others have moved quickly to drop routes or plan to do so.

Such action can have a severe economic impact, particularly on the smaller and medium-sized cities which are being faced with cutbacks in air service. Such cutbacks threaten the economic viability of these communities—many of which have spent their own local moneys for the improvement of their airports—and the negative consequences of the loss of air service to the citizens of those areas will far outweigh the limited benefits a few fortunate citizens may receive from special reduced fares—if they can get a flight.

Cuts such as these come at a time when we are faced with drastic reductions in Amtrak rail-passenger service across the Nation, with uncertainty about rail freight and trucking, and with skyrocketing gasoline costs, which make private automobile travel increasingly expensive. In other words, a major component of our economic infrastructure—namely, transportation—is in a perilous state.

The original statutory objectives of the Civil Aeronautics Board were to insure "adequate, economical, and efficient service by air carriers at reasonable charges."

The advocates of deregulation said that these goals could better be achieved without regulation.

But, as I noted earlier, deregulation must be accompanied by a responsible approach on the part of the deregulated industry. In the case of the airlines, what may be efficient for them will not always be efficient for the public. A proper balance must be struck. And, in any case, efficiency must not take precedence over the requirements for adequate and economical service.

The issue of abandonment of service to smaller communities also arises in connection with the proposed Railroad Deregulation Act. The bill would make it easier for railroads to abandon freight lines. Unfortunately, railroads have shown a preference for abandoning lines rather than making the investment necessary for improved service, which might make the lines more efficient as well as profitable.

Deregulation is a two-edged sword. Let us be certain that it cuts not only in favor of industry, but serves the public interest as well.

So, I say to the business community: If you are going to advocate deregulation, you must be prepared to respond responsibly. Without that responsibility, deregulation will be an idea whose time has come—and gone.

Mr. President, I yield the floor.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The acting minority leader (Mr. Hatfield) is recognized.

PRIVILEGE OF THE FLOOR

Mr. HATFIELD. Mr. President, I ask unanimous consent that the following staff members be given floor privileges during the special orders for Senators Hatfield, Jackson, Domenici, Javits, Percy, Baker, Tower, Bumpers, Wallop, Stevens, Schmitt, Gravel, Weicker, Kennedy, Metzenbaum: Steve Hickok, David Russell, David Swanson, Chuck Trabandt, Carol Garnett, Rose Bates.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. HATFIELD. Yes; I yield.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. I ask unanimous consent that the time allotted to Mr. Bentsen, Mr. Kennedy, and Mr. Metzenbaum be allotted to me.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator for yielding.

THE WORLD OIL PROBLEM

Mr. HATFIELD. Mr. President, the intent of the colloquy I have sought this morning is to describe the context of the decisions the President and the Congress must soon make in energy. Millions of Americans will view the President's energy address this evening, and more than half of all Americans, according to several recent polls, do not yet sense that we are living on "borrowed" time. We are, in fact, very near the time when the lines cross on the graph of world oil consumption versus world oil productive capacity. The loss of Iranian production merely advances that day and, to the extent other major oil nations cut back to prerevolution levels of production, as Iran comes back on stream, the world will not soon recover from the shock of the present supply disruption. Indeed, the lines may already have crossed, for all intents and purposes, when the Ayatolla's ministers announced their policy of limited production from the Iranian oil fields. The Saudis do not appear willing to expand their capacity to levels that would meet rising world demands and restore enough slack to the system to recover their ability to restrain OPEC price increases. Other producing nations appear eager to exert their new price leverage in a very tight market to reap the monetary advantages of being lords of that finite resource on which the economy of the entire western world is based.

Mr. President, there has been much made in recent weeks of statistics which make the oil shortage look small, or even non-existent, perhaps contrived by Machiavellian Oil Co. officers. I urge all Americans to keep in mind the real nature of energy supply and demand in this world. First, the world appetite for oil is voracious—demand is growing inexorably by 3 percent per year, despite the appearance of short-term, sometimes seasonal, fluctuations. Second, the expanding economics of the less developed countries depend on exponential increases in their consumption of oil. Third, installed productive capacity, despite actual production from month to month or season to season, is not keeping pace with demand. Fourth, the national interests of the largest nations are undoubtedly better served by restricting production, obtaining the highest price, and keeping much future wealth safely banked in the ground. Fifth, the political or theocratical interests of some, such as Iran, will result in selective embargoes or production cuts.

Our national security is at stake in our attempt to reduce oil consumption. This has been explained at many times, in many ways, by many people of vastly different analytical or political persuasions. Perhaps the most recent contribution is from Secretary Blumenthal at the Treasury Department. Mr. President, I ask unanimous consent that the Secretary's analysis be printed at this point in the Record.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

The Secretary of the Treasury,
Washington, March 14, 1979.

Report of Section 232 Investigation on Oil Imports

I have completed the investigation I initiated last year pursuant to Section 232 of the Trade Expansion Act of 1962 to determine whether oil* imports are entering the United States in such quantities or under such circumstances as to threaten to impair the national security. I am transmitting herewith a detailed report of our investigation.

On January 14, 1975, acting pursuant to the same Section 232 authority, Treasury Secretary Simon found that the nation's dependence on imported oil was so great as to threaten to impair the national security and recommended to President Ford that action be taken to remove the threat. That conclusion is, unfortunately, even more valid today.

The nation's dependence on imported oil has increased dramatically since the 1975 finding. At the time of Secretary Simon's finding, 37 percent of United States demand for oil was supplied from foreign sources. In 1978, oil imports accounted for 45 percent of oil consumed in the United States. During that same period, the nation became more dependent on oil to meet overall energy demand, and oil imports increasingly originated in a small number of distant foreign countries. The increasing dependence on foreign sources of oil is a consequence of both rising levels of consumption and declining domestic production.

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*The term "oil", as used in this report, means crude oil, crude oil derivatives and products, and related products derived from natural gas and coal tar.

This growing reliance on oil imports has important consequences for the nation's defense and economic welfare. Because so much of the oil used in the United States originates thousands of miles away, supplies are vulnerable to interruption from a variety of causes. Recent developments in Iran have dramatized the consequences of this excessive dependence on foreign sources of petroleum. Furthermore, the rising level of oil imports adversely affects our balance of trade and our efforts to strengthen the dollar; in 1978, outflows of dollars for our oil imports amounted to $42 billion, $15 billion more than in 1975 and offsetting much of the rise in our exports of industrial and farm products.

The continuing threat to the national security which our investigation has identified requires that we take vigorous action at this time to reduce consumption and increase domestic production of oil and other sources of energy. To the extent feasible without impairing other national objectives, we must encourage additional domestic production of oil and other sources of energy, and the efficient use of our energy supplies, by providing appropriate incentives and eliminating programs and regulations which inhibit the achievement of these important goals.

Specific recommendations on achieving these conservation and production objectives are being evaluated by an interagency group in which Treasury is participating. The committee's work will be finished shortly and specific policy options will be formulated for your consideration.

W. MICHAEL BLUMENTHAL.

REPORT OF INVESTIGATION UNDER SECTION 232 OF THE TRADE EXPANSION ACT, 19 U.S.C. 1862, AS AMENDED

I. INTRODUCTION

1. Background.

Section 232(b) of the Trade Expansion Act of 1962 authorizes the President to take action to adjust imports of crude oil, crude oil derivatives and products and related similar products derived from natural gas and coal tar (hereinafter referred to collectively as "oil") if the Secretary of the Treasury finds that such commodities are being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security.

Previous findings that oil imports threaten to impair the national security were made in 1959 and 1975.[1] Those findings have served as the basis for programs to control oil imports, first by means of quotas and later through use of license fees.[2] The use of license fees was upheld by the United States Supreme Court in an opinion which emphasized the breadth of the remedies permitted under Section 232(b).[3] On its face, Section 232(b) authorizes any remedy reasonably related to the adjustment in the importation of a particular article.

This investigation was initiated by the Secretary of the Treasury on March 15, 1978 (see Appendix A) to examine developments since 1975 and to determine:

1. Whether increased reliance (since 1975) on oil imports from a small number of distant foreign suppliers continues to threaten to impair the national security;
2. Whether the monetary repercussions accompanying continued large payments outflows for oil imports threaten to impair the national security.

At the time he initiated the investigation, the Secretary of the Treasury stated that the investigation was to be undertaken for contingency purposes only and that it should be conducted on a confidential basis. Initially, in the Secretary's judgment, national security interests required that public comments not be invited. Accordingly, the Secretary requested the General Counsel to proceed immediately with the investigation. Information and advice were solicited from the following agencies in the course of the investigation: Central Intelligence Agency, Department of Defense, Department of Energy, National Security Council, Federal Reserve Board, Department of State, Council of Economic Advisers, Department of Commerce, Department of Labor, Department of the Interior, and Department of Transportation. On February 2, 1979, the Secretary invited comments from the public, having reviewed his earlier determination and concluded that it was then appropriate to issue the invitation. None of the agency submissions or public comments challenged the proposition that oil imports threaten to impair the national security. The overwhelming conclusion of these submissions and comments is that such a threat continues to exist.

2. Conclusion.

The conclusion of this report is that oil continues to be imported in such quantities and under such circumstances as to threaten to impair the national security. This threat arises both from increased reliance on a small number of foreign oil suppliers and the monetary repercussions accompanying continued large payments outflows for imported oil. Unlike temporary crises in the nation's ability to satisfy its oil import needs, the national security threat arising from growing reliance on imported oil has its gravest implications in the long-term.

II. INCREASED RELIANCE ON OIL IMPORTS FROM A RELATIVELY SMALL NUMBER OF FOREIGN SUPPLIERS THREATENS TO IMPAIR THE NATIONAL SECURITY

1. A threat to the national security has previously been established.

The 1959 finding. In 1959, the President's Special Committee to Investigate Crude Oil Imports determined that oil imports constituted a threat to the national security.[4] The Committee concluded that, in order to have enough oil to meet the nation's security needs, "there must be a limitation on imports that will insure a proper balance between imports and domestic production. . . . [Absent that balance,] in an emergency the nation would be confronted with all of the liabilities inherent in a static, as contrasted with a dynamic, mobilization base, including the delays, waste and inefficiency that accompany efforts to strengthen any part of the mobilization base on a 'crash' basis."[5]

The 1975 finding. In 1975 the Secretary of the Treasury found that oil imports threatened to impair the national security. That investigation considered all factors relevant to a finding under Section 232(b), including the relationship of the nation's economic welfare to its national security. The Treasury report concluded that oil imports should be reduced in order to "wean ourselves away from a dependence upon imported oil, conserve our use of petroleum, promote the use of alternative sources of energy, and at least in part, staunch the outflow of payments resulting from our purchase of this commodity."[6]

Congressional declarations. In August 1977, Congress, in enacting Title I of the Department of Energy Organization Act, declared that the "energy shortage and our increasing dependence on foreign energy supplies present a serious threat to the national security of the United States."[7] This declaration echoed an earlier Congressional finding in section 2 of the Emergency Petroleum Allocation Act of 1973 that oil shortages will create severe economic dislocations and hardships which constitute a national energy crisis threatening the public health, safety and welfare.[8] More recently, section 102 of the National Energy Conservation Policy Act of 1978 emphasized the need to stem the nation's increasing reliance on imported oil and the vulnerability which accompanies such reliance.[9]

2. The nation has increased its dependency on a small number of distant foreign oil suppliers.

Since 1975, United States oil imports have increased as a share of oil consumed and of all energy consumed in the United States. In addition, because oil imports increasingly originate from a small number of foreign and mostly distant sources, they have become more vulnerable to interruption.

Level of oil imports. Oil imports have risen steadily over the past 20 years.[10]

1959 mmbpd (million barrels per day)	1.8
1975 mmbpd	6.5
1978 mmbpd (including the Strategic Petroleum Reserve)	8.7

Over the same period, oil imports have increased both as a share of domestic demand for oil.[11]

	Percent
1959	18
1975	39
1978	45

and as a share of demand for energy of all types.[12]

	Percent
1959	9
1975	19
1978	23

A growing share of our oil imports come from OPEC nations:[13]

	Percent
1959	70
1975	78
1978	83

Oil imports averaged 8.7 mmbpd during 1978—down 6 percent from 1977.[14] However, this decline resulted from a rundown of domestic inventories and a one-time buildup of Alaskan production which more than offset the 1.6 percent rise in domestic oil demand and the 4 percent decline from 1977 in the crude oil production of the lower 48 states.[15] Alaskan oil, which began to flow in June 1977, approached the capacity pipeline flow of 1.2 mmbpd in the second quarter of 1978.[16]

Sources of oil imports. In the early 1960's, Venezuela was the largest external supplier of oil to the United States, providing about 46 percent of total oil imports.[17] Later Canada (non-OPEC) became a large supplier, accounting for about 22 percent of imports by 1970.[18] However, imports from Venezuela have declined sharply as a percentage of total imports, and Canada has adopted procedures which could virtually phase out all light crude oil exports to the United States by 1981.[19] As imports from these traditional Western Hemisphere suppliers have receded in significance, there has been a corresponding rise of the nation's reliance on Eastern Hemisphere sources, particularly those in the Middle East. The proportion of oil imports originating in Middle Eastern countries was:[20]

	Percent
1959	21
1975	27
1978	34

For the next decade, the United States will probably continue to rely heavily on Middle Eastern supply sources. Although recent developments in Iran have diminished expectations for continuing the previous levels of production in that country, in all likelihood, U.S. dependence on other Middle Eastern producers will increase further.[21]

As oil production in the United Kingdom and Norwegian sectors of the North Sea develops, some demand for Middle Eastern oil will shift to North Sea oil. However, the changeover is likely to have its greatest effect on the European markets, with substantial U.S. reliance on Middle Eastern oil remaining relatively undiminished. The expanding production in Mexico, for which the United States forms a natural market,[22] offers another alternative to imported Middle Eastern oil. Nevertheless, through 1985,

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Footnotes at end of article.

U.S. dependence on Middle Eastern producers is not expected to be reduced significantly because of the development lead time required.

Value of oil imports. Not only has the volume of U.S. oil imports expanded, but the landed price of foreign petroleum has jumped sharply as well. For example, the average units value (f.a.s.) of U.S. petroleum imports has risen as follows: [23]

1959 pb (per barrel)	$2.26
1975 pb (per barrel)	11.45
1978 pb (per barrel)	13.28

As a consequence, the nation's annual oil import bill has grown dramatically over the past 20 years: [24]

	Billions
1959	$1.5
1975	27.0
1978	42.3

The cost of oil imports may be expected to increase further in 1979 as a result of the OPEC price increase of 14.5 percent—fourth quarter to fourth quarter—agreed upon at the meeting of OPEC ministers in December. Recent interruptions in Iranian production have put upward pressure on market prices and have prompted many oil producer's to seek to obtain price increases beyond those scheduled in the December OPEC price decision.

3. The risk of detrimental interruption has not lessened.

Risk of interruption. As noted above, the U.S. is heavily dependent for its imported oil on a small number of distant countries. These countries are a diverse group of nations with different resources and goals. While, in the main, the U.S. shares common interests with them, there are also some areas of political disagreement. In 1973, some of these countries demonstrated their willingness to use oil as a political weapon. For the first time in history, this country's access to major petroleum supplies was cut off by an embargo, as a result of dissatisfaction with our foreign policy. This action was prompted by a major military conflict in the Middle East. Although hostilities have generally subsided, the underlying political dispute has not yet been resolved. Despite the intervening years and strengthened relations with Middle Eastern nations, the United States cannot discount the possibility of another political disagreement with the nations on which it depends for its oil supplies.

In addition, recent developments in Iran have highlighted the potential for internal domestic upheavals to disrupt oil supplies. As a result of the events beginning with a strike in October 1978, Iranian exports until very recently have been limited to small amounts of heavy residual oil not usable within Iran. Although Iranian oil exports have been renewed, the Iranian government has stated its intention to limit oil exports to 3 mmbpd, well below the 5 mmbpd level that prevailed before the interruptions. Even though Iranian oil accounted for only 5 percent of U.S. oil consumption prior to December 1978, Secretary Schlesinger recently indicated that the continued interruption of even this relatively less important U.S. supply source could require the U.S. to consider mandatory conservation measures. This assertion serves to emphasize, as the Central Intelligence Agency has noted, the vulnerability of the U.S. economy to supply disruption. See Appendix B.

Furthermore, other types of supply interruption are possible. For example, six of the Middle Eastern nations which are major suppliers of oil to the U.S. ship their oil through the narrow Strait of Hormuz at the southern end of the Arabian Gulf.[25] This geographical situation alone renders this oil supply route vulnerable. Moreover, the producing nations themselves face a risk of terrorist action with attendant harm to oil production and shipment facilities. Indeed, the Central Intelligence Agency has stated:

There is a high probability that acts of nature, human error, or deliberately targeted terrorist attack will interrupt the flow of oil in one or more of the oil exporting nations during the next several years.

Interruptions of oil supply owing to guerrilla operations, acts of terrorism, or acts of nature are not likely, by themselves, to be of a magnitude and duration which would result in severe economic disruption of Free World economies, though they could exert strong upward pressure on prices in a tight world oil market. Extensive terrorist action against key oil storage and transportation facilities in the Persian Gulf could, in particular, significantly affect the market by substantially reducing oil supplies for the time required to put those facilities back into operation, which could be several months.

See Appendix B.

According to the Defense Department:

The concentration of oil production facilities in the area presents the major physical risk. This creates a risk of interdiction, or even the risk of natural or accidental disturbances. The extensive damage in the Abqayq fires in May and June 1977, caused by accident, highlights the fragility of these facilities. Destruction of key facilities could cause major interruptions of oil deliveries to the U.S. and to our NATO and Japanese allies which would adversely affect U.S. and Western World political, economic and military security.

See Appendix B.

In short, the overall potential for an embargo or other interruption has not decreased since the embargo of 1973, nor since the 1975 finding by the Secretary of the Treasury that such a risk threatened to impair the national security. On the contrary, developments in Iran demonstrate that U.S. oil imports can be seriously affected by internal disruptions in a country even if it is not a primary supplier of the U.S. oil imports. Disruption in any source of supply serves to concentrate U.S. reliance on the other supply sources and, at a minimum, leads to unscheduled price increases, thereby increasing the nation's vulnerability.

Strategic petroleum reserve only recently initiated. Congress has ordered the establishment of a Strategic Petroleum Reserve (SPR) [26] to reduce the impact of a potential interruption. However, the reserve currently contains only about 77 million barrels, or 7.7 percent of the one billion barrel goal proposed by the Department of Energy for 1985.[27]

International Energy Agency Sharing Plan gives limited protection. To minimize the effect on member countries of oil shortages created by an embargo or other circumstances, the United States and the 19 other International Energy Agency (IEA) member countries have agreed to an International Energy Program under which allocation of oil and mandatory demand and restraint measures can be triggered when the group as a whole sustains a 7 percent reduction in oil import supplies or when any one country (or group of countries) sustains a 7 percent reduction in its oil supplies.[28] Each country is required to have demand restraint mechanisms in place that are capable of reducing its oil consumption by 7 percent—about three and one half mmbpd for the IEA countries as a group based on IEA estimates of probable 1980 consumption. The supply sharing mechanism is coupled to the activation of the demand restraint program. In addition, countries have the obligation to build stocks equivalent to 60 days of imports.

The interruption of Iranian oil exports has not led to activation of the IEA oil-sharing agreement. Nevertheless, IEA member countries are greatly concerned regarding the current situation in the oil market, which has brought severe pressure on prices. Accordingly, the IEA Governing Board, meeting on March 1–2, 1979, agreed that IEA countries would promptly reduce their demand for oil on the world market by about 2 mmbpd. This amount corresponds to about 5 percent of IEA consumption. The share of the U.S. in this reduction would be just under one mmbpd.

The degree of protection afforded by the combined SPR and IEA sharing plans depends on a number of variables, including the amount of oil stored at the time of any interruption, as well as the magnitude and length of the interruption. The current level of protection afforded by the existing SPR and contingency conservation plans is limited. Because of the relatively small inventory in the SPR at the present time, conservation contingency plans take on added significance as a means of meeting our March 2 commitment to the IEA or, more generally, our potential commitment under the provisions of the IEA. Besides measures to reduce oil consumption by encouraging the use of natural gas, which is temporarily in surplus, and by shifting to non-oil generated electric power, the Administration has submitted to Congress for approval three contingency conservation plans. These three conservation plans, which were submitted on March 1, are estimated to save as much as 614,000 bpd. It is anticipated that these demand restraint plans will play a significant part in achieving the consumption reduction agreed upon on March 2 or in meeting our obligations in case of activation of the international sharing plans.

Impact of the National Energy Act on oil imports. It is estimated the National Energy Act will save between 2.4 and 3.0 mmbpd of oil imports by 1985. Sizable savings will occur from the displacement of imported oil by additional supplies of domestically produced natural gas. This potential displacement is estimated to be in excess of one mmbpd. Increased gas supplies are anticipated to result primarily from provisions in the National Energy Act which raise the prices of natural gas and permit tapping supplies, formerly available only to the intrastate market, for the interstate market.

At the beginning of 1979 there were variously estimated to be between 1 and 1.4 trillion cubic feet of additional natural gas supplies immediately available as a result of the National Energy Act.[29] If these supplies were promptly put to use, they could displace over 500,000 bpd of imported oil for the next two or three years. However, there is uncertainty as to how much oil consuming equipment can be physically converted to use the additional gas and whether or not such conversion will be practical for the short term.

In summary, while the provisions of the National Energy Act are estimated to reduce oil imports by about 2.5 mmbpd by 1985, for the immediate future, reductions in oil use will be modest and will not significantly lessen U.S. vulnerability to disruptions in foreign supply.

Limited possibilities for the development of alternative energy sources. Despite national programs to encourage use of alternative energy sources, immediate savings from conversion to other fuels are limited by the time required to change existing energy-using capital stock, *i.e.*, industrial equipment, buildings, and transportation vehicles. For example, the conversion of industrial plants and electric utilities from oil and gas use to coal is slow, costly and constrained by environmental considerations. Thus, despite the recent emphasis on shifting the source of energy in major oilburning installations, the use of oil in utility plants increased from 396 mmb in 1971 to 624 mmb in 1977.[30]

Footnotes at end of article.

In the last decade, nuclear generating capability has grown, but nuclear power's share of domestic energy production remains small. The power generated from nuclear plants increased from 38.1 billion kilowatt hours in 1971 to 250.9 billion kilowatt hours in 1977.[31] Even so, nuclear sources provide only about 4 percent of total energy production.[32] As the United States' nuclear capability increases, demand for oil and gas by utilities may decline, but at a slow rate. In addition, the lead time currently required for placing a nuclear power plant in operation is 10–12 years.[33] Overall, the provisions of the National Energy Plan anticipated that nuclear power would reach an oil equivalent of 3.8 mmbpd by 1985, up from 1.0 mmbpd oil equivalent in 1976.[34] However, more recent projections of nuclear power generation provided by the Energy Information Administration to Congress are somewhat lower.[35]

To date, renewable sources of energy, such as solar, wind and geothermal, have not made significant contributions as substitutes for oil and gas. The 1977 National Energy Plan forecasts that these domestic energy supplies will increase from 1.5 mmbpd of oil equivalent in 1976 to 1.7 mmbpd oil equivalent in 1985.[36] This increase of only 200,000 bpd of oil equivalent indicates that any significant energy contribution from such new sources will not take place until after 1985.

Expanded domestic production hampered under current conditions. Domestic production of crude oil has declined, from a peak of 9.6 mmbpd in 1970 to 8.7 mmbpd in 1978, despite the addition of production from the Alaskan North Slope.[37] Production from Alaska began in 1977 and by 1978 reached the current design capacity of the Alaskan pipeline of 1.2 mmbpd. Absent further incentives for the sale of Alaskan crude, production is estimated to remain at this level offering no further offset to the decline in production in the lower 48 states.

Of particular concern is the rapid decline of lower tier "old" oil production under the current pricing structure. The production of old oil is important because it constituted over 50 percent of domestic production at the beginning of 1977.[38]

Production of old oil was projected to decline from 3:5 mmbpd in 1978 to 1.95 mmbpd by 1985, an annual decline rate of 8 percent over the seven year period.[39] However, Treasury studies have placed the actual annual decline rate for old oil at over 16 percent for the 12 month period beginning in December 1977. Decline rates are greatly influenced by the economics of production which may account for the abnormally high rates experienced in recent months.

Proven domestic reserves of crude oil have declined steadily from 39 billion barrels in 1970 (at the time of the Alaskan North Slope discovery) to an estimated 29.5 billion barrels at the end of 1977.[40] Moreover, subsequent to the discovery of oil at Prudhoe Bay, the new reserves added each year have not equaled annual production. The outlook for discovering significant quantities of new domestic petroleum reserves is uncertain from a geological standpoint.[41] Undiscovered oil resources in the U.S. are estimated to range from 46 to 143 billion barrels with a median amount of roughly three times the current proven reserves.[42] New reserves can only be proven by drillings. In addition, there is a significant potential for enhanced recovery from known deposits of oil.

Domestic production from existing wells has been hampered by price regulations that discourage some categories of marginal production. There are indications that at $15 per barrel (1976 $), enhanced production may amount to as much as 1.5 mmbpd by 1990.[43] In addition, the entitlements program, designed to equalize the price of imported and domestic crude oil to domestic refiners, has in fact encouraged oil consumption by indirectly subsidizing purchasers of foreign oil.[44]

Under the current pricing structure, there appears little prospect for substantially increasing oil production or even stemming the natural decline of old oil. On the other side of the supply-demand system, conservation measures taken to date have not been sufficient to slow the rise in demand adequately. Thus, the nation's current prospects of reducing its vulnerability to interruptions in oil imports are not promising.

4. The impression of vulnerability created by the nation's seeming inability to control its increasing dependence on oil imports directly affects the nation's defense and foreign policy.

The United States' increasing reliance on foreign oil is perceived by its industrialized allies, the developing world, the Soviet bloc and the oil exporting countries themselves both as a sign of weakness and of a lack of internationally cooperative behavior. This perception works to the nation's disadvantage in terms of its national defense and its foreign policy.

National Defense. The Department of Defense has described the national defense impact of the nation's dependence on imported oil:

The threatened impairment of the national security must be assessed not only in terms of the domestic capability to support national defense needs . . . but also in terms of international perceptions. Other countries make decisions on foreign relations and defense matters based upon their perception of our strengths. The impact of petroleum import . . . [dependency] on the United States could alter these perceptions significantly causing them to misjudge U.S. intentions. Such decisions would affect directly the security of the United States.

See Appendix B.

The State Department concurred that dependence impairs the national defense:

Our treaty obligations, particularly those that relate to mutual security, require the United States to be able to conduct an effective defense of its own interest and to make an effective contribution to the defense of its allies. Heavy dependence on imported oil can create doubts about our ability to sustain prolonged conflicts and assist our allies in an optimum way.

See Appendix B.

Foreign policy. The dependence of the nation on imported oil also adversely affects its ability to achieve its foreign policy objectives and fulfill its international obligations. Other countries may doubt this country's resolve to fulfill political commitments or respond to challenges when the contingencies to which it may have to respond could affect the availability of oil. Respect for the United States' ability to take charge of its energy problem is critical to maintaining a position of world leadership. The State Department reported:

It is our view that the current oil import situation impairs our ability to achieve our foreign policy objectives, both economic and political . . . Moreover, the way in which in which we deal with this situation is widely regarded by other countries as a test of United States leadership and determination to play a constructive role in international relations.

See Appendix B.

5. Conclusion.

The nation's current and projected dependence on foreign oil is appreciably greater than when past findings determined that dependence on foreign oil threatened the national security. The risk of interruption has not significantly lessened, and measures to reduce substantially the impact of interruption are not yet in place. The threat to the national security is thus greater now than at any time in the past.

III. THE MONETARY REPERCUSSIONS OF EXCESSIVE DEPENDENCE ON IMPORTED OIL THREATEN TO IMPAIR THE NATIONAL SECURITY [45]

1. The efforts of the U.S. to strengthen the dollar at home and abroad are being hampered by the excessive dependence on imported oil.

Efforts to strengthen the dollar. Although the United States is pursuing a broad array of policies to establish the fundamental economic conditions for a strong dollar, these efforts are being hampered by excessive dependence on imported oil. A program of monetary and fiscal restraint, supplemented by voluntary wage-price programs, is being implemented to bring inflation down and achieve a more substantial economic expansion. This will contribute to a substantial reduction in the U.S. trade and current account deficits, which is a prerequisite for the maintenance of a strong and stable dollar. A new export promotion program is expected to help increase exports further. However, curbing this country's reliance on imported oil is essential to any major and lasting improvement. As pointed out in a previous section, the actual cost of annual oil imports increased nearly thirty-fold from 1959 to 1978, from $1.5 billion to about $42 billion. In 1978, oil imports represented roughly 25 percent of the total imports of the United States and amounted to about one and a quarter times the total merchandise trade deficit.

In 1979, oil import costs are expected to rise substantially. The December 1978 OPEC price hike alone will add about $4 billion to the cost of U.S. oil imports during 1979 and even more in 1980. The disruption in world supply patterns due to political developments in Iran has already led to some further price rises and created the risk of substantial increases.

The continuing excessive dependence on imported oil is making it more difficult to achieve U.S. economic objectives. The rising price of imported oil increases inflationary pressures by directly raising costs and by heightening inflationary expectations. Uncertainties about supplies and costs hamper confidence and inhibit investment required for noninflationary growth. The growth of oil imports puts greater adjustments burdens on other elements of the U.S. balance of payments since it greatly increases the need for expansion of exports or decreases in other imports. With reduced dependence on oil imports, the U.S. economy could maintain appropriate levels of growth and grow faster with a lower inflation rate and a stronger dollar.

Exchange market perceptions. Because of its impact on the U.S. trade and current account deficits, excessive and growing U.S. dependence on oil imports increases the danger of reduced confidence in the dollar and makes the dollar more vulnerable to downward pressures in the foreign exchange market.

If downward pressures on the dollar were to become so severe as to damage world confidence in the dollar, the national security of the United States would be impaired. The dollar serves as the principal international currency for the world economy. The dominant share of world trade is denominated in dollars. About three-fourths of all medium- and long-term borrowing in international capital markets is in dollars. The IMF indicates that nearly 80 percent of official foreign currency reserves held by foreign central banks is in dollars. Thus, loss of confidence in the dollar, if widespread, would be likely to precipitate sudden and large-scale international capital flows in ways which would be disruptive to the banking system and world financial markets. The danger of

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Footnotes at end of article.

resort to restrictive measures which would jeopardize the open trade and payments system would be greatly increased.

As the Federal Reserve Board has indicated:

Concern about the U.S. deficit and the international value of the dollar could lead holders of dollars to undertake reductions in their dollar assets. Exchange market uncertainties would thereby be heightened and instability increased. It is, therefore, necessary to demonstrate our resolve to contain our oil imports and to help avoid the economic disruption that could follow from such portfolio shifts.

See Appendix B.

Chairman Miller of the Federal Reserve Board has noted the relationship between the exchange value of the dollar and the health of the U.S. economy:

At current quantity and price levels, imported petroleum is a major factor in the large U.S. trade and current account deficits. This has contributed to the substantial depreciation of the dollar in relation to other major currencies. Such depreciation adds to domestic inflation, fosters higher U.S. interest rates, creates instability in the international financial markets, and threatens further increases in international oil prices. These in turn foster conditions that could lead to lower domestic economic activity and higher unemployment.

See Appendix B.

Moreover, the world associates a strong currency with a strong country. The United States' relations with other nations and its ability to exercise leadership in political and military affairs are closely linked to confidence in the dollar.

According to the Department of State:

Our high level of oil import dependence has contributed substantially to a current account deficit that has reduced international confidence in the dollar. This in turn has created difficulties in achieving the maximum degree of international cooperation to further our objective of promoting a stable, balanced recovery of the world economy . . .

See Appendix B.

2. Conclusion.

A perception of continued inability of the nation to resolve its oil import problem could have significant consequences for the value of its currency and could thus seriously harm the nation's economic welfare. Such a perception, therefore, threatens to impair the national security.

IV. FINDINGS

This investigation has established that U.S. dependence on foreign oil has increased since 1975 and there has been no change in the risks of interruption, resulting in a greater threat to the national security than before;

The monetary repercussions accompanying the growing dependency on imported oil constitute a threat to the national security, even apart from the possibility of supply interruptions.

ROBERT H. MUNDHEIM,
General Counsel,
Department of Treasury.

FOOTNOTES

[1] The 1959 finding was announced in Presidential Proclamation 3279, on March 10, 1959, 24 Fed. Reg. 1781 (1959). The 1975 Treasury finding appeared as U.S. Dep't of Treasury, Report on Investigation of Effect of Petroleum Products on the National Security pursuant to Section 232 of the Trade Expansion Act, as amended, 40 Fed. Reg. 4457 (1975).

[2] *See* Presidential Proclamation 3279, 24 Fed. Reg. 1781 (1959) as amended (quotas), modified by Presidential Proclamation 4210, 38 Fed. Reg. 9645 (1973) (license fees). The supplemental license fees imposed by President Ford following the 1975 finding were subsequently revoked.

[3] *FEA* v. *Algonquin SNG Inc.*, 426 U.S. 548 (1976).

[4] President's Special Committee to Investigate Crude Oil Imports, Report to the President, March 6, 1959.

[5] President's Special Committee to Investigate Crude Oil Imports, Report to the President, July 29, 1957.

[6] U.S. Dep't of Treasury, Report, *supra* note 1.

[7] Department of Energy Organization Act, Pub. L. No. No. 95–91, sec. 101, 91 Stat. 567 (to be codified at 42 U.S.C. sec. 7112 (1977)).

[8] Emergency Petroleum Allocation Act of 1973, sec. 2, 15 U.S.C. sec. 751 (1973).

[9] National Energy Conservation Policy Act of 1978, Pub. L. No. 95–619, sec. 102, 92 Stat. 3206, (to be codified at 42 U.S.C. 820 (1978)).

[10] 3 [1977] Energy Information Adm. Ann. Rep. to Cong. 23 [hereinafter cited as EIA Annual Report]. Imports for 1975 and 1978 are on balance of payments basis, derived from Bureau of Census statistics and covering imports from foreign countries into U.S. Customs territory plus the Virgin Islands and Guam; data obtained from Balance of Payments Division, Bureau of Economic Analysis, Department of Commerce.

[11] Data from Monthly Energy Review, Feb. 1979, at 30, adjusted to a balance of payments basis.

[12] For 1959, *see* 3 EIA Annual Report, *supra* note 10 at 5, 23. For 1978, *see* Monthly Energy Review, Feb. 1979, at 4, 30, adjusted to a balance of payments basis.

[13] Data by source are from Department of Energy and differ slightly from balance of payments data. For 1978 data, *see* Letter from Deputy Secretary of Energy John O'Leary to Secretary of Treasury W. Michael Blumenthal (March 9, 1979). For 1975 data, *see* Monthly Energy Review, May 1978, at 12, 14. For 1959 data, *see* Independent Petroleum Association of America, United States Petroleum Statistics 1978 (preliminary). The 1959 data are for countries which are now OPEC members. Estimated indirect imports for all years have been included.

[14] Monthly Energy Review, Feb. 1979, at 30, adjusted to a balance of payments basis.

[15] Production data based on first 9 months of 1977 and 1978. *See* U.S. Dep't of Energy, Energy Data Reports, Petroleum Statement, Monthly, Sept. 1978, at 7.

[16] American Petroleum Institute, Estimated U.S. Supply/Demand Situation, June 1978, at 2.

[17] U.S. Dep't of the Interior, Energy Perspectives II, June 1976, at 191.

[18] *Id.* at 194.

[19] Canadian National Energy Board, Report, "In the Matter of Exportation of Oil," October 1974, 4–7.

[20] Data are Department of the Treasury estimates, based on information supplied by Department of Energy and the Central Intelligence Agency. Includes both direct and indirect imports.

[21] An indication of productive capacity can generally be estimated from the proven reserves. It should be noted that the Middle East contains approximately 385 billion barrels of proven crude oil reserves. This is almost 60% of the entire world's reserves. Within the Middle East, Saudi Arabia, Kuwait and Iran have 281 billion barrels. These three countries dwarf the rest of the world in their current reserves. By contrast, the reserves of Indonesia are only 14 billion barrels; Nigeria, 19 billion barrels; and Venezuela, 14 billion barrels. *See* "Estimated Proved and Provable Petroleum Reserves," in Central Intelligence Agency, International Energy Statistical Review, Feb. 7, 1979 at 4.

[22] Mexican exports to the U.S. constituted 0.3 percent of U.S. oil imports in 1973, about 2 percent in 1977, and are expected to continue to rise in the future. *See* Monthly Energy Review, May 1978, at 12, 14.

[23] Unit value for 1959 is for crude oil only; those for 1975 and 1978 cover crude and products. Data are based on Bureau of Census import statistics, and were obtained from Balance of Payments Division, Bureau of Economic Analysis, Department of Commerce.

[24] Balance of Payments basis. Represents Bureau of Census statistics covering imports from foreign countries into U.S. Customs territory plus the Virgin Islands and Guam.

[25] Iran, Iraq, Kuwait, Qatar, Saudi Arabia, and United Arab Emirates.

[26] Energy Policy and Conservation Act, secs. 151–166, 42 U.S.C. secs. 6231–46 (1976).

[27] The Department of Energy's Strategic Petroleum Reserve Plan, amendment No. 2 to increase the size to 1 billion barrels became effective June 13, 1978.

[28] Agreement on an International Energy Program, Brussels, September 27, 1974, ch. IV.

[29] *See, e.g.*, Section 232 Investigation Comment of American Gas Association dated February 21, 1979 (on file at U.S. Dept. of Treasury).

[30] Monthly Energy Review, May 1978, at 38.

[31] *See* 3 EIA Annual Report, *supra* note 10, at 5.

[32] Monthly Energy Review, Feb. 1979 at 6.

[33] The Administration supported a nuclear siting and licensing bill in Congress which would reduce lead time to 6–7 years. H.R. 11704, 124 Cong. Rec. H. 2,298 (daily ed. March 21, 1978). The Administration anticipates introducing a similar bill in the near future.

[34] Executive Office of the President, National Energy Plan, April 29, 1977, at 95 [hereinafter cited as the NEP].

[35] According to the NEP, nuclear power will equal 24.5 percent of total electricity generated in 1985. NEP, *supra* note 32, at 95. The EIA forecasts 19 percent nuclear power for slightly less electricity generated in 1985. 2 EIA Annual Report, *supra* note 10, at 215.

[36] NEP, *supra* note 35, at 96.

[37] For 1970 data, *see* 3 EIA Annual Report, *supra* note 10, at 73; includes lease condensate. For 1978 data, *see* Monthly Energy Review, Feb. 1979, at 28.

[38] Monthly Energy Review, Feb. 1979, at 76.

[39] 2 EIA Annual Report, *supra* note 10, at 139 (table 6.9).

[40] American Petroleum Institute, Reserves of Crude Oil, Natural Gas Liquids and Natural Gas in the United States and Canada as of Dec. 31, 1977 24 (1978).

[41] 2 EIA Annual Report, *supra* note 10, at 149 (figure 6.3).

[42] 2 EIA Annual Report, *supra* note 10, at 149 (table 6.14).

[43] National Petroleum Council, Enhanced Oil Recovery, Dec. 1976, at 6 (figure 2).

[44] Entitlements essentially average the cost of crude oil to refiners. Higher priced imported oil is averaged in with lower priced, price-controlled domestic oil. The cost to refiners of a composite barrel is approximately $2/bbl. less than the cost of imported oil.

[45] The data in this section were developed by the Office of International Monetary Affairs, Department of Treasury.

Mr. HATFIELD. Mr. President, if the devil himself were to have targeted his oil mischief for 1979, he could not have found a better object for his attentions than our erstwhile staunch ally in the Persian Gulf, the shah of Iran. From my first days of service as the ranking minority member of the Energy Committee, the chairman and I have expended no small amount of effort in obtaining for the committee the best picture available of world oil problems in the wake of the Iranian revolution. The committee's report on Senate Resolution 78, calendar item 44 now pending in the

Senate, chronicles the testimony, briefings, and other communications the committee has elicited from many sources. The pieces together form a picture of an American trip to the ragged edge of disaster. We have not yet reached the edge, to be sure. There are not long gasoline lines. There are not many cold homes. There are not many interruptions in the fuels that drive American businesses and industry. Not yet.

It has been 5 full years since the Arab embargo demonstrated what calamitous effects oil supply disruptions can have in this country. All we have to show for the experience is an oil-sharing arrangement we negotiated with our major economic partners, so that shortages felt by one will be felt by all. We have not decreased our import dependence. On the contrary, we have allowed it to increase from a pre-embargo 6.5 million barrels per day to a current 9 million barrels per day, from 38 percent of our consumption to 44 percent. And we are about to begin choking from the stranglehold the present world oil production shortfall has on us. Slowly, inexorably, the shortfall is sinking oil inventories. In recognition of this fact, and in fear of the consequences of unbridled OPEC price increases, the international energy agency partnership agreed to achieve sufficient conservation to cover the shortfall by the fourth quarter of this year. Based on consumption, the U.S. share of the assignment came to half the total for the IEA. A net world shortfall, adjusted to correct for new demand and predictable supply fluctuations was estimated at about 2 million barrels per day. The question now before the President and before the Congress is how we achieve our share—about 1 million barrels per day in oil import savings—by the end of the year. The near-term options having a major effect by the fourth quarter are very few. They are compiled in the report on Senate Resolution 78. Mr. President, I ask unanimous consent that the report be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT

The Committee on Energy and Natural Resources, to which was referred the resolution (S. Res. 78) expressing the sense of the Senate with respect to the immediate need for energy emergency preparedness in the United States, in light of world oil supplies and the situation in Iran, having considered the same, reports favorably thereon, with an amendment, and recommends that the resolution do pass.

The text of Senate Resolution 78 is as follows:

Resolution expressing the sense of the Senate with respect to the immediate need for energy emergency preparedness in the United States, in light of world oil supplies and the situation in Iran

Whereas the United States remains highly dependent on foreign energy, especially petroleum; and

Whereas the interruption of oil exports from Iran may continue for an extended period; and

Whereas the Iranian situation makes the United States and the rest of the world much more vulnerable to any other reduction of oil supplies; and

Whereas continuation of the current situation may lead to shortages of petroleum products, and could lead to the use of the International Energy Agreement to distribute petroleum shortfalls among the International Energy Agreement nations, resulting in additional obligations for the reductions of United States consumption; and

Whereas prompt and measured action can reduce the human cost of this supply disruption and reduce the possibility of later panic reactions: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President of the United States should immediately initiate measures to increase American energy supplies and reduce demand, and should present plans to the Congress for maintaining this balance of supply and demand in the event of protracted supply problems. Such actions should include, but not be limited to submission to the Congress of plans for (1) readying the Strategic Petroleum Reserve for withdrawals, (2) increasing incentives for voluntary conservation, (3) implementing immediately a mandatory conservation program, (4) requiring substitutions of alternative fuels for petroleum, (5) making maximum use of renewable energy resources, (6) updating the petroleum allocation regulations, (7) increasing domestic fuels production and, (8) increasing energy efficiency in the industrial, residential and transportation sectors.

PURPOSE OF THE MEASURE

Senate Resolution 78 proposes to express the sense of the Senate as to the necessity of the President presenting the Congress a set of plans for dealing with oil supply interruptions on an emergency basis. The resolution notes the U.S. vulnerability to disruptions involving our imports of oil and points out that proper contingency planning can reduce the economic and human costs of such disruptions.

BACKGROUND AND NEED

The Committee on Energy and Natural Resources began hearings on the unfolding revolution in Iran and the consequences in terms of U.S. and world oil supplies on January 17, 1979. At that time, Secretary of Energy James R. Schlesinger, testifying before the committee, characterized the problem posed by the Iranian supply interruption as "serious, but not critical". Of the approximately 5.5 million barrels per day (MMBD) that Iran exported before the revolution, all but about 2 MMBD was reportedly being made up by increased production in other countries, most notably Saudi Arabia. Expressed as a percentage of the oil consumed by the member nations of the International Energy Agency (IEA), the shortfall was estimated to be 5 percent. As world inventories of petroleum were reportedly high for that time of year, the shortfall was characterized as representing no immediate threat of disruption of product supplies to the consumer. Members of the committee noted, however, that the administration had been delinquent in sending up contingency mandatory conservation plans and a stand-by gasoline rationing plan, required by title II of the Energy Policy and Conservation Act (Public Law 94-163) to be submitted to the Congress no later than June 22, 1976.

On January 18 and again on January 29 the committee held executive briefings with officials of the Department of Energy and the Central Intelligence Agency. The in-depth reports the committee received indicated that resumption of significant levels of oil exports from Iran would not occur soon, and that restoration of prerevolution levels would not occur at all. Further, the agencies reported there was no assurance that the higher levels of production in other countries would be sustained indefinitely, or until Iran was back onstream, and that such levels would likely decrease in the face of new Iranian exports.

On February 7, the committee held an initial hearing on the President's proposed budget for energy functions in fiscal year 1980. At this hearing the Secretary of Energy told the committee the Iranian situation portended reductions in oil supplies which could be potentially more damaging than those associated with the Arab oil embargo of 1973-74. The Secretary promised the committee that the President would soon be announcing a time-phased plan for a national response to the impending problem.

On February 8 several members of the committee traveled to CIA Headquarters at Langley and received a report generally confirming the more pessimistic public appraisals of the administration.

On February 27 the committee received testimony from Assistant Secretary of Energy Harry E. Bergold, Jr., on the position the U.S. representatives to the IEA Board of Governors would take in their March 1-2 meetings in Paris. At these meetings the IEA resolved to cut their collective consumption of petroleum by 5 percent, with each member nation cutting in proportion to their share of total IEA consumption. For the United States, with consumption of approximately 19 MMBD, this commitment amounted to achieving a lessening of imports of 950,000 barrels per day (MBD). In that the United States, prior to the Iranian shutdown, had been importing about one-quarter of all oil in international trade, we reportedly had been shouldering about one-quarter of the world supply shortfall of 2 MMBD, or about 500 MBD. Therefore, the IEA agreement immediately doubled the level of expected shortages in the United States. The committee has seen no proposed plan by the Administration for handling a shortage of this magnitude.

NEAR-TERM ENERGY OPTIONS

The Committee believes there are many avenues to achieving the necessary immediate savings in oil—950 MBD by the fourth quarter of 1979, if the United States is to meet its commitment of March 2 to its IEA partners—and urges the administration to come forward with a definite plan to address the responsibilties implied by this commitment.

On March 12, in testimony before the committee, Secretary Schlesinger responded to the committee's request for estimates of the near-term impacts of the actions listed in the table below. In response to questioning of members, the Secretary stated his priorities for implementing oil-saving actions, in order of the relative certainty of their accomplishing the necessary savings, as follows:

1. Substitution of natural gas for oil;
2. Substitution of coal for oil, and wheeling of electrical power;
3. The President's mandatory conservation plans;
4. Increased crude oil production from the Alaska North Slope; and
5. Increased crude oil production from the Naval Petroleum Reserves.

Members of the committee noted that all legislative authority (save final approval of the mandatory conservation plans within the statutory 60-day review period) needed to accomplish these priority actions has already been provided the administration by previous acts of Congress.

Near-term options for lessening dependence on imported oil

Options:	*Estimated near-term impacts*
Substitution of natural gas for oil	[1] 150–500
Substitution of coal for oil	40–100
Variances for use of higher sulphur fuel oil	10–20
Wheeling of electric power based on coal, hydro or nuclear to regions where electricity is produced by burning oil	100–215
Mandatory energy conservation	300–660
Use of MMT in leaded gasoline	10–20
Deferral of planned phasedown in the lead content of gasoline	35–50
Production of crude oil from Federal leases at the maximum efficient rate of production or at the temporary emergency production rate (as defined in sec. 106 of Public Law 94–163)	[2] 200
Diversion of crude oil shipments destined for the strategic petroleum reserve	60–100
Pumping of oil stored in the strategic petroleum reserve	125–1,000
Shipment of Alaska and/or California crude oil on foreign flag VLCC tankers to Caribbean refineries for ultimate use on the U.S. east coast	(3)
Swaps of Alaska and/or California crude oil with Mexico or Japan	(3)
Demonstration of short term energy conservation in Federal facilities and reduction in transportation use by Federal employees	20–40
Accelerated weatherization of residences	(3)
Increased crude oil production from the Alaska North Slope	150
Increased crude oil production from the naval petroleum reserves	20

[1] In 1,000 barrels per day (MBD).

[2] Volume of production which could be realized for a period of several months only, and at the expense of longer term field recovery.

[3] Insignificant.

Midterm options which may include a small near-term impact

Options:	*Estimated impacts, largely midterm*
New price incentives for marginal wells, oil from tertiary recovery and newly discovered oil	500–1,000
Gasoline decontrol	Up to 100
Substitution of gasohol	30
Increased imports of natural gas and crude oil from Canada and/or Mexico	250–600
Additional subsidies for energy conservation and use of solar heating and cooling in residential and commercial buildings	400–600

LEGISLATIVE HISTORY

Senator Hatfield introduced Senate Resolution 78 on February 22, 1979. Joining Senator Hatfield as cosponsors of Senate Resolution 78 are Senators Jackson, Johnston, Bumpers, Ford, Durkin, Metzenbaum, Melcher, Tsongas, Bradley, Weicker, Domenici, Stevens, Bellmon, Wallop, and Schmitt.

COMMITTEE RECOMMENDATION AND TABULATION OF VOTES

The Senate Committee on Energy and Natural Resources, in open business session on March 8, 1979, by unanimous vote of a quorum present, recommends that Senate Resolution 78, as amended by the committee, be approved by the Senate.

The committee wishes to make clear that reference to "a mandatory conservation program" in the text of the resolution as reported does not imply approval of the three mandatory energy conservation plans submitted by the administration on March 1, 1979 under the authority of title II of the Energy Policy and Conservation Act (Public Law 94–163). These plans are now pending before the Subcommittee on Energy Regulation. The committee in this reference states a belief that a mandatory conservation program which is practical and capable of immediate implementation should be in standby readiness.

COST AND BUDGETARY CONSIDERATIONS AND REGULATORY IMPACT EVALUATION

The resolution expresses the sense of the Senate, and does not have the force and effect of law. It has no budgetary or regulatory impact.

EXECUTIVE COMMUNICATIONS

Assistant Secretary of Energy Harry E. Bergold, Jr., stated in testimony before the committee on February 27, 1979, "Senator Hatfield, the Administration supports the resolution [S. Res. 78] which you have introduced in collaboration with your colleagues. It contains the elements which the administration believes to be essential in meeting the problems before us."

Mr. HATFIELD. Mr. President, the options favored by the Secretary of Energy as most achievable in a short-time frame are not without significant difficulties. They are summarized in a table I shall simply have printed for the RECORD, and I ask unanimous consent to do so.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PRIORITY NEAR-TERM OPTIONS FOR LESSENING U.S. DEPENDENCE ON IMPORTS

1. Substitution of natural gas for oil:

Authorities involved.—Natural Gas Policy Act of 1978, Fuel Utilization Act of 1978.

Impact on oil imports.—150,000–500,000 BD.

Factors:

NGPA facilitates but does not require transfer of "surplus" gas from intrastate to interstate market through sales authorities between intra- and interstate pipelines and direct purchase authorities between end users and producers.

Surplus of producibility is estimated to last only two to four years.

Many end users are unwilling to switch for short periods, or in the absence of multi-year assurance of gas availability and extended contracts.

Considerable legal and regulatory impediments to increased gas usage, erected during gas shortages in recent years, must be overcome.

High end of impact estimate assumes all facilities with dual capability will switch.

Higher production incentives in NGPA are expected to assure continued higher supplies in the longer term from the lower 48 States, and Alaskan and Mexican production may augment this supply significantly in the 1980's.

2. Substitution of coal for oil:

Authorities involved—Industrial and Powerplant Fuel Use Act of 1978, Clean Air Act.

Impact on oil imports—40,000–140,000 BD.

Factors:

While total impact of switching all facilities with dual capability would be 140,000 BD, any impact above the low end of the estimate range assumes emergency waivers will be sought by affected State Governors under Section 110(f) of the Clean Air Act and will be granted by EPA.

New facilities commitment to coal is expected to be enhanced by regulations of the Industrial and Powerplant Fuel Use Act of 1978, but large-scale new coal utilization is dependent on cleaner technologies of direct combustion and conversion to liquids or gas.

High end of impact estimate requires waivers for longer than the 120-day limit of Section 110(f).

Most end users appear unwilling to enter the regulatory maze for a short-term switch.

3. Wheeling of electrical power generated by non-oil sources to displace oil-fired generation:

Authorities involved—Standby Emergency Allocation Regulations.

Impact on oil imports—100,000–215,000 BD.

Factors:

Price impact on utilities to which power is wheeled can be severe, as such power is usually considered peak load.

Recent nuclear plant shutdowns and possible restricted operations of plants of the Three-Mile Island design will crimp availability of non-oil-fired generation in the East.

4. Variances for use of higher sulphur fuel oil:

Authorities involved—Clean Air Act.

Impact on oil imports—10,000–20,000 BD.

Factors:

While high sulphur oil is shut-in in California, and while world supplies of such oil are in excess of demand currently, achievement of this impact is dependent on State Governors requesting waivers under Section 110(f) of the Clean Air Act (Florida, Massachusetts, and New York have requested).

Price of higher sulphur crudes is considerably below low sulphur oils.

5. Increased crude oil production from Alaska North Slope:

Authorities involved—Trans-Alaska Pipeline Authorization Act.

Impact on oil imports—150,000 BD.

Factors:

New markets or improved transportation to refineries should be developed to facilitate use of this domestic resource.

Current delivery of TAPS is 1.2 MMBD, and could be increased to 1.35 MMBD by the end of the year by up-rating pumping stations on line.

Maximum efficient rate of the Prudhoe Bay field is 1:5 MMBD, so increase delivery of TAPS to capacity (2.0 MMBD) involves additional exploration and development.

6. Increased crude oil production from naval reserves:

Authorities involved—Naval Petroleum Reserves Production Act of 1976.

Impact on oil imports—20,000–75,000 BD.

Factors:

The first 20,000 BD of additional production is possible by the end of 1979; the next 25,000 BD is possible by October, 1980; and another 30,000 BD could be released by removal of legal barriers resulting from the pending litigation with Chevron.

7. Mandatory energy conservation plans:

Authorities involved—Energy Policy and Conservation Act of 1975.

Impact on oil imports—300,000–614,000 BD (estimated potentials: building temperature standards—364,000 BD; advertising lighting—4,000 BD; weekend gasoline stations closings—246,000 BD).

Factors: The three plans submitted to Congress by the President on March 1, 1979 have yet to be approved. Resolutions of approval must clear Congress by May 10, or the plans will be considered disapproved. Practicality of the plans has been seriously questioned during Committee hearings.

Mr. HATFIELD. Mr. President, switching from oil to natural gas or coal is dependent on many more factors than simply the availability of these fuels at the wellhead or at the mine mouth, as the table I have just submitted indicates. The furor over the Department of

Energy's proposed regulations to implement the Fuel Use Act has recently given us a detailed accounting of such problems.

Also in the table are the mandatory energy conservation standby gasoline rationing program submitted by the President for congressional review and the strategic petroleum reserve, which are supposed to constitute most of the U.S. capability to respond to energy emergencies, neither is yet operable to assist in such an emergency, and there are still great unresolved questions concerning their future operational status. I ask unanimous consent that relevant material be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE PRESIDENT'S MANDATORY ENERGY CONSERVATION AND STANDBY GASOLINE RATIONING PLANS

GASOLINE SALES RESTRICTIONS

Prohibition

Filling stations may not sell gasoline or diesel fuel during restricted hours (set up initially as 12:00 noon on Friday until midnight on Sunday). The Secretary may adjust those hours within these limits.

Exemptions

The owner of a filling station may sell:

a. Diesel fuel to trucks.

b. Gasoline to single unit trucks with six tires or more in contact with the road surface and/or with a gross vehicle weight (or rating) of 10,000 lbs.

c. Gasoline or diesel fuel to:

1. Emergency vehicles.
2. Vehicles operated pursuant to ICC permits.
3. Taxicabs, limousines, buses, and other commercial passenger carriers for hire.
4. Federal, State and local motor vehicles.
5. Heavy construction and farm equipment.
6. Commercial marine craft.
7. Commercial aircraft.
8. Energy production vehicles.
9. Such other vehicle classifications as the Secretary may determine.

Expected energy savings.—246,000 b/d.

Estimated cost of the program to the Federal Government.—$5.2 million.

HEATING, COOLING AND HOT WATER RESTRICTIONS

Buildings covered by the requirements

"Covered Buildings" means every building excluding:

a. Residential buildings.

b. Hotels and other lodging facilities.

c. Hospitals and other health-care facilities.

d. Such other facilities and buildings as the Secretary may determine.

Heating and cooling restrictions

The owner of a covered building shall:

a. Maintain the thermostats controlling the temperatures of areas being heated at no higher than 65 degrees F., or any other level determined by the Secretary.

b. Maintain the thermostat or thermostats for areas being cooled at no lower than 80 degrees F., or any other level determined by the Secretary.

These levels will not apply where special environmental conditions are required to protect animal or plant life or materials or for the operation of special equipment.

Hot water restrictions

The owner of a covered building shall:

a. Maintain thermostat for hot water at level not in excess of 105 degrees F., or any other level which the Secretary determines.

b. Allow higher temperature levels only for dishwashing where higher temperatures are required for sanitizing water temperatures.

Estimated energy savings.—364,000 b/d.

Number of buildings covered.—About 5 million.

Estimated cost to the Federal Government.—$8.1 million.

REDUCTION OF ADVERTISING LIGHTING

Prohibitions

No person shall use electricity for illumination of any:

1. any advertising sign, or
2. any window display.

Exemptions

The prohibition shall not apply to signs that are essential to direct customers to the open business by identifying it and/or by informing customers of the product or services supplied by it when that establishment is open for business.

Street and highway lights are also exempted.

Energy savings.—4,000 b/d.

Estimated cost to the Federal Government.—$3.1 million.

IMPLEMENTATION OF THE 3 CONSERVATION PLANS

Congressional review

Section 552 of the Energy Policy and Conservation Act requires these Energy Conservation Contingency Plans to be transmitted to both Houses of Congress on the same day and to each House while it is in session.

No such contingency plan may be considered approved unless both the House and the Senate pass a concurrent resolution of approval of such plan within sixty calendar days.

The resolution before the Energy Committee and the Senate states very simply that:

"The Senate approves the contingency plan numbered ______ submitted to the Congress on ____________."

After a period of twenty days after the resolution has been referred to the Energy Committee, any Member may move to discharge the Committee from further consideration of the resolution. If such a motion is successful, then the Senate must vote immediately up or down on the resolution.

Implementation by the President

The plan shall not become effective unless the President:

1. Has found that putting the plan into effect is required by a severe energy supply interruption or in order to fulfill obligations of the United States under the International Energy Program; and

2. Has transmitted such finding to the Congress with a statement of the effective date and manner for exercise of the plan.

The plan may remain in effect for no more than nine (9) months, and may be rescinded earlier by the President.

STANDBY GASOLINE RATIONING

Basic entitlements

Ration coupons will be distributed principally on motor vehicle registration records, maintained in a national vehicle registration file.

Supplemental allotments, based on historical use, will be granted for Department of Defense activities, fire protection, police services, emergency medical services, the U.S. Postal Service, mass public transportation, sanitation services and snow removal.

Supplemental allotments will also be granted for significant off-highway gasoline requirements.

Local rationing boards or other offices will be established by States, to provide special allotments to hardship applicants, within DOE guidelines.

Vehicle-based allotments.—

Vehicle allotments may vary according to vehicle type. It is expected that motorcycles will receive lower allotments than standard passenger cars and some trucks will receive higher allotments.

Reserves.—

State Ration Reserves will be established for use by local authorities in issuing hardship allotments.

DOE will establish and maintain a National Ration Reserve for use in meeting special national emergency needs, and for such other purposes as DOE finds necessary.

Issuance of ration allotments.—Ration allotments will be issued in the form of ration checks, which will be exchangeable for ration coupons at designated coupon issuance points.

Coupons.—DOE will solicit the participation of entities to serve as ration check "cashing" points for recipients of Government ration checks.

Ration rights exchange market.—DOE will permit the sale or transfer of ration rights on a voluntary basis.

Gasoline sales.—

For gasoline sold at retail, retailers must accept valid coupons offered by retail purchasers for gasoline; and provide their suppliers with redeemed ration rights for every gallon resupplied.

Costs.—

The estimated cost of the plan to the Federal Government is $53 million to prepare for implementation, $361 million initial costs at the time of implementation, and $1.6 billion per year during operation.

A quite conservative estimate of business time and paper work costs is $1.15 billion per year during operation. Total time used by private persons and businesses is estimated at 30–50 million man-hours per month.

IMPLEMENTATION OF THE GASOLINE RATIONING PLAN

Congressional review of rationing plan.—

Section 552 of the Energy Policy and Conservation Act requires these Energy Conservation Contingency Plans to be transmitted to both Houses of Congress on the same day and to each House while it is in session.

No such contingency plan may be considered approved unless both the House and Senate pass a concurrent resolution of approval of such plan within sixty calendar days.

The resolution before the Energy Committee and the Senate states very simply that:

"The Senate approves the contingency plan numbered ______ submitted to the Congress on ____________."

After a period of twenty days after the resolution has been referred to the Energy Committee, any Member may move to discharge the Committee from further consideration of the resolution. If such a motion is successful, then the Senate must vote immediately up or down on the resolution.

Implementation by the President.—

The plan shall not become effective unless the President:

1. Has found that putting the plan into effect is required by a severe energy supply interruption or in order to fulfill obligations of the United States under the International Energy Program;

2. Has transmitted to the Congress a request to put the rationing contingency plan into effect; and

3. Neither House has disapproved (or both Houses approved) the request under the fifteen-day Congressional review procedures normally used for Energy Actions.

The plan may remain in effect for no more than nine (9) months, and may be rescinded earlier by the President.

THE STRATEGIC PETROLEUM RESERVE

The Energy Policy and Conservation Act of 1975 (EPCA) calls for Strategic Petroleum

Reserve of up to one billion barrels of crude oil and petroleum products to:

(a) diminish U.S. vulnerability to disruptions in petroleum supplies, or

(b) meet U.S. obligations under the International Energy Program.

The SPR Plan, as amended, sets a storage schedule, to be met "to the maximum extent practicable," of 250 MMB by December 1978; 500 MMB by December 1980; and 750 MMB by December 1985.

DOE has yet to submit plans for a possible fourth 250 MMB.

However, DOE's FY-1980 budget lowers these goals with a three phase cavern development and fill schedule:

Phase	Storage	MMB	Date
I	Existing caverns and mines, 5 sites on gulf coast.	248	End of 1980.
II	New leached caverns, expansion at 2 of the sites.	280	
III	New sites (turn key contracts).	222	
Total		750	End of 1986

This schedule appears overly optimistic since only 81 MMB of crude are now in storage and inventory. Almost 94 MMB will be in storage by the end of May but further near-term increases are at best uncertain since: (a) all oil acquisition contracts for the SPR expire at the end of April, and (b) SPR solicitations out for additional supplies have been unsuccessful.

Unresolved issues concerning the status of the SPR include the as yet unsubmitted distribution plan for stored crude oil; the need for a more realistic fill schedule; the need for an acquisition strategy for crude oil given the expiration of all contracts; and the ability to draw down reserves and the magnitude and timing of drawdowns.

Mr. HATFIELD. Mr. President, before deferring to my colleagues on these energy matters this morning, I shall close with a reflection on one nonoil option we have been leaning on increasingly since 1960—nuclear fission reactors. We have been closer than any experts dared imagine to a meltdown at Three Mile Island in Pennsylvania. The consequences of meltdown are too extraordinary to be tolerable as a risk with any significant probability of occurrence. Three Mile Island is going to set our risk analysis back to square 1, but this Senator has already formed a new conclusion about the probability of unacceptable disaster with our nuclear technology—it is too high to allow further deployment of the technology. The President must newly consider this as he views the energy options for accomplishing our midterm and long-term goals involved with meeting the challenge of oil shortage. What we can do about the immediate situation, as I have outlined, is very limited; but what we choose to do in the long run to get away from oil import dependence will be central to the internal well-being and external security of the United States for the balance of our lives and our children's lives.

I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, on whose time?

The ACTING PRESIDENT pro tempore. The Chair will inquire, on whose time? The Senator had 15 minutes.

Mr. HATFIELD. How much time does the minority leader have?

The ACTING PRESIDENT pro tempore. The minority leader's time has just expired. Under the previous order, the Senator from Oregon is entitled to 15 minutes.

Mr. HATFIELD. Mr. President, I withdraw the request for a quorum call.

Mr. DOMENICI addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. DOMENICI. Is not the Senator from Oregon next with 15 minutes?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. HATFIELD. If the Senator will yield, I have just utilized the minority leader's allocated time so that I have my own 15 minutes reserved. Then the Senator from New Mexico has a 5-minute allocation under the special order, and I would be happy to yield additional time from my own, if he wishes.

Mr. DOMENICI. Five minutes will be adequate.

Would the Senator yield at this time or did he want to speak?

Mr. HATFIELD. No; I yield to the Senator from New Mexico to speak.

The ACTING PRESIDENT pro tempore. The Chair would announce that under the previous order, the Senator from Oregon is now recognized for a period not to exceed 15 minutes.

Mr. HATFIELD. Mr. President, is it not also true that we are not required to move in the order in which the special orders were made?

The ACTING PRESIDFNT pro tempore. The Senator is correct.

Mr. HATFIELD. Mr. President, at this time, I reserve my time and yield to the special order allocated to the Senator from New Mexico of 5 minutes, and I ask the Chair to allocate him an additional 5 minutes from my 15-minute special order.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Under the previous order, the Senator from New Mexico (Mr. DOMENICI) is now recognized for not to exceed 5 minutes.

Mr. DOMENICI. Mr. President, let me first take just a few moments to commend Senator HATFIELD, the distinguished Senator from Oregon, the ranking Republican on the Energy Committee, not only for his superb and precise remarks here this morning, but for the leadership he has taken here in the Senate, especially during this Congress when it was our privilege to move him into the ranking position on the Energy Committee.

I think it is obvious from his remarks today and from his constant desire to have the Senate consider Senate Resolution 78 that he clearly understands the severe problems facing this Nation. I commend him for that.

Mr. President, I am going to use some words that I, personally, as a U.S. Senator, do not use lightly and I do not use them very frequently. But I am going to talk a little bit about words like disaster, economic ruin, boldness, and simplicity. Let me build my remarks around these words.

The most deplorable situation that we could find ourselves in as a Nation is to be in serious trouble and not know it. By not knowing it, what I mean is that our people do not know it.

Historically, our great society, this free Nation of ours, has had an opportunity to be oblivious to what is happening in the world. Then when we find out, we seem to come to the party, get ready, and then go on about the business of solving whatever it is that endangers us.

The problems right now are serious. The world's major, free, economic power is 50 percent dependent upon crude oil from countries that are not our friends, and, basically, there is nothing we can do about that, tomorrow morning, or next week, or next month, maybe not even for a couple of years.

We decided 26 years ago as a nation to build our economy around crude oil and natural gas. I do not argue with that decision. It was made with our eyes open, with a President named Eisenhower saying. "Go find more crude oil overseas." They went and found it.

When the embargo was put on 22 years later, America had grown, America had prospered, America had had energy, basically, from crude oil and natural gas in such abundance and so cheap that we could hardly argue that it was a mistake, because we grew and we might not have grown so rapidly. We went through a war and won, and we might not have won it but for that.

However, when the embargo was put on, crude oil was $3.25 a barrel. When we sent our entrepreneurs to the Middle East to find it 23 years before that, it was $2.75. So it had gone up the astronomical amount of 50 cents a barrel.

But that was not going to remain with us long, and the American marketplace, the American delivery system, had all geared itself to those two products, crude oil and natural gas.

In fact, we were 65 percent dependent in Btu's on those two, out of all the energies we had in America. America, called King Coal, with enough coal to last us over 400 years, an abundance of uranium, geothermal that we had not learned to use, solar technology in its infancy, but we were 65 percent dependent on those two.

The problem is that we are going backwards instead of forward. We want more dependence rather than less. Fifty percent from overseas, now, that is disaster.

The Senator from Oregon spoke of strategic danger. What could be more dangerous to America than that scenario I have just described? What if somebody wants to do harm to this country? It is easy to predict how they will do it.

Now, no one is doing it abruptly. What they are doing is just slowly strangling us, for the $3.25 a barrel on the day of the embargo is now $14.58, and a $4 surcharge by four of the principal exporters, bringing it to $18.58, if we can buy it, with spots at $21, and others—slow economic strangulation—while we sit here with a regulatory scheme that literally ties the hands of America's productivity. We go to hearings and talk about rationing and talk about giving the President extraordinary powers to regulate and to allocate, all because we are afraid to admit that we ought to turn the American enterprise system loose on this problem, and if they make too much money, tax them. If they misbehave, they are subject to our laws.

Right now, those who will impose this economic strangulation on us are not ours, are not taxed by us, are not regulated by us, and we sit smugly and talk about a new energy plan.

Well, let me say, if the President presents one tonight like he did April 20, 2 years ago, we will spend 3 more years debating it because if it is filled with little details like turn out your lamp out front of your house, we will get nowhere.

So it ought to be bold and it ought to be simple.

Now, he can put in a bunch of goodies for different people around the Hill, so they will all like what he said, but it has to have simplicity and it has to direct itself at the problem. The problem is that we have to get the marketplace, not only into crude oil, but the marketplace has to get involved in alternatives, and the only way to do it is to gradually deregulate crude oil.

If we need a windfall tax and we can develop one, put it on, use the resources for research and development, and develop a plan to help our poor people that need help because of high energy prices. Then let the American marketplace do its thing. Let the American automobile user pay a higher price for gasoline. He is going to welcome it, as compared with being part of a rationing system that is impossible to work: 135 million automobiles to get stamps, and be able to sell them, to be run by offices all over the country—a new market in currency, say the experts, for stamps soon will be worth a dollar a gallon. It will mean, eventually, that people will pay the market price for gasoline, because the stamps are going to be salable.

What a mess—all because they found a big, bad boy in this equation, the oil companies. And they may be. But why sacrifice on the cross a solution we do not want to face? We can tax them all, can prohibit them from merging; but why hold an American energy plan hostage to a potential windfall of $13 billion to $15 billion?

Mr. President, last year we cut taxes $12.8 billion. The American people do not even remember it. There are no hurrahs, and there are those who are not even sure it has had any impact on the economy, and we are sitting around worrying about that.

That is why I say disaster, boldness, and simplicity must be part of any energy plan.

It is time for leaders in America. We have had wars, and leaders have come to the front. It is much harder to be a leader when people do not perceive the problem, but it is the responsibility of the leaders to lead and to tell it like it is. I believe that means that Americans must be told that, whether they like it or not, whether they believe it or not, economic disaster looms for America.

The solutions will not be easy, and they will not be accomplished through a regulatory bureaucracy, be it rationing, regulated prices, or whatever.

I come to the floor today to compliment my good friend from Oregon for his leadership and not talk to the details of the resolution, Senate Resolution 78, because they are self-explanatory, but, rather, once again to say to our President that I stand ready to support some bold action on the part of our Executive.

Through a strange quirk, the energy regulatory law, called EPCA, expires June 1. He can begin to deregulate crude oil on September 1 of 1981. We will have no more regulatory scheme then.

The President, again by accident, has in his hands the principal ingredient and tool to begin to develop an energy policy, and he should do it. He should tell us he is doing it, and he should tell us what he thinks we should do. He should tell us what he wants to do and what we should do. If we do not have the courage to do it, then he should tell the American people that he has done what he can and that Congress will not do what it should.

I have had occasion to tell various people who work for our President and who work for us in Cabinet positions just what I have told the Senate here this morning. I have been privileged—not with as much time, but with a few moments—to tell the President what I have said here this morning. I truly hope that he understands that we need and that we welcome some bold action in this area.

I close by saying that when America has a problem of this magnitude, the best politics is to do what is best for the country. I do not think the President has to do any political thinking about it. He should tell us what we should do, and he should be bold. That is the best politics, and the people will respect him for it.

I thank my good friend from Oregon.

Mr. HATFIELD. Mr. President, I should like to respond briefly to the Senator from New Mexico and observe once again what a rare personality he represents in the field of politics. I have never known him to speak other than directly to the issue with the clearest, most uncomplicated nomenclature and language.

He has put his finger on many of the points in which I join him, in praying and hoping that the President will address himself to those points tonight. The Senator from New Mexico has presented a very eloquent statement and has added much to clarifying the complex issue of energy policy.

Mr. DOMENICI. I thank the Senator.

Mr. JACKSON. Mr. President, on March 8, 1979, the Committee on Energy and Natural Resources favorably reported, without objection, Senate Resolution 78. This resolution was introduced by Senator HATFIELD. Fourteen members of the committee are cosponsors.

The resolution clearly and eloquently expresses the urgency of the energy problems we face and indicates in a general way the directions we must go for solutions. The seriousness of our energy supply dilemma is, in my opinion, adequately appreciated by Members of Congress and I know it is appreciated by the President.

However, I do not believe this is the case with regard to the public. Continued public skepticism about the authenticity and credibility of official analyses of the energy situation is one of, and perhaps the most significant, obstacles to effective action to deal with the tragic overdependence of the United States on imported oil. The public apparently cannot accept the notion that the facts of energy supply and demand have changed forever.

We now pay almost $50 billion a year for oil imports; in 1973 we paid $8 billion.

We now import 9.1 million barrels of oil per day; in 1973 we imported 6.3 million barrels per day;

We now import 32 percent of our oil directly from Arab OPEC countries; in 1973 we imported 15 percent.

In a world in which there is plentiful supplies of petroleum relative to demand we might not be so concerned even about these figures. But in a world with essentially no excess capacity, it simply is unacceptable for the economy and security of the United States to be so critically dependent on the decisions of so few, potentially unstable governments.

Mr. President, I commend the Senator from Oregon, who is the ranking minority member of the Energy and Natural Resources Committee, for his leadership in this effort to convince the American people of the seriousness of our current energy situation. He has made, and will continue to make, a real contribution to better public understanding. This understanding is essential if we are to take the strong and sometimes unpleasant, actions necessary to reduce our dependency on insecure foreign oil and increase our domestic production of energy.

(The remarks of Mr. JACKSON at this point in connection with the introduction of legislation relating to electric power planning and production problems facing the Pacific Northwest, as well as statements by Mr. MAGNUSON and Mr. HATFIELD, are printed under Statements on Introduced Bills and Joint Resolutions.)

Mr. JAVITS. Mr. President, will the Senator yield 5 minutes to me.

Mr. HATFIELD. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. HATFIELD. How many minutes do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator from Oregon has 7 minutes remaining.

Mr. HATFIELD. I yield.

Mr. JAVITS. I will claim 5 minutes of my own time, with the permission of the Senator from Oregon. I have a special order.

The ACTING PRESIDENT pro tempore. The Senator from New York is recognized.

Mr. HATFIELD. I am happy to yield other additional time.

Mr. JAVITS. It is not necessary.

Mr. President, I am here today to express my views on the energy crisis, which is clear and present, to state my support for Senator HATFIELD's Senate Resolution 78, to express my support and my efforts to implement that support with action, and for the magnificent work of Senator PERCY of Illinois in having established and leading the Alliance to Save Energy nationally. Generally, Mr. President, I think it essential to let the President know that there are a good many here who understand the current energy crisis and who believe the measures being taken are completely inadequate.

I have figures this morning, Mr. President, which indicate conclusively that we should have begun to materially reduce U.S. demand for oil beginning in February. Today we are already in a near emergency only roughly 6 weeks later. As of last Friday, U.S. gasoline stocks are 10 percent below last year's level and dropping, and, in the absence of some real control, we are coming on to the big-use season this summer. U.S. heating oil stocks are 20 percent below last year and, Mr. President, the summer gasoline shortfall, because we still have no restraint and no discipline about using gasoline, may very well be so bad that there is no surplus to build vital heating oil supplies for next winter.

Mr. President, the President is going to tell us today what his program is but we already know it is inadequate. It is going to deal essentially with incentives to the oil producers to try to find more oil. I am all for that, but it is insufficient. We face an incipient emergency and we have no further time.

So, Mr. President, in my judgment, the things that need to be done are first, to concert our strategy to break the political and economic grip of the OPEC countries on the United States and the rest of the industrialized world.

It is just as strangulating to the United States, Mr. President, we would restrain them in the courts or else you would hear an outcry from one end of the Nation to the other. It happens to be an offshore cartel. So what is the difference? It is just as stangulating to the United States and to other industrial nations.

Mr. President, we are the only Nation that can influence world oil demand and that has adequate production to break it. But unless we exercise this power, which will take self-sacrifice, OPEC will not be broken. You will see oil not only at $18, which is what it costs today, but you will very soon see it at $22 and $26 and $30 and more. There is absolutely no restraint to this price escalation which is a material element in the whole structure of the inflation which is bedeviling this country. There are plenty of other problems, but energy inflation is skimming right off the top, as they say at Las Vegas, to a tune of $43 billion a year now. The increase price just ordered by the OPEC cartel plus the surcharges that will soon take effect will this year drive that outflow of dollars to near $50 billion.

So, first, we have to fight OPEC, and we are not doing it, and I doubt if the President is going to say anything about it. And, two, we have to have mandatory conservation. That is what Senator HATFIELD's resolution says, and Senator HATFIELD is right. Sometimes I wonder, and it is shameful and I say so to my own people, whether the American people are a little bit more in love with their family cars, than with the family itself. We are still riding 50 miles for an ice cream cone, and it does not look as if the practice will end unless we require that it end.

Senator PERCY has offered various methods by which this can be done. He has long been a courageous leader in that regard. I have joined him in many of these efforts such as, for example, his proposal that 1 day a week every car must be idle. You can pick your day but you can only use it 6 days a week. There are simple things like that. We need to cut crude oil imports for gasoline production by one third. This would reduce our available gasoline by 15 percent or 1.2 million barrels a day, and save a tidy $20.5 million per day, Mr. President, as well. Most of this is strictly wasted fuel. For example, 70 percent of the cars that move into Washington and New York City every day are occupied by only one person. Think of that profligacy in a time like this.

Then there are many other things, Mr. President, which we can do.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. JAVITS. Will the Senator yield me 1 minute

Mr. HATFIELD. I yield 1 minute.

Mr. JAVITS. There are many other things which we can do in terms of cutting down on the use of fuel in buildings and the way we build buildings. We can wheel coal-fired power to the Northeast. We can enforce strict building heating and cooling standards. And with the money we save on these imports we can subsidize alternative sources at home, like gasification and liquefication of coal. Oil shale is coming into sight now because of the high price of oil. There is solar energy and, yes, Mr. President, the much abused today and dangerous nuclear power, because we have no alternative. Indeed, in light of the recent reactor accident in Pennsylvania, I have made some remarks I would appreciate being included in this RECORD.

ON NUCLEAR POWER IN U.S. ENERGY POLICY

The health and safety of our people is, of course, my first consideration. But, on the evidence up to this time, it is my judgment that the national interest continues to require that the nuclear option be considered an element in our energy supply and that to reject it now would be premature. We are in a very profound energy supply crisis and our choices involve serious risks no matter where we look. Oil is controlled by outside political forces, just as it was in 1973, could be cut off again. Coal creates great problems with the environment and public health that we have not as yet solved. It should be a very high national priority to learn to gasify or liquefy coal.

That leaves the nuclear alternative which, because we do not as yet know all about it that we should, may involve dangers as we see now at the Three Mile Island powerplant. But, if our regulatory authorities can deal with this crisis, and it looks as if they can, it will clearly indicate that these may be acceptable risks.

However, it is also clear that the U.S. Nuclear Regulatory Commission and many States lack emergency responses for dangerous contingencies like this one. Even now we still do not know the cause of this particular accident. We need to await a review of those causes in hearings that Congress undoubtedly will have, and the findings of the Nuclear Regulatory Commission itself. But some changes are necessary.

To sum up the situation, I think it is premature to reject the nuclear option for energy considering the alternatives that we have and the dangerous crisis that we face, upon the evidence at hand now.

The critical nature of nuclear power for our energy needs is evidenced by our own situation in New York. We have five operating nuclear powerplants, two under construction, and six in the licensing process. Right now 13 percent of New York State's power is attributable to generation from nuclear sources; and when the two under construction are completed nuclear energy will be 20 percent of New York's power. The six additional plants in the licensing process will increase very materially this 20 percent, doubling it or more. Of course we do not know as yet how many of these will be licensed. But there is enough use even in our State, however, to show the critical importance of the nuclear power option to the people of the State of New York, too.

Mr. President, I support as strongly as I humanly can Senator HATFIELD, Senator PERCY, and all my colleagues who realize we are in a crisis and are willing to act now. The American people are kidding and deluding themselves and those who are pandering to it are far more at fault than the public, yet unless we change we are in for a real depression, a real crisis in this country that will put us back 10 or 20 years in economic terms if, indeed, we can avoid outright war over energy supplies. I hope we listen in time, Mr. President, and I thank Senator HATFIELD for yielding the time.

Mr. HATFIELD. I thank the Senator from New York.

The ACTING PRESIDENT pro tempore. The Senator from Illinois.

Mr. PERCY. Mr. President, while the distinguished Senator from New York is on the floor—I know he has to leave momentarily—I would just like to commend him for the speech he gave on the floor of the Senate, Monday, March 19, entitled "Is a Recession in 1979–80 Inevitable?"

What he does, with his sharp mind, is to take the various facets of this question, break them down and analyze them.

Today we are dealing with the energy facet of this question. In this respect I also commend the distinguished leadership of Senator HATFIELD, the ranking minority member of the Energy Committee, and its chairman, Senator JACKSON, for their colloquy this morning. Because of their colloquy, we can be better informed about the President's long-awaited energy speech that will be given tonight. We will know what to listen for and the standards by which we should judge it.

Senator JAVITS in his speech indicated:

> U.S. dependence on the OPEC cartel for half our oil supplies may be the single greatest long-term threat to our national economy and security.

We need only think back to the October 1973 embargo to realize how quickly this Nation can be weakened by an arbitrary decision of a few people to turn the spigot and cut down on our supply of oil. It could even be cut off, and our vulnerability to that action by someone who may be motivated by political considerations leaves us in a highly dangerous position.

Senator JAVITS went on to say:

> Everyone knows there is no economic justification for the gas guzzlers bearing one lone commuter which stream into our major cities daily. Seventy percent of cars entering Washington, D.C., in morning rush hour carry only one person and estimates for New York City and Boston are comparable.

Somehow we have gotten used to the idea of having only one person in that car. We do have a love affair with the car, but somehow that love affair has got to be shared with other people; we have to find a way to do it.

Senator JAVITS advocates:

> . . . prohibiting all but emergency vehicles from driving 1 day out of every week and of imposing a 15 cents per gallon refundable gasoline conservation tax, this tax will be increased to 30 cents per gallon by 1985.

These are ideas that have to be tried.

We now know a nation that can bite the bullet when necessary; that nation is Israel. Israel has always asked its own people to make the great sacrifices when the situation requires it. They have the highest taxation, the highest level of defense expenditures per capita, and now a system in which each car is idled for 1 day per week.

I commend my distinguished colleague for proposing this idea for the United States. We must consider this option should the present situation deteriorate.

I know my distinguished colleague must leave the floor, and I will comment further on his speech, but at this time I wish to comment on his leadership.

Mr. President, the distinguished senior Senator from New York (Mr. JAVITS) once advocated that the tax for those using gasohol be waived. This is, of course now in law. I introduced that amendment last year. The Senate of the United States and the House of Representatives wisely fully supported that. We now have a 4-cent differential on any fuel with a 10-percent blend of alcohol. This is an added incentive until such time as production costs come down on gasohol and prices go up for petroleum, as they inevitably will.

We can remember a decade or two ago when every time we would go to Europe we would be astounded at the high price of gasoline, always two to three to four times the price of gasoline here. Why? Because the governments of those countries decided that that fuel was very important, it was a depleting resource, and they taxed it heavily. They taxed it heavily to pay their own expenditures, to balance their own budgets, to hold down inflation, to finance other programs. But they also taxed it as a signal to their citizens that this is a resource they were using up too rapidly, and that they must, therefore, develop mass transit.

For years they have improved their bus transportation; they have improved their train transportation; they have made mass transit an on-time, swift, efficient, economical form of transportation by constantly saying to the automobile users, "You must help free up the highways by helping to pay for mass transit."

What have we done in this country? We have a 4-cent Federal gasoline tax. That is the same tax on gasoline that we had in 1959. The price of a gallon of gas then was about 30 cents, so the Federal gas tax was about 13 percent of the total. Today, the Federal gas tax amounts to only about 5 percent. This is far too low.

But that tax, unlike any other tax, does not go into general revenue and is not subject to the mandate of the Congress of the United States. It is put into a highway trust fund to build more highways, to make it easier, cheaper, and more economical, and more convenient for motorists to drive instead of using mass transportation.

The least we can do is to put the revenues from the gasoline tax into a transportation trust fund. For every penny added to the Federal gasoline tax, $1 billion would be generated for a transportation trust fund. It would give us billions to improve our mass transit, and to improve Amtrak instead of having to take it away from the people as it is being taken now because we lack the funds to support it. Certainly, this is the sensible thing to do.

When you have Henry Ford, the head of one of our largest motor companies, and Leonard Woodcock, former president of the United Automobile Workers, both testifying for such a change, the rest of America ought to really listen—listen to two of the most knowledgeable men in the world on automobile transportation, who are willing to take a tax on gasoline and transfer it to a transportation trust fund, not just to a highway trust fund.

Senator JAVITS goes on to say:

> A new energy severance tax would defend consumers from windfall profit-making and could be so designed as to encourage more new energy development investment.

Certainly, when a group of us went to call on the President last week to discuss with him renewable resources and alternate energy sources, the President—rightfully, in a sense—threw up his hands and said, "But where is the money to come from?"

I said to the President that I thoroughly agree with his fiscal policy which holds down budget expenditures and aims toward a balanced budget; I fully concur with that. But that does not mean to say we do not have the imagination to find a way to develop water resources, to develop solar energy, to develop wind energy. We have found billions of dollars in recent times to develop coal, to develop oil, and to develop nuclear energy. We ought to now be able to find the money to develop the renewable resources, the inexhaustible resources available to us from the Sun, the water, and the wind.

What we should do is reduce the subsidies we continue to pay to the oil industry and the nuclear industry, to phase those subsidies down as we free up the market from price controls and remove Government interference both at the control end and the subsidy end on a gradual basis. The money thus saved can be moved into the development of renewable resources, to give these resources a chance to develop as the old conventional forms of energy did in previous years. That is all we have to do, and I have confirmed that suggestion and idea in a letter to the President following our meeting with him.

Senator JAVITS also says:

> We cannot continue to use one-third more fuel per capita than any other industrialized nation if we are to build a world in which there is at least a rough equality of access to mankind's heritage of natural resources. We can delay no further the day we begin to change our habits and insure a safer and more just energy future.

How right he is. Those who have friends abroad realize, if they are really frank and honest with us, their unstinting admiration for the efficiency of America in many respects. They come to this country to study our productive efficiency. But who would come to this country to study our efficient use of energy? Senator JAVITS is right. We do spend a third more than any other nation per capita. In fact, with West Germany and with Sweden, countries that have comparable or higher standards of living per capita than the United States, each country uses half the energy per capita that we do; yet their homes are adequately heated, their people are not dying of cold, they are snug and warm. But their homes are better built; they were not built on the concept that energy will always be cheap and inexhaustible. They built their homes better and their automobiles smaller and more gas efficient, for the future, not the past. We continue to build for the past.

Mr. President, conservation is one of our major steps that we can and should take now. I am pleased that the advance indications I have from Stuart Eizenstat, Chairman of the Domestic Council, are that conservation will be a keystone of the President's program to be announced tonight. But there are many things that need to be done in this field, and I would like now to briefly comment on the recommendations made in Senate Resolution 78, introduced by our distinguished colleague from Oregon (Mr. HATFIELD) on behalf of himself and Senators JACKSON, DOMENICI, STEVENS, BELLMON, WALLOP, and BUMPERS; and I ask unanimous consent, Mr. President, with the concurrence of the author of the resolution, that my name be added as a cosponsor of that resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PERCY. In the resolution, the first specific point that he makes is:

> *Resolved*, That it is the sense of the Senate that the President of the United States should immediately initiate measures to in-

> crease American energy supplies and reduce demand, and should present plans to the Congress for maintaining this balance of supply and demand in the event of protracted supply problems.

We know that we have such problems. Senator HATFIELD lists actions that he proposes, but indicates that the actions should not be limited to these. Plans should be submitted to Congress that would, first, ready the strategic petroleum reserve for withdrawals.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the special order time of Senator BAKER and Senator STEVENS be transferred to this Senator.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I yield the Senator from Illinois—3 or 4 minutes?

Mr. PERCY. Five minutes.

Mr. HATFIELD. I yield the Senator 5 minutes.

Mr. PERCY. I thank my distinguished colleague.

I think we should look at what we are doing to augment long-term goals to build up reserves now. We were to build up these reserves for emergency conditions, and we were to find ways to pump the oil out of those reserves. I would like a report from the Department of Energy on where we stand on that program. How much petroleum do we have in these reserves, and how much potential does that have for us to continue should our foreign oil supply be severed?

A dear friend of mine, a distinguished American and probably one of the greatest industrialists of our time, Tom Watson, Jr.—former chief executive officer of IBM Corp.—recently put to Dr. Schlesinger at the annual board meeting of the Alliance to Save Energy the question, "can there be plans developed to let this Nation run on its own energy for 1 year to see what we would have to do and what sacrifices would have to be made?"

Mr. President, I would hope such a plan could be developed, to see what could be done to run on our own energy resources.

The second point in the Hatfield resolution is to increase incentives for voluntary conservation. Certainly increasing incentives is important. I think that we have addressed ourselves to certain specific ideas in that area, and we ought to provide and be able to devise further incentives.

The third idea is to immediately implement a mandatory conservation program.

I can simply report, Mr. President that we at the Alliance to Save Energy are convinced that just admonishing people to conserve, is just not enough. We simply must move toward mandatory conservation programs so that we have a standard by which we can judge each other's performance.

Fourth, the Hatfield resolution requires substitutes or alternate fuels for petroleum. Here an example is gasohol. We really ought to massively move ahead in this area. I cannot imagine why, in the President's budget, half a million dollars for research on alcohol fuels at the Northern Regional Research Center in Peoria, Ill., was cut out. The private sector has already opened about 50 gasohol stations in Illinois, and gasohol stations in Virginia are reporting increasing demands and sales. It amazes me that we cannot find a half a million dollars to research gasohol, when we have been spending billions and billions of dollars to research nuclear energy with the problems we have seen evident in that field in recent days.

(Mr. GLENN assumed the chair.)

Mr. HATFIELD. Will the Senator yield?

Mr. PERCY. I yield.

Mr. HATFIELD. I would only like to compound the dilemma by the observation that the administration cut $17 million out of geothermal research in this coming year's budget, again moving backward rather than forward in developing these alternative systems.

I would also say to the Senator, much to the dismay of many people, that they forget that the nuclear weapons program is not in the Pentagon budget but it is in the energy budget. Therefore, we have this continued thrust of the military looking for moneys that they are able to acquire with just the drop of a hat, so to speak, for nuclear fission development. So nuclear fission energy research is not so much aimed at commercial enterprises as it is for nuclear weapons.

That is an additional reason why we see the expansion of that kind of a program and a constriction of other areas where it could adapt itself so quickly to commercial use.

Mr. PERCY. Would the Senator from Oregon suggest that the military take that in its own budget and that it be taken out of the energy budget?

Mr. HATFIELD. I would like to see it eliminated from all budgets at this time. But the second or fall-back position would be to transfer it over to the military budget so that people can see what the military is really costing this country in total dollars and in the sacrifice of other needs.

Mr. PERCY. I commend the Senator.

The fifth point is making maximum use of renewable energy resources. This goes right back to the discussions I mentioned earlier with the President on solar energy. We will be most anxious to hear what he has to say about that tonight.

Sixth, updating the petroleum regulations. This must be done.

Seventh, increasing domestic fuel production. That can be done, I believe by moving toward phased deregulation. I think an increasing number of Members of Congress are fully willing to back the President in that program, which I trust he will announce tonight.

Eighth, increasing efficiency in the industrial, residential, and transportation sector. In the industrial sector the Alliance to Save Energy has found a significant improvement in energy efficiency because of the bottom line. It is too costly. We have found an improvement in residential, but we can go further. In the transportation sector there is general failure. This year gasoline consumption is up 7 to 8 percent.

Mr. President, I would like to propose a few additional ideas to supplement the thoughts expressed by my distinguished colleage in Senate Resolution 78.

First, ban the largest gas guzzling cars—those getting less than 18 miles per gallon in 1980. Let us take a look at it. It would not be a ban against cars for large families. Large family cars can also get good mileage.

Second, increase penalties to States for failing to enforce the 55-mile-per-hour limit. That is a bill I put in with help from Senator JENNINGS RANDOLPH. It is law. Let us enforce that law. I strongly disagree with all this rhetoric I hear in my own State and other States about increasing the speed limit to 65 or 70. This would mean going back to death on the highway and to fuel inefficiency.

We are saying we do not have the guts, the determination, the will to meet this problem. We are too soft. We had better take a long look at ourselves if we think that the 55-mile-per hour speed limit—which saves 9 million gallons of gasoline a day, and has saved the lives of about 36,000 people in the last 5 years—somehow inconveniences us a little bit. We ought to stiffen the penalties on that. I would be for taking any highway funds away from any State which does not enforce the 55-mile-per-hour limit.

Third, eliminate subsidies for parking for Federal and congressional employees. That is unpopular among Hill and executive branch staff, but free parking is a privilege which no longer makes sense. It not only makes our rhetoric about conservation look insincere, but it also undermines mass transit, and aggravates our air pollution problem.

Fourth, include light trucks and vans in the mandatory automobile fuel economy program.

Fifth, mandate that homes be insulated at the time of sale.

Sixth, mandate that no utility should connect electric power or gas to any new home or business unless the building meets certain minimum building performance standards.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PERCY. I again commend my distinguished colleagues, Senator JACKSON and Senator HATFIELD, for setting aside this time this morning, on the day of the President's major address tonight. We will focus on this, of course, after the President's speech, but it is important to do so before the speech as well.

Mr. HATFIELD. Mr. President, I commend the Senator from Illinois for his long-time leadership in this matter of energy and conservation.

He has referred to the Alliance to Save Energy which he founded with Senator Humphrey and others. It is but one indication of his long commitment to this proposition. We must conserve and better utilize our energy resources. Today, his comments have certainly added to a clarification of this issue.

At this time, I would also like to comment on Senator JAVITS' remarks. As usual he has presented a very incisive and very analytical statement on this issue of energy. We have all come to respect the intellectual capability of this man and his fairness and judgment as they apply to this issue.

We have had this very unemotional and analytical discussion on an issue confronting the country at this time.

I am very appreciative of the time given by my colleagues and to the Senate for making this time available to discuss this matter.

The PRESIDING OFFICER. Who seeks recognition?

Mr. HATFIELD. Mr. President, I ask unanimous consent that I may ask for a quorum call without the time being charged.

The PRESIDING OFFICER. The time for the quorum call will not be charged to anyone. Is there a request for a quorum call?

Mr. HATFIELD. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I yield 5 minutes to the Senator from Illinois (Mr. PERCY).

Mr. PERCY. I thank my distinguished colleague.

Mr. President, in commenting before, I mentioned that we should consider eliminating subsidies for parking for Federal and congressional employees. This gets into a highly sensitive area, the Senator from Illinois realizes, but it is difficult to ask a person to use mass transit when we subsidize the cost of their auto transportation. I am also talking now about many companies that park thousands of cars outside their plants, including the company that I formerly headed. We always had to provide just as much acreage to provide for parking lots as we did for manufacturing space: a square foot of manufacturing space, a square foot to park cars. We parked thousands of cars on property that was probably valued at a quarter of a million dollars, and on which we paid heavy tax, maintained those lots, deducted the cost, and charged it against the Government. So half the cost of the then 48 or 50 percent corporate rate was paid for by the general public. This is a subsidy given to the automobile.

Can anyone deduct the 50 cents that he pays when he takes mass transit? No. But a subsidy goes to the automobile. Mass transit has been starved for funds because so much of our money has gone for the construction of highways and subsidies to the automobile

I know these are the kinds of things that have made our love affair with the automobile so attractive. We get not only the automobile, but the subsidy along with it. You get a dowry, in a sense, with the bride. But those are the kinds of things that imperil the national security. Those are the kinds of things that add to inflation. Those are the kinds of things that led us to pay $45 billion last year for imported oil, half of which is used in our automobiles.

That weakens the dollar. It thereby causes all other material costs to be higher because of the weakened dollar we are using to buy raw materials with. We are an increasingly have-not nation in the area of raw materials, so we are increasing our dependence abroad and exacerbating the very problem that everybody in this country says is our No. 1 domestic issue—inflation.

I am not undercutting what Detroit has done. It has been a magnificent enterprise. They have done a magnificent engineering job through the years and they have designed automobiles that people love. They have provided a way of life which we love. But I think they realize that something has to give, something has to change. And, certainly, the attempt now to meet environmental standards and meet mileage standards, which Detroit is turning its mind and engineering skills to, is in the national interest. All we can do is try to do everything possible to encourage them to be much more fuel efficient and to use our declining reserves of oil in a more efficient way.

PRESIDENT CARTER URGED TO SET AGGRESSIVE SOLAR GOAL

Mr. President, I commented earlier on solar energy. The energy countdown has begun. World supplies of petroleum are shrinking rapidly, while demand for this precious resource continues to mount. Experts estimate that world demand for oil will overtake supply as early as the mid-1980's.

To avoid major economic hardship and political turmoil in years to come, the Federal Government must commit itself today to an aggressive program to develop renewable energy resources. On March 28, I was one of a small group of Senators and Representatives who met with President Carter to discuss this need.

Participants at this meeting represented an informal congressional group called the Solar Coalition. We urged President Carter to set a national goal of 25 percent reliance on renewable energy resources by the year 2000. We further recommended that he give prominent mention to this goal in his upcoming energy address.

In a letter addressed to President Carter on April 2, I reiterated a number of the concerns which I raised at our March 28 meeting. I am particularly concerned about the lack of attention to all the subsidies which have been, and still are, given to conventional energy sources. I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 2, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I appreciate your taking the time on Wednesday, March 28th, to meet with me and other members of the Solar Coalition. I feel reassured by your support for a strong federal commitment to solar energy, and I trust that you will present an ambitious national solar program in your upcoming energy address.

In a letter adressed to you a month ago, I urged you to set a national goal of 25 percent reliance on renewable energy resources by the year 2000. A 25 percent target is admittedly ambitious. Recent studies by the Stanford Research Institute indicate that such an effort could require a host of substantial federal programs.

As I expressed to you on Wednesday, I am fully sympathetic with your determination to balance the federal budget. I am convinced, however, that an expanded solar initiatvie is attainable within the current budgetary framework. To achieve an expanded solar program while maintaining the current budget, we must take steps to reduce federal subsidies to fossil and nuclear fuels. According to a recent study by Battelle Pacific Northwest Laboratories, federal subsidies to the fossil and nuclear industries exceeded $100 billion between 1920 and 1976. During the same period, subsidies for renewable energy resources other than large-scale hydroelectricity totalled less than $1 billion. This lopsided policy has vastly underpriced fossil and nuclear-derived energy, thereby crippling the market potential of solar energy. By gradually reducing the subsidies to fossil and nuclear fuels, the Government would be able to expand its solar programs without increasing overall federal outlays.

The gradual decontrol of domestic crude oil prices would further enhance the commercial viability of solar energy. While I regard decontrol as necessary, I firmly believe that there must be adequate provisions to protect lower-income persons and non-profit service institutions from rising fuel costs.

Over the past half-century, the Government has amply demonstrated its leadership abilities in developing new energy systems. Almost single-handedly, it has undertaknen such mammoth tasks as rural electrification, the development of nuclear power, and the construction of vast hydroelectric networks. With comparable federal support, solar energy could achieve major market penetration by the year 2000.

Historical precedent tells us that the United States is capable of undergoing major energy transitions within a short period of time. Between 1850 and 1885, coal's contribution to the nation's energy supply rose from ten percent to over fifty percent. In 1910, oil and natural gas provided less than ten percent of our energy needs. By 1945, over half of America's energy came from these two sources. The policy choices we make today will largely determine whether solar energy experiences comparable growth in the coming decades.

While strong federal leadership is essential, rapid solar development can only occur if all levels of government and the private sector become actively committed to a solar goal. You have often stated that America's strength lies in its local communities and individual citizens, rather than in large, Washington-based bureaucracies. Solar energy offers a fine opportunity to put this principle into practice. In its solar development programs to date, the federal government has made little progress toward building an effective partnership with state and local units of government. I urge you to give serious consideration to programs which will improve the coordination between federal, state and local efforts. Further incentives for individual consumers and private businesses, particularly small businesses, should also be forthcoming.

The time is ripe for a major federal solar initiative. Rising OPEC prices are straining American family budgets, while the Iranian oil shutdown has caused significant supply problems at home and abroad. The ongoing crisis at the Three Mile Island power plant in Pennsylvania raises serious questions as to the safety and reliability of nuclear energy. Even prior to these events, a survey revealed that 94 percent of the American people favor the rapid development of solar energy. I urge you to assume strong leadership in developing our nation's renewable resource potential.

I am happy to have had the chance to discuss this important issue with you the other day, and I await your energy address with high hopes.

ENVIRONMENTALISTS AND OIL PRICE DECONTROL

Mr. President, the Washington Post published five remarkably persuasive letters on Saturday, March 24. They were written by members of leading environmental groups: The Sierra Club, the Natural Resources Defense Council, the Conservation Foundation, the League of Women Voters, and the Worldwatch Institute. The authors, including Denis Hayes, Ruth Hinerfeld, and Grant Thompson, are among the leading spokespersons for an environmentally sound energy policy.

Each of them made the point that energy prices should reflect the marginal, or replacement, cost of producing new energy supplies—including the environmental and social costs. Jonathan Lash of the Natural Resources Defense Council comments:

> Whatever their original justification . . . energy-price controls have now become the source of a dangerous distortion in the price signals our society sends. They say that cost to society of profligate consumption is cheap, when in fact it is not. They say energy is not a commodity in scarce supply, when in fact it is. They deceive us about the future, failing to alert us to the necessity of investing in energy-conservation measures in our new homes, new cars and new appliances.

Each of these distinguished writers emphasizes that any decontrol scheme must be fair and equitable. Decontrol would cause significant price increases throughout the economy. These high prices would most heavily burden the poor. In addition, decontrol would result in a windfall to energy producers of approximately $15 billion per year. Ruth Hinerfeld, president of the League of Women Voters writes:

> If decontrol is linked with a windfall profits tax and progressive rebate system . . . it can be achieved without imposing unfair burdens on the poor and without transferring large amounts of unearned income to producers.

Mr. President, I particularly want to draw the attention of my colleagues to the letter from Denis Hayes. He points out:

> The individual consumer, who has to shoulder the full cost of a new solar water heater or bio-gas plant, never confronts the cost of new oil. Instead, expensive new oil is mixed with cheaper old oil and the resulting product bears a price tag that averages the two. . . . If everyone paid for oil at the OPEC prices, for gas at the price of imports, and for electricity at the cost of power from new power plants, the nation's annual energy bill would be more than $70 billion higher. When coupled with an additional $12 billion in annual federal subsidies for conventional fuels, this constitutes a serious bias against cost-effective investments in energy conservation and renewable energy resources.

Mr. President, I ask unanimous consent that the five letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

ENERGY, THE ENVIRONMENT, AND OIL-PRICE CONTROLS

In your March 15 editorial "The Energy Paralysis," you correctly observe that, faced with prospective oil shortages, phased decontrol of domestic oil prices is an appropriate U.S. response, whereas relaxation of environmental standards in the name of increased energy production is not, in our view, realistic price signals—together with mandatory conservation—are necessary if we in the United States are to curb our extraordinarily wasteful appetite for energy.

In the past, columnists writing in The Post have not always accurately represented the position of environmentalists on the energy-pricing issue. Most recently, for example, Rowland Evans and Robert Novak, in their March 9 oped column, entitled "Carter's Energy Test," stated ". . . removal of artificial price restraints . . . would outrage . . . the environmentalist-consumer constituency."

For the Sierra Club at least, this simplification is inaccurate and misleading. We have long advocated energy prices that reflect the true marginal costs of producing and replacing finite energy supplies—including the environmental and social costs. For this reason, we actively supported the crude oil equalization tax and rebate proposed by President Carter in 1977.

If coupled with measures to prevent windfall profits to the oil companies and to alleviate the burden of higher energy prices on the poor, we would predict that a move toward "replacement cost pricing" would again be strongly endorsed by the Sierra Club and by environmentally minded citizens.

JONATHAN GIBSON,
Washington Representative, Sierra Club.
WASHINGTON.

One approach to energy conservation being considered by the president and his advisers is the decontrol of oil prices.

Prices are one signal of the value society attaches to a product. From time to time, when that signal has become dangerously distorted or when different values come into conflict, the government has intervened to control prices, keeping them high, as in the case of some agricultural products, or low, as in the case of some forms of energy.

Whatever their original justification, however, energy-price controls have now themselves become the source of a dangerous distortion in the price signals our society sends. They say the cost to society of profligate consumption is cheap, when in fact it is not. They say energy is not a commodity in scarce supply, when in fact it is. They deceive us about the future, failing to alert us to the necessity of investing in energy-conservation measures in our new homes, new cars and new appliances.

We can pay now, or pay later, and the cost later will be high. It will be paid in social, economic and environmental disruption when scarcity forces us to change our patterns of energy consumption abruptly.

The president should decontrol oil prices. Since decontrol will increase the profits of an already wealthy oil industry, and the terrible energy-cost burdens of low- and moderate-income families, decontrol must include a system to recapture excess oil profits and to reduce the economic impact of energy-price increases on those families who have already been forced to reduce their energy use to a minimum.

The present system of price control does not ensure fairness; it invites disaster.

JONATHAN LASH,
Attorney, National Resources Defense Council.
WASHINGTON.

The case for energy conservation has been made repeatedly, not only by environmentalists, but also by students of our economy and national security. Yet at a time when the supply of vital energy resources is threatened by events beyond our control, the government is encouraging consumption of those resources by controlling their prices. A more effective measure to frustrate energy conservation would be hard to invent.

Decontrolling oil prices will be unpopular, even if the most painful effects are tempered by phasing and by taxes on windfalls. But the long-term effects of failing to decontrol will erode our economic, social and environmental well-being. On June 1, President Carter will get authority to act on decontrol. Having shown his courage and resolve in international affairs, he should show those qualities here as well.

GRANT P. THOMPSON,
Senior Associate, The Conservation Foundation.
WASHINGTON.

The League of Women Voters believes that the administration should work closely with Congress to ensure that gradual decontrol is accomplished as part of a package that includes imposition of a windfall profits tax on oil and rebates of the proceeds from the tax to the public.

Decontrol, by achieving replacement cost pricing for all oil, would accomplish important energy objectives. First, it would provide a strong spur for conservation and would work well with specific mandatory conservation programs. Second, it would serve to reduce U.S. oil imports and ease pressures on world supplies by ending the system that effectively subsidizes imports by rolling in the lower, controlled prices of domestically produced oil with the higher prices of imports. And finally, it would encourage the use of solar and other renewable resources by reducing the artificial market biases against such sources.

But any decontrol scheme must be fair and equitable. Decontrol would cause significant price increases throughout the economy; these higher prices, like all higher prices, would fall heaviest on the poor. In addition, decontrol would result in a yearly windfall to energy producers on the order of $15 billion.

If decontrol is linked with a windfall profits tax and progressive rebate system, however, it can be achieved without imposing unfair burdens on the poor and without transferring large amounts of unearned income to producers. In our view, the tax should be set at a level to recover at least the difference between the current controlled price of previously discovered oil plus inflation and the world price. The proceeds of the tax should be rebated to the public in a progressive manner based on economic need. Administration of the tax would be simplified if it were imposed at the wellhead.

This combined system of gradual decontrol and a windfall profits tax with rebates could move the nation toward a long-term solution to our continuing series of oil crises by pricing oil at its real cost. It would do so in a responsible, socially equitable manner.

RUTH J. HINERFELD,
President, League of Women Voters of the United States.
WASHINGTON.

The individual consumer, who has to shoulder the full cost of a new solar water heater or biogas plant, never confronts the cost of new oil. Instead, expensive new oil is mixed with cheaper old oil and the resulting product bears a price tag that averages the two.

This difference between the marginal cost and actual marketplace price exists for all conventional energy sources and is most dramatic for electricity. In some parts of the country, electricity from a new facility costs 10 times more than the average price (encompassing cheap dams, 30-year-old power plants, etc.) now paid by the consumer.

If everyone paid for oil at the OPEC price, for gas at the price of imports and for electricity at the cost of the power from new power plants, the nation's annual energy bill would be more than $70 billion higher. When coupled with an additional $12 billion in annual federal subsidies for conventional fuels, this constitutes a serious bias against cost-effective investments in energy conservation and renewable energy resources.

Renewable energy resources are now often cheaper than conventional energy sources at the margin. That is to say, if you are to warm your bathwater with energy from an unsubsidized new nuclear power plant or an unsubsidized new solar unit, the solar investment will be cheaper. Yet the individual consumer never receives prices that reflect that fact.

If society's scarce capital is to be invested efficiently, public policies must ensure that the microeconomic interests of individual consumers coincide with the macroeconomic interests of the nation.

DENIS HAYES,
Worldwatch Institute.

WASHINGTON.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. GRAVEL. Mr. President, I rise to address the colloquy initiated by my colleague from Oregon. I compliment him on this. I think it is important that, as we focus more acutely on the energy problems today as a result of the President's message, we in Congress should try to lay down various précis or views that we have with respect to the problem.

Certainly, on everybody's mind has been the nuclear accident that occurred in Pennsylvania. I think this morning's report was interesting in that, regardless of this accident, by and large, the majority feels that we must go forward with a nuclear program. I think that will be one of the recommendations of this administration.

I think that is an error. I think there is no question that we have committed ourselves to expenditures in excess of $100 billion to this program and I do not think we can be capricious and arbitrary in just cutting it off at this point in time. I think we ought to recognize the tradeoffs and risks involved and not make a policy that we should go forward in that area. If anything, I think we should begin to wind down.

I make that suggestion not only to this administration, but to the national environmental groups as well. They are at fault as much as anyone in that they come forward with opposition to oil and gas development, they come forward with opposition to coal development, they come forward with all sorts of opposition to various alternatives for providing energy. What they come across with is a negative in the entire field. They, therefore, render ineffective the possible choices that can be made in a representative society going toward various forms to satisfy our energy needs.

I merely give this comparison. I think I would rather speak more acutely of the needs of my own State. Here we have an administration that is telling us that we have to go forward with nuclear development despite the difficulties at hand. At the same time and in the same breath, through their land policies in Alaska and other parts of the United States, they go completely adverse to what would be a proper policy, a proper balance. I am talking about the decision made by the President of the United States on December 1 of last year, when, with what I view as abuse of a law known as the Antiquities Act, he set aside 56 million acres into monuments. Of that 56 million acres, 10 million acres are sedimentary basin lands on the North Slope of Alaska with high potential for oil and gas reserves.

The balance and the strategic location of the other 40 million-some-odd acres are such that he impacts the exploration and exploitation of an additional 40 million acres of sedimentary basin on the North Slope. So here is a situation where the Government, on the one hand, talks in terms of an energy crisis and the possibility of rationing and belt-tightening and suffering and, on the other hand, removes from inventory literally 40 million acres of sedimentary basin.

To give a sense of comparison of what this is in land, the Prudhoe Bay oilfield was a tract of land of 190,000 acres. In that one tract of land in Alaska, we have one-third of all of the known reserves of the United States in oil and gas, a tract of 190,000 acres. Yet, the Government has pulled out of inventory 40 million acres of sedimentary basin. It literally is preposterous. I do not think we can stand here and merely criticize the executive in this regard for their schizophrenia, because I think we are equally at fault.

The distinguished committee that my good friend from Oregon serves on and the counterpart committee in the House of Representatives, last year, literally took out of inventory in excess of 50 million acres of sedimentary basin.

They passed that legislation out of committee and it passed the House.

It makes no sense to take land on which we do not even know what the potential is and say that we are now ascribing another value to it and we will not look for oil and gas.

That is what the Congress has done. That is what, of course, the executive has done.

I think when we stand here and point to the executive and say that we have mismanaged the energy issue for the last 6 years, that we who have been here 6 years or more serving on energy committees are equally culpable in not solving that problem and culpable in a timidity of not facing up to the issue.

If we ask the American people if they want to pay taxes, they will say, "No." If we ask the American people if they want to pay higher energy costs, they will say "No," obviously.

What is tragic is that we would be so infantile and so crass that we would then add to these feelings and say, "Well, we can give it to you cheap." That, of course, is the source of the inflation we have today.

I want to underscore the schizophrenia of the present administration in its land policies, not only in Alaska, but in other parts of the United States. On the RARE II issue that has taken place throughout the United States, merely in the Rocky Mountain area, the estimates of undiscovered, recoverable hydrocarbons for RARE II areas are 4.5 to 25.9 billion barrels of oil.

This is an area where 10 years ago nobody thought there was any oil and now there are potentially 2½ Prudhoe Bays.

This is merely one area that is impacted by RARE II.

The USGS on January 6 of this year raised its estimates of undiscovered crude oil resources by 10 billion barrels as a result of this oil activity. What that means is that somebody within the bureaucracy has made a decision based upon empirical data and said that we have just discovered another Prudhoe Bay. It is not hooked up, but the geologic information indicates that we have an increase of one-third of all known reserves. This is how capricious these figures can be.

We have a capacity to satisfy our fossil fuel energy needs merely through oil and gas for the next 50 to 200 years. I submit that if we can permit the necessary activity to take place to exploit that energy, we who have some environmental concerns are placing a priority on what we think is the best way to safeguard the environment, and that is to start with oil and gas, which is capital intensive and does the least amount of pollution, and then go down the spectrum. This will give us time to bring in line the solar activities that can at some future time meet 25 percent of our needs.

Hopefully, in the next 50 to 200 years the scientific community will make the necessary discoveries to satisfy our needs without any further dependency upon fossil fuel areas.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks, a public lands and energy review by the Independent Petroleum Association of the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GRAVEL. Mr. President, the leasing program for oil and gas, literally, has been nonexistent. We have not had a leasing program of any note in Alaska for a number of years.

PROCEEDING WITH AN EXPEDITED LEASING PROGRAM FOR OIL AND GAS RESOURCES IN ALASKA, INCLUDING THE BEAUFORT SEA, NATIONAL PETROLEUM RESERVE-ALASKA, AND OTHER AREAS OF SIGNIFICANT ENERGY POTENTIAL

Dependence of this Nation on imported crude oil has never been greater and our goal to meet our own demands through domestic production has never been further from attainment. In 1973, this Nation imported 35.6 percent of its total petroleum consumption, which then amounted to nearly 3.5 million barrels of oil per day. Today this reliance on imports has increased to more than 46 percent, and our daily energy needs have continued to rise to the present figure of more than 6.6 million imported barrels of oil.

As these figures reveal, the energy independence policy announced by the President 3 years ago remains a distant dream. The Interior Department, which announced extensive leasing schedules in 1975, continues to revise those schedules and postpone needed sales. It is time the President assured an end to this delay in his leasing program by immediately targeting for expedited leasing those areas of known high oil and gas potential in both the continental United States and Outer Continental Shelf areas.

In Alaska six known sedimentary basins exist which to date have remained totally unexplored (with the exception of Prudhoe Bay and Southern Cook Inlet). The North Slope Basin, in which the Prudhoe Bay field is located, represents one of the most prominent for future exploration. The most promising prospective field in this basin is the Alaska National Wildlife Range, whose proximity and close geological relationship to the large proven reserves of Prudhoe Bay make the range one of the highest potential geosynclines in the United States. Of the 10,000 square miles encompassing more than 6.6 million acres of range area, only about 1.3 million acres contain this vast potential energy resource. This potential is situated adjacent to the Beaufort Sea and the high volume Prudhoe Bay field. With Prudhoe Bay's existing development and the presence of the Alyeska pipeline (with potential transportation capacity of 2 million barrels per day), this fraction of the Alaska National Wildlife Range merits inclusion in an immediate oil and gas leasing program.

Another area of significant potential is the National Petroleum Reserve of Alaska, which currently is subject to a limited exploration program by the Interior Department. This area should similarly be the subject of immediate leasing into the private sector so the exploration program can continue on a more dynamic basis and without the need for Federal expenditure. New discoveries in this area could eventually be linked into the existing pipeline facilities.

The other five sedimentary basins of Alaska should likewise be designated for oil and gas exploration. The potential of these as yet unexplored basin areas has been estimated by the U.S. Geological Survey as ranging from 10 to 50 billion barrels of recoverable hydrocarbons. These basins should be evaluated as part of a comprehensive and responsible energy policy.

An energy policy designed to attain energy self-reliance and maximization of petroleum potential should recognize the need for an expedited leasing program incorporating the North Slope basin and other vast sedimentary basins of Alaska.

Mr. President, let me just give another comparison of how virgin Alaska is.

In Alaska, we have not drilled 20 wells outside of existing producing areas, and that is in an area one-fifth the size of the United States.

In the lower 48, our drilling has been one well per 1,000 acres. In Alaska, it has been one well per 375,000 acres.

So, to come forward with proposals out of the Department of the Interior to lock up Alaska, and for Congress to abet its proposals with legislation in the energy committees, is unconscionable to the degree of great schizophrenia.

Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a summary of a Cambridge poll which indicates that Americans, to the tune of some 60 to 70 percent, do not want land put aside until we have made an investigation of its energy-producing capability.

There being no objection, the poll was ordered to be printed in the RECORD, as follows:

SUMMARY OF CAMBRIDGE POLL RELATING TO WILDERNESS AND DEVELOPMENT ISSUES

Recently there has been a debate over what to do with Federally owned wilderness lands—particularly in Alaska. Some people say these lands may contain vast amounts of oil, gas and uranium needed for energy development and that they should be explored. Other people say these are protected wilderness areas and should not be explored. Would you favor or oppose exploring Federal wilderness lands for energy resources?

	Percent
Favor	58
Oppose	28
Don't know	14

Recently, there has been a debate over wilderness lands throughout the country in general. Some people say that wilderness should be surveyed before they are restricted in order to determine whether or not energy or mineral resources exist on them. Other people say we have to preserve wilderness lands regardless of the potential use and that the surveys themselves would damage the wilderness. Do you think we should survey wilderness areas or not before deciding what to do with them?

	Percent
Yes	67
No	14
Not sure	19

Just in general, do you think the United States has preserved enough wilderness land or should the U.S. attempt to protect additional areas of wilderness from development?

	Percent
Preserved enough wilderness land	45
Protect additional areas of wilderness	35
Don't know	19

Recently there have been proposals before Congress to close additional areas of Federally-owned wilderness land to any kind of development, including searches for new oil and gas. Do you favor or oppose allowing exploration for oil and gas on Federally-owned wilderness land?

	Percent
Favor	56
Oppose	16
Don't know	29

(If oppose exploration for oil and gas) if it were shown that virtually all of the hope for new oil and gas discoveries in the U.S. were in those Federal lands that would be closed to exploration development, would you still oppose exploring these lands for resources or not?

	Percent
Yes	35
No	42
Not sure	23

If it came down to a simple choice between developing new energy resources and preserving wilderness areas, which do you think the Nation would choose?

	Percent
Developing new energy sources	67
Preserving wilderness areas	19
Don't know	14

Would you favor or oppose limited drilling for oil and natural gas in the wilderness areas of the Western United States?

	Percent
Favor	60
Oppose	26
Don't know	14

EXPEDITING CONSTRUCTION OF ALASKA NATURAL GAS TRANSPORTATION SYSTEM

Mr. GRAVEL. Mr. President, trillions of cubic feet of natural gas are presently available from ongoing North Slope crude oil production. By 1981, this gas could be piped to midwestern and west coast markets to offset rising energy demands of these major production and population centers. However, the economic ability of northwest and other pipeline companies to construct the pending gas line diminishes as more delays occur and the crude oil production from the Prudhoe Bay field continues, thus limiting the recoverability of the Prudhoe gas.

The history of producing and transporting Alaska's petroleum underscores the need for assertive action at the highest levels of Government. If Congress had not responded to the needs of the Nation, after 2 years of litigation, an oil embargo by the OPEC nations, and enacted Alaska pipeline legislation in 1974, this Nation would not now be receiving the 1.2 million plus barrels per day of domestic Alaskan crude oil. Today the threat of an OPEC embargo continues to confront the United States as imported crude prices escalate and the balance-of-payments deficit widens more dangerously. Litigation likewise threatens this and other pipeline projects.

Mr. President, here is another situation of the present administration's schizophrenia on energy. We are told repeatedly that this is the President's highest energy priority, to build the gas line—Congress has voted on this, to build the gas line—from Prudhoe Bay, to come down into the western part and the central part of the United States.

What is the impediment to the construction of that gas line, which now appears delayed? The simple impediment is a FERC decision saying that the cost of conditioning that gas, which is somewhere around $2 billion, cannot be borne by the consumers. It has to be borne by the companies who own the gas.

This is telling the people that we can get the gas, but we are going to make the companies pay to give us the gas.

This is preposterous. There is no way we will get the gas unless we are prepared to pay the cost of transporting the gas, pay the cost of conditioning the gas, and pay the cost of what would be a competitive price at the wellhead.

But here, within the bowels of the executive, our Government refuses to do this. By this action, the administration, is itself creating the major impediment to constructing a gasline which, in the rhetoric of politics, is this administration's primary objective.

There is another situation, Mr. President, that occurred in Alaska. I have been a prime mover in bringing about a hydrodam, one of the largest ones on the North American Continent. It has an apparent favorable cost-benefit ratio of 1.4 to 1. I have read the entire draft of the EIS and it has minimal environmental impact. It is in a stream that has no fish, it is too rough for the fish. It would flood a minimal area, 3 miles wide, about 50 miles long, in two different lakes, and provide additional recreational area in my State.

It has been this administration, again, through its schizophrenia, that has sabotaged various efforts to push forward on phase 1, the final investigation before a firm decision is made to construct. It has sabotaged those efforts repeatedly.

I cannot understand why that would be the case when we have, essentially, what would be a large solar device—that is what the dam and impoundment is, water is a solar device of a renewable nature that will provide energy cheaper than the existing forms of energy production in the State of Alaska. That would permit us to send our fossil fuel outside, to areas that are not as blessed with possible hydrodevelopment sites as we are.

The area of concern voiced by the administration is that they want a water program in which the local sector would put 10 percent up front. In the program I am suggesting, the State of Alaska now is in the process of appropriating $8 million for the up-front cost, without possible recourse to the Federal Government for reimbursement, and we have to vie with OMB for permission in order to get the corps working. Then, if this project is to go, it will not be built with Federal funds, it will be built with State funds. State bonds will be sold in the private area.

So, in all criteria, this is far in excess of any demand the administration would make on any other State. Yet, we volunteer to do this; and all we are faced with its intransigence or the part of the administration and a situation in which the Secretary of the Interior came forward, wanting to make that river a wild and scenic river, so as to foreclose the possibility of a hydrodevelopment. That is merely one of many events that have taken place.

SHORT SUMMARY OF GRAVEL AMENDMENTS TO S. RES. 78

ALASKA NATURAL GAS TRANSPORTATION SYSTEM

The amendment calls upon the President to submit plans to expedite construction of the system. The Congress has already gone on record in terms of finding the project to be in the national interest. However, recent decisions by the Federal Energy Regulatory Commission have served to lessen the incentives for the private sector to begin construction of the system.

EVALUATION OF ENERGY POTENTIAL OF PUBLIC LANDS

The amendment asks the President to submit plans to insure evaluation of energy potential of public lands prior to withdrawal. It has been estimated that public lands contain 50 percent of all known energy resources. However, withdrawals of public lands have occurred in a haphazard and uncoordinated fashion with little thought given to future economic energy impact. A recent poll by Cambridge Reports indicates that 67 percent of the American people would prefer to survey Federal wilderness land for energy and mineral resources before deciding what to do with them.

PROVISION OF ACCESS FOR TRANSPORTATION AND DEVELOPMENT OF RESOURCES

The amendment calls upon the President to submit plans to insure the availability of access and the expedited processing of applications for access to promote the development and economic transportation of energy resources. Recent developments with respect to the Sohio PACTEX project have served to highlight the need for a centralized decisionmaking mechanism for complex projects where conflicting interests and policy disputes can be resolved in a reasonable timeframe. In addition, recent actions by the President invoking the Antiquities Act in Alaska have effectively prohibited any surface access route to nearly 30 million acres of land on the North Slope of Alaska, all of which have high potential for oil and gas.

EXPEDITED LEASING OF ALASKA ENERGY RESOURCES

The Presidential action mentioned above has effectively prohibited exploration and development of oil and gas resources on 56 million acres of public lands. Over 10 million of these acres fall within sedimentary basins having potential for oil and gas discovery. Throughout Alaska there have been less than 1,000 oil and gas wells drilled to date and less than 20 wells outside Prudhoe Bay, Cook Inlet/Swanson River fields, and the work in NPR–A. Bureaucratic and regulatory delays have hampered other development activities. The amendment asks the President to submit a plan for expedited leasing of Alaska's energy resources.

BASIC INFORMATION ON DOMESTIC PRODUCTION OF ENERGY SUPPLIES

Imported petroleum constituted 21 percent of domestic energy consumption in 1978, up from 14 percent in 1972. Since 1972, domestic production has fallen over 10 percent, domestic petroleum reserves have fallen nearly 20 percent and oil imports have jumped 50 percent. Yet, domestic petroleum demand has risen over 10 percent and is projected to rise 2.5 percent annually through at least 1981. (From The 1979 Joint Economic Report, by the Joint Economic Committee).

THE IMPACT OF ALASKA NATIONAL MONUMENT DESIGNATIONS ON OIL AND GAS RESOURCES

The establishment of 17 new national monuments in Alaska under the 1906 Antiquities Act prohibits any exploration or development of oil and gas resources on the 56 million acres within the boundaries of the monuments.

Over 10 million of these acres fall within sedimentary basins having potential for oil and gas discovery. Little exploration has been carried out in these areas, and virtually no wells have been drilled. In fact, outside of the existing Prudhoe Bay and the Cook Inlet/Swanson River fields, and the work in the National Petroleum Reserve-Alaska (PET–4), less than 20 wells have been drilled throughout Alaska.

Throughout Alaska there have been less than 1,000 oil and gas wells drilled to date, or about one well for every 375,000 acres in Alaska. In the lower 48 States there have been more than 2 million oil and gas wells drilled, or about one well for every 1,000 acres. With this level of exploration it is absured to "write off" any area as having no potential for oil and gas.

In addition to the potential areas within the monuments, these designated areas, because of their vast size, effectively block access to adjacent areas having oil and gas potential. As an example, the combined Noatak/Gates of the Arctic Monuments form an interlocking barrier stretching nearly 400 miles across the central and western Brooks Range. This prohibits any surface access route through this area to reach nearly 30 million acres of State, Native corporation, and Federal lands within the petroleum reserve to the north, all of which have high potential for oil and gas.

Ironically, this administrative action comes at a time when our dependence on foreign oil sources has never been greater and our balance of payments is running a dangerous deficit. It also hardly needs to be said that some of these foreign sources are increasingly precarious. The President himself has announced potential gas rationing plans.

Interestingly, in a report conducted between November 26 and December 20, 1978, by Cambridge Reports, Inc., it was found that between 60 and 70 percent of those surveyed favored exploration for energy resources within Federal wilderness areas. As witnessed by the Prudhoe Bay and Swanson River oil fields in Alaska, modern development of oil and gas resources can be conducted with minimal impact on the environment.

EXHIBIT 1

INDEPENDENT PETROLEUM
ASSOCIATION OF AMERICA,
Washington, D.C., February 1, 1979.

Hon. JAMES R. SCHLESINGER,
Secretary of Energy, U.S. Department of Energy, Forrestal Building, Washington, D.C.

DEAR MR. SECRETARY: When we were visiting last month, you expressed great interest in the land withdrawal recommendations to be made to this Congress, and invited us to submit a summarization of this issue including our perspective.

In response to your suggestion, we are enclosing the attached memorandum which I hope you will find of interest. The active interest of DOE, needless to say, could be a decisive influence in avoiding the needless foreclosure of tremendous energy resources on tens, if not hundreds, of millions of acres.

Your interest in this important matter is very much appreciated. We are following developments in this area intently, and will be anxious to provide DOE the benefit of any information which would be helpful, at all times.

Sincerely,

LLOYD N. UNSELL.

Energy and the Public Lands

U.S. public lands are the last frontier for domestic oil exploration. They present the most promising opportunities to expand our nation's domestic supplies of crude oil and natural gas. Yet, federal surface management policies are restricting and, in some cases, prohibiting any form of exploration. De facto and de jure withdrawals of public lands from the operation of the Mining Act of 1872, the Mineral Act of 1920 and the Mining and Minerals Policy Act of 1970 have occurred in haphazard and uncoordinated fashion with little though given to future economic or energy impact. If there is any denominator for the federal government's actions with regard to public lands over the last decade, it is the exclusive concern of maintaining the works of nature inviolate while disparaging the efforts of man.

MINERALS POTENTIAL IN PUBLIC LANDS

The federal government owns over 760 million acres—one-third of the total land area of this country—as well as the mineral rights to an additional 63 million acres. The largest federal landowners are the Bureau of Land Management (BLM) with 470 million acres (equivalent to Alaska, California, and Massachusetts combined) and the Forest Service with 187 million acres (equivalent to Texas and South Carolina combined). They are followed by the Department of Defense, 31 million acres; Fish and Wildlife Service, 30 million acres, National Park Service, 25 million acres; Bureau of Reclamation, 7.6 million acres; and Bureau of Indian Affairs, 5 million acres. In addition, the federal government controls some 559 million acres underlying territorial waters beyond state jurisdictions.

These vast stretches of Federal land contain significant potential reserves of crude oil and natural gas and other critical minerals. Dean William H. Dresher of the University of Arizona College of Mines estimates that publicly owned lands contain 50 percent of all known energy resources including: 40 percent of the coal, 70 percent of the low-sulfur coal; 75 percent of the oil shale; 85 percent of the tar sands; 15 percent of the developed oil reserves; 33 percent of the estimated U.S. oil reserves base; and 43 percent of the estimated U.S. natural gas base.

Studies of the U.S. Geological Survey indicate that this country has enough known and potential oil and natural gas resources to continue present levels of production for nearly 50 years. The low estimate suggests that, with improved technology and the right economic climate, the nation may have as many as 135 billion barrels of crude oil and gas liquids, and some 760 trillion cubic feet of natural gas, almost four times the current proved reserves of oil and gas in the U.S.

The Geological Survey and private oil and gas industry sources estimate that much of the nation's undiscovered oil and natural gas reserves lie in Alaska, the Rocky Mountains and on the Outer Continental Shelf (OCS). Ninety-six percent of the lands in Alaska, 46 percent of the Rocky Mountain states (Idaho, Utah, Montana, Wyoming, Colorado, and New Mexico), and all of the OCS beyond state jurisdiction are controlled by the federal government. Thus, the management policies governing access and development of these resources is critical.

In a recent statement before the American Association for the Advancement of Science, Charles O. Masters of the U.S. Geological Survey stated that the U.S.G.S. was raising its estimate of undiscovered crude oil resources in the U.S. by 10 billion barrels, according to a January 6, 1979 Washington Post report. Eight new discoveries in the Western part of the Green River Basin provide data which supports an upward revision of the low estimate from 50 to 60 billion barrels of undiscovered crude oil. These new discoveries highlight the significance of the new frontier on public lands in the Rocky Mountain states as the Green River Basin covers parts of Wyoming, Utah, Montana, and Colorado and is part of the Overthrust Belt. The new discoveries have also raised the 1973 estimates of potential in that basin from 1.5 to 37 billion barrels of oil, adding further support to government and industry claims that the Overthrust Belt may have greater potential than Prudhoe Bay in Alaska.

The Rocky Mountain Oil and Gas Association estimates undiscovered recoverable hydrocarbon resources of Forest Service RARE II tracts overlying the Overthrust Belt in Idaho, Montana, Utah and Wyoming to be from 4.5 to 25.9 billion barrels of crude oil and from 13.2 to 97.3 trillion cubic feet of natural gas. According to RMOGA, "this is equivalent to as much as 4.3 times the oil and gas estimated to be recoverable from the Atlantic Continental Shelf (0–6 billion barrels of oil and 0–22 trillion cubic feet of natural gas), or up to eight times the amount of crude oil imported by the United States in 1977 (3.2 billion barrels)."

Only one hundred nine million acres of public lands are under oil and gas lease at the present time. Of the 559 million offshore acres controlled by the U.S., only a little more than 10 million, or less than 2 percent of the offshore acres has been leased for oil and gas exploration, according to the American Petroleum Institute. Of the 3.2 million wells drilled throughout the world, some 2.4 million have been drilled in the mature producing areas of the U.S. Extrapolate such a drilling density to Alaska, to the western areas where new discoveries have been made recently, and to other promising regions such as those on the public lands and the results could be phenomenal.

However, according to The Final Report of the Task Force on the Availability of Federally-Owned Mineral Lands" (U.S. Department of Interior, 1977, using 1974 data) 312.5 million acres of federal lands were formally withdrawn and an additional 183 million acres were governed by such severe restrictions as to constitute *de facto* withdrawals—as much as 73 percent of the U.S. public lands.

CURRENT LAND MANAGEMENT POLICY

The movement to withdraw more and more federal land has come about largely as a result of a latent awareness that U.S. borders are not limitless and her natural resources must be managed in a manner which will respect the natural environment as well as the economic environment of the nation. Thus, land managing agencies are mandated to protect and sustain every aspect of the natural environment under a plethora of piecemeal programs. The result is a collage of conflicting policies and procedures which lack priority identification and national perspective. For example, improving the nation's energy supply situation is a top national priority. At the same time, conservation of public land has also been identified as a top environmental issue. It is this conflict which has seriously limited access to U.S. public lands for energy exploration and development.

The emphasis on wilderness preservation has exacerbated the land withdrawal issue. During the past two years, the Forest Service withdrew sixty-three million acres of national forest land for its RARE II studies; the Bureau of Land Management initiated a 15-year Wilderness Review; 123 million acres were withdrawn from any development in Alaska while Congress debates the Alaska National Interest Lands Act; and countless individual wilderness and other limited access bills have passed in Congress. According to the U.S. Forest Service, the current wilderness situation is as follows:

National wilderness preservation system

	Acres
Existing wilderness____________	[1] 19, 013, 305
Endorsed and pending before Congress ________________	[2] 23, 148, 041
Under review or estimated under review______________	[1] 202, 842, 863
Total ________________	245, 004, 209

[1] Includes National Forests, National Parks, National Wildlife Refuges, and Bureau of Land Management lands.

[2] Includes National Forests, National Parks and National Wildlife Refuges.

All of these 245,004,209 acres are presently managed in a manner that will protect their wilderness characteristics; i.e., they are not available for mineral resource development.

The controversy is obvious in the debate over future use of Alaska lands. In proposed legislation which would limit access to 128 million acres of land in Alaska, all of that acreage would be withdrawn from mineral entry while oil and gas leasing could occur on non-wilderness refugees subject to special procedures. Seventy percent of the lands rated highly favorable for minerals by the U.S. Bureau of Mines and three of the world class mineral discoveries in Alaska identified by the Stanford Research Institute are included in Wilderness areas and would therefore be off-limits to exploration and development or be so restrictively managed as to preclude development. Additionally, the Arctic National Wildlife Range coastal plain would be designated Wilderness and subject to wilderness protection stipulations.

EXISTING STATUTORY PROVISIONS

The conflict between energy development and conservation crystalizes when one examines the statutory provisions for conducting oil and gas operations on designated wilderness areas. The Wilderness Act of 1964 makes special provisions for exploration and development of minerals on "wilderness" areas, recognizing their important place in American productivity. The Act provides in part:

". . . Nothing in this Act shall prevent within national forest wilderness areas any activity, including prospecting, for the purpose of gathering information about mineral or other resources, if such activity is carried on in a manner compatible with preservation of the wilderness environment. . . .

"Notwithstanding any other provisions of this Act, until midnight December 31, 1983, the United States mining laws and all laws pertaining to mineral leasing shall, to the same extent as applicable prior to the effective date of this Act, extend to those national forest lands designated by this Act as 'wilderness areas'; subject, however, to such reasonable regulations governing ingress and egress as may be prescribed by the Secretary of Agriculture consistent with the use of the land for mineral location and development and exploration, drilling, and production . . ." (Sec. 4(d)(2) and (3))

Implicit in the language of the Act is a recognition of the fact that mineral exploration and extraction can be conducted in harmony with the environment. Multiple use is not contrary to preservation of the natural environment. Reasonable requirements for surface protection and restoration provide adequate safeguards and are consistent with the language of the Wilderness Act and the Federal Land Policy and Management Act (FLPMA).

The importance of mineral values in wilderness areas as recognized by Congress in the Wilderness Act was later confirmed by FLPMA (sections 603(a) and 603(c)). Both acts require that minerals surveys be performed by the Geological Survey and Bureau of Mines, the results of such surveys to be reported to the President and Congress. FLPMA goes further by requiring such report to be completed prior to any wilderness designation recommendations. It is significant that both acts which mandate wilderness studies include this recognition of mineral values.

Furthermore, section 4(d)(3) of the Wilderness Act provides that, with regard to wilderness areas, regulations governing ingress and egress shall be

". . . consistent with the use of the land for mineral . . . development and exploration, drilling, and production, and use of land for . . . facilities necessary in exploring, drilling, producing, and processing operations, including where essential . . . restoration *as near as practicable* of the surface of the land disturbed . . ." (emphasis added)

The language is specific. Not only can oil and gas be discovered but produced as well. The legislators recognized not only that land disturbance is a necessary by-product of exploration and production but also, more importantly, that the land can be restored without impairing wilderness suitability. The BLM's NTL–6 provides more than ample reclamation requirements.

Our interpretation is consistent with language in section 603(c) of FLPMA: ". . . the Secretary shall by regulation or otherwise take any action required to prevent unnecessary or undue degradation of the lands . . ." This language makes clear that some degradation of the lands will be necessary; otherwise there would be no need for regulation. Therefore, a "no surface occupancy" stipulation on a lease is an unwarranted and improper application of wilderness protection. Failure to issue new leases, and failure to grant or process applications for drilling permits are equally unacceptable. The pertinent language of section 603(a) of FLPMA reads:

". . . the Secretary shall continue to manage such lands . . . so as not to impair the suitability of such areas for preservation as wilderness, *subject, however, to the continuation of* existing mining and grazing uses and *mineral leasing* in the manner and degree in which the same was being conducted on the date of approval of this Act." (emphasis added)

IMPLEMENTATION OF STATUTORY AUTHORITY

In spite of the foregoing development provisions, land managing agencies have taken the position that mineral leasing is a use taking place on public lands rather than a legal entitlement by which a party would be allowed to conduct exploration and production operations on the land. To the contrary, a lease is nothing if not a legal entitlement to use the land consistent with the purpose for which it was leased. An oil and gas lease is meaningless without the entitlement to access, drilling, and production.

An example of agency restrictions can be found in the following quote taken from the recently published RARE II Final Environmental Statement:

". . . Oil industry exploration proposals will be examined on a case-by-case, site-specific basis in full compliance with the National Environmental Policy Act. This means before on-the-ground activities are permitted, environmental assessment reports will be made. Where proposed activities, individually or cumulatively, would have major effects on quality of the human environment, environmental impact statements will be prepared with full public involvement. Where environmental impacts are judged unacceptable, the proposed activities will be disapproved."

This process continues the all too familiar scenario to oil and gas lessees: endless delays, litigation by environmentalists, prohibitive operating costs, and increased bureaucratic involvement in private enterprise not to mention the obvious disincentive posed by no guarantee that production will be allowed once a discovery is made. It also provides a classic example of the conflicts which exist in the mandates of public land managing agencies.

Commercial production of oil and gas and development drilling in National Forest nonwilderness and further planning areas as well as all BLM lands under study for wilderness characteristics will not be approved until land use allocation decisions and/or land management plans have been completed. Under these conditions, it will take years to bring on any of the vast energy potential that lies beneath public lands.

Until very recently, the chief concept which governed the management of public lands was "multiple use". Congress reaffirmed the multiple use philosophy in the Federal Land Policy and Management Act of 1976. However, the Act's definition of "multiple use" has only further clouded the picture:

"The term multiple use means the management of public lands and their various resource values so that they are utilized in the combination that will best meet the present and future needs of the American people; making the most judicious use of the land for some or all of these resources or related services over areas large enough to provide sufficient latitude for periodic adjustments in use to conform to changing needs and conditions; *the use of some land for less than all of the resources;* a combination of balanced and diverse resource uses that takes into account the long-term needs of future generations for renewable and non-renewable resources; including, but not limited to, recreation, range, timber, minerals, watershed, wildlife and fish, and natural scenic, scientific and historical values; and harmonious and coordinated management of the various resources *without permanent impairment of the productivity of the land and the quality of the environment* with consideration being given to the relative values of the resources and *not necessarily to the combination of uses that will give the greatest economic return or the greatest unit output.*" (emphasis added)

The term as defined in FLPMA is broad enough to cover any wish of federal land managing officials and can mean many things to persons with different backgrounds and interests.

Implied but not stated in the definition of multiple use is the concept of "without conflict". Historically, it has meant simultaneous occurrence of compatible uses or sequential occurrence of conflicting uses. An outstanding example is Avery Island in Louisiana which is simultaneously a bird sanctuary, salt mine, red pepper farm, and a producing oil and gas field.

With perspective, the term "multiple use" as defined in FLPMA can be used to provide for the needs of our society. Without perspective, it can be used to eliminate massive portions of public lands from broad public use. The latter is happening.

CONCLUSION

All current projections indicate that U.S. demand for imported petroleum will continue to increase unless new domestic sources of petroleum are found and developed. Federal lands (both onshore and offshore) are the areas of greatest potential for future domestic petroleum supplies. Our ability to develop those domestic supplies depends upon gaining access to these lands.

Petroleum activities on federal lands—in addition to being necessary to expand domestic production—are in most instances temporary and can be conducted in a manner that is compatible with sensitive environmental areas. Exploration activity (both seismic and test drilling) involves minimal surface disturbance of the land over a fairly short period (a few days or weeks usually—a few years at most). Even in the event of a commercial discovery, the normal life of a field (25 to 30 years) is also a "temporary" intrusion on the land when considered in terms of an average lifetime and the pressing need now for domestic energy supplies.

Petroleum development as a "combustible use" has been fully documented even in the case of the most sensitive competing use—wildlife. Oil and gas activities on the Kenai Moose Range in Alaska and on various wildlife refuges along the coast of the Gulf of Mexico have shown that wildlife management and petroleum production can proceed together. In fact, the Wildlife Refuge Management Act specifically states that oil and gas activities may proceed on wildlife refuges.

The petroleum industry recognizes the need and the responsibility to conduct its operations in a manner that is environmentally sound. IPAA is anxious to work with the Federal government to bring about a process of operations which will satisfy that responsibility so that its members can get on with the business of finding and developing new domestic energy supplies.

Mr. HATFIELD. Mr. President, I yield 10 minutes to the Senator from Alaska (Mr. STEVENS).

Mr. STEVENS. Mr. President, we are here today to consider Senate Resolution 78, for which the distinguished Senator from Oregon (Mr. HATFIELD) is primarily responsible. Many of us have joined him in exhorting President Carter to take immediate action to help our Nation prepare for the energy emergency we face.

More than 5 years have passed since the Arab boycott, at which point we became alerted to the real need for an emergency energy plan. Yet, the Department of Energy just submitted their proposed plan on the 1st of March of this year. A brief look at the plan has convinced me that it is far from equitable or adequate.

I am compelled to ask, what else has been done during this time to protect the American people against the consequences of similar embargoes, of similar emergencies? My conclusion is that very little has been done. We continue to rely on foreigners, mostly Arab countries, for the primary source of energy—and this despite the fact that our country is the largest energy consumer in the world. How much longer, I wonder, will the people of this country tolerate a government that so completely fails to form a specific and definite energy policy to protect their needs for the future?

Our State of Alaska is uniquely suited to meet many of the energy needs of this country. It is literally an energy storehouse. We have proven oil reserves of 10.8 billion barrels, with estimates running as high as 49 billion barrels, including the offshore reserves. Proven Alaskan natural gas reserves are placed at 29 trillion cubic feet and up to 132 trillion cubic feet of undiscovered but recoverable reserves. Prudhoe Bay alone boasts a minimum of 9.6 billion barrels of oil and 26 trillion cubic feet of gas. That gas, discovered in 1968, represents 11 percent of the natural gas of the United States. The oil makes up 29 percent of the proven reserves of crude oil of the United States.

Yet, unfortunately, here we are in 1979, and there is no transportation mechanism for the natural gas from Prudhoe Bay. It took us twice as long to build the pipeline to bring our crude oil to the lower 48 States as it took for North Sea oil to be discovered and all the production mechanisms and pipelines put into place.

In addition to our oil and gas, we have deposits of up to 130 billion tons of coal in Alaska. It is of excellent quality; mostly low-sulfur coal. Also, we have approximately 75 areas of geothermal resource potential that have been identified. Yet, as I am sure most Members of the Senate know, the Carter administration persists in listing as a first priority objective the enactment of the very restrictive Alaska lands bill that would classify most of the land having potential for production of oil, gas, and coal as either national parks, monuments, or wilderness areas. This renders those areas completely inaccessible even for exploration to determine what their potential production capability might be.

The continuing decline of domestic oil and gas production in this country plus the precarious nature of dependable foreign imports indicates the importance of increasing our knowledge of the oil and gas resources in Alaska. There is no question in my mind that my State could go far toward making this Nation largely independent from foreign energy sources and enable us to meet our energy needs for the future.

However, the administration is doing nothing to attempt to utilize domestic sources of energy; particularly those located in Alaska. Their legislation would declare more than one-third of Alaska, almost 150 million acres, as wilderness or potential wilderness; most of it demonstrated to have vast energy potential.

Virtually all our State's 15 known sedimentary basins—capable of producing oil and gas, will be overlapped by these proposals to establish new national interest areas in Alaska.

More than 90 percent of the hydropower sites, hydropower being one of the cleanest forms of energy, would be eliminated permanently by the Carter legislation on Alaska lands. The same goes for coal.

A second administrative direction with regard to Alaska was a recent attempt to abandon the drilling program on the National Petroleum Reserve, after it already had reduced the number of test wells in the plan from 25 to 19. They labeled this—drilling 19 test wells in an area roughly the size of the State of Indiana—as adequate exploration of the area.

They have prophesied that the National Petroleum Reserve in Alaska is not important, that it has greater value for a wildlife preserve. It is a sort of self-fulfilling prophecy, that the NPR–A had no value, because by setting it aside primarily as a wildlife preserve—and that is what the administration proposes—they also take the position that only the Federal Government should be allowed to determine whether the area is capable of producing oil and gas. Having adopted that policy position that only the Government should participate, the administration then determined that there was not enough money to undertake the exploration. The President in his budget, reduced the amount of money that was scheduled for drilling in the National Petroleum Reserve in Alaska.

The result now apparently is a conclusion that the National Petroleum Reserve in Alaska—set aside in 1926 because of obvious oil seeps in that vast area—is not viable for oil and gas exploration.

That is the best way to fulfill a prophecy that I know of—determine only the Federal Government could do the job and then decide the Federal Government did not have the money.

This again, in an area the size of the State of Indiana, an area private industry has never been allowed access in order to determine whether it might be valuable as sources of oil and gas.

The PRESIDING OFFICER (Mr. PRYOR). The 10 minutes yielded to the Senator from Alaska have expired.

Mr. HATFIELD. I yield 2 additional minutes to the Senator from Alaska.

Mr. STEVENS. Finally, the current policies of this administration have promoted regulations which render us incapable of getting our oil and gas to the markets where it is so badly needed. The design, as we know, of some west coast refineries limits their capacity to process Alaska's high-sulfur oil. Two pipeline systems were designed to move the oil to inland markets where it could be refined and distributed.

Last month Sohio, the proposed builder of one of those lines, announced that it was unsure that it would be able to complete that pipeline after 5½ years of attempting to secure over 700 permits to build the line. There has been much finger pointing as to whether the California government or the Federal Government is to blame but the problem is delays due to the regulatory processes of both the Federal Government and the State. In the meantime, California continues to import 700,000 barrels of oil a day from Indonesia. The southern California LNG gas terminal is experiencing similar regulatory problems. So is the Alaska gas pipeline.

In all this, there is one thing that can be agreed on by everyone. The energy policy or what really amounts to energy nonpolicy that we now have seems to leave everyone equally dissatisfied. And it leaves us in an ironic position. With world resources ever dwindling, we ought to be encouraging production of new sources of energy. Instead, the administration's policy has been to just sit and wait.

We are told that there will be a new policy announced tonight, but in the preliminary announcements of his talk that I have seen there is no encouragement for the development of new sources of oil, gas, or coal, and I am compelled to ask again, Mr. President, just how long will the American people tolerate an administration which has tolerated this state of affairs?

Mr. HATFIELD. Mr. President, I thank the Senator from Alaska for his very comprehensive analysis of this energy problem that we are facing. He has again, as a member of the Energy Committee, been very active in this field, and I do feel he has made a very excellent contribution this morning.

I yield to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico (Mr. SCHMITT) is recognized for not to exceed 15 minutes.

Mr. SCHMITT. Mr. President, I first join with my colleagues in commending Senator HATFIELD on his resolution, Senate Resolution 78. This resolution provides a framework for this country to act in the event of a severe energy crisis.

Unlike the administration's approach, at least up until today, with the focus almost solely on conservation measures, Senate Resolution 78, of which I am a cosponsor, would address our handling of the strategic petroleum reserves, our switch to alternative fuels, conservation measures and perhaps most importantly, incentives for increased production to go with those other measures.

It is this last point of increasing domestic production of which I am most concerned. Granting mandatory standby energy conservation authority to the administration is not the answer to the energy problems that now face us. First of all, the administration has shown a great desire to regulate, ration and allocate diminishing supplies of energy rather than let Americans produce more of their own energy. Second, the existing market allocation system can respond more fairly, more economically and now I believe, more rapidly than can a bevy of bureaucratic measures that do not address the diverse needs of that market. Third, in the event of a truly major supply interruption—and Iran was not such a truly major interruption—Congress should then put the country on an emergency basis with sacrifices required by all in order to protect our economy and our security. But, I emphasize, Congress should place the country on an emergency basis.

More specifically, the gasoline rationing plan, proposed by the administration, is extraordinarily complex and contains major geographic and economic inequities. What needs to be done in Congress is the development of a workable rationing plan for rapid implementation when clearly needed by Congress, but the need for such a plan implementation is not now.

Weekend gasoline sales restrictions, again, would be geographically and economically discriminatory without a demonstrated need. That need should be determined by Congress, not by an overzealous, regulatory administration.

Finally, it would be difficult to enforce emergency building temperatures and advertising lighting restrictions, as proposed by the administration, in the absence of a congressionally declared and generally recognized emergency. In such an event, voluntary compliances will be much more effective than mandated compliances.

This new set of regulatory proposals is still not an energy policy. I suspect, as does the Senator from Alaska, that we will not have an energy policy when this day is done. Without the existence of a true national energy policy and a commitment to its implementation by the administration, the solution to our other problems is impossible.

Overpriced foreign oil and gas are major contributions to the crippling inflation that infests our economy.

Dependency on uncertain foreign supplies of oil make it impossible to conduct a rational Middle Eastern policy or to bargain from a position of strength on other international issues.

Unreasonable regulatory restrictions on the production and use of natural gas and nuclear power are preventing the protection and enhancement of our environmental heritage.

Inadequate and uncoordinated research and development of more efficient energy conversions systems and new energy sources are prolonging the number of years we will face the peril of a catastrophic interruption of energy imports.

The quantitative magnitude of our peril is well known.

The minimum shortfall in energy supply any responsible Federal or private analysis predicts for 1985 is 4.4 million barrels per day equivalent. Most predicted shortfalls are considerably higher than that figure.

Most imports of oil have increased from about 28 percent of our requirements in 1973 to about 50 percent in 1979 in the face of various, so-called national energy policies.

Our bill for these overpriced imports will be about $45 billion in 1979. This is an intolerable drain on our capital resources as well as on our personal pocketbooks.

The development of new domestic energy capacity whether in oil, gas, coal or nuclear is in a regulatory shambles. Development leadtimes generally range from 5 to 9 years, but can take much longer, depending on circumstances.

The present capability of our naval and air forces to protect our oil import supply lines is grossly inadequate by all responsible analyses.

Our sources of foreign supply and those of our potential allies are under increasing threat of Soviet domination and/or Soviet neutralization.

Worst of all, the Carter administration seems incapable of understanding or analyzing the quantitative and economic facts of energy supply or of honestly reporting those facts to the American people or to Congress.

We have reached the point where Congress must declare that we have a national energy production emergency.

No longer can we avoid the necessity of greatly increased domestic oil and gas production just because President Carter is afraid that American industry might benefit in some way. I might add that with the benefits to American industry come benefits to the American worker and to the American population in general.

No longer can we avoid the necessity of the suspension of nonessential price and operational regulations just because Mr. Carter might see America and its environment prosper in a climate of freedom rather than constriction.

No longer can we avoid the necessity of funding greatly increased energy research and development just because some of Mr. Carter's special interests might lose their favored Federal handouts.

Thus, as the first step toward the development of a national energy policy and as an alternative to the signs of panic among congressional and administrative leaders and some in Congress, Congress should pass a National Emergency Energy Production Act, including measures as suggested by Senator HATFIELD for accelerated conservation.

This act should include the following simple elements on the production side:

The deregulation of the price of all domestically produced oil phased over 3 years.

The immediate deregulation of the price of newly discovered domestic natural gas.

The immediate 5-year suspension of the promulgation and enforcement of nonessential regulations related to crude oil and natural gas exploration, production and distribution.

The consolidation of all Federal oil and gas drilling and pipeline permitting authority in a single agency with automatic permit approval unless denied within 30 days of filling.

The institution of an accelerated, royalty-based Federal leasing procedure for oil and natural gas exploration.

The institution of full first-year depreciation of tangible, that is, recoverable drilling costs.

The retroactive institution of full first-year depreciation of all costs for equipment made necessary under Federal or State environmental regulations.

The institution of full first-year depreciation of the cost of equipment giving at least a 10-percent increase in energy conversion efficiency.

The institution of a tax on excess profits at an appropriate rate.

The passage of this emergency legislation related to oil, natural gas, and conversion will encourage a rapid increase in domestic supply and will generate the investment capital necessary to undertake such an increase.

As a geologist, I am confident that these measures for encouraging the domestic oil and gas industry would rapidly begin the discovery and production of an undiscovered resource base of at least 300 billion barrels of oil and 700 trillion cubic feet of natural gas, not even including secondary or tertiary recovery of our immense geopressured methane resources. That supply, that resource, would provide several decades of low-cost supply while we develop alternatives as fast as we can, but without the threat to national survival we now face.

The Congress should not allow federally administered rationing or allocations until it is clear that the marketplace and increased domestic production cannot handle foreign supply interruptions, such as that related to Iran. I know of no evidence that the Department of Energy (DOE) could handle rationing or allocations any better than the marketplace; in fact, all evidence is to the contrary.

We also must create a coherent program for the long-term development of solar and fusion energy sources and portable fuels to replace oil and natural gas as energy sources as fast as possible. Those energy sources are too valuable as natural chemicals to be burning as energy. To do this and other energy research and development tasks, ERDA, the Energy Research and Development Administration, should be recreated as an agency independent of the Department of Energy.

Second, we must provide both the Federal economic partnership and the federally sponsored research and development that will provide for the environmentally sound use of fission energy, geopressured methane, geothermal energy and coal. These energy sources can see us through for the next several decades until the long-term research bears fruit. I should add, and will add again and again, in all of this conservation must be an overlay that we use in order to survive into the future.

Mr. President, with regard to nuclear fission energy, one of the principal problems we have faced has been the management of nuclear waste.

The interim, aboveground storage of commercial spent fuel rods must be guaranteed by the Federal Government while at the same time waste reprocessing technology is developed that can economically and safely recycle this valuable resource. Aboveground storage of these future resources is a safe, proven technology and is a practically and economically more attractive alternative than below ground, semipermanent disposal. Recent testimony before the Public Works Subcommittee of the Appropriations Committee by the NRC has verified this conclusion.

Finally, we must provide continuing tax incentives and the technological advancement that will increase the efficiency by which we covert one form of energy to another. Not only does such a policy make good economical and environmental sense, but it is the responsible thing to do on the planet Earth in the 20th and 21st centuries. As part of this effort, the DOE should advance new electrical power systems, such as fuel cells and high temperature baseload plants, new propulsion systems; new waste heat recovery systems; and economical solar heating and cooling systems.

The Nation is in a warlike state of emergency which, if recognized at all by the White House, is either being ignored or has it petrified to the point where coherent, responsible action seems impossible.

Our times are very serious. They call for acts of innovative economic and business heroism as never before in our history.

Mr. President, for the remainder of my time this morning I would like to try to put some of the events surrounding the incident at Three Mile Island in Pennsylvania in perspective.

As I have already discussed with many of my colleagues, there are some positive or at least neutral aspects to the events surrounding the Three Mile Island incident. Some of my remarks here this morning may help to balance the more negative analysis that dominates media coverage of the event and has dominated most congressional comments to date.

First of all, the situation at Three Mile Island has been managed safely after the series of unanticipated mechanical and human failures that produced it. This fact is now clear, although the public has been treated to conflicting official and unofficial statements on very technical matters and the media's treatment of the situation generally has been inflammatory and to some degree irresponsible.

Second, nuclear power in the U.S. cannot be hurt by this incident much more than it has been hurt by prior circumstances. There have been essentially no recent commitments to nuclear power by industry because of economic, regulatory and waste management uncertainties. Most of those plants now in operation must continue to operate because of the lack of any available alternatives or the cost and risk of substituting foreign oil.

Third, unlike fossil-fueled powerplant failures of the recent past, no one has been killed or even hurt as far as we know. The levels of radiation exposure of the general population appear to have been much less than that received continuously and naturally by Americans in many parts of the western United States. There is much we do not know about the effects of low-level radiation, but man as a biological species has been exposed to it throughout his entire evolution on this Earth.

Fourth, in spite of the sensationalism associated with coverage of the event, the general public has, on balance, received more useful information on nuclear energy and nuclear technology than at any time in recent history. This educational process is necessary if rational policy decisions are to ever overcome the 30 years of secrecy and fear which are the legacy of the beginnings of the nuclear age.

Fifth, there are several specific technical lessons to be learned as we look at the design, construction and operation of nuclear powerplants. Existing plants and plants under construction must be reanalyzed for possible failures and for the adequacy of procedures to deal with these failures. We should consider FAA-style (or Armed Forces-style) standardization and evaluation of the training and operational performance of plant personnel. New plant design, engineering and construction should utilize modern systems analysis, quality control test and inspection techniques. Finally, we should clearly delineate the responsibilities for accident control and mitigation efforts, in the event of accidents comparable to the Three Mile Island incident.

These actions can be taken without removing the unique economic advantages of private sector involvement and management. In addition, such actions would begin belatedly the process of surrounding 21st century reactors with 21st century powerplants. We are paying the price of incompatible development activities. On the one hand, there was a no-holds-barred, modern reactor design effort sponsored by the unlimited resources of the taxpayer, while on the other hand, there was an economically constrained, severely regulated powerplant design effort carried forward by industry, largely tied to the past. The two efforts just do not match as witnessed by all past commercial nuclear plant incidents beginning as powerplant failures, not reactor failures. Three Mile Island is unique because the plant and operational failures were of sufficient number to finally damage the reactor.

If it is finally concluded that the future of our economy and national security require long-term investments in commercial nuclear fission power, it may be well to now reexamine our basic assumption that such power should be based on water-cooled reactors. This assumption resulted from the amphibian-like movement of uranium-fueled light-water reactors from the sea to the land. The "animal" has not fully adapted. The problems thus created are many and include those of uranium resource availability, plutonium proliferation and complexity in design and operation.

The alternative to the uranium fuel cycle and water-cooled reactors is the thorium fuel cycle and air-cooled reactors. The inherent technical characteristics of this alternative would remove many of the resource, proliferation, design and operational difficulties we are now encountering and increases the efficiency and siting flexibility for nuclear powerplants. We should seriously consider renewed efforts along this alternative path.

The PRESIDING OFFICER. The Senator's additional time has expired.

Mr. HATFIELD. I yield the Senator 1 more minute.

Mr. SCHMITT. In summary, our present situation is not unlike that faced by the country after the Apollo 1 fire midway into our race to the Moon. That fire taught us the management and design lessons we needed to learn in order to safely work in the space environment. The next "Block II" Apollo spacecraft was a mature design that was capable of meeting our national objectives in space. The Three Mile Island must, I believe, be viewed with the same perspective if we are to meet our national objectives in energy.

Mr. President, I thank the distinguished Senator from Oregon for his leadership in developing this colloquy this morning, and I think it will be extremely helpful as we consider our future energy policy.

Mr. HATFIELD. Mr. President, I thank the Senator from New Mexico for his contribution to the discussion this morning. Coming to the Senate, as he does, with his distinguished scientific background, both as a professional scientist and as an astronaut, he has certainly added a dimension to the understanding of the entire body with his background and special interest in this field of energy.

Mr. President, I ask unanimous consent that the 5 minutes of Senator WALLOP and the 10 minutes of Senator TOWER be transferred to this Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATFIELD. How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Oregon has 17 minutes and 40 seconds remaining.

Mr. HATFIELD. Even after the transfers?

The PRESIDING OFFICER. This includes the transferred time.

Mr. HATFIELD. I thank the Chair.

Mr. President, I would like to make a brief observation or two on this matter of conservation which is at the very heart of my resolution.

I think it is very important to note that any kind of conservation, voluntary or mandatory, is going to require the basic support of the public, a public that understands the problem and a public that has clear signals as to what the programs of conservation will be.

I say that against a backdrop of great public confusion today as to the whole energy question. I think one would only have to test a very small number of the members of our general citizen body to find that a significant number of our people feel this is not truly a crisis, but rather a conspiracy—a conspiracy between the big oil companies and the politicians—and that therefore there is not a base of confidence or understanding or trust at this time among the people who make up this Nation.

For a conservation program to be effective, we are going to have to overcome this particular obstacle of the lack of public confidence and trust.

I think this is also compounded by the administration's contradictory statements, which have tended to create further confusion. I need only cite one or two examples to illustrate my point.

Not too long ago, the Deputy Secretary of Energy, Mr. O'Leary, made a comment that the American consumption of gasoline or oil products had been reduced by 700,000 barrels per day. Within a matter of 24 hours, that assertion was not only contradicted but withdrawn, as being not factual, by the Department of Energy.

Here is a high officer that you would expect would know from what base he spoke, and who would know the accuracy of his statistics. But this adds confusion to the American public: Do we have a reduction in consumption, or do we have an increase?

Then we have the example of Secretary Schlesinger making a very bold and, I think, courageous assessment of the impact of the Iranian revolution on our energy problem. Not too long thereafter, Secretary Blumenthal, another high-ranking official of the administration, who felt that this kind of frank and honest assessment of Secretary Schlesinger would diminish the confidence of the business community in the future growth possibilities of this country, issued a statement challenging the accuracy of Secretary Schlesinger.

These are but two examples of what actually are confusing statements by the administration that have added to this general feeling of mistrust on the part of the general public.

I think it is very important also to note that conservation must be more than just with the automobile. We have been making technological choices since World War II that have added heavy demands on our energy consumption, use, and supply. I might make reference to a few to illustrate, again, the point.

We have moved from the natural fibers, to a great degree, in our world of clothing and garments, to the use of the synthetic fibers—from the cotton and wool, renewable resources grown by free solar energy, to fibers that have made heavy demands on fossil energy sources.

The public is going to have to have daily reminders of this attitude we have established of the throwaway ethic to reestablish what we call the conservation ethic.

One such proposal that is pending before Congress, that has been before us in previous sessions but not given very serious consideration, is the proposal for the Federal Government to undertake the Oregon returnable bottle and can program that we have established in the State of Oregon and found very successful; and other States like Vermont, Maine, Michigan, and South Dakota, with variations of the theme, have established similar programs.

We would find that we would save 81,000 barrels of oil a day by just requiring that all soft drinks and beer be put in returnable cans and bottles upon which would be paid a deposit, and upon their return that deposit would be refunded.

Let me say that in our State we have been able to use a single bottle at least 10 or 11, perhaps 12 times. That kind of energy saving is significant. But in addition and more importantly, it is a daily reminder to the people of this Nation that we have finite resources and we must conserve, use, and reuse and recycle, rather than this matter of "use it and throw it away."

It is always interesting to note how the beer barons and the soft drink industry mobilize their forces, along with the labor unions, and come pounding on our doors, complaining that we are going to displace workers with this kind of proposal.

Mr. President, that is hogwash. It did not happen in Oregon. In fact, it created jobs.

But we cannot talk out of both sides of our mouths. We cannot pontificate before the Senate on the need to conserve, and then, when an opportunity presents itself, turn our backs on it because it might cause some economic inconvenience, job dislocation, or transfer of jobs.

One part of the President's proposal of conservation is to have restrictions on outdoor lighting. That would save 4,000 barrels of oil per day. I would agree with that. I would adopt it. I would support it. But, mind you, Mr. President, we can save 81,000 barrels per day by adopting the Oregon plan of returnable bottles and cans, just in one area of our life, namely, in an area that we really do not need to consume to begin with. I will not get into the nutritional values or the dentistry problems created by certain soft drinks, or the difficulty around the waist created by beer. That is another subject. But I will say that there is this possible impact upon conservation of energy.

Mr. President, I ask unanimous consent to have a quorum call with the time not to be charged.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I would like to request a quorum call and have it charged to the time of the majority leader.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I would like to address some comments to Senate Resolution 78, and more particularly the energy crisis confronting this Nation. The tenor of my remarks will not be any different than they were a year ago, 2 years ago, or 4 years ago. Indeed, they hark back to the imposition of the embargo on the United States by the Arab nations back in 1974.

At that time, and on several ensuing occasions, I suggested that the Nation address itself to the subject of mandatory conservation in some form, in addition to a program of decontrol and deregulation to stimulate domestic production. But it is mainly to the conservation effort, or the lack thereof, that I would like to address my comments this morning.

Twice on the Senate floor in the past several years mandatory conservation legislation introduced by me has been soundly defeated.

First off, let me say to those who indicate that they do not like rationing, that we have had rationing in the United States for the past 4 years. It is called rationing by price. The elderly have been affected by it and the poor have been affected by it. Those on fixed income have been affected by it. So all elements that comprise the weakest elements of our society have been rationed.

They did not have the choice of turning down their thermostats; indeed, many of those thermostats went far below that suggested as a wise level by the leadership of this Nation over the past several years. Many of them did not have the choice as to whether or not they could afford gasoline for their automobiles. They could not afford it and they did not ride. So rationing has been a fact of life for thousands of Americans.

During the same period of time, voluntary conservation has been the official policy of the United States and it has been a total failure. The American record of voluntary conservation has been a miserable one, to the point where, last month—I believe my statistics are correct—we consumed the greatest amount of gasoline ever in the history of the Nation.

So, No. 1, I think the track record indicates that voluntary conservation is not going to work; two, that a conservation effort is necessary; ergo, the time has come to impose some form of mandatory conservation on this Nation. The time has come, in other words, for the strongest elements, which is the majority of this country, to take the conservation burden on each and every shoulder of which, if done, would accomplish two very significant things.

First, let me give some suggestions as to the types of conservation I am talking about: A 6-day week for the automobile. I exclude agricultural and commercial vehicles from this category. You pick a day of the week when your car is not going to be on the road, put a colored-identifiable sticker on your windshield and, then if you drive on that day, you get arrested and fined.

If you are fortunate enough to have two cars pick 2 days a week when the second car would not be on the road. If you have a third car, 3 days for that third car.

Point No. 2 is a 6-day week for gasoline stations. Let the station owner select the day of the week when the station is going to be closed. I am sure the market will distribute the matter of who is open and who is closed.

Point No. 3 is commercial lighting. At the present time, you can fly over most of the cities in our Nation at 2 or 3 in the morning and every light in every office building is ablaze. I understand the necessity for street lighting, I understand the necessity for lights on one floor when somebody is going in to clean that floor. But every light in every building? That is preposterous. I suggest that there be, in some form, a ban on that type of commercial lighting.

All these are small suggestions and only involve a small change in lifestyle.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. WEICKER. I ask for 2 more minutes.

Mr. HATFIELD. I yield the Senator 2 more minutes.

Mr. WEICKER. Mr. President, more than the oil saved is the fact that this would be an act of self-discipline, something which this Nation has not engaged upon in recent memory. I can assure you that if action were taken in the fashion that I have described, the dollar would shoot up in foreign money markets the next day. The OPEC nations, for the first time, would realize that they are dealing with a nation that has the strength of character to get off its knees and deal with them eyeball to eyeball in the fashion of saying, "We do not need your product." Only when that happens will the price come down.

What I refer to here in the way of conservation—is going to change lifestyles; it is going to require sacrifice by all of us rather than just a few. But it is a key part of any energy policy.

There are those who are going to say, well, politically, it is the worst thing you can do to advocate rationing. Politically, the worst thing we can do is permit no energy policy to be the policy of this Nation. Politically, the worst thing we can do is allow inflation to continue. An inflation which is mainly fueled by the uncontrolled price on energy, over which we have no control. Sooner or later, that is going to come home to the American people.

Then the ones who will be thanked will be those who did ask for sacrifice in constructing a meaningful energy policy.

I am sure that others have stood here and related to the other elements of Senate Resolution 78. I shall not do that in regards to additional production, decontrol of other prices so we can apply it to exploring for more oil and gas, and so we can apply it to development of other sources of energy. All I can talk about is what I know will get us out of our present predicament. We need to use less and we need to discover more. It is as simple as that.

Over the last 5 years, Republicans and conservatives have opposed mandatory conservation, Democrats and liberals have opposed decontrol and deregulation. The net result is that we have a philosophical energy policy, not one geared to the realities of today. That is what Senate Resolution 78 draws attention to. It deserves the support of this body.

More particularly, what deserves support is what should follow in the sense of the very tough legislation that eventually is going to have to be enacted by this body.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Oregon.

Mr. HATFIELD. Mr. President, I thank the Senator from Connecticut (Mr. Weicker). Indeed, he has been a very strong voice for many, many years now, in calling for mandatory conservation. He has not only been a voice, he has been a man of action who has introduced legislation for that cause and that purpose. Had we heeded that warning and that call some time ago, in a matter of even months or years, I am sure our situation would be far less serious than it is today. I suppose, like many other people who have vision as the Senator from Connecticut has, they do live to see their vision shared by more and more people, but unfortunately, usually only out of crisis or out of the force of circumstances so that, once again, we end up being the victim of circumstances rather than being the master of the circumstance. I commend the Senator from Connecticut for his contribution this morning.

Mr. President, I think it is very interesting that we have had 10 Senators on the floor today to discuss this very serious matter. Other Senators would like to be here, such as Senator Tower, who has been involved in a very important Armed Services Committee meeting. I ask unanimous consent that his statement be printed in the Record at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR TOWER

Mr. President, although the details of President Carter's crude oil pricing proposals have not yet been made clear, I am somewhat encouraged by reports that the President has indeed decided to move firmly in the direction of oil price decontrol. I believe, of course, that complete removal of these costly and economically destructive controls at the earliest possible date would greatly serve the national interest.

I must admit, however, that, on the basis of the President's energy policy track record, I am somewhat skeptical and quite anxious to see the actual details of the President's crude oil pricing proposals. My skepticism stems not only from the erratic course of the natural gas policy pronouncements of candidate Carter versus President Carter, but also from the history of the Carter administration's posture on oil pricing matters. While repeatedly conceding the need for better price treatment of various oil production categories, meaningful administrative action to achieve that objective has always been just over the next horizon—and always just beyond reach.

I believe it has become abundantly clear by now that the urgency of our energy supply situation requires immediate attention and a broad-based, comprehensive solution. I believe the time has long since passed when Congress and the President can afford to react, as has often been the case, with last-minute, temporary emergency measures designed only to get us through the immediate crisis.

It is time for us now to make hard, long-term decisions which will put us on the road toward a real solution to our dire domestic energy supply problems. A rapid phaseout of existing Federal price controls on domestic crude oil should be the first step. That action alone would do more to advance us toward an ultimate solution than any other single step that could be taken. I have urged the President to take that step on numerous occasions.

The current oil price control system is not helping consumers. Not only are oil price controls acting to artificially restrict domestic supply, but these controls are unnecessary to protect consumers from high prices. Careful analysis suggests that even total and immediate decontrol would not result in massive and unbearable increases in refined product prices. In fact, a very thorough study completed by the Rand Corp. in 1977 concluded that crude oil price controls, while encouraging dependence on foreign oil, have not reduced the prices which consumers pay for various refined petroleum products.

Oil decontrol's cost to the consumer would be, at worst, modest; but the benefits of decontrol, in the form of increased supplies and lessened foreign dependence, would be great.

Even by conservative estimates, potential U.S. oil recovery is great. Needed expansion of domestic oil supplies will not occur, however, in the absence of sufficient economic incentives and a greatly increased level of capital investment in domestic oil exploration and development.

Existing economic incentives for domestic oil development are clearly inadequate to meet our needs. Domestic crude oil prices have increased substantially in recent years, but so have the costs of petroleum exploration and development.

The actual average price of domestic crude oil, during the 10-year period from 1968 to 1977, rose from $2.94 per barrel to $8.57 per barrel—an increase of more than 190 percent. During the same period, however, drilling and production costs have increased by a similar amount.

Prices which producers must pay for oil well casing and tubing, for instance, have nearly tripled over the period from 1967 to 1977. Average drilling costs doubled between 1956 and 1972, and doubled again between 1972 and 1977. Domestic oil prices have not kept pace with costs and the need to compensate risk.

The domestic oil producer's economic risks are substantial, and increasing. For wildcat, exploratory wells in new, unproven fields, the odds are about 9 to 1 that the well will prove to be a dry hole. The odds are about 48 to 1 against finding oil or gas in commercially significant quantities.

When these factors of cost and risk are considered in conjunction with our urgent domestic energy needs, it is clear that the economic incentives of a free market for oil are not only reasonable, but necessarly. We can no longer afford the luxury of maintaining the current system of crude oil price controls.

Oil price decontrol would not be painless, but neither are perpetual shortages and ever-increasing layers of Federal regulation. With these costly and counterproductive controls removed, however, we could look forward to increased domestic oil production and lessened dependence on insecure foreign oil sources.

In June 1977, I introduced S. 1709, the Crude Oil Pricing Reform Act, a bill designed to achieve the oil decontrol objective as soon as possible. My bill, in addition to phasing out oil price controls completely over a period of time, would also have immediately decontrolled "deep stripper" oil, high water ratio oil, tertiary enhanced recovery oil, and certain newly discovered oil production.

On several occasions during 1978, I urged President Carter to utilize his existing authority to move in the direction of decontrol and to provide the needed additional oil development incentives.

Mr. President, I include in the Record at this point the text of S. 1709, together with a summary of the bill and copies of some of the letters which I have written to President Carter on this issue:

S. 1709

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Crude Oil Pricing Reform Act of 1977".

Sec. 2. Section 8 of the Emergency Petroleum Allocation Act of 1973, as amended, is amended to read as follows:

"OIL PRICING POLICY

"SEC. 8. (a) (1) Not later than the first day of the second full calendar month following the date of enactment of this section, the President shall promulgate and make effective an amendment to the regulation under section (4) of the Act which regulation, as amended, shall provide for adjustments in equal amounts each month, to the maximum extent practicable, in the ceiling prices applicable to first sales of old crude oil and new crude oil such that the weighted average ceiling price for first sales of old crude oil and new crude oil shall, upon the termination of the period provided in section 18 of this Act for mandatory ceiling prices on the first sale of crude oil produced in the United States, be equal to the weighted average first sale price for crude oil produced in the United States which is exempt from regulation pursuant to subsection (b), (c), or (d) of this section.

"(2) For purposes of this subsection, the terms 'old crude oil' and 'new crude oil' means those terms as defined in section 212.72 of title 10, Code of Federal Regulations, as in effect on June 1, 1977.

"(b) (1) The first sale price of new crude oil produced from a property from which new crude oil was first produced after May 31, 1977, shall be exempt from the regulation promulgated under section 4(a) of this Act, as amended.

"(2) For purposes of this subsection the terms 'new crude oil' and 'property' mean those terms as defined in section 212.72 of title 10, Code of Federal Regulations, as in effect on June 1, 1977.

"(c) (1) The first sale price of stripper well crude oil, deep stripper well crude oil, and high water ratio crude oil shall be exempt from the regulations promulgated under section 4(a) of this Act, as amended.

"(2) (A) For purposes of this subsection, 'stripper well crude oil' wells) produced and sold from a property whose maximum average daily production of crude oil per well during any consecutive twelve-month period beginning after December 31, 1972, does not exceed ten barrels.

"(B) To qualify for the stripper well crude oil exemption under this subsection, a property must be producing crude oil at the maximum feasible rate throughout the twelve-month qualifying period and in accordance with recognized conservation practices. If the production from the property is the first production since December 31, 1972, the property may qualify for the stripped well crude oil exemption under this subsection if the initial producing capability of the property is less than an average of ten barrels of crude oil per day per well.

"(3) (A) For purposes of this subsection 'deep stripper well crude oil' means crude oil (including lease condensate from non-associated natural gas wells) produced and sold from a property whose maximum average daily production of crude oil per well during any consecutive twelve-month period beginning after December 31, 1972, exceeds ten barrels but does not exceed—

"(i) fifteen barrels from an average producing depth greater than two thousand feet but not greater than four thousand feet;

"(ii) twenty barrels from an average producing depth greater than four thousand feet but not greater than six thousand feet;

"(iii) twenty-five barrels from an average producing depth greater than six thousand feet but not greater than eight thousand feet;

"(iv) thirty barrels from an average producing depth greater than eight thousand feet but not greater than ten thousand feet;

"(v) thirty-five barrels from an average producing depth greater than ten thousand feet but not greater than twelve thousand feet;

"(vi) forty barrels from an average producing depth greater than twelve thousand feet but not greater than fourteen thousand feet;

"(vii) forty-five barrels from an average producing depth greater than fourteen thousand feet but not greater than sixteen thousand feet;

"(viii) fifty barrels from an average producing depth greater than sixteen thousand feet but not greater than eighteen thousand feet;

"(ix) fifty-five barrels from an average producing depth greater than eighteen thousand feet but not greater than twenty thousand feet;

"(x) sixty barrels from an average producing depth greater than twenty thousand feet.

"(B) To qualify for the deep stripper well crude oil exemption under this subsection, a property must be producing crude oil at the maximum feasible rate throughout the twelve-month qualifying period and in accordance with recognized conservation practices.

"(4) (A) For purposes of this subsection, 'high water ratio crude oil' means crude oil (including lease condensate from non-associated natural gas wells) produced and sold from a property, from which the aggregate amount of water produced in association with crude oil exceeds three times the aggregate amount of crude oil produced from such property during any consecutive three-month period.

"(B) To qualify for the water ratio crude oil exemption under this subsection, a property must be producing crude oil at the maximum feasible rate throughout the three-month qualifying period and in accordance with recognized conservation practices.

"(d) (1) The first sale price of crude oil produced from a tertiary enhanced recovery project shall be exempt from the regulations promulgated under section 4(a) of this Act, as amended.

"(2) As used in this subsection, the term 'tertiary enhanced recovery project' means a project for the enhanced recovery of crude oil utilizing extraordinary and high cost enhancement technologies of a type associated with tertiary applications including, to the extent that such techniques would be uneconomical without additional price incentives, miscible fluid or gas injection, chemical flooding, in situ combustion, cyclic steam injection, polymer flooding, and caustic flooding and variations of the same. The President shall have the authority to further define the term by rule.".

SEC. 3. Section 18 of the Emergency Petroleum Allocation Act of 1973, as amended is amended by adding at the end thereof the following: "Any regulations or order issued or promulgated under this Act subsequent to the expiration of the President's mandatory authority which reimpose price or allocation controls may take effect only in accordance with the procedures specified in section 551 of the Energy Policy and Conservation Act.".

SUMMARY OF THE CRUDE OIL PRICING REFORM ACT OF 1977

Section 1—provides that the Act is to be known as the "Crude Oil Pricing Reform Act of 1977".

Section 2—amends Section 8 of the Emergency Petroleum Allocation Act of 1973, as amended by the Energy Policy and Conservation Act of 1975, to provide for monthly adjustments to the ceiling prices applicable to old and new crude oil and to exempt from any price regulation certain domestic crude oil production:

Subsection (a) of the amended Section 8 would require that the President promulgate amended regulations which would provide for adjustments in equal amounts each month, to the maximum extent practicable, in the ceiling prices applicable to old and new crude oil such that by June 1, 1979, those ceiling prices would be equal to the weighted average first sale price for domestic crude oil exempt from price ceilings pursuant to subsections (b), (c), or (d) of Section 8. The terms "old crude oil" and "new crude oil" means those terms as defined in the Federal Energy Administration regulations contained in Section 212.72 of Title 10, Code of Federal Regulations.

Subsection (b) exempts from any price ceiling new crude oil produced from a property from which new crude oil was first produced after May 31, 1977. The terms "new crude oil" and "property" mean those terms as defined in the Federal Energy Administration regulations, 10 CFR 212.72.

Subsection (c) exempts from any price ceiling stripper well crude oil, deep stripper well crude oil, and high water ratio crude oil:

"Stripper well crude oil" is defined as crude oil (including lease condensate from non-associated natural gas wells) produced from a property whose maximum average daily production per well during any consecutive 12-month period beginning after December 31, 1972, does not exceed 10 barrels.

"Deep stripper well crude oil" is defined as crude oil (including lease condensate from non-associated natural gas wells) produced from a property whose maximum average daily production exceeds 10 barrels but does not exceed—

15 barrels from an average producing depth between 2,000 and 4,000 feet;

20 barrels from an average producing depth between 4,000 and 6,000 feet;

25 barrels from an average producing depth between 6,000 and 8,000 feet;

30 barrels from an average producing depth between 8,000 and 10,000 feet;

35 barrels from an average producing depth between 10,000 and 12,000 feet;

40 barrels from an average producing depth between 12,000 anod 14,000 feet;

45 barrels from an average producing depth between 14,000 and 16,000 feet;

50 barrels from an average producing depth between 16,000 and 18,000 feet;

55 barrels from an average producing depth between 18,000 and 20,000 feet;

60 barrels from an average producing depth greater than 20,000 feet.

"High water ratio crude oil" is defined as crude oil (including lease condensate from non-associated natural gas wells) produced from a property from which the aggregate amount of water produced in association with crude oil exceeds 3 times the aggregate amount of crude oil produced during any consecutive 3-month period.

Subsection (d) exempts from any price ceiling crude oil produced from a tertiary enhanced recovery project. "Tertiary enhanced recovery project" is defined as a project for the enhanced recovery of crude oil utilizing extraordinary and high cost enhancement technologies of a type associated with tertiary applications including, to the extent that such techniques would be uneconomical without additional price incentives, miscible fluid or gas injection, chemical flooding, steam flooding, microemulsion flooding, in situ combustion, cyclic steam injection, polymer flooding, and caustic flooding and variations of the same.

Section 3—amends Section 18 of the Emergency Petroleum Allocation Act to require that the President submit to Congress under the disapproval procedures of Section 551 of the Energy Policy and Conservation Act any regulation or order which reimposes price or allocation controls subsequent to the May 31, 1979, expiration of the President's mandatory control authority.

WASHINGTON, D.C.,
April 17, 1978.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: In your April 18, 1977, address to the nation, you correctly stressed the need for urgent action to solve our national energy problems. "Further delay", you suggested, "can affect our strength and our power as a nation."

I disagree fundamentally with major elements of your National Energy Plan, but I fully share the sense of urgency which you feel and which you have attempted to communicate to the American people. In my judgment, the national interest would be greatly served by early implementation of a responsible, effective, and well-designed comprehensive national energy plan.

Your national energy bill was without a doubt one of the most complex and far-reaching legislative packages which Congress has ever been called upon to consider. Congress for its part, and the Senate in particular, worked extremely hard this past year in an effort to fashion your proposal into an energy plan under which this nation can continue to grow and prosper for many years to come. The Senate devoted numerous long, full days to floor debate alone, and members of the appropriate committees spent countless additional hours in hearings and mark-up sessions on the legislation. Any implication that Congress has been dilatory or in any manner irresponsible by virtue of its failure to complete work on the pending energy legislation would thus be without foundation.

I also note that the National Energy Plan which you unveiled last April 20th contains not only proposed legislation but certain suggested administrative actions as well. Congress has been working diligently on those portions of the plan which require the enactment of new laws. Many important parts of the plan you submitted, however, can be implemented administratively, simply by the stroke of a pen—your pen.

For example, your April 1977 proposal included recommendations for several major administrative changes in existing crude oil pricing regulations. "The price of newly discovered oil would be allowed to rise over a 3 year period to the current 1977 world price", you said. You also endorsed administrative changes which would grant the world oil price to the incremental oil production from tertiary enhanced recovery projects.

Implementation of either of these changes would have significant, positive effects on domestic crude oil production, and both can be implemented administratively without any new legislation. Indeed, fully twenty months ago—in legislation enacted in August of 1976—Congress literally directed the President to provide additional incentives for tertiary enhanced recovery projects. Yet the administration has implemented neither the tertiary recovery incentives nor the price change for newly discovered oil.

I believe there is a need for urgent action to alleviate our domestic energy supply problems, and I am hopeful that it will be possible for Congress to soon complete work on the pending energy legislation. In the meantime, I urge you to use the power you already have to implement these beneficial changes in the pricing policy for domestic crude oil. By doing so, you will surely demonstrate to Congress and the American people your continued good faith in the effort to develop a national energy plan.

Sincerely yours,
JOHN TOWER.

WASHINGTON, D.C.,
June 29, 1979.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The Senate's vote on June 27, prohibiting the use of Treasury Department appropriations for the implementation of a program imposing new import fees on foreign oil, is further evidence of the difficulties which you can expect to encounter in any additional efforts to achieve Congressional passage of your crude oil equalization tax. The Senate vote on oil import fees was, in truth, an expression of frustration not only at the prospect of substantially higher petroleum prices, but also at the realization that higher prices resulting from new import fees would do little, if anything, to contribute to reduced foreign oil imports. Above all, the vote did not represent, in the words of your press spokesman, "just another demonstration of a desire to duck a tough problem."

Certainly we all recognize that no member of Congress can be enthusiastic about supporting programs which are likely to result in higher energy prices. In our judgment, however, a majority of the members of the House and the Senate can be persuaded to accept higher energy prices if there is some reasonable prospect that those higher prices will contribute substantially to the solution of our present energy supply problem.

Obviously, energy conservation efforts have an important role to play, but in the final analysis our dependence on foreign oil imports will be reduced significantly only as we reduce our need for imports through increased domestic supplies. Further, while a few cents more added to the cost of a gallon of fuel will add billions to our nation's energy costs, that extra cost will likely have no significant effect on petroleum demand. The Senate voted to block imposition of oil import fees, for the most part, because an import fee program would impose substantial new energy cost burdens on the American consumer and yet would do absolutely nothing to add to our domestic energy supply.

We thus urge you, Mr. President, to abandon any plans you may have to impose any new import fees on foreign oil. Oil import fees can, under the proper circumstances, perform a useful function as part of an overall national energy strategy, but their implementation at this time would do little more than increase prices to consumers. Furthermore, we think it is clear that Congress is unlikely to acquiesce in any attempt to implement such a program.

In the interest of achieving a rational policy for the pricing of crude oil, we also urge you to abandon the concept of a crude oil equalization tax. For most Americans, and certainly for us, it is extremely difficult to perceive any rationality in this massive oil tax which does little more than cycle billions of dollars into the U.S. Treasury and through the economy, while adding not one additional drop of oil to our domestic supply. The crude oil tax, too, is unlikely to be approved by Congress.

Rather than continue to pursue these policies of energy taxes and tariffs, we urge you to act now to endorse specific legislative and administrative measures to raise existing oil price ceilings, to provide for immediate decontrol of newly-discovered oil, high cost oil, and economically marginal production, and to set the stage for complete oil price decontrol at an early date. Oil pricing policies such as these will not only have the effect of encouraging energy conservation, but will also provide the real economic incentives necessary to substantially reduce imports through increased domestic oil supplies. The implementation of these policies will not be painless, but it will produce results, in the form of more energy for the American people.

We want to assist you in every way possible in the formulation and implementation of policies which will add to this nation's supply of domestically produced crude oil. We therefore request that you, or Secretary of Energy James Schlesinger at your direction, outline for us the Administration's specific plans and proposals affecting the pricing policy for domestic crude oil. Specifically, what oil pricing policy changes, if any, will the Administration propose in the absence of congressional approval of the crude oil equalization tax? If some form of crude oil tax is passed by Congress, what additional domestic crude oil production incentives will the Administration propose or endorse? Is the Administration prepared to act now to endorse or implement any changes in current oil pricing policy?

We very much look forward to your response concerning these important energy policy matters.

Respectfully yours,
Robert Dole, Jake Garn, Orrin G. Hatch, James McClure, Jesse Helms, John Tower, Richard Lugar, Harrison Schmitt, Dewey F. Bartlett, and Ted Stevens.●

Mr. HATFIELD. Mr. President, the Senator from Wyoming (Mr. WALLOP) has also been detained at another committee meeting. I ask unanimous consent that his statement be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR WALLOP ON SENATE RESOLUTION 78 AND THREE MILE ISLAND NUCLEAR ACCIDENT

Mr. President, as one who prayed through the anxious hours of last weekend. I stand here today with mixed emotions. Visual images still linger—a school bus rushing through a Pennsylvania town with a police escort, the stressed appearance of Middletown's mayor, Robert Reid, and Governor Richard Thornburgh. New terms became part of my daily vocabulary—picocuries and millirads; xenon and crypton; scrams, recombiners, and pressurizers.

It is clear that many questions remain to be answered. Were there design problems or human error? Did the emergency core cooling system fail or was it turned off? How well did Metropolitan Edison respond to the emergency? Why were the auxiliary cooling pumps shut down? Why did it take the Nuclear Regulatory Commission two days to get its qualified personnel on the scene? What happened to the emergency core cooling system? How well did the state emergency planning system work?

It is too early for me to make judgments about what lessons we learned from the Three Mile Island accident. But combined with events of recent months, it accentuates the very real dilemma we face in meeting our energy needs.

It was only last December that we found ourselves without Iranian oil. In March, OPEC handed us a 9% increase for the cost of imports. And at home, the news is not any more encouraging. Our domestic rotary drilling rig count dropped 17% from October to March. The SOHIO pipeline project has weaved through a maze of some 700 permits and still does not have permission to build a line from Long Beach to Midland. The coal market is soft due to the uncertainties of government policies. Key research and development programs received substantial cuts in this year's budget.

The examples are numerous and, when added end to end, look like a guest list to the Mad Hatter's Tea Party.

The painful realization is that there are no more risk-free solutions in satisfying our demand for energy. The health risks associated with coal-fired power plants are well documented. The dam failure at Toccoa Falls, Georgia, in 1977 underscored the problems of storing water behind earth and concrete. And the economics of solar and fusion place them years in the future.

This leaves both Congress and the Administration with some tough reassessing of priorities. Options are available to increase our energy supplies but they entail economic and environmental tradeoffs. Deferring the lead phasedown, adding MMT as an octane booster, allowing the use of high sulphur oil, and encouraging leasing and production on federal lands all extract a toll. In some cases, that toll may be too high. But given the severity of the energy shortage, they all deserve an honest appraisal.

It appears that the administration has made the connection between price controls and high consumption. But coupling decontrol with a complicated tax belies half the reason for raising prices—to increase production. Profitability must outpace rising costs of exploration, development and operation to insure more supplies.

A recent report from DOE's Office of Competition states it well: ". . . in almost every case it can be shown that regulation has compounded many problems arising from imperfect market structures. In a competitive market, shortages or surpluses are incentives for their own demise . . ."

But increased supplies are only half the answer. The rest of the equation must be fulfilled by a wiser use of energy. We, as Americans, waste more energy each day than many countries import. That waste can and must be reduced. We need to get that message across. It's crucial.

In closing, Mr. President, I am reminded of that often used quotation which says there is no free lunch. I would add that the problems of a floundering Titanic can no longer be solved by simply rearranging the chairs on the deck.

Mr. HATFIELD. Despite the pressures being brought to bear on our majority brethren to withhold statements at this time until the President has given his speech tonight, I know that many of them had desired to participate in this and a number, in fact, had even asked for orders for time set aside for their participation. I regret again that the pressures were brought to bear to have them withhold those statements at this time, because I think this kind of discussion is very healthy. I think it is very much overdue.

This resolution was introduced many weeks ago, at the beginning of the session, without any relation to the President's proposed speech. As you know, that speech had been postponed. That resolution passed the Senate Energy and Natural Resources Committee with the cosponsorship of the overwhelming number of majority members of that committee, the Democrats, as well as all the Republican members.

It was a bipartisan effort, in no way attempting to embarrass the President or put him in a political box, but, rather, it was to perform our duties and our responsibilities as U.S. Senators, to address ourselves to the most serious issue confronting this Nation today.

This discussion was called to set the context for the President's speech tonight. I am hopeful that this kind of message will get back to the White House and to the President.

Mr. WEICKER. Will the Senator yield?

Mr. HATFIELD. I am happy to.

Mr. WEICKER. Mr. President, I commend the distinguished Senator from Oregon for leading the discussion on this issue.

It is all of our shame—Senators, Congress, Republicans, Democrats, President Carter, President Ford, President Nixon, everybody—that we stand here in the year 1979 and have not passed a meaningful energy policy. There is always some excuse made.

It is either the Northeast, the Southwest interests, Republicans, Democrats, or that we serve the interests of producers and consumers. The American interest is what the distinguished Senator from Oregon is standing for and speaking so eloquently for today.

I know as the ranking minority member of the Energy Committee that he provides leadership, he is not afraid to say what needs to be said—and what needs to be said is already 4 years late.

I am only sorry he is not leading an active debate which will end up in the passage of legislation today because such should be the case. Now, not tomorrow, after the President's next speech.

I say to the Senator that I admire what he is doing here today and nothing should interfere with this effort he is so ably carrying forward.

Mr. HATFIELD. I thank the Senator for his very generous remarks.

Mr. President, this concludes the discussion we had set for today.

I yield back the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, I yield back my time.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 30 minutes, with statements therein limited to 5 minutes each.

PRIVILEGE OF THE FLOOR— S. 210

Mr. WEICKER. Mr. President, I ask unanimous consent that Carmelo Bramante and Frank Kinney be granted the privileges of the floor during the consideration of S. 210, the Department of Education bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOOD STAMP EXTORTION?

Mr. HELMS. Mr. President, it should now be apparent to all that the food stamp program is wildly out of control, and very much in the need of strong congressional oversight.

We talk in this Chamber and in our committee about congressional oversight, but this is one area of Government that sorely needs careful and strict oversight, because it is milking the taxpayers dry.

The Food and Nutrition Service of the Department of Agriculture recently announced that in January of this year participation in the food stamp program soared by an incredible 11 percent. The full impact of the additional 1.7 million people who joined the food stamp rolls is yet to be determined. However, it is safe to say that the program is now dangerously close to a spending level that could surpass the 1979 authorization ceiling or "cap" of $6,158,900,000 established in the Food Stamp Act of 1977.

While inflation is contributing to ballooning food stamp program costs, the alarming increase in participation for January will be responsible for a very large part of this year's program cost increase. Based on this new information the Congressional Budget Office has already made a tentative revision of its estimate of 1979 food stamp program need for supplemental funding. This tentative revision is an increase from $54 million to $245 million.

The reason for this huge increase in participation and, consequently, the enormous increase in program costs is found in the maladministration of the food stamp program by the Food and Nutrition Service (FNS). In fact, I suggest, Mr. President, that the FNS may have deliberately administered the food stamp program in a manner calculated to increase this program's participation level beyond the intention of Congress. In short, the FNS appears to have deliberately fostered a funding crisis designed to extort even more funds for food stamps from Congress.

Specifically, last December and January the Food and Nutrition Service quite correctly implemented that part of the 1977 Food Stamp Act requiring elimination of the food stamp purchase requirement. However, FNS did not implement the recipient recertification provision required by that act until March. So, FNS created and operated for a part of this year a hybrid food stamp program that incorporated participation-expanding characteristics of the old and new programs while ignoring participation-limiting characteristics of both. This hybrid program was so radically different from both the old and the new programs that it clearly did not reflect the intent of Congress.

The practical result of this maladministration by FNS is that the program's participation level has soared. Since program participation is a major factor of program costs, we may indeed now be faced with a situation requiring individual benefit reductions to keep the food stamp program under its "cap." Clearly, this unnecessary funding crisis is a direct result of FNS policies.

Unfortunately, the worst part is yet to follow. The FNS has made a strained interpretation of section 18(b) of the 1977 Food Stamp Act which, if used, could have most cruel results. The FNS claims section 18(b) requires any necessary benefit reductions to be made in a pro rata fashion to all recipients.

I assert most strongly, Mr. President, that section 18(b) does not contain any language that restricts the Secretary of Agriculture in how he reduces benefits. That section reads:

> (b) In any fiscal year, the Secretary shall limit the value of those allotments issued to an amount not in excess of the appropriation for such fiscal year. If in any fiscal year the Secretary finds that the requirements of participating states will exceed the limitations set herein, the Secretary shall direct state agencies to reduce the value of such allotments to be issued to households certified as eligible to participate in the food stamp program to the extent necessary to comply with the provisions of this subsection.

One may reasonably inquire as to why FNS is expanding participating beyond the intent of Congress and why it is interpreting section 18(b) in an unnecessarily cruel and restrictive way.

The answer, I believe, is found in the clear objective of FNS officials to lift the program's spending authorization ceiling so they may operate with an assurance of limitless funds. In pursuit of this goal, those FNS officials cleverly moved to increase program participation to a maximum level before implementing the participation-limiting provisions of the Food Stamp Act of 1977. This was apparently done so as to cause the largest possible number of citizens to be removed from the program by the participation-limiting provisions implemented last month. The intent is to create an illusion of cutting back participation in the program while at the same time coming up short of funds. The crisis so created has been deliberate, and the reaction of the FNS allies in the "hunger lobby" has been predictable. As a result, at this most crucial time in the budget process, congressional members are being deluged with correspondence and appeals generated by the so-called "hunger lobby" urging more money for the program.

Thus, FNS seeks to bind itself to a cruel method of pro rata benefit reductions in order to portray that possibility as such an ugly specter that Congress would be compelled to avoid it at all costs. Since benefit reductions are the method by which the Secretary lowers program costs if they approach the "cap," FNS officials no doubt hope that some Senators may view lifting the "cap" as the easiest way to avoid such distastefull across-the-board reductions. If the CBO estimates I mentioned earlier are correct, these tactics amount to nothing less than a $200 million rip-off of the taxpayers.

Mr. President, these actions constitute an outright act of extortion by FNS bureaucrats and their allies in the "hunger lobby." It is outrageous to find these bureaucrats holding our Nation's truly needy as their hostages in a reckless scheme to obtain a blank check for the food stamp program from the beleaguered American taxpayers.

I hope I am right when I predict that Congress will not tolerate such bureaucratic pressure tactics. Congressional oversight, and particularly congressional budgetary review, are needed in the worst way. So, instead of lifting the "cap," the antics of the FNS officials command even greater and more thorough congressional control over the food stamp program budget.

In truth, Mr. President, there are many possible ways for the program to operate within its "cap" without denying benefits to the truly needy. For example, the food stamp program purchase requirement could be reinstated at a savings of some $400 million, according to figures used by Senator DOLE; the program could begin to recover more than its present rate of 1 percent of approximately $700 million in losses resulting from overissuances every year; a recoupment program could save up to $160 million by requiring recipients to repay the Government for a percentage of benefits received if they should make a strong financial recovery in a given year; and a large part of the overlap in Federal nutritional programs could be eliminated at a savings of some $200 million annually.

So that Senators can be assured that every excuse made by FNS officials is adequately addressed, I intend to undertake a careful study of these—and other—moneysaving options to insure that the food stamp program may live within its means. And, I intend to introduce legislation embodying the best of them at the appropriate time. By these actions, Mr. President, I hope to counter the tactics utilized by officials of the FNS, and to restore fiscal responsibility and sound management to this Nation's food stamp program.

MORE FUNDS FOR HUD?

Mr. HELMS. Mr. President, one of the major disappointments in the President's supposedly "lean and austere" 1980 budget is the proposed 18-percent increase in funding for the Department of Housing and Urban Development. How anyone in the White House can justify such an outrageous and inflationary increase for this agency is simply beyond my comprehension.

It also surpasses the understanding of a distinguished North Carolinian, Mr. Joe P. Barbour, Jr., a member of the city council and mayor pro tem of the city of Burlington, N.C. I confess that Joe is a good friend for whom I have great admiration because he always stands for principle and commonsense. We need more men like him in positions of leadership—at all levels of government in this country.

He wrote the other day to speak his mind on the HUD block grant program. What he had to say is worth sharing with my colleagues:

> DEAR SENATOR HELMS: I know you probably get a lot of requests for funding for various special interest projects, but you can be sure you will never get one of them from me. You may recall that I have written to you in the past about how so much of the federal tax money we receive at the local level is wasted and about how much better it would be to just do away with these projects, lower taxes, put the bureaucrats to doing something constructive, and at the same time stimulate the economy by leaving the middle-class taxpayer a little more of his own money to buy consumer goods.
>
> Enclosed are minutes of a portion of one of our recent meetings regarding another government grant which we do not especially want or need, but which we must spend according to the rules set forth by a bunch of appointed officials, most of whom could not possibly be elected to any office. I know you don't have time to read all of this, but I have marked a few statements to point out the frustrations involved.

According to the transcript, a "planning technician" presented the block grant proposal as follows:

> Probably many of you are familiar with most of the programs on here. We've only added three new programs, and these programs were derived after talking with citizens' groups and getting citizens' comments. We've been hearing about a need for the types of programs that we are proposing, and that's why we've included these. I would like to go down the sheet and just tell you a little bit about each program. The first one is the Rehabilitation Loan Program which we've had since the beginning of the time we have had CD money. This offers 3% loans to eligible citizens for home rehabilitation. Number two is the Rehabilitation Deffered Loan Program, also for home rehabilitation. Number three is a Code Enforcement Program which involves inspecting homes in our two neighborhood strategy areas and finding homes that are not up to minimum housing standards. Number four is a new program which is our Rehabilitation Homestead Program. We see this program as being such that when a home becomes vacant and for sale in one of our strategy areas, we'd consider buying it and fixing it up so that it is safe and sanitary. (We need the citizens to know that we have two strategy areas. One is the Richmond Hill Area; and the other is the Southern Neighborhood Area which is around Petersburg, Davis Street, and Broad Street). We would then sell it for perhaps less than the fair market value to an eligible person. We'd have certain regulations governing this so that only people who need to find a home would be able to buy it. Number five is Relocation Expenses. This may occur whenever we have a redevelopment project that would make people leave their homes, maybe when we acquire some land for rights-of-way and people have to move. That is what Relocation Expenses would be for. Number six is a new program which is Emergency Sanitation and Safety Assistance. This will be to provide only emergency assistance to people in the revitalization areas who are living in unsanitary or unsafe conditions. For example, this could help a person living in a home with defective wiring which is dangerous. We would offer assistance to them to fix it up if they were eligible under our economic guidelines. Number seven is also a new program which is

> Limited Exterior Rehabilitation Assistance. Again, this is only for people who would not be able to fix up a home on their own. We would provide paint and materials to spruce up the home only on the outside . . . maybe do something to the roof and the porch, and provide paint—so that we could really see a physical impact on the neighborhood as a whole. Number eight is the Davis Street Project, which is a continuing project we started last year. Number nine is Neighborhood Sidewalks and Streets. This is an ongoing project. We've been fixing up some sidewalks and streets in various areas of the city. Number ten is Development of Small Parks. We've had quite a few of these that we've started already and are looking for more sites for those little neighborhood parks. Number eleven is Ross Street Revitalization Project. We hope to get started on this in 1979; and number twelve is the Rauhut Street Revitalization Project, which we also will start in 1979. Number thirteen is an ongoing project which is to improve the Library Services in a library that is maintained at North Park Community Center. Number fourteen is for Administrative Costs which is to pay some salaries and also costs that are incurred when we run this program.

Councilman Barbour summarized the situation very well:

> Well, there are still a lot of things in here I don't like; and we went through all this last night. Concentrated Code Enforcement means that you can obtain a search warrant and look through someone's house without his permission which I think none of us go along with. We have stated that over and over. Rehabilitation Homestead Program means that the taxpayers will buy a house, remodel it, and sell it to some individual for less than they paid for it which sounds like a typical government operation but it is poor business practice. Emergency Sanitation Safety Assistance—$50,000—means that you can go into someone's home and give that individual $3,000. Now the $3,000 doesn't come from the people at HUD, it comes from the people who work and pay taxes and have no say so over what this tax money is used for. This is an outright gift—what they call Limited Exterior Rehabilitation Assistance. It means that if one house in the neighborhood has paint that is peeling and the people will not paint it themselves and they do not want to borrow the money at 3% from one of these programs, you paint it for them and give it to them and you bill the taxpayers for it. This, to me, is crazy. The program, as it was originally set up three or four years ago, served a worthwhile purpose and it really did develop community-citywide improvements such as the North Park Neighborhood Center, Forest Hill Center, Sidewalks, etc.; but now we are getting down to the point where there are a few people who don't want to borrow the money, they don't see any problem, and they are not willing to apply for these loans. We go out and paint the house for them. If we think the house would look better with shutters, we're supposed to put shutters on it, and give them the shutters . . . all this with the taxpayers' money which to me just isn't what Congress had in mind. I do not believe that Congress had this Code Enforcement provision in mind when it passed this appropriation, and I really believe this is something the people of HUD have come up with on their own. What I'd like to do is to send a transcript of these proceedings to our Congressmen and to our two Senators to let them know just how we feel. To me, this is the old Robin Hood philosophy of taking money away from one person and giving it to someone else. We are not talking about HUD's money. We're talking about using the people's money, and I just can't go along with that.

My good friend concluded his letter by simply requesting, "Just quit sending us all this money."

If it were solely up to this Senator, his wish would be granted. At any rate, I suspect that Joe Barbour's views are fairly representative. If that is the situation, and I think it is, then my colleagues have good reason to take the knife to the 1980 HUD budget.

FEDERAL REGULATORY ACTIVITY

Mr. ROTH. Mr. President, Federal regulatory activity has become a pervasive influence in American life. Today it is hard to think of a single aspect of economic or social activity untouched by Government regulation. Regulatory agencies are "growth industries" gradually extending to influence both businesses and individuals. We are witnessing the most rapid and consuming growth of centralized control over economic and social activities in our history, and this expansion is becoming extremely costly to both business and the general public.

The growth of Federal regulatory activities is just plain staggering. There are no universally accepted definitions of what regulation entails, but a few general figures illustrate its momentum and meaning. As late as the midfifties, the Federal Government had only four areas of major regulatory responsibility: Antitrust, financial institutions, transportation, and communications. By 1977, there were 85 Federal agencies regulating some aspect of private activity and over 116 different identifiable regulatory programs. Over one-fourth of these new agencies were created between the years 1969 and 1975. The 30 largest regulatory bodies employed more than 215,000 persons in 1977 and the growth in the total budget of all regulatory agencies was phenomenal—from $2.2 billion to fund Federal regulatory activities in 1974 to $4.8 billion to support such activities in 1979, a 115-percent jump.

One of the results of this rapid expansion has been a tremendous increase in the regulatory burden thrust upon the public and business. The costs regulation imposes on the public has reached truly astounding levels. Accurate calculation of total regulatory costs is impossible at present but several experts have developed rough estimates of such costs which range from $100 billion to $200 billion per year.

Such abstract figures do not tell the whole story, however, for regulatory costs imposed upon business ultimately must be paid for by each of us as consumers. Recently, the Regulatory Council, a coordinating group created by the President, released its first "Regulatory Calendar," a listing of projected regulations to be promulgated by various regulatory agencies over the coming months. One hundred and nine new regulations filed by 20 agencies were included in the calendar. The projected costs to the consumer of many of these regulations is incredible. A proposal from one regulatory agency would increase the costs of a pickup truck by $169 per vehicle. Another would raise the cost of a lawnmower by $35 and most disturbing of all, one regulation proposed would raise local water rates by $10 to $20 a year for each family.

The fact is we can no longer ignore the costs and inefficiencies of our regulatory system. Until rather recently, the chief issue in debate over new Government policies was whether it was legitimate for the Federal Government to do something at all. Today, the legitimacy barrier has fallen and Government is involved in a tremendous range of business and private activity. Because of this fact, we must ask ourselves several important questions: What price must we pay for a given policy? What sacrifices and tradeoffs do we have to make to reach the goals we have set? What level of sacrifice and expense do the goals justify? Without asking these questions and seeking to answer them, we will never be able to slow the rising tide of Government regulation.

Mr. President, the regulatory system is desperately in need of a mechanism for balancing the demands of competing and conflicting regulatory agencies and programs. There is a need for accountability in the regulatory process and for a method of establishing responsibility for the actions of the regulators. Currently, appointed rather than elected, specialist rather than generalist, regulatory agency officials enjoy an independence from the political process—and from one another—that weakens our national ability to make wise, balanced decisions, or to hold anyone politically accountable when choices are made badly or not at all. There is no effective method in our existing regulatory system of establishing responsibility for any actions. No method exists for coordinating the decisions of one agency with those of other agencies, or conforming them to the judgments of elected officials.

I am developing a procedure which would give the President, acting in concert with the Congress, the responsibility for making the critical balancing choices which are becoming more and more necessary in our increasingly complex regulatory system. I believe this proposal raises the most fundamental questions of all with respect to regulation: Who is accountable for regulatory policy? Who controls the regulators? Who is responsible for the actions of Federal agencies?

It is time that all elected officials in the Federal Government take responsibility for the actions of the regulators. This does not mean that the Congress should become involved in the day-to-day activities of the regulatory agencies. Rather, it means that major policymaking activities, which have national implications, should be subject to the control of the elected representatives of the people. And in this effort, I believe Congress and the President should work together for both institutions have the responsibility to make the bureaucracy accountable.

My proposal will reflect these concerns and I would hope the issues raised by the ideas I have outlined will be examined by the Congress in its regulatory reform efforts. I intend to raise these issues in the Governmental Affairs Committee, of which I am a member, as it considers important regulatory reform legislation. I also intend, in the next few weeks, to introduce my proposal and invite my colleagues to examine it carefully. I believe the issues the legislation raises are of fundamental importance in our consideration of the many issues surrounding Government regulation.

Mr. President, the Nation can no longer afford the luxury of costly and inefficient Government control. Progress so far in our efforts to gain control over regulatory programs has been slow. I hope my proposal can provide the catalyst for solid efforts to reduce the burdens and costs of regulation and gain control of the regulatory system.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer laid before the Senate a message from the President of the United States withdrawing the nomination of John P. Millhone, of Minnesota, to be a member of the Board of Directors of the National Institute of Building Sciences; which was referred to the Committee on Banking, Housing, and Urban Affairs.

PROPOSED AMENDMENT TO THE EMERGENCY WEEKEND GASOLINE SALES RESTRICTIONS—MESSAGE FROM THE PRESIDENT—PM 52

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

Pursuant to Sections 201(d)(1) and 552 of the Energy Policy and Conservation Act (EPCA), 42 U.S.C. 6261(d)(1) and 6422, I am hereby transmitting to the Congress for its approval an amendment to Emergency Weekend Gasoline Sales Restrictions (Standby Conservation Plan No. 1) which I transmitted on March 1, 1979.

The purpose of the amendment is to expand the scope of "comparable programs" which a state may develop in order to qualify for an exemption from the Federal plan. The amendment will further encourage states, or political subdivisions thereof, to develop conservation programs which will qualify them for an exemption from the operation of Federal energy conservation contingency plans should those plans ever be put into effect. Such exemptions for "comparable programs" are authorized under Section 202(b) of the EPCA.

The amendment reflects my belief that states should be given the flexibility to meet their share of any energy shortfall prior to the adoption of nationwide measures. The amendment would expand the size of allowable comparable state programs in two ways. First, it would eliminate the requirement that any alternative state plan be a mandatory one. If a state is able to achieve comparable energy savings through a voluntary plan, this should be permissible. Second, the language in the plan requiring that state alternatives deal with "the same subject matter" as the Federal plan would be eliminated and a requirement that savings be of the same fuel would be substituted. This would allow states to propose any alternative approach so long as it achieved comparable savings of the same fuel.

The procedures for approval by Congress of an amendment to a contingency plan are detailed in Section 552 of the EPCA, and require among other things that a resolution of approval be passed by each House of Congress within 60 days of submittal of the amendment. Inasmuch as the subject of this amendment has been considered thoroughly by the Congress in its deliberations on the conservation contingency plans, I urge the Congress to give this amendment expedited consideration so that it may be approved together with the Emergency Weekend Sales Restrictions plan.

The EPCA does not specify in Section 552 the form which the resolution of approval is to take. As I noted in my submission of the conservation contingency plans on March 1, 1979, it is my view and that of the Attorney General that actions of the Congress purporting to have binding legal effect must be presented to the President for his approval under Article I, Section 7 of the Constitution. Therefore, I strongly recommend that Congressional approval of the amendment be in the form of a joint resolution. If this procedure is followed, the amendment itself, agreed to by the Congress and the President, will not later be subject to possible judicial invalidation on the ground that the President did not approve the resolution.

I urge the prompt and favorable consideration by the Congress of this amendment.

JIMMY CARTER.

THE WHITE HOUSE, *April 5, 1979.*

REPORT OF THE CORPORATION FOR PUBLIC BROADCASTING—MESSAGE FROM THE PRESIDENT—PM 53

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

Enclosed is the "Annual Report of the Corporation for Public Broadcasting for FY 1978," prepared in accordance with the requirement of the Public Broadcasting Act of 1967 (Public Law 90–129) as amended.

The Corporation has again prepared a thoughtful report which highlights its efforts for the past fiscal year. The accomplishments of public broadcasting are well articulated with emphasis on television and radio programming, technological innovation, and human development services.

It should be noted that the projections of long range Federal financial contributions from the Federal Government exceed levels contained in the Administration's legislative proposal to reauthorize the Corporation for the period FY 1981–85.

The Annual Report is being forwarded so that it is available to the Congress for its deliberations.

JIMMY CARTER.

THE WHITE HOUSE, *April 5, 1979.*

PROPOSED NATIONAL PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1979—MESSAGE FROM THE PRESIDENT—PM 54

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Banking, Housing, and Urban Affairs and the Committee on Environment and Public Works, jointly, by unanimous consent:

To the Congress of the United States:

I am today transmitting to Congress the National Public Works and Economic Development Act of 1979. To millions of Americans in distressed urban and rural communities this legislation will mean new private sector jobs and economic progress, new income and new hope for the future.

This legislation will help strengthen the economic development of distressed urban and rural communities. It will provide new private sector jobs and badly-needed income to the citizens of these communities. It will strengthen their tax bases and attract new private investment. It will help these communities support essential public services without imposing high property taxes on their citizens. And it will help these communities and their citizens become more self-sufficient in the future.

This legislation is based on one overriding fact of our economic life today. Our Nation can no longer afford to rely only on government to provide jobs and income to our disadvantaged citizens and to our distressed communities. We must continue to harness the vast resources of the private sector to help us meet these important challenges. The legislation that I am sending to Congress today is another major step in this direction.

Two years ago when I took office, our economy was struggling to recover from the deepest recession since the great Depression. Unemployment was high, industrial capacity was idle and the incomes of American workers were well below expectations.

Today more than 7.5 million new jobs have been created in our economy and factories across the country have regained high levels of production. Family incomes, after adjustment for inflation, have risen substantially and so have business profits. Our economy is much stronger today than when I took office, just two years ago.

Despite this period of strong economic expansion, there are numerous rural and urban areas that have not participated fully in our Nation's economic health. These areas still have very high unemployment, low average incomes, substantial poverty and loss of jobs. They do not have enough private investment to provide jobs to their residents, nor do they have the private sector tax base to support essential public services.

The problems of these rural and urban communities have not been solved fully by national economic policies. These communities require special targeted aid to bring in new private sector jobs and investment. Only with this targeted assistance can we be assured that all areas of our Nation, both rural and urban, will participate in the Nation's economic prosperity.

Since taking office, I have focused the resources of the Federal government on programs that will retain existing jobs, bring in new jobs and income, and expand the tax base of these economically troubled communities. I have expanded both the tax incentives and the Federal grant and loan programs available to businesses that remain or locate in these areas. With the help of the Congress we already have accomplished a great deal.

I have proposed, and Congress has enacted, legislation establishing the Urban Development Action Grant (UDAG) program in the Department of Housing and Urban Development. This program, which I propose to fund at $675 million in my Fiscal Year 1980 budget, provides grants to economically distressed cities and urban counties for projects that create private sector jobs and new tax base in these communities. The first $599 million of UDAG grants have stimulated more than $3.6 billion of private investment in these communities. In addition, we have encouraged cities and counties to use more of their Community Development Block Grant funds for economic development projects.

I have expanded funding for the economic development grant, loan and loan guarantee programs that are administered by the Economic Development Administration (EDA) in the Department of Commerce. EDA programs were funded at approximately $400 million in FY 1977 when I took office. If the legislation I am transmitting today is approved, our FY 1980 budget will contain approximately $1.3 billion in budget authority for EDA's economic development programs.

With Congress' approval, I have greatly expanded the Farmer's Home Administration's business and industry loan program from approximately $350 million in loan guarantees in FY 1977 to $1 billion in FY 1980. This increase complements the substantial growth that I have proposed for FmHA's overall program.

With Congress' approval, I expanded the existing Investment Tax Credit (ITC) to provide a ten percent tax credit for the rehabilitation of factories, warehouses, hotels, stores and other businesses. Previously, the ITC had applied only to new plant and equipment. My FY 1980 budget projects that $1.8 billion of private sector rehabilitation will be assisted by this tax credit.

With the help of Congress, I have implemented a significant new tax credit to encourage private sector businesses to hire the economically disadvantaged. The targeted jobs tax credit will provide a tax credit of 50 percent of the wages, up to $3,000, for any employee hired from one of seven target groups. My budget estimates that a tax expenditure of $500 million will be required to implement this program in FY 1980.

I proposed and Congress enacted amendments to the Comprehensive Employment and Training Act (CETA) which include provisions to make CETA more responsive to the needs of private sector employers. CETA's new private sector jobs initiative will allow CETA to reimburse private employers for part of the wages and other expenses incurred as part of on-the-job training or job-upgrading programs. I have requested $400 million in a supplemental that is urgently needed this year to fund this program.

As a result of these actions and the legislation I am transmitting today, the Federal Government will provide more than $3 billion of direct expenditures and tax expenditures and almost $2 billion of loan guarantees to stimulate private sector jobs and investment in economically troubled communities and to encourage private sector businesses to hire the economically disadvantaged. This amounts to a 700 percent increase in both the amount of budgetary assistance and the amount of loan guarantee aid provided for these purposes above Fiscal Year 1977 levels.

To assist these communities further in regaining their economic and fiscal stability, I am hereby transmitting to Congress the National Public Works and Economic Development Act of 1979. This legislation is part of my overall effort to strengthen the Federal Government's economic development programs. That effort will include:

The National Public Works and Economic Development Act of 1979;

A $275 million increase in the authorization for the UDAG program submitted early in March;

A reorganization plan to be submitted later this year that will transfer the Farmers' Home Administration's (FmHA) business and industrial loan program and the Small Business Administration's (SBA) State and local development corporation programs to EDA;

Separate legislation that will consolidate the programs currently managed by SBA and FmHA into the consolidated economic development financing program in EDA. This legislation will be submitted after Congress has completed action on the reorganization plan; and

Legislation that will reauthorize and expand the work of the Multi-State Regional Action Planning Commissions.

The National Public Works and Economic Development Act of 1979 will strengthen and expand the Federal government's ability to bring private sector jobs and investment to economically troubled urban and rural areas. The bill provides various incentives—grants, direct loans to businesses, loan guarantees and interest subsidies—to encourage businesses to invest in areas with high unemployment, low average incomes, significant poverty and loss of jobs. The bill will help to rejuvenate economically troubled communities in both rural and urban areas.

There are three major elements to this legislation. The first is a consolidated and substantially expanded public works and economic development grant program. It consolidates into one grant program the authorities previously included in Titles I, IV and IX of the current EDA legislation. The public works and economic development grants will be available for the design, construction and rehabilitation of public facilities; the capitalization of State and local government revolving loan programs; the funding of State economic development projects; the provision of assistance to private sector businesses that expand or locate in economically troubled areas; and the financing of special projects that provide immediate jobs for the unemployed. I will request $575 million of budget authority in FY 1980 for this grant program.

A second part of this legislation authorizes a variety of financing incentives to encourage private sector businesses to remain, locate or expand in economically distressed urban and rural areas. The consolidated economic development financing program will make available direct loans, loan guarantees and interest subsidies to businesses that provide private sector jobs in economically distressed communities. It consolidates the loan and loan guarantee assistance currently available under EDA's Title II program with the financing incentives previously proposed for the National Development Bank. It will be the foundation for the consolidated economic development loan and loan guarantee program that I have proposed as part of my reorganization effort. My budget proposes that $570 million of budget authority and $1.8 billion of loan guarantee authority be available for this program in Fiscal Year 1980.

The third key part of this legislation will provide economic development planning assistance to urban and rural areas and technical assistance to both the public sector and the private sector. It will help State and local governments and the private sector strengthen their capacity to work together to rebuild the economic base of economically distressed urban and rural communities. I will request that approximately $90 million of budget authority be provided in Fiscal Year 1980 for this program.

The National Public Works and Economic Development Act will provide the foundation for the consolidated economic development loan and loan guarantee program that I announced as part of my reorganization proposals. Later this year, I will transmit to Congress a reorganization plan that transfers to EDA the business and industry loan program from FmHA and the State and local development company loan programs from

SBA. This reorganization plan will bring the major economic development loan and loan guarantee programs together into one economic development financing program in EDA. It will make it possible for the Federal government to provide one-stop service to urban and rural communities and private businesses that are seeking economic development loan and loan guarantee assistance. It also will streamline Federal aid in this area, reduce Federal redtape and improve the management of the economic development financing programs. After Congress has acted upon the reorganization plan, I will submit legislation that consolidates the SBA and FmHA program requirements into EDA's economic development financing program.

The economic development legislation, reorganization plan and accompanying program consolidations will substantially expand the economic development aid available to rural and urban areas. I intend to ensure that both rural and urban areas are guaranteed a fair share of the new resources. In addition, I will take every step to preserve and strengthen our capacity to deliver this aid to rural and urban areas efficiently and promptly.

This package of economic development legislation and reorganization proposals represents an important departure from previous urban and rural assistance efforts. For the first time, the Federal government is committing substantial resources to attracting private sector jobs and investment to the lagging areas of our country. For the first time, we are asking the private sector to join us in our redevelopment efforts. I am hopeful that Congress will join me in this sensible approach to urban and rural problems and will enact this important legislation.

JIMMY CARTER.

THE WHITE HOUSE, *April 4, 1979.*

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a message from the President of the United States and a communication from the Acting Secretary of Commerce, both transmitting draft legislation, the National Public Works and Economic Development Act of 1979, and the bill when it is introduced, be jointly referred to the Committees on Banking, Housing, and Urban Affairs and Environment and Public Works, with titles I and II of the bill to be considered by the Committee on Environment and Public Works, title III to be considered by the Committee on Banking, Housing, and Urban Affairs, and all other portions of the bill to be jointly considered by the two committees.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 11:34 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests concurrence of the Senate:

H.J. Res. 283. A joint resolution reaffirming the U.S. commitment to the North Atlantic Alliance.

At 1:30 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the House disagrees to the amendment of the Senate to H.R. 2283, an act to amend the Council on Wage and Price Stability Act to extend the authority granted by such act to September 30, 1980, and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. REUSS, Mr. MOORHEAD of Pennsylvania, Mr. ASHLEY, Mr. BLANCHARD, Mr. STANTON, and Mr. MCKINNEY were appointed managers of the conference on the part of the House.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents and papers, which were referred as indicated:

EC–997. A communication from the Under Secretary, International Affairs and Commodity Programs, Department of Agriculture, reporting, pursuant to law, on the status of planned programming of Public Law 480, Title I commodities as of March 31, 1979; to the Committee on Agriculture, Nutrition, and Forestry.

EC–998. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report on the Nation's agricultural research, extension, and teaching activities; to the Committee on Agriculture, Nutrition, and Forestry.

EC–999. A communication from the Clerk, United States Court of Claims, transmitting, pursuant to law, the court's judgment order of March 23, 1979, entering judgment for the plaintiffs in Prairie Band of the Potawatomie Tribe of Indians, et al., Nos. 15–N, 15–O, 15–Q, 15–R; Hannahville Indian Community, et al., Nos. 29–L, 29–M, 29–O, 29–P; and Citizen Band of Potawatomi Indians of Oklahoma, et al., Nos. 128, 309, 310, in the sum of $4,497,815.59; to the Committee on Appropriations.

EC–1000. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the appropriations to the Department of the Treasury for "Taxpayer Service and Returns Processing," Internal Revenue Service, and "Salaries and Expenses," United States Secret Service, for fiscal year 1979 have been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriations; to the Committee on Appropriations.

EC–1001. A communication from the Acting Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Army's proposed Letter of Offer to Switzerland for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–1002. A communication from the Acting Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Air Force's proposed Letter of Offer to Canada for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–1003. A communication from the Secretary of the Air Force, reporting, pursuant to law, on the Air Force decision to reduce Loring Air Force Base, Maine, to a Forward Operating Base (FOB); to the Committee on Armed Services.

EC–1004. A communication from the Acting Assistant Secretary of Defense (Comptroller), reporting, pursuant to law, on contract award dates for the period March 15, 1979 to June 15, 1979; to the Committee on Armed Services.

EC–1005. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the operational effectiveness of weapons systems which are to provide an air defense capability against the growing Soviet threat to the United States forces in Europe; to the Committee on Armed Services.

EC–1006. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on 21 construction projects to be undertaken by the Army National Guard; to the Committee on Armed Services.

EC–1007. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on 2 construction projects to be undertaken by the Air National Guard; to the Committee on Armed Services.

EC–1008. A communication from the Deputy Assistant Secretary Defense, reporting pursuant to law, concerning the administration of Officer Responsibility Pay; to the Committee on Armed Services.

EC–1009. A communication from the Director, Selective Service System, transmitting, pursuant to law, its semiannual report for the period April 1, 1978 to September 30, 1978; to the Committee on Armed Services.

EC–1010. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "AWOL in the Military: A Serious and Costly Problem," March 30, 1979; to the Committee on Armed Services.

EC–1011. A communication from the First Vice President and Vice Chairman, Export-Import Bank of the United States, reporting, pursuant to law, with respect to a transaction involving U.S. exports to Singapore; to the Committee on Banking, Housing, and Urban Affairs.

EC–1012. A communication from the First Vice President and Vice Chairman, Export-Import Bank of the United States, reporting, pursuant to law, with respect to a transaction involving U.S. exports to Brazil; to the Committee on Banking, Housing, and Urban Affairs.

EC–1013. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a report on the status and adequacy of payments in lieu of taxes made under Section 6(d) of the United States Housing Act of 1973; to the Committee on Banking, Housing, and Urban Affairs.

EC–1014. A communication from the Chairman, Board of Governors, Federal Reserve System, transmitting, pursuant to law, a proposed regulation to require certain disclosures of consumers' potential liability for unauthorized transfers under the Electronic Fund Transfer Act, Public Law 95–630, and an analysis of the economic impact; to the Committee on Banking, Housing, and Urban Affairs.

EC–1015. A communication from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal years 1980 and 1981; to the Committee on Banking, Housing, and Urban Affairs.

EC–1016. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on actions taken to assure insofar as possible that direct and adequate service is provided by United States-flag commercial vessels to each of the Nation's four seacoasts; to the Committee on Commerce, Science, and Transportation.

EC–1017. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal years 1980 and 1981; to the Committee on Commerce, Science, and Transportation.

EC–1018. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that the Commission is unable to render a final decision in Investigation and Suspension Docket No. 9198, Grain, Iowa, Minnesota, and Nebraska to Pascagoula, Mississippi, within the initially-specified 7-month period; to the Committee on Commerce, Science, and Transportation.

EC–1019. A communication from the Director, Federal Relations, Consolidated Rail Corporation, transmitting, pursuant to law, its annual report for 1978; to the Committee on Commerce, Sicence, and Transportation.

EC–1020. A communication from the Federal Co-Chairman, Federal-State Land Use Planning Commission for Alaska, transmitting, pursuant to law, its annual report for the year 1978; to the Committee on Energy and Natural Resources.

EC–1021. A communication from the Inspector General, Department of Energy, reporting, pursuant to law, the need for additional time for filing a report summarizing the activities during the preceding calendar year; to the Committee on Energy and Natural Resources.

EC–1022. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend section 6(e)(2) of the Land and Water Conservation Fund Act, as amended; to the Committee on Energy and Natural Resources.

EC–1023. A communication from the Secretary of the Interior, transmitting, pursuant to law, the "Federal Coal Management Report, Fiscal Year 1978"; to the Committee on Energy and Natural Resources.

EC–1024. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Areas Around Nuclear Facilities Should Be Better Prepared for Radiological Emergencies," March 30, 1979; to the Committee on Environment and Public Works.

EC–1025. A communication from the Administrator, United States Environmental Protection Agency, transmitting, pursuant to law, a report on the implementation of the Toxic Substances Control Act (TSCA); to the Committee on Environment and Public Works.

EC–1026. A communicataion from the Chairman, United States International Trade Commission, transmitting, pursuant to law, a report on trade between the United States and the nonmarket economy countries; to the Committee on Finance.

EC–1027. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report of the Foreign-Trade Zones Board, for the fiscal year ended September 30, 1977; to the Committee on Finance.

EC–1028. A communication from the Administrator of the Agency for International Development, Department of State, transmitting, pursuant to law, a report on Environmental and Natural Resource Management in Developing Countries; to the Committee on Foreign Relations.

EC–1029. A communication from the Assistant Secretary (Legislative Affairs), Department of the Treasury, transmitting, pursuant to law, audit reports prepared by the International Bank for Reconstruction and Development (IBRD), and the group of Controllers' evaluation reports by the Inter-American Development Bank (IDB); to the Committee on Foreign Relations.

EC–1030. A communication from the Acting Chairman, The Renegotiation Board, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1031. A communication from the Inspector General, Department of Health, Education, and Welfare, transmitting, pursuant to law, an annual report covering the period January 1, 1978, through December 31, 1978; to the Committee on Governmental Affairs.

EC–1032. A communication from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to provide privacy protection for individuals who are the subjects of Federally-funded research, and for other purposes; to the Committee on Governmental Affairs.

EC–1033. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the evaluation of programs in the Department of Transportation—An Assessment; to the Committee on Governmental Affairs.

EC–1034. A communication from the Deputy Assistant Secretary of the Interior for Indian Affairs, transmitting, pursuant to law, a proposed plan for the use and distribution of the Bois Forte Band of Chippewa Indian judgment funds awarded in Docket 18–D before the Indian Claims Commission; to the Select Committee on Indian Affairs.

EC–1035. A communication from the Deputy Director for Information of the Central Intelligence Agency, transmitting, pursuant to law, the report of the Central Intelligence Agency on their administration of the Freedom of Information Act during calendar year 1978; to the Committee on the Judiciary.

EC–1036. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to make minor amendments to provisions relating to the nondischargeability in bankruptcy of certain educational loans; to the Committee on the Judiciary.

EC–1037. A communication from the President of the American Academy and Institute of Arts and Letters, transmitting, pursuant to law, the report of the activities of the Institute for the calendar year ending December 31, 1978; to the Committee on the Judiciary.

EC–1038. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the report on the administration of sections 304 through 307 of the Public Health Service Act and on the current state and progress of health services research and health statistics; to the Committee on Labor and Human Resources.

EC–1039. A communication from the Chairman of the National Diabetes Advisory Board, transmitting, pursuant to law, the second annual report of the National Diabetes Advisory Board; to the Committee on Labor and Human Resources.

EC–1040. A communication from the Chairman of the National Advisory Council on the Education of Disadvantaged Children, transmitting, pursuant to law, the annual report of the National Advisory Council on the Education of Disadvantaged Children; to the Committee on Labor and Human Resources.

EC–1041. A communication from the Chairman of the Federal Election Commission, transmitting, pursuant to law, the report on the activities of the Federal Election Commission for calendar year 1978; to the Committee on Rules and Administration.

EC–1042. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to protect the privacy of medical information, to amend the Privacy Act of 1974, and for other purposes; to the Committee on Governmental Affairs and the Committee on the Judiciary, jointly, pursuant to the order of April 2, 1979.

EC–1043. A communication from the Secretary of Agriculture and the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to protect the public health by providing flexibility in the regulatory process to prevent the occurrence of botulism if prohibition of nitrites and nitrates becomes necessary and would be warranted by studies of their carcinogenicity or other toxic effect; to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Labor and Human Resources, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication transmitted by the Secretaries of Agriculture and Health, Education, and Welfare, relative to the Nitrite Moratorium and Food Safety Act, be referred jointly to the committees on Agriculture, Nutrition, and Forestry; and Labor and Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

EC–1044. A communication from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to provide public works, business financing, and other development assistance to alleviate economic distress; to the Committee on Banking, Housing, and Urban Affairs and the Committee on Environment and Public Works, jointly, by unanimous consent.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM–131. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Foreign Relations:

"RESOLUTION No. 68

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, Guam's private economy is dependent on tourism and seventy percent (70%) of all visitors to the island originate from Japan, spending nearly $100 million annually in the territory; and

"Whereas, a limited variety of promotional fares, marginal seat capacity and minimal public promotion of Guam as a destination exists, along with ill-timed schedules by air carriers currently authorized to serve Guam; and

"Whereas, the Government of Japan authorized in late 1978 the Inclusive Tour Charter fares with Guam included in the list of destinations but none of the scheduled carriers are initiating Inclusive Tour Charter flights to the island; and

"Whereas, Inclusive Tour Charter flights to Guam's competitive destinations, particularly in Southeast Asia, cut the island's share of the Japanese tourist market; and

"Whereas, Inclusive Tour Charter flights originate from domestic airports and Guam's scheduled carriers are restricted to airports at Narita and Osaka; and

"Whereas, fluctuations in tourist demand for Guam are so great due to propitious days, public holidays and other considerations that scheduled carriers have difficulty serving Guam efficiently; and

"Whereas, if charter capacity during peak periods becomes available, it will greatly alleviate problems for scheduled carriers; and

"Whereas, the prolonged bi-lateral air treaty talks between the United States and Japan have no bearing on air service to Guam and the Commonwealth of the Northern Marianas; and

"Whereas, the U.S. Civil Aeronautics Board does not object to the Government of Japan considering air service to Guam separate and apart from the bi-lateral air treaty negotiations; and

"Whereas, the U.S. Civil Aeronautics Board does not object to the elimination from the Minutes of the Civil Air Transport Agreement between the United States and Japan of the charter restrictions to Saipan and Micronesia; now, therefore, be it

"Resolved, that the Fifteenth Guam Legislature respectfully requests the Government of Japan to consider air service to Guam and the Commonwealth of the Northern Marianas separate and apart from the bi-lateral air treaty negotiations in order to facilitate implementation of Inclusive Tour Charter flights to Guam; and be it further

"Resolved, that the Legislature requests that charter restrictions to Saipan/Micronesia be eliminated from the Minutes of the Civil Air Transport Agreement between the United States and Japan; and be it further

"Resolved, that ways and means be found by the Government of Japan to alleviate barriers to the inauguration of frequent and flexible Inclusive Tour Charter service to Guam from multiple domestic airports in Japan; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest to the adoption hereof and that copies of the same be thereafter transmitted to the Vice President of the United States; to the Chairman, Japan Civil Aeronautics Board; to the U.S. Secretary of State; to the U.S. Secretary of Interior; to the Chairman, U.S. Civil Aeronautics Board; to the United States Ambassador to Japan; to the Governor, Commonwealth of the Northern Marianas; to the Government of Japan via the Consul General of Japan; to Representative A. B. Won Pat and to the Governor of Guam."

POM–132. A concurrent resolution adopted by the Legislature of the State of North Dakota; to the Committee on Commerce, Science, and Transportation:

"SENATE CONCURRENT RESOLUTION NO. 4058

"Whereas, AMTRAK, the corporation designated by Congress to provide a minimum basic national rail passenger service, has scheduled drastic reductions in service to an extent which will destroy the purposes for which the law was intended, all to the detriment of the nation as a whole and the traveling public;

"Now, therefore, be it resolved by the Senate of the State of North Dakota, the House of Representatives concurring therein:

"That Congress is urged to take appropriate steps to ensure continued AMTRAK service on those routes in operation within the current basic system, and to authorize a review of AMTRAK service schedules so that the schedules may be made more compatible with the needs of a majority of the passengers using the service provided by those passenger trains operating within the basic system; and

"Be it further resolved, that copies of this resolution be forwarded by the Secretary of State to the president of AMTRAK, the Secretary of the United States Senate, the Chief Clerk of the United States House of Representatives, to each member of the North Dakota Congressional Delegation, the Secretary of the Department of Transportation, and to the North Dakota Public Service Commission."

POM–133. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Commerce, Science and Transportation:

"RESOLUTION

"Whereas, Rail transportation is the most energy-efficient form of moving people from one location to another; and

"Whereas, The United States is faced with "the moral equivalent of war" with regard to efforts at conserving energy and cleaning the air we all breathe; and

"Whereas, The ability of the states in the northeast to rely on imported oil as our main source of energy has been brought into question by recent developments in the Middle East; and

"Whereas, The state of Massachusetts is serviced by Amtrak's "Montrealer" which passes through the city of Springfield providing access to this rail transit operation for Massachusetts citizens; and

"Whereas, Amtrak's "Montrealer" transported three hundred forty-six thousand passengers in fiscal year nineteen hundred and seventy-eight; and

"Whereas, One Amtrak train of eight cars can relieve the highways of approximately six hundred automobiles; and

"Whereas, Massachusetts has actively sought to increase rail services to its citizens; and

"Whereas, It is counterproductive and wasteful to eliminate this Amtrak service now, only to have to reinstate it at a later date when the demand for rail transportation increases due to energy and environmental restraints; now, therefore be it

"Resolved, That the Massachusetts Senate respectfully urges the Congress of the United States and the United States Department of Transportation to take such action as may protect the interests of the citizens of Massachusetts, and to require the National Rail Passenger Corporation to maintain the "Montrealer" as one of the active rail service in the northeast; and be it further

"Resolved, That a copy of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, to the presiding officer of each branch of Congress, to each member thereof from the Commonwealth and to the Secretary of the Department of Transportation."

POM–134. A joint memorial adopted by the Legislature of the State of Idaho; to the Committee on Governmental Affairs:

"HOUSE JOINT MEMORIAL NO. 6

"Whereas, the United States Forest Service, established in 1905 within the Department of Agriculture, was created and designed to serve the interests of the public through the management of the forest resources of this nation; and

"Whereas, over the span of nearly three-quarters of a century, members of the agricultural community have participated with the Forest Service in beneficial use of forest lands, including grazing of livestock and harvesting of timber in ways which contribute to a sound economy and a wise management of resources; and

"Whereas, a long tradition of operation through the Department of Agriculture should not be disturbed without a significant demonstration that the existing organizational structure has failed to serve the public interest; and

"Whereas, proposals are now under consideration which would transfer the Forest Service to the Department of Interior or other possible umbrella agency and interrupt the history of service and progress which has served the people of the State of Idaho and of this Nation.

"Whereas, we find that the existing structure has served well for nearly seventy-five years, and we encourage the Congress to carefully consider this history of service and accomplishment.

"Now, therefore, be it resolved by the members of the First Regular Session of the Forty-Fifth Idaho Legislature, the House of Representatives and Senate concurring therein, that we urge the Congress and the President to reject proposals for the transfer of the Forest Service from the Department of Agriculture.

"Be it further resolved that the Chief Clerk of the House of Representatives, be, and he is hereby authorized and directed to forward copies of this Memorial to the President of the United States, Jimmy Carter, the Honorable Secretary of the Department of Agriculture, Robert S. Bergland, the Honorable Secretary of the Department of Interior, Cecil D. Andrus, the President of the Senate and the Speaker of the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States."

POM–135. A resolution adopted by the Legislature of the State of Hawaii; to the Committee on Finance:

"SENATE RESOLUTION NO. 134

"Whereas, the costs of mortuary and cemetery services have increased because of inflation to the extent that an average funeral on Oahu, not including charges for a cemetery plot, exceeds, $1,000; and

"Whereas, under the provisions of section 346–15, Hawaii Revised Statutes, the State of Hawaii allocates up to $800 for mortuary and cemetery costs for burying indigents; and

"Whereas, the Department of Social Services and Housing has not received bids on two islands on contracts to provide burial services under section 346–15 because even $800 is a low figure for mortuary and cemetery services; and

"Whereas, the federal Social Security Act in 42 U.S.C.A. section 402(i) provides for a lump-sum death benefit payment of not more than $255 to pay for burial costs of individuals insured under that Act; and

"Whereas, the maximum amount of a lump-sum death benefit payment under the Social Security Act has not been changed since it was introduced in 1954; now, therefore,

"Be it resolved by the Senate of the Tenth Legislature of the State of Hawaii, Regular Session of 1979, that the Congress of the United States is requested to raise the maximum lump-sum death benefit provided for in 42 U.S.C.A. section 402(i) from $255 to $1,000; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of Hawaii's congressional delegation."

POM–136. A resolution adopted by the legislature of the State of Hawaii; to the Committee on Labor and Human Resources:

"SENATE RESOLUTION NO. 135

"Whereas, according to the U.S. Immigration and Naturalization Service, 7,789 immigrants admitted to the country between 1975 and 1976 identified Hawaii as their State of intended permanent residence; and

"Whereas, the 7,789 alien arrivals in 1976 are more than four times the same figure for the year 1960 when 1,619 aliens reported Hawaii as their intended destination to the U.S. Immigration and Naturalization Service; and

"Whereas, a technical study on population by the State Department of Planning and Economic Development (DPED) supporting the Hawaii State Plan points out that 'Hawaii carries a very disproportionate burden in absorbing aliens'; and

"Whereas, to support that statement, the DPED study stated that the number of aliens per 100 civilians for the United States in 1973 was 2.2 in comparison to the Hawaii figure of 8.1, which was the highest of all the states; and

"Whereas, although foreign-born persons constitute not more than 15 per cent of the population, a Legislative Reference Bureau (LRB) study entitled 'In-migration as a

Component of Hawaii Population on Growth: Its Legal Implications' reported that they accounted for 66 per cent of the tuberculosis cases in the State in 1970; and

"Whereas, that same study also showed that 75 per cent of all leprosy cases detected in Hawaii between 1966 and 1971 involved foreign-born persons; and

"Whereas, the LRB report went on to further indicate that to control tuberculosis and leprosy, the state spent more than $4 million in 1970–71; and

"Whereas, in March of 1978 there were 2,214 foreign-born persons receiving public financial assistance according to a report entitled 'Immigration Trends in Hawaii' published by the State Department of Health; and

"Whereas, there are many instances in the educational, employment, and other areas in which the disproportionate burden in absorbing aliens causes Hawaii's taxpayers to bear an unequal share of the fiscal responsibility for national immigration policies; now, therefore,

"Be it resolved by the Senate of the Tenth Legislature of the State of Hawaii, Regular Session of 1979, that the United States Congress is requested to enact legislation providing increased financial assistance to states disproportionately affected by immigration; and

"Be it further resolved that certified copies of this Resolution be transmitted to the Governor of the State of Hawaii, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of Hawaii's congressional delegation."

POM–137. A resolution adopted by the legislature of the State of Washington; to the Committee on Governmental Affairs:

"WASHINGTON STATE RESOLUTION

"Whereas, Amendment X to the U.S. Constitution declares that "powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people"; and

Whereas, The federal government has time and again through legislative and executive acts violated the letter, spirit and intent of this constitutional amendments; and

"Whereas, A recent example is President Carter's invoking of the provisions of the Antiquities Act of 1906, which resulted in 56 million acres of the State of Alaska being removed from state control; and

"Whereas, It has become abundantly clear to those of us who are involved in the state government process, that citizens want less government *intervention*, whether it be federal, state or local;

Now, therefore, be it resolved, That the Senate of the State of Washington urges and requests the U.S. Congress and the President of the United States to respect the rights of the states and in all decisions give due recognition to the duty and ability of the states to govern themselves, to decide and implement legislation affecting the citizens of the individual states; and to comply with Amendment X to the United States Constitution; and

"Be it further resolved, That copies of this resolution be sent to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to members of the congressional delegation of the State of Washington."

POM–138. A memorial adopted by the legislature of the State of Arizona; to the Committee on Commerce, Science, and Transportation:

"SENATE MEMORIAL 1003

"Whereas, the United States Department of Transportation preliminary report to Congress on Amtrak Route System recommended,

"1. The Southwest Limited remain unchanged as to route and service-routed Chicago-Kansas City-Albuquerque-Flagstaff-Los Angeles;

"2. The Sunset Limited receive increased frequency (daily service) over the current route of New Orleans-El Paso-Tucson-Phoenix-Los Angeles; and,

"Whereas, the United States Department of Transportation final report to Congress on the Amtrak Route System drastically deviated from the preliminary report and recommended a route change to the Southwest Limited that would eliminate rail passenger service from northern Arizona and recommended continuing triweekly service on the Sunset Limited; and

"Whereas, the Southwest Limited was the nineteenth best performer of all Amtrak routes in fiscal year 1978; and

"Whereas, Arizona and New Mexico were treated in a grossly unjust manner in respect to the public input and hearing process; and

"Whereas, tourism being one of Arizona's major industries and that a good transportation system availability being important to that industry. Wherefore your memorialist, the Senate of the State of Arizona, prays:

"1. That the Congress of the United States take action to delay acceptance of the final report until United States Department of Transportation holds hearings in both New Mexico and Arizona, and furnishes both states with complete cost/benefit analysis and the United States Department of Transportation's justification for rerouting the Southwest Limited and for not recommending daily service for the Sunset Limited.

"2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation, the United States Department of Transportation and to Amtrak."

POM–139. A joint memorial adopted by the legislature of the State of Idaho; to the Committee on Energy and Natural Resources:

"HOUSE JOINT MEMORIAL NO. 5

"Whereas, the Nation is heading towards a severe crisis in the supply of electrical energy; and

"Whereas, the Northwest has been a leader in the development of hydroelectric energy, using nature's renewable resource; and

"Whereas, in most years more water flows through the reaches of the Snake River than can be caught in the existing reservoirs, to be used for hydroelectric generation; and

"Whereas, extensive study has already been devoted to a hydroelectric site in the middle reach of the Snake River, at a site commonly known as "Pleasant Valley-High Mountain Sheep"; and

"Whereas, a dam and hydroelectric generating facility at this site could be expected to add more than five and three quarters billion kilowatt hours per year to the generation of electricity in the Northwest; and

"Whereas, a hydroelectric generating facility can be installed and be productive in a significantly shorter period of time than either a coal-fired or nuclear generating plant; and

"Whereas, the Congress of the United States, during the first session of the 94th Congress, passed S322, now known as P.L. 94–199, which delimits an area along the middle reach of the Snake River, and which precludes hydroelectric development in this area; and

"Whereas, the aforementioned hydroelectric site, lies within the delimited area.

"Now, therefore, be it resolved, by the members of the First Regular Session of the Forty-fifth Idaho Legislature, the House of Representatives and the Senate concurring therein, that we respectfully urge consideration and adoption by Congress of the necessary amendments to Public Law 94–199 to allow the development of a dam and hydroelectric generating facility at the Pleasant Valley-High Mountain Sheep site.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and he is hereby authorized and directed to forward copies of this Memorial to the President and Vice President of the United States, the Secretary of the Department of Interior, the Secretary of the Department of Agriculture, to the President of the Senate and Speaker of the House of Representatives of Congress and to the Senators and Representatives representing this State in the Congress of the United States."

POM–140. A joint resolution adopted by the legislature of the State of Virginia; to the Committee on Agriculture, Nutrition, and Forestry.

"HOUSE JOINT RESOLUTION NO. 99

"Whereas, the American farmer is the backbone of our economy and needs the support of both State and federal government; and

"Whereas, the farm is a business requiring many expenditures; and

"Whereas, the American farmer asks no more than to be able to pay normal production costs and make a reasonable profit for his labor; and

"Whereas, many of the economic policies that have had a destructive effect on agricultural prices are created and controlled by the United States Government in an attempt to control inflation in the United States and the rest of the world; and

"Whereas, the Food and Agriculture Act of 1977, P.L. 95–113, was enacted to provide price and income protection for farmers and assure consumers of an abundance of food and fiber at fair and reasonable prices; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the Congress of the United States is hereby memorialized to require the Secretary of Agriculture to use his discretionary authority to implement the provisons of the Food and Agriculture Act of 1977, P.L. 95–113, and to enact such other legislation as is necessary to alleviate the economic problems of farmers throughout this country; and, be it

"Resolved further, That the Clerk of the House of Delegates is directed to send copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, the Secretary of the United States Department of Agriculture, and the members of the delegation of this Commonwealth to the Congress of the United States in order that they may be apprised of the sense of this body."

POM–141. A joint resolution adopted by the legislature of the State of Virginia; to the Committee on Veterans' Affairs:

"HOUSE JOINT RESOLUTION NO. 239

"Whereas, 659,000 veterans presently reside in Virginia; and

"Whereas, under the 'G.I. Bill of Rights' all war veterans and their dependents are guaranteed burial in national cemeteries; and

"Whereas, unless they have died while on active duty, veterans of World War II, Korea, and Vietnam are no longer afforded burial space in Arlington National Cemetery; and

"Whereas, similar shortages of space in other Virginia national cemeteries is causing the shipment of remains of deceased veterans from Virginia to other states for burial in a national cemetery; and

"Whereas, such a condition cannot be reconciled either with the unmeasurable debt owed by the United States to those who have defended this country in time of war, or with the benefit guaranteed America's veterans by law; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the Congress of the United States is hereby memorialized to provide at least two additional national cemeteries in Virginia, one of which should be located in Southwest Virgnia; and, be it

"Resolved further, That the Clerk of the House of Delegates is hereby instructed to transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, and to members of the Virginia delegation to the Congress of the United States, in order that they may be apprised of the sense of this body."

POM-142. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Finance:

"HOUSE JOINT RESOLUTION NO. 296

"Whereas, a bill was introduced in the Second Session of the Ninety-Fifth Congress by the Honorable Mario Biaggi which would serve to return to the states revenues derived from the federal tax of fuel used to power motorboats; and

"Whereas, these revenues, once returned to the states, would be dedicated to the improvement of boating facilities and safety programs; and

"Whereas, the enactment of this or similar legislation would serve to redress the inequity resulting from the use of revenues generated by taxes on boaters for the support of programs unrelated to boating; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the Congress of the United States of America is hereby memorialized to enact legislation which would return to the several states for their use in supporting boating-related programs the federal tax on fuel used to power motorboats; and, be it

"Resolved further, That the Clerk of the House of Delegates is hereby instructed to transmit copies of this resolution to the Speaker of the House of Representatives, the President of the Senate of the United States, the Honorable Mario Biaggi, and the members of the Virginia delegation to the Congress in order that they may be apprised of the sense of this body."

POM-143. A petition from a citizen of the United States, relating to diplomatic relations with the Republic of China; to the Committee on Foreign Relations.

POM-144. A resolution adopted by the city of Big Timber, Mont., requesting the continuation of Amtrack service along the Chicago to Seattle segment of the basic Amtrak System; to the Committee on Commerce, Science, and Transportation.

POM-145. A resolution adopted by the Board of Directors, Yonkers Chamber of Commerce, Yonkers, N.Y., relating to weekend gasoline sales restrictions; to the Committee on Energy and Natural Resources.

POM-146. A resolution from the Philippine-American Society, Inc., relating to United States-Philippine relationships; to the Committee on Foreign Relations.

POM-147. A resolution adopted by the town of Three Forks, Mont., opposing the abandonment by Amtrak of the Southern route through Montana; to the Committee on Commerce, Science, and Transportation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHILES, from the Special Committee on Aging:

Special report entitled "Part 2—Appendixes, Developments in Aging: 1978" (Rept. No. 96-55).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 447. A bill to provide authorization of appropriations for the U.S. Railway Association, and for other purposes (Rept. No. 96-57).

H. Con Res. 3. Concurrent resolution expressing the sense of the Congress that "Our Merchant Marine March" as written and composed by Earl W. Clark be recognized as the official march of the American merchant marine (Rept. No. 96-58).

Special report entitled "Report on the Activities of the Committee on Commerce, Science, and Transportation" (Rept. No. 96-59).

Mr. CANNON. Mr. President, in accordance with the requirements of section 136(b) of the Legislative Reorganization Act of 1946, as amended, submitted herewith is the report on the activities of the Committee on Commerce, Science, and Transportation during the 95th Congress.

EXCUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Lawrence Connell, Jr., of the District of Columbia, to be a member of the National Credit Union Administration Board.

The following-named persons to be members of the Board of Directors of the National Institute of Building Sciences:

Blanca G. Cedeno, of New York;
Guy O. Mabry, of Ohio;
Leonard Miller, of Florida; and
Joseph Herbert Newman, of New Jersey.

(The above nominations from the Committee on Banking, Housing and Urban Affairs were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JACKSON (for himself, Mr. MAGNUSON, Mr. CHURCH, Mr. HATFIELD, Mr. MCCLURE, and Mr. PACKWOOD):

S. 885. A bill to assist the electrical consumers of the Pacific Northwest through use of the Federal Columbia River Power System to achieve cost-effective energy conservation, to encourage the development of renewable energy resources, to establish a representative regional power planning process, to assure the region of an efficient and adequate power supply, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. ROBERT C. BYRD (for Mr. TALMADGE) (for himself, Mr. BELLMON, Mr. CULVER, Mr. HUDDLESTON, Mr. LUGAR, Mr. MCGOVERN, Mr. STEWART, and Mr. ZORINSKY):

S. 886. A bill to protect the public health by providing flexibility in the regulatory process to prevent the occurrence of botulism if the prohibition of nitrites and nitrates becomes necessary based on the results of studies of their carcinogenicity or other toxic effect; to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Labor and Human Resources, jointly, by unanimous consent.

By Mr. CRANSTON:

S. 887. A bill to authorize the Secretary of the Army to construct improvements on Redbank and Fancher Creeks, Calif.; to the Committee on Environment and Public Works.

By Mr. BENTSEN:

S. 888. A bill for the relief of Dr. Lesley B. Tiongko Serrano, and her son Kenneth Neil Serrano; to the Committee on the Judiciary.

By Mr. STEWART (for himself and Mr. HEFLIN):

S. 889. A bill for the relief of the estate of Harry Eugene Walker, deceased, formerly of Anniston, Ala.; to the Committee on the Judiciary.

By Mr. McCLURE:

S. 890. A bill to amend the Internal Revenue Code of 1954 in order to tax excess petroleum industry profits, to encourage investments in the expansion of domestic energy supplies, and to create an incentive tax credit for research and development of new or expanded energy sources; to the Committee on Finance.

By Mr. ROBERT C. BYRD:

S. 891. A bill to establish a Department of International Trade in the executive branch to provide for the effective management of international trade and industry development programs, and for other purposes; to the Committee on Governmental Affairs.

By Mr. LEAHY (for himself and Mr. STEWART):

S. 892. A bill to extend the authorization of appropriations for carrying out rural development research, small farm research, and small farm extension programs; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HEFLIN:

S. 893. A bill to require the Federal Bureau of Investigation to classify the offense of arson as a part I offense for purposes of the uniform crime reporting program and the uniform crime reports for the United States; to the Committee on the Judiciary.

By Mr. BURDICK (for himself and Mr. YOUNG):

S. 894. A bill amending the conveyance of property to Mountrail County Park Commission, North Dakota, and for other purposes; to the Committee on Environment and Public Works.

By Mr. DURKIN:

S. 895. A bill to amend the Internal Revenue Code of 1954 to increase the dividend exclusion from $100 to $250; to the Committee on Finance.

By Mr. NELSON (for himself, Mr. TOWER, Mr. PROXMIRE, Mr. MAGNUSON, Mr. CRANSTON, Mr. MORGAN, Mr. BENTSEN, Mr. SASSER, Mr. GARN, and Mr. LAXALT):

S. 896: A bill to amend the Interstate Land Sales Full Disclosure Act; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DURKIN:

S. 897. A bill to amend the Internal Revenue Code of 1954 to provide that the Internal Revenue Service shall not assess any deficiency or interest in the case of returns based upon written and certain oral advice of the Internal Revenue Service; to the Committee on Finance.

By Mr. COCHRAN:

S. 898. A bill to amend title 39, United States Code, to prevent deceptive business solicitations by providing that any such solicitation which is designed to resemble a bill or statement of account shall be nonmailable matter; to the Committee on Governmental Affairs.

By Mr. DURKIN:

S. 899. A bill to extend the authority under the Emergency Petroleum Allocation Act of 1973; to the Committee on Energy and Natural Resources.

By Mr. RIBICOFF:

S. 900. A bill to provide for the establishment of an energy production, conservation, and conversion trust fund; to the Committee on Finance.

By Mr. CHAFEE (for himself and Mr. Pressler):

S. 901. A bill to amend Section 204 of the Clean Water Act to repeal certain grant conditions, and for other purposes; to the Committee on Environment and Public Works.

By Mr. JACKSON:

S. 902. A bill to establish an oil and gas leasing program on Federal lands, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. STEWART (by request):

S. 903. A bill to extend the crime insurance and riot reinsurance program under title XII of the National Housing Act, the national flood insurance program under the National Flood Insurance Act of 1968, to authorize appropriations for studies under the National Flood Insurance Act of 1968 for the fiscal years 1980 and 1981, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DANFORTH (for himself, Mr. Heinz, Mr. Domenici, Mr. Garn, Mr. Roth, and Mr. Lugar):

S. 904. A bill to relieve State and local governments, especially small communities, of the regulatory and paperwork burden associated with Federal assistance, and for other purposes; to the Committee on Governmental Affairs.

By Mr. EAGLETON:

S. 905. A bill to authorize additional appropriations for the Temporary Commission on Financial Oversight of the District of Columbia, and for other purposes; to the Committee on Governmental Affairs.

By Mr. DOLE:

S. 906. A bill to amend the Internal Revenue Code of 1954 to allow an additional credit of 10 percent for investment in equipment used in the production of certain alcohol fuels, to provide a 5-percent investment credit for buildings used in such production, to provide loan guarantees for investment in such production, and for other purposes; to the Committee on Finance.

By Mr. INOUYE:

S. 907. A bill to amend title II of the Social Security Act to provide benefits for widowed fathers with minor children, and to make certain other changes so that benefits for husbands, widowers, and fathers will be payable on the same basis as benefits for wives, widows, and mothers; to the Committee on Finance.

By Mr. SCHMITT (for himself and Mr. Wallop):

S. 908. A bill to amend title II of the Social Security Act to provide for annual reporting, to the employees and self-employed individuals concerned, of the amounts of the social security tax contributions made or imposed with respect to their wages and self-employment income and of the amounts of the wages and self-employment income for which they have been credited; to the Committee on Finance.

By Mr. INOUYE:

S. 909. A bill to authorize the Secretary of the Army to make available to the State of Hawaii certain physical facilities not needed by the Army at Fort DeRussy, Hawaii, for the establishment of a mental health clinic in such facilities; to the Committee on Armed Services.

By Mr. NELSON (for himself, Mr. McGovern, Mr. Melcher, Mr. Moynihan, Mr. Proxmire, and Mr. Leahy):

S. 910. A bill to amend section 201 of the Agricultural Act of 1949 to require that the price of milk be supported at not less than 80 percentum of the parity price therefor, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. INOUYE (for himself and Mr. Matsunaga):

S. 911. A bill to direct the Secretary of the Navy to develop the technology necessary for clearing unexploded ordnance from land and waters with certain characteristics in order to determine the feasibility and cost of clearing the island of Kahoolawe, Hawaii, and adjacent waters of ordnance and other debris; to the Committee on Armed Services.

By Mr. BURDICK (by request):

S. 912. A bill to amend title V of the Public Works and Economic Development Act of 1965, as amended, by creating a nationwide system of multistate regional development commissions to promote balanced growth and development in the regions of the Nation; to the Committee on Environment and Public Works.

By Mr. MATSUNAGA (for himself and Mr. Inouye):

S. 913. A bill to amend the Social Security Act with respect to health programs authorized under it, and for other purposes; to the Committee on Finance.

By Mr. BURDICK (for himself and Mr. Randolph) (by request):

S. 914. A bill to provide public works, business financing, and other development assistance to alleviate economic distress; to the Committee on Banking, Housing, and Urban Affairs and the Committee on Environment and Public Works, jointly, by unanimous consent, with titles I and II of the bill to be considered by the Committee on Environment and Public Works, title III to be considered by the Committee on Banking, Housing, and Urban Affairs, and all other portions of the bill to be jointly considered by the two committees.

By Mr. INOUYE:

S. 915. A bill to direct the Secretary of the Army to determine the validity of the claims of certain Filipinos who assert that they performed military service on behalf of the United States during World War II, and for other purposes; to the Committee on Armed Services.

By Mr. INOUYE (for himself and Mr. Matsunaga):

S. 916. A bill to amend the act of September 30, 1950 (Public Law 874, Eighty-first Congress) to provide education programs for Native Hawaiians, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. HEINZ (for himself and Mr. Stone):

S.J. Res. 56. A joint resolution proposing an amendment to the Constitution to protect the people of the United States against excessive governmental burdens and unsound fiscal and monetary policies by limiting total outlays of the Government; to the Committee on the Judiciary.

By Mr. PELL:

S.J. Res. 57. A joint resolution to authorize the President to proclaim the week of April 16–22, 1979, as "National Education for Business Week"; to the Committee on the Judiciary.

By Mr. DURKIN:

S.J. Res. 58. A joint resolution urging the President of the United States, the President of Mexico, and the Prime Minister of Canada to appoint a North American Energy Alliance Commission; to the Committee on Foreign Relations.

By Mr. INOUYE (for himself and Mr. Cochran):

S.J. Res. 59. A joint resolution to authorize and request the President to issue annually a proclamation designating the second week in May of each year as "Municipal Clerks Week"; to the Committee on the Judiciary.

By Mr. RANDOLPH:

S.J. Res. 60. A joint resolution to authorize the President to issue annually a proclamation designating the first Sunday of September after Labor Day of each year as "National Grandparents Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JACKSON (for himself, Mr. Magnuson, Mr. Church, Mr. McClure, and Mr. Packwood):

S. 885. A bill to assist the electrical consumers of the Pacific Northwest through use of the Federal Columbia River Power System to achieve cost-effective energy conservation, to encourage the development of renewable energy resources, to establish a representative regional power planning process, to assure the region of an efficient and adequate power supply, and for other purposes; to the Committee on Energy and Natural Resources.

PACIFIC NORTHWEST ELECTRIC POWER PLANNING AND CONSERVATION ACT

Mr. JACKSON. Mr. President, today I am introducing legislation to address the complex regional electric power planning and production problems facing the Pacific Northwest. This bill is identical to S. 3418 which was introduced in the 95th Congress. I am joined by my colleagues from the Northwest, Senators Magnuson, Church, Hatfield, McClure, and Packwood.

Over the past few years groups and individuals concerned about the future development of the electric power system in the Northwest have been working to develop a legislative solution to the power planning and distribution problems of the region. In September of 1977 I introduced S. 2080. I did this at the request of utilities and industrial users of electric power in the Northwest. That proposal represented the best efforts of those people to come to grips with the electric power problems of the Northwest.

S. 2080 and various other power planning proposals were the subject of extensive regional discussion and debate. In April and May of 1978 the Senate Energy Committee held 4 days of hearings in the Northwest on the regional power issue.

As a result of the extensive regional discussion and of the committee's field hearings I introduced S. 3418 in August of last year. I introduced this legislation on behalf of myself and the five other Senators from Washington, Oregon, and Idaho. Senate hearings were held on S. 3418 by the committee during August but it was not possible to complete committee consideration of this complex legislation before the adjournment of the 95th Congress in October. At that time Northwest members of the committee met and concluded that the regional power bill should be a "first order" of business during the 96th Congress.

Companion legislation to S. 2080 and S. 3418 was also introduced in the House of Representatives and hearings were held in the region and in Washington, D.C., by the appropriate subcommittees of the House Interior Committee and the House Interstate and Foreign Commerce Committee.

To date a total of 22 days of hearings have been held by the respective Senate and House committees, the majority in the Northwest, to consider the electric power planning future of the region.

I am reintroducing S. 3418 unaltered from the 95th Congress so that the committee and the many interested parties in the region may pick up the discussion where we left it when the Congress adjourned. S. 3418 is the most appropriate legislative vehicle for the committee to consider for several reasons. Most importantly, regional discussion of power planning has focused on S. 3418 and recommendations of the committee have all been based on that legislation. Reintroducing S. 3418 will allow us to continue a regional dialog which began with its introduction and has continued since the adjournment of the 95th Congress.

During consideration of S. 2080 and S. 3418 paramount concern was expressed within the region and from other parts of the Nation concerning the impact of the legislation on historic Federal power marketing policies which grant preferential access to federally marketed power to publicly and cooperatively owned utilities. Under S. 3418 all sales of power by the Bonneville Power Administration were subject to the preference clause of the Bonneville Project Act.

However, public agencies expressed the view that language should be added to the bill which would specifically delineate that point. Accordingly, I asked the Public Power Council which represents all publicly and cooperatively owned utilities in the Northwest to draft amendments which would satisfy concerns of preference customers and to formally transmit those amendments to me as chairman of the Senate Energy Committee.

Over a period of several months the Public Power Council worked out a series of amendments to address their concerns. These amendments primarily address the preference clause but they relate to other issues as well. They were formally transmitted to me in February of this year. Because I specifically requested that the PPC prepare these proposals I am introducing the amendments by request of the PPC. I ask that they be printed and referred to the committee for consideration.

I have received many other proposals for amending S. 3418. Most of these proposals were received last year as a result of the August hearings which the committee held; however, additional amendments have been proposed this year by the city of Seattle and the city of Portland. In addition, I expect to receive joint proposals from the four governors of the region. I have also been advised that the Sierra Club intends to submit specific amendments and I expect that additional amendments from many other groups and individuals will be proposed in the weeks and months ahead.

The Committee on Energy and Natural Resources will have a further hearing before beginning a markup of the bill. By the time that hearing is concluded, I expect to have the latest views and specific recommendations of all concerned parties, and all such recommendations will be given consideration in the markup.

MAJOR ELEMENTS OF NORTHWEST REGIONAL POWER PLANNING ACT

Regional power planning and production legislation is inherently complex. There are many economic, environmental and other issues involved, there are many groups and individuals concerned about how the issues are resolved, and there is a great deal of history which has shaped our power system in the Northwest. It is virtually impossible to explain in a short statement all the intricacies of this legislation.

Nevertheless, I will attempt to briefly describe the highlights of the proposed bill.

BPA PURCHASE AUTHORITY

The most significant benefit provided by the bill for the region in the long run is the extension of the principle of regional self-financing embodied in the Transmission Act of 1974 to non-Federal additions to the regional power system. The Administrator would be authorized to acquire for the region, and at the region's expense, additional resources to meet load growth. The full cost of resources acquired by the Administrator would be recovered through BPA rates as are the costs of the Federal system at present.

BPA will become the principal bulk power supplier to all utilities in the region and thus the power revenues of the entire region will be available to assure repayment of bonds issued by utilities. This will result in lower interest rates which will be reflected in substantially lower costs for all of the power consumers of the region.

Regional revenues would be available on an equal basis for any type of resource purchase including conservation projects, renewable resources, and conventional thermal plants. The basic criteria for deciding among resources would be "cost effectiveness" and "feasibility"; however, if a conservation project or renewable resource is equally cost effective and feasible as a conventional resource it would be preferred over the conventional resource.

POWER ALLOCATION AND RATE DISPARITIES

At present Federal system power is sold to preference customers and to direct service industrial customers of BPA. Although the actual mechanics are more complex, the immediate practical impact of the proposed regional legislation would be to authorize BPA to take low cost federal power now being sold to industrial customers of BPA and make it available to investor owned utilities for the benefit of their residential and small farm customers. The industries, in turn, would receive an equal quantity of higher cost power sold to BPA by the investor owned utilities at their average system cost in "exchange" for the Federal power.

The bill would also eliminate the need for BPA to allocate its limited supply of Federal system power as of July 1, 1983, as is currently required, with all the lengthy legal battles that administrative allocation would entail. The bill accomplishes this by authorizing BPA to purchase new non-Federal sources of power to augment its limited existing supply and to enter power supply contracts with all Northwest utilities pursuant to rate directives in the bill. Without purchase authority BPA would be required to fully allocate Federal system resources to preference agencies and would not be able to enter the power sales arrangements which are contemplated under the bill with investor owned utilities to resolve the rate disparity problem.

REGIONAL PLANNING

The legislation proposes establishing a regional power planning process with public representation through public hearings and participation by state and local elected officials. At present regional planning is an individual utility responsibility with no comprehensive mandate for public involvement. The regional legislation would mandate the development of a regional power plan which would include: regional load forecasts, regional conservation standards, overall resource aquisition plans including a proposed resource mix, and other matters. Proposals to acquire a particular new resource would then have to be consistent with the regional plan and could be made by BPA only after consultation with the advisory council, the Governors, and public hearings.

Recommendations by the Administrator to acquire a major resource would be referred to the Congress for consideration before any contractual commitment to acquire resources or any financial commitment could be executed.

A great deal of discussion has occurred in the region since the Congress adjourned concerning the planning process aspect of the legislation. It is generally agreed that meaningful regional involvement in the planning process is an essential element of any regional legislation. It is also essential that whatever planning process is eventually agreed upon must be workable and timely.

In recent weeks, the Governors of the four Northwest States have come together in an effort to develop a consensus on regional power legislation. It is my understanding that the Governors will soon submit proposals for amending the bill including a proposed regional planning procedure.

It goes without saying that any proposals submitted by the Governors will have great credibility and weight and will receive extremely careful consideration by the committee. I want to congratulate the Governors for their effort to resolve outstanding issues and to develop a consensus position. Their participation in the legislative process is welcomed and appreciated.

CONSERVATION

Conservation is an integral part of the regional power program established in this legislation. This bill will result in the most comprehensive and aggressive electric power conservation program in the United States.

At present the region has no comprehensive conservation program. Individual utilities have undertaken conservation projects but there are many barriers to an effective region-wide program. Public agencies in several states face State constitutional restrictions which limit their lending of credit to private individuals for the purpose of installing insulation or other conservation investments. There are no regional conservation standards. There is no mechanism for enforcing conservation standards or for requiring utilities to make cost effective investments in conservation.

Under this legislation the full revenues of the Northwest power system are made available for cost effective conservation investments. Conservation investments have a preferred status over investments in conventional generating resources assuming that both are equally cost effective and feasible. Because BPA will be meeting the requirements of utilities for additional electric power resources, BPA will be able to implement cost-effective conservation on a regional basis.

PUBLIC POWER COUNCIL AMENDMENTS

PREFERENCE CLAUSE AND RATE LIMIT AMENDMENTS

Publicly owned utilities in the region and nationally have expressed concern that the proposed regional legislation adversely affects the preference clause. Northwest preference customers have sought to address this issue through amendments to establish a "preference customer rate limit" which would preserve the financial benefits of the preference clause for public agencies. The public power council amendments would require BPA to test the estimated power costs to preference customers under the bill against the costs which these customers would have encountered in the absence of legislation.

A number of specific assumptions are set forth in the amendments which would guide BPA in making the determination of costs in the absence of legislation.

BPA has run several computer analyses of the proposed rate limit to estimate its probable actual impact. Based on estimates of load growth by the utilities (4.0 percent) and the Northwest Regional Commission study (2.9 percent) BPA has estimated that the rates available to preference customers under the bill with the proposed rate limit would at all times be less than or equal to the rates that would occur without legislation.

Other PPC amendments related to the preference clause clarify the bill's original intent. Under the bill all BPA power sales would have been subject to the preference provisions of the Bonneville Project Act. The PPC has made that assumption a specific qualification for all sales under the act.

The PPC also proposes amending the bill to assure that preference customers would continue to have a right to receive the full amount of resources which are part of BPA's base system in the event BPA encounters long-term inability to meet regional requirements.

Finally, the PPC has proposed a nonapplicability clause to assure that there is no inference the legislation applies to any other area than the Pacific Northwest.

AMENDMENTS RELATED TO RATE LIMIT

The need for the preference customer rate limit is the most sensitive issue to other BPA customers, particularly the investor-owned utilities and the affected States. The IOU's and the States have indicated they would accept the rate limit if, under reasonable assumptions, it would have no more than a minimal impact on their rates. Additionally, the direct service industries also are concerned that a rate ceiling might act to make their rates exceed the cost of even new regional power resources. The Public Power Council has accepted limitations upon the application of the rate ceiling which are responsive to these two concerns.

CONSERVATION AMENDMENT

The PPC amendments propose that the Administrator be authorized to grant rate credits and services to those utilities that undertake implementation of conservation measures above and beyond those otherwise called for by the act.

In addition, it is my understanding that the Governors have been studying the advisability of applying a rate surcharge to States or areas which do not conform with regional conservation standards.

Mr. President, I want to reiterate that the introduction of this legislation is intended to recommence in the Congress the dialog on regional power planning issues which has been underway for the past 2½ years. This legislation will be the subject of exceedingly careful consideration in the weeks and months ahead. I hope that by working together we can build on and improve what I believe is the most efficient and reliable power system in the Nation. I thank my colleagues who have joined with me in proposing this legislation.

Mr. President, I ask unanimous consent that the text of the bill and amendment be printed in the Record.

There being no objection, the bill and amendment were ordered to be printed in the Record, as follows:

S. 885

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Pacific Northwest Electric Power Planning and Conservation Act".

FINDINGS

Sec. 2. The Congress finds that—

(a) The Federal Columbia River Power System offers a unique opportunity to encourage policies of conservation and efficiency in the use of electric power within the Pacific Northwest region and to demonstrate the effectiveness of such policies to the Nation at large.

(b) The participation and consultation of the States, local communities, ratepayers, and the public at large are essential in developemnt of regional plans and programs related to energy conservation, renewable resources, and other generating resources and orderly planning of the Federal Columbia River Power System.

(c) The ratepayers of the Pacific Northwest should continue to pay all costs necessary to produce, transmit, and conserve electric power to meet the region's electric power requirements, including the amortization of the Federal investment in the Federal Columbia River Power System.

DEFINITIONS

Sec. 3. As used in this Act—

(a) "Administrator" means the Administrator, Bonneville Power Administration.

(b) "Conservation" means any appropriate improvements in the power system or investment which increases the efficiency of energy production or use.

(c) A conservation measure or a renewable, waste heat or cogeneration resource application is "cost effective" if it results in costs to the Administrator no greater than the cost of the least cost feasible atlernative resource, waste heat or cogeneration or resources that the Administrator determines is or can be available for acquisition, and if it provides comparable power benefits, giving full recognition to prospective cost escalations and future availability of fuels.

(d) "Electric power" means electric peaking capacity or electric energy or both.

(e) "Federal base system resources" means the Federal Columbia River Power System hydroelectric projects which on the effective date of this Act are in operation or are scheduled for operation on or before June 30, 1983, electric power resources acquired by the Administrator under long-term contracts which are in force on the effective date of this Act, and new resources acquired by the Administrator to replace reductions in capability of the foregoing resources.

(f) "New resources" means all electric power resources acquired by the Administrator, except resources which are Federal base system resources or resources acquired at average cost from the investor-owned utilities pursuant to section 5(b)(2) of this Act.

(g) "Pacific Northwest, region, or regional", means

(1) the region consisting of the States of Oregon, Washington, and Idaho, the State of Montana west of the Continental Divide, and such portions of the States of Nevada, Utah, and Wyoming as are within the Columbia River drainage basin; and

(2) any contiguous areas, not in excess of seventy-five airline miles from said region, which are a part of the service area of a distribution cooperative served by the Administrator on the effective date of this Act which has a distribution system from which it serves both within and without said region.

(h) "Renewable resources" means a renewable source of energy, including, but not limited to, solar, wind, hydro, geothermal, and biomass, which is used for electrical generation or which will reduce the electrical requirements of a consumer by direct application.

(i) "Residential use or load" means all usual residential, apartment, seasonal dwelling, and farm building, electrical loads or uses, and not to exceed a total of one hundred horsepower of farm irrigation and pumping loads for any farm.

(j) "Resources" means electric power, facilities that produce electric power, planned electric power capability of generating facilities whether operating or operable, electric power conserved, and measures to conserve electric power.

REGIONAL PARTICIPATION

Sec. 4. (a) The Administrator shall establish a Bonneville Consumers' Council and a Bonneville Utilities' Council.

(1) The Bonneville Consumers' Council shall be composed of two persons from each congressional district in the States of Washington, Oregon, and Idaho, and the State of Montana west of the Continental Divide, who shall be appointed by the Governors of the State in which each such congressional district is located within ninety days of notification by the Administrator of a vacancy on the Bonneville Consumers' Council. One such person appointed to the Bonneville Consumers' Council from each district shall be an elected official of a local government within such district, and the other person shall be appointed from the general public with a view to diversity of backgrounds and interests.

(2) The Bonneville Utilities' Council shall be comprised of eighteen representatives of Pacific Northwest electric utilities to be selected by these utilities and not more than three representatives of the direct service industrial customers to be selected by them, such selections to be under rules established by the Administrator.

(3) The Administrator shall establish terms and other conditions of service for members of both Councils, and shall fill vacancies on the Councils in the absence of appointments by a Governor or failure of utilities to select persons.

(b) In order to further insure widespread and representative public involvement in formulation of regional power programs and policies, the Administrator shall establish and maintain comprehensive programs designed to inform the Pacific Northwest public of major regional electric power issues and to obtain public views and reactions concerning those issues.

(c) The Administrator shall prepare a regional power planning and conservation program to carry out the purposes of this Act. Such program shall be developed in consultation with the Governors of the States of Idaho, Montana, Oregon, and Washington, the Bonneville Consumers' Council and the Bonneville Utilities' Council and with general public involvement programs. The regional power planning and conservation program shall include a twenty-year regional load/resource forecast, proposed conservation programs, proposed renewable, waste, cogeneration and other resources, acquisitions, proposed major transmission system additions and such other program proposals as the Administrator deems appropriate. Such program or any part thereof, may be revised from time to time as the Administrator deems appropriate after consultation with the Governors, the Councils and public involvement as provided in this section.

SALE OF POWER

SEC. 5. (a) The Administrator shall offer to sell electric power to each Pacific Northwest utility, at rates established pursuant to section 7, to meet its firm power load in the region which is in excess of such utility's resources committed to such load, subject to the provisions of subsection (b)(2) of this section: *Provided*, That the Administrator determines that he has or can acquire adequate resources to meet such requirements.

(b) Additionally, (1) the Administrator is authorized to sell electric power to regional Federal agencies, and (2) if the Administrator acquires electric power either from a Pacific Northwest utility at the average cost of resources then available to that utility, or from other resources at a cost equal to or less than the average cost of resources then available to that utility, then the Administrator shall offer to sell to such utility for resale to meet the load of its residential customers in the region an equivalent amount of electric power: *Provided*, That such sale shall be limited to an amount not to exceed 50 per centum of each such utility's residential loads in the year beginning July 1, 1979, and increasing such percentage in equal annual increments to 100 per centum of such load in the year beginning July 1, 1984. Such electric power shall be sold at rates established pursuant to section 7.

(c) The Administrator is authorized to sell to direct-service industrial customers electric power to meet their load requirements so long as such sales provide a portion of the planning and operating reserves for the Federal Columbia River Power System. The Administrator shall offer to those direct-service industrial customers receiving electric power from the Federal Columbia River Power System on the effective date of this act new long-term power sales contracts effectuating the purposes of this section. Such offer shall expire one year from the date it is tendered by the Administrator. Such electric power shall be sold at rates established pursuant to section 7.

(d) The Administrator is further authorized to sell or otherwise dispose of electric power that is surplus to his obligations incurred pursuant to subsections (a), (b), and (c) of this section in accordance with other statutes related to disposition of power from the Federal Columbia River Power System. Such electric power shall be sold at rates established pursuant to section 7.

RESOURCE ACQUISITION

SEC. 6. (a) The Administrator shall conserve electric power through implementation of measures the Administrator determines are feasible and cost-effective including, but not limited to programs for financing residential insulation, increased system efficiency and waste energy recovery. The Administrator shall develop conservation proposals and programs which assist the region's electric power consumers to make efficient use of energy. In addition, he shall assist the promotion of conservation by and among regional consumers by providing technical or financial assistance, and by cooperating with his customer and governmental authorities to encourage voluntary conservation and to devise effective mechanisms for establishing, enforcing, and achieving compliance with mandatory conservation standards.

(b) In the event that the Administrator determines conservation will be insufficient to meet the electric power obligations incurred under section 5, the Administrator shall acquire additional resources from Federal or non-Federal entities to meet the remainder of such obligations. Such acquisition shall be obtained from waste heat, cogeneration or renewable resources the Administrator determines are feasible and cost-effective.

(c) If resources in addition to such resources are needed, then the Administrator shall acquire additional electric power resources giving priority to high efficiency resources, such as combined cycle and magnetohydrodynamic generation, which he determines to be feasible and cost-effective. All such resources acquired by the Administrator:

(1) shall be consistent with the provisions of the power program for the Pacific Northwest developed pursuant to section 4; and

(2) shall be constructed and operated in a manner to provide efficient, economic, and reliable service.

(d) The Administrator is hereby authorized to construct and operate generating facilities, with the exception of constructing hydroelectric resources, utilizing renewable resources; and to construct such other generating resources as he determines are necessary to assure transmission system reliability.

(e) To the extent conservation or acquisition of resources under this Act require direct arrangements with the ultimate consumers of electric power, the Administrator shall make maximum practicable use of existing institutions able to supply credit to such consumers.

(f) The Administrator is authorized to enter into agreements with sponsors of resources which may be proposed for acquisition by the Administrator to fund or secure debt incurred in the investigation and initial development of such resources.

(g) Prior to the execution of any contract for the acquisition of major resources pursuant to subsection (c) of this section, the Administrator shall have reviewed the proposed acquisitions with the Governors of Idaho, Montana, Oregon, and Washington, the Bonneville Consumers' Council and the Bonneville Utilities' Council pursuant to section 4; and he shall submit any comments or recommendations received from the Governors and the councils along with the proposed contracts and evidence of compliance with the National Environmental Policy Act of 1969, to the Senate Energy and Natural Resources Committee and to the House Interior Committee for review. Thereafter, the Administrator shall publish notice of his intention to acquire such resources in the Federal Register. No such contract shall be executed by the Administrator until ninety days after the date of submittal to the Congress pursuant to this subsection and no financial commitment shall be incurred under this authority until it has been noted in the Administrator's budget submittal made pursuant to section 11 of Public Law 93–454.

(h) The Administrator, at the request and expense of a Pacific Northwest customer, shall acquire, to the extent practicable, any electric power which is required by such customer to replace electric power curtailed or interrupted by the Administrator: *Provided*, That such customer may elect to acquire independently replacement power under terms and conditions as prescribed by the Administrator.

RATE DIRECTIVES

SEC. 7. (a) The Administrator shall establish and periodically modify rates for the sale and disposition of electric power to recover, in accordance with sound business principles, the costs associated with the acquisition, conservation, and transmission of electric power including the amortization of the Federal investment in the Federal Columbia River Power System over as reasonable period of years and the other costs and expenses incurred by the Administrator pursuant to law. In addition, prior to July 1, 1982, such rates shall recover revenues in amounts that the Administrator determines are necessary to provide all or a portion of the initial funding for conservation programs to be implemented pursuant to section 6(a). Such rates shall become effective upon confirmation and approval by the Federal Energy Regulatory Commission and shall be established in accordance with sections 9 and 10 of Public Law 93–454 and the provisions of this Act on the finding that such rates (1) are sufficient to assure repayment of the Federal investment after first meeting the Administrator's other costs; (2) are based upon the Administrator's total costs of service, including contingencies and initial conservation funding; and (3) insofar as transmission rates are concerned, equitably allocate the costs of the Federal transmission system between Federal and non-Federal uses.

(b) The Administrator shall establish a rate or rates applicable to the electric power sold for the general requirements of public body, cooperative and Federal agency customers, and to the electric power sold under section 5(b)(2) for the requirements of residential customers in the region. Such rate or rates shall recover the costs of that portion of the Federal base system resources needed until such requirements exceed the Federal base system resources. Thereafter, such rate also shall recover the costs of additional electric power as needed, first from the electric power purchased by the Administrator under section 5(b)(2) and then from new resources.

General requirements as used in this section shall be that portion of a public body's, cooperative's, or Federal agency's directly served electric power load in excess of its own resources that are dedicated to meet such load and exclusive of any large new industrial load whose service is contracted for after October 1, 1978.

(c) The rate or rates applicable to direct-service industrial customers shall be established at a level which the Administrator determines is equitable in relation to the rates charged by the region's electric utilities to their major industrial customers, taking into account the value of power system reserves made available to the Administrator through his rights to curtail or interrupt service to such direct-service industrial customers; the comparative size and character of the loads served; the relative costs of electric capacity, energy, transmission, and related delivery facilities provided, and other service provisions, all as related to the delivery of power to such customers: *Provided*, That prior to July 1, 1984, the rate or rates applicable to direct-service industrial customers shall be established to recover the costs incurred by the Administrator pursuant to section 5(b)(2) and not recoverd through rates applicable for other classes of power sold by the Administrator; and such rate or rates shall be established at a level no lower than the weighted average wholesale power costs to the investor owned utilities from their own resource costs and purchases from the Administrator pursuant to section 5(b)(2) for their residential loads in the region as determined by the Administrator: *Provided further*, That for the period prior to July 1, 1981, such rate or rates may be in the form of a surcharge on rates then applicable to direct-service industrial customers.

(d) In establishing rate schedules of general application, the Administrator may establish a uniform rate or rates for sale of capacity.

(e) Rates for all other firm power sold by the Administrator shall be based upon the cost of the portions of Federal base system resources and additional resources, including new resources, which the Administrator determines are required to support such sales.

(f) The Administrator shall allocate to power rates, as he may determine appropriate, all other costs and benefits including, but not limited to, conservation, uncontrollable events, reserves, operating services, and the sale of excess electric power.

AMENDMENTS TO EXISTING LEGISLATION

SEC. 8. (a) Section 11(b) of Public Law 93-454 is amended by adding a new subparagraph (12) as follows:

"(12) making such payments as shall be required to carry out the purposes of the Pacific Northwest Electric Power Planning, and Conservation Act.".

(b) Public Law 93-454 is amended by striking subsections 13 (a) and (b) and substituting the following new subsections:

"SEC. 13 (a) The Administrator is authorized to issue and sell to the Secretary of the Treasury from time to time in the name of, and on behalf of the Bonneville Power Administration bonds, notes, and other evidences of indebtedness (in this Act collectively referred to as 'bonds') to assist in financing the constructing, acquisition, and replacement of the transmission system, to implement the Administrator's authority pursuant to the Pacific Northwest Electric Power and Planning Act, and to issue and sell bonds to refund such bonds. Such bonds shall be in such forms and denominations, bear such maturities, and be subject to such terms and conditions as may be prescribed by the Secretary of the Treasury taking into account terms and conditions prevailing in the market for similar bonds, the useful life of the facilities for which the bonds are issued, and financing practices of the utility industry. Refunding provisions may be prescribed by the Administrator. Such bonds shall bear interest at a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities, plus an amount in the judgment of the Secretary of the Treasury to provide for a rate comparable to the rates prevailing in the market for similar bonds issued by Government corporations not to exceed the interest rate which would be applied to such bonds if they were purchased by the Federal Financing Bank. The aggregate principal amount of any such bonds outstanding at any one time shall not exceed $1,250,000,000 plus the principal amount of any bonds outstanding which shall have been issued to finance or assist in financing the Administrator's implementation of the purposes set forth in the Pacific Northwest Electric Power Planning, and Conservation Act.

"(b) The principal of, premiums, if any, and on such bond shall be payable solely from the Administrator's net proceeds as hereinafter defined. 'Net proceeds' shall mean for the purposes of this section the remainder of the Administrator's gross receipts from all sources after first deducting trust funds and the costs listed in section 11(b) (2) through 11(b)(7), 11(b)(11), and 11 (b)(12), and shall include reserve or other funds created from such receipts.".

(c) Public Law 88-552 is amended by striking subsection 1(b) and inserting a new subsection (b) as follows:

"(b) Pacific Northwest means (1) the region consisting of the States of Oregon, Washington, and Idaho, the State of Montana west of the Continental Divide, and such portions of the States of Nevada, Utah, and Wyoming as are within the Columbia River drainage basin and (2) any contiguous areas, not in excess of seventy-five miles from said region, which are a part of the service area of a distribution cooperative served by the Administrator on the effective date of this Act which has a distribution system from which it serves both within and without said region.".

(d) Public Law 88-552 is amended by adding a new section 10 as follows:

"SEC. 10. All references in sections 1, 2, 3, 5, and 7 of this Act to 'plants', 'energy', 'peaking capacity', and 'generating facilities' shall be applicable to all types of generation and not solely to hydroelectric generation.".

ADMINISTRATIVE SECTIONS

SEC. 9. (a) In carrying out the provisions of this Act, the Administrator is authorized to enter into such contracts, agreements, and arrangements, including the amendment, modification, adjustment, or cancellation thereof and the compromise or final settlement of any claim arising thereunder, and to make such expenditures, upon such terms and conditions and in such manner as he may deem necessary.

(b) Except as specifically provided herein, the authority and duties of the Secretary of Energy and the Administrator shall not be affected by this Act.

(c) The Bonneville Consumers' Council and the Bonneville Utilities' Council shall not be subject to the provisions of the Federal Advisory Committee Act, and any action of a member of such Council related to an action of such Council shall not be deemed to be a violation of Federal or State antitrust laws.

(d) No later than March 1, 1979, the Administrator shall offer to enter into power sales and purchase contracts to be effective July 1, 1979, with utilities pursuant to section 5(b)(2).

(e) For the purpose of enabling the Administrator to acquire resources from State and local governmental units at a cost no greater than the costs which would be applicable in the absence of such acquisition, the debt obligations described in section 103(a)(1) of title 26 of the United States Code shall not be affected by any contract or agreement regarding the Administrator's acquisition of resources constructed by a State or local governmental unit and for which the Administrator determines at the time the commitment for such acquisition is made will not be utilized over the life of the project in whole or in major part by a person who is not an exempt person, as defined in section 103(c)(3) of title 26 of the United States Code.

(f) No provision of chapter 2C of title 5 of the United States Code shall apply to or be deemed to include any "person" or "company" (as defined in 15 U.S.C. 79(a) (1) and (2)) organized and operated primarily for the purpose of financing, leasing, constructing, owning, managing, or operating part of an interest in, or all of, facilities used for the generation of electricity (together with associated transmission and other facilities), 75 per centum or more of the power from which, or from the part or interest so financed, leased, constructed, owned, managed, or operated, is or will be sold to the Administrator under section 6.

AMENDMENT No. 134

On page 2, line 3, after the word region add a period and delete the balance of the sentence.

On page 2, after line 19, insert the following new subsection and redesignate the succeeding subsections accordingly:

"(b) 'capability' means the assured peaking and energy capability determined for each operating year from (1) hydrogenerating plants, whether owned or contracted for, based upon the most critical water conditions and (2) thermal generating plants, whether owned or contracted for, based on the most adverse fuel or other conditions reasonably anticipated. Where capability is affected by controlled storage releases, the term 'critical water conditions' means those water conditions resulting from releases that result in flows less than the planned critical period flows for the month."

On page 6, line 21, delete subsection 5(a) and insert in lieu thereof the following:

"SEC. 5. Subject at all times to the preference and priority accorded public bodies and cooperatives under the Bonneville Project Act of 1937, P.L. 75-329, and, in particular, Sections 4 and 5 thereof:

(a) The Administrator shall offer to sell electric power to each Pacific Northwest utility, at rates established pursuant to Section 7, to meet its firm power load in the region which is in excess of the capability of such utility's firm resources which the utility as of December 31, 1976 had determined or which the utility shall after the effective date of this Act, determine to use to serve its firm load. Provided:

(1) Such Resources used to serve firm loads shall, except with the consent of the Administrator, continue to be used to meet the utility's firm load except for obsolesence, retirement, or loss of resource or contract rights;

(2) The Administrator shall include provisions in contracts executed in accordance with this Section to enable him to restrict his obligations to meet such loads in the event he determines he cannot acquire sufficient resources pursuant to Section 6 to meet such loads; but no such restrictions shall be imposed against the Administrator's public body, cooperative and Federal agency customers until the Federal base system resources are fully allocated to such customers; and

(3) Sales to a utility pursuant to this Section 5(a) shall not be restricted below the amount of resources acquired by the

Administrator from such utility pursuant to Section 6.

On page 7, after line 19, add the following:

"Average system cost of resources as used in this subsection shall not include: (1) the cost of resources acquired by a utility to meet any large new industrial load that was not contracted for or committed to by October 1, 1978; (2) the cost of resources acquired to meet any firm power sales to ultimate consumers outside the region; and (3) [costs associated with uncontrollable events.]

On page 7, line 21, between the word "customers" and the word "electric" insert the phrase: "with existing contracts as of the date of this Act".

On page 9, line 5, between the word "In" and the word "the" insert the phrase: "addition to the rights to purchase resources under existing law and in".

On page 9, after line 12, insert the following new subsection and redesignate the succeeding subsections accordingly:

"(c) To encourage conservation and the construction of desirable resources by utilities, the Administrator may grant credits and provide services to those utility customers who undertake additional conservation measures or construct firm resources, and use such resources in their loads or in any manner that reduces the obligation of the Administrator under this Act to acquire additional resources."

On page 9, line 17, after the word "cost-effective." and before the word "All" insert the following new sentence:

"In determining the cost-effectiveness of resources proposed to be acquired by the Administrator under this Section 6(d), for any resource built for regional needs the Administrator shall deduct the cost incurred prior to the date of the Act in estimating the total costs of such project."

On page 9, line 24, delete subsection (d) and insert in lieu thereof the following new subsection (d):

"(d) The Administrator is authorized to acquire planned electric capability from a generating facility which does not meet the cost-effective and reliability critera of this Section but is an experimental, developmental, demonstraton or pilot facility with a potential for providing feasible, cost-effective and reliable service.

On page 11, line 10, delete subsection (h) and insert in lieu thereof the following new subsection (h):

"(h) At the request and expense of any Pacific Northwest customer or group of customers, the Administrator shall, to the extent practicable:

(i) acquire any electric power required by (A) utility customers, to enable such customer or customers to meet firm loads within the region, or (B) direct service industrial customers, to replace electric power that is or may be curtailed or interrupted by the Administrator (other than power the Administrator is himself obligated to replace), with the cost of such replacement power to be distributed among the direct service industrial customers requesting it: *Provided*, That the Administrator may prescribe terms and conditions for the acquisition of replacement power by any direct service industrial customer or group of such customers; and

(ii) dispose of, or assist in the disposal of, any electric power that a customer or group of customers proposes to sell within or without the region at rates and upon terms specified by such customer or group of customers, if such sale is consistent with the Administrator's other marketing obligations and the policies of this Act.

To carry out the requirements of this paragraph (h), the Administrator shall furnish services including transmission, storage, and load factoring unless he determines such services cannot be furnished without substantial interference with his then existing contractual obligation except for non-firm power; Provided, that the Administrator shall provide such services to firm power from projects under construction on the effective date of this Act, and provided further that such priority shall apply only to that portion of such firm power that has previously been offered at cost plus a reasonable rate of return for sale and use within the Pacific Northwest and that no Pacific Northwest customer is willing to purchase upon substantially similar terms."

On page 12, beginning on line 21, strike the phrase "for the requirements of residential customers in the region."

On page 13, after line 3, insert the following:

"Provided, however, in no event shall the estimated amounts charged for firm power under rates applicable to the general requirements of such public body, cooperative, and federal agency customers of the Administrator under this Act, excluding costs for conservation or uncontrollable events which have been included as part of such rates, exceed in any five year period beginning July 1, 1985, an amount equal to the estimated costs for such customers that would have obtained if (1) the public body and cooperative customers' general requirements had included the direct service industrial customers' loads located within or adjacent to the geographic service boundaries of such public bodies and cooperatives during the applicable period, (2) public body, cooperative and federal agency customers had been served with federal base system resources, less firm power contractual commitments as of the date of this Act to direct service industrial customers not located within or adjacent to the service area of a public body or cooperative customer of the Administrator, (3) no purchase or sale as provided in Section 5(b)(2) had been made, (4) all resources that would have been required to meet the general requirements of the public body, cooperative and federal agency customers in excess of federal base system resources were resources of public bodies and cooperatives completed after the effective date of this Act, and (5) the monetary savings to public body, cooperative and federal agency customers that resulted from actions of the Administrator under Section 6 were not achieved. Any amounts not charged to such public body, cooperative, and federal agency customers pursuant to this Section 7(b) shall be recovered from the rates applicable to all other power sold.

On page 13, line 7, between the words "own" and "resources" insert the word "firm".

On page 13, lines 8 and 9, strike the phrase "whose services were contracted for after October 1, 1978." and insert in lieu thereof the following:

"that was not contracted for or committed to by the public bodies or cooperatives by October 1, 1978."

On page 13, after line 9, insert the following new subsection and redesignate the succeeding subsections accordingly:

"(c) In order to avoid adverse impacts on retail rates to public bodies and cooperatives with low system load densities, the Administrator is authorized to apply discounts to the rate or rates for such customers."

On page 18, lines 11 through 23, delete subsection (c) and insert in lieu thereof the following new subsection (c):

"(c) To enable the Administrator to acquire resources from state or local governmental units at a cost no greater than the costs which would be applicable in the absence of such acquisition, for the purpose of Section 103(b) of Title 26 of the United States Code the Administrator shall be deemed to be an exempt person with respect to the Administrator's acquisition of electric energy from a facility therefor if the Administrator determines, prior to contracting for the acquisition, that such electric energy is not being acquired for the purpose of furnishing a major portion thereof to persons who are not exempt persons, each of which is expected to be furnished more than three percent of the electric energy; provided that in computing the portion of the proceeds of an issue of obligations to be used in any trade or business by persons who are not exempt persons, the amount of electric energy the Administrator determines will be furnished by it to such persons shall be treated as sold to such persons by the issuer of the obligations."

On page 19, after line 9, add new Section 10 as follows:

"Sec. 10. Neither the provisions of this Act empowering the Administrator to market resources to entities other than public bodies and cooperatives nor the implementation of these provisions shall, or shall affect, alter or diminish the provisions of other Federal laws in which preferential entitlement to purchase Federally generated power and energy is accorded to public bodies and cooperatives."

On page 13, beginning with line 10, delete subsection 7(c) as originally proposed, insert the following new subsection, and redesignate the succeeding subsections accordingly:

(c) The rate or rates to direct-service industrial customers shall be established:

(i) for the period prior to July 1, 1985, at a level which the Administrator estimates will be sufficient to recover the net costs incurred pursuant to section 5(b)(2), based upon his projected ability to make power available to such customers pursuant to their contracts, to the extent that such costs are not recovered through rates applicable to other classes of power sold by the Administrator; and.

(ii) for the period after July 1, 1985, at a level which the Administrator determines to be equitable in relation to the retail rates charged by the region's public bodies and cooperatives to their industrial customers, [to be based upon the Administrator's applicable wholesale rates to such public bodies and cooperatives and the typical margins included by such public bodies and cooperatives in their retail industrial rates] but taking into account (A) the comparative size and character of the loads served, (B) the relative costs of electric capacity, energy, transmission, and related delivery facilities provided and other service provisions, and (C) direct and indirect overhead costs, all as related to the delivery of power to such customers; [*provided*, that the Administrator's rates during such period shall in no event be less than his rate in effect for the contract year ending on June 30, 1985].

The Administrator shall adjust such rates to take into account the value of power system reserves made available to the Administrator through his rights to interrupt or curtain service to such direct-service industrial customers.

● Mr. MAGNUSON. Mr. President, I am pleased to join Senator Jackson and the Senators from Oregon and Idaho in cosponsoring this legislation. The Pacific Northwest electric power planning and conservation bill was the subject of numerous hearings in the Pacific Northwest and here in Washington, D.C. last year. Those hearings produced many useful suggestions and amendments to improve the bill.

The legislation being introduced today is still a working document and further changes will no doubt be made in it by the Energy and Natural Resources Committee after it holds the additional hearings it plans on the bill. It is necessary, however, that the energy needs of the Northwest be dealt with by this Congress, and therefore I commend Senator Jackson for his efforts in getting the legislative process underway early in the session.●

Mr. HATFIELD. Mr. President, will the Senator yield for 1 minute?

Mr. JACKSON. I yield to my distinguished colleague from Oregon.

The PRESIDING OFFICER. The Senator from Washington has 5 minutes remaining.

Mr. HATFIELD. Mr. President, I commend the Senator from the State of Washington (Senator Jackson), who as Chairman of our Energy and Natural Resources Committee has made possible again through his leadership a proposal to deal with the electrical program of the Pacific Northwestern States. I do not think that anyone outside the Northwest can fully appreciate the difficulty that has been overcome by the Senator from Washington State in drawing together diverse interest groups, public utilities, private investor-owned utilities, co-ops and the various other systems of power distribution into a coalition of support for this proposal.

We are not in total agreement at this point but the fact that we have a general agreement on this proposal is no mean feat. It is an extraordinary example of the kind of respect and high regard the people of the Northwest hold Senator Jackson and speaks to his skill and leadership of bringing diverse groups together. So I am proud to be associated with my colleague in the presentation of this bill today and feel that it is the major step in resolving a major problem in the Pacific Northwest. I thank him for his leadership.

Mr. JACKSON. Mr. President, I appreciate the kind comments of my good friend and ranking member on the minority side of the Energy and Natural Resources Committee.

Mr. President, whatever we have been able to do has been all made possible by the strong bipartisan support that we have been able to achieve in the committee and in the Northwest community.

That leadership has been in the hands of the able and distinguished senior Senator from Oregon (Mr. Hatfield), and I am most grateful for his strong support in all of these endeavors.

Mr. HATFIELD. I thank the Senator.

By Mr. ROBERT C. BYRD (for Mr. Talmadge (for himself, Mr. Bellmon, Mr. Culver, Mr. Huddleston, Mr. Lugar, Mr. McGovern, Mr. Stewart, and Mr. Zorinsky)):

S. 886. A bill to protect the public health by providing flexibility in the regulatory process to prevent the occurrence of botulism if the prohibition of nitrites and nitrates becomes necessary based on the results of studies of their carcinogenicity or other toxic effect; to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Labor and Human Resources, jointly, by unanimous consent.

NITRITE MORATORIUM AND FOOD SAFETY ACT

Mr. ROBERT C. BYRD. Mr. President, on behalf of Senator Talmadge, I send to the desk the Nitrite Moratorium and Food Safety Act, and I ask unanimous consent that it be jointly referred to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Labor and Human Resources. I have been notified that it has been cleared with the chairmen of those committees, Mr. Talmadge being one of them.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. TALMADGE. Mr. President, I join with a number of my colleagues in introducing the Nitrite Moratorium and Food Safety Act, a bill designed to bring stability and commonsense to the current Government deliberations over the continued use of nitrite in cured meats, poultry, fish, and cheese.

The bill was developed jointly by the Department of Agriculture and the Department of Health, Education, and Welfare, because of the possibility that current food safety statutes could force the Government to ban the use of nitrite, thereby exposing consumers to the danger of botulism poisoning.

The bill provides these departments greater flexibility by imposing a 1-year moratorium on any ban by the Department of Agriculture or the Food and Drug Administration on the use of nitrite.

The bill also provides that, if the current review of nitrite shows it to be unsafe, the Food and Drug Administration and the Department of Agriculture would be authorized to phase out the use of nitrite over a period of time if a feasible alternative protection against botulism is available.

Mr. President, nitrite is among the oldest food preservatives and curing agents known to man. It has been used since the days of the Greek and Roman empires. Nitrite provides protection against botulism—a deadly food poisoning. Current food processing and handling practices make the protection provided by nitrite essential to the public health. Its immediate elimination would subject the public to a grave risk of botulism.

Recently, a study was completed at the Massachusetts Institute of Technology implicating nitrite as a possible carcinogen. The MIT study is being reviewd by independent scientists and by the administration through an interagency task force. If the review sustains the findings of the MIT study, current law would—in the opinion of the Department of Justice—require that regulatory action be taken to ban nitrite use.

Because of the public health risk of such an action, the Department of Agriculture and the Department of Health, Education, and Welfare asked the Department of Justice whether a gradual phaseout of nitrite, to permit the development of feasible alternatives, would be permitted under current law. The Office of Legal Counsel of the Department of Justice has ruled that such action would not be permissible and that only Congress, through legislative action, may authorize a postponement.

Consequently, statutory authority is necessary to permit the use of nitrite until feasible alternatives to protect the public against botulism are developed.

The proposal I am introducing would avoid an abrupt and unwise disruption of the food supply and customary storage and use practices. It would also avoid a serious health hazard by permitting the continued use of nitrite until feasible alternative protections against botulism are available.

In summary, Mr. President, the legislation would work as follows:

(1) No action would be taken either by the Department of Agriculture or the Food and Drug Administration to ban nitrite from foods in which it is used to prevent botulism until May 1, 1980. Under the legislation, the Department of Agriculture and the Food and Drug Administration would be allowed to enforce existing or already proposed regulations, including those that require reductions in the amount of nitrite permitted in bacon.

(2) Between now and May 1, 1980, the Department of Agriculture and the Food and Drug Administration would collect and evaluate information about the uses and risks of nitrite and its alternatives.

(3) At the end of the moratorium, if the agencies conclude that nitrite poses a health hazard, they would propose an orderly phaseout of its use.

(4) To effect this phaseout, the agencies would be required to assure that any alternative to nitrite would provide full protection against botulism and also could be implemented on a commercial basis.

Mr. President, the legislation we are proposing is reasonable, appropriate, and timely. I am asking Senator Stewart, chairman of the Subcommittee on Agricultural Research and General Legislation, to hold hearings on the legislation as soon as possible. The Committee on Agriculture, Nutrition, and Forestry will move as quickly as possible to consider this legislation.

Mr. President, I ask unanimous consent that the text of the bill, a section-by-section analysis, and the opinion of the Office of the Legal Counsel of the Department of Justice be printed in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 886

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Nitrite Moratorium and Food Safety Act".

DEFINITIONS

Sec. 2. As used in this Act, the term—

(1) "food" (except as used in the term "meat food product") has the same meaning as is assigned to that term by section 201(f) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(f));

(2) "meat food product" has the same meaning as is assigned to that term by section 601(j) of the Federal Meat Inspection Act (21 U.S.C. 601(j));

(3) "poultry product" has the same meaning as is assigned to that term by section 453 (f) of the Poultry Products Inspection Act (21 U.S.C. 453(f));

(4) "commerce" means the introduction or delivery for introduction of a meat food product, poultry product, or other article of food into interstate commerce, its receipt in interstate commerce, or its manufacture for such

introduction, delivery for introduction, or receipt;

(5) "interstate commerce" means, with respect to a meat food product, poultry product, or other article of food, any commerce (including intrastate, interstate, and foreign commerce) as may be subject to regulation under the Federal Meat Inspection Act, the Poultry Products Inspection Act, or the Federal Food, Drug, and Cosmetic Act, respectively; and

(6) "nitrite" means sodium or potassium nitrite or nitrate.

MORATORIUM ON PROHIBITION OF NITRITE IN FOOD TO PREVENT BOTULISM

SEC. 3. (a) Neither the Secretary of Agriculture nor the Secretary of Health, Education, and Welfare may prohibit commerce, prior to May 1, 1980, in any meat food product, poultry product, or other article of food by reason of the carcinogenic or other toxic effect of the nitrite added to that food, if—

(1) nitrite was permitted to be added to that food on May 1, 1979, under the applicable Act cited in paragraph (1), (2), or (3) of section 2, and

(2) the quantity of nitrite added to that food is within the tolerances in effect on May 1, 1979, for that food issued under the applicable Act cited in paragraph (1), (2), or (3) of section 2 for the purpose of preventing botulism, or within the tolerances for that food as may thereafter be established under such applicable Act, for the purposes of preventing botulism, as provided by subsection (b) of this section.

(b) Subsection (a) of this section shall not proscribe the establishment, under such applicable Act, of tolerances, for the addition of nitrite to any food, that are lower than the tolerances for such addition that are in effect on May 1, 1979, if those lower tolerances were proposed by a notice of a proposed rule published in the Federal Register during the period from January 1, 1978, through April 30, 1979.

ACTION AUTHORIZED AFTER APRIL 30, 1980

SEC. 4. (a) Except as provided by subsection (b) of this section, neither the Secretary of Agriculture (with respect to any meat food product or poultry product) nor the Secretary of Health, Education, and Welfare (with respect to any other food) may, by reason of the addition to any food under their respective jurisdictions of a quantity of nitrite, prohibit commerce, after April 30, 1980, in any food to which section 3 applies, if the appropriate Secretary finds, after opportunity for a hearing held in compliance with 5 U.S.C. 553 has been afforded at any time following the enactment of this Act, that the addition of that quantity of nitrite in that food is shown to be (1) safe, or (2) necessary to protect against the development in that food of the *Clostridium botulinum* toxin.

(b)(1) If, under subsection (a) of this section, the addition of a quantity of nitrite in a food is not shown to be safe, but is shown to be necessary within the meaning of clause (2) of that subsection, the appropriate Secretary, by regulation promulgated under the preceding subsection, shall permit the addition of that quantity of nitrite to that food only for the period of time that the Secretary determines to be necessary before a means not requiring the addition of nitrite, or requiring the addition of a lesser quantity of nitrite, to prevent the development in that food of *Clostridium botulinum* toxin becomes available. Such means shall (A) be feasible and (B) afford a degree of protection against the development in that food of *Clostridium botulinum* toxin that is determined by the Secretary to be at least substantially equivalent to that afforded by the addition of nitrite to that food in the quantity shown to be necessary under subsection (a)(2) of this section.

(2) A food shall be deemed adulterated within the meaning of the applicable Act cited in paragraph (1), (2), or (3) of section 2 if nitrite is added to that food after the period of time prescribed with respect to that food by the appropriate Secretary under paragraph (1) of this subsection, except in such quantity (if any) and under such conditions of processing, storage, shipment, or other handling of that food as the appropriate Secretary may, by regulation under subsection (a) of this section, prescribe.

(3) For the purpose of establishing the period of time to be prescribed under paragraph (1), of this subsection, the appropriate Secretary shall consider, with respect to the food to which that period of time is applicable—

(A) the likelihood that the Clostridium botulinum toxin will develop in that food if nitrite is not added, or added in a reduced quantity;

(B) the extent and magnitude of the risk to the public health should that toxin so develop;

(C) the extent and magnitude of the risk to the public health from the addition of nitrite to that food;

(D) the effectiveness and feasibility of means for preventing botulism, other than the addition of nitrite to that food at then current levels; and

(E) such additional matters as the appropriate Secretary determines to be relevant.

REVIEW AND AMENDMENT OF REGULATIONS

SEC. 5. The Secretary of Health, Education, and Welfare and the Secretary of Agriculture shall each review annually the regulations the appropriate Secretary has issued under this Act in order to determine progress toward making available effective and feasible alternative means for preventing botulism. Each Secretary may, after opportunity for hearing in compliance with 5 U.S.C. 553 has been afforded amend (consistent with the requirements of this Act) any regulation that Secretary has promulgated under this Act, if that Secretary determines an amendment is necessary to protect the public health.

CONTINUED APPLICABILITY OF OTHER ACTS

SEC. 6. The Acts cited in paragraphs (1), (2), and (3) of section 2 shall continue to apply to food to which this Act is applicable, except as modified by the provisions of this Act. No State, territory, or possession of the United States (including the Commonwealth of Puerto Rico), or the District of Columbia, may take any action with regard to any meat food product, poultry product, or other food subject to regulation under the Federal Meat Inspection Act, the Poultry Products Inspection Act, or the Federal Food, Drug, and Cosmetic Act that is inconsistent with the provisions of this Act.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title.

The first section provides that the bill may be cited as the "Nitrite Moratorium and Food Safety Act".

Section 2. Definitions.

Section 2 defines the term "food," "meat food product," "poultry product," "commerce," "interstate commerce," and "nitrite" for purposes of the bill.

Section 3. Moratorium on prohibition of nitrite in food to prevent botulism.

Section 3(a) provides that neither the Secretary of Agriculture nor the Secretary of Health, Education, and Welfare may prohibit the addition of nitrite to any food to prevent botulism before May 1, 1980, even if nitrite is found to be carcinogenic or otherwise toxic.

The moratorium applies to the addition of nitrite to food if:

(1) nitrite was permitted in that food on May 1, 1979, under the Federal Meat Inspection Act, the Poultry Products Inspection Act, or the Federal Food, Drug, and Cosmetic Act; and

(2) that quantity of nitrite added to that food to prevent botulism is within tolerances issued under the applicable act to prevent botulism in effect on May 1, 1979, or set at a later date.

[NOTE.—Section 3(a) would not affect the current authority of the Secretary of Agriculture or the Secretary of Health, Education, and Welfare to take action with respect to nitrite used solely for flavor or color.]

Section 3(b) provides that section 3(a) will not prohibit the Secretary of Agriculture or the Secretary of Health, Education, and Welfare from establishing tolerances that are lower than the tolerances in effect on May 1, 1979, if the lower tolerances were proposed in the *Federal Register* during the period from January 1, 1978, through April 30, 1979.

Section 4. Action authorized after April 30, 1980.

Section 4(a) provides, except as provided in section 4(b), that the Secretary of Health, Education, and Welfare or the Secretary of Agriculture may not prohibit the use of nitrite in any food after April 30, 1980, if after notice and opportunity for a hearing the appropriate Secretary finds that:

(1) the addition of nitrite to the food is shown to be safe; or

(2) the addition of nitrite is shown to be necessary to protect against the development of Clostridium botulinum toxin.

Section 4(b)(1) provides that if the addition of nitrite to a food is necessary to protect against development of Clostridium botulinum toxin (though not shown to be safe) under subsection (a), the appropriate Secretary would be authorized to permit the addition of nitrite to that food to prevent botulism *only* for the period of time the Secretary determines to be necessary for an alternative means of preservation to become available that does not require the addition of nitrite, or requires the addition of a lesser quantity of nitrite. The appropriate Secretary would be required to conclude that the alternative means of preservation is feasible and that it provides protection against botulism at least substantially equivalent to that provided by nitrite. The factors to be considered in the determination of feasibility would include, among others, the availability of the alternative in sufficient quantity (including the availability of raw materials or other components of the alternative), the safety of the alternative, the impact that adoption of the alternative would have on energy consumption and the environment, and the cost of the alternative to consumers, producers, and processors.

Section 4(b)(2) deems a food adulterated within the meaning of the applicable Food and Drug Administration or United States Department of Agriculture laws if nitrite is added to that food after the period of time that the appropriate Secretary establishes under section 4(b)(1), unless the use is in accordance with a regulation issued by the Secretary.

Section 4(b)(3) requires the appropriate Secretary in establishing the period of time for the phaseout of the use of nitrite in a food or category of foods, to consider:

(A) the likelihood that the Clostridium botulinum will develop in that food if nitrite is not added, or added in a reduced quantity;

(B) the extent and magnitude of the risk to the public health should the toxin develop;

(C) the extent and magnitude of the risk to the public health from the addition of nitrite to that food;

(D) the effectiveness and feasibility of means for preventing botulism, other than the addition of nitrite to that food at then current levels; and

(E) any additional matters that the appropriate Secretary determines to be relevant.

Section 5. Review and amendment of regulations.

Section 5 requires the Secretary of Health, Education, and Welfare and the Secretary of Agriculture to each review annually, their respective regulations issued under the bill to determine the progress made toward the availability of an effective and feasible alternative to nitrite for preventing botulism. Additionally, each Secretary would be authorized to amend any regulation that Secretary issued under the bill, after providing an opportunity for a hearing, if the Secretary determines that an amendment is necessary to protect the public health.

Section 6. Continued applicability of other acts and preemptive.

Section 6 provides that the Federal Food, Drug, and Cosmetic Act, the Federal Meat Inspection Act, and the Poultry Products Inspection Act, will continue to apply to foods to which nitrite is added, except as modified by the bill. Section 6 also prohibits any State, territory, or possession of the United States (including the Commonwealth of Puerto Rico), and the District of Columbia from taking any action with respect to meat, poultry, or other foods subject to regulation under the Federal Meat Inspection Act, the Poultry Products Inspection Act, or the Federal Food, Drug and Cosmetic Act that is inconsistent with the bill.

Proposed Phasing Out of Nitrites in Foods

You have asked this Office to consider inquiries by the Secretaries of Agriculture and of Health, Education and Welfare (HEW) whether either may provide for the gradual phasing out over a period of years of the use of sodium and potassium nitrites in foods until such time as a feasible substitute is developed. It appears that a ban on the use of nitrites might be mandated in the foreseeably near future because of health standards made applicable to nitrites by the Federal Food, Drug and Cosmetic Act [Food and Meat Inspection Act] [Meat Act], 21 U.S.C. §§ 601–695 (1976); and the Poultry Products Inspection Act [Poultry Act], 21 U.S.C. §§ 451–470 (1976).

The Acting Secretary of Agriculture inquired in a letter to you whether the ban may be inapplicable in this case because nitrites also affect food in a way that is beneficial to health. The Secretary of HEW has asked whether the applicability of the standards notwithstanding, he has discretion, as a matter of administrative enforcement, to permit phasing out instead of a ban because of nitrites' beneficial effect. As we explain in detail below, it is our conclusion that an extended or indefinite period of phasing out nitrite use is not permissible under either of these theories.

I. APPLICABILITY OF STATUTES

The Secretaries' inquiry arose because of test results they have received that suggest that nitrites induce cancer in laboratory animals. These results, if confirmed, would call into question the safety of the continued use of nitrites in foods.[1]

The Food and Drug, Meat, and Poultry Acts cited above determine the relevance of the Secretaries' information concerning cancer to their regulation of nitrites. Depending on the use of nitrites in question, nitrites might fall within the definitions of unsafe "food additive" or "color additive" under the Food and Drug Act, 21 U.S.C. § 321 (s)–(t) (1976), which, for purposes relevant to this inquiry, are imported into the Poultry and Meat Acts, as well. Nitrites are subject to other standards under these Acts, even if they do not fall within these definitions. 21 U.S.C. § 453(g)(2) (C)–(D); 21 U.S.C. § 601(m)(2) (C)–(D) (1976).

Central purposes of all three acts are the prevention of the adulteration of food, and the introduction into or receipt in interstate commerce of adulterated food. *See* Food and Drug Act, 21 U.S.C. §§ 331 (a)–(c), 332–334 (1976); Meat Act, 21 U.S.C. §§ 601(m), 602–606, 608, 610, 624, 672–676 (1976); and Poultry Act; 21 U.S.C. §§ 451–452, 453(g), 455–456, 457 (a), 458, 461, 463, 466, 467 a–c (1976).

The Food and Drug Act provides in 21 U.S.C. § 342 (1976) that a food shall be deemed to be adulterated if, *inter alia*, it bears or contains an unsafe "food additive" or "color additive;" it bears or contains any poisonous or deleterious substance which may render it injurious to health; or it consists in whole or in part of any filthy, putrid, or decomposed substance or is otherwise unfit for food. Both the Poultry and Meat Acts contain standards of adulteration largely similar to those contained in the Food and Drug Act. 21 U.S.C. §§ 453(g), 601(m) (1976). Thus, food that contains nitrites would be adulterated under these Acts if nitrites are unsafe food or color additives, or, otherwise, substances "injurious to health."

A. Food and color additives

Food additives are defined under 21 U.S.C. § 321(s) (1976). A food additive is deemed to be unsafe with respect to any particular use unless: "there is in effect, and it and its use or intended use are in conformity with, a regulation issued under this section prescribing the conditions under which such additive may be safely used." 21 U.S.C. § 348 (a)(2) (1976). In determining whether a proposed use of an additive is safe, and thus, the conditions under which an additive may be safely used, the Secretary of HEW is to consider, among other relevant factors, the probable consumption of the additive, the cumulative effect of the additive in the diet, and safety factors generally recognized as appropriate for the use of animal experimentation data. 21 U.S.C. § 348(c)(5) (1976). However, the so-called Delaney Clause, 21 U.S.C. § 348(c)(3)(A) (1976), provides that an additive shall be deemed to be unsafe if it is found to induce cancer when ingested by man or animal, or if it is found after appropriate tests to induce cancer in man or animal. Thus, if nitrities are food additives under the Food and Drug Act, and if it is found after appropriate tests that nitrites induce cancer in man or animal, then nitrites are unsafe food additives. Consequently, no regulation for their safe use may issue, and food containing nitrites is adulterated within the meaning of "adulteration" under the Food and Drug, Meat, or Poultry Acts.

The Color Additive Amendment, 21 U.S.C. § 376 (1976), contains provisions similar to those for food additives, for determining the safety of additives, including an anticancer proviso. 21 U.S.C. § 376(b)(5)(B) (1976). The term "color additive" is defined broadly to include any substance which, "when added or applied to a food . . . is capable (alone or through reaction with other substance) of imparting color thereto," 21 U.S.C. § 321(t)(1)(B) (1976), but "does not include any material which the Secretary by regulation, determines is used (or intended to be used) solely for a purpose or purposes other than coloring." 21 U.S.C. § 321(t)(1) (1976).

Although the operative definition of the term "food additive" is broad enough in general to embrace nitrites, Congress excluded from the general definitions of food additive "any substance used in accordance with a sanction or approval granted" pursuant to the Food and Drug, Meat, or Poultry Acts prior to the date of enactment of the Food Additives Amendment of 1958, Pub. L. No. 85–929, 72 Stat. 1784 (codified at 21 U.S.C. § 321(s)(4) (1976)). The quoted language is a type of grandfather clause which exempts from the definition of food additive, and thus, from the Delaney Clause, substances granted a sanction or approval prior to September 6, 1958, under any of the three acts and the other safety standards contained in 21 U.S.C. § 348 (1976). However, a substance that is not a "food additive" for a particular use because of a prior sanction or approval must still be judged against the more general adulteration standards in the Food and Drug, Meat, or Poultry Acts. In contrast, there is no exclusion from the definition of "color additive" for substances which received a prior sanction or approval by the Department of Agriculture (USDA) or the Food and Drug Administration (FDA). The anticancer proviso for color additives, 21 U.S.C. § 376(b)(5)(B) (1976), thus applies to all color additives, whether or not they were also approved as food additives, and thus exempted from the Delaney Clause.

Thus, for uses of nitrites not having a prior sanction or approval under the Food Additives Amendment, it would make little difference for present purposes whether nitrites were regarded as food additives or color additives (or both): these uses would be subject to an anticancer clause in either event. On the other hand, if nitrites are color additives in meat products, they would be subject to the anticancer proviso of the Color Additive Amendment despite any prior sanction or approval under the Food Additives Amendment.

B. Standards applicable to nitrites

Before considering the applicability of the standards just discussed to nitrites, it must be noted that the classification of nitrites under the relevant Acts is itself a matter of dispute.

USDA has advised the FDA that it granted a prior sanction for the use of nitrites in cured red meat products under the Meat Act. *See* 9 C.F.R. §§ 317.8(b)(6), 318.7(c)(4) (1978). However, the conclusion that the use of nitrites in red meat enjoys a prior sanction by USDA has been challenged in the case of *Public Citizen* v. *Foreman*, Civ. No. 78–1064 (D.D.C., filed June 12, 1978), in which plaintiffs seek a declaratory judgment that the USDA regulation requiring the addition of certain amounts of nitrites to bacon is unlawful. *See* 9 C.F.R. 318.7 (b), (c)(4) (1978), *as amended*, 43 Fed. Reg. 20,992 (1978), *and clarified*, 43 Fed. Reg. 32,136 (1978).

Conversely, although current USDA regulations permit the use of nitrites to fix color in cured poultry products and to inhibit corrosion on the exterior of canned goods, 9 C.F.R. § 381.147 (1978), USDA has concluded that a sanction or approval for such uses did not exist under the Poultry Act, prior to September 6, 1958. USDA's conclusion that the addition of nitrites to poultry products does not enjoy a prior sanction has been challenged in the case of *Tysons Food, Inc.* v. *United States Department of Agriculture*. Civ. No. F–77–5059 (W.D. Ark., filed Nov. 2, 1977).

Because it would not be appropriate for you to render an opinion on the prior sanction question in view of the pending litigation, this memorandum will assume that the use of nitrites in cured meat products does enjoy a valid prior sanction within the meaning of 21 U.S.C. § 321(s)(4) (1976) but that use of nitrites in poultry products does not. We shall therefore further assume that nitrites are "food additives" in poultry—as well as in smoked fish, where its use is permitted by an existing food additive regulation—subject to the Delaney Clause.

The Government has further taken the position in *Public Citizen* that the nitrites are not color additives when used in curing bacon because the effect of nitrites is to fix or preserve the natural red color, not

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Footnotes at end of article.

to "impart" color to the bacon within the meaning of 21 U.S.C. § 321(t)(1) (1976), and because the color effect of nitrites is merely incidental to the primary antimicrobial or preservative function. Because the application of the color additive provisions to processed red meat is involved in the pending litigation relating to bacon, we will not address that issue here. This memorandum will proceed on the assumption that nitrites would not have to be considered as color additives in processed red meat during the suggested phasing out of nitrite use and would therefore not be subject to the anticancer proviso of the Color Additive Amendment or the Food Additives Amendment.

II. HEALTH BENEFITS FROM NITRITES

The immediate problem posed, against the statutory background just outlined, is that nitrites, when added to food, may have an effect beneficial to health. Specifically, nitrites inhibit the development of the spore-forming bacterium, *Clostridium botulinum*, and its toxin, botulin, the direct cause of the acute and frequently fatal food poisoning botulism. Indeed, it is the Secretaries' opinion that the addition of nitrites to certain foods is the only currently available, economically feasible way of satisfactorily controlling the risk of botulism attendant to the consumption of certain processed red meat and poultry products and smoked fish. They have advanced the possibility of a gradual phasing out of nitrites in these products, rather than an immediate ban, in order to permit the continued use of nitrites for this beneficial purpose. Phasing out nitrite use, they suggest, would allow time for the development of alternative means of inhibiting the growth of *Clostridium botulinum* in these products without disrupting the Nation's food supply, of which processed red meat and poultry products constitute some seven percent.[2]

The Secretaries have advanced somewhat differing legal theories for phasing out the use of nitrites in those products in which they believe the continued use of nitrites is warranted, subject to their respective regulatory jurisdictions. In her letter of August 22, 1978, the Acting Secretary of Agriculture suggested that USDA may properly consider, in determining whether meat to which nitrites are added is adulterated under the Meat Act, the benefits of nitrites in preventing the growth of *Clostridium botulinum*. Letter from Carol Tucker Foreman, Acting Secretary of Agriculture, to Griffin B. Bell, Attorney General (August 22, 1978). If benefits may be weighed against or offset possible harmful effects in this manner, USDA might conclude that certain levels of nitrites do not adulterate meat despite their possible carcinogenic characteristics. If meat is not adulterated by nitrites, there would be no legal requirement to ban its use. Accordingly, under this theory, the level of nitrites in cured meats could be reduced over a period of time as substitutes were developed.

On the other hand, although the Secretary of HEW concedes that nitrites adulterate foods, he suggests that phasing out is permissible as a matter of discretionary enforcement. The Secretary of HEW concedes that benefits may not be weighed against indicated carcinogenic properties with respect to meat under the Delaney Clause. However, the Secretary urges that the Food and Drug Administration (FDA) could continue as a matter of enforcement discretion, to balance all health-related factors and permit nitrites in foods under its jurisdiction in order to prevent the risk of botulism.

III. SUGGESTED PHASING OUT

A. USDA phasing out of use of nitrites in red meat products

Although we assume, for purposes of this memorandum, that nitrites are not food additives or color additives when used in red meat—and therefore do not automatically render meat adulterated if found to induce cancer when ingested by man or animal—the use of nitrites must still be judged against the more general adulteration standards in the Meat Act. A meat is adulterated under that Act if it bears any added poisonous or deleterious substance that may render it "injurious to health" or if it consists in whole or in part of any filthy, putrid, or decomposed substance or is for any other reason unsound, unhealthful, unwholesome, or otherwise unfit for human food. 21 U.S.C. § 601(m)(3).[3]

In her letter of August 22, the Acting Secretary of Agriculture states that there are no other substances that could be used on a sufficiently broad scale at the present time to prevent botulism in commercially processed meat, and that the consumption of such products as hot dogs and ham would pose severe health hazards unless botulism could be prevented. She therefore suggests that permitting the possible harmful effects of nitrites to be balanced against their beneficial effects in preventing botulism in determining whether their addition causes meat products to be adulterated accords with the overriding purpose of the Meat Act of protecting the public health. Although these health concerns are significant, this approach would not be consistent with the requirements of the Meat Act.

The Acting Secretary informed you that USDA regards nitrites, because of their indicated carcinogenicity, to be poisonous and deleterious substances. A finding that the substance may render meat "injurious to health" is an essential element of the adulteration standard under 21 U.S.C. § 601(m)(1) (1976). *See United States* v. *Lexington Mill & Elevator Co.*, 232 U.S. 399 (1914). We thus assume that if only the indicated carcinogenic or harmful effects of nitrites were considered, the Secretary of Agriculture would conclude that nitrites may render meat "injurious to health" and that they therefore adulterate meat. Nothing on the face of 21 U.S.C. § 601(m)(1) (1976) suggests that concededly injurious properties of a substance may be ignored, forgiven, or offset by its health-related benefits in this fashion. The ordinary meaning of the word "injurious" is "harmful, hurtful, or detrimental." *Random House Dictionary of the English Language* 732 (1966). The capacity of nitrites to cause cancer or other injury, which we assumed for purposes of this memorandum, would presumably be unaffected by a reduced incidence of botulism. Giving the statutory language its ordinary meaning, then, unrelated benefits resulting from the presence of a substance would appear to be irrelevant.

The Supreme Court considered the meaning of language comparable to that now contained in section 601(m)(1) in *Lexington Mill & Elevator Co.*, which concerned whether nitrites or nitrite-reacting material or other poisonous or deleterious substances adulterated flour under section 7 of the Food and Drug Act of 1906, 34 Stat. 769, on the ground that these substances "may" have rendered the flour "injurious to health:"[4]

"In thus describing the offense Congress doubtless took into consideration that flour may be used in many ways, in bread, cake, gravy, broth, etc. In may be consumed, when prepared as a food, by the strong and the weak, the old and the young, the well and the sick; and it is intended that if any flour, because of any added poisonous or other deleterious ingredient, may possibly injure the health of any of these, it shall come within the ban of the statute. If it cannot by any possibility, when the facts are reasonably considered, injure the health of any consumer, such flour, though having a small addition of poisonous or deleterious ingredients, may not be condemned under the act." 232 U.S. at 411.

The Court's discussion, like the language of 21 U.S.C. § 601(m)(1) (1976), appears to attach significance only to the direct detrimental impact of the food additive. It was not considered whether food additives that may "come within the ban of the statute" because it "may possibly injure the health" of "any consumer' may be removed from the ban of the statute if distinct health-related benefits of an added substance are discovered—here, benefits that may well accrue to persons other than those who might contract cancer.

The suggested balancing of benefit and harm must also be placed in proper perspective. The current method of preserving red meats through the use of nitrites is apparently of long standing, and is relied upon by industry and consumers. Nonetheless, it is important to emphasize that the risk of botulism with which we are here concerned is occasioned by the manner in which the industry chooses to prepare, distribute, and market processed meat; it is not an independently created health risk.

No indication appears in the legislative history of 21 U.S.C. § 601(m)(1) (1976) or in the extensive legislative history of 21 U.S.C. § 342(a)(1) (1976) of the Food and Drug Act, after which section 601(m)(1) of the Meat Act was patterned, that the beneficial effects of a substance may be taken into account in the fashion suggested by USDA. The structure and background of this section of the Food and Drug Act, in fact, point to just the opposite conclusion.

The Food and Drug Act placed stringent restrictions on the addition of substances to food. Under the provisions of 21 U.S.C. §§ 342(a)(2), 346, a food containing any added poisonous or deleterious substance was adulterated unless the Secretary concluded that the substance was "required in the production" of the food or "cannot be avoided by good manufacturing practice." In that event, the Secretary was required to establish tolerances for the substance "to such extent as he finds necessary for the protection of public health," taking into account the degree to which the substance is "required" or "cannot be avoided" and the other ways in which the consumer may be affected by the same or other poisonous or deleterious substances.

The provision permitting tolerances for substances that could not be avoided by good manufacturing practice applies to contaminants or other substances that may unavoidably be added to food in the production process, *see, e.g.*, S. Rep. No. 361, 74th Cong., 1st Sess. 5–6 (1935), and is of little relevance here. The authorization of tolerances for added substances required in the production of food was designed to permit some residue of toxic insecticides and fungicides on agricultural products because of Congress' belief that "an adequate fruit and vegetable supply could not be brought to maturity without the use of toxic insecticides or fungicides." H.R. Rep. No. 2139, 75th Cong., 3d Sess. 6 (1938). The expected operation of the section was explained as follows:

"This authorization will permit the establishment of comparatively liberal tolerances for any food where poison is unavoidable or is required by the necessities of production, and less liberal tolerances or complete prohibitions where it is practicable to limit the amount of poison in a particular food to very small quantities, or to eliminate it completely. It will likewise afford adequate control of those situations where irresponsible manufacturers, for some fancied or real commercial advantage, add dangerously toxic substances to foods, as, for example, the addition of maleic acid to fats and oils to prevent rancidity when preservation can be accomplished by observance of sanitary conditions in manufacture and packaging and by use of refrigeration for the finished product.

"In approaching the problem of control

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> from this angle the amount of added poisons can be so allocated to different foods, in accordance with the practical necessities, that on the basis of the probable consumption of the various foods consumers will not receive an aggregate quantity of poisons sufficient to jeopardize health."

S. Rept. No. 493, 73d Cong., 2d Sess. 4 (1934). Thus, under the Food and Drug Act as enacted in 1938, Congress expressly provided a mechanism and standards for allowing poisonous and deleterious substances to be added to food. This section contemplated the consideration of the beneficial effects of pesticides, for example, in ensuring an adequate food supply.[5] Even then, however, added substances could not be permitted in a manner that jeopardized public health.

The existence and background of section 346 strongly suggests that beneficial effects of an added substance cannot be considered under another section of the Food and Drug Act, 21 U.S.C. § 342(a)(1), which does not contain express authorization or standards for doing so and is, in fact, written in terms which suggest that only detrimental effects may be considered, particularly if there would be a risk to the public health as a result of the addition of nitrites.[6] Because the Meat Act, 21 U.S.C. § 601(m)(1) (1976), was drawn directly from section 342(a)(1) of the Food and Drug Act, the conclusion—drawn from the structure and legislative history of the Food and Drug Act—that possible detrimental effects cannot be balanced against beneficial effects would appear to apply equally to that section.

Finally, no significant administrative or judicial precedent appears to support such a balancing approach. Indeed, the opinion in *Schuck* v. *Butz*, 500 F. 2d 810 (D.C. Cir. 1974) suggests just the opposite conclusion. In *Schuck*, the plaintiffs sought to require the Secretary of Agriculture to ban the addition of sodium nitrate and sodium nitrite to meat products on the ground that their alleged carcinogenic characteristics rendered the meat adulterated under section 601(m)(1). After express reference to USDA's view that these substances prevent the development of *Clostridium botulinum*, 500 F. 2d at 811 n. 5, the court noted with seeming approval:

> ". . . the Department's apparent acceptance, on appeal, of appellant's assertions that possible beneficial effects are not relevant to a determination whether a product is adulterated, and that the proper standard of proof is whether there is convincing evidence that the product 'contains any poisonous or deleterious substance which *may* render it injurious to health.' 21 U.S.C. § 601(m)(1)" (emphasis added). 500 F. 2d at 812 n. 6.[7] *Cf. Community Nutrition Institute* v. *Butz*, 420 F. Supp. 751, 755–56 (D.D.C. 1976).

USDA has concluded that there are no substances aside from nitrites and nitrates and no processes which could be used on a sufficiently broad scale at the present time to prevent botulism in commercially processed meat products, and that, without nitrites and nitrates, common usage of products such as hot dogs or ham would not be possible without severe health hazards. These factors, cannot, however, alter the legal conclusion, which we believe clearly to be required.

For the foregoing reasons, we conclude that the Secretary of Agriculture may not balance the beneficial effects of nitrites and nitrates against their possible carcinogenic properties in determining whether these substances may render meat products injurious to health under 21 U.S.C. § 601(m)(1) (1976). We are unaware also of any basis for interpreting 21 U.S.C. §§ 601(m)(2)(A) or 601(m)(3) to authorize the Secretary to conclude that a substance which would be deemed to render meat unsound, unhealthful, unwholesome, or unfit for food based on its harmful effects is nevertheless not adulterated because of apparent beneficial effects.

If the Secretary determines that nitrites adulterate meat, he would be obliged to revoke existing regulations authorizing their use and to take appropriate enforcement action if nitrites continue to be added after that time. *Community Nutrition Institute* v. *Butz*, 420 F. Supp. at 757.

B. Phasing out in products under FDA jurisdiction by exercise of enforcement discretion

The Secretary of HEW, acting through the Commissioner of FDA, proposes, should he finally determine that the addition of nitrites adulterates foods under his jurisdiction within the meaning of the Food and Drug Act, to exercise enforcement discretion to permit nitrites to be added to these foods over the period of gradual and indefinite phasing out of their use.

The proposed exercise of enforcement discretion by the Commissioner could presumably be effective only with respect to products other than meat and poultry subject to the Meat and Poultry Act. The Secretary of Agriculture is responsible for enforcing the latter two acts in the course of the mandatory inspections of meat and poultry carcasses and products. Any meat or poultry products that are found after inspection to be adulterated "shall be condemned and destroyed." 21 U.S.C. §§ 455(c), 604 (1976). This would appear to be a clear and mandatory duty,[8] leaving little room for the exercise of discretion to permit adulterated products to enter commerce.[9] *See also* 21 U.S.C. §§ 452, 602 (1976); *compare Kendall* v. *United States*, 37 U.S. (12 Pet.) 524, 613 (1838); *National Treasury Employees Union* v. *Nixon*, 492 F. 2d 587 (D.C. Cir. 1974). Any exercise of enforcement discretion by FDA would likewise not appear to excuse USDA from these mandatory duties.[10]

If evidence is presented or comes to the attention of the Secretary indicating that a food additive currently permitted under existing regulation is unsafe, the Secretary must initiate proceedings to amend or repeal those regulations. 21 U.S.C. § 348 (b), (d), (h) (1976). *See also* 104 Cong. Rec. 17,421 (1958). We are informed that FDA intends, based on the evidence of the carcinogenicity of nitrites, to initiate proceedings to revoke existing food additive regulations authorizing their addition in certain products.

If it determines as a result of this process that nitrites are an unsafe food additive, FDA, to implement the proposed phasing out of nitrites, would replace these food additives regulations with regulations specifying the schedule and details of the suggested "phase-out" of the use of nitrites, which, in effect will permit the continued addition of nitrites until a feasible substitute is developed. These regulations would not be food additive regulations, but a formalization of FDA's enforcement policy. They would be issued on the authority of 21 U.S.C. § 371 (1976), which provides for the Secretary to issue regulations for the efficient enforcement of the Act, and under the authority of 21 U.S.C. § 342 (1976), the adulteration section. The "phase-out" regulations, as prepared by FDA, would be designed to permit the addition of nitrites up to the levels deemed necessary to prevent the development of *Clostridium botulinum* until the time that feasible alternative methods of prevention are developed.

For the reasons that follow, we do not believe that the proposed phasing out through the withholding of enforcement is consistent with the Secretary's obligations under the Act.

As discussed earlier, 21 U.S.C. § 348(c)(3) (1976) provides that no food additive regulation shall issue (or, by implication, remain in effect) if a fair evaluation of the data before the Commissioner fails to establish that the proposed use of the additive will be safe. The safety determination "requires proof to a reasonable certainty that no harm will result from the proposed use of an additive," S. Rept. No. 2422, 85th Cong., 2d Sess. 6 (1958), and does not permit harmful effects to be offset by beneficial effects. In addition, Congress chose to treat potentially carcinogenic substances with extreme caution by enacting the Delaney Clause, which prohibits the Secretary from establishing tolerances for any substance found to induce cancer when ingested by man or animal. Such a substance is therefore unsafe in whatever amount it may be added.

The immediate legislative history of the Delaney Clause of the Food Additives Amendment itself is somewhat sparse. However, the Secretary of HEW explained the reasoning for the absolute ban on carcinogenic substances during his testimony in 1960—less than two years after passage of the Food Additive Amendment—relating to a proposal to include the similar clause in the Color Additive Amendment:

> "Our advocacy of the anticancer proviso in the proposed color additives amendment is based on the simple fact that no one knows how to set a safe tolerance for substances in human foods when these substances are known to cause cancer when added to the diet of animals. . . .
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> * * * * *
>
> "Unless and until there is a sound scientific basis for the establishment of tolerances for carcinogens, I believe the Government has a duty to make clear—*in a law as well as in administrative policy*—that it will do everything possible to put persons in a position where they will not unnecessarily be adding residues of carcinogens to their diet.
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> * * * * *
>
> "*Whenever a sound scientific basis is developed for the establishment of tolerances for carcinogens, we will request the Congress to give us that authority. We believe, however, that the issue is so important that the elected representatives of the people should have the opportunity of examining the evidence and determining whether or not the authority should be granted to the executive branch.*"

Hearings on Color Additives before the House Committee on Interstate and Foreign Commerce, 86th Cong., 2d Sess. 61 (1960) [hereafter, cited as "Color Additive Hearing"]. *See also id.* at 500–01.[11]

This defense by the Secretary of the principle embodied in the Delaney Clause was quoted in the report of the House Interstate and Foreign Commerce Committee and relied upon by the Committee to support its decision to include a similar clause in the Color Additive Amendment. H.R. Rep. No. 1761, 86th Cong., 2d Sess. 11–14 (1960).[12] The Committee expressly rejected proposals to weaken the anticancer clause in the Color Additive Amendment by allowing the Secretary to establish tolerance levels for carcinogenic substances or to permit a minute amount of a cancer-producing chemical to be added to food if a group of scientists concluded that the quantity to be tolerated was "probably without hazard." *Id.* at 13–14.

In view of the fact that the anticancer clause in the Color Additive Amendment was patterned after that in the Food Additives Amendment, and was enacted on the basis of the Secretary's statement of its intended scope and rationale, based on his familiarity with and contemporaneous interpretation of the parallel clause in the Food Additives Amendment, the foregoing represents a reliable indication of the pur-

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pose and effect of the clause in the Food Additives Amendment as well. *See also EDF* v. *HEW*, 428 F.2d 1083, 1091 (D.C. Cir. 1970).

The proposed regulations withholding enforcement for an indefinite and probably extended period of time with respect to the addition of nitrites up to a certain level would, according to FDA, be issued pursuant to 21 U.S.C. § 371 (a) (1976), which authorizes the Secretary of HEW to issue regulations for the "efficient enforcement" of the Food and Drug Act. But a grant of authority such as this is only "the power to adopt regulations to carry into effect the will of Congress as expressed by the statute." *Ernst & Ernst* v. *Hochfelder*, 425 U.S. 185, 213, 214 (1976). "For regulations, in order to be valid, must be consistent with the statute under which they are promulgated." *United States* v. *Larionoff*, 431 U.S. 864, 873 (1977). The regulations proposed here would ignore the statutory requirement of a finding to a reasonable certainty that no harm will result from the addition of a food additive and constitute the establishment of a tolerance in direct contravention of the evident congressional judgment that there should be no tolerance for substances found, after appropriate tests, to induce cancer in man or animal. Such regulations would therefore not be consistent with the Food and Drug Act or further its "efficient enforcement."

FDA suggests, however, that while the Delaney Clause states an unequivocal standard with respect to the approval or disapproval of a food additive, it establishes no particular time frame or other requirements or procedures for the implementation or enforcement of a ban of a substance found to cause cancer. FDA points out that there is nothing in the legislative history, judicial interpretation, or commentary on the Delaney Clause addressing the scope of agency enforcement discretion or the manner of implementing a ban on a carcinogenic substance already in use. FDA infers from this silence that Congress did not intend to interfere with normal agency discretion in administering a statute, which FDA believes would permit the proposed phasing out of nitrite use over an indefinite period of time.

We do not believe that the scope of the Commissioner's implementation and enforcement discretion may be so readily divorced from the substantive provisions he is implementing and enforcing. The evident purpose of the Delaney Clause is to prohibit the *use* of additives which induce cancer in test animals, *cf. Bell* v. *Goddard*, 366 F.2d 177, 181 (7th Cir. 1966), not merely to furnish a procedural guidepost for the Commissioner in issuing or revoking regulations.

FDA finds initial support for its argument in these provisions of the Food and Drug Act, 21 U.S.C. § 348 (1976), establishing procedures for the issuance and revocation of food additive regulations. Under section 348 (e), an order promulgating or revoking such a regulation is effective upon publication, but the Secretary may stay the effectiveness of the order if a party adversely affected requests a hearing. Section 348(f) (3) then provides that the final order issued after the hearing may not go into effect prior to the 90th day after its publication unless the Secretary finds that emergency conditions exist necessitating an earlier effective date. FDA finds in this last provision a statutory basis for the view that the Commissioner has discretion to determine how to implement his orders, even if that implementation results in the continued use of an additive found to be unsafe.

We may assume that section 348(f) (3) does grant the Commissioner some discretion to establish a reasonable effective date for a final order revoking an existing food additive regulation, *cf. Niagara Mohawk Power Corp* v. *FPC*, 379 F.2d 153 (D.C. Cir. 1967), and that a delayed effective date therefore might result in the continued use of an unsafe additive prior to that date. It would be a considerable leap, however, to conclude that this statutory language providing that an order may not go into effect for 90 days authorizes the Commissioner to permit continued use of a substance over a period of years. This is particularly so where, as here, the revocation is based on a finding that the additive is unsafe, rather, for example, than a finding that the additive does not have the functional properties ascribed to it or that the tolerance level established in the regulation is in excess of that required to accomplish the function. The provision in section 348(f) (3) for an effective date before 90 days expire in "emergency conditions" itself indicates that a finding that an additive is unsafe should result in a relatively early effective date.

Moreover, although the procedures for revoking a food additive regulation are, on their face, the same irrespective of the basis for concluding an additive is unsafe, it would seem that Congress' strong disfavor of carcinogenic substances, reflected in the Delaney Clause, necessarily circumscribes the Commissioner's authority to permit the continued use of such a substance and establish a distant effective date of a final order revoking a food additive regulation. *Certified Color Manufacturers Ass'n* v. *Mathews*, 543 F.2d 284, 297–98 (D.C. Cir. 1976); *EDF* v. *EPA*, 510 F.2d 1292, 1302 (D.C. Cir. 1975); *EDF* v. *Ruckelshaus*, 439 F.2d 584, 596 n.41 (D.C. Cir. 1971). *Cf. EDF* v. *HEW*, 428 F.2d at 1091–92. The effective date provisions of 21 U.S.C. § 348 do not furnish significant support for the proposed phase out.[13]

FDA does not rest its argument in favor of the phasing out solely, or even primarily, upon the effective date provisions of the Act, however. The phasing out proposal would apparently involve the final revocation of existing food additive regulations and substitution of other regulations setting forth the levels of nitrite which will not trigger enforcement by FDA. This, it is suggested, would constitute a permissible exercise of enforcement discretion. We disagree.

The principle of prosecutorial or enforcement discretion is frequently considered in the context of judicial review of decisions by Executive Branch officials to refuse to institute or continue specific administrative, civil and criminal proceedings. *See, e.g., Dunlop* v. *Bachowski*, 421 U.S. 560, 567 n.7 (1975); *Moog Industries, Inc.* v. *FTC*, 355 U.S. 411 (1958); *The Confiscation Cases*, 74 U.S. (7 Wall.) 454, 457 (1869); *Nader* v. *Saxbe*, 497 F.2d 676, 679 n.18 (D.C. Cir. 1974); *United States* v. *Cox*, 342 F.2d 167 (5th Cir. 1965), *cert. denied*, 381 U.S. 935 (1965). For example, the courts have customarily refused to order the criminal prosecution of particular individuals at the instance of private persons. These cases proceed on the assumption that the prosecutor is intended to have a certain discretion in enforcing the criminal law, legitimately taking into account factors other than the existence of probable cause, *Oyler* v. *Boles*, 368 U.S. 448, 456 (1962), such as the degree of culpability of the violator, the resulting harm, allocation of prosecutorial resources, the availability of other sanctions, and so on, *see, e.g., Nader* v. *Saxbe*, 497 F.2d at 679 n.18; *Inmates of Attica Correctional Facility* v. *Rockefeller*, 477 F.2d 375, 379–82 (2d Cir. 1973); *Newman* v. *United States*, 382 F.2d 479 (D.C. Cir. 1967) (Burger, J.).

The doctrine that courts should not interfere with particular decisions not to prosecute is also thought to be an incident of separation of powers under the Constitution, which vests in the President, not the Judiciary, the duty to "take Care that the Laws be faithfully executed." U.S. Const., Art. II, § 3. *See, e.g., Nader* v. *Saxbe*, 497 F.2d at 679 n.18; *Newman* v. *United States*, 382 F.2d at 481; *cf. Dunlop* v. *Bachowski*, 421 U.S. at 575–76. These same principles no doubt underlie a judicial reluctance to review individual decisions declining to seek administrative or civil enforcement, *The Confiscation Cases*, 74 U.S. (7 Wall.) 454 (1868); *Vaca* v. *Sipes* 386 U.S. 171, 182 (1967); *Moog Industries, Inc.* v. *FTC*, 355 U.S. 411 (1958), although limited review may be available in some such cases, *see Dunlop* v. *Bachowski*, 421 U.S. 560 (1975).

The question of reviewability of the proposed withholding of enforcement is not involved in this memorandum. Even in the absence of such review, however, the President has a constitutional duty to "take Care that the Laws be faithfully executed." The Secretary of HEW, the Commissioner, and the Attorney General perform their duties in the administration and enforcement of the Food and Drug Act under the general superintendence of the President, and are his agents in fulfillment of his obligation to take care that the Food and Drug Act is faithfully executed, *Myers* v. *United States*, 272 U.S. 52, 135 (1926); *Ponzi* v. *Fessenden*, 258 U.S. 254, 262 (1922); *United States* v. *Cox*, 342 F.2d at 171.

We may assume that faithful execution of the laws ordinarily does permit the exercise of judgment in deciding how best to implement the law in the myriad of factual situations with which an agency is confronted. K. Davis, *Discretionary Justice* 38–39 (1969). This discretion ordinarily may be assumed to extend to the design of the most effective enforcement mechanism and to the decision whether the purposes of the statute concerned and the ends of justice require the initiation or termination of proceedings in particular cases, Abrams, *Internal Policy: Guiding the Exercise of Prosecutorial Discretion*, 19 U.C.L.A. L. Rev. 1, 3 (1971); Kadish, *Legal Norm and Discretion in the Police and Sentencing Processes*, 75 Harv. L. Rev. 904, 906–19 (1962); Note, *The Special Prosecutor in the Federal System: A Proposal*, 11 Amer. Crim. L. Rev. 577, 591–92, 609–10 (1973), although Congress can presumably limit agency discretion when it chooses, *see, e.g., The Confiscation Cases*, 74 U.S. at 457; *United States* v. *Morgan*, 222 U.S. 274, 280–81 (1911);[11] *Bachowski* v. *Brennan*, 502 F.2d 79, 88 & nn.12, 13 (3d Cir. 1974), *modified on other grounds sub nom. Dunlop* v. *Bachowski*, 421 U.S. 560 (1975); *Adams* v. *Richardson*, 480 F.2d 1159, 1162–63 (D.C. Cir. 1973) (en banc); 2 Op. Att'y Gen. 482, 486 (1831).

There are, for example, particular cases arising under any statutory scheme in which an alleged violation is merely minor and technical or difficult of proof or in which the prudent allocation of resources or equitable factors weigh against the initiation of administrative, civil, or criminal proceedings, even where it appears there may have been a violation of the literal terms of the statute. *See, e.g., ABA Standards Relating to the Administration of the Criminal Justice, The Prosecution Function* § 39 (1974) [hereinafter cited as ABA Standards]. *See generally* S. Cox, *Prosecutorial Discretion: An Overview*, 13 Amer. Crim. L. Rev. 383, 411–34 (1977). In the absence of an indication to the contrary, we may assume that Congress does not expect responsible agency officials to act in all such cases, Cox, *supra* at 385–89.

This type of enforcement or prosecutorial discretion may ordinarily be considered consistent with the faithful execution of the laws. The legitimacy of the factors entering into the enforcement decision and the realization that courts cannot readily supervise their consideration no doubt explain the reluctance of courts to review individual prosecution decisions. *Bachowski* v. *Brennan*, 502 F.2d at 88, *citing* Davis, *Administrative Law*

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Treatise, § 28.16 at 984 (1970 Supp.); *Nader* v. *Saxbe*, 497 F.2d at 679 n.18.

Congress expressly sanctioned at least a degree of this type of discretion in enacting the Food and Drug Act. Section 336 of Title 21 provides that the Secretary is not required: "to report for prosecution, or for the institution of libel or injunction proceedings, minor violations of this [Act] whenever he believes that the public interest will be adequately served by a suitable written notice or warning." The purpose of this provision was described by the Senate Committee as follows:

"Violations of the law sometimes occur which are of technical or formal nature only and which do not result in deception or other imposition on public welfare. Usually such violations are inadvertent and their correction can be promptly effected by calling them to the attention of the manufacturer. This section would authorize the enforcing agency to follow this course. It is not intended that this procedure should apply where the violation is more than merely technical and becomes one of substance rather than form. In no event is the conventional legal procedure denied if such action is necessary to effect compliance."

S. Rep. No. 361, 74th Cong., 1st Sess. 28–29 (1935). *See also* S. Rep. No. 493, 83d Cong., 2d Sess. 19 (1934). Congressman Lea defended this provision on the House floor by noting: "there is nothing more common in the administration of justice than the exercise of discretion of a prosecuting attorney where he knows it is impracticable to prosecute purely technical violations of the law." 83 Cong. Rec. 7794 (1938). *See also id.* at 7793; H.R. Rep. No. 2139, 75th Cong., 3d Sess. 5 (1938).

The FDA has informed you that it would not regard the deliberate, continued additions of a carcinogenic substance to food—even at a controlled level—as minor violations within the meaning of 21 U.S.C. § 336 (1976). This conclusion is compatible with the legislative history of the Delaney Clause expressing a clear congressional purpose to prevent the establishment of *any* tolerance level for a substance found to cause cancer when ingested by man or animals. Such violations would appear to be ones of "substance rather than form" for which enforcement "action is necessary to effect compliance." S. Rep. No. 361, 74th Cong., 1st Sess. 28–29 (1935). Therefore, the proposed phasing out of nitrite use does not conform to the scope of enforcement discretion contemplated by the Congress when it enacted the Food and Drug Act. The fact that Congress has expressly sanctioned and established standards for the exercise of enforcement discretion in section 336 should itself caution against a broad assertion of discretion in a situation not covered by that section.

We do not at all question the authority of agencies generally to establish guidelines for enforcement in certain categories of cases. Such a formalized policy may have the purpose or effect of ensuring consistency while allocating scarce agency resources to the most serious types of violations. *See, e.g., Redmond* v. *United States*, 384 U.S. 264 (1966) (policy of declining to prosecute under statute prohibiting mailing of obscene matter where correspondence is between two private individuals); *Petite* v. *United States*, 361 U.S. 529 (1960) (policy of declining prosecution where there has been a State prosecution); *United States* v. *Atlantic Richfield Co.*, 297 F. Supp. 1061, 1072–73 (S.D.N.Y. 1969); *Discretionary Justice* 198–203 (antitrust merger guidelines); Civil Service Commission, Department of Justice, EEOC, Department of Labor Uniform Guidelines on Employee Selection Procedures, 43 Fed. Reg. 38,310–38,315 (1958) (statements of enforcement policy with respect to selection criteria that have disproportionate impact on minority hiring); ABA Standards, *supra*, § 3.9(b)(ii)–(iii).

The courts have expressly sanctioned formal and informal enforcement policies of this type designed by the FDA to weed out minor violations of the Food and Drug Act, relying on the minor violation provision in 21 U.S.C. § 336 (1976). *See, e.g., United States* v. *484 Bags, More or Less*, 423 F.2d 839, 841 (5th Cir. 1970); *United States* v. *449 Cases, Etc.*, 212 F.2d 567, 572–73 (2d Cir. 1954). *See also United States* v. *Goodman*, 486 F.2d 847 (7th Cir. 1973).[15] As in the case of the Uniform Guidelines on Employee Selection Procedures and the Merger Guidelines, a formalized policy may also serve to inform the public of the agency's view of a statute that is vague and capable of broad application, thereby giving an element of certainty to interested parties in the private sector. K. Davis, *Discretionary Justice, supra* at 198–203; *United States* v. *Ewig Bros. Co. Inc.*, 502 F.2d 715, 724 (7th Cir. 1974), *cert. denied*, 420 U.S. 945 (1975).

The proposed phasing out of nitrites through the withholding of enforcement is of a different order. It would not be a mere formalization of FDA policy on the allocation of scarce enforcement resources, an identification of minor violations, or an effort to give content or limits to a vague statute. The effect of the policy—indeed its purpose—would be to authorize the continued use of nitrites in certain products under circumstances that would concededly constitute non-minor violations of the specific terms of the Food and Drug Act.

The courts that have recognized that Executive Branch officials must have some discretion in the enforcement of laws have recognized that there are legal limitations on the exercise of discretion that the officials are bound to follow. *See, e.g., Dunlap* v. *Bachowski*, 421 U.S. at 574; *Joint Tribal Council of the Passamaquoddy Tribe* v. *Morton*, 528 F.2d 370, 379–80 (1st Cir. 1975); *Nadar* v. *Saxbe*, 497 F.2d at 679–80 n.19; *Adams* v. *Richardson*, 480 F.2d at 1161–62.

Congress has imposed just such limitations on FDA, prohibiting the approval of a substance absent a finding of "no harm," consideration of beneficial effects, and the establishment of a tolerance for a carcinogenic substance. Phasing out nitrites through the withholding of enforcement based on these considerations would therefore not constitute the exercise of discretion, but a contravention of limitations Congress deliberately placed on administrative discretion. To decline to seek enforcement in the manner proposed would constitute an abdication of enforcement responsibilities. *Dunlop* v. *Bachowski*, 421 U.S. at 574. *Office Employes Local 11* v. *NLRB*, 353 U.S. 313 (1957); *Adams* v. *Richardson*, 480 F.2d 1159 (D.C. Cir. 1973); *Nadar* v. *Saxbe*, 497 F.2d at 679-80.

The public health considerations underlying the desire to permit the continued addition of nitrites and nitrates to certain foods are clearly important. But the balancing of these competing health risks is a matter for the Congress in determining whether to amend the Food and Drug Act, not for the Secretary in administering the law.

Secretary Flemming addressed this issue during his testimony before the House Committee in 1960 regarding the anticancer clause of the proposed Color Additive Amendment. At the Secretary's request, a report by the National Cancer Institute was inserted in the record. The report in turn cited the conclusion of a report entitled "Problems in the Evaluation of Carcinogenic Hazard From Use of Food Additives" prepared by a subcommittee of the Food Protection Committee of the National Academy of Sciences—National Research Council:

"Because of the vagueness of present knowledge concerning quantitative aspects of the carcinogenic process, use of any amount of a carcinogen as a food additive probably is justified only if (1) values to the public are such that banning the use would constitute an important loss or hardship, and (2) there is no reasonably good noncarcinogenic alternative."

Secretary Flemming then stated:

"In connection with the statement just quoted from the Food Protection Committee report, I want to call attention to the fact that the two criteria recommended by the Committee are connected, not by an 'or' but by an 'and.' I am advised by Commissioner of Foods and Drugs George P. Larrick that he and his associates know of no situation in this country which meets both of these criteria. If and when such a situation does develop, we will present the facts to the Congress with a request for appropriate action. We believe such situations—if they occur at all—will be so few and far between that a decision to subject the public to the risk involved should be a joint decision on the part of both the legislative and executive branches."

Color Additives Hearing, at 60–61. Accordingly, if the Secretaries take the view that circumstances warrant, for an indefinite period of time, the addition of nitrites and nitrates to the foods in question because of a public interest in the continued availability of the foods and because of the absence of alternative, noncarcinogenic preservatives, the course to be taken, as contemplated when the statute was enacted in 1960, would be to seek special legislation.

Congress last year took just this approach with respect to saccharin, although not at the instance of FDA. The Saccharin Study and Labeling Act, P.L. 95–203, 91 Stat. 1451 (1977), postponed the effective date of a proposed Saccharin test under the Delaney Clause on the ground that there was an important public interest in its continued availability, at least for a period of further study, despite tests indicating it caused cancer in animals. *See* H.R. Rep. No. 658, 95th Cong., 1st Sess. 8 (1977); S. Rep. No. 353, 95th Cong., 1st Sess. 5, 7 (1977). The inflexibility of the Delaney Clause was a principal issue in the Saccharin debate, H.R. Rep. No. 658, *supra* at 4–5, 7, 36–37; S. Rep. No. 353, *supra* at 7; *Hearing on the Banning of Saccharin before a Subcommittee of the Senate Committee on Human Resources*, 95th Cong., 1st Sess. 7, 37, 54, 95, 99–100, 129 (1977) [hereafter, cited as 1977 Senate hearing]; *Hearing on Moratorium on Saccharin Ban before a Subcommittee of the House Interstate and Foreign Commerce Committee*, 95th Cong., 1st Sess. 64, 77 82 (1977) [hereafter cited as 1977 House Hearing], particularly because, in that case, as with nitrites, there was no alternative noncarcinogenic substance available. *1977 Senate Hearing, supra* at 37, 127–29; *1977 House Hearing, supra* at 83–84.

Accordingly, in section 2(a)(1) of the Saccharin Study and Labeling Act, Congress directed the Secretary of HEW to conduct a study of the current regulatory policy regarding substances found to induce cancer in animals, including a consideration of how the benefits of such substances could be weighed against their harmful effects. There was agreement that the Delaney Clause, as currently in effect, did not permit a weighing of benefits and risks, S. Rep. No. 353, *supra* at 4, 7; H.R. Rep. No. 658, *supra* at 5, 37, and Commissioner Kennedy expressly eschewed the existence of any such authority, either under the Delaney Clause or the Food Additives Amendment generally, *1977 House Hearing, supra* at 64, 69; *1977 Senate Hearing* at 132.

There is, moreover, no suggestion in the legislative history of the Saccharin Study and Labeling Act that the Secretary would

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Footnotes at end of article.

or could avoid the automatic impact of the Delaney Clause by withholding enforcement. Indeed, although the question of enforcement was never directly raised,[16] the Delaney Clause was on a number of occasions said to require that food containing a carcinogen be removed from the market, H.R. Rep. No. 658, *supra* at 7, or to prohibit FDA from authorizing "further use of an additive based on a judgment that the benefits of continued use outweigh the risks involved," *id.* at 5. *See also id.* at 17, 19, 36; S. Rep. No. 353, *supra* at 3, 5, 7.

CONCLUSION

The Secretaries of HEW and Agriculture have the discretion, upon making a finding that nitrites are carcinogenic, to adopt timetables and procedures to assure the orderly removal of that substance from commerce. It is our opinion that the Secretaries, however, do not have the authority to balance the benefits of nitrites against their potential harm and determine that their continued use will be permitted until such time as a feasible substitute is developed and put in place. Upon a determination by the Secretaries that an additive causes cancer in man or animals, the decision whether the statutory ban shall be postponed or eliminated is reserved to the Congress.

JOHN M. HARMON,
Assistant Attorney General,
Office of Legal Counsel.

FOOTNOTES

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[1] As is this Office's traditional practice, we have limited our factual review in this memorandum according to the standards applicable to formal opinions of the Attorney General. Consequently, we do not purport to resolve any questions of fact that may underlie the present inquiry. *See* 6 Op. Att'y, Gen. 326, 334 (1854). It is properly for the Departments of Agriculture and of HEW, in matters within their respective jurisdictions, to determine whether nitrites do induce cancer in laboratory animals, whether they have the beneficial effects discussed below in preventing the development of *Clostridium botulinum*, and whether nitrites, under the applicable legal standards, adulterate food to which they are added. Other questions, such as whether the use of nitrites in meat or poultry products was sanctioned by the Department of Agriculture prior to 1958 and whether nitrites constitute "color additives," are involved in ongoing litigation, and it would similarly be inappropriate to discuss them in our memorandum. *See, e.g.*, 41 Op. Att'y Gen. 266, 272 (1956); 32 Op. Att'y. Gen. 472, 473 (1921). This memorandum, therefore, must not be viewed as suggesting any final determination on any of the issues mentioned above, on which members of the public may still have an opportunity to comment or, in certain circumstances, to request a hearing. We shall, however, make certain necessary assumptions regarding the factual and legal issues mentioned in order to address fully the questions raised by the Secretaries.

[2] The Secretaries are apparently of the view that nitrites are not essential for inhibiting the growth of *Clostridium botulinum* in other contexts, such as in home cures and pet foods and as an "indirect food additive" which may be added to fool as a result of its use in articles that contact the food. They, therefore, propose to ban nitrites for those uses as soon as possible. *See* 21 C.F.R. § 174.5(a)(1) (1978).

[3] As explained above, we have assumed that the use of nitrites in poultry and poultry products does not enjoy a prior sanction exempting that use from the definition of the term "food additive." Thus, if FDA determines that nitrites are unsafe food additives, this will automatically render poultry and poultry products to which they are added adulterated, 21 U.S.C. § 453(g)(2)(C) (1976), without reference to the more general adulteration standards in the Poultry Act which are identical to those in the Meat Act discussed in the text. 21 U.S.C. § 453(g) (1), (2) (A), (3) (1976). If nitrites used in poultry products are fund to enjoy a prior sanction, the discussion in the text would be relevant to a determination whether nitrites adulterate poultry under the more general adulteration standards in the Poultry Act, which were revised in 1968 to conform to the comparable provisions of the Meat Act.

[4] The standard of adulteration involved in *Lexington Mill* was carried forward in the Food and Drug Act, 21 U.S.C. § 342(a)(1) (1976). *Flemming* v. *Florida Citrus Exchange,* 358 U.S. 153, 161 (1958). The adulteration provisions of the Meat Act were expressly patterned after those in the Food and Drug Act. S. Rep. No. 799, 90th Cong., 1st Sess. 6–7 (1967). We may assume, therefore, that the discussion in *Lexington Mill* applies equally to the essentially similar language in 21 U.S.C. § 601(m)(1) (1976).

[5] Because our basic concern here is with the Meat Act, we need not consider whether the authority under section 346(a) of the Food and Drug Act to establish tolerances for a substance required in the "production" of food would extend to tolerances for a substance added at the processing stage for preservation purposes, as is the case with nitrites.

[6] Under the Food Additives Amendment of 1958, the finding that an additive is safe "requires proof of a reasonable certainty that no harm will result from the proposed use of an additive." S. Rep. No. 2422, 85th Cong., 2d Sess. 6 (1958). Also, the Secretary is permitted by the Food Additives Amendment to establish a tolerance for an added substance at a level no higher than that required to "accomplish the [intended] physical or other technical effect." 21 U.S.C. § 348(c)(4) (A) (1976). The last-quoted phrase "refers to the objective effect which the additive may have on the appearance, flavor, texture, or other aspects of a food. The question of whether an additive produces such effect . . . is a factual one, *and does not involve any judgment on the part of the Secretary of whether such effect results in any added 'value' to the consumer* . . ." S. Rep. No. 2422, *supra* at 7 (emphasis added).

Thus, in 1958, Congress expressly limited the safety determination to a consideration of whether harm would result and likewise prohibited the Secretary of HEW (through FDA) from making the difficult value judgments that would be required under a balancing approach. There is no indication that these requirements were viewed as departures from prior law.

[7] The court affirmed the grant of summary judgment in favor of the Secretary noting that the proper procedure for the plaintiffs to follow was to petition the Secretary to initiate rulemaking proceedings under 7 C.F.R. § 1.27 (1977) to repeal the USDA regulation permitting the addition of nitrate and nitrite to fix color in red meat.

[8] In addition, 21 U.S.C. § 604 (1976) requires that any meat product found not to be adulterated be stamped "Inspected and passed," and any product found to be adulterated be stamped "Inspected and condemned." The exercise of enforcement discretion by USDA would therefore also require the inspector to ignore these statutory labeling requirements.

[9] We need not consider here whether, notwithstanding the inspection, condemnation, and destruction requirements, the Secretary of Agriculture has implied authority—derived from his authority to decline to refer minor violations of the acts, 21 U.S.C. §§ 462, 676(b) (1976), or elsewhere—to set tolerance limits for *de minimus* or technical adulteration of poultry or meat products under 21 U.S.C. §§ 453(g)(3)–(4) and 601(3)–(4) (1976). *See. e.g., United States* v. *Ewig Bros. Co. Inc.*, 502 F.2d 715, 720 (7th Cir. 1974) (Stevens, J.) *cert. denied,* 420 U.S. 945 (1975), and cases cited. For reasons set forth later in this opinion, if nitrites are determined to be unsafe food or color additives or otherwise to adulterate food because of possible carcinogenic properties, their widespread continued use could likely not be considered mere minor or technical violations, and USDA would apparently not regard them as such.

[10] The discussion that follows regarding FDA's enforcement discretion would cast considerable doubt on the ability of the Secretary of Agriculture to permit the continued addition of nitrites to meat and poultry products even in the absence of the statutory requirement that adulterated meat and poultry products be condemned and destroyed. *See also Certified Color Manufacturers Ass'n* v. *Mathews*, 543 F.2d 284, 297–98 (D.C. Cir. 1976); *EDF* v. *EPA*, 510 F.2d 1292, 1302 (D.C. Cir. 1975); *EDF* v. *Ruckelshaus*, 439 F.2d 584, 956 n. 41 (D.C. Cir. 1971); *EDF* v. *HEW*, 428 F.2d 1083, 1091–92 (D.C. Cir. 1970).

[11] The absence of a scientific basis for establishing tolerances for carcinogenic substances was also given, in a paper inserted in the Congressional Record by Representative Delaney shortly after the House in 1958 passed the food additive bill containing the Delaney Clause, as a reason for supporting a ban on carcinogenic additives. 104 Cong. Rec. A7738–7740 (1958) (Remarks of Representative Delaney). *See also EDF* v. *HEW*, 428 F.2d 1083, 1091 (D.C. Cir. 1970).

[12] The Senate-passed version of the color additive bill did not contain the anticancer clause, *see* S. Rep. No. 795, 86th Cong., 1st Sess. 25–28 (1959), and there were no hearings or debates on the bill on the Senate side, *see* 106 Cong. Rec. 14349 (1960) (Remarks of Representative Delaney). The pertinent legislative history of the Delaney Clause in the Color Additive Amendment, then, is the rather extensive record on the House side.

[13] FDA cite a number of situations in which orders revoking the authorization for use of a substance in food have permitted existing stocks of food to which the substance has already been added to be used up. *See, e.g.*, 34 Fed. Reg. 17063 (1969), 19547 (1969); 41 Fed. Reg. 5823 (1976); 41 Fed. Reg. 41852 (1976); 41 Fed. Reg. 41857 (1976). You have not been asked for your opinion on the validity of such a policy with respect to foods to which nitrites have been added if the Commissioner should finally determine that nitrites are unsafe food additives. But a policy of exempting existing stocks of food, presumably because of the problems and equitable factors attendant to a recall of foods, would not furnish a precedential basis for a phasing out that would permit the continued addition of nitrites to foods.

FDA also cites two cases involving EPA's decision under the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) to provide in an interim suspension order prohibiting the use of the pesticides aldrin and dieldrin that existing stocks of the pesticides could be used up. In *EDF* v. *EPA*, 510 F.2d 1292 (D.C. Cir. 1975), the court noted EPA's justification for these exemptions was that "no appreciable and realistically retrievable stocks existed at the time of the order." EPA later informed the court that approximately 5 percent of the total 1974 amount of aldrin granules would be available for 1975 and that EPA intended to investigate the matter further, a re-evaluation the court found "entirely appropriate." *Id.* at 1306. In *EDF* v. *EPA*, 548 F.2d 998 (D.C. Cir. 1976), *cert. denied*, 431 U.S. 925 (1977), the court had "no doubt" of EPA's authority to exempt existing stocks from a suspension order under FIFRA, even though the statute did not expressly authorize it, but concluded that the Administrator acted arbitrarily in doing so without even inquiring into the amount of stocks left and the feasibility of returning and disposing of them. *Id.* at 998. Both cases therefore suggest that there were limitations to be used up. Moreover, the FIFRA, unlike the Food and Drug Act, does not contain an anticancer clause, and, by contrast, affirmatively requires a weighing of risks and benefits in making a suspension determination. 7 U.S.C. §§ 136(1), 136(bb) 136d(c)(1)(1976). *See EDF* v. *EPA*, 548 F.2d at 1003. These cases lend little support to the phasing out proposal, which would permit continued additions of nitrites to foods over an extended period of time—not under an interim suspension order, but after a final determination that they are unsafe.

[14] Section 5 of the Food and Drugs Act of 1906 provided that it "shall be the duty of each United States attorney to whom the Secretary . . . reports any violation for institution of criminal, libel of information for condemnation or other proceedings . . . to cause appropriate proceedings to be instituted in the proper courts of the United States without delay." This provision was interpreted in *United States* v. *Morgan* as creating a mandatory duty to act on the Secretary's recommendation. *See also United States* v. *75 Barrels of Vinegar*, 192 F. 350, 352 (N.D. Iowa 1911).

As it passed the Senate, section 9 of S. 5, 75th Con., 1st Sess. (1937), the bill eventually enacted as the Food and Drug Act, would have carried forward this section. C. W. Dunn, *Federal Food, Drug and Cosmetic Act* 781 (1938). The Senate also adopted an amendment to the section that became section 305 of the Food and Drug Act providing that if, after the required notice and hearing prior to referral of a criminal case "it appears that any of the provisions of this act have been violated by such person, then the Secretary shall at once certify the facts to the proper United States attorney." 81 Cong. Rec. 2008 (1937). *Compare* 21 U.S.C. § 336 (1976). These two provisions would have greatly curtailed the Secretary's and the Attorney General's discretion.

The provision imposing a duty on U.S. Attorneys to institute proceedings was deleted by the House committee without explanation. The requirement that the Secretary at once certify facts to the U.S. Attorney if he concluded after a hearing that a violation had occurred was deleted by the House committee as "unnecessary." H.R. Rept. No. 2139, 75th Cong., 3d Sess. 5 (1938). This might have meant that imposition of an express referral duty was "unnecessary" because the Secretary would be expected to refer such cases in any event, or it could have been thought "unnecessary" because the Secretary would be expected to refer such cases in any event, or it could have been thought "unnecessary" because it went too far in limiting the Secretary's discretion, particularly in view of the authorization in the succeeding section of the Senate bill to decline to refer minor violations. In any event, the provisions of the Senate-passed bill reflect a concern for enforcement that we cannot, in the absence of any contrary indication in the legislative history, conclude that had abated by the time of enactment of the Food and Drug Act.

[15] FDA has cited *United States* v. *Goodman*, 486 F.2d 847 (7th Cir. 1973), as support for phasing out nitrites. That was an action seeking to enjoin the shipment of chubs containing DDT in excecss of 5 ppm., the amount established in interim FDA enforcement guidelines. DDT is a pesticide chemical for which the Administrator of EPD had banned almost all agricultural commodities affected by DDT effective December 31, 1972, after intensive study indicated that DDT may be carcinogenic. 486 F.2d at 854. EPA was authorized to establish tolerances for DDT, taking into account the need to ensure an adequate food supply, on one hand, and the carcinogenic or other harmful properties of DDT, on the other. EPA had not established a tolerance for DDT in fish because the amount derived from other sources was expected to decline as a result of the ban and because studies were still outstanding on its carcinogenic properties. *Id.* at 854–55. In the absence of a tolerance, any amount of DDT on any agricultural commodity would, as a technical matter, adulterate the commodity for purposes of the Food and Drug Act. 21 U.S.C. §§ 342(a)(2)(B), 346a (1976). All fish and apparently all food, apparenty contained some traces of DDT, and to enforce the Act literally would have been impossible. The court held that FDA had authority to abide by its interim enforcement guidelines for fish, citing 21 U.S.C. § 336 (1976), the provision permitting the Secretary to excuse minor violations. 486 F.2d at 855.

Goodman does not support the phasing out proposed. Nitrites are deliberately added to some foods, whereas residues of DDT were present in most foods at the time of *Goodman* notwithstanding a near-total ban against new additions of the substance. Moreover, FDA's establishment of a "tolerance" in enforcement guidelines was consistent with the statutory scheme which permitted EPA to establish tolerances. 486 F.2d at 847. *See also United States* v. *Ewig Bros. Co. Inc.*, 502 F.2d 715, 720–21 (7th Cir. 1974), *cert. denied*, 420 U.S. 945 (1975).

No administrative agency has authority to establish tolerances for nitrites if FDA concludes they have been found to cause cancer when ingested by man or animal, and the Food Additives Amendment, 21 U.S.C. § 348 (1976), unlike the Pesticide Chemical Amendment, 21 U.S.C. § 346a (1976), contains no authorization to consider beneficial effects of a substance in producing an adequate food supply.

[16] There would have been no occasion to consider the issue, because the FDA's notice of proposal to revoke the interim food additive regulation for saccharin indicated an intention to enforce the ban immediately following the effective date of the order. H.R. Rept. No. 658, 95th Cong., 1st Sess. 17, 44–45 (1977).

By Mr. CRANSTON:

S. 887. A bill to authorize the Secretary of the Army to construct improvements on Redbank and Fancher Creeks, Calif.; to the Committee on Environment and Public Works.

● Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to authorize the Secretary of the Army to construct improvements on Redbank and Fancher Creeks in California. The measure is a companion to H.R. 2973 introduced in the House by Congressmen CHIP PASHAYAN and TONY COELHO.

The Redbank and Fancher Creeks, their tributaries and related streams are located on the western slope of the Sierra Nevada Mountains. Because the streams are uncontrolled, flooding has occurred frequently in the past 30 years. The most serious flood damage occurred in 1969 and resulted in the designation of Fresno County as a national disaster area. Lesser damages occurred in 1938, 1952, 1955, 1956, 1958, 1965, 1972, 1977, and 1978.

The Redbank-Fancher Creeks flood control project is needed to provide protection to an area of 57,000 acres, with a population of over 119,000 and a property value in excess of $1.6 billion. In May 1977, the Corps of Engineers completed its investigation of Redbank and Fancher Creeks. In July 1977, the division engineer forwarded to the Board of Engineers for Rivers and Harbors the completed project feasibility report and the environmental impact statement. Additional studies requested by the Board and completed in December 1978 confirmed the findings of the district and division engineers and identified a benefit/cost ratio of 1.6 to 1.

The proposed project is a straightforward flood control project with several small detention reservoirs. The principal features include a 13,000-acre-foot reservoir on Fancher Creek, a 1,500-acre-foot reservoir on Redbank Creek, and an enlarged Big Creek Reservoir. In addition to flood protection, the Redbank-Fancher Creeks project will produce significant water conservation and ground-water management benefits. Under current requirements, projects costs will be shared with the Federal Government providing $41,955,000, the State $6,367,000, and local authorities $4,048,000 plus 100 percent of all operation and maintenance costs.

The Redbank-Fancher Creeks project is supported by the county of Fresno, the cities of Fresno and Clovis, the Fresno irrigation district, and the Fresno metropolitan flood control district. I am unaware of any controversy surrounding the project or any environmental objections to it. I hope the Congress will move forward with early authorization of the Redbank-Fancher Creeks project to avoid unnecessary project delays and resulting increased costs to the taxpayers.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 887

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army, acting through the Chief of Engineers, substantially in accordance with the plans and subject to the conditions recommended by the Chief of Engineers, is authorized to construct the project for flood control on Redbank and Fancher Creeks, California: Report of the Division Engineer, dated July 25, 1977, at an estimated cost of $42,000,000.●

By Mr. McCLURE:

S. 890. A bill to amend the Internal Revenue Code of 1954 in order to tax excess petroleum industry profits, to encourage investments in the expansion of domestic energy supplies, and to create an incentive tax credit for research and development of new or expanded energy sources; to the Committee on Finance.

EXCESS PETROLEUM PROFITS TAX OF 1979

Mr. McCLURE. Mr. President, decreasing the flow of foreign oil into the United States cannot be considered solely as an energy issue. The strength of our dollar—both here and overseas—our national security, and the degree of independence allowed us in making foreign policy decisions is at stake. The congressional response to the Arab oil embargo of 1973 and 1974 has been proven a failure to all but the most biased and irresponsible individuals. That our policy of crude oil price controls would fail was obvious at the time of the debates on this issue. We had only to look at the pathetic history of natural gas controls to foresee what would happen. And, it has occurred. Just as controls always produce both shortages and high prices, legislation intended to reduce oil imports has directly created increased oil imports and driven prices higher. This policy must be changed now. Federal Government controls on domestic crude oil must be removed effective June 1, 1979, if we are to begin to reduce the flood of foreign oil entering this country.

What are the arguments against such a decontrol? There are basically two. One, the consumer would have to pay exorbitant prices for fuel and, two, the oil companies would reap excess profits. Let us examine each of these points.

If all domestic crude oil were to be decontrolled, the price increase for gasoline, fuel oil, and other petroleum products would average about 7 cents a gallon; 7 cents a gallon. Is this too high a price to pay American producers in order to reduce foreign oil imports? I think not. And, we should consider also that this 7-cent estimate is probably too high.

It would be reduced some by the lack of Government control costs, estimated by some to add as much as 5 cents a gallon to present costs. In addition, under the present irrational scheme of subsidies for foreign oil—so-called entitlements program—the consumers in Idaho and other States are paying a share of the costs of fuel sold in New England and the Northeast. Under decontrol, they would no longer pay this subsidy, thereby reducing even more the 7-cents figure.

But, what about the issue of excess profits for the oil companies. The solution here is simple—tax it away. I am today introducing the Excess Petroleum Profits Tax of 1979 and I ask unanimous consent that the text be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McCLURE. Mr. President, I first introduced this proposal in 1975 and reintroduced it in 1977. I believe its time has come.

My bill will levy a 90-percent tax on the income of the petroleum industry which exceeds the average rate of return for all industries. Now, I have provided a way for the companies to avoid paying the tax—they can reinvest the excess profits in domestic energy production. Not circuses or department stores or overseas refineries, but for produced-in-U.S.A. energy. To those critics of the oil industry, I invite them to join me in cosponsorship of this legislation and let us get it passed now.

Nobody knows for certain how much additional oil will be found under total decontrol. Estimates range from 500,000 barrels a day to 2,500,000 barrels a day. But, the experience with natural gas proves that more oil will be found. And, I would rather see U.S. dollars going to Americans, and being used to pay American wages and buy American goods, rather than going overseas. And, as OPEC realizes that we are serious about reducing imports, this will provide a brake on future price increases. Under decontrol, Americans will actually pay less for oil than under the present system where our dependence on OPEC oil grows each year and we have to pay whatever price OPEC sets.

For over 10 years, I have warned that our energy crisis is real and will not go away just because we want it to. It will only go away when we stop listening to those who have been proven wrong at every turn and whose policies have brought us to this sorry state. Our national security, our foreign policy, and our economic well-being are now dependent on foreign oil producers. This is a disgrace and I call on my colleagues to join with me in discarding the irrational, self-defeating policies of the past and in establishing an energy policy which truly protects the people of this Nation.

EXHIBIT 1

S. 890

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Excess Petroleum Profits Tax Act of 1979".

SECTION 1. Part II of subchapter A of chapter 1 of the Internal Revenue Code of 1954, as amended (relating to corporation income taxes), is amended by adding after section 12 a new section as follows:

"SEC. EXCESS PETROLEUM PROFITS TAX.

"(a) IN GENERAL.—Notwithstanding other taxes imposed by this subtitle, an excess profits surtax is hereby imposed on the taxable income of all petroleum industry corporations for each taxable year beginning after December 31, 1978. The surtax shall be equal to the surcharge as computed under subsection (b).

"(b) SURCHARGE.—The surcharge is equal to 90 percent of the amount by which the taxable income exceeds the surcharge exemption for the taxable year. Section 11 shall only apply to that amount of taxable income which does not exceed the surcharge exemption for the taxable year.

"(c) SURCHARGE EXEMPTION.—For the purposes of this section, the surcharge exemption for any taxable year shall be the percentage rate of a return, on the capital investment of a petroleum industry corporation, equal to the average rate of return on capital investment for all manufacturing corporations for that taxable year. Determination of the average rate of return on capital investment, by industry and for all manufacturing corporations, shall be made by the Federal Trade Commission and submitted in its quarterly financial reports for manufacturing corporations, beginning with the quarter following enactment of this bill. The Commissioner is further directed to compile and publish the rate of return on capital investment, by industry and for all manufacturing corporations, starting with the first quarter of 1979 and extending through the quarter in which this bill is enacted.

"(d) EXEMPTIONS.—

"(1) SMALL CORPORATIONS.—This section shall apply to all petroleum industry corporations having an invested capital structure exceeding $2,500,000.

"(2) SET-ASIDE FUND.—The corporation may establish a special fund to be used according to subsection (f) in which yearly income, subject to the surcharge, may be set aside without surcharge consequence. However, such set-aside funds which are not properly invested within 5 years of the taxable year in which they were earned shall be subject to the surcharge with no further exceptions.

"(e) DEFINITIONS.—

"(1) PETROLEUM INDUSTRY CORPORATION.—For purposes of this section the term 'petroleum industry corporation' means any corporation engaged in the exploration, extraction, refining, transportation, distribution, manufacture, production, and/or sale of any petroleum product as its principal business.

"(2) TAXABLE INCOME.—For purposes of computation of the surcharge imposed by this section, taxable income shall be computed without regard to any deductions allowed by reason of the carryback or carryover of any loss.

"(f) SPECIAL DEDUCTION.—In computing the surcharge imposed by this section, there shall be excluded from income, subject to the surcharge, an amount equal to the investment made in the same taxable year or as authorized under subsection (d)(2), for the following purposes:

"(1) exploration or development of new domestic fuel;

"(2) increased domestic productive capacity;

"(3) research and development of new domestic energy sources, fuels, or uses;

"(4) research and development of energy technology affecting:

"(A) location,
"(B) production,
"(C) transportation,
"(D) conversion,
"(E) processing,
"(F) utilization,
"(G) pollution abatement, or
"(H) conservation; or

"(5) other investment reasonably calculated to increase the domestic energy supply or the more efficient use of such energy supply.".

SEC. 2. (a) Section 48(a) of the Internal Revenue Code of 1954, as amended (relating to investment tax credits), is amended by inserting at the end of clause (1)(B)(ii) the following:

(iv) "constitutes a domestic research and development facility for new or expanded energy sources, or

(v) "constitutes tangible property specifically invested in to increase the domestic energy supply or its more efficient use, or".

(b) Section 48 of such Code is amended by redesignating subsection (k) as (l), and by inserting after subsection (j) the following:

"(k) NEW OR EXPANDED ENERGY SOURCES.—

"(1) NEW ENERGY SOURCES.—This term shall include (but not be restricted to) oil shale, tar sand, coal liquefaction, coal gasification, geothermal, solar, hydrogen, and magnetohydrodynamics energy.

"(2) EXPANDED ENERGY SOURCES.—This term shall include (but not be restricted to) the energy sources in (1), plus petroleum, coal, hydroelectric, and atomic energy sources.".

SEC. 3. (a) The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this Act, except as provided for in section 3(b).

(b) The Commissioner of the Federal Trade Commission shall prescribe such regulations and procedures as are necessary to carry out the compilation and publication of rate of return data as directed in section 1(c) of this Act.

SEC. 4. The amendments made by this Act shall become effective with respect to taxable years beginning after December 31, 1978.

By Mr. ROBERT C. BYRD:

S. 891. A bill to establish a Department of International Trade in the executive branch to provide for the effective management of international trade and industry development programs, and for other purposes; to the Committee on Governmental Affairs.

INTERNATIONAL TRADE ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, today I am introducing legislation to create a Department of International Trade. With our trade deficit at a record $28.45 billion in calendar year 1978, with the increasingly severe impact of trade on our labor and business communities, and with growing competition for world trade markets once dominated by the United States, our Nation cannot afford to continue to do business as usual at home or abroad. For these reasons, I am introducing a bill to create a cabinet-level trade department.

This department would bring order and leadership to our international trade activities, and to related domestic industry affairs. It would consolidate the functions of many disparate agencies which now share jurisdiction in this area. It would allow for more efficient promotion of U.S. commercial interests; greater vigilance in the enforcement of laws on unfair trading practices; the improvement of our capability to monitor business and trade developments which have direct relevance for American jobs and industries; and improvement in the administration of controls on export of strategic goods and technology.

The Department of International Trade by consolidating functions, would serve American labor and business interests, and especially the small business community, which often has limited experience with the operation of foreign markets and lacks the resources to identify trade opportunities.

The stakes in trade are high—for our economy as well as the global economy. Total world trade is more than $1 trillion; the U.S. accounts for approximately one-eighth of this. The importance of world trade to our economy can be gaged by the fact that the output of approximately one-third of our crop acreage is exported and about one out of every nine manufacturing jobs depends directly or indirectly on exports. We need to maintain these high levels of exports and insure that our goods and products have access to markets around the world. Failure to do this would seriously weaken our domestic economy.

The cabinet-level trade department created by the bill is designed to allow the current efforts on domestic industry affairs relating to international trade to be integrated into our overall trade effort—to the potential benefit of our trade balance, the international competitive position of our domestic industry, and our Nation's economic health.

As a Senator from West Virginia, I have on numerous occasions talked with labor and business groups who have just grievances on trade matters. As a result, I have seen the Byzantine complexity of our current trade bureaucracy. Business and labor groups must receive better service from their own Government.

We must end the fragmentation of our current efforts in international trade. We need a single department—a Department of International Trade—that can take an aggressive trade stance and come to the defense of American business and labor.

We need to better organize our efforts on trade and industry affairs relating to trade in order to perform better in the international economic arena. Some of our trading partners have learned this lesson, to the benefit of their trade position, and we must do the same. The beneficiaries will be American business and labor, which will gain from an expansion in the sales of American production abroad. The international position of the dollar would similarly gain from an expansion in U.S. sales abroad.

In conclusion, I would note that in my talks this past year with government officials of the major Western European powers, I consistently heard expressions of concern about the troubled state of our balance of payments. It is one of the principal factors which they believe accounts for the decline of the dollar. I believe that a Department of International Trade, which has among its principal responsibilities the financing and promotion of our nonmilitary exports, would do much to help bring our trade accounts into balance and significantly strengthen the American dollar.

Mr. President, I ask unanimous consent that a section-by-section analysis of the bill, which I am introducing, be printed in the Record at this point.

There being no objection, the section-by-section analysis was ordered to be printed in the Record, as follows:

Section-by-Section Analysis of the Department of International Trade Act

TITLE AND FINDINGS

Sections 1 and 2. The bill is entitled "The Department of International Trade Act." In Section 2, Congress sets forth its finding that a single cabinet-level department should exercise unified authority for international trade affairs. Such a department is necessary because it is in the national interest to maintain and promote the export of United States goods and services and thereby contribute to the health or our domestic economy.

The efforts of existing Federal government departments and agencies to deal with issues of international trade are fragmented and dispersed, resulting in inadequate and uncoordinated attention being given to these important issues, A Department of International Trade should be established to implement policies of the Congress pursuant to its constitutional power "to regulate commerce with foreign nations."

PURPOSE AND FUNCTIONS

Section 3. The purpose of the Act is to establish in the Executive Branch of the Federal Government a Department of International Trade to promote the international economic interests of the United States through the consolidation of separate, existing agencies which share jurisdiction over (1) industry affairs relating to international trade; (2) export promotion and financing activities; (3) formulation and implementation of United States policy with respect to unfair international trade practices; and (4) trade reporting and monitoring.

The functions of the Department of International Trade are to:

Formulate and implement policy on international trade matters which will promote the export of United States agricultural commodities, industrial and service products, and raw materials in order to strengthen the international trade position of the United States and ensure that American business and labor are protected from unfair international trade practices;

Direct United States participation in multilateral and bilateral trade negotiations, including negotiations on energy matters;

Direct a comprehensive program of collecting and analyzing information on domestic and foreign business, labor, and commercial trends;

Promote the international competitive position of United States industries;

Provide assistance to United States businesses in marketing goods and services abroad;

Direct long-range planning on international trade matters;

Facilitate and aid in financing exports of goods and services in cooperation with other appropriate government agencies;

Direct and coordinate with other appropriate departments and agencies the enforcement of United States law and policy on trade matters;

Consult with other departments and agencies where appropriate to assure the effective administration of programs which have international trade impact;

Administer export controls, including controls on export of strategic goods and technology;

Administer and enforce customs and related laws;

Gather and disseminate information on imports, including their effects on domestic production, employment, and consumption, in order to help ensure appropriate and prompt responses to changing import trends;

Act to ensure adequate supplies at competitive prices of critical materials necessary for national security and the continued functioning of the Nation's economy; and

Conduct such studies and investigations as may be requested by the President or Congress.

ESTABLISHMENT

Section 4. This section provides for the establishment of the Department to be headed by a Secretary, who shall be appointed by the President, by and with the advice and consent of the Senate. The Secretary shall consult and coordinate with the Secretary of the Treasury with respect to matters affecting international trade and monetary policy, with the Secretary of Energy on international energy issues, and with other Department heads as may be necessary and appropriate.

PRINCIPAL OFFICERS

Section 5. Principal officers of the Department include: a Deputy Secretary for Trade Negotiations, a General Counsel, and a Director of Long-Range Policy Planning, all of whom shall be appointed by the President, by and with the advice and consent of the Senate. There shall be an Inspector General appointed in accordance with the Inspector General Act of 1978.

ASSISTANT SECRETARIES

Section 6. The Secretary shall have four Assistant Secretaries, each of whom shall be appointed by the President, by and with the advice and consent of the Senate: (1) the assistant secretary for agricultural matters; (2) the assistant secretary for industrial and commercial affairs; (3) the assistant secretary for energy matters; and (4) the assistant secretary for law enforcement and investigations.

TRANSFER OF FUNCTIONS

Section 7. This section provides for the transfer to the Secretary of International Trade of—

The Foreign Agricultural Service from the Department of Agriculture;

The Industry and Trade Administration from the Department of Commerce insofar as its functions relate to international commerce;

All functions, powers, and duties of the Department of State, and any officer or component thereof which are carried out through the Assistant Secretary of State for Economic and Business Affairs and through the State Department's commercial attachés, together with such other functions which involve the negotiation of trade and commodity agreements, fisheries matters and the gathering and dissemination of information relating to foreign commercial and labor trends.

All functions, powers, and duties of the Secretary of the Treasury, the Department of Treasury, and any officer or component thereof involving the negotiation of trade and commodity agreements and all functions, powers and duties of the Secretary, the Department, and any officer or component thereof which are carried out through the Assistant Secretary of the Treasury for International Affairs, except those functions of said Assistant Secretary which relate to monetary policy, international exchange, and United States membership in bilateral and multilateral monetary institutions;

All functions, powers, and duties of the Secretary of the Treasury relating to dumping and countervailing duties;

The United States Customs Service;

All functions, powers, and duties of the Special Representative for Trade Negotiations, the Office of the Special Representative for Trade Negotiations, and all officers and components thereof; and

All functions, powers, and duties of the Export-Import Bank of the United States with respect to minimizing competition in government-supported export financing and reaching international agreements to reduce government subsidized export financing.

Nothing in the Act affects the membership or the method of appointment of the Board of Directors of the Export-Import Bank of the United States.

ADMINISTRATIVE PROVISIONS

Section 8. This section contains administrative provisions giving the Secretary authority to hire and fix compensation for employees, delegate authority, enter into contracts, and make grants.

REORGANIZATION

Section 9. This section provides authority to the Secretary to allocate or reallocate functions among Department officers and to establish, alter, or discontinue organizational entities within the Department.

TRANSFER OF PERSONNEL

Section 10. This section transfers the appropriate personnel, assets, and records to the Secretary for appropriate allocation.

AGENCY TERMINATIONS AND INCIDENTAL DISPOSITIONS

Sections 11 and 12. These sections provide for the termination of agencies or components of agencies which are transferred to the Department of International Trade.

SAVINGS PROVISIONS

Section 13. Provides for the continuation in effect of all orders, determinations, rules, regulations, permits, grants, contracts, certificates, licenses, and privileges administered by the discontinued agencies.

ANNUAL REPORT

Section 14. Requires an annual report to Congress of the activities of the Department of International Trade.

REFERENCE

Section 15. Provides that references in Federal law to any agency the functions of which are transferred, shall be deemed to refer to the Secretary or the Department of International Trade.

TRANSITION

Section 16. Authorizes the Secretary of International Trade to utilize the personnel of other Executive branch agencies in order to facilitate the orderly transfer of functions to the Department.

TECHNICAL AND CONFORMING AMENDMENTS

Section 17. The Secretary of International Trade is named as Chairman of the Board, ex officio, of the Overseas Private Investment Corporation, and the Corporation shall have as one of its purposes the promotion of the international trade position of the United States.

AUTHORIZATION OF APPROPRIATIONS

Section 18. Authorizes the appropriation of necessary funds to administer and manage the Department.

SEPARABILITY

Section 19. Provides for the separability of the provisions of the Act.

EFFECTIVE DATE

Section 20. Provides that the transfer of functions provided for in Section 7 shall take effect 120 days after the Secretary first takes office or on such earlier date as the President may prescribe and publish in the Federal Register.

Funds available to any department or agency, the functions of which are transferred to the Secretary by the Act, may, with the approval of the Director of the Office of Management and Budget, be used to pay the compensation and expenses of any officer appointed pursuant to the Act until such time as funds for that purpose are otherwise available.

INTERIM APPOINTMENTS

Section 21. Authorizes the President to make interim appointments for any office of the Department until permanent appointments are made. The President may designate an officer in the Executive branch to act in such office for ninety days or until the office is filled as provided in the Act, which ever occurs first.

By Mr. LEAHY (for himself and Mr. STEWART):

S. 892. A bill to extend the authorization of appropriations for carrying out rural development research, small farm research, and small farm extension programs; to the Committee on Agriculture, Nutrition, and Forestry.

• Mr. LEAHY. Mr. President, I rise to introduce legislation to amend a drafting error in S. 671, the reauthorization of title V of the Rural Development Act of 1972. Senator STEWART and I introduced that legislation on March 15 of this year.

Basically, the legislation I am introducing today would amend S. 671 by reauthorizing the small farm research section of title V, section 503 (c) and (d).

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 892

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 503 of the Rural Development Act of 1972 (86 Stat. 672, as amended; 7 U.S.C. 2663) is amended by—

(1) amending subsection (a) to read as follows:

"(a) There are hereby authorized to be appropriated to carry out the provisions of this title, except subsections (c) and (d) of section 502, not to exceed $20,000,000 for each of the fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982."; and

(2) amending subsection (c) to read as follows:

"(c) There are hereby authorized to be appropriated to carry out subsections (c) and (d) of section 502 of this title not to exceed $20,000,000 for each of the fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982.".

SEC. 2. The provisions of this Act shall become effective October 1, 1979.●

By Mr. HEFLIN:

S. 893. A bill to require the Federal Bureau of Investigation to classify the offense of arson as a part I offense for purposes of the Uniform Crime Reporting Program and the Uniform Crime Reports for the United States; to the Committee on the Judiciary.

● Mr. HEFLIN. Mr. President, being deeply concerned about the need for public awareness of the number of crimes related to arson annually and the magnitude of the effects of these crimes, I am introducing legislation that will permanently make arson a part I offense for purposes of the uniform crime reporting system, as compiled by the Federal Bureau of Investigation.

No other industrial nation in the world, with the possible exception of Canada, sustains fire loses as great as those suffered by the United States. The loss caused by fires to personal property in the United States stated simply is four times what it need be by the standard of other nations similar to the United States in culture and economic development.

In attempting to deal with the general fire loss situation in the United States, it is essential to confront the problem of fires caused by arsonists. The U.S. Fire Administration Fire Incident Reporting System's data indicates that in 1976 approximately 10 to 15 percent of building fires in the United States had unknown or undetermined causes. In the field, it is generally accepted that 50 percent of these fires are probably the result of incidiary acts. Many fire experts also believe that a significant percentage of fires listed as having other causes are actually fires caused by arsonists. The crime of arson has long passed the epidemic stage in the United States. Total losses, direct and indirect, exceed an estimated $15 billion per year.

In an amendment to the 1979 Justice Department Authorization Bill, the F.B.I. was required to begin collecting arson data as a part I offense. This amendment provided an important first step in the attempt to deal with the arson problem effectively. Obviously, we must have the capability to collect accurate statistics concerning fires caused by arsonists in order to plan the kind of further action which is required to reduce and eliminate these crimes. I believe that the legislation that I am introducing is a necessary first step to correct this neglected offense, and I urge your support of this measure to achieve that result.●

By Mr. BURDICK (for himself and Mr. YOUNG):

S. 894. A bill amending the conveyance of property to Mountrail County Park Commission, North Dakota, and for other purposes; to the Committee on Environment and Public Works.

● Mr. BURDICK. Mr. President, today I am introducing legislation that I hope will resolve a land use problem that has arisen in North Dakota. Several years ago, title to a parcel of land along Lake Sakakawea then under the jurisdiction of the U.S. Army Corps of Engineers was deeded to Mountrail County for public park and recreational use. The County Park Board has since that time spent great effort and on a limited budget what constitutes considerable funds to improve this area so that it now provides an outstanding recreational facility for all the people in the area. However, the cost of maintenance and further improvements exceeds the revenues available. The county therefore would like to allow the leasing of a few lots on an annual basis, thus producing enough income so that they may continue their fine work in maintaining the majority of the land as a valuable public park. This bill amends the current law to make that possible by providing that the Federal Government will be reimbursed for the portion of the land to be leased for other than public park.●

By Mr. DURKIN:

S. 895. A bill to amend the Internal Revenue Code of 1954 to increase the dividend exclusion from $100 to $250; to the Committee on Finance.

Mr. DURKIN. Mr. President, I am today introducing legislation to increase the stock dividend exclusion from $100 to $250, effective this tax year.

The beneficiaries of this legislation will be the millions of small investors who are the backbone of what used to be called people's capitalism. Today many of these investors are staying away from equity investments because of the uncertain return and high tax rates compared with other opportunities. As a result we see the Nation's stock markets increasingly dominated by very large institutional investors. The little man and woman are being increasingly squeezed out of the stock markets.

Mr. President, I think this is bad for the market, bad for the country, and bad for the free enterprise system. As I said on introducing similar legislation in the last Congress, a healthy equity market is crucial to stimulating innovation in this country and freeing new sources of risk capital. Without this stimulation, in turn, the Nation's productivity will fall even farther.

The dividend exclusion was last increased in 1963. The change I am proposing is roughly equivalent to the rise in the Consumer Price Index since then. It is past time to bring the dividend exclusion in line with reality.

Mr. President, the simple change I am proposing will not make anyone rich. The Rockefellers will not benefit from this small increase. But it will provide a shot in the arm to the stock market and increase the attractiveness of common stocks for millions of small investors.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 895

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (a) of section 116 of the Internal Revenue Code of 1954 (relating to partial exclusion of dividends received by individuals) is amended by striking out "$100" each place it appears and inserting in lieu thereof "$250".

(b) The amendments made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1978.

By Mr. NELSON (for himself, Mr. TOWER, Mr. PROXMIRE, Mr. MAGNUSON, Mr. CRANSTON, Mr. MORGAN, Mr. BENTSEN, Mr. SASSER, Mr. GARN, and Mr. LAXALT):

S. 896. A bill to amend the Interstate Land Sales Full Disclosure Act; to the Committee on Banking, Housing, and Urban Affairs.

INTERSTATE LAND SALES FULL DISCLOSURE ACT AMENDMENTS OF 1979

● Mr. NELSON. Mr. President, along with nine other Senators, I am today introducing legislation that would significantly reduce the regulatory and paperwork burden imposed on small land developers by HUD's Office of Interstate Land Sales Registration. That office is charged with the administration of the Interstate Land Sales Full Disclosure Act of 1968.

However, in its 10-year application of the statute, the Office has proven itself as a classic example of a bureaucracy intruding in areas it was not authorized to, and expanding its jurisdiction without congressional direction or approval.

The original intent of the Interstate Land Sales Full Disclosure Act was to eliminate fraudulent practices in the "interstate" sale of land. The very title of the statute, "Interstate Land Sales" establishes this. The statute was enacted to address a legitimate problem, and its objective is still valid today. Unfortunately, HUD has not been able to see the mandate of law that way, and has interpreted this "interstate" law as granting it the authority to regulate all types of land sales, including purely "intrastate" sales.

This stretching of jurisdiction into the "intrastate" market needlessly subjects businesses, primarily small developers and realtors, to substantial and unnecessary costs and paperwork. This unwarranted extension of authority also costs the taxpayers additional dollars, and diverts the personnel the agency claims it continually lacks from the mandate Congress directed the Office to carry out.

Mr. President, it is simply time for the Congress to cut the Office of Interstate Land Sales Registration in half and force it to confine its activities to the protection of buyers in the "interstate" market. The legislation which I am introducing today will make unmistakably clear the limits of OILSR's jurisdiction

The most common complaint regarding OILSR comes from the small business real estate operator who has never been involved in "interstate" land sales and has no intention of engaging in such an operation, but who has nonetheless been drawn into the jurisdictional net because of OILSR's interpretation of what constitutes "interstate commerce." One small business "intrastate" realtor, who was engaged in a dispute with OILSR, wrote me:

> It is another example of a regulatory agency placing an almost insurmountable reporting burden on a small businessman who has neither the staff nor the economic wherewithal to stay in compliance and still be able to carry on his regular business.

The paperwork burden imposed by Government regulations is a matter of growing concern for businessmen of this country. The President has made the lessening of this burden one of the primary concerns of his administration. There is a consensus among the Members of Congress to assist the administration in reaching a reasonable level of regulation, which will carry out the mandates of Congress with the least amount of expense and aggravation for both the public and the Government. The operation of HUD's Office of Interstate Land Sales Registration works at cross purposes with this goal.

Mr. President, I believe that two examples of OILSR's operation from my own State of Wisconsin demonstrate the ridiculous regulatory nightmare that Office has created.

A one man real estate operator in Green Bay, Wis., who had never sold so much as a single lot in interstate commerce, was caught in a bureaucratic mess because OILSR determined:

> The material that the developer has submitted clearly indicates that in the sale and promotion of these subdivisions, he has advertised in newspapers, used the telephone and made use of the U.S. mails.

Therefore, says OILSR, he is covered by the act. This real estate operator did use a telephone and the U.S. mails, but strictly within the State of Wisconsin; and the "newspapers," referred to by OILSR was in reality one local newspaper—the Green Bay Press Gazette, with a circulation of 55,400—567 of which were sent to subscribers in the Michigan Upper Peninsula.

Under any circumstances, how does this "intrastate" operator fit into any category of abuses the ISLSFD Act sought to eliminate?

This real estate operator, believing strongly that OILSR was overstepping its authority, refused to comply with HUD's demands that he file for an exemption. He was subsequently advised that he was in criminal violation of Federal law and was subpenaed to appear in Washington with all his records. Fortunately, this order was eventually withdrawn, and he did finally file for and receive an exemption.

The second example involves a Wisconsin developer who sold lots to Wisconsin residents under what he believed to be a proper operation under the Interstate Land Sales Act. Nevertheless, the Office of Interstate Land Sales Registration insisted that the developer send notice by certified mail that because of a "technicality" in meeting the terms of the act, he was offering the buyers an opportunity to rescind their purchases.

Not one of the original buyers had ever raised any problem with the developer as to the quality of the lots purchased. In fact, several years had gone by before the rescission letter was ultimately sent. Four purchasers did exercise their right to rescind.

On the one hand, the developer was disappointed to have to return the money to purchasers who were perfectly happy with their lots. On the other hand, he was happy to have the title to the property back since in the intervening years the value of the land increased and he was able to make a net profit of almost $16,000.

Mr. President, this legislation is similar to legislation I introduced along with 11 other cosponsors last year. The bill (S. 2716) was approved by the Senate Banking Committee and incorporated as part of S. 3084, the fiscal year 1979 housing authorization bill. The Senate approved these provisions last July 20, and even added an additional exemption from the registration provisions of the interstate land sales full disclosure beyond the two that I initially recommended.

Unfortunately, the House conferees, meeting on the disagreement to the housing bill, were not able to accept the preponderance of the Senate amendments because they had not had an opportunity to fully study the Office of Interstate Land Sales Registration's operations. Limited portions of my bill were adopted, however, including the so-called municipal exemption.

This bill, with slight modifications, incorporates those provisions of S. 2716 of the last Congress which were not adopted. In addition, I suggest some technical corrections to the municipal exemption to clarify drafting errors and correct existing language which has made the exemption virtually useless to the industry it was designed to assist.

Mr. President, this legislation is not designed to provide comprehensive reform to problems both developers and HUD are having in implementing the Interstate Land Sales Full Disclosure Act. Rather, it is meant to clearly and unmistakably establish in law the nature of OILSR's jurisdiction. The net effect of the bill is to remove OILSR from requiring burdensome and costly registration by those developers who sell land in "intrastate" as opposed to "interstate" commerce.

No doubt HUD will argue that there are problems with intrastate developers similar to those experienced with multi-State developers. It is my firm belief that the Federal Government does not need to provide protection to the residents of the State of Wisconsin when they are threatened by Wisconsinites. That responsibility rests with the State of Wisconsin. In "interstate" land sales, of course, HUD does have a legitimate role to play.

HUD may also argue that legislation is not necessary because they are proposing new regulations which will address most of these concerns. Frankly, we have been waiting for these new regulations to be published since the first draft was submitted in January of 1977. I am not confident that, given HUD's historical treatment of the existing provisions of the Interstate Land Sales Act, the regulations will resolve the questions and difficulties that I have. Simply, there is no other solution than a legislative one which will once and for all remove any doubt in HUD's mind as to the nature of their responsibilities.

These amendments will focus on the real attention of OILSR's jurisdiction so that its resources can be committed to effectively protecting the land buying consumer by controlling any fraudulent "interstate" land sales. Businesses and Government will benefit from the reduced paperwork and consumers will be looking out for their interests only in the areas where the Federal Government has a legitimate role to play.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 896

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Interstate Land Sales Full Disclosure Act Amendments of 1979".

SEC. 2. (a) Section 1403(b) of the Interstate Land Sales Full Disclosure Act is amended—

(1) by striking the phrase "Unless the method of disposition is adopted by" and inserting in lieu thereof "Unless the method of disposition is adopted for"; and

(2) by adding after the phrase "the requirements of sections" the phrase "1404 (a) (1) and";

(b) Section 1403(b) (1) of such Act is amended—

(1) by inserting "(a)" after "(1)";

(2) by inserting after the phrase "the subdivision meets all local codes and standards and" the phrase "(b) each lot"; and

(3) by striking the word "ordnance" and inserting in lieu thereof "ordinance".

(c) Section 1403(b) (2) of such Act is amended by—

(1) striking the word "public" in both places in which it appears; and

(2) by striking the semicolon at the end thereof and inserting in lieu thereof "or has approved other provisions made to insure the perpetual maintenance of such street or highway;".

(d) Section 1403(b) (4) of such Act is amended by striking the word "deed" and inserting after the phrase "delivery of a warranty" the phrase ", grant, or similar deed conveying title to real property and commonly accepted in the State in which the subdivision is located".

(e) Section 1403(b) (5) of such Act is amended to read as follows:

"(5) Prior to the time of closing, a title insurance binder or title opinion reflecting the state of the title, shall be in existence and issued or presented to the purchaser showing that in connection with the transaction marketable title to the lot purchased is vested in the seller.".

SEC. 3. Section 1403 of such Act is further amended—

(1) by redesignating subsection (c) as subsection (d), and

(2) by inserting after subsection (b) the following new section:

"(c) Unless the method of disposition is adopted for the purpose of evasion of this title, the requirements of sections 1404(a) (1) and 1405 through 1408, inclusive, shall not apply to—

"(1) the sale or lease of real estate by a developer who is engaged in a sales operation which is intrastate in nature. For purposes of this exemption, a lot may be sold only if—

"(A) the lot is free and clear of all liens, encumbrances, and adverse claims;

"(B) the purchaser or his or her spouse has made a personal on-the-lot inspection of the lot purchased;

"(C) each purchase or lease agreement contains a clear and specific statement describing the party responsible for providing and maintaining the roads, water facilities, sewer facilities, and any existing or promised amenities.

As used in this clause (1), the terms 'liens', 'encumbrances', and 'adverse claims' do not include United States land patents and similar Federal grants or reservations, property reservations which land developers commonly convey or dedicate to local bodies or public utilities for the purpose of bringing public services to the land being developed, taxes and assessments imposed by a State, by any other public body having authority to assess and tax property, or by a property owners' association, which, under applicable State or local law, constitute liens on the property before they are due and payable or beneficial property restrictions which would be enforceable by other lot owners or lessees in the subdivision, if—

"(i) the developer, prior to the time the contract of sale or lease is entered into, has furnished each purchaser or lessee with a statement setting forth in descriptive and concise terms all such reservations, taxes, assessments, which are applicable to the lot to be purchased or leased; and

"(ii) receipt of such statement has been acknowledged in writing by the purchaser or lessee;

"(2) the sale or lease of real estate not to exceed five hundred lots in a subdivision, by a developer to the resident of another State when the principal residence of the purchaser is within a radius of one hundred miles from the property purchased if—

"(A) the lot is free and clear of all liens, encumbrances, and adverse claims;

"(B) the purchaser or his or her spouse has made a personal on-the-lot inspection of the lot purchased;

"(C) each purchaser or lease agreement contains a clear and specific statement describing the party responsible for providing and maintaining the roads, water facilities, sewer facilities, and any exsting or promised amenities;

"(D) the developer executes and supplies to the purchaser a written instrument designating a person within the State of residence of the purchaser as his agent for service of process; and acknowledges that the developer submits to the legal jurisdiction of the resident State of the purchasers; and

"(E) the developer executes a written affirmation to effect that he has complied with the provisons of clauses (A), (B), (C) and (D) of this clause (2), such affirmation to be given on a form provided by the Secretary, where such form shall include only the name and address of the developer, the name and address of the purchaser, a legal description of the lot, and affirmation that clauses (A), (B), (C) and (D) have been complied with, a statement that the developer submits to the jurisdiction of the Act in regard to the sale, and the signature of the developer. The affirmation is to be kept on file by the Secretary.

As used in this clause (2), the terms 'liens', 'encumbrances', and 'adverse claims' do not include United States land patents and similar Federal grants or reservations, property reservations which land developers commonly convey or dedicate to local bodies or public utilities for the purpose of bringing public services to the land being developed, taxes and assessments imposed by a State, by any other public body having authority to assess and tax property, or by a property owners' association, which, under applicable

State or local law, constitute liens on the property before they are due and payable, or beneficial property restrictions which would be enforceable by other lot owners or lessees in the subdivision, if—

"(i) the developer, prior to the time the contract of sale or lease is entered into, has furnished each purchaser or lessee with a statement setting forth in descriptive and concise terms all such reservations, taxes, assessments, which are applicable to the lot to be purchased or leased; and

"(ii) receipt of such statement has been acknowledged in writing by the purchaser or lessee.".

SEC. 4. Section 1404(b) of such Act is amended by adding after the phrase "in a subdivision covered by this title where the property report" the phrase "is required to be provided but".

SEC. 5. Section 1412 of such Act is amended by adding after the phrase "SEC. 1412." an "(a)" and by adding a new subsection as follows:

"(b) For purposes of an action to enforce a liability created under section 1410(b)(1), brought for a violation of section 1404(a)(1), the date of sale or lease shall be the time a contractual relationship is created between the developer or agent and the purchaser.".

SEC. 6. Section 1416 of such Act is amended by adding at the end thereof the following:

"(c)(1) In discharging his responsibilities under this title, the Secretary shall conduct all actions with respect to rulemaking or adjudication in accordance with the provisions of chapter 5 of title 5, United States Code.

"(2) The Secretary, by rule, shall prescribe the procedure applicable to every case pursuant to this title of adjudication (as defined in section 551 of title 5, United States Code) not required to be determined on the record after notice and opportunity for hearing. Such rule shall, as a minimum, provide that prompt notice shall be given of any adverse action or final disposition and that such notice and the entry of any order shall be accompanied by a statement of legal authority and other written reasons.".●

By Mr. DURKIN:

S. 897. A bill to amend the Internal Revenue Code of 1954 to provide that the Internal Revenue Service shall not assess any deficiency or interest in the case of returns based upon written and certain oral advice of the Internal Revenue Service; to the Committee on Finance.

Mr. DURKIN. Mr. President, we have almost arrived at tax time, when millions of Americans are wondering whether their innocent attempts to understand and use the tax code we have provided them will come to grief. The plain fact is that many Americans have given up trying to understand the tax code. They rely on others to tell them what they owe. Then they pay. But not willingly, and not out of any deep-seated feeling that their taxes are fairly levied and fairly administered.

For this reason, many of us in this body have tried time and again over the past few years to simplify and streamline the Internal Revenue Code. We have generally failed. Each tax bill makes the code longer and more complex.

For this reason I determined last year that if we cannot immediately simplify the tax code itself, we should at least try as best we can to simplify the administration of the code, and introduce legislation to that end. Congress took a step in the direction I urged by requiring the IRS to develop forms and instructions that the average man or woman in this country can understand. I hope that this approach will soon bear fruit.

However, I believe that the time has come to take another step toward the more equitable administration of the revenue laws. It is time to require the IRS to follow elemental principles of fair play and administrative responsibility, end the unconscionable practice under which the Service feels free to disavow the explicit advice of its own agents, and prevent the taxpayer from being sandbagged by his own Government.

What is the situation now? It is true that any one of us can call up an IRS hot-line and ask for tax advice. Sometimes a few of us even get through to an IRS agent instead of a busy signal. It takes patience but it can be done. And usually the agents are helpful and courteous.

Unfortunately the good news ends there. For the same question asked of several IRS agents often elicits diametrically opposite answers. Some of the answers may be right, some may be wrong. But the average taxpayer believes that the IRS ought to know what it is talking about, and naturally, will rely on what the IRS officer tells him.

Often he relies on this information to his cost. For the IRS feels no compunction in sheltering behind the ancient legal shibboleth that the Government is not bound by the actions of its officials. And so, the unfortunate taxpayer finds himself saddled with penalties and interest charges and perhaps other types of liability, all because he was foolish enough to listen to a representative of his Government.

Mr. President, it is difficult to imagine a more pernicious practice. It is past time for this practice to end.

Therefore, I am introducing today a measure to require the IRS to stand behind the representations of its agents. This bill is very simple. It merely extends the ordinary principles of agency law to certain categories of IRS actions.

Under the bill, if an Internal Revenue Service employee, acting in his or her official capacity, answers a question from a taxpayer about his liability, the answer is binding upon the Service. The taxpayer is entitled to rely upon the answer and the Service is estopped from assessing any deficiency, penalty or interest attributable to wrong advice.

This estoppel applies to all erroneous advice given in writing. It also applies to all oral advice with respect to more than $100 in tax liability. In order to prevent confusion and possible misrepresentations, the bill requires that whenever an IRS employee gives oral advice involving more than $100 in possible tax liability, the employee is required to make a contemporaneous record of the advice. I intend that this record should be the best evidence of the nature of the advice given.

Mr. President, I imagine that some might say that we cannot pass such a measure because there will be a significant revenue loss. The fact is that if the IRS agents give good advice in the first place, there will be no revenue loss at all. I refuse to accept this type of argument. The Treasury simply should not make money by misleading the taxpayer. If it does so, it should stop.

Similarly, Mr. President, I cannot buy the argument that this type of measure will be impossible to administer. If IRS agents are giving bad advice, let them be better trained. As a member of the Appropriations Committee I will fight hard for this kind of training. It will be money well spent. So let the administration request funds for this purpose, and I am confident that the Congress will respond.

Mr. President, the change I am proposing is really very simple. It is a simple matter of equity, a simple matter of fair dealing. I believe we owe this to the American people and to ourselves.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 897

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6404 of the Internal Revenue Code of 1954 (relating to abatements) is amended by adding at the end thereof the following subsection:

"(e) Abatement of Deficiency and Any Penalty or Interest Attributable to Written and Certain Oral Advice by the Internal Revenue Service.—

"(1) Abatement deficiency.—The Secretary shall abate the full amount of any deficiency attributable to erroneous advice furnished to the taxpayer in writing, or orally in the case of advice described in paragraph (3), by an officer or employee of the Internal Revenue Service, acting in his official capacity, in response to a specific request of the taxpayer unless the deficiency resulted from—

"(A) a failure by the taxpayer to provide information, or

"(B) a willful misrepresentation by the taxpayer.

"(2) Abatement of penalty or interest.—Any penalty or interest imposed on a deficiency abated under paragraph (1) shall be abated.

"(3) Oral advice.—Each officer or employee who gives oral advice to any taxpayer in any case with respect to which more than $100 of tax liability is involved shall make a written notation with respect to—

"(A) the name and address of the taxpayer, or other identification information,

"(B) the nature of the request, and

"(C) the advice given.".

Sec. 2. The amendment made by this Act applies to returns filed for taxable years beginning after the date of enactment of this Act.

By Mr. DURKIN:

S. 899. A bill to extend the authority under the Emergency Petroleum Allocation Act of 1973; to the Committee on Energy and Natural Resources.

Mr. DURKIN. Mr. President, I am today introducing legislation to insure that the President's inflation program will not be utterly destroyed by an imprudent decision to remove price controls on the price of crude oil. This is to help prevent the President of the United States from undoing and completely torpedoing the anti-inflation program that seems to emanate from the White House. I am concerned that the President today will announce some form of decontrol of oil, domestic crude oil. It would be an imprudent decision and would have dire economic consequences all across the country, but especially in my area of the country, which is at the empty and expensive end of the energy pipeline.

I am not going to repeat the facts. They are altogether too well-known at home. When OPEC oil or Middle Eastern oil was 89 cents a barrel, the Government of the United States would not let the people of New England import that oil. They forced us to buy higher-cost domestic oil. They forced OPEC to form a cartel to crack the American market.

So the legislation I am introducing today eliminates immediate Presidential action.

The bill amends the Emergency Petroleum Allocation Act of 1973 to extend mandatory price controls on crude oil to 1985 and optional price controls on oil to 1987. Between 1985 and 1987 the President will have the same ability to alter prices unilaterally or end price controls with congressional approval that he has beginning June 1 of this year until 1981 when all controls end under the 1973 act.

The current economic and energy situations fully justify continuing controls. In the last year alone the price of gasoline and home heating oil have risen an astronomical 25 percent. In the weeks ahead the Department of Energy's "gasoline tilt" decision will add another 4 cents per gallon to the price of gasoline. The recent OPEC decision to raise oil prices 9 percent plus a $4 kicker will cost the American motorists another 3 to 4 cents, at a minimum. The price increases are already wiping out the income gains made by millions of hard-working Americans. Unless the price controls are extended as I today propose, the already profit-bloated oil companies will experience a windfall of unprecedented proportions at the expense of millions of hard-pressed consumers.

An extension of these price controls will not seriously undermine our national effort to achieve energy independence, but they will prevent profiteering by those who would exploit our current energy dependence.

The complete removal of all price controls will probably result in the production of some additional oil in this country. However, the amount of additional oil which will be produced as a result of decontrol will be so small that it will barely affect the overall energy picture. We have a crisis in this country because oil is approaching $18 a barrel. According to the CBO, decontrolling oil will bring on line only an additional 200,000 barrels a day by 1985. CBO also estimates the consumer's oil bill will rise by some $13 billion per year. Simple division shows that we are talking about $180 per barrel—$180 per barrel. Only if one accepts the cartel and oil company position that high oil prices are good oil prices is $180 a barrel oil a solution to $18 a barrel oil.

I think it is important to put the additional oil which decontrol will bring into perspective. There are many measures we could take which would bring the Alaskan North Slope oil field up to its full efficient rate of production and gain an additional 400,000 barrels of oil per day. We could convert our abundant wood, farm, and urban wastes into alcohol and replace much more foreign oil than decontrol would ever bring. And at a far cheaper price.

We must dispel the illusion propagated by the oil cartel, the oil companies, and their political apologists that oil prices in this country are "artificially low." Nothing could be further from the truth. Oil prices internationally are artificially high. Oil prices internationally are set by an oil cartel, an oil monopoly operating beyond the range of American antitrust law. Federal price controls have been the only check on these ever-rising prices.

There is no free market operating in the oil market. Decontrol will not bring back the free market. Decontrol will simply permit the oil producers in this country to become de facto, ex officio members of the OPEC cartel, raising their prices whenever OPEC decides on another price increase. It is foolish to talk about the market price of oil. There is no market price of oil. There is only a cartel set price of oil, and that is where prices will go if they are decontrolled.

The results of OPEC manipulation have been painfully apparent, especially in New Hampshire and New England. We have suffered more than most from high oil prices. We are 6 percent of the Nation's people, yet we use 26 percent of the oil. We, more than most, have already paid higher prices.

Not only is New England currently bearing the brunt of "war on energy," New England during the 1950's and 1960's suffered as a result of our misdirected oil import quota policy. When oil in the Persian Gulf sold for 89 cents a barrel, we in New England were forced to buy expensive domestically produced oil at almost $3 a barrel.

Like oil decontrol today, this policy to enrich the oil companies was justified in terms of national security. Really what it did was keep New England oil prices higher than most. Just as there is no such link between high oil prices and national security today, there was none then. Its backers claimed that the oil import quota system helped the domestic industry during the 1950's and 1960's. But the oil import quota system is also responsible for OPEC's current near monopoly control over world oil supply, because it led to a premature depletion of our domestic oil reserves. The oil quota system must bear much of the blame for our current problems. It certainly did not add to our national security.

The aggregate economic consequences of oil decontrol will be severe. Between now and 1981, at a minimum, between .6 percent and 1 percent will be added to the consumer price index. The recent increase in the posted OPEC price and the prospects of surcharges ahead all but guarantee that the figure of 1 percent may be too conservative. Decontrolling the price of oil will do more to increase inflation than almost anything else the administration can do.

The rising burden of energy costs does not fall equally on the American people. The poorest quarter of the population pay almost 20 percent of their income for energy. For more affluent Americans, energy costs are a small, but rising part of the cost of living. For those who already pay 20 percent of their incomes for energy costs, decontrol will be devastating. Much of the progress we have made in this country in reducing poverty and making jobs available to all will be reversed by a decision to decontrol oil prices.

The burden of oil decontrol will be especially great in rural areas, where people are greatly dependent on the automobile for the most basic functions of life. Any curtailment in consumption that decontrol brings will fall heavily on these people, the people who can least afford to curtail.

Rather than placing an undue burden on rural and poor Americans by sharply higher prices, the administration needs to take steps to curtail consumption in urban areas, where income is higher, where alternatives of mass transit are available, and where pollution is already such a great problem. Many urban problems—traffic congestion, air pollution, transit system underuse, spiraling road construction and repair costs—could be substantially improved by well-conceived initiatives to reduce urban gasoline consumption which is least sensitive to the price rises that are so devastating in rural areas.

For all these reasons, I am today introducing legislation which will extend mandatory price controls on crude oil to 1985, and optional price controls on oil until 1987. Decontrol will cost you more than it saves, and it will have it greatest impact on those least able to bear the costs. I am hopeful that my colleagues will feel as I do and vote to extend such needed controls.

I ask unanimous consent that the text of my bill and the CBO report on the effects of oil decontrol be inserted in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 899

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 (a) of the Emergency Petroleum Allocation Act of 1973 is amended by striking "39 months" and substituting "115 months".

SEC. 2. Section 18 of the Emergency Petroleum Allocation Act of 1973 is amended by—

(1) striking "40th month" and substituting "116th month"; and

(2) striking "1981" and substituting "1987".

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., March 13, 1979.

Hon. ROBERT N. GIAIMO,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request of February 28, 1979, that the Congressional Budget Office outline the costs and benefits of decontrolling the price of crude oil.

On June 1, 1979, the now-mandatory price controls on domestic crude oil become optional (to the President's discretion) and, in September 1981, these controls expire. Several possibilities regarding crude oil pricing have been discussed; principal among these are immediate decontrol on June 1, phased-in decontrol between June 1979 and September 1981, or adoption of some lower price path that would presumably require new statutory authority after September 1981.

Decontrol, whether immediate or phased, would produce several benefits. Higher crude oil prices would promote a limited reduction in demand—by encouraging substitution of alternative fuels and outright conservation—and might induce both increased oil supplies from older wells and new exploration. Price increases under decontrol would encourage investments in solar energy and conservation but they would probably not be sufficient to make nonconventional fuels such as liquefied coal or shale oil economic. Combined, these supply and demand effects would provide some relief from oil imports, although the total impact would be small. An additional benefit of decontrol, albeit noneconomic, is that it would mollify our OECD allies and the OPEC producers, who have insisted that the United States eliminate the subsidy that crude oil regulation provides for domestic energy consumption. Both of these organizations view adoption of the world price, with or without a tax scheme similar to the Crude Oil Equalization Tax (COET), as a test of whether the United States is willing to address the energy problem.

On the other hand, decontrol poses economic costs. Price increases, whether sudden or gradual, for domestic oil accelerate inflation, slow economic activity, and create unemployment. Moreover, these price increases worsen income distribution by placing a new burden on low-income households, and by transfering a windfall gain from consumers to producers through higher prices for oil that could be produced at regulated prices, as in the past. This windfall can be addressed through excess profit or severance taxes, and the burden of higher prices on low-income households could be offset, in full or in part by the rebating of the resulting revenues.

Our initial estimates of oil decontrol can be summarized as follows:

Decontrol of crude oil demand, whether phased or immediate, would induce a reduction in demand of about 300,000 barrels a day by 1985.

Decontrol would produce an increase in domestic production of about 200,000 barrels a day by 1982, and perhaps less by 1985. The combined effect of this supply response and the induced conservation cited would appear to be about 500,000 barrels a day, reducing imports in 1985 by about 5 percent.

As compared with the 10 percent a year price increases allowed under current law, immediate decontrol would result in a pretax transfer of $7.2 billion in 1979, $14.4 billion in 1980, and $10.7 billion in 1981, for a total of about $32 billion for the 28-month period between May 1979 and September 1981. If decontrol were phased, the pre-tax transfer would be $1.1 billion in 1979, $6.6 billion in 1980, and $8.6 billion in 1981, for a total pre-tax transfer of about $16 billion over the 28-month period. (All figures are in current dollars.)

Preliminary estimates of the effects of immediate decontrol of crude oil indicate that the rate of inflation would be higher by 0.2 to 0.3 percentage point in 1979 and by 0.4 to 0.5 percentage point in 1980; the rate of increase would subside to 0 or 0.1 percentage point in 1981 and 1982. By 1982, real GNP would be depressed by $6 to $9 billion, with roughly 0.2 percent higher rate of unemployment. Phased decontrol would result in a delayed inflationary impact, with an increase of about 0.1 percentage point in 1979, 0.3 to 0.4 percentage point during 1980 and 1981, and only 0.1 percentage point or less in 1982. In both cases, the level of prices would be 0.6 to 1.0 percent higher by the end of 1982. By contrast, phased decontrol would depress real output only $4 to $6 billion by 1982, with an unemployment rate about 0.1 percentage point lower than in the immediate decontrol case.

In the mid-1980s, the economy would recover from the effects of decontrol, although the recovery would be somewhat delayed in the case of phased decontrol. Part of the impetus for this recovery could come through the spending of the windfall profits, which would lead to more investment and improved productivity growth.

For the purposes of this analysis, the following cases were constructed and assumptions made.

Current Policy. An average refiner's acquisition cost of domestic crude of $10.50 a barrel was assumed for 1978, based on extrapolation of the existing data for that year. This figure was inflated by 10 percent a year until 1985, reflecting the statutory limit in crude wellhead price increases (as allowed under the Energy Policy and Conservation Act of 1975), and in anticipation of increases in transportation charges. The projected average refiner's acquisition costs of all crude for 1979–1985 under the current policy, phased decontrol, and immediate decontrol are presented in Table 1. Production and import projections for the current policy case are presented in Table 2.

Phased Decontrol. Starting in the third quarter of 1979, the average domestic crude wellhead price is increased by a schedule that brings the refiner's acquisition cost of domestic oil to that of imports by the fourth quarter of 1981. The price of imported oil is taken from the price of Saudi Arabian light oil (the so-called "marker barrel"), which is scheduled to rise from $12.70 a barrel to $14.54 by the end of 1979 and is projected to increase with the rate of inflation (7 percent) thereafter. To this price, a transportation charge of about $2.00 a barrel (rising to about $3.00 a barrel by the end of 1985) is added to calculate refiner's acquisition cost. By the end of the phase-in (1981: 4), the acquisition cost of both domestic and foreign oil will be $18.96 a barrel.

Immediate Decontrol. By the third quarter of 1979, all controls on domestic crude are removed, thereby allowing the refiner's acquisition cost of domestic crude oil to rise to the level of foreign crude ($16.19 a barrel). Thereafter, oil prices are projected to increase with the rate of inflation (7 percent).

For all the policies, it was assumed that the refiners fully pass through the crude oil price increases. For a variety of reasons, many analysts believe the actual passthrough would be somewhat less than 100 percent. The Administration, for example, has generally assumed that, if domestic crude oil prices were allowed to rise to world levels, only two-thirds of the price increase would be passed through to consumers. Since the initial inflationary impact of each policy option is approximately proportional to the amount of passthrough, if a two-thirds passthrough is assumed, the initial inflationary impact would be forecast to be about two-thirds of that presented here.

For all the policies, it was also assumed that no changes occurred in the prices of other fuels, such as coal or natural gas. To the extent that some increases in the price of these fuels might occur, the estimates of inflation and lost output might be slightly underestimated.

IMPACT OF DECONTROL ON THE DOMESTIC OIL MARKET

Higher crude oil prices would, to a limited extent, reduce oil imports by reducing demand for oil and inducing additional supplies. Combined, these demand and supply responses would eliminate a possible 500,000 barrels of imports a day by 1985, with most of this cutback coming from reductions in demand.

CBO's preliminary estimate of the conservation effect of decontrol is approximately 300,000 barrels a day—slightly less if decontrol is phased, more if immediate. These estimates are based on a medium-term elasticity of demand for all petroleum products of 0.20–0.25. Such a figure is supported by available evidence; industrial use of energy appears to be sensitive to price, and the most price insensitive of petroleum uses—for home heating and automotive gasoline—is estimated to have an elasticity of about 0.1 over this five- to seven-year term. This latter figure must be considered a floor for the elasticity of all crude oil uses.

Other factors, of course, will affect demand for crude. First among these is real income and GNP growth, which motivate most energy demand. The price and availability of alternative fuels (notably, natural gas) for industrial, commercial, and space heating uses will also determine final demand for oil.

CBO estimates that the effect of decontrol on supply from old wells will be limited to 200,000 barrels a day at its peak, which should begin within two years of decontrol. Currently, old wells are assigned a base production level (BPCL) according to their historical production rates. Up to the level indicated by the BPCL, all production from old wells receives a "lower tier" price. Production in excess of the BPCL is considered "upper tier." The BPCL is allowed to decline slowly over time, partially reflecting average rates of decline in production of oil wells if no new investments were made. Some incentives, therefore, already exist for increased production from old wells. Some wells may not, however, be able to produce their BPCL allotment without costly pressure maintenance or additional in-fill drilling, and therefore they may not be producing at a maximum. This type of well will be especially responsive to higher prices. An initial estimate of the amount of new oil that would be produced from old wells under decontrol is 200,000 barrels a day.

Two other possible sources of new supply exist. The first is new fields. At this moment, a new well would receive the upper tier price of $12.50 a barrel. Within two months, the Department of Energy (DOE) is expected to announce creation of a "new-new tier" that would allow oil produced from qualifying new wells drilled after January 1, 1979, to receive the world price. Depending on the definition of "new new" oil, this action would effectively decontrol qualifying new production. If DOE carries this out, then decontrol of all would not appreciably affect the development of new fields.

The second possible source is "nonconventional" oil, which includes shale oil, coal liquefaction, synfuels production, and tertiary recovery. At present, tertiary projects can qualify for decontrolled price treatment, and even under total decontrol shale oil and coal-based synfuels would not be economic in today's markets.

MACROECONOMIC IMPACT OF CRUDE OIL DECONTROL

In the near term, decontrol of domestic crude oil would create economic losses by escalating inflation and reducing real output. CBO's preliminary estimates of these effects are shown in Table 3. While the pattern of the impact on the rate of inflation differs between the immediate and phased decontrol cases, the cumulative impact on the level of prices is similar, with the level of consumer prices increasing by 0.6 to 1.0 percent by the end of 1982. Although immediate decontrol leads to a more severe near-term impact on real economic output than does the phased decontrol, the economy recovers more slowly under the latter decontrol plan.

Under either decontrol plan, the state of the economy in the longer run will be strongly influenced by economic policy. If monetary policy is accommodative and the money stock is increased, inflation should stabilize with a higher level of prices. On the other hand, if monetary policy is restrictive, interest rates would be expected to rise with a negative effect on the rate of growth of real output. If the fiscal policy choice is to tax away and rebate the windfall profits, the major long-run impact on the economy will come through the change in the relative price of oil. If the windfall profits are not taxed, then a shift toward greater investment growth might be expected, accompanied by some long-term improvement in productivity trends.

As compared with the currently allowed price increases of 10 percent a year, immediate decontrol would result in a pre-tax transfer of about $32 billion from consumers to producers between now and September 1981. If decontrol were phased, the pre-tax transfer would be about $16 billion. The disposition of these reserves will have an important influence on the macroeconomic impact of decontrol. It is unclear how much of the windfall will be allocated to oil exploration and production. Such expenditures would virtually have to double to absorb the full $14.4 billion pre-tax windfall created by immediate decontrol in 1980. A variety of constraints, among them a shortage of drilling equipment, would most certainly inhibit such rapid growth.

We would, of course, be glad to respond to any questions you may have.

With best wishes.

Sincerely yours,

ALICE M. RIVLIN,
Director.

TABLE 1.—AVERAGE U.S. REFINER'S ACQUISITION COST OF CRUDE OIL UNDER DIFFERENT PRICE CONTROL SCENARIOS

[In nominal dollars per barrel]

Year	Current policy	Phased decontrol	Immediate decontrol
1979	13.78	13.96	14.91
1980	15.06	16.09	17.30
1981	16.33	18.18	18.50
1982	17.71	19.78	19.78
1983	19.24	21.14	21.14
1984	20.85	22.60	22.60
1985	22.60	24.14	24.14

TABLE 2.—U.S. CONSUMPTION OF DOMESTIC AND IMPORTED OIL AND OIL PRODUCTS UNDER PRESENT POLICY

[In millions of barrels per day]

Year	Total U.S. consumption	Domestic production	Imports
1978	16.7	8.7	8.0
1979	17.1	8.6	8.5
1980	17.5	8.6	8.9
1981	18.0	8.6	9.4
1982	18.4	8.5	9.9
1983	18.9	8.5	10.4
1984	19.4	8.5	10.9
1985	19.9	8.3	11.6

Note: Natural gas liquids excluded.

TABLE 3.—MACROECONOMIC EFFECTS OF CRUDE OIL DECONTROL

Economic variable	Immediate decontrol				Phased decontrol			
	1979	1980	1981	1982	1979	1980	1931	1982
CPI (percent change)	+0.2 to +0.3	+0.4 to +0.5	0 to +0.1	0 to +0.1	0 to +.1	+0.3 to +0.4	+0.3 to +0.4	0 to +0.1.
Real GNP (billions of dollars)	−1 to −2	−4 to −6	−5 to −7	−6 to −9	0 to −1	0 to −2	−2 to −4	−4 to −6.
Unemployment/rate (percent change).	0	+0.1 to +0.2	+0.1 to +0.2	+0.1 to +0.3	0	0 to +0.1	0 to +0.1	+0.1 to +0.2.

By Mr. RIBICOFF:

S. 900. A bill to provide for the establishment of an energy production, conservation, and conversion trust fund; to the Committee on Finance.

ENERGY PRODUCTION, CONSERVATION AND CONVERSION TRUST FUND

● Mr. RIBICOFF. Mr. President, the 9 percent price increase announced by OPEC on March 27 represents a severe blow to the American economy. As with the Arab oil embargo and the more recent Iranian oil disruption, this latest development demonstrates just how vulnerable we are to overseas sources of energy. It further reminds us that the energy crisis cannot be treated as a short-term difficulty.

The OPEC oil price increase is particularly troublesome when you consider that the United States now imports 60 percent more OPEC oil than it did just 5 years ago. In 1978, OPEC supplied 38 percent of America's oil needs, a substantial increase from the 25 percent provided in 1973. At a cost of $14.55 per barrel plus surcharges as high as $4 a barrel, these imports will have a tremendous impact on our trade deficit. In 1977, the cost of imported oil was $42.1 billion—compared to only $2.9 billion in 1970—making it a major contributor to the $26.7 billion balance-of-payments deficit. Secretary Schlesinger predicts that we may spend $55 to $60 billion this year. In 1985, according to a recent Office of Technology Assessment report, with the price of petroleum at $17 a barrel and imports at 10 million barrels a day, the annual cost would be $62 billion. This latest OPEC price hike will raise our oil import bill by at least $4 billion.

Our use of oil continues to run ahead of available supplies. We have done virtually nothing to lessen our dependence on foreign oil. Clearly the OPEC nations can further increase their potential stranglehold over the world's economy. Saudi Oil Minister Sheikh Ahmed Yamani has made it clear that unless consuming nations reduce their oil demands, they will face still higher oil prices. Unless this situation changes soon, and drastically, our economy and parts of our foreign policy will be held hostage to the actions of others. As a recent Treasury Department study reports:

> Oil continues to be imported in such quantities and under such circumstances as to threaten to impair the national security. This threat arises both from increased reliance on a small number of foreign oil suppliers and the monetary repercussions accompanying continued large payments outflows for imported oil.

Mr. President, we must also focus on domestic energy production. Proven oil reserves in the United States are only about 30 billion barrels and are falling. They are only equivalent, I understand, to 10 years of current production. Since 1972 domestic oil production has fallen over 10 percent, domestic petroleum reserves have fallen nearly 20 percent and oil imports have jumped 50 percent. We are just not producing enough of our own energy for a growing and healthy economy.

While America faces rapidly dwindling supplies of oil and natural gas, the worldwide situation is not much better. Despite optimistic reports of new petroleum finds, particularly in Mexico, global spare capacity of that key fuel at 5 percent including Iran is dangerously small. Current proven crude reserves are 600 million barrels. The ultimate recoverable reserves are estimated at approximately 2,000 billion barrels—not including the yet to be verified figures of Pemex in Mexico. Nevertheless, worldwide consumption has been steadily climbing.

It is clear to me that if we are to meet our energy needs—now and in the future—we must decrease our dependence on oil and gas. We must insure that we will have future energy resources other than fossil fuels. We must actively explore and promote the use of alternative fuel sources.

The development of alternative energy sources, particularly those which are environmentally benign, is a vast undertaking. The Federal renewable energy research program has grown significantly in recent years. Including tax credits, total outlays in fiscal year 1980 amount to $730 million. However, research, development, and demonstration will cost an estimated $1 trillion during the next decade. Private capital alone cannot do the job. Substantial private investment has already been made but serious long-term work on alternative energy sources demands greater Government encouragement. If the full potential of geothermal energy, coal gasification and liquefaction, fusion, oil shale, ocean currents, wind power, solar energy, biomass conversion, tidal power, and hydroelectric power are to be realized, we must invest the necessary capital. If we fail to develop these alternative energy sources, we will simply continue to move from one crisis to another.

When the Senate Finance Committee considered the energy tax legislation during the 95th Congress, I proposed the creation of the energy production, conservation and conversion trust fund. I envisioned that a portion of the revenues from the wellhead or crude oil equalization tax would be an appropriate and available source of capital to finance alternative energy production and energy-efficient forms of transportation. This trust fund would stimulate additional conservation in the transportation sector, would encourage the development and use of the most energy-efficient forms of transit and would support the development of alternative sources of energy other than the conventional production of oil and natural gas. The fund, which is nothing more than an accounting mechanism, would provide loans, loan guarantees and price guarantees for private energy production or conservation projects and for those programs designed to decrease the energy consumption of overall transportation systems.

Congress never adopted the wellhead tax and the source of funds for the trust fund never materialized. However, the President now recommends an end to Government price controls over domestic oil. This action will generate an estimated $13 to $15 billion. A portion of this windfall must be retained and serve to underwrite the energy trust fund. Therefore, I again offer legislation to establish the energy production, conservation and conversion trust fund.

The trust fund will fill the gap between technologies developed with Department of Energy assistance and the commercial development of various high-risk energy technologies by the private sector. Programs which the trust fund will support must be specifically authorized by the appropriate legislative committees and be subject to the normal appropriations procedure as well as the Congressional Budget Act. No bureaucracy is established to operate the fund. The Congress will have the final say on any programs funded from either the energy financing program account or the energy-efficient transportation account.

The trust fund neither anticipates nor authorizes any particular program or project. The conventional production of oil and natural gas are to be specifically excluded. The legislative committees will be responsible for avoiding any duplication of on-going research efforts and for defining alternative energy and energy-efficient transportation programs.

Government, with the active support and participation of the private sector, must not only resolve short-term energy problems, but must also provide energy resources for the future and reduce our dependence on energy forms which are in limited supply or for which we must depend on foreign imports harmful to our national security. The trust fund I propose will help provide the resources and direction to meet this task.

Mr. President, I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 900

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Establishment of Energy Production, Conservation, and Conversion Trust Fund.

(a) Creation of Trust Fund.—There is established in the Treasury of the United States a trust fund to be known as the "Energy Production, Conservation, and Conversion Trust Fund" (hereinafter in this Act referred to as the "Trust Fund"), consisting of such amounts as may be appropriated or credited to the Trust Fund as provided in this section.

(b) Establishment of Separate Accounts.—There are hereby established within the Trust Fund the Energy Financing Program Account and the Energy-Efficient Transit Account, each of which shall be separately managed and administered as if each such account constituted a separate trust fund. Of each amount transferred to the Trust Fund under subsection (c), the Secretary shall make allocations between the two accounts in accordance with authorizing legislation enacted after the date of enactment of this Act.

(c) Transfer to Trust Fund of Amounts Equivalent to Certain Taxes.—

(1) In general.—There are hereby appropriated to the Trust Fund amounts determined by the Secretary of the Treasury (hereinafter in this section referred to as the "Secretary") to be equivalent to the sum of one dollar plus the amount of the net increase in budget receipts resulting from any new taxes imposed under any provision of the Internal Revenue Code of 1954 enacted after December 31, 1978, directly or indirectly in connection with the deregulation of domestic oil prices and designed to reduce or eliminate by taxation any windfall profit to oil producers which might otherwise result from such deregulation.

(2) Method of transfer.—The amounts appropriated by paragraph (1) shall be transferred at least quarterly from the general fund of the Treasury to the Trust Fund on the basis of estimates made by the Secretary of the amounts referred to in paragraph (1) received in the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(d) Management of Trust Fund.—

(1) Report.—It shall be the duty of the Secretary to hold the Trust Fund, and to report to the Congress each year on the financial condition and the results of the operations of the Trust Fund (and of each Account contained therein) during the preceding fiscal year and on its expected condition and operations during the next fiscal year. Such report shall be printed as a Senate document of the session of the Congress to which the report is made.

(2) Investment.—

(A) In general.—It shall be the duty of the Secretary to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired on original issue at the issue price, or by purchase of outstanding obligations at the market price.

(B) Sale of obligations.—Any obligation acquired by the Trust Fund may be sold by the Secretary at the market price.

(C) Interest on certain proceeds.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

Sec. 2. Expenditures From Trust Fund Accounts for Energy Projects and Programs.

Amounts in any account of the Trust Fund shall be available, as provided by authorization and appropriation Acts, for making expenditures for the purposes of such account under this Act. Nothing in this Act shall be deemed to authorize any program, project, or other activity not otherwise authorized by law enacted after the date of enactment of this Act.●

By Mr. CHAFEE (for himself and Mr. Pressler):

S. 901. A bill to amend section 204 of the Clean Water Act to repeal certain grant conditions, and for other purposes; to the Committee on Environment and Public Works.

INDUSTRIAL COST RECOVERY

● Mr. CHAFEE. Mr. President, today I am introducing a bill which deals with the industrial cost recovery provision of the Clean Water Act. I am pleased to note that Senator Pressler joins as a cosponsor of this legislation. My bill totally repeals the cost recovery provision, originally enacted in 1972. Congress required a moratorium on ICR in section 75 of the Clean Water Amendments of 1977, so that the Administrator of EPA could conduct the mandated 12-month study of ICR and its effects. That study is complete and it gives impetus to my belief that ICR should be abolished.

But let me go back and provide some background on what the ICR issue is all about. ICR requires that industrial users of a municipal sewage treatment plant pay for that portion of the Federal share of the plant's construction costs which is attributable to the treatment of the industrial wastes. The administrative burden falls on the towns and cities who must collect these charges.

ICR can bring harsh economic effects and administrative costs to industries and communities in my State and the Northeast. IRC rates tend to be higher in older cities, especially in the Northeast, and in small- to medium-sized communities.

As a conferee on the 1977 Clean Water Amendments, I felt that we needed to take a long look at the industrial cost recovery provision. The conferees on the amendments adopted and the Congress affirmed the decision to mandate the moratorium and require the study. The EPA Administrator was directed to examine ICR's effects on industries and communities, both in rural areas and in economically distressed or high unemployment regions.

The study was to be sent to the Congress by December 27, 1978. EPA did not miss that date by much. We received their report in late January. The EPA study draws from a diverse group of industries and communities. Material was gathered from 227 sanitary agencies and 394 industrial plants. Although the study team concentrated on six industry types, to my knowledge they were willing to work with other industries as well. The communities visited ranged in size from Ravenna, Nebr., and Woonsocket, R.I. to New York City.

The conclusion? The EPA Administrator determined that ICR is not doing its job. The provision fails dismally to accomplish the purposes for which it was written. These purposes have been summarized as parity, water conservation, appropriate capacity, and self-sufficiency. Let me provide a brief rundown on how ICR falls short.

Parity was an issue when ICR was originally enacted. Some people thought that industries hooking into a municipal treatment plant were getting a free ride without ICR. Yet, EPA has found that it is often less expensive for an industry to build its own treatment facility than to dispose its wastes into a municipal plant. Part of this is due to the fact that industry must pay operation and maintenance charges, as well as local debt service, for a public plant. Also, changes in the tax rate structure favor self-treatment. And industry pays taxes too, just as do residential users. All in all, the EPA Administrator concluded that the construction grant program does not provide a subsidy to industrial users.

Water conservation was another paramount goal of ICR. Yet the cost recovery provision has had little effect on water conservation, when compared to the success achieved through proportionate user charges. The industrial plants surveyed reported an average reduction in water use of 29 percent, but they pointed to user charges and water rates as the impetus. ICR is not credited with encouraging water conservation.

Precaution against overly excessive treatment plant capacity was still another reason given for the approval of ICR in 1972. A plant should be built with enough capacity to serve existing domestic, commercial, and industrial needs, with a sufficient capacity for projected growth in these three areas. Yet, the EPA study found that ICR did not affect decisions on sizing of plants or deter construction of excess capacity.

Actually, the EPA and communities appear to have tackled the capacity problem in other ways—for example, by use of the agency's cost effectiveness guidelines. EPA has determined that reserve capacity for facilities should normally be 20 to 40 percent of design load, with more reserve needed in areas of unusually high growth. The study team found that the average plant has about 32 percent reserve capacity, which is within the range essential for cost effective design.

As for the self-sufficiency of municipalities in providing for their own sewage treatment needs, the EPA reported that the amount able to be retained by the grantees will not make a significant contribution toward their financial capability to meet the costs of future expansion and upgrading of their treatment works. This is especially true when you consider two things: First, while collecting ICR over a 30-year period, the grantee's administrative costs go up; second, inflation eats up part of what expansion work can be done with the dollars eventually collected.

In 1972, when ICR was originally enacted, potential dollar recovery was expected to be $4.5 to $7 billion. But now, based on assumed eventual grants, EPA says that the total ICR revenues may amount to considerably less—$1 to $2 billion over 30 years. By the time 50 percent is given back to the Federal Treasury and administrative costs are covered by the grantee-retained portion, there is little on which to base local government wastewater treatment self sufficiency.

The EPA study does not contain horror stories of closed plants or mass forfeiture of jobs, due to ICR. However, I would argue that an industrial cost recovery charge is, indeed, a factor when an industry decides whether to expand or locate a new plant in a particular area. So we are sometimes talking about a loss of potential jobs in a community, if that community must assess an ICR charge, because of constrtuction grant expenditures after 1973. Further, although an industry or business may not identify ICR as the sole reason for a shutdown or move, I would submit that ICR is one of a combination of items that can drag down a marginal business.

ICR fails to accomplish the goals intended by the Congress in 1972. This does not mean that such goals, especially water conservation, are suspect. Other sections of the Clean Water Act spur efforts to meet these needs. And as we move toward the next overall look at the Clean Water Act, prior to the fiscal year 1982 reauthorization deadline, I look forward to hearing suggestions from EPA and others as to what we can do to improve our chances to meet these goals.

But it is my belief that there is no need to beat a dead horse—to get a performance from ICR which it cannot provide. The costs, both to municipalities and business, are highly disproportionate to the extremely slight role of ICR in meeting the needs I mentioned earlier.

Thus, I am introducing this legislation today and ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 901

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, the following:

SECTION 1. (a) Clause (B) of paragraph (1) of subsection (b) of section 204 of the Clean Water Act (33 U.S.C. 1284(b)(1)(B)) is hereby repealed effective March 1, 1973, and paragraph (1) of subsection (b) of section 204 is amended by striking out clause (B) in its entirety and striking out "(C)" and inserting in lieu thereof "(B)".

(b) Paragraphs (3) and (6) of subsection (b) of section 204 of the Clean Water Act (33 U.S.C. 1284(b) (3) and (6)) are hereby repealed effective March 1, 1973 and subsection (b) of section 204 is amended by striking out paragraph (3) in its entirety and paragraph (6) in its entirety and renumbering paragraphs (5) and (6) as paragraphs (3) and (4) respectively.

(c) The Administrator of the Environmental Protection Agency shall take such action as may be necessary to remove from any grant made under section 201(g)(1) of the Clean Water Act after March 1, 1973 and prior to the date of enactment of this Act, any condition or requirement no longer applicable as a result of the repeals made by subsections (a) and (b) of this section or release any grant recipient of the obligations established by such conditions or other requirement.

(d) Upon receipt of an application submitted by the recipient of any grant which is subject to subsection (c) of this section which has collected and paid into the United States Treasury, prior to enactment of this section, amounts under section 204(b)(3) of the Clean Water Act (33 U.S.C. 1284(b)(3)), to satisfy the requirements of section 204(b)(1)(B) of the Clean Water Act (33 U.S.C. 1284(b)(1)(B)), the Administrator shall reimburse such grant recipient for 120 per centum of such amounts. The Administrator shall also reimburse the grant recipient for 100 per centum of the amount, if any, expended by the grantee, with the Administrator's approval, for the expansion or reconstruction of treatment works from the funds reserved by the grantee under section 204(b)(3) of the Clean Water Act (33 U.S.C. 1284(b)(3)). The grant recipient shall also be released from its obligation to hold the funds reserved by the grantee under section 204(b)(3) of the Clean Water Act (33 U.S.C. 1284(b)(3)) for the future expansion and reconstruction of treatment works.

(e) Each grant recipient shall, within 180 days of the receipt by the grantee of the reimbursement required in subsection (d) of this section, refund to each industrial user 100 per centum of the industrial cost recovery payments made by such industrial user, unless the grantee elects to use part or all of such payments to pay debt service charges for existing treatment works, which election shall be subject to the provisions of subsection (f) of this section. If part of such payments are used to pay debt service charges, the remainder shall be refunded to the industrial users in proportion to the amount of industrial cost recovery payments received from each industrial user.

(f) The Administrator shall authorize a grantee to utilize part or all of the reimbursement required under subsection (d) of this section and the funds previously reserved under section 204(b)(3) of the Clean Water Act (33 U.S.C. 1284(b)(3)) for the payment of debt service of existing treatment works upon condition that such grantee shall include evidence, satisfactory to the Administrator, in its application under subsection (d) of this section that such grantee has relied in the past on using part or all of its discretionary share of industrial cost recovery payments for the payment of such debt service of existing treatment works.

SEC. 2. Section 201(h) of the Clean Water Act (33 U.S.C. 1281(h)) is hereby amended by striking out the last sentence.

SEC. 3. The second sentence of section 213 (d) of the Clean Water Act (33 U.S.C. 1293 (d)) is hereby amended by striking out "(1) all or any portion of the funds retained by such grantee under section 204(b)(3) of this Act, and (2)".

SEC. 4. (a) Section 75(b) of the Clean Water Act of 1977 (91 Stat. 1610) is hereby repealed.

(b) Section 75(d) of the Clean Water Act of 1977 (91 Stat. 1610) is hereby repealed effective January 1, 1978.

SEC. 5. There is authorized to carry out the provisions of this Act, $8,000,000 to be available until expended. Claims for reimbursement under subsection (d) of section 1 of this Act shall be submitted to the Administrator by June 30, 1980.●

By Mr. JACKSON:

S. 902. A bill to establish an oil and gas leasing program on Federal lands, and for other purposes; to the Committee on Energy and Natural Resources.

FEDERAL OIL AND GAS LEASING ACT OF 1979

Mr. JACKSON. Mr. President, Uncle Sam is an energy baron. The Federal Government owns approximately one-third of the area of the United States. Most of these lands have always been in Federal ownership. They were acquired by purchase or conquest during the first 80 years after establishment of our Nation under the Constitution.

These lands lie primarily in Alaska and the 11 contiguous Western States. They are rich in a wide variety of renewable natural resources such as timber, wildlife, water, and livestock forage. They provide magnificent opportunities for outdoor recreation and contain many of our most significant wilderness areas. They are an important source of "hardrock minerals." Finally, these lands contain over half of the nonrenewable fossil fuel resources of the United States.

While no one knows precisely how much the public owns, recent estimates of energy resources indicate that the Federal Government holds, of the total national endowment—60 percent of the crude oil and natural gas, 50 percent of the coal, 80 percent of the oil shale, 50 percent of the recoverable geothermal energy, and 50 percent of the uranium. The management of these public resources is one of the most important energy policy responsibilities of the Federal Government.

Last year, Congress modernized the law dealing with development of the Federal oil and gas resources on the Outer Continental Shelf by enacting the Outer Continental Shelf Lands Act Amendments of 1978. Now I believe it is time to update the laws under which the Federal Government leases onshore Federal lands to private industry for oil and gas exploration and development.

In order to do so, Mr. President, I am introducing today the Federal Oil and Gas Leasing Act of 1979. This bill is designed to achieve four basic objectives:

First, establish a 5-year program for leasing Federal lands for oil and gas exploration, development, and production;

Second, expedite decisions on issuance of leases;

Third, assure protection of other resources of the leased lands and diligent exploration and development by private industry; and

Fourth, expand the use of competitive leasing to obtain a fair return to the public for its resources.

This bill is patterned after the oil and gas leasing provisions which the Committee on Energy and Natural Resources developed and approved last year during its consideration of the Alaska national interest lands issue. Those provisions are set out in title X of the Alaska lands bill (S. 9) which I introduced earlier this year.

Mr. President, I believe it is important to point out that under the existing leasing laws, primarily the Mineral Leasing Act of 1920, there are presently 114,000 onshore oil and gas leases covering 94.5 million acres of Federal lands. About 10 percent of the leases (11,304) are producing oil and gas. In 1977, these produced 164 million barrels of oil and 1 trillion cubic feet of gas. This was about 5.5 percent and 5 percent respectively of U.S. domestic production.

Despite the size of the existing leasing activity, there are many areas which have oil and gas potential which have not been leased. My bill would apply primarily to these areas and would supplement (rather than amend) the provisions of the existing leasing laws. I believe this approach will simplify implementation of the new law, because leases will be issued under the well-established terms and conditions of these existing laws.

Enactment of the Federal Oil and Gas Leasing Act of 1979 will allow us to accelerate oil and gas exploration and development on Federal lands in a manner which protects the public interest. The bill is short and self-explanatory. Therefore, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 902

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Oil and Gas Leasing Act of 1979."

SEC. 2. (a) The Secretary of the Interior (hereinafter referred to as "the Secretary") shall establish and implement pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181–287), and the Acquired Lands Leasing Act of 1947 (30 U.S.C. 351–359) an oil and gas leasing program for onshore Federal lands. The leasing program shall consist of a schedule of proposed lease sales indicating, as precisely as possible, the size, timing, and location of leasing activity which he determines will best meet national energy needs for the five fiscal years following establishment or revision of such schedule. The Secretary shall revise the schedule annually to cover the ensuing five fiscal years.

(b) In preparing and revising the leasing program, the Secretary shall consult with the Secretary of Energy regarding the national need for exploration and development of oil and gas from onshore Federal lands and shall seek the views of the Governors of the affected States, and other interested groups and individuals in determining which land should be leased.

(c) The Secretary shall establish the leasing program for Fiscal Years 1981–1985, no later than January 1, 1980. He shall revise the program on or before January 1 of every year thereafter. Establishment or revision of the leasing program shall not be subject to the requirements of Section 102(2)(C) of the National Environmental Policy Act of 1969. The program and each revision thereof shall be submitted to the Congress and published in the Federal Register.

(d) The Secretary shall report to the Congress no later than January 1, 1981, and yearly thereafter, on his efforts pursuant to this Act regarding the leasing of, and exploration and development activities on, such lands.

(e) Nothing in this section shall be construed to prevent the Secretary from leasing lands prior to development of the leasin program, or from leasing lands not include in the program.

SEC. 3. (a) As soon as possible after the date of enactment of this Act, the Secretary shall identify those areas which he determines to be favorable for the discovery o oil or gas (hereinafter referred to as "favorable petroleum geological provinces") Areas which are determined by the Secretary to be within favorable petroleum geologica provinces shall be leased only by competitive bidding.

(b) Leasing shall not be undertaken by the Secretary on those lands where applicable law prohibits such leasing or on those units of the National Wildlife Refuge System where the Secretary determines, after having considered the national interest in producing oil and gas from such lands, that the exploration for and development of oil and gas would be incompatible with the purpose for which such unit was established.

(c) At such times as paying quantities of oil or gas are discovered under a noncompetitive lease issued pursuant to applicable law the Secretary shall suspend all further noncompetitive leasing in the area and shall determine the favorable petroleum geological province or provinces in proximity to such discovery.

SEC. 4. (a) Prior to any exploration activities on a lease issued under applicable law after the date of enactment of this Act, the Secretary shall require the lessee to describe exploration activities in an exploration plan. He shall approve such plan if such activities can be conducted in conformity with such requirements as may be made by the Secretary for the protection and use of the land for the purpose for which it is managed under applicable law.

(b) Subsequent to a discovery of oil or gas in paying quantities, and prior to developing and producing such oil and gas, the Secretary shall require the lessee to describe development and production activities in a development and production plan. He shall approve such plan if such activities may be conducted in conformity with such requirements as may be made by the Secretary for the protection and use of the land for the purpose for which it is managed under applicable law.

(c) The Secretary shall monitor the performance of the lessee and, if he determines that due to significant changes in circumstances regarding that operation, including environmental or economic changes, new requirements are needed, he may require a revised development and production plan.

(d) If the Secretary determines that immediate and irreparable damage will result from continuation in force of a lease, that the threat will not disappear and that the advantages of cancellation outweigh the advantages of continuation in force of a lease, he shall suspend operations for up to five years. If such a threat persists beyond such five-year suspension period, he shall cancel a lease and provide compensation to the lease under such terms as the Secretary establishes, by regulation, to be appropriate.

OIL AND GAS LEASE APPLICATIONS

SEC. 5. (a) Notwithstanding any other provision of law or regulation, whenever, the Secretary receives an application for an oil and gas lease pursuant to applicable law, he shall, in addition to any other requirements of applicable law, follow the procedures set forth in this section.

(b) Any decision to issue or not to issue a lease shall be accompanied by a statement setting forth the reasons for the decision including the reasons why oil and gas leasing would be compatible or incompatible with the purposes for which the lands involved are being administered.

(c) If the Secretary determines that the requirements of section 102(2)(C) of the National Environmental Policy Act of 1969 do not apply to his decision, the Secretary shall render his decision within six months after receipt of a lease application. If such requirements are applicable to the Secretary's decision, he shall render his decision within three months after publication of the final environmental impact statement.

SEC. 6. Any action taken or determination made by the Secretary under the authority of this Act shall not be vacated or modified by any court unless such action or determination is found to be arbitrary or capricious.

By Mr. STEWART (by request):

S. 903. A bill to extend the crime insurance and riot reinsurance program under title XII of the National Housing Act, the national flood insurance program under the National Flood Insurance Act of 1968, to authorize appropriations for studies under the National Flood Insurance Act of 1968 for the fiscal years 1980 and 1981, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

● Mr. STEWART. Mr. President, I am introducing a bill today to reauthorize the national flood insurance program, and the crime insurance and riot reinsurance programs now conducted by the Federal Insurance Administration. I am introducing this bill at the request of the administration.

The bill would extend these programs for a period of 2 years, and would, in addition, authorize appropriations for necessary flood studies totaling $74 million in fiscal year 1980, and such sums as may be necessary for fiscal year 1981.

The flood insurance program provides insurance coverage at reasonable cost to property owners in flood prone areas. The program also provides incentives to local governments to adopt land use and flood control measures in order to prevent future loss of life and property. In recent months, many communities have experienced heavy flood losses. The flood insurance program has served to mitigate such losses. Its continuation is considered essential to the Nation's efforts to reduce losses from future flooding.

The bill would also extend the existing crime insurance and riot reinsurance programs for 2 years. Continuation of these programs would assure property owners and businesses with coverage that otherwise would not be available at a cost that is affordable.

Mr. President, as chairman of the subcommittee on Insurance of the Committee on Banking, Housing and Urban Affairs, I expect to review in detail during the coming session the operations of the Federal Insurance Administration, and to examine a number of insurance problems that face us as a nation, and as individuals. Insurance is a unique and essential commodity. Insurance is one of our largest and most important industries. As chairman of the Subcommittee on Insurance, I intend to do what I can to strengthen this industry which is so vital to our lives, and to assure that consumers and communities, large and small, are afforded equitable treatment and essential services.●

By Mr. DANFORTH (for himself, Mr. Heinz, Mr. Domenici, Mr. Garn, Mr. Roth, and Mr. Lugar):

S. 904. A bill to relieve State and local governments, especially small communities, of the regulatory and paperwork burden associated with Federal assistance, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL ASSISTANCE REFORM AND SMALL COMMUNITY ACT OF 1979

Mr. DANFORTH. Mr. President, today, together with Senator Heinz, Senator Domenici, Senator Garn, Senator Roth, and Senator Lugar, I am pleased to reintroduce the Small Communities Act.

The bill has a new title, "The Federal Assistance Reform and Small Community Act of 1979," and has been revised in other respects as well. However, the basic purpose of the bill remains unchanged—to promote efficiency in the Federal grant program, and to relieve State and local governments, especially small communities, of the paperwork and regulatory burdens of conflicting and redundant requirements associated with Federal assistance. Observers may note that the bill shares many of the same goals embodied in the Federal Assistance Reform Act, reintroduced by Senator Roth earlier this week. I was pleased to join Senator Roth as a cosponsor of that bill, and look forward to joint hearings on both bills later in this session of the 96th Congress.

The new title reflects the fact that the anticipated benefits of this bill would extend to all State and local governments, and not just small communities. Small communities, however, continue to be the inspiration and the primary concern of the bill. Whatever we do in the name of grant reform, I think it is incumbent upon the Congress to speak to the needs of small communties. To that end, this bill makes some suggestions for reform. The suggestions I make here, however, are subject to negotiation and modification. They are not set in stone. My purpose is to provide a vehicle for change, and I invite the active participation of my colleagues in that effort.

Very briefly stated, here is what I propose:

Title one of the bill proposes the standardization of requirements generally applicable to Federal assistance. For example, no longer would communities seeking Federal grants have to comply with differing requirements relating to environmental protection standards or standards for citizen participation. There would be one Government-wide standard, saving communities from the anomaly of being in complance with standards for citizen participation for the purposes of one agency, and being not in compliance for the purposes of another agency. This kind of whipsawing would end.

Furthermore, the bill would allow State and local governments to certify their compliance with such standards—and require the Federal Government to accept such certification—when the State or local government was in compliance with State or local standards at least as stringent as the standards imposed by the Federal Government.

Such mandatory certification would only apply to standard requirements—but the bill provides that certification could be extended by an agency to include any requirements. Certification, of course, could be denied or withdrawn in any circumstances, after notice and an opportunity for hearing, where it could be shown that a State or local government was not in substantial compliance with Federal requirements.

Title two would give the President express authority to propose the consolidation of grant programs—such as sewer and water pollution projects—where warranted. The concurrence of Congress would be required for any consolidation to take effect.

Title three proposes to put an end to the seemingly constant audits of grant recipients, providing for a single independent financial and compliance audit of State and local governments, or in the alternative, State and local government entities (and subgrantees), at least once every 2 years. Less frequent audits are proposed for small communities—and for any government receiving less than $50,000 annually in Federal assistance. The bill further gives recognition to the differing interests of the Federal Government and grant recipients in the administration of Federal grants, assigning to the Federal Government the responsibility for economy, efficiency, and program results audits, but giving State and local governments the option of electing to do financial and compliance audits through independent auditors. The Federal Government would retain the responsibility, however, of assuring that such financial and compliance audits meet generally accepted auditing standards.

Title four seeks to give assistance to State and local governments in their efforts to achieve some degree of certainty with respect to the continued funding of grant programs by providing authority for Congress to make 2-year appropriations and 5-year budget projections for Federal assistance programs.

Title five proposes to strengthen the voice of small communities in Washington by expanding the membership of the Advisory Commission on Intergovernmental Relations to include three elected officers of small communities.

Title six proposes a 10-percent set-aside for small communities on all Federal assistance programs which provide assistance to local governments. The 10-percent figure is proposed as a minimum level of assistance—and in no sense is intended to prohibit grants to small communities in excess of 10 percent. Neither do I assert that a 10-percent level of assistance is necessarily an acceptable level. Rather, I simply assert that it is time for the Congress to consider extending to small communities a guaranteed share of assistance programs. Certainly small communities are entitled to at least 10 percent of grant dollars, and probably more.

Title seven provides that a small community averaging $25,000 or less in Federal assistance for a 2-year period may elect to receive, in lieu of such categorical grants, a cash supplement to its general revenue sharing allotment in the amount of its average level of Federal assistance, less 10 percent, subject to the same terms and conditions as any general revenue sharing payment. It may be that the level of assistance I have chosen is too low. It may be that a higher level of assistance would be more appropriate. Certainly the appropriate level of assistance for such a program is an issue which must be addressed in committee. What is important to me is that this proposal be laid before the Senate for careful consideration. Repeatedly State and local government leaders have come before the Congress and—in response to the call for a balanced Federal budget—have made the representation that they would gladly take a cut in Federal aid if they could only receive, in return, a greater degree of flexibility in using the aid dollars they do receive.

I proposed testing this proposal by giving small communities receiving small Federal grants the opportunity to trade in their categorical grants on increased revenue sharing dollars—at a 10-percent savings to the Federal Government.

Title eight is a fail-safe provision. It proposes to give the Director of the Office of Management and Budget authority to waive any Federal agency rule which conditions Federal assistance to State and local governments.

Title nine authorizes such sums as may be necessary to carry out the purposes of this act.

Mr. President, this bill has its origins in my discussions with local government leaders in Missouri. In many ways, this bill is their bill. Therefore, I was not surprised by the warm reception which greeted the Small Communities Act when it was introduced in the 95th Congress. Certainly, the job of writing this legislation is not complete. There is work to be done. But—judging from the support for this bill which I find among community leaders throughout the country—I am convinced that this job is a job worth doing.

I look forward to hearings.

By Mr. EAGLETON:

S. 905. A bill to authorize additional appropriations for the Temporary Commission on Financial Oversight of the District of Columbia, and for other purposes; to the Committee on Governmental Affairs.

AUDIT FOR THE DISTRICT OF COLUMBIA

● Mr. EAGLETON. Mr. President, home rule for the District of Columbia in 1975 brought with it hopes for more effective local government, more representative and responsive to the needs of the persons who live, work, and visit Washington. But it also brought a legacy, from all the years of Federal administration, of obsolete and ineffective tools of municipal management. This was most conspicuous in the financial management and internal accounting of city agencies. Records were in disarray and could not be reconciled, and the city was adrift without the capability of a certifiable annual audit. Since that time, significant progress has been made toward developing a reliable, thoroughly integrated financial management system to the point where the District now is on the threshold of its first complete audit.

The audit will provide the indispensable foundation for this city to stand with others in managing its own finances with full accountability and to seek capital funds through the bond market rather than through the Federal Treasury.

I now put before the Senate legislation to complete the work of the Temporary Commission on Financial Oversight. Under Public Law 94–399 in 1976, the Commission was to undertake a broad program of fiscal improvements in the District and to oversee the conduct of three annual audits before phasing out and turning the responsibility for audits over to the District government itself. The Commission is a joint congressional-municipal undertaking which I chair and for which costs are shared.

At the time the Commission was established, $16 million was authorized. That has largely been obligated for the design and implementation of a large central financial system, covering uniformly the basic processes of budgeting, accounting, payroll, purchasing, and grants management. Work also is underway on seven so-called feeder systems (cash management, supply management, D.C. General Hospital billing and collections, water-sewer billing, welfare eligibility and payments, traffic ticket billing and collections, other health facilities billing and collections). All of these are considered to be key to the conduct of an audit, so every effort is being made to complete their design and to have them in, or substantially in, operation by the beginning of fiscal year 1980. The Commission also has separate contracts underway for the preparation of training manuals and training of D.C. employees in the new systems as well as for audit preparatory work by the auditors who have been selected to conduct the first three audits.

The General Accounting Office, which under the act monitors every facet of the Commission's work, has identified other needed projects and systems on which work has not begun. These, clearly, can have an important effect on the efficiency and effectiveness of financial management of the District and are fully within the purview of the act.

To date, $15 million of the originally authorized $16 million has been appropriated. The Commission, in order to get a precise figure of the minimum needed to complete this project, undertook a detailed analysis of the unfinished work, and asked the General Accounting Office to do the same.

The findings: An additional $2 million will complete the job and let the District stand on its own in terms of fiscal accountability. Today's amendment to the act simply increases the authorization from $16 million to $38 million. This will cover $4.7 million needed to complete key to audit projects which already are underway; $8 million the Comptroller General estimates will be needed for other systems essential to effective and efficient financial management in the District; and $9.3 million needed to assure a total cleanup of present records, training of personnel and other prerequisites of a new system.

Totally, the additional $22 million will complete the system, correcting the disarray of the past and assuring rigorous accountability in our Nation's Capital for the future.●

By Mr. DOLE:

S. 906. A bill to amend the Internal Revenue Code of 1954 to allow an additional credit of 10 percent for investment in equipment used in the production of certain alcohol fuels, to provide a 5 percent investment credit for buildings used in such production, to provide loan guarantees for investment in such production, and for other purposes; to the Committee on Finance.

ALCOHOL FUELS PRODUCTION INCENTIVE ACT OF 1979

● Mr. DOLE. Mr. President, I am today introducing the Alcohol Fuels Production Incentive Act of 1979.

America is in dire need of an alternative, renewable source of fuel. Fuel costs are going up, our supplies are short, and foreign nations are constantly raising their prices and forcing us to increase inflation at home and hurting our balance of payments.

America needs more independence in energy. We need to master our energy problem and regain control of our energy needs.

I believe part of the solution to our energy problem will be met by gasohol. Most cars on the road today can operate on blends of up to 10 percent alcohol and 90 percent gasoline.

General use of blends of 10 percent alcohol/90 percent gasoline could save the United States 10 billion gallons of gasoline annually.

For that reason I am today introducing the Alcohol Fuels Production Incentive Act of 1979. This act would encourage the production of alcohol as a fuel. We do not have an adequate supply of alcohol for fuel at the present time.

PROVISIONS OF ACT

My bill will encourage the production of alcohol as a fuel in several different ways:

INVESTMENT TAX CREDIT

First. The act would allow an additional 10 percent investment tax credit for investment in equipment used in the production of certain alcohol fuels. This should provide an additional incentive above the present 10 percent investment tax credit now allowed.

It is important that private industry take steps now to plan, develop, and build alcohol plants. This provision should encourage them to do so.

Second. The act would also allow for a 5 percent investment tax credit for investment in buildings used in alcohol production. There is no investment tax credit allowed for such development at the present time.

LOAN GUARANTEE FUND

Third. The act would establish a Federal alcohol fuel production loan guarantee fund. Under the fund the Government could:

First, guarantee loans to build or refinance alcohol plants and equipment,

Second, the guaranteed loans would be for up to 50 percent of the cost of the plant and equipment,

Third, the maximum loan under this act to one borrower would be $10 million and the Government could not guarantee over 50 percent of the cost as stated above,

Fourth, the Government could not have over $250 million in loan guarantees outstanding at one time.

ALLOCATION OF OIL AND OIL PRODUCTS

Fourth. The act provides that refineries engaged in the production of gasoline or special fuels which are to be mixed with alcohol and those who sell and market such fuels are to receive priority when supplies are short under the Emergency Petroleum Allocation Act. The allocations should be sufficient to meet the demands for gasohol products.

Mr. President, I believe the provisions of this bill will do much to speed up the construction of plants and the manufacture of alcohol for fuel purposes.

I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 906

Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled,

Section 1. Short Title.

This Act may be cited as the "Alcohol Fuels Production Incentive Act of 1979".

Sec. 2. 10 Percent Additional Investment Credit.

Sec. 2. (a) In General.—Paragraph (2) of section 46(a) of the Internal Revenue Code of 1954 (relating to amount of credit for current taxable year) is amended—

(1) by striking out "and" at the end of subparagraph (A)(ii),

(2) by striking out the period at the end of subparagraph (A)(iii) and inserting ", and",

(3) by inserting at the end of subparagraph (A) the following new clause:

"(iv) in the case of qualified alcohol fuel property, the alcohol fuel percentage.", and

(4) by adding at the end thereof the following new subparagraph:

"(F) Alcohol fuel percentage.—For purposes of this paragraph, the alcohol fuel percentage is 10 percent with respect to the period beginning after December 31, 1979.".

(b) Definitions of Qualified Alcohol Fuel Property.—Section 48 of such Code (relating to definitions and special rules) is amended by redesignating subsection (q) as subsection (r) and by inserting after subsection (p) the following new subsection:

"(q) Qualified Alcohol Fuel Property.—For purposes of this subpart, the term 'qualified alcohol fuel property' means section 38 property (determined without regard to this subsection and paragraph (11) of subsection (a)) which—

"(1) is used as an integral part of the manufacturing or production of gasoline or special fuels mixed with alcohol and with respect to which no tax is imposed by reason of section 4081(c) or 4041(k),

"(2) constitutes research facilities in connection with such manufacturing or production, or

"(3) constitutes a facility used in connection with respect to such manufacturing or production for the bulk storage of such gasoline or special fuels.".

Sec. 3. 5 Percent Investment Credit for Certain Buildings.

(a) Subsection (a) of section 48 of the Internal Revenue Code of 1954 (relating to definition of section 38 property) is amended by adding at the end thereof the following new paragraph:

"(11) Buildings and Structural Components Used in Alcohol Fuel Production.—

"(A) In general.—Notwithstanding the words '(other than a building and its structural components)' in subparagraph (B) of paragraph (1), a building and its structural components shall be treated as section 38 property to the extent of so much of the qualified investment (as determined under subsections (c) and (d) of section 46) in such building or its structural components as it attributable to qualified alcohol fuel expenditures paid or incurred with respect to such building and its structural components.

"(B) Definition of qualified alcohol fuel expenditures.—For purposes of this paragraph, the term 'qualified alcohol fuel expenditures' means amounts—

"(i) chargeable to capital account of such building and its structural components,

"(ii) paid or incurred for property or for additions or improvements to property (or related facilities) with respect to which depreciation (or amortization in lieu of depreciation) is allowable and which has a useful life of 3 years or more, and

"(iii) paid or incurred with respect to that portion of such building or its structural components which is used in connection with the production or manufacture of gasoline or special fuels mixed with alcohol and with respect to which no tax is imposed by reason of section 4081(c) or 4041(k).".

(b) 5 percent limitation.—Section 46(c) of such Code (relating to definition of qualified investment) is amended by adding at the end thereof the following new paragraph:

"(7) Applicable percentage in the case of certain alcohol fuel property.—Notwithstanding paragraph (2) the applicable percentage in the case of property which is section 38 property by reason of section 48 (a)(11), the applicable percentage shall be equal to one-half of the applicable percentage determined without regard to this paragraph.".

Sec. 4. Federal Alcohol Fuel Production Loan Guarantee Fund.

(a) Creation of Fund.—There is created a Federal Alcohol Fuel Production Loan Guarantee Fund (hereinafter in this section referred to as the "loan guarantee fund") which shall be used by the Secretary as a revolving fund for the purpose of carrying out the provisions of this section, and there shall be allocated to such loan guarantee fund the funds made available to the Secretary under the appropriation authorized by this section. Moneys in the loan guarantee fund shall be deposited in the Treasury of the United States to the credit of the loan guarantee fund or invested in bonds or other obligations of, or guaranteed as to principal and interest by, the United States.

(b) Guarantees.—

(1) In general.—The Secretary is authorized to guarantee, and to enter into commitments to guarantee, the payment of the interest on, and the unpaid balance of the principal of, any obligation which is eligible to be guaranteed under this section.

(2) Security interests.—No obligation shall be guaranteed under this title unless the obligor conveys or agrees to convey to the Secretary such security interest, which may include a mortgage on the facility, as the Secretary may reasonably require to protect the interest of the United States.

(3) Limitation.—

(A) In general.—The Secretary shall not guarantee the principal of obligations in an amount in excess of 50 percent of the amount, as determined by the Secretary (which determination shall be conclusive), paid by, or for the account of, the obligor for the acquisition, construction, expansion, or retrofitting of the facilities for the production of gasoline and special fuels mixed with alcohol with respect to which a security interest has been conveyed to the Secretary.

(B) $10,000,000 limitation.—Notwithstanding subparagraph (A), the Secretary shall not guarantee an amount in excess of $10,000,000 with respect to any one obligor.

(4) Full faith and credit.—The full faith and credit of the United States is pledged to the payment of all guarantees made under this section with respect to both principal and interest, including interest, as may be provided for in the guarantee, accruing between the date of default under a guaranteed obligation and the payment in full of the guarantee.

(5) Conclusive evidence.—Any guarantee, or commitment to guarantee, made by the Secretary under this section shall be conclusive evidence of the eligibility of the obligations for such guarantee and the validity of any guarantee, or commitment to guarantee, so made shall be incontestable.

(6) Maximum guarantee amount.—The aggregate unpaid principal amount of the obligations guaranteed under this section and outstanding at any one time shall not exceed $250,000,000.

(c) Eligibility and Terms of Guarantee.—

(1) In general.—Pursuant to the authority granted under subsection (b) the Secretary may guarantee, or make a commitment to guarantee, payment of the principal of, and interest on, an obligation that aids in—

(A) financing construction, expansion, or retrofitting of facilities for the production of gasoline and special fuels mixed with alcohol located in the United States;

(B) financing the acquisition of such facilities;

(C) refinancing existing obligations issued for one of the purposes specified in subparagraph (A) or (B), whether or not guaranteed under this section, if

(E) shall bear interest (exclusive of charges for the guarantee and service charges, if any) at rates not to exceed such percent per annum on the unpaid principal as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the Secretary.

(3) Economic soundness.—No commitment to guarantee an obligation shall be made by the Secretary unless he finds, at or prior to the time such commitment is made, that the property or project with respect to which the obligation will be executed will be, in the opinion of the Secretary, economically sound and in the national interest; and no obligation, unless made pursuant to a prior commitment, shall be guaranteed unless the Secretary finds, at or prior to the time the guarantee becomes effective, that the property or project with respect to which the obligation is executed will be, in the opinion of the Secretary, economically sound and in the national interest.

(4) Money received.—All moneys received by the Secretary under the provisions of this section shall be deposited in the loan guarantee fund.

(d) Definitions.—For purposes of this section—

(1) Secretary.—The term "Secretary" means the Secretary of the Treasury.

(2) Gasoline and special fuels mixed with alcohol.—The term "gasoline and special fuels mixed with alcohol" means that gasoline and special fuels which are exempt from taxation under section 4081(c) and 4041 (k) of the Internal Revenue Code of 1954.

(e) Authorization of Appropriations.—There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

Sec. 5. Allocation of Oil and Oil Products.

Section 4 of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new subsection:

"(f) to the extent practicable and consistent with the objectives of subsection (b), the mandatory allocation program established under the regulation under subsection (a) shall be so structured as to result in the allocation, during each period the regulation applies, of

(1) crude oil to refineries engaged in the production of gasoline or special fuels which are to be mixed with alcohol, and

(2) refined petroleum products to persons engaged in the production or marketing of such gasoline or special fuels,

which is sufficient to meet the demands for such products.".

Sec. 6. Effective Dates.

The amendments made by sections 2 and 3 of this Act shall apply with respect to—

(1) property to which section 46(d) of the Internal Revenue Code of 1954 does not apply, the construction, reconstruction, or erection of which is begun or completed by the taxpayer after December 31, 1979, but only to the extent of the basis thereof attributable to construction, reconstruction, or erection during such period,

(2) property to which section 46(d) of such Code does not apply, acquired by the taxpayer after such date, and

(3) property to which section 46(d) of such Code applies, but only to the extent of the qualified investment (as determined under subsections (c) and (d) of section 46 of such Code) attributable to qualified progress expenditures made after such date.●

By Mr. INOUYE:

S. 907. A bill to amend title II of the Social Security Act to provide benefits for widowed fathers with minor children, and to make certain other changes so that benefits for husbands, widowers, and fathers will be payable on the same basis as benefits for wives, widows, and mothers; to the Committee on Finance.

● Mr. INOUYE. Mr. President, today I am introducing legislation to amend title II of the Social Security Act to provide benefits for widowed fathers with minor children, and to make certain other changes so that benefits for husbands, widowers, and fathers will be payable on the same basis as benefits for wives, widows, and mothers. I believe that alterations of the existing laws are needed, in order to bring our retirement system into line with the Nation's changing social conditions.

The ERA, along with the women's liberation movement, has been a potent force for change throughout the past decade. Our Nation has come to realize that by relegating women to inferior roles, through laws and social institutions, we are not only wasting a valuable resource, but in addition, violating the right of all women as individuals.

The equal rights movement has directed attention upon legal discrimination against women, while also making us aware that some laws discriminate against men. There are several such abuses within the Social Security Act, and I, therefore, propose to do away with them. I must point out to you that special legal provisions in favor of women, simply because of their sex, are as wrong as discriminatory laws against them for the same reason. Several sections of the Social Security Act allot special benefits to women in certain categories, while withholding these from men in the same situation. This is wrong and must be corrected.

When a man covered by social security dies, his widow receives special benefits if she is 62 or has a minor child in her care. Yet, until changed by a Supreme Court ruling in 1977, if a woman covered by social security died, her widower could not collect the same benefits unless he could prove that his wife provided at least half his family's earnings.

My intention in submitting this bill is to further rectify the existing situation, by proposing additional legal revisions to the present Social Security Act.

My bill will permit a divorced man to draw a spouse's benefits at age 62 if the marriage lasted 10 years and he has not remarried. Divorced women now enjoy this benefit. A father's benefit would also be paid to the surviving father with a child in his care, until the child reaches age 18. Surviving mothers now receive this type of payment. Last, this legislation would enable a man to draw husband's benefits equal to one-half the primary amount of his wife, if he is caring for a minor child or is 62 years of age. Men presently receive this benefit only if they are 62 or older, while women are eligible under either circumstance.

Mr. President, these are not major changes, nor do I believe them to be costly ones. Yet, their enactment will be important in furthering present efforts to end sex discrimination in all shapes and forms. Social security payments now account for about one-fifth of all Federal expenditures, with approximately 33 million Americans benefiting from this program. A system so big and so exclusive must be as fair as possible. I therefore believe that these amendments will afford greater equality to our social security system.

Mr. President, I request unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 907

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ELIGIBILITY OF CERTAIN DIVORCED HUSBANDS AND FORMER HUSBANDS FOR HUSBAND'S AND WIDOWER'S BENEFITS

Section 1. (a) (1) Section 202(c) (1) of the Social Security Act is amended by inserting "and every divorced husband (as defined in section 216(d))" immediately after "husband (as defined in section 216(f))", and by inserting "'or such divorced husband" immediately after "if such husband", in the matter preceding subparagraph (A).

(2) Section 202(c) (1) of such Act is amended by striking out "and" at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (D), and by inserting immediately after subparagraph (B) the following new subparagraph:

"(C) in the case of a divorced husband, is not married, and".

(3) Section 202(c) (1) of such Act is further amended by striking out "shall be entitled" and inserting in lieu thereof "shall (subject to subsection (s)) be entitled".

(4) Section 202(c) (1) of such Act is further amended—

(A) by inserting immediately after "they are divorced" in the matter following the colon the following: "(in the case of a husband) and either he has not attained age 62 or he has attained such age but has not been married to such individual for a period of 10 years immediately before the date the divorce became effective"; and

(B) by adding at the end thereof the following new sentence: "In the case of a divorced husband, entitlement to such benefits shall also end with the month preceding the month in which he marries a person other than such individual.".

(5) Section 202(c) (3) of such Act is amended by inserting after "his wife" the following: "(or, in the case of a divorced husband, his former wife)".

(6) Section 202(c) of such Act is amended by adding at the end thereof the following new paragraph:

"(4) In the case of any divorced husband who marries—

"(A) an individual entitled to benefits under subsection (e) or (h) of this section; or

"(B) an individual who has attained the age of 18 and is entitled to benefits under subsection (d), such divorced husband's entitlement to benefits under this subsection shall, notwithstanding the provisions of paragraph (1) (but subject to subsection (s)), not be terminated by reason of such marriage.".

(b) (1) Section 202(f) (1) of such Act is amended by inserting "and every surviving divorced husband (as defined in section 216 (d))" immediately after "widower (as defined in section 216(g))", and by inserting "or such surviving divorced husband" immediately after "if such widower", in the matter preceding subparagraph (A).

(2) Section 202(f) (1) (A) of such Act is amended by striking out "has not remarried" and inserting in lieu thereof "is not married".

(3) Section 202(f) of such Act is further amended by inserting "or surviving divorced husband" immediately after "widower" each place it appears in paragraphs (2) (A), (3) (B), (5), and (6).

(4) Section 202(f) (2) (A) of such Act (as so redesignated) is amended by inserting "or surviving divorced husband's" immediately after "widower's".

(c) (1) Section 216(d) (1) of such Act is amended by adding at the end thereof the following new sentence: "The term 'divorced husband' means a man divorced from an individual, but only if he had been married to such individual for a period of 10 years immediately before the date the divorce became effective.".

(2) Section 216(d) (2) of such Act is amended by adding at the end thereof the following new sentence: "The term 'surviving divorced husband' means a man divorced from an individual who has died, but only if he had been married to such individual for a period of 10 years immediately before the date the divorce became effective.".

(3) The heading of section 216(d) of such Act is amended by inserting "and Husbands" immediately after "Wives".

ELIGIBILITY FOR HUSBAND'S BENEFITS BASED ON HAVING CHILD IN CARE

SEC. 2. (a) Section 202(c)(1)(B) of the Social Security Act is amended to read as follows:

"(B) has attained age 62 or (in the case of a husband) has in his care (individually or jointly with such individual) at the time of filling such application a child entitled to a child's insurance benefit on the basis of the wages and self-employment income of such individual,".

(b) Section 202(c)(1) of such Act (as amended by subsection (a)(4)(B) of the first section of this Act) is further amended by inserting immediately after the sentence added by such subsection (a)(4)(B) the following new sentence: "In the case of a husband who has not attained age 62, entitlement to such benefits shall also end with the month preceding the first month in which no child of the insured individual is entitled to a child's insurance benefit.".

BENEFITS FOR WIDOWED FATHERS WITH MINOR CHILDREN

SEC. 3. Section 202(g) of the Social Security Act is amended to read as follows:

"Mothers' and Father's Insurance Benefits

"(g)(1) The widow, widower, and every surviving divorced mother or father (as defined in section 216(d)) of an individual who died a fully or currently insured individual, who died a fully or currently insured individual, if such widow, widower, or surviving divorced mother or father—

"(A) is not married.

"(B) is not entitled to a widow's or widower's insurance benefit,

"(C) is not entitled to old-age insurance benefits, or is entitled to old-age insurance benefits each of which is less than three-fourths of the primary insurance amount of such individual,

"(D) has filed application for mother's or father's insurance benefits, or was entitled to wife's or husband's insurance benefits on the basis of the wages and self-employment income of such individual for the month preceding the month in which such individual died,

"(E) at the time of filing such application has in her or his care a child of such individual entitled to a child's insurance benefit, and

"(F) in the case of a surviving divorced mother of father—

"(i) the child referred to in subparagraph (E) is the son, daughter, or legally divorced mother or father, and

"(ii) the benefits referred to in such subparagraph are payable on the basis of such individual's wages and self-employment income,

shall (subject to subsection (s)) be entitled to a mother's or father's insurance benefit for each month, beginning with the first month in which she or he becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: no child of such deceased individual is entitled to a child's insurance benefit, or such widow, widower, or surviving divorced mother or father becomes entitled to an old-age insurance benefit equal to or exceeding three-fourths of the primary insurance amount of such deceased individual, becomes entitled to a widow's or widower's insurance benefit, remarries, or dies. Entitlement to such benefits shall also end, in the case of a surviving divorced mother or father, with the month immediately preceding the first month in which no son, daughter, or legally adopted child of such surviving divorced mother or father is entitled to a child's insurance benefit on the basis of the wages and self-employment income of such deceased individual.

"(2) Except as provided in paragraph (4) of this subsection, such mother's or father's insurance benefit for each month shall be equal to three-fourths of the primary insurance amount of such deceased individual.

"(3) In the case of a widow, widower, or surviving divorced mother or father who marries—

"(A) an individual entitled to benefits under this subsection or subsection (a), (b), (e), (f), or (h), or under section 223(a), or

"(B) an individual who has attained the age of eighteen and is entitled to benefits under subsection (d),

the entitlement of such widow, widower, or surviving divorced mother or father to benefits under this subsection shall, notwithstanding the provisions of paragraph (1) but subject to subsection (s), not be terminated by reason of such marriage; except that, in the case of such a marriage to an individual entitled to benefits under section 223(a) or subsection (d) of this section, the preceding provisions of this paragraph shall not apply with respect to benefits for months after the last month for which such individual is entitled to such benefits under section 223(a) or subsection (d) of this section unless (i) he or she ceases to be so entitled by reason of his or her death, or (ii) in the case of an individual who was entitled to benefits under section 223(a), he or she is entitled, for the month following such last month, to benefits under subsection (a) of this section.

"(4)(A) The amount of a mother's or father's insurance benefit for each month to which any individual is entitled under this subsection (as determined after application of subsection (k)) shall be reduced (but not below zero) by an amount equal to the amount of any monthly periodic benefit payable to such individual for such month which is based upon such individual's earnings while in the service of the Federal Government or any State (or political subdivision thereof, as defined in section 218(b)(2)) if, on the last day such individual was employed by such entity, such service did not constitute 'employment' as defined in section 210.

"(B) For purposes of this paragraph, any periodic benefit which otherwise meets the requirements of subparagraph (A), but which is paid on other than a monthly basis, shall be allocated on a basis equivalent to a monthly benefit (as determined by the Secretary) and such equivalent monthly benefit shall constitute a monthly periodic benefit for purposes of subparagraph (A). For purposes of this subparagraph, the term 'periodic benefit' includes a benefit payable in a lump sum if it is a commutation of, or a substitute for, periodic payments.".

MISCELLANEOUS CONFORMING AMENDMENTS

SEC. 4. (a)(1) Section 202(b)(3)(A) of the Social Security Act is amended by striking out "(f) or (h)" and inserting in lieu thereof "(f), (g), or (h)".

(2) Section 202(b)(3) of such Act is further amended by striking out the semicolon and all that follows and inserting in lieu thereof a period.

(b)(1) Section 202(e)(3)(A) of such Act is amended by striking out "(f) or (h)" and inserting in lieu thereof "(f), (g), or (h)".

(2) Section 202(e)(3) of such Act is further amended by striking out the semicolon and all that follows and inserting in lieu thereof a period.

(c) Section 202(f)(1)(C) of such Act is amended by inserting after the comma at the end thereof the following: "or was entitled, on the basis of such wages and self-employment income, to father's insurance benefits for the month preceding the month in which he attained age 65,".

(d) Section 202(s) of such Act is amended—

(1) by inserting "(c)(1)," after "(b)(1)," in paragraph (1);

(2) by striking out "Subsection (f)(4), and so much of subsections (b)(3), (d)(5), (e)(3), (g)(3), and (h)(4) of this section as precedes the semicolon" in paragraph (2) and inserting in lieu thereof "Subsections (b)(3), (c)(4), (e)(3), and (f)4), and so much of subsections (d)(5), (g)(3), and (h)(4) of this section as precedes the semicolon";

(3) by striking out "subsections (b)(3), (d)(5), (e)(3), (g)(3)" and inserting in lieu thereof "subsection (d)(5), (g)(3)".

(e) Section 203(c)(2) of such Act is amended—

(1) by striking out "wife" and inserting in lieu thereof "wife or husband";

(2) by striking out "wife's" each place it appears and inserting in lieu thereof "wife's or husband's;

(3) by striking out "her care" and inserting in lieu thereof "her or his care"; and

(4) by striking out "her husband" each place it appears and inserting in lieu thereof "her or his spouse".

(f)(1) Section 203(c)(3) of such Act is amended to read as follows:

"(3) in which such individual, if a widow or widower entitled to a mother's or father's insurance benefit, did not have in her or his care a child of the deceased husband or wife entitled to a child's insurance benefit; or".

(2) Section 203(c)(4) of such Act is amended to read as follows:

"(4) in which such individual, if a surviving divorced mother or father entitled to a mother's or father's insurance benefit did not have in her or his care a child or her or his deceased former spouse who (A) is her or his son, daughter, or legally adopted child and (B) is entitled to a child's insurance benefit on the basis of the wages and self-employment income of her or his deceased former spouse.".

(g) The last sentence of section 203 (c) of such Act is amended by inserting "or surviving divorced husband" after "the widower".

(h) The second sentence of section 205(b) of such Act is amended by inserting "surviving divorced father," after "surviving divorced mother,", by inserting "divorced husband," after "husband,", and by inserting "surviving divorced husband," after "widower,".

(i)(1) Section 216(d)(3) of such Act is amended to read as follows:

"(3) The term 'surviving divorced mother or father' means an individual divorced from a person who has died, but only if (A) such individual is the mother or father of such person's son or daughter, (B) such individual legally adopted such person's son or daughter while such individual and such person were married and while such son or daughter was under the age of 18, (C) such person legally adopted such individual's son or daughter while such individual and such person were married and while such son or daughter was under the age of 18, or (D) such individual was married to such person at the time both of them legally adopted a child under the age of 18.".

(2) The heading of section 216(d) of such Act (as amended by subsection (c)(3) of the first section of this Act) is amended by inserting "Surviving Divorced Mothers and Fathers;" immediately after "Husbands;".

(j)(1) The first sentence of section 222(b)(1) of such Act is amended by striking out "or surviving divorced wife" and inserting in lieu thereof ", surviving divorced wife, or surviving divorced husband".

(2) Section 222(b)(2) of such Act is amended by inserting "or father's" after "mother's" each place it appears.

(3) Section 222(b)(3) of such Act is amended by inserting "divorced husband," immediately after "husband,".

(k) Section 222(d)(1) of such Act is amended by inserting "and surviving divorced husbands" immediately after "for widowers".

(l) Section 223(d)(2) of such Act is amended by striking out "or widower" in subparagraphs (A) and (B) and inserting in lieu thereof "widower, or surviving divorced husband".

(m) The first sentence of section 225 of such Act is amended by inserting "or surviving divorced husband" immediately after "a widower".

EFFECTIVE DATE

SEC. 5. The amendments made by the preceding provisions of this Act shall apply with respect to monthly insurance benefits payable under title II of the Social Security Act for months after the month in which this Act is enacted, on the basis of applications filed in or after the month in which this Act is enacted.

TECHNICAL AMENDMENT

SEC. 6. (a) Section 334(g)(1)(B) of the Social Security Amendments of 1977 is amended by striking out "January 1977" and inserting in lieu thereof "at such time".

(b) No monthly insurance benefits shall be payable to any individual by reason of the amendment made by subsection (a) for any month prior to the month following the month in which this Act is enacted.●

By Mr. SCHMITT (for himself and Mr. WALLOP);

S. 908. A bill to amend title II of the Social Security Act to provide for annual reporting, to the employees and self-employed individuals concerned, of the amounts of the social security tax contributions made or imposed with respect to their wages and self-employment income and of the amounts of the wages and self-employment income for which they have been credited; to the Committee on Finance.

SOCIAL SECURITY FAIR REPORTING ACT OF 1979

● Mr. SCHMITT. Mr. President, along with the distinguished Senator from Wyoming, Senator WALLOP, I am reintroducing legislation today entitled the Social Security Fair Reporting Act, which is designed to provide participants in the social security system with basic information on the status of their accounts with the Nation's retirement system.

Currently, participants in social security do not receive any reports from the Social Security Administration. Social security taxes are deducted from the individual's salary, and the individual receives a W-2 form from their employer which in the most general sense, might be considered a receipt, but there is no systematic accounting of contributions to the system, either on an annual or a long-term basis.

This bill would provide each individual paying social security taxes with an annual report giving the following information:

First. The amount of social security taxes paid by the individual and his employer in the current year;

Second. The cumulative total social security taxes paid by the individual and his or her employer over the individual's lifetime;

Third. The number of quarters of coverage the individual has accumulated; and the number of quarters of coverage needed by the individual to become fully insured;

Fourth. The amount of total surplus or deficit in the social security trust funds; and

Fifth. A toll-free telephone number and address where additional information can be gained on the status of accounts.

The social security system is the largest retirement program in the Nation and the world. Over 100 million individuals are currently participating in the system, of whom approximately 34 million are dependent on social security payments for their welfare. It is highly appropriate for the Social Security Administration to provide basic information on the status of contributions to the millions of Americans who are involved in this system.

It is interesting to note that Congress has imposed extensive reporting requirements on private pension plans with the passage of the Employees Retirement Income Security Act of 1974 (ERISA). Under that act, the following information must be furnished to pension plan participants by the plan sponsor:

First. A copy of the summary plan description;

Second. A summary of any material modifications in the plan's terms and any change in certain information;

Third. A copy of the summary annual report;

Fourth. A summary description of any material modification in the plan's terms had any other changes; and

Fifth. An updated summary plan description.

These requirements amount to a very substantial body of information amounting to several pages that the plan sponsor is required by law to furnish to each plan participant. If a pension plan sponsor should provide wrong or incomplete information, it can lead to antifraud remedies and civil penalties.

In light of the numerous reporting requirements which Congress has mandated for private pension plan administrators under ERISA, it is surprising to many to note that Congress has not mandated similar reporting requirements for the Social Security Administration.

In fact, the Social Security Administration is not required to furnish individuals any information at all on an automatic basis. Although over 90 percent of all workers in this country—over 100 million persons—are covered under the social security program, and most of them are compelled to be so covered, Congress has not directed the Social Security Administration to furnish program participants with any of the information that is required of private pension plans around the country. This differing treatment is not only indefensible, but it is also contrary to the rationale for ERISA's strict reporting requirements in the first place. The ERISA Act itself reads:

> It is hereby declared to be the policy of this Act to protect . . . the interests of participants in employee benefit plans and their beneficiaries by requiring the disclosure and reporting to participants and beneficiaries of financial and other information with respect thereto. . . .

Insofar as almost all employee benefit plan participants are also covered under the social security program, and most of these persons will depend upon social security benefits for the greater portion of their total retirement income, does it make sense to mandate full disclosure for the private programs, but not for the public program? If Congress has determined that it is sound public policy to require private employers to furnish complete descriptions of their pension plan and of their plan's financial condition, is it not also sound public policy to extend such disclosure requirements to the Nation's largest retirement income program as well?

The Social Security Act is one of the most complicated pieces of legislation in existence today. Yet it is also the framework for the largest retirement, disability, and survivors insurance program in our country. Virtually everyone in America is affected by the program in one way or another. Unfortunately, the level of public understanding relating to the program is frightfully poor. Rumors are rampant concerning the system's financial and benefit structures. Often, one gets conflicting information from different social security offices concerning the law's provision. It seems as if no one, even the experts, can explain the programs operations in layman's terms.

Given the size of the social security program, it is not surprising to note in the letters we receive from constituents that social security wage information is occassionally reported, transcribed, or filed incorrectly. None of us knows for sure whether our social security records are correct or not. Even if an individual writes to the Social Security Administration and requests a copy of his or her statement of earnings, only a minimum amount of information is received, usually after several months' wait. The statement of earnings includes only the yearly record of earnings that have been credited to an account, the number of quarters of coverage required for eligibility, and the number of quarters of coverage earned to date. Nowhere are we even told what a quarter of coverage is, let alone how much money we have actually contributed to the system, how much our employer has contributed to the system, where that money is at the present time, how much effective interest—if any—our contributions earn, what our estimated benefit amount will be when we retire, how much of our contributions go toward program administration, and so forth.

The people of America deserve to know more about their social security program. It should not be incumbent upon each and every person to write to the Social Security Administration on a yearly basis to make sure that the Government has correctly credited their account with the right amount of earnings for that year. Congress should mandate that all persons be sent a copy of their earnings record each year so that they would know how much money they and their and employer have contributed to the program since their participation began and what earnings have been credited to their account for eligibility and benefit purposes. Congress should also mandate that all participants in the social security program be provided with general descriptive information concerning the program so that they understand its workings and are informed about what type of retirement security they are "purchasing" with their contributions.

While recognizing that instituting reporting requirements for the Social Security Administration will entail additional sums of money for program administration, I feel that such money will be well spent. Congress recognized the need for adequate disclosure in retirement income plans when it took the first step in 1974 by requiring private pension plan administrators to furnish plan participants with certain information so that they will be better informed about their future retirement protection from those plans. The next step must now be taken so that individuals can get "the whole picture." This can only be done when information similar to that furnished to persons covered under private employee benefit plans is provided to persons covered under the Social Security program.

I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 908

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Social Security Fair Reporting Act of 1979".

FINDINGS OF FACT AND STATEMENT OF PURPOSE

SEC. 2. (a) The Congress hereby finds and declares that—

(1) while extensive reporting requirements have been placed on private pension plans in the Employee Retirement Income Security Act of 1974, participants in the social security system are not furnished reports with respect to their and their employers' contributions to that system; and

(2) there is widespread concern, among individuals covered under the social security system or receiving benefits thereunder, as to long-term safety and stability of the system and as to the ability of the personnel administering the system to effectively monitor the more than 100 million accounts for persons currently engaged in work covered under social security.

(b) Therefore, in order to—

(1) assure that an accurate record is kept by the Social Security Administration of (A) the wages and self-employment income of each individual whose work is covered under the social security system and (B) the amount of the social security taxes which have been imposed and paid on or with respect to the wages and self-employment income of each such individual; and

(2) increase the confidence of the public in the safety and stability of the social security system, it is the purpose of this Act to provide for annual reporting, to the employees and self-employed individuals concerned, of the amounts of the wages and self-employment income for which they have been credited, the amounts of the social security tax contributions imposed and paid with respect to their wages and self-employment income, and whether the individual is fully insured or currently insured.

AMENDMENTS TO TITLE II OF THE SOCIAL SECURITY ACT

SEC. 3. (a) Section 205(c)(2) of the Social Security Act is amended by adding at the end thereof the following new subparagraph:

"(D)(i) On the basis of information obtained by or submitted to the Secretary, he shall at the earliest practicable date after the close of each calendar year (commencing with the first calendar year which ends after the date of enactment of this subparagraph), but in no event later than July 1 of the next succeeding calendar year, certify to each individual who for that calendar year has received wages or self-employment income which is subject to the tax imposed by sections 3101 and 3111 or section 1401 of the Internal Revenue Code of 1954, the following information, which shall be presented in a clear and understandable form:

"(I) the individual's social security account number;

"(II) the individual's birth date;

"(III) the total amount of wages for which the individual has been credited for the calendar year, and the portions of that total paid by each employer to the individual for that year;

"(IV) the total amount of the taxes imposed (and the total amount actually collected) on the individual's wages for the year by section 3101 of such Code, and the portions of these totals which were imposed with respect to wages paid by each employer of the individual for the year;

"(V) the total amount of the taxes imposed (and the total amount actually collected) on the individual's wages for the year by section 3111 of such Code, and the portions of these totals which were imposed with respect to wages paid by each employer of the individual for the year;

"(VI) the total amount of the wages and the total amount of self-employment income for which the individual has been carried for the year and all preceding years and the total of the social security taxes imposed (and of the social security taxes actually collected) under such section 1401, such sections 3101 and 3111, and corresponding provisions of prior law, with respect to the total amounts of wages and self-employment income;

"(VII) the total amount of self-employment income for which the individual is credited for his most recent taxable year which ends with the close of (or during) the year;

"(VIII) the amounts paid into, the amounts paid out of, and the amount of the surplus or deficit in, the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Trust Fund for the latest fiscal year for which that information is available, and the projected surplus or deficit in such Trust Funds for the next ensuing two fiscal years, based upon the most recent reports of the Boards of Trustees of such Trust Funds;

"(IX) the number of quarters of coverage credited to such individual, whether such individual is a fully insured individual (and if not, the number of additional quarters which he would need to be a fully insured individual), whether such individual is insured for survivor insurance benefits and whether he is insured for disability insurance benefits (and, if not, the additional number of quarters of coverage which he would need to be insured for disability benefits); and

"(X) a toll-free telephone number, address, and an officer to whom questions regarding the individual's account can be directed.

Questions concerning an individual's account, directed in the manner prescribed under subdivision (X) of the preceding sentence, shall be handled expeditiously and an individual directing such a question shall be furnished by mail such supplementary material regarding his question as is appropriate.

"(ii) The Secretary of the Treasury shall cooperate with and assist the Secretary in carrying out the provisions of this subparagraph by furnishing to the Secretary on a regular basis any relevant records or information which he has or is able to obtain regarding the amount of the taxes imposed (and the amount of taxes collected) on or with respect to the self-employment income of any individual under section 1401 of the Internal Revenue Code of 1954, sections 3101 and 3111 of such Code, corresponding provisions of prior law, or with respect to payments made by a State with respect to service performed by an individual who is employed in a position covered under an agreement entered into by the State under section 218.

"(iii) For purposes of the data required to be furnished by the Secretary under clause (i), payments made by a State pursuant to an agreement entered into under section 218 with respect to service of an individual performed in a position covered by the agreement and amounts of remuneration with respect to which the payments are made shall be regarded, respectively, as taxes imposed and paid pursuant to sections 3101 and 3111 of the Internal Revenue Code of 1954 and as wages of the individual which are subject to those taxes.

"(iv) Any survivor of an individual who is authorized to receive information pertaining to his wages and self-employment income record under subparagraph (A), shall, upon request be furnished the information with respect to the individual and his employment record which is required to be furnished under clause (i) to such individual.

"(v) There are authorized to be appropriated to the trust funds, from time to time, such sums as the Secretary determines would place the trust funds in the position which they would have been in if the preceding provisions of this subparagraph had not been enacted.".

(b) The Secretary of Health, Education, and Welfare (hereinafter in this subsection referred to as the "Secretary") shall, at the earliest practicable date but in no event later than the sixth month following the month in which this Act is enacted implement the provisions of the Social Security Act added by subsection (a). Not later than 18 months after the month in which this Act is enacted, the Secretary shall submit to the Congress a full and complete report on the implementation of such provisions, which report shall include an analysis of the cost of the implementation of such provisions, the benefits derived by the public therefrom, and any long-term benefits projected to result therefrom.

SEC. 4. Nothing in this Act, or the amendments made thereby, shall be construed to authorize or permit the Secretary of Health, Education, and Welfare (or any officer or employee of the Department of Health, Education, and Welfare) to disclose to any person data pertaining to an individual's income, wages, social security record, or any matter pertaining to any of the foregoing, except to the extent and in the manner authorized by existing law or this Act and the amendments made thereby.●

● Mr. WALLOP. Mr. President, it is with a sense of duty to the 113 million people in this country who will make social security payroll tax contributions this year that I join my colleague Mr. SCHMITT in introducing the Social Security Fair Reporting Act of 1979.

Every year, the vast majority of workers in the United States are accountable to their Government for social security taxes. Deductions are made automatically from their salaries. Wage earners never see an accounting of the hard-earned dollars deposited into the social security trust funds because the Social Security Administration is not presently required to make any accounting as to the status of their individual accounts.

This legislation will make the Social Security Administration directly accountable on an annual basis to each American who pays social security taxes.

If this legislation is enacted, the Social Security Administration will send every individual who pays social security taxes a clear and concise report on the status of their individual accounts shortly after the close of each year. It will state the amount of wages and self-employment income for which the individual has been credited that year and the amount of social security taxes imposed and actually paid on those wages by the individual and his employers.

The report will also set forth the total amount of wages and self-employment income for which the individual has been credited throughout his working career and the total social security taxes imposed and collected on those wages.

Additionally, the report will state the surplus—or deficit—in the social security trust funds and will estimate the projected statutes of the funds for the next 2 years. Each individual will also be informed of the number of quarters of coverage credited to his account, and the number required for social security retirement benefits, survivor insurance benefits, and disability insurance benefits.

In the event an individual has additional questions, needs additional information or wishes to correct his accounting records, a toll-free telephone number will be maintained by the Social Security Administration to answer these questions promptly and take necessary remedial action expeditiously.

Mr. President, this legislation will impose a duty of full and fair disclosure on the Social Security Administration to each individual who pays into the social security system. This bill will extend the same kind of protection afforded to participants in private pension plans whose interests are protected by the Employment Retirement Security Act of 1974. The Social Security Administration, which administers a program which provides a range of benefits to approximately 35 million retired and disabled workers, survivors and dependents, will be held to the same kind of disclosure and reporting standards now imposed upon private pension plans. It is well known that private sector employers with pension plans must make careful and precise accountings on an annual basis both to the Government and to their participants.

The cost of this program—an estimated $30 million annually—is no insignificant sum taken out of the context of the social security system. However, when we stop to consider that the Social Security Administration collects taxes from more than 113 million people every year and pays out more than $110 billion in benefits each year, we can rest assured that this is a relatively small price to pay for that vast and complex system's accountability to each of its contributors. The cost of each report will amount to less than a half dollar for each participant, a figure which is dwarfed by the awesome amounts of money flowing into and out of the social security system each and every year.

Mr. President, the Social Security Fair Reporting Act of 1979 is designed to increase the confidence of the public in the value, the stability and the integrity of the social security system. If we can accomplish this through our "W-2" type annual report, we will have accomplished a great deal. I look forward to working with members of the Finance Committee and all of my colleagues on this proposal.●

By Mr. INOUYE:

S. 909. A bill to authorize the Secretary of the Army to make available to the State of Hawaii certain physical facilities not needed by the Army at Fort DeRussy, Hawaii, for the establishment of a mental health clinic in such facilities; to the Committee on Armed Services.

● Mr. INOUYE. Mr. President, several years ago the State of Hawaii opened a mental health clinic in the Waikiki district of Honolulu. This clinic was most effective in treating visitors, military personnel, and residents in the surrounding area. Unfortunately, Waikiki is not the utopian dream that many believe it to be and, as a result, has significantly more than its share of individuals with emotional problems. Further, it is an extremely high cost location, which has resulted in the State of Hawaii being forced to close this mental health facility.

In the heart of Waikiki is an Army post, Fort DeRussy, which would be an ideal location for a new mental health clinic. I informally understand that the Department of the Army has no objection to the use of certain unneeded office space for a new clinic. The only obstacle to the creation of such a facility, is a provision in Public Law 90-110, which forbids any of the property comprising Fort DeRussy to be "sold, leased, transferred, or otherwise disposed of by law." Accordingly, I am therefore introducing this bill to authorize the Secretary of the Army to make available certain physical facilities not needed by the military at Fort DeRussy, for the purpose of establishing a mental health clinic.

This clinic would greatly expand the services of the Department of Health to the people and visitors of Hawaii. Additionally, its efficiency would be significantly increased by being located in close proximity of those people requiring such care.

Mr. President, I ask that my colleagues act with all due consideration to approve this measure.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD:

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 909

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Army is authorized to make available to the State of Hawaii such physical facilities at Fort DeRussy, Hawaii, as he determines are not needed by the Army and which are adequate for the establishment and operation by the State or other entity designated by the State, of a mental health clinic for the residents of Hawaii.

(b) The physical facilities made available by the Secretary of the Army under authority of subsection (a) shall be made available without charge to the State of Hawaii but shall be subject to such terms and conditions as the Secretary determines necessary to protect the interests of the United States.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 911. A bill to direct the Secretary of the Navy to develop the technology necessary for clearing unexploded ordnance from land and waters with certain characteristics in order to determine the feasibility and cost of clearing the island of Kahoolawe, Hawaii, and adjacent waters of ordnance and other debris; to the Committee on Armed Services.

● Mr. INOUYE. Mr. President, I am today introducing a bill affecting Kahoolawe, one of the eight major islands in the Hawaiian chain. For more than 35 years, Kahoolawe has been the site of aerial bombing and ship-to-shore target practice. This island has the dubious distinction of being one of the most bombed islands in the Pacific.

Kahoolawe was not always the victim of defense demands. Through most of our history as a territory, Kahoolawe was owned by the territorial government and leased to private parties for grazing. In 1919 and again in 1933, the territory leased most of the island to a private ranch. In 1940, the Navy obtained a sublease to the island. Then in 1952, the original lease was canceled by the territory. In 1953, the area that was not being used for a lighthouse, which was already Federal property, was taken by the United States under the now controversial Presidential Executive Order 10436.

Under the terms of the Executive order, when the Navy decided that the area was no longer needed, the island would be rendered reasonably safe for human habitation without cost to Hawaii and returned to the latter's jurisdiction. Moreover, the Navy was to either eradicate all goats from the island or strictly control their number. Finally, the Navy was to permit the then territory to enter and inspect the island and take appropriate measures to conduct a program of soil conservation.

Substantial progress is being made in the eradication of goats and in undertaking a program of soil conservation. These measures are first priority. Also, progress is being made in the discovery and protection of significant archeological sites.

However, no progress has been made

in rendering the island reasonably safe for human habitation, as contemplated by the Executive order, without cost to Hawaii. Surprisingly, the technology has not yet been developed for clearing a large land mass like Kahoolawe and its surrounding waters of unexploded ordnance.

The soil composition of this particular island makes magnetic detection of unexploded ordnance difficult. Excavation 4 to 6 feet would lead to intolerable soil erosion and might, even then, be insufficient. Dragging or dredging the surrounding waters will further damage the delicate ecology. Shock waves from line charges may be the answer, but even this technology has limitations and creates environmental damage.

At the same time, it is inconceivable to allow an entire 45-square-mile island, in a State in which land is exceptionally precious, to remain permanently an uninhabited monument to the requirements of our national security.

Our Government has the responsibility to learn how to make the land and waters of Kahoolawe once again safe for human habitation and to demonstrate the proposed technology. This bill has these two objectives.

Mr. President, I ask unanimous consent the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 911

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to determine the feasibility and cost of clearing the island of Kahoolawe, Hawaii, and the adjacent waters of ordnance and other debris resulting from the use of such island as a target range by the United States Navy, the Secretary of the Navy is authorized and directed to (1) develop appropriate technology for clearing unexploded ordnance from test land which has the same or similar soil composition as the island of Kahoolawe and from submerged land which has the ecology characteristics of subtropical waters, and (2) demonstrate the developed technology at selected sites on the island of Kahoolawe.

SEC. 2. The Secretary of the Navy shall begin work on the development of the technology described in the first section within six months after the date of enactment of this Act and shall complete the development and demonstration of such technology at the earliest practicable date. The Secretary of the Navy shall submit progress reports to the Committees on Armed Services of the Senate and the House of Representatives each year until the project provided for in the first section is completed.

SEC. 3. Any land or water area which may be cleared of unexploded ordnance incident to the demonstration of the technology shall be fenced or buoyed and be used for such purpose or purposes as the Secretary of the Navy may approve.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.●

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S. 913. A bill to amend the Social Security Act with respect to health programs authorized under it, and for other purposes; to the Committee on Finance.

● Mr. MATSUNAGA. Mr. President, it has now been over 5 years since Congress enacted title XI of the Social Security Act, the Professional Standards Review Organization (PSRO) program. This program, which was originally authorized under Public Law 92–603, was established to assure, through the utilization of peer review procedures, that health care services for which payment is made under the medicare, medicaid, and maternal and child health programs would conform to the appropriate, established professional standards of quality and medical necessity.

Although the original congressional mandate of the PSRO program included a strong reliance on the concept of peer review—that is, health care practitioners responsible for reviewing services rendered by their own professional colleagues, the PSRO program in its development and implementation has limited its participation and membership solely to licensed doctors of medicine or osteopathy engaged in the practice of medicine or surgery, even though the services of other health professionals, such as dentists, psychologists, and registered nurse, have been subject to the PSRO review process.

Over the past few years I have recognized this basic inconsistency between the concept of peer review and the exclusion of practitioners who perform services that are reviewable under the PSRO program. Today, I am introducing along with my distinguished colleague from Hawaii, Senator DANIEL K. INOUYE, a bill which does not provide for the full participation that will be necessary if the program is eventually expanded to include all ambulatory health services covered under the medicare and medicaid programs, but it does provide for some representation for dentists, psycologists, registered nurses, and other nonphysician health care providers who are significantly involved in providing covered health services in hospitals and other institutional settings. Thus, the proposal is not open to the argument that it would in any way distort or interfere with the ongoing PSRO program.

My proposal would serve four basic functions. First, it would amend the present PSRO membership requirements to allow local PSRO's to have as members other health care practitioners who hold independent hospital admitting privileges. Such an amendment would allow health professionals, such as dentists and psychologists, to review health care services already being provided by them under the medicare, medicaid, and maternal and child health programs at the local level in institutional settings.

Second, it would require expanded participation of other health care practitioners in the policymaking bodies of the PSRO program at the State and National levels. Specifically, my amendment would mandate the inclusion of a dentist and a psychologist on the statewide PSRO Councils, and a registered nurse to the advisory groups to the statewide PSRO Councils. In addition, under my proposal, the National Professional Standards Review Council would be expanded to include a dentist, a psychologist and a registered nurse. With the inclusion of these representatives on the advisory groups and on the State and the National Councils, these health care practitioners will at least have a voice in the peer review process.

Finally, my bill would establish an advisory committee to the National Professional Standards Review Council composed of nonphysician health professionals who are not represented on the National Council. This advisory committee, which has already been successfully implemented on a temporary basis by the Department of Health, Education, and Welfare, would, like the addition of dentists, psychologists, and nurses to the National Council, provide for greater participation of other health care practitioners in the PSRO program.

Mr. President, I submit today that the present PSRO law with its current exclusion of nonphysician health care professionals is clearly discriminatory and wholly contrary to any rational understanding of the prime objective of the PSRO program—namely, peer review of health care services. I believe that my proposal would not disrupt or distort the ongoing implementation of the PSRO program; in fact, if adopted, it would improve the ability of the peer review system to assure high quality and economical health care. The basic thrust of this proposal has the support of the Department of Health, Education, and Welfare, which has been administering the PSRO program through the Health Standards and Quality Bureau.

It has the support of every health care professional association connected with its development. It will not appreciably add to the costs of the PSRO program. A similar bill was passed by the House of Representatives in the 95th Congress by a vote of 359–40.

A strong PSRO program is critical to the successful administration of the health programs authorized by the Social Security Act. However, it cannot work effectively without the cooperation and respect of those health professionals whose services are being subjected to its peer review process. I therefore urge my colleagues to lend their strong support to this proposal which would increase the professional involvement of dentists, psychologists, nurses, and other health professionals in this vitally important Federal program.

Mr. President, I ask unanimous consent that the text of this proposal be printed in the RECORD for the benefit of any interested reader.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 913

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

EXPANDED MEMBERSHIP OF PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS

SECTION 1. Section 1152(b)(1)(A) of the Social Security Act is amended—

(1) by inserting "and of other health care practitioners engaged in the practice of their professions in such area who hold independent hospital admitting privileges for purposes of review of institutional services of such

practitioners," after the comma in clause (ii); and

(2) by inserting "(except as otherwise provided under section 1155(c))" after "does not" in clause (vi).

REGISTERED NURSE MEMBERSHIP ON STATEWIDE COUNCIL ADVISORY GROUP

Sec. 2. Section 1162(e)(1) of the Social Security Act is amended by inserting "(including at least one registered professional nurse)" after "representatives".

DENTIST AND PSYCHOLOGIST MEMBERSHIP ON STATEWIDE PROFESSIONAL STANDARDS REVIEW COUNCIL

Sec. 3. Section 1162(b) of the Social Security Act is amended by deleting the word "and" after subparagraph (2), renumbering subparagraph (3) as (5) and inserting the following new subparagraph (3) "one doctor of dental surgery or of dental medicine appointed by the state dental society;" and new subparagraph (4) "one psychologist appointed by the state psychological association which is affiliated with the American Psychological Association; and"

NONPHYSICIAN MEMBERSHIP ON NATIONAL PROFESSIONAL STANDARDS REVIEW COUNCILS

Sec. 4. (a) Section 1163(a)(1) of the Social Security Act is amended by inserting "one doctor of dental surgery or of dental medicine, one psychologist, one registered nurse, and one other health practitioner (other than a physician as defined in section 1861 (r)(1))" after "physicians,".

(b) Section 1163(a)(2) of such Act is amended by striking out "four members" and inserting "five members" in lieu thereof.

(c) Section 1163(a)(3) of such Act is amended by inserting "physician" after "the".

(d) Section 1163(b) of such Act is amended by striking out "Members" and inserting in lieu thereof "Physician members".

(e) Section 1173 of such Act is amended by striking out "(except sections 1155(c) and 1163)" and inserting in lieu thereof "(except section 1155(c))".

ADVISORY COMMITTEE TO THE NATIONAL PROFESSIONAL STANDARDS REVIEW COUNCIL

Sec. 5. Section 1163 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(f)(1) The Council shall be advised and assisted in carrying out its functions by an advisory committee (of not less than seven nor more than fifteen members) which shall be made up of representatives of health care practitioners (other than physicians) for whose services payment may be made (in whole or in part) under any program established by or pursuant to this Act.

"(2) The Secretary shall by regulations provide the manner in which members of such advisory committee shall be selected and the terms of service.

"(3) The expenses reasonably and necessarily incurred, as determined by the Secretary, by such committee in carrying out its functions shall be considered to be expenses necessarily incurred by the National Professional Standards Review Council." ●

By Mr. INOUYE:

S. 915. A bill to direct the Secretary of the Army to determine the validity of the claims of certain Filipinos who assert that they performed military service on behalf of the United States during World War II, and for other purposes; to the Committee on Armed Services.

● Mr. INOUYE. Mr. President, today I am introducing a bill to direct the Secretary of the Army to determine the validity of the claims of certain Filipinos who assert that they performed military service on behalf of the United States during World War II, and for other purposes.

During the course of World War II, many Filipinos, guerrillas and active servicemen, fought on behalf of U.S. interests. In 1948 the U.S. Government struck from official U.S. Army records the names of thousands of Filipinos who served during this time, denying these individuals the rights, benefits, and privileges they so richly deserve.

The legislation I am proposing today would permit these "excluded veterans" to submit their claims to the proper authorities for reevaluation (resolution) on a case-by-case basis. Upon submission of sufficient documentation of service with the U.S. Army or organized guerrilla forces, these individuals should be duly recognized as veterans and entitled to benefits and assistance from the U.S. Government.

The removal of their names from official Army records was an injustice to these individuals who helped the United States during World War II. For some, this bill is too late since death has taken its toll. However, the enactment of this legislation would confirm our commitment to these Filipinos who fought so hard to maintain U.S. freedom.

Mr. President, I request unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 915

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) any person who claims to have performed military service with or for the United States Army in the Philippine Islands during World War II and is not recognized, for any purpose, as having performed active service in or on behalf of the armed forces of the United States may file an application, in such form as the Secretary of the Army (hereinafter in this Act referred to as the "Secretary") shall prescribe, to have the Secretary determine, on the basis of all information and evidence presented to him by such person and on the basis of all other information and evidence available to the Secretary, whether such person should be considered as having performed active service in or for the armed forces of the United States.

(b) If the Secretary determines, in the case of any person who files an application under this Act, that such person—

(1) served in the organized military forces of the Government of the Commonwealth of the Philippines while such forces were in the service of the armed forces of the United States, including among such military forces organized guerrilla forces under commanders appointed, designated, or subsequently recognized by the Commander in Chief, Southwest Pacific Area, or other competent authority in the Army of the United States;

(2) was awarded the Purple Heart or other medal or decoration of the armed forces of the United States in connection with the performance of military service on behalf of the armed forces of the United States; or

(3) was inducted into the United States Armed Forces in the Far East (USAFFE) before the outbreak of World War II, performed military service for or on behalf of the United States in the Philippine Islands during World War II, reported to United States military control during the liberation of the Philippine Islands, and subsequently, without his consent, had his name and records erroneously deleted or otherwise erroneously removed from the official records of the armed forces of the United States;

the Secretary shall issue to such person an appropriate certificate of service which shall entitle such person to the same rights and benefits under the laws of the United States as other persons who performed substantially the same type of military service in the Philippine Islands during World War II and who, on the day before the date of enactment of this Act, were entitled to such rights and benefits by virtue of such service.

Sec. 2. No person shall be eligible for a certificate of service under this Act if the Secretary determines that such person was discharged from military service described in subsection (b) of the first section under conditions other than honorable.

Sec. 3. As used in this Act the term "World War II" means the period beginning on December 7, 1941, and ending on December 31, 1946.

Sec. 4. The Secretary may not consider any application received more than two years after the date of enactment of this Act.

Sec. 5. The Secretary shall issue such regulations as he deems necessary and appropriate to carry out effectively and equitably the provisions of this Act.

Sec. 6. No benefits shall accrue to any person for any period prior to the date of enactment of this Act as a result of the enactment of this Act.●

By Mr. INOUYE (for himself and Mr. Matsunaga):

S. 916. A bill to amend the act of September 30, 1950 (Public Law 874, Eighty-first Congress) to provide education programs for Native Hawaiians, and for other purposes; to the Select Committee on Indian Affairs.

NATIVE HAWAIIAN EDUCATION ACT

● Mr. INOUYE. Mr. President, I am introducing today a bill designed to improve and expand the educational opportunities available to Native Hawaiians—a measure identical to one which gained the unanimous approval of the Senate in the final days of the 95th Congress. Unfortunately, severe time constraints prevented House consideration before final adjournment. Senator Matsunaga and I, therefore, wish to initiate this second attempt to obtain the needed Federal support for programs addressing the unique educational needs of this important segment of our constituency. Though I regret that this assistance could not have come last year, I was greatly heartened by the Senate's action, for it represents yet another example of this body's recognition of and concern for the serious problems currently confronting this native American group and of the Federal Government's responsibility to seek effective remedies.

Before Western influences introduced serious rifts in the social, religious, economic, and political life of the Hawaiian Islands, Native Hawaiians were possessed of an advanced culture and a rich heritage. They were citizens of a sovereign and politically sophisticated kingdom which endured for nearly a century before it was overthrown by a group of non-Hawaiians assisted, without the knowledge of the U.S. Government, by the American Minister to the Kingdom and a detachment of U.S. Marines.

Foreign encroachment on their land

and the introduction of white man's diseases caused a staggering reduction in the Native Hawaiian population and a progressive dilution of their culture. A growing alienation from their noble past as well as an inability to completely reconcile native values and traditions with modern Western values and practices has left the Native Hawaiian a stranger in his own land and helped to relegate him to the lowest rungs of our social heirarchy.

Currently, Native Hawaiians and part-Hawaiians comprise about 18 percent of Hawaii's population but they are the largest group on the welfare and unemployment rolls, the largest group incarcerated in correctional institutions, and have the largest proportion of school dropouts. Only a small percentage of Native Hawaiians are enrolled in the University of Hawaii or in other institutions of higher learning in my State. Further, Native Hawaiians have a slightly higher incidence of cancer, hypertension, diabetes, and infant mortality and have a shorter life expectancy than any other ethnic group in Hawaii.

These problems and their root causes are not unlike those afflicting other native Americans, yet until recently they have been all but ignored. In fact, it was not until 1974 that Native Hawaiians were officially recognized as Native Americans and entitled to service under title VIII of the Community Services Act. Since that time, Senator **Matsunaga** and I have succeeded in gaining Hawaiian inclusion in certain special Native American provisions of the Comprehensive Employment and Training Act. We are confident that the programs made possible by these far-reaching pieces of legislation will do much to ease the intense social and economic strains presently experienced by the Native Hawaiian people. However, it has become increasingly evident to the members of the Native Hawaiian community that the key to survival and success in today's competitive society lies in the area of education.

The majority of Native Hawaiian youths, like their elders, are victims of a negative stereotype of the Hawaiian that has developed over the years. They are now plagued by a complacency which results from having been constantly put down by a system not fitted to their unique educational and social needs. A fear has developed among the Hawaiians, a fear of learning, an apprehension of taking any kind of risk. They are all too often reconciled to failure.

Native Hawaiian leaders have come to realize that if their people are to ever gain self-determination, this fear of education must first be overcome. They wish to see programs established that will minimize the Hawaiian child's apprehensions, improve his self-concept, and thus maximize his freedom to learn. The potential impact of such programs is significant when one considers that of the approximately 150,000 Native Hawaiians living in Hawaii about one-half or 75,000 are age 18 and under and that 77 percent of these children are enrolled in the public school system.

If enacted, the legislation I am introducing today will authorize the Commissioner of Education to administer a program of formula grants to local education agencies for the planning, development and operation of programs specifically designed to meet the needs of Hawaiian children and to carry out programs of project grants to improve the educational opportunities of Hawaiian children through pilot and demonstration projects. In addition, the Commissioner will assist in the establishment and operation of programs of preservice and inservice training for teachers of Hawaiian children and in the development and dissemination of information and curriculum materials for Hawaiian youth. Programs for Native Hawaiian adults will also be planned for, tested, and demonstrated. An Advisory Council on Native Hawaiian Education will be established to advise and assist in these efforts.

I am hopeful that this bill will receive the early approval of the appropriate Senate committee, the U.S. Senate, the House of Representatives, and the President.

Mr. President, I seek unanimous consent to have the text of the bill printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 916

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Native Hawaiian Education Act".

CONGRESSIONAL FINDINGS

Sec. 2. (a) The Congress finds that—

(1) striking similarities exist between Native Hawaiians and other Native American peoples with regard to their historic and political relationships with the United States and their present day circumstances;

(2) like other Native Americans, Native Hawaiians rank among the lowest in level of educational attainment and per capita income; and

(3) existing Federal assistance in the field of education fails to address the basic and special needs of Native Hawaiians.

DECLARATION OF POLICY

Sec. 3. (a) The Congress hereby recognizes the need to develop a uniform Federal policy with respect to the eligibility of Native Hawaiians for special Federal assistance commensurate with their status as Native Americans.

(b) The Congress declares its commitment to providing the quantity and quality of educational services and opportunities which Native Hawaiians need and desire.

REVISIONS OF IMPACTED AREAS PROGRAM AS IT RELATES TO NATIVE HAWAIIAN CHILDREN

Sec. 4. The Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by redesignating title IV as title V, by redesignating sections 401 through 403 and references thereto as sections 501 through 503, respectively, and by adding after title III the following new title:

"TITLE IV—FINANCIAL ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES FOR THE EDUCATION OF NATIVE HAWAIIAN CHILDREN

"SHORT TITLE

"Sec. 401. This title may be cited as the 'Native Hawaiian Elementary and Secondary School Assistance Act'.

"PROGRAM AUTHORIZED

"Sec. 402. Beginning with the fiscal year 1980, the Commissioner shall carry out a program of making grants to local educational agencies in accordance with the provisions of this title.

"GRANTS TO LOCAL EDUCATIONAL AGENCIES

"Sec. 403. (a) For the purpose of computing the amount to which a local educational agency is entitled under this title for any fiscal year during the period beginning October 1, 1979 and ending September 30, 1983, the Commissioner shall determine the number of Native Hawaiian children who were enrolled in the schools of a local educational agency, and for whom that agency provided free public education, during that fiscal year.

"(b) (1) The amount of the grant to which a local educational agency is entitled under this title for any fiscal year shall be an amount equal to (A) the average per pupil expenditure for that agency (as determined under subparagraph (2)) multiplied by (B) the sum of the number of children determined under subsection (a).

"(2) For the purposes of this subsection, the average per pupil expenditure for a local educational agency shall be the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which the computation is made, of all the local educational agencies in the State in which that agency is located, plus any direct current expenditures by that State for the operation of those agencies (without regard to the sources of funds from which either of those expenditures are made), divided by the aggregate number of children who were in average daily enrollment for whom those agencies provided free public education during that preceding fiscal year.

"(c) In addition to the sums appropriated for grants to local educational agencies under this title, there is authorized to be appropriated for any fiscal year an amount not to exceed 10 per centum of the amount appropriated for payments computed under subsection (b) for that fiscal year. From the amount appropriated for the purpose of this section, the Commissioner is authorized to provide financial assistance to schools which are not local educational agencies or have not been local educational agencies for more than three years.

"USES OF FEDERAL FUNDS

"Sec. 404. (c) Grants under this title may be used, in accordance with applications approved under section 405, for—

"(1) planning for and taking other steps leading to the development of programs specifically designed to meet the special educational and culturally related academic needs; or both, of Native Hawaiian children, including pilot projects designed to test the effectiveness of plans so developed; and

"(2) the establishment, maintenance, and operation of programs including minor remodeling of classrooms or other space used for the programs and acquisitions of necessary equipment, specially designed to meet the special educational and culturally related academic needs, or both, of Native Hawaiian children.

"(b) A program or project assisted under this part may include the participation of non-Native Hawaiian children where that participation does not frustrate or inhibit the achievement of the purpose of the program as set out in subsection (a).

"APPLICATIONS FOR GRANTS; CONDITIONS FOR APPROVAL

"Sec. 405. (a) A grant under this title, except as provided in section 403(c), may be made only to a local educational agency or agencies, and only upon application to the Commissioner at such time or times, in such manner, and containing or accompanied by such information as the Commissioner deems necessary. Such application shall—

"(1) provide that the activities and services for which assistance under this title is sought will be administered by or under the supervision of the applicant;

"(2) set forth a program for carrying out the purposes of section 404, and provide for such methods of administration as are necessary for the proper and efficient operation of the program;

"(3) in the case of an application for payments for planning, provide that (A) the planning was or will be directly related to programs or projects to be carried out under this title and has resulted, or is reasonably likely to result, in a program or project which will be carried out under this title, and (B) the planning funds are needed because of the innovative nature of the program or project or because the local educational agency lacks the resources necessary to plan adequately for programs and projects to be carried out under this title;

"(4) provide that effective procedures, including provisions for appropriate objective measurement of educational achievement, will be adopted for evaluating at least annually the effectiveness of the programs and projects in meeting the special educational needs of Native Hawaiian students;

"(5) set forth policies and procedures which will ensure that Federal funds made available under this title for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds from local, State, and other Federal sources that would, in the absence of Federal funds under this title, be made available by the applicant for the education of Native Hawaiian children and in no case supplant such funds;

"(6) provide for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under this title; and

"(7) provide for making an annual report and such other reports, in such form and containing such information, as the Commissioner may reasonably require to carry out his functions under this title and to determine the extent to which funds provided under this title have been effective in improving the educational opportunities of Native Hawaiian students in the area served, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

"(b) An application by a local educational agency or agencies for a grant under this title may be approved only if it is consistent with the applicable provisions of this title and—

"(1) meets the requirements set forth in subsection (a);

"(2) provides that the program or project for which application is made—

"(A) will utilize the best available talents and resources (including persons from the Hawaiian Native community) and will substantially increase the educational opportunities of Native Hawaiian children in the area to be served by the applicant; and

"(B) has been developed—

"(i) in open consultation with parents of Native Hawaiian children enrolled in the applicant's schools, teachers of those children, and, where applicable, Native Hawilian secondary school students, including public hearings at which such persons have had a full opportunity to understand the program for which assistance is being sought and to offer recommendations thereon, and

"(ii) with the participation and approval of a committee composed of, and selected by, parents of Native Hawaiian children enrolled in the applicant's schools, teachers of those children, and, where applicable, Native Hawaiian secondary school students with such parents constituting a majority of the committee. In the State of Hawaii there shall be seven such committees created in accordance with the boundaries of existing school board districts as set out in title 18, section 296-7 of Hawaii Revised Statutes (1968) except that no committee shall be created to serve any at-large district. The participation and approval of each such committee representing an area to be served by the applicant shall be required.

"(C) sets forth such policies and procedures including policies and procedures relating to the hiring of personnel as will insure that the program for which assistance is sought will be operated and evaluated in consultation with, and the involvement of, parents of the Native Hawaiian children and representatives of the area to be served, including the committee established for the purposes of clause (2)(B)(ii).

"(c) Amendments of applications shall, except as the Commissioner may otherwise provide by or pursuant to regulations, be subject to approval in the same manner as original applications.

"PAYMENTS

"SEC. 406. (a) The Commissioner shall, subject to the provisions of section 407, from time to time pay to each local educational agency which has had an application approved under section 405, an amount equal to the amount expended by such agency in carrying out activities under its application.

"(b)(1) No payments shall be made under this title for any fiscal year to any local educational agency in a State which has taken into consideration payments under this title in determining the eligibility of that local educational agency in that State for State aid, or the amount of that aid, with respect to the free public education of children during that year or the preceding fiscal year.

"(2) No payments shall be made under this title to any local educational agency for any fiscal year unless the State educational agency finds that the combined fiscal effort (as determined in accordance with regulations of the Commissioner) of that agency and the State with respect to the provision of free public education by that agency for the preceding fiscal year was not less than such combined fiscal effort for that purpose for the second preceding fiscal year.

"ADJUSTMENTS WHERE NECESSITATED BY APPROPRIATIONS

"SEC. 407. (a) If the sums appropriated for any fiscal year for making payments under this title are not sufficient to pay in full the total amounts which all local educational agencies are eligible to receive under this title for that fiscal year, the maximum amounts which all such agencies are eligible to receive under this title for that fiscal year shall be ratably reduced. In case additional funds become available for making such payments for any fiscal year, during which the first sentence of this subsection is applicable, such reduced amounts shall be increased on the same basis as they were reduced.

"(b) In the case of any fiscal year in which the maximum amounts for which local educational agencies are eligible have been reduced under the first sentence of subsection (a), and in which additional funds have not been made available to pay in full the total of such maximum amounts under the second sentence of such subsection, the Commissioner may allot, in such manner as he determines will best assist in advancing the purposes of this title, any amount awarded to a local educational agency in excess of the amount to which it is entitled under section 403 and subsection (a) of this section, or any amount which the Commissioner determines, based upon estimates made by local educational agencies, will not be needed by any such agency to carry out its approved project.".

SPECIAL PROGRAMS AND PROJECTS TO IMPROVE EDUCATIONAL OPPORTUNITIES FOR NATIVE HAWAIIAN CHILDREN UNDER THE ELEMENTRY AND SECONDARY EDUCATION ACT OF 1965

SEC. 5. (a) Title X of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new section:

"IMPROVEMENT OF EDUCATIONAL OPPORTUNITIES FOR NATIVE HAWAIIAN CHILDREN

SEC. 1007. (a) The Commissioner shall carry out a program of making grants for the improvement of educational opportunities for Native Hawaiian children—

"(1) to support planning, pilot, and demonstration projects, in accordance with subsection (b), which are designed to test and demonstrate the effectiveness of programs for improving educational opportunities for Native Hawaiian children;

"(2) to assist in the establishment and operation of programs, in accordance with subsection (c), which are designed to stimulate (A) the provision of educational services not available to Native Hawaiian children in sufficient quantity or quality, and (B) the development and establishment of exemplary educational programs to serve as models for regular school programs in which Native Hawaiian children are educated;

"(3) to assist in the establishment and operation of preservice and inservice training programs, in accordance with subsection (d), for persons serving Native Hawaiian children as educational personnel; and

"(4) to encourage the dissemination of information and materials relating to, and the evaluation of the effectiveness of, education programs which may offer educational opportunities to Native Hawaiian children.

"(b) The Commissioner is authorized to make grants to State and local educational agencies, and Native Hawaiian organizations to support planning, pilot, and demonstration projects which are designed to plan for, and test and demonstrate the effectiveness of, programs for improving educational opportunities for Native Hawaiian children, including—

"(1) innovative programs related to the educational needs of educationally deprived children;

"(2) bilingual and bicultural education programs and projects;

"(3) special health and nutrition services, and other related activities, which meet the special health, social, and psychological problems of Native Hawaiian children; and

"(4) coordinating the operation of other federally assisted programs which may be used to assist in meeting the needs of such children.

"(c) The Commissioner is also authorized to make grants to State and local educational agencies and to Native Hawaiian institutions and community organizations to assist and stimulate them in developing and establishing educational services and programs specifically designed to improve educational opportunities for Native Hawaiian children. Grants may be used—

"(1) to provide educational services not available to such children in sufficient quantity or quality, including—

"(A) remedial and compensatory instruction, school health, physical education, psychological, and other services designed to assist and encourage Native Hawaiian children to enter, remain in, or reenter elementary or secondary school;

"(B) comprehensive academic and vocational instruction;

"(C) instructional materials (such as library books, text books, and other printed published, or audiovisual materials) and equipment;

"(D) comprehensive guidance, counseling, and testing services;

"(E) special education programs for handicapped and gifted and talented Native Hawaiian children;

"(F) early childhood programs;

"(G) bilingual and bicultural education programs; and

"(H) other services which meet the purposes of this subsection; and

"(2) for the establishment and operation of exemplary and innovative educational programs and centers, involving new educational approaches, methods, and techniques designed to enrich programs of elementary and secondary education for Native Hawaiian children.

"(d) The Commissioner is also authorized to make grants to institutions of higher education and to State and local educational agencies in combination with institutions of higher education, for carrying out programs and projects—

"(1) to prepare persons to serve Native Hawaiian children as teachers, teachers aides, counselors, social workers, and ancillary educational personnel; and

"(2) to improve the qualifications of such persons who are serving Native Hawaiian children in such capacities.

Grants for the purposes of this subsection may be used for the establishment of fellowship programs leading to an advanced degree, for institutes and, as part of a continuing program, for seminars, symposia, workshops, and conferences.

"(e) The Commissioner is also authorized to make grants to and contract with, public agencies, and institutions and Native Hawaiian organizations for—

"(1) the dissemination of information concerning education programs, services, and resources available to Native Hawaiian children, including evaluations thereof; and

"(2) the evaluation of the effectiveness of federally assisted programs in which Native Hawaiian children may participate in achieving the purposes of such programs with respect to such children.

"(f) Applications for a grant under this section shall be submitted at such time, in such manner, and shall contain such information, and shall be consistent with such criteria, as may be established as requirements in regulations promulgated by the Commissioner. Such applications shall—

"(1) set forth a statement describing the activities for which assistance is sought;

"(2) in the case of an application for the purposes of subsection (c), subject to such criteria as the Commissioner shall prescribe, provide for the use of funds available under this section, and for the coordination of other resources available to the applicant, in order to insure that, within the scope of the purpose of the project, there will be a comprehensive program to achieve the purposes of this section;

"(3) in the case of an application for the purposes of subsection (c), make adequate provision for the training of the personnel participating in the project; and

"(4) provide for an evaluation of the effectiveness of the project in achieving its purposes and those of this section.

The Commissioner shall not approve an application for a grant under subsection (b) or (c) unless he is satisfied that such application, and any documents submitted with respect thereto, show that there has been adequate participation by the parents of the children to be served in the planning and development of the project, and that there will be such a participation in the operation and evaluation of the project.

"(g) For the purpose of making grants under this section there are hereby authorized to be appropriated $4,000,000 for the fiscal year 1980, and $5,000,000 for each of the two succeeding fiscal years.".

SPECIAL EDUCATION TRAINING PROGRAMS FOR TEACHERS OF NATIVE HAWAIIAN CHILDREN

SEC. 6. (a) The Commissioner is authorized to make grants to and enter into contracts with institutions of higher education, and Native Hawaiian organizations, for the purpose of preparing individuals for teaching or administering special programs and projects designed to meet the special educational needs of Native Hawaiian children and to provide inservice training for persons teaching in such programs. In carrying out his responsibilities under this section, the Commissioner is authorized to award fellowships and traineeships to individuals and to make grants to, and to enter into contracts with, institutions of higher education and Native Hawaiian organizations, for cost of education allowances.

(b) In the case of traineeships and fellowships, the Commissioner is authorized to grant stipends to, and allowances for, dependents of persons receiving traineeships and fellowships.

(c) There is authorized to be appropriated $500,000 for the fiscal year 1980, and for each of the three succeeding fiscal years to carry out the provisions of this section.

FELLOWSHIPS FOR NATIVE HAWAIIAN STUDENTS

SEC. 7. (a) During the fiscal year 1980, and each of the three succeeding fiscal years, the Commissioner is authorized to award not to exceed one hundred fellowships to be used for study in undergraduate, graduate and professional programs at institutions of higher education.

Such fellowships shall be awarded to Native Hawaiian students in order to enable them to pursue a course of study of not more than four academic years leading toward a professional or graduate degree in medicine, law, education, and related fields or leading to an undergraduate or graduate degree in engineering, business administration, natural resources, and related fields. In addition to the fellowships authorized to be awarded in the first sentence of this subsection, the Commissioner is authorized to award a number of fellowships equal to the number previously awarded during any fiscal year under this subsection but vacated prior to the end of the period during which they were awarded, except that each fellowship so awarded shall be only for a period of study not in excess of the remainder of the period of time for which the fellowship it replaces was awarded, as the Commissioner may determine.

(b) The Commissioner shall pay to persons awarded fellowships under this subsection such stipends (including such allowances for subsistence of such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

(c) The Commissioner shall pay to the institution of higher education at which the holder of a fellowship under this subsection is pursuing a course of study, in lieu of tuition charged such holder, such amounts as the Commissioner may determine to cover the cost of education for the holder of such a fellowship.

(d) There is authorized to be appropriated $500,000 for the fiscal year 1980, and for each of the three succeeding fiscal years to carry out the provisions of this section.

SPECIAL PROGRAMS RELATING TO ADULT EDUCATION FOR NATIVE HAWAIIANS

SEC. 8. The Adult Education Act is amended by inserting after section 316 the following new section:

"IMPROVEMENT OF EDUCATIONAL OPPORTUNITIES FOR ADULT NATIVE HAWAIIANS

"SEC. 316A. (a) The Commissioner shall carry out a program of making grants to State and local educational agencies, and to Native Hawaiian institutions and organizations, to support planning, pilot, and demonstration projects which are designed to plan for, and test and demonstrate the effectiveness of, programs for providing adult education Native Hawaiians—

"(1) to support planning, pilot, and demonstration projects which are designed to test and demonstrate the effectiveness of programs for improving employment and educational opportunities for adult Native Hawaiians;

"(2) to assist in the establishment and operation of programs which are designed to stimulate (A) the provision of basic literacy opportunities to all nonliterate Native Hawaiian adults and (B) the provision of opportunities to all Native Hawaiian adults to qualify for a high school equivalency certificate in the shortest period of time feasible;

"(3) to support a major research and development program to develop more innovative and effective techniques for achieving the literacy and high school equivalency goals;

"(4) to provide for basic surveys and evaluations thereof to define accurately the extent of the problems of illiteracy and lack of high school completion among Native Hawaiians;

"(5) to encourage the dissemination of information and materials relating to, and the evaluation of, the effectiveness of educational programs which may offer opportunities to Native Hawaiian adults.

"(b) The Commissioner is also authorized to make grants to, and contracts with, public agencies, and institutions, and Native Hawaiian organizations for—

"(1) the dissemination of information concerning educational programs, services, and resources available to Native Hawaiian adults, including evaluations thereof; and

"(2) the evaluation of the effectiveness of federally assisted programs in which Native Hawaiian adults may participate in achieving the purposes of such programs with respect to such adults.

"(c) Applications for a grant under this section shall be submitted at such time, in such manner, and contain such information, and shall be consistent with such criteria, as may be established as requirements in regulations promulgated by the Commissioner. Such applications shall—

"(1) set forth a statement describing the activities for which asistance is sought;

"(2) provide for an evaluation of the effectiveness of the project in achieving its purposes and those of this section.

The Commissioner shall not approve an application for a grant under subsection (a) unless he is satisfied that such application, and any documents submitted with respect thereto, indicate that there has been adequate participation by the individuals to be served in the planning and development of the project, and that there will be such a participation in the operation and evaluation of the project.

"(d) For the purpose of making grants under this section there are hereby authorized to be appropriated $2,000,000 for the fiscal year 1981, and $2,000,000 for each of the two succeeding fiscal years.".

SEC. 9. Section 441 of the Indian Education Act is amended by redesignating subsection (b) of such section, and all references thereto, as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) The Office of Indian Education shall have further responsibility for administering the provisions of title IV of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), section 1007 of title VIII of the Elementary and Secondary Education Act of 1965, and section 316A of title III of the Adult Education Act.".

ADVISORY COUNCIL ON NATIVE HAWAIIAN EDUCATION

SEC. 10. (a) There is hereby established the Advisory Council on Native Hawaiian Education (referred to in this title as the Council), which shall consist of seven members who are Native Hawaiians appointed by the President of the United States. Such appointments shall be made by the President from lists of nominees furnished, from time to time, by Native Hawaiian organizations.

(1) advise the Commissioner of Education with respect to the administration (including the development of regulations, administrative practices, and policies) of any program in which Native Hawaiian children or adults participate from which they can benefit, including title IV of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), as added by this Act, and section 1007, title VIII of the Elementary and Secondary Education Act of 1965, as added by this Act and with respect to adequate funding thereof;

(2) review applications for assistance under title IV of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), as added by this Act, section 1007 of title VIII of the Elementary and Secondary Education Act of 1965, as added by this Act, and section 316A of the Adult Education Act, as added by this Act, and make recommendations to the Commissioner regarding their approval;

(3) evaluate program and projects carried out under any program of the Department of Health, Education, and Welfare in which Native Hawaiian children or adults can participate or from which they can benefit and disseminate the results of such evaluations;

(4) provide technical assistance to local educational agencies and to Native Hawaiian organizations to assist them in improving the education of Native Hawaiian children:

(5) assist the Commissioner in developing criteria and regulations for the administration and evaluation of grants made under section 403(b) of the Act of September 20, 1950 (Public Law 874, Eighty-first Congress); and

(6) submit to the Congress not later than March 31 of each year a report on its activities, which shall include any recommendations it may deem necessary for the improvement of Federal education programs in which Native Hawaiian children and adults participate, or from which they can benefit, which report shall include a statement of the Council's recommendations to the Commissioner with respect to the funding of any such programs.

(c) With respect to functions of the Council stated in clauses (2), (3), and (4) of subsection (b), the Council is authorized to contract with any public or private nonprofit agency, institution, or organization for assistance in carrying out such functions.

(d) From the sums appropriated pursuant to section 400(c) of the General Education Provision Act which are available for the purposes of section 411 of such Act and for part D of such Act, the Commissioner shall make available such sums as may be necessary to enable the Council to carry out its functions under this section.

DEFINITIONS

SEC. 11. For the purposes of this Act—

(a) the term "Native Hawaiian" means any individual whose ancestors were natives of the area which consisted of the Hawaiian Islands prior to 1778;

(b) the term "Native Hawaiian organization" includes Native Hawaiian nonprofit institutions and agencies as well as Native community organizations; and

(c) the term "parent" includes a legal guardian or other person standing in loco parentis.●

By Mr. HEINZ (for himself and Mr. STONE):

S.J. Res. 56. A joint resolution proposing an amendment to the Constitution to protect the people of the United States against excessive governmental burdens and unsound fiscal and monetary policies by limiting total outlays of the Government; to the Committee on the Judiciary.

Mr. HEINZ. Mr. President, a few years ago, a popular political slogan was "Send Them a Message." The American people have been trying to send a message to Washington for a long time now—a message that says Government should slow down, limit spending, and cut waste.

Unfortunately, that message seemed to get lost in the mail for a few years and was just delivered in the 1978 elections. In the past, many if us in Congress have tried to slow Government down. We have not succeeded. I believe that the only effective way to control Government spending is through a constitutional amendment.

The people of this country want a Government they control, not one that controls them. They want an effective Government, not one that wastes their tax dollars. They want a Government that is financially responsible, not one that mortgages their future.

These are not new desires. We have heard them before and tried to deal with them. In just my 7 years in Congress, 5 in the House and now more than 2 in the Senate, there have been many responsible attempts to halt the increasing intrusion of Government into our lives.

But these efforts have been no more effective than King Canute's attempt to order the tide not to come in. They have been continually defeated.

As a member of the Budget Committee during the 95th Congress, I have been one of those congressional Canutes, so I know what a terribly frustrating feeling it is to see the Federal Government just get bigger and bigger without having having any handle on it.

The President and Congress have all the powers they need to control spending.

The fact is, they have been unwilling or unable to do so.

The much-heralded establishment of a new congressional budget process in 1974 was supposed to have brought much needed discipline to Congress. But that is not the way things have worked out. In fact, the budget deficits are even larger now than they were before the new procedures were instituted.

When you look at the budget numbers for the last 30 years, you can understand why voters are angry.

Since 1950, Federal expenditures as a percentage of the gross national product have increased from 14 to 22 percent. In the last decade alone, from fiscal year 1970 through fiscal year 1980 Government outlays have increased from $196 billion to $543 billion—that is a nearly threefold increase—during a period that started at the height of the costly war in Vietnam. Just 2 weeks before the passage of proposition 13 in California, we offered a motion in the Senate to cut 1 percent—just 1 percent—from the $500 billion Federal budget. That motion was defeated 46 to 42.

Human behavior being what it is, Mr. President, it is much easier for us in Congress to vote for just those few extra millions than it is to vote against them. There are so many real needs to be met and problems to be solved that, in our limitless capacity for compassion, we cannot say no.

But the cumulative effect of all those decisions to support a few extra dollars for this or that vitally important program is exactly what the taxpayers are rightfully upset about.

I have great affection and respect for the Congress and my colleagues in both parties. But I am deeply concerned that our hopes for this country may never be realized as long as we proceed on the course we have chosen, and that course is one that promotes too much, too expensive, and too heavyhanded a government.

After a considerable amount of reflection on this problem, I have come to the conclusion that we need some mechanism, some dispassionate, objective control that will force the President and Congress to absolutely limit what the Federal Government can do.

A number of my colleagues and 28 State legislatures propose to enact constitutional amendments to require a balanced budget. I do not believe this approach will guarantee a limit on the role of the Federal Government in our citizens' lives. All the balanced budget amendment does is force the Government to either collect in taxes only what it spends or spend only what it collects. Although politically difficult under these proposals, the Federal budget could still soak up 50 percent or more of the country's output and still meet a constitutional requirement for a balanced budget.

In other words, a balanced budget could mean increased taxes, increased intrusion in our lives, continued irresponsible spending; that is not what the proponents intend and that is emphatically not what the American people want or deserve.

That is why I today join with my distinguished colleague from Florida, DICK STONE, in introducing a constitutional amendment that will put a limit on the role and growth of Federal spending in our economy. The amendment we are proposing will restrict the growth of Federal spending to the gains in our economy.

The amendment we propose will allow Government to grow in real terms, but it will not allow Government to continue its utterly unrestrained growth as a proportion of our gross national product and in our lives.

At the heart of our amendment is a prohibition on Congress from increasing the overall spending by a rate any larger than the most recent increase in the gross national product. When the inflation rate exceeds 3 percent, even tighter limits are applied.

Second, the amendment requires Congress to apply any Federal surplus to reducing our staggering national debt. Currently the national debt is at $800 billion, and the interest we pay on the national debt is the third largest item in the national budget.

The amendment also authorizes emergency spending upon declaration by the President and a two-thirds vote by both Houses of Congress.

And because we know the future to be uncertain, it also allows an increase in general spending limits if they are approved by three-fourths of both Houses of Congress.

Mr. President, the Heinz-Stone amendment has been developed with the help of the Nobel Prize-winning economist Dr. Milton Friedman and the National Tax Limitation Committee, a group of prominent economists, political scientists, and lawyers.

Their efforts go back over a 6-year period and I believe that the group has used the highest degree of expertise and foresight in responding to this difficult problem.

Our Constitution has served us well for nearly 200 years. None of the less than 500 words of the Constitution of 1789 were lightly chosen. You only have to read Madison's minutes from the Constitutional Convention, or Madison's, Hamilton's, and Jay's Federalist essays, to know how carefully each word, each phrase, each possible nuance of meaning or construction was considered and debated.

In addition, they carefully structured the new government against the accumulation of too much power at the seat of government. They purposely fashioned a federation—a federal system in which the National Government had only those powers specifically granted to it. All other powers resided in the States, or with the people.

The founders had unique vision and foresight, but they could not have imagined the growth in size and power or the developments in technology and communications that the next 200 years would bring.

Nor could they imagine the way the Federal Government would grow under pressure from world wars and worldwide economic crises. They simply never foresaw the vast economic role the Federal Government has come to play on our lives. Nor could they imagine the kinds of special interest pressures that would come to exert nationwide pressures on Federal lawmakers.

Many of these special interests have just and important needs and grievances. But what I think we need today is to step back and take a look at the national interest.

I feel strongly that we cannot continue business as usual in the formulation of the Federal budget.

Business as usual has brought us where we are today.

Mr. President, neither I nor Senator Stone would claim that this amendment is the perfect, last word. If changes need to be made to remedy imperfections or to further the goal of fiscal responsibility I will support them. But the principle I seek to uphold is vital and immutable: The need to redress the balance of power between the Federal Government and the American people.

Mr. President, we should restore the vision the founders wrote into the Constitution, and that is what this amendment seeks to provide. I hope my colleagues will give it their attention and support.

Mr. President, I ask unanimous consent that a question-and-answer sheet and some statistical tables be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Questions and Answers

Q. What does this amendment do?

A. Simply, this amendment would limit the increase in federal spending to a percentage equal to the percentage increase in the gross national product. If the inflation rate exceeds three percent, however, the amendment would apply additional limits on the growth of federal outlays.

Q. Why do we need a constitutional amendment?

A. Over the years, numerous attempts have been made to either limit federal spending or to force the Congress to balance the budget. The much heralded establishment of the Congressional budget process in 1974 was such an attempt to bring much needed discipline to Congress. But that hasn't worked. The budget deficits are even larger now than before 1974. What we need then is an objective mechanism to force the President and Congress to limit what the Federal government can spend.

Q. Why not enact a statutory limit on spending?

A. A statutory limit is inadequate for the same reason the Budget Act of 1974 is inadequate. Legislation is just too easy to change. A constitutional amendment will impose the fiscal dsciplinе on Congress that present procedures do not, and ensure that Congress does not change the limits all too easily.

Q. What's wrong with the balanced budget approach?

A. There's nothing wrong with a balanced budget. In fact, that is the goal we hope to achieve with this amendment. However, balancing the budget could mean raising taxes to finance increases in federal spending. Our amendment, on the other hand, would balance the budget gradually by controlling the amount of our nation's wealth that the government could command.

Q. Isn't such an amendment inflexible?

A. On the contrary, our amendment is far more flexible than any other approach that has been proposed. Within the overall spending limit, the Congress and the President are not constrained by a balanced budget requirement in setting policies to maximize growth. Also, if three-quarters of the Congress can agree, they can also raise the federal spending base from which future increases are calculated. Finally, in times of severe emergency, this amendment would allow federal spending to exceed the limits outlined in the main provision of the amendment.

Q. Won't restricting spending make a recession deeper if one hits?

A. No. There is a built in counter-cyclical feature in this amendment that would have the effect of allowing increased spending in times of recession and decreased spending in times of excessive growth.

Q. How does this amendment fight inflation?

A. By eliminating waste and inefficiency. Also the formula of the amendment would induce Congress to seek out a set of economic policies which would control inflation by decreasing federal spending growth when inflation is greater than 3% annually. When inflation exceeds that 3% rate, spending is limited to a percentage of the increase in the gross national product *minus* one-fourth the difference between the inflation rate and 3%. In other words, if Congress lets inflation get out of hand, their ability to spend will be severely curtailed.

Q. Does this amendment limit the growth of the federal government?

A. It sets limits on how much government can grow by setting limits on how much it can spend, without putting limits on the general growth of the economy.

Q. How does this amendment reduce the burden of taxes?

A. Rather than putting the increased revenue brought by economic growth or inflation into expansion of the federal government, this amendment would allow Congress to use the increase to reduce taxes, retire part of the national debt, or both.

Q. How does this amendment help the average taxpayer?

A. It will encourage a reduction in the rate of inflation, allow Congress to reduce taxes outright or institute other changes in the national tax structure, stimulate economic growth and reduce the amount of the national wealth which flows to the federal government rather than back to the economy.

Q. If the amendment had been in effect in the last 10 years, how would things be different?

A. Over the last ten years, the cumulative deficit has increased by $271 billion. Had our amendment been enacted in 1969, we would have accumulated, instead, a surplus of $22 billion. Also, if this amendment had been in effect since 1969, the federal government could have been held to the 19% share of the gross national product that the federal budget took up in the years between the Korean and Vietnam wars instead of the current 22% share.

Q. How will this amendment help the elderly, the poor and others living on fixed incomes?

A. Inflation does the most damage to the financial situations of those on fixed incomes, and by restricting federal spending the amendment attacks one of the leading causes of that damaging inflation. The inflation clause of the amendment also adds pressure for further reductions in the rate of inflation through additional methods.

Q. How does this amendment protect the states from having to assume an increased financial burden in the wake of reduced federal spending expansion?

A. Federal aid to the states is protected by maintaining the federal aid programs which already exist for a specified grace period of six years. It also prohibits federal action to shift the financial burden of programs to the states.

Q. Will this amendment help to eliminate the national debt?

A. By allowing Congress a choice of what to do with any surplus which does develop, the amendment makes it possible for Congress to funnel money into retiring the national debt. Had our amendment been enacted 10 years ago, the national debt would not have been over $800 billion it is today but rather only $355 billion. Our amendment would gradually pay off the national debt, and provide a double benefit by reducing the interest we pay on the debt from the present $57 billion, the third largest category of expenditures in our federal budget.

TABLE 1.—TOTAL OUTLAYS OF THE FEDERAL GOVERNMENT, 1965–82

Year	Total outlays (billions)		Year-to-year (percent change)		Share of GNP (percent)	
	Actual	Amendment	Actual	Amendment	Actual	Amendment
1965	118.4	NA	−0.2	NA	18.0	NA
1966	134.7	NA	13.8	NA	18.7	NA
1967	158.3	NA	17.5	NA	20.4	NA
1968	178.8	NA	13.0	NA	21.5	NA
1969	184.6	NA	3.2	NA	20.4	NA
1970	196.6	200.6	6.5	8.6	20.5	20.9
1971	211.4	215.0	7.5	7.2	20.7	21.1
1972	232.0	224.5	9.7	4.4	20.9	20.2
1973	247.1	241.7	6.5	7.7	20.0	19.5
1974	271.1	265.4	9.7	9.8	19.9	19.5
1975	334.2	294.0	23.3	10.8	22.9	20.2
1976	373.7	313.1	11.8	6.5	23.0	19.3
Transition quarter	96.5	79.8	NA	NA	NA	NA
1977	411.4	339.1	8.0	6.6	22.4	18.5
1978	461.2	375.0	12.1	10.6	22.6	18.4
1979	505.4	413.3	9.6	10.2	22.1	18.1
1980	543.5	456.3	7.5	10.3	21.7	18.2
1981	589.5	502.1	8.5	10.0	21.4	18.2
1982	626.0	544.6	6.2	8.5	20.7	18.0

Source: Actuals: Budget of the United States (1980). Amendment: Simulation assume-total outlays are equal to maximum permissible outlays.

TABLE 2.—DEBT OF THE FEDERAL GOVERNMENT, 1970–82

Year	Annual Federal deficit (surplus) (billions)		Total Federal debt (billions)		Federal Debt/Household (dollars)		Federal interest payments (billions)		Outlays less interest (billions)	
	Actual	Amendment	Actual	Amendment	Actual	Amendment	Actual	Amendment	Actual	Amendment
1970	2.9	6.9	382.6	386.6	6,035	6,098	18.3	18.5	178.3	182.1
1971	23.0	26.6	409.5	417.0	6,319	6,435	19.6	20.0	191.8	195.0
1972	23.4	15.9	437.3	437.3	6,556	6,556	20.6	20.6	211.4	203.9
1973	14.9	9.5	468.4	463.0	6,858	6,779	22.8	22.5	224.3	219.2
1974	6.2	.5	486.2	475.1	6,956	6,797	28.0	27.4	243.1	238.0
1975	53.2	13.0	544.1	492.8	7,653	6,931	30.9	28.0	303.3	266.0
1976	73.7	13.1	631.9	520.0	8,668	7,133	34.5	28.4	339.2	284.7
1977	53.6	(18.7)	709.1	508.2	9,570	6,858	38.0	27.2	373.4	311.9
1978	59.2	(27.0)	780.4	493.3	10,268	6,491	44.0	27.8	417.2	347.2
1979	49.4	(42.7)	839.2	460.0	10,828	5,935	52.8	28.9	452.6	384.4
1980	40.9	(46.3)	899.0	432.6	11,365	5,469	57.0	27.4	486.5	428.9
1982	12.7	(74.8)	940.3	386.4	11,652	4,788	59.1	24.3	530.4	477.7
1982	(26.6)	(108.0)	951.9	316.7	11,566	3,848	59.5	19.8	566.5	524.8

Source: Actual: Budget of the United States (1980) and Bureau of the Census Amendment: Simulation assumes total outlays are equal to maximum permissible outlays.

TABLE 3.—CHART IV: OUTLAYS PER HOUSEHOLD

Year	Actual (without limit)	With limit
1965	$2,063	NA
1966	2,307	NA
1967	2,674	NA
1968	2,941	NA
1969	2,968	NA
1970	3,101	$3,164
1971	3,262	3,318
1972	3,478	3,366
1973	3,618	3,539
1974	3,878	3,797
1975	4,700	4,135
1976	5,126	4,295
1977	5,552	4,576
1978	6,068	4,934
1979	6,521	5,333
1980	6,871	5,769
1981	7,305	6,221
1982	7,606	6,617

TABLE 4.—SPENDING LIMIT INCREASING INFLATION, 1980–89

Year	Year-to-year change (percent)		Nominal GNP (billions)	Total Outlays (billions)	Outlays/GNP (percent)
	Real GNP	Inflation			
1980	3	8	2,565	531	20.7
1981	3	9	2,880	580	20.1
1982	3	10	3,263	637	19.5
1983	3	11	3,730	705	18.9
1984	3	12	4,303	786	18.3
1985	3	13	5,009	883	17.6
1986	3	14	5,881	998	17.0
1987	3	15	6,966	1,135	16.3
1988	3	16	8,323	1,300	15.6
1989	3	17	10,030	1,500	15.0
DECLINING INFLATION, 1980–89					
1980	3	8	2,565	546	21.3
1981	3	7	2,827	605	21.4
1982	3	6	3,086	665	21.5
1983	3	5	3,338	726	21.7
1984	3	4	3,576	786	22.0
1985	3	3	3,793	846	22.3
1986	3	2	3,985	904	22.7
1987	3	1	4,146	959	23.1
1988	3	0	4,270	1,007	23.6
1989	3	−1	4,354	1,048	24.1

TABLE 5.—SPENDING LIMIT INCREASING REAL GROWTH, 1980–89

Year	Year-to-year change (percent)		Nominal GNP (billions)	Total Outlays (billions)	Outlays/GNP (percent)
	Real GNP	Inflation			
1980	3	8	2,565	528	20.6
1981	4	8	2,881	575	20.0
1982	5	8	3,267	632	19.3
1983	6	8	3,740	701	18.8
1984	7	8	4,322	786	18.2
1985	8	8	5,041	889	17.6
1986	9	8	5,934	1,015	17.1
1987	10	8	7,050	1,170	16.6
1988	11	8	8,451	1,360	16.1
1989	12	8	10,223	1,596	15.6
DECLINING REAL GROWTH, 1980–89					
1980	3	8	2,565	549	21.4
1981	2	8	2,826	609	21.6
1982	1	8	3,082	670	21.7
1983	0	8	3,329	729	21.9
1984	−1	8	3,559	786	22.1
1985	−2	8	3,767	839	22.3
1986	−3	8	3,946	887	22.5
1987	−4	8	4,091	928	22.7
1988	−5	8	4,198	961	22.9
1989	−6	8	4,262	985	23.1

● Mr. STONE. Mr. President, today my distinguished colleague from Pennsylvania (Mr. HEINZ) and I are introducing a constitutional amendment which would place a necessary restraint on the growth of Federal Government spending.

This amendment originated with the National Tax Limitation Committee, whose members are outstanding citizens from many walks of life from different parts of the country. We have worked with this committee's representatives over the past several months in developing this proposal which embodies sound economic policy and, in our judgment, represents the only responsible constitutional solution to a serious and pressing national problem.

Mr. President, I do not believe that the Congress can continue to ignore the call for help which has come from the people of our country. They are calling for relief from the ever-growing national debt; relief from the increasing tax burden required by uncontrolled Federal spending; relief from the ravages of the resulting inflation.

I believe that this amendment answers that call. Our amendment is a major step in putting the country back on the road to economic prosperity.

Inflation is the foremost concern of my Florida constituents. Rising costs continue to hurt our elderly and others on fixed incomes. To a significant degree, Federal Government spending practices are responsible for this continuing economic malaise.

The proposed amendment contains an inflation penalty which would further restrain Congress and the President if inflation were to exceed 3 percent. This penalty would force the Government to eliminate wasteful and inefficient programs and take other steps to ease the inflationary pressures on the economy.

Our amendment also helps the overburdened taxpayer by allowing Congress to reduce taxes or institute other changes in the tax structure. Congress also has the discretion to use budget surpluses to retire the national debt. Our amendment has the net effect of reducing the amount of the national wealth which flows to the Government rather than back to the economy.

Mr. President, had this amendment been enacted in 1969, it has been estimated that we would have accumulated a surplus of $22 billion instead of increasing the deficit by $271 billion. Also, the national debt would be almost one-half of the over $800 billion it is today.

As can be seen, had our amendment been in effect since 1969–70, our economy would probably be much healthier than it is today.

Last, Mr. President, I feel that our amendment is far more flexible than any other approach that has been proposed. Our amendment does not severely tie the hands of Congress and the President by mandating a balanced budget, although that is a desired end. We propose to limit the growth of the Federal budget to a percentage equal to that of the percentage increase in the gross national product. This gives Congress the leeway to have a deficit or a surplus, depending on which is the most favorable to a healthy economy at the time, as long as the outlays do not exceed the limit.

This amendment is also flexible in that it allows three-fourths of both Houses of Congress to change the Federal spending base from which the future limits are calculated. There is also a provision which would allow Federal spending in excess of the limit should the President declare a state of emergency. I think you will have to agree that this amendment is both flexible and tough.

Mr. President, I share the concern of some that proposing a change in the fundamental law of the land should be undertaken carefully and thoughtfully. I join in introducing this amendment only after coming to the conclusion that without a constitutional restraint, Federal spending will never be brought under control.

Mr. President, I hope my colleagues join Senator HEINZ and myself as cosponsors of this resolution and work to insure its passage.

I ask unanimous consent that the text of our resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 56

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein), that the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several states within seven years after its submission to the states for ratification:

"ARTICLE—

"SECTION 1. (a) Total outlays of the Government of the United States during any fiscal year shall not increase by a percentage greater than the percentage increase in the nominal gross national product during the last calendar year ending prior to the beginning of such fiscal year. If the inflation rate for that calendar year is more than three percent, the permissible percentage increase in total outlays during such fiscal year shall be reduced by one-fourth of the percentage by which the inflation rate exceeds three percent.

"(b) For purposes of subsection (a)—

"(1) the inflation rate for a calendar year is the percentage by which the percentage increase in nominal gross national product for that calendar year exceeds the percentage increase in real gross national product for that calendar year; and

"(2) total outlays includes both budget and off-budget outlays, but does not include redemptions of the public debt or emergency outlays authorized under section 3 of this article.

"SEC. 2. When, for any fiscal year, total revenues received by the Government of the United States exceed total outlays, the surplus shall be used to reduce the public debt of the United States until such debt is eliminated.

"SEC. 3. Following declaration of an emergency by the President, the Congress may authorize, by a two-thirds vote of both Houses of Congress, a specified amount of emergency outlays in excess of the limit prescribed by section 1 for the current fiscal year.

"SEC. 4. The limit on total outlays prescribed by section 1 may be changed by a specified amount by a three-quarters vote of both Houses of Congress. The change shall become effective for the fiscal year following approval.

"SEC. 5. For each of the first six fiscal years beginning after ratification of this article, total grants to State and local governments shall no be a smaller fraction of total outlays than in the last three fiscal years beginning prior to the ratification of this article. Thereafter, if such grants for any fiscal year are less than that fraction of total outlays, the limit on total outlays prescribed by section 1 for such fiscal year shall be decreased by an equivalent amount.

"SEC. 6. The Congress may not by law require or authorize any agency of the Government of the United States to require, directly or indirectly, that State or local governments engage in additional or expanded activities without compensation equal to the necessary additional costs.

"SEC. 7. This article shall apply to the first fiscal year beginning after the date of its ratification and to each succeeding fiscal year.

"SEC. 8. The Congress shall have power to enforce this article by appropriate legislation." ●

By Mr. PELL:

S.J. Res. 57. Joint resolution to authorize the President to proclaim the week of April 16–22, 1979, as "National Education for Business Week"; to the Committee on the Judiciary.

NATIONAL EDUCATION FOR BUSINESS WEEK

● Mr. PELL. Mr. President, for many years, educators and business people have worked together to educate and train young people for careers within American small businesses and large corporations. These business education graduates are vitally important to our free enterprise system. Programs begin in secondary schools to prepare students to handle responsibilities businesses require. Postsecondary educational opportunities exist for the development of more proficient competencies in skills so necessary to the day-to-day functioning of those companies which contribute to the well-being of our Nation. Because of the dedicated work the schools and their business education faculties and staffs have done, we have become the most technologically, as well as economically advanced country in the world. As great as our progress has been in the past, the real challenge lies in the future.

Recognizing our need to maintain our world leadership, our Government, our industry, and our educators began in the early 1950's to reevaluate the use of our key national resource—our young people. We looked at the education they were receiving. We talked with business leaders about manpower needs, and the Congress responded by enacting many programs designed to help young people meet the employment needs of the 1960's and the 1970's. Business education professionals and the many fine educational institutions which employ them rose to the challenge and developed business education programs which have met the basic manpower needs of the past two decades.

More needs to be done for the future. According to a recent Labor Department survey, the vast majority of the 46 million job openings between now and 1985 will require vocational or technical training beyond high school. By and large this is not theoretical training, but specialized types of instruction for accountants, bookkeepers, secretaries and stenographers, laboratory technicians, specialists in marketing, computer programers, and many other vital skills which keep our business world functioning. Our ability to remain the most advanced Nation on Earth requires that our young people's view of business education be elevated.

Unless they see a bright future for themselves by entering business education programs at the high school and postsecondary levels, our business education institutions, and their well-qualified faculties and staffs will not have the quality and quantity of young people to train for our labor market needs of the near future.

To focus on our opportunities, today I am introducing a resolution to declare April 16–22, 1979, National Education for Business Week.

National Education for Business Week has three purposes:

It will focus on the shortage of people whose practical skills are basic to the future of our free enterprise system.

It will stimulate interest among young people in vocations and careers that have promising futures in the world of business.

It will help to provide business educators the recognition they deserve for the important role they play in motivating young people to careers in business.

During National Education and Business Week students, teachers, parents, business leaders, and government officials will be reminded that the demand for skilled people exceeds the supply. Business and community leaders will be asked to recognize the advantages of a business education and the values such an education can offer. Attention will be drawn to the contribution business schools and colleges make to the community. In some places, National Education for Business Week will promote open houses for business representatives, strengthen relationships with other schools, and provide information to the general public about the need for institutions which specialize in preparing students for careers in business.

National Education for Business Week has the strong support of the two primary associations in the United States concerned with business education, the National Business Education Association and the Association of Independent Colleges and Schools.

National attention must be focused upon training of people to fill the jobs available in business, industry, health-related occupations, and elsewhere. National Education for Business Week not only provides a platform from which business educators can draw attention to their daily contributions, but also serves to alert the community to an underutilized potential at a time when fullest employment is one of our important national goals. Mr. President, I hope that you will agree with me that this small effort on our part will make a major contribution to a bright future for both America's young people and our business community.●

By Mr. DURKIN:

S.J. Res. 58. A joint resolution urging the President of the United States, the President of Mexico, and the Prime Minister of Canada to appoint a North American Energy Alliance Commissions; to the Committee on Foreign Relations.

NORTH AMERICAN ENERGY ALLIANCE COMMISSION

Mr. DURKIN. Mr. President, I am introducing today a Joint Resolution urging the President of the United States, the President of Mexico, and the Prime Minister of Canada to appoint a North American Energy Alliance Commission. This Commission, to be made up of citizens from the United States, Canada, and Mexico will study common energy issues and make recommendations to the three governments on ways to improve the energy integration of the North American nations. This Commission should be composed of citizens from a variety of perspectives on the Energy problems we face—governments, producers, consumers.

This Commission, its recommendations, and the atmosphere of common dialog it will begin, are vital first steps toward a resolution of our common energy problems.

It is time we in the United States take the lead in dispelling the air of mistrust and mutual suspicion that pervades the North American energy picture today. The establishment of a positive program of cooperation and mutual understanding between ourselves and the peoples of Canada and Mexico would be of great public value.

The United States, Mexico, and Canada share a common future. The world and hemisphere have grown increasingly interdependent with each passing year. Growing interdependence means that we must work together if we are to solve the problems we confront today.

The success of our Nation's energy policies are increasingly intertwined with those of our nearest neighbors. The absence of cooperation and common trust has seriously undermined the energy policies of all three nations.

A good example of how distrust and mutual suspicion between neighbors undermines effective energy policy is the Alaska oil pipeline decision. After the discovery of a large deposit of crude oil on Alaska's North Slope, the United States was confronted with the problem of transporting this oil to those areas of the United States that needed the oil. There were essentially two routes for such a pipeline—one to southern Alaska, and the other to the Midwest via the MacKenzie Valley of Canada. A pipeline to the Midwest through Canada had several advantages over the alternative route. First, the oil would be carried to where it was needed, the Central and Eastern parts of the United States and Canada where oil is in short supply, rather than the U.S. west coast, which has ample indigenous supplies of oil. Second, the MacKenzie Valley route had the advantage of avoiding a costly and dangerous transport of oil through the stormy waters of the Gulf of Alaska. Third, the MacKenzie Valley pipeline would have enabled the development of northern Canadian oil reserves, reserves which may not by themselves justify the high cost of a pipeline.

Despite the advantages of the route across Canada and the problems with the all-Alaska line, the United States built the pipeline to southern Alaska. Why did we make this decision? Because of distrust and misunderstanding between this country and Canada.

The absence of a framework of mutual trust and cooperation between our two countries, in short, is at the root of much of the United States current agonizing about the disposition of Alaskan oil, the construction of a SOHIO and/or northern route pipeline and the production shortfalls on Alaska's North Slope.

The benefits from improved cooperation between the United States and our North American neighbors is not, of course, limited to the flow of oil from the Alaskan North Slope.

The emergence of Mexico as a major oil and gas producer will be shaped by the level of cooperation between the Mexican and the American people. The establishment of a better framework of understanding between Mexico and the United States would benefit both countries by establishing a stable basis for planning and business investment. When the U.S. Government suddenly intervened last year to cancel the gas deal negotiated by the U.S. corporations and PEMEX, the Mexican petroleum company, the result was a serious disruption of the pace of Mexican oil and gas development. Not only was our ability to plan around the expected gas reduced, the Mexicans too were forced to reassess and alter their schedules for hydrocarbon production. It was an insult to the people of Mexico.

It is vital that the United States and Mexico come to a closer understanding about these issues since major investments in pipelines and port facilities are proceeding in Mexico at this very moment. These investments will shape the future course of Mexican oil and development and they will be difficult and expensive to alter once in place.

In New Hampshire and New England, greater cooperation between the United States and Canada would be beneficial to both nations. Although Canada as a whole is rich in hydrocarbons, as is the United States, New England shares with the Canadian Maritime Provinces an extreme dependence on foreign and imported oil, which has become expensive and of uncertain supply in recent years. Greater cooperation between the United States and Canada would lead to the creation of a regional products storage reserve system to meet the needs of the region in time of emergency. Since these facilities are very expensive, a joint facility for the Maritime Provinces and the New England States would make the most sense. Indeed, one of the best sites for such storage is in Canada. But until a spirit of cooperation and mutual trust are more firmly and permanently established between the United States and Canada, the creation of such a joint regional petroleum storage facility will remain a dream.

I believe that it is time to take the first steps toward greater economic cooperation between ourselves and our neighbors in North America. I believe that the North American Energy Alliance Commission, which my resolution proposes the creation of, would be an important first step in this direction. I urge my colleagues to support the creation of this commission.

I ask unanimous consent that the text of the resolution be inserted in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 58

Whereas the United States, Mexico, and Canada are Democratic Nations sharing common values, common problems, common borders and common destinies,

Whereas problems of energy production, transportation, financing and consumption trouble all threee nations,

Whereas consumers and producers in all three nations will benefit from cooperative planning and mutual energy security guarantees, and the most efficient use of transportation networks and corridors crossing international borders,

Whereas the growing energy integration of Canada, Mexico and the United States has proceeded faster and to a greater degree than our political institutions have been able to cope with adequately,

Whereas the efforts to handle this growing entanglement have been *ad hoc*, conflicting, and reactive,

Be it therefore resolved by the Congress of the United States that the President of the United States should join with the President of Mexico and the Prime Minister of Canada in establishing an Advisory Commission on Energy Integration to be composed cf eminent citizens from all three nations concerned with all aspects of energy, and

Be it further resolved that this Commission should examine all aspects of the North American situation and make recommendations to the governments of Mexico, Canada and the United States toward the establishment of a North American Energy Alliance.

By Mr. INOUYE (for himself and Mr. COCHRAN):

S.J. Res. 59. A joint resolution to authorize the President to issue annually a proclamation designating the second week in May of each year as "Municipal Clerks Week"; to the Committee on the Judiciary.

MUNICIPAL CLERKS WEEK

● Mr. INOUYE. Mr. President, the profession of municipal clerk is a time-honored and historical one, extending to biblical times and beyond.

The modern Hebrew translation of town clerk is "Mazkir Ha'ir," which literally means the city or town "Reminder." The English Bible (II Samuel, I and II Kings, Isaiah, and I and II Chronicles) called him the "Recorder." The recorder kept the records of the important events of the time. The Hebrew "Mazkir" was "one who caused to remember" or "called to mind." He was among the highest of court officials—the chancellor who called the King's attention to important matters of State.

The town clerk was an official of varied powers and functions in different parts of the Greek world and was also recognized by the Romans in their colonial world. It was the town clerk who persuaded the rioting citizens of Ephesus to leave the followers of St. Paul unharmed and return to their homes, thus preserving the law and order of the time. (Acts **XIX**.)

In the Middle Ages, "clerk" became synonymous with "scholar." He was the person who recorded the happenings of the day and tied together the past with the present. In England the town clerk became a respected and important official in local government, and when the colonists came to America the office of town clerk became an integral part of the democratic communities, recording the birth and death of its inhabitants, the land transactions, and the action of freemen assembled at the annual town meetings.

Today, the office of municipal clerk continues to be a key element of our local democratic system. Outside of the mayor, the municipal clerk is the most frequently found office in local government. The office now exists from the largest cities and the smallest hamlets in the Nation. It is found in every State in the Union; is a highly respected office in Canadian local government; continues its ancient role in Israel; and can be found in democratic governments around the globe. And in these times, when much emphasis is being placed upon the advancement of women in government, it is the only profession in local government administration where over half of its members are women.

The duties of the modern municipal clerk continues to be as broad and as essential to our local citizens as they have been in the past. The municipal clerk maintains the official records and documents, records and publishes council minutes, and serves as the information center in handling inquiries from other municipal departments, other governmental units, and the citizens. In nearly three-quarter of our communities, the municipal clerk is the elections administration officer. In two-thirds of the municipalities, the municipal clerk manages the licensing of businesses and the granting of permits. Vital statistics is an important function of the municipal clerks in the Eastern part of our country—especially in New England. The municipal clerk in many communities, especially the smaller ones and those in the South and Central States, also maintains the financial records. And a significant number, again especially in the smaller communities, serve as the chief administrative officer, overseeing all operations of local government and implementing the programs and policies determined by the mayor and council.

I am today introducing a resolution calling on the Congress and the President to designate the second week of May as "Municipal Clerk's Week" in recognition of the important service that the municipal clerk provides to the people of America's cities and towns. I am hopeful that favorable action on this resolution can be taken in the near future.

Mr. President, I ask unanimous consent that the text of this resolution be printed in the RECORD.

There being no objections, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 59

Whereas municipal government, in order to best serve the needs of the citizenry, must be operated with efficiency and in an orderly manner;

Whereas the efficiency and order with which government carries out its public functions is strongly reliant on procedures and records;

Whereas municipal clerks administer the procedures and keep the records;

Whereas an organized source of knowledge about a community and its government activities is vital to the smooth governing of that municipality;

Whereas municipal clerks provide and maintain such a body of knowledge;

Whereas municipal government must be conscientiously represented in affairs of its community;

Whereas municipal clerks provide an important part of this representation;

Whereas the strength of local government depends upon the citizens' opinion of it, and such opinion is formed largely by the image set forth by the municipal government employees; and

Whereas the municipal clerk is the municipal official most closely in daily contact with the citizenry, and therefore in a key position to mold sound public opinion: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue annually a proclamation designating the second full calendar week in May in each year as "Municipal Clerks Week", and calling upon the people of the United States and interested groups and organizations to observe that week with appropriate ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 1

At the request of Mr. DOLE, the Senator from New Mexico (Mr. SCHMITT) and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 1, the Food and Agriculture Act of 1979.

S. 3

At the request of Mr. HELMS, the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of S. 3, to provide procedures for calling Constitutional Conventions for proposing an amendment to the Constitution.

S. 33

At the request of Mr. ROTH, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 33, to provide for permanent tax rate reductions for individuals.

S. 34

At the request of Mr. ROTH, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 34, the Spending Limitation Act of 1979.

S. 50

At the request of Mr. HATFIELD, the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of S. 50, to require a refund value for certain beverage containers, and for other purposes.

S. 109

At the request of Mr. HARRY F. BYRD, JR., the Senator from Nevada (Mr. CANNON) was added as a cosponsor of S. 109, to require the reinstitution of procedures for registration under the Military Selective Service Act, and for other purposes.

S. 388

At the request of Mr. STEWART, the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of S. 388, the Small Business Employee Ownership Act.

S. 399

At the request of Mr. DOLE, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 399, the Federal Crop Insurance Expansion Act of 1979.

S. 469

At the request of Mr. INOUYE, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 469, to grant eligibility for retired pay for certain reservists who did not perform active duty before August 16, 1945, and for other purposes.

S. 493

At the request of Mr. MATSUNAGA, the Senator from Idaho (Mr. MCCLURE) and the Senator from Louisiana (Mr. JOHNSTON), were added as cosponsors of S. 493, the Deep Seabed Mineral Resources Act.

S. 555

At the request of Mr. MORGAN, the Senator from Vermont (Mr. LEAHY), the Senator from Oregon (Mr. HATFIELD), and the Senator from Idaho (Mr. CHURCH) were added as cosponsors of S. 555, to amend the tax laws of the United States to encourage the preservation of independent local newspapers.

S. 596

At the request of Mr. DANFORTH, the Senator from Minnesota (Mr. DURENBERGER) was added as a cosponsor of S. 596, the Congressional Anti-Gerrymandering Act of 1979.

S. 656

At the request of Mr. INOUYE, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 656, to amend the Social Security Act to provide for inclusion of services rendered by a nurse-midwife under the medicare-medicaid programs.

S. 657

At the request of Mr. INOUYE, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 657, to amend title 5, United States Code, to provide for access to a certified nurse-midwife without prior referral in the Federal employee health benefits program.

S. 664

At the request of Mr. Schweiker, the Senator from Delaware (Mr. Biden), the Senator from Nebraska (Mr. Exon), and the Senator from Iowa (Mr. Jepsen) were added as cosponsors of S. 664, to amend the Health Programs Extension Act to provide for unbiased consideration of applicants to federally supported health professional schools.

S. 697

At the request of Mr. Sasser, the Senator from Texas (Mr. Bentsen) and the Senator from Montana (Mr. Baucus) were added as cosponsors of S. 697, to reduce by $500,000,000 the amount which may be obligated for travel and transportation of officers and employees in the executive branch during fiscal year 1980.

S. 711

At the request of Mr. Burdick, the Senator from Michigan (Mr. Riegle) was added as a cosponsor of S. 711, to provide funds to establish geriatric education programs in U.S. schools of medicine and osteopathy.

S. 731

At the request of Mr. Schweiker, the Senator from Montana (Mr. Baucus) was added as a cosponsor of S. 731, a bill to strengthen the capabilities of the States and the Federal Government to detect medicaid fraud and abuse.

S. 836

At the request of Mr. Melcher, the Senator from North Dakota (Mr. Burdick) was added as a cosponsor of S. 836, to amend the Rural Electrification Act to provide financing of telecommunications facilities for broadband services in small towns and rural areas, and for other purposes.

SENATE RESOLUTION 43

At the request of Mr. Durkin, the Senator from Louisiana (Mr. Johnston) was added as a cosponsor of Senate Resolution 43, "National Energy Education Day."

SENATE JOINT RESOLUTION 41

At the request of Mr. Burdick, the Senator from New York (Mr. Moynihan), the Senator from Utah (Mr. Garn), and the Senator from New Mexico (Mr. Schmitt) were added as cosponsors of Senate Joint Resolution 41, authorizing the President to proclaim "National Family Week."

SENATE RESOLUTION 34

At the request of Mr. Roth, the Senator from Tennessee (Mr. Baker) and the Senator from Nevada (Mr. Laxalt) were withdrawn as cosponsors of Senate Resolution 34, providing for members on the part of the Senate of the Joint Committee on Printing and the Joint Committee of Congress on the Library.

SENATE RESOLUTION 78

At the request of Mr. Percy, his name was added as a cosponsor of Senate Resolution 78, with respect to the immediate need for energy emergency preparedness in the United States, in light of world oil supplies and the situation in Iran.

SENATE RESOLUTION 98

At the request of Mr. Bentsen, the Senator from North Carolina (Mr. Morgan), the Senator from Arizona (Mr. Goldwater), the Senator from Missouri (Mr. Danforth), the Senator from Michigan (Mr. Levin), the Senator from Georgia (Mr. Nunn), and the Senator from South Carolina (Mr. Thurmond) were added as cosponsors of Senate Resolution 98, opposing the President's standby gasoline rationing plan.

SENATE RESOLUTION 99

At the request of Mr. Cranston, the Senator from Minnesota (Mr. Durenberger) and the Senator from Delaware (Mr. Biden) were added as cosponsors of Senate Resolution 99, relating to the West German statute of limitations applicable to war crimes.

SENATE CONCURRENT RESOLUTION 7

At the request of Mr. Schweiker, the Senator from California (Mr. Hayakawa) was added as a cosponsor of Senate Concurrent Resolution 7, a resolution expressing the sense of the Congress on the nonenforcement of sanctions against Zimbabwe Rhodesia.

AMENDMENT NO. 58

At the request of Mr. Durkin, the Senator from Pennsylvania (Mr. Heinz) was added as a cosponsor of amendment No. 58, intended to be proposed to S. 333, a bill to combat international and domestic terrorism.

SENATE RESOLUTION 129—SUBMISSION OF A RESOLUTION INCREASING THE LIMITATION ON EXPENDITURES BY THE SPECIAL COMMITTEE ON AGING

Mr. CHILES submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. Res. 129

Resolved, That section 2(1) of Senate Resolution 375, 95th Congress, agreed to March 6 (legislative day, February 6), 1978, is amended by striking out "$25,000" and inserting in lieu thereof "$70,000".

SENATE RESOLUTION 130—SUBMISSION OF A RESOLUTION RELATING TO THE NEED TO BALANCE THE ASSET AND LIABILITY STRUCTURE OF DEPOSITORY INSTITUTIONS

Mr. TOWER (for himself and Mr. Morgan) submitted the following resolution, which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. Res. 130

Resolved, That this resolution may be cited as the "Savers and Borrowers Equity Resolution of 1979".

Sec. 2. It is the sense of the Senate that whenever the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board permit depository institutions to issue savings certificates or other instruments bearing a rate of interest which is determined by reference to the interest rate payable on one or more classes of obligations of the United States or some other variable market sensitive rate, such institutions should also be authorized to issue mortgage instruments with rates of interest and maturities which may vary periodically in response to fluctuations in market rates generally and other market conditions.

Mr. TOWER. Mr. President, I am submitting a resolution today for myself and Senator Morgan, that would provide savers with an equitable rate of return on their deposits while at the same time assure the continued viability of depository institutions.

There has been a great deal of discussion in recent months regarding the need to provide savers, particularly those with small amounts on deposit, to earn an equitable rate of return on their savings. Historically, the return on savings has been artificially low, especially during periods of rapid inflation and high market interest rates. This has been an explicit policy designed to keep mortgage interest rates as low as possible in order to provide the broadest possible opportunity for homeownership. Congress has sanctioned this policy repeatedly since 1966 with periodic extensions of the Interest Rate Control Act—also known as Reg Q.

Homeownership has been—and, hopefully, will continue to be—a very high social/economic policy objective. Aside from direct Federal Government mortgage assistance programs, public policy has attempted to protect the conventional mortgage market by artificially restricting the return on savings. With the reliance on the fixed rate, long term, fully authorized mortgage instrument, this policy worked well only during periods of low and stable interest rates. However, during periods of high and rising interest rates thrift institutions have experienced an outflow of deposits as savers invested in higher yielding money market instruments, principally Treasury bills. This disintermediation process has resulted in periodic shortages of mortgage credit.

A year ago at this time depository institutions were on the verge of another period of disintermediation as interest rates rose generally. In an attempt to protect these institutions, the Federal regulatory agencies permitted banks and thrifts last June to offer 6-month certificates with rates indexed to the Treasury's 6-month bill rate. As a general observation one would have to say that these so-called money market certificates worked well. They prevented a massive outflow of funds from thrift institutions. However, they did much more than that. Because rates on these certificates rose from about 7 percent in June of 1978 to over 9 percent in early 1979, the overall cost of funds to depository institutions rose dramatically, reducing their profitability and disrupting their ability to make mortgage loans. Second, the money market certificates created a situation where the small saver was still getting 5¼ percent on a passbook savings account while wealthier savers were earning over 9 percent on $10.000 6-month certificates. Small savers, many of them senior citizens, naturally feel that they are being treated unfairly. Their complaint is legitimate. We will have to change the system over time if we are to insure a fair rate of return to savers of all income levels.

As we move toward higher yield savings accounts, however, we must remember why savings rates have been held down and make the necessary adjustments in a way which will not negatively impact housing. The Congress and the regulatory agencies must face the fact that a higher rate of return for savers must also mean increased flexibility for mortgage loan rates.

The resolution I am introducing today states that, if depository institutions offer a market sensitive rate of return of savings, the institutions should be able to offer mortgage loans that are sensitive to market rates. If the liability side of the balance sheet is to be flexible, then the asset side should also be flexible. We dare not tinker with the liability side of financial institutions and ignore their asset structure. To do so would seriously threaten the viability of these institutions and their ability to continue supporting the housing market.●

SENATE RESOLUTIONS 131 and 132—SUBMISSION OF RESOLUTIONS REFERRING BILLS TO THE U.S. COURT OF CLAIMS

Mr. MATSUNAGA submitted the following resolutions, which were referred to the Committee on the Judiciary:

S. Res. 131

Resolved, That the bill (S. 765) entitled "A bill for the relief of Herbert T. Matsuo, Patrick Wayne Matsuo, Susan Villarta, and the estate of Arline L. Matsuo." now pending in the Senate, together with all the accompanying papers, is referred to the Chief Commissioner of the United States Court of Claims. The Chief Commissioner shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28, United States Code, and report thereon to the Senate, at the earliest possible date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States or a gratuity and the amount, if any, legally or equitably due from the United States to the claimant.

S. Res. 132

Resolved, That the bill (S. 767) entitled "A bill for the relief of Paul E. Zirkle" now pending in the Senate, together with all the accompanying papers, is referred to the Chief Commissioner of the United States Court of Claims. The Chief Commissioner shall proceed according to the provisions of sections 1492 and 2509 of title 28, United States Code, and report back to the Senate, at the earliest practicable date, giving such findings of fact and conclusions that are sufficient to inform the Congress of the nature and character of the demand as a legal or equitable claim against the United States or a gratuity, and the amount, if any, legally or equitably due from the United States to the claimant.

SENATE CONCURRENT RESOLUTION 19—SUBMISSION OF A CONCURRENT RESOLUTION PROPOSING A PRESIDENTIAL COMMISSION TO INVESTIGATE THE NUCLEAR POWER PLANT ACCIDENT AT THREE MILE ISLAND

Mr. SCHWEIKER submitted the following concurrent resolution, which was referred to the Committee on Energy and Natural Resources:

S. Con. Res. 19

Whereas the nuclear power plant accident at Three Mile Island on March 28, 1979 has focused public attention on health and safety problems of nuclear power facilities,

Whereas the official response to the situation was characterized by confusion and contradictions which added to the fears of the public.

Whereas official efforts to control the situation at Three Mile Island were hampered by the absence of a clear central authority in command of the emergency, and

Whereas avoidance of another accident and creation of systems to deal with an accident, should one occur, is a primary national priority: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President should immediately create and appoint a Presidential Commission composed primarily of members of the general public charged with assessing the full impact of the Three Mile Island accident, including:

(1) ascertaining what happened at Three Mile Island and why, and evaluating the response to the emergency;

(2) assessing if conditions which produced the Three Mile Island accident exist at other nuclear plants of similar and dissimilar design;

(3) assessing if contingency plans, including the dispatch of nuclear crisis management teams with command authority, are needed to deal with nuclear emergency situations; and

(4) determining what role nuclear power generation should play in our future.

● Mr. SCHWEIKER. Mr. President, early Wednesday morning, March 28, 1979, the worst nuclear accident in the history of civilian atomic energy production occurred at the Three Mile Island power plant near Harrisburg, the capital of Pennsylvania. As a result of this accident, radioactive materials have been released into the environment, irradiated water has been dumped into the Susquehanna River, and pregnant women and young children have been advised to leave the area. We were also confronted with at least the possibility, if not the probability, of a reactor core meltdown.

While many questions remain to be answered, we have learned at least some things. Clearly, we have seriously underestimated both the safety and health problems associated with nuclear power generation and our ability to cope with a nuclear emergency. Since the accident occurred, it has been nearly impossible to discover what was happening at Three Mile Island. Estimates of radiation levels inside and outside the plant have varied by factors of ten. Several Federal, State, and local agencies and the power company have been involved and have issued at times conflicting statements. We needed clear channels of command and communication; we needed someone in charge, but we did not have them. While I understand the difficulties which officials faced in dealing with the emergency, it remains true that the response system under which they had to operate was a seriously defective one. The experience at Three Mile Island suggests that we need better contingency planning for nuclear emergencies.

The Three Mile Island accident also focuses national attention on basic health and safety issues associated with nuclear power generation. We have just experienced a crisis which we were assured was a virtual impossibility, and we need to get the facts about the risks which nuclear energy entails. If the American people are expected to live with nuclear power, then they are entitled to know the dangers involved. They also are entitled to expect that those charged with maintaining the safety of nuclear operations are doing their jobs effectively and conscientiously.

The Three Mile Island accident is a turning point. Our confidence in past assumptions has been shaken. We must now decide where we will go from here. Consequently, I am requesting that my colleagues in the Congress join me in urging the President to create immediately a blue ribbon Presidential Commission charged with assessing the full implications of the Three Mile Island accident. For the short term, the Commission should ascertain exactly what happened at Three Mile Island and why, and it should evaluate the response to the emergency. It should also ascertain very quickly whether conditions which produced the accident exist at other nuclear plants. For the long term, the Commission should determine what role nuclear power generation should play in our energy future. I formally requested President Carter by letter on April 2 to create such a Commission.

To assure ourselves that these issues are examined in an independent, unbiased manner, the Commission should be composed primarily of public members rather than Government officials. It should also reflect a cross-section of views on nuclear power. In order to examine all the questions raised by the Three Mile Island accident, the Commission should include not only nuclear experts but also specialists in the fields of health, safety, and crisis management. Finally, a top-level Commission endowed with Presidential authority and prestige will be able to serve as a clearinghouse and central evaluation center for the mass of information which will be gathered in the course of ensuing congressional and executive agency investigations. It will be able to draw upon a full array of governmental and private resources.

For all of these reasons, I respectfully request that my colleagues in the Congress join me in expressing their concern that we make the most of this obligation to evaluate the future of nuclear energy by urging the President to appoint a Commission charged with investigating the full implications of the accident at Three Mile Island.

I ask unanimous consent to have printed in the Record, a copy of my April 2 letter to the President and a copy of my opening remarks at hearings on the Three Mile Island accident held yesterday (April 4) by my Subcommittee on Health and Scientific Research.

There being no objection, the material was ordered to be printed in the Record, as follows:

The President,
The White House,
Washington, D.C.

Dear Mr. President: If we have learned nothing else from the recent events at Three Mile Island, it is that we have seriously underestimated both the safety problems associated with nuclear power generation and our ability to cope with a nuclear emergency. I am appalled by the confusion, contradictions and misinformation which characterized the response to the accident and created chaos. I am also deeply concerned about the absence of clear federal authority to take command in a nuclear emergency.

Therefore, I urge that you immediately create a blue ribbon Presidential Commission charged with assessing the full implications of the Three Mile Island accident. I believe the purpose of this Presidential panel should be three-fold:

1. Fact-finding to ascertain exactly what happened at Three Mile Island and why, and to evaluate the response to the emergency.

2. To assess very quickly whether conditions which produced the Three Mile Island accident exist at other nuclear plants both similar and dissimilar in design. The Commission should make a preliminary report within 60 days on its first two tasks.

3. To determine what role nuclear power generation should play in our energy future. You may recall that last Friday when I asked that you immediately name an Emergency Command Czar to bring some order out of the chaos, I noted that there was a crying need for someone to take command of all federal and company actions during the emergency. The experience at Three Mile Island suggests to me that we need better contingency planning to include the dispatch of a Nuclear Crisis Management Team with command authority to the scene of a nuclear emergency. I believe the Commission should examine this premise.

The Commission should be composed primarily of public members rather than government officials and they should represent a cross-section of views on nuclear power. Composition of the Commission should reflect not only nuclear expertise but also specialists in the field of health, safety and crisis management.

I respectfully urge that you announce creation of this blue ribbon Presidential Commission as quickly as possible. I know you will agree with me that answering the many grave questions raised by this emergency must be a top national priority.

Sincerely,
Richard S. Schweiker,
United States Senator.

Opening Statement of U.S. Senator Richard S. Schweiker

Early last Wednesday morning, the worst nuclear reactor accident in the history of civilian atomic energy production occurred at the Three Mile Island power plant in my home State of Pennsylvania. Nearly four hours later, utility officials notified the appropriate authorities. Leaking radiation was measured as far as 16 miles away. Irradiated water was pumped into the Susquehanna River. Governor Thornburgh advised pregnant women and young children to leave the area. Friday afternoon, we learned there was a possible—though not probable—threat of a nuclear melt-down that could persist for several days as engineers try to cool down the reactor. As of this morning, offsite radiation levels are down and the situation appears to be stable.

Since Wednesday, it has been nearly impossible to find out what happened at the Three Mile Island Nuclear Plant. Estimates of radiation levels inside and outside the plant have varied by factors of ten. Several different federal, state, and local agencies, as well as the power company, are involved and have issued at times conflicting statements. Key officials have seemed ill-informed. I am apalled by the confusion, contradictions and misinformation which characterized the response to the accident and created chaos. No one seemed to know for sure what was going on or how long it would last. That's why I called upon President Carter last Friday to appoint an Emergency Command Czar to coordinate all efforts. We need to have someone in charge. We need clear channels of command and communication to deal with situations like the Three Mile Island breakdown—channels that have seemed non-existent. The experience at Three Mile Island suggests to me that we need contingency planning to include the dispatch of a Nuclear Crisis Management Team with command authority to the scene of a nuclear emergency.

For the longer term, I have asked the President to create a Blue Ribbon Presidential Commission to examine the full implications of the Three Mile Island accident, charged with fact-finding on what caused the accident, evaluating emergency response, assessing whether or not conditions like those that produced the accident at Three Mile Island exist at other plants, and making recommendations on the role of nuclear power in our nation's future energy plans.

We must be careful to keep our sense of perspective in assessing the implications of this accident. Although preliminary indications are that there does not now seem to be a serious or immediate public health hazard outside the plant, I share the legitimate concerns of people in Pennsylvania and throughout the United States about this nuclear nightmare.

A recent federal interagency report on the effects of radiation has cast doubt on current scientific assumptions and new studies indicate that low-level radiation may be more hazardous than we originally thought. The goal of today's Health Subcommittee hearing is to begin to find out what happened at Three Mile Island and what we can expect the consequences to be.

What are the potential long and short term health effects—if any—on workers and residents of areas near the plant? What will be the impact on food, water, air and farming activities in the vicinity of the plant? What is the appropriate federal role? What kind of continuing surveillance has been provided for? What has to be done now to ensure that data on any potential health effects will be gathered and evaluated? I want some straight answers. Is it true that 3 days passed after the accident before sufficient equipment was placed in surrounding areas to measure accumulated radiation and conclusively assess its potential effect on health?

This is a critical time for United States energy policy, and for nuclear energy, as concern mounts over the adequacy of future supplies of power. We must have confidence in the safety of nuclear power if it is to serve a role in meeting our energy needs, and we must have confidence in our ability to deal with nuclear accidents. The people of Pennsylvania and the entire nation deserve answers to these important questions.

Is this nuclear accident at Three Mile Island another Hindenburg disaster or can the problems be solved safely by our space age technology?●

AMENDMENTS SUBMITTED FOR PRINTING

PACIFIC NORTHWEST ELECTRIC POWER PLANNING AND CONSERVATION ACT—S. 885

AMENDMENT NO. 134

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. JACKSON (by request) submitted an amendment intended to be proposed by him to S. 885, a bill to assist the electrical consumers of the Pacific Northwest through use of the Federal Columbia River Power System to achieve cost-effective energy conservation, to encourage the development of renewable energy resources, to establish a representative regional power planning process to assure the region of an efficient and adequate power supply, and for other purposes.

(The remarks of Mr. Jackson when he submitted the amendment appear elsewhere in today's proceedings.)

DEPARTMENT OF EDUCATION—S. 210

AMENDMENT NO. 135

(Ordered to be printed and to lie on the table.)

Mr. SCHMITT (for himself, Mr. Proxmire, and Mr. Goldwater) submitted an amendment intended to be proposed by them to S. 210, a bill to establish a Department of Education.

DOMESTIC VOLUNTEER SERVICE AUTHORIZATIONS—S. 239

AMENDMENT NO. 136

(Ordered to be printed and referred to the Committee on Labor and Human Resources.)

Mr. HUMPHREY submitted an amendment intended to be proposed by him to S. 239, a bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such act to facilitate the improvement of programs carried thereunder, and for other purposes.

● Mr. HUMPHREY. Mr. President, today I am submitting an amendment to S. 239, a bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973.

My amendment would extend the authority to carry out the Volunteers of America (VISTA) program through the fiscal year 1981, transfer administration of the VISTA program and the special volunteer programs to the Director of the Community Services Administration, transfer administration of the National Older Americans Volunteer Program to the Department of Health, Education, and Welfare, Administrator on Aging.

My amendment further provides that administration of the Peace Corps is transferred to the Department of State.

Mr. President, I am urging these transfers because, the programs, which are currently contained within the ACTION umbrella, not only have suffered because of poor administration by this agency, but because it is clear that these programs properly should be administered by other existing Federal agencies better equipped to discharge these special functions.

A review of this material will provide convincing evidence that considerable support for this action exists not only in the Congress from both sides of the aisle, but from competent public administrators in these fields as well as media commentators who have observed the tortuous developments of this mercurial organization over the past several months.

Mr. President, I ask unanimous consent that the text of the amendment and the accompanying remarks be printed in the RECORD.

There being no objection, the amendment and analysis were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 136

Strike out all after the enacting clause and insert in lieu thereof the following: That this Act may be cited as the "Volunteer Service Simplification Act".

DEFINITIONS

SEC. 2. As used in this Act, the term "function" includes power and duty.

TRANSFERS TO THE SECRETARY OF STATE

SEC. 3. There are transferred to the Secretary of State and the Secretary of State shall perform all functions of the Director of ACTION under the Peace Corps Act (72 Stat. 612; 22 U.S.C. 2501) exercised by him by virtue of Reorganization Plan Number 1 of 1971 (85 Stat. 819).

TRANSFERS TO THE DIRECTOR OF THE COMMUNITY SERVICES ADMINISTRATION

SEC. 4. There are transferred to the Director of the Community Services Administration and the Director shall perform such functions of the Director of ACTION under parts A and C of title I of the Domestic Volunteer Service Act of 1973 (87 Stat. 394; 42 U.S.C. 4951) [as the Director of the Office of Management and Budget determines relates to the Volunteers in Service to America Program.]

TRANSFERS TO THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

SEC. 5. (a) There are transferred to the Secretary of Health, Education, and Welfare and the Secretary shall perform such functions of the Director of ACTION under title II of the Domestic Volunteer Service Act of 1973 (87 Stat. 394; 42 U.S.C. 4951) as the Director of the Office of Management and Budget determines relates to National Older American Volunteer Programs.

(b) The functions transferred by subsection (a) of this section shall be carried out by the Secretary through the Administration on Aging.

TRANSFER OF PERSONNEL AND PROPERTIES

SEC. 6. (a) All personnel, liabilities, contracts, property and records as are determined by the Director of the Office of Management and Budget to be employed held or used primarily in connection with—

(1) any function transferred under section 3, are transferred to the Secretary of State,

(2) any function transferred under section 4, are transferred to the Director of the Community Services Administration, and

(3) any function transferred under section 5, are transferred to the Secretary of Health, Education, and Welfare.

(b)(1) Except as provided in paragraph (2) of this subsection personnel engaged in functions transferred under this Act shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions.

(2) The transfer of personnel pursuant to subsection (a) shall be without reduction in classification or compensation for one year after such transfers.

TRANSFER MATTERS

SEC. 7. (a) All laws relating to any office, agency, or functions transferred under this Act shall, insofar as such laws are applicable remain in full force and effect. All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges made, issued, or granted by any office or agency or in connection with any function transferred by this Act, and in effect at the time of the transfer, shall continue in effect to the same extent as if such transfer had not occurred, until modified, superseded or repealed.

(b) The provisions of this Act shall not affect any proceedings pending at the time this section takes effect before any agency, or part thereof, functions of which are transferred by this Act, but such proceedings, to the extent that they relate to functions so transferred shall be continued before the Department of State, Community Services Administration, or Department of Health, Education, and Welfare, as the case may be.

(c) No suit, action, or other proceeding commenced by or against any office or agency or any officer of the United States acting in his official capacity shall abate by reason of any transfer made pursuant to this Act, but the court on motion or supplemental petition filed at any time within 12 months after such transfer takes effect, showing a necessity for the survival of such suit, action, or other proceeding to obtain a settlement of the question involved, may allow the same to be maintained by or against the appropriate office or agency or officer of the United States.

(d) With respect to any function transferred by this Act and exercised after the effective date of this Act, reference in any other Federal law to any agency, office, or part thereof or any officer so transferred or functions of which are so transferred shall be deemed to mean the Department of State, Community Services Administration, or Department of Health, Education, and Welfare, as the case may be, or officer in which such function is vested pursuant to this Act.

(e) In the exercise of the functions transferred under this Act, the Secretary of State, the Director of the Community Services Administration and the Secretary of Health, Education, and Welfare shall have the same authority as that vested in the agency or office, or part thereof exercising such functions immediately preceding their transfer, and their actions in exercising such function shall have the same force and effect as when exercised by such agency or office, or part thereof.

REPEAL

SEC. 8. Part B of title I of the Domestic Volunteer Service Act of 1973 (87 Stat. 394; 42 U.S.C. 4951) are repealed.

AUTHORIZATION FOR VISTA

SEC. 9. Section 501 of the Domestic Volunteer Service Act of 1973 is amended by striking out "(a)" and by striking out "and" after "September 30, 1977," in the first sentence, and by inserting "September 30, 1979, September 30, 1980, and September 30, 1981," after "September 30, 1978" in such sentence, and by striking out the last sentence of subsection (a) and all of subsection (b).

EFFECTIVE DATE

SEC. 10. The provisions of this Act shall take effect 90 days after the date of enactment of this Act except that Section 9 shall take effect upon the date of enacment.

SECTION-BY-SECTION ANALYSIS

Section 1 establishes the short title of the amendment as the "Volunteer Service Simplification Act."

Section 2 defines the term "function" to include power and duty.

Section 3 transfers the Peace Corps programs to the Department of State with the Secretary of State performing all functions currently exercised by the Director of ACTION.

Section 4 transfers the Volunteers In Service To America programs and the Special Volunteers Programs to the Director of the Community Services Administration.

Section 5 transfers the National Older Americans Volunteer Programs to the Secretary of Health, Education, and Welfare. These functions shall be carried out by the Administration on Aging.

Section 6 provides that all personnel, liabilities, contracts, property, and records as determined by the Director of the Office of Management and Budget shall be transferred to the respective agencies in accordance with applicable laws and regulations. Transferred personnel shall not be reduced in classification or compensation for one year following the transfer.

Section 7 provides that all laws, regulations permits, pending proceedings, suits, and actions shall not be altered in effect or force due to the transfer. Reference in any other federal law to a function or office that is transferred shall be considered in reference to the respective agencies, and the heads of these agencies shall have the same authority as the ACTION director had to carry out these functions.

Section 8 Part B of Title I, the Service-Learning Programs, are repealed.

Section 9 extends the authority to carry out the Vounteers in Service to America programs through the Fiscal Year 1981.

Section 10 the provisions of the Act shall take effect 90 days after its date of enactment.

Mr. HUMPHREY. Mr. President, I want to make it clear that within the ACTION umbrella there are good programs that deserve continuation such as some of the older American programs. Foster Parents. Helping Hands, and the like.

However, the ACTION agency appears more concerned with politicalization than with amelioration of the poverty-stricken in our country.

I would like to illustrate with some examples of VISTA national grants programs under ACTION Director discretionary authority.

Despite the congressional injunction against political and local activism, certain VISTA grantees have no qualms about embarking on programs that are clearly outside the scope of their congressional mandate.

It also raises the question whether the Justice Department should not look into potential violations of the Domestic Volunteer Act as enacted by the Congress, inasmuch as these actions apparently do not warrant revocation of their tax-exempt status by the Internal Revenue Service.

Mr. President, in addition to outright lobbying of State legislatures for changes in the law, the rhetoric of some of these groups is highly inflammatory. It appears in some cases designed to set class against class.

It continuously refers to "taking over the decisionmaking power" or "taking control of forces that affect their lives" or "power of the people."

The language of some of these organizations is the language of incitement.

It rails against the so-called establishment—whether that refers to business or corporations, individual industries, banks, or the duly-elected political leadership of the various States and communities and calls for their demise.

Does the Congress of the United States really understand that in many cases, taxpayer funds are being used by activists and social revolutionaries to work up a lather against our fundamental institutions?

Consider this tract for instance involving the State of Oregon. It is the

Oregon Fair Share Organization of Portland.

It received $156,000 in VISTA grants. But also raises money through labor unions, church organizations, and the like.

I quote from the program it prepared and submitted to Action covering its activities from the fall of 1977 until fall of 1978:

> Oregon is at a critical juncture and what happens in the next few years may well determine whether Oregon grows or declines in the long run. The answer to that question depends in large part on who's making the major economic and political decisions for the state. Currently, key decisions are made by a relative few number of self-serving politicians, bureaucrats, and corporate leaders (primarily from the utility companies, the wood products industry, and banks). Because the forces for social change in Oregon are splintered and isolated from each other, the key economic and political decisionmakers are accountable to no one.

Mr. President, I submit this as a gross calumny directed against the sovereign State of Oregon and upon its representative government. I wonder if the political and economic leadership of Oregon, not to mention its citizens, generally feel that the key decisions that affect their lives are made by "a relatively few number of self-serving politicians, bureaucrats and corporate leaders."

I wonder if Oregon would appreciate the implication that it will decline in years to come unless "power" however defined by Oregon Fair Share, is transferred to a group of social and political activists.

Consider the National Association of Farm Workers organization (NAFO), another national VISTA grantee.

How do they describe "the quality of life for farm workers" in America? Here is the quote:

> Conditions . . . in the migrant population are worse than those found in ten of eleven underdeveloped countries in Asia and South America.

This statement is not documented.

Mr. President, I would hazard a guess that the most impoverished migrant worker in the United States is infinitely better off than farm workers in all the countries of Asia and South America.

One thing certain, at the door of the United States are thousands of foreigners knocking in order to work in our fields to savor the conditions that the National Association of Farm Workers derides.

Or take the Illinois Public Action Council, another VISTA grantee. It is described as a "statewide federation of grassroots community organizations in Illinois. Its major objective is building an organization that can enable the poor and middle-income citizens throughout Illinois to exercise serious political power on their own behalf at both the local and State levels."

However, the council leaves no doubt about where they feel the political power in Illinois resides.

Over the long range, Public Action has been organized to establish a progressive statewide political force that can assure that the interests of the majority of average citizens begin to affect decisions that up till now are almost exclusively reflections of the will of large corporate special interests.

The overall object of the organization's structure is to provide the actual democratic control of council policy by the representatives of local grassroots constituencies. It assumes that those most affected by particular issue areas or campaigns would have the major input into the development of those issue areas or campaigns. Finally, it assumes that overall the actual long range self-interests of poor blacks, working class ethnic whites, farmers, senior citizens, and middle-income white collar workers are fundamentally similar.

To one degree or another, none of these segments of our society actually control much power with respect to the decisions that affect their lives. The structure has been set up to try to provide the best opportunity for problems and differences to be worked out and to allow that common self-interest to be the basis for organizational action against those powerful institutions and individuals who currently control the majority of power and wealth in Illinois and American society in general.

Let us look at another VISTA grantee, the New Jersey Citizen Action Alliance which sets forth its objectives and that is, a statewide network to solve these problems. First, utility rate reform structure; second, mortgage reinvestment in urban areas, and third, generic drug legislation.

How much Federal funds are going to influence this legislation? Are these expenditures a valid expression of congressional intent?

Or does the prohibition against lobbying and political activities only apply to lobbying for or against Federal laws?

The New Jersey Citizen Action Alliance, in its work program describes its mission:

> To organize legislative meetings so as to increase the awareness of the New Jersey legislature. To develop, promote and seek sponsorship for necessary health care legislation and health insurance regulations.
>
> Assist in the development of positive alternatives to be offered by the coalition to the existing policies maintained by industries, regulatory commissions, or the state legislature on defined problems for coalition action.

Mr. President, Representative Don Bonker of the State of Washington and a former Peace Corps Volunteer has been one of the most vocal critics of the ACTION program.

What has he proclaimed about the ACTION program? Here are his unvarnished opinions as quoted from the Congressional Record of February 22, and March 26, 1979, respectively:

> Mr. Bonker. Mr. Speaker, the continuing controversy surrounding the tenure of Sam Brown and his colleagues in ACTION is rooted in problems which go much deeper than the nature of their personalities. There is an inherent malaise within Peace Corps as well as the other agencies which comprise ACTION, which is caused by a mistaken conception that highly disparate organizations can be combined simply because they involve volunteerism in one form or another. Experience has shown that this arrangement simply has not worked.
>
> Why persist therefore in perpetuating a bad situation? With the emphasis it has placed on reorganizing the Federal bureaucracy, why has the administration neglected the glaring foolishness underlying ACTION's existence? Instead of tinkering with new and highly dubious policy directions for programs like the Peace Corps and VISTA, the American people deserve a plan for revitalizing these agencies by setting them free of ACTION's stranglehold.
>
> The crisis in ACTION will continue until the inevitable need for reorganization is accomplished.
>
> I submit two recent statements in the Washington Star and the Economist be reprinted at this time as persistent examples of how ACTION's existence is doing a disservice to the programs it presently controls.
>
> March 26:
>
> Mr. Bonker. Mr. Speaker, the recent pullout of volunteers from Nicaragua as part of an overall American expression of reprisal against the Somoza regime, raises disturbing questions about the politicization of the Peace Corps.
>
> A State Department press release of February 8, 1979, outlines the U.S. position with regard to Nicaragua:
>
> The U.S. Government has reassessed its relationship with Nicaragua, and concluded . . . that we cannot maintain the same level and kind of presence in Nicaragua.
>
> There follows a list of steps which the Government is taking, including suspension of military aid, and reductions in Embassy personnel. Most distressingly, they also include the removal of Peace Corps volunteers.
>
> The Peace Corps must, in order to retain its credibility and sense of uniqueness among U.S. programs, be free from political meddling. Obviously, the State Department does not agree. In my opinion, such a blatant political use of the Peace Corps underscores the need to remove it from the bureaucratic mess of ACTION, and to establish it as a Government foundation. We must move quickly to achieve this separation—or, I fear, the true purpose of the Peace Corps may be forever obscured by such interference.

I am submitting, for the Record, a copy of a letter which two Peace Corps volunteers stationed in Nicaragua at the time of the pullout, have sent to President Carter in protest. Their final senence sums up the situation admirably:

> Using the Peace Corps for political persuasion does not respect its independent, people-to-people character, nor is it very effective.

Officials from ACTION contend that the volunteers were removed for "safety and effectiveness reasons." Apparently, both the State Department and two of the volunteers who were there do not agree. Who are we to believe?

Mr. President, according to a Washington Star columnist, of March 26, 1979, the distinguished junior Senator from Massachusetts is quoted as saying that he wants the Peace Corps out of politics and out of foreign policy.

Some months ago the American people were treated to the unedifying spectacle of the leadership of the Peace Corps being fired by ACTION Director Sam Brown.

Ousted were the Director, Carolyn R. Payton, the regional director for Africa, Dr. William E. Gayman, and the Deputy Director, Mrs. Ruth M. Saxe.

Quite simply, they were fired for resisting Sam Brown's efforts to radicalize and politicalize the Peace Corps.

Let me quote from the testimony which Mrs. Saxe submitted to the Committee on Child and Human Development which has been conducting ACTION agency reauthorization hearings:

> ACTION's administration of the Peace Corps. I am among those who had grave doubts about the wisdom of Congress in allowing the Peace Corps to become a part of ACTION when this occurred in the early 1970's. Having now seen the Peace Corps operation under ACTION and contrasting it with its operation as an independent agency, I have no doubt that placing Peace Corps under ACTION was a mistake. Two problems of the Peace Corps today appear to me to stem from its position within ACTION: A confusion of purpose and a lack of support for its operations.

The purpose of ACTION appears to be unclear. Its current leadership has stated its purpose is community organizing. In my view, this purpose is incompatible with that of the Peace Corps, as I do not believe it is appropriate for American Peace Corps Volunteers to be engaged in community organizing overseas unless expressly invited to do so by a host government.

Another Director of ACTION may have a different philosophy as to its purpose which may be equally at odds with that of the Peace Corps' mandate. However, if the Peace Corps is the international arm of ACTION, it is unavoidable that the Peace Corps takes on the coloration of the leadership of ACTION, whatever it may be.

The quality of support for Peace Corps operations today contrasts most unfavorably with that available in the 1960's when I was closely involved with overseas operations for 7 years.

As to the administration of ACTION under its current leadership, I will simply state that I am not an admirer of a management style which appears to use Presidential appointees for ceremonial purposes, reserving both policy and operational decisionmaking to a cadre of special assistants. Nor do I believe that rhetoric is a substitute for solid, bottom-up program building. I was disappointed in the current ACTION administration on both counts.

Who should administer the Peace Corps? For the reasons cited above, I believe the Peace Corps should once again be an independent agency, as at its inception. My experience has not demonstrated to me that "volunteerism" is a valid unifying principle forACTION's domestic volunteer programs and the Peace Corps, which in my view has gone steadily downhill since it became a part of ACTION.

I further question whether there should, in fact, be a Peace Corps Director at all under the ACTION arrangement, since all the functions essential to the Peace Corps are accountable only to the Director of ACTION and are in no way under the control of the Peace Corps. The Director of the Peace Corps is thus left with a good salary and the public responsibility for the Peace Corps, but little else.

Mr. President, I could go on and on. I could invoke the General Accounting Office which is critical of Peace Corps operations.

I could refer to the minority report of the House Committee on Education and Labor which held hearings last summer on the financing of ACTION.

I commend it to those members who want to learn the graphic details of ACTION's political shenanigans and mismanagement.

Mr. President, I believe the only way to eliminate the blatant politicizing of ACTION, the allusions to class warfare that permeates much of their rhetoric is to take those worthwhile and proven programs, which thus far have not been sullied by politics and transfer them to other Federal departments and agencies that possess the experience to administer them.

Only then will we impart a sense of confidence to the American people that the Congress is doing its job of overseeing these agencies without prejudice to any of our institutions.

I am quite convinced, and I believe an important segment of the Congress is convinced that the administration of the ACTION agency is in the hands of chronic political activists.

Far from being satisfied with working with poor people, far from devising programs which require patient, basic approaches to problems of the poor in their homes, job-counseling and the like, the ACTION activists want to launch an assault against imagined "enemies," the corporations, the utilities, "bureaucrats," politicians, "the power structure" and the like—as if only the ACTION activists are interested in, or can relieve unemployment in this country.

I wonder if the ACTION people read the statistics.

According to the Bureau of Labor Statistics, private employment in the United States from 1976 to 1978 increased by 5 million.

What brought this about? Not ACTION. Not railing against the "hated corporation" or the "establishment," not political activism.

It was the private sector. The efforts and energies of thousands of entrepreneurs and savers and investors in the free enterprise system.

People who save and invest and risk.

Americans have been solving the age-old problem of poverty for generations and will continue to solve them given a free hand.

Unfortunately, we cannot reduce unemployment to zero—but no country on the globe does a better job or does more to see that its poor and unemployed maintain a decent standard of living.

Mr. President, it is time to put a cap on the freewheeling ACTION agency and devote those resources to more productive enterprises for the good of all.

I believe this amendment will achieve that purpose.

It will transfer the Peace Corps to the Department of State which can in turn allocate it to that diviison of State best equipped to handle the Peace Corps.

It would take other agencies such as VISTA, and the Older American Programs, and transfer them to other existing Federal agencies to make for more efficient, objective administration.

Mr. President, it should be clear, that my amendment does not terminate these programs.

It provides for the continuation of existing programs. It does not envision new programs, such as the proposed Urban Volunteer Program which has been removed from the bill.

What it does is take from ACTION the wheeling and dealing, the blatant politicizing, and the intercine warfare that characterizes ACTION, so much that hardly a day or week goes by that the public is not treated to another exposition of ACTION maladministration. If public confidence is to be maintained in these programs, if the American taxpayer is to recover the feeling that his monies are truly being put to the service of the genuine poor in this country, we have to have the courage to move in this direction.

Mr. President, I ask unanimous consent to have printed in the RECORD excerpts from a recent investigative report completed and compiled by the House Appropriations Committee with respect to the operations of ACTION agency.

Since the full report will be thoroughly aired by the appropriate Committees of the House, I have not included the complete investigative report.

However it is available for inspection in my offices for any interested parties.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT FROM HOUSE INVESTIGATIVE REPORT

The Investigative staff found that ACTION, with concurrence from the Civil Service Commission, largely discounts past salary in making appointments to excepted positions. For practical purposes, the Commission has also abdicated its legal responsibility for evaluating the qualifications of appointees to Noncareer Executive Assignment (NEA) positions. As a result of these developments, the agency has had a free hand in selecting appointees, and Federal employment has proven a regarding experience, both financially and, hopefully, otherwise, for a number of upper-level ACTION employees.

The Investigative Staff can find no evidence that ACTION ever did pay any attention to previous salaries as a factor in making qualification determinations. In some dozen cases it was more difficult to equate past earnings with the level of appointment, and, in over half of these cases, the appointees realized salary increases of $15,000 or more per year over earnings last reported for full-time employment.

The maximum salary increase as a result of employment with ACTION went to a high level management official in the field organization. This applicant had mainly an academic background but was working as a legislative analyst for a State Legislature before coming to work for ACTION. As a result of the appointment, the employee realized a salary increase of over $20,000. The appointment was to a grade GS 15 position.

A further indication of the unimportance of past earnings in evaluating quality of experience is suggested by the finding that three of the appointees to regional director positions did not even bother to report salary information for prior employment in their applications.

EXPERTS AND CONSULTANTS

The ACTION report for FY 1977 as presently assembled, is misleading and of no value in shedding light on the agency's use of experts and consultants.

USE OF EXPERTS

Review of over two dozen individuals disclosed that ACTION used its expert/consultant appointment authority extensively to facilitate the early placement of personnel hired incident to the change of national administrations, hired experts to serve in staff positions, set pay rates at levels not commensurate with past earnings, and improperly designated all employees hired under its appointment authority as "experts."

As a matter of convenience, ACTION designates all of its upper-level temporary or intermittent help as "experts" regardless of the purpose for which the individual is hired or the duties he performs. This practice is both careless and misleading.

REORGANIZATION

The big winners in the reorganization were the national program offices. It is difficult to reconcile the objective of strengthening the State offices with a bloated headquarters staff.

NATIONAL VISTA GRANTS PROGRAM

The investigative staff attended both CORAP and MIDWEST preservice training sessions. At the Midwest session, some of the handout material contained statements and language which could be construed as inflammatory. This document was made available to VISTA volunteers, presumably as recommended reading. Some examples of the questionable passages contained in the Midwest training document follow:

"The Third Principle of Direct Action organizing is that it attempts to alter the relations of power between people's organizations and their real enemies. The enemies are often unresponsive politicians, tax assessors, utilities, landlords, government agencies, large corporations or banks.

"Give people a 'taste of blood.' Push your opponents so hard you can see them squirm.

"You may want to assign some people to be 'inciters' and move about to heat up the action getting people angrier and encouraging them to show their anger. You may at other times want some 'calmers' to stand near people who may be disruptive to the focus of the action.

"Make what the opposition is doing or not doing sound scandalous. It generally is scandalous, but the edge may have been dulled by the routine manner in which it is normally treated.

"Your power is your ability to hurt the target or withhold something the target wants. The hurt can be immediate, as in a strike or boycott, or it can be potential, as when bad publicity will cause a politician to be unseated. You should always know exactly what kind of power you are using and how it will work.

"Stunts can help. If, for example, a politician won't meet with you, tape a sign across his office which says, 'This Office closed to the Public.' If someone won't come into a debate, put a dummy in the chair and debate that for dramatic effect.

"Be ever on the lookout to play targets off against each other, Republican vs. Democrat, Up-State vs. Down-State, In Group vs. Out Group. Your enemy's enemy may be your ally.

"Civil disobedience is not generally a good mass recruitment tactic. There are some exceptions. A community group found that by having several hundred people cross a strategic corner at rush hour, cars could be prevented from making a right turn on a red signal and traffic would be backed up for miles. The leadership was unjustly arrested.

The Domestic Volunteer Service Act prohibits VISTAS from engaging in labor organizing or political activities. VISTAS assigned under both the CORAP and MIDWEST grants were participating in union organizing drives until instructed to discontinue the activity by the ACTION office of Compliance. Other volunteers under the CORAP grant had actively participated in lobbying and other political activities.

Under the national grants program, social activists from the private sector took over State director responsibilities for identifying prospective VISTA sponsors.

National grant projects narratives were generally lacking in specificity with regard to goals, objectives, and time phasing. The emphasis was on getting the grant approved, and the quality of work plans was often compromised in the interest of accommodating the grantee with a timely award.

With regard to the ACORN program, the main issues of current interest to it are public utility rates and the repeal of an Arkansas sales tax on food and medicines.

ACORN now operates in 13 states and claims some 16,000 dues-paying members. ACORN family dues are $16 per year. Total ACORN receipts in 1977 were given as $307,717 of which $74,000 was derived from membership dues. Expenditures in the same year totaled $331,908 for a deficit of some $25,000. The salary range for ACORN staff was given as from $3,200 to $10,000 a year. This data represents the sum total of all information that ACORN would give the investigative staff on the membership, staffing and financial condition of the organization. ACORN refused to provide any records to substantiate the data.

In the opinion of the investigative staff, the refusal of ACORN to let its records be examined represents a deliberate effort to conceal evidence of an organization with serious financial problems and needing the VISTA grant to keep it afloat.

Concern about not reaching a poverty constituency was exposed by several ACTION state directors in commenting on the CORAP grant. Based on observations of the Investigative Staff, the comments of several VISTAS, and ACORN's states objectives, the Investigative Staff believes experience has proven the concern to be justified.

A fundamental concept of ACORN philosophy which the organization takes pride in having preserved is the idea of a "majority constituency." A majority constituency as defined by ACORN, consists not only of poor people but all the people who are shut out of power or, more specifically, 'low to moderate income' families. In ACORN's own words:

> It is that majority that is going to have to be organized if there is any hope for changing—or reversing—the prevailing distribution of power.

VISTAS INVOLVED IN PROSCRIBED ACTIVITIES

Despite Section 403 which prohibits VISTAS from engaging in political activity, in May of last year in connection with the Arkansas primary election, at least one VISTA, and possibly more, was instructed by his ACORN supervisor to participate in a mailing of a slate of endorsement to ACORN members involving state and local candidates for office, as well as distribute endorsed candidates literature to members.

Even though labor union activities are likewise proscribed by the Domestic Volunteer Service Act, at its October 1977 meeting, the ACORN executive board endorsed a motion giving the ACORN chief organizing the authority and responsibility to organize the household workers in New Orleans and other unions along the same lines.

LOBBYING WITH FEDERAL MONEY

The National Association of Farmworkers is registered as a lobbying organization under the Federal Lobbying Act. The status of NAFO as a lobbying organization raises some question about the propriety of such a group getting taxpayer money to support its activities. It follows that federal money, in this case, being used to sustain an organization dedicated to (among other objectives) influencing legislation in behalf of a special interest group.

VIOLATION OF (PROCUREMENT) STATUTES

Many instances are reflected in the contract files where, by commission or omission, ACTION risked violation of or actually violated pertinent statutes authorizing procurement by negotiation, requiring synopsis of current procurements, and obtaining certificates of cost or pricing data.●

NOTICES OF HEARINGS

COMMITTEE ON FOREIGN RELATIONS

● Mr. CHURCH. Mr. President, I am pleased to announce that the Committee on Foreign Relations will hold hearings on the Senate's role in the treatymaking process on April 9, 10, and 11. These hearings will focus on Senate Resolution 15 and the power of the President to terminate treaties absent Senate or congressional concurrence. They will also, however, cover a variety of other issues concerning the Senate's treaty power.

On April 9, the committee's first witness will be Senator BARRY GOLDWATER, followed by John Harmon, the Assistant Attorney General for the Office of Legal Counsel, and Herbert Hansell, the Department of State legal adviser.

On April 10, beginning at 2:30 p.m., the committee will have two panels of witnesses. The first will consist of Prof. Thomas M. Franck of the New York University Law School; Prof. Covey T. Oliver of Rice University; and William D. Rogers of the District of Columbia bar. The second will consist of two former State Department legal advisers, Prof. Abram Chayes of the Harvard Law School and Leonard Meeker of the District of Columbia bar.

On April 11, beginning at 2:30 p.m., the committee will again hear two panels of witnesses. The first will consist of former Attorney General Herbert Brownell and former Secretary of State Dean Rusk. The second will be composed of Prof. Edward Gaffney, Jr., of the Notre Dame Law School; Prof. Andreas Lowenfeld of the New York University Law School; Prof. Michael Reisman of the Yale Law School; and Prof. John Norton Moore of the University of Virginia Law School.

All of these hearings will be held in 4221 Dirksen Senate Office Building.

I believe, Mr. President, that this group of witnesses will provide an outstanding discussion of the Senate's treaty power and the authority of the President to terminate treaties. They were selected entirely on the basis of their expertise and experience and without regard to the likely substance of their testimony. I expect that the Senate will find their insights rewarding.●

SUBCOMMITTEE ON RURAL DEVELOPMENT

● Mr. LEAHY. Mr. President, at 1 p.m. on April 9, in room 324 of the Russell Senate Office Building, the Agriculture, Nutrition and Forestry Committee's Subcommittee on Rural Development will hold a hearing on S. 670 and S. 671, the Rural Development Policy and Coordinaton Act and the reauthorization of title V of the Rural Development Act, respectively. The first 2 hours of the hearing will be on S. 670, the remaining hour will deal with S. 671.

Witnesses invited to testify on S. 670 include representatives from the National Association of Regional Councils, National Rural Electric Cooperative Association, National Association of Counties, Rural America, National Rural Center, and Mr. Leonard Hugh Wilson with the Council of State Governments.

Invited witnesses to testify on S. 671 include the Honorable M. Rupert Cutler, Assistant Secretary for Conservation, Research, and Education at the Department of Agriculture, a representative from the Land Grant Association, and Dr. William A. Shimel, director of the Vermont Extension Service.

Time does not allow for public witnesses. However, the public is invited to submit testimony for the Record.●

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Governmental Affairs will hold a markup on Tuesday, April 10, 1979, in room 3302, Dirksen Senate Office Building, beginning at 11 a.m.

Those matters to be considered are the nominations of John P. White, of California, to be Deputy Director of the Office of Management and Budget, to which office he was appointed during the last recess of the Senate; Peter H. Wolf, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for a term of 15 years; and Kurt W. Muellenberg, of Maryland, to be Inspector General, General Services Administration; and S. 532, a bill to continue the work of the President's Commission on Pension Policy to develop a national retirement income policy in the United States, and for other purposes.●

SUBCOMMITTEE ON ANTITRUST

● Mr. METZENBAUM. Mr. President, the Judiciary Subcommittee on Antitrust, Monopoly and Business Rights will hold a markup of S. 390, the Antitrust Procedural Improvements Act of 1979, on Tuesday, April 10, 1979. The hearing will begin at 9 a.m. in room 5112 of the Dirksen Senate Office Building.●

SUBCOMMITTEE ON GOVERNMENTAL EFFICIENCY

● Mr. EAGLETON. Mr. President, the Subcommittee on Governmental Efficiency and the District of Columbia will hold hearings on Wednesday, April 11, at 9:30 a.m., in room 154, Russell Senate Office Building on the need for an increased authorization for the Temporary Commission on Financial Oversight for the District of Columbia.●

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Governmental Affairs will hold hearings on the nomination of Kurt W. Muellenberg, of Maryland, to be Inspector General, General Services Administration on Monday, April 9, 1979, at 9:30 a.m. in room 1224, Dirksen Senate Office Building.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, on April 11, the Committee on Energy and Natural Resources will hold a public hearing on the nomination of June Gibbs Brown to be the Inspector General of the Department of Interior. The hearing will begin at 9 a.m. in room 3110, Dirksen Senate Office Building.

For the information of Members and other interested parties, I ask unanimous consent that the biography of Ms. Brown, which was furnished to the Committee by the administration, be printed in the Record.

There being no objection, the biography was ordered to be printed in the Record, as follows:

Biography

Ms. Brown is currently an Interior employee in Denver, Colorado. She has spent the past 2½ years heading a staff which developed and programmed a pay and personnel system for use by the Bureaus in Interior and by other Federal agencies.

Ms. Brown's past Government experience includes the positions of Chief, Financial System Design, Bureau of Land Management; Director, Audit Division, Navy Finance Center; and Auditor for the Navy Finance Center. Professional employment prior to her Government career includes positions as assistant comptroller of an international company; staff accountant for a public accounting firm; accounting instructor at a college; and real estate broker/office manager.

Ms. Brown received her Juris Doctor Degree from the University of Denver. She also holds Masters in Business Administration and Bachelors in Business Administration (Accounting) from Cleveland State University where she graduated Summa Cum Laude. She is a Certified Public Accountant in the State of Ohio, and is a member of the American Institute of Certified Public Accountants.

She has served the Association of Government Accountants as a member of the National Executive Committee, and the National Ethics Committee.

Throughout Ms. Brown's professional career she has received numerous honors and awards among which are the Denver Federal Executive Board's Outstanding Contribution to Financial Management Award in 1977; Woman of the Year Award—Bureau of Land Management, 1975; Cleveland's Federal Executive Board's Career Service Award in 1974; Sustained Superior Performance Award in 1973; and Outstanding Achievement Award in 1972 from the Navy Finance Center.

While pursuing her education she received the Cleveland State University's highest honor, the President's Award; the Raulston Award given to the Outstanding Senior from the Colleges of Business and Economics; Accounting Association Service Award; American Society of Women Accountants Award (3 consecutive years); and a graduate teaching followship.

June is married to Ray L. Brown and they have six children.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to hold a hearing on air cargo experience oversight.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. ROBERT C. BYRD. Mr. President, another request which has been cleared on the minority side, I ask unanimous consent that the Energy Research and Development Subcommittee of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to hold a hearing on the jurisdiction of the DOE budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON SMALL BUSINESS

Mr. ROBERT C. BYRD. Mr. President, again, this request has been cleared on the minority side. I ask unanimous consent that the Select Committee on Small Business be authorized to meet during the session of the Senate today beginning at 2 p.m. to hold a hearing on the Small Business Development Center bill and to review SBA's implementation of Public Law 95–507.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON REGIONAL AND COMMUNITY DEVELOPMENT

Mr. ROBERT C. BYRD. Mr. President, one final request which has been cleared with the minority, I ask unanimous consent that the Subcommittee on Regional and Community Development of the Committee on Environment and Public Works be authorized to meet during the session of the Senate today to consider legislation dealing with the reauthorization of regional economic development commissions.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

RHODESIA: TIME TO END U.S. OBSTRUCTIONISM

● Mr. GARN. Mr. President, on Monday of this week, Ambassador to the United Nations, Andrew Young, testified before the Senate Appropriations' Subcommittee on State, Justice, Commerce, and Judiciary. It is widely recognized that Ambassador Young has had a major role in formulating and executing this administration's policy concerning southern Africa. During his testimony, Ambassador Young had the opportunity to comment on the upcoming elections in Rhodesia and the Senate's decision to authorize the sending of observers in order to gage the "freeness and fairness" of the elections.

Ambassador Young remains obstinate in his refusal to give the international settlement a fair chance to achieve a peaceful resolution of the Rhodesian conflict. His words seem to reflect the attitude that we should put primary responsibility for the violence in Rhodesia not on the guerrillas of the so-called "Patriotic Front," who refuse to take part in the April elections, but rather on the biracial executive council that has made every effort to achieve majority rule through elections. And what if a government is elected by majority vote, as seems likely at this point, what advice would Ambassador Young offer to the President? Why, he would urge that we refuse to recognize this popularly elected government, that we continue to maintain an economic embargo against Rhodesia, and that we continue to insist that no government in Rhodesia can be considered legitimate unless the guerrilla forces are adequately represented. Mr. President, it is absolutely incredible to me that Ambassador Young can persist in his crusade against the efforts of black and white in Rhodesia to achieve majority rule through the electoral process rather than the barrel of a gun. Ambassador Young advocates a position which effectively grants the terrorist groups of Robert Mugabe and Joshua Nkomo a de facto veto over any settlement they find unsatisfactory.

In his prepared statement, Ambassador Young noted that "our degree of success (in the U.N.) really depends on the strength of the vision we impart to our policy . . ." Mr. President, when it comes to the "vision" of this administration's policy in Rhodesia I believe it can best be characterized as narrow, self-righteous and self-defeating. Ambassador Young's statement went on to say that "It should be understood that most U.N. member states are new nations struggling to create the institutions which we take for granted. Rather than chastise these states, we should encourage them."

Magnanimous words indeed from a man who will accept nothing less than perfection from the Rhodesians while, at the same time, finding all manner of excuses to avoid putting responsibility for the shooting down of two civilian aircraft on the very people who take credit for such outrages; namely, Joshua Nkomo and his guerrilla forces.

Mr. President, last March, the leaders of Rhodesia took an historic step in the direction of black majority rule in an effort to transform in the most fundamental way their country's political system. Unfortunately, the United States, which has a keen interest in achieving a peaceful resolution in the transition of power in Rhodesia, has consistently treated the biracial internal settlement with derision and scorn. While proclaiming a policy of even-handedness, we have, in effect, frustrated a peaceful settlement of the issue by our continued support for the guerrilla forces of the so-called "Patriotic Front."

During the 95th Congress, Senator **Helms** introduced a resolution calling for an end to the United States' economic embargo against Rhodesia as a means of encouraging Rhodesia's executive council members to continue their pursuit of a peaceful transition to majority rule. I was a cosponsor of the Helms resolution, and I believe the Senate made a tragic mistake by failing to adopt that resolution.

Some progress, though notably meager, was made, however, to counter this administration's obstinate, obstructionist tactics. As part of the International Security Assistance Act of 1978, the Senate directed the President to lift the U.S. embargo if Rhodesia could meet two demanding preconditions.

The first of these conditions has already been satisfied by repeated public declarations by Prime Minister Smith and the black members of Rhodesia's executive council to meet with the leaders of the guerrilla forces, Robert Mugabe and Joshua Nkomo, so long as no preconditions on the negotiations were set. The guerrilla leaders have refused to accept this opportunity to discuss the issue. They do not want to negotiate; what they demand instead is unconditional surrender.

Now with elections scheduled for April 20th of this year, the people of Rhodesia and the leaders of the internal settlement will fulfill the two prerequisites the Senate articulated for an end to our economic embargo. The new constitution calling for qualified majority rule was approved recently by 85 percent of those voting. The significance of this event should hardly be overlooked—although the State Department in its inestimable wisdom saw fit to brand the endeavor "irrelevant." An editorial in the Cincinnati Enquirer which noted that "the Rhodesian ballot for a new constitution was presumably the first time in history a people voted itself out of power" shows greater insight than thus far demonstrated by the foreign policy experts of the Carter administration.

I have said in the past that the new constitution is not perfect, but to demand some kind of abstract perfection would be the height of folly. Indeed, one need only look at the alternative to recognize where the true interests of the United States, the people of Rhodesia Zimbabwe, and the surrounding black African nations lie. As the Pittsburgh Press correctly pointed out: ". . . it (the new constitution) offers Rhodesia's blacks a foundation on which to build a truly free and democratic nation whereas only a dismal leftist tyranny would follow a victory by the Communist-backed Patriotic Front."

Mr. President, much valuable time has been lost, and it seems unlikely that this administration will recognize the damage it has done and alter its policy. Once again the Senate has filled a critical vacuum in foreign policy when it voted recently to send observers to the April elections in Rhodesia.

Now that the House Foreign Affairs Committee has refused to support the Senate in this endeavor, I urge my colleagues in the Senate to persevere in the wisdom of their original judgment and to send observers to the Rhodesian elections. We must make every effort to encourage and support those factions in Rhodesia which are desperately struggling to find a peaceful solution to a very difficult problem. To do contrary is to condemn to failure the only possible chance of success and insure further bloodshed.●

UNESCO'S MISTAKE IN NOT SUPPORTING VALUABLE ARCHEOLOGICAL PROJECT

● Mr. RIBICOFF. Mr. President, UNESCO—the United Nations Educational, Scientific, and Cultural Organization—is capable of doing excellent work. It has sponsored very worthwhile projects in many parts of the world. But, unfortunately, UNESCO on other occasions has been exploited for rank political and propagandistic purposes. Attaching that kind of taint to UNESCO's activities undercuts the organization's effectiveness and tends to discredit the valuable, nonpolitical contributions it has made.

Such an abuse of UNESCO's resources is seen in the regrettable way the organization has been manipulated regarding the Israeli archeological excavations of the south wall of Temple Mount in the old city of Jerusalem. Using the excuse that the excavations endanger Moslem and Christian monuments, UNESCO has withdrawn financial assistance for the project.

Having studied the architectural history of the Middle East and Asia, and being knowledgeable in proper archeological procedures, Elizabeth B. Moynihan went to Jerusalem to see for herself how the excavations were being conducted. She found no evidence that the project was damaging religious and cultural artifacts, but that instead every precaution was being taken to protect those things which time and history have left us.

Mrs. Moynihan, who is the wife of the Senator from New York, described the site this way:

> I have never seen an excavation conducted with such care and historical sensitivity. Far from damaging existing Moslem buildings on the Mount, the Israeli archeologists have uncovered a previously unknown Islamic palace and complex of five other buildings of the Omayyad period (660–750) adjacent to the Wall. Apparently destroyed in the major earthquake of 747–748, the large buildings were then neglected and forgotten, became buried under debris and eventually built upon by later inferior buildings. Preservation of the remains and schematic reconstruction of the palace have been possible as a result of the painstaking excavations.

However, as Mrs. Moynihan points out, rather than seek petty political gain from the south wall excavations by withdrawing support, UNESCO ought to have embraced the project. This scholarly exercise, archeologically and procedurally sound, could bring credit to UNESCO. Mrs. Moynihan writing in the Washington Post of February 20, 1979 said:

> UNESCO has been seriously damaged and its future endangered by its use for political and propaganda purposes. . . . When visiting the South Wall, one feels a responsible UNESCO membership would have supported the excavations, not condemned them.

Liz Moynihan has made an important contribution to scholarship and to fairness at the UN by calling attention to the south wall excavations and UNESCO's efforts to defame them. I submit Mrs. Moynihan's article for printing in the **Record**.

The article follows:

Civilization, Layer by Layer

(By Elizabeth B. Moynihan)

During the past six years in the course of field work on a project in architectural history, I've traveled extensively in the Mideast and India and visited Central Asia. My particular interest is the Islamic period; at some sites, buildings were in ruins; some were being excavated or were under restoration, others were well preserved. Throughout history, it was common in this part of the world for one civilization to build on the site of previous structures; so, inevitably I've observed many archeological excavations of ancient sites.

In the pursuit of this study, I've seen architectural monuments saved by technical assistance from UNESCO, such as the 10th century Ismail Samani Mausoleum in Bukhara, Soviet Central Asia. UNESCO has also recorded and preserved in wonderful volumes unique art treasures, such as the ancient frescos in the Ajanta Cave temples of Central India. For such valuable work in preserving the world's artistic heritage, UNESCO must be applauded and thanked.

Like many people mindful of such contributions by UNESCO, I felt dismayed by the actions taken at its general conference in 1974. A resolution introduced by the Arab bloc and passed with communist and Third World support to withhold economic assistance for cultural activities from Israel also excluded it from European regional membership—effectively banning Israel from any regional grouping.

A similar controversial resolution was passed at the Nairobi conference in 1976, though with softer language, and Israel was reinstated in the European regional group. (Mainly because of the regional ban, the U.S. Congress voted to withhold UNESCO dues for two years.)

On Nov. 28, 1978, at the 20th general conference, UNESCO members voted to continue economic sanctions in a resolution that was a harshly worded, blatant political attack upon Israel. The stated basis for these repeated condemnations is that Israeli archaeological excavations being conducted at the South Wall of Temple Mount in the Old City of Jerusalem endangered Moslem and Christian religious monuments.

On Nov. 28, I was in Jerusalem and visited the South Wall with Prof. M. Ben-Dov of Hebrew University, now in charge of the site. I have never seen an excavation conducted with such care and historical sensitivity.

Far from damaging existing Moslem buildings on the Mount, the Israeli archaeologists have uncovered a previously unknown Islamic palace and complex of five other buildings of the Omayyad period (660–750) adjacent to the Wall. Apparently destroyed in the major earthquake of 747–748, the large buildings were then neglected and forgotten, became buried under debris and eventually built upon by later inferior buildings. Preservation of the remains and schematic reconstruction of the palace have been possible as a result of the painstaking excavations.

Begun in 1968, the dig at the South Wall has been conducted by a skilled team working at the highest level of competence. As archaeology is a science that usually destroys its evidence, one layer of civilization disappearing as another is revealed, this excavation is unusual and very exciting. The buildings in this area were not razed when the city was taken by successive invaders, perhaps because it was a residential quarter and not a fortification. The stratigraphy is dramatic: Standing in the Omayyad palace courtyard, one can look down through two stories of Byzantine houses to buildings dating from the Second Jewish Commonwealth, destroyed by the Romans in the first century.

Discoveries have been made that are important to Christians, Moslems and Jews. That was confirmed by a series of on-site investigations conducted for UNESCO by the Belgian archaeologist, Raymond Lemaire. He found that the allegations against Israel were groundless. A visit to the South Wall supports that view.

Israel is not the loser in this example of what The Times of London called "The politicization of UNESCO"—the amount of assistance withheld was a fraction of its own contribution to the world body. The world is the loser. UNESCO has been seriously damaged and its future endangered by its use for political and propaganda purposes. In a strong statement, the American delegate, Ambassador John Reinhardt, objected to the language of the resolution in which Israel was accused of continuing to "Judaize" Jerusalem. The Israeli delegate, Ambassador Amiel Najar, aptly defined this charge as "a blatant expression of cultural imperialism by the Arabs". The language of the resolution suggests an attempt to suppress the evidence of history; its passage a discouraging willingness to debase UNESCO for political ends.

When visiting the South Wall, one feels a responsible UNESCO membership would have supported the excavations, not condemned them.●

SUFFERINGS OF LEBANESE CHRISTIANS

● Mr. DURENBERGER. Mr. President, I wish to express my grave concern for the continued suffering of the Christian people of the war-torn country of Lebanon. In these days of rejoicing and commemorating the historic achievement of the Egyptian-Israeli Peace treaty, it is important that we call attention to the plaguing problems and human suffering which continue unabated in the Middle East.

I commend President Carter for his dedication, skills, and perseverance in the name of the American people. I also have deep admiration for President Sadat and Prime Minister Begin for their courage and vision in the face of violent criticisms from within their nations and threats from their neighboring countries.

The same spirit of cooperation and commitment to peace must be directed at the problems which have fueled the Lebanese civil war and which keep hundreds of thousands of people in a state of suffering. Even though we seem to have forgotten all too quickly the horrors of the Lebanese civil war which filled our television screens and newspapers for so many months, they have not gone away.

Mr. President, I call attention to an "Open Letter from the Mothers of Lebanon," which has been sent to me by the dedicated women of the St. Cloud Chapter of Zonta International. I request that this letter be printed in the RECORD, to serve as a chilling reminder of the problems which lie ahead on the road to a comprehensive peace.

The letter follows:

OPEN LETTER

Desperately, we are appealing to your hearts and humanity to help prevent the total genocide of our families in Lebanon by the Syrians Communists and the Palestinians terrorists.

Our Country, Lebanon has been the home of freedom and civilization in the Middle East. We have never discriminated against any human being because of religion, color or origin. We were proud to maintain the only democratic State among all other Arab countries in the Middle East who are ruled by dictatorships and officially based on the Islamic religion. This Arab Moslems government have always been calling for Holy wars against the Christians and the Jews of that region.

The Christians of Lebanon believe in democracy, love and peace among nations. Gibran Khalil Gibran in his book the Prophet has clearly explained the Lebanese philosophy for love and peace. Lebanon, the only Christian country in the Mediterranean, became a bridge between Eastern and Western civilizations. The Lebanese have fought Communism and religious bigotry and have promoted equal rights of women in the Arab world where women were and still are in slavery.

Lebanon is only 10,000 sq. meters and has 3 million inhabitants but is subjected to continuous attacks from 140 million Arabs supported by radicals and whose intentions are to destroy Lebanon and murder her population. The oil producing countries in the Gulf, Libya, Algeria, and others have conspired militarily to destroy Lebanon and her people. They have turned their rockets not only against the industrial centers and buildings, but against the civilians Lebanese in an indiscriminate manner.

They have used mercenaries, harbored internationally wanted terrorist criminals. Supported by the Syrian Armies, they shelled Christian homes, churches; raped women sometimes in front of their husbands. They took the children and old people and cut them into pieces while forcing their mothers to watch. They have resorted to crimes that history has never yet recorded.

They became proud of killing the Christian infidels. They buried some alive, others they have tied up and smeared their bodies with butter and sugar and threw them in the sewage systems so that snakes, insects, scorpions, and rats feed on them alive. Some other time they attached women to cars and pulled them apart or dragged them in the streets.

The Lebanese people today are subjected to indescribable atrocities and tortures. The only crime the Lebanese people have committed is that they are Christians and believe in human rights, opposed to communism and terrorism.

Friends, there is not one mother or woman in Lebanon who has not lost one or more members of her family. Our tears continue to roll, our hearts continue to be sadden. We have been sold out and sentenced to torture and death because we are Christians and because we want Lebanon to stay free and independent at peace with the whole world.

We are calling on you to join hands with us and help us survive. Help us keep Lebanon a free country allied with the U.S. and the free world, not to become a radical leftist country. Let it be a country for all those who will obey Lebanese laws and respect human rights. We ask you not to turn your backs on us. You can feel with us and understand our suffering.

We ask you to use all your influence and good offices on your government and on the world Community to immediately request total Syrian withdrawal from all Lebanese territory and that an international force be dispatched to work together with the Lebanese Army to protect human rights of the Lebanese people.

May God bless you and bless America.●

GASOHOL USE GROWS IN BRAZIL

● Mr. CHURCH. Mr. President, I have recently reintroduced the Gasohol Motor Fuel Act. This bill is designed to establish a national commitment to the expeditious use of gasohol, a blend of gasoline and alcohol.

This bill would put the major responsibility for the rapid commercialization of the gasohol concept squarely on our oil companies because they possess the liquid fuels distribution network in our country. They also possess the corporate strength to tackle such a sizable task.

As my colleagues give consideration to this approach, I believe it will be instructive for them to examine how other nations have made rapid progress in adopting the use of gasohol. Recently columnist Jack Anderson reported on the status of gasohol in Brazil. Brazil has made remarkable progress in shifting a significant portion of their liquid fuel needs to alcohol produced from renewable resources in a few short years. There is no insurmountable reason why our country cannot make significant strides in that same direction.

Mr. President, I request that Mr. Anderson's column be printed in the Record.

The article follows:

[From the Washington Post, Mar. 30, 1979]

Brazil Expanding Use of Gasohol

(By Jack Anderson)

In faraway Brazil, American-owned oil companies are marketing gasohol, a blend of gasoline and alcohol, which they have refused to develop and sell in the United States. Yet oil-thirsty Americans, who consume about one-third of the world's oil supplies, are also in desperate need of a gasoline supplement.

For nearly two years we have called for a crash program to produce gasohol. This is the most readily available fuel that could be rushed into production, thus reducing our dangerous dependence upon Arab oil. But the Carter administration has largely ignored our appeals, and the oil industry has opposed them.

Instead, President Carter has sought to solve our energy problems by placating the Arabs, jawboning the consumers and kowtowing to the oil companies. Brazil, meanwhile, has been moving boldly to liberate itself from the oil potentates by developing gasohol.

The program of research—and now production—intensified after the 1973 oil crisis, which tripled the country's petroleum bill and crippled its economic boom. Brazil must still import 80 percent of its oil. But by next year, the government hopes to have all of the nation's automobiles running on a blend of 20 percent alcohol and 80 percent gasoline.

Already, most of the cars in Sao Paulo, Brazil's largest city, run on the gasohol blend. And later this year, specially designed Brazilian-made Volkswagens and Fiats that run on alcohol will start rolling off the assembly lines.

Our associate Hal Bernton recently flew to Brazil where he toured gasohol plants and talked with key energy officials.

One advantage Brazil has over the United States for decisive action is that the state-owned oil company, Petrobras, produces all the gasoline sold in the country. Thus it was able to force U.S. oil companies in Brazil to cooperate with the gasohol program.

Texaco and Esso (as Exxon is known in Brazil) service stations in Sao Paulo offer 80–20 gasohol blends to Brazilian motorists. A large Esso blending center outside Rio de Janeiro mixes sugarcane alcohol with gasoline and trucks it to its dealers. With slight carburetor adjustment, Brazilian officials claim, the blend gives as good mileage as regular gasoline.

The next step is the more costly process of converting to pure alcohol fuels. Urbano Stumpf, a top Brazilian research scientist, organized a "rally" of alcohol-fueled cars that traveled 5,000 miles through the Brazilian interior to demonstrate the reliability of the fuel.

Some 770 test cars powered by pure alcohol now operate in Brazil under varying climatic conditions. To date, they have run 8 million kilometers.

Stumpf speaks confidently of creating islands of industry in Brazil's vast interior, which will become completely energy self-sufficient on locally produced alcohol. He is even conducting experiments to see if motor oil can be extracted from castor beans.

The biggest obstacle to development so far in the Brazilian alcohol energy program is the immense amount of waste produced in sugar cane distillation. For every liter of alcohol distilled, as much as 13 liters of so-called "slops" are produced.

Many of the sugar cane distillers simply dump the slops into the rivers, where they rob the water of oxygen and kill the fish. Though the government has outlawed such dumping, enforcement is proving difficult.

But researchers are looking for useful, nonpolluting ways to get rid of the sugar cane wastes. The distillery Bernton visited recycles much of its slops into fertilizer, pumping it out into the cane fields. The only trouble with this method is that the slops are highly acidic, and must be used with caution.

Other possibilities are using slops as cattle feed or extracting methane gas from the stuff. But these approaches need more research.

The search for new sources of alcohol fuel continues. Brazilian scientists are looking hopefully at the lowly cassava plant, grown by many of the country's impoverished small farmers. Its starchy root is ground into flour that is a mainstay of their diet.

If only 2 percent of Brazil's immense land area could be put into agricultural energy production, the nation's entire fuel needs could be met by 1985. Most observers consider this goal far too ambitious.

But at least the Brazilians are trying.

Footnote: Louisiana Gov. Edwin Edwards is impressed by Brazil's program and hopes to put his own state's depressed sugar cane industry to work producing alcohol energy. With the governor's backing, Louisiana state legislator deLesseps Morrison organized a delegation of Louisiana experts to tour Brazil's alcohol fuel facilities.●

VIETNAM VETS ARE GETTING A SHABBY DEAL

● Mr. COHEN. Mr. President, many Vietnam veterans feel they have been asked to fight two wars, one while in the service and a second after leaving the military.

This second war has been especially saddening for those who fought on their Nation's behalf. Veterans of the Vietnam era have found they have had to defend themselves from negative stereotyping on the part of many people. It is as though, because they responded to their Nation's call to service in an unpopular war, they must carry a stigma for life in the eyes of a number of their fellow citizens.

Dan Lambert, State adjutant of the Maine American Legion, recently addressed this problem in a speech before the Topsham Memorial Post of the American Legion. "Vietnam vets are being made the scapegoats for an unpopular war which the politicians lost," Lambert said.

He expressed well-stated concern over the apparent insensitivity of the administration to the needs of Vietnam veterans, an insensitivity which is exemplified by the administration's decision to force cutbacks in veterans' services and funding.

The Togus VA Center in Maine is a good example of what is happening to veterans' services under this administration. The center will lose 60 beds and be forced to reduce staff, unless Congress acts to counter the planned cutbacks.

Last year, the administration's budget proposal would have resulted in a 3,100 bed cutback nationwide. Congress approved the restoration of funds so that hospitals such as Togus would not suffer any loss of personnel or beds. Even then, the administration refused to spend the money as we intended it to be spent. I hope we will take positive action this year to deal with this problem. I wish to submit the statement for the Record.

A Lewiston Evening Journal article detailing Lambert's comments follows:

Lambert Says Vietnam Vets Are Getting a Shabby Deal

Topsham—"Vietnam vets are being made the scapegoats for an unpopular war which the politicians lost," Daniel E. Lambert, State Adjutant of the Maine American Legion told the annual Past Commanders and Presidents Night program of the Topsham Memorial Post, American Legion, held Saturday evening.

Lambert, speaking on the theme "Issues Facing Maine and the Nation" told the Topsham gathering that the treatment of Vietnam vets by the Carter Administration "is so shabby as to make most Americans ashamed of the ingratitude being shown to sick and disabled vets."

The Legion leader, a four times wounded veteran of the famed "Darby's Rangers" of World War II, lashed out at VA Administrator Max Cleland for his recent observation that the major problem facing the VA was the alcoholism among Vietnam vets. "Never in the history of a nation has a group of veterans been so attacked," Lambert stated, "first they were called drug addicts, and the classification was shifted to mental disorders, and now the final blow comes with the tag of being 'alcoholics'."

Citing figures and statistics put out by another federal agency, Lambert noted that during the years following the Vietnam war, the rate of drug abuse and alcoholism among veterans was no greater than their peers in society.

The Legion State Adjutant, who serves as state secretary to the Maine Veterans Coordinating Committee, said that veterans organizations were becoming alarmed at the tendency of the present administration in Washington to force cut-backs in VA services and funding. Lambert called attention to the problems of Vietnam vets in finding jobs and securing a complete education and called the listing by the U.S. Department of Labor and CETA programs of Vietnam vets in a category with "minority groups and ex-offenders" a classic example of down playing the role of the veteran.

The guest speaker told the Topsham Legion gathering that the Togus VA Center will lose 60 beds this year and additional beds in the next fiscal year plus face a reduction in staff if the veterans organizations cannot turn back the tide. He was critical of the present action of the Carter Administration in holding back VA funds.

Lambert stated that Congress restored all VA funding cut by the administration but that the President had ordered the Office of Management to impound the funds. "It is a strange thing that the Congress took President Nixon to court to force the spending of impounded funds," Lambert reported, "but the present Congress has failed to do the same thing with President Carter."

Department Commander H. Fred Fisher, South China, was present at the program which observed the founding of the American Legion in Paris, France, in 1919 and begins the 60th Anniversary of the Legion. Commander Fisher praised the Topsham Post which has achieved another all-time high membership enrollment.

State Adjutant Lambert presented a gift to Department Vice Commander William L. Ciciotte for his outstanding effort in support of programs affecting veterans, widows and orphans in Maine.

Representing the American Legion Auxiliary, Department Vice President, Mrs. Sandra C. Strom, Oakland, brought the greetings of the National President and congratulated the Topsham Auxiliary under the leadership of Unit President, Mrs. Carol Ciciotte, for being a 109 percent Award Unit. As a special salute to the National President, auxiliary units in Maine were asked to go 9 percent beyond the 100 percent membership enrollment and Topsham Unit was one of the first in Maine to make the goal.●

THE FEDERAL ASSISTANCE REFORM ACT OF 1979

● Mr. NELSON. Mr. President, I am pleased to join Senators Roth, Muskie, Danforth, and Baucus in introducing the Federal Assistance Reform Act. State and local governments are up in arms over the administrative costs and paperwork burden thrown at them by the Federal Government grant system. Time and time again they have rejected Federal grants because the costs of administering the grant outweigh its benefits.

For instance, conflicting and burdensome grant requirements have prompted the State of Georgia's Department of Education to use a rule of thumb of $5,000 for determining whether to apply for grants from Federal agencies. If the grant award does not exceed $5,000 the State estimates that it would lose money in applying for the grant. In a similar instance, a hospital in Tennessee has reported that its administrative costs to satisfy Federal paperwork add $4 a day to the cost of a hospital. The State of Maryland refused a $60,000 HEW grant for a consumer education program because the costs of completing grant forms approximated 75 percent of the grant. The thicket of regulations and paperwork created by the Federal grant system is driving State and local governments away from using it.

The Federal Assistance Reform Act of 1979 is a landmark bill which will make Federal grant-in-aid programs to State and local governments more effective and more efficient. It will cut redtape at all levels of government, strip away unnecessary paperwork and make it easier for State and local governments to participate in Federal grant-in-aid programs.

This legislation attacks key problems in the Federal aid system. One of the major problems is the lack of coordination among Federal departments or agencies limits the effectiveness of programs in solving problems. For instance, in some cases, the Army Corps of Engineers and the Federal Highway Administration require that separate, duplicative hearings be held on the same construction project. State highway agencies must allocate considerable staff time to prepare evidence and exhibits for each project. To duplicate materials and the presentation costs an estimated $2,000 per project.

A second significant problem is the excessive reporting and paperwork requirements which must be met by States participating in Federal programs. For example, at one point in 1975, the Office of Civil Rights, in order to promote affirmative action, required 14 separate analyses of every employee action. This would amount to more than 100,000 separate individual analyses for the Madison campus of the University of Wisconsin alone. The final affirmative action plan for that campus ran to 16 volumes and roughly 6,000 pages.

The bill also attacks the critical problem of funding programs on a sound, continuing basis. Funding is held up by lengthy approval procedures and other administrative practices which cause serious dislocation and inequities at the State level. Funding problems are most burdensome when they delay the delivery of services to the people. For example, the chronic lateness of the Urban Mass Transportation Administration in distributing funds causes a yearly scramble at the State and local level to insure financing for those programs which are to be continued but for which funds will be delayed.

UMTA has consistently been late in obligating the 80 percent share which it contributes to the planning projects. In the worst case in Wisconsin, spending was authorized 12 months into the program in 1973, 7 months into the program year in 1974, and 12 months into the program year in 1975.

By providing a framework for multiyear budgeting it will substantially reduce one of the major impediments to effective and efficient use of Federal grants. It will reduce recipient uncertainty as to the amounts of aid that will be available on a multiyear basis.

While much of the regulatory activity was undertaken in pursuit of this legitimate and important national goal, it seems to have little connection with the desired result—the hiring of people.

By authorizing the President to designate a single agency in a number of specified areas to establish standard rules and regulations and to monitor the implementation by Federal funding agencies, it will attack both of these problems and will reduce paperwork requirements, significantly standardize and streamline the system. By authorizing the President to submit Federal assistance program consolidation plans to Congress, it will promote economy and efficiency in planning, administration, and oversight of Federal assistance programs.

Since the enactment of the Intergovernmental Cooperation Act in 1968, there has been more than a fourfold increase in the amounts of grants provided to State and local governments and approximately a 20-percent increase in categorical programs.

With these developments, there have been significant changes in the types of conditions attached to Federal aid. In addition to terms insuring compliance with the terms and purposes of various programs, conditions have been attached to help achieve important national policy goals such as increased public participation.

The expansion of these grant-in-aid programs has helped State and local governments to upgrade services and launch new programs, but excessive paperwork and redtape have often accompanied these programs.

According to the General Accounting Office, "the most important impact of the Federal Government on State and local government productivity is the Federal grants system. The impact—of this system—on productivity is primarily negative because of the delays and additional costs caused by the myriad of regulations and excessive redtape imposed through the Federal grants system itself."

As a result, recipients have found that benefits derived from Federal grants may not justify the redtape, administrative complexities, paperwork burdens and time delays involved in applying for and receiving Federal funds. In my own State of Wisconsin, a study of local governments in seven counties showed that, on a yearly average, approximately only 25 percent of the governmental units bothered to apply for any Federal grant program during the period 1969 to 1974. For the entire 6-year period 50 percent of the communities failed to make a single application for Federal assistance. And, even when these problems are resolved, unsatisfactory intergovernmental relations and poor service delivery have frequently resulted. That is an unacceptable situation. The Federal Government has got to become more aware of and responsive to the needs of local communities.

Mr. President, it has been more than 10 years since the Congress last major effort to grapple with the operations of the Federal aid system. The Federal Assistance Reform Act of 1979 is a well-reasoned, timely bill which would make significant improvements in the intergovernmental grant system.●

CARDIOPULMONARY RESUSCITATION (CPR) TRAINING

● Mr. DURENBERGER. Mr. President, we all have read many accounts of the importance of cardiopulmonary resuscitation (CPR) training. Those who have been instructed in this technique have been able to save many lives that would otherwise have been lost.

Few stories, however, have as dramatically shown the value of CPR as Lisa Johnson's. This 14-year-old girl who lives near Windom, Minn., took CPR training in her 7th grade health class. That instruction and Lisa's immediate application of CPR saved her 6-year-old brother's life.

I ask to have printed in the Record the newspaper article about Lisa's heroics.

The article follows:

[From Cottonwood County (Minn.) Citizen, Mar. 21, 1979]

TRAINING

(By Seth Schmidt)

"Someday, you may save somebody's life with your training," Mrs. Gilbert Johnson remembers telling her 14-year-old daughter Lisa after the girl had received Cardiopulmonary Resuscitation (CPR) training in a seventh grade health class.

Sunday, the Windom farm mother's words came true. Using mouth to mouth resuscitation and CPR, Lisa revived her six-year-old brother Kevin, after a severe electrical shock stopped his breathing. Rescue workers called to the scene later said Kevin surely would have died had it not been for Lisa's efforts.

As explained by Lisa, an eighth grader at the Windom Middle School, here's what happened:

Lisa, her younger sister Tonya, 9, and her two brothers, Kevin and Travis, 2 were home alone Sunday night on their family's farm five miles north of Windom. Their parents had gone to an evening event at the American Lutheran Church in Windom.

At about 8 p.m., Tonya and Lisa were in the living room doing homework while the boys took a bath. Then the girls heard Travis screaming from the bathroom.

When Lisa entered the bathroom, Kevin was slumped unconscious at one end of the tub, while Travis was sitting at the other end with his arms around the tub's sides. Lisa tried to pick Travis up, but got an electrical shock. Then she noticed a portable hair dryer, plugged in to a 110-volt wall socket, was submerged in water. Lisa unplugged the hair dryer and pulled both boys out of the tub.

Travis was okay. But Kevin was not. All color had drained out of his skin. He wasn't breathing and Lisa couldn't find any indication of a pulse.

After laying Kevin onto the adjoining kitchen floor and clearing water out of his throat, Lisa began mouth to mouth resuscitation and CPR heart thrusts.

"I was really scared. I don't know how long I kept it up until he started breathing again," Lisa said. "It seemed like a really long time."

After reviving Kevin, Lisa dialed the 911 Windom emergency number to ask for help. She then called her parents.

After an ambulance arrived, Windom rescue squad members checked Kevin over. At first his heart was found to be beating irregularly and fast. Upon a second check, his heart had returned to normal. Kevin was then taken to the Windom Area Hospital's emergency room for further checking. He was found to be okay and was home by 10 p.m., the night's ordeal over.

"Without question, if she hadn't begun mouth-to-mouth resuscitation, it would have been too late by the time we got out there," stated rescue worker Bob Mielke. "She did a commendable job."

Mielke said brain damage occurs within four to six minutes after breathing is stopped. Death occurs after about 10 minutes without oxygen. Because of heavy fog conditions, Sunday night, Mielke said it took the ambulance 12 minutes to reach the Johnson farm.

The Johnsons say they aren't sure how the hair dryer, which had been placed on a shelf near the tub, had been submerged in the water. Perhaps the younger boy had grabbed the appliance or it had been knocked into the water when one of the boys grabbed a towel from an overhead towel rack.

"We don't know what happened. But we certainly don't keep that hair dryer on that shelf any more," Mrs. Johnson said, "We feel very fortunate."

The Johnsons also wondered why Kevin was more affected by the shock then Travis. Johnson, a manager of the Suburban Gas Co. of Windom, said a Windom electrician told him that Kevin may have been "grounded" by the tub's faucets and drain. Travis was on the opposite end of the tub and apparently wasn't grounded and didn't get as much current.

"It's a miracle they weren't both killed," Johnson said. He added he was very thankful for the help of rescue squad workers Mielke, Jim Donahue, Rod Byam and Larry Johnson, hospital workers and Deputy Sheriff Paul Galbraith, who also arrived at the scene Sunday.

Lisa says the experience made her grateful for the CPR training she received in a class taught by Tim Teas.

"I didn't think too much about it at the time. I never thought I would have to use it. But I'm glad now that I had it."

As far as Kevin is concerned, life is back to normal. He attended kindergarten classes as usual Monday.

"He's fine now," Mrs. Johnson said. "To see him running around now you'd never know anything had happened."●

DIRECT ELECTION

● Mr. PRYOR. Mr. President, it has long been my belief that in our various States direct popular election of the President and Vice President has the support of our people. I feel that the sentiments expressed in the March 23, 1979, editorial entitled "Direct Election Would Be Best" of the Paragould, Ark., daily newspaper, the Paragould Daily Press, reflects the sentiments of most Arkansans on this issue. I ask that this editorial which concisely presents the rationale for adopting a constitutional amendment to provide for direct election be printed in the RECORD.

The editorial follows:

DIRECT ELECTION WOULD BE BEST

The current method for electing Presidents and Vice Presidents of the United States has been the subject of debate and criticism from the earliest days of the Republic.

The result of a direct election would give a more accurate picture of relative party strength than an electoral vote.

The winner-take-all system unfairly gives the candidate with the most popular votes all of a state's electoral votes.

This means that a candidate receiving only one vote less than his opponent gets none of that state's electoral votes.

With direct election, it would be unnecessary to preserve the system of referring a close election to the House of Representatives.

The House has been called upon twice—first in 1800 and again in 1824—to elect the President.

In 1800 the House elected the candidate, Thomas Jefferson, who had received tse most electoral votes.

But in 1824 it chose John Quincy Adams over Andrew Jackson, despite Jackson's plurality of electoral votes.

It is possible, under our present system, for the candidate with a fewer number of popular votes to win over the candidate with the largest number of popular votes.

With direct election, party campaigns might be more evenly distributed throughout all parts of the country.

Under the current system campaigns tend to concentrate in the large so-called pivotal states.

Presidential aspirants from those pivotal states have a disproportionate chance of receiving the nomination.

By choosing a nominee from one of these states, a party may attract the few votes it needs to carry the state.

These close states, furthermore, may be won or lost by such extraneous circumstances as rainy days, blizzards, or just plain voter apathy.

The present system is also highly sensitive to frauds, whereas it is unlikely the results of a nationwide direct election would be so close that minor accidents or small scale frauds would have any effect on the outcome.

The nation's goal should be the increased participation of the individual in the voting process and because each vote would count equally, direct election should almost certainly encourage more people to vote.

The method of electing the President and Vice President was a major concern to the Constitutional Convention in 1787 and has remained a continuing issue ever since.

Three times in U.S. history (1824, 1876 and 1888) the popular vote loser became President.

Four times (1916, 1948, 1960 and 1968) small shifts in the popular vote in a handful of states would have frustrated the popular will again.

The late Sen. Estes Kefauver lamented in 1961: "Every four years the electoral college is a loaded pistol aimed at our system of government. Its continued existence is a game of Russian Roulette."

The danger is that the next election may be the time the pistol goes off.

(Currently on Capitol Hill, House Joint Resolution 189 and Senate Joint Resolution 1 call for direct election of the President.)●

HOW MANY BILLIONS FOR DEFENSE

● Mr. LUGAR. Mr. President, I would like to share with my colleagues an excellent article entitled, "How Many Billions for Defense?" which was prepared by the American Conservative Union Education and Research Institute.

The historical cost of military spending, as a percent of total Federal expenditures and as a percent of gross national product, has aroused steady debate within this body each year.

Too often in this debate during the late 1960's and 1970's, the impression has existed that there has been a substantial increase in defense spending at the cost of human services programs. This is not the case and, in fact, Defense's share of the budget has steadily decreased in real terms during the period.

As we focus our attention on the fiscal year 1980 budget, I believe that the following study offers us a valuable perspective, and I ask that it be printed in full in the RECORD.

The study follows:

HOW MANY BILLIONS FOR DEFENSE?

The size of the defense budget has been the focus of intense debate since the late 1960's. Each year at appropriation time the Pentagon is subjected to accusations of waste and charges that domestic programs go unfunded because of overspending by the military.

One leading critic of military spending is South Dakota Senator George McGovern, who told the 1978 Americans for Democratic Action convention:

"We are [not] helpless to save our own cities by saving them, or to prevent needless malnutrition and illness, or to correct unemployment through job opportunities, or to reduce poverty through welfare reform, or to harness the sun and convert waste matter to energy. Government can do what is possible domestically—but not if it pursues a wasteful, self-defeating military globalism. . . .

"The real spendthrifts are the hardline hawks whose 'worse case' nightmares are burdening the taxpayer, inflating our economy and jeopardizing the peace. . . . The arms race fuels the fires of inflation and the tax revolt."[1]

Liberal columnist Clayton Fritchey likewise attacks what he calls "the single most inflationary factor in our society: the huge, wasteful, non-productive, U.S. military colossus, along with the staggering deficits that have accompanied it. It is a pipe dream to keep on talking about licking inflation and balancing the budget as long as military spending continues unbridled."

"The ever-rising defense budget," Fritchey adds, "today reflects not so much congressional fear of Russia as fear of unemployment and the closing of costly but needless military installations in their states and districts. The growth of U.S. inflation is easy to trace. It began with the Vietnam war. . . . Even after U.S. withdrawal from Vietnam, the military budget kept rising, generating an unprecedented deficit of $175 billion in the last years of the Nixon-Ford era. Meanwhile, the inflation rate went steadily up, finally reaching double-digit proportions and a record rate of 12 percent."[2]

One might suppose from statements of this sort that military spending consumes a larger portion of the Federal budget than does domestic spending, or at least that military spending has been increasing in real terms in recent years. The fact of the matter, however, is that less than a quarter of the Federal budget goes to the military, and that the share of national outlays devoted to the military has been steadily declining. Moreover, spending for defense has also been declining in real, or purchasing power, terms for more than a decade. The actual situation, in other words, is almost exactly the reverse of that suggested by the quoted statements and other similar assertions.

Because of the effects of inflation, it is true, defense spending has risen in absolute dollar amounts in recent years. But measured in dollars of constant purchasing power, or as a percentage of the Gross National Product (GNP), military spending has been declining for many years.

The following discussion considers the issue of military outlays in all three of the suggested dimensions—as a share of Federal sending, as a percentage of GNP, and in terms of actual purchasing power.

I. Percentage of the Federal budget:

Between 1952 and 1978, the military budget rose from $43.3 billion to $107.6 billion, an increase of 148 percent. During the same period, total Federal expenditures grew from $68 billion to $462.2 billion, an increase of 582 percent. As a result military spending declined dramatically as a percentage of Federal outlays, from 64 to 23 percent. (See table below) With the exception of a slight increase during the Vietnam war years, the percentage declined every year from 1953 to 1977.

Even in the 1960's, despite the pressure of the Vietnam war, defense expenditures did not keep pace with the growth of domestic spending. In 1963 the military budget of $50.1 billion was almost half the total Federal budget of $111.3 billion. In 1976, just thirteen years later, the proportion was less than one-quarter.

Year	Defense outlays (in billions)[1]	Percent of Federal budget[2]
1952	43.451	64.0
1953	49.912	65.6
1954	46.289	65.3
1955	39.834	58.1
1956	39.719	56.4
1957	42.415	55.3
1958	43.721	53.0
1959	45.961	49.9
1960	45.168	47.6
1961	46.633	47.2
1962	49.039	46.3
1963	50.142	44.4
1964	51.528	41.0
1965	47.456	41.5
1966	54.852	43.7
1967	68.243	44.4
1968	78.755	43.5
1969	79.418	40.3
1970	78.553	36.3
1971	75.808	33.4
1972	76,550	30.5
1973	74.541	29.3
1974	77.750	26.7
1975	85.550	24.6
1976	89.430	24.3
1977	97.501	22.8
1978	*107.626	*23.3
1979	*117.779	*23.5

[1] Figures from Budget Review Division's "Federal Government Finances" 1978 edition.

[2] Figures from *Statistical Abstract of the U.S., 1977.*

*Estimated.

It is difficult to reconcile these figures with the notion that military spending is to blame for the inflationary Federal deficits of the late 1960's and 1970's. As the Brookings Institution pointed out in 1972: "The outstanding fact in budgetary growth in the past decade . . . is the introduction and rapid growth of a host of new (or sharply modified) programs, the "major Great Society programs." They have grown from a modest $1.7 billion in 1963 to a scheduled $35.7 billion in 1973."[3]

Economist Roger Freeman of the Hoover Institution observes that between 1952 and 1972 "the defense payroll dropped 28 percent, while the nondefense payroll jumped 117 percent. This means that a dramatic expansion in government workers for domestic services was largely—though not wholly—offset by a simultaneous drop in defense workers."[4]

Freeman adds that: "The trend toward ever-growing social welfare expenditures went on regardless of the political color of the President, through Democratic and Republican administrations alike. Federal domestic spending approximately doubled (in constant dollars) between 1952 and 1960, again between 1960 and 1968, and again between 1968 and 1976."[5]

The defense budget is highly vulnerable to cutbacks, Freeman says, because most of the rest of the budget—about 75 percent of non-defense outlays—is "relatively uncontrollable," regulated by formulas in basic legislation which cannot be reduced through the budgetary process. Conversely, virtually all defense outlays are "subject to the paring knife—except for payments on prior year contracts. That is how military costs shrank from 64 percent of the budget to 23 percent."[6]

What would happen if these trends were to continue? James Lynn, then director of the Office of Management and Budget, pointed out in 1975 that "if domestic assistance programs were to continue to increase in the future at the rate of the last 20 years and we tried to keep total Federal spending at the current share of GNP—which is about 22 percent—by decreases in defense, we would be down to the last soldier and the last gun early in 1985."[7]

Incidentally, the figures are even more striking for total expenditures at all levels of government. From 1952 to 1972, Freeman says, "the cost of domestic services increased at ten times the rate of defense (645 percent increase vs. 68 percent)."[8]

II. Percent of the gross national product:

The percentage of the GNP allocated to defense spending has been on a downward trend since the Korean War (see table below). In 1955 defense spending as a percentage of GNP was 10.5 percent; in 1977 it was only 5.3 percent. Since the height of the Vietnam war in 1968 there has been an especially drastic drop.

TABLE II.—*Defense budget as percent of GNP*

(Figures from Budget Review Division, Federal Government Finances, 1978 Edition)

Year:	*Percent of GNP*
1955	10.5
1956	9.7
1957	9.8
1958	9.9
1959	9.7
1960	9.1
1961	9.2
1962	9.0
1963	8.7
1964	8.4
1965	7.2
1966	7.6
1967	8.8
1968	9.5
1969	8.8
1970	8.2
1971	7.4
1972	6.9
1973	6.0
1974	5.7
1975	5.9
1976	5.5
1977	5.3
1978	*5.3
1979	*5.2

* Estimates.

To put these figures in perspective, let us examine corresponding (estimated) statistics for the Soviet Union. Brookings calculates that the Soviets spend 15 percent of their GNP on defense. According to U.S. intelligence, this percentage has gone up each year since the early 1960's. Soviet military spending has increased by nearly three percent annually in real terms since 1965.

The CIA has conducted two studies comparing Soviet and U.S. military spending, one based on a "dollar model" and the other on a "ruble model." On the "dollar model," it would have cost the U.S. $114 billion in 1974 dollars to pay for the Soviet Union's 1975 military machine—40 percent more than actual U.S. outlays that year. The "ruble model" found, as did Brookings, that roughly 15 percent of the Soviet GNP of $900 billion went to military purposes; the U.S. military effort consumed about six percent of its $1.5 trillion GNP.[9]

This discrepancy has had predictable consequences. A Library of Congress study found in 1976 that "the quantitative military balance since 1965 had shifted substantially in favor of the Soviet Union." It concluded that "U.S. qualitative superiority never compensated completely, and in certain respects, was slowly slipping away."[10]

III. Current and constant dollars:

Measured in dollars of constant purchasing power, on a 1978 base, military spending has

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Footnotes at end of article.

declined dramatically since the Vietnam war peak of 1968: from $163.4 billion in 1938 to $107 billion in 1977 (see table below).

Table III.—*Defense outlays in current and constant dollars*

Year	Current dollar outlays	Constant dollar outlays (1978)
1968	79.4	163.4
1969	80.2	158.0
1970	79.3	145.7
1971	76.8	131.6
1972	77.4	123.8
1973	75.1	112.7
1974	78.6	109.2
1975	86.6	107.1
1976	90.0	103.3
1977	100.1	107.1
1978	*107.6	*108.2

Figures from the *Statistical Abstract of the U.S., 1977*. Calculated on slightly different basis from those in Table I.

*Estimated.

This is not merely a decline from abnormally high wartime expenditures, as Brookings' 1978 study notes:

"The reduction in defense spending amounted to more than a dismantling of the additional forces that had been created to fight the war. If the effects of inflation are discounted, the fiscal 1975 cost of baseline forces (excluding retired pay, military assistance, and residual Vietnam war expenses) was about one-fifth lower than in 1964, the last pre-Vietnam peacetime budget. From 1964 levels, military manpower in 1975 was down by one-fifth, the number of Navy ships by close to one-half, and the number of strategic defensive forces by more than two-thirds."[11]

At the same time personnel costs were growing from 48 percent of the defense budget in 1964 to 60 percent in 1977 ($60 billion in FY 1977), according to the National Strategy Information Center.[12] Military pay and pension benefits were increased in order to match private sector rates.

Between 1964 and 1977 spending on research, development, and procurement dropped from 43 to 30 percent of the defense budget. This represents a transfer of about 12 percent of the defense budget from new equipment investment to manpower. The size of this transfer actually understates the decrease in defense purchasing power because the prices of many strategic items have increased faster than the rate of inflation.[13]

Albert Wohlstetter of the University of Chicago sums up the recent history of strategic spending:

"Even in current, depreciating dollars, the strategic budget dropped from generally high levels in the 1950's and a peak of $12.1 billion in 1961, to $7.7 billion in 1976."[14]

In constant-dollar terms the magnitude of the decline becomes even more obvious:

"The strategic budget in 1976 dollars declined from a peak of $32.6 billion in FY 1952 to $7.7 billion in FY 1976. . . . In short, in real terms the strategic budget was well over four times higher during the Korean War and about three times as high at the end of the Eisenhower administration as in 1976. This scarcely looks like an exponential increase in strategic budgets. Rather more like an exponential decrease. . .

"How is it possible for the constantly expanding literature on ever accelerating strategic budgets to ignore this increasing divergence between doctrine and reality?"[15]

IV. The present:

In 1975, in response to the growing evidence of impending U.S. strategic inferiority, Congress agreed to halt the decline. Since then the budget has grown, though very modestly in real terms: President Carter has called for an annual real growth rate of three percent in the defense budget, about equal to the growth rate of GNP. There has been no move to restore the defense budget to its previous levels. In other words, such Pentagon critics as McGovern and Fritchey have already achieved their often-repeated goal—a drastic and apparently permanent cutback in the level of spending for defense.—Tom Minarik, Policy Research Staff.

FOOTNOTES

[1] Speech at national convention, Americans for Democratic Action, June 17, 1978.

[2] *Washington Post*, September 9, 1978.

[3] Schultze, Charles L., *et al., Setting National Priorities: The 1973 Budget* (Washington, D.C.: Brookings Institution, 1972), p. 10.

[4] Freeman, Roger A., *The Growth of American Government*, (Stanford, Calif.: Hoover Institution Press, 1975), p. 37.

[5] Freeman, "The Growth of American Government," Hoover Institution Lecture Series, 1977, p. 7.

[6] *Ibid*.

[7] Statement before the House Budget Committee, February 24, 1975.

[8] Freeman, *The Growth of American Government*, p. 118.

[9] *Congressional Quarterly 1976 Almanac*, p. 272.

[10] *Ibid*.

[11] Pechman, Joseph A., *et al., Setting National Priorities: The 1978 Budget* (Washington, D.C.: Brookings Institution, 1978), p. 82.

[12] Schneider, William, Jr., and Francis P. Hoebner, eds., *Arms, Men, and Military Budgets: Issues for Fiscal Year 1977* (New York: National Strategy Information Center, Inc., 1976), p. 183.

[13] *Ibid*., p. 184.

[14] Wohlstetter, Albert, "Racing Forward or Ambling Backward?" in *Defending America* (New York: Basic Books, 1976), p. 143.

[15] *Ibid*.●

BROAD SUPPORT FOR TRUCKING DEREGULATION

● **Mr. METZENBAUM.** Mr. President, the issue of deregulation of the trucking industry is one which concerns the American people. It directly affects their pocketbooks. The industry would have us believe that there is little support for congressional efforts to promote genuine competition among truckers. Evidently, they have not been reading the newspapers.

I thought it would interest Members of the Senate to know that there is near-unanimous editorial support for substantial deregulation of the trucking industry in newspapers throughout the country. Since October of last year, 140 editorials or opinion columns have appeared supporting deregulation. Only seven such items have expressed reservations.

In the next few weeks, I shall be submitting for the Record a number of these editorials and columns which have appeared in newspapers in virtually every State. I urge my colleagues to pay close attention to the logic of their message.

Today, I am submittiing for the Record items which have appeared in newspapers in the States of Alabama, Arizona, California, and Connecticut.

These articles follow:

[From the Birmingham (Ala.) News, Feb. 16, 1979]

Competition for Truckers

President Carter's efforts to modify regulations which decrease rather than promote healthy competition in the private sector moved to another square this week. The Interstate Commerce Commission, which regulates interstate transportation, has made a major policy change which will make price competition possible among truckers. The agency will also consider rates in awarding trucking routes.

The 16,000 federally regulated trucking firms which operate between states and account for $26 billion in business yearly under ICC regulation now charge the same rates for the same services on the basis of recommendations of 10 regional organizations.

Under the new policy, if a company can move a van load of furniture from North Carolina to Alabama for a stated sum and another firm says it can do the same for 25 percent less, the ICC will consider the rate proposals in deciding whether the low bidder should be permitted to operate on the route.

The new policy will certainly tend to dampen inflation and save a great deal of money for consumers as the dynamics of free competition have demonstrated in the savings and increased business of the nation's airlines. This is a good move, and reluctant trucking firms should welcome the opportunity to become independent of repressive government measures and to increase profits.

[From the Phoenix (Ariz.) Republic]

Deregulate Trucking

When the Civil Aeronautics Board moved to deregulate the airlines, the industry and the unions as well let out a howl of protest.

Deregulation would destroy the airlines, they cried.

It would unleash murderous fare-cutting, plunge them into the red, drive the weaker ones into bankruptcy, and thereby result in less competition, not more.

It would force the discontinuance of service to smaller communities, thus leaving many towns and even cities isolated.

It would . . .

On and on went the predictions of disaster.

The CAB paid no attention, and we all know what happened.

The airlines did cut fares. As a result, passenger traffic soared, and profits soared along with them. Instead of dropping routes, the airlines rushed to open new ones.

The industry has never been healthier, or wealthier.

Some people never learn.

Today, the Interstate Commerce Commission is considering deregulation of the interstate trucking industry, and both the White House and the Senate Judiciary Committee's antitrust subcommittee are considering legislation to mandate such a move.

And we are hearing the same wail of despair from the nation's trucking companies that we did from the airlines.

Several dozen of them met in Chicago this week to launch a war against deregulation. Meanwhile, the American Trucking Association was circulating a memorandum among its members outlining a proposed bill that would provide for token deregulation in order to head off any significant deregulation by the ICC.

Like the airlines, the truckers insist that regulation is necessary to keep the industry from plunging into chaos, and that, in the long run, it would result in lessened competition, as the larger companies gobbled up the smaller ones.

In the long run, therefore, this would mean higher costs to consumers, they say.

Again like the airlines, they predict that deregulation would force companies to drop less profitable routes.

They're as wrong as the airlines were.

The tears the industry cries for the smaller companies are strictly of the crocodile variety. The larger companies already are swallowing the smaller ones by buying their federal licenses.

A recent analysis by Robert Delaney, manager of internal consulting for Pet Inc. of St. Louis, shows that 1 percent of the 16,000 interstate trucking companies earn more than half of the industry's revenues.

Regulation not only keeps out competition, it also forces the companies into wasteful practices. They must take circuitous routes in order to avoid competition. They must send trucks back empty after dropping a load.

According to Delaney, this causes the industry to waste 500 million gallons of fuel a year. Empty truck mileage, he says, costs the U.S. consumer 1 cent on every package of food, and 37 cents on every pair of shoes.

Sen. Jesse Helms, R-N.C., has estimated the total added cost of regulation to consumers at between $5 billion and $10 billion a year.

[From the Phoenix (Ariz.) Republic, Feb. 10, 1979]

KENNEDY AGAINST CANNON

Chairman Howard Cannon and other members of the Commerce Committee filled the Senate chamber with cries of pain and outrage the other day because Edward M. Kennedy is attempting to arrange things so that he and his Judiciary Committee will have first crack at legislation to deregulate trucking.

They all but accused the Massachusetts Democrat of grand larceny, saying that such legislation properly falls within the Commerce Committee's province.

Cannon and his cohorts do have a point. Commerce does normally handle matters affecting transportation.

On the other hand, Kennedy also has a point. Deregulating trucking will involve repeal of the exemption the industry has from the antitrust laws, and the antitrust laws are Judiciary's turf.

The squabble will ultimately be settled by the Senate parliamentarian, if not by the entire Senate. We hope it's settled in Kennedy's favor.

We have no great liking for Kennedy, and his insatiable hunger for power makes us a bit jittery.

However, we favor deregulation, and there's no doubt but that Kennedy does, too.

We're not so sure about Cannon. The reason is that lobbyists for the industry have lined up solidly behind him in the jurisdictional dispute. The industry opposes deregulation, and for reasons that are easy to understand.

Exemption from antitrust laws permits the industry to fix its own rates. The Interstate Commerce Commission has to approve the rates, but it almost invariably does. After that, it makes sure that no trucker undercuts them.

This is a privilege no other industry has.

The exemption was voted by Congress in 1948. President Truman vetoed it, but Congress overrode him.

Truman was right in vetoing it then, and Kennedy is right when he says repeal is long overdue.

[From the Tucson (Ariz.) Star, Nov. 4, 1978]

BABBITT TO SEEK DEREGULATION OF STATE'S TRUCKING INDUSTRY

Gov. Bruce Babbitt yesterday asked a group of local lawyers to help him persuade the Legislature to deregulate the state's trucking industry.

The statutory "regulated monopoly" status granted to the industry is archaic and unnecessary, he said.

Speaking to an informal lunch group at the Old Pueblo Club, the Democrat said Arizona should follow the lead of the federal Civil Aeronautics Board, which is moving swiftly toward deregulating airlines.

Present state laws restrict competition among trucking firms so that prices are increased, he said.

Trucks, for example, are certified to carry only a certain type of crop, or perhaps only in one direction.

He cited a Tucson case a few years ago in which courts denied an operating certificate to a parcel delivery service that had been thriving, simply because another firm held a previous certificate. The fact that it was thriving indicated a free enterprise need for it, he said.

Such a system handicaps small businesses, minorities attempting to enter the industry, and consumers in general, he said.

The state constitution gives the Arizona Corporation Commission control over "common carriers," but there is no authority for restricting competition in the industry, Babbitt said.

He said he was urging economic deregulation, but that valid regulations ensuring health and safety should be left in place.

[From the Tucson (Ariz.) Star, Nov. 10, 1978]

A NEED FOR COMPETITION

Gov. Bruce Babbitt says he is recruiting support in lobbying the Legislature to partially deregulate the state's trucking industry.

Arizona is one of only a few states in the nation that maintain "regulated monopolies" in trucking, intercity buses and taxicabs. The result of regulated monopolies is higher store prices.

The ultimate beneficiary of economic deregulation would be the consumer. However, creating competition won't be easy. Those firms holding exclusive route certificates have much to lose.

Intrastate truck lines are limited to pickups and deliveries within a 25-mile radius of their home bases—unless they have one of the few special certificates allowing them to serve specific distant points. Intrastate lines may also, as the result of a recent court ruling, pick up loads from interstate shippers in Phoenix or Tucson and take them to any other point in the state. They also may haul Arizona-produced goods to connections with interstate shippers.

But that doesn't foster price competition. Only two firms are specially certificated to carry freight between Tucson and Phoenix—Pacific Motor Trucking, a subsidiary of the Southern Pacific Co., and ONC Lines.

Other firms can challenge a special certificate to serve two specific points. However, the challenger must prove to the Arizona Corporation Commission that the existing service is inadequate. Once challenged, the certificate holder is given 30 days to improve service, but nothing binds him to maintain that higher level of service until the next challenge.

State regulation also limits firms to hauling only one type of merchandise.

Babbitt correctly argues that regulated monopoly handicaps small businesses and minorities attempting to get into business. The same is true of city cab companies and intercity bus lines. There is ample evidence that Tucson could support more than one cab company but ACC regulations prohibit competition.

The fate of a bill introduced in the last session of the Legislature, however, shows how difficult Babbitt's plan might be. The bill, drafted by Continental Trailways Lines, would have opened competition for service to all Arizona cities.

Under ACC-granted certificates Continental's competitor, Greyhound bus lines, has exclusive rights to serve small towns south of Phoenix on Interstates 10, 19 and 8. Trailways may serve only Tucson. North of Phoenix, Greyhound may not serve points along Interstate 17. That exclusively belongs to Trailways. Greyhound serves only Yarnell, Prescott and Sedona along Highway U.S. 89.

Trailways has the faster service from Tucson and Phoenix to Flagstaff, but Greyhound has the far more lucrative Southern Arizona business. Consequently, Greyhound, with its national corporate headquarters in Phoenix, opened up all its guns on the deregulation bill and killed it in short order.

The argument is frequently made that regulated monopoly assures that outlying communities with marginal retail trade can get equal freight service. That is not uniformly the case, however. Nor can it be proven that the outlying communities would not also benefit from open competition. It seems reasonable to assume that even the smaller communities could produce a truck and driver to fill their needs.

Babbitt says he has no intention of relieving the ACC of its responsibility to inspect both intrastate and interstate trucks for health and safety. That falls under the state's responsibility to protect the public health and welfare and should be continued.

But in this day of escalating prices and slower moving wages deregulating truck routes and the nature of their contents is overdue.

[From the Tucson (Ariz.) Star, Jan. 26, 1979]

DEREGULATE TRUCKING INDUSTRY

The tightly self-controlled trucking industry should be subjected to federal anti-trust laws from which it has been immune since 1948.

Deregulation of the trucking industry, which Congress will consider again this year, could save American consumers as much as $2 billion a year in regulation-inflated shipping costs. There is opposition to deregulation within the industry and for good reason: Tight controls over routes, products carried and uniform rates are profitable for the regulated lines.

The Interstate Commerce Commission and its route and rate regulation were established when the trucking industry was losing money—before the massive interstate highway system was constructed and better rigs were developed when many smaller communities had no other way to get merchandise delivered to them.

The ICC determines which firms can truck, what they can carry and what routes they can drive. Regional consortiums of trucking firms, called rate bureaus, set common rates. Regulated carriers haul only about 40 percent of the nation's truck freight; the rest is hauled by unregulated, independent truckers, who are kept from competing with regulated truck carriers and from passing money-saving efficiencies to the consumer.

The average return on investment in the trucking industry is over 20 percent, higher than any other industry. Truckers will not be hurt by free and open competition. Only the badly managed will perish.

As for the small communities and their merchandise deliveries, the ICC has already routinely been allowing regulated lines to drop unprofitable routes without penalty. Deregulation would allow small town entrepreneurs to establish motor freight shuttle services without some of the expenses that the ICC requires.

There would still be a place for the ICC—as a consumer protection agency, guarding against unsafe vehicles and loading methods, such as the transport of lethal or volatile gases and fuels.

[From the Sun City (Ariz.) News-Sun, Nov. 24, 1978]

TRUCKING REGULATION

Gov. Bruce Babbitt early this month announced that he will ask the State Legislature to repeal the "regulated monopoly" status of Arizona's trucking industry.

The governor said that statutes limiting entry into the transportation field are "unnecessary, unjustified and stifle competition, all at a high price for the Arizona consuming public"—to which we add our "Amen."

The only thing we see wrong with this good news is that it isn't good enough. The problem is nationwide and the governor's comments are as pertinent on the interstate level as on the intrastate plain.

Fortunately there is a move toward freeing the trucking industry of federal regulation along the lines that the airlines were deregulated recently.

Federal restrictions on trucking are Dark Ages stuff and excessively costly for the consumer. It is a prime example of how Mr. Average American can be milked doubly—first by the cost of imposing and overseeing unnecessary regulation by government and secondly by the excessive freight rates that result.

Relief is in sight on the state level if we get our local representatives to provide their full support. Our congressional delegation ought to get behind this worthwhile reform movement on the national level.

[From the Little Rock (Ark.) Democrat, Nov. 10, 1978]

Trucking Deregulation

(By John Lofton)

New York.—Now that the airline industry is being deregulated, the trucking industry knows it is next, and it is not at all happy about the prospect.

I am in this city to speak to the California Trucking Association during the American Trucking Associations' (ATA) annual convention. Almost every piece of literature on the press table contains at least one shrill, hysterical, and in some cases untrue, attack on the concept of trucking deregulation.

A one-page handout blasts deregulation as "unconstitutional!" and "a conspiracy!" that "will destroy the economy!" The October 30 issue of "Transport Times" quoted ATA Presdent William Cassels Jr. as characterizing the advocates of deregulation as "anti-forces," observing:

"They don't seem to stand for anything, but they are against just about everything you and I stand for. Primarily, they seem to be against business in general, and the private enterprise system . . . which they view as harmful to the health of consumers . . . The question that begs to be answered is, simply, 'why?' The theorists tell us the system needs to be changed, but they must be looking at the trucking industry in Outer Mongolia. The one here's working fairly well."

But Cassels' assault on the deregulators is positively Orwellian—it is Newspeak double-talk which asserts the opposite of the truth. It is the deregulators who are for increased competition in the trucking industry, whereas it is the ATA and its allies who are seeking to preserve the status quo which restricts private enterprise.

In this country (I'll yield to Cassels' knowledge of Outer Mongolia) the trucking industry is regulated by the Interstate Commerce Commission, which exercises absolute control over entry into this business. In order to be admitted as a "common carrier"—essentially a commercial trucker—an applicant must obtain a certificate of "public convenience and necessity," generally granted only when the newcomer can demonstrate that existing firms cannot provide the service specified.

If established carriers can show they have the capacity to handle the traffic, the application normally has been rejected, regardless of whether or not the applicant might provide a cheaper or more efficient service. The burden of proof has been on the applicant, and it is often an impossible one. As the ICC itself admitted in a case involving an Oklahoma transportation company:

"From the beginning of federal motor carrier regulation, restrictions generally have been imposed to protect already authorized carriers from unintended and unwarranted competition . . ."

When Cassels says that the present system of regulating the trucking industry is "working fairly well" another question begs to be answered, and it is, simply, for who? Certainly not for those newcomers who are seeking to start a trucking business.

Testifying recently before the Senate Judiciary Antitrust Subcommittee, a variety of individuals told how the burden of proving need for new or additional trucking service has become "insurmountable" for most small carriers. Witnesses complained of bureaucratic ineptitude, the high cost of legal fees for seeking ICC authority, and the ease with which an application can be defeated by existing carriers. Truck operators told of building up considerable business on temporary ICC operating authority only to be denied permanent authority.

Margaret Hardin of the Valley Veterinary Supply in Fort Collins, Colo., told how she was forced to ship vaccines and medicines by air freight or United Parcel because common carrier service was so bad. Her firm, along with 41 others, had supported an application for temporary authority by Edson Express, an intrastate carrier in Longmont, Colo. But the bid was turned down. Edson said it found the burden of proof "insurmountable" because "virtually every city and whistlestop in the U.S. does have some 'carrier service available,'" yet there's no objective standard to determine whether it fills a need.

F. E. Keller of Keller Transport in Billings, Mont., pointed out that protests by existing carriers are given far more weight in ICC application hearings than the support of shippers seeking the service. Keller said the ICC solicits protests from existing carriers, or at the least asks them if they're aware of applications and want to comment on them.

Milton Boyd, executive director of Minority Trucking Transportation Development Corp., said there must be an end to "push-button" protests by carriers already holding authority.

[From the San Diego (Calif.) Union, Oct. 31, 1978]

Deregulation Takes Flight

It's been only a week since President Carter signed legislation deregulating the airline industry and already the nation's major cities are anticipating dramatic improvements in air passenger service.

San Diego can look forward to the likely addition of three scheduled carriers to the nine currently serving Lindbergh Field. The greater freedom granted airlines by the new law could quadruple the number of out-of-state, nonstop flights available from Lindbergh. The prospective new schedules would link San Diego directly to New York City, Las Vegas, Minneapolis, Seattle, Houston, Salt Lake City, Portland, Reno and Palm Springs.

Under the old regulatory procedures of the Civil Aeronautics Board, permission for new routes could take years, if they were approved at all. Under the new law, decisions on new routes—including those affecting San Diego—will be made in a matter of weeks. Most are expected to be approved. In fact, air passenger service will now be limited chiefly by the availability of aircraft, flight crews and airport space rather than by the CAB.

It's already apparent then, that the immediate winners in the deregulation of the airlines are travellers living in and around major metropolitan areas.

For the residents of smaller cities and towns, the picture is less clear. In the short run, many of these secondary markets will probably suffer a decline in air service as the major carriers abandon uneconomical routes. In most cases, we suspect these service reductions will be only temporary.

Departure of the national carriers from secondary markets will encourage the expansion of smaller commuter airlines to fill the vacuum. The use of lighter, more economical aircraft should enable the smaller carriers to operate profitably where national airlines could not.

As for the industry, its prospects are more bullish than ever. Already enjoying the boom triggered by the limited, administrative deregulation implemented last year by former CAB Chairman Alfred E. Kahn, industry profits will top $1 billion this year, the highest in history and a spectacular turnaround from 1975 when the industry suffered a net loss of $84 million.

This year's record profits will be achieved despite the bargain-rate fares brought on by vigorous competition for passengers. Increased passenger traffic—a double-digit growth rate this year—stimulated by cheaper fares has made the difference.

Now, if President Carter and Congress could only succeed in deregulating the trucking and railroad industries, consumers would have even more reason to celebrate.

[From the San Diego (Calif.) Tribune, Jan. 23, 1979]

The Deregulation Pill

County supervisors summoned up their resolve last week and deregulated the private trash hauling firms operating in the unincorporated area.

They did so over the strong objections of the trash haulers.

Time after time it is the regulated businesses who object most strongly when it is proposed to remove from their necks the yoke of government regulation.

It is a part of the accepted wisdom that government oppresses business by needless regulation. How then does it come to pass that it is the oppressed businessmen who consistently oppose proposals to deregulate?

The conclusion is inescapable. These businessmen see regulation as in their interest. Regulation commonly protects them from competition, and there is no protection more highly prized by business firms than the power to keep their territory free from competitive challenge.

Deregulation, however, will restore the discipline of competition, which is the genius of the free enterprise system. The deregulation pill may be bitter, but it is healthy medicine for businessman and consumer alike.

[From the San Jose, (Calif.) News, Nov. 27, 1978]

Deregulate the Truckers

Freed from restrictive regulations, in many cases against its own will, the airline industry is enjoying a surge in passengers and profits. If competition, spurred by deregulation, has proved beneficial for the airlines, it is worth trying elsewhere.

The good news is that trucking is the next target for the Carter administration's campaign against unnecessary and inflation-sustaining government regulations.

The bad news is that the American Trucking Association, the industry's principal trade association, and the International Brotherhood of Teamsters—the nation's largest union with 2.3 million members—are dead set against deregulation.

The resistance within the trucking industry and by organized labor is not unlike that the Carter and the Ford administrations encountered in trying to deregulate the airlines. The difference is that the trucking deregulation opposition is more united and politically powerful.

In this context, the Interstate Commerce Commission (ICC) voted last week to abolish a 40-year-old rule barring companies that haul their own goods by truck from transporting goods for other shippers. The decision is a good omen for consumers. Its effect is to increase significantly competition in the transportation of cargo. Several thousand additional trucks are suddenly placed at the disposal of the nation's shippers.

If the deregulation ruling sticks, private carriers—such as manufacturers or supermarket chains—who have been restricted to carrying their own goods or products may now bid to carry others' goods on previously empty backhauls. One-way use of fuel-gulping trucks never made sense. It is intolerable in an energy-scarce age.

The American Trucking Association brands the ICC action "arbitrary, capricious and unreasonable," and indicates it probably will challenge the decision in court. That's its privilege.

But the fact is that a bad regulation has finally been rescinded—and the Interstate Commerce Commission which has traditionally acted in the industry's special interest is finally, under the direction of its new chairman, A. Daniel O'Neal, showing greater sensitivity for the broader public interest.

What former President Gerald Ford said in 1975 in outlining his case for trucking industry deregulation is no less true today: "It is now clear," he said, "that this patchwork regulatory structure has not kept pace with changes in the industry and the economy. We have permitted regulation designed in theory to protect the public interest to become in practice the protector of special interests."

In addition to elimination of wasteful empty backhauls, the ICC, the administration and the Congress should join in freeing the trucking industry from the twin regulatory ills that formerly prevailed within the airline industry: protracted and cost-prohibitive procedures for approval of new routes and services, and non-competitive rate structures.

[From the San Jose (Calif.) News, Jan. 26, 1979]

Price-Fixing Inflates Shipping Rates

For 30-years the nation's trucking industry has engaged in price-fixing. Charges to shippers have been predetermined by regional groups, so-called rate bureaus, and routinely approved by the Interstate Commerce Commission.

The process is perfectly legal, thanks to the 1948 Reed-Bulwinkle Act, which granted trucking firms immunity to join together on a formal basis to fix prices. It's also inflationary and ought to be scrapped.

Sen. Edward Kennedy, D-Mass., chairman of the Senate Judiciary Committee, is offering legislation to do just that. It marks round one of a new campaign to deregulate the trucking industry—against its wishes.

Claims by the American Trucking Association that the proposal threatens "chaos and confusion" are of dubious merit. The nation's trucking industry is sound. It can survive open competition.

What's more, the consumer—who absorbs the pass-through costs of unnecessarily high shipping charges—deserves a break. Sen. Kennedy estimates that "legalized price-fixing in the regulated trucking industry" costs shippers and consumers as much as $2 billion extra a year.

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[From the Los Angeles Times, Jan. 31, 1979]

Rough Road, But the Right One

For nearly a century, the federal government has regulated the carriers of the nation's freight—first the railroads, then the truckers—deciding who could carry cargo, who could not, and what price the shipper must pay.

Until recently, regulation was presented, and usually accepted, as a means of protecting shippers and consumers. In fact, freight regulation has been, from the start, part of a cartel—rigged against competition, with railroads and truckers fixing prices and the government making them official. Even shippers, for whom regulations mean higher freight rates, supported the system because it seemed to assure a stable freight network on which they could rely.

Now a long campaign by transportation economists, consumer groups and growing numbers of shippers has gathered enough support so that deregulation seems inevitable. The only question seems to be how long the powerful combination of truckers and teamsters can fight off the campaign in Congress.

Bills to relax federal controls of both railroad and trucking operations now are before Congress. Although giving railroads more freedom to set rates and decide whether traffic justifies maintaining service over some routes is controversial, it is not as explosive as the issue of trucking regulation.

Against the trucking lobby, deregulation might be hopeless except for three factors, the successful deregulation of U.S. airlines last year, a recognition of the fact that high transportation costs feed inflation, and a spreading revolt among all businessmen, including shippers, against regulation of any kind.

Some economists estimate that regulation adds as much as $4 billion a year to the cost of merchandise, both as a result of price-fixing and of Interstate Commerce Commission regulations like one that forces trucks making deliveries for their own companies to go home empty rather than haul the freight of other companies on the return run.

The ICC, prodded by the White House, recently relaxed that rule and others, including one that has made it virtually impossible for new trucking companies to get federal certificates if it meant increased competition in the industry.

But there is a limit to the amount of dismantling that the ICC can do on its own without help from Congress, and that help has started to come.

Sen. Edward M. Kennedy (D-Mass.) has introduced a bill that would, in effect, break up the price-fixing mechanism under which the trucking industry operates.

Under the existing system, trucking companies in a region—usually the largest companies—agree among themselves on the rates that they must charge to meet expenses and show a profit. Those rates are almost without exception approved by the ICC and posted by regional "rate bureaus." Under the law, none of the 16,000 regulated trucking companies in the United States can charge less than the posted rate.

The rate-bureau mechanism can operate only because the trucking industry was granted an exemption from antitrust laws by Congress in 1948. Kennedy's bill would take away the exemption, leaving truckers free to ignore the posted rates.

Before Kennedy's bill can start moving through Congress, it must break free from a dispute between his Judiciary Committee, which claims jurisdiction, and the Commerce Committee of Sen. Howard W. Cannon (D-Nev.), which the trucking industry considers more sympathetic to its cause.

That is only a small parliamentary pothole compared with the pounding that the Kennedy bill, and the Carter bill that will go to Congress later this year, can expect in making the way around Capitol Hill. The nation's eight biggest trucking companies have enjoyed higher earnings all through the 1970s than such blue-chip operations as computer and drug companies, and they owe it to the regulation that discourages competition and the rate bureaus that keep prices high.

Our map of the economic system tells us that Kennedy, President Carter and the ICC are on the right road, and that they deserve all the help that they can get in clearing away the roadblocks. We hope that they get it.

[From the Palo Alto (Calif.) Times, Jan. 23, 1979]

DEREGULATION: CONSUMER BOON

President Carter's proposal to deregulate the trucking, railroad and inter-city bus industries represents a consumer triumph over dug-in interests whose beds are feathered by the protection of federal regulation.

The victory is strictly tentative, of course; until Congress acts. That action will be fought hard by teamsters, trucking firm owners with operating rights from the Interstate Commerce Commission, bus firms and others.

With the president behind the proposal to cut trucks, trains and buses loose from government rules and route decisions, however, it has a good chance to win—given some public backing. The move will gain momentum from deregulation of the airlines, which is just beginning to make its benefits felt.

Airlines freed of Uncle Sam's heavy hand are having to compete as never before. In about six weeks, passengers will begin enjoying one-way fares of $100 from coast to coast—roughly half the previous fares.

Bigger airline changes are in prospect over the next couple of years, according to Thomas G. Moore, senior resident fellow at Stanford's Hoover Institution and a leading academic advocate of deregulation. What has happened so far has borne out prederegulation studies, he said.

Moore expects similar results if the new proposal comes to fruition. He estimates that trucking regulation costs consumers about $4 billion a year, and says that if it is dropped prices could go down ½ of 1%.

As for railroads, Moore says deregulation promises more efficiency and, of course, less taxpayers' money doled out to ConRail and Amtrak. Moore calls the present bus system very inefficient and monopolistic, and says passengers will see attractive package offers if the change occurs.

Deregulation will strike a blow at inflation. It will afford consumers better choices. It will reduce government costs. Some speaking up by the public may be necessary, however, to topple its legislative opposition.

[From the Denver (Colo.) Rocky Mountain News, Oct. 31, 1978]

LISTEN TO THE FTC

We hope the trucking industry, the bus industry, the Interstate Commerce Commission and the nursing home industry are listening to the sounds coming out of the Federal Trade Commission these days.

The FTC has urged the ICC, which regulates both the trucking and bus industries, to loosen those regulations and allow some real competition into those vital transportation areas.

Specifically, the FTC asked its sister regulatory agency to stop granting antitrust immunity to the Rocky Mountain Motor Tariff Bureau, one of the trucking industry's regional rate bureaus which sets truck freight rates throughout most of the western United States. These "rate bureaus" are nothing more than price-fixing agencies, the FTC charged, and act only to inflate rates and keep out real competition.

And the FTC has also prodded the ICC to review similar regulations which the FTC feels are stifling real competition in the intercity bus industry. ICC regulations on intercity fares, along with rules preventing new companies from entering both the regular route and charter bus fields, shield the bus lines from real competition and thereby subvert the free market process.

Finally, no less a personage than FTC Commissioner Elizabeth Hanford Dole, wife of the Kansas senator who was the 1976 Republican vice presidential nominee, has announced that the commission is considering issuing trade rules for the nursing home industry.

The quality of nursing home care is not at issue here. What is at issue is the "business" practice in which some nursing homes require family members to sign contracts absolving the nursing home from any responsibility for the theft of a patient's property or injury to the patient, or contracts demanding the payment of the nursing home's legal fees in case of a lawsuit, or contracts banning family members from bringing the patient personal supplies, leaving the patient and the family subject to rip-off prices, i.e., sharply marked-up drug prices or 85 cents for a 22-cent box of facial tissue.

Putting a parent or a loved one in a nursing home is a traumatic enough experience as it is without such fine-print contracts leading to additional grief on the part of both patient and family. A simple "let the buyer beware" is not enough in most cases.

The FTC is right on target in these actions.

[From the Denver (Colo.) Rocky Mountain News, Nov. 13, 1978]

LET THE TRUCKS COMPETE

Normally, the cry from industry is that if only the federal government would get off its back, it could provide the nation with needed goods and services far more efficiently.

Not so the trucking industry, however. Far from shackling the big trucking lines, federal route and rate regulation provides them with a comfortable cocoon against the rigors of real competition.

Now the Interstate Commerce Commission proposes to unwrap that cocoon in a significant way, and the big truckers are horrified.

As it is now, when a trucking company wants to serve a new route, it must prove to the ICC that no existing trucking line would be inconvenienced (that is, suffer some competition). That's tough to do.

But the ICC proposes to turn this process around. It would make the trucking lines that already have the route prove that they would be harmed (again, face competition) if the route were opened up to the applicant.

"Unfair!" cries the American Trucking Associations, the industry advocate of the status quo. "We can't prove it. We can only assume it."

What the ATA assumes is that the applying truck line is really going to go after the freight business, offering shippers lower rates or better service than the lines serving the route.

Well, what can possibly be wrong with that? That's what free competitive enterprise is all about, isn't it? If a trucking line has the equipment and the capital and the ambition to underbid or outperform its rivals, then have at it!

More competition, the textbooks say, means lower freight rates, which mean lower transportation costs and, ultimately, stable or even lower prices to the consumer. And that's what the fight against inflation is all about.

There comes a time when children must shed their security blankets. That time has now come for the trucking industry.

[From the Greenwich (Conn.) Time, Nov. 15, 1978]

TRUCKING DEREGULATION

(By John Lofton)

NEW YORK.—Now that the airline industry is being deregulated, the trucking industry knows it is next, and it is not at all happy about the prospect.

I am in this city to speak to the California Trucking Association during the American Trucking Associations' (ATA) annual convention. Almost every piece of literature on the press table contains at least one shrill, hysterical, and in some cases untrue, attack on the concept of trucking deregulation.

A one-page handout blasts deregulation as "unconstitutional!" and "a conspiracy!" that "will destroy the economy!" The October 30 issue of "Transport Times" quotes ATA President William Cassels Jr. as characterizing the advocates of deregulation as "anti-forces," observing:

"They don't seem to stand for anything, but they are against just about everything you and I stand for. Primarily, they seem to be against business in general, and the private enterprise system . . . which they view as harmful to the health of consumers . . . The question that begs to be answered is, simply; 'Why?' The theorists tell us the system needs to be changed, but they must be looking at the trucking industry in Outer Mongolia. The one here is working fairly well."

But Cassels' assault on the deregulators is positively Orwellian—it is Newspeak double-talk which asserts the opposite of the truth. It is the deregulators who are for increased competition in the trucking industry, whereas it is the ATA and its allies who are seeking to preserve the status quo which restricts private enterprise.

In this country (I'll yield to Cassels' knowledge of Outer Mongolia) the trucking industry is regulated by the Interstate Commerce Commission, which exercises absolute control over entry into this business. In order to be admitted as a "common carrier"—essentially a commercial trucker—an applicant must obtain a certificate of "public convenience and necessity," generally granted only when the newcomer can demonstrate that existing firms cannot provide the service specified.

If established carriers can show they have the capacity to handle the traffic, the application normally has been rejected, regardless of whether or not the applicant might provide a cheaper or more efficient service. The burden of proof has been on the applicant, and it is often an impossible one. As the ICC itself admitted in a case involving an Oklahoma transportation company:

"From the beginning of federal motor carrier regulation, restrictions generally have been imposed to protect already authorized carriers from unintended and unwarranted competition . . ."

When Cassels says that the present system of regulating the trucking industry is "working fairly well" another question begs to be answered, and it is, simply, for who? Certainly not for those newcomers who are seeking to start a trucking business.

Testifying recently before the Senate Judiciary Antitrust Subcommittee, a variety of individuals told how the burden of proving need for new or additional trucking service has become "insurmountable" for most small carriers. Witnesses complained of bureaucratic ineptitude, the high cost of legal fees for seeking ICC authority, and the ease with which an application can be defeated by existing carriers. Truck operators told of building up considerable business on temporary ICC operating authority only to be denied permanent authority.

Margaret Hardin of the Valley Veterinary Supply in Fort Collins, Colo., told how she was forced to ship vaccines and medicines by air freight or United Parcel because common carrier service was so bad. Her firm, along with 41 others, had supported an application for temporary authority by Edson Express, an intrastate carrier in Longmont, Colo. But the bid was turned down. Edson said it found the burden of proof "insurmountable" because "virtually every city and whistlestop in the U.S. does have some 'carrier service available,'" yet there's no objective standard to determine whether it fills a need.

F. E. Keller of Keller Transport in Billings, Mont., pointed out that protests by existing carriers are given far more weight in ICC application hearings than the support of shippers seeking the service. Keller said the ICC solicits protests from existing carriers, or at the very least asks them if they're aware of applications and want to comment on them.

Milton Boyd, executive director of Minority Trucking Transportation Development Corp., said there must be an end to "push-button" protests by carriers already holding authority.

[From the Waterbury (Conn.) Republican, Nov. 22, 1978]

TRUCKING COMPETITION GOOD

The decision by the Interstate Commerce Commission to let companies which haul their own goods by truck also transport goods for other shippers is an important boost to the nation's fight against inflation and energy waste.

The 40-year-old rule prohibited trucks owned by a private company such as a supermarket chain, a corrugated box company, etc., from making a return trip carrying products from another company. This meant empty trucks were crisscrossing the country, wasting fuel.

The lack of competition from these private companies also meant the trucking industry could keep its rates high. But with the addition of thousands of vehicles at the disposal of the nation's shippers, competition will force the trucking industry to reduce their fees and help to reduce inflation.

If a truck must carry computer parts from Massachusetts to Florida, there is no reason why it shouldn't carry oranges on the return trip. The competition which the commission's ruling will create will help the nation save energy and take a big bite out of the inflation-causing spiral of trucking rates.●

SENATE RESOLUTION 99 (NAZI WAR CRIMINALS)

● Mr. DURENBERGER. Mr. President, I wish to join as a cosponsor of Senate Resolution 99, introduced by my colleague the senior Senator from California on March 13. This resolution calls on the Government of West Germany to abolish or extend the statute of limitations applicable to the prosecution of Nazi war criminals. If no action is taken, the statute will expire on December 31 of this year and an untold number of Nazis may never have to answer for their crimes. As a lawyer I feel strongly that only under unusual circumstances should such an action be taken. Mr. President, I feel even more strongly that the enormity of the crimes committed by the Nazis constitutes such unusual circumstances. The Holocaust took the lives of millions of people in Europe, Jews, and Christians, and left physical, mental and emotional scars on millions and millions of other people in all parts of the world.

Mr. President, I have before me a statement supporting Senate Resolution 99 adopted on February 22, 1979, by the Jewish Community Center for Greater Minneapolis. I ask that it be printed in the RECORD.

The statement follows:

STATEMENT

The Board of Directors of the Jewish Community Center of Greater Minneapolis hereby adopts the following resolution:

1. The Board of Directors of the Jewish Community Center of Greater Minneapolis (hereinafter "the Board") is advised that, under the current state of the law of the Federal Republic of Germany, the statute of limitations on Nazi war crimes will, unless further extended, expire on December 31, 1979.

2. It is the understanding of the Board that the statute of limitations, as it presently exists, may not be extended or repealed unless official action is taken soon by the Government of the Federal Republic of Germany. Accordingly, the Board views this issue as one of pressing urgency.

3. The Board is aware that the extension or repeal of a criminal statute of limitations is an extraordinary legal measure which should be taken only under extraordinary circumstances. However, the Nazi crimes, which constituted the sophisticated and systematic execution of a malignant philosophy directed toward enslavement and extermination on a scale unique to the human experience, were so extraordinary as to merit such action. Indeed, this has already been acknowledged by the Federal Republic of Germany through its previous extensions of the statute of limitations in 1965 and 1969.

4. It is the sincere belief of the Board that such acts of violence and inhumanity can never, in good conscience, be excused or forgiven, either directly or by operation of law. Moreover, the Board asserts that if the human condition of the world is to be maintained at honorable levels of decency and morality, the legal avenues for identifying and bringing to justice the perpetrators of those acts must be forever kept open and vital, lest those individuals who have successfully eluded investigation and prosecution be rewarded by an official grant of immunity and, in effect, pardon from the consequences of their conscious, volitional and intentional deeds of torture, death and oppression.

5. The Board is aware that, as recently as February of this year, it has been reported that "Simon Weisenthal, the dogged Austrian who tracks down Nazi war criminals, has been deluged with tips from West Germany in the past two weeks. The new information comes mostly from TV viewers reacting to a West German screening of 'Holocaust,' NBC's mini-series about Nazi persecution of Jews. 'They felt moved to do something,' Weisenthal says of his informants. They wrote or called me and said, 'I can't keep silent now'." (Newsweek, February 12, 1979, Page 21)

6. The Board prays that, consistent with the moral spirit and conscience of its citizens, the Federal Republic of Germany not "keep silent" now. In the words of Ernst Brenda, current Chief Justice of the Supreme Court of the Federal Republic of Germany, "one unpunished murderer amongst us is one too many, and if we abandon the hunt for them we might as well abandon the Republic and revert to living in caves."

7. The Board urges the Federal Republic of Germany, our NATO ally, to take the necessary steps to ensure that the statute of limitations on Nazi war crimes will never expire.

Dated this 22nd day of February, 1979.

In closing, I urge that this body make its collective voice heard in support of the continued prosecution of Nazi war criminals. Chancellor Helmut Schmidt has publicly expressed his support for an initiative already introduced in the German Bundestag to lift the statute of limitations for murder—and thus for Nazi crimes. While public opinion is divided in West Germany, a recent television showing of "The Holocaust" precipitated an outcry no less outraged than that of the American people.

In these troubled times, it is incumbent upon us to demonstrate anew our unswerving commitment to the sanctity of human life. Passage of Senate Resolution 99 is one of the most meaningful demonstrations of this commitment that I can possibly imagine.●

THE JOINT ECONOMIC COMMITTEE'S REPORT ON STRUCTURAL UNEMPLOYMENT

● Mr. BENTSEN. Mr. President, on Thursday, March 29, I transmitted to the Congress a report from the Joint Economic Committee concerning structural unemployment, as requested by the Comprehensive Employment and Training Act Amendments of 1978, Public Law 95–524.

The committee's report included three parts—the chairman's letter of transmittal, excerpts from the section of the 1979 Joint Economic Report which dealt with structural unemployment, and an overall analysis of structural unemployment prepared by members of the committee staff. In addition, the committee conducted a series of hearings on the problem of structural unemployment in which recognized experts in the field appeared as witnesses. These hearings are being printed and will be made available as a separate publication in the near future.

Under the provisions of an amendment that was submitted by myself and Senator JAVITS and unanimously adopted by the Senate, the Joint Economic Committee was asked to report by March 31, 1979 on three important questions:

First. Can targeted structural employment and training programs reduce the unemployment rates of those segments of the labor force having special difficulties in obtaining employment?

Second. Can targeted structural employment and training programs achieve and sustain a decrease in the national unemployment rate without exacerbating inflation?

Third. What private incentives can induce employers to hire the structurally disadvantaged?

The report I submitted Thursday provides answers to these very difficult questions. I wish to summarize the committee's findings. Let me begin with the findings and recommendations contained in the 1979 Joint Economic Report, which I would like to point out is the first report in 20 years that was unanimously adopted by both Democratic and Republican members of the committee.

The 1979 Report of the Joint Economic Committee, reaffirmed the committee's traditional concern about unemployment. The key to our success as a nation has been freedom, not just political and religious freedom, not just freedom of the press, but the freedom to succeed, the freedom of opportunity. Throughout our history, a job has been the passport to success in America. Too many blacks, too many Hispanics, too many young people remain jobless and often without much hope of participating in the economic life of our Nation.

The structurally unemployed are Americans who cannot find work in bad or in good times. They are forgotten Americans. They do not want welfare, they want only the opportunity to become full participants in our economic life. We cannot afford to waste the energy, the intelligence and the ingenuity of these people.

The recommendations included in the JEC annual report would not solve the problem completely. But they are sound, solid recommendations that underline the obligation—the economic, moral and humanitarian obligation—we as a Nation have to foster opportunities for employment.

In the committee's 1979 Joint Economic Report, we noted that the spectacular growth in the number of jobs created by the economy in 1978 was the best economic news in what was in many ways a difficult and troubling year. Over 3 million Americans found work last year. That was the silver lining in the dark clouds which seemed to hang over the economy in 1978. But in spite of this progress, far too many Americans remained jobless. For 6 million Americans who wanted to work, 1978 was a bitterly disappointing year.

The economy is approaching its fifth year of expansion. Although strong economic growth is a vital precondition in providing employment opportunities, many economists believe we are at the point where further reductions in unemployment through conventional macroeconomic policies will be inflationary.

The arguments for fiscal and monetary restraint in light of the increasing rate of inflation were discussed elsewhere in the committee's annual report. But this policy of restraint does not address the issue of structural unemployment. The committee found that special measures are needed to assist the structurally unemployed—those who remain jobless when the economy reaches its potential output.

Congress already has taken some initial legislative steps directed toward addressing the structural unemployment problem. The Comprehensive Employment and Training Act (CETA) has been refocused to provide a greater proportion of jobs and training to structurally unemployed persons. The committee has no doubt that the reorientation of the public service jobs program toward the structurally unemployed was appropriate and necessary in light of our present economic circumstances. Although there has been some congressional disenchantment with some of the more visible problems of CETA, public sector jobs continue to fill certain functions which cannot be implemented through the private sector.

However, because structural unemployment is a composite of factors, the public sector programs must go in tandem with initiatives developed by the private sector. The ultimate aim of any structural employment program is to assist the transition of unemployed workers into jobs in the private economy and the involvement of the private sector is vital. The exposure to the "real" world imposes a type of job discipline and provides actual knowledge of job opportunities. In addition, private employers will be sure to train workers with skills necessary to their business operations. This results in reenforcement of the acquisition of additional skills with the exercise of those skills.

The committee believes different methods should be considered which would reduce the cost to the employer for training a structurally unemployed individual. The targeted employment tax credit should provide valuable experience as a certain type of job subsidy. However, we believe that other types of subsidies with a training component should be explored. This training should be centered primarily in the private sector.

To improve private sector opportunities for the structurally unemployed, the committee made the following formal recommendations:

Congress and the administration should assure funding for programs to combat structural unemployment including effective private sector jobs programs under the CETA Act. This assurance is necessary to avoid stop-and-go policies for the structurally unemployed. The $400 million appropriation request for the CETA private sector jobs programs should be enacted.

Private, nonprofit intermediate organizations, which have proven to be highly successful in providing placement and support services to the structurally unemployed, offer a unique source of aid in solving the problem. Their role in public and private sector initiatives should be expanded.

The current Federal manpower training programs should be significantly expanded in order to equip unemployed workers with skills to meet entry level requirements.

We recommend that the administration undertake a major effort to inform businessmen and women about the new targeted employment tax credit program.

The committee urges development of legislation to provide targeted incentives to private sector employers—particularly small business—to effectively train and hire the structurally unemployed. Training subsidies or other incentives for training should be provided to employers. The committee wishes to emphasize this support should be paid only for training and not wages. To supplement the findings and recommendations of the 1979 Joint Economic Report, a staff analysis of structural unemployment was prepared, based on information and ideas presented during the hearings as well as on the staff's own research.

The staff analysis found that structural employment and training programs can reduce unemployment among the structurally unemployed without exacerbating inflation, but only if they are carefully designed and targeted and only if they are accompanied by measures which will increase the rate of capital formation in the American economy. This finding is entirely consistent with the 1979 Joint Economic Report. I personally think their finding is not only correct but is, in addition, a major contribution to our thinking about how to create new jobs for those who are structurally unemployed.

The staff analysis determined that under present economic circumstances, conventional macroeconomic policies are virtually powerless to reduce the unemployment rate much below 6 percent without at the same time causing a sharp acceleration of our inflation rate. There are three reasons for this:

First. There are a large number of unskilled workers seeking jobs, while skilled workers have become very scarce. If we pursue a policy of economic stimulus to create more jobs for unskilled workers, the increased demand for skilled workers would impart an upward, and perhaps substantial, inflationary impact on the economy because it would tend to raise their wages.

Second. The tightness and looseness of labor markets varies dramatically from one region of the country to another. Since aggregate demand policies cannot be targeted by region, any attempt to reduce unemployment in areas where the unemployment rate is excessive will generally add to inflationary pressures in regions where there is very little labor market slack.

Third. The third reason why conventional policies should not be used now to reduce unemployment is because further increases in overall demand would be severely constrained by productive capacity limits. Capacity utilization rates are currently quite high, and the margin of unused capacity is quite small. Further expansion of output and employment today would necessitate the use of older, less efficient capital which in turn would lower productivity, raise unit costs and accelerate inflation. If the availability of capital was not a restraining factor today, it is likely that further increases in demand and further reductions in unemployment could be brought about without adding much to our inflationary pressures.

For these reasons, the staff determined that the approach to reducing structural unemployment should not only include targeted structural employment and training programs, but also measures aimed at raising the rate of capital formation.

Based on the analysis conducted for

the staff report, structural unemployment is defined in the following way:

Structural unemployment consists of that margin of unemployed labor whose employment through conventional macroeconomic policies would result in an accelerating rate of inflation. Stated another way, structural unemployment represents the amount of joblessness that exists when the economy reaches its rate of potential output.

The staff analysis determined that this nonaccelerating inflation rate of unemployment today stands somewhere around 6 percent. During the early 1960s, a 4-percent unemployment rate was widely viewed as being consistent with a nonaccelerating rate of inflation. The reason for the increase is not entirely clear, but the report listed a number of contributing factors, including the increased participation rate of women and teenagers, structural rigidities, a relatively larger number of less skilled and less educated workers, various forms of discrimination, and the sluggish rate of capital formation.

The staff report also held that selected targeted subsidies and tax credits from the Federal Government could be an effective way of inducing the private sector to hire and train the structurally unemployed.

The staff report concluded—

First, that structural employment and training programs can reduce unemployment without exacerbating inflation if they are targeted on low skill workers who are suffering the highest rates of unemployment, and who thus could be provided jobs without creating a shortage or upward pressures on wages;

Second, that targeted structural employment and training programs can also help to alleviate wage pressures in high skilled markets if they provide an increased supply of trained workers to these markets;

Third, that targeted structural employment and training programs can help alleviate inflation if they reduce unit labor costs, by improving labor productivity or offsetting part of employers' wage costs; and

Fourth, that these programs should be accompanied by measures to increase capital formation. It would also be necessary to coordinate targeted employment programs and actions to increase capital formation so as to avoid a mismatch of job opportunities and the newly trained. Unless programs are coordinated, it is possible that the demand for skilled workers caused by industrial expansion might not be met by training programs for the structurally unemployed.

Mr. President, I am pleased to submit this report in fulfillment of the requirements of Public Law 95–524, and hope the report will be useful to Members of the Senate as we develop new ways of creating jobs and training opportunities for the structurally unemployed.●

NELSON A. ROCKEFELLER MEMORIAL TRIBUTES

● Mr. JAVITS. Mr. President, I would like to offer for the RECORD the text of the memorial service held in New York City for my friend, Nelson Rockefeller. The thoughts and prayers offered by Nelson Rockefeller's friends and family are a touching reminder of a man whose life meant so much to so many people. And I think there is a lesson for us in the way in which he is remembered—that the great size of this man can perhaps be best understood in the way his vision, his optimism and determination continue to be felt in the lives of those who came to know him. I ask that these remarks be printed in the RECORD.

The material follows:

OPENING SENTENCES AND PRAYER OF INVOCATION

(By Dr. William Sloane Coffin, Jr.)

Yea, though I walk through the valley of the shadow of death, I will fear no evil. For Thou art with me. Thy rod and Thy staff, they comfort me.

Jesus said: My peace I give unto you. Not as the world gives, give I unto you. Let not your hearts be troubled. Neither let them be afraid.

Let us pray.

Oh, God, who has created a world beautiful beyond any singing of it, and yet, one which is filled with heartaches and rebuffs and the mysteries of pain and death, help us to wait upon Thee with reverence and believing hearts.

In this hour, speak to us of eternal things, that we may be lifted up above our darkness and distress, into the light and peace of thy presence, where love is immortal and death is only a horizon, and the horizon is nothing but a limit of our sight.

All this we ask in the name of Thy dear son who told us when we meet together to pray, saying,

Our Father, who art in heaven.
Hallowed be thy name.
Thy Kingdom come.
Thy will be done,
On earth as it is in heaven.
Give us this day our daily bread.
And forgive us our debts
As we forgive our debtors.
And lead us not into temptation;
But deliver us from evil.
For thine is the kingdom, and the power
And the glory forever.
Amen.

ANNE ROCKEFELLER ROBERTS

"I celebrate myself, and sing myself,
And what I assume you shall assume,
For every atom belonging to me as
good belongs to you."

These words of Walt Whitman[1] speak to me of my father. I can almost hear him saying them to us. He was what he was—exuberant, energetic, extravagant. He was all these things and more without hesitation, without regret, with conviction, at home as well as in the public eye.

To be his children was not always easy, but he filled our lives with excitement and he challenged us to reach beyond our grasp. Not one of us will ever forget his insistence that we use our playtime to learn languages; his determination that we travel with him in Latin America and work on his projects; his willingness to share his love of art with us by spending hours together and hanging pictures, and his wanting us to help build a chicken coop or a garden wall, so as to learn the use of our hands and the dignity of work.

He was energy itself. My mother felt his presence at home even before she saw or heard him.

After his death, my children and I were startled at how small his body looked. The vibrant spirit that gave power to his presence was gone.

To father, life was meant to be lived. As we leave this church today, he would want us to get on with it—to go forward to take our lives in our hands fully and joyfully, as he did.

As we share our grief at Father's death, let us listen to Paul's bold comfort to the Romans:[2]

"What then shall we say to these things? If God is for us, who is against us? He who did not spare his own Son but gave him up for us all, will he not also give us all things with him?

Who shall separate us from the love of Christ? Shall tribulation, or distress, or persecution, famine, or nakedness, or peril or sword? . . ."

"Nay, in all these things we are more than conquerors through him who loved us. For I am sure that neither death, nor life, nor angels, nor principalities, nor things present, nor things to come, nor powers, nor height, nor depth, nor anything else in all creation, shall separate us from the love of God in Christ, Jesus, Our Lord."

REMARKS BY RODMAN C. ROCKEFELLER

My brother Nelson, Jr. told us in his moving talk at the graveside that the spirit of our father Nelson will be with us always.

For seventy years his family, his country and the world lived with, enjoyed and were benefited by that spirit.

He was born into a period of revolutional change which continues up until today. World War I was the background of his childhood, the Roaring Twenties influenced his teenage years and he graduated into adulthood with the Depression.

Into that world came Nelson Rockefeller, a man of power, of wealth and equipped with the confidence born of that power and wealth.

He loved people and the hurly-burly of political campaigning. We share the image of his statewide campaign, from Nathan's on Coney Island to Niagara Falls—as he charged into cheering crowds with "Hi ya fella" for everyone he could reach.

He came early to his love of and response to, people. He found his first professional political love in Latin America. That warm and genuinely uncritical response of one man to another matched his nature and kindled a lifetime love and respect. In many ways his six years as Coordinator for Inter-American Affairs were the most enjoyable and fruitful of his lifetime.

This response to the deep human qualities of people everywhere was matched by his instinctive seeking for justice and a greater purpose. His very personal power demanded a framework of law and of purpose.

He told an audience in 1958:

"America is the political expression of our great Judeo-Christian heritage. In the Declaration of Independence, the Constitution and the Bill of Rights, the Founding Fathers sought to make explicit in law what was implicit in the teachings of the prophets and in Christ's teachings as to the sanctity of the human person.

"Out of these deeply spiritual beliefs has grown our whole concept of political freedom and the freedom of economic opportunity which has contributed so much to their realization."

In our pluralistic, dynamic society, which so matched his own complex personality, the role of law was one he understood and promoted. He said:

"We cannot have a free society if people don't know the rules. We cannot have a law-abiding society if people don't understand the laws."

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[1] Walt Whitman, "Song of Myself," *Leaves of Grass*.

[2] *Holy Bible*, Romans 8, Verses 31–32, 35, 37–39.

To understand the warmth and the depth of my father's spirit one must turn to the role that the appreciation and collecting of art played in his life. He said at the opening of the "Family of Man" exhibition:

"I am sure that all of you have found, just as I have, that recourse to works of art yields a refreshment of spirit that can be attained in no other way. For the artist sees with an eye that is clearer and more penetrating than the vision of ordinary perception."

The life of a whole man has unfolded before us, strong, even arrogant, impatient yet wise and foreseeing, integrated in his love of life in all its daily challenge, yet governed by the purposes and the principles he grew up with.

His respect for ideas was as great as his love of ideals. The possibility of progress through rational study and the application of human talent to the solution of human problems was a belief he held deeply. He stated in 1976:

"Scientific advancement, economic progress and the quest for freedom have marched together in America for over two centuries."

Again, he said:

"Human welfare is the true goal of economic progress. We share a faith in the inherent dignity and worth of the individual and in the capacity and desire for self-improvement of human beings of whatever nationality, race, creed or color. Basic to this well-being is economic growth and a rising standard of living."

Father was an eternal optimist, a man who saw in public and private service the highest opportunity to fulfill himself and his destiny. He was a politician who was not interested in politics for itself but as a means to govern. In government he saw the fruition of his drives and abilities, in the solving of problems.

In the end, one turns back to the beginning to gain a perspective on my father's life. At the depths of World War II he stated in this church:

"One day the noise will subside. One day the murk and stench of war will be cleared away. Weary eyes will search horizons, seeking that with which to build anew. And presently, in awed silence, they will see emerging the ideal of democracy, unchanged, untouched—the Christian vision of universal brotherhood."

I thank God that the world is a better place, because Nelson Rockefeller passed by.

Remarks of David Rockefeller

We are gathered together here in this beautiful sanctuary of the Riverside Church from many parts of the country and the world, and from many sectors of our society, to pay tribute to the memory of Nelson Aldrich Rockefeller. Your being here today means so much to Happy, Laurance and all members of the family. We have been through a difficult period—with John's recent death and the deaths of Winthrop and our sister, Abby, only a few years before.

I speak to you this morning as Nelson's youngest brother and as a member of a large family which he loved and from which he drew strength—a family to which he gave devoted and constructive leadership.

Nelson was a man of action, with a deep belief in the worth and dignity of the individual, in the democratic process, in the American enterprise system, and in the responsibility of each citizen to revere God and to help his fellow man. He loved beauty in nature and in the arts. He loved the companionship of people. He loved life.

These traits represented a synthesis of the qualities of his two grandfathers and of his parents, all of whom he greatly admired.

Grandfather Aldrich served for 31 years as United States Senator from Rhode Island. He was majority leader for the last 17 years of his term. He played an active role in the formulation of key economic policies of our country at a critical period before and after the turn of the century. Even though Senator Aldrich died when Nelson was a small boy, Nelson's fascination for government and politics undoubtedly stemmed from the legacy of the man for whom he was named and about whom he heard much from his mother.

Grandfather Rockefeller, founder of one of America's great industries, lived until Nelson reached full maturity. They were devoted to one another and saw one another frequently. Nelson's respect for rugged individualism, for creative capitalism, for surrounding himself with able associates clearly came from this intimate association with his Grandfather Rockefeller.

From Father, whose upbringing as a devout Baptist, and whose lifetime devotion to philanthropy led him to pioneer in fields such as education, conservation, race relations and medical research, Nelson learned that opportunity and responsibility go hand in hand. His strong adherence to Judeo-Christian principles and his respect for all religions were deeply imbedded in him by Father and guided his actions throughout his life. For this and a commitment to discipline and hard work, Father provided prime inspiration.

No one had a stronger impact on Nelson's life than Mother. When Nelson was 15 years old, Mother wrote him:

"I am eager that you shall be much above the ordinary in character and achievement. The world needs fine men. There is a great work waiting to be done. I want you to train yourself to meet any opportunity the future may hold in store for you."

It was she who gave him a love of the visual arts, which was a key element in his creativity. It also provided him with joy and relaxation. It was she who imparted to him a concern for people—their qualities, their problems, their aspirations—and who imbued him with a capacity to find people—all kinds of people—a source of unending exhilaration and satisfaction. It was her uncanny intuition and wisdom which gave to Nelson and, indeed, to all of us, subtle guidance and inspiration.

The impact on Nelson of these four powerful and very different personalities gave him a strong sense of purpose, perhaps even of mission. It made him the strong, magnetic leader he was.

After graduating from Dartmouth College, where these qualities of leadership were already manifest, Nelson joined the family office to work with Father on family affairs. A year or two before, Father had started the construction of Rockefeller Center. Work had hardly begun before the Great Depression hit the country and the bottom dropped out of the real estate market. With no prior experience, Nelson immersed himself in the building and leasing of Rockefeller Center, and, along with Mother, in selecting works of art to adorn it. He, more than any other person, was responsible for making Rockefeller Center, described by pundits at the time as a white elephant, a financial and civic success.

At the same time, Nelson became deeply engrossed with the Museum of Modern Art, which Mother and two other women had started a short time before. Once again his qualities of leadership, coupled with his interest in the arts and in efficient management, contributed enormously to its becoming the world's preeminent museum of contemporary art.

Nelson was always a champion of family solidarity—something in which Mother also fervently believed. It was Nelson's farsightedness and leadership which brought us together as a family unit—and out of which grew many joint initiatives, including the Rockefeller Brothers Fund. Close at his side, and with unswerving devotion and loyalty, in good times and in bad, was my brother Laurance, with whom Nelson always had a very special relationship.

Nelson's career in public service began in 1939, when President Roosevelt asked him to take on a special assignment in relation to Latin America as Coordinator of Inter-American Relations. In this position, he demonstrated his unusual capacity to relate with sensitivity and feeling to peoples of diverse culture and background to make them to be equal "Partners in Progress." This country's relations with our Latin American neighbors were never better than during the period when he was Coordinator.

While he cherished the several appointive positions that he held in government, Nelson felt that only through elective office would he truly represent the people in a democratic society. His four terms as Governor of the State of New York brought him the challenge he was looking for more than any other task that he undertook during his life. He relished the matching of wits, the rough and tumble, which is inherent in political life.

In reviewing Nelson's accomplishments as Governor, one sees the fulfillment of his heritage—the establishment of the New York State Arts Council, the creation of the Adirondack State Park, and the dramatic expansion of the State University of New York, to mention just a few.

His role as Governor was often controversial and provocative. He showed great vision as a planner, great courage as a doer, and he gave of himself without stint.

The climax of Nelson's career as a public servant was the two years he served with President Ford as Vice President of the United States. I am sure that Nelson would have been deeply touched and honored to think that President Ford, as well as President Carter, were attending this service today.

For us in the family, this is a day of mourning, but it's also a day of thanks. Our family owes Nelson a great deal for his vision, for his radiant strength, for his initiative in setting goals and for the strong leadership he gave to every area that he touched. His departure leaves a gap that never will be filled, but his spirit, his patriotism, his determination and his optimism will remain a vibrant force in our lives. We are proud of him as a member of the family. We are proud of his manifold achievements. We are proud of his ability to deal gracefully with disappointment, as well as success. Our love for him will never end.

Remarks by Henry A. Kissinger

That Nelson Rockefeller is dead is both shattering and nearly inconceivable. One thought him indestructible, so overpowering was he in his energy, warmth and his deep faith in man's inherent goodness. For twenty-five years he has been my friend, my older brother, my inspiration and my teacher.

I first met Nelson Rockefeller when as an assistant to the President he called me, a graduate student, to join one of the panels of experts he was forever setting up to ponder the nation's future. He entered the room slaping backs, calling each of us by the best approximation to our first name that he could remember, at once outgoing and remote. Intoxicated by the proximity of power, all of us sought to impress him with our practical acumen and offered tactical advice on how to manipulate events. After we were finished, the smile left his face and his eyes assumed the hooded look which showed that we were now turning to things that mattered. "What I want you to tell me," he said, "is not how to maneuver. I want you to tell me what is right."

"What is right?" For Nelson Rockefeller this was the quintessential question, both naive and profound, at once shaming and uplifting. It was the definition of his integrity. All that was twenty-five years ago. When that phone call came last Friday night, it seemed that our relationship had just started. And now, it was already over.

No one who did not have the privilege of experiencing Nelson's selfless dependability, his infinite thoughtfulness, can possibly appreciate how desolute our life has now become. And yet we would not trade places with anyone; his friendship will be our badge of honor so long as we live.

He permeated our lives. He was always steadfast. He took enormous pride in the accomplishments of his family, of his friends and of his associates. He asked nothing in return except that they do their best, keep their faith, love their fellow man and set their sights high in pursuit of honorable goals.

Nelson Rockefeller was a man of contrasting qualities; ebullient and yet withdrawn; gregarious and lonely, joyful and driven, full of the moment yet somehow marked by eternity. He could be pugnacious in asserting his beliefs but he respected those who differed with him. He could be hard but never petty; singleminded but never malicious. His enemies were the slipshod and the second rate.

Nelson always had a marvelous time. Nothing was too trivial for his attention. He would rearrange the furniture in a friend's living room with the same enthusiasm that he rebuilt Albany or threw himself into projects to study the nation's future. He loved caviar and he loved hot dogs. He loved parties and travel and meeting people. And he loved art, not only for sake of beauty but because it expanded the reach of the human spirit.

He was a noble man who gave strength but asked for no reciprocity. None of us ever heard him complain. He never shared his sorrow, only his inspiration. He considered himself so blessed that he felt that he had no right to burden others with the doubts and worries inseparable from the human condition even in a man so strong as himself. It was an extraordinary burden which cumulatively drained him though he would never have admitted it. Nelson was truly his brother's keeper.

Nelson could not express in glib words the wellsprings of his motivations. One had to know him well to understand the tactile manner in which he communicated—the meanings of the nudges, the winks and mumbles by which he conveyed his infinite caring. He was an artist. Sudden unexpected flashes of insight startled and sometimes astounded one. I have known no public figure who so often reflected about the spiritual. The Brotherhood of Man and the Fatherhood of God was not a cliché for Nelson; it was a call to action, the motive force of his life. He practiced his faith but he was too humble to preach it. He fought against injustice and fostered equality but he thought it unseemly to adopt the clamoring tone of protest. He helped the downtrodden but he thought it demeaning to publicize acts of Christian love.

Untypical as he would seem to be, Nelson Rockefeller was quintessentially American. For other nations, Utopia is a blessed past never to be recovered; for Americans it is just beyond the horizon. One has to work with Americans—not listen to them—to experience their faith. One had to work with Nelson Rockefeller to sense his dauntless strength, his pragmatic genius, his unquenchable optimism. Obstacles were there to be overcome; problems were opportunities. He could never imagine that a wrong could not be righted or that an honorable aspiration was beyond reach. Self-pity or rage or resentment were incomprehensible to him.

He was born to leadership. Every decade Nelson had another project: to build Rockefeller Center, to inspire a Museum of Primitive Art, to gather the nation's experts to study the problems of coming decades, to expand the State university system, to rebuild the State capitol, to survey the problems of Latin America, to define our critical choices, to solve the energy problem. His faith in reason and democracy and the human personality was boundless. He never looked back. He often seemed remote because he was already living in a future which most of us had not yet understood.

He loved his family and he loved his country. In his mind the two were connected. It is not a simple matter to be born to great wealth and power in an egalitarian society. But he was proud of his heritage which he interpreted as a summons to honor and to duty. He deeply believed that his moral obligation was a privilege. Service was not a favor he rendered to others; they did him honor by permitting him to help.

And just as he unabashedly believed it his family's duty to serve their country, so he was convinced that it was his country's duty to vindicate its values by reaching out to the rest of mankind with the mesasge of hope and freedom. Skeptics might scoff at his belief in America's moral mission. But then cynics do not build cathedrals.

He revered his Presidents whether or not he agreed with them. As a patriot, he sought to ease their burden. He winced when associates made unworthy comments about those who in his view had been entrusted with our future and therefore the hopes of mankind. One of the few times he became impatient with me was over a decade and a half ago when I had just seen President Kennedy and reported that I had told him what I thought wrong with some particular policy. Did I have a remedy, Nelson wanted to know. And I said no, he chided me: "You should always remember that a President is overwhelmed by problems. Your duty is to offer solutions."

Nelson would be proud that two Presidents have honored him by attending this service. He would be touched at the act of grace of President Carter who found time amidst the care of his duties for several gestures to ease the family's pain and then to extend the one solace that would have stirred Nelson the most: that his nation understood and appreciated his love and devotion to it.

He would be grateful to President Ford, whom he loved and whom he served with unselfish dedication as Vice President. He refuted the cynics who expected him to chafe at the limitations of the office, then stepped aside in mid term without slackening in his devotion to his responsibilities. Nelson's ambition was to serve, not to be.

Much has been said or written about the frustration Nelson experienced because he never achieved the Presidency. This misunderstands the man. His failure to reach the Presidency was in my view a tragedy for the country. What a great President he would have been! How he would have ennobled us! What an extraordinary combination of strength and humanity, decisiveness and vision. Yet, I never heard him express even one word of disappointment. As with everything, he sought the office with zest; but when it eluded him, he went on to new challenges—undaunted, resilient, inexhaustible.

In a sense there was something inevitable and even noble in his gallant failure to win the nation's highest office. And here again the myths are wrong. He never succeeded not despite the fact that he was a Rockefeller but because of it. His entire upbringing made him recoil before appearing to the people he wanted to serve as if he were pursuing a personal goal. Having been already so privileged he felt that he had no right to ask anything for himself as an individual. And so this superb campaigner who genuinely loved people eschewed the personal pursuit of delegates. He sought the office by trying to present to the nation the most sweeping vision of its future and the best blueprints to attain it. He had a touching faith in the power of ideas. It is not quite the way our boisterous political process works, more geared as it is to personalities than to programs.

And yet in the final accounting, it was often Nelson who worked out the agenda which others then implemented as national policy. The intellectual groundwork for many innovations was frequently his. He continually called the nation's leaders and thinkers to their responsibility, to make their commitments and apply their best efforts to the future of the nation. Destiny willed it that he made his enduring mark on our society almost anonymously in the programs he designed, the values he upheld and the men and women whose lives he changed.

Nelson was never quite sure that he had done enough to fulfill the moral obligations of his inheritance. This assemblage is the best testimony to how well he succeeded. Legislators and diplomats, the eminent and the humble, Americans and foreigners of all faiths and races and nations are here to pay tribute to the scope of his achievements. To the reach of his spirit and above all to the greatness of his heart. This distinguished gathering would tell Nelson the one thing that because of his humility, his friends knew better than he how much he sustained the public life and honor of his country.

As I have thought about my gallant friend, it occurred to me that his role in our society was symbolic of America's role in the world. Like him, we are uniquely strong; like him we are idealistic and a little inarticulate. If he were here, he would tell us: Do not look back. The future is full of exciting challenges. Do not be afraid or ashamed of your strength; neither hoard it nor abuse it; it is not a burden but God's blessing conferring an opportunity to oppose tyranny, to defend the free, to lift up the poor, to give hope to the disadvantaged and to walk truly in the paths of justice and compassion.

When Nelson was relaxed, he did not speak about power but about love. He meant not the sentimental, demanding emotion which too often is a form of selfishness. Rather, it was the grace of the inwardly strong, an all-embracing feeling that only those who are truly at peace with themselves can dare to articulate.

In recent years, he and I would often sit on the veranda overlooking his beloved Hudson River in the setting sun. I would talk more but he understood better. And as the statues on the lawn glowed in the dimming light, Nelson Rockefeller would occasionally get that squint in his eyes, which beckoned a far horizon. And he would say, because I needed it, but above all because he deeply felt it: "Never forget that the most profound force in the world is love."

PRAYER MADE BY DR. MARTIN LUTHER KING, SR.

Let us pray.

Oh, God, our Father, we lift up our hearts and soul to Thee in prayer. Grant, Oh, God, that we shall now come to see that our friend has fallen asleep. It isn't a dream; it's real. Grant that the family and all of us will come to grips with this and face it.

We thank Thee that we're not home yet. We tarry for awhile here. But one day, we shall all get home.

Thou has given us a beautiful world. It may well be that we have not been as good as we might have been, but we thank Thee for the beauty of this world.

We thank Thee for the life that was so beautifully lived among us. It has been said by each speaker. Now, God, we want to go on to be better and to ever remember and praise the memory and life of our friend, father, brother, uncle. All of us, Oh, God, are deeply touched. Thou knowest how this touches my very soul and heart. We do not know how long it will be nor what the future holds for any of us. But thanks, God, we know who holds the future.

We pray Thy blessings upon the Minister of this church. Give him continued leadership and strength to carry on here in this place.

We pray for our government. We pray for our President of this country—his family. All that goes to make up America, to make America the kind of place we really want it to be.

Now, God. Now, God. We will wait. We will wait. We will keep faith. We will keep on looking up despite what we meet. Sometimes we feel our ocean is more than it ought to be but Thou dost know what is best for all of us.

Now, God, this is our prayer. In Thy name, we pray.

Amen.

BENEDICTION MADE BY DR. WILLIAM SLOANE COFFIN, JR.

Our recessional will be a little unusual, but not unfamiliar. Rocky liked it, so he'll go on and we'll go out to: "Sweet Georgia Brown."

And now, under God's loving mercy, we commit thee, Nelson. The strain and stress is over.

May the Lord bless thee and keep thee.

May the Lord make his face to shine upon thee and be gracious unto thee.

May the Lord lift up the light of his countenance upon thee and give thee peace forever more.

And may we go forth in joy and be led forth in peace.

Amen.●

PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD the four notifications I have just received.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 2, 1979.
In reply refer to I-5963/78ct.
Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, United States Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-20 concerning the Department of the Army's proposed Letter of Offer to Switzerland for defense articles and services estimated to cost $19.5 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,
ERICH F. VON MARBOD,
Acting Director.

[Transmittal No. 79-20]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Switzerland.

(ii) Total estimated value: Major defense equipment,* $18.8 million; other, .7 million; total, $19.5 million.

(iii) Description of articles or services offered: One hundred sixty (160) M548 tracked cargo carriers.

(iv) Military department: Army (UZM).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: April 2, 1979.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 2, 1979.
In reply refer to: I-5964/78ct.
Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, United States Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-21 concerning the Department of the Army's proposed Letter of Offer to Switzerland for defense articles and services estimated to cost $128.8 million Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,
ERICH F. VON MARBOD,
Acting Director.

[Transmittal No. 79-21]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Switzerland.

(ii) Total estimated value: Major Defense Equipment,* $125.0 million; Other, $3.8 million; Total, $128.8 million.

(iii) Description of articles or services offered: Two hundred and seven (207) M109A2 155 mm self-propelled howitzers.

(iv) Military Department: Army (UYY).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to congress: April 2, 1979.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 2, 1979.
In reply refer to: I-8296/78ct.
Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, United States Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-22 concerning the Department of the Army's proposed Letter of Offer to Switzerland for defense articles and services estimated to cost $25.2 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,
ERICH F. VON MARBOD,
Acting Director.

[Transmittal No. 79-22]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Switzerland.

(ii) Total estimated value: Major Defense Equipment,* $24.4 million; Other, $.8 million; Total, $25.2 million.

(iii) Description of articles or services offered: Two hundred twenty-five (225) M113A1 armored personnel carriers.

(iv) Military department: Army (UZP).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date Reported Delivered to Congress: April 2, 1979.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 2, 1979.
In reply refer to: I-3/79ct.
Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, United States Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-23 concerning the Department of the Air Force's proposed Letter of Offer to Canada for defense articles and services estimated to cost $28.6 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,
WALTER B. LICON,
Acting Director.

[Transmittal No. 79-23]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Canada.

(ii) Total estimated value: Major Defense Equipment,* $0.0 million; Other, $28.6 million; Total, $28.6 million.

(iii) Description of articles or services offered: Cooperative supply support arrangement to support U.S. origin aircraft.

(iv) Military department: Air Force.

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date Report Delivered to Congress: April 2, 1979.

DEFENSE SECURITY ASSISTANCE AGENCY
Washington, D.C., March 23, 1979.
In reply refer to: I-11418/78ct.
Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-19 concerning the Department of the Air Force's proposed Letter of Offer to Turkey for defense articles and services estimated to cost $31.5 million Shortly after this letter is delivered to your office, we plan to notify the news media.

You will also find attached a certification as required by Section 620c(d) of the Foreign Assistance Act of 1961, that this action is consistent with Section 620c(b) of that statute.

Sincerely,
WALTER B. LIGON,
Acting Director.

[Transmittal No. 79-19]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Turkey.

(ii) Total estimated value: Major Defense

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* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

Equipment,* $9.5 million; Other, $22.0 million; Total, $31.5 million.

(iii) Description of articles or services offered: Thirty (30) T-38A training aircraft with spare engines, spare parts, support equipment and training.

(iv) Military department: Air Force (SHA).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: March 23, 1979.

WASHINGTON, D.C.

Pursuant to Section 620C(d) of the Foreign Assistance Act of 1961, as amended, and the authority vested in me by section 6(b) (1) of Department of State Delegation of Authority No. 104, as amended, I hereby certify that the provision of thirty T-38A training aircraft with spare engines, spare parts, support equipment, and training, to the Government of Turkey is consistent with the principles contained in Section 620C(b) of the Foreign Assistance Act of 1961, as amended.

This certification will be made part of the certification to the Congress under section 36(b) of the Arms Export Control Act regarding the proposed sale of the above-named articles and is based on the justification accompanying said certification, and of which such justification constitutes a full explanation.

LUCY WILSON BENSON,
Under Secretary of State for Security Assistance, Science and Technology.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 27, 1979.
In reply refer to: I-1335/78ct.
Dr. HANS BINNENDIJK,
Professional Staff Member,
Committee on Foreign Relations,
United States Senate,
Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a East Asian country for major defense equipment tentatively estimated to cost in excess of $7 million.

Sincerely,

WALTER B. LIGON,
Acting Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 29, 1979.
In reply refer to: I-11381/78ct.
Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations,
United States Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-18 concerning the Departments of the Army's proposed Letter of Offer to Saudi Arabia for other than defense articles and services estimated to cost $147.6 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

WALTER B. LIGON,
Acting Director.

Transmittal No. 79-18

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Saudi Arabia.

(ii) Total estimated value: Major Defense Equipment,* 0; Other, $147.6 million; Total, $147.6 million.

(iii) Description of articles or services offered: Amendment 9 to the Saudi Arabian Army Ordnance Corps (SAAOC) Program under which the U.S. Army Corps of Engineers assists the SAAOC by providing fiscal and disbursing services in support of the construction of miscellaneous logistics facilities throughout Saudi Arabia.

(iv) Military Department: Army (HAP).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: March 30, 1979.

REAPPORTIONMENT AND REDISTRICTING

● Mr. DURENBERGER. Mr. President, I am extremely pleased to have the opportunity to cosponsor S. 596 which I believe to be an essential step in insuring representative Government. I speak to the issue from a Minnesota perspective, but with a somewhat unique knowledge of the history of legislative reapportionment and congressional redistricting in the 50 States. In 1971 and 1972, I served as Executive Director of the Minnesota Constitutional Study Commission, whose recommendations included the creation of a Districting Commission; somewhat comparable to that proposed in S. 596.

Most State constitutions require reapportionment after each Federal census. However, few States have accomplished reapportionment and redistricting since the turn of the century and have done so only with a great deal of difficulty during the last two decades. In Minnesota for example, our legislature refused to reapportion or redistrict between 1913 and 1959. The 1959 reapportionment was spurred by a pioneer three-judge Federal district court panel ruling which actually anticipated the landmark Supreme Court decision of Baker against Carr in 1962. It then took until 1966 for the 1960 census figures to become the basis for reapportionment and redistricting; and that only after several legislative sessions, two gubernatorial vetos and a Federal court decision.

After the 1970 census, the Minnesota legislature went through the 1971 regular session without reapportioning or redistricting. Then the Governor called the legislature into an 86 days, $600,000 special session—the longest in the State's history—which produced a reapportionment bill which he vetoed. A Federal court panel then actually reapportioned in 1972.

I am pleased to support S. 596. I will recommend that it be improved by expanding the committee membership and improving the method of selecting members. I would hope that this body acts expeditiously to provide this essential means to guarantee in the coming decade each citizen equal representation in the Congress of the United States. I attach to this statement the summary recommendations of the Minnesota Constitutional Study Commission dated November 1972, relating to redistricting and ask the same be printed in the RECORD in full. I compliment Senator DANFORTH and Senator HART in their perceptiveness of the need and in their initiative at its resolution.

The recommendations are as follows:

RECOMMENDATIONS

6. The authority now lodged by Article IV, Sec. 23 in the Legislature to draw new congressional and state legislative districts after each federal census should be taken away from the Legislature and imposed upon a Districting Commission composed as suggested in Recommendation 7 and following the standards of Recommendation 8.*

Minnesota's 1972 experience with legislative districting made necessary by the 1970 census reveals the inadequacy of the existing constitutional provisions, which entrust the task to the Legislature subject to the veto of the Governor. The political impact of redistricting upon the contending political parties and upon incumbent legislators makes it unwise to expect the Legislature to accomplish this task fairly. This is especially the case with state legislative districting, but is also true of congressional districting. Whenever the legislative and executive branches of government are controlled by different political parties, the present process is almost guaranteed to produce stalemate. When both the legislative and executive branches of government are controlled by the same political party, there is danger that the redistricting will be unfair to the party out of power.

In the reapportionments of 1959, 1965 and 1971, it was necessary for the courts to intervene in the State's political affairs. The Commission thinks it wise to minimize the participation of federal and state courts in political matters so as not to risk jeopardizing the trust and confidence that must be reposed in courts when they perform their other judicial functions. For all these reasons, the Commission recommends that the task of redistricting be taken away from the Legislature and given to a commission. This recommendation is not without precedent. Ten states now impose the duty of redistricting upon the Legislature itself in the first instance but provides an alternative method for redistricting if the Legislature fails to perform this duty. Nine states bypass the Legislature entirely and provide for redistricting by some agency other than the Legislature—usually a commission.

7. The Districting Commission created under proposed Article IV, Sec. 24 should consist of 13 members—the speaker and minority leader of the House of Representatives, the majority and minority leaders of the Senate, or representatives and senators appointed by these legislative leaders to take their place; two members appointed by the Governor; two members appointed by the state executive committee of each political party, other than that to which the Governor belongs, whose candidate for Governor received 20 percent or more of the votes at the most recent gubernatorial election; and the remaining members unanimously elected by

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*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

*Senators Robert J. Brown and Jack Davies dissent in part from this recommendation. Their statement follows the Commission's majority report.

the commission members so appointed. A majority of the entire membership of the Supreme Court should make any appointment necessary to complete the commission's membership if any selecting authority fails to appoint its quota of members. No congressman or state legislator, other than the legislative leaders named to the commission by virtue of their office or the legislators appointed by them to take their place, shall be eligible to serve on the commission. In making their appointments, the selecting authorities should give due consideration to representing the various geographical areas of the State.

The Districting Commission we recommend would be neither nonpartisan nor strictly bipartisan. Because redistricting cannot be entirely insulated from political considerations, we recommend involving the Governor, the legislative leadership, and the political parties in the appointment of commission members. This will assure that political realities and varying political views are taken into account. Because judges should be removed from political considerations, we oppose giving any group of judges responsibility for redistricting, except as a final resort.

The balance of power in the commission would be held by the five citizen members, who must be agreed upon unanimously by the eight politically oriented members. In the absence of unanimity, the state Supreme Court would select these citizen members.

8. Article IV, Sec. 23 should be revised to set forth districting standards to guide the Districting Commission. The following standards are proposed: (1) there are to be no multi-member electoral districts; (2) each district is to be composed of compact and contiguous territory and be as nearly equal in population as is practicable; (3) no representative district is to be divided in the formation of a senate district; and (4) unless absolutely necessary to meet the other standards set forth, no county, city, town, township or ward shall be divided in forming a district.

Standards (2) and (3) are now set forth in different parts of Article IV. We are suggesting that districts be "compact" rather than "convenient" as required by existing Section 24. Instead of the language of existing Section 2, that "representation in both houses shall be apportioned equally throughout the different sections of the State, in proportion to the population thereof." we are proposing the clearer and simpler phrase that each district be "as nearly equal in population as is practicable."

We propose single-member districts in House as well as Senate, since multi-member districts create the possibility of submerging the interests of racial, ethnic, economic or political minorities.

Our proposed prohibition against dividing political subdivisions in the creation of new districts is intended to safeguard against gerrymandering. However, the danger of gerrymandering will be lessened primarily by entrusting the districting function to a commission constituted as we recommend.

9. The concurrence of eight members of the Districting Commission should be required to approve legislative and congressional districting plans.

Under this recommendation, if the original eight politically oriented members form blocs and disagree, the bloc that carries the day will have to win the votes of four out of five of the remaining members. This requirement is still another safeguard against the danger of gerrymandering and an assurance of fair representation.

10. The state Supreme Court should be given exclusive original jurisdiction to review the Districting Commissions final published plans at the behest of any qualified voter. It should be empowered to modify any districting plan so that it complies with constitutional requirements and to direct the Districting Commission to adopt the modified plan.

It is hoped that such a constitutional provision will induce the federal courts not to intervene until the state Supreme Court is finished with its review. Of course, the United States Supreme Court will be the ultimate arbiter of the validity under the federal Constitution of any Commission plan approved by the state Supreme Court.

11. If the Districting Commission is unable to agree upon a districting plan, the task of districting should be imposed upon the state Supreme Court. The state Supreme Court should be required to work with the plan submitted by one, or a group, of the commission members which most closely satisfies state and federal constitutional requirements. If no plan is submitted by any commission member, the state Supreme Court should select a panel of three state court judges, other than Supreme Court justices, to do the districting, subject to review by the state Supreme Court.

We believe these eventualities are unlikely to occur. But they must be provided for in any constitutional provision which removes the task of districting from the Legislature and imposes it upon a commission.

12. Time limits should be imposed by the Constitution upon all the state participants in the districting process, including the state courts, so that the process is completed well in advance of the time when candidates must file their intentions to run for membership in the Congress or the state Legislature.

The following table indicates the maximum time limits which our proposed revision would impose upon all participants in the districting process. The various stages of the process are not likely to require the maximum time allowed; even if all did, potential candidates would have ample advance notice of new districts.

Activity in question and deadline:

Governor's request for appointment of Districting Commission members, January 15, 1981.

Certification of commission members or notification of failure to make requisite appointment, January 25, 1981.

Notice by Secretary of State* to Chief Justice of failure to make requisite appointment, January 28, 1981.

Appointment of necessary members by Supreme Court, February 7, 1981.

First meeting of designated and appointed members, February 14, 1981.

Election of remaining members or failure to do so, March 3, 1981.

Notice by Secretary of State to Chief Justice of failure to elect remaining members, March 6, 1981.

Appointment of remaining members by Supreme Court, March 23, 1981.

Alternative One:

Filing of final plans by commission, August 23, 1981.

Publication and effective date as law, September 2, 1981.

Petition for review of commission action, October 2, 1981.

Final state Supreme Court action, November 16, 1981.

Review by Supreme Court of United States, ?

Alternative Two:

Submission of individual member plans if commission fails to act, September 22, 1981.

Selection by state Supreme Court of plan or plans, December 22, 1981.

Review by Supreme Court of United States, ?

Action by three state court judges if individual members fail to submit plans, January 22, 1982.

Review by state Supreme Court, April 7, 1982.

Review by Supreme Court of United States, ?

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*The Commission is aware that its recommendations on the executive branch advise deletion of the Secretary of State from the Constitution. In that event, the present constitutional duties performed by that official would be provided for by law. The several duties imposed on him by this reapportionment amendment (see text, Appendix D) would be transferred to an appropriate agency.

MRS. MEDICINE

● Mr. METZENBAUM. Mr. President, once again, the ability of the individual to affect the well-being of the many has come to my attention. It is truly amazing how one person, with conviction and courage, can change things for the better.

An article recently appeared in the Miami, Fla. Herald newspaper concerning one of these outstanding people. Mrs. Mary Lasker has devoted much of her life to serving the needs of others and making sure their needs were met.

Her accomplishments in the health care field are legendary. She was instrumental in the creation of the National Institutes of Health and the war on cancer. She has fought for increased Federal funding for research, and her results are remarkable. In 1945, the total budget of the National Institute of Cancer and General Medicine was a little over $2 million. In 1979, the budget is $3.7 billion. Mrs. Lasker may claim a great deal of credit for focusing this Nation's attention on a matter so important to all of us. This has been only one of her many major contributions to our Nation's health.

Mr. President, I ask that the article "Mrs. Medicine," which appeared in the March 18, 1979, edition of the Miami Herald be printed in its entirety in the RECORD.

The article follows:

MRS. MEDICINE

(By Victoria Graham)

NEW YORK—High above the East River, at a four-star address filled with art and flowers, lives America's patroness of medical research, the fairy godmother of the people's health—Mary Lasker.

Her hand, delicate but sure as a surgeon's, has helped shape America's health care policy for three decades. Mary Lasker and her allies have produced big federal money for medical research, virtually created the National Institutes of Health and helped launch the much-debated "war on cancer."

When Mary Lasker speaks—always softly because she does not have to shout—distinguished physicians, lawmakers and presidents listen. This venerable philanthropist with rosy cheeks and spun-sugar hair well may be the single most influential lay person in health care today.

"If she feels something can be done and people are sick and dying because of lack of knowledge, then she fights like a tiger," says Dr. Howard Rusk, director of the Institute of Rehabilitation Medicine in New York and an old friend and ally.

Lasker rarely speaks in public or testifies before the congressional committees that so often hear and heed her requests.

"I don't have to," she says. "I get their attention much better in their offices. I get others to testify."

Widow of advertising magnate Albert D. Lasker, she calls herself a "self-employed citizen petitioner. I am just an agent, a catalyst. I have no power, but I have access to people who do. Well, maybe that's a kind of power."

Seated on a champaign-colored sofa with meticulously arranged turquoise and coral pillows—to complement her celebrated art collection—Mary pulls out her equally celebrated "black book."

From it she unfolds almost three feet of onionskin. It is her bible, and it is covered with statistics that chart year by year, field by field the rise in funding for medical research.

It also records the success of one woman in tapping and cultivating that money.

She reads aloud: In 1945, the total budget of the National Institute of Cancer and General Medicine was $2.403 million. And in 1979, the budget for all 11 institutes and for mental health is $3.694 billion.

"But that's really nothing," she says. "The actual cost of medical care, in services, lost production and wages is $264 billion a year. For research, we spend less than one and a half percent of what it costs. We're doing a lousy job."

She says it with the same fierceness with which she attacks all the woes of the human body. Cancer, heart disease, high blood pressure, stroke, mental illness—all are Mary Lasker's personal enemies.

"I hate all things that kill or cripple," she says. "It makes me angry, so angry."

"Ill health," says Lasker, "is the greatest injustice." She should know: As a child in Wisconsin she screamed with the pain of infected mastoids and was plagued by sickness.

"If I had my way," she said, "we all would have a good, full prime and die peacefully of old age in our sleep."

But she saw friends die painfully of cancer. Incurable, the doctors said. Lasker refused to believe it. In 1952, her husband died of cancer. She was really angry then. "People used to say cancer was the will of God," she says. "But it is not."

She and her husband had formed the Albert and Mary Lasker Foundation to promote medical research. Since 1944, it has presented the Lasker Awards in Medical Research. Next to the Nobel Prizes, they are the most prestigious and coveted awards in medical research. Twenty-eight Lasker award winners later won Nobels.

And the gilt-edged presentation—elegantly staged at New York's St. Regis Hotel—is not only a scientific but a social event. Everyone is there. Mary Lasker confers much more than money.

The tables wear pink cloths, the participants wear white carnations. A script is followed. Mary Lasker presides, says little, and beams.

The awards are only the most visible proof of the influence of Mary Lasker and a group of doctors, lawmakers and lay people who variously have been called the benevolent plotters, the health syndicate, the Lasker Mafia, even Mary's Little Lambs.

Today Lasker is pushing the National High Blood Pressure Education Program which former HEW Secretary Elliott Richardson initiated in 1973 at her urging.

Four years after the program was launched, she said, it resulted in an 8 per cent cut in the national crude death rate from diseases of the heart and a 17 per cent cut in death from strokes.

Lasker and her associates also pushed the National Cancer Act of 1971. The funding for the National Cancer Institute has grown from about $2 million in 1945 to $937.410 million this year.

The war on cancer has been critized for its moonshot hyperbol and for the vast expenditure of money that hasn't produced any striking results to date.

"Frankly," says Lasker. "We underinvested. We need more research, not less." She also supports national health insurance.

For years, Lasker has been a familiar figure on Capitol Hill. She was a friend of President Truman and well-known to other occupants of the White House.

Armed with her black book, she waits hours for lawmakers to leave the floor so she can have a few words with them. She visits them in their offices. She gives them charts, statistics and fact books produced by the Lasker Foundation.

"She is effective," says Paul G. Rogers, former chairman of the House Subcommittee on Public Health and the Environment, "because she has the facts. Then she has other people contact you, and she doesn't let up until there's action."

The Lasker touch also is intensely personal. House Speaker Thomas P. "Tip" O'Neill said at a Lasker Awards presentation several years ago: "Mary, I took my high blood pressure medicine this morning, just like you keep urging me to do."

She calls him, "Darling Tip," and he says, "Mary, you're beautiful." At her urging he has called key lawmakers together in the Speaker's Dining Room, says Mike Gorman, a long-time Lasker lobbyist, now director of the National Citizens for Treatment of High Blood Pressure.

"She's not a Pollyanna optimist—she's tough," says Gorman.

What Mary Lasker has achieved could only be done by a woman of time—not leisure—and money. She knows it.

"Someone must agitate for the masses of people who have no access," she says, "Someone who has no money and whose husband makes only $12,000 doesn't have much chance to express herself effectively."

Lasker does know how to express herself. Lane Adams, executive vice president of the American Cancer Society, which Mary and Albert Lasker virtually recast in its present composition of physicians and laymen say:

"She calls me up and says, 'We need to get to Congressman so-and-so. Would you see what you can do? And please, may I hear from you next Monday?' "

"Anyone who's doing anything important in the field of medicine can expect a call from me," says Mary Lasker.

And she is used to getting results. Back in 1956 she decided that Manhattan should have flowers. Experts said they wouldn't bloom in the polluted air. Mary had 22,000 tulips and daffodils planted along Park Avenue. They bloomed.●

SALT II TREATY

● Mr. DOLE. Mr. President, today the Senator from Kansas would like to introduce into the CONGRESSIONAL RECORD an open letter to our colleagues from myself and several other Senators on the Strategic Arms Limitation Talks. We have not yet learned the final terms of the agreement, but the essentials have been released for our study over the past several months. The signatories, which include the Senators from New Mexico (Mr. DOMENICI and Mr. SCHMITT), the Senator from Oklahoma (Mr. BELLMON), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from South Carolina (Mr. THURMOND), the Senator from Virginia (Mr. WARNER), the Senators from Wyoming (Mr. SIMPSON and Mr. WALLOP), the Senator from Iowa (Mr. JEPSEN), the Senator from Colorado (Mr. ARMSTRONG), and the Senator from New Hampshire (Mr. HUMPHREY), all have reserved judgment and remain openminded on the merits of SALT II as it is finally signed. Our purpose now is to voice the concerns we have on various aspects of the treaty as they are already being debated. Those Senators who have taken a stance on SALT—either pro or con—were not asked to participate in this effort.

The Senators signing this letter of concern were part of an ongoing seminar I helped organize, begun several months ago and held on a frequent basis, to discuss America's strategic posture in general and SALT concepts in particular. We invited renowned experts from the United States and abroad to analyze these momentous issues with us.

EXPERTS CONSULTED

These experts included Dr. Fred Ikle, former head of the Arms Control and Disarmament Agency; Gen. Alexander Haig, Commander in Chief of NATO; Dr. Fritz Kraemer, Chief Strategic Analyst to the Joint Chiefs of Staff for some 25 years; Lord Chalfont, Disarmament Minister in Prime Minister Wilson's Labour Government and a defense adviser to Margaret Thatcher; and former Secretary of State Henry Kissinger.

We learned a good deal during these sessions. Last week, we decided it would be beneficial to share some of what we have learned with our colleagues. It was in this vein that our rather spontaneous idea first arose, to release a statement on some major points.

It was also in the belief that Republican Senators must contribute to a new bipartisan foreign policy, one that is positive and constructive rather than negative and critical. Members of our study group feel strongly that we owe the American people an explanation of what we will look for when SALT comes on the Senate floor, and to say so even before the treaty itself is released. In that way, we can best add to a sensible and intelligent debate on these important issues at the outset, rather than taking potshots on various provisions after the treaty is signed.

The statement makes clear that we view the process of Senate ratification as part of the constitutional partnership between the Presidency and the Senate on foreign policy issues. No one expects the Senate to adopt a "take it or leave it" stance on any treaty, but to introduce improvements where necessary. History is replete with instances of the Senate's amending a treaty on the floor before ratifying it. Something as historic as SALT II—which involves the very security of our Nation over the coming years if not decades—cannot be treated any more lightly.

For instance, between 1789 and 1929 about 900 treaties were negotiated by the President and ratified by the Senate—but another 200 were either rejected outright by the Senate or so amended or reserved by it that either the President or the other party rejected them. In fact, the Senate did not ratify any important treaties in the generation before the Spanish-American War (1871–98). The ability to seriously amend treaties dates from 1868, when the Senate revised its rules to allow the approval of amendments by a simple majority.

This is not to say, however, that we plan to either amend or reject the SALT II treaty. We hope that in our full, consultative role, the Members of the Senate will find such actions unnecessary. It is for that reason we express our concerns now.

MAJOR PRINCIPLES OF CONCERN

The points we will watch for in SALT II are explained, I hope with clarity, in the statement itself. They are phrased in rather general terms. Again, this was important to do in order to be as constructive as possible—by setting forth principles rather than nitpicking provisions. This was necessary to do since we have yet to see the final version of the treaty.

No doubt we will issue more statements of this type as we continue our seminars, but our concerns at this time include: Verification—whether we can monitor what the closed system in the Soviet Union is doing on strategic arms adequately, not according to criteria of those who negotiated the treaty, but according to those who will be charged with its implementation and all of our ultimate security. Treaty ambiguities—even now, provisions are interpreted in one way by the Soviets and another way by the Americans—these must be clarified if SALT is to aid, as it is designed to do, rather than aggravate United States-Soviet relations. ICBM survivability—whether the treaty allows the United States to redress as promptly as possible a terribly dangerous ICBM vulnerability which will unfold in the 1980's. Backfire—whether the treaty includes all strategic systems capable of striking the United States. Intermediate range missiles—weapons which bear upon the Eurostrategic balance, and go to the heart of NATO alliance cohesion; the durability of the protocol—which may be scheduled to last only 3 years, but would inevitably lead to a decrease in research and development from which we might never catch up. And the principle of equality of strategic arms in various categories.

Each of these issues, members of our seminar group soon learned, is extremely complicated. Our statement just mentions a portion of our thoughts and views on these and many other issues.

Nonetheless, I believe it begins to address the primary question of SALT II: Whether the treaty would contribute to American national security or whether it would endanger our national security by further lulling us into a complacency that we can always trust the Russians or even that we can reason with them from anything but a posture of strength. This letter begins to address the merits of such an agreement itself, and not just the psychological impact of a treaty-signing ceremony.

Mr. President, I ask that the text of our open letter be printed in the RECORD.

The letter follows:

WASHINGTON, D.C.,
April 5, 1979.

An open letter to our colleagues: In recent months, we have been meeting frequently to discuss strategic affairs with eminent authorities from here and abroad. We have learned a great deal during this process of intensive study and analysis and will continue to do so in the coming months. At this time, however, we believe it might be helpful to share some of the conclusions of our study with you.

We all share the hope that equitable and verifiable nuclear arms limitations agreements can be negotiated with the Soviet Union now and into the future. If done properly, we have concluded that such arms limitations agreements can complement—though never supplant—our other efforts to assure national security, through balanced reductions of nuclear forces.

The United States Senate, however, will not be asked to give its advice and consent to arms control as a principle. Rather it will have to judge the merits of specific treaty language. Just as the President has nearly fulfilled his responsibilities of negotiating a draft treaty, so the Senate must soon fulfill its constitutional obligations of giving its advice and consent.

We are confident that the Administration and the American people appreciate the full partnership established by the Constitution between Congress and the Executive Branch in the making of momentous foreign policy commitments. The Senate role in treaties is of course not merely to "take it or leave it" but to advise in a constructive spirit and to introduce improvements where necessary.

During our study sessions, we gained considerable insight into both the many assets and liabilities of provisions thought to be included in the treaty. Until the document formally comes before the United States Senate, all of us will reserve judgment and remain open-minded.

Nonetheless, our sessions have led us to conclude that for a SALT II treaty to be acceptable, certain concerns must be satisfied in the treaty provisions.

1. Verification: The Administration has stated that the agreement will be "adequately" and "satisfactorily" verifiable. These terms are highly subjective. What may be considered "adequate" by those who negotiated the treaty may be considered dangerously inadequate by those charged with its implementation during the year to come. While our technical methods of verification are excellent in some respects, they fall short in others. While silos may be reliably counted, for example, numbers of warheads and stockpiled missiles cannot. While the range of ballistic missiles may be reliably estimated, that of cruise missiles cannot. Some of the limits envisioned for SALT II would require cooperative verification measures. If we cannot obtain them, the limits will have to be dropped from the agreements.

2. Treaty ambiguities: It is important that the interpretations each side assign to each important provision of SALT II be the same. If SALT is to further Soviet-American relations, treaty language that is interpreted in contradictory ways must be eliminated.

3. ICBM survivability: Although the control and reduction of nuclear forces is our goal, we cannot accept the increasing vulnerability of those weapons retained for our ultimate defense. The agreement must specifically protect promising options for survivable ICBM basing like the multiple protective shelter system. It must not prohibit the flight testing and deployment of such systems.

4. Backfire: The agreement must come to grips with the Backfire bomber problem. If the Senate concludes, as a result of its inquiry, that the Backfire has the capability to make strategic strikes against the United States, it must be limited in the treaty. It would not be enough to depend on pledges of good intentions from the Soviet Union or meaningless and unverifiable collateral constraints on its deployment and training, which could be brushed aside in time of crisis.

5. Intermediate range missiles: The treaty must not provide range limitations for American medium range cruise missiles below the agreed intercontinental range limits of 5500 km, while at the same time, permitting without limitation, deployment of more threatening medium range ballistic missiles by the Soviets. It would not be acceptable, for instance, to accept a 600 km. restriction on American ground launched cruise missiles while allowing the Soviet SS-20 with its 4000-5000 km. range limit to go unrestricted.

SALT must not prohibit the development of the conventional and nuclear options for submarine surface and ground launched cruise missiles of medium range.

6. Alliance considerations: The SALT treaty must assure that the interests of our Allies are fully protected. There must be specific recognition that there will be no obstacles to the sharing of U.S. cruise missile and other technologies with our Allies for the purpose of modernizing their nuclear forces.

7. Protocol: We are not convinced that provisions contained in the three-year protocol are without long-term effect, as the Administration has argued. The Soviets have made clear they view the protocol limits as permanent. The historic record confirms such measures are rarely if ever repealed.

8. Principle of equality: The SALT treaty must be perceived as providing and must actually provide for real equality in such essential strategic measures as throw-weight. The U.S. must have the equal right to deploy such important strategic systems as "heavy ICBMs" (MLBMs). Whether or not this Administration or a successor chooses to deploy such heavy missiles, unilaterally accepting a prohibition on such an option would needlessly prejudice the possibility of negotiating the eventual elimination of these formidable counterforce weapons.

In addition to these specific concerns, there are two broader considerations that will heavily influence our deliberations. The first of these is the geopolitical context in which our relations with the Soviet Union take place. SALT must be assessed within the total strategic and international framework. It would be imprudent for the Senate to consider the important limitations contained in the treaty in isolation from the changes in the overall military balance between the United States and the Soviet Union during the past decade. We believe that expanding Soviet military power is having real geopolitical consequences which are directly affecting the lives and interests of everyone in the free world.

The second broad consideration is the effect that ten years of negotiations have had on U.S. Government policy and on Soviet defense policy. We cannot escape the conclusion that Soviet defense planning and programming has molded and determined their SALT negotiating positions while the opposite has been true in the United States. While the SALT process does not seem to have interfered with any important Soviet programs, time and again we have seen American systems, like MX missile and the cruise missile, delayed and deferred in anticipation of SALT limitations. Years of United States restraint stand in marked contrast to steady increases by the Soviet Union in its strategic spending to the point where it is now triple our own.

The Administration has reminded us that we cannot expect SALT to solve our strategic problems for us. That is, of course, true, but we must not permit the SALT process to interfere with solutions to our strategic problems as has been the case in recent years.

The American people have a right to expect no less than a SALT II treaty that satisfies the concerns we have identified and does in fact enhance American security.

Sincerely yours,

Bob Dole, U.S. Senate, John W. Warner, U.S. Senate, Alan K. Simpson, U.S. Senate, Roger W. Jepson, U.S. Senate, Gordon J. Humphrey, U.S. Senate, Pete V. Domenici, U.S. Senate, Henry Bellmon, U.S. Senate, Richard S. Schweiker, U.S. Senate, Strom Thurmond, U.S. Senate, Malcolm Wallop, U.S. Senate, William L. Armstrong, U.S. Senate, and Harrison H. Schmitt, U.S. Senate.●

THE ROLE OF THE MULTINATIONAL CORPORATION: IS THE UNITED STATES BECOMING A HAVE-NOT NATION?

● Mr. CHURCH. Mr. President, I have been concerned for many years over the role of multinational corporations and the detrimental impact they have had on the economy of this country.

The fears that I have expressed on many occasions are reinforced by a series of articles which recently appeared in the Washington Post, the last installment of which was carried in the March 10 edition. The article, written by Post Staff Writer Dan Morgan, explored the consequences for the U.S. economy of American-based companies investing overseas.

I would like to call to the attention of my colleagues the following points made by Mr. Morgan:

> U.S. companies have $150 billion invested overseas in a business empire that annually generates $500 billion in sales and $20 billion in profits.
>
> Yet, today, the net benefits to the United States from this system are questionable.
>
> The United States is on its way to becoming another low-growth country with tolerable living standards—like Uruguay or England, a World Bank official remarked sarcastically in painting a discouraging picture of the nation's future.

The articles focused on the tire and rubber industry as a primary example of the U.S. multinational corporations exportation of technology which has now been turned against our own national economic interest. As Mr. Morgan pointed out:

> American tire companies have lost the technological lead to a French company, Michelin.
>
> The United States as a result now imports about $1 billion worth of foreign tires annually compared with a negligible amount only 10 years ago.

How did this state of affairs come about?

Granted, the other Western industrialized nations and Japan heavily subsidize their export-related industries. Granted, subtle trade barriers have been erected against many U.S. exports to these countries. However, what I find particularly frightening and appalling is the fact that many U.S. multinational corporations trade their advanced technology to foreign firms in exchange for being allowed to sell U.S. products in those countries.

The access to improved technology combined with the subsidy provided export industries in Japan and Europe have effectively served to undercut U.S. domestic corporations who now find themselves in the position of not being able to compete with these imports. In essence, because of the role of the U.S. multinational corporation, our own technology is being turned against us.

As Dan Morgan pointed out:

> Today, the United States has become a net importer of manufactured goods and the continued erosion of the U.S. position abroad seems likely to continue.

Mr. President, one of the most important actions that Congress could take to begin reversing this situation would be to repeal legislation that permits multinational corporations to defer U.S. taxes on substantial amounts of their foreign earnings. It is imperative that we move and move quickly to prevent a further deterioration in our economic position in the world.●

NATIONAL FOREIGN LANGUAGE WEEK, 1979

● Mr. HATFIELD. Mr. President, this week has been designated National Foreign Language Week and has special significance in a year when the President's Commission on Foreign Languages and International Studies is deeply involved in the task of assessing our national foreign language needs.

Through a series of regional hearings, meetings, research and analysis, the Commission has taken on the task of solving an ongoing problem of modern America—how to encourage and train our people to become global citizens and active participants in world events.

President Eisenhower feared that American provincialism would contribute to an inferior space program and initiated the National Defense Education Act of 1958 at a time when more than half of the high schools in our country offered no courses in modern foreign languages. This represented a significant first step on the part of an administration and Congress to direct the course of education policy in ways to meet emergent scholastic needs.

While sophisticated transportation and telecommunications systems continue to develop, the world may appear to be getting smaller; but U.S. citizens are not keeping up with the times. The Commission grew out of a great concern over the facts of declining verbal scholastic achievement test scores, the discontinuation of language requirements from high school and many postsecondary education programs, and declining enrollments in foreign language and area study concentrations.

English is being studied throughout the world as the foremost second language of most peoples, which has resulted in the disinterest of U.S. citizens to learn to communicate in other tongues. This attitude will continue to place us at a distinct disadvantage in ability to relate to others in their terms.

In the field of science, business, the arts, in Government and in the military foreign language needs continue to grow and change. Not too long ago, foreign language departments of schools focused heavily on the romance languages, while today we realize the advantage of knowing Chinese, Japanese, Russian, Arabic, and Hebrew.

Each of us must recognize our responsibility to ourselves and to our country for a broader and more far-reaching education.

As a member of the President's Commission on Foreign Languages and International Studies, I submit for the RECORD the President's statement designating National Foreign Language Week:

The statement follows:

NATIONAL FOREIGN LANGUAGE WEEK, 1979

> Thanks to the technology and enterprise of television and the desire of other peoples to communicate with our citizens, the voices of many nations are heard almost daily in American living rooms
>
> In an increasingly interdependent world, National Foreign Language Week is a fitting reminder to our citizens of the importance to our national well-being and international goodwill of language instruction in our schools. And it is also a tribute to the teachers who undertake this difficult task.
>
> During this year's National Foreign Language Week, the President's Commission on Foreign Language and International Studies will be in the midst of its yearlong series of hearings and investigations into ways of improving language education. Language teachers throughout the country are contributing to the Commission's study. I fully except that the Commission's report later this year will give us all a greater appreciation of the value of language study and of the role of language teachers in helping us to fulfill our global obligations more easily and effectively.
>
> I welcome the opportunity of this annual observance to urge all Americans to broaden their knowledge of foreign languages for both their personal self-fulfillment and our national well-being.●

SECRETARY CALIFANO STRESSES VALUE TO THE DEAF OF TV CAPTIONING

● Mr. RANDOLPH. Mr. President, last week Secretary for Health, Education, and Welfare Joseph A. Califano, Jr., announced that he has completed long and complicated preparations which by 1980 should make it possible for the Nation's deaf and hearing impaired to enjoy television through a system called closed captioning. This action concludes a long journey on behalf of deaf and hearing impaired which began with hearings before the Subcommittee on the Handicapped, which I am privileged to chair, where we first highlighted the need for a system to provide access for deaf and hearing impaired people to television.

I commend Secretary Califano for

bringing to fruition this agreement which will allow television broadcasts to carry captions. These captions, it is hoped, will be available by 1980 and will be seen on sets equipped with special caption decoders. On televisions not equipped with decoders, no captions will be visible.

Mr. President, for the benefit of my colleagues, I share Secretary Califano's statement about this constructive communications development and ask that it be printed in the RECORD.

The statement follows:

STATEMENT BY JOSEPH A. CALIFANO, JR.

On behalf of President Carter, who is very much the person responsible for our being here today, I want to welcome you all.

Today we celebrate a breakthrough for millions of deaf and hearing-impaired Americans.

We celebrate the immense good that can come about when government, private industry and the voluntary agencies join hands and cooperate in the public interest.

And, we celebrate the true purpose of this Department of the people, which is not to regulate or control, but to open doors to new opportunities.

I can announce today that we have completed long and complicated preparations which, by early 1980, should make it possible for the nation's deaf and hearing-impaired people to enjoy television through a system called closed captioning.

At the heart of this achievement is a major technological feat by which a portion of the television broadcast signal—called line 21—is used to carry captions.

As you may know, TV pictures are made up of lines, some of which are blank. This system uses one of these blank lines—line 21—to transmit captions similar to the subtitles in foreign films.

These captions can be seen only on sets equipped with special decoders and then, only when the decoder is turned on. On sets without decoders, of course, no caption will be visible.

Today we are announcing several developments:

The Public Broadcasting Service, with seed money from the Department of Health, Education, and Welfare, has developed the necessary technology for this new captioning system.

Sears Roebuck and Company has agreed to take responsibility for manufacturing and selling the special equipment required to receive the captions. Sears has pledged to make this equipment available to the deaf at the lowest possible price.

The National Captioning Institute—an independent non-profit organization—has been incorporated and will caption programs for broadcasting. This Institute is being supported in its developmental phase by the Department of Health, Education, and Welfare, but will ultimately be self-supporting.

Most importantly, three major broadcasting systems, PBS, ABC, and NBC have expressed their intent to buy up to a total of 20 hours of captioning each week mostly for prime time programming.

We can trace these developments directly to a visit President Carter made to a Federal Department soon after he was inaugurated. On that visit, he met a women who is deaf and who told him about the concept of closed captioning.

President Carter was intensely interested in the idea.

Very soon he wrote to the Presidents of the three networks and the Public Broadcasting Service, asking them to work with him and with HEW to make this important concept a reality. President Fred Pierce of the American Broadcasting Company sent us an encouraging reply, as did President Larry Grossman of PBS. ABC suggested that we convene a meeting of the interested persons and explore the problems that remained. That one meeting turned out instead to be a series of meetings, extended negotiations and a major undertaking in which PBS has played an invaluable organizing role, working hand-in-hand with HEW.

That is the recent history leading to this moment. The longer history reaches back to 1971, when the Department of Health, Education, and Welfare began investigating whether "closed" captioning might be feasible.

In 1973 the Department entered into the first of a series of contracts with the Public Broadcasting Service to perform the necessary development work.

By December of 1976, the technology had become sufficiently advanced that the Federal Communications Commission, in a landmark decision, set aside Line 21 specifically for captioning.

Since that time, many of us—in the Carter Administration, in the broadcast industry and in the groups representing deaf and hearing-impaired people—have been hard at work.

Today with direction and funding from HEW, and with the outstanding contributions of PBS, all of the elements necessary to make closed captioning a reality have largely fallen into place.

So today I can announce that, ABC and NBC—along with PBS—plan to begin to broadcast closed caption programs early next year. In 1980, ABC and NBC plan to build up to an average of about five hours of captioned broadcasting each week. And PBS plans to build up to more than ten hours each week.

The key to this system, of course, is the decoder: A device which will convert the Line 21 signals into printed captions and display them on the individual viewer's TV screen. I am delighted to announce today that under the present plan, the decoding equipment should be available early next year through a special arrangement with Sears Roebuck. There will be two types of decoders: an Adapter Unit which is added to an existing TV set, and integral decoding equipment built into certain new, model television sets.

We cannot know, until final engineering work is completed, the exact prices to be charged for the add-on units and for new sets with built-in decoders.

But we expect the add-on decoder to cost about $225 to $250. A new color television set with the decoder built in should cost not more than $75 to $100 more than the price of a set without the decoder.

I am honored to be joined today by several people whose organizations have led in this effort and who deserve our thanks: Fred Pierce of ABC, which has cooperated extensively in this development effort; and David Adams of NBC. PBS of course, has been an active participant from the start, and we are grateful to Larry Grossman of PBS who is also with us today. And Sears, whose agreement to market decoding equipment is vital to the success of the project, is represented by Charles Meyer.

The cooperation and encouragement of Chairman Ferris and his FCC colleagues and various Senators and Congressmen have also been important.

As for the captioning process itself, it was our judgment and the recommendation of many others that an independent, non-profit National Captioning Institute should be established to caption programs on behalf of all broadcasters and producers.

This Institute has now been incorporated. It will soon begin operating here in the Washington area, where it will have ready access to the engineering expertise of PBS, and to its specially developed equipment. A companion center will be established next fall near Los Angeles to serve network and production operations there.

The Institute will offer its captioning services for $2,000 per broadcast hour in 1980—a small amount in comparison with the overall costs of program production. It will also collect an $8 royalty for each adapter unit and built-in unit sold by Sears. These proceeds will be used to help underwrite the caption centers' operations.

HEW is supporting the Institute's start-up costs with an agreement to provide up to $3.5 million this year. The HEW investment thereafter will fall to about $2.1 million in Fiscal 1980, $900,000 in Fiscal 1981, and $400,000 in Fiscal 1982. We hope and expect that the Institute, after 1982, will be an autonomous, self-supporting operation, completely independent of HEW and any other agency or organization.

The Institute will be overseen by a Board of Directors whose Chairman is Mr. Don Weber, a businessman from Corpus Christi. Mr. Weber is active in the field of public broadcasting in Texas, and is a member of the Board of Directors of the Public Broadcasting Service.

With the founding of the National Captioning Institute and the conclusion of arrangements with ABC, NBC, and Sears, final development work on the Adapter Units and Integrated TV Receivers can now go forward.

I want to conclude by congratulating PBS, ABC, NBC, Sears, and the new Institute for their enthusiasm and their high sense of public responsibility. And I would like also to commend Dr. Edwin W. Martin and the Bureau of Education for the Handicapped, which he heads, for resolutely championing the Line 21 concept, often against great odds and strong opposition.

The hearing-impaired have too long been largely shut off from our society's most pervasive and most influential communications force. It is an extraordinary feat to make captioned TV programing available to them.

The beneficiaries of this effort will be approximately 2 million deaf people and another 12 million who are hearing-impaired. On behalf of them, I offer thanks to all of you—and to your colleagues—who have been leaders and workers in this cause.●

PROTECTING THE RIGHTS OF CITIZENS

● Mr. METZENBAUM. Mr. President, S. 10, a bill that allows the Attorney General to protect the rights of institutionalized persons by bringing enforcement actions in Federal court, was introduced by Senator BAYH on January 15, 1979. This measure was S. 1393 in the 95th Congress.

The distinguished Senator from Indiana, chairman of the Subcommittee on the Constitution, has shown great leadership in this important area of human rights. Beginning last Congress, the subcommittee held extensive hearings which clearly indicated the urgent need for this legislation.

As a member of the subcommittee and cosponsor of the bill, I hope the Senate acts promptly to pass this important legislation. An excellent article recently appeared on the editorial page of the Washington Post. Mr. President, I commend this editorial to my colleagues and ask that it be printed in the RECORD

The editorial follows:

PROTECTING THE RIGHTS OF CITIZENS

It is understandable that the government of the United States has difficulty protecting the rights of its citizens in faraway places like Iran and Afghanistan. They are beyond American control—and occasionally beyond their own. It is not so easy to understand why the same government has difficulty protecting the constitutional rights of certain groups of citizens in places like Maryland and Montana. But it does—if those citizens happen to be inmates of state institutions. Even if the Department of Justice knows those inmates are being systematically abused, it can't do anything about it.

Legislation to change that situation has been fully debated on Capitol Hill in the last two years. It would give the Department of Justice authority to file lawsuits in federal court on behalf of such inmates. Once the cases are in the courts, judges can enter whatever orders are needed to protect the rights of prisoners in jails or patients in mental hospitals or juveniles in detention facilities. As the law stands now, those cases can reach court only if the inmates bring the lawsuits themselves. The problems of that situation are obvious; mental patients may not know, for example, that they are being deprived of their rights and, even if they do know it, their ability to initiate a lawsuit is limited.

The House of Representatives passed this legislation overwhelmingly last summer, but it died in the Senate after it was vigorously opposed by the National Association of State Attorneys General. A majority of its members regard the bill as an attack on states rights. They are right in the sense that the federal government should not have to compel state institutions to do what the Constitution requires them to do. But the evidence is overwhelming that some of those institutions do no give their inmates the rights to which they are entitled—and will not do so unless a federal court forces them to change their ways.

The legislation has been reintroduced this winter and is now pending before the Senate Judiciary Committee. It ought to be speeded on its way to passage. The federal government has enough problems protecting the rights of citizens abroad without being denied—on so small a technicality—the ability to protect them at home.●

A TRIBUTE TO SOUTHEAST MISSOURIANS

● Mr. EAGLETON. Mr. President, I am pleased to be able to report to my colleagues that spring has returned to Washington. Soon, the cherry blossoms will be in bloom along the tidal basin. Already, the air is full of kites, children's shouts and the sounds of ball striking bat. Spring arrives not a moment too soon for a nation eager to put a hard winter behind it.

Before we close the book entirely on the winter of 1978 and 1979, however, I note a news report broadcast earlier this month on the Paul Harvey News. Mr. Harvey had the bad fortune to be stranded in one of the severe snowstorms which crippled the Midwest this winter. However, he had the good fortune to be stranded in southeast Missouri, where he discovered that the local folks bear up under a storm with good humor, grace, and a genuine concern for their fellowman.

Mr. Harvey recalled his southeast Missouri experience in his broadcast. His report provides a pleasant contrast to some of the other news reports of the storms of 1979, reports of looting, suffering, and crippled communities. I request that Paul Harvey's tribute to my southeast Missouri constituents be printed in the RECORD.

The tribute follows:

TRIBUTE

In our record of the record winter of seventy-nine let it be remembered that the blizzard hit southeast Missouri also.

And a city like Sikeston, Missouri for example is not prepared for that much anything.

High lines came down and the lights went out.

Motorists by the hundreds stranded on the interstates.

Businesses that closed down included grocery stores.

National Guard summoned to patrol the darkened streets.

But Southeast Missourians are something else.

They opened their homes to the stranded strangers.

Road crews and farmers and householders with whatever equipment they had worked 24 hour days non-stop . . .

In Cape Girardeau where 24 inches of snow drifted nine feet deep and lights were out and phone lines down the town's doctors walked from house to house to see whether and where they were needed.

And on bonfires they cooked what they had and shared—with block parties of pot luck meals.

The day before the sky fell down . . .

The news crews from KSIM had been preoccupied with all the usual news of consternation and confrontation, disharmony and dissonance and dispute.

Suddenly they are out there watching the city freeze and the people thaw—each offering his selfless best—to others.●

AMERICAN LEADERSHIP COOPERATES FOR EASTER SEALS

● Mr. RANDOLPH. Mr. President, it has always been my belief that when great efforts are necessary to achieve a goal, cooperation is essential. It is gratifying to know that the spirit of cooperation is again playing a role in the development of a barrier-free America for handicapped citizens.

Early this month, an important meeting of corporate representatives took place here in Washington. Representatives from the building, real estate, banking, and other major industries came at the invitation of the Architectural and Transportation Barriers Compliance Board (ATBCB) and the National Easter Seal Society to help guide an unusual project that aims at strengthening the role of the private sector in the movement to eliminate barriers for handicapped persons.

The project, which was contracted by the ATBCB to the Easter Seal Society, calls for five seminars to involve decision-makers from the private sector in the movements to create a barrier free environment for handicapped persons. It was generally recognized that for the movement to be successful, leaders in the business community need to take a responsible role in making buildings and facilities accessible for persons with handicaps.

In its proposal to the Compliance Board, the National Easter Seal Society suggested that the program point out the benefits received by business from the increased markets that flow from successful efforts to mainstream handicapped persons with their nondisabled colleagues. Some of the positive features of barrier free design which were mentioned included the safety aspects of a design configuration which facilitates the movement of all people, including pregnant women, elderly individuals, and persons pushing carts or carrying large bundles; an expanded buying public; the stimulation of creative design and innovative products to match the new consumers' markets; and an increase resource of professional and skilled labor. The reduction of public support for institutional care of the handicapped and elderly persons was another benefit identified for motivating greater corporate involvement in the accessibility movement.

Initial efforts to recruit a base of corporate support for the project uncovered additional benefits. The opportunity provided by the project for business leaders to provide input into the development of governmental regulations that mandate accessibility was seen by many as the most appealing benefit.

At its meeting in Washington on March 8, the committee heard some encouraging words from Robert Johnson, ATBCB's executive director:

> Only an aware and involved private sector, including business and industry, can help us achieve access for everyone. Industry's experience with accessibility issues can assist the Board in carrying out its responsibilities.

John Garrison, National Easter Seals' executive director, described the project as "a significant opportunity for the private sector to make the regulatory process more reasonable and responsive to their needs."

The meeting of the steering committee for the project on corporate response to accessibility provided valuable guidelines for developing the series of conferences which have been scheduled in five regions of the country. The conferences will be held in Dallas, Tex., May 14–16; Hilton Head Island, S.C., June 3–5; Chicago, Ill., June 24–26; Boston, Mass.,—July 8–10; and Monterey, Calif., July 24–26.

The business leaders who were selected to come together as a steering committee include:

James L. Bast, Senior Vice President, Pitney Bowes.

W. Scott Ditch, III, Vice President and Director of Public Affairs, The Rouse Company.

Rena Wadt Mulcare, Manager of Office Systems, Product Marketing/Planning, International Business Machines.

William D. Perreault, Vice President, Corporate Communications, Lockheed Corporation.

Donald T. Sheridan, President & Chief Executive Officer, L. J. Sheridan Real Estate & Co.

David Stahl, Executive Vice President, National Association of Home Builders.

Lawrence J. Thomas, Vice President of Construction, First National Bank of Chicago.

Ronald L. Mace, AIA, Subcontractor, Barrier Free Environments, Inc.

Thomas T. Brown, Senior Vice President, The Bradley Corporation.

Charles Everly, Member, Board of Directors, Council of American Building Officials. cials.

George B. Morris, Vice President, General Motors Corporation.

Richard Noon, Housing & Real Estate—Finance Division, American Bankers Association.

Campbell L. Reed, Director, Building Division, Associated General Contractors of America.

Edward J. Spiegel, Vice President, Marketing, Spiegel.

W. Cecil Steward, American Institute of Architects, National Continuing Education Committee.

Donald Yule, Vice President—Regional Development, Century 21 International.

LIAISON TO BOARD OF DIRECTORS NATIONAL EASTER SEAL SOCIETY

Dexter D. Gould, Member, Board of Directors, American Retail Federation.

PROJECT DIRECTOR FOR NATIONAL EASTER SEAL SOCIETY

Rita McGaughey.●

FRAMER OF HAWAII STATE CONSTITUTION DIES IN HONOLULU

● Mr. MATSUNAGA. Mr. President, Honolulu Attorney Robert Gray Dodge, one of the framers of Hawaii's 1968 State Constitution and one of the leading advocates of statehood for Hawaii, passed away in Hawaii last Friday.

Mr. Dodge dedicated himself to public service as few men have. He was a consultant to the Hawaii Statehood Commission, a delegate to the 1968 Hawaii State Constitutional Convention, and served on the Honolulu City Charter Commission. He was one of the original supporters of Hawaii's land use planning act, the first in the Nation. He was also a former member of the Municipal League and the Civil Service Commission.

Mr. Dodge was born in Seattle, Wash., and moved to Hawaii in 1947. Well known because of his expertise in matters pertaining to the structure of government, he was highly respected because of his unswerving devotion to the principles of democracy.

He once said:

> I believe that people have the intelligence and capacity to govern themselves and the only limitation I would place on complete self-government would be those powers delegated by the people to others.

Mr. President, I know that my colleagues will join me in extending heartfelt sympathy to the family of Robert Gray Dodge. As one who was enriched by his friendship; I shall miss Bob Dodge. His four children can take great comfort in the fact that their father lived to see many of his ideals become reality, and that he leaves behind him a living memorial—one of the most progressive State governments in our Nation.●

GOV. DICK THORNBURGH AND THREE MILE ISLAND

● Mr. SCHWEIKER. Mr. President, events at the Three Mile Island nuclear reactor the past week have demonstrated to the world the shaky foundations on which the miracles of modern technology rest. From the very beginning, the situation was handled with cool confidence by Pennsylvania's Gov. Dick Thornburgh.

Mr. President, it is particularly in times of crisis, when tough decisions of life and death have to be made, that a man's character and leadership abilities become apparent. Governor Thornburgh has demonstrated to the world the ability to make decisions no other governor has ever had to make about public safety. He has striven to keep calm the citizens of Pennsylvania. He has worked closely with officials at the powerplant to get the situation under control. He has aided representatives of the Federal Government who needed information. All in all Dick Thornburgh has provided a model for leaders in the nuclear age of how to effectively and soberly confront a crisis situation without inducing panic or fright.

Mr. President, I ask that two profiles recently written about Governor Thornburgh, from the Washington Star and New York Times, be printed in the RECORD.

The profiles follow:

[From the Washington Star]

PENNSYLVANIA GOVERNOR'S PROBLEM WAS SIMPLY FINDING FACTS

(By Phil Gailey)

HARRISBURG, PA.—Before last week's nuclear accident at the Three Mile Island reactor, Gov. Richard Thornburgh's biggest environmental problem was what to do about all the potholes on the state highways.

He had planned to touch on it in his first environmental speech as governor before the Pennsylvania Environmental Council on March 29.

The speech would never be delivered, or even finished by the governor's new speechwriter. Also scratched from his schedule were plans for the governor to visit a pothole crew at work.

The day before he was to go to Pittsburgh to talk to the environmentalists, Thornburgh took a phone call at the governor's mansion that changed everything. The call, from a Metropolitan Edison official, came at 7:50 a.m.—10 minutes before the governor was to brief 28 freshmen legislators on his budget over breakfast at the mansion.

There had been an accident at the Three Mile Island reactor, the governor was told, but everything was under control.

A book Thornburgh had read flashed to mind, "We Almost Lost Detroit," the story of an accident at a nuclear plant outside Detroit in 1961.

"It was pretty clear to me from that first notice that something serious was afoot," Thornburgh said in an interview yesterday in his dark-paneled office.

The governor went ahead with his budget briefing and then sped to his office to confer with aides and state officials who would help him manage the nation's worst nuclear crisis.

The 47-year-old Republican lawyer, who also holds a civil engineering degree from Yale, rode into the governor's office last January on a campaign against Democratic corruption in the state.

He was a former assistant U.S. attorney general in the Ford administration and before that a charging federal prosecutor in western Pennsylvania who convicted dozens of public officials, drug traffickers, pornographers and industrial polluters.

But there was nothing in Thornburgh's background to prepare him for the kind of decisions he would have to make in the days following the accident at Three Mile Island—decisions that no other governor has ever had to make about public safety.

With little more than a layman's understanding of nuclear technology, Thornburgh soon found himself confronted with a stream of conflicting information on the seriousness of the situation.

"It was particularly frustrating," said Thornburgh, a lean, bespectacled man who wears button-down collars. "I'm trained as a civil engineer and as a prosecutor. Both have to rely on the integrity of the facts."

In the early stages of the crisis, Thornburgh had to spend much of his time separating fact from fiction. And sources close to the governor make it clear that most of the fiction was coming from the power company officials.

The information the governor was getting from Metropolitan Edison often was at odds with what he was getting from state and federal inspectors on the scene.

Thousands of lives were at stake and he had to be sure.

At first, Thornburgh found himself relying primarily on two field inspectors from the Nuclear Regulatory Commission to guide his decision-making.

These technicians were a Mutt and Jeff pair—one tall and skinny, the other one short and heavy. They wore truckers' sunglasses and sports shirts. The governor decided they were honest working men, not political or sophisticated enough to try to deceive him.

On the first night of the drama, when some were clamoring for an immediate evacuation of the area. Thornburgh invited them to the governor's mansion to brief him on their findings. The first lady, Ginny Thornburgh, a gracious and unpretentious former teacher, served sandwiches and milk while her husband the prosecutor cross-examined the technicians, bearing down with what one aide called "a healthy prosecutor's skepticism."

Later in the evening, the governor walked out of the front gate of the mansion to talk to about a dozen anti-nuclear demonstrators carrying burning candles and softly chanting, "Help us, please."

Thornburgh sensed that they were speaking for thousands of others in the area who are not prone to demonstrations, but who felt helpless against the nuclear threat rearing its head from a tiny island in the middle of the Susquehanna River.

The next day, the governor tried to soothe the popular uneasiness. "There is no reason to disrupt your daily routine," he advised the public, "nor any reason to feel that the public health has been affected by events on Three Mile Island."'

Twenty-four hours later, after dangerous new developments at the reactor, Thornburgh had a hotline to the White House and to the TMI facility installed in his office and was urging pregnant women and pre-school children to leave an area within a five-mile radius of the plant.

The line between panic and calm was wearing thin by Friday. Schools and businesses started closing, gas lines formed, people began to leave, and the jitters had set in. "Meltdown" became a chilling household word around here.

It was a critical period, and Thornburgh weighed his words and actions carefully. Someone suggested that he declare a day or prayer in the state, but the governor dismissed the idea. It would only add to the dooms-day aura, he decided.

On the third day of the crisis the situation was growing even more confusing as hundreds of reporters on the scene began filing often contradictory stories.

Thornburgh got on the phone to President Carter Friday morning and asked for help. "Send me one good man I can count on," the governor requested.

Carter dispatched Harold Denton of the Nuclear Regulatory Commission and a team of federal experts to Three Mile Island.

"Things got better immediately," said

an aide to the governor, noting that Thornburgh and Denton have developed a close personal and working relationship in recent days.

But there was not much Denton could do to help Thornburgh deal with a new complication. Like bees drawn to honey, the politicians began heading for Harrisburg to question the experts.

The area's local Democratic congressman, Allen Ertel, was on his way to Harrisburg Friday afternoon to hold a news conference at the state capital about the nuclear danger in his district.

Preceding him here were news reports from Washington—based on leaks from Ertel's office, some here suspect—saying things were getting out of hand at the reactor.

Thornburgh's representative headed off the congressman and persuaded him to cancel the news conference, gently suggesting that politicians should join pregnant women and small children in staying away from the area.

Carter's visit to the reactor Sunday was an exception. His presence was supposed to be reassuring to the local populace.

Ertel then wanted to sit in on the briefings the governor was receiving from Denton. The governor's office again politely said no.

Thornburgh tried to set an example for other politicians to follow during the nuclear crisis: don't try to second guess the experts in something like this.

"I had a rule of thumb about speaking on the technical problems of the situation," he said. "I haven't used the word 'millirem' once. Making decisions is what my job is all about. I just want the facts."

[From the New York Times]

In Crisis, a Builder of Confidence—Richard Louis Thornburgh

(By B. Drummond Ayres Jr.)

Harrisburg. Pa.—Trained in engineering and law, Gov. Dick Thornburgh has spent most of his adult life dealing with cold, hard facts.

But facts have often been elusive in the traumatic week since trouble struck the nuclear power plant on nearby Three Mile Island.

Sometimes the Governor has been forced to rely on incomplete data to make decisions dealing potentially with life and death. That has been a wrenching experience for a man who built a reputation as one of the best criminal prosecutors in the country by compiling case after meticulous case of unshakable evidence.

"When you don't have the facts, you don't have much of anything," he said.

WINNING STATE'S CONFIDENCE

Nevertheless, Mr. Thornburgh, a 46-year-old Republican, appears thus far to have reached the right decisions about evacuation and other safety considerations. In the process, he has won the solid confidence of a great many Pennsylvanians as he got his three-month-old Administration off to an impressive start and has reinforced the impression that he is a rising star among Republican moderates.

"There isn't any Republican or Democratic way to deal with a nuclear crisis," he said this afternoon while taking a sandwich break at his desk. "Nobody has ever had to deal with this kind of accident before. You just do what you can for people."

When President Carter came to Pennsylvania on Sunday to visit the crippled power plant, he was almost lavish, for a Democrat, in his praise of Governor Thornburgh's performance. He said the Governor had done a "superlative job" and added that "because of the trust of the American people in him, and particularly those who live in this region, potential panic and disturbance has been minimized."

"Public relations have been a good part of my job for the past week," the Governor conceded today.

"HAVE TO STOP RUMORS"

"You have to reassure people," he said. "You have to go before the cameras and microphones and tell them what you know and what you don't. You have to stop the rumors. And, of course, you have to make decisions."

In the absence of all the facts that he wanted about the condition of the damaged reactor, the Governor decided in the first days of the crisis that pregnant women and preschool-age children should be evacuated and other residents in the immediate vicinity of the plant should remain indoors. Aides say he considered that a "conservative" approach, warranted because nuclear authorities could not assure him that more radiation would not be released.

On the other hand, when a report began spreading that the plant was about to blow up—and the Governor, for once, knew for a fact that no such danger existed at that point—he took a radical approach. His press aides were to summon newsmen and he and a top Federal nuclear official appeared in person to scotch the report.

Today, with the threat from the broken reactor diminishing steadily, the Governor instructed his aides to begin working up plans to counter the economic damage the accident has caused. "This kind of thing can cost us factories, tourists and all kinds of sales," he said. "Already we're having trouble selling Pennsylvania milk, even though it doesn't contain any dangerous levels of contamination."

PLATFORM OF HONESTY

Mr. Thornburgh was elected Governor on a promise that he would place Pennsylvania on a solid economic footing and make its government scrupulously honest, an especially effective political approach for a well-known prosecutor in a state shaken badly by a Government scandal. A self-styled "Rockefeller Republican," he won more than half the black vote in a state that is predominantly Democratic, defeating Peter Flaherty, the former Mayor of Pittsburgh. But before he could take on Mr. Flaherty, he had to battle his way past several strong opponents in a Republican primary.

"I'm a fighter," he said. "I like tough challenges and the prospect of being able to do something for people."

Born Richard Louis Thornburgh on July 16, 1932, in Pittsburgh, he grew up in a family of engineers and took a degree in civil engineering at Yale University in 1954. But he decided instead on a career in law and graduated from the University of Pittsburgh Law School in 1957.

Marrying a childhood sweetheart, Virginia Hooton, he fathered three boys—John, David and Peter—and soon had a promising corporate practice in his home town.

NAMED FEDERAL PROSECUTOR

"Then one day in 1960," he said, "my wife was killed in a car crash, and I was left with those three little children, including Peter, who suffered brain damage in the wreck. That's a jolt. It made me think about what I wanted to do with my life, what I can contribute to the world."

Winning an appointment as United States Attorney for western Pennsylvania, he began an attack on organized crime and corruption in government that eventually led to some 50 convictions.

His successes caught the eye of President Ford, and in 1975 he was named Assistant United States Attorney General and moved to Washington. When the Carter Administration took office, he was asked to stay on and was one of the candidates for the directorship of the Federal Bureau of Investigation. But he sent word that he was not interested and returned instead to Pennsylvania to seek the Governorship.

Mr. Thornburgh, a tall, heavy-set man, is an avid reader and sports fan. But his second wife, the former Virginia Judson, of New York, says he has little time for anything except work. "When we can all get free," she said today, "our idea of a good time is a corned beef sandwich and beer somewhere and then a movie."

"I get out," the Governor said. "I get free and do other things. Of course, it's true what they say about my famous bicycle riding. I've got the training wheels off. But it's not easy for me."●

THE MIDEAST CHALLENGE

● Mr. STEVENSON. Mr. President, the Congress is called upon to commit the Nation to an expensive and uncertain course in the Mideast. A settlement of the conflict in that critical region would be well worth the aid, arms, oil, and promises offered by President Carter. But the President is continuing the step by step diplomacy of his recent predecessors. Each step is more expensive than the last—and the real test is always to come. These steps may be leading away from an overall settlement. The Congress must consider this matter with some objectivity. Mr. President, George Ball, the former Undersecretary of State, does so in an article in the New York Times of April 1, and I ask that it be printed in the Record.

The article follows:

The Mideast Challenge

(By George Ball)

Though President Carter set out with courage and good faith to promote an overall settlement of the Arab-Israeli dispute, the constricting pressures of the negotiating process have so far produced a result reminiscent of Henry A. Kissinger's step-by-step strategy.

That strategy assumed that rather than beginning at the core of the problem, we could, by solving its easiest element (the Israeli relinquishment of the Sinai), generate a negotiating momentum that would enable us to resolve the intransigent basic elements: the disposition of the occupied territories of the West Bank and Gaza Strip, the Golan Heights and Jerusalem.

Events so far tend to discredit that optimistic assumption.

Rather than creating momentum for an overall settlement, the Camp David accords and the extraordinary political and economic investment required to translate them into treaty form have rendered the solution of the central substantive problems more difficult—though even more urgent—than ever.

Consider the present state of affairs. Egypt will now be disinclined to jeopardize its recovery of the Sinai for the sake of a solution for the West Bank and Gaza. Israel, no longer fearing a two-front war, will feel little pressure to modify the obdurate position on the occupied territories that Prime Minister Menachem Begin is now aggressively asserting.

Because the dynamics of Israeli democracy restrict diplomatic flexibility to the lowest common denominator of domestic opinion, Israel's leaders will almost certainly insist that they have already made all the concessions they should be asked to make.

Yet Israel cannot forever impose its 11-year-old military occupation on more than a million Palestinians, and if it tries to crowd the Palestinians out of the occupied territories by expanding its settlements, it could trigger another war.

The people who live in those territories will never accept Mr. Begin's narrow concept that autonomy means a redeployed Israeli Army enforcing internal order, with Israel retaining an unrestricted right to establish new settlements.

Because of their anger at being offered what they consider a derisory half-loaf, no responsible West Bank leaders will run for election to the so-called self-government authority.

Unfortunately, positions will only be hardened by futile and protracted haggling over the modalities of an election that may not be held—and, if held, seems likely to prove little more than the forthcoming Rhodesian election under Ian D. Smith's "inside" settlement.

The rhetorical extravagance that inevitably accompanies such haggling will almost certainly spark growing West Bank demonstrations, while extreme elements of the Palestine Liberation Organization, frustrated at being ignored, will step up their violence to attract attention. Syria and Iraq will be pushed reluctantly into greater antagonism toward America, while Saudi Arabia, subjected to dangerous and divisive internal stresses by the tensions of a polarized Arab world, will prove less able and willing to resist pressures by the Organization of Petroleum Exporting Countries for higher oil prices and decreased production.

Sooner or later, we must brace ourselves for a frontal attack on the core of the Middle East problem, acknowledging what experience has now clearly shown: that, though war may be postponed by piecemeal arrangements, peace can never be attained without the acquiescence of Israel's Arab neighbors.

That acquiescence can be obtained only if we bring the P.L.O. into the negotiating process and, at the same time, insist that the Palestinian men and women in the occupied areas are not a lesser breed fit only for perpetual colonial rule but are as entitled as their neighbors to the right of self-determination.

Though President Carter, I am sure, understands these hard realities, the American people must be sufficiently informed to face them frankly.

Of course, we have neither the right nor the wish to put at risk Israel's security; on the contrary, any final peace arrangements, must require all elements including the P.L.O., to recognize Israel's territorial integrity and its full rights as a sovereign nation. That, however, will come about only as the result of negotiating process in which the P.L.O. participates, not as a precondition to participation.

Rather than exhaust our limited leverage on half measures that will not achieve the peace, we should concentrate on devising diplomatic, military and technological arrangements essential to enable Israel to live without fear of aggression next to a demilitarized West Bank. This is the formidable challenge to American will and ingenuity during the months ahead.

A CALL FOR THE RESIGNATION OF SECRETARY SCHLESINGER

● Mr. METZENBAUM. Mr. President, this marks the fifth week I have used the forum of the U.S. Senate to call for the resignation of Secretary of Energy James Schlesinger. As has happened in the past, this week has given me concrete proof that the Department of Energy, under the guidance of Dr. Schlesinger, is not capable of giving us the facts we need to arrive at a sensible and fair energy policy.

The Department of Energy has reported that during the cutoff of Iranian oil in February, our imports did not increase. In fact, DOE stated that we had a shortfall of 500,000 barrels a day. But according to the staff report of the House Subcommittee on Energy and Power, this just is not the case. By reviewing numerous DOE documents and data compiled by the International Energy Agency the subcommittee staff states that U.S. imports actually increased by 1 million barrels per day. But even worse is the fact that the staff was unable to obtain the facts from DOE. Their report states:

> The subcommittee staff found that the DOE deliberately withheld significant information about a substantial February increase in oil imports from the Congress and the public because, in the words of one official, "it would have been embarrassing."

Is it possible, Mr. President that the Department of Energy really did not want us to know? I request that the memo be printed in its entirety in the RECORD.

Another example of the Department's inability to provide the necessary facts came to light in the March 31, 1979 edition of the Washington Post. In an article by J. P. Smith, it was reported that the Central Intelligence Agency told DOE that worldwide oil production increased in January and February of this year. Dr. Schlesinger repeatedly told us just the opposite. I request that the article entitled "Oil Production Up Over Early 1978 Despite Iran Loss" be printed in the RECORD in its entirety at the end of my remarks.

Mr. President, I cite these two examples as further reason that I believe that the President should reconsider his decision and accept Dr. Schlesinger's resignation.

The article follows:

U.S. IMPORTS OF OIL IN 1979: CRISIS OR HOAX?

SUMMARY

A staff review of numerous DOE documents has revealed that, according to data compiled by the International Energy Agency, U.S. imports during the month of February surged by one million barrels per day, despite a significant decrease in Iranian imports. At the same time, DOE reports to this Subcommittee and the public were showing that there had been no increase at all.

Internal DOE memoranda reveal that officials were aware of the discrepancy and attempted to reconcile it by phoning the oil companies. When the discrepancy could not be resolved, no attempt was made to reveal the new data, or suggest that the DOE published data might have been inaccurate. There is evidence that the stringent oil company allocations may be unjustified, and that DOE has purposely withheld important data from the public and the Congress.

The review does not suggest, however, that the country is free from potential supply problems due to the Iranian cutbacks. There is considerable information which supports the conclusion that the United States and the rest of the world may be facing severe energy problems in the future, as supplies of petroleum dwindle either through the inevitable operation of declining reserve bases, or as Middle Eastern producers deliberately cut back on production, so as to maintain or even to increase today's high prices.

BACKGROUND

As you know, over the last month there has been some controversy about the real level of oil supply shortfall being suffered by the U.S. due to the situation in Iran. DOE claims a shortfall of about 500,000 barrels per day while the Congressional Research Service claims the shortfall is only about 80,000 barrels per day. CRS will shortly release an updated analysis which again will conclude there is a minimal shortfall.

In a recent report on the effects of Iran, the GAO noted the curious discrepancy between the DOE estimate of a 3 percent shortfall and the much larger—in some cases up to 15 percent—gasoline allocation reductions being announced by the major oil companies in the United States. The GAO has established a Task Force to investigate possible stockpiling, etc. It is also interesting to note that, according to *Platts Oilgram*, company nominations for Texas oil in April are down 29,000 barrels per day.

Whatever the truth, claims of shortfall have been used to justify hardships for the American consumer in the form of higher prices as well as a reduction of gasoline supplies.

Local gasoline prices have risen 10 cents per gallon over the last 45 days—nearly a 20 percent increase. Considering these enormous increases in gasoline prices for which there seems to be no economic justification—one would expect DOE to be investigating the legality of the increases. A quick staff review found that DOE has made no current effort to investigate or enforce price control regulations. One explanation may be that according to the New York Times the Administration is continuing its on-going policy of "surreptitious decontrol"—the shifting of oil from lower to higher-priced categories.

The following observations follow the review of numerous DOE, CIA, State Department and International Energy Agency documents in the files of the DOE Office of International Affairs as well as numerous discussions with DOE officials.

Doe claimed a significant shortfall while covering up February surge in U.S. oil imports:

The Subcommittee staff found that the DOE deliberately withheld significant information about a substantial February increase in oil imports from the Congress and the public because, in the words of one official, "it would have been embarrassing".

In February 1979 oil companies were announcing plans to allocate fuel supplies and boost prices to compensate for the alleged shortages caused by the crisis in Iran. At the same time, DOE confirmed that the Iranian cutoff had caused U.S. import levels to flatten out or even decline.

Weekly reports to the Subcommittee by DOE on oil imports confirmed a slight decline between January and February.

At the same time, DOE documents revealed that the major multinational oil companies were reporting a substantial surge in U.S. imports of crude and product in both January and February 1979 of as much as 1 million barrels per day.

According to the IEA figures, U.S. imports in February 1979 were the highest in U.S. history. The information, of course, raises serious questions about the credibility about oil company claims and actions in this country over the last few months. It raises more serious questions about the credibility of the DOE; and

Of course, this does not mean that the U.S. will not have an energy crisis over the next nine months. As Iranian exports increase, other OPEC nations have already indicated that they may significantly reduce the increases in production which have helped to offset the Iranian shortfall. Furthermore, the same IEA figures also suggest a substantial decline in imports in March and April.

DOE fails to reconcile the IEA and DOE import numbers:

There was serious concern at the highest levels of the Department in mid-February when officials first learned of the February surge in U.S. imports.

Despite the concerns you raised in 1974 hearings, DOE five years later is still dependent on industry reports for import data. After the IEA February figures contradicted industry claims of a shortfall, DOE embarked on a scramble to develop their own independent data sources.

In an Energy Policy Committee meeting in mid-February, the Chairman Al Alm directed the Office of International Affairs to attempt to reconcile the IEA U.S. import data with the API data.

In an attempt to reconcile the figures, an OIA official checked the U.S. import figures with 11 of the 19 U.S. companies reporting to IEA. This effort resulted in a total downward revision of only .2 million barrels per day for February 1979, which still indicated a crude and product import surge of almost 1 million barrels per day for February.

The effort to reconcile the IEA U.S. import figures raises some interesting questions. The IEA information is supposedly classified, yet a DOE staff member apparently called the companies indicating that the import figures were high compared to the API industry figures. He said that he indicated to the companies how important it was to have accurate information. Thus, a cynic could argue that the Department was subtly encouraging these companies to reduce the controversial February import figures. It is interesting to note that in the IEA March submissions, the February import numbers were reduced; however, they still indicate a surge in imports in February over the API figures.

The staff found four classified memoranda dealing with the February surge:

Reconciliation of U.S. Oil Import Data—February 22, 1979 (Proprietary)

Analysis of U.S. Import Data including in February Q-B Submission to the IEA—February 23, 1979 (Limited Official Use)

Distribution of World Oil Supplies—February 23, 1979 (Confidential)

U.S. Oil Import Surge in 1979—undated (Limited Official Use)

On the other side of the coin, there was apparently no effort to check with API in an attempt to see if their import figures were accurate. Apparently at this point, a decision was made to conceal this information and not to use the data in the DOE analyses.

On March 5, the Subcommittee staff discussed IEA matters including IEA views of the worldwide shortfall with Office of International Affairs officials. These officials failed to mention the U.S. import figures reported to IEA and the surrounding controversy. A subsequent review of the files revealed the issue.

As stated above, one DOE official admitted that the IEA data was withheld because public release would be embarrassing, and that it also showed that the U.S. was receiving a disproportionate share of IEA imports during the alleged shortfall. However, all IEA members were privy to this information.

Comparison of DOE-API a nd IEA data:

A comparison of the IEA and API data follows. The IEA data has been adjusted to account for variations in IEA and API methods of reporting, based on DOE's own conversion methodology. The IEA data and API data use different reporting methods, and thus one system must be adjusted to the other for comparison. The IEA data have been adjusted, on the basis of the methodology discussed in the DOE memoranda listed above.

Total petroleum imports

(MB/D)

	Dec. '78	Jan. '79	Feb. '79
IEA	9, 084	9, 849	10, 811
IEA (adjusted)	8, 366	9, 111	9, 973
API	8, 923	8, 822	8, 726

Note that regardless of any conversion methodology, the IEA data shows a million barrels per day increase in February, while API data shows a slight decrease.

The important surge in the IEA February data took place even though imports from Iran were reduced significantly.

Observations:

It is interesting to speculate on the reason behind DOE's consternation over news that should have been good news for the American consumer—a reported increase in U.S. oil imports at a time of feared scarcity.

OIL PRODUCTION UP OVER EARLY 1978 DESPITE IRAN LOSS

(By J. P. Smith)

Despite the Iranian oil shutdown, oil production worldwide was higher during the first two months of this year than in January and February of last year, according to the Central Intelligence Agency.

In addition to Energy Department documents drawing on CIA statistics, oil production from the Organization of Petroleum Exporting Countries (OPEC) rose from 27.9 million barrels a day in 1978 to 28.6 million barrels a day this year, even though Iran, formerly the cartel's second largest producer, was exporting no oil.

Energy Secretary James R. Schlesinger has said repeatedly that the drop in production resulting from the Iranian revolution caused a world oil shortage of 2 million barrels a day—with a half million barrels a day or more of that shortfall affecting the United States.

According to a DOE memo, however, government analysts conclude that during the first two months of this year, worldwide production (including OPEC) was 60.1 million barrels a day compared with 57.3 million barrels a day last year.

Similarly, oil production from countries outside the oil cartel rose from 29.4 million during the first two months of 1978 to 31.5 million barrels a day this year.

While in the past some CIA oil analyses have been questioned, the Energy Department relies on the agency's statistics for its calculations of worldwide oil production.

In a memo to Deputy Energy Secretary John F. O'Leary citing CIA statistics, Lincoln Moses, head of the DOE's Energy Information Administration said, "I was wrong about world oil production, which these figures show to be above January and February of 1978."

In the memo, a copy of which was obtained by The Washington Post, Moses adds that production went down in January and February when compared with the last two months of 1978. There was a similar drop during January and February last year, compared with the year before.

Moses also wrote that non-OPEC production "has been appreciably higher" this year compared to 1978's first two months. "The increase in non-OPEC oil between the two periods is (2 million barrels a day), that is large but not unbelievable," Moses wrote.

He also pointed out that non-OPEC production rose 2.7 million barrels a day in the 13-month period following November 1977 to its current level. This increase was the result of stepped-up production from the North Sea, Mexico, Canada, and some Third World states.

Since January 1977 Arab OPEC production rose from 16.4 million barrels a day to 21.2 million barrels a day in January this year, while the output of cartel's non-Arab producers declined from 10.8 million barrels a day to 7.2 million barrels a day in January. Non-Arab production has since begun to rise. The total increase in OPEC production resulted from higher output from Iraq—now the cartel's second-leading producer—Kuwait, Saudi Arabia, Venezuela, and Nigeria.

On Friday Schlesinger defended his department's shortage estimates on Capitol Hill. Also, he told the National Association of Manufacturers in a breakfast speech that continuation of the projected shortage would depend largely on "whether production will be cut back" by other OPEC countries as Iran increases its output.

Iran is now producing nearly 3 million barrels a day, compared to more than 5.5 million when the shah was in power.

Some international oil analysts, however, question DOE's interpretation of oil production and inventory data.

One, Bruce Wilson of Smith, Barney, Harris, Upham, says, "If you look at the numbers there probably was no shortage in excess of 1 million barrels a day worldwide."

He adds that "Schlesinger has tried to rationalize a larger shortage," saying that because of higher prices and profits available in Japan and Europe major oil companies have shifted some of their supplies there instead of to the United States.

Energy Department officials now concede that world production has gone up this year compared to last year even though Iran was shut down for more than 2 months. But they stick by their assessment that there is still a 2 million barrel a day shortage because of higher demand.

The Central Intelligence Agency's energy forecasts have sparked controversy in the past. The CIA's 1977 forecast of a world oil shortage triggered by anticipated declines in Soviet oil production, as well as the agency's published data in 1978 on Saudi Arabia's productive capacity, were both challenged by oil experts.

Schlesinger and John Treat, one of DOE's leading international oil specialists, say that the shortage will continue unless production remains high enough to allow oil companies to rebuild inventories during the spring and summer.

Still another factor is oil consumption.

Albert H. Linden Jr., assistant administrator of DOE's Energy Information Administration, says that demand for oil this year is running about 3 percent in excess of last year's consumption level.●

THE PRESIDENT'S PRIVACY PROTECTION PROPOSALS

● **Mr. KENNEDY.** Mr. President, on Monday afternoon the Senate received the President's privacy message in which he proposed extending privacy safeguards to private sector records.

The privacy protection policy announced in this message is the culmination of the Presidential initiative to review the 1977 recommendations of the Privacy Protection Study Commission. Accompanying the message are draft bills to protect the privacy of medical information and federally funded research records, and a first amendment privacy protection bill designed to overturn the Supreme Court's decision in Zurcher against Stanford Daily. Final OMB guidelines on matching programs for Federal record systems, and proposed administrative changes in the Federal wiretap statute also accompanied the message. Soon to be submitted is the administration's proposal to provide fair information practices in the areas of banking, consumer credit, EFT, and insurance records.

I commend the President on his commitment to privacy and his proposals to safeguard individual rights, and look forward to working closely with the administration on these measures.

As my colleagues are aware, the Judiciary Committee has been in the forefront of the Senate's efforts to protect the privacy and due process rights of Americans. The committee's work formed the foundation for the first comprehensive law establishing privacy protections for Federal record systems—the Privacy Act of 1974. By regulating the collection, maintenance, use and dissemination of personal information by Federal agencies, this law sought to give individuals effective control over information about themseves in Government files. Although the law applied only to the Federal sector, it created the Privacy Protection Study Commission to examine the extent, if any, to which the principles and requirements of the Privacy Act should be extended to private sector record systems.

The Commission reported to the President in July 1977, recommending non-Federal privacy legislation based on the fair information practice principles of the Privacy Act. The Commission concluded that the specific procedural requirements applicable to the Federal sector would have to be modified and tailored to fit the unique characteristics of each affected industry in the private sector.

The administration's proposals for banking, consumer, insurance, medical and statistical records, follows this approach. For each of these industries, the proposed legislation attempts to provide individuals with an appropriate mechanism by which they may hold recordkeeping organizations accountable for their recordkeeping practices.

In keeping with the principles embodied in the Privacy Act, the key elements of the administration's privacy policy for private sector records are: Access, including the rights of an individual to see and copy, and amend and correct information in his file; limitations on the collection and disclosure of personal information by the recordkeeping organization; notification to the individual of the reasons for any adverse decisions made by an organization on the basis of information in an individual's file; and sanctions to enforce the provisions of the legislation.

Of particular concern to the Judiciary Committee will be the adequacy of the procedures to be established to protect the civil liberties and due-process rights of individuals. While the subject matter of several of the proposals fall within the primary jurisdictions of other committees, the Government access provisions in each bill will be the focus of review by the Judiciary Committee.

The administration is proposing that, except for the Zurcher legislation, the access procedures which were designed to control government access to records held by banks or other financial institutions in the Right to Financial Privacy Act of 1978, be the model for the privacy package. I question the appropriateness of incorporating wholesale these procedures, specifically directed to financial institutions, to other recordkeeping organizations.

Just as the privacy principles in the proposed legislation vary according to the characteristics of different information systems, so should the Government access procedures be adjusted. A careful balance must be struck between the Government's interest in specific private sector records and the sensitivity of the information in the records. Blanket procedures which fail to take into account important differences in the nature and substance of information systems containing personal information cannot adequately protect the privacy rights of individuals or properly satisfy the needs of Government.

And finally, I am especially pleased to see that as part of its privacy package the administration is proposing legislation to address the potentially serious threat of freedom of the press arising out of the Supreme Court's decision in the Zurcher case. There the Court upheld the legality of an unannounced search of a newspaper's office, ruling that the fourth amendment permits the search of the premises of a person not himself suspected of a crime and that the first amendment does not give the press any special protection from searches otherwise valid under the fourth amendment.

The decision holds that a subpena is not required before law enforcement officials may search a person's business or home for evidence of a crime, when that person is not suspected of involvement in the crime. The administration's response is to recognize the special status of the first amendment and to require that the work product of individuals involved in disseminating information to the public should not ordinarily, with a few exceptions, be subject to search or seizure by law enforcement officials. According to the Justice Department:

> The premise underlying this legislation as a whole is that absent extraordinary circumstances, such as those when life is in danger or where (in the case of non-work produce doucmentary materials) there is a risk of destruction or concealment of evidence, the appropriate means of obtaining evidence in the hands of persons involved in First Amendment activities who are themselves not implicated in the commission of the crime under investigation is through the use of a subpoena duces tecum rather than a search for and seizure of materials in the homes and offices of these persons.

While this approach leaves a number of questions unanswered, it is an important step forward in preserving rights guaranteed under the first amendment from unwarranted intrusions by Federal, State, or local officials.

During consideration of this measure by the Judiciary Committee, we will also examine the need for extending similar protections beyond the first amendment to confidential relationships recognized at law, such as lawyer-client and doctor-patient relationships, or to all third parties who have records or other materials of interest to law enforcement. The constitutional and practical problems posed by such legislation, its effect on law enforcement, and its coverage of State and local law enforcement officials are complex issues which will require considerable study.

Mr. President, individual privacy is not adequately protected merely by limiting the Federal Government's ability to collect and use information. The ever-increasing demands by industry for information about individuals, their activities and associations, require that the recordkeeping practices of the private sector also be subject to controls. The task of insuring fairness in the recordkeeping practices of private organizations and limiting the Government's access to and use of personal information contained in those systems will not be an easy one. Yet, such protections are essential to the development of a comprehensive national privacy policy. The administration's proposals are an important contribution to that process.●

BALANCING THE BUDGET

Mr. LONG. Mr. President, as so well pointed out in a very thoughtful editorial in today's Washington Star, Senators are going to be asked to vote either for or against a balanced budget, and the Budget Committee is going to propose a balanced budget.

It occurs to me, Mr. President, because this will be a very difficult vote for Senators, that the Budget Committee might find it to be the better part of wisdom, especially if it does not recommend simply one balanced budget but an alternative budget, that if it recommends an alternative budget to be balanced, it might recommend one which impacts on defense, and another which does not impact on defense.

From the point of view of this Senator, I believe I would prefer to vote for an unbalanced budget that does not prejudice the defenses of our country. Other Senators may have a different point of view.

I ask unanimous consent to have printed in the Record at this point the editorial to which I have made reference, entitled "Balance With Consequences."

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Balance With Consequences

"I assume," said Sen. Bob Dole of Kansas during a recent Senate debate, "that we will have 50 votes on balanced budgets in this year." The assumption is sound. Congress is not heedless of the budget-balancing fever spreading Washingtonward from the state legislatures.

But the interesting question is whether any of those votes, however many there are, will rise beyond grandstanding. There are omens that some will.

When Senator Dole offered his forecast, the Senate was debating, and later passed, an amendment to the debt-ceiling bill which is intended to put some bite and meaning into at least one budget-balancing vote.

It is a measure of bipartisan sponsorship, introduced by Sen. Russell Long, that requires senators who vote for the first concurrent budget resolution later this spring to wed themselves to a balanced budget in 1981 or 1982 or both. A commitment to the balanced budget is easy to make in theory. What will be different now is that the budget projections for those future years will be explicit, and will require senators to commit themselves to the consequences of balance. It should be clear, or at least as clear as long-range economic projections can make them, what choices are being made about social programs, the defense budget, taxes, and the anticipated performance of the economy when the balanced budget is espoused.

Senator Muskie, chairman of the Budget Committee, predicts that "the hue and cry we have heard for a balanced budget is going to be a volume of groans and moans when the people find out what this means." He nonetheless believes that the Long amendment is "the most significant step in responsible budgeting since the Budget Act was developed."

Senator Muskie is probably right on both counts—indeed, he is right on the second count precisely because he is right on the first.

It has been clear for some time now that most of those who say they want a balanced federal budget haven't the foggiest notion what they want to cut out of it to achieve balance—nothing, in many cases, if the truth were known; and that many others haven't the foggiest intention of voting for a coherent budget projection that spells out the order of priorities by which balance could be achieved. Many senators and congressmen would enjoy voting 50 times for the balanced budget in principle so long as they could avoid voting once for it in practice.

Well, that familiar luxury seems now in grave danger. If the Long amendment works, which is to say that if senators who vote in good faith for the alternatives put before them in the first budget resolution April 15, and do not later try to worm out of the commitment, we shall have a great novelty in congressional budgeting: people voting "with their eyes open, knowing and saying," in Senator Muskie's words, "where the cuts are going to be, where the reductions are going to be."

That would be a wondrous spectacle, almost a revolutionary one: so wondrous and revolutionary, in fact, that we will believe it when we see it. If the House agrees to join in the exercise, as we trust it will, this will be quite a show. But there will be weeping aid wailing and gnashing of teeth when the curtain rises.

SENATOR LUGAR ADDRESSES NEW HAMPSHIRE LEGISLATURE ON CONSTITUTIONAL REFORM

Mr. ARMSTRONG. Mr. President, yesterday the Committee on Constitutional Reform of the New Hampshire House of Representatives held hearings on a balanced budget amendment. Our colleague from Indiana (Mr. LUGAR) made a very powerful statement before that committee, and I ask unanimous consent that his statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR RICHARD G. LUGAR

I am pleased to be with you tonight in order to speak on behalf of a balanced budget amendment. I appear on behalf of Senators Baker, Hatfield, Simpson, Wallop, Schmitt, Goldwater, Young, Helms, Schweiker and Thurmond, cosponsors of my proposed amendment, S.J. Res. 4, and on behalf of 35 other Senators who have offered alternative proposals.

This is my second opportunity to speak to a State legislature on this subject. In January of this year, I spoke to a joint session of the legislature in my own State of Indiana. I am pleased to be able to report to you that last week Indiana adopted a resolution calling for a constitutional convention.

Final passage in the Indiana House of Representatives was by a vote of 61–35, a bipartisan effort which reflects the broad support in Indiana—and the Nation—of both Republicans and Democrats for a balanced budget amendment.

Indiana is now the 29th State to call for a balanced budget amendment, leaving the total just five States short of the 34 necessary to call a constitutional convention.

I am here this evening to urge you to do the same. Let me explain to you my reasons for doing so. As a Member of the Congress, I can say without hesitation that the Congress will not discipline itself and resolve a balanced budget amendment until the States and the American people compel it to do so. We have heard a great deal of rhetoric in the Congress this year about fiscal conservatism, austerity, and budgetary discipline. Let me give you a few items to put this rhetoric into perspective.

The President proposed a budget deficit this year of $29 billion, with expenditures $42 billion in excess of those of last year. This he has billed, and Washington has accepted, as an "austere" budget.

When the Senate committees submitted their first budget proposals on March 15 of this year, proposed expenditures totaled $38 billion more than those in the President's budget. If the Senate committee recommendations were enacted, fiscal year 1980's deficit could be in excess of $67 billion!

Just last week the Senate had an opportunity to attach a meaningful balanced budget provision to the debt ceiling extension bill. It rejected this attempt, and ultimately adopted language which would require only that balanced budgets be given "serious consideration" in future years.

The Congress simply will not voluntarily restrict its own power to adopt deficit budgets with impunity. Such a prospect was envisioned by the framers of our Constitution. As the debates of the Constitutional Convention reveal, congressional reluctance to propose needed alterations in our Constitution was not unexpected. Delegates to the Constitutional Convention in 1787 believed that the States would be the chief proposers of amendments to the Constitution. The role of Congress in proposing amendments, in fact, was a compromise worked out in the spirit of balance and federalism. State pressure on the Congress is a necessary, legitimate, and desirable part of our Federal constitutional system of checks and balances.

Congressmen and special interests who are threatened by this amendment have begun a campaign of scare tactics and intimidation. Even the White House has joined in the unseemly spectacle of mobilizing various special interests against the expressed wishes of the overwhelming majority of the American people. The chief tactics of this campaign are three: Threats of punitive Federal action against the States, predictions of widespread suffering for the poor and helpless in this country, and horror stories of constitutional chaos surrounding a constitutional convention.

Let me respond briefly to each of these tactics. There are excellent reasons why Americans should not be frightened away from the proposal to which commonsense, and the disastrous economic effects of a decade of deficits, clearly lead them. In the first place, thoughtful observers will see in this sabre-rattling a large measure of bluff. Those congressmen whose first choice for budget cuts is aid to the states are probably in the minority. With plain evidence of gross waste in federal government employment all around us, it would be irresponsible to take a disproportionate share of funds from the hides of the states. And the states and localities are not without friends and defenders in the Senate and in the House.

Moreover, the States are not, as their detractors allege, attempting to have things all their own way. They are willing to participate to a fair degree in the restraint which will be required. Certainly very few tears would be shed among the Nation's governors over cuts in the categorical grant programs through which the federal government attempts to override and undercut state decisionmaking. States, families, and individuals in this country stand to gain far more from a stable dollar than they stand to lose from a reduction of what is loosely termed federal "assistance."

The second tactic alleges that a balanced budget amendment will harm the poor and the helpless. But it is the poor and the helpless in our country who are most victimized by the cruel, hidden tax of inflation. Those who must struggle merely to stay even in a double-digit inflationary economy are not impressed by arguments that the Congress must retain its "flexibility" to distribute federal largesse and to spend far in excess of its revenues. Those who see no end in sight to the inflationary spiral are not impressed by the importance of the Congress' right to continue business as usual.

Opponents have linked a balanced budget amendment with high unemployment, massive cuts in Federal programs, and widespread social dislocations. The litany of these predictions has by now a familiar ring. We may recall the equally well-certified, highly refined econometric predictions of disaster prior to the passage of proposition 13 in California. None of these results occurred there—and none will occur now if a responsible Congress enacts a balanced budget proposal. Based on revenue projections for FY 1980, we could have a 3% nominal increase over last year's budget, and balance the budget this year. But even this is impossibly difficult to achieve where there is no constitutional requirement to do so. No single action the Congress could take would have a more beneficial effect on our economy than proposing to the States a meaningful balanced budget amendment.

The third threat brandished against constitutional anti-inflation measures concerns the potential of a new constitutional convention. We are threatened with the prospect of a runaway assembly of zealots, intent on rewriting the Bill of Rights. Such alarms are irresponsible, but instructive. They reveal the elitist, antidemocratic attitudes which lie at the heart of Washington politics. In the first place, it demeans the character of the American people to assume that they would select an assortment of one-issue fanatics to represent them at this most important and solemn of meetings. Second, this argument ignores the fact that any proposal originating at a new convention would have to run the gauntlet of 38 State ratifications in order to become part of the Constitution. It requires an especially contemptuous view of the State legislatures of America to fear the results of such a process, and I suggest that the hysteria over the convention prospect is greatly overstated.

In the main, the State legislators of the country came carefully and even reluctantly to their convention calls. The vast majority of balanced budget petitions passed in State legislatures to date express a preference for Congressional action as opposed to another convention, reserving the convention call as a last resort. That is the responsible way for the Nation to proceed. Congress should act, thoughtfully but promptly. But if it refuses, the idea of a constitutional convention to effect the people's will should not frighten those Americans who have confidence in the innate commonsense of our people and in our Federal system. And confidence in our Federal system has a long and honorable history.

In closing, let me read a brief passage:

"That useful alterations (in the constitution) will be suggested by experience could not but be foreseen. It was requisite, therefore, that a mode for introducing them should be provided. The mode preferred by the convention seems to be stamped with every mark of propriety. It guards equally against that extreme facility, which would render the constitution too mutable; and that extreme difficulty, which might perpetuate its discovered faults. It, moreover, equally enables the general and the State governments to originate the amendment of errors, as they have been pointed out by the experience on one side, or on the other."

These are the words of James Madison.

DR. CHARLES MALIK ADDRESSES THE COSMOS CLUB

Mr. HELMS. Mr. President, last week the distinguished diplomat and philosopher, Dr. Charles Malik, of Lebanon, addressed the Cosmos Club. Lebanon, whose Christian community is 2,000 years old, occupies a unique position in the history of culture. It is a window to the East and a window to the West. Dr Malik, as one of the great citizens of Lebanon, has the perspective to bring together the wisdom of both civilizations.

In recent months, the importance of the Middle East to the survival of the West has been forcefully thrust upon us. with events in Iran, in Israel, and Egypt. Perhaps never in recent years has it been brought home to us how important is this area, often described as "the cradle of civilization."

Dr. Malik, in his address to a prestige audience at the Cosmos Club, emphasizes how our material concerns for the fuel to drive our economies paradoxically has made us aware of the need to understand our spiritual roots—both of which are springing from the same region.

Mr. President, this is quite a remarkable address, by a man who has the insight to penetrate to the heart of our problems.

Mr. President, I ask unanimous consent that the address of Dr. Charles Malik be printed in the RECORD at the conclusion of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE PROBLEM OF THE WEST

(By Charles Malik)

I

Five recent events help to reveal the state of the spirit of the West: the normalizing of relations with China, the revolution in Iran, the themes put forward by Pope John Paul II, the unprecedented trip of the President of the United States to Cairo and Jerusalem and the results it yielded, and the fateful energy crisis. What are these events saying to the Western world in terms of destiny and essence? And how is the Western world reacting to them?

II

The normalizing of relations with China was an historic event. Only good can accrue to both peoples from normal intercourse on all levels of existence. Also China plays an indispensable role in the global equation. The fact that America can maintain friendly relations at once with China and Russia on a somewhat equal basis, whereas neither China nor Russia can do the same with respect to the other two in the triangle, speaks volumes about the strength and freedom of America. All this is obvious.

But four things are not obvious. Can you afford to turn your back to Taiwan which you have upheld for a whole generation? In the interest of genuine reciprocity of relations, must you not insist upon the Peoples Republic of China granting the basic human rights of freedom of thought, expression and religion both to their own people and to you in your relations with them, just as you grant the same rights to your own people and to the Chinese in their relations to you? Must you not be very careful lest your policy towards China should estrange Europe which, after all, cares far more for its neighbor Russia than for far-away China? Would not this estrangement, if it took place, cause the Atlantic Alliance to erode and Europe to be somewhat neutralized with respect to Russia—and already we hear rumblings of such neutralism in Germany, France and Italy?

And fourthly, and most importantly, do you accept that the Chinese learn from you only your science and technology without any spiritual penetration of their mind by your values and ideals? Marx impregnated them; don't you have anything better to impregnate them yourselves? Japan learned from you only your science and technology and the result was Pearl Harbor. A far worse Chinese Pearl Harbor may be awaiting you fifty years from now if all you care to transmit to China is your technology and science.

China is telling the West something very profound. It tests the solidarity of the West. It reveals a spirit in the West that is not quite sure that it knows and believes in a distinctive intellectual-spiritual-human message, and that may not have the will to share it with others. Surely, Marx does not exhaust the meaning of the West to the soul of China.

III

I take the Iranian upheaval, the trip of President Carter to the Near East and the energy crisis together, because they do go together.

The greatest thing that happened to America since the Second World War, the thing that shook America to its foundations, is the upheaval in Iran. Korea, Viet Nam, even the Berlin Blockade in 1948, did not touch your vital interests as has the Iranian revolution. The reasons for this are obvious and everybody knows them. It is enough to contemplate the supreme strategic importance of the Strait of Hormuz. As measured by the solemnly declared policy of the United States for fifteen to twenty years, the Viet Nam war can only be understood as a war you lost; nevertheless, it did not affect you mortally. Nor can it be said that you won the Korean war; but even had you lost it in the fifties, you would not have been affected mortally. Cuba on your doorsteps became Marxist-Leninist-communist while you were looking on, but that, too, has not so far affected you mortally; although Cuba's apparent determination to continue playing a role in events in Africa, Latin America and the Middle East is big with destiny. England, France and the other West European nations lost their centuries-old empires and yet they survived, and some of them after getting disencumbered of their empires fared better. But should you lose the sources of your energy in the Middle East, or even should these sources fall into hands that could blackmail you through them, the whole free world as we have known it, as Secretary Schlesinger warned the other day, would be finished.

The Iranian revolution is the Pearl Harbor of our day. Indeed, what else could have waked up the West from its easy-going ways, its false sense of self-sufficiency, the dreamy indolence of lotus-eating? Unlike the thunderbolt of Pearl Harbor, it grinds its effect upon the West slowly, but it grinds it exceedingly. You cannot go back to sleep again.

The Ayatollah Ruhollah Khomeini may not last. I believe he is not going to last. All analogies are inexact; all analogies are more or less misleading; but I believe Khomeini is the Kerensky of the Iranian revolution. I believe he is going to be superseded by a Marxist-communist regime closely linked to the Soviet Union. His historic function is precisely not to last, but only to get rid of the shah in order to pave the way for this supersession of himself. Soviet communism has the power of dominating Iran even under cover of Islamic Shi'ism. The West has no such power. That is part of its problem.

But your most perceptive analysts, even when they reach this level of insight—which they rarely do—stop there. That is all they care to know—that is all they are capable of knowing. Something is strangely blinding or at least inhibiting them.

But Khomeini, whether or not he lasts—and he is a very old man anyway, and so is Bazargan—Khomeini is saying something, without saying it at all, much deeper to America and the West than his lasting or his perishing—if only the West would hear!

He is saying to you and the West:

"You are at liberty to worship and serve your own man-made gods—money, security, comfort, the machine, progress, material power, the infinite varieties of pleasure, nature and its powers, the manipulation of the human body, the lure of systems and ideas. 'But as for me and my house,' as Joshua once exclaimed, 'we will serve the Lord'—the Lord as we know Him. Where did we Moslems humanly receive our revelation save from the Judaeo-Christian tradition which is at the base of your civilization? Do you still believe in it? For our part, we will go back to the spiritual roots and sources of our life. You want to establish a spiritual community with us on the basis of what you call 'modernization'; this we reject, because you seem to forget that 'modernization,' worshiped as a god, is a denial of the much deeper existing community between you and us—the community of the only true God of Abraham. Your cynics make fun of us; they make fun even of the faithful among you. Your cynics say there is no going back—there is only going forward. But I tell you and your cynics: you are only deceiving yourselves if you think you are really going forward while turning your back on your spiritual roots and origins; you are not going forward but backward; for the only way to move securely forward is to return penitently backward."

This is what I hear Khomeini telling the world, especially the Western world. Instead of hearing what he is saying, although he is not saying it, the West judges him anachronistic. That is part of its problem.

I may remind you Persia is a great culture. It adopted Islam but it developed its own distinctive version of Islam—Shi'ism. Nor is this the first time God has raised a man from Persia to use him as a rod with which to chastise the nations. I remind you of Darius, Cyrus, Artaxerxes, Ahasuerus. The Bible paints them as instruments of God. The Persians are a people of genius. Long before their oil they always had a role in the oikonomia of destiny.

IV

The uninterrupted flow of oil from the Middle East is a matter of life or death to the West and to Japan. Therefore, the implicit necessity to guarantee this uninterrupted flow has now after Iran become explicit. It is not a joke when we say it is a matter of life or death. The West will not die when it can and must live. It appears, then, that a firm decision is now irrevocably taken that the condition of life, to wit, the flow of oil, will be ensured by every means and at any cost. The emphasis, of course, is on the two words "every" and "any." And I am confident the United States commands the means and affords the cost. When it is literally a matter of life or death for a whole civilization, 4000 years old, quibbling about means and cost is simply excluded.

This is, of course, the meaning of Secretary Brown's statement: "Peace and security are not inexpensive but war and insecurity are even more so." The phrase "peace and security" here is a diplomatic euphemism for what I called "a matter of life or death." It covers a multitude of meanings which do not meet the eye.

It follows that the domain of the West is now publicly and effectively extended to include the Eastern Mediterranean. The Truman Doctrine of the late forties and the Eisenhower Doctrine of the late fifties were only mild precursors of what might now be termed the Carter Doctrine of the late seventies.

This is the meaning of the moving signings today on the northern lawn of the White House by Presidents Carter and Sadat and Prime Minister Begin. These signings solemnize and formalize and publicly declare to the whole world that the effective extension of the domain of the West to include the Eastern Mediterranean is now guaranteed by the economic and military might of the United States. You have no idea of the depth and extent of your inextricable involvement in the Near East now. This is a stunningly new fact in your history and the history of the world.

If the United States makes it absolutely plain to all concerned—the emphasis again is on the word "all" which includes, of course, the Soviet Union, as I think it has today—that the West is simply not going to die, then the diverse pieces in this fateful drama will all fall in place—except for one secret weapon which the West is not adept at. I refer to the possibility of subversion from within.

Here again we have another aspect of the problem of the West: the West can more easily get subverted than it can itself subvert. Not that it does not subvert or has not subverted, but others can more easily subvert it than it can subvert them. And that for essential reasons.

To say that the Eastern Mediterranean for reasons of life or death has now formally become part of the domain of the West does not mean either that it has thereby lost its distinctive character or that this is the first time the West has included it. In his book "The Battleground: Syria and Palestine," Hilaire Belloc depicts the tragic destiny of the Eastern Mediterranean as being the eternal battleground between East and West. A glance at the map reveals the Mediterranean as only an inland extension of the Atlantic. Apart from Middle Eastern oil being a matter of life or death to the West, strategically it is impossible to conceive of the West losing the Eastern Mediterranean.

But historically and culturally, it is more correct to say that, far from the Mediterranean itself being an extension of the Atlantic, it is Europe and America and the Atlantic that are themselves extensions of the Mediterranean. Where would Europe be, where would you be, without Homer and Moses, without Cicero and Christ? It only took the life-or-death exigency of the oil of the Middle East to cause the indissoluble historical-cultural link between the West and the Eastern Mediterranean to be explicitly reasserted. Part of the problem of the West is that it appears to wake up to its origins and roots only when it is a matter of life or death for it, and the strangest thing today is that what is a matter of life or death for the West is the material oil of a general region from which it originally derived its mind, its spirit, and its life. People start thinking of God and the final things only when the fact that they are dying is inescapably brought home to them. One hopes that even after the West establishes its independence from Middle Eastern oil, 20 years, 50 years from now, the West will not then lapse back into a state of smug self-sufficiency and forget its provenance in the Eastern Mediterranean.

Where would Europe and America be, where would the West, including Russia be, without Athens and Rome, without Alexandria and Constantinople, without Antioch and Jerusalem? Europa is the name of a Phoenician princess abducted by Zeus transforming himself into a bull, and where would you be, where would the whole world be, without the greatest invention of all time, the alphabet, whose 27 characters were first perfected in Byblos on the coast of Lebanon and then diffused by the Phoenicians throughout the whole Mediterranean? It is not a shame, it is manly to acknowledge one's origins.

V

The names of present-day actors may all go, so may all existing regimes. Succeeding names and regimes may themselves go too. In fact, it is certain that this is the inevitable fate of many of them. What remains then? The peoples, the native cultures, the rooted institutions, the natural resources of the area, its outstanding strategic importance, its undying historical significance, the tug of war between Washington and Moscow with respect to it, the drawn lines whereby the domain of the West, because the West is not prepared to die, is extended now to include the Eastern Mediterranean. Peoples, cultures, regimes, institutions, resources, rivalries, men, all fall in place once the fact that the West is not prepared to die sinks firmly into people's heads. The underlying cause of all instability is precisely that this fact has not yet sunk deeply into people's heads. They think that the West will waver and will not risk its life in order to remain alive. The real test of the resoluteness of the West is yet to come. Its very problem is to convince all concerned—again the emphasis is on "all"—of its resoluteness. In the face of the perpeutal shrinkage of the realm of freedom almost without resistance during the last thirty years, the problem of the West is one of credibility. After Cuba, Viet Nam, Angola, Ethiopia, the Horn of Africa, Yemen, Lebanon—and the events of Lebanon fall integrally into this picture—Afghanistan, and now especially Iran, and after the ideological softening everywhere, throughout Asia, Africa, the Middle East and Latin America, and even among the political and intellectual circles of Europe and the United States, how can the term "the free world" have any longer a coherence and consistency of its own? It seems there is no free world! Nor certainly am I saying that the countries where the shrinking or the softening occurred were not ripe for a change; but the problem is, why should this change, in many cases long overdue, always occur to the benefit of unfreedom and the detriment of freedom? Is authentic freedom therefore inherently doomed? Is the actual historical decision of power, not just in sheer preparedness but in decisive action, that can convince the world that the West is still alive and kicking and is not prepared to die. This decision has not yet survived a crucial test.

VI

Until five kinds of input have concretely poured themselves into the equation, we do not know the fate of the tripartite agreements signed today here in Washington between Egypt, Israel and the United States: the slowly unfolding reactions of the peoples of the three countries; the reaction of the Palestinians; the reaction of the Arab world; the reaction of the Islamic world; and the reaction of the Soviet Union.

The fifth could be the most important. For here we are dealing principally with a contest not only of interests but of will between Washington and Moscow. Nor do I think Moscow could be permanently excluded from these negotiations. Moscow has it in its power, if that were its will, to upset the apple cart tonight. The eternal Eastern Question is now entering a very interesting phase. It should never be forgotten that the entire world bears on the Near East as on no other region: it is *the world problem* par excellence. It is not only the problem of the West.

There is a mystery in Carter the Christian reconciling Sadat the Moslem and Begin the Jew. One must dwell reverently on this mystery.

Much more is involved here than peace in the ordinary political sense. This word "peace," parroted right and left, is most misleading. The simple naively take it at its face value. Theological factors of the deepest spiritual order are at work. This is so not only because all questions are ultimately theological, but because in this instance we are dealing with the very material from which all theology sprang, including the theological judgment that all questions are ultimately theological.

Let a Communist atheist try to bring them together! He could not. Let an Indian pantheist try to bring them together! He could not. Let a Western cynic try to bring them together! He could not. Only Carter the Christian could—at least so far.

Some people dream of bringing the three religions together by going out of them into some form of socialism or materialism or economism or secularism or rationalism or even humanism. They do not know what they are doing nor the kind of material with which they are dealing. The faith of Abraham is stubbornly resistant to all such attempts.

Peace between the three religions is never going to be on the basis of any of them turning its back on its distinctive faith or diluting it into some synthetic least common denominator. It can only be on the basis of each of them being authentically what in truth it is, subject only to genuine openness to others and genuine mutual understanding and respect. This is all that the Christian or the Moslem or the Jew can ask.

When free and open being and genuine mutual understanding and respect are assured, the rest can be safely trusted to the Providence of God.

Some people view the phenomenon of Islamic revival with alarm. It conjures up in their mind specters of holy wars. But they dread this phenomenon only because they themselves are without faith. And because they are without faith, they do not have the slightest comprehension of it.

He who ponders Deuteronomy and the Psalms, he who meditates on Isaiah and Jeremiah, he who is soaked with the Gospels and the Epistles, he who converses daily with David and Paul and Christ, he who knows the deepest spiritual history of the last 2000 years, he who knows and lives and practices his faith, he who has already tasted the world to come and the power of the Resurrection, how can he fear anything, how can he fail to devise ways and means for meeting every challenge?

VIII

There is going to be a rash of studies on Islam. The more knowledge the better, provided, better it be not sentimental or romantic or utilitarian or mercenary, provided it be thorough and deep and authentic. The regulative principle should be the gathering in of the total evidence, not only from Islamic literature or Moslem scholars, nor certainly only from Orientalists, nor most certainly from foreign office or oil company officials. The living experience of Islam and interaction with it for centuries by peoples and cultures is certainly part of the total evidence. I am afraid one aspect of the problem of the West is that it is incapable of gathering in the total evidence or unwilling to do so.

You have Islam and Christianity, and you have Islam and Judiasm, and you have Judiasm and Christianity. This applies not only to doctrine but to Jewish, Christian and Moslem peoples. The three pairings reveal different differences and affinities. Who can determine which doctrine combines more readily with a second against the third, and under what conditions? Who can determine which people combine in action and interaction more readily with a second against a third, and under what conditions? The politicians? The statesmen? The diplomats? The businessmen? The scholars? The philosophers? Who? Part of the problem of the West is that it either does not understand this question, or it cannot answer it, or it is totally confused about it.

IX

John Paul II brings to the papacy four new features. He is the first non-Italian pope in centuries, and that is refreshing. The fact that he comes from behind the iron curtain, and indeed from Poland, contains the seeds of much fruit in the future. Secondly, he appears determined to push the ecumenical impulse of John XXIII and Paul IV to new heights. Thirdly, his trip to Mexico, however the Latin American Bishops may have later tendentiously interpreted it, clearly revealed that he would not go along with the so-called Marxist theology of revolution. This theology does not put Christ first, but second—a mere tool in the hands of Marxism. Which does not mean that he has not uttered the strongest words against all forms of injustice; the primary function of the church, he insists, is to evangelize so as to enable the converted man himself to fulfill the demands of justice, without denying Christ, as Marx did. There is a very significant shift of emphasis here from the positions of his two predecessors. And fourthly, he wrote his doctoral dissertation on Max Scheler, which means that he is trained in phenomenology and not only in Thomism, and this widens the scope of his contacts with the intellectual world. He can thus use a common language and mode of approach with a significant section of the mind of the age. To know Marxism livingly, and not only conceptually, as is the case with the professors, and at the same time to be trained in non-Marxist phenomenology, is a unique combination for a pope these days.

Thus, John Paul II is full of promise. I counsel the Protestants to open their mind to him as I did my Orthodox coreligionists. His emphasis on evangelism is a call to our roots and origins. His appearing at a time when the church in South America is seething with revolutionary Marxism is a most significant sign. When he plants his feet firmly in the midst of the predominantly Italian Curia and when they get used to him and he gets used to them, he will be saying great things to he West and to the world. He will affirm the freedom and dignity of man which he learned spiritually and existentially from the Gospel and intellectually from Scheer. He will be stressing spirit and not only conditions, the content of the mind and not only its form, the living Christ and not only Christian principles and morals. The problem of the West is to absorb and adjust to him.

X

And now a few aspects of the problem of the West taken from the life of the West itself, enumerated almost without discussion.

Since it is impossible to arrest the progress of science and technology, who is going to maximize the benefits of this progress and minimize its harms. Not the scientists and technicians themselves. Only a humble and broken spirit, only an original sensitivity, to value and beauty, only a holy impulse.

The men propelled to positions of decision are for the most part operators. In their speeches, statements, books and conduct you hardly find any appreciation of value, spirit, truth, rootedness, essential inner freedom. Peace and security are only a matter of balance of power: a problem in mechanics.

Those who say change is inevitable, and they are engaged in producing it, and in directing and controlling it—are they really controlling it even if they were producing it? Or are they bowing to it helplessly however it comes, leaving it to others both to get hold of its dynamics and to reap its fruits?

The West appears unable to relate itself to others except externally and utilitarianly. Who is reading Locke, Jefferson, Emerson, William James, in Asia, Africa, the Middle East, Latin America? Who is not reading Marx, Lenin, Mao, Ho Chi-minh, Che Guevara? This is a very serious problem.

Also there is the inability of the West to relate itself except to individual rulers—a dictator here, a monarch there, a president elsewhere, a general somewhere else. The Soviet Union relates itself both to rulers and ruled, through cultural community and ideological indoctrination. Between the West and the realms beyond there is much greater discontinuity of culture and doctrine than there is between the Soviet Union and the realms beyond.

The great problem of human rights. Of the 30 articles in the Universal Declaration of Human Rights, which are being stressed, which are almost forgotten? Of the 150 members of the United Nations, which are selected as targets for the human rights campaign, which are passed by on the other side?

That mind, spirit, morals, even will, are derivatives and conditions and factors—economic, social, political, physiological—are original, is the basic doctrine of Marxism. This Marxist doctrine is sweeping the West too.

Some of the most decisive truths people do not dare mention, let alone discuss. People are simply terrorized. The deadly fear that they will be labeled with an odious word makes them shut up.

One of the ultimate causes of the manifold problem of the West is the fact that while the sciences in the universities are exponentially progressing by leaps and bounds, the humanities, the liberal arts, the character- and soul- and mind- and attitude-forming disciplines, I mean, history, philosophy, literature, art, even religion, have only succeeded in sociologizing, psychologizing, relativizing, socializing, Freudianizing, secularizing, materializing, immanentizing, almost dehumanzing themselves. Why the humanities have decayed, namely, the cause behind this cause, is the most serious problem.

Of course it is false to lump all this under one heading "the West." How well I know wonderful people in the West—even in the universities—who suffer these things deeply and heroically struggle against the stream, both in their own lives and in the life of society at large. But they are lonely and helpless. They make a little dent here, they leave a bare trace of a mark there. The torrent of the stream is simply overwhelming. But they are the salt of the earth, they are the hope of the world.

XI

And now, a final summing up.

The problem of the West is to re-establish its credibility after 30 years of fumbling, to realize that being is a matter, not only of vision, but of courage and sacrifice. It may be the shock of Iran has at last awakened the West to this resolve. It may be what happened today in this capital is a solemnization of this awakening.

The problem of the West is to try to relate itself internally and essentially to peoples and cultures, and not only externally and utilitarianly.

The problem of the West is urgently to arrest and reverse the decay of the humanities and the liberal arts in the universities, because all technology and progress are the creation of an original free spirit without which civilization will simply wither away.

You may win every battle, but if you lose the war of ideas, you will have lost the war. You may lose every battle, but if you win the war of ideas, you will have won the war. My deepest fear—and your greatest problem—is that you may not be winning the war of ideas.

A great civilization like the Judaeo-Christian-Graeco-Roman civilization, which is the West, cannot survive by sheer operationalism. It must have a steady vision rooted in the nature of things, rooted in something eternal. What is the fixed star on which the West anchors its gaze? Sheer self-preservation? More and more goods? More and more power? More and more pleasure? A steadily rising material standard of living? An endlessly expanding economy? No contentment? No self-control? No self-forgetting? No sacrifice? No voluntary suffering? No cross? What if the spirit can only create in and through suffering, in and through the cross?

Since Moses and Homer you have 4,000 years of cumulative culture behind you and in you. You have treasures of thought and spirit and attitude and being and beauty the like of which in every respect exists nowhere else in the world. The problem of the West is one of faith in these treasures. Perhaps your cynics have convinced you that all these wonderful values are now outmoded. Outmoded in favor of what other values?—this is the problem of the West.

The problem of the West is to return and hold fast to your roots and origins. This is what China and Iran are saying to you, each in its own way, and both without saying it. This is what the Pope is telling you by saying it. This is what your deepest thinkers and souls are telling you by saying it.

The problem of the West is to realize, in deepest humility, what it means to be heir to the richest, deepest and most creative civilization, to pray to be worthy of this priceless trust, to tend it in fear and trembling, and with the utmost love.

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following reports of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY, EXPENDED FROM MAR. 10 TO MAR. 15, 1979

		Per diem		Transportation		Miscellaneous		Total	
Name and country	Name of currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Robert Christman: Hong Kong	Hong Kong dollar	2,164.50	$450.00	8,047.13	$1,673.00			10,211.63	$2,123.00
David R. Martin: Hong Kong	do	2,164.50	450.00	8,047.13	1,673.00			10,211.63	2,123.00
William P. Feland: Hong Kong	do	2,164.50	450.00	8,047.13	1,673.00			10,211.63	2,123.00
Total			1,350.00		5,019.00				6,369.00

HERMAN E. TALMADGE,
Chairman, Committee on Agriculture, Nutrition, and Forestry.

Mar. 28, 1979.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, COMMITTEE ON FINANCE, EXPENDED FROM JAN. 1 TO MAR. 31, 1979

		Per diem		Transportation		Miscellaneous		Total	
Name and country	Name of currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Moynihan: Canada	Dollar				$159.04				$159.04
Michael Stern: Switzerland	Franc	997.50	$600.00		751.00			997.50	1,351.00
Total			600.00		910.04				1,510.04

RUSSELL B. LONG,
Chairman, Committee on Finance.

Mar. 31, 1979.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, COMMITTEE ON FOREIGN RELATIONS, EXPENDED JAN. 1 TO MAR. 31, 1979

		Per diem		Transportation		Miscellaneous		Total	
Name and country	Name of currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John H. Glenn:									
Korea	Won	40,080	$84.03					40,080	$84.03
Japan	Yen	40,540	206.00					40,540	206.00
People's Republic of China	U.S. dollar		125.00						125.00
Thailand	Baht	1,336	65.81					1,336	65.81
Philippines	Peso	222.40	30.13					222.40	30.13
Senator Jacob K. Javits: Mexico	Peso	290	12.83					290	12.83
Jacques Gorlin: Mexico	Peso	395	17.48					395	17.48
Roy A. Werner:									
Philippines	Peso	451.50	61.18					451.50	61.18
Thailand	Baht	1,717.5	84.61					1,717.5	84.61
People's Republic of China	U.S. dollar		152.00						152.00
Japan	Yen	37,470	190.39					37,470	190.39
Korea	Won	61,230	126.51					61,230	126.51
Total			1,155.97						1,155.97

FRANK CHURCH,
Chairman, Committee on Foreign Relations.

Mar. 30, 1979.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE COMMITTEE ON APPROPRIATIONS, EXPENDED FROM NOV. 2 TO NOV. 15, 1978

		Per diem		Transportation		Miscellaneous		Total	
Name and country	Name of currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator J. Bennett Johnston:									
England	Pound	134.94	$270.00					134.94	$270.00
Austria	Schilling	2,270.15	164.00					2,270.15	164.00
France	Franc	1,767.75	417.00					1,767.75	417.00
Germany	Deutsche mark	317.90	170.00					317.90	170.00
Air transpo rtation from Washington, D.C., to above countries and return.					$1,651.20				1,651.20
William P. Jones:									
England	Pound	134.94	270.00					134.94	270.00
Austria	Schilling	2,270.14	164.00					2,270.15	164.00
France	Franc	1,767.75	417.00					1,767.75	417.00
Germany	Deutsche mark	317.90	170.00					317.90	170.00
Air transportation from Washington, D.C., to above countries and return.					1,651.20				1,651.20
John C. Walton:									
England	Pound	134.94	270.00					134.94	270.00
Austria	Schilling	2,270.15	164.00					2,270.15	164.00
France	Franc	1,767.75	417.00					1,767.75	417.00
Germany	Deutsche mark	317.90	170.00					317.90	170.00
Air transportation from Washington, D.C., to above countries and return.					1,651.20				1,651.20
Oliver G. Richard:									
England	Pound	134.94	270.00					134.94	270.00
Austria	Shilling	2,270.15	164.00					2,270.15	164,00
France	Franc	1,767.75	417.00					1,767.75	417.00
Germany	Deutsche mark	317.90	170.00					317.90	170.00
Air transportation to above countries and return to Washington, D.C.					1,651.20				1,651.20
Previous balance			9,084.73		13,710.38				22,795.11
Total			13,168.73		20,315.18				34,025.56

RECAPITULATION

Foreign currency (U.S. dollar equivalent) (total)	34,025.56

WARREN G. MAGNUSON,
Chairman, Committee/Delegation Appropriations.

Mar. 28, 1979.

AFGHANISTAN

● **Mr. PERCY.** Mr. President, I have long had an interest in the Near East and consider U.S. relations with countries such as India, Pakistan, Bangladesh, Afghanistan, Sri Lanka, Nepal, and Bhutan highly important. I have reported separately to the Senate on many of these countries and will in early fall report to my colleagues on interesting and pleasant developments in one of the most remote, but fascinating and delightful countries I have ever visited; namely, Bhutan.

Today my task is more difficult, however, and far less pleasant. I wish to update my colleagues in the Congress on recent developments in Afghanistan.

I first visited Afghanistan a number of years ago. At the time Robert Newman was our Ambassador in Kabul and my brother-in-law, John Guyer, was country director for the Peace Corps. I visited all parts of the country and saw it through the eyes of U.S. Peace Corps members in many remote areas. I was the first American to visit with President Daoud, have stayed in close touch with the former Afghan Ambassador to the United States, Abdullah Malikyar, former governor of the region embracing the beautiful area of Herat. I negotiated with top officials of Afghanistan and Pakistan to lessen tension between those two countries and attempted to help settle water right disputes between Afghanistan and Iran.

With a heavy heart, I have talked with friends and families of friends injured or killed, including innocent women and children in the aftermath of the coup last year.

The Taraki regime, which came to power with a very narrow political base by a coup on April 27, 1978, now faces growing opposition. This was dramatized in mid-March when insurgents apparently temporarily seized control of at least parts of the western city of Herat. The U.S.S.R. is helping the Afghan Government (DRA) confront this threat with increased deliveries of military equipment and with a propaganda campaign attributing the insurgency to outside intervention. Pakistan, China, Iran, Egypt, and most recently the United States, with particular emphasis on the alleged role of the CIA, have been named as participants. The United States issued statements on March 23 and April 2 denying the Soviet allegations.

These factors and events have contributed to the current situation:

In the past year there has been a major expansion of the U.S.S.R.'s already established role as Afghanistan's major military and economic aid donor and its largest trading partner. This has led to the development of a "special relationship" between the DRA and the U.S.S.R., confirmed in the Treaty of Friendship and Cooperation signed in December 1978. The treaty legitimizes the Soviet role in Afghanistan and provides a basis for its help to the DRA.

There have also been new arms supply agreements and a significant increase in the number of Soviet military and civilian advisers. They now total several thousand and play influential roles throughout the Afghan Government, including the armed forces and internal security forces. Some Soviet military have reportedly been killed while operating with Afghan forces against the guerrillas.

The Taraki regime, while denying that it is Communist, claims to be "working class" and has strong Marxist-Leninist roots. It is widely perceived by the devoutly Muslim Afghan population as being atheistic and communistic.

The regime has attempted to initiate land reforms and changes in the education system which would fundamentally alter the traditional character of Afghan society. These reforms have met resistance from many elements of the population.

The Afghan Government has taken positions in the U.N. nonalined movement, and so forth, that are scarcely distinguishable from Moscow's.

The regime's harsh efforts to suppress the dissident activity, which began in mid-1978 in remote parts of Eastern Konar province and spread to a number of other provinces, have alienated the population. As the unrest escalated, perhaps partly in reaction to propaganda efforts of rebel organizations based in Pakistan, the DRA has retaliated by bombing villages and arresting leaders of the Muslim clergy and other prominent figures. Many members of the armed forces have also been arrested. The regime's survival now probably depends heavily upon Soviet support.

The Soviet propaganda campaign appears designed to justify their extensive military involvement (advisers, equipment such as armored vehicles, helicopters and possibly the crews to man them) and lay the groundwork for more massive intervention if needed.●

BRZEZINSKI ON SALT

● **Mr. PERCY.** Mr. President, in Chicago on April 4, Dr. Zbigniew Brzezinski, Assistant to the President for National Security Affairs, delivered a major address outlining the administration's rationale for the SALT II Treaty. He was speaking at the annual members dinner of the Chicago Committee on the Chicago Council on Foreign Relations.

The Chicago committee is a private group that includes over 400 outstanding senior business, academic, and professional leaders of the Chicago area. I know that it was a pleasure for Dr. Brzezinski, as well as for me, to meet with the members of this imfluential group. I am proud to be a member of the committee myself and to serve on the Board of the Chicago Council on Foreign Relations.

It is a pleasure for me to submit for the Record at this point Dr. Brzezinski's speech on the strategic arms limitation talks. Because Dr. Brzezinski's brilliant tough-minded analysis of the talks and of arms limitation in general merits our attention and consideration, I believe that all my colleagues who will be called upon to vote upon this proposed treaty will want to carefully study his speech:

REMARKS OF DR. ZBIGNIEW BRZEZINSKI

SALT AND NATIONAL SECURITY

The United States and the Soviet Union are on the verge of an historic achievement: completion of a comprehensive agreement on limiting strategic offensive nuclear forces. Our nation has been striving to achieve this goal since the SALT negotiations began nearly ten years and three Administrations ago. Today, I want to talk with you about the importance of this SALT agreement in terms of our national security and our relations with the Soviet Union.

The signing of the SALT II agreement will engage us in a vigorous and, we hope, enlightening national debate leading to Senate ratification of the SALT II treaty. Equally important, this national dialogue should produce a fresh consensus for policies to ensure our national security in the 1980s. President Carter began this dialogue in his recent address at Georgia Tech. Secretary of Defense Harold Brown will be discussing military and defense aspects of the treaty tomorrow in New York City.

The security of the United States can only be achieved through the full participation of our elected leaders and of the American people. As we all realize, the issues which challenged us in negotiating SALT II will not disappear once the agreement is signed and ratified. Protecting our strategic interests and pursuing a constructive strategic relationship with the Soviet Union will remain on our national agenda as far into the future as we can see. As a result, our policies must be based on realism, patience, and wisdom about the future. The American people must understand these policies. So must our allies. So must the leaders of the Soviet Union.

SALT and U.S. policy toward the U.S.S.R.

As President Carter has stated, U.S.-Soviet relations will continue to be a mixture of competition and cooperation. Our policies must be designed to pursue both, and to draw an effective balance between the two—seeking to broaden cooperation where we can, but effectively meeting the challenge of the competition where we must.

The Soviet Union is a military superpower that is now pressing forward to become a true global power. In some parts of the world, tht Soviet Union challenges our security interests and those of our close friends and allies.

In pursuing its goals, the Soviet Union relies primarily on its military power. This is its strength—strength which we match—but in many ways it is also the source for its weakness. By diverting massive resources from its civilian economy to build its military machine, the Soviet Union has weakened the strength of its society.

In contrast, the United States enjoys many unique assets; our economic and technological dynamism; our thriving and stable society; our government which can count on genuine public participation and support; our ability to count on allies who have joined with us in free association.

The Soviet Union's ideological appeal has flagged at home and abroad. Its economic and political systems are models for none. Perhaps most remarkable is its political isolation, as it has discovered that it is difficult to transform raw military power into political gain. It has allies, clients, and proxies. But these are associations usually defined by Soviet might, not by mutual respect or self-interest.

The limits on open and free Soviet political engagement with the community of nations—relationships which we enjoy in full measure—force the Soviet Union to concentrate on its military power to gain influence. This leads it to be both more assertive towards others and more fearful of its own position—a combination that poses deep challenges to our steadfastness and resolve

We are meeting these challenges today; we will continue to do so in the future.

At the same time, the Soviet Union has gradually come to understand the risks of a competition that is so heavily influenced by military issues. It is a nation that directly suffered the full brunt of the worst conflict of modern times. With us, the Soviet Union has come to recognize that SALT can help contain the risks of nuclear holocaust which would flow from unrestrained competition in strategic arms. As a result, SALT, in the context of programmed U.S. strategic capabilities, can provide the needed strategic stability for progress in political relations between our two countries.

Even with this SALT agreement, the competitive elements of our relations with the Soviet Union will remain. We will need a sustained and long-term effort to protect our interests and those of our friends. But this competition can be managed more safely and effectively if our two nations can and will contain the dangers of nuclear confrontation, through the agreed and reciprocal exercise of restraint.

In pursuing mutual restraint through SALT, we are concerned not only about the Soviet Union of today, but also about the Soviet Union of tomorrow. During the next several years, the Soviet leadership will change. We cannot predict the character of the new leaders, or all the major aspects of future Soviet policy. But we can work now to ensure that Soviet leaders of the present and the future will understand the policies and purposes of the United States—both our determination to protect our interests and those of our friends and allies, and our desire to broaden detente and cooperation.

When the next generation of Soviet leaders decides its policies towards strategic arms and towards the United States, we want them to face clear and agreed restraints on the competition in strategic arms. We want these to be the restraints of SALT II, not the milder restraints of the SALT I interim agreement. We want them to see convincing evidence that the United States recognizes its interests and will successfully defend them whatever the challenge. And we want them to know how they can join with us to further detente and cooperation.

That is a vital objective of the new SALT agreement: helping to determine the way in which the Soviet Union will see future relations with the United States—setting limits *now* on its actions in the strategic field, and increasing the chances that limits on these arms can lead to more peaceful relations.

WHAT IS SALT?

Our goals in SALT are the same as our goals in overall strategic policy: to promote greater stability, to reduce incentives for either side to use nuclear force, to limit pressures to build up strategic arms, and to guarantee the security of our national interests and those of our friends and allies.

The SALT Treaty of 1972 sharply limited deployment of anti-ballistic missiles systems on both sides; it averted a costly and dangerous ABM competition which neither side wanted but which both feared the other was about to initiate. We reached a comprehensive agreement with relative ease because extensive ABM deployment had not yet begun, and neither side was confident that its ABM technology would be effective.

The challenges involved in negotiating a comprehensive agreement on limiting strategic offensive arms have been far greater because both sides already have large deployments of these systems. Moreover, marked differences in the composition of Soviet and American offensive forces have made it extremely difficult to define limitations that are both balanced and equitable.

But we have preserved, and the expected agreement will go far beyond the interim SALT agreement. It is much more comprehensive and better suited to America's strategic needs. Let me outline some of the major accomplishments of the SALT II agreement:

For the first time, it sets equal ceilings on all major intercontinental strategic delivery systems, as well as important subcategories of MIRVed missiles.

It imposes an effective upper limit on the number of warheads that can be placed on each MIRVed ICBM. This is critically important because it simplifies our future strategic planning and adds more certainty to our military projections.

The treaty limits each side to developing and deploying one completely new ICBM before 1985. This provision will inhibit the qualitative expansion of the arms race, while still permitting us to develop an entirely new ICBM and a more secure basing mode for our ICBM force. This we need to do because improvements in Soviet military capacity are increasing the threat to our Minuteman ICBMs. The SALT treaty gives us the flexibility to solve this problem.

SALT II goes beyond SALT I, in all these provisions, by setting equal ceilings for the categories of weapons it covers. This requirement reflects a key demand expressed by the Senate when SALT I was negotiated. This negotiated principle of equality will require an actual reduction in the Soviet Union's intercontinental forces. They will have to eliminate more than 250 systems, and the importance of this step should not be underestimated. It may well be the forerunner of more substantial and significant reductions by both sides.

It is also important to recognize that the SALT II Treaty runs only through 1985. While our long-term goal is a permanent treaty, the development of offensive weapons remains far too dynamic for us to make confident predictions about the late 1980s and beyond. But the SALT II Treaty does markedly reduce our uncertainty about Soviet forces in the early 1980s—a period in which we must improve our own strategic forces, especially to allow them to survive in the face of potential Soviet attack. These necessary improvements on our part would be far more costly, and we would be far less confident about their success if we were without the limits which SALT II will impose on Soviet forces.

We have long recognized that SALT II would have little value if we could not be followed by the Soviet Union. That is why verification was such an important issue in the negotiations. The treaty reflects our concerns. It unambiguously establishes that verification is a necessary component of arms control agreements in general, and SALT II specifically. It establishes that national technical means of verification, such as satellite photography, are legitimate tools for insuring compliance. It prohibits both interference with these tools and deliberate concealment that could impede the collection of necessary information. And the agreement mandates that both sides follow special procedures to make verification easier.

These important steps significantly reduce the uncertainty about the threat each country faces. One of the major triggers of increased arms competition is uncertainty about what might exist. And the SALT II Treaty takes a critical step toward reducing that uncertainty.

It should also be understood that the SALT II Treaty allows us to proceed with the force improvements that we need within a structure of predictability and confidence.

What SALT is not

This is how the SALT II agreement will enhance our security and provide the basis for further limits on strategic arms in the future. But a sensible evaluation of the SALT II agreement also requires clear understanding of what it does not do . . . and what it cannot do.

First, and most important, the SALT II Treaty is not an agreement based on trust. It stands on its own merits based on common interest, expressed in hard bargaining and compromises. It provides for adequate verification of essential provisions, it is backed up by strong U.S. capabilities to respond to both present and future military needs.

Clearly, the SALT II Treaty will also not signal the end of East-West competition. Where our interests are threatened, we shall defend them. And where we can broaden detente, and achieve new forms of cooperation with the Soviet Union, we shall seek to do so, as well.

SALT II is not the end of military competition with the Soviet Union, even in strategic arms. During the last two decades, the Soviet Union has expanded and modernized its armed forces in all areas. Its steadily-growing defense budget consumes more than 10 percent of Soviet GNP. As a result, we are confronted in many areas with military competition to which we must respond.

The SALT II Treaty will keep those requirements lower than they would otherwise be in one area—strategic arms—but it will not end them. The most urgent problem we face is the growing vulnerability of our ICBM force. In addition, we must modernize and improve our theater nuclear and conventional forces. We can and shall do so, and nothing in the SALT II Treaty prevents us from taking these necessary steps on our own and with our allies.

No one should regard the SALT II Treaty as a way to impose comprehensive constraints on everything that the Soviet Union does in its military and foreign policy, much less on what it does within its own society. In our own national debate about SALT, some observers question whether we can sign an agreement when the Soviet Union continues to act against our interests in many areas abroad, and fails to recognize basic human rights at home. They thus insist on linkage.

Our position on linkage is clear. We believe that limitations on strategic arms are desirable in themselves. The quest for such limitations should not be held hostage either to other American or Soviet policies or to competition between us. We do not accept any linkage, for example, between closer U.S.-Chinese cooperation on a variety of issues and SALT, and we would strongly reject any Soviet effort to impose such a negative connection. By the same token, we cannot insist that the Soviet Union accommodate us in regard to matters of concern to us as a condition for an agreement with the United States on strategic limitations. To impose such a linkage would mean that no problem in the U.S.-Soviet relationship could be solved unless all major issues were resolved simultaneously. This is not a prescription for policy but for paralysis.

Accordingly, our task is to obtain a good SALT agreement and to meet as appropriate Soviet challenges where and when they arise.

Criticisms and rebuttals

In the weeks ahead, the SALT II agreement will be subjected to searching discussion by the Senate and by the people of the United States. And that, in our democracy, is the way it should be. It is impossible to negotiate an agreement on anything that will please everyone. Critics of the SALT II Treaty will raise a wide variety of objections. I think it might help to clear the air if I tried to answer some of the more common criticisms of this agreement.

It will be maintained that the agreement does not go far enough, that the ceilings are too high, and that the limitations are too modest. Let me assure you that no one agrees more sincerely with this criticism than President Carter. Yet he recognizes—and we all need to—that the pursuit of the best cannot be permitted to stand in the way of achieving the good. The achievements of the SALT II Treaty are useful and real. They move the prospects for peace and stability far ahead of where they would be in the absence of this Treaty. The road to achieving more ambitious strategic arms control lies in approving this agreement, and then moving ahead toward greater goals.

There will be those who will argue that this agreement—despite the principle of equality on which its essential provisions are based—will impose a degree of strategic inferiority on our nation. I believe these criticisms are unwarranted, alarmist, and I would like to explain why:

It will be said that the Soviet Union is permitted to have very heavy missiles, while ours are much lighter. Yet we have never had an interest in building heavier missiles ourselves, relying instead on our qualitative advantages. And we have achieved in SALT II a truly important restriction on how the Soviets can exploit their heavy missiles by limiting the number of warheads each can carry;

It will be said that the agreement fails to cover the backfire bomber, which could reach the United States. Yet, the agreement also does not constrain our F–111 bombers based in Britain, or other aircraft which could also be used against the Soviet Union;

It will be said that the agreement includes limits on cruise missiles which are more important to us than to the Soviet Union. Yet, we are permitted to mount a sizable force of air-launched cruise missiles, without a limit on their range. And limits on sea-launched and land-launched cruise missiles will expire well before we could deploy them.

I cite these examples—and there will be more—for a simple reason: we have gained or retained one or more advantages for ourselves for every one we have granted the Soviet Union. And where any Soviet capability truly presents a military problem, we are free, within the terms of the agreement to respond in appropriate ways to guarantee our security. This is what it means to have a good and equitable agreement; not symmetry of systems; but a framework for equal security.

Furthermore, much criticism of the SALT II Treaty will focus on whether it can be adequately verified. We are fully confident that it can. We maintain a vast, sophisticated, and expensive array of means to detect and monitor what the Soviet Union is doing in its strategic programs. They are totally under our own control; in no way do they require us to simply trust Soviet good will. These means help us to overcome a major difference between our two countries—our open society versus their closed one. We are able to monitor many aspects of the development, testing, production, deployment, training, and operation of Soviet strategic forces, despite the closed nature of Soviet society, and despite Soviet obsession with secrecy.

To be sure, no means of verification can be absolutely perfect. Yet, through our enormous efforts—harnessing the world's most advanced technology and the skills of many tens of thousands of our most highly trained people—we are confident that we can detect any significant violation of the SALT II agreement well before we would have to react militarily to such a violation. And the SALT II Treaty will continue the Standing Consultative Commission in Geneva, to which either we or the Soviets can refer any question of compliance with the Treaty.

While negotiating SALT II, it has been vitally important for us to protect the security and the interests of our NATO Allies, as well as our own. We have consulted with our Allies on SALT II at every step of the process, with a thoroughness and intensity that has few precedents.

We have assured our Allies that their interests will be fully met by this Treaty. The best evidence of the success of our continual efforts to work with our Allies on SALT II can be seen in their response: strong support for this treaty by Allied leaders, including public statements at Guadeloupe by Chancellor Schmidt, Prime Minister Callaghan, and President Giscard.

We are also determined that the continuing SALT process not divert our attention from the continuing challenge of Soviet military power or undermine our resolve to meet it. This resolve is unrelated to the merits of the proposed agreement, but rests instead on our own good sense and national will.

With or without SALT talks, with this agreement or any conceivable alternative, we would still face the tasks of judging the military challenge to the United States and our Allies, and of responding effectively to it. In any event, we would have to provide for the common defense in sober and realistic terms. And in any event we will do so.

During the next several years, we will need to make a number of difficult choices about our force posture in several areas. We shall make these choices in the sober realization that the United States must have military strength sufficient to deter any attack on us or our Allies, to enable us to deal successfully with any attack and at any level—should an attack occur, and to defend our interests and those of our friends and Allies around the world.

The future of SALT

The SALT II agreement is a major step forward in strategic arms control. But it is only one step. In the future, it will be important for us to move promptly on a complex agenda of arms control issues, including significant reductions in strategic weapons, further qualitative limitations on weapons, and still further improvements in our ability to verify arms control agreements. And at every step of the way, we will work closely with our NATO Allies, to ensure that our efforts in SALT III will advance their security as well as our own.

We shall continue to press for more and better strategic arms control agreements. But we shall not hold our own needed defense programs hostage to the uncertain prospects of future arms control. Nor shall we hesitate to halt any defense program whose military requirement is effectively and safely removed by successful arms control agreements.

Finally, as we judge the SALT II Treaty, we must remember precisely what is being achieved. The SALT process is an effort unique in human history. Never before have two very different and powerful competing nations engaged in an effort to limit their freedom of action in matters vital to their own survival and that of mankind. Never before have two such nations recognized that greater security can come from mutual self-restraint in building their most destructive weapons, rather than from continuing an unbridled competition. This mutual understanding is not based upon trust, or upon ignoring our deep and continuing differences. Rather, it is a recognition of the critical importance of reducing strategic uncertainties and the risks of nuclear crises and devastation. Our efforts in controlling nuclear weapons will continue to be difficult, halting, and uncertain. It will require our patience, wisdom, and unparalleled efforts to make sound judgments. But I think you will agree that it is a noble effort to achieve goals that are vital to ourselves and to all mankind.●

SALT II

● Mr. PERCY. Mr. President, today Secretary Harold Brown delivered an incisive speech on SALT II and the national defense before the Council on Foreign Relations and the Foreign Policy Association of New York City that supplements and complements the remarks made by Dr. Brzezinski in Chicago last night. I commend it to my colleagues.

REMARKS BY SECRETARY OF DEFENSE HAROLD BROWN

I am pleased to have this opportunity to speak with you about strategic arms limitations and the national defense. I am convinced—and I believe that the President, and many of you, agree—that the emerging SALT agreement with the Soviet Union will be the single most significant bilateral understanding reached by the two global superpowers during the 1970s.

SALT has become part of the fabric of international relationships. It is an element of stability not only in military terms but in the worldwide political balance. Experience has shown that SALT alone cannot end the political competition between us and the Soviet Union, nor can it fulfill all our hopes for cooperation—or all our needs for strategic security. But, as the President's National Security Advisor suggested yesterday, it is necessary to the prudent management of both aspects of our relationship.

Because of the agreement's profound importance, it is essential that the public debate concerning its merits be not only thorough, but also well informed. In speaking here today I hope to contribute to both of those essential qualities.

Let me begin my discussion of SALT and the national defense by reporting to you on the status of the talks. Although we are very close to an agreement, there are at least two or three remaining major issues—especially those involving verification and limits on new missiles—of such importance that we must know that they have been resolved satisfactorily before we can be confident a SALT II Treaty can be achieved. Whether—and therefore when—agreement can be reached depends largely on the negotiation of these issues. The prospects, in my view, continue to be good.

Under our system of government, of course, the final United States decision on whether or not a treaty will take effect will be made by the Senate. Thus, the formal debate over ratification will be conducted in the Senate and will not start until a Treaty is signed and submitted to that body. As a practical matter, however, the debate over SALT II has already begun and, in fact, has been underway for as long as or longer than the negotiations themselves. Moreover, the debate is a far-reaching one and has, properly, addressed our broader strategic policy objectives and programs, as well as the provisions of the agreement itself.

I believe the key question each of us must answer centers on the agreement itself: will its approval make the United States more secure than lack, or rejection, of an agreement. But that question can be answered—and SALT can properly be evaluated—only in the context of: United States strategic weapons policy and objectives; the state of the U.S. Soviet balance now and as we expect it in the future; and the programs that we have undertaken to implement our strategic policy.

THE SOVIET CHALLENGE

Our national security derives from much more than our military strength. The military balance is only a part—but a vital part—of our total national security posture.

There is no doubt that Soviet military power today is much greater than it was in the 1960's—both in absolute terms and relative to our own. There has been a steady increase in Soviet military spending during each of the past 15 years. Our current estimate is that it would cost us $40 billion more than we now spend each year on our own defense establishment, to support military forces and programs of the size and nature pursued by the Soviets.

Today, the military balance between East and West is one of rough equivalence—but with troubling trends appearing in both strategic and tactical nuclear areas. It is not the current balance but rather the momentum of Soviet strategic programs that is cause for concern.

Despite Soviet military accomplishments, the Soviet Union does not now enjoy a military advantage in nuclear terms; it is not in a position to exploit its strategic weapons or embark on a course that may lead to the use of nuclear weapons without themselves encountering unacceptable risks. A strategic balance exists today because the deterrent forces on the two sides are essentially equivalent. Neither side could launch a first strike that would prevent the other side from responding with a retaliation of devastating proportions. Neither side can effectively intimidate the other with its strategic forces.

In the face of these circumstances of Soviet challenge and competition, we are pursuing, and need to continue, two complementary courses of action.

The first is to ensure, within SALT constraints, that our strategic forces are capable of meeting our defense objectives despite the continued Soviet strategic buildup. The 1980 Defense budget and our Five-Year defense program for 1980–1984 are designed to do this.

The second is to seek, in a SALT II agreement, specific and verifiable provisions constraining Soviet strategic forces as part of the process of limiting further the strategic arms competition between the U.S. and the Soviet Union.

U.S. OBJECTIVES

Two concepts underlie U.S. strategic forces planning: deterrence and essential equivalence.

Deterrence of nuclear war is our most fundamental defense objective. A credible deterrent can be achieved only if we possess the military force necessary to persuade our enemies that, whatever the circumstances, if they start a course of action that could lead to war they will either:

Pay an unacceptable price to achieve their objective or;

Be frustrated in their effort to achieve that objective.

Our basic strategy requires us to be able to inflict such damage on a potential adversary, that regardless of the circumstances, the prospect of that damage will preclude his attack on the United States, our allies, or our vital interests. To achieve this we need, first of all, a survivable capability to devastate the industry and cities of the Soviet Union. Assured destruction capability—which is what I've just defined—is the bedrock of nuclear deterrence. It is not, however, in my judgment, sufficient in itself as a strategic doctrine. Massive retaliation may not be appropriate, nor will its prospect always be sufficiently credible, to deter the full range of actions we seek to prevent.

We need capabilities convincingly able to do, and sure to carry out, under any circumstances the Soviets consider realistic, whatever damage the Soviets consider will deter them. Put differently, the perceptions of those whom we seek to deter can determine what is needed for deterrence in various circumstances. For fully effective deterrence, we need to be able to respond at the level appropriate to the type and scale of a Soviet attack. Fully effective deterrence requires forces of sufficient size and flexibility to attack selectively a range of military and other targets, and to enable us to hold back a significant reserve.

This ability to provide measured retaliation in response to less-than-total attacks—and thus to prevent the Soviets from imagining that they can gain meaningful advantage at some level of nuclear conflict—is essential to credible deterrence. Moreover, whatever doubts one may have about whether a nuclear war could be kept limited—and I have severe ones—it would be the height of folly to put the United States in a position in which uncontrolled escalation would be the only course we could follow.

By any reasonable standard, we have a credible deterrent today and will have one for the foreseeable future. We have, and will continue to have, survivable forces capable of massive destruction of Soviet cities and industrial potential, even after an all-out surprise attack. We also have—and will have increasingly in the coming years—both the forces, and the targeting and employment policies, that allow for selective use of nuclear force to respond to more limited provocations. The rapid Soviet buildup in strategic forces over the past dacade, as compared to our own more modestly paced improvements in forces, should not obscure the basic power and credibility of our deterrent.

Moreover, the problems we face—in particular the growing vulnerability of our fixed silo ICBMs—will not force us to choose between all-out attacks on cities, on the one hand, and surrender, on the other. Our capacity to make selective strikes at military and other targets, while maintaining a reserve, is large now and will grow in the future, despite ICBM vulnerability.

Essential equivalence—our second broad objective—is somewhat different from credible deterrence. It is one possible criterion for such deterrence, particularly if we want our nuclear forces to have an effect that goes beyond deterrence of an all-out strategic surprise attack. The use of essential equivalence as an objective reflects the reality that nuclear forces—like other military forces—have a broader political role, not entirely determined by technical, static (force-counting) or even dynamic (wargaming) calculations of military capability.

As long as our relationship with the Soviet Union is more competitive than cooperative—and this is clearly the case in military terms—maintaining essential equivalence of strategic nuclear forces is necessary to prevent the Soviets from gaining political advantage from a real or perceived strategic imbalance.

Essential equivalence thus demands that our forces not only be on a par with those of the Soviet Union, but be seen to be so. We need not—we should not—imitate Soviet forces in an inevitably futile, immensely costly, and potentially very dangerous effort to match or exceed the Soviets in every conceivable index of strategic power. To say, however, we can tolerate some "gaps" that are offset by U.S. advantages by other measures is not to say we can tolerate an overall imbalance whether perceived or real.

Today, essential equivalence exists. While the Soviets have certain advantages, such as ICBM throw weight and deliverable megatonnage, we now have offsetting advantages in numbers of warheads, accuracy and antisubmarine warfare capability.

Most importantly, while no one can assuredly predict the outcome of any nuclear exchange, neither we nor the Soviets would gain, in any rational sense from such a conflict.

It's worth considering, for a moment, whether these objectives are ambitious enough:

Ought we to be satisfied with equivalence and with preventing Soviet actions by deterrence?

Ought we instead to seek to exploit our resources and our technology to attain strategic superiority?

In the first place, massive numerical superiority in strategic forces, even when we had it in the 50's and 60's, proved to be no panacea for our military needs, and still less for our security.

The potential futility of any quest for superiority derives, I believe, from the realities of nuclear weaponry and bilateral superpower relations. Modern nuclear weapons technology is such that while equivalence is a realistic goal, superiority is not, *providing* that the other side is determined to prevent it. Each superpower can, by actions that are well within its technical and economic capability, prevent the other from gaining an overall advantage, much less supremacy.

The system is not self-equilibrating; neither equivalence nor even deterrence will be maintained automatically. Avoiding inferiority requires us to have the will and resolve to do the things that will enable us to maintain the strategic balance. For, if the Soviets ever were to achieve superiority, I am convinced they would make every effort to exploit it politically, and even militarily. I am confident that we will continue to show the will and resolve to prevent the Soviets from attaining superiority. But I think it would be equally wrong to suppose that the Soviets, challenged to a race for superiority, would passively yield such an advantage to us.

In brief, equivalence and deterrence are at one and the same time our maximum feasible—and our minimum tolerable—objectives. And at present, our forces meet those objectives.

But if the present balance is adequate in terms of our objectives of deterrence and equivalence, we face challenges for the future that we can ignore only at great peril. If today we are in a satisfactory relationship vis-a-vis the Soviet Union, what of tomorrow, less rhetorically, what will the strategic balance be like during the planning horizons we can reasonably contemplate?

Some trends are of real concern. The Soviets are rapidly catching up to us in a number of key areas where we have led in the past, especially in the areas of accuracy and reentry vehicle numbers. Additionally, the improvements the Soviets have made in long range theater nuclear forces may be of great significance as the central balance becomes more equal. Further, the growing vulnerability of our land-based missile force in the early 1980s could, if not corrected, contribute to a perception of U.S. strategic inferiority that would have severely adverse political—and could have potentially destabilizing military—consequences.

In reviewing the challenges the Soviets are posing in the strategic area, we should remember that the United States has not been idle. In the past 10 years, we have deployed more than a thousand MIRVed missiles, thereby increasing our missile warhead total nearly four-fold. SRAM (the Short-Range Attack Missile) has increased the capability of the B–52 force. Further, we have programs to improve each of the three elements of the U.S. Triad of strategic forces:

This year we will begin to put the new Trident C4 missile in our submarine fleet. In addition, the first new Trident submarine will be on patrol in late 1981, will be quieter—and thus less detectable accoustically—and will be capable of longer on-station times. We are also beginning work on a substantially improved Trident II submarine-launched missile.

Our cruise missile programs will greatly enhance the effectiveness of the bomber leg of the Triad. B–52 aircraft capable of penetrating Soviet air defenses will continue to contribute to the viability of the manned bomber leg of the Triad into the late 1980s. We are working on bomber and cruise missile technology for the longer term.

We are improving the accuracy and yield of the Minuteman forces. We are pursuing and will choose from among a number of options for more survivable, mobile, basing of part of the ICBM force to deal with the vulnerability problem. The MX missile for this purpose is funded for engineering development in the fiscal year beginning this October.

To summarize the current situation, despite Soviet military accomplishments, neither the Soviet Union nor the U.S. has a clear military advantage, and we intend to keep it that way. Our programs are sufficient for that purpose, if we receive the support of Congress in providing the funds to carry them out.

THE ROLE OF ARMS CONTROL

Strategic arms control provides one important way in which we can limit the military challenges we face. It is, therefore, an integral part of our overall efforts to meet our national security objectives. Thus, the SALT II agreements should be judged by the Congress and the American public first of all in terms of their contribution to our security and that of our allies. And is in terms of this criterion that I will set forth the bulk of my evaluation of the agreement for you today.

We should recognize, however, that in addition to the more specific military security issue, the merits of SALT and the SALT process must also be judged in a broader political context. That broader context has to do with our role as leader of the Atlantic Alliance, and the political damage that would be done to our status among allies and friends if the United States were seen to be neglecting, or even rejecting, strategic arms limitations. The SALT process itself is important to the further development of U.S.-Soviet and overall East-West relations. SALT is the foundation for progress in establishing an enduring political relationship with the Soviets that reduces tensions, and sets important visible boundaries to our ideological, and political and military, competition.

The basic elements of the SALT II agreement are familiar to you:

A Treaty, to last until 1986, that will:

Set equal limits on strategic nuclear vehicles.

Establish various sublimits on MIRVed systems (that is, ballistic missile systems carrying multiple warheads that can target more than one aim point) and heavy bombers carrying air-launched cruise missiles.

Limit each side to one new ICBM type, with a maximum of 10 reentry vehicles.

Bar increases in number of RVs on existing ICBMs.

Provide measures to permit unimpeded verification by national technical means.

A Protocol, to last about 3 years, that will

Bar deployment of ground-launched and ship-launched cruise missiles with ranges greater than 600 km during that period, while permitting unimpeded testing and development of such vehicles of any range.

Bar deployment of mobile ICBMs or air-to-surface ballistic missiles during that period.

The treaty will permit the deployment of these systems after the Protocol expires.

The agreement also includes:

A statement of Principles to guide SALT III, and

An exchange of statements on the Soviet Backfire bomber.

SALT II is, I firmly believe, a significant and most useful step in what we hope will be a continuing process.

The 1972 SALT I agreement contributed greatly to stability. It did so by banning nationwide ABM defenses, and by capping the buildup of strategic offensive arms through limiting missile launcher numbers to those existing or under construction in 1970. The Vladivostok agreement of 1974 set equal aggregates of all strategic nuclear delivery systems at 2400 and set a sublimit of MIRVed systems of 1320.

In 1977, at the beginning of this Administration, we attempted to achieve a comprehensive arms control agreement that would have been substantially more restrictive than the Vladivostok agreement—or the SALT II treaty—but a number of technological and political factors prevented success. We therefore took the dual track of trying to negotiate the largest possible reductions to the interim ceilings while making a serious attempt to limit qualitative improvements in new systems. We have achieved real successes in both areas.

We have been able to negotiate reductions in the Vladivostok limits—to 2250 SNDVs and 1200 MIRVed missiles—as well as to impose a new sublimit of 820 on land-based MIRVed ICBMs, the most destabilizing strategic force element.

In addition, we have broken significant new ground in the qualitative area by limits on numbers of reentry vehicles on each type of ICBM (and SLBM) and by allowing each side only one new type of ICBM.

Taken together, these two tracks have resulted in a significant step forward in the arms control process.

The prospect of continuing the process is a major intangible at stake in the debate. But the SALT II agreement need not be defended merely as a way station to SALT III and beyond. It can be fully and convincingly justified on its own merits.

The simplest way is to observe that, without the SALT II agreement, the Soviet Union could have nearly one-third more strategic systems than with the agreement. And there would be corresponding effects on other measures. For example, instead of the 2250 SNDVs of the Treaty, they could have 3000. Naturally, we do not know what the Soviets would do in the absence of a Treaty, but these higher strategic system levels are well within their capability. And the history of the nuclear era is strewn with the wreckage of confident U.S. predictions that the Soviets would at some point or another cease to add to force levels that were already—according to the U.S. predictors—as large as the Kremlin could possibly want. In my view, it is probable that without SALT II we would enter into an era of greater uncertainty—in both military and political terms—that would result in increased strategic forces on both sides, as hedges against that uncertainty.

Faced with such a Soviet buildup, the U.S. could, and I am confident would, respond. Given our determination to maintain essential equivalence, and the demonstrated Soviet willingness to avoid strategic inferiority even at great cost, the net result of such a numbers race would be greater strategic force levels at vastly greater expense and at substantial risk to stability.

The United States does not have unlimited resources to spend on strategic weapons programs without significantly affecting other defense priorities—such as improvements in conventional forces—and other government programs, such as those required to combat inflation. But we do need to spend enough, and what is enough depends in part on the actions of our adversaries.

SALT will not solve all our problems. Even with SALT we will need, and we will be permitted, to expand our strategic nuclear efforts above their present levels. Those levels, incidently, are about half, in constant dollar terms, what they were during the mid 1960s. But SALT will mean greater stability and predictability in the strategic challenges we face, and so the balance could be maintained at a substantially lower level of destructive power. Furthermore, with SALT, it would be significantly less expensive (perhaps as much as $30 billion less expensive over the next decade) for the United States to maintain that balance than without a SALT II agreement.

SALT II, while forestalling this pointless numbers race, will leave us the flexibility to carry out programs to deal with the challenges the Treaty will not eliminate. We can develop, test and deploy each of our planned programs—cruise missiles, Trident, MX—in the fashion, and on the schedule, that we have planned. Apart from putting some distinguishing features on our ALCMs and cruise missile carriers (to aid counting under SALT), we will not be forced by SALT II to alter our strategic programs, which we need to balance Soviet programs that are allowed in SALT II and that are, in large measure, already in place.

In at least one important respect—Minuteman vulnerability—SALT II will make the solution of a problem easier than without an agreement. SALT II will limit, to well below previously projected levels the number of Soviet MIRVed ICBMs, will freeze the number of warheads on existing ballistic missile launchers, and will limit the number of RVs allowed for new ICBMs. These restrictions sharply reduce the significance of the Soviet throw weight advantage, which without limitation, would, for example, enable them to deploy 20 or perhaps even 40 warheads on their largest ICBMs.

The combination of limitations on missile launchers and numbers of warheads will ease somewhat the difficulty of maintaining the survivability of our land-based ICBMs. The deployment of a new mobile ICBM system, regardless of basing mode, will be more feasible because an upper bound will be placed on the number of warheads that can be targeted against the aim points represented by that deployment. SALT II becomes, then, an important element in ensuring ICBM survivability.

Equally important, SALT II will leave us free to pursue with our allies the important issues of modernization of NATO's TNF forces, and to consider arms control initiatives in this area.

SALT will serve U.S. interests. It enhances the stability of the deterrent and allows us the flexibility to embark on needed modernization of our strategic forces without triggering another expensive and potentially destabilizing arms race. I do not doubt our economic or technical ability to compete successfully with the Soviets in strategic weapons. I do question whether such an effort is the best use of our national—or even defense—budget. And I do not believe that we would purchase increased security with that sort of effort.

Under the treaty, we can maintain flexible and credible deterrence, and assure essential equivalence.

Without the treaty, we could also do these things, but it would be more costly and less certain. I see the treaty as a valuable method of meeting our strategic goals—as a major component in our strategy along with our weapons programs. In my judgment, it is a very important component, although we must recognize that it will have to be accompanied by substantial U.S. defense programs—expanded ones in the strategic field.

VERIFICATION

Among the concerns expressed about the agreement one is undoubtedly in a class by itself: "Will it be verifiable?" Clearly the limits of an agreement with the USSR cannot be treated as self-enforcing. The U.S. must be able to verify with adequate confidence, by its own intelligence systems, the fact that the Soviets are complying with the agreement.

The SALT II Agreement will be verified by national technical means, including photo reconnaissance satellites and other technical measures. These means enable us to monitor many aspects of the development, testing, production, deployment, training and operation of Soviet forces. Despite the closed nature of Soviet society, we are confident that no significant violation of the treaty could take place without the United States detecting it. Because of our vigorous deployment and R&D efforts, we would be able to respond with appropriate actions before any serious adverse impact on the strategic balance could take place.

Much has recently been written about the loss of the intelligence sites in Iran and how important these sites were to have been to SALT verification. Intelligence of the kind obtained from these sites is important to our assessment of Soviet strategic forces programs, including some of the aspect limited by SALT II. We are examining alternative mean of collection, and the question is not if we will reinstitute this capability but how, where, and how quickly we can do it. This and other verification matters will of course be discussed at length during the ratification process.

We are now well into a national debate, not only on the treaty, but on our strategic policy—and on the overall state of US-Soviet relations. In the course of that debate, I would hope that those who consider themselves thoughtful proponents of military security and those who consider themselves thoughtful proponents of arms limitation, as well as those, among whom I number myself, who are concerned with both, can focus on the specific issue of whether our security—and with it the prospects of peace—will be better served with the treaty than without.

The President of the United States—and I—think the answer is clear. A sound SALT agreement is in the interest of both the United States and the Soviet Union, despite the competition between our two systems that exists elsewhere—and indeed will continue with respect to strategic nuclear forces. SALT II will provide a firmer foundation for other measures to control the growth and proliferation of nuclear and conventional capabilities throughout the world. Indeed, if the Soviet Union will emphasize cooperation rather than competition, SALT II will allow a healthier state of US-Soviet relations.

All these considerations have led me to conclude that assuming the remaining issues can be resolved to our satisfaction, signature and ratification of SALT II are clearly in the national interest of the United States. In my own mind, I am satisfied with that conclusion, but I acknowledge that reasonably people of good will and high purpose may come to a different judgment. I hope that the coming debate will strengthen our understanding, strengthen our resolve to sign and approve the Treaty, and in so doing, lead to a strengthening of our national security. Indeed, I am confident that, that will be the result, and that it will be a good one for all of us.●

QUORUM CALL

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BOREN). Without objection, it is so ordered.

ORDER TO PROCEED TO CONSIDERATION OF S. 423 AND TIME LIMITATION THEREON

Mr. ROBERT C. BYRD. Mr. President, this has been cleared with the minority, and Mr. HELMS is here to represent the minority.

I ask unanimous consent that at 1:30 p.m. today the Senate proceed to the consideration of Calendar Order No. 10, S. 423, a bill to promote commerce by establishing a national goal for the development and maintenance of effective, fair, inexpensive, and expeditious mechanisms for the resolution of consumer controversies, and for other purposes; that there be a time limitation of 20 minutes on the bill, to be equally divided between Mr. FORD and Mr. SIMPSON; that there be a time limitation on one amendment, an amendment by Mr. SIMPSON, a time limitation of 45 minutes on that amendment, to be equally divided in accordance with the usual form; that no other amendments be in order, with the exception of a technical amendment by Mr. FORD, the author of the bill; and that the time on that amendment come out of the time on the bill; that any time for debatable motions or appeals or points of order be limited to 2 minutes to be equally divided in accordance with the usual form. And I believe I have already stated that the only amendment that would be allowed in would be the Simpson amendment and the technical amendment by Mr. FORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from West Virginia.

ORDER FOR RECESS UNTIL MONDAY, APRIL 9, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 noon on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

PURPOSE OF NONLEGISLATIVE FRIDAYS DURING APRIL

Mr. ROBERT C. BYRD. Now, Mr. President, this going over to Monday is in conformity with my promise to committee chairmen and to the staff directors of committees that I would attempt to carve out some time, as much as possible between some weeks ago and May 15 so as to allow committees to meet deadlines that have to be met under the Budget Reform Act by the May 15 deadline, so that committees know, as they have known for quite some time, that I do not intend to call the Senate into session on Fridays through April, barring an emergency, so that committees could count on at least 1 day a week through April in which there would be no interruptions, there would be no need to get consent for committees to meet, and so that witnesses could be informed to come to Washington, some of whom have to travel long distances, without fear of cancellations by committees of the hearings because of failure to get consent from the Senate to meet.

So I hope committees will take advantage of this opportunity and will meet and will make progress in reporting of bills in advance of the May 15 deadline.

I call attention also to the calendar where there are only eight measures thereon. One of those will be disposed of today at 1:30 p.m., may I say to the distinguished Senator from Connecticut (Mr. RIBICOFF), who is here to manage the Department of Education bill. Agreement has been reached at 1:30 today to call up the bill, Calendar Order No. 10, and to dispose of it. There is a very short time agreement on it. It will not take but a few minutes, so that will be off the calendar.

I hope before we go out for the nonlegislative day holiday we will be able to dispose of the aircraft noise bill, which is Calendar No. 55.

I had hoped the Senate would be able to dispose of the bill to establish a Department of Education. I still hope it might. But in the event it is not possible, I hope we can get a time agreement today or tomorrow which will see the Senate completing that measure soon after we return from the Easter holiday.

Calendar Order No. 57, S. 869, I would hope, can be disposed of today or shortly, because that is the measure which the distinguished Senator from Connecticut (Mr. RIBICOFF) introduced on yesterday, and by order of the Senate it was placed on the calendar. It is a measure that needs to be acted upon quickly so as to clarify the intent of the law that was passed some time ago, that is referred to as the "revolving door" legislation, I believe. I would hope that measure could be passed.

There is not much on the calendar. What is on there the Senate is making progress on. Calendar Order No. 12, Senate Joint Resolution 3, which was placed on the calendar, will be back before the Senate at some point in time by order of the Senate.

That pretty well sums up what is on the calendar. It indicates that Old Mother Hubbard's cupboard is almost bare, and the Senate is making progress today. But we will not be in tomorrow, and that will give committees an opportunity to get some work done on other measures.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. RIBICOFF. I was wondering what the Senator's intentions were with regard to the Department of Education bill. As I understand, another bill will come up at 1:30. I do not, at the present time, see Senator Percy on the floor. I was wondering about the advisability of perhaps recessing until 1:30 if there were no other business, and after the disposition of the 1:30 proposal, then going to the Department of Education bill, instead of going to it at the present time.

Mr. ROBERT C. BYRD. Mr. President, Alexander Pope said:

> Thou wert my guide, philosopher, and friend.

Today the distinguished Senator from Connecticut is my friend, philosopher, and guide. I will accede to his request, which I think is wise and appropriate under the circumstances and, if there are no objections, I ask unanimous consent that the Senate stand in recess until 1:30 p.m.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. First let the Chair announce that, the time for morning business having expired, morning business is closed.

RECESS UNTIL 1:30 P.M.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia that the Senate stand in recess until 1:30 p.m.? Without objection, it is so ordered, and the Senate will stand in recess.

Thereupon, at 12:22 p.m., the Senate took a recess until 1:30 p.m., whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. Stewart).

DISPUTE RESOLUTION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of S. 423, which the clerk will state.

The assistant legislative clerk read as follows:

> A bill (S. 423) to promote commerce by establishing a national goal for the development and maintenance of effective, fair, inexpensive, and expeditious mechanisms for the resolution of consumer controversies, and for other purposes.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may briefly suggest the absence of a quorum without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is S. 423.

Mr. FORD. Mr. President, I ask unanimous consent that the name of the Senator from New Hampshire (Mr. Durkin) be added as a cosponsor of S. 423.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 66

(Purpose: To postpone authorizations for 1 year)

Mr. FORD. Mr. President, I ask unanimous consent that a committee technical amendment be agreed to, and that the bill as thus amended be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Does the Senator have an amendment to send to the desk?

Mr. FORD. I do.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

> The Senator from Kentucky (Mr. Ford) proposes an unprinted amendment of a technical nature numbered 66.

The amendment is as follows:

> On page 18, line 23, strike "1979" and insert "1980"; on page 18, line 24, strike "1980" and insert "1981"; on page 18, line 25, strike "1981" and insert "1982"; on page 19, line 1, strike "1982" and insert "1983"; on page 19, line 3, strike "1983" and insert "1984"; on page 19, line 6, strike "1980" and insert "1981"; on page 19, line 8, strike "1981" and insert "1982"; on page 19, line 9, strike "1982" and insert "1983"; on page 19, line 10, strike "1983" and insert "1984".

Mr. FORD. Mr. President, this is just a technical amendment. I think it has been agreed to on both sides. I do not care to discuss the amendment any further, and I do not believe the minority side does, either. So I yield back any time I may have.

The PRESIDING OFFICER. Without objection, the amendment is greed to.

Mr. FORD. Mr. President, it is with pleasure that I bring S. 423 to the floor for consideration by the full Senate. This legislation will greatly accelerate the development of effective, fair, and inexpensive and efficient means to resolve numerous small civil disputes.

Mr. President, the history of this legislation shows the great need for the development of improved dispute resolution mechanisms. In 1972, the small claims study group released an in-depth study of small claims courts with specific recommendations for reform. In 1973, the National Institute for Consumer Justice investigated the adequacy of existing procedures for resolving disputes arising out of consumer transactions. In drafting this legislation, we have been cognizant of and responsive to the recommendations of the National Institute for Consumer Justice that a modest infusion of Federal funds would stimulate local and State jurisdiction already strapped financially to improve and create alternative forms for resolution of consumer disputes and other minor disputes. These studies and others were instrumental in contributing data which brought about the original introduction of this bill in 1974. The record of this original bill, the Consumer Controversies Act, is the record on which the Dispute Resolution Act was built.

As chairman of the Consumer Subcommittee, I have received hundreds of letters from consumers whose complaints are never resolved due to the lack of adequate dispute resolution mechanisms. It is this kind of complaint which the Dispute Resolution Act will help to resolve. As Phil Knox, vice president of Governmental Affairs for Sears, Roebuck & Co., stated in a recent letter to me:

> Without question, individuals need and deserve aid in resolving minor disputes, especially those disputes between a business and its customers.

Sharon Nelson, legislative counsel for Consumers Union, has been of great assistance in the development of legislation which will aid consumers with their complaints. She has written:

> We support the passage of the small dispute resolution bill which will fund primarily consumer dispute resolution mechanisms which will allow the States, localities and nonprofit organizations the flexibility to select innovative and sound consumer dispute resolution programs truly responsible to local needs.

Mr. President, as chairman of the Consumer Subcommittee, I cannot emphasize to my colleagues strongly enough how important it is that these mechanisms be provided so that the average citizen will be able to adequately resolve minor consumer disputes without a great deal of difficulty and expense.

Mr. President, this legislation has always enjoyed the support of many of the most reputable business groups in America. It is in the interest of small businesses and businesses generally to make sure that claims involving their customers are resolved expeditiously and fairly. Writing for Sears, Roebuck & Co., Phil Knox stated:

> Sears views S. 423 as a vehicle which can provide an excellent opportunity for the federal government to encourage establishment of workable systems of dispute resolving mechanisms which would help alleviate the feelings of frustration and alienation customers have toward business.

The act also allows businesses to utilize these forums established for the resolution of minor disputes.

This legislation will provide the following extremely necessary improvements to the resolution of disputes:

First, a coordinated program to strengthen dispute resolution mechanisms including small claims courts, arbitration and mediation and conciliation efforts in the country.

Second, the development of a dispute resolution resource center to facilitate the systematic exchange of information to the States and localities concerning the improvement of existing and development of any dispute resolution mechanisms.

Third, comprehensive surveys of existing systems will also be undertaken in order to help determine what mechanisms have been effective and ineffective in the past.

Fourth, modest levels of financial assistance to strengthen existing systems and to develop new dispute resolution systems.

This legislation has been given extremely careful scrutiny over the last several years. Similar legislation has been introduced in the last three Congresses and passed the Senate in the last two Congresses. In the last Congress, detailed hearings were held by the Senate Commerce, Science, and Transportation Committee. Subsequent to these hearings, hundreds of hours were spent in consultation with outside experts, interested groups, Senators and staffs of the Senate Commerce Committee, the Senate Judiciary Committee and other interested Senators in refining and improving this document. In this regard, I particularly commend the efforts of my distinguished colleague, Senator KENNEDY, who has worked hard and effectively on this legislation since its original introduction. Senator KENNEDY amended the bill that I originally introduced in the last Congress and it was this amended version which passed the Senate unanimously. The legislation I introduce today is identical to that bill. Also, I wish to note my appreciation for the efforts of the distinguished Senator from Idaho, Senator McCLURE.

Mr. President, in light of the long history surrounding this bill and its widespread support in the business, consumer, and academic communities, I urge the Senate to act today to pass this legislation.

Mr. KENNEDY. Mr. President, equal access is more than just a hallmark of justice—it is a definition of justice, and no justice system can exist if access is the privilege of a few and not the right of all. In theory, that principle is the foundation of our legal system. But the reality is that two-thirds of the American people lack easy access to the courts. For them, the guarantee of justice is nothing more than a hollow promise. Instead of getting their day in court, more and more Americans are merely getting frustrated and cynical.

In too many cases, justice has become a luxury which too few can afford. Most cannot afford lost time from work; they cannot afford the legal costs; and they cannot afford the frustrations. Securing justice has become an effort which taxes the patience, the hope, and the finances of even the most determined. Complex procedures, disproportionate expenses and long delays have turned away too many of our citizens. For them, the doors of justice do not revolve. They are closed.

In the past few years, many have begun to rethink the basic mechanisms for effectively delivering justice. They have realized that litigation is neither the only method nor always the best method of resolving a dispute. Chief Justice Warren Burger has repeatedly sounded the theme:

> The notion that ordinary people want black-robed judges, well-dressed lawyers, and fine panelled courtrooms as settings to resolve their disputes is not correct. People with problems, like people with pains, want relief, and they want it as quickly and inexpensively as possible.

All of us encounter problems in the course of our daily lives. All of us seek an easy and effective means of resolving them. Because the court system fails too often to provide such a means, we must find effective alternatives.

Experimentation with various dispute resolution alternatives began some time ago in Massachusetts, and these programs have become models for others now being operated throughout the country. The urban court program is one of the best developed and most successful programs in the country. Since 1975, its 50 volunteer citizen mediators have handled nearly 1,000 cases, held hearings in 680 of these, and settled 77 percent of the disputes. After 3 months, 87 percent of these cases remained settled. The court mediation services in Taunton, Mass., began in 1977, and has handled nearly 60 referrals; 62 percent of the cases mediated resulted in agreements, 95 percent of which remained in force 3 months later.

A number of other excellent and innovative programs in my State, including the mediation component of the Youth Resources Bureau in Lynn, the assistance in domestic disputes program in Middlesex County, the domestic crisis intervention program in Cambridge, the aid for battered women program in New Bedford and the mediation program in Quincy, are addressing a critical need and providing valuable assistance to our citizens in resolving a wide range of daily disputes.

In order to continue and encourage such experimentation, on February 9, Senator FORD and I introduced S. 423, the Dispute Resolution Act of 1979, which provides for a national clearinghouse for information and technical assistance, and provides incentive grants to those who wish to develop innovative approaches to resolving citizen disputes.

Since the bill's introduction, I have had an opportunity to discuss the problem of access to justice with a number of experts, judges, citizens and representatives of consumer and progressional organizations. They all emphasize the need for better methods of resolving minor disputes that arise in the course of daily life. They pointed out that many criminal and civil disputes, especially those in which parties have an ongoing personal or economic relationship, are poorly handled in the traditional adversary context of the courtroom.

This is especially true in the case of consumer disputes. The traditional courtroom methods have produced little or no satisfaction. Consumers generally have the smallest individual complaints, but collectively they comprise a large part of the need for improved methods of dispute resolution. A 1978 national survey of consumer attitudes by the Marketing Service Institute and Louis Harris and Associates, revealed that 79 percent of the public felt it a waste of time to voice a consumer complaint. This situation not only destroys the credibility of the marketplace, but evokes in our citizens an attitude of cynicism and alienation toward our system of justice.

Judges and citizens alike agree that the courtroom is frequently not the most appropriate forum for resolving these cases. Determining guilt or innocence, deciding who is right and who is wrong, does not address the underlying problems, nor does it reveal the source of the conflict. The judicial decision rarely satisfies the parties and often aggravates the situation.

However, when citizens are given an opportunity to discuss their problems informally, with the assistance of a trained mediator, situations such as these are less likely to occur. The parties are more likely to seek a resolution of their own making when it is not forced upon them. The agreement reached has a certain permanency, and the method by which it is reached calms rather than aggravates the conflict. The overwhelming acceptance of alternative methods for resolving disputes is indicative of society's values and needs.

From a different perspective, a more telling indication of the need for alternative means for resolving disputes is the cost of litigation. It is difficult to determine what the cost-effective cutoff for litigation is, although estimates have ranged from $5,000 to $100,000. Something must be done to insure that our citizens who cannot afford litigation will have a forum for inexpensively and fairly resolving their disputes.

Such forums have been developed across the country, but nationwide coordination is needed so that those who are interested in designing similar programs can learn what has been done elsewhere, and learn from the mistakes others have made. A national clearinghouse is needed to provide this information, to serve as a central source of technical expertise and assistance, and to design and test experimental models which others can replicate.

The clearinghouse and the incentive grants which S. 423 provides will assist the States, local groups, and professional organizations in developing a coordinated approach to what has become a problem of major proportions. The Dispute Resolution Act does not pretend to have the ultimate answer to this problem, nor does it propose an absolute solution. It does acknowledge that the State and local groups are much better equipped to decide what mechanisms might work in their particular area and attempts to encourage experimentation which they feel has genuine potential for their community and its citizens.

At the end of the experimental period, we should have a host of programs which have been tried and tested by various communities and can be duplicated inexpensively. By enacting S. 423, this Congress will have provided the incentive for action, but more importantly, we will have made a singular contribution to the quality of justice in this country for a vast majority of our citizens.

Mr. FORD. Mr. President, I ask unanimous consent that Steve Holloway of the minority staff be accorded the privilege of the floor during the discussion and votes on S. 423.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I will be glad to yield for any other amendments to be offered or statements that might be made.

Mr. President, I understand that the distinguished Senator from Wyoming (Mr. SIMPSON) has an amendment. We have a time agreement on that amendment, and I am perfectly willing to yield him his time at this point.

Mr. SIMPSON. I thank the Senator. Mr. President, on behalf of myself and perhaps other new Members of the body, I thank the floor manager for delaying this issue so that I might consider this bill with the real attention I think it deserves.

AMENDMENT NO. 133

Mr. President, I now call up my amendment No. 133 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wyoming (Mr. SIMPSON) proposes an amendment numbered 133.

Mr. SIMPSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 7, beginning on line 11, strike out "and of the financial assistance authorized under section 7 of this Act".

On page 9, beginning on line 20, strike out all through line 20 on page 16.

On page 18, strike out lines 4 and 5.

On page 18, line 6, strike out "(3)" and insert in lieu thereof "(2)".

On page 18, line 12, strike out "(4)" and insert in lieu thereof "(3)".

On page 18, line 14, strike out "(5)" and insert in lieu thereof "(4)".

On page 19, strike out lines 4 through 11.

Mr. SIMPSON. Mr. President, the purpose of my amendment is quite clear. It would simply fail to fund the grant program portion of the bill.

The bill in its present form would authorize a new and expensive Federal program, the dispute resolution program. This program would consist of two parts. One part would be the Dispute Resolution Resource Center, which would be a limited research-demonstration program as well as a clearing house operation. This is a fine concept. My amendment would not affect its formation or its funding.

The other part would be a Federal grant program, which would dispense $15 million in Federal funds to the States each year for 4 years, for developing and operating new or improved dispute resolution mechanisms.

My amendment would eliminate this $60 million Federal grant program.

Mr. President, such a grant program is not a necessary or proper responsibility of the Federal Government. Furthermore, the program is costly and is especially ill-timed in view of Congress stated goal of controlling inflation through a form of balanced budget or reduced Federal spending.

Everett Dirksen once said, in his rather mellifluous way, something to the effect that the Federal Government spends a few million here, a few million there, and pretty soon it begins to add up to real money.

That comment summarizes one of the major problems of programs such as the one we are now considering. I think we must stop funding everyone's pet "good works" projects. I have no doubt at all that every Senator in this body, including me, could come up with 100 new and dazzling ways every day for the Federal Government to do great and magnanimous things with 60 million bucks.

Why should we choose this one. What makes this program better than so many others? We cannot fund them all. It is obvious that we cannot continue the generous and glorious fiscal philosophies we have applied in the past. Otherwise, we will always continue to spend more money than the people will voluntarily give to us in the form of taxation—or perhaps I should actually say involuntarily give to us.

This bill is the first new program that we have observed placed on the calendar in this Congress. That is why I am speaking on it. Is this bill a good enough reason to stray from our role in this Congress as defined by the leadership, by the majority leader and the minority leader, that is, our role as an oversight Congress? I think that this is the question. I should have thought, on the contrary, that consideration of the first new program on the floor in this Congress might provide a particularly good forum or opportunity for us to start practicing what we preach, to be—and not just talk about being—careful and discriminating in our spending and our use of the people's money. That is the only certain way that we will ever have to hold down spending.

There will always be the potential for more "good programs" than we will ever have the resources to make real. We must set priorities. "Priorities," it seems to me, is the key word of advice and counsel.

Who should set those priorities? On this and countless other issues that do not require Federal involvement, the States should set the priorities. The needs and values of the people in the several States are quite diverse and different. There is no reason to believe they are the same or even to wish that they were the same. It is one of the remarkable virtues of our Federal System that the solutions to so many problems can be attempted through 50 different approaches—including that of neglect—should that be the decision of the States. And we must learn from the different successes and failures that result.

If the citizens of a State believe that more public benefit would be gained by alternative uses of the funds, if they would prefer to use their share of the $60 million worth of resources on water projects or parks or bridges or education or health, or even—Heaven forbid—if they would prefer that it not be spent by the Government at all in order that their taxes might be lower, why should we in Washington then chide them severely with the comment, "No, you do not know what is in your own best interests. We will set the priorities here in Disneyland East. We know that there are some serious problems in resolving disputes in certain areas of the country and we here in Washington are going to assume that those problems are just as important elsewhere—in fact, not merely important, but more important than the other problems which you may have to neglect for lack of resources to solve them." This attitude, I submit, Mr. President, is one which insures that the people will never derive the maximum benefit from their total tax bill, Federal, State, or local.

Mr. President, it is not necessary, it is not proper, and it is not fiscally sound for the Federal Government to become involved in dispute resolution when no Federal law or interest is present. If the States wish to fund new dispute resolution mechanisms more than they wish to solve other problems that exist within their own boundaries, then let them do so. Ironically, many of them are in much better fiscal shape than the Federal Government to do so. If we are really concerned that Federal taxes have reduced the ability of some States to raise adequate revenue to meet the needs that properly should be met at the State level, then let us continue to provide general, no-strings-attached revenue sharing, or, better still, let us reduce the Federal tax burden so that it would again be politically feasible for the States to raise their own revenue—and in the process increase political accountability and eliminate the handling charges resulting from the Washington administrative malaise.

Now even an old Wyoming cowboy will fully realize that not one of these points that I have expressed is new or fresh to any Member here, to any colleague. But if we do not start acting as if we at least have an understanding of the points and accept the importance of such points, it will become even more obvious to all that we are very good, or perhaps very bad, at rhetoric—and I have certainly seen both here—but that we are sadly lacking in the qualities needed by today's Federal legislators.

We say that we hear what the people of America are saying. This reminds me of a story shared with me last evening by that very gracious and delightful gentleman, Senator JENNINGS RANDOLPH, as we spoke together at a common forum in Pittsburgh. It was about the old farmer father who was really giving his wayward son a rakedown and finally said to him, "Son, are you listening to me?" The boy said, "Yep, but I ain't paying attention."

So what are those qualities lacking in today's Federal legislator? First, self-control with respect to furthering our own—and mine, too—individual visions of "the good" to be achieved at the people's, the taxpayers', expense; and, second, the tough courage to resist the special interest pressures of all forms, for the sake of the real well-being of the people as we really honestly perceive it. This is a tough job, a rough one, a plenty rough job.

Mr. President, this program sounds great—that is why I wanted to make my remarks in connection with it. The program sounds great, just as so many other programs do. I like it, too. People are enthusiastic about it. They say it is terribly necessary. They try to make it all palatable by pointing to the good it will do and to the amount of State matching funds that will be required and to the fact that the program is limited in time.

What do my colleagues think will happen at the end of 4 years? I wager that all kinds of marvelous and mysterious and remarkable forms of pressure will be brought to bear on all of us. The scenario will be played out one more time. "The Feds started the funding at 100 percent and it went down every year, and now we are holding the sack. Ah, me." I have heard that one. We will then be told that the States' 40-percent share is all they can afford and that it is a "fair share" and the seamless web will tighten further.

Mr. President, in conclusion I believe this is a clear-cut case of a new, expensive, and valid program that need not and should not be administered or funded at the Federal level. In this session of Congress, let us stay in an oversight role. If we are to be serious about trying to reduce spending and balance the budget, we are going to have to become more painfully critical, more clearly discriminating. We must. If we continue to fund new programs like this, what philosophical principle do we then apply to refuse funding for all the other programs that seem so very beneficial in the abstract, but which should and could be funded at the State level or not at all?

Should not the States decide? Should not this age-old question be just as timely on this date as on the date of our founding? The amendment, I hope, will pique your interest in that particular issue.

Mr. President, I shall now withdraw the amendment, having a hunch about the result, and believing that marytrdom is a poor trait for a freshman Senator to embrace.

Mr. President, I realize that we will not have a rollcall vote on this bill, but I want the RECORD to show that were a rollcall vote taken on S. 423, I would vote in the negative.

I thank the Chair very much for his courtesy.

The amendment was withdrawn.

Mr. FORD. Mr. President, I appreciate the candor of the distinguished Senator from Wyoming. He has learned more in the short time he has been here than some have learned in a far longer period of time. I was sitting here making notes to refute some of the statements that were being made by the Senator from Wyoming. Having served as a Governor of a State, I understand very well some of the pressures that are on various members of State delegations to accept Federal funds. Since the Senator has withdrawn his amendment, I shall not get into a colloquy. I do thank him for his candor.

Mr. McCLURE. Mr. President, I am concerned about section 4(a)(2) of the bill, which would provide for the funding of paralegal assistance. What role would these paralegals play?

Mr. FORD. Section 7(d)(2) of the bill prohibits the use of funds for the compensation of attorneys for the representation of disputants or the provision of assistance to disputants in any adversary capacity. The laws of most States would prohibit unsupervised paralegals from performing these functions. At any rate, it is not the intention of this legislation to oust attorneys from providing legal representation in an adversary context, only to have a new grade of paralegals fill their shoes. The intent of section 4(a)(2) is to provide trained personnel to assist claimants in filling out forms and to acquaint them with the methods and operation of the dispute resolution mechanism.

Mr. McCLURE. Under section 7(c), nonprofit organizations are eligible for funding under this bill. I realize that funding is limited to adjudicatory mechanisms. But what is to keep consumers union from establishing a special dispute resolution mechanism to adjudicate individual tire grievances?

Mr. FORD. As we stated in a colloquy on the bill last year, and as section 3(d) provides, the sponsors intend that funds expended under this legislation shall be used to fund mechanisms for the resolution of private disputes between individuals that arise in the course of daily life, not high visibility public disputes. This intention cannot be circumvented—and the courts thereby ousted of jurisdiction—simply because one of the parties seeks to divide a major lawsuit into a large number of parts. Second, and more importantly, it is the intention of the sponsors of S. 423 that the nonprofit mechanisms envisioned by section 7(c) be voluntary mechanisms, created in most cases by one of the parties for the purpose of expediting disputes.

Mr. President, I yield back all my time. I understand there are no further amendments.

● Mr. DOLE. Mr. President, I would like to add my support for the Dispute Resolution Act of 1979.

I commend the authors of this bill for attempting to expand efforts to encourage the States and local units of government to experiment with a number of dispute resolution mechanisms. The many successful programs already underway in many areas of this country attest to the usefulness of these procedures. This bill will encourage the expansion of those programs and forums into areas where resolution of consumer problems is lengthy and expensive.

The means for providing this relief are not expensive or complicated. A "clearing-house" in the Department of Justice will help collect and disseminate information about dispute resolution mechanisms to the State and local governments where the information is needed and the conflicts are resolved. A modest program for assisting local governments and organizations in establishing or improving dispute mechanisms will help put in place those procedures to assist consumers in resolving their problems without resorting to the overcrowded court system. Local systems can be suited to the particular needs of that locality.

This legislation represents the philosophy that we need not create a huge, Federal bureaucracy to fight major, national problems. This program meets the growing need for mechanisms to resolve consumer complaints, but leaves final responsibility in the hands of State and local governments.

The appropriateness of this approach is illustrated by its broad support. Republicans and Democrats have joined together in promoting the Dispute Resolution Act of 1979. The American Bar Association, the National Retail Merchants Association, the administration, a majority of Congress, and numerous consumer groups have endorsed it.

It is my hope that the 96th Congress will see the fruition of these efforts. It is important that we encourage the development and improvement of small claims courts, arbitration, mediation, and conciliation programs in an attempt to insure that Americans have adequate procedures for obtaining prompt justice in the resolution of consumer complaints.●

Mr. FORD. Mr. President, I ask for third reading.

Mr. SIMPSON. Mr. President, I yield back the balance of my time on the issue.

The PRESIDING OFFICER. Is there objection?

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 423

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Dispute Resolution Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds and declares that—

(1) for the majority of Americans, mechanisms for the resolution of disputes involving consumer goods and services, as well as numerous other types of disputes involving small amounts of money, are largely unavailable, inaccessible, ineffective, expensive, or unfair;

(2) the inadequacies of dispute resolution mechanisms in the United States have resulted in dissatisfaction and many types of inadequately resolved grievances and disputes;

(3) each individual dispute, such as that between a consumer and seller, and landlord and tenant, for which adequate resolution mechanisms do not exist may be of relatively small social or economic magnitude, but taken collectively such disputes are of enormous social and economic consequence;

(4) there is a lack of necessary resources or expertise in many areas of the country to develop new or improved consumer and other necessary dispute resolution mechanisms;

(5) the inadequacy of dispute resolution mechanisms throughout the United States is contrary to the general welfare of the people;

(6) a major portion of the goods and services which form the underlying subject matter of consumer disputes and disputes involving small amounts of money flows through commerce, and the unavailability of effective, fair, inexpensive, and expeditious means for the resolution of such disputes constitutes an undue burden on commerce; and

(7) while the States and the private sector have made substantial efforts to resolve disputes, and while such efforts should be encouraged and expanded, effective redress will be promoted through a cooperative functioning of both public and private mechanisms with the support and assistance of the Congress.

(b) PURPOSE.—It is the purpose of the Congress in this Act to assist the States and other interested parties in providing to all persons convenient access to dispute resolution mechanisms that are effective, fair, inexpensive, and expeditious.

SEC. 3. DEFINITIONS.

As used in this Act, the term—

(a) "Attorney General" means the Attorney General of the United States, or his designee;

(b) "commerce" means trade, traffic, commerce, or transportation—

(1) between a place in a State and any place outside thereof, or

(2) which affects trade, traffic, commerce, or transportation described in paragraph (1);

(c) "Commission" means the Federal Trade Commission;

(d) "dispute resolution mechanism" means courts of limited jurisdiction and arbitration, mediation, conciliation, and similar procedures, and referral services, which are available to adjudicate, settle, and resolve disputes involving small amounts of money or otherwise arising in the courses of daily life;

(e) "local" means of or pertaining to any political subdivision within a State;

(f) "State" means any State of the United States, and the District of Columbia; and

(g) "State system" means all of the State-sponsored mechanisms and procedures available within a State for the resolution of consumer disputes and other civil disputes not involving large amounts of money, including, but not limited to, small claims courts, arbitration, mediation, and other similar mechanisms and procedures.

SEC. 4. CRITERIA FOR DISPUTE RESOLUTIONS MECHANISMS.

(a) CRITERIA.—In order to achieve the purpose of this Act, a dispute resolution mechanism funded in whole or in part under this Act shall provide for—

(1) forms, rules, and procedures which are, so far as practicable, easy for potential users to understand and free from technicalities;

(2) assistance, including paralegal assistance where appropriate, to persons seeking the resolution of disputes;

(3) the adjudication or resolution of disputes during hours and on days that are convenient, including evenings and weekends;

(4) adequate arrangements for translation in areas with substantial non-English-speaking populations; and

(5) reasonable and fair rules and procedures, such as those which would—

(A) insure that all sides to a dispute are directly involved in the resolution of such dispute, and that such resolution is adequately implemented (including promoting effective means for insuring that a monetary award or agreement is promptly paid, and a nonmonetary award or agreement is effectively carried out);

(B) provide an easy way for an individual to determine the proper name in which, and the proper procedure by which, any person may be made a party to a dispute resolution proceeding;

(C) encourage the resolution of disputes by, in addition to adjudication, such informal means as conciliation, mediation, or arbitration;

(D) permit the use of dispute resolution mechanisms by the business community, including, but not limited to, small businesses, corporations, partnerships, and assignees;

(E) provide for the qualifications, tenure, and duties of persons, other than judicial officers, charged with resolving or assisting in the resolution of disputes;

(F) encourage the finality of the resolution of consumer and other minor disputes; and

(G) provide information about the availability of other redress mechanisms in the event that dispute settlement efforts fail or the dispute does not come within the jurisdiction of the mechanism.

(b) STATE SYSTEM.—Each State is encouraged to develop a State system which is responsive to the criteria established in subsection (a) of this section by providing—

(1) sufficient numbers and types of readily available dispute resolution mechanisms which meet the requirements for such mechanisms set forth in subsection (a) of this section; and

(2) a public information program which effectively communicates to potential users the availability and location of such mechanisms and consumer complaint offices in such State.

SEC. 5. DISPUTE RESOLUTION PROGRAM.

Within 60 days after the date of enactment of this Act, there shall be established within the United States Department of Justice a dispute resolution program, to be administered at the direction of the Attorney General. Such program shall consist of the Dispute Resolution Resource Center established pursuant to section 6 of this Act and of the financial assistance authorized under section 7 of this Act.

SEC. 6. DISPUTE RESOLUTION RESOURCE CENTER.

(a) ESTABLISHMENT.—There shall be established within the United States Department of Justice, as part of the dispute resolution program established pursuant to section 5 of this Act, a Dispute Resolution Resource Center (hereinafter referred to as the "Center"). As soon as practicable after the creation of such dispute resolution program, the Attorney General shall provide for the creation of the Center and prescribe basic criteria for its operation consistent with the purposes described in subsection (b) of this section.

(b) PURPOSES.—The Center shall—

(1) serve as a national clearinghouse for the exchange of information concerning the improvement of existing and the creation of new dispute resolution mechanisms;

(2) provide technical assistance to State and local governments to improve existent and to create new mechanisms for dispute resolution;

(3) conduct research and development for the improvement of existent and creation of new dispute resolution mechanisms;

(4) undertake comprehensive surveys of the various State systems and, to the extent possible, major private dispute resolution mechanisms within the States, and each such survey shall, to the extent possible disclose (A) the nature, number, and location of dispute resolution mechanisms within each State; (B) the annual expenditure and operating authority for each such mechanism; (C) the existence of any program for informing the potential users of the availability of each such mechanism; (D) an assessment of the present use of and projected demand for the services offered by each such mechanism; and (E) other relevant data on the types of disputes handled by each such mechanism, such as disputes between consumers and sellers, landlords and tenants, and any other relevant categories of cases;

(5) identify, after consultation with the Commission, those dispute resolution mechanisms or aspects thereof that—

(i) are consistent with the provisions of section 4;

(ii) are most effective and fair to all parties in the resolution of disputes; and

(iii) are suitable for general replication.

Consideration shall also be given to the need for the program to provide new or improved mechanisms for the resolution of all types of minor disputes. Mechanisms or aspects thereof so identified shall be certified as "national priority projects"; and

(6) make grants to, or enter into contracts with, to the extent provided in appropriation Acts, public agencies, institutions of higher education, or private organizations to conduct research, demonstrations, or special projects to implement paragraphs (1) through (5).

SEC. 7. FINANCIAL ASSISTANCE.

(a) AUTHORITY.—As part of the dispute resolution program established under section 5 of this Act; the Attorney General is authorized to provide financial assistance in the form of grants to applicants who have filed, pursuant to subsection (c) of this section, applications for the purpose of improving existent or creating new dispute resolution mechanisms.

(b) DUTIES OF THE ATTORNEY GENERAL.—As soon as practicable after the date of enactment of this Act, the Attorney General shall prescribe—

(1) the form and content of the applications for assistance to be submitted as set forth in subsection (c) of this section;

(2) the time schedule for submission of applications for assistance available under this section;

(3) the procedures for approval of applications submitted under this section, and for notification to each State of all funds awarded to applicants within such State;

(4) the specific criteria for the distribution of funds received by applicants under this section, consistent with the limitations contained in section 4 and subsection (e) of this section and after consultation with the Commission;

(5) the form and content of the reports to be filed under this section as may be reasonably necessary to monitor compliance with the requirements of this Act and to evaluate the effectiveness of projects funded under this Act and the procedures to be followed by the Department of Justice in reviewing such reports;

(6) the uses to which funds received under this section may be put consistent with those set forth under subsection (d) of this section; and

(7) procedures for publishing in the Federal Register a notice and summary of approved applications.

(c) ELIGIBILITY REQUIREMENTS.—Nonprofit organizations, agencies of State governments, and units of local governments are eligible to receive assistance under this section. Any such entity desiring to receive grant funds under this section shall submit to the Attorney General an application consistent with the criteria set forth in section 4 of this Act and such specific criteria as the Attorney General may establish under paragraph (4) of subsection (b) of this section. Such application shall—

(1) set forth a proposed plan for improving or creating dispute resolution mechanisms for which financial assistance is sought;

(2) identify the person responsible for the administration of the project set forth in the application;

(3) provide for the establishment of fiscal controls and fund accounting of Federal funds paid pursuant to this Act;

(4) provide for the submission of reports in such form and containing such information as the Attorney General may require under subsection (b) of this section;

(5) (A) meet the criteria of the national priority projects program of the Center, or (B) identify the project proposed therein as not meeting the criteria of the national priority projects program and request funding as an exception thereto in such manner, on such forms, and pursuant to such specific criteria as the Attorney General may prescribe pursuant to paragraph (2) of subsection (e) of this section; and

(6) set forth the nature and extent of participation of interested parties, including consumers, in the development of the application.

(d) USE OF FUNDS.—(1) Funds available under this section may be used only for the following purposes:

(A) compensation of personnel engaged in the administration, adjudication, conciliation, or settlement of disputes, including personnel whose functon it is to assist in the preparation and resolution of claims and the collection of judgments;

(B) recruiting, organizing, training, and educating personnel described in subparagraph (A) of this subsection;

(C) improvement or lease of buildings, rooms, and other facilities and equipment and lease or purchase of vehicles needed to improve the settlement of disputes;

(D) continuing monitoring and study of the mechanisms and settlement procedures employed in the resolution of disputes within a State;

(E) research and development of effective, fair, inexpensive, and expeditious mechanisms and procedures for the resolution of disputes;

(F) sponsoring programs of nonprofit organizations to accomplish any of the provisions of this subsection; and

(G) other necessary expenditures directly related to the operation of new or improved dispute resolution mechanisms.

(2) Funds available under this section may not be used for the compensation of attorneys for the representation of disputants or claimants or for attorneys otherwise providing assistance in any adversary capacity.

(e) DISTRIBUTION OF FUNDS.—(1) One-half of the funds available for the purpose of making grants under this section shall be reserved for equal distribution among the States from which applications have been received for projects which are identified as national priority projects and which are approved by the Attorney General. The sum of all grants awarded in any State under this subsection shall be (A) an amount equal to the entitlement of such State; or (B) an amount up to the entitlement of such State, if approved applications for funds under this paragraph are, in total, in an amount less than such State's entitlement. Funds available under this paragraph shall be awarded to applicants in such amounts as the Attorney General may decide.

(2) One-half of the funds available for the purpose of making grants under this section shall be reserved for the awarding of discretionary grants by the Attorney General. Such grants may be made to fund applications that were not funded under paragraph (1) of this subsection, to applications for projects that do not meet the criteria of the national priority projects program, or to research and demonstration projects or other activities that will encourage innovation in order to effectuate the purpose of this Act. The Attorney General shall, in consultation with the Commission, establish specific criteria, terms, and conditions for awarding grants under this paragraph. Such criteria, terms, and conditions shall include consideration of: (A) population and population density; (B) the financial need of States and localities in which applicants for funds available under this section are located; (C) the need in the State and locality for the type of dispute resolution mechanism proposed; and (D) the national need for experience with the type of mechanism proposed, including the need to further the goal that for all types of disputes there be dispute resolution mechanisms available.

(f) PAYMENTS TO GRANTEES.—When the Attorney General has approved an application submitted under subsection (e) (1), he shall pay to the applicant the Federal share of the estimated cost of the approved project. The Federal share of the estimated cost of projects funded pursuant to applications submitted under subsection (e) (1) shall be 100 percent for the first fiscal year in which funds are appropriated for grants under this section; 90 percent for the second fiscal year in which funds are appropriated for grants under this section; 75 percent for the third fiscal year in which funds are appropriated for grants under this section; and 60 percent for the fourth fiscal year in which funds are appropriated for grants under this section. When the Attorney General has approved an application under subsection (e) (2), he shall pay to the applicant the amount which he in his discretion determines appropriate. The aggregate expenditure of funds of the State and political subdivisions thereof, exclusive of Federal funds, for such purposes shall be maintained at a level which does not fall below the average level of such expenditures for the last 2 fiscal years preceding the date of application for funding. Payments made pursuant to this subsection may be made in installments in advance, or by way of reimbursement, with necessary adjustments on account of underpayment or overpayment, but shall not be used to compensate, directly or indirectly, for any administrative expense incurred in applying for funds under this Act.

(g) SUSPENSION OF PAYMENTS.—Whenever the Attorney General, after giving reasonable notice and opportunity for hearing to any recipient of a grant under this subsection, finds that the project for which such grant was received no longer complies with the provisions of this Act, or with the relevant application as approved by the Attorney General, the Attorney General shall notify such recipient of his findings and no further payments may be made to such recipient by the Attorney General until he is satisfied that such noncompliance has been, or promptly will be, corrected. However, the Attorney General may authorize the continuance of payments with respect to any program pursuant to this Act which is being carried out by such recipient and which is not involved in the noncompliance.

(h) No funds for assistance available under this section shall be expended until one year after the date of enactment of this Act.

SEC. 8. RECORDS, AUDIT, AND ANNUAL REPORT.

(a) GENERAL.—Each recipient of assistance under this Act shall keep such records as the Attorney General or his designee shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, the amount of that portion of the project or undertaking supplied by other sources and such other records as will assist in effective financial and performance audits. This provision shall apply to all recipients of assistance under this Act.

(b) AUDIT.—The Attorney General or his designee shall have access for purposes of audit and examination to any relevant books, documents, papers, and records of the recipients of financial assitance under this Act.

(c) COMPTROLLER GENERAL.—The Comptroller General of the United States, or any of his duly authorized representatives, shall, until the expiration of 3 years after the final year of the receipt of any financial assistance under this Act, for the purpose of financial and performance audits and examination, have access to any relevant books, documents, papers, and records of recipients of such assistance under this Act.

(d) ANNUAL REPORT.—The Attorney General, in consultation with the Commission, shall submit to the President and Congress on or before the 365th day following the enactment of this Act, and on or before February 1 of each succeeding year, a report on the administration of this Act during the preceding fiscal year. Such report shall include but not be limited to—

(1) a list of all grants awarded;

(2) a sumary of any actions undertaken in accordance with section 7(g) of this Act:

(3) a listing of the projects designated as national priority projects for that year and the types of other dispute resolution mechanisms which are being created, and, to the extent possible, a statement as to the success of all mechanisms in achieving the purpose of this Act;

(4) the results of financial and performance audits conducted pursuant to this section; and

(5) an evaluation of the effectiveness of the Center in implementing this Act, including a detailed analysis of the extent to which the purpose and goal of this Act have been achieved, together with any recommendation for additional legislative or other action.

SEC. 9. AUTHORIZATION FOR APPROPRIATIONS.

(a) To carry out the purposes of section 6 of this Act, there are authorized to be appropriated to the Attorney General not to exceed $3,000,000 for the fiscal year ending September 30, 1980; not to exceed $3,000,000 for the fiscal year ending September 30, 1981; not to exceed $3,000,000 for the fiscal year ending September 30, 1982; not to exceed $3,000,000 for the fiscal year ending September 30, 1983; and not to exceed $3,000,000 for the fiscal year ending September 30, 1984.

(b) To carry out the purposes of section 7 of this Act, there are authorized to be appropriated not to exceed $15,000,000 for the fiscal year ending September 30, 1981; not to exceed $15,000,000 for the fiscal year ending September 30, 1982; not to exceed $15,000,000 for the fiscal year ending September 30, 1983; and not to exceed $15,000,000 for the fiscal year ending September 30, 1984. Such sums shall remain available until expended.

SEC. 10. THE FEDERAL TRADE COMMISSION.

The Federal Trade Commission shall hire and assign applicants for employment and shall promote, train, discipline, demote and dismiss employees on the basis of individual merit, without regard to race, color, sex, religion, or national origin, and without engaging in any act or practice which has the purpose or the effect of illegal discrimination against any individual because of his or her race, color, sex, religion, or national origin.

Mr. FORD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any necessary technical and clerical corrections in the engrossment of the Senate amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FORD. Mr. President, may I make one statement? I wish to compliment Senator ROBERT BYRD and his staff for the very fine assistance that has been given to me personally and to my staff in order to bring this bill to a successful conclusion. I think it is a piece of legislation that, if handled properly—and any program or piece of legislation is only as good as the people that carry it out—and hopefully, we shall have good people in the States and we will have a good program to benefit the consumer and for a very small amount of money compared to what has been spent in the past.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Kentucky (Mr. FORD) for his compliments to me and to my staff. I want to say that the Policy Committee staff, the chief counsel, and the staff director, Ms. Checchi, have done an excellent piece of work in smoothing out the path for expeditious action on the bill that has just been passed. I commend the distinguished Senator from Kentucky (Mr. FORD) for his able handling of the bill with his usual skill and dedication.

I also thank the distinguished Senator from Wyoming (Mr. SIMPSON) for the cooperation he gave in the matter with Mr. FORD which made it possible for the bill to be passed.

DEPARTMENT OF EDUCATION

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to consideration of S. 210, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 210) to establish a Department of Education.

The Senate proceeded to consider the bill, which had been reported from the Committee on Governmental Affairs with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Department of Education Organization Act of 1979".

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TITLE I—GENERAL PROVISIONS

STATEMENT OF FINDINGS

SEC. 101. The Congress finds and declares that—

(1) education is fundamental to the growth and achievement of the Nation;

(2) there is a continual need to provide equal access to education for all Americans;

(3) the primary responsibility for education has in the past, and must continue in the future, to reside with the States, the local school systems and other instrumentalities of the States, and tribal governments, public and nonpublic educational institutions, communities, and families;

(4) in our federal system, the primary public responsibility for education is reserved respectively to the States, the local school systems and other instrumentalities of the States, and tribal governments;

(5) the dispersion of education programs across a large number of Federal agencies has led to fragmented, duplicative, and often inconsistent Federal policies relating to education;

(6) there is a lack of coordination of Federal resources for State, local, and tribal governments and public and nonpublic educational institutions;

(7) Presidential and public consideration of issues relating to education is hindered by the present organizational position of education programs in the executive branch of the Government;

(8) the importance of education is increasing as new technologies and alternative approaches to traditional education are considered, as society becomes more complex, and as equal opportunities in education and employment are promoted; and

(9) therefore, it is in the public interest and general welfare of the United States to establish a Department of Education.

PURPOSES

SEC. 102. It is the purpose of this Act to establish a Department of Education in order to—

(1) enable education to receive the appropriate emphasis at the Federal level;

(2) continue and strengthen the Federal commitment to insuring access by every individual to equal educational opportunities;

(3) supplement and complement the efforts of States, the local school systems and other instrumentalities of the States, tribal governments, the private sector, public and nonpublic educational institutions, public or private nonprofit educational research institutions, community-based organizations, parents, and students to improve the quality of education;

(4) encourage the increased involvement of parents, students, and the community in the process relating to education, including the development and improvement of education programs and services;

(5) enable the Federal Government to coordinate education activities and programs more effectively through interagency cooperation, technical assistance, and evaluation of program effectiveness;

(6) (A) provide assistance in the support of basic and applied educational research; (B) collect and analyze information on the progress and condition of education in the United States; and (C) work with State, local, and tribal officials, public and nonpublic educational institutions, community organizations, parents, and students to implement the findings of such research at the local level; and

(7) supplement and complement the efforts of State, local, tribal, public, and nonpublic agencies by providing support to the articulated educational needs of such agencies, especially with respect to the simplification of the process, procedures, and administrative structures for the dispersal of Federal funds, as well as the reduction of unnecessary and duplicative burdens and constraints, including unnecessary paperwork, on the recipients of Federal funds.

STATE AND LOCAL RESPONSIBILITIES FOR EDUCATION

SEC. 103. (a) (1) The establishment of the Department of Education shall not increase the authority of the Federal Government over education or diminish the responsibility for education which is reserved to the States, the local school systems and other instrumentalities of the States, and tribal governments.

(2) It is the intention of the Congress in the establishment of the Department of Education to protect the rights of State, local, and tribal governments and public and nonpublic educational institutions in the areas of educational policies and administration of programs, including but not limited to competency testing and selection of curricula and program content, and to strengthen and improve the control of such governments and institutions over their own educational programs and policies.

(b) Nothing in this Act shall be construed to require any particular organization at the State level of any programs transferred to the Department, including vocational rehabilitation programs.

DEFINITIONS

SEC. 104. As used in this Act—

(1) the term "Department" means the Department of Education or any component thereof;

(2) the term "Secretary" means the Secretary of Education;

(3) the term "Under Secretary" means the Under Secretary of Education;

(4) the term "Assistant Secretary" means an Assistant Secretary of Education;

(5) the term "Director" means the Director of the Office for Civil Rights;

(6) the term "Administrator" means the Administrator of the Office of Education for Overseas Dependents;

(7) the term "Council" means the Intergovernmental Advisory Council on Education;

(8) the term "Committee" means the Federal Interagency Committee on Education; and

(9) the term "function" includes any duty, obligation, power, authority, responsibility, right, privilege, and activity.

TITLE II—ESTABLISHMENT OF DEPARTMENT

DEPARTMENT OF EDUCATION

SEC. 201. There is established as an executive department of the Government, the Department of Education.

PRINCIPAL OFFICERS

SEC. 202. (a) The Department shall be administered by a Secretary of Education who shall be appointed by the President, by and with the advice and consent of the Senate. The Secretary shall be compensated at the rate provided for level I of the Executive Schedule contained in section 5312 of title 5, United States Code.

(b) (1) There shall be in the Department an Under Secretary of Education who shall be appointed by the President, by and with the advice and consent of the Senate. The Under Secretary shall have responsibility for the conduct of intergovernmental relations by the Department. The Under Secretary shall assure that the Department carries out its functions in a manner which supplements and complements the education policies, programs, and procedures of the States, the local school systems and other instrumentalities of the States, and tribal governments. The Under Secretary shall assure that appropriate officials of the Department consult with individuals responsible for making policy relating to education in the States, the local school systems and other instrumentalities of the States, and tribal governments concerning differences over education policies, programs, and procedures and concerning the impact of the rules and regulations of the Department on the States, the local school systems and other instrumentalities of the States, and tribal governments

(2) The Under Secretary shall perform such additional duties and exercise such additional powers as the Secretary shall prescribe. During the absence or disability of the Secretary, or in the event of a vacancy in the office of the Secretary, the Under Secretary shall act as Secretary. The Under Secretary shall be compensated at the rate provided for level III of the Executive Schedule contained in section 5314, United States Code.

(3) The Secretary shall designate the order in which other officials of the Department shall act for and perform the functions of the Secretary during the absence or disability of both the Secretary and Under Secretary or in the event of vacancies in both of those offices.

(c) (1) There shall be in the Department—

(A) an Assistant Secretary for Special Education and Rehabilitative Services;

(B) an Assistant Secretary for Elementary and Secondary Education;

(C) an Assistant Secretary for Postsecondary Education;

(D) an Assistant Secretary for Occupational, Adult, and Community Education;

(E) an Assistant Secretary for Educational Research and Improvement;

(F) a Director of the Office for Civil Rights;

(G) one additional Assistant Secretary;

(H) a General Counsel; and

(I) an Inspector General.

(2) Each of the Assistant Secretaries, the Director of the Office for Civil Rights, the General Counsel, and the Inspector General shall be appointed by the President, by and with the advice and consent of the Senate. Each Assistant Secretary, the Director of the Office for Civil Rights, and the General Counsel shall perform such duties and exercise such powers as the Secretary shall prescribe. Each Assistant Secretary, the Director of the Office for Civil Rights, and the General Counsel shall report directly to the Secretary. Each Assistant Secretary, the Director of the Office for Civil Rights, the General Counsel, and the Inspector General shall be compensated at the rate provided for level IV of the Executive Schedule contained in section 5315 of title 5, United States Code.

(d) The Assistant Secretary appointed pursuant to subsection (c) (1) (G) shall administer the functions of the Department under section 203(11) and shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.

(e) There shall be in the Department an Administrator of Education for Overseas Dependents. The Administrator shall perform such duties and exercise such powers as the Secretary may prescribe. The Administrator shall be compensated at the rate provided for level V of the Executive Schedule contained in section 5316 of title 5, United States Code.

(f) There shall be in the Department one additional officer who shall perform such duties and exercise such powers as the Secretary may prescribe. Such officer shall be compensated at the rate provided for level V of the Executive Schedule contained in section 5316 of title 5, United States Code.

(g) Whenever the President submits the name of an individual to the Senate for confirmation as an officer of the Department under subsections (c) and (d), the President shall state the particular functions of the Department such individual will exercise upon taking office.

FUNCTIONS OF THE DEPARTMENT

SEC. 203. The functions of the Department shall be to promote the cause and advancement of education throughout the United States and shall include—

(1) administration of programs pertaining to elementary and secondary education;

(2) administration of programs pertaining to post-secondary education;

(3) administration of programs pertaining to occupational, adult, and community education;

(4) administration of education grants and other programs for which the Department has responsibility under law;

(5) administration of programs relating to special education and rehabilitative services;

(6) enforcement of the civil rights laws relating to education;

(7) intergovernmental policies and relations, including responsibility for assuring that Federal education policies and procedures supplement and complement the efforts of State, local, and tribal governments, the private sector, public and nonpublic educational institutions, public or private nonprofit educational research institutions, community-based organizations, and parents to improve their educational programs;

(8) administration of schools for the overseas dependents of personnel of the Department of Defense;

(9) research, dissemination of improved educational practices, and the coordinated collection and dissemination of statistics;

(10) public information;

(11) planning and evaluation of the programs of the Department, and development of policies to promote the efficient and coordinated administration of the Department and the programs of the Department and to encourage improvement in education;

(12) congressional relations, including responsibility for providing a continuing liaison between the Department and the Congress;

(13) administration and management of the Department, including responsibility for legal assistance, accounting, personnel, payroll, budgeting, and other administrative functions; and

(14) monitoring parental and public participation in programs where such participation is required by law, and encouraging the involvement of parents, students, and the public in the development and implementation of departmental programs.

OFFICE FOR CIVIL RIGHTS

SEC. 204. (a) There is established in the Department an Office for Civil Rights, to be administered by the Director of the Office for Civil Rights appointed under section 202(c). The Secretary shall delegate to the Director of the Office for Civil Rights all functions of the Office for Civil Rights of the Department of Health, Education, and Welfare relating to education transferred under section 301(b) (3) (C) (other than administrative and support functions). The Director shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.

(b) Each year, the Director shall prepare and transmit a report directly to the President, the Secretary, and the Congress concerning the status of compliance with the civil rights laws relating to education. The report shall include a statement concerning the plans and recommendations of the Director to insure improved enforcement of and continued compliance with the civil rights laws relating to education.

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

SEC. 205. There is established in the Department an Office of Elementary and Secondary Education, to be administered by the Assistant Secretary for Elementary and Secondary Education appointed under section 202(c). The Assistant Secretary for Elementary and Secondary Education shall perform such duties and exercise such powers as the Secretary may prescribe.

OFFICE OF POSTSECONDARY EDUCATION

SEC. 206. There is established in the Department an Office of Postsecondary Education, to be administered by the Assistant Secretary for Postsecondary Education appointed under section 202(c). The Assistant Secretary for Postsecondary Education shall perform such duties and exercise such powers as the Secretary may prescribe.

OFFICE OF OCCUPATIONAL, ADULT, AND COMMUNITY EDUCATION

SEC. 207. There is established in the Department an Office of Occupational, Adult, and Community Education, to be administered by the Assistant Secretary for Occupational, Adult, and Community Education appointed under section 202(c). The Assistant Secretary for Occupational, Adult, and Community Education shall perform such duties and exercise such powers as the Secretary may prescribe.

OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

SEC. 208. There shall be in the Department an Office of Special Education and Rehabilitative Services, to be administered by the Assistant Secretary of Education for Special Education and Rehabilitative Services appointed under section 202(c). The Secretary shall delegate to the Assistant Secretary for Special Education and Rehabilitative Services all functions transferred to the Secretary under sections 301(b)(3)(A)(x) (including the functions of the Bureau for the Education and Training of the Handicapped), 301(b)(3)(G), and 301(b)(4), relating to the Education of the Handicapped Act, the Rehabilitation Act of 1973, and the Randolph-Sheppard Act (other than administrative and support functions). The Assistant Secretary for Special Education and Rehabilitative Services shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.

OFFICE OF EDUCATION FOR OVERSEAS DEPENDENTS

SEC. 209. There is established in the Department an Office of Education for Overseas Dependents, to be administered by the Administrator appointed under section 202(e). The Secretary shall delegate to the Administrator all functions transferred from the Department of Defense under section 302, relating to the Office of Dependents Schools of the Department of Defense (and after June 30, 1979, relating to the Office of Dependents' Education of the Department of Defense) and to the operation of overseas schools for dependent children of members of the Armed Forces (other than administrative and support functions). The Administrator shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT

SEC. 210. (a) There is established in the Department an Office of Educational Research and Improvement, to be administered by the Assistant Secretary for Educational Research and Improvement appointed under section 202(c). The Secretary shall delegate to the Assistant Secretary for Educational Research and Improvement—

(1) all functions transferred from the Secretary of Health, Education, and Welfare—

(A) under section 301(b)(3)(A)(i), relating to the Fund for the Improvement of Postsecondary Education; and

(B) under section 301(b)(3)(E), relating to Federal grants for telecommunications demonstrations; and

(2) all programs transferred from the National Science Foundation or the Director of the National Science Foundation under section 303.

(b) The Assistant Secretary for Educational Research and Improvement shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.

OFFICE OF GENERAL COUNSEL

SEC. 211. There is established in the Department an Office of General Counsel, to be administered by the General Counsel appointed under section 202(c). The General Counsel shall perform such duties and exercise such powers as the Secretary may prescribe, and shall provide legal assistance to the Secretary concerning the programs and policies of the Department.

OFFICE OF INSPECTOR GENERAL

SEC. 212. (a) There is established in the Department an Inspector General, to be appointed in accordance with the provisions of the Inspector General Act of 1978.

(b) The Inspector General Act of 1978 is amended—

(1) by inserting in section 2(1) "the Department of Education," immediately after "Commerce,";

(2) in section 9(a)(1)—

(A) by redesignating subparagraphs (C) through (L) as (D) through (M), respectively; and

(B) by inserting immediately after subparagraph (B) the following new subparagraph:

"(C) of the Department of Education, all functions of the Inspector General of Health, Education, and Welfare or of the Office of Inspector General of Health, Education, and Welfare relating to functions transferred by section 301 of the Department of Education Organization Act;";

(3) by inserting in section 11(1) "Education," immediately after "Commerce,"; and

(4) by inserting in section 11(2) "Education," immediately after "Commerce,".

(c) The title of the Inspector General Act of 1978 is amended to read as follows: "An Act to reorganize the executive branch of the Government and increase its economy and efficiency by establishing Offices of Inspector General within the Departments of Agriculture, Commerce, Education, Housing and Urban Development, the Interior, Labor, and Transportation, and within the Community Services Administration, the Environmental Protection Agency, the General Services Administration, the National Aeronautics and Space Administration, the Small Business Administration, and the Veterans' Administration, and for other purposes.".

INTERGOVERNMENTAL ADVISORY COUNCIL ON EDUCATION

SEC. 213. (a) There is established within the Department an advisory committee to be known as the Intergovernmental Advisory Council on Education. The Council shall provide assistance and make recommendations to the Secretary and the President concerning intergovernmental policies and relations relating to education.

(b)(1) In carrying out its functions under subsection (a), the Council shall—

(A) provide a forum for the development of recommendations concerning intergovernmental policies and relations relating to education;

(B) make recommendations for the improvement of the administration and operation of Federal education programs and education-related programs;

(C) promote better intergovernmental relations;

(D) assess Federal policies and make recommendations to insure effective direction over educational policymaking and program implementation by State, local, and tribal governments and public and nonpublic educational institutions;

(E) submit a report biannually to the Congress, to the President, and to the Secretary which—

(i) reviews the impact of Federal education policies upon State, local, and tribal governments, and public and nonpublic educational institutions; and

(ii) assess the achievement of Federal objectives in education as well as any adverse consequences of Federal actions upon State, local, and tribal governments, and public and nonpublic educational institutions; and

(F) assist the Secretary in conducting conferences and similar activities to assess the contribution of each level of government to the delivery of equitable, high quality, and effective education.

(2) In carrying out its functions under subsection (a), the Council may review existing and proposed rules or regulations of the Department concerning Federal education programs in order to determine the impact or potential impact of such rules or regulations on State, local, and tribal governments and public and nonpublic educational institutions. The Council may submit to the Secretary a report containing the results of its review of any existing or proposed rules or regulations. Within thirty days of the receipt of such report, the Secretary shall submit to the Council a written response which addresses the recommendations made by the Council concerning any rules or regulations reviewed. If a report by the Council concerns proposed rules or regulations, it shall be submitted to the Secretary within the time established for public comment on the proposed rules or regulations, and shall be placed, with the written response of the Secretary to the report, on the record of the proceeding concerning the proposd rules or regulations.

(c)(1) The Council shall be composed of twenty-five members. One member shall be the Under Secretary of Education. The President shall appoint—

(A) eight members from among State Governors, legislators, boards of education (both elementary and secondary and postsecondary), and chief education officials (both elementary and secondary and postsecondary);

(B) eight members from among local or regional elected general government officials, local boards of education, public and nonpublic school administrators, and tribal governments;

(C) two members from among governing boards of the public and nonpublic postsecondary institutions; and

(D) six members from among the public, including parents, teachers, students, and public interest groups.

(2) In making appointments under this subsection, the President shall consult with a broad cross-section of organizations representative of the groups specified in subparagraphs (A) through (D) of paragraph (1), including but not limited to representatives of State and local governmental authorities, school boards and school officials, and education organizations.

(3) Not more than thirteen of the members of the Council may be members of the same political party.

(d)(1) Members of the Council shall be appointed for a term of four years, except that the term of office of the members first appointed shall expire, as designated by the President at the time of appointment, five at the end of one year, five at the end of two years, six at the end of three years, and six at the end of four years.

(2) Any member of the Council who is appointed pursuant to subsection (c)(1) may serve on the Council beyond the period that such member holds the elective office which served as the basis of the appointment of such member.

(e) The Council shall elect one of its members as Chair of the Council.

(f) Any vacancy in the Council shall not affect its power to function.

(g) Each member of the Council who is not otherwise employed by the United States Government shall receive compensation at a rate equal to the daily rate prescribed for GS-18 under the General Schedule under section 5332 of title 5, United States Code, including traveltime, for each day such member is engaged in the actual performance of duties as a member of the Council. A member of the Council who is an officer or employee of the United States Government shall serve without additional compensation. All members of the Council shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

(h) In order to carry out the provisions of this section, the Council is authorized to—

(1) hold such hearings and sit and act at such times and places, either as a whole or by subcommittee, and request the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as the Council or such subcommittee may deem advisable; and

(2) request the cooperation and assistance of Federal departments, agencies, and instrumentalities in carrying out the provisions of this section, and such departments, agencies, and instrumentalities are authorized to provide such cooperation and assistance.

(i) The Council shall nominate and the Secretary shall appoint an executive director for the Council. The executive director shall be compensated at the rate provided for GS-17 of the General Schedule under section 5332, title 5, United States Code. The Secretary shall provide the Council with such other staff, support, facilities, and assistance as may be necessary to enable the Council to carry out its duties under this section.

FEDERAL INTERAGENCY COMMITTEE ON EDUCATION

SEC. 214. (a) There is established a Federal Interagency Committee on Education. The Committee shall assist the Secretary in providing a mechanism to assure that the procedures and actions of the Department and other Federal departments and agencies are fully coordinated.

(b) The Committee shall cooperate with the Secretary in the conduct of studies and shall make recommendations in order to assure the effective coordination of Federal programs affecting education, including—

(1) the consistent administration of policies and practices by Federal agencies in the conduct of similar programs;

(2) full and effective communication among Federal agencies to avoid unnecessary duplication of activities and repetitive collection of data;

(3) adequate procedures to assure the availability of information requested by the Secretary;

(4) the improvement, development, and oversight of a comprehensive Federal policy for education; and

(5) the improvement of the administration and coordination of federally funded vocational education and training programs for the purpose of aiding students and adults in preparing for and achieving success in their worklife.

(c)(1) The Committee shall be composed of at least seventeen members. One member shall be the Secretary, who shall be the Chair of the Committee.

(2)(A) Sixteen members of the Committee shall be representatives of the departments and agencies listed in subparagraph (B), to be appointed by the head of each department and agency from among the senior policymaking officials of that department or agency.

(B) The departments and agencies to be represented on the Committee pursuant to subparagraph (A) are:

(i) Department of Agriculture;

(ii) Department of Commerce;

(iii) Department of Defense;

(iv) Department of Energy;

(v) Department of Justice;

(vi) Department of Health and Human Services;

(vii) Department of the Interior;

(viii) Department of Labor;

(ix) Department of State;

(x) National Aeronautics and Space Administration;

(xi) National Endowment for the Arts;

(xii) National Endowment for the Humanities;

(xiii) National Science Foundation;

(xiv) Veterans' Administration;

(xv) Commission on Civil Rights; and

(xvi) Environmental Protection Agency.

(3) The Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, and the Executive Director of the Domestic Policy Staff may each designate a member of the staff of such agencies to attend meetings of the Committee as observers.

(4) The Secretary may invite the heads of Federal agencies other than the agencies represented on the Committee under the provisions of paragraph (2) to designate representatives to serve as members of the Committee or to participate in meetings of the Committee concerning matters of substantial interest to such agencies.

(d) In carrying out its functions under subsection (b)(5), the Committee shall conduct a study concerning the need for improved coordination between all federally funded vocational education and training programs. The Committee shall report the findings of such study to the Secretary and the Congress within two years of the date of enactment of this Act.

(e) The Committee shall meet at least twice each year.

(f) The Secretary and the head of each Federal agency represented on the Committee under subsection (c)(2) shall furnish such assistance, support, facilities, and staff to the Committee as may be necessary to enable the Committee to carry out its functions under this section.

TITLE III—TRANSFERS OF AGENCIES AND FUNCTIONS

TRANSFERS OF AGENCIES AND FUNCTIONS FROM THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SEC. 301. (a) All officers, employees, assets, liabilities, contracts, grants, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function of the following agencies, offices, or parts of agencies or offices, are transferred to the Department and vested in the Secretary:

(1) the Education Division of the Department of Health, Education, and Welfare, including the National Institute of Education;

(2) the Office of the Assistant Secretary for Education, including the National Center for Education Statistics;

(3) the Institute of Museum Services of the Department of Health, Education, and Welfare;

(4) any advisory committee in the Department of Health, Education, and Welfare giving advice and making recommendations principally concerning education;

(5) the Office of Information and Resources for Handicapped Individuals of the Department of Health, Education, and Welfare;

(6) the Rehabilitation Services Administration of the Department of Health, Education, and Welfare, except that portion of such Administration responsible for the administration of the Developmental Disabilities Assistance and Bill of Rights Act;

(7) the National Institute of Handicapped Research of the Department of Health, Education, and Welfare;

(8) the Interagency Committee on Handicapped Research;

(9) the Helen Keller National Center for Deaf-Blind Youth and Adults; and

(10) the National Council on the Handicapped.

(b)(1) There are transferred to the Secretary all functions of the Secretary of Health, Education, and Welfare, the Assistant Secretary for Education, or the Commissioner of Education of the Department of Health, Education, and Welfare, as the case may be, with respect to—

(A) the Education Division of the Department of Health, Education, and Welfare;

(B) the Office of the Assistant Secretary for Education, including the National Center for Education Statistics; and

(C) any advisory committee in the Department of Health, Education, and Welfare giving advice and making recommendations principally concerning education.

(2) There are transferred to the Secretary all functions of the Secretary of Health, Education, and Welfare which are administered through the Office of the Secretary of Health, Education, and Welfare and which directly relate to functions transferred by this section.

(3) There are transferred to the Secretary all functions of the Secretary of Health, Education, and Welfare or the Department of Health, Education, and Welfare—

(A) under—

(i) the General Education Provisions Act, including the provisions of section 404 of such Act relating to the Fund for the Improvement of Postsecondary Education;

(ii) the Emergency School Aid Act (and after September 30, 1979, under title VI of the Elementary and Secondary Education Act of 1965);

(iii) the Higher Education Act of 1965;

(iv) the Emergency Insured Student Loan Act of 1969;

(v) the Act of August 30, 1890 (26 Stat. 417);

(vi) title II of the Elementary and Secondary Education Act of 1965;

(vii) the Alcohol and Drug Abuse Education Act, except functions under section 5 of such Act;

(viii) the International Education Act of 1966;

(ix) the National Defense Education Act of 1958;

(x) the Education of the Handicapped Act;

(xi) the National Commission on Libraries and Information Science Act;

(xii) the Vocational Education Act of 1963;

(xiii) the Career Education Incentive Act; and

(xiv) section 400A of the General Education Provisions Act, relating to the Federal Education Data Acquisition Council;

(B) with respect to the administration of part B of title V of the Economic Opportunity Act of 1964;

(C) with respect to or being administered by the Secretary of Health, Education, and

Welfare through the Office for Civil Rights for the enforcement of the provisions of the civil rights laws and educational orders relating to the functions transferred by other subsections of this section and the other sections of this title;

(D) with respect to all laws dealing with the relationship between (i) Gallaudet College (including the Model Secondary School for the Deaf), Howard University, the American Printing House for the Blind, and the National Technical Institute for the Deaf, and (ii) the Department of Health, Education, and Welfare;

(E) under subpart A of part IV of title III of the Communications Act of 1934, relating to Federal grants for telecommunications demonstrations;

(F) under subparts II and III of part B of title VIII of the Public Health Service Act, relating to the establishment of student loan funds and scholarship grant programs for schools of nursing and under subparts I and II of part C of title VII of such Act, relating to the establishment of student loan insurance and student loan funds for schools of medicine, osteopathy, dentistry, pharmacy, podiatry, optometry, or veterinary medicine; and

(G)(i) under the Rehabilitation Act of 1973, except that the provisions of this subdivision shall not be construed to transfer to the Secretary the functions of the Secretary of Health, Education, and Welfare under sections 222 and 1615 of the Social Security Act, relating to rehabilitation services for disabled individuals and rehabilitation services for blind and disabled individuals respectively; and

(ii) with respect to or being administered by the Secretary of Health, Education, and Welfare through the Commissioner of Rehabilitation Services under the Act entitled "An Act to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes", approved June 20, 1936 (commonly referred to as the Randolph-Sheppard Act) (20 U.S.C. 107–107f).

(4) There are transferred to the Secretary all functions of the Commissioner of Rehabilitation of the Department of Health, Education, and Welfare, and the Director of the National Institute of Handicapped Research of the Department of Health, Education, and Welfare under the Rehabilitation Act of 1973.

(5) There are transferred to the Secretary all functions of the National Institute of Education of the Department of Health, Education, and Welfare.

(6) There are transferred to the Secretary all functions of the Director of the Institute of Museum Services of the Department of Health, Education, and Welfare.

(7) Nothing in the provisions of this section or in the provisions of this Act shall authorize the transfer of functions under part A of title V of the Economic Opportunity Act of 1964, relating to Project Head Start, from the Secretary of Health, Education, and Welfare to the Secretary.

TRANSFERS OF AGENCIES AND FUNCTIONS FROM THE DEPARTMENT OF DEFENSE

SEC. 302. (a)(1) There are transferred to the Department all officers, employees, assets, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function of the Office of Dependents Schools of the Department of Defense (and, after June 30, 1979, of the Office of Dependents' Education of the Department of Defense).

(2) There are transferred to the Secretary all functions of the Secretary of Defense relating to the operation of overseas schools for dependents of personnel of the Department of Defense (and, after June 30, 1979, all functions of the Secretary of Defense and the Director of Dependents' Education under the Defense Dependents' Education Act of 1978).

(b) In addition to any other authority available to the Secretary under this or any other Act, the authority of the Secretary of Defense and the Secretaries of the military departments under the Defense Department Overseas Teachers Pay and Personnel Practices Act shall be available to the Secretary with respect to the program transferred under subsection (a).

(c) Notwithstanding the provisions of section 601, the transfer of functions under subsection (a) shall be effective at such time or times and in such manner as the President shall prescribe, but in no case later than three years after the effective date of this Act. Not later than one year after the effective date of this Act, the Secretary shall transmit to the Congress a plan for effecting the transfers of functions under subsection (a). Such plan shall contain recommendations for increasing the participation of parents, teachers, students, school administrators, and members of the Armed Forces in the administration and operation of the schools transferred under this section.

TRANSFERS OF FUNCTIONS FROM THE NATIONAL SCIENCE FOUNDATION

SEC. 303. (a) There are transferred to the Secretary all programs relating to science education of the National Science Foundation or the Director of the National Science Foundation under section 3(a)(1) of the National Science Foundation Act of 1950 established on the day before the effective date of this Act, except the functions and programs, as determined by the Director of the Office of Management and Budget, which relate to (1) fellowships and traineeships integral to the support of scientific research and development, (2) ethical, value, and science policy issues, or (3) communicating science information to nonscientists. Except as provided in section 301(a)(1) of this Act, no mission oriented research functions or programs of the National Science Foundation nor of any other Federal agency shall be transferred by this Act.

(b) The Secretary is authorized to conduct the programs transferred by subsection (a). In conducting such programs, the Secretary shall consult, as appropriate, with the Director of the National Science Foundation.

(c) Nothing in this section is intended to repeal or limit the authority of the National Science Foundation or the Director of the National Science Foundation to initiate and conduct programs not established prior to the effective date of this Act under section 3(a)(1) of the National Science Foundation Act of 1950.

TRANSFERS OF PROGRAMS FROM THE DEPARTMENT OF JUSTICE

SEC. 304. There are transferred to the Secretary all functions of the Attorney General and the Law Enforcement Assistance Administration relating to the student loan and grant programs known as the Law Enforcement and Education Program and the Law Enforcement Intern Program authorized under section 406 (b), (c), and (f) of the Omnibus Crime Control and Safe Streets Act of 1968.

TRANSFERS OF FUNCTIONS FROM THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SEC. 305. There are transferred to the Secretary all functions of the Secretary of Housing and Urban Development under title IV of the Housing Act of 1950 relating to college housing loans.

TRANSFERS OF FUNCTIONS FROM THE DEPARTMENT OF LABOR

SEC. 306. (a) There are transferred to the Secretary all functions of the Secretary of Labor or the Department of Labor under section 303(c)(2) of the Comprehensive Employment and Training Act.

(b) The Secretary is authorized to conduct the functions transferred by subsection (a).

TRANSFER OF THE ADVISORY COUNCIL ON EDUCATION STATISTICS

SEC. 307. There are transferred to the Department all officers, employees, assets, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function of the Advisory Council on Education Statistics.

EFFECT OF TRANSFERS

SEC. 308. The transfer of a function or program from an officer or agency to the Secretary shall include the transfer of any aspect of such function or program vested in a subordinate of such officer or in a component of such agency.

TITLE IV—ADMINISTRATIVE PROVISIONS

PART A—PERSONNEL PROVISIONS

OFFICERS AND EMPLOYEES

SEC. 401. (a) The Secretary is authorized to appoint and fix the compensation of such officers and employees, including attorneys, as may be necessary to carry out the functions of the Secretary and the Department. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the provisions of title 5, United States Code, governing appointments in the competitive service, and compensated in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title.

(b)(1) Subject to the provisions of chapter 51 of title 5, United States Code, but notwithstanding the last two sentences of section 5108(a) of such title, the Secretary may place in grades GS–16, GS–17, and GS–18 all positions in such grades assigned and employed on February 1, 1979, in connection with functions transferred under this Act, subject to the limitation of the first sentence of section 5108(a) of such title.

(2) Appointments under this subsection may be made without regard to the provisions of section 3324 of title 5, United States Code, relating to the approval by the Office of Personnel Management of appointments in grades GS–16, GS–17, and GS–18, if the individual placed in such position is transferred to the Department in connection with a transfer of functions under this Act and, immediately before the effective date of this Act, held a position involving duties comparable to those of such position.

(3) Notwithstanding the second sentence of section 3104 of title 5 of the United States Code, the Secretary may establish within the Office created by section 210 of this Act all scientific, professional, and technical positions outside the General Schedule assigned and employed on the day preceding the effective date of this Act in connection with functions, offices, and programs transferred under this Act.

(4) The authority of the Secretary under this subsection to appoint personnel without regard to sections 3104, 3324, and 5108(a) of title 5, United States Code, shall cease with respect to any position when the person first appointed to fill such position no longer holds such position.

(5) For purposes of section 414(a)(3)(A) of the Civil Service Reform Act of 1978, an individual appointed under this subsection shall be deemed to occupy the same position the individual occupied on the day before the effective date of this Act.

(c)(1) The Secretary may appoint, without regard to the provisions of title 5 of the United States Code governing appointment in the competitive service, scientific, technical, or professional employees to serve in the Office created by section 210 of this Act in a number not to exceed one-third of the total number of employees of such Office and may compensate employees so appointed without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates. The rate of basic compensation for such employees shall not be equal to or inexcess of the rate of pay currently paid for GS-16 of the General Schedule under section 5332 of title 5, United States Code.

(2) Subject to section 3134 of title 5 of the United States Code, but notwithstanding any other provision of law, the Director of the Office of Personnel Management shall establish positions within the Senior Executive Service for fifteen limited term appointees. The Secretary shall appoint individuals to such positions as provided by section 3394 of title 5 of the United States Code. Any such position shall expire on the latter of the date which is three years after the effective date of this Act or three years after the initial appointment of that position.

(d) Section 5108(a) of title 5, United States Code, relating to classification of positions at GS-16, GS-17, and GS-18, is amended by striking out "10,777" and inserting in lieu thereof "10,840".

(e) Nothing in this Act shall be construed to prevent the application of any Indian preference law in effect on the day before the date of enactment of this Act to any function transferred by this Act and subject to any such law on the day before the date of enactment of this Act. Any function transferred by this Act and subject to any such law shall continue to be subject to any such law.

(f)(1)(A) The Secretary is authorized to accept voluntary and uncompensated services without regard to the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)), if such services will not be used to displace Federal employees employed on a full-time, part-time, or seasonal basis.

(B) The Secretary is authorized to accept volunteer service in accordance with the provisions of section 3111 of title 5, United States Code.

(2) The Secretary is authorized to provide for incidental expenses, including but not limited to transportation, lodging, and subsistence for such volunteers.

(3) An individual who provides voluntary services under paragraph (1)(A) of this subsection shall not be considered a Federal employee for any purpose other than for purposes of chapter 81 of title 5, United States Code, relating to compensation for work injuries, and of chapter 171 of title 28, United States Code, relating to tort claims.

(g) For purposes of any status of forces agreement between the United States and any other country or any international organization, any reference to "civilian component" shall be deemed to include a reference to overseas personnel of the overseas dependents' education system.

EXPERTS AND CONSULTANTS

SEC. 402. The Secretary may obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, and may compensate such experts and consultants at rates not to exceed the daily rate prescribed for GS-18 of the General Schedule under section 5332 of such title.

ANNUAL AUTHORIZATION OF PERSONNEL

SEC. 403. (a) Notwithstanding any other provision of this Act—

(1) Congress shall authorize the end strength as of the end of each fiscal year for personnel for the Department. Except as provided in subsection (b)(1) for the fiscal year beginning October 1, 1979, and ending September 30, 1980, Congress shall authorize the end strength for any fiscal year by prescribing the maximum number of personnel that may be employed by the Department on the last day of such fiscal year. No funds may be appropriated for any fiscal year to or for the use of personnel of the Department unless the end strength for personnel of the Department for that fiscal year has been authorized by law.

(2) The end strength for personnel authorized by law for the Department for any fiscal year shall be apportioned among the offices and agencies of the Department in such numbers as the Secretary shall prescribe. Except as provided in subsection (b)(2), the Secretary shall, within one hundred and twenty days after the enactment of legislation authorizing the end strength for personnel of the Department for any fiscal year, prepare and transmit to the Congress a report showing the allocation of such personnel among the offices and agencies of the Department. Such report shall include explanations and justifications for the allocations of personnel made by the Secretary among the offices and agencies of the Department.

(3) In computing the authorized end strength for personnel of the Department for any fiscal year, there shall be included all direct-hire and indirect-hire personnel employed to perform functions of the Department whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth, including temporary summer employment.

(4) Whenever any function, power, duty, or activity is transferred or assigned in any fiscal year after the effective date of this Act to the Department from a department or agency outside of the Department, the end strength for personnel authorized for the Department for such fiscal year shall be adjusted to reflect any increases or decreases in personnel required as a result of such transfer or assignment.

(b)(1) For the fiscal year beginning October 1, 1979, and ending September 30, 1980, the Department is authorized an end strength for personnel equal to the sum of (A) the number of personnel to be employed by the Department under the authorizations provided by other sections of this Act, and (B) the number of personnel transferred, under authority of this Act, to the Department from other departments and agencies of the Government during such fiscal year, as determined by the Director of the Office of Management and Budget. If the Secretary determines such action is necessary for the effective administration of the Department, the Secretary may employ additional personnel during such fiscal year in excess of the number authorized under the preceding sentence, but the number of such additional personnel may not exceed 1 per centum of the number authorized under the preceding sentence.

(2) For the fiscal year beginning October 1, 1978, and ending September 30, 1979, the Secretary shall prepare and transmit the report required by subsection (a)(2) within one hundred and twenty days after the effective date of this Act.

PART B—GENERAL PROVISIONS

AUTHORITY OF THE SECRETARY

SEC. 411. In the exercise of the functions transferred under this Act, the Secretary shall have the same authority as the functions of the agency or office, or any part thereof, exercising such functions immediately preceding their transfer, and the actions of the Secretary in exercising such functions shall have the same force and effect as when exercised by such agency or office, or part thereof.

DELEGATION

SEC. 412. Except as otherwise provided in this Act, the Secretary may delegate any function to such officers and employees of the Department as the Secretary may designate, and may authorize such successive redelegations of such functions within the Department as may be necessary or appropriate. No delegation of functions by the Secretary under this section or under any other provision of this Act shall relieve the Secretary of responsibility for the administration of such functions.

REORGANIZATION

SEC. 413. (a) Subject to the provisions of section 202(g) of this Act and subsections (b) and (c) of this section, the Secretary is authorized to allocate or reallocate functions among the officers of the Department, and to establish, consolidate, alter, or discontinue such organizational entities within the Department as may be necessary or appropriate. The authority of the Secretary under this subsection does not extend to—

(1) any office, bureau, unit, or other entity within the Department established by statute or any function vested by statute in such an entity or officer of such an entity;

(2) the abolition of organization entities established by this Act; or

(3) the alteration of the delegation of functions under this Act to any specific organizational entity.

(b)(1) Except as provided in paragraph (2) of this subsection, the Secretary may not consolidate, alter, or discontinue any of the following statutory entities, or reallocate any functions vested by statute in the following statutory entities:

(A) Office of Bilingual Education;

(B) Teacher Corps;

(C) Community College Unit;

(D) National Center for Education Statistics;

(E) National Institute of Education;

(F) Office of Environmental Education;

(G) Office of Consumers' Education;

(H) Office of Libraries and Learning Resources;

(I) Office of Indian Education;

(J) Office of Career Education;

(K) Office of Non-Public Education;

(L) Institute of Museum Services; and

(M) Administrative units for guidance and counseling programs, the veterans' cost of instruction program, and the program for the gifted and talented children.

(2) The Secretary may not alter, consolidate, or discontinue any organizational entity continued within the Department and described in paragraph (1) of this subsection or reallocate any function vested by statute in such an entity, unless a period of ninety days has passed after the receipt by the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives of notice given by the Secretary containing a full and complete statement of the action proposed to be taken pursuant to this subsection and the facts and circumstances relied upon in support of such proposed action.

(c) On the effective date of this Act, the following entities shall lapse:

(1) the Education Division of the Department of Health, Education, and Welfare, including the Office of Eduation;

(2) the Office of the Assistant Secretary for Education of the Department of Health, Education, and Welfare;

(3) the Bureau for the Education and Training for the Handicapped of the Department of Health, Education, and Welfare; and

(4) the Bureau of Occupational and Adult Education of the Department of Health, Education, and Welfare.

(d) Whenever the President exercises the authority under section 302(c), the Office of

Dependents' Education of the Department of Defense shall lapse.

REPORTING RELATIONSHIPS

SEC. 414. (a) Consistent with the provisions of section 413, and notwithstanding the provisions of the General Education Provisions Act or of any other Act, any officer or employee of the Department whose functions were transferred by this Act and who was required prior to the effective date of this Act to report to the Commissioner of Education or the Assistant Secretary for Education of the Department of Health, Education, and Welfare shall report to the Secretary.

(b) The Secretary is authorized to delegate the reporting requirements established by subsection (a) to any other officer or employee of the Department.

RULES

SEC. 415. The Secretary is authorized to prescribe, in accordance with the provisions of chapter 5 of title 5, United States Code, such rules and regulations as may be necessary or appropriate to carry out the functions of the Secretary or the Department.

CONTRACTS

SEC. 416. (a) The Secretary is authorized to enter into and perform such contracts, grants, leases, cooperative agreements, or other similar transactions with the Federal departments and agencies, public agencies, State, local, and tribal governments, private organizations, and individuals, and to make such payments, by way of advance or reimbursement, as the Secretary may deem necessary or appropriate to carry out his functions in administering the Department.

(b) Notwithstanding any other provision of this title, no authority to enter into contracts or to make payments under this title shall be effective except to such extent or in such amounts as are provided in advance under appropriation Acts. This subsection shall not apply with respect to the authority granted under section 423.

TECHNICAL ADVICE

SEC. 417. The Secretary is authorized to provide advice, counsel, and technical assistance to applicants, potential applicants, and other interested persons with respect to any program or function of the Secretary or the Department. The Secretary shall, upon request, provide technical assistance to any State desiring to develop comprehensive plans applicable to two or more programs administered by the Department.

REGIONAL AND FIELD OFFICES

SEC. 418. The Secretary is authorized to establish, maintain, alter, or discontinue such regional or other field offices as may be necessary or appropriate to perform the functions of the Secretary or the Department.

ACQUISITION AND MAINTENANCE OF PROPERTY

SEC. 419. (a) The Secretary is authorized to—

(1) acquire (by purchase, lease, condemnation, or otherwise), construct, improve, repair, operate, and maintain schools and related facilities, laboratories, research and testing sites and facilities, quarters and related accommodations for employees and dependents of employees of the Department, personal property (including patents), or any interest therein, as may be necessary; and

(2) provide by contract or otherwise for the establishment of eating facilities and other necessary facilities for the health and welfare of employees of the Department at its installations, and purchase and maintain equipment therefor.

(b) The authority available to the Secretary of Health, Education, and Welfare under section 524 of the Education Amendments of 1976 shall also be available to the Secretary.

(c) The authority granted by subsection (a) of this section shall be available only with respect to facilities of a special purpose nature that cannot readily be reassigned for similar Federal activities and are not otherwise available for assignment to the Department by the Administrator of General Services.

FACILITIES AT REMOTE LOCATIONS

SEC. 420. (a) The Secretary is authorized to provide, construct, or maintain for employees and their dependents stationed at remote locations as necessary and when not otherwise available at such remote locations—

(1) emergency medical services and supplies;

(2) food and other subsistence supplies;

(3) dining facilities;

(4) audiovisual equipment, accessories, and supplies for recreation and training;

(5) reimbursement for food, clothing, medicine, and other supplies furnished by such employees in emergencies for the temporary relief of distressed persons;

(6) living and working quarters and facilities; and

(7) transportation for dependents of employees of the Department to the nearest appropriate educational facilities.

(b) The furnishing of medical treatment under paragraph (1) of subsection (a) and the furnishing of services and supplies under paragraphs (2) and (3) of subsection (a) shall be at prices reflecting reasonable value as determined by the Secretary.

(c) Proceeds from reimbursements under this section may be credited to the appropriation of funds that bear or will bear all or part of the cost of such work or services or to refund excess sums when necessary.

USE OF FACILITIES

SEC. 421. (a) (1) To carry out the functions of the Secretary, the Secretary may use the research, equipment, services, and facilities of any agency or instrumentality of the United States or of any State or of any political subdivision thereof, or of any Indian tribe or tribal organization, or of any foreign government, with the consent of and with or without reimbursement to such agency, instrumentality, State, political subdivision, Indian tribe or tribal organization, or foreign government.

(2) Notwthstanding the transfer of functions from the Secretary of Defense to the Secretary under section 304, all personnel performing such functions shall be treated, for the purpose of access to services and facilities provided by the Department of Defense, as employees of the Department of Defense.

(b) The Secretary is authorized to permit public and private agencies, corporations, associations, Indian tribes or tribal organizations, other organizations, or individuals to use in any real property, or any facilities, structures, or other improvements thereon, under the custody and control of the Secretary for Department purposes. The Secretary shall permit the use of such property, facilities, structures, or improvements under such terms and rates and for such period as may be in the public interest, except that the periods of such uses may not exceed five years. The Secretary may require permittees under this section to recondition and maintain, at their own expense, the real property, facilities, structures, and improvements used by such permittees to a standard satisfactory to the Secretary. This subsection shall not apply to excess property as defined in section 3(e) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472(e)).

(c) Proceeds from reimbursements under this section may be credited to the appropriation of funds that bear or will bear all or part of such cost of the equipment or facilities provided or to refund excess sums when necessary.

COPYRIGHTS AND PATENTS

SEC. 422. The Secretary is authorized to acquire any of the following described rights if the property acquired thereby is for use by or for, or useful to, the Department:

(1) copyrights, patents, and applications for patents, designs, processes, and manufacturing data;

(2) licenses under copyrights, patents, and applications for patents; and

(3) releases, before suit is brought, for past infringement of patents or copyrights.

GIFTS AND BEQUESTS

SEC. 423. The Secretary is authorized to accept, hold, administer, and utilize gifts, bequests, and devises of property, both real and personal, for the purpose of aiding or facilitating the work of the Department. Gifts, bequests, and devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury in a separate fund and shall be disbursed upon the order of the Secretary. Property accepted pursuant to this section, and the proceeds thereof, shall be used as nearly as possible in accordance with the terms of the gift, bequest, or devise donating such property. For the purposes of Federal income, estate, and gift taxes, property accepted under this section shall be considered as a gift, bequest, or devise to the United States.

WORKING CAPITAL FUND

SEC. 424. The Secretary is authorized to establish a working capital fund, to be available, to the extent provided in an appropriation Act and without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as the Secretary finds to be desirable in the interests of economy and efficiency, including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its components; central messenger, mail, telephone, and other communications services; office space, central services for document reproduction, and for graphics and visual aids; and a central library service. The capital of the fund shall consist of any appropriations made for the purpose of providing capital (which appropriations are authorized) and the fair and reasonable value of such stocks of supplies, equipment, and other assets and inventories on order as the Secretary may transfer to the fund, less the related liabilities and unpaid obligations. Such funds shall be reimbursed in advance from available funds of components of the Department, or from other sources, for supplies and services at rates which will approximate the expense of operation, including the accrual of annual leave and the depreciation of equipment. The fund shall also be credited with receipts from sale or exchange of property and receipts in payments for loss or damage to property owned by the fund. There shall be covered into the United States Treasury as miscellaneous receipts any surplus found in the fund (all assets, liabilities, and prior losses considered) above the amounts transferred or appropriated to establish and maintain such fund. There shall be transferred to the fund the stocks of supplies, equipment, other assets, liabilities, and unpaid obligations relating to the services which the Secretary determines will be performed through the fund.

FUNDS TRANSFER

SEC. 425. The Secretary may, when authorized in an appropriation Act in any fiscal year, transfer funds from one appropriation to another within the Department, except that no appropriation for any fiscal year shall be either increased or decreased pursuant to this section by more than 5 per centum and no such transfer shall result in increasing any such appropriation above the amount authorized to be appropriated therefor.

SEAL OF THE DEPARTMENT

SEC. 426. The Secretary shall cause a seal of office to be made for the Department of such design as the Secretary shall approve. Judicial notice shall be taken of such seal.

ANNUAL REPORT

SEC. 427. (a) The Secretary shall, as soon as practicable after the end of each fiscal year, prepare and transmit a report to the President for transmission to the Congress concerning the activities of the Department during that fiscal year. Such report shall—

(1) include a statement of the goals, priorities, and plans for the Department which are consistent with the purposes of the Department as specified in section 102 and the findings of this Act as specified in section 101;

(2) contain an assessment of the progress made during that fiscal year and anticipated future progress toward the attainment of—

(A) the goals, priorities, and plans for the Department specified pursuant to paragraph (1);

(B) the effective and efficient management of the Department;

(C) the coordination of the functions of the Department; and

(D) the reduction of excessive or burdensome regulation and of unnecessary duplication and fragmentation in Federal education programs, to be accompanied where necessary by recommendations for proposed legislation for the achievement of such objectives.

(3) contain and analyze objective data concerning—

(A) changing trends in education, as measured by indicators such as enrollments, expenditures, and numbers of teachers and other categories of professional and related personnel; and

(B) areas of critical concern such as education of the disadvantaged and education in rural and urban areas;

(4) include budget projections for the five fiscal years succeeding the fiscal year for which the report is made which are based on actual or anticipated appropriations for the fiscal year for which the report is made; and

(5) contain a separate section on the recommendations made by the Federal Interagency Committee on Education regarding the improvement of the coordination and development of Federal education programs.

(b)(1) In preparing and developing the report required by subsection (a), the Secretary shall, to the maximum extent practicable, consult with members of the public, including representatives of parents, students, educators, Indian tribes, State and local governments, and other organizations and individuals. Within ninety days after the transmission of such report to the Congress, the Secretary shall hold public hearings in the District of Columbia and in such other locations as the Secretary deems appropriate to maximize public participation.

(2) The Secretary may reimburse any person for expenses reasonably incurred in the course of consultation or hearings under paragraph (1) if such person—

(A) has made or is likely to make a material contribution to the work of the Department; and

(B) could not otherwise participate fully and effectively in such consultation.

(3) For purposes of this section, the term "person" shall have the same meaning as in section 551(2) of title 5, United States Code.

RELATIONSHIP TO GENERAL EDUCATION PROVISIONS ACT

SEC. 428. Except where inconsistent with the provisions of this Act, the General Education Provisions Act shall apply to functions transferred by this Act to the extent applicable immediately prior to the effective date of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 429. Subject to any limitation on appropriations applicable with respect to any function transferred to the Secretary, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act and to enable the Secretary to administer and manage the Department. Funds appropriated in accordance with this section shall remain available until expended.

TITLE V—TRANSITIONAL, SAVINGS, AND CONFORMING PROVISIONS

TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL

SEC. 501. (a) Except as otherwise provided in this Act, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizaions, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions transferred by this Act, subject to section 202 of the Budget and Accounting Procedures Act of 1950, are transferred to the Secretary for appropriate allocation. Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated.

(b) Positions expressly specified by statute or reorganization plan to carry out functions transferred by this Act, personnel occupying those positions on the effective date of this Act, and personnel authorized to receive compensation in such positions at the rate prescribed for offices and positions at level I, II, III, IV, or V of the Executive Schedule contained in sections 5312 through 5316 of title 5, United States Code, on the effective date of this Act, shall be subject to the provisions of section 503.

EFFECT ON PERSONNEL

SEC. 502. (a) Except as otherwise provided in this Act, the transfer pursuant to this title of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation for one year after such transfer or after the effective date of this Act, whichever is later.

(b) Any person who, on the day before the effective date of this Act, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Department to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position for the duration of the service of such person in such new position.

AGENCY TERMINATIONS

SEC. 503. Except as otherwise provided in this Act, whenever all of the functions of any agency, commission, or other body, or any component thereof, have been terminated or transferred by this Act from that agency, commission, or other body, or component thereof, such agency, commission or other body, or component, shall terminate. If an agency commission, or other body, or any component thereof, terminates pursuant to the provisions of the preceding sentence, each position and office therein which was expressly authorized by law, or the incumbent of which was authorized to receive compensation at the rates prescribed for an office or position at level II, III, IV, or V of the Executive Schedule contained in sections 5313 through 5316 of title 5, United States Code, shall terminate.

INCIDENTAL TRANSFERS

SEC. 504. (a) The Director of the Office of Management and Budget, at such time or times as such Director shall provide, is authorized and directed to make such determinations as may be necessary with regard to any function transferred by this Act, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with the functions transferred by this Act, as may be necessary to carry out the provisions of this Act. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all agencies, commissions, offices, and other bodies terminated by this Act and for such further measures and dispositions as may be necessary to effectuate the purposes of this Act.

(b) After consultation with the Director of the Office of Personnel Management, the Director of the Office of Management and Budget is authorized, at such time as the Director of the Office of Management and Budget provides, to make such determinations as may be necessary with regard to the transfer of positions within the Senior Executive Service in connection with functions transferred by this Act.

SAVINGS PROVISIONS

SEC. 505. (a) All orders, determinations, rules, regulations, permits, grants, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective by the President, any Federal department or agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this Act to the Department or the Secretary, and

(2) which are in effect at the time this Act takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with the law by the President, the Secretary, or other authorized official, a court of competent jurisdiction, or by operation of law.

(b)(1) The provisions of this Act shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending on the effective date of this Act before any department, agency, commission, or component thereof, functions of which are transferred by this Act; but such proceedings and applications, to the extent that they relate to functions so transferred, shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or revoked by the Secretary, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(2) The Secretary is authorized to promulgate regulations providing for the orderly transfer of proceedings continued under paragraph (1) to the Department.

(c) Except as provided in subsection (e)—

(1) the provisions of this Act shall not affect suits commenced prior to the effective date of this Act, and

(2) in all suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this Act had not been enacted.

(d) No suit, action, or other proceeding commenced by or against any officer in the official capacity of such individual as an officer or any department or agency, functions of which are transferred by this Act, shall abate by reason of the enactment of this Act. No cause of action by or against any department or agency, functions of which are transferred by this Act, or by or against any officer thereof in the official capacity of such officer shall abate by reason of the enactment of this Act.

(e) If, before the date on which this Act takes effect, any department or agency, or officer thereof in the official capacity of such officer, is a party to a suit, and under this Act any function of such department, agency, or officer is transferred to the Secretary or any other official of the Department, then such suit shall be continued with the Secretary or other appropriate official of the Department substituted or added as a party.

(f) Orders and actions of the Secretary in the exercise of functions transferred under this Act shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the agency or office, or part thereof, exercising such functions, immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this Act shall apply to the exercise of such function by the Secretary.

SEPARABILITY

SEC. 506. If any provision of this Act or the application thereof to any person or circumstance is held invalid, neither the remainder of this Act nor the application of such provision to other persons or circumstances shall be affected thereby.

REFERENCE

SEC. 507. With respect to any functions transferred by this Act and exercised after the effective date of this Act, reference in any other Federal law to any department, commission, or agency or to any officer or office the functions of which are so transferred shall be deemed to refer to the Secretary or Department.

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 508. (a) Section 19(d)(1) of title 3, United States Code, is amended by inserting immediately before the period a comma and the following: "Secretary of Education".

(b) Section 101 of title 5, United States Code, is amended by adding at the end thereof the following: "The Department of Education.".

(c) Section 5312 of title 5, United States Code, is amended by adding at the end thereof the following:

"(15) Secretary of Education.".

(d) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"(70) Under Secretary of Education.".

(e) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"(128) Assistant Secretaries of Education (6).

"(129) Director of the Office for Civil Rights of the Department of Education.

"(130) General Counsel of the Department of Education.

"(131) Inspector General of the Department of Education.".

(f)(1) Section 5316(41) of title 5, United States Code, is repealed.

(2) Section 5316 of such title is amended by adding at the end thereof the following:

"(152) Administrator of Education for Overseas Dependents of the Department of Education.

"(153) Additional Officer, Department of Education.".

(g) Section 5 of the Alcohol and Drug Abuse Education Act is amended—

(1) by inserting "of Health and Welfare, the Secretary of Education," after "Secretary"; and

(2) by striking out "the Department of Health, Education, and Welfare" and inserting in lieu thereof "the Department of Health and Human Services, the Department of Education,".

(h)(1) Section 203 of the Rehabilitation Act of 1973 is amended by striking out "Commissioner, the Commissioner" and inserting "Secretary".

(2) Section 507 of such Act is amended by striking out "Health, Education, and Welfare," and inserting "Education, the Secretary of Health and Human Services,".

AMENDMENTS TO THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT

SEC. 509. (a) Section 306 of the Comprehensive Employment and Training Act of 1973 is amended to read as follows:

"CONSULTATION WITH THE SECRETARIES OF EDUCATION AND OF HEALTH AND HUMAN SERVICES

"SEC. 306. The Secretary of Labor shall consult with the Secretary of Health and Human Services with respect to arrangements for services of a health or human services character under this Act. The Secretary of Labor shall consult with the Secretary of Education with respect to arrangements for services of an educational nature under this Act, and the Secretary of Education shall solicit the advice and comments of State educational agencies with respect to education services. Such education services include but are not limited to basic or general education; educational programs conducted for offenders; institutional training; health care, child care, and the supportive services; and new careers and job restructuring in the health, education, and welfare professions. When the Secretary of Labor arranges for the provision of basic education and vocational training directly, pursuant to the provisions of this title, the Secretary of Labor shall obtain the approval of the Secretary of Education for such arrangements.".

(b) Section 303(c)(3) of such Act is amended to read as follows:

"(d) For the purposes of carrying out subsections (b) and (c) of this section, the Secretary shall reserve from funds available for this title an amount equal to not less than 4⅝ per centum of the amount allocated pursuant to section 202(a).".

AMENDMENT TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

SEC. 510. Section 103(c)(2)(B) of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new sentence: "The Secretary of Health and Human Services shall transmit the information required by this subparagraph to the Secretary of Education not later than February 1 of each year.".

AMENDMENTS TO THE DEFENSE DEPENDENTS' EDUCATION ACT OF 1978

SEC. 511. (a)(1) The last sentence of section 1410(a)(1) of the Defense Dependents' Education Act of 1978 is amended by striking out "an equal number of representatives of sponsors of students enrolled in the school and of employees working at the school" and inserting "an equal number of representatives of professional employee organizations, school administrators, and representatives of organizations of parents of dependents enrolled in the school".

(2) The last sentence of section 1410(b) of such Act is amended by striking out "Secretary of Defense" and inserting "Secretary of Education, in consultation with the Secretary of Defense.".

(b)(1) Section 1411(a) of such Act is amended—

(A) by striking out "Defense" in the first sentence and inserting "Education"; and

(B) by striking out paragraph (1) through (3) and inserting the following:

"(1) the Administrator of Education for Overseas Dependents, who shall be the chairman of the Council;

"(2) twelve individuals appointed by the Secretary of Education, who shall be individuals who have demonstrated an interest in the fields of primary or secondary education and who shall include representatives of professional employee organizations, school administrators, representatives of organizations of parents of dependents enrolled in the dependents' education system, and one student enrolled in such system;

"(3) a representative of the Secretary of the Army, of the Secretary of the Navy, and of the Secretary of the Air Force; and

"(4) a representative of the Secretary of Education and of the Secretary of Defense.".

(2) Section 1411(b) of such Act is amended—

(A) by striking out "three" and inserting "two"; and

(B) by amending paragraph (1) to read as follows:

"(1) of the members first appointed under such paragraph, six shall serve for a term of one year and six shall serve for a term of two years, as determined by the Secretary of Education at the time of their appointment, and".

(c) Section 1411(c)(2) of such Act is amended to read as follows:

"(2) study and make recommendations concerning the gradual transfer of the Overseas Dependents' Education system to the Department of Education, including—

"(A) the development of an efficient mode of operation of the system in the Department of Education;

"(B) the development of close working relationships and sound cooperation between the Department of Education and the Department of Defense; and

"(C) the development of a plan to insure the maximum participation of parents and dependents in the administration and operation of the system.".

REDESIGNATION

SEC. 512. (a) Notwithstanding the provisions of section 601, the Department of Health, Education, and Welfare is redesignated the Department of Health and Human Services, and the Secretary of Health, Education, and Welfare is redesignated the Secretary of Health and Human Services upon the date of enactment of this Act.

(b) Any reference to the Department of Health, Education, and Welfare, the Secretary of Health, Education, and Welfare, or any other official of the Department of Health, Education, and Welfare in any law, rule, regulation, certificate, directive, instruction, or other official paper in force on the effective date of this Act shall be deemed to refer and apply to the Department of Health and Human Services, the Secretary of Health and Human Services, or the appropriate official of the Department of Health and Human Services, respectively, except to the extent such reference is to a function transferred to the Secretary under this Act.

TRANSITION

SEC. 513. With the consent of the appropriate department or agency head concerned, the Secretary is authorized to utilize the services of such officers, employees, and other personnel of the departments and agencies of the executive branch for such period of time as may reasonably be needed to facilitate the orderly transfer of functions under this Act.

TITLE VI—EFFECTIVE DATE AND INTERIM APPOINTMENTS

EFFECTIVE DATE

SEC. 601. (a) The provisions of this Act shall take effect one hundred and eighty days after the Secretary first takes office, or on such earlier date as the President may prescribe and publish in the Federal Register, except that at any time after the date of enactment of this Act—

(1) any of the officers provided for in title II of this Act may be nominated and appointed as provided in such title, and

(2) the Secretary may promulgate regulations pursuant to section 505(b)(2) of this Act.

(b) Funds available to any department or agency (or any official or component thereof), the functions of which are transferred to the Secretary by this Act, may, with the approval of the Director of the Office of Management and Budget, be used to pay the compensation and expenses of any officer appointed pursuant to this Act until such time as funds for that purpose are otherwise available.

INTERIM APPOINTMENTS

SEC. 602. (a) In the event that one or more officers required by this Act to be appointed by and with the advice and consent of the Senate shall not have entered upon office on the effective date of this Act and notwithstanding any other provisions of law, the President may designate an officer in the executive branch to act in such office for one hundred and twenty days or until the office is filled as provided in this Act, whichever occurs first.

(b) Any officer acting in an office in the Department pursuant to the provisions of subsection (a) shall receive compensation at the rate prescribed for such office under this Act.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BUMPERS). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSE JOINT RESOLUTION 283—REAFFIRMING THE U.S. COMMITMENT TO THE NORTH ATLANTIC ALLIANCE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House on House Joint Resolution 283.

The PRESIDING OFFICER. Without objection, it is so ordered. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (H.J. Res. 283) reaffirming the U.S. commitment to the North Atlantic Alliance.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the resolution be considered as having been read the first and second times and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all after the resolving clause be stricken and that the language of Senate Joint Resolution 54, which was adopted on yesterday, reaffirming the U.S. commitment to the North Atlantic Alliance, be inserted in lieu thereof.

The PRESIDING OFFICER. Without objection, the request is agreed to.

The amendment was ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read a third time.

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, Shall it pass?

So the joint resolution (H.J. Res. 283) was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the joint resolution was passed and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further action on Senate Joint Resolution 54 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. And that the passage by the Senate of Senate Joint Resolution 54 be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT COMMITTEES HAVE UNTIL 5 O'CLOCK TOMORROW AFTERNOON TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees will have until 5 o'clock tomorrow afternoon to file committee reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CERTAIN ACTION TO BE TAKEN DURING RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until 12 o'clock noon on Monday, the Vice President of the United States, the President of the Senate pro tempore, the Acting President of the Senate pro tempore, be authorized to sign all duly enrolled bills and joint resolutions, and that the Secretary of the Senate be authorized to receive messages from the other body and the President of the United States, and that they may be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LONG). Without objection, it is so ordered.

DEPARTMENT OF EDUCATION

The Senate continued with the consideration of S. 210.

UP AMENDMENT NO. 67

(Purpose: To make a technical correction)

Mr. RIBICOFF. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. RIBICOFF) proposes an unprinted amendment numbered 67:

On page 131, line 16, immediately after "appropriated" insert a comma and the following: "for fiscal year 1980 and each succeeding fiscal year,".

Mr. RIBICOFF. Mr. President, on behalf of the Governmental Affairs Committee, I modify the committee amendment and send it to the desk. This is a technical amendment.

I ask unanimous consent that the committee amendment be agreed to and considered as original text for the purpose of further amendment. It was adopted unanimously by the entire Governmental Affairs Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I am pleased that the Senate is beginning floor debate today on legislation to establish a separate, Cabinet-level Department of Education.

The Senate passed last September a similar bill by a vote of 72 to 11. It was ordered reported favorably by the Governmental Affairs Committee this year by a vote of 16 to 1. I wish to especially thank Senator PERCY, the ranking member of the Governmental Affairs Committee. Senator PERCY and I have worked closely on this legislation. Also, all the members of the committee deserve praise. I wish to thank each of them for helping to develop the legislation. It will be one of the few issues this year on which Democrats, Republicans, conservatives, moderates, and liberals alike can all agree. The cosponsors of the bill before us today, S. 210, come from all parts of the country and from all political ideologies. The more than 100 major national organizations which support the Department of Education represent education, civil rights, labor, business, parent, citizen, and State and local government interests.

It is a concept given extensive and thorough consideration, a concept with a century-long history. The Governmental Affairs Committee spent more than 2 years considering the legislation, with more than a dozen days of hearings and testimony from more than 125 witnesses.

I first saw the overwhelming need for education to have its own agency in 1961, when I served as Secretary of Health, Education, and Welfare. The HEW budget was then $30 billion.

But today, the HEW Secretary is forced to manage a department with a budget almost seven times as large—some $200 billion in fiscal year 1980.

Being Secretary of HEW is perhaps the toughest job in America. One of the first things I did upon entering the Senate in 1963 was to introduce a bill to create a Department of Education. The idea has had the never-ending support of Senators who have held expertise in the area. Senator MAGNUSON, as chairman of the Appropriations Subcommittee on Labor-HEW, has been the single most persistent supporter of the bill. Senator WILLIAMS, chairman of the Labor and Human Resources Committee, and Senator PELL, chairman of the Subcommittee on Education, have also worked with me for a separate Department.

The U.S. Senate will be debating a bill which will finally give education its rightful place in the Federal Government, a bill which attacks the HEW problem head-on.

The need for a separate Department of Education has never been greater, or more clear.

We all want better management in Government, more efficiency, less waste and fraud. But the HEW experience is a textbook case in how not to structure a Cabinet department, in how unmanageable an agency can get.

Of all the structures in the world, HEW ranks number three in size of budget—following only the Governments of the Soviet Union and the United States. Its budget increase alone is about $20 billion annually—mostly for health and welfare programs. That increase is the same as 10 State Departments, or two Departments of Energy. That is just the increase. Almost all of it goes for the uncontrollable health and welfare programs. Within 5 years, one-half of the U.S. Government budget will be administered by one person—the Secretary of HEW.

How can we expect efficient and manageable government when this tremendous, disproportionate amount of social service responsibilities is cast upon the shoulders of one individual?

How can this one person give sufficient attention to all three, very important components—health, education, and welfare?

No matter how capable the individual, the job is simply too overwhelming.

Almost 95 percent of the HEW budget goes for health and welfare. So, the focus of HEW is on safeguarding the health and welfare of the American public. Health and welfare programs demand the undivided, constant attention of the Secretary for they are crisis-prone and touch the life of nearly every living American.

But the education part of HEW is important also. Its budget, while only 5 percent of the total HEW budget, is larger than that of five existing Cabinet Departments (State, Commerce, Justice, Interior, and Energy). Yet, it is submerged under, and made up of, many layers of bureaucracy. Its leadership is fragmented among three different officials. It is a conglomeration of some 40 statutorily created bureaus and offices which cannot be reorganized without congressional approval. It is smothered by the dominant concerns of health and welfare.

At the same time, another 40 Federal agencies outside HEW are involved in education. They are seldom brought into contact with those of HEW. There is much duplication, red tape, over-regulation, and wasteful paperwork. No one Federal official is at a high emotional level to take the lead and coordinate these 300 education programs.

This lack of coordination costs States and localities valuable resources which could otherwise be put into improving education. For example, Illinois State Superintendent of Education Joseph Cronin testified before the committee that he is forced to hire at least 20 staffers, at average annual salaries of $20,000 each, just to keep up with Federal paperwork, rules, and regulations.

As a result of this confusing, low-level situation in the Federal Government, our frustrated education officials leave. In the last 12 years, there have been 13 different Commissioners of Education. The present Commissioner has already announced he will resign soon.

There is an important, but carefully restrained Federal role in education. But as it becomes increasingly scattered, duplicative, and unmanageable, our ability to restrain it and manage it will be diminished.

By creating a Department of Education, separate from HEW, there will be two primary benefits. First, we will finally get a handle on our education programs, focus on them, better manage them, and give them stature in the Federal Government commensurate with the importance of education in this country. Second, the removal of the "E" from the "H" and "W" will go far toward remedying the institutional deficiencies found there, enabling better management of health and welfare programs, and of education programs.

Education in this country is a pervasive function—directly involving more than one out of every four Americans, some 60 million people. Total education spending approaches the $180 billion mark—nearly 10 percent of the gross national product. State and local governments spend more on education than anything else—some 40 percent of their budgets. It is as important a function as labor, commerce, or transportation, which have Cabinet status.

Education is a unique function in that it involves the work of all of our Cabinet Departments. So, there should be a Cabinet Secretary to work with the others to coordinate education programs.

By separating education from the overwhelming influences of health, and welfare, the Congress will be better able to clearly evaluate budget allotments.

The level of accountability for education programs will rise dramatically. Low-level, scattered bureaucrats cannot be held accountable.

The legislation before us today goes far to achieve a significant measure of consolidation of Federal education programs. In all, some 170 programs will be included in the new department.

The bill provides for clearly ordered, simplified structure which will have distinct mangement improvements. Instead of many low-level Federal education officials, there will be one—the Secretary of Education. Instead of the 30 to 40 "principal" officers and offices in the HEW Education Division, there will be just 11. All will be on an equal par with one another, and all will report to one official—the Secretary.

A Department of Education will not be a panacea for our Nation's ills. But to the extent that we can get the Federal structure in order, we will better assist States and localities to improve their educational programs and services.

Mr. President, I would like to take a moment to respond to some of the criticisms made about the proposal to create a Department of Education.

Some have argued that we will be creating a costly new bureaucracy. The facts are otherwise. The Department of Education will not result in any new costs. In fact, there will be substantial savings. The Office of Management and Budget estimates that 350 to 450 positions will be eliminated by the reorganization, mostly the duplicative staff functions now existing within HEW.

For example, there are offices for management, budget, policy, planning and evaluation, legislative affairs, and public affairs in the Office of the Commissioner of Education, in the Office of the Assistant Secretary, and in the Office of the HEW Secretary. They are all doing practically the same thing.

The OMB also estimates further improvements in mangement and consolidation will push the total annual savings to at least $100 million annually. Again, examples of duplication and inefficiency are easily shown. Today, some 25 different offices in HEW review and reshape all education regulations. In the Department of Education, that number would be reduced to just 10.

The new department will be the most streamlined department in the Federal Government. Although its budget will be larger than five existing departments, it will have fewer supergrades, fewer assistant secretaries, fewer executive level positions, and fewer full-time staff positions than any other department.

Some have argued that establishment of the Department of Education would lead to more Federal control of education or a national education policy. Decisions toward more Federal requirements or national policies are made in the Congress of the United States, not by the simple act of creating an agency. We have gone to great lengths to insure that State and local control of education is unaffected by this measure. In our bipartisan spirit, Senators ROTH and DANFORTH have worked with me in the committee to include very specific and strong language in the bill to protect State and local control. That will be the law of the land.

I strongly believe establishment of the Education Department will arrest Federal encroachment, and present opportunities to reduce Federal burdens. There are conflicting mandates within HEW. Dominant health and welfare programs are nationally focused, centralized programs. The Federal Government plays the central role. But education is exactly the opposite. States and localities play the central role, and it should continue that way. The so-called HEW mentality and national focus can only intensify as health and welfare programs continue to dominate. Education should be separated from such a national focus. Once it is in a separate department, Federal-State-local relationships can be better defined, and States and localities can better hold the Secretary of Education more accountable for any rules, regulations, or other possibly burdensome requirements.

Lastly, some have argued that a Department of Education will become a creature of its clientele, that it will become dominated by certain education groups. The argument ignores, unfortunately, the breadth and diversity of American education, and how the new Department will address it. The Department's principal program offices will be broken down into the naturally broad education functions—elementary/secondary, postsecondary, occupational, adult and community, special education and rehabilitative services, and research and improvement. It will be structured so that each of these offices and officers will be on an equal par with one another. No one interest will be in a position to "dominate" over another.

Mr. President, I believe the bill before us today is the product of much reflection and careful analysis.

The committee has worked with the administration and the President's reorganization project in developing a refined and comprehensive bill. As my colleagues know, President Carter and Vice President MONDALE continue to attach a high priority to the establishment of the Department of Education. The President has spoken often of his lack of contact with Federal education officials, and the lack of discussion of education programs and problems at Cabinet meetings.

Federal education programs are too important to be mismanaged or smothered in bureaucracy. The Federal education effort must be efficient, effective, and helpful to States, localities, and public and nonpublic institutions.

We need a Department of Education. I strongly urge my colleagues to support the legislation.

Mr. President, I ask unanimous consent that the list of organizations supporting the Department of Education, OMB Director James McIntyre's testimony before the House Government Operations Committee, and the summary of the legislation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS SUPPORTING THE U.S. DEPARTMENT OF EDUCATION

Alliance of Associations for the Advancement of Education.
American Alliance for Health, Physical Education, and Recreation.
American Association of Colleges of Teacher Education.
American Association of Community and Junior Colleges.
American Association of School Administrators.
American Association of University Professors.
American Association of Workers for the Blind.
American Choral Directors Association.
American Coalition of Citizens with Disabilities.
American Dance Guild.
American Dietetic Association.
American Educational Research Association.
American Federation of Government Employees (AFL–CIO).
American Federation of State, County, and Municipal Employees (AFL–CIO).
American Library Association.
American Personnel and Guidance Association.
American School Food Service Association.
American Society for Public Administration.
American Theatre Association.
American Vocational Association.
Americans for Democratic Action.
Americans for Indian Opportunity.
Association of Childhood International.
Association for Supervision and Curriculum Development.
Children's Foundation.
Citizens Committee for a Cabinet Department of Education.
Coalition of American Public Employees.
Coalition of Independent College and University Students.
College Art Association of America.
College Band Directors National Association.
College Music Society.
Committee on Research in Dance.
Council for the Advancement and Support of Education.
Council for Educational Development and Research.
Council for Exceptional Children.
Council of Chief State School Officers.
Council of State Administrators of Vocational Rehabilitation (Exec. Com.)
Education Commission of the States.
Home Economics Education Association.
International Council of Fine Arts Deans.
International Reading Association.
Mexican-American Legal Defense Fund.
Mid-America Association.
Music Educators National Conference.
Music Teachers National Association.
National Art Education Association.
National Academy of Education.
National Alliance of Black School Educators.
National Association for Equal Opportunity in Higher Education.
National Association for the Deaf.
National Association of Administrators of State and Educational Programs.
National Association of College Wind & Percussion Instructors.
National Association of Elementary School Principals.
National Association of Mexican-American Women.
National Association of Secondary School Principals.
National Association of Schools of Art.
National Association of Schools of Music.
National Association of State Boards of Education.
National Association of State Directors of Migrant Education.
National Association of State Directors of Special Education.
National Association of State Directors of Vocational Education.
National Audio-Visual Association.
National Caucus of Black School Board Members.
National Commission on Libraries and Information Services.
National Committee for Citizens in Education.
National Community Education Association.
National Conference of State Legislatures.
National Congress of Parents and Teachers (PTA).
National Council for the Social Studies.
National Council of La Raza.
National Council of State Agencies for the Blind.
National Council of Teachers of English.
National Council of Teachers of Math.
National Dance Association.
National Education Association.
National Federation of the Blind.
National Governors Association.
National Grange.
National Guild of Community Schools of of the Arts.
National Rehabilitation Association.
National School Boards Association.
National School Public Relations Association.
National Society for Autistic Children.
National Student Education Fund.
National University Extension Association.
National Urban League.
Overseas Education Association.
People United to Save Humanity (Operation PUSH).
Speech Communication Association.
State Higher Education Executive Officers Association.
Student National Education Association.
United Auto Workers.
United States Student Association.
Xerox Corporation.
Young Audiences, Inc.

STATEMENT OF JAMES T. MCINTYRE, JR.

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to appear before you today in whole hearted support of H.R. 2444, to establish a Cabinet Department of Education. This bill, which you introduced along with 78 cosponsors, embodies the Administration's proposal to reorganize Federal education programs. We are pleased to work with you toward the enactment of this legislation this year. As you know, Mr. Chairman, this initiative is a very high priority of the President and this Administration.

H.R. 2444 will separate education programs from the Department of Health, Education and Welfare and combine them with programs from five other agencies to form a simpler, more accountable organization than now exists.

Today, our Nation's educational system is considered the most competent and open in the world, but it faces many problems and challenges including: decline in the public confidence in the quality of education; unacceptably high rates of high school dropouts and youth who lack skills for productive employment; limited resources at all levels to finance education; declining school age populations and increasing demands for retraining and lifelong learning opportunities. The current organization of our Federal education activities limits our capacity to help State, local and private school systems and institutions meet these challenges.

Mr. Chairman, there has been a great deal of public discussion of this proposal for a separate Department of Education. But there has been little discussion as to the fundamental issue at stake here.

The question before the Congress is simply this: How do we most effectively manage more than 150 Federal education programs? Do we do this through a separate department, as the Administration has proposed, or do we continue with the existing organization?

I believe there is a compelling case for the separate department. We will demonstrate this case here today. We will show that establishing a separate department will cut duplication. It will mean less red tape and better service to States, localities, schools and students.

There are very tangible objectives and very tangible benefits, particularly to those who administer education programs at the local level.

To date there has been little public discussion of these administrative benefits. Critics of our proposal have quite understandably chosen to divert attention to factors, that while relevant to a broad discussion of Federal education policy, do not address the day-to-day management realities of administering the Federal education programs now on the books.

I want to talk with you today about the improvements in the management of Federal education programs that a Department of Education will achieve.

The Federal role in education is an important one. There are more than 150 programs with a budget of $13 billion that are aimed at several objectives:

Promoting equal educational opportunities;

Increasing access to college education through assistance to students in low and middle income families;

Supporting vocational and career training; and

Supporting educational research and the sharing of information.

This is basically the current Federal policy—important, yet appropriately limited and supportive of the primary responsibilities of States, localities, public and private institutions for education.

Yet, we believe that the current organization of these programs in H.E.W. is not as effective, accountable and responsive as it could and should be. The management improvements that can be achieved through a Department of Education are substantial.

Let me review with you some of the serious management problems that result from the current structuring of education programs in the Department of Health, Education and Welfare. I will describe the improvements that a Department of Education can accomplish.

The first problem with the current structure of education programs in H.E.W. is the absence of clear accountability and the fragmentation and duplication of responsibility.

In addition to the Secretary of H.E.W., three individuals—the Assistant Secretary for Education, the Commissioner of Education, and the Director of the National Institute of Education—have a claim to the title, "Chief Education Official."

H.E.W. also has a top layer of staff assistant secretaries for management, budget, public affairs, policy, planning and evaluation. Each of them is involved in reviewing education matters. In addition, each of the major education officials has his or her own staff offices and special assistants.

The Department of Education will eliminate much of this duplication, including between 350 and 450 positions.

One example of unnecessary duplication and fragmentation in the current structure is in the regulations area. Routine regulations which must be published before funds can go to needy school districts and students take an average of 519 days—nearly a year and a half—to be issued. The shortest time is 220 days and, in at least one case, it took 1,296 days—more than three years.

The Department of Education will cut this time approximately in half by eliminating 15 offices from the clearance process.

Another example of fragmentation and duplication in the current structure that causes unnecessary delay is the budget process for education programs.

In H.E.W., 25 offices now participate in the preparation and review of the Office of Education program budgets, including:

11 offices in the Office of Education.

4 offices in the Office of the Assistant Secretary for Education.

10 offices in the Office of the Secretary.

In the simpler structure proposed for the Department of Education the number of offices would be reduced from 25 to 10. This would eliminate about 40 percent of the time it now takes to prepare the education budget.

The current process for developing a legislative proposal is equally duplicative and fragmented. Four policy offices in H.E.W. are directly involved in developing the same legislative proposals. At least 11 offices above the Office of Education are involved in reviewing these proposals.

As a result of this duplicative, staff dominated structure, education program managers have litle effect on final legislative proposals.

The Department of Education legislation creates a simple structure that cuts in half—from 19 to 9—the number of offices involved in the development of legislative proposals. We estimate that the time required to prepare legislation can be reduced by at least 30 percent.

In addition, and this is an important point, the proposed structure for the Department places a greater reliance on program managers to perform these functions with a minimal review by staff offices.

A second problem with the current structure is the lack of management attention to education. H.E.W., with a budget of nearly 200 billion dollars and over 350 programs, is by far the largest and most complex Cabinet Department. The health and welfare programs, which are closely related and account for 92 percent of the Department's budget dominate the H.E.W. Secretary's time and attention. The crisis nature of health and welfare issues means that education matters which account for 45 percent of the Department's programs, are set aside. On several occasions, the President has expressed his concern that education issues had rarely been brought to his attention in Cabinet meetings or other discussions. He said that education issues took less than 1 percent of his time.

The Secretary of Education will be accountable to the President, the Congress and the public and he or she will spend full time on education issues.

A third problem is that there is little effective coordination within H.E.W. or across other departments. Neither the Assistant Secretary of Education nor the Commissioner has the stature to deal with other Cabinet Secretaries on important interagency issues. The Assistant Secretary for Education in H.E.W. now chairs an interagency committee on education. This committee has had little success in commanding high level sustained attention from other Cabinet departments and agencies. Former Commissioners have testified that there is almost no meaningful coordination of education programs with other programs in H.E.W.

A Secretary of Education would be in a far better position to deal with other Cabinet members on important interdepartmental issues such as: education and work; Federal research programs; and the impact of, for example, energy policies on education.

Finally, the current organizational structure of the Office of Education in H.E.W. provides little flexibility or authority for the Commissioner of Education to manage effectively the programs for which he is responsible. Many former Commissioners have expressed frustration at this situation. In the past 12 years, there have been 13 Commissioners of Education. The Administration's proposal for a Department of Education solves this problem by giving the Secretary full authority to organize and manage the Department's programs in the most effective way.

These problems with the current structure inhibit the effectiveness of the Federal Government in carrying out its responsibilities in the education area. Some have suggested an Under Secretary of Education in H.E.W. as an alternative to a Cabinet Department. The President considered this option more than a year ago and rejected it.

Unlike a Secretary of Education, an Under Secretary would not be directly accountable to the President, the Congress or the Public. Creation of an Under Secretary of Education in H.E.W. would further complicate staff and line authority. An Undersecretary would not be as effective as a Secretary in achieving useful interdepartmental cooperation or access to the press and other important channels of information. In sum, we believe that a Cabinet Department is the best organization structure for education programs.

Before providing a more detailed description of the programmatic and structural features of our proposal, I would like to respond to some of the concerns I have heard expressed about establishing a Department of Education.

Some opponents charge that this will result in more bureaucracy and greater cost. The facts do not support this charge. The Department will include no more people and will cost no more than is now devoted to education programs. In fact 350 to 450 positions will be eliminated, saving $15 to $19 million. The creation of the Department will require no new funds. Transition costs of $10 million will be met by current appropriations and offset by personnel savings.

In the longer run, there is a potential for savings of more than $100 million through improved financial management and audit systems geared specifically to education and through consolidation of the administrative functions of many programs.

Other opponents argue that the establishment of a Department of Education will increase funding for education programs. We have not seen any evidence to support this charge. Our analysis shows that organizational status and program funding do not seem related. Recent reorganization history bears this out.

Since the creation of the Departments of Transportation and Housing and Urban Development, funding for their programs has not increased relative to other domestic programs. In the case of Transportation, the relative funding has declined slightly.

One final argument that some opponents make is that the creation of this Department will lead to an expanded Federal role or greater control over education. The Federal role in education is limited and specific. It is to promote equal educational opportunities for all Americans through support of locally designed programs for disadvantaged, bilingual and handicapped students, and the enforcement of civil rights laws, to increase access to college education through assistance to students in low and middle income families, to support vocational and career training, and to support educational research and innovation.

These Federal policies, roles or degrees of control can *only* be changed by the votes of a majority of both Houses of Congress—the elected representatives of the people. A Department of Education cannot increase Federal control. The tradition of State and local control over education is fundamental to the strength of our system and will not be changed by a reorganization.

THE ADMINISTRATION'S PROPOSAL

As proposed in H.R. 2444, the Department includes more than 150 programs with a budget of approximately $13.5 billion, making it larger than five other Cabinet Departments. The nucleus of the Department will be the entire Education Division in H.E.W. and the following programs from five other agencies:

Education-related activities of the Office for Civil Rights at HEW.

Overseas Dependents' schools of the Department of Defense.

Certain science education programs of the National Science Foundation.

Nursing and health professions scholarship and loan programs of the Public Health Service, HEW.

Law Enforcement Scholarship and Internship programs of the Department of Justice.

The College Housing Program of the Department of Housing and Urban Development.

Special Institutions, for which HEW has budgetary oversight, including Howard University, Gallaudet College, the American Printing House for the Blind and the National Technical Institute for the Deaf.

The Telecommunications Nonbroadcast Demonstration Program, H.E.W.; and

The United States Department of Agriculture Graduate School.

We have not included the Indian education programs of the Department of Interior. Instead, before making a final decision, we plan to solicit the views of the Indian Tribes. These consultations will begin immediately and we hope to complete them within a few months.

Let me turn now to the major purposes of a Department of Education. We believe strongly that several major goals should be directly reflected in the structure of this department. They are:

First, to strengthen the Federal commitment to ensuring equal educational opportunity for every American;

Second, to improve the management and accountability of Federal educational activities;

Third, to support more effectively State and local governments and private institutions in carrying out their responsibilities; and

Fourth, to promote improvement in the quality and usefulness of education through research and information.

The Administration's proposal provides a structure of the Department which relates very closely to these major purposes. Our proposal provides a simple structure that reflects the Federal role in education, centering around promoting equal educational opportunities and providing assistance to States, localities and private institutions. It also gives the Secretary flexibility in organizing and managing the Department.

Specifically, we propose that, in addition to the Secretary and the Under Secretary, there be six Assistant Secretaries, only four of which are assigned to specific offices: Civil Rights; Elementary and Secondary Education; Postsecondary Education; and Educational Research, and Improvement. The two remaining Assistant Secretary positions will be assigned by the Secretary.

The Office of Civil Rights will be headed by an Assistant Secretary. Our bill increases the stature and the independence of both the Office for Civil Rights and its head. The legislation requires that the Assistant Secretary report directly to the Secretary, submit an annual report to the Secretary and the Congress, independently collect necessary compliance data, and have the authority to hire, select and supervise staff, including attorneys and consultants.

The Assistant Secretary for Postsecondary Education will be responsible for administering student and institutional assistance programs totaling over 5.5 billion dollars. He or she will be the Department's principal advisor on matters concerning postsecondary education.

The Assistant Secretary for Elementary and Secondary Education will be responsible for administering programs to promote equal opportunities for all children and youth in public and private elementary and secondary schools.

The Assistant Secretary for Educational Research and Improvement will administer programs which support research, demonstration, evaluation and the sharing of information. The major program components of this Office will be the National Institute of Education, the Fund for the Improvement of Postsecondary Education, the National Center for Education Statistics and certain science education programs from the National Science Foundation. Neither this office nor the Department will include any mission-oriented research programs of other Federal departments or agencies, such as the National Science Foundation or the National Institutes of Health.

In addition to the four offices to be headed by Assistant Secretaries, the Administration's bill provides for 9 other executive level positions.

An Office of Overseas Dependents' Schools will be headed by an Executive Level official. The schools will be phased in over a three-year period to ensure an orderly transition. The plan for phasing in and administering the schools will be developed by the Secretary of Education after consulting with the Secretary of Defense and representatives of parents, teachers, administrators and students in overseas schools.

The Inspector General and General Counsel are assigned Executive Level IV positions. The Secretary is given the authority to establish other Executive Level offices for such important program functions as vocational education and handicapped education and for the major staff functions, such as management and budget, congressional affairs, public affairs, planning and the monitoring and encouragement of parent and student involvement in departmental activities.

There are several other features of the bill that I would like to note.

First, the bill contains specific language prohibiting Federal control over education policies and decisions that are properly the responsibility of States, localities and public and private institutions.

Second, it assigns responsibility for intergovernmental relations to the Under Secretary. This involves liaison with States, localities and their educational institutions and the day-to-day monitoring of the impact of Federal education activities on State and local governments.

Third, it creates an Intergovernmental Advisory Council as a forum for discussing educational issues. The Council would be charged with monitoring Federal educational activities and their impact on constituents. In a biennial report it would review these issues and assess compliance with the prohibition against Federal control.

Mr. Chairman, my staff and I look forward to working closely with you and the Committee, and to the swift passage of this important legislation.

Thank you.

SUMMARY OF BILL

TITLE I

Title I states the purpose for creating the Department of Education Congressional findings (Sec. 101):

Education is fundamental to the growth and achievement of the nation.

There is a continual need to ensure equal access to education for all Americans.

The primary responsibility for education is that of State, local and tribal governments, public and nonpublic institutions, communities, and families.

The primary public responsibility for education is reserved respectively to the States, the local school systems and other instrumentalities of the States, and tribal governments.

The dispersion of Federal education programs had led to fragmentation, duplication and inconsistent Federal education policies.

State, local and tribal governments and public and nonpublic education institutions face problems as a result of a lack of coordination of education programs at the Federal level.

The present organizational position of education at the Federal level hinders presidential and public focus on education issues.

The importance of education is increasing due to the complexities of our society and the need to provide equal opportunities for citizens.

Purposes of the Department (Sec. 102):

Enable education to receive appropriate emphasis at the Federal level.

Continue and strengthen the Federal commitment to equal educational opportunity.

Supplement and complement State, local school systems and other instrumentalities of the States and tribal governments, the private sector, public and nonpublic institutions, including educational research institutions, community organizations, parents and students to improve educational utility and quality.

Encouraging parental and community involvement.

Encourage the increased involvement of parents, students and the community in education.

Enable the Federal government to coordinate education activities more effectively.

Assist in the support of basic and applied educational research.

Supplement and complete States, local, tribal, public and nonpublic agencies by providing support for their articulated needs, especially with respect to simplification of procedures for the dispersal of funds and the reduction of unnecessary and duplicative burdens.

State and Local Responsibilities for Education:

The establishment of the Department shall not increase the authority of the Federal government over education or diminish the responsibility for education which is reserved to the States, the local school systems and other instrumentalities of the States, and tribal governments.

The intention of Congress in establishing the Department is to protect the rights of State, local and tribal governments and public and nonpublic education institutions in the areas of educational institutions in the areas of educational policies and administration of programs, included but not limited to competency testing, and selection of curricula and program content as well as to strengthen and improve the control of such governments and institutions control over their educational programs and policies.

The Act does not require any particular organization at the State level of any programs transferred to the Department.

TITLE II

Title II establishes the Department (Sec. 201). It creates the following offices and officers to perform respective functions (Sec. 202):

Officer (title), and office:

Secretary (Level I), Under Secretary (Level III; performs intergovernmental functions, other duties).

Assistant Secretary (Level IV). Elementary and Secondary Education.

Assistant Secretary (Level IV). Post Secondary Education.

Assistant Secretary (Level IV). Special Education and Rehabilitative Services.

Assistant Secretary (Level IV). Occupational, Community and Adult Education.

Assistant Secretary (Level IV). Educational Research and Improvement.

Director of Civil Rights (Level IV). Civil Rights.

One additional Assistant Secretary (Level IV). (Would perform planning, evaluation and coordination functions).

General Counsel (Level IV).

Administrator of Education for Overseas Dependents (Level V).

One additional officer (Level V).

Functions (Sec. 203):

The functions of the Department include chief duties of the principal officers as well as public information, congressional relations, administration and management, and monitoring parental and public participation.

Intergovernmental Advisory Council on Education (Sec. 213):

The purpose of the Council is to make recommendations concerning intergovernmental policies and relations relating to education. The Council consists of 25 members, including representatives of the general public, school officials and State, local and tribal governments. In addition, the Undersecretary would serve as an ex officio member of the Council.

Federal Interagency Committee on Education (FICE) (Sec. 214):

The purpose of FICE is to assist in the coordination of the procedures and actions of the Department and other Federal departments and agencies. It would consist of 17 members representing various agencies having educational interests. It would be chaired by the Secretary.

TITLE III

Transfers of agencies and functions

Sec. 301 transfers the following: All programs of the Education Division, the Office of the Assistant Secretary for Education, the Institute of Museum Services, the Office of Information and Resources for Handicapped Individuals, the Rehabilitation Services Administration (except for the developmental disabilities programs), the National Institute of Handicapped Research, the Interagency Committee on Handicapped Research, the Helen Keller Center for Deaf-Blind Youth and Adults and the National Council on the Handicapped. Also transferred are H.E.W.'s education functions for the Office of Civil Rights, for education advisory committees, the telecommunications-demonstration grants, HEW's responsibilities for Gallaudet College, Howard University, the American Printing House for the Blind and the National Technical Institute for the Deaf, and the student loans for nurse training.

Transfers from other agencies include: Department of Defense's operation of overseas schools for dependents (Sec. 302), National Science Foundation's science education programs, including programs for undergraduate instructional improvement, assistance and research in science education (Sec. 303), Department of Justice's law enforcement student loans and grants (Sec. 304), the Department of Housing and Urban Development's college housing program (Sec. 305), and the Department of Labor's migrant education program (Sec. 306).

TITLE IV

Administrative programs

Personnel Provisions:

Sec. 401 provides for the appointment of personnel to the Department. It authorizes technical and professional employees for the Office of Educational Research and Improvement; 15 transitional employees; a total of 71 positions at GS-15, 17 and 18. Of these, 50 new positions are authorized and 21 are continued.

Sec. 402 provides for experts and consultants.

Sec. 403 provides for Congress to authorize an end strength for personnel for the Department.

Sec. 411 provides for authority of the Secretary to exercise the functions of the agencies and offices within the Department.

Sec. 412 provides the Secretary authority to delegate functions to officers of the Department.

Sec. 413 prohibits reorganization of any structural entities established by statute within the Department. However, some flexibility is allowed for offices if procedures, which include specified notice requirements to appropriate congressional committees, are followed.

Sec. 414 redesignates reporting requirements to the Secretary which were required previously to the Commissioner of Education or the Assistant Secretary for Education. Subsequently, the Secretary is authorized to redelegate the reporting requirements to appropriate officers or employees within the Department.

Sec. 415 authorizes the Secretary to prescribe rules and regulations for the Department.

Sec. 416 authorizes the Secretary to enter into contracts, grants, leases, cooperative agreements or other similar transactions with officials of Federal, public and private agencies.

Sec. 417 authorizes the Secretary to provide technical assistance, advice and counsel to interested persons with respect to the Department's programs or functions.

Sec. 418 authorizes the Secretary to establish, maintain, alter or discontinue regional or field offices.

Sec. 419 provides for the maintenance and acquisition of property.

Sec. 420 provides for facilities at remote locations, for employees and dependents of the Department.

Sec. 421 allows the Secretary to use services and facilities of governmental agencies or instrumentalities with or without reimbursement.

Sec. 422 authorizes the Secretary to acquire copyrights, patents or licenses, etc., if necessary.

Sec. 423 authorizies the Secretary to accept gifts and bequests for the purpose of facilitating the work of the Department.

Sec. 424 authorizes the Secretary to establish a working capital fund.

Sec. 425 allows for the transfer of funds from one appropriation to another within the Department, but not to exceed 5% of the amount authorized to be appropriated.

Sec. 426 provides for a Seal of Office for the Department.

Sec. 427 requires the Secretary to issue an annual report which includes an assessment of the plans for the Department. The report shall include a discussion of the effective management and coordination of functions of the Department as well as the recommendations concerning reduction of burdensome regulations and unnecessary duplication.

Sec. 428 transfers authorities under the General Education Provisions Act to the Department.

Sec. 429 authorizes sums to be appropriated for the Department.

TITLE V

Transitional, savings and conforming provisions

Title V contains the transitional provisions for the Department. Its significant provisions are as follows:

Transfer and allocations of personnel and funds (Sec. 501);

Effect on personnel. Maintains transferred employees in their present grade and compensation for one year. (Sec. 502);

Termination of operation of law of any existing office or agency all of whose functions are transferred (Sec. 503);

Authorization of Director of Office of Management and Budget to make determinations of incidental transfers of people and funds relating to transferred programs (Sec. 504);

Continuation of existing orders, proceedings, etc., made before the transfers by parent agencies until modified by the Secretary or the President (Sec. 505);

Separability. Preserves remainder of Act if any person or circumstance is held invalid (Sec. 506);

Reference. Ensures any other references which are applicable to the functions of the new Department refer to the Secretary or the Department (Sec. 507);

Conforming amendments (Sec. 508);

Consultation with the Secretary of Labor is provided for (Sec. 509);

Conforming (Sec. 510);

Department of Defense amendments, plus revision of membership of Advisory Council on Dependent's Education to broaden its representation to include parents and teachers (Sec. 511);

Redesignation of H.E.W as Department of Health and Welfare (Sec. 512).

TITLE VI

Title VI provides for the effective date of the Department as 180 days after the Secretary takes the oath of office (Sec. 601) and allows appointments of the principal officers and promulgation of regulations before the effective date (Sec. 602).

(Mr. BRADLEY assumed the chair.)

Mr. PERCY. Mr. President, before the distinguished manager of the bill leaves the Chamber, the Senator from Illinois wishes to ask him a question.

Mr. RIBICOFF. I am not going to leave.

Mr. PERCY. The Senator is in the unique position of being one of few Senators who has served in the Cabinet of the United States.

How many years did you serve as Secretary of HEW?

Mr. RIBICOFF. I served as Secretary for 2 years.

Mr. PERCY. Two years.

Mr. RIBICOFF. And may I say that it was comparably a small department that has grown tenfold, and it was the largest bureaucracy. There was more redtape, there were more agencies, more programs, and more people served than any other Cabinet department.

It became very obvious to me in my years of service that education was being shortchanged. Education never presented the same problems of health and welfare and the Secretary's time then and the Secretary's time as they succeeded me up until the present has been devoted less to education than the other functions.

Mr. PERCY. I wish the Senator to think back. In the 2 years of sitting in Cabinet meetings with the President of the United States and all of the Cabinet, what proportion of the time did the Cabinet and the President spend on the education of our future citizens? Is there any kind of an estimate? I ask that question because I put the same question to Frank Moore, Assistant to the President for Congressional Relations, just the other day, and he astounded me by saying he really could not think in the past several years in the Carter administration when education had been raised as an issue, when they had talked about one of the most important responsibilities we have in this country, the education of our future citizens. What kind of a Nation we are going to be depends upon what kind of citizens we have and how well educated they are. Could the Senator give me some idea? Was it discussed frequently, infrequently, never?

Mr. RIBICOFF. May I say this, I do not recall education ever being brought up at a Cabinet meeting. I did discuss education with the President because there were many controversial issues that came to the floor of the House of Representatives and the Senate that were discussed with the President and his staff during that period. But my feeling is that once there was the full flush of the beginning programs of President Kennedy education was very, very seldom discussed.

What I do know at the present time is that the Commissioner of Education, has never been at the White House to meet personally with the President. Most Commissioners of Education and Assistant Secretaries of Education never once during their entire stay in office ever see the President. We had one embarrassing situation where the Commissioner of Education was summoned to the White House and not let in by the guard because the guard did not know who he was. I cannot imagine a secretary of the Cabinet not being allowed to go into the White House grounds by a guard at the gate. So that indicates education's low status.

But I think this emphasizes the need for a Department of Education, and the low level of Commissioners of Education is not because of their ability and character. Every Commissioner of Education that I know has been an outstanding man of great ability, experience, character and commitment toward education. They came to Washington with stars in their eyes with the intention of doing something constructive for education, and felt that they were the persons who could do it. When they got here they were completely frustrated. They were relegated to a position of unimportance and never were at the seats of where the power was distributed, emphasized or created.

Consequently, after a short few months they went to greener pastures and quit their job in frustration. I do not think that would take place if a Commissioner of Education was really a Secretary of Education.

Mr. PERCY. I shall conclude this part of our colloquy. It is absolutely astounding that a Secretary of HEW who served in the President's Cabinet for 2 years found himself so engulfed with other problems, devoted as he is to education, that education could not be given much time at the Cabinet level.

Mr. RIBICOFF. May I say that I felt that education was more important than any other phase of my job but the problems that came on and the crises created were generally in the health field and welfare field and you are always putting out fires.

It was my determination when I was through with the Cabinet and came here that education had to be split off and taken out of the HEW. And what is interesting is the first day I came to the Senate floor the first one who grabbed me was Senator MAGNUSON, who was in charge of the Appropriations Subcommittee that handled education, and he said to me: "Abe," he said, "the first thing you have to do is get a bill in here and create a Department of Education. This is outrageous. As I am sitting year in and year out on these budgets, there is no spokesman for education."

It is very interesting that every Senator who has been involved in this body with education responsibilities is anxious and a cosponsor of this legislation. Senator MAGNUSON, Senator PELL, Senator WILLIAMS, and those Senators who deal with education on an authorizing or an appropriations basis on behalf of all of us continue emphasizing the necessity of creating a Department of Education.

Mr. PERCY. I thank my distinguished colleague.

Without any real knowledge as to what the Carter Cabinet talks about, and we do know that the President is deeply interested in education, I rather imagine that the Secretary of HEW has certainly talked about cigarettes in Cabinet meetings, possibly also on its impact on the tobacco areas of the country and on the health of the country. He and his Cabinet have talked about the scandals in GSA. They have talked about, certainly, I would say, the nuclear incident that we had in Harrisburg and probably talked about the snowfall that fell in Chicago and that caused a disaster. They have talked about the Mideast. They have talked about China. They have talked about the Panama Canal. But they have not addressed themselves, as the top policy officers in the executive branch of Government, probably in 2 years to more than a couple of hours at the most, if that much, on the subject of education. And all we are doing in this legislation, and I commend my distinguished colleague for his foresight in wanting to do this and the depth of feeling that he has about it, is simply raising education to a higher level. All the red herrings dragging across the path that someone wants to have more Federal control to education, or something like that, are simply wrong.

All we say is the children of this country, and their education, are important. And we feel that education is undernourished, underfinanced and that the financing probably has the wrong base today. That is why we have bond issue after bond issue being turned down around the country and a condition where the proper priority in thinking and in action is not being given to education. We are simply saying one way to start is to give it status, to give it clout, as we say in Chicago. All we want is a Cabinet official who will sit there and represent the tens of millions of children in this country.

Mr. President, I join my colleague and the distinguished chairman of the Governmental Affairs Committee, Senator RIBICOFF, in support of S. 210, the Department of Education Organization Act of 1979.

Education has always been one of my highest priorities. It should also be one of our Nation's highest priorities. However. that has not always been true, as has been demonstrated by the colloquy that the distinguished Senator (Mr. RIBICOFF) and I have had. Presently, education has a low status in the Federal Government. It is a malnourished component of the Department of Health, Education, and Welfare, where less than 5 percent of that Department's budget is devoted to education. In addition, the bulk of education programs in the Department of Health, Education, and Welfare are administered by a Commissioner of Education, and the Assistant Secretary of Education has few responsibilities and even less weight within that Department.

As the distinguished Senator from Connecticut has indicated, we have had a vast turnover of Commissioners of Education. In the 13 years that I have been in the Senate, there have been 13 Commissioners of Education.

When you take into account that it takes a few months to get organized and acquainted with the situation, and the Department of HEW is a vast labyrinth, and then if you allow a couple of months to transfer your duties when you leave, you have got an average of about 6 months' work on the job for the average commissioner.

Mr. RIBICOFF. We happen to have been endowed with several very able commissioners, and certainly not the least of whom is Dr. Boyer, the present incumbent. The fact that he is leaving poses the question, if he were to be asked to be the Secretary of the Department of Education, would he have had to leave? My judgment is we would be able to keep people on the job and keep this job as an important job in high priority in the Federal Government if it is given Cabinet status.

Mr. PERCY. Mr. President, this is a question of national priorities. Three-tenths of our population is in some way involved in education—either as students, teachers, or administrators. Governmental expenditures for education at all levels will be more than $100 billion during this fiscal year.

What has been the Federal response? Federal expenditures for education have actually declined, from approximately 12 percent in the late 1960's to a little more than 8 percent today. This has occurred at a time when school districts throughout the country are faced with severe financial difficulties. Many schoolchildren will miss valuable days in school simply because their school system is broke. In addition, the Federal education effort is greatly fragmented, resulting in an uncoordinated approach to solving the many problems facing our Nation's schools.

With respect to the financing, we all know there is a limit to property taxes. Proposition 13 addressed itself to that issue, and rightfully so. Homeowners are simply outraged at the rising taxes on their homes. We have tried to provide, through the years, every incentive for people to become homeowners, to be a part of their communities. But today the property taxes are driving up costs so high that older people are being driven out of their homes, and younger people cannot afford to become homeowners. That is why proposition 13 was such an important concept for people, who by its passage said "Enough is enough."

Property taxes are regressive. Sales taxes are regressive. My own son-in-law, the Governor of the State of West Virginia, has fought for years to take sales taxes off of food. Finally this year, after years of battle, he has succeeded in phasing out sales taxes on food. That is a sensible, sound thing to do, because the regressive nature of sales taxes is such that it imposes the greatest hardship on the poor, who are least able to afford it.

On the other hand, the Federal Government—and I say parenthetically, before I go on to the Federal Government, that local and State taxation comes essentially from property taxes, from sales taxes, from gasoline taxes, and from other things that are flat taxes, paid for at the same rate by rich and poor—has about a 90-percent monopoly on the progressive income taxation of this country. Those who are most able to afford to pay, pay.

Certainly, to finance education out of regressive taxation, and have a declining percentage of educational expenses borne by the Federal Government, from 12 percent down to 8 percent in recent years, there is little wonder that the quality of education is suffering in this country.

I would like to point out to my colleagues that neither the intent nor the effect of S. 210 is to create a monolithic new structure. On the contrary, it would achieve real efficiencies and savings. For example, it would have the fewest number of supergrade positions, 114, and the fewest number of full-time permanent positions, 16,842, of any Cabinet-level department. The figures for the next lowest Department, Housing and Urban Development, are 116 and 17,400, respectively. In addition, the Office of Management and Budget has informed the committee that elimination of duplication will further reduce the Department by another 350 to 450 positions.

Mr. President, I want to take a pledge today and send a message today to the newly-to-be-created Department of Education, if this legislation is accepted by the House and the Senate, and to the Office of Management and Budget, that the Governmental Affairs Committee will hold them to these figures. We will have oversight over this, and these are figures given to us by OMB and we expect it to adhere to them. We do not want to create a large bureaucracy. There is no need for it.

Mr. President, finally, regarding an issue of great concern to the committee, there is specific language in S. 210 designed to protect State and local prerogatives in education. In this regard, I particularly refer my colleagues to section 103 of the bill. I would like to take this opportunity to commend Senators ROTH and DANFORTH for their leadership on this issue.

In just a few minutes, I will be yielding to Senator DANFORTH so that we might have his thinking on it, which I think would be extraordinarily important as a reassurance to all of those people in this country, including myself, including Senator RIBICOFF, and most of the sponsors of this bill, that we are devoted and dedicated to local control of education. This Department, by legislative history, intent, and wording of the statute is not in any manner, shape or form intended to detract from local control of education or to give the national Government control over education.

Just as we acknowledge that the strength of a nation rests with its people, we must also realize that its greatest natural resource is its children. We must do more to develop that precious resource. Raising education to a Cabinet level position in our Government will symbolize our commitment to provide quality education to all of our children. For this reason, I believe that the passage of S. 210 will be one of the most significant acts of this Congress. I urge its support.

Mr. ROTH. Mr. President, will the Senator yield?

Mr. PERCY. Mr. President, I am happy to yield to the distinguished Senator from Delaware and the distinguished Senator from Connecticut.

Mr. ROTH. I appreciate the courtesy of the Senator yielding.

Mr. President, last year during consideration of S. 991, a bill to establish a separate, Cabinet-level, Department of Education, I entered into a colloquy with my colleagues—Senators RIBICOFF, DANFORTH, GARN, and PERCY, to clarify the intent of the legislation to preserve and protect the rights and prerogatives of State and local governments in the educational process. We have before us today a new bill, S. 210, to establish a separate, Cabinet level Department of Education. I feel it is a better bill than the one we had last year. It is a better bill because we have had the opportunity to improve upon our language from last year on the subject of State and local control over education.

During hearings before the Governmental Affairs Committee this year on S. 210, we had an opportunity to address the issue of State and local control in relation to the establishment of the Department of Education when we heard testimony from a panel of witnesses representative of the interests of education on this level. The groups represented were the National Governors Association, the Education Commission of the States, the National Association of State Boards of Education, the National Conference of State Legislatures, the National School Boards Association, and the Council of Chief State School Officers. The recommendations made during the hearings by these groups were most beneficial in improving upon the language in S. 210 for State and local control.

In the establishment of a separate Cabinet-level Department of Education we are in no way suggesting, condoning, or implementing an entity to exercise Federal influence over the formulation of policies, choice of curricula, administration of programs, choice of educational objectives and program content, or anything which could be construed as the establishment of a national educational policy. S. 210 positively reaffirms our commitment to State and local responsibilities for education in title I section 103 of the bill. It should also be noted that the provisions of the General Education Provisions Act apply to the functions transferred to the Department; these provisions include a prohibition of Federal control over educational programs and policies.

There are currently approximately 300 Federal education programs scattered throughout 40 Federal agencies. In creating a Cabinet Department of Education it is hoped that the management and coordination of these programs can be substantially improved and ease the burden on the State and local governments of the multiple, duplicative and often conflicting regulations which have resulted from this fragmentation of the education effort. Effective management does not mean more control, however. S. 210 provides mechanism which gives the Department an intergovernmental perspective and thrust. The Undersecretary of the new Department has been assigned the specific responsibility for the conduct of intergovernmental relations; by giving the Undersecretary this responsibility there will be an overall effort in the Department to be sensitive and responsive to activities on the Federal level which should not be at odds or in conflict with education activities at the State and local level. The bill also establishes an Intergovernmental Advisory Council.

The purpose of this Council is to conduct studies and make recommendations to the Secretary and the President concerning intergovernmental policies and relations relating to education. It will serve as a forum to bring the opinions and ideas of those persons involved in the educational process to the attention of the Department. From this perspective the Council is a valuable component of the new Department to supplement and complement State and local efforts to meet the Nation's education needs.

There has been a long tradition in this Nation of local control over education. This tradition is guaranteed by the constitutional requirements of the 10th amendment. The intent of S. 210 is to preserve the prerogative of the traditional role of education as a function of State and local governments and private institutions.

I can think of nothing else that so affects all Americans as education. I can think of no other area where Americans insist more upon a strong local control than education. Education is vital to our country's sustenance and well-being. Education is crucial for good government as it provides the road for an informed public which is a key to an effective democracy. I believe that education is a priority which deserves Cabinet-level status and thus I have cosponsored this bill. My distinguished colleague Mr. RIBICOFF, as chairman of the Governmental Affairs Committee and chief architect of this bill has once again demonstrated his leadership ability and the continuing concern with the important issue of education. I believe other of my colleagues would also like to address the concern of local control over education and I would be interested in the chairman's observations on this important matter as well.

I would point out that one of my principal concerns has been to make certain that the new Department of Education in no way downgrades local control of the schools. That is the purpose of my statement.

Mr. RIBICOFF. Mr. President, in response to the distinguished Senator from Delaware, let me point out that he states quite clearly the intent of the committee in establishing this legislation. Last year, the committee was pleased to accept the Roth-Danforth amendmets. The amendments reaffirmed the foundation for the Department.

Federal presence in education does not mean control. Local control of schools is traditional and historical. The Federal Government is involved in assisting State and local governments to insure equal opportunity and equal access to education programs. It provides assistance to States and localities for programs for the disadvantaged and handicapped. It funds programs to assist with educational research, environmental education, community education and provides assistance to needy children.

A Department of Education is supported by the very groups who would fear Federal intrusion—the National School Boards of Education, the State School Boards of Education. the Chief State School Officers, the National PTA, and the National Conference of State Legislatures.

I want to reiterate that a Department of Education will increase accountability for education—it will provide a mechanism for State and local governments to impact upon administration of Federal education programs—it will, in other words, provide for improved management of Federal programs—it will not in any way lead to Federal control or dominance of education.

The National Conference of State Legislatures has written to all Senate Members stating: "We believe that new language incorporated into S. 210 at NCSL's request provides limits to the Federal role in education and goes far to insure that a prospective Federal department would be responsive to State and local concerns."

In addition, a wide group of school administrators, parents, students and teachers support the Department.

Commissioner Boyer last month before the committee said there was far more encroachment now because of the existing lack of accountability for education in HEW. The new Department will insure accountability—thereby decreasing Federal intrusion. Congress will be in a better position to monitor the Department's activities. After all, it is Congress, in the first place, which writes the laws and programs for the Department to administer.

I believe S. 210 has been greatly improved to insure the Department will not encroach on State and local responsibilities for education. The Roth-Danforth amendments accepted by the committee last year, which are incorporated into S. 210, were a major improvement to the bill in this regard. Also, the bill creates the Intergovernmental Advisory Council on Education which will monitor the impact of the Department's programs and rules and regulations on States and localities. S. 210 has given responsibility for intergovernmental activities to the Under Secretary. These responsibilities will be core functions of the Department. In addition, the committee specifically added language to state the intent of Congress in establishing the Department is not to increase the authority of the Federal Government over education or to diminish the responsibilities for education reserved to States and their instrumentalities.

Mr. PERCY. Mr. President, the issue of maintaining State and local prerogatives in education as one of great concerns of the committee. We have done a good job to clarify this issue, both in the bill itself and in the legislative history.

Specifically regarding the bill, there are references to State and local prerogatives in the following places:

> Section 101(3).—the primary responsibility for education has in the past, and must continue in the future, to reside with the States, the local school systems and other instrumentalities of the States, and tribal governments, public and nonpublic educational institutions, communities, and families.
>
> Section 103(a)(1)—The establishment of the Department of Education shall not increase the authority of the Federal Government over education or diminish the responsibility for education which is reserved to the States, the local school systems, and other instrumentalities of the States, and tribal governments.
>
> Section 103(a)(2)—It is the intention of the Congress in the establishment of the Department of Education to protect the rights of State, local, and tribal governments and public and nonpublic educational institutions in the areas of educational policies and administration of programs, including but not limited to competency testing and selection of curricula and program content, and to strengthen and improve the control of such governments and institutions over their own educational programs and policies.

The bill also creates an Intergovernmental Advisory Council on Education, comprised of a broad spectrum of interested parties, charged with "(providing) assistance and (making) recommendations to the Secretary and the President concerning intergovernmental policies and relations relating to education."—Section 213(a).

This indicates that there is not anyone with a 5th grade education, and that includes anyone in Government administering this act, who could presume in any way that this act, or the fact that we have created at the Federal level a Department of Education, in any way detracts from the control that the local and State governments shall have over education.

I wish to express my deep appreciation to my colleagues, Senators DANFORTH and ROTH, for the valuable contribution they made to this legislation in the past Congress. The statute itself has been immeasurably strengthened as a result of the work that they did in committee. I commend them on this and simply reaffirm the positions they take are the intended purposes of the managers of the bill.

I am pleased to yield to my distinguished colleague from Missouri so that he might complete his comments and update the Senate on the very eloquent colloquy that he had on the floor of the Senate last year during the consideration of this same legislation.

Mr. DANFORTH. I am most appreciative of the Senator from Illinois. This morning's Washington Post editorial says in part:

> It is also true that to create a Federal Department of Education would imply an intention to expand Federal jurisdiction over the schools.

Last year, when this same proposal was before us, both in the Governmental Affairs Committee and on the floor of the Senate, we went to great length to create a legislative history that there was no intention, either implied or expressed, to give the Department of Education expanded Federal jurisdiction over local schools.

In the CONGRESSIONAL RECORD of September 28, 1978, there was a colloquy between Senators RIBICOFF, PERCY, ROTH, and myself on this point.

I would like to ask the chairman of the Governmental Affairs Committee and the ranking minority member if I am correct in my understanding, and if the colloquy of September 28, 1978, continues to reflect the position of the Senate on this bill. I think it is very important to create a legislative history that is crystal clear, that but for this understanding we would not be passing this bill.

Mr. PERCY. Mr. President, I am happy to yield to my distinguished colleague for his comment and I will follow him.

Mr. RIBICOFF. May I respond? Everything that was said in that colloquy pertains to this present legislation and I reaffirm it.

Last year the committee was pleased to accept the Roth-Danforth amendments which made it crystal clear, because we on the committee all agree that local control of schools is traditional and historic. It is interesting that in testimony this year Commissioner Boyer said there was far more encroachment now because of the existing language of accountability for education in HEW, and the creation of this Department would be a lot better for local control than the present situation today.

I agree and commend the distinguished Senator from Missouri and the Senator from Delaware for their work on the amendment and making crystal clear to all what the intention of this bill will be, what the intention of the Senate will be, and what the intention of the entire Governmental Affairs Committee is.

Mr. DANFORTH. I am most appreciative to Senators RIBICOFF and PERCY for their help in this matter.

Mr. PERCY. Mr. President, I am happy to yield 5 minutes to my distinguished colleague from Maine. Through our careers together we have agreed on so many issues that it is almost refreshing to find that we sometimes do disagree. It is with great respect that I look to his views and to benefit from his comments. I think the legislative history will be sharpened as a result of his incisive thinking on this matter. We some day hope to have him as an enthusiast for the department, but at this stage I certainly respect his right to disagree with his committee. He disagreed during the course of the committee but at no time ever caused us to delay, for one moment, even, the carrying forward of this matter so that it could be given full consideration on the floor. I am happy to yield 5 minutes to the distinguished Senator from Maine.

Mr. COHEN. Mr. President, I thank my distinguished friend from Illinois for his generous comments. I do not wish to burden this body with a repetition of my full statement which is contained in the minority views accompanying this legislation. As the Senator from Illinois realizes, the vote was rather overwhelming, 14 to 1, within the committee.

Before proceeding, let me simply suggest to the Senator from Illinois that Justice Holmes once said that the history of law has not been logic, it has been experience.

(Mr. BAUCUS assumed the chair.)

Mr. COHEN. I believe that statement applies in this case. No matter how mandatory the language, no matter how tightly drawn, the history we have learned from Federal agencies is that whenever there is an opportunity to extend more control, it is taken.

Mr. President, as Congress attempts to curtail the expansion of our overgrown Federal bureaucracy, it faces a predicament not unlike that of Hercules trying to slay the mythical, multiheaded monster, Hydra. Every time that Hercules cut off one of Hydra's heads, two more would spring up in its place.

Our bureaucratic version of the multiheaded behemoth is the Department of Health, Education, and Welfare, which consumes more than one-third of that once vast pastureland known as the Federal budget. While HEW's appetite has been expanding, its productivity and efficiency have been declining.

We are told, however, that HEW is not well balanced. Education has not received the funding or the attention given health and welfare. It lacks an informed and concerned spokesman who has the ear of the President. As a result of this neglect, education has become malnourished. I pass over the fact that having a spokesman who has access to the ear of the President at the feeding ground in the Oval Office has not produced a model of efficiency in either our health or welfare programs.

Nevertheless, the committee is asked to grasp the sword of efficiency and lop the "E" from HEW and then create a new agency, a new head, a new house, and yes, a new foundation. If we feed "E" properly, attend it carefully and manage it strictly, then ultimately we will have to spend less on its brother and sister, "H" and "W."

If the past is merely prolog, then the future for this new agency, and for the taxpayers who must support it, is not promising.

Few would dispute the contention of proponents of this bill that education programs are lost in the present organizational maze of HEW and that the existing structure has produced severe administrative difficulties. I do not, however, believe that the committee's solution of taking the "E" out of HEW will cure these difficulties. I have found no evidence which suggests that the problems plaguing Federal education programs—duplicative and conflicting regulations, burdensome and unnecessary paperwork, and unclear lines of authority—would disappear or even be significantly reduced were a separate Department of Education to be created.

To the contrary, the actions of the present Commissioner of Education, Dr. Ernest Boyer, suggests that many of these difficulties can be solved by streamlining and reorganizing within the confines of HEW. For example, Commissioner Boyer has consolidated student loan programs with admirable results, proving that improvements are possible within the HEW structure.

The decision to create a new Department of Education needs to be more carefully considered in light of our commitment to reduce the size of the Federal Government. It is ironic that President Carter, who campaigned on the pledge to revamp the executive branch by reducing the number of Federal agencies from 1,900 to 200, should be supporting legislation to create yet another Cabinet department.

As envisioned by the bill's sponsors, the Department of Education would include more than 150 programs and over 16,000 employees, including a Secretary of Education, an undersecretary, six assistant secretaries, a director of the Office of Civil Rights, a general counsel, and an inspector general. The legislation also creates a new advisory council and provides all of the other trappings and costs that accompany Cabinet status. With a budget in excess of $14 billion, the Department of Education would be larger than five of the present Cabinet departments—State, Interior, Commerce, Justice, and Energy. And based on our experience with the self-perpetuating nature of Federal agencies, it is safe to predict that the Department of Education would inevitably grow even larger.

If, as the sponsors of this bill assure us, the State and local governments are to retain responsibility for education in this country, why is this bureaucracy needed? We run the substantial risk of pouring more and more tax dollars into a massive Federal bureaucracy that will do nothing to improve the quality of education in this country.

One of the reasons advanced by those who favor creating a separate Department of Education is that greater efficiency would result from the consolidation of education programs now scattered throughout the Federal bureaucracy in departments as diverse as Justice and Interior. This legislation, however, does very little to promote consolidation. Almost every non-HEW education program, including school lunch, Indian, and veterans' education programs, would not be transferred to the new department, and some disagreement still exists about those responsibilities that would be included under its jurisdiction. While it may indeed be advisable to place all Federal education programs under one roof this legislation does not accomplish that goal. Perhaps proponents hope that if Congress would create a shell now, the President could use his reorganization authority in future years to transfer additional programs with only minimal congressional review or political opposition.

Since this legislation neither consolidates existing education programs nor offers any guarantees that the current administrative problems would be alleviated, I believe that the debate on this bill must center on whether it is desirable to have an increased national focus on education. We need to consider what a more centralized focus would imply for educational policy in this country.

Supporters of this legislation argue that creation of a Department of Education would increase the status and visibility of education in the Federal Government and would recognize it as a fundamental national activity. I have no disagreement with this assertion, but I question whether or not we want to increase the Federal role in education.

The diversity in our present education system is one of its strengths. This attribute stems at least in part from our strong tradition of citizen involvement in determining educational policy at the State and local levels. Unlike other countries, we do not have a national "ministry of education," which establishes and controls education for all of the Nation's schools. Instead, we have local school boards comprised of the community's elected representatives who make educational decisions for public schools. The Federal Government's role has been a limited one, particularly in determining policies.

The distinguished sponsors of this legislation have gone to great lengths to try to satisfy the serious concerns that many of us have concerning the possibility of Federal encroachment on the rights of State and local governments to control education. Language has been included in the bill restricting the powers of the new Department and stating that the State and local governments would retain primary responsibiltiv for education. I find very little comfort in these words. A Cabinet-level office is, by its very nature, a policymaking office, and the supporters of this bill state that they want to increase the visibility of the Federal Government's education efforts.

How can we insure that the Federal Government would not be involved in setting educational policy and at the same time confer Cabinet status on a Secretary of Education?

Our history clearly demonstrates that whenever the Federal Government becomes involved in a matter previously handled by the State and local governments, the State and local role inevitably decreases. In recent years, as the Federal share of education costs has risen, local school districts have become increasingly ensnared by Federal regulations. This trend will only increase with the creation of a separate Department of Education. The temptation to attach strings to Federal education moneys is always present, and the tendency of Federal agencies to promulgate endless regulations that erode or preempt the authority of State and local governments is well documented.

It is interesting to note that the administration, which so strongly supports this measure for its consolidation objective, opposes a bill before this committee to replace the three Federal agencies which regulate banking with a single consolidated Federal Bank Commission. In his testimony on behalf of the administration, Deputy Secretary of the Treasury Robert Carswell made the statement that he who controls the purse strings will also ultimately set the standards. This administration appears to be cognizant of the problem of Federal encroachment in the banking field, yet seemingly unaware of it in education.

I am also concerned about the precedent that we would establish in creating a narrowly-based, Cabient-level department.

Educational organizations, for the most part, support creation of a separate department. But other interests would also like to have Cabinet representation. Small business groups for years have pressed for an upgrading of the status of the Small Business Administration to Cabinet level. Women's organizations would like very much to see the creation of a department of women, and environmentalists no doubt would prefer to have environmental issues separated from the Interior Department's other functions and elevated to Cabinet status. Our fishermen also want a department of fisheries. All of these interests are very important, and to their supporters, they are deserving of increased Federal recognition. But, if our goal is to stem the growth of the bureaucracy, how can we rationalize the creation of a new department in view of the competing and perhaps equally important demands of other groups for similar representation?

In sum, there are three choices available to Congress:

We could maintain the status quo; we could, at the other extreme, create this new Department of Education; or, third, we could make reorganizational changes within the existing structure. I do not think anyone in this body would recommend that we maintain the status quo, because there are recognized deficiencies, inefficiencies, administrative problems, and confusing lines of authority within the existing structure. But these problems could be corrected if the spirit were willing. In fact, a procedure was recommended by the representatives of the Association of American Universities. I quote from their recommendation, as contained in the testimony delivered by Thomas Bartlett before our committee.

He suggested:

> A reorganization of HEW to combine the offices of Assistant Secretary for Education and U.S. Commissioner of Education in a new position of Under-secretary for Education—with sub-cabinet rank, full and direct access to the Secretary of HEW, and full authority to supervise and coordinate Federal education policy. We firmly believe that this concept can be refined to cope successfully with the problems that defeated it in the 1976 House-Senate Conference Committee, and that this approach would resolve the issues of visibility and coordination without undertaking the very real and very serious risk of furthering the drift toward centralized planning and control.

If the purpose of this bill is to consolidate Federal educational programs under one roof in one agency, with one secretary, one bureaucracy, then the proposal fails to accomplish that goal. Indeed, many of the educationally oriented programs have been deliberately omitted from the new department in order to gain political support for the bill itself.

The distinguished Senator from New York (Mr. MOYNIHAN) has recognized the patent inconsistency in this legislalation when he said in his statement yesterday that we should ask ourselves "what interest is served by establishing a narrowly-based and fragmented department. A narrow Department of Education, organized primarily around the concept of public elementary and secondary schooling, will lead to the politicization of education itself."

I have heard it said, on this floor and in the committee, that education in this country is in trouble. We have to ask these questions: Is veterans' education in trouble? Are the Indian education programs in trouble? The school lunch program—is that in trouble? If the answer is yes, then we have to ask, how is this bill going to deal with those problems? They are not covered in this bill.

If the problem with our educational system in this country is that we have lost discipline, that we have lowered goals and standards, that we have reduced teacher qualifications, how will this bill address those problems? Will the Department of Education recommend minimum goals of educational achievement, minimum requirements for curricula, minimum standards for teachers? I assume that the answer would be no, because if it were to be yes, then this would amount to Federal intrusion into those areas which have traditionally been left for local or State control. If the answer is yes, then it seems to me that is a commanding, compelling reason why this bill must be defeated.

So, Mr. President, I come to the conclusion that the justification that is offered for this bill, that it will produce more efficiencies and streamline the organizational structure, could be achieved through other means. I think that the reason behind this bill is the belief of its proponents that if we have a new, Cabinet-level Secretary, he will have the ear of or access to the President of the United States and, thereby, have a greater opportunity to secure more funding for education than is currently being received.

If that is the case, I think we have to ask the question, what has been the history of the Congress in appropriating funds? If more money is to be appropriated at the Federal level in order to reduce the local property tax burden, is there anyone in the Senate that believes that more Federal control will not accompany that request for Federal dollars? I suggest, respectfully, that the control will follow the dollars, as pointed out by my minority views.

Mr. PERCY. Will the distinguished Senator mind one comment there?

Mr. COHEN. I yield to the Senator from Illinois.

Mr. PERCY. As a general principle, what the Senator from Maine is saying has been true, except that the Senator from Illinois recalls a time when he sat in that back row, and next to him was his colleague, Senator HOWARD BAKER. I was a cosponsor, and Senator BAKER was the sponsor, of a certain piece of legislation. We said we were bound and determined to have a bill that did not involve Federal control, that had confidence in the people out in the States and in the communities. It was called revenue sharing.

President Lyndon Johnson could not see it for sour grapes, and many Democrats could not see it. My own distinguished colleague from Illinois (Mr. STEVENSON) said it is outrageous. In a sense, he meant that. I do not know if those were his words or not, but he felt if Federal money were spent, the Federal Government ought to control it. Our principle was, let us try it. Let us see if we can do it.

We have spent $6.3 billion, with fewer than 200 employees and a payroll less than $3 million. There has not been a breath of scandal that I have heard in all those years. If you go from town to town, city to city, you will find it is one of the most important programs we have enacted. Taxes would have been higher. Things have been done for the community that they knew were needed and it was only done with three requirements: A public hearing, a report on what was done, and that they obey the Federal law regarding nondiscrimination. It was just that simple.

So we have proved that it can be done. The Senator from Illinois hopes we shall work in this department toward one of our earliest objectives from the standpoint of a legislator, which would be to work toward block grant programs, away from all these categorical programs. We should see if we cannot find a way to do this in a simpler manner than we have in the past.

I point to that one exception, and I will admit that it is an exception. But it is the exception that might prove the rule for the future.

I hope that is so. I appreciate very much the distinguished Senator's bringing up what is generally the tendency of the Federal Government, but I hope this will be the second exception to prove the rule in this case.

Mr. COHEN. I thank the Senator for his comments. I, indeed, support his observations about the benefits of the general revenue-sharing program under which Federal funds are distributed to State and local goverments without strings attached.

I would, however, point out that it is my understanding that the program is in deep jeopardy right now as a result of some substantial opposition to it. I hope I can join with him to preserve the revenue-sharing program for the benefit of the States and local communities.

I simply respond to the Senator by saying that the revenue-sharing program does not need a large bureaucracy to administer it. That was one reason we adopted it. In the legislation before us today, we are setting up a new bureaucracy to administer educational programs, yet we do not include all educational programs.

It seems to me that to create a new institution, a new building, a new Secretary, a new organizational staff for the stated purposes of consolidation when, in fact, the bill does not really consolidate, for management efficiency when those efficiencies could be achieved in other forms, is not sufficient justification to take that great leap of faith in this particular instance. I urge rejection of the bill.

Mr. President, although I disagree with the distinguished chairman of our committee on the merits of this bill, I think that he has been most fair in his treatment of me during our deliberations on this issue. I want to take this opportunity to thank him for his courtesies.

I thank the Senator for yielding.

Mr. MATSUNAGA. Mr. President, I rise in strong support of S. 210, a bill to establish a Cabinet-level Department of Education.

The need for a U.S. Department of Education continues to intensify as Congress, in response to public demand, enlarges this Nation's investment in education programs by providing schools and colleges with greater financial and technical assistance. In order to promote the most effective and efficient administration and management of many wide-ranging Federal education programs, I believe the time is ripe to formalize our national education priorities and establish a Department of Education.

Mr. President, our Nation has witnessed an enormous expansion of Federal aid policies and programs to education. For years, the Federal Government, operating through the Office of Education, has shouldered the prime responsibility of assuring that the vast opportunities and resources created by our system of public and private education are equally open and accessible to all citizens. That responsibility, however, is becoming increasingly more complex and more difficult to bear because of the fragmented Federal structure which impedes the orderly and strong delivery of education assistance to State and local agencies. By organizing and channeling the Federal education efforts through a central Department of Education, we can move toward more clear-cut education directions and priorities.

I believe the creation of a Department of Education would be highly beneficial to all those concerned with the education of our Nation's citizens. The Department would assure overall coordination and direction in the allocation of the billions of dollars being invested in education. Such a department would provide an orderly and focused means of avoiding duplicative effort and wastage of precious tax dollars.

Congress, too, would benefit from the creation of an executive Department of Education, since it would then be able to deal with educational problems more comprehensively and systematically. The concentration of Federal education policies and programs within the purview of the new Department would foster improved oversight and assessment of education in our Nation.

Mr. President, I submit that a Cabinet-level Department of Education would be better able to devote its full attention and resources to achieving a national education program of the highest order, and would well establish the Federal commitment to education.

I urge expeditious passage of S. 210.

I thank the Senator from Illinois for yielding.

Mr. NUNN. Mr. President, the establishment of a separate Department of Education has been a priority of mine since I was elected to the Senate in 1972. It is with a great deal of pleasure that I again express my strong support for this legislation prior to the vote on this measure by the full Senate. I would like to express my sincere appreciation to the chairman and ranking minority member of the Governmental Affairs Committee for moving expeditiously on this legislation early in the 96th Congress. It was a great disappointment to me, and I know it was to many of my colleagues, that there was insufficient time for the House of Representatives to act on this measure in the 95th Congress after it received the Senate's overwhelming endorsement last September. But I believe that this early Senate action will give the House ample time to thoroughly review this proposal, and I am optimistic that the Department of Education can become a reality this year.

On numerous occasions over the past 6 years, I have expressed to this body and my constituents my many reasons for supporting this proposal, and I do not feel that I need to reiterate all of these now. I would like to point out, however, that one of the major purposes for this reorganization is to streamline the Federal education bureaucracy, decrease fragmentation and eliminate duplication of effort and confusion for our local school systems and institutions of higher education. There is nothing in this reorganization legislation that would increase Federal control over education—to the contrary, very specific language was placed in this measure to prohibit such an increase in control. What this reorganization will accomplish, in my view, is to place our Federal education programs in the limelight, with a Cabinet-level Secretary who must be accountable to the President, the Congress, and the people of this nation.

Another very important accomplishment of this proposal is an ultimate reduction in costs for the administration of our educational programs. Many critics of the new Department allege that it will result in increasing costs; however, in testimony before the House Committee on Government Operations, James T. McIntyre, Director of the Office of Management and Budget, gave definitive details on how this proposal will actually result in lower costs over the next few years. For example, Mr. McIntyre explained that this reorganization will eliminate enough duplication to reduce employment in the new Department by 350 to 450 positions, saving $15 to $19 million in salaries. Transition costs are expected to run approximately $10 million which will be met by current appropriations and even these costs will be offset by personnel savings.

Mr. McIntyre further pointed out that by the streamlining of unncessary duplication and fragmentation in the current structure for issuing regulations that 15 offices will be eliminated from the clearance process and that it will take approximately half the time presently needed for regulations to be cleared and funds to reach needy school systems. He also stated that the number of offices involved in the preparation of the education budget would be reduced from 25 to 10 and that the number of offices involved in creating legislative proposals would be reduced from 19 to 9. All of these efforts will not only result in more expeditious action on important proposals and programs, but also in more accountability with fewer people actually involved in the process.

Mr. President, I believe that the creation of this new Department with a Cabinet-level Secretary is an essential step in our efforts to streamline Federal education programs and reduce fragmentation, duplication, confusion, excessive regulations, and paperwork. But the mere establishment of this new Department cannot, of itself, accomplish all of our much needed goals. I strongly believe that the Secretary of Education, with his increased visibility and authority, can work with the President and the appropriate congressional committees to develop realistic and workable programs for consolidation of overlapping and duplicative programs and the curtailment of excessive and burdensome paperwork. This need is a subject which was discussed during the markup of S. 210, and a number of my colleagues on the committee share this concern. The committee report also addresses this need in the following manner:

> The Senate Committee on Labor and Human Resources is presently conducting a study on the possible effects of a proposed consolidation of certain educational programs. This Committee believes that this study is a proper step in the consideration of measures which look toward the improvement of educational services to our nation's youth and adults. This Committee instructs the Secretary of Education to work closely with the Senate Committee on Labor and Human Resources and the House Committee on Education and Labor to develop proposals which will eliminate unnecessary duplication of programs, paperwork and regulations while maintaining effective and strong efforts to equalize educational opportunities for our citizens and provide needed service for our nation's youth. The Committee believes that it is important that the new Department of Education with its Cabinet-level Secretary stimulate a much needed discussion on the future course of our educational programs.

I have had the pleasure of working with Senators DOMENICI and BELLMON on a consolidation proposal which has been the subject of the study by the Senate Committee on Labor and Human Resources over the past several months. I am hopeful that the new Department and the results of this study will serve as a basis for a continuing dialog and concerted efforts to improve our Federal educational services. I firmly believe that providing more local control and flexibility for the implementation of our Federal programs is a positive approach to our educational goals. I know that the educators in my State are not looking for ways to circumvent the intent of the Federal law which is to provide equal educational opportunities for all of our citizens. Rather, they are frustrated in their efforts to achieve these goals by conflicting rules and regulations and quirks in the law which prohibit them from actually serving needy children. I feel that through cooperation and concerted efforts, we can formulate realistic approaches to consolidation without jeopardizing equal opportunities. I strongly urge the Committee on Labor and Human Resources to make this a priority. If we can streamline our education administration and provide more accountability through the establishment of a Department of Education and allow much needed consolidation through the regular legislative process, I will be very optimistic that we can enter a new era of cooperation, understanding, and excellence in our educational systems.

Mr. PERCY. Mr. President, the distinguished Senator from California has been very patiently waiting to make his comments, which are valuable comments since he is a former distinguished educator. I understand the comments will take about a half hour. This side of the aisle has taken up quite a bit of time. The distinguished Senator from Michigan has asked for a period of about 5 minutes.

Would it be the wisdom of the Senator from California that the Senator from Michigan should precede, or is there some time problem that the Senator from California has that would not permit that?

Mr. HAYAKAWA. I have some time problems, too, and I have yielded for Senator COHEN and others. So if the Senator from Michigan will excuse me, I would like to go ahead because I do have something else scheduled.

Mr. PERCY. I thank my colleague. I see the graciousness of my distinguished colleague from Michigan will enable me with an eased conscience to go ahead.

As I understand it, the Senator's comments will take about half an hour. We will try then to proceed with the Senator from Michigan.

Mr. HAYAKAWA. I thank the Senator for yielding.

Mr. President, the Senate is once again considering legislation to create a separate, Cabinet-level Department of Education. My colleagues will recall that last year the Senate passed this legislation, only to have the House postpone its consideration until this year. I must say that I think this was a very wise decision on the part of the House Members. It gave them and us another year to consider the implications of creating this new arm of the bureaucracy. Unfortunately, I still believe we have not studied this issue enough to know whether or not we need this new Department. This is the reason I intend to introduce an amendment at a later time to provide for a thorough study of this Department's creation. But this is something that I will discuss later.

The inclination to have a Federal Department of Education has been a perennial concern among many since at least 1867, when then Congressman James Garfield succeeded in passing legislation to do so. This non-Cabinet Department was quickly downgraded and renamed the Bureau of Education, and much later the Office of Education. Its purposes were to collect statistics and periodically report on the condition of education, a function performed for the next 100 years.

The New Deal provided for a change in Federal policy and a transformation of public attitudes toward the Federal role with respect to functions that had until then been considered exclusively State, local, or private. We have, since that time, increased the Federal role in education every year with a variety of new programs.

However, even with the increased Federal participation in our education system, we still have serious problems to be solved. But whether or not these problems could be solved by creating a separate Department is something I want to discuss today. Certainly, when we consider some of the problems we have, it does not automatically lead us to the conclusion that we need this new Department. It is true that since HEW was established in 1953 our education budget has zoomed sky high. It is also true that we have more than our fair share of problems in our education system that seem to be worsening, not improving. And certainly it is true that HEW is awkward in size and behavior. But this does not point us to a separate Department of Education. Yet here we are, considering legislation to create yet another Federal agency. President Carter made a campaign pledge to support and secure passage of a Cabinet-level Department of Education; he is so far holding true to his word. If judging by last year's vote count is any indication, many of my colleagues want this Department. I think it is a bad idea, and I will not support its passage.

Mr. President, I have been involved in education all my adult life. I started as a teaching assistant in 1930 and I retired as president of San Francisco State University in 1973. Therefore, I have been 43 years in education, which is longer than some of my junior colleagues have been on Earth.

Having been involved in education most of my adult life as both a teacher and an administrator, I know firsthand the problems in education that need solving. However, I think these problems can be handled, and ultimately eliminated, at the State and local levels.

Indeed, I can go even farther and say they are problems of the classroom, not even of the school board of the locality. They are usually problems of the classroom itself and the education of the teacher.

Our schools' curricula have moved away from the basics of education—reading, writing, and arithmetic—and into a more self-conscious role.

Attempts to consolidate agencies are most seductive. The presumed cost savings from administrative consolidation and the limitation of duplicative programs and services are the benefits mentioned by those who propose the consolidation. But I am not sure that the purpose of this proposed new agency would not be forgotten in the excitement of creating a new Department. Creating a new Department of Education is an attractive idea at first glance. However, I doubt if creating a new Department would necessarily prove helpful to the existing difficulties in education. We have previous experience that is proof to us that a new Department does not a problem-free territory make. The Department of Housing and Urban Development is hardly a model of efficiency, even though it is the focal point for a narrow field of issues. There are other examples, too, such as Labor, Commerce, et cetera. Having a separate Department does not necessarily help the situation. The problems in our education system, and the stagnation within HEW will not be eliminated by reshuffling organizational structure. The essence of good government is not the specifics of organization, but the imagination and talent brought to the problem.

As I said before, I have been involved in education most of my life. Having been a college president, I know all too well that many administrative annoyances are the results of Federal mandates which have to be borne by State and local school officials. Now, some of these laws and regulations from Washington are good ones, created with genuinely good intentions. However, so many Federal mandates have been imposed on State and local governments in recent years that they have become more of a nuisance than a help. The biggest problem is the time and paperwork required to implement them.

The biggest headache is the number of orders we get to do that which we have been doing for decades in systems like San Francisco State College and the California State University system.

After having served in the U.S. Senate for more than 2 years, I can see how we in Congress operate to create and enact these laws. We come up with these grandiose schemes to improve the quality of life in any number of ways. After our proposals are approved by our colleagues and passed, however, we forget about them, we have little more to do with them—except to answer the cries for help from outside the Government, from officials in our States and citizens. It is a far easier job to conjure up an idea and enact it into law than it is to implement it and reconcile it with already existing laws as they apply within a given number of States. One of my biggest complaints is that we in Congress have pushed education—the reading, writing, and arithmetic portions—away from the mainstream, and placed bureaucracy at the forefront.

It has always amazed me how many people who are employed by educational systems do not do any teaching at all. There are all kinds of consultants and curriculum coordinators, dietary consultants and psychological consultants, and all sorts of people who do not face the classroom at all. Then we mourn about the decline of education.

Our schools now have so many rules and regulations to cope with that they cannot possibly give full-time attention to the business of teaching. This is one of the reasons why so many of our children leave school knowing little more than is required, and sometimes not even that.

I remember when Wilson Riles became superintendent of public instruction for the State of California some 8 years ago. He hoped that as a result of his administration, high school graduates in the State of California will have at least the equivalent of an eighth grade education. That was a hope. It has not been achieved as yet.

We force our schools these days to focus on things that have little to do with the basics of education. We have courses in sex education and driver education. We have busing. We have bilingual education. We worry about psychological adjustment. We worry about all kinds of things that are secondary to the principal functions of learning tools with which to get an education and to continue getting it after you finish with school—that is, learning to read and write and compute.

Our schools spend so much time attending to these demands that they simply do not have the time to devote to teaching the basics. Many are just too busy making sure that they are complying with the new Federal regulations. Anyone who tries to tell me that creating this new department will eliminate bureaucracy must be talking out of both sides of his mouth. The people we place in this new department will have to justify their existence somehow. How will they justify it? The way they do in all bureaucracy—enlarge them. I predict that this new department will create, instead, a larger and larger staff, a larger and larger body of regulation, of which we now have already too many. The only difference is that these regulations will come from a separate agency rather than from HEW.

We must get our priorities back in order. We send our children to school to make sure they get a good education, but we take valuable time away from teaching by adding bureaucratic responsibilities. We cannot continue to issue new regulations, supposedly for the good and growth of our children. We harm not only the young people, who are missing out on the best of education, but, also, we hurt all of society. These young people must eventually filter into society and cope with their problems. We hurt them by denying them the best education possible. America offers the best of everything else, and education should be offered at no less a level.

What guarantees are there that removing education from its present house would necessarily improve the quality of education? Claims of improved policies, streamlined operations, and better programs are wonderful; but I think this can be done within the present structure of HEW, with maximum effort and work from us and the administration.

I recall yet another one of President Carter's campaign pledges. This one was to cut back on Federal bureaucracy, trim the Federal budget, and reduce the number of Federal agencies, consolidating as many as possible into a more workable structure. I fail to see how creation of a separate department helps to cut down the bureaucracy, or the number of Federal vehicles.

The presumed cost savings from administrative mergers and the elimination of duplicative programs and services are the benefits mentioned by those who propose any such meldings. But I do not know why people want education separated from health and welfare. They are all three important social programs, which is why they were combined in one department in 1953 by President Eisenhower. The precedent for these three subjects to be housed in one agency was set by Franklin Roosevelt, who transferred these areas into the Federal Security Agency in 1939 as part of the New Deal. The three have worked as well as any bureaucratic programs have, and I do not see why this change is considered by so many to be imperative.

An example brought to my attention regarding the proposal of a new department is what would happen if we were to separate all the different military services from under the Department of Defense. Would the Army, the Navy, or the Air Force function any better if this were the case, if they were not part of the same Department? Would it be an improvement to have each of them reporting to a different Secretary?

Another argument in favor of a Department of Education is that it will force more Presidential attention to it. The Carter education budget has been fair; it does not show any signs of neglect of education. As long as the dollars flow into education, and attention is paid to the important issues, why the urgency for a new department? Right now, there exist at least 426 separate education programs, over which 18 of 22 standing House committees and 16 of 18 Senate committees carry jurisdiction. At least 70 of the over 200 subcommittees in both Houses also have some education responsibilities. No executive restructuring will affect this overlapping of program responsibilities.

Many believe our education policies should become more future oriented. Many of our schools are floundering, because they have no good example to follow, no direction to take. The reasoning behind creation of departments like HEW, Interior, State, and the rest was to create a central point to which all others could look for direction and guidance. The Cabinet is meant to act as the conduit between the executive branch and the localities to discern the best possible systems for all involved. I think that rather than removing a poorly functioning area from a larger entity, such as HEW, we should correct the area's malfunctions and proceed from there. Separation does not automatically make for better organization or operation. We must clean up our mistakes as they stand before we try to set it free to continue with the same mistakes.

Another fear I have is the risk of this department becoming a creature of its patrons. That patronage is not necessarily the schoolchildren and parents most affected by HEW policies; but, rather it could be the National Education Association the powerful lobbying organization of teachers and school administrators. During his campaign for the Presidency Mr. Carter promised the NEA that he would ask for creation of a separate Department of Education. In return for this the NEA formally endorsed Carter's candidacy which marked the first time it ever backed a Presidential candidate. Thus it is possible that this Department could be a branch of the NEA serving only one segment of education. It is significant that the teachers union of the AFL-CIO is opposed to the creation of this Department. That segment—that is, the NEA—would be teachers, not pupils, because the NEA's stated purpose has always been to serve teachers.

This is an important point, too. All this time, whenever I hear debates about the pros and cons of this new Department, there is an outstanding group of characters whose presence seems always to be forgotten—that is, the students. They are, I presume, or should be, the benefactors of any improvement in education. After all, is it not the purpose of whipping into shape our education policies to better serve our young people? I keep hearing these arguments for and against this new Department—and I am including myself as a participant—and we seem like parents fighting over custody of the children in a divorce. As often happens, the fight is not over the children at all, but merely between the parents. The children are rarely the real cause behind the fighting, but certainly bear the brunt of the ugliness. This is the way it seems here, too. One side fights against increased bureaucracy; another side fights to give "special" attention to education. All the while, it is the students who suffer from our lack of imaginative, thoughtful education policies, because we are all tangled up in this kind of bureaucratic dispute.

We must force ourselves to deal with the present confusion of programs, jurisdictions, and problems within HEW. Rather than tackling these outside of the already existing Department of Health, Education, and Welfare, I think we should reexamine the Department as now operates. Would problems within HEW be better handled or solved if we had a Department of Education? Would our schools and students be better taken care of by simply moving to another building the same policies, the same administrators, and the same framework? I think not. I do not see how this reorganization would revitalize and restore quality to education.

If the cosmetic change of moving to a separate department placates some of my colleagues, then so be it. I just hope that more people will take a second look at the proposal before they jump on the bandwagon and push for this new move. I have a couple of ideas that we should think about before passing S. 210.

First, in 1972, Congress mandated a division of responsibilities between an Associate Secretary for Education and a U.S. Commissioner of Education. If we removed this division, perhaps education activities within HEW could be more effective.

Second, we should examine the present Federal administration of education programs and see how they can be made better. Many people believe a reduction of the permanent education staff and its replacement with a rotating team of education professionals with temporary appointments is one idea.

Then you can get input from the State of Washington, the State of California, the State of Florida, and the State of Pennsylvania, and people going in and out on temporary appointments can add to the intellectual storehouse of education.

Another idea is a semi-independent Federal Advisory Commission on Education, which was proposed by a former Director of Administraation at HEW, Rufus Miles, Jr.

I have a list of reasons why we should not have a separate Department of Education.

ARGUMENTS OPPOSED TO A SEPARATE DEPARTMENT OF EDUCATION

First. The separate Department would isolate education and encourage various education pressure groups to lobby for higher Federal expenditures for education.

Second. It would have a tendency to dominate education at the State and local level since all power and programs would be concentrated in a single agency. It would be similar to a Federal "school board."

Third. It would create difficulties for private schools since the education bureaucrats, likely to be strong supporters of public education, would make all key decisions without the diversity of decision presently available through scattered education programs benefiting students in public as well as private schools.

Fourth. There is no more reason to give education a separate department than there would be to give other functions of the Federal Government a separate department. If so, we might as well have a Cabinet Department of Social Security, International Trade, Immigration, et cetera. The problem presently with setting Federal policy is too much fragmentation of functions; more coordination of Federal functions is needed.

Fifth. The present HEW Department is too large, but only because of increasing expenditures voted by Congress. It is more efficient management, not a separation of functions, that is needed to better manage and coordinate health, education, and welfare functions. The Cabinet is already too large and overwhelmed by conflicting demands for Federal dollars and priorities.

Sixth. There is no evidence that such a separate department would increase coordination and accountability. It would most likely create a stronger, self-perpetuating bureaucracy of "professional educators" pushing for more Federal funds for education. As to accountability, the separate department would most likely respond to the National Education Association, school administrators and teachers, rather than its obvious constituency—students and taxpaying parents. It would become "a creature of its clientele." (The Washington Post, April 18, 1978.) A legitimate question is: "Do we need another single constituency Cabinet department like 'agriculture,' 'labor,' or 'commerce'?"

Seventh. A new separate department of education would not necessarily give a higher national attention to education. The Office of Education handles the administrative aspects of education programs. It is the emphasis by a President and the funds voted by Congress which determines how much focus and emphasis are put on education.

Eighth. It would be a boom to groups like the National Education Association which could focus all efforts on continual expansion and more funding for Federal involvement—and control—over education. It would be giving the NEA its own governmental department.

Nine. A new layer of bureaucracy—gathered in a separate Department of Education—does not guarantee a better education program. The only "growth industry" which will be evident will be a growth in the administrative personnel of such an agency. The Department of Energy and the Department of Housing and Urban Development are excellent examples of how new departments can grow to enormous size in a relatively short time without any notable improvements in functions or efficiency.

Ten. Education is still primarily a State and local function, and a separate department would encourage further dependence on Washington, D.C., for funds, programs, administrative directions, priorities, et cetera. A separate department would be similar to a European style "Ministry of Education" which could control what is taught in our schools. A separate department with its own constituency would make it harder to reduce expenditures and programs. It would make it harder to limit Federal expenditure growth and to achieve a balanced Federal budget.

Eleven. It would likely benefit programs desired at the elementary and secondary school level (handled largely through the Office of Education) rather than higher education programs (handled via medical and scientific research programs outside HEW). It would be a big boost for education bureaucrats seeking control of all education funds and especially those who wish a stronger Federal role in State and local education efforts at the elementary and secondary level.

Twelve. Upgrading the status of education might better be served by creating an undersecretary of education within the present structure of HEW, rather than an entire new department.

Thirteen. A separate department might deemphasize or "bury" some of the special function education programs—schools for American Indians in the Department of the Interior, and education loans for veterans in the Veterans' Administration. Those programs would be the first cut in favor of the larger programs with stronger pressure groups; that is, elementary and secondary school aid, loan assistance for students in higher education.

Fourteen. The head of the new Education Department—like other Cabinet officials—is likely to be a political appointee rather than a professional educator; that is, Commissioner of Education. A Cabinet Secretary of Education is likely to be unduly subjected to political pressures, thereby diminishing his objective attention to genuine educational needs.

But basically I believe the structuring or restructuring of a department does not make it much better or much worse. Those involved in the workings of the department are what should be considered. If those people with responsibilities for making the department run smoothly understand its workings, and its priorities, and care enough to follow through on promises and needs, then organizational structure should not play so important a role. Indeed, those who want a new Department of Education would not feel compelled to ask for the creation of one. Only when people are dissatisfied with a situation do they want to change it. Creating a new department would not necessarily solve the present problems in education, but to many people it is a ray of hope.

In short, I think that Secretary Califano and Commissioner Boyer should progress with internal reforms in the Office of Education and within HEW. The independent and semi-independent agencies which have higher education programs should be assessed and judged by performance.

We in Congress should count ourselves among the problems endured by HEW. We continue to throw program after program at HEW—as I said before we enact these laws, then throw caution to the wind, and we think no more about them until we get complaints from our constituents. Sometimes I cannot help but think that is it any wonder why we have such problems? And is it not amazing that we are doing as well as we are?

America does not have, nor does it need, a central house of education. The diversity resulting from local and State-centered education is a source of America's strength as even the proponents of this measure have argued. This diversity is not its weakness. I believe a Department of Education is unneeded and would add little to quality education at any level.

Mr. President, very soon the Senate will consider S. 210, legislation to create a separate, Cabinet-level Department of Education. With three of my colleagues, we circulated pertinent materials relating to the effects this new department could have on our education system. This material, I hope, will enable many of my colleagues understand what could happen should we enact this misguided legislation. In this same regard, I want to continue to apprise my colleagues of the opinions of various qualified people who have expressed their opposition to this legislation.

During the last session of Congress, the Senate voted in favor of this new department. However, the House of Representatives wisely decided to let the issue go until now. The fact is—despite the loud and pious calls for a Department of Education on the grounds that it would streamline the system—to date there is an enormous lack of information on and awareness of the effects of such a consolidation on the actual beneficiaries, the students.

The idea of separating education from our Department of Health, Education, and Welfare by reestablishing it as the 13th Cabinet-level department has been around for years. On paper, proposals to consolidate agencies have a most seductive quality about them. Presumed cost savings from administrative consolidation and avoidance of program duplication are among the benefits cited by proponents of this new department.

I would like to submit for the RECORD a statement issued by Chancellor Glenn S. Dumke of the California State University and Colleges. Chancellor Dumke speaks with experience and authority on the possible results and disadvantages of creating this new department. Because we sorely need to hear more about what is wrong about setting up a new branch of the Government in the form of a separate Department of Education. The Federal Department of Education is not a solution to the terrific problems plaguing education. Nothing has been produced that leads to the conclusion that a new Education Department could produce good results any better than our present structure.

I urge my colleagues to read Chancellor Dumke's fine statement. His thoughts are concise and sensible, and I hope that my colleagues will give his comments the serious consideration deserved.

I ask unanimous consent that this statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF CHANCELLOR GLENN DUMKE ON CREATION OF DEPARTMENT OF EDUCATION

The creation of a Cabinet-level U.S. Department of Education today was opposed by Chancellor Glenn S. Dumke of The California State University and Colleges.

Not only would such a federal department lack benefits for higher education, but the stage would be set for an unwarranted and politicized "Ministry of Education," he said.

Chancellor Dumke expressed his views in response to the introduction of bills in both the Senate (S. 210) and House of Representatives (H.R. 2444) for a national super agency in education.

The 19 CSUC campuses enrolling more than 300,000 students comprise one of the nation's largest higher education systems. Some $86.6 million from federal programs were channeled onto the campuses in 1977–78, including $50.8 million in student aid funds.

"We are told that greater efficiencies will ensue from establishment of a single new department, and that prestige will rise by having an education secretary on the cabinets of U.S. Presidents," Chancellor Dumke said.

"These claims at best are conjectural. Immediate improvements for higher education would range from scant to zero, yet an unneeded agency would be created whose top seat is the obvious reward for lobbyists and interest groups with exceedingly narrow views."

Although most CSUC federal involvement is with the U.S. Department of Health, Education and Welfare (part of which would be the nucleus for the new Education Department), many programs participated in by the campuses are administered by other government entities.

These, to list a few, include the Department of Agriculture, the U.S. Geological Survey, National Science Foundation, Small Business Administration, NASA, the Army Corp of Engineers, Office of Naval Research, the Department of Energy, the Bureau of Land Management and the Veterans Administration.

"Many federal programs undoubtedly should be reorganized," Chancellor Dumke said, "but the test should be on their worthiness rather than on simply reassembling them to justify a governmental super agency.

"Similarly the formulation of non-conflicting regulations and coordination of civil rights enforcement, though of compelling necessity, do not require a new officialdom in order to proceed.

"As one who has evaluated the scene in other countries, I am not moved by Vice President Mondale's intimation that the U.S., as the only major industrial democracy that does not have a department or a ministry of education, should somehow catch up with other nations.

"The hallmarks of most foreign education ministries are elitism and centralization in which someone in control adjusts the throttle in accordance with perceived national needs of any given moment.

"I cannot believe this is the approach the United States should take. Problems and inadequacies exist but state and local provisions which have resulted in 75 percent of this country's children being graduated from high school, and more than 11 million enrolled in higher education, represent a level of accomplishment unequaled among the sizeable nations of the world."

● Mr. PELL. Mr. President, I strongly support the enactment of S. 210, a bill to create a Department of Education. I was proud to be one of the original cosponsors of this legislation, both in this Congress and in the last. As the cliche would have it, it is "an idea whose time has come."

Education is, today, one of our Nation's largest enterprises, involving directly more than 60 million Americans. Total education spending in the United States today exceeds that spent on national defense by one-third. More than $145 billion—nearly 10 percent of the gross national product—was spent nationwide last year on education.

Yet an enterprise of this magnitude is represented at the Federal level by officials who are four and five levels below Cabinet status. Perhaps this is the reason that several Presidents have had difficulty recruiting national leaders to serve at the Federal level in education, and the explanation for the amazing turnover in the position of U.S. Commissioner of Education—14 different Commissioners in the last 13 years. With that limited tenure, it is remarkable that a Commissioner even learns all the programs administered by his agency before he leaves the job. And, of course, this lack of stability can only have a detrimental effect on the administration of Federal education programs.

Only two organizational entities in the world have budgets larger than that of the Department of Health, Education, and Welfare—the Governments of the United States and the Soviet Union. In fiscal year 1980, HEW's budget will break the $200 billion mark—nearly 40 percent of the total Federal budget. Of this, nearly 95 percent will be spent on health and welfare programs, the remainder on education ($13 billion). Is it any wonder that the Secretary of HEW is forced to spend the great bulk of his time on health, and welfare matters, neglecting education decisions This would not happen if we had a Secretary of Education to give his full attention to education policy.

I have heard concerns expressed that a Federal Department of Education would inevitably lead to Federal control of education. I believe these fears to be groundless. Current law prohibits Federal control over schools and colleges, and this legislation would continue the prohibition. Direction of our educational system would remain in State, local, and institutional hands. After all, changes in Federal policy would have to be voted by the Congress, and I do not anticipate that any of us would be sympathetic to shifting control over education to the Federal level.

Creating a Department of Education would result in a manageable agency which could be expected to operate more efficiently than is possible in the sprawling HEW bureaucracy. The Secretary of Education would be accountable to the Congress for his actions. The same cannot be said about current education officials, who are buried beneath layers of HEW officers not subject to congressional review.

Full-time attention to education problems can also be expected to cut down on the waste and fraud in education programs which has been documented by the HEW Inspector General. The result, as Director of the Office of Management and Budget McIntyre testified, will lead to improved management of Federal education programs. In addition, substantial amounts of Federal paperwork will be reduced, as they will have to travel through far fewer layers of bureaucrats, all eager to have their "input" into regulation and guildelines.

For these and many other reasons, I strongly support the Department of Education. I hope to see it become a reality during this session of Congress.●

● Mr. SASSER. Mr. President, I am pleased to join Senator ABRAHAM RIBICOFF and a number of other Senators in cosponsoring S. 210, the Department of Education Act.

The organization of the Department of Education addresses many of the chief concerns that the Congress has about overgrown, cost-inflated bureaucracy. Several features of this legislation relative to cutting the cost and size of the bureaucracy are particularly important to note. There is no new budget authority provided for education programs included in S. 210 and no new programs are created by the legislation. The legislation brings together existing programs and reduces their administrative costs by consolidating such functions as planning and evaluation, budgetmaking, policymaking, management, and handling legislative and public affairs. The Office of Management and Budget estimates that, over the long term, the savings from the establishment of the Department of Education may be as high as $100 million.

"Bureaucratic creep" is not likely to infest the Department of Education. The legislation establishes a mechanism to limit the growth of personnel for each new fiscal year. Initially, when the Department is established, OMB estimates that as many as 450 positions could be eliminated by doing away with duplication and overlap of functions. In addition, and perhaps most important, the 30 principal offices and officers who now administer programs which will be transferred will be reduced in number to only 11.

In my floor statement on the introduction of S. 210, I stated that my major objective was to provide better management for Federal education programs. During subsequent Governmental Affairs Committee hearings, I pursued the concept of establishing better, more cost-effective management within the new Department. Toward that end I questioned the Director of the Office of Management and Budget, Mr. James McIntyre, about specific problems which the GAO identified in the financial management systems which currently exist at the Office of Education. I submit my additional views on this topic, which were submitted for the staff report on S. 210 by the Committee on Governmental Affairs:

> ADDITIONAL VIEWS
>
> When S.210, The Department of Education Organization Act, was introduced in the Senate, I stated that my support for the new department was based primarily on its potential to improve the management of Federal education programs. Toward that end, I would like to draw attention to the need for improvement in the financial management systems which currently exist at the Office of Education generally and, specifically, regarding the deficiencies in unresolved internal agency audit reports, the unacceptable level of outstanding accounts receivable and the poor financial controls of the Student Loan Insurance Fund.
>
> During hearings on S.210, the Office of Management and Budget, in response to questions I posed about General Accounting Office reports of large numbers of unresolved internal agency audit reports at the Office of Education, stated that there were 1,069 unresolved audits from the Office of Education in March of 1977, questioning tens of millions of dollars. Most were over six months old. The situation had not improved markedly by December of 1978, when there were still 583 unresolved Office of Education audits. The OMB has, however, assured the Senate Governmental Affairs Committee that the agency intends to be directly involved in the development of a more effective audit function for the Department of Education.
>
> The OMB also responded to my questions regarding the Comptroller General's report that more than $4 billion in accounts receivable are not outstanding for the Office of Education. This figure, incidentally, equals roughly one-third of the Office of Education annual budget. The OMB has come to recognize that the current amount of outstanding debt is unacceptable. The OMB has assured the Committee that the Department of Education will develop an improved system tailored specifically to the education loan and grant programs which have the capability of monitoring the loan accounts more closely and recovering funds more rapidly than is now the case with HEW.
>
> The third area of concern about which I questioned OMB relates to their plans to improve deficiencies identified by the Comptroller General in a series of seven reports over the past ten years in the area of financial controls for the Student Loan Insurance Fund. The OMB indicated that the Office of Education is now looking at recommendations about improving the Student Loan Insurance Fund accounting system which were developed by an Office of Education Task Force.
>
> In general, the OMB has given assurances that in its efforts to deal with the transition of programs to the new deaprtment, it will develop more effective financial management systems for the Department of Education than those which now exist at the Office of Education. It is obvious that in the past the financial management aspects of these programs have been inadequate and management has exerted too little control. I am hopeful that the new department will significantly improve the over all financial management of these programs and that the Committee on Governmental Affairs will hold the appropriate administration officials accountable for the assurances they have given in testimony before the Committee.

Setting up a Department of Education will give OMB an excellent opportunity to establish an improved financial management and audit system for education programs. Other ways to improve management efficiency should be explored as programs which are now scattered and fragmented are transferred into the new Department.

The Congress can more effectively carry out its oversight responsibilities when programs for education are gathered together in a single department. By giving a Cabinet-level Secretary both the authority and responsibility for education, the Congress can fix accountability for the success or failure of education programs.

I would like to address another area which I believe will be improved by the proposed organization of the Department of Education. As chairman of the Senate Intergovernmental Relations Subcommittee, I particularly want to see that the creation of a separate department leads to more effective communication among local, State, and Federal officials. Education policymaking is an intergovernmental matter. It is of utmost importance that the establishment of a Federal education agency provide for the systematic involvement of, and consultation with, Governors, State legislators, mayors, council members and other State and local government officials.

In drafting S. 210, particular attention has been paid to the issue of specifically stating that the major responsibility for education lies wiht the State and local government. The legislation specifies intergovernmental policy functions to be carried out by the Undersecretary for Education so that all activities of the Department will have an intergovernmental perspective.

Mr. President, I again want to praise my chairman, Senator RIBICOFF, for his unbending commitment to the better education of our Nation's children. He has been a tireless advocate of this legislation, which I have been proud to support since coming to the Senate in 1977. I hope that this year we will finally see the Department become law.●

● Mr. PRYOR. Mr. President, I would like to express my support for S. 210, which establishes a new Department of Education. After several days of hearings on the subject and careful deliberation, the Governmental Affairs Committee has favorably reported S. 210, the Department of Education Organization Act. As a cosponsor of this legislation, I have shared the concern of many of my constituents and my colleagues regarding the role of State and local governments in our educational process.

Today, I would like to commend Senator RIBICOFF, Governmental Affairs Committee chairman, and sponsor of the bill, for his efforts in addressing this concern. The language of the bill and the committee's report leave no question about the intent of the committee in creating a Cabinet-level Department of Education. The committee report uses very strong and specific language in outlining the Federal Government's responsibility in assisting State and local education agencies in carrying out statutory and State constitutional responsibilities. The purpose of the bill is to supplement not supplant the prerogatives and rights of States and local governments in determining educational programs, a matter which I personally feel very strongly about. Education is, and will remain, a State and local responsibility.

The role of the Federal Government is described in the following language from the committee's report:

> Education in the United States has traditionally been a function of the State and local governments and private institutions. Over the past 25 years, education has commanded the largest single share of State and local governmental expenditures—38 percent.
>
> The intention of S. 210 is to preserve this prerogative. There is a need to ensure that the federal presence in education should be supportive, helpful and effective.

The importance of State and local control of education and the need for Federal involvement is explained in the following committee language:

> The committee believes the establishment of the Department of Education will not adversely affect or diminish State, local, and private control of education in the United States. In fact, the Department is needed to ensure that the federal government remains a partner in the educational process, and that it does not supplant State and local rights in education.
>
> From the birth of the United States through today, responsibility for education has rested primarily in the hands of the State and local governments, public and nonpublic institutions. State and local control is institutionalized in this country. It is the key to the outstanding success of the American educational system, as compared with other industrialized nations where education is centralized in national ministries. Local control is deeply imbedded in the fabric of American society, and cannot be changed through the simple act of giving education cabinet status at the federal level. At least 38 percent of the funds for public education already come from State and local governments.
>
> In its study of the operation of federal education programs, the committee has found an elaborate system of checks and balances to resist federal encroachment in education. Continuously, education and State and local interests check and monitor proposed and existing rules, regulations, and data requirements. But, as programs continue to fragment and operate without direction or coordination, they threaten to destroy this delicate system of checks and balances. Educators, parents, and State and local governments cannot pinpoint the responsible federal officials, and much accountability is lost. The end result will inevitably be more federal encroachment. These educators, parents, and State and local governments will find a Department of Education more accountable, and more responsive to their needs. These checks and balances will operate more effectively if there is one, visible, and readily identifiable education position—the Secretaryship of Education. This community of people concerned about federal education services will interact with one Cabinet Secretary, instead of several lower level officials as is now the case.

As the report explains, the bill was amended to explicitly state the creation of a Department of Education "shall not increase the authority of the Federal Government over education which is reserved to the States, the local school systems and other instrumentalities of the States, and tribal governments."

In addition, S. 210 creates an Intergovernmental Advisory Council, consisting of representatives of local governments and State education organizations, and serving as a vehicle for the review of existing and proposed regulations in the new Department. The Council will assure participation by State and local officials in the coordination of intergovernmental policies and programs affecting education.

For these reasons, I support S. 210 as reported from the Governmental Affairs Committee and I would encourage my colleagues to join with me in efforts to achieve Senate approval and enactment.●

● Mr. DOMENICI. Mr. President, as a long-time supporter of legislation to create a separate, Cabinet-level Department of Education, I am most pleased that S. 210 has reached the Senate floor today, and hope for its prompt passage. The Senate Governmental Affairs Committee deserves high praise for its commitment to the bill and for its successful effort to bring it to the floor early in the 96th Congress. I want to commend particularly my able colleague, Senator RIBICOFF, for his perseverance and leadership in this area.

Free public education in this country as provided through combined local, State and Federal effort is perhaps the single most important domestic program in the country. It constitutes a $120 billion public and private enterprise, representing 6 percent of the gross national product of this country in 1978. Federal expenditures have increased tenfold from the early 1960's to more than $6 billion today. We are speaking of 60 million students, teachers, and educational employees who are directly affected.

Thus, education is a major enterprise in this country, and a fundamental part of our Nation's welfare. It is built around complex relationships between local, State, and Federal roles. While basic education programs are primarily a State and local responsibility, the Federal Government has a major policy role in higher education, vocational education, and elementary and secondary education. Federal policy has been primarily aimed at providing support for students whose education costs more than the average per pupil expenditure, such as handicapped, bilingual, and educationally and economically disadvantaged children.

Unfortunately, the Federal role in these areas has been hampered by the lack of priority accorded to education within the bureaucratic structure of the executive branch.

Education currently resides in the same Department of Government responsible for social security reform, welfare reform, and creating national health insurance. Attention to education policy obviously has an ambiguous position on the totem pole in HEW. One Department simply cannot be effectively responsible for so many major administrative areas.

I believe that the Department of Health, Education, and Welfare has been remiss in its education dealings with the Congress and with the clients it purports to serve—the local and State education agencies of this country and the children, young adults, and adults these entities represent.

Education has not received in the past and is not now receiving in HEW the consideration which must surely be given to an endeavor as important socially and economically as education.

A reorganization which recognizes the importance of education in our country is desperately needed if we are to ever make sense of the current unmanageable state of education. Education must be reorganized at the Federal level, and services provided by Federal education programs need to be reorganized at the State and local level. S. 210 will accomplish the reorganization at the Federal level. Reorganization of services at the State and local level can be accomplished by passage of the Optional Education Consolidation Demonstration Act which Senator BELLMON and I will be introducing in the very near future.

I am aware of the fact that many of my colleagues, including members of the Governmental Affairs Committee, have expressed doubts that reorganization at the Federal level will address the nightmare of Federal program administration at the State and local levels. The large number of programs with different funding cycles, separate needs assessments, proposals and reporting requirements, and different sets of rules and regulations have seriously eroded the effectiveness of the programs.

Senator BELLMON and I will be addressing this important aspect of education through our bill to provide States with the option of developing an overall State plan to demonstrate the effectiveness and feasibility of more successfully providing educational services through consolidation and simplification of various Federal programs. This program, combined with the additional emphasis and attention to education through the creation of a separate Department of Education, can mean substantive changes in the quality of services received by our Nation's students.

I am an advocate of education. I believe our children are the greatest resource of this country. Just as individual children need attention from their parents and teachers, so education needs priority attention from the Federal Government. I believe Congress should establish that priority by creating a separate Department of Government.●

Mr. GLENN. Mr. President, during the past few years of discussion on a proposed Department of Education, I have had the opportunity to meet with a number of Ohio groups interested in this subject. These meetings have included teachers, parents, principals, and State and local officials. Despite the minor differences in their positions and variation in their perspectives, all of them have been united in their concern for quality education. They share the primary goal of providing the best possible instruction for our Nation's youth. In the process of examining the proposal to create the Department of Education, I have also met with and examined testimony of Federal officials working in education.

What was of some surprise to me was the fact that the concerns of Federal officials here in Washington were actually very similar to the concerns of teachers in Cleveland, parents in Columbus, and to school officials in Cincinnati, Toledo, and Dayton. Where then was the source of their problems, their disagreements, their apparent differences? In time, it became clear to me that a large part of the problems which my constituents in Ohio were having with Federal officials in Washington were problems rooted in the organization of education. There were few fundamental discrepancies in their basic philosophies or in their commitment to providing good educational services. Problems arose from the fact that education programs in the Federal Government are spread out over various departments including Labor, Justice, and Defense, as well as Health, Education, and Welfare. Even within HEW, education has overlapping and conflicting lines of authority and responsibility.

It has been difficult to focus on the real problems of education. The basic concerns of reading, writing, and arithmetic, as well as science, humanities, and art are in an organizational web of education programs. The concerns of the students and of learning which should come first are sometimes second to bureaucratic differences over jurisdiction, opposing regulation, and duplication of effort.

Now we have before us for consideration a bill to create the Department of Education. From its conception, this idea has been alternately proclaimed as a panacea for the problems of education and as the final blow to an already weakened endeavor. In my opinion, this bill will do neither of these things. What it will do is provide us a means whereby we can refocus on the problems of education. We can examine the problems in a new and more focused light. The creation of the Department of Education is an attempt to cut through some of the confusion surrounding education. It is an opportunity to redefine the organization of education at the Federal level.

An important feature of this bill is that it can help to improve relations in the field of education between the Federal Government and State and local governments. This is evidenced in the provisions for the creation of the Intergovernmental Advisory Council on Education. This Council is composed of the Under Secretary of Education and 24 members from outside of the Federal Government. The members will be State and local officials, representatives of higher education, as well as parents, teachers, students, and public interest groups. The Council will be charged with the responsibility for assessing the impact of Federal policies on education, and it will have responsibility for making recommendations to the Department of Education to improve Federal relations and programs with State and local government. This Council in conjunction with the stated responsibilities of the Under Secretary to coordinate intergovernmental relations should help to alleviate many of the problems which have plagued education in the past.

The creation of the Department of Education can be a major step in making more efficient use of the programs already established by Congress. It will reassert the commitment of our Nation—at all levels of government—to provide equal access to quality education for all of our citizens. Finally, it will give to education the prominence which it deserves within the Federal Government.

The future for our children and our Nation depends on it.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Connecticut yield me time?

Mr. RIBICOFF. I am pleased to yield to the distinguished majority leader.

TIME-LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Mr. President, this request has been cleared with Mr. RIBICOFF, Mr. PERCY, Mr. STEVENS, the distinguished assistant Republican leader, with Mr. HELMS, Mr. SCHWEIKER, Mr. MOYNIHAN, Mr. SCHMITT, Mr. MORGAN, and other Senators. It is as follows:

Mr. President, I ask unanimous consent that there be 7 hours' time for debate on the pending bill to be equally divided between Mr. RIBICOFF and Mr. PERCY; provided further, that there be 1 hour on any amendment in the first degree, with the following exceptions; 2 hours on an amendment by Mr. SCHWEIKER; 2 hours on an amendment by Mr. MORGAN; 90 minutes on each of two amendments by Mr. HELMS; 4 hours on an amendment by Mr. MOYNIHAN; one-half hour on any amendment in the second degree; 15 minutes on any debatable motion, appeal or point of order, if such is submitted to the Senate or if debate is entertained by the Chair; and that the agreement be in the usual form; and, provided further, that if action is not completed on the bill—and I do not anticipate that it will be—before the Easter holiday, the bill will be again made the pending business immediately following the disposition of the first Concurrent Budget Resolution which, it has already been agreed upon, will be the pending business upon the Senate's return from the holiday recess.

Mr. STEVENS. Mr. President, reserving the right to object, and I shall not object, it is my understanding that the amendments that were specifically mentioned for Senators HELMS, MOYNIHAN, SCHWEIKER, and MORGAN were to be excluded from the usual form?

Mr. ROBERT C. BYRD. The Senator is exactly correct with respect to germaneness.

Mr. STEVENS. It is my understanding that while it might be possible to finish before the recess, that it is the majority leader's understanding that there are people on this side who have the feeling it will not be, that it will not occur, so could I inquire from the majority leader what this would mean about the problem of terminating the action of the Senate prior to the recess now if this agreement is entered into?

Mr. ROBERT C. BYRD. Yes, I will be glad to answer the question.

I am aware that the bill will not pass before the recess. It is within the means of Senators, if they object to this—and they can object to this and, of course, it is within the means of Senators who wish to delay action on this bill to accomplish that purpose, and I understand that that is the case—that they can delay action on the bill so that action, final action, is not completed prior to the recess.

Of course, the time is so short that cloture would be ineffective. The majority leader recognizes that fact, and so in recognition of that fact, I am seeking the time agreement with the assurance to the distinguished acting Republican leader that the Senate will not complete action on this bill prior to the recess.

Mr. STEVENS. I understand.

Mr. ROBERT C. BYRD. I am also expressing, in return, my hope that Senators will be willing to call up their amendments, however, today, Monday, and Tuesday so that the Senate can dispose of amendments.

Mr. STEVENS. Let me assure the distinguished majority leader of our attempt to fully cooperate in that objective to bring up for consideration meaningful amendments prior to the recess. But because of the strike, particularly affecting Senators from the Far West, it is necessary for us to have some idea of when the majority leader would intend to request that we recess for the Easter recess.

Mr. ROBERT C. BYRD. Yes, I will be glad to answer that question.

Mr. STEVENS. Yes.

Mr. ROBERT C. BYRD. The distinguished acting Republican leader has mentioned this to me heretofore. The strike by United certainly is creating a problem for Senators who are seeking to secure reservations for the West, as he says, and so I would say this in response to the Senator: If Senators will get over and call up their amendments today, Monday, and Tuesday—we are not going to be in tomorrow—call up their amendments today, Monday, and Tuesday, we will go out on Tuesday, at the close of business on Tuesday. Otherwise, I would like to stay in on Wednesday.

Mr. STEVENS. I will pursue this with the majority leader. In order to get these reservations, it is absolutely essential to say whether you want them for Wednesday or Thursday, and I am sure the majority leader realizes there are not many planes going with United on strike, so it becomes a most difficult problem for those of us from the West.

Mr. ROBERT C. BYRD. Let me say to the Senator that he is always most cooperative and understanding of my problems and I am understanding of his. I will say now Tuesday night at the close of business, but I hope Senators on both sides of the aisle would call up amendments in the meantime so that the Senate can be acting on amendments today, Monday, and Tuesday. This will enable us, once the Senate disposes of the first concurrent budget resolution, to get on with the passage of the bill with the amendments that have been listed having been disposed of, hopefully, prior to the holiday.

Mr. STEVENS. I can assure the Senator of our desire to work that out, and I will talk to each of those Members, to see if we can get the amendments called up either today, Monday, or Tuesday, and have votes on at least some of them prior to Tuesday evening.

I can hopefully say for those people from the West who wanted to make reservations to leave Wednesday then they can do so.

Mr. ROBERT C. BYRD. The Senator may say that. Mr. President, I do not know when the adjournment resolution will be prepared for the holiday, but in any event the Senator has my word that, barring an emergency that we do not foresee at the moment, and it would not be with respect to this legislation, but except for an emergency, the Senate will go out at the close of business on Tuesday.

Mr. STEVENS. The distinguished majority leader is very generous. I would be happy to have an understanding that if we pursue this as we outlined, at least there will be no votes on Wednesday. Going out Tuesday will be fine, but I think we have to reassure the people who want to leave here Tuesday night, Wednesday morning, or Wednesday afternoon.

Mr. ROBERT C. BYRD. Well, put it this way: I will offer an adjournment resolution on Tuesday, at the close of business on that day to recess over until after the holidays.

Mr. STEVENS. I thank the Senator.

Mr. ROBERT C. BYRD. That way, Wednesday is out, but I am waiting for Tuesday to see if Senators will come over and offer amendments.

Mr. STEVENS. I thank the majority leader. I understand his position.

Mr. PERCY. Mr. President, will the majority leader yield for a question?

Mr. ROBERT C. BYRD. Yes.

Mr. PERCY. Taking into account, now, that we have to cover as many amendments as we can today, Monday, and Tuesday; that the bill would be put over then, until completion of action on the first concurrent resolution; does the majority leader have any estimate as to how long that action would take, so as to determine when we would have final action on this measure?

Mr. ROBERT C. BYRD. I do not know. I believe under the law it would be a maximum of 50 hours, which would be 5 10-hour days. I would assume the Senate would take 2 or 3 or 4 days on it, but it would be a maximum of 50 hours.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

Mr. STEVENS. Mr. President, may I inquire again if it would be possible to have one of the amendments of the Senator from North Carolina called up today, and have the vote on that occur on Monday?

Mr. ROBERT C. BYRD. The distinguished Senator from North Carolina has two amendments. Could he call up one today and have a vote on it, and then call up the other one and have a vote on it Monday?

Mr. HELMS. I think that would be possible. I have some of the stuff still in the typewriter, but——

Mr. ROBERT C. BYRD. The Senator has offered, and I think graciously so, to call up at least one of his amendments today, and if possible get a vote today, and if not today, to have a vote, by agreement, on Monday.

Mr. HELMS. Yes.

Mr. STEVENS. We have an agreement for yielding time on the bill. We are not sure how much time would be used off the bill on that amendment.

Mr. ROBERT C. BYRD. Yes. The reason I am saying to call up today and dispose of one of his amendments, if we could—they are his amendments, and only he can make that judgment—is that we have 58 Senators on this side of the aisle. We had 59; one went by the way at 2:30, but we have Senators waiting——

Mr. HELMS. I will be glad to call it up and have a vote on it.

Mr. ROBERT C. BYRD. And then maybe he can call up the other and we can make it the pending business for Monday.

Mr. HELMS. I will be happy to cooperate.

Mr. RIBICOFF. Mr. President, if the Senator will yield, the Senator from Montana has an amendment awaiting disposition.

Mr. HELMS. Oh, I am sorry; I did not know that.

Mr. ROBERT C. BYRD. I thank the Senator from North Carolina. He is always cooperative and understanding, and his action today is characteristic of his attitude.

Mr. HELMS. I thank the distinguished majority leader.

Mr. ROBERT C. BYRD. I thank all Senators for their cooperation in securing the agreement.

UP AMENDMENT NO. 68

(Purpose: To provide for a unified approach to rural family education)

Mr. MELCHER. Mr. President, I have an amendment at the desk which I call up.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) proposes an unprinted amendment numbered 68.

On page 86, immediately after the period on line 13, insert the following:

Mr. MELCHER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 86, immediately after the period on line 13, insert the following: "The Secretary, through the Assistant Secretary for Occupational, Adult, and Community Education shall also provide a unified approach to rural family education through the coordination of programs within the Department and shall work with the Federal Interagency Committee on Education to coordinate related activities and programs of other Federal departments and agencies."

Mr. MELCHER. Mr. President, the amendment that I am offering today does not create any new Federal programs. It does give to the planned Office of Occupational, Adult, and Community Education the specific authority to coordinate existing educational programs scattered throughout the new Department of Education and work with the Federal Interagency Committee on Education to coordinate support functions located in related Federal agencies, into a unified family education approach to better serve the needs of our Nation's rural economically disadvantaged families.

For many years now, those of us representing States with large rural constituencies have been aware that most of the Federal programs that have been created to break the cycle of structural poverty in the United States have been of little benefit to the rural poor. The nature of the problem lies not in the substance of the programs, but in the nature of their delivery. Authority for administering the programs is divided up, bureaucratically, with very little coordination at the point of delivery.

One office concentrates on vocational and occupational education, another on education for home management, another on adult basic education, another on special education for children, yet another on health education, and so on down the line. Such fragmentation has been possible in dealing with urban populations because of the close geographical proximity of the families that take part—although even here I think many of our planners are beginning to realize that without better overall coordination the result is unnecessary overlap of some programs and gaps between others. This reduces the beneficial impact on the families that take part, and leads to waste and inefficiency.

But what is an inconvenience in an urban setting becomes an insurmountable difficulty in rural areas. For example, in Montana vocational educational schools are often hundreds or more miles apart, as are adult education centers, counseling centers, child development centers, career education centers, and so on. More important, it seems never to be the same hundred miles. Often our rural disadvantaged do not even have the ability to seek out and find help when the services are so fragmented and geographically scattered. These problems are not unique to Montana. I am sure they exist throughout much of rural America, and they require attention if we are not to continue to discriminate against our rural families.

In Montana, we have tried to meet some of the needs of rural disadvantaged families in our State, as well as North Dakota, South Dakota, Wyoming, Nebraska, and Idaho, by providing an integrated family education program in a residential setting. The key concept which governs this approach is that the families are brought together in a residential setting, and a broad range of educational and supporting services are provided—treating the entire family as a unit.

The families, recruited from within the six-State region, take up residence in existing facilities on what used to be Glasgow Air Force Base near Glasgow, Mont. They reside there for approximately 9 months while they take part in an educational program designed to meet the needs of the entire family.

This includes vocational education

and career education for the head of household (and sometimes the spouse as well), education in home management and parental responsibility, consumer education, basic adult education, elementary and secondary education, health education, and special education programs when needed.

As you can see from this list we offer the student families the entire range of educational services to be included in the new Department of Education. Central to this entire approach is the concentration of services and the focus on the entire family as a productive and mutually supportive unit.

The program has, we believe, been very successful on the limited level that we have been able to maintain it, without the support of a coordinated Federal effort. It is an approach which goes beyond the traditional concept of "job training."

Treating the educational needs of the entire family together in a residential setting represents an effective way to not only improve employability, but also increase the standard of living and participation in the community for disadvantaged families.

The viability of this approach has long been recognized by those in close contact with it. It has received strong support during its 7 years of existence from the Governors of the region, the congressional members of the six States, the regional governmental councils, the agencies within the region and, most important of all, from the student families who participate.

This approach has also begun to gain national recognition. President Carter has called for more attention to the development of a sound American family. In announcing the White House Conference on Families, he stated that—

> The main purpose of the Conference will be to examine the strengths of American family life, the difficulties faced, and the ways in which family life is affected by public policies.

The President proclaimed that—

> Government policy should be aimed at strengthening and supporting the family as our most vital and enduring social resource.

This is a laudable goal and I wholly support it. However, I do not think that we must or should wait until 1981, or after, to take the first step to see that our disadvantaged rural families have full access to the kinds of educational services that can help to improve all facets of their lives. The Office of Occupational, Adult, and Community Education is the right place to coordinate a family educational approach. The Government Affairs Committee's report states that a major mission of the Office of Occupational, Adult, and Community Education the authority to assist in meeting the needs of the rural family as a unit, and to coordinate efforts from all sectors of the Department of Education and other related agencies to accomplish this goal.

My amendment is a modest request in light of the dozens of programs and some $14 billion of authority to be assigned to the new Department of Education—however, it is vitally important to thousands of rural families that may be helped by better coordination at the Federal level. I urge my colleagues to support this amendment.

Mr. RIBICOFF. Mr. President, as floor manager of the bill, I know of no objection to the amendment. I believe it is an excellent amendment, and I support it. It would not result in any additional cost or new programs; it would simply authorize the Department to use its existing resources to coordinate and fund existing rural programs.

I urge its adoption.

Mr. PERCY. Mr. President, the amendment offered by the distinguished Senator from Montana is an important amendment. A more unified approach to rural family education is greatly needed. In addition, it is important to note, as the floor manager mentioned, that this proposal adds no new programs or spending authority. I am pleased to support it.

Mr. MELCHER. I thank the distinguished floor manager and the ranking minority member.

I urge the adoption of the amendment.

The PRESIDING OFFICER. Do Senators yield back their remaining time?

Mr. MELCHER. I yield back the remainder of my time.

Mr. RIBICOFF. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Montana.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I rise to express my support for the legislation we are considering today, to establish a Cabinet Department of Education. I would particularly like to commend the chairman (Mr. RIBICOFF) for his continuing support for a Department of Education. Senator RIBICOFF has been seeking to accomplish this objective since he initially introduced such a measure in the 89th Congress, and has worked ceaselessly toward its fulfillment since then. Senator PERCY has also made his usual extraordinary contribution to this effort. I hope and expect that in this Congress, the 96th, their labors will reach fruition.

Mr. President, the Federal Government has a vital and undeniable interest in the quality of our educational system at all levels, and in all parts of the country. I say that without in any way diminishing the primary responsibility for education at the elementary and secondary levels, which rests and must continue to rest in the hands of the State and local governments.

But any national government that does not make the pursuit of the highest quality education for its citizens a first-order priority is abdicating one of its most important responsibilities.

So long as the Federal education function remains buried and overwhelmed in the massive Department of Health, Education, and Welfare, with little visibility, little clout, and lots of disorganization, I do not believe we can truthfully say that quality education is a high priority at the Federal level.

Many people have raised the legitimate fear that the creation of a Federal Department of Education would lead to increased Federal control of education, and a gradual erosion of control of education at the elementary and secondary levels by the State and local governments. I have submitted for inclusion in this legislation a number of provisions of both a policy and an institutional nature to protect against that.

Mr. President, it is not only a direct frontal attack on State and local educational prerogatives that, in my judgment, we must protect against. There are more subtle and insidious ways in which the Federal Government could and perhaps already is impeding the efforts of State and local education authorities to address their own problems as they see them in their own way.

One way which is particularly worrisome to me is the imposition of an excessive regulatory burden by the Federal Government, which cannot only tie the hands of local officials in carrying out programs, but may also require so much manpower to comply with that personnel or funds have to be diverted away from programs to cope with the burden of regulation.

In the hearings on this bill, I asked OMB Director McIntyre for specific documentation of how the creation of this Department would eliminate or positively affect its regulatory and red-tape problem.

In his response, Mr. McIntyre noted that in the existing structure similar functions are being duplicated by various offices at several levels of the bureaucracy. Regulations issued by the Department must currently pass through so many steps and be reviewed by so many people that in 1978 the average time lapse between initial planning for regulations and their final publication in the Federal Register was 519 days, and in one case reached a maximum of 1,296 days.

According to Director McIntyre, under the Department of Education we estimate that the time devoted to the promulgation of regulations can be decreased by approximately 3 months. Regulations that accompany program directives will be in the hands of State and local educators sooner, and more efficient and effective planning will result at the State and local level.

In the consideration of this legislation this year, the committee agreed to an amendment I proposed which was intended to focus the new department's attention on this problem. It would require the Secretary of Education to report annually to the Congress on progress made toward the reduction of unnecessary duplication and fragmentation in Federal education programs, and, where steps for the accomplishment of those objectives exceed the Secretary's administrative authority, to submit legislative recommendations to the Congress for furthering those goals.

The Governmental Affairs Committee has expressed in its report the hope that the Secretary will work closely with the congressional committees having jurisdictional responsibility on ways to reduce the regulatory paperwork burden in a manner that will not weaken program administration or dilute our efforts to provide equal educational opportunity for all our citizens. I believe that this is one of the most critical goals which the Department must pursue, and I hope we can make rapid progress in that direction, Mr. President.

Mr. President, I ask unanimous consent that my question to Mr. McIntyre and his response be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

QUESTIONS FROM SENATOR CARL LEVIN

Question 1. Mr. McIntyre, you, along with the other panel members, agreed to provide me and the Committee with a list of the "specific fragmentations which exist, the regulations which exist which are either excessive or abused, and the red tape which exists . . ." that would be eliminated or positively affected by the creation of the Department of Education.

Answer. Federal leadership, policy-making and program administration in education is currently scattered among the Office of the Secretary of HEW, the Assistant Secretary of Education, the Office of Education, the National Institute of Education and the programs and functions to be transferred to the Department. This has resulted in similar functions being duplicated by various offices at several levels of the bureaucracy. For example, there are currently at least 10 units within the Office of the Secretary of HEW, the Office of the Assistant Secretary for Education, the Office of Education and the National Institute of Education which perform policy development, planning and evaluation functions. The Administration bill allows the Secretary to assign these functions to a single principal officer. Existing units can be consolidated under this officer, resulting in improved management and efficiency.

Over a year is spent developing reauthorization proposals. Legislative proposals must be reviewed by as many as seven units (excluding subunits) once they leave the Office of Education. The review process is time consuming as education proposals must compete with important health and welfare initiatives, e.g., national health policy, welfare reform and social security for the Secretary's attention. Under the Department of Education, the Secretary's attention will be focused solely on education issues. Duplication in the several layers of the HEW bureaucracy would be eliminated and the time frame for the legislative process will be substantially reduced.

The regulations process is equally fragmented and time consuming. The essential steps in the regulations development process and the average number of days required are as follows:

A Regulations Issue Memorandum is prepared in the Office of Education by program staff for review by the Program Deputy Commissioner and the Executive Deputy Commissioner for Education Programs. (25 days)

A Regulations Proposal document is reviewed by the Assistant Secretary for Education, and the Staff Assistant Secretaries in the Department and other departmental offices (42 days)

Special Memoranda for the Secretary and Under Secretary are frequently required to provide an early warning on sensitive matters contained in the provisions of the proposed regulations, or to obtain decisions on issues raised by the regulations.

A Notice of Proposed Rulemaking goes through three clearance steps prior to the approval by the Executive Deputy Commissioner for Resources and Operations and the Commissioner of Education. (84 days)

Critique—within program bureau.

Preclearance—Office of Education, Assistant Secretary for Education and Office of the Secretary offices.

Concurrence—Office of Education offices only.

Final regulations follow the process described for the Notice of Proposed Rulemaking except the critique session is not held. (103 days)

The Office of the Secretary requires an average of 52 days to complete the approval process for a Notice of Proposed Rulemaking and 49 days for final regulation. In all, the Office of the Secretary accounts for approximately 20 percent of the time required to promulgate regulations. As many as 20 offices may review a major regulation once it leaves the Education Division. It should be reiterated that for the most part these reviews are conducted simultaneously.

During 1978, the Office of Education published 21 final regulations. It took an average of 519 days from the first day of planning for the regulations to the day they were published as final regulations in the Federal Register. The shortest time for this process was 220 days; the longest time was 1,296 days; 10 regulations took between 450 and 550 days.

Under the Department of Education, we estimate that the time devoted to the promulgation of regulations can be decreased by approximately three months. Regulations and accompanying program directives will be in the hands of State and local educators sooner, and more efficient and effective planning will result at the State and local levels.

Similar duplication and delays characterize the budget process. Once the Office of Education develops a budget request, a minimum of six offices (excluding subdivisions of these offices) within HEW must review and amend the request. As part of this process, tradeoffs are made between the education and health and welfare budgets. This tradeoff function would be assumed by the Office of Management and Budget under a Department of Education. Education budget issues can be discussed directly with the Executive Office rather than through intermediaries in HEW.

Mr. LEVIN. Establishing an education department will place it on a par with other departments whose missions are to further vital national goals and interests, such as national defense, economic stability, equal justice, public health and so on. Not only is education no less important than these other goals, but in fact the maintenance of a successful educational system will help insure that we continue to make progress toward their fulfillment, through an educated leadership and an educated citizenry. Moreover, Federal spending on education already exceeds the budgets of five existing cabinet departments: State, Justice, Commerce, Interior, and Energy. We are already devoting substantial resources to education, but without the status, visibility or accountability to enable us to receive the greatest return on our investment. A Cabinet Department will give education the stature it deserves, in proportion to its importance and to our investment in it.

The administrative and bureaucratic problems that have been created by the current chaotic structure of the Federal education establishment are dramatically illustrated by the fact that, in the Office of Education, we have what must be one of the most rapidly revolving doors in the entire Government. In the last 12 years, there have been 13 commissioners of education, an average term of service of less than 1 year. The problem has not been one of talent, or commitment, or dedication; rather, the organizational complexities have proven so stubborn and intractable that they have hindered or even defied efforts to improve the content and quality of educational programs. To illustrate, let me cite briefly the testimony of the current commissioner, Dr. Ernest Boyer, before the Governmental Affairs Committee. In discussing his own experiences, he stated:

> To put the matter as pointedly as I can, the current organization is indefensible. Good management requires that we streamline the structure, not because it would look nice on paper, but because it would benefit enormously school superintendents and college presidents who are confused and often frustrated by the system and because it would deliver services more effectively to the students to be served.

And to continue,

> My own satisfaction in the job reflects the quality of the people, not the structure—and progress has been made not because of the organization, but in spite of it. Given a different HEW climate, the Commissioner of Education could be bureaucratically buried, and I do not believe leadership in education should be left to the accidents of friendly or unfriendly supervision.

As a final compelling testimonial to the organizational need for a Department of Education, I would offer the comments of Health, Education and Welfare Secretary Califano, the man who currently has the ultimate responsibility for education in the Federal hierarchy. We all know that, traditionally, when reorganization of executive branch departments are proposed, they are generally opposed by those who would lose programs or personnel under their control. However, Secretary Califano has given unqualified support to the removal of education from HEW. In his words—

> The President's proposal to give Cabinet-level status to education recognizes our stake in good teaching, and seeks fresh impetus for our shared hope that every child will realize his or her native abilities to the fullest measure. The President's recommendation seeks also to improve the ability of citizens to understand, and local schools and communities to work with the Federal Government in a more fruitful and less burdensome partnership for education.

In conclusion, I believe that we need a Federal Department of Education, and I believe that this legislation represents a carefully considered vehicle for establishing such a department and furthering the manifold objectives of our education programs without disrupting our valued and long-established tradition of State and local control of the American educational system.

I yield the floor.

Mr. RIBICOFF. Mr. President, I believe the Senator from North Carolina (Mr. HELMS) has an amendment he wishes to call up.

The PRESIDING OFFICER. The Senator from North Carolina.

UP AMENDMENT NO. 69

(Purpose: To restore the right of voluntary prayer in public schools)

Mr. HELMS. Mr. President, I have an unprinted amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated. The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 69.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

TITLE VII—VOLUNTARY PRAYER IN PUBLIC SCHOOLS

SEC. 701. (a) Chapter 81 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1259. Appellate jurisdiction; limitations

"(a) Notwithstanding the provision of sections 1253, 1254, and 1257 of this chapter the Supreme Court shall not have jurisdiction to review, by appeal, writ of certiorari, or otherwise, any case arising out of any State statute, ordinance, rule, regulation, or any part thereof, or arising out of any Act interpreting, applying, or enforcing a State statute, ordinance, rule, or regulation, which relates to voluntary prayers in public schools and public buildings.".

(b) The section analysis at the beginning of chapter 81 of such title 28 is amended by adding at the end thereof the following new item:

"1259. Appellate jurisdiction; limitations.".

SEC. 702. (a) Chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1364. Limitations on jurisdiction

"Notwithstanding any other provision of law, the district courts shall not have jurisdiction of any case or question which the Supreme Court does not have jurisdiction to review under section 1259 of this title.".

(b) The section analysis at the beginning of chapter 85 of such title 28 is amended by adding at the end thereof the following new item:

"1364. Limitations on jurisdiction.".

SEC. 703. The amendments made by the first two sections of this Act shall take effect on the date of the enactment of this Act, except that such amendments shall not apply with respect to any case which, on such date of enactment, was pending in any court of the United States.

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. Is there a time limitation equally divided on this amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. HELMS. I thank the Chair.

Mr. President, this morning as we joined with the Chaplain of the Senate, Dr. Elson, in prayer, as we do each day the Senate is in session, I could not avoid the irony that while we in the Senate begin our day's activities by asking God's blessing on our efforts, the Supreme Court has effectively denied this same right and privilege to millions of schoolchildren across this Nation.

Mr. President, one would think that if the legislators of this country are entitled to ask for divine blessing upon their work, then so are schoolchildren. However, the Court has ruled to the contrary and in so doing has overturned more than 200 years of American custom. Indeed, the Supreme Court has even ruled that schoolchildren may not read the prayer of the House or Senate Chaplain as printed in the CONGRESSIONAL RECORD as a beginning to their school day.

Mr. President, the interpretation of the first amendment used by the Supreme Court to strike down this practice of the American people, distorted the intent and language of the first amendment. The Justices of the Court held that a voluntary, nondenominational prayer constituted a violation of the "establishment of religion" clause of the first amendment. The Court's interpretation of the first amendment indicated not only what must be interpreted as an animosity toward the effect of religion in the public life of our Nation, but also a misunderstanding of its historic role.

In February, the Senate once again assembled to listen to George Washington's Farewell Address. Washington brought the unique experiences of his service as first President of the United States, as Commander of the Continental forces during the War of Independence, and as President of the convention which wrote and presented the Constitution to the States for ratification. He rejected the narrow opinion that religion must be excluded from the public life of the Nation. In his final counsel to the Nation, Washington warned that:

> Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism who should labor to subvert these great pillars of human happiness.

Mr. President, Washington's view has indeed been the mainstream of the legal and social attitude of the American people and the drafters of the Constitution in regard to the religious rights preserved in the Bill of Rights. Professor Edwin S. Corwin, one of our most distinguished constitutional scholars, rejected any interpretation of the first amendment which would force upon government institutions a formal agnosticism. Professor Corwin writes:

> The historical record shows beyond peradventure that the core idea of an "establishment of religion" comprises the idea of preference; and that any act of public authority favorable to religion in general cannot, without manifest falsification of history, be brought under the ban of that phrase.

THE SUPREME COURT DECISIONS

Nearly 200 years after the drafting of the Constitution, the Supreme Court for the first time ruled that prayer and Bible-reading in public schools encouraged by the State constitutes an establishment of religion in violation of the first amendment. At the time of these decisions, 26 States permitted Bible reading in the public schools and 13 authorized the saying of the Lord's Prayer.

The first amendment provides that "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof." In *Engel* v. *Vitale*, 370 U.S. 421 (1962), the Court prohibited a requirement of the New York State board of regents that each class begin the school day with the following prayer:

> Almighty God, we acknowledge our dependence upon Thee, and we beg Thy blessings upon us, our parents, our teachers and our Country.

In *Abington School District* v. *Schempp*, 374 U.S. 203 (1963), the Court struck down a Pennsylvania statute requiring the reading of at least 10 verses from the Holy Bible without comment and the saying of the Lord's Prayer at the beginning of each school day. In a companion case, the Court invalidated a Maryland requirement concerning the reading of a chapter of the Holy Bible and/or saying the Lord's Prayer.

In each case, the Court ruled that voluntary school programs including Bible-reading or prayer violate the establishment clause of the first amendment. In Engel, Justice Black wrote:

> the constitutional prohibition against laws respecting an establishment of religion must at least mean that in this country it is no part of the business of government to compose official prayers for any group of the American people to recite as a part of a religious program carried on by government. (370 U.S. at 425)

In Schempp, Justice Clark concluded that the Bible-reading programs:

> Are religious exercises, required by the States in violation of the command of the First Amendment that the Government maintain strict neutrality, neither aiding nor opposing religion. (374 U.S. 203)

Mr. President, the point is this: In both rulings, the Court went beyond the language of the establishment clause to construct an interpretation of it which would overturn the long-standing State practices.

In Engel, Justice Black asserted:

> Its first and most immediate purpose rested on the belief that a union of government and religion tends to destroy government and to degrade religion . . . The Establishment Clause thus stands as an expression of principle on the part of the Founders of our Constitution that religion is too personal, too sacred, too holy, to permit its "unhallowed perversion" by a civil magistrate. (370 U.S. 431–32)

Mr. Justice Clark argued in Schempp that the Court had previously "rejected unequivocally the contention that the Establishment Clause forbids only governmental preference of one religion over another." (374 U.S. 216) He maintained that the establishment clause must be considered together with the free exercise clause, and that they impose on government a "wholesome neutrality" toward religion—whatever that is. In Justice Clark's view, the first amendment prohibits Government from any action favoring one religious sect over all others, or religion in general over nonreligion.

Mr. Justice Clark, meanwhile formulated a new standard by which to measure legislative action regarding the first amendment:

> The test may be stated as follows: what are the purpose and the primary effect of the enactment? If either is the advancement or inhibition or religion the enactment exceeds the scope of legislative power as circumscribed by the Constitution. That is to say that to withstand the structures of the Establishment Clause there must be a secular legislative purpose and a primary effect that neither advances nor inhibits religion. (374 U.S. at 222)

The Court maintained that even though the prayer and Bible-reading activities were voluntary, this did not prevent them from violating the establishment clause. In Engel, the Court held that:

> The Establishment Clause, unlike the Free Exercise Clause, does not depend upon any showing of direct governmental compulsion and is violated by the enactment of laws which establish an official religion whether those laws operate directly to coerce nonobserving individuals or not. (370 U.S. 421)

COURT'S INTERPRETATION—SHEER INVENTION

Thus, the Supreme Court reached a position which earlier the highest court of New York State had concluded "is so contrary to history as to be impossible of acceptance." Constitutional scholars also took issue with the Court's new interpretation. For example, Prof. Charles Rice of Notre Dame Law School found that the Court interpreted "the establishment clause in abstract and oversimplified terms, doing violence thereby to the history and informed logic of the first amendment" and Erwin Griswold, Dean of Harvard University Law School, viewed the Court's holding as "sheer invention."

The Court reached its holdings in Engel and Schempp by way of a myopic and narrow view of the history of the Constitution. Only by a thorough distortion of the work of the authors of the Constitution is it even remotely possible to arrive at the sweeping condemnation of America's spiritual heritage presented in the Court's opinions.

Professor Rice, writing in the South Carolina Law Review, put it this way:

> It has been incorrectly asserted, by the Supreme Court and others, that the establishment clause ordained a government abstention from all matters of religion, a neutrality between those who believe in God and those who do not. An examination of the history of the Clause, however, will not sustain that analysis. Its end was neutrality, but only of a sort. It commanded impartiality on the part of government as among the various sects of theistic religions, that is, religions that profess a belief in God. But as between theistic religions and those nontheistic creeds that do not acknowledge God, the precept of neutrality under the establishment did not obtain. Government, under the establishment clause, could generate an affirmative atmosphere of hospitality toward theistic religion, so long as no substantial partiality was shown toward any particular theistic sect or combination of sects.

Mr. Justice Joseph Story, who served on the Supreme Court from 1811 to 1845 and who was a contemporary of the framers of the Constitution, maintained that at the time of the drafting of the first amendment:

> The general if not the universal sentiment in America was, that Christianity ought to receive encouragement from the state so far as was not incompatible with the private rights of conscience and the freedom of religious worship. An attempt to level all religions and to make it a matter of state policy to hold all in utter indifference, would have created univeral disapprobation, if not universal indignation.

COURT IGNORED HISTORY

The first amendment provides that Congress shall make no law respecting an establishment, let me emphasize that word—an establishment of religion. Those assembled at the Constitutional Convention did not arbitrarily choose the phrase "an establishment of religion." There was much history behind the term. Not only did England and Scotland have an established church, but five of the States which later adopted the first amendment had establishment churches as well.

In the Engel and Schempp opinions, the Court ruled that the phrase "establishment of religion" really meant not just the creation of a national church, but any government action dealing or touching religion. To cite Mr. Justice Clark's new test outlined in Schempp, the "primary effect" of any governmental act must not "advance religion."

Yet, it is just this view of what the first amendment should provide that the authors of the amendment specifically rejected. During the Constitutional Convention, the delegation from New Hampshire proposed that the first amendment should read: "Congress shall make no laws touching religion . . ." Needless to say, that language was rejected.

An elementary rule of statutory construction provides that when a legislative assembly rejects language which has a broad application and substitutes in lieu of it language with a specific, narrow application, that the legislative intent is to exclude the broad application. Had the proposal that Congress make no law "touching religion" been accepted, it would undoubtedly have prevented Congress from doing much more than establishing a national religion. If applied to the States, it undoubtedly would have prohibited the type of prayer at issue in the Engel and Schempp cases. However, it is equally clear that this broad language was rejected and that Congress viewed the official encouragement of voluntary prayer, even on the national level, as not to be contrary to the first amendment's establishment provision.

On September 24, 1789, the first Congress passed a resolution requesting that the President "recommend to the people of the United States a day of public thanksgiving and prayer, to be observed by acknowledging, with grateful hearts, the many signal favors of Almighty God, especially by affording them an opportunity peaceably to establish a constitution of government for their safety and happiness." Congress passed this resolution calling for a national day of prayer on the same day on which it adopted the first amendment to the Constitution.

Nine days later President Washington issued the Thanksgiving proclamation. Could any action more clearly indicate the intent of the authors of the first amendment regarding its establishment clause and Government-encouraged public prayer? The framers of the Bill of Rights clearly rejected the doctrine imposed upon the Nation in their name nearly 200 years later when the Supreme Court demanded that "in the relationship between man and religion, the State is firmly committed to a position of neutrality."

A threshold issue presented in the Engel and Schempp cases was whether the establishment clause of the 1st amendment could be applied to the action of State governments through the 14th amendment. The Court rejected a historical analysis of the meaning of the 14th amendment and relied on unsupported assertions. "First," wrote Justice Clark, "this Court decisively settled (that the establishment clause) has been made wholly applicable to the States by the 14th Amendment." For proof, he cited an opinion of Justice Roberts in Cantwell against Connecticut. The difficulty here is that the Cantwell case does not deal with the establishment clause and therefore does not settle anything at all. Thus the fundamental issue before the Court was disposed of by hypothesis.

Here again, an open historical inquiry would have led to a result far different than that of the Court's. The framers of the 14th amendment themselves did not intend, nor did they believe that the amendment would prohibit the States from encouraging prayer in public schools. How else can one understand the serious attempt by some in Congress only 7 years after the ratification of the amendment to amend the Constitution once again to prohibit the State establishment of religion. If the 14th amendment was intended to do this, why would those who had just adopted it propose to do it again?

The answer is that the 14th amendment did not apply the establishment clause of the first amendment to the States. Only a distortion of both amendments and their history permits such an applicaiton.

In part, the 14th amendment provides that no State "shall deprive any person of life, liberty, or property, without due process of law." Before its decisions in the Engel and Schempp cases, the Court had applied other aspects of the Bill of Rights to the States through the 14th amendment by asserting that the word "liberty" as used in the amendment included all the liberties included in the Bill of Rights. Hence the liberties annunciated in the Bill of Rights could be protected from encroachment by the States.

But as Prof. Edwin Corwin has explained, the establishment clause is not like the liberties outlined in the first nine amendments such as the right to bear arms. Rather it is like the 10th amendment which distinguishes the proper constitutional powers of the National and State Governments under our Federal system.

The framers of the first amendment rejected the proposal by the delegations of Virginia and North Carolina that "no particular religious sect or society ought to be favored or established, by law, in preference to others," because this language would have allowed Congress to disestablish the established churches of five States. The Congress then rejected Madison's proposal that the first amendment not apply to Congress at all, but that it prohibit only the States from violating "the equal rights of conscience."

The authors of the first amendment sought to protect religious liberty by providing that "Congress shall make no law . . . prohibiting the free exercise" of religion. However, regarding the purpose of the establishment clause, the legislative history is clear that the framers sought to prohibit Congress from establishing a national church or interfering with the individual State's policy regarding religion. As Justice Story wrote:

> The whole power over the subject of religion is left (by the amendment) exclusively to the State governments to be acted upon according to their own sense of justice and the State constitutions.

The authors of the first amendment sought a division of power in which the States would retain their ability to establish or disestablish a religion, while Congress had no power in this area. There simply is no liberty contained in the establishment clause to be "incorporated" through the 14th amendment and applied to the States. To interpret both amendments in such a way as to construe such an application would amount to prohibiting a State from establishing a national religion or from interfering with its own arrangements regarding religion.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 40 seconds and 20 minutes remaining.

Mr. HELMS. Forty seconds and 20 minutes?

The PRESIDING OFFICER. Yes.

Mr. HELMS. May I turn that around and say that I have 20 minutes and 40 seconds?

The PRESIDING OFFICER. Yes.

Mr. HELMS. I thank the Chair. The Chair startled me.

CONGRESS CAN RESTORE THE RIGHT TO SCHOOL PRAYER

Mr. President, the Congress need not yield to any Justice of the Supreme Court in its respect for the words of the first amendment or for the principles or history behind them. Neither must Congress yield its responsibility under the Constitution to insure that the freedoms protected by the first amendment are not undermined by actions of other institutions. There is no more pressing duty facing the Congress than to restore the true spirit of the first amendment.

In anticipation of judicial usurpations of power, the framers of our Constitution wisely gave the Congress the authority, by a simple majority of both Houses, to check the Supreme Court by means of regulation of its appellate jurisdiction. Section 2 of article III states in clear and unequivocal language that the appellate jurisdiction of the Court is subject to "such exceptions, and under such regulations as the Congress shall make."

Thus, this year, I reintroduced S. 438, my school prayer bill. It states simply that the Federal courts shall not have jurisdiction to enter any judgment, decree, or order denying or restricting, as unconstitutional, voluntary prayer in any public school. Implicit in this bill is the understanding that the American citizen will have recourse to a judicial settlement of his rights, but this settlement will be made in the State courts of this Nation and not in the Federal courts. This is where our religious freedoms were always safeguarded for 173 years until they were nationalized by the Supreme Court.

Mr. President, this brings us up to this amendment. The pending amendment simply embodies the language of my bill S. 438, to which I alluded a moment ago.

The limited and specific objective of this amendment, then, is to restore to the American people the fundamental right of voluntary prayer in the public schools. I stress the word "voluntary." No individual should be forced to participate in a religious exercise that is contrary to his religious convictions, and the bill recognizes this important freedom.

At the same time, the bill seeks to promote the free exercise by allowing those who wish to recite prayers—and they are, I believe, the vast majority of our citizens—to do so, with or without the blessings of the Federal Government.

I think the conclusion is inescapable that in the Engel decision the Supreme Court in effect gave preference to the dissenters and at the same time violated the establishment clause of the first amendment by establishing a religion—the religion of secularism.

Public schoolchildren are a captive audience. They are compelled to attend school. Their right to the free exercise of religion should not be suspended while they are in attendance. The language of the first amendment assumes that this basic freedom should be in force at all times and in all places.

I urge the adoption of the amendment.

Mr. President, I reserve the remainder of my time.

Mr. EXON. Mr. President, will the Senator yield?

Mr. HELMS. I am delighted to yield.

Mr. EXON. Mr. President, I join in support of the amendment offered by the distinguished Senator from North Carolina.

It was strictly by accident that I happened to come to the Chamber this afternoon when this matter was being discussed. I am sorry to say that I did not have prior knowledge of it.

It so happens that this is a matter about which I have delivered many speeches and have made reference to on many occasions over the years. Therefore, I think that when people make noises out in the hinterland, when they do not have a vote, it is wise for them to stand up in the U.S. Senate, when they have that opportunity, as I do, and say that they think this amendment is a good one.

I compliment my colleague for stressing the fact that this is voluntary. Unless we can do something such as this, it seems to me that we are going to have further encroachment on what I think was the intent of the framers of the Constitution and what I suspect is the feeling of most people in the United States—continued encroachment on the authority of the Constitution, at least, the way I see it, by, yes, even the Supreme Court of the United States.

It seems to me that without getting into direct conflict with the Supreme Court, if we can adopt the amendment that has been suggested here, we perhaps can begin to take back some of the authority that I think should be restricted to Congress and get back to what I think was the original intent of the framers of our great Constitution.

Therefore, I thank the Senator from North Carolina for offering this amendment. He will have my support.

The first amendment to the Constitution, of course, is very important. However, since I have been in Washington, D.C., it seems to me that everybody, on every shade of the political spectrum, uses the first amendment to the Constitution almost in any way he sees fit, to do what he wants to do. Of course, I say this in jest. However, because of the many interpretations that have been given to the first amendment, I sometimes wonder whether the framers of the Constitution might not have taken another look at the first amendment and perhaps repealed it altogether. I say that in jest. Perhaps they would have recognized that it should have been written a little stricter, to help those of us who do not believe that it should be changed by whims, as we go along, in the 200 years plus of our great society.

I see nothing wrong whatsoever with voluntary prayers in the schools, so long as we do not preach any religious theology in our public schools.

I thank the Senator for yielding.

Mr. HELMS. I thank the distinguished Senator from Nebraska for his eloquent comments. He has stated the case well, and I am most grateful to him.

Mr. President, I reserve the remainder of my time.

Mr. RIBICOFF. Mr. President, this is a constitutional question, and challenges the authority of the Supreme Court. It was not considered by the Governmental Affairs Committee, and it is within the jurisdiction completely of the Judiciary Committee. I am against this amendment, and I have no further comment.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. I yield myself such time as I may require.

Mr. President, last year, I discussed on the floor of the Senate the precedents and constitutional principles which support Congress in limiting the jurisdiction of the Supreme Court in the manner which is proposed by the pending amendment.

To review briefly what I said at that time, Mr. President, the Congress has never doubted its constitutional authority to exercise its power to regulate the jurisdiction of the Federal courts and the Supreme Court. It is as simple as that.

Since the earliest days of the Republic, Members of Congress have proposed and enacted legislation to regulate the appellate jurisdiction of the Supreme Court. The Norris-LaGuardia Act, for example, narrowly restricted the authority of Federal courts to issue restraining orders or injunctions in "a case involving or growing out of a labor dispute," and further provided that "yellow-dog" contracts "shall not be enforceable in any court of the United States and shall not afford any basis for the granting of legal or equitable relief by any such court."

More recently, we have seen an increasing number of such bills introduced by Members of Congress who are concerned about the rise of judicial activism and the decline of State power through judicial edict.

As my colleagues will recall, Representative William Tuck of Virginia introduced a bill in 1964 which provided that neither the Supreme Court nor any other Federal court should have jurisdiction to change or set aside any apportionment or reapportionment of legislative districts adopted by the State legislatures. On August 19, 1964, the Tuck bill passed the House by a vote of 242 to 148. Here in the Senate, a similar bill was sponsored by Senators Dirksen, Mansfield, STENNIS, and Eastland. I call these examples to the attention of my colleagues, Mr. President, to emphasize the fact that Members of Congress have always been cognizant of their responsibilities under the Constitution to check the encroachment of judicial power.

Nor has the Supreme Court itself ever entertained any doubts or misconceptions concerning the authority of Congress to regulate the jurisdiction of the Federal courts.

Few members of the Supreme Court in the 19th century went beyond Chief Justice John Marshall in asserting the powers and independence of the Federal judiciary. Yet it was Marshall who declared in 1805 that—

> When the Constitution has given Congress the power to limit the exercise of our jurisdiction, and to make regulations respecting its exercise, and Congress under that power has proceeded to erect inferior courts, and has said in what cases a writ or error or appeal shall lie, an exception of all other cases is implied. And this Court is as much bound by an implied as an expressed exception. *United States* v. *More*, 7 U.S. (3 Cranch), 159, 170–171 (1805).

Marshall restated his position in *Durousseau* v. *United States*, 10 U.S. (6 Cranch 307, 314 (1810)), where he flatly asserted that—

> The appellate powers of this Court are not given by the Judicial Act, they are given by the Constitution. But they are limited and regulated by the Judicial Act, and by such other acts as have been passed on the subject.

Chief Justice Marshall never allowed that there were any limits to the exceptions and regulations that Congress could prescribe.

Later, the Court went so far as to reaffirm Congress authority over its jurisdiction where Congress had withdrawn jurisdiction after the case had already been argued before the Court. In the well-known case of *Ex parte McCardle*, 74 U.S. (7 Wall.) 514, decided in 1868, the Court promptly dismissed the case for want of jurisdiction. Speaking for a unanimous Court, Justice Davis declared:

> We are not at liberty to inquire into the motives of the legislature. We can only examine its power under the Constitution; and the power to make exceptions to the appellate jurisdiction of this court is given by express words.

The principle laid down in the McCardle case has been reaffirmed many times by the Court in subsequent cases down to the present. As the Court observed in the *Francis Wright*, 105 U.S. 381 (1882).

> While the appellate power of this Court extends to all cases within the judicial power of the United States, actual jurisdiction is confined within such limits as Congress sees fit to describe. What these powers shall be, and to what extent they shall be exercised, are, and always have been, proper subjects of legislative control.

In the words of the late Mr. Justice Frankfurter:

> Congress need not give this Court any appellate power; it may withdraw appellate jurisdiction once conferred and it may do so even while a case is *subjudice*. *National Mutual Ins. Co.* v. *Tidewater Transfer Co.*, 337 U.S. 582, 655 (1948).

Not once in its history, Mr. President, has the Supreme Court departed from this principle or suggested that there are any limitations to Congress control over the Court's jurisdiction. Indeed, the Constitution itself admits to no limitations.

Mr. President, I would like to seek the yeas and nays on this amendment, but obviously we do not have enough Senators in the Chamber for a sufficient second.

I suggest the absence of a quorum, and if the Senator from Connecticut does not mind, we will divide the time equally.

Mr. RIBICOFF. I have no objection.

Mr. HELMS. I thank the distinguished Senator.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, yielding myself just 1 minute, I have discussed this matter with the distinguished manager of the bill, my friend from Connecticut (Mr. RIBICOFF), and he intends to move to table this amendment.

I just want the RECORD to show that a vote in favor of tabling the amendment is a vote to kill the amendment, and this is a very vital issue. And I hope Senators will carefully consider their votes on this matter because it is one obviously of deep concern to millions of people across this country.

So with that, Mr. President, I am willing to yield back the remainder of my time.

Mr. RIBICOFF. Mr. President, I yield back the remainder of my time and move to table the amendment.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from North Carolina. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from New Hampshire (Mr. DURKIN), the Senator from Louisiana (Mr. LONG), the Senator from New York (Mr. MOYNIHAN), the Senator from Georgia (Mr. TALMADGE), and the Senator from New Jersey (Mr. WILLIAMS), are necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Utah (Mr. GARN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Pennsylvania (Mr. HEINZ), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Delaware (Mr. ROTH), the Senator from Vermont (Mr. STAFFORD), and the Senator from Wyoming (Mr. WALLOP), are necessarily absent.

I further announce that, if present and voting, the Senator from Utah (Mr. GARN), would vote "nay."

The PRESIDING OFFICER. Are there any Senators in the Chamber who have not voted?

The result was announced—yeas 43, nays 43, as follows:

[Rollcall Vote No. 36 Leg.]

YEAS—43

Baucus
Bellmon
Biden
Boschwitz
Bradley
Bumpers
Burdick
Chafee
Cohen
Cranston
Culver
Danforth
Eagleton
Glenn
Gravel
Hart
Hatfield
Inouye
Jackson
Javits
Kassebaum
Kennedy
Leahy
Levin
Magnuson
Mathias
Matsunaga
McGovern
Metzenbaum
Muskie
Nelson
Packwood
Pell
Percy
Proxmire
Ribicoff
Riegle
Sarbanes
Stevens
Stevenson
Stone
Tsongas
Weicker

NAYS—43

Armstrong
Bentsen
Boren
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
DeConcini
Dole
Domenici
Durenberger
Exon
Ford
Hatch
Hayakawa
Heflin
Helms
Hollings
Huddleston
Jepsen
Johnston
Laxalt
Lugar
McClure
Melcher
Morgan
Nunn
Pressler
Pryor
Randolph
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stewart
Thurmond
Tower
Warner
Young
Zorinsky

NOT VOTING—14

Baker
Bayh
Durkin
Garn
Goldwater
Heinz
Humphrey
Long
Moynihan
Roth
Stafford
Talmadge
Wallop
Williams

So the motion to lay on the table UP amendment No. 69 was rejected.

Mr. HELMS. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina (Mr. HELMS). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senate will be in order. The clerk cannot hear the responses of Senators as he calls the roll. The Senate will be in order. The clerk may proceed.

The call of the roll was resumed and concluded.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. Bayh), the Senator from New Hampshire (Mr. Durkin), the Senator from Louisiana (Mr. Long), the Senator from South Dakota (Mr. McGovern), the Senator from Alabama (Mr. Stewart), the Senator from Georgia (Mr. Talmadge), and the Senator from New Jersey (Mr. Williams) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Utah (Mr. Garn), the Senator from Arizona (Mr. Goldwater), the Senator from Pennsylvania (Mr. Heinz), the Senator from New Hampshire (Mr. Humphrey), the Senator from Delaware (Mr. Roth), the Senator from Vermont (Mr. Stafford), the Senator from Wyoming (Mr. Wallop), and the Senator from Connecticut (Mr. Weicker), are necessarily absent.

I further announce that, if present and voting, the Senator from Utah (Mr. Garn), would vcote "yea."

The PRESIDING OFFICER (Mr. Burdick). Have all Senators in the Chamber voted?

The result was announced—yeas 47, nays 37, as follows:

[Rollcall Vote No. 37 Leg.]

YEAS—47

Armstrong
Bentsen
Boren
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
DeConcini
Dole
Domenici
Durenberger
Exon
Ford
Hatch
Hayakawa
Heflin
Helms
Hollings
Huddleston
Jepsen
Johnston
Kassebaum
Laxalt
Lugar
Magnuson
McClure
Melcher
Morgan
Nunn
Pressler
Pryor
Randolph
Ribicoff
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stone
Thurmond
Tower
Warner
Young
Zorinsky

NAYS—37

Baucus
Bellmon
Biden
Boschwitz
Bradley
Bumpers
Burdick
Chafee
Cohen
Cranston
Culver
Danforth
Eagleton
Glenn
Gravel
Hart
Hatfield
Inouye
Jackson
Javits
Kennedy
Leahy
Levin
Mathias
Matsunaga
Metzenbaum
Moynihan
Muskie
Nelson
Packwood
Pell
Percy
Proxmire
Riegle
Sarbanes
Stevenson
Tsongas

NOT VOTING—16

Baker
Bayh
Durkin
Garn
Goldwater
Heinz
Humphrey
Long
McGovern
Roth
Stafford
Stewart
Talmadge
Wallop
Weicker
Williams

So Mr. Helms' amendment was agreed to.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

MOTION TO RECESS UNTIL MONDAY, APRIL 9, 1979

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess, under the order, until 12 o'clock on Monday next.

The PRESIDING OFFICER. The question is on agreeing to the motion that the Senate stand in recess.

Mr. HELMS. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to recess. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. Bayh), the Senator from New Hampshire (Mr. Durkin), the Senator from Louisiana (Mr. Long), the Senator from South Dakota (Mr. McGovern), the Senator from Alabama (Mr. Stewart), the Senator from Georgia (Mr. Talmadge), the Senator from Massachusetts (Mr. Tsongas), and the Senator from New Jersey (Mr. Williams) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Utah (Mr. Garn), the Senator from Arizona (Mr. Goldwater), the Senator from Pennsylvania (Mr. Heinz), the Senator from New Hampshire (Mr. Humphrey), the Senator from Delaware (Mr. Roth), the Senator from Vermont (Mr. Stafford), the Senator from Wyoming (Mr. Wallop), the Senator from Connecticut (Mr. Weicker), and the Senator from Oregon (Mr. Packwood) are necessarily absent.

The PRESIDING OFFICER. Have all Senators in the Chamber voted?

The result was announced—yeas 55, nays 27, as follows:

[Rollcall Vote No. 38 Leg.]

YEAS—55

Baucus
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cranston
Culver
Danforth
DeConcini
Eagleton
Ford
Glenn
Gravel
Hart
Hatfield
Heflin
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Levin
Magnuson
Mathias
Matsunaga
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Pell
Percy
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stennis
Stevenson
Stone
Young
Zorinsky

NAYS—27

Armstrong
Bellmon
Chafee
Church
Cochran
Cohen
Dole
Domenici
Durenberger
Exon
Hatch
Hayakawa
Helms
Jepsen
Kassebaum
Laxalt
Lugar
McClure
Morgan
Pressler
Schmitt
Schweiker
Simpson
Stevens
Thurmond
Tower
Warner

NOT VOTING—18

Baker
Bayh
Durkin
Garn
Goldwater
Heinz
Humphrey
Long
McGovern
Packwood
Roth
Stafford
Stewart
Talmadge
Tsongas
Wallop
Weicker
Williams

So the motion to recess was agreed to.

RECESS

The motion was agreed to; and at 5:43 p.m., the Senate recessed until Monday, April 9, 1979, at 12 o'clock meridian.

WITHDRAWAL

Executive nomination withdrawn from the Senate April 5, 1979:

NATIONAL INSTITUTE OF BUILDING SCIENCES

John P. Millhone, of Minnesota, to be a member of the Board of Directors of the National Institute of Building Sciences for a term expiring September 7, 1980, which was sent to the Senate on January 18, 1979.

EXTENSIONS OF REMARKS

TAX RELIEF FOR THE SUPPORTERS OF DISABLED OR BLIND DEPENDENTS

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. MAVROULES. Mr. Speaker, today I am introducing legislation that would amend the Internal Revenue Code of 1954, providing an additional personal exemption of $1,000 for the parents and supporters of blind or otherwise disabled dependents.

I do so with great pleasure, as the bill was inspired by one of my constituents, Mrs. Sarah Cooper of Lynn, Mass.

An additional tax exemption already exists for blind taxpayers in recognition of their unusual personal and financial hardships.

My bill, however, would extend this relief to the supporters of dependents similarly afflicted: People as equally hard hit in the pocketbooks as the disabled taxpayer, if not more so.

We in Congress are sometimes hard-pressed to coordinate our duties here with our responsibilities at home.

But when we can introduce legislation arising from the needs and concerns of one of our constituents, as I am doing today, we have come some distance in meeting our obligations as Congressmen.

I believe that this proposed revision

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

of the Internal Revenue Code is long overdue, Mr. Speaker.

It is fair and justifiable, and, again, I am pleased to speak in its behalf.

H.R. 3493

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 151 of the Internal Revenue Code of 1954 (relating to allowance of deductions for personal exemptions) is amended by adding at the end thereof the following new subsection:

"(f) Additional Exemption for Disability.—

"(1) For taxpayer.—An additional exemption of $1,000 for the taxpayer if he is disabled.

"(2) For spouse.—An additional exemption of $1,000 for the spouse of the taxpayer if—

"(A) a separate return is made by the taxpayer, and

"(B) the spouse is disabled and, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

"(3) For dependent.—An additional exemption of $1,000 for any dependent of the taxpayer if—

"(A) such dependent is disabled; and

"(B) the taxpayer is entitled to an exemption for such dependent for the taxable year under subsection (e).

"(4) Disabled individual.—For purposes of this subsection—

"(A) In general.—An individual is disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which has lasted or can be expected to last for a continuous period of not less than 12 months.

"(B) Physical or mental impairment.—The term 'physical or mental impairment' includes mental retardation, cerebral palsy, autism, epilepsy, blindness (as defined in subsection (d)(3)), or a substantial loss of speech or hearing.

"(C) Date of disability determination.—The determination of whether an individual is disabled shall be made as of the close of the taxable year of the taxpayer; except that if such individual dies during such taxable year such determination shall be made as of the time of such death.

"(5) Blindness of taxpayer or spouse.—No additional exemption shall be allowed under this subsection for any individual with respect to whom the taxpayer is allowed an exemption under subsection (d)."

(b) Paragraph (1) of section 3402(f) of such Code (relating to withholding exemptions for income tax collected at source) is amended—

(1) by redesignating subparagraphs (D), (E), (F), and (G) as subparagraphs (E), (F), (H), and (I), respectively;

(2) by inserting after subparagraph (C) the following new subparagraph:

"(D) one additional exemption for himself if, on the basis of facts existing at the beginning of such day, there may reasonably be expected to be allowable an exemption under section 151(f)(1) (relating to the disabled) for the taxable year under subtitle A in respect of which amounts deducted and withheld under this chapter in the calendar year in which such day falls are allowed as a credit;";

(3) by inserting after subparagraph (F) (as redesignated by paragraph (1)) the following new subparagraph:

"(G) an additional exemption for each individual with respect to whom, on the basis of facts existing at the beginning of such day, there may reasonably be expected to be allowable an exemption under section 151(f)(3) for the taxable year under subtitle A in respect of which amounts deducted and withheld under this chapter in the calendar year in which such day falls are allowed as a credit;";

(4) by striking out "(C), or (F)" in subparagraph (F) (as redesignated by paragraph (1)) and inserting in lieu thereof "(C), (D), or (H)"; and

(5) by striking out "subparagraph (G)" in the last sentence and inserting in lieu thereof "subparagraph (I)".

(c) Subsection (a) of section 6682 of such Code (relating to false information with respect to withholding allowances based on itemized deductions) is amended by striking out "section 3402(f)(1)(F)" and inserting in lieu thereof "section 3402(f)(1)(H)".

Sec. 2. (a) The amendments made by subsection (a) of the first section of this Act shall apply to taxable years ending after the date of the enactment of this Act.

(b) The amendments made by subsections (b) and (c) of the first section of this Act shall apply with respect to payments of wages made on or after the first calendar month which begins more than 10 days after the date of the enactment of this Act.●

U.S. REDUCES ITS AIR DEFENSE CAPABILITY

HON. KEN KRAMER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. KRAMER. Mr. Speaker, on March 29, the Secretary of the Air Force announced to the world that the United States has decided to reduce its air defense capability.

This was not the official announcement. The official statement merely declared the Air Force's intention to restructure our aerospace defense posture by eliminating ADCOM, the major command segment of the U.S. Aerospace Defense Command, and in the process, eliminate approximately 1,400 positions in air defense, turn the day-to-day control of the remaining air defense interceptor squadrons over to the Tactical Air Command, and hand over missile defense radars and remote satellite monitoring stations to the Strategic Air Command.

In essence, the proposed ADCOM reorganization partitions the Air Defense Command and splits the parts between two offensive commands.

For a number of reasons, I am convinced that this is a bad decision:

First, at a time when the U.S.S.R. is beginning to rebuild its long-range bomber forces, starting with the Backfire bomber, we are dismantling our unified air defense.

Second, we are sending an international political message to our allies that we, as the strongest Nation in the free world, intend to reduce our air defense capabilities, and right at the same time that we are attempting to persuade them to spend more on NATO and arms for their own defense.

Third, the very fact that it took the Department of Defense months to persuade our allies in NORAD to accept the reorganization shows all too clearly their concerns.

Fourth, to remove the space mission from ADCOM and to turn it over to an offensive command such as SAC militarizes the space component and may escalate an arms build-up in space by the U.S.S.R. at the same time we are phasing down our capabilities.

There are many other reasons why the proposed reorganization is not in the national interest, and all of these need to be considered and discussed.

For these reasons, Mr. Speaker, I am today introducing, along with the gentleman from Colorado (Mr. Kogovsek), a resolution disapproving the proposed ADCOM reorganization. I would hope all my colleagues interested in peace and a strong air defense would join in sponsoring this resolution and in requesting the necessary hearings.●

POLL RESULTS RELEASED

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. WINN. Mr. Speaker, I am today releasing to the public the results of my recent winter questionnaire which was mailed to all postal patrons in the Third District of Kansas at the end of February. To date, there have been over 20,000 responses.

From these results, I found the biggest concerns in my district are that the Federal Government is taxing people too much and spending too much money.

For example, my constituents favor a rollback of the next increase in social security taxes by a margin of 66 to 34 percent. Sixty-three percent favor a Constitutional Convention to amend the Constitution to require a balanced Federal budget.

On other economic issues, I found that 51 percent of those responding feel that mandatory wage and price controls should be imposed as a means of slowing inflation. As far as the next increase in the Federal minimum wage is concerned, 51 percent indicated that they would favor deferring it.

Like people throughout this great Nation, my constituents would like to see the Federal Government do away with wasteful and inefficient programs. I asked for their help in deciding where cuts should be made in the budget. Out of nine program areas, the first choice was in foreign assistance programs. This was followed by the desire for cuts in income security programs like social security and Federal retirement programs, and in health programs like medicare and medicaid.

Moreover, my constituents are strongly opposed—83 to 17 percent—to legislation providing for Federal financing of congressional election campaigns. They also oppose, by a margin of 61 to 39 percent, the extension of the general revenue sharing program beyond its expiration date in 1980.

My questionnaire did not deal entirely with spending and economic matters. I also asked for my constituents' opinions on the reinstitution of the military draft. Well over half—54 percent—said they would favor a return to the selective service military draft system.

Finally, I asked my constituents if they believe nuclear energy should be developed as a prominent energy alternative to oil and gas. Seventy-three percent responded affirmatively.

Mr. Speaker, I would like to include the complete results of this poll in the Record at this time:

WINTER QUESTIONNAIRE RESULTS

1. Should the Social Security tax increase (6.65% on the first $29,700) scheduled to take effect in 1981 be rolled back? Yes, 66%. No, 34%.

2. Would you support legislation providing for federal financing of Congressional election campaigns? Yes, 17%. No, 83%.

3. Do you favor a return to the Selective Service military draft system? Yes, 54%. No, 46%.

4. In light of continuing inflation, would you favor the imposition of mandatory wage and price controls? Yes, 51%. No, 49%.

5. Looking ahead to the 21st Century, do you believe that nuclear energy should be developed as a prominent energy alternative to oil and gas? Yes, 73%. No, 27%.

6. The federal minimum wage rate is scheduled to increase from $2.90 to $3.10 per hour in January 1980. Should Congress defer this increase? Yes, 51%. No, 49%.

7. Should a Constitutional Convention be called for the purpose of amending the Constitution to require a balanced federal budget? Yes, 63%. No, 37%.

8. The general revenue sharing program (which grants funds to state and local governments with few program requirements) is due to expire in 1980. Should this program be continued? Yes, 39%. No, 61%.

9. Of the nine program areas listed below, in which three areas do you think federal spending should be decreased?

National Defense; Foreign Assistance; Energy; Natural Resources and Environment; Highways and Mass Transit; Education; Health (Medicare and Medicaid); Veterans Benefits; Income Security (Social Security/Retirement Programs).

1. Foreign Assistance.
2. Income Security.
3. Health.●

THE GOLD QUESTION

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. PAUL. Mr. Speaker, about one month ago the Washington Post reprinted an article on gold from the National Journal. The article was typical of the antigold articles that have appeared in the press in recent years, for it repeated the same old long-refuted objections to the gold standard that have been the stock-in-trade of the paper money people for the past 50 years.

I wrote a letter to the Post taking exception to the article, but the Post has not yet published it. I insert the text of my letter in the Record at this point so that those readers of the Post who also read this Record will be afforded the opportunity to read it:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 1, 1979.

The EDITOR,
The Washington Post,
Washington, D.C.

DEAR SIR: I was intrigued by the article on gold that you reprinted from The National Journal. Gold is, as the author said, "forcing itself back into our consciousness," for in a world of depreciating dollars, gold burns with a brilliance unmatched by any other money, ancient or modern.

In his book, The Golden Constant, Professor Roy W. Jastram showed that prices in England doubled between 1585 and 1718, and then remained more or less stable until 1930, a period of over 200 years. It so happens that, not coincidentally, Sir Isaac Newton, Master of the Mint, put England on the gold standard on December 22, 1717. Since 1930, however, England's wholesale price index has gone from 100 (with the gold standard) to 1284 (with political control of money) in 1976.

Despite the fact that his book dramatically illustrates that continuous price inflation is not a fact of life but an act of government, Dr. Jastram is as defensive about progressing to the gold standard as Mr. Samuelson, author of the National Journal article, is. Both men present a list of specious reasons why we ought not adopt honest money—which is gold—as the basis of our economic system. Their arguments have been refuted time and again by economists who understand that it is the political control of money, such as that we now endure, that absolutely prohibits a stable dollar and a sound monetary system. Samuelson's blaming the political struggles of the late 19th century on gold is a bit like blaming Citizen A's property for Citizen B's attempts to take it away from him. Gold was not the cause of the problem: The desire for dishonest gain was.

True, I must admit, merely holding gold does not earn interest, as Mr. Samuelson points out. When, as Mr. Samuelson also admits, gold cost $58 per ounce in 1972 and $250 per ounce in 1979, who needs 5¼% per year? The only way out of our monetary chaos, which will otherwise worsen, is to adopt honest money, the golden constant.

Sincerely,

RON PAUL, M.C.●

SAN DIEGO NATIONAL AIR FESTIVAL

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. BOB WILSON. Mr. Speaker, last year, San Diego's renowned aerospace museum burned to the ground in a tragic fire. Priceless exhibits, including the only replica of the Spirit of St. Louis, the aircraft that Charles Lindbergh flew into history, were totally destroyed.

However, from the ashes of that fire, the San Diego Aerospace Museum is being rebuilt. Our citizens have selflessly volunteered their time, their talent, and their contributions to restore the museum.

As a part of this recovery effort, the San Diego Aerospace Museum Recovery Fund, in conjunction with the Combat Pilots Association will stage the inaugural presentation of the San Diego National Air Festival from May 19 through May 28, with a myriad of aviation-related activities, some of which mentioned below I would hope might nudge the interest of our aviation-minded colleagues.

SAN DIEGO TO HOST NATIONAL AIR FESTIVAL

A full, nine-day program of aviation and flying activities throughout San Diego County is being mapped for this year's inaugural presentation of the San Diego National Air Festival.

Sponsored by the San Diego Aero-Space Museum and Hall of Fame Recovery Fund, in conjunction with the Combat Pilots Association, the program is scheduled to start May 19 and continue through May 28.

Retired Air Force Brig. General Thomas M. Knoles, III, executive director of the festival, said this marks the first time that San Diego has attempted an event of this magnitude.

"With a population of more than 12,000 general aviation pilots flying in and around the county's airports in fixed-wing, conventional airplanes plus all of the other non-powered and unconventional vehicles that fly, we're convinced sufficient interest exists here to assure success," noted Knoles, whose direction last year of a benefit, three-day air show at Brown Field netted the Recovery Fund, $27,000.

He said, "The Associated Glider Clubs of San Diego are scheduling a day-long demonstration of soaring activities May 19 to launch the Festival events that follow over the nine-day period.

Hang-gliding, sky-diving, hot air ballooning, fly-ins by experimental and home built airplane hobbyists, remote control model competition and public demonstrations are being scheduled over the period between two weekends.

Additionally, airport Fixed Base Operators at each entry facility are being asked to provide general audience open house programs during the week, inviting students to attend informal discussions on general aviation and view special exhibits.

"What we're doing, in effect, is providing a week-long platform on which all sectors and elements of the aviation and flying community in the county can identify their presence and contributions.

"The final, three-day weekend will be devoted at Brown Field to what is probably the most ambitious schedule of air and aviation oriented activities ever presented as a public event.

"Ground displays, industrial exhibits, special flying movies, antique airplanes and home-built, experimental flying machines of all kinds will be available for public inspection prior to the afternoon events.

"A daily air race schedule will be held as part of the air show attraction," Knoles noted, adding that the air show would present a flying pageant each day called the "History of Flight." This special presentation includes actual flight demonstrations of early-day airplanes that characterize the advance from 1910 through today.

Richard L. "Zeke" Cormier has been named deputy director of the San Diego National Air Festival.

Knoles said Larry Lowe is this year's air show director and that Ray Cote, nine times world record holder in classic midget air racing, is race director.

Cote is an El Cajon man who flew his "Shoestring" midget racer to a new world's speed record of 351 miles an hour at Reno last year. In private life, Cote is manager of flight services for Teledyne Ryan Aeronautical and chief pilot.

Lowe is a veteran air show stunt and barnstorming pilot whose private interests are associated with industrial manufacturing in the north county area.

In addition to the "History of Flight" pageant, Lowe said his headline performers this year will include Bob Hoover and Joe Hughes, the latter best known for international fame in his biplane with an accomplice who walks his wings while in flight.

Cote said nearly 20 entrants from more than six states have already been received in the air race competition program.

"The rest of the country has viewed San Diego for too many years, in our estimate, as the home of the Ryan 'Spirit of St. Louis' and a handful of other historic aircraft. We're grateful for that recognition," Knoles said.

"But this National Air Festival will command worldwide attention for San Diego County as one of the true general aviation and flying capitals of the country."●

STRATEGIC OPTIONS FOR THE EARLY EIGHTIES

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. SYMMS. Mr. Speaker, the next several years, according to many national and foreign experts on military power, may well be the most dangerous to the United States and to the cause of freedom since the end of the Second World War. Over the past decade the relentless drive of the Soviet Union to achieve strategic superiority may well reach a payoff. This payoff, which could be achieved by 1982, will result in a far-reaching Soviet conventional superiority in European land forces and in global political influence and, more importantly, in a vast and highly dangerous supremacy in intercontinental nuclear power. The overall result would plunge the United States into a clear-cut secondary status as an international superpower; a condition which the American people are not even remotely prepared for either in a cultural or a technological sense.

The object of these concerns, Mr. Speaker, should be to reduce the growing inferiority of American power in the face of the more than 10 year drive of the U.S.S.R. to obtain superiority over the United States. Yet the present administration seems glued to the status quo; unable to make up its mind on which direction to go and, what is worse, unwilling to even concede the obvious and singleminded Soviet drive for global hegemony. The President has canceled key weapons systems, has delayed on others and appears determined to pursue the illusion that arms control can offer real security.

The situation is approaching peril. Many experts, such as Dr. Fritz Kraemer (who recently retired as civilian adviser to the Joint Chiefs) and Mr. Paul Nitze (former Secretary of the Navy and SALT I negotiator) are predicting disaster unless the issue is remedied immediately. In this connection, Mr. Speaker, I want to bring to the attention of the Congress a remarkable new book published by the National Strategy Information Center and edited by William R. Van Cleave and W. Scott Thompson, two respected national authorities on world politics. Entitled "Strategic Options for the Early Eighties, What Can Be Done?", this book has been prepared by a team of military experts with the aim of drafting, item-by-item, various "quick fix" military options available to the United States in the near future which, if undertaken, could offset the tremendous lead which the Soviets will have within the next several years. The importance of this task cannot be understated, nor can the magnitude of the effort. Yet, the several authors demonstrate that it is still within the capability of the United States, and at an acceptable cost, to at least temporarily reverse current trends and to restore a reliable and confident strategic capability to the United States before it becomes too late. I urge my colleagues to take this issue with the utmost seriousness and to heed the advice of the panel of experts who have contributed to this book.

What follows is a chapter-by-chapter summary of the book prepared by the foreign affairs staff of the Heritage Foundation, Washington, D.C.:

QUICK FIX: CRITERIA AND OPTIONS

(By M. R. Gustavson)

This study sets forth the criteria for and options utilized in the "quick fix" of American strategic nuclear forces. The author reminds the reader that the central theme of his study is contingency planning—what could be done to enhance the U.S. strategic posture if a need to enhance it was seen to be necessary. In this paper, M. R. Gustavson first supplies several preliminary assumptions. One, that the perception of a severe imbalance in the strategic posture of the United States vis-a-vis the Soviet Union could eventually lead to serious reevaluation of the adequacy of the United States' strategic forces. Two, that when such a time arrives, the urgency of the situation will demand an end to the normal, dilatory role of "business as usual" thinking. And three, that the security of the country will assume a higher importance than the cost of the actions undertaken.

The author's main focus is on the need for a new way of looking a deterrence. He argues that the analytic approaches most often used to evaluate strategic systems tend to emphasize the static aspects of deterrence. He says that they do this because: (1) they begin studying deterrence, assuming that each side has deployed major portions of its strategic systems and has established standard procedures for use; (2) such analyses normally focus on sizeable weapons systems (ones deploying large numbers of units); and (3) analytical efforts tend to concentrate on calculable factors and not on uncertainties.

Gustavson argues that an alternative to such static deterrent conceptualization is dynamic deterrence—a deterrence which he characterizes as utilizing new or modified strategic capabilities to subject an opponent to a changing strategic threat, in an effort to keep him off-balance. The author effectively argues that in the critical period of the early 1980s, the United States should deploy "quick fix" options that would create new challenges for Soviet strategic planners, causing them to restructure their forces and plans.

Gustavson details several categories of options that would fall under this heading. Options that would involve reversing decisions that "would further decrease the existing posture." He gives as an example, reversing the phasing out of American air interception capability. Options they would utilize existing equipment in new operating modes. For example, the U.S. could deploy photo-reconnaissance aircraft in Quick Reaction Alert status with NATO. Options which would involve the early procurement in limited quantities of strategic systems already considered for major deployments over a longer period of time. One example would be the procurement of a limited quantity of B–1 bombers for strategic use in the early 1980s. And finally, options which would involve the procurement of systems exploiting new and different forms of warfare.

It is the author's major contention that the use of dynamic deterrence would have an impact in the critical period of the early 1980s that would be far greater than could be supposed by limited resources utilized. As he comments in his conclusion:

> In any case, it would seem important not merely to consider how to accelerate the deployment of those systems now under active development, but to develop a strategy that makes maximum use of this nation's outstanding capabilities to innovate and to realize the advantages of new technology in operational practice.

VIABLE U.S. STRATEGIC MISSILE FORCES FOR THE EARLY 1980'S

(By William R. Graham and Paul H. Nitze)

William Graham and Paul Nitze discuss the various methods of keeping U.S. strategic missile forces viable during the critical period of the early 1980s. They note that the U.S. government has begun to admit that the U.S. Minuteman missile force will become vulnerable to Soviet ICBM attack in the early years of the Eighties if present trends are allowed to continue unchallenged.

The authors evaluate four alternative methods of increasing land-based strategic missile survivability: Launch-on-Warning, Deep Underground Basing, Mobile Basing, and Multiple Aimpoint Basing. Launch-on-Warning is a concept that relies on the launching of U.S. land-based missiles before Soviet warheads impact. As such, the authors note, it poses "extremely formidable technological and other difficulties," since American decision-makers must launch their forces without knowing the extent of the Soviet strike and in the face of possible radar blackout.

Deep Basing deposits the storing of land based missiles hundreds to thousands of feet underground in order to protect them from surface nuclear blasts. Graham and Nitze note, however, that such basing would provide problems of "post-attack missile egress." Land Mobile Basing is a concept that envisions the use of surface transportation to move strategic missiles at frequent intervals in order to confuse Soviet targeting procedures. Its drawbacks include the maintenance of covert movement of missiles on a frequent basis and the necessity of an extensive operating area.

Graham and Nitze indicate that Alternate Launch Point Basing (ALPS), one form of the Multiple Aimpoint System (MAPS), "appears to be the best option for a survivable missile force in the early 1980s." This concept requires the building of multiple, hardened, dispersed storage facilities for every canisterized missile, from which the missile would be covertly moved one to another in a random manner in order to create uncertainty among Soviet strategic planners. The authors argue that this concept would be relatively inexpensive to build and could be accomplished in the necessary period of time.

The authors also give some consideration to the question of missile improvements in their study. At the conclusion of the paper they state that it is "possible for the United States to use existing missiles with both modified and new methods of deployment to achieve a substantially enhanced strategic missile capability."

ACTIVE DEFENSES: U.S. STRATEGIC OPTIONS IN THE 1980's

(By F. P. Hoeber)

In this study, F. P. Hoeber discusses the potential for strategic defensive "quick fixes." It is the premise of this study that corrective measures will be needed for U.S. defensive forces as well as offensive forces in order to redress the coming strategic imbalance. The author notes that even limited defenses can serve to increase the attacker's uncertainty.

Hoeber focuses on four categories of active defenses in his paper: Ballistic missile defense (BMD), Air Defense, Satellite defense, and Antisubmarine warfare (ASW). In the section on Ballistic missile defense, the author argues first that there is a need for a basic change in approach, moving away from costly, centralized systems to less-costly, distributed systems of small, autonomous units. Among the defense systems he discusses are environmental defense systems (using emplaced nuclear warheads to throw up large quantities of earth and rock in the path of incoming RVs), non-nuclear kill systems such as *Porcupine* (using large quantities of high explosive to direct metal projectiles toward incoming RVs), defending MAPS systems (deploying *Porcupine* in connection with a Multiple Aimpoint System), and layered defense systems (using both low-altitude defense such as *Porcupine* and anti-missile missiles).

Hoeber discusses the use of air defense against bombers in the light of current U.S. weakness. He remarks:

"It was simply asserted in the Department of Defense annual reports for FY 1975, FY 1976, and FY 1977 that as long as we are vulnerable to ballistic missiles, it is not worth defending against the bombers. Soviet bombers have thus been given a *free ride.*"

He argues that to overcome this defeatist approach, the U.S. needs to employ air defense forces comprising AWACS (Airborne Warning and Control) aircraft, F–14 aircraft equipped with the *Phoenix* missile, and current and developing surface to air missiles.

In the section dealing with Satellite defense, the author argues that the United States should develop an antisatellite (ASAT) program in order to compete with the current Soviet ASAT program. In the meantime, he believes that there are some passive defenses, albiet limited in scope, which could be used by the United States to counter Soviet actions in wartime. Among these are target evasion techniques, standby satellites, and deployment of redundant satellites.

Hoeber notes in the Antisubmarine portion of his paper that the United States is believed to have maintained a lead in this defensive field. He further notes that there appear to be no "quick fixes" at present "either to counter Soviet ASW or to improve U.S. ASW."

In his conclusion, the author states:

"Even partial defense measures can have a marked effect on the strategic balance by creating uncertainty and new requirements for the other side. Such measures can therefore have significant impact on the perceived strategic balance, which is the essence of deterrence."

CIVIL DEFENSE

(By T. K. Jones)

T. K. Jones's study deals with the measures that could be taken to make U.S. civil defense programs more viable over the next decade. Jones makes clear, by way of background information, that U.S. civil defense programs in recent years have declined (in real terms) to less than thirty percent of the 1962–1967 average funding level. The Soviets, on the other hand, have continued to extensively upgrade their civil defense preparedness. Among the aspects of the Soviet civil defense program that were reported by the Joint Chief of Staff in 1977 were "hardened command control communication centers for the first echelon of the Soviet government and armed forces, blast shelters in manufacturing plants, shelters for the general population, probable underground storage bunkers for grain, and hardening of defensive missile sites and radars."

The author effectively argues that the Soviet Union's extensive civil defense preparations undermine the credibility of the United States' strategic deterrent. Since the unprotected American population would suffer far more casualties from a nuclear exchange than the better-protected Soviet population, the U.S. would be less likely to respond to a Soviet first strike with a countervalue strike. In addition to this information Jones notes that a Boeing study of "the choices and options inherent in a nuclear conflict" demonstrates that equal civil defenses encourage each side to reduce the intensity of any nuclear conflict.

For the near-term (within one year) period, the author recommends the distribution of translated Soviet civil defense manuals to U.S. schools, with a requirement that all high school and college students receive mandatory instruction. Similar training would be administered to all National Guard, law enforcement, and emergency services personnel. Such training should be supplemented by the preparation of plans for evacuation of U.S. urban areas.

For the mid-term (within three years) period, he recommends, among other things, the preparation of "detailed plans for crisis upgrading of existing structures in nonrisk areas and development of 55 psi blast protection for key workers in risk areas" and the development of emergency operating centers in host areas. Jones argues that the adoption of such mid-term "quick fixes" would reduce U.S. population looses in the event of a nuclear war from the 160 million expected under present civil defense preparations to 30 million.

STRATEGIC ALTERNATIVES: AIRBREATHING SYSTEMS

(By B. T. Plymale)

In this study, B. T. Plymale discusses the possibility of "quick fixes" in the bomber leg of the U.S. strategic nuclear triad. He notes that credible deterrence depends upon both the capability of ensuring a high probability of unacceptable damage on the enemy's targets and on the survivability and endurance characteristics of strategic forces following initial, wartime, nuclear exchanges.

Using a series of system requirements and option criteria, Plymale gives an initial list of candidate options for short-, mid-, and long-term adoption. He then further whittles these options down to a smaller list of preferred options using two criteria:

1. The option provides the highest time rate of increases in the U.S. strategic capability in the shortest possible time.

2. The option can attain operational capability preferably in three years or less with high confidence (low schedule risk).

The author's preferred short-term (within one year) options are an acceleration in the improvement in the defensive avionics of the B–52G/H bomber and the combination of an increased SAC alert rate and dispersal of SAC bombers to all airfields suitable for operations. His preferred mid-term (within three years) options include the conversion of B–52G bombers and commercial aircraft derivatives into cruise missile carriers, the large-scale production of air-launched cruise missiles (ALCMs), and new basing procedures designed to increase bomber survivability.

POLITICAL, ECONOMIC, AND INTERNATIONAL SECURITY ASPECTS

(By William R. Van Cleave
and Patrick J. Parker)

William Van Cleave and Patrick Parker address a number of the political, economic and security aspects of the current strategic imbalance in their paper. They start out by noting that in the past the United States' domination of the strategic force balance had an inhibiting effect on Soviet military maneuvering throughout the world. They argue that now that the Soviets had gained a strategic advantage over the United States, they will use the influence accruing to this situation to meddle increasingly in the international arena. The authors comment: Largely because of the shift in the military balance, the Soviet leaders appear to believe that the global correlation of forces has shifted against the United States and its allies."

Van Cleave and Parker note that there is a "mandate for endless opposition" between the Soviet Union and the Western democracies because of the vast disparity that exists between the two societies in political, ideological, and economic factors. They see the international security implication of this situation as a continuing and even more determined drive for expansion of access and influence in both contiguous and non-contiguous areas of the world.

The authors believe that the United States must avert this coming situation by upgrading its strategic deterrent in order to rectify the current strategic imbalance in the Soviet Union's favor. They argue that "there is every reason to believe that the large majority of the public and Congress would rally to the support of a president who called for a major and rapid reinvigoration of American strategic power in the face of increasingly unsettling Soviet military programs." For this reason, they urge the evaluation of new strategic programs and fixes without the constraints of SALT.●

JOE BARTLETT

HON. M. CALDWELL BUTLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. BUTLER. Mr. Speaker, I would just like to take a brief moment in this special order to associate myself with the remarks of the gentleman from Ohio

(Mr. Brown) and state for the record that I take great pride in the friendship of Joe Bartlett. The assistance and cooperation he gave me both as a new Member of the Congress and one who became, after time, more familiar with the rules and proceedings of the House was always most helpful, reliable and professional. Joe was unfailingly courteous and I am indeed grateful for the privilege of knowing him and wish him many years of good health and happiness.●

PRODUCTIVITY GAINS IN REDUCING THE WORKWEEK

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. CONYERS. Mr. Speaker, the Second National All Unions Conference to Shorten the Work Week, which takes place on Friday, April 6, will deal with a variety of labor and employment issues, among them the relationship between working hours and productivity. Concerns about the rate of increase in productivity in the American economy have grown, and the official attitude appears to be that productivity is lagging as a result of the expansion of the work force and environmental regulations on production, as well as of the inadequate capital investment by industry.

While it is difficult to measure productivity in the service sectors of the economy, the evidence shows that the productivity rate in the manufacturing sectors continues to grow, but at a slower rate than in the past. This slower rate, though considerable in its own terms, can be explained by a number of factors, chief among them the obsolescence in the industrial stock of this Nation—its plants and equipment; the underutilization of industrial capacity, currently running at about 85 percent; and the inadequate capital investment on the part of businesses and corporations.

Yet another factor explaining lagging productivity is working conditions and working hours. William McGaughey, Jr., a specialist on working hours and employment issues, contends that productivity is related to worktime, and that across major industrial countries those nations that have reduced worktime and spread work among a larger number of its labor force have experienced higher rates of increase in productivity than the other nations that have failed to reduce and adapt working hours.

Excerpts from Mr. McGaughey's article follow:

PRODUCTIVITY GAINS IN REDUCING THE WORK WEEK

Do cuts in working hours actually cause increased productivity? The experts, as usual, disagree. There are those who argue that, while productivity may improve as working hours are reduced from 60 or 48 hours per week down to 40, below 40 hours no further improvement takes place. The workers allegedly get all the rest they need on a 40-hour workweek, and working for shorter periods disrupts their rhythm of optimal work efficiency. Other reports, however, indicate that part-time workers are more productive than full-time workers, or that productivity improves as workers switch from 5-day, 40-hour workweeks to 4-day, 40-hour workweeks, or are given flexible hours. For instance, a recent article in the *Wall Street Journal* tells of a box-board factory in Northampton, Massachusetts, which was experiencing problems with absenteeism. As a result of a survey conducted by the plant manager, "the company switched last June (from a five-day) to a four-day night shift and reaped a double reward: Not only did absences fall, but the shift's production climbed 9%."

It is possible, of course, to cite individual cases of experience or the results of studies which bear on one side or another of an argument. In this instance, the consensus of international labor economists, if not those in the United States, weighs heavily towards the position that reductions in work time stimulate improvements in productivity. A book published by the International Labor Office in 1975. "Hours of Work in Industrialized Counties", states that, although one might assume that, as working hours are reduced, "the reduction in output will be proportionate to the reduction in hours of work", "in practice, however, the mere fact of reducing the duration of the working week usually brings into action factors working in the opposite direction and thus offseting, as least in part, the proportionate reduction." * * *

In addition to these, we may consider three instances:

(1) In the early 1920s, after a bitter strike and vigorous Presidential jaw-boning by President Harding, the American steel industry finally gave in to demands for an 8-hour day. There were predictions that this schedule would increase labor costs to the point that U.S. producers could not compete successfully on the world market. However, an article appearing in the *Christian Science Monitor* on August 23, 1927, stated: "It is interesting to note that the official organ of the steel industry (Iron Trade Review) calls attention to the fact that there has been a steady decrease in the price of iron and steel ever since the change in the hours of labor (the eight-hour day) went into effect. It declares that steel producers, in the Chicago district at least, view the transition from the longer work day as a piece of constructive work. No reduction in wages or daily pay rolls followed the change, but a larger measure of production per man has been apparent."

(2) In the late 1960s and early 1970s, the Japanese Ministry of Labor initiated a campaign to encourage large firms to convert from a 6-day week to a 5-day week, partly to combat the "sweatshop" image of Japanese manufactured goods. This did not hurt Japan's competitive position in the least. An article which appeared in the *Wall Street Journal* on January 18, 1973, commented: "The Japanese five-day week would seem like good news for U.S. companies battling tough Japanese competition. After all, a shorter workweek should mean less production. It should—but it doesn't. For the Japanese are working harder than ever, and companies that have cut the workweek say that, if anything, production is rising. . . . One reason Japan succeeds in world business is that it works hard, analysts say. But how hard it works seems to have little to do with how long it works. Average weekly working hours in Japan have been falling steadily for years. * * *

(3) In 1973, a nation-wide coal miners' strike in Great Britain forced the government to impose an emergency 3-day workweek upon the economy. The curtailed work schedule lasted for a period of three to four months. When this period had ended, economists were surprised to discover that industrial production had dropped by only 6%. Improved productivity, combined with a drop in absenteeism, had made up the difference in lost production from the shorter hours. "Life settled, after a brief dislocation, into a new and different rhythm," observed the European business magazine, *Vision*.

A statistical comparison of trends with respect to productivity and average workweeks in the major industrial nations during the past twenty years shows a definite negative correlation between these two variables. The evidence is presented in the accompanying table. The United States has the worst record of improvement in both areas of any nation listed. Is this coincidental? How do economists, who are claiming so learnedly that a shorter workweek might wreck the U.S. economy or our world-renowned prosperity, explain away facts such as these? No, it is no accident or aberration that U.S. industry's dismal performance in increasing productivity in the past two decades should come at a time of stagnant progress towards a shorter working week.

Our view of productivity, perhaps, is based too much upon an athletic model. The national economy would be like an entry in a boat race. * * * The rowers, who man the oars, are the workers who will carry their respective nations to economic victory or defeat. The effort which they make in pulling the oars represents "productivity" * * *.

The traditional model is not broad enough; we need to look at all the people in the boat. The following might be a more accurate description of the race: The national economy is like a boat, in which all citizens are passengers, but only some are rowing. Out of twenty passengers, let us say, only twelve are actually pulling at the oars, furnishing the labor to propel the boat downstream. One non-rowing passenger is the coxswain, whose job is to urge the oarsmen on to a greater effort. There is an assistant coxswain seated at the other end, supervising his half of the boat. Another passenger holds a stop watch in his hand. * * * Two more are there in a stand-by capacity, ready to take over in case any of the rowers should grow tired. There are no oars available for them just now.

In this situation, it would be absurd to claim that the only consideration in improving the boat's chances of victory would be the "productivity" of those twelve people pulling at the oars. Should they be urged to pull harder? These people are already doing about as well as can be expected. It is the ones who sit idly or who are not functioning in a productive way, whose performance needs more urgently to be reviewed. So with the national economy. * * *

Who are the non-workers in our society? They are not just the welfare types and the unemployed. More of these people than are unemployed are classified "not in the labor force". They can be housewives, students, retirees, the disabled, "discouraged workers", or anyone else, who for a good reason or a bad one, chooses not to seek a job. They all, obviously, have means of financial support. There are also school-age children, inmates of institutions, and military personnel. They, too, are riding in the boat, but not contributing to production. Even among those persons who are classified as "employed", many do not enter into the calculations of productivity. The "production jobs" are measured, but not various of the "nonproduction jobs", which provide auxiliary services or logistical support for production workers. They may be high-level supervisors or staff people. They may be in professions having nothing to do with production. Let the economists, for a change, evaluate the job performance of these workers. * * *

Economists have never paid much attention to such workers, perhaps because their science developed in a period when nonproduction jobs played a less significant role in the economy than now. Consequently, when we imagine the causes of inflation, we think of such things as the price of rolled steel, barrels of crude oil, bushels of wheat, or the wages paid to electricians and construction workers. The U.S. economy today is quite different, though, from what it was 50 or 100 years ago. Our "standard of living" is comprised of a different mix of goods and services. We need to pay some attention to the areas which may not be the backbone of the economy, but are nevertheless becoming a significant part of its pattern. Government has become a more prominent element in this picture. Welfare, in various forms, has become a national epidemic. The principle of "insurance" has been stretched from spreading the risk to sharing the wealth. Pensions, mutual funds, tax-avoiding trusts, now dominate the market of investment capital. Military service still claims a hefty share of the GNP. Military retirement, V.A. benefits, Army Reserve—how do these activities fit into the picture of national production and consumption? What of the mounting expenditures for health, or for education? These billions deserve to be studied more closely. We need to analyze the man-hours of labor devoted to such things as the processing of credit, filing reports, paying taxes, auditing accounts and procedures, motivating people to do who knows what. No wonder the economists do not want to become involved in such areas.

* * * Consider the total manpower picture. What work needs to be done to provide the goods and services which people demand? Who, then, is available to perform this work? Perhaps with a shorter workweek, we can cut out many of the jobs which are less useful and reasign the people in these jobs to work truly needed. What is the use of raising our enterprise to a high state of productivity if millions of citizens cannot find jobs? * * * In the United States, an advanced industrial nation, we need to organize work in a way which utilizes all the available labor. We need to recognize that unemployment and underemployment can sap the economy as much as workers loafing on the job. Neither appears in the calculations of productivity, but that is because we have chosen to define this in a narrow sense.* * *

PRODUCTIVITY AND AVERAGE WORKWEEKS OF MANUFACTURING PRODUCTION WORKERS IN 11 INDUSTRIAL NATIONS, 1960-77

Nation	1960	1965	1967	1970	1972	1975	1977	Nation	1960	1965	1967	1970	1972	1975	1977
Indices of productivity:								Indices of average workweeks:							
United States	79.9	98 4	100	104.5	116.0	117.9	126.7	United States	97.8	101.5	100	98.6	99.9	98.0	99.4
Great Britain	76.8	92.4	100	108.6	121.2	124.4	126.6	Great Britain	NA	NA	100	99.9	97.5	95.6	96.9
Canada	75.5	90.9	100	114.7	128.5	133.3	146.1	Canada	100.2	101.7	100	99.3	98.3	97.1	96.7
Japan	52.6	79.1	100	146.5	162.3	174.6	199.2	Japan	107.6	98.9	100	96.9	94.9	87.6	90.6
Belgium	70.5	88.1	100	129.5	153.2	188.4	213.1	Belgium	105.0	103.3	100	97.2	93.6	84.4	85.0
Denmark	66.6	86.7	100	129.3	150.7	178.0	196.1	Denmark	NA	NA	100	93.4	91.1	85.1	83.5
France	68.7	88.5	100	121.2	135.1	150.3	172.6	France	102.4	100.2	100	98.4	96.8	92.2	91.2
West Germany	66.4	90.4	100	116.1	128.7	150.4	169.6	West Germany	108.6	105.0	100	102.0	98.7	92.5	93.1
Italy	65.1	91.6	100	121.7	135.3	152.9	167.1	Italy	NA	103.4	100	95.4	88.9	80.7	84.3
Netherlands	67.8	87.8	100	134.0	154.4	180.5	206.7	Netherlands	96.7	101.5	100	94.7	92.3	86.2	85.4
Sweden	62.3	88.6	100	124.5	137.9	150.4	156.6	Sweden	105.5	101.9	100	95.9	92.0	87.9	84.7

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LEGISLATIVE ISSUES OF THE ENDANGERED SPECIES ACT

HON. DAVID R. BOWEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. BOWEN. Mr. Speaker, in the final hours of the last Congress, the House and Senate passed the Endangered Species Act Amendments of 1978. As one of the floor managers of the bill, I must say that this legislation reflected an emerging consensus that the pendulum between the development and environmental sector of our Nation's economy needs to be more balanced. The 1973 law was exceptionally rigid. Now an exemption mechanism has been created which will allow projects to move forward despite the presence of an endangered species. Conversely, before projects are authorized, a complete examination of endangered species will be made.

Hearings are currently being conducted in the House for the reauthorization of the law, which must be reported to the appropriate budget committees by May 15. In June oversight hearings are planned on the final General Accounting Office report which is expected to highlight serious problems in the way in which the Fish and Wildlife Service has administered the Endangered Species Act. I look forward to a review of that report at that time.

I call your attention to the following article that appeared in the Consulting Engineer, which provides excellent background on the legislative issues of the Endangered Species Act. It was written by David Seldner, Governmental Affairs Liaison, for the American Consulting Engineers Council.

UNDERSTANDING THE BUTTERFLY BLOCKADE

(By David Seldner)

The government is deeply concerned about them. They've been missing for years. Supposedly, they lived in the Houston area. In case they are still around or plan to return, the government has proposed setting aside land for them to live. So goes the story of the Houston Toad, one of the hundreds of endangered species many of us have never heard of.

The government's protecting what it cannot find is but one problem with the Endangered Species Act. There are bridge projects that have been delayed for months to allow divers to search waterways for obscure mussels which are never found—only empty shells testify to their existence! When a contract is lump-sum and based, therefore, on a projected time element, such delays erode the profitability of a project, and at the same time, inflation takes its bite.

The Endangered Species Act was passed almost unanimously by Congress in 1973. It was heralded as progressive legislation since it aimed at protecting the American grizzly, the bald eagle, and other valuable wildlife. To date, however, the act has limited development more than it has protected valuable species.

The act is administered by the Office of Endangered Species, an agency within the Fish and Wildlife Service (FWS) in the Department of Interior. The office is charged both with preparing and maintaining an official Endangered Species List. The act permits FWS to designate plants as well as animals as endangered, and to list both below the subspecies category, dramatically increasing the possible total.

Equally important is the provision that makes Federal agencies responsible for ensuring that their actions, or any actions they fund, do not jeopardize the continued existence of an endangered species. Activities that destroy or adversely modify the habitat critical to the survival of a species must be changed or, if necessary, discontinued. To accomplish this, agencies are required to consult with the FWS to determine whether or not an endangered species is native to an area where an agency project is to be located. In cases where such a species is identified, the FWS issues a biological opinion on what ways the project will impact on a species. At times, it suggests alternate courses.

The law has far-reaching implications for consulting engineers and the construction industry. Design professionals working on Federal projects that would negatively impact an endangered species must alter the plans in accordance with the biological opinion of the FWS or face legal action brought by the environmental groups. In cases where a plant or animal cannot be accommodated, the creativity of the design and, quite possibly, the utility of the project may be sacrificed.

The legislation also poses problems in expansion of existing facilities and in the exploration and development of new areas. The designation of a critical habitat could preclude the needed development or renovation of airports, bridges, and other facilities. Virgin areas critical to the survival of an endangered species may remain undeveloped, regardless of the resources they may contain. At a time when the United States is pressed for new sources of energy, forbidding such exploration could impact adversely on our dependency on foreign countries for essential resources, our balance of trade deficit, and our standard of living.

The endangered species list has grown rapidly from 109 in 1973 to approximately

25,000 today. Biologists estimate that there are anywhere from three to 10 million life forms known to us, with perhaps as many as 10 percent threatened or endangered. An ichthyologist notes that with the help of four or five biologists he could halt any public works project in the southeastern United States. The potential for abuse by groups using the law as a tactic to thwart policy decisions is readily apparent. The act effectively preempts any public dialogue by emphasizing the near-total protection of all that roams and grows over man's ability to decide which projects are a societal necessity or important enough to be built.

In the final hours of the last Congressional session, and after months of protracted debate, Congress passed the Endangered Species Amendments of 1978. The passage of this corrective legislation reflects an emerging consensus that the pendulum between new development and the environmental safeguards has swung too far. The 1973 law was unacceptably rigid. Now, an exemption mechanism has been created that enables important projects to move ahead, despite the presence of an endangered species. A seven-member cabinet-level Endangered Species Committee will consider applications for exemptions submitted by Federal agencies, the governors of the states in which the agency action would occur, and owners or developers.

Working with other associations in the business community, ACEC successfully lobbied for a provision requiring the Secretary of the Interior to consider the economic implications of designating habitats as critical to a species. As a result, decisions that, in effect, delineate growth patterns for the future and affect the public interest as a whole cannot be biological, according to the amendments.

The debate on this issue was emotional. Environmental groups and the Administration argued that the law has worked well, pointing to thousands of consultations between agencies and the FWS. They claimed that only two or three cases exist where problems have occured. The Tennessee Valley Authority's failure to complete the Tellico Dam indicates otherwise. Designed as a multipurpose regional development project to provide electricity for 20,000 homes, prevent flood damage, and stimulate shoreline development, work on the dam was held up after discovery of the snail darter. The darter, a three-inch member of the perch family inhabiting the Little Tennessee River, was discovered eight years after the construction of the Tellico Dam had begun. In a citizens' suit, the Supreme Court upheld a lower court ruling, explaining that the law left no room for compromise and clearly protected the habitat of any and all species. At the time of the ruling the dam carried a $119 million price tag, was 90 percent complete, and continued to receive Congressional support through appropriations.

Preservationists point out that Tellico is an isolated case. Admittedly, most controversies have not taken such extreme forms. Nevertheless, there is simple evidence that the 1973 law has been distorted, resulting in unintended consequences. In Mississippi, for example, the construction of a crucial highway interchange designed to serve a highly industrial area has been delayed for five years. The reason: the presence of 40 Mississippi sandhill cranes. The FWS claimed that the cranes could not be transplanted successfully. As of this writing, contracts have yet to be let, as various executive departments attempt to implement an agreement whereby the Department of Transportation will purchase nearly 2000 acres of marshland for the cranes. The cost in terms of inflation, delay, and the denial of services will be high.

The expense of the consultation process between agencies and the FWS also will need review. Thousands of "successful" agreements are cited by defenders of the law. Not taken into account, because of the paucity of information, are the costs and modifications developers must make to proceed with projects.

Too often the only constituencies that Congress hears are environmentalists, who tend to see one side of an issue. The result: a law fashioned by few and imposed on many. For this reason, consulting engineers and developers need to articulate their concerns so the law represents a balance of all reasonable interests.

The General Accounting Office is preparing a report which is expected to highlight serious problems in the way in which the FWS has administered the law. Rejecting a move for a three-year authorization, Congress voted overwhelmingly for an 18-month extension in order to assess the law. In the interim, it is essential for consulting engineers and others in the business community to challenge the dominance of the unrepresentative but inordinately effective environmental interests.●

A CRY FOR MY COUNTRY

HON. HAROLD L. VOLKMER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. VOLKMER. Mr. Speaker, on Saturday evening last I was among many who had the honor to hear an address by the senior Senator from Missouri, Hon. Thomas F. Eagleton. Senator Eagleton's remarks are noteworthy for all of us in these days of trial for our country and I urge all Members and citizens to study and heed these words of concern and conscience.

The remarks of Senator Eagleton are as follows:

A Cry for My Country

As most in the audience know, it has not been my custom at Jackson Day to orate in a serious vein. However, a story which I heard on the radio yesterday as I drove to the airport in Washington has stirred in me some serious thoughts, which I would like to share.

I listened to the newscast and learned that Mr. Airey Neave, a member of the British Parliament, had been assassinated. Mr. Neave was scheduled to become the Minister for Northern Ireland Affairs in the next British cabinet if Mrs. Thatcher's Conservative Party wins the May election. Yesterday, someone put a bomb in his car outside of Parliament and blew him up.

I first met Mr. Neave more than thirty years ago when he and my late father were assistant prosecutors at the Nuremberg War Crime Trials. I went over to spend two weeks with my father, and Mr. Neave was very considerate of a curious young man. We met again from time to time in the intervening years. Just a few months ago, Mr. Neave sent me a copy of his new book on the Nuremberg Trials.

As the news of Mr. Neave's death sank in yesterday, my eyes became a bit moist. "My God," I thought to myself, "what a horrible, senseless act."

Then my thoughts flashed back to a conversation at a big St. Patrick's bash in St. Louis just two weeks ago tonight. A longtime friend of mine, a man of Irish heritage like myself, came up to me and said, "Tom, I am going to continue to send money to the I.R.A. so that they can kill every man, woman and child in Britain who stands in the way," as he called it, "of the liberation of the occupied North of Ireland."

I thought about that conversation, and my eyes became moist again. This time, however, I cried not for my friend, Airey Neave. This time, I cried for my country, as I wondered how my friend in St. Louis, an otherwise completely civilized American citizen, could think and act with such detestable incivility.

This, in turn, caused me to think of some other troubling conversations I recently have had with Missourians, and I want to share some of those conversations with you.

I cry for my country . . .

when a citizen cancels a contribution to his church because the clergyman spoke out on a significant social issue.

I cry for my country . . .

when an educated person tells me that all of education should be turned over to private and parochial schools with government funding, and that the public schools should become a modern day version of Charles Dickens' reform school.

I cry for my country . . .

when a farmer says he cares not whether he destroys public property and will continue to destroy public property unless the government guarantees him a profit.

I cry for my country . . .

when a spokesman for a group which advocates greater federal funding to combat a dreaded disease tells me that he wants *his* money, regardless of the consequences of taking money away from research on another dreaded disease.

I cry for my country . . .

when a local public official refuses to work with the federal government to build new housing because he doesn't want "those people" in his area—and we all know who "those people" are.

I cry for my country . . .

when a member of the United States Senate whispers to me, as one recently did, that what this country needs is another Mayaguez incident so that the United States can beat up on the Cambodian Navy to prove that we are tough guys.

I cry for my country . . .

when a constituent tells me that he doesn't give a damn whether there is an energy crisis, and that he is going to drive what he wants, where he wants, when he wants, and to hell with conserving energy.

I cry for my country . . .

when a civic leader punches his finger into my chest and tells me that he wants the $130 billion, 100% coverage Kennedy health insurance plan and that he wants it NOW and that he doesn't care what kind of federal deficit it would create.

I cry for my country . . .

when the Senate of the United States tries to sneak through a hush-hush change in the Senate rules so as to allow a Senator to increase his outside earned income by some $16,000.

I cry for my country . . .

when a retired military officer tells me that there is nothing improper in being a so-called "triple dipper"—that is, simultaneously drawing a full military retirement benefit, a social security check and a private corporation pension check.

I cry for my country . . .

when an old, old friend of mine tells me to continue pouring hundreds of millions of public dollars a year into underused, inefficient Amtrak train service, just because he nostalgically remembers the good old days when railroads were "king" and he would like for his grandchildren to be able to ride a train.

Inartfully, perhaps, I draw a moral from all of this. Our country is simultaneously suspicious, scared and selfish. We are suspicious of attitudes and styles different from our own, and in many ways we are suspicious, of ourselves. We are scared that somehow we have lost our grip on the world, on our country and on the events which reverberate within it.

But most troubling of all, we are selfish. Selfishness is as old as Adam and Eve. But in today's America, we have elevated selfishness to an art form. We want what we perceive to be ours; we want it NOW; we want it regardless of the negative consequences it may have with respect to our fellow citizens and our nation.

My friends, it is nigh unto impossible for government at any level to fashion prudent public policy in a suspicious, scared and selfish atmosphere. Government cannot live by law alone. Government is predicated on faith, and when faith disappears government falters. The rebuilding of faith is not the singular responsibility of the office holder. It is an act of private commitment for every citizen. It is the responsibility of everyone in this audience.

The rebuilding of faith isn't easy. It wasn't easy in Roosevelt's time, but it was done. It wasn't easy in Truman's time, but it was done. It wasn't easy in Kennedy's time, but it was done. It isn't easy in Carter's time, but it *will* be done.

I think we can.

I think we must.

I think we will.●

THE COSTS OF THE DRAFT

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. JOHNSON of Colorado. Mr. Speaker, the debate is continuing over the question of reviving the draft, and a most important ingredient of the debate is congressional intent and desire. An article, in the April 5, 1979, edition of the Wall Street Journal, by William H. Meckling, dean of the Graduate School of Management at the University of Rochester, points up the deficiencies of "congressional intent" as it relates to the All-Volunteer Force. Mr. Meckling raises some important issues and I recommend his article to my colleagues.

THE DRAFT SHIFTS DEFENSE COSTS TO NATION'S YOUTH

(By William H. Meckling)

The "let's revive the draft" symphony is being played in earnest on Capitol Hill. The dominant theme is that "the all-volunteer force isn't working." Senator Stennis, for example, was recently quoted as saying that "the military isn't getting enough and the right kind of personnel" and that military leaders have had "a full and fair opportunity to determine if the all-volunteer force will work. It has failed its test and proved not to be the answer for peacetime or wartime needs."

The logic of the proposition that military conscription should be revived *because* the all-volunteer force is not working will not withstand careful scrutiny. No one would take seriously the proposal that we undertake conscription of federal employes because the Civil Service System was failing to provide the numbers and quality of employes Congress desired. Most of us would recognize that it is a responsibility of Congress and the administration to see that compensation and conditions of employment produce the number and quality of civil service employes desired.

Congress and the administration can attract whatever number and quality of volunteers for the military it wants—at some level of compensation.

Proponents of conscription interpret the proposition that voluntarism will always work at some level of compensation as extremist. They are indignant at the idea of paying whatever it will take to get the desired number and quality of volunteers. What if we have to pay very high wages to get enough of the right quality of volunteers? The nation couldn't afford it.

That reaction reflects a pervasive and fundamental fallacy about conscription. If we have to pay very high wages to attract volunteers, that fact tells us that defense manpower is very costly, but conscription does not enable us to avoid those costs. All conscription does is decide who will pay the costs. We cannot avoid the manpower costs of defense by substituting conscription for voluntarism. Conscription is a form of taxation. Conscription simply imposes the burden of taxation for defense on our youth rather than the general public.

Over 200 years ago, Benjamin Franklin, in commenting on a judicial opinion concerning the legality of impressment of American merchant seamen, recognized the heart of the issue, and even estimated the hidden tax. He wrote: "But if, as I suppose is often the case, the sailor who is pressed and obliged to serve for the defence of this trade at the rate of 25s. a month, could have £3. 15s, in the merchant's service, you take from him 50s. a month; and if you have 100,000 in your service, you rob the honest part of society and their poor families of £250,000. per month, or three millions a year, and at the same time oblige them to hazard their lives in fighting for the defence of your trade."

Once we understand that conscription is a tax, it is easy to see why Congressmen find it appealing, especially at a time when they are under great popular pressure to reduce taxes. Reinstitution of a specialized hidden tax will enable them to preserve a larger government than would be possible if they were forced to rely entirely on explicit general taxes.

To say that at some level of compensation the services can attract the numbers and quality of volunteers desired is not to say that compensation will have to be very high in order to achieve those goals; it does not even say that compensation ought to be increased. Moreover, it does not imply that higher compensation is the only course of action available to make military service more attractive.

The truth is that all four of the active duty forces have generally been able to maintain authorized strengths since conscription was abolished. Only in specialized areas such as medicine and the reserves has there been any problem, and the short-falls there can be eliminated whenever Congress and the administration make up their minds that they really want to do so. We can build up the reserves and we can increase the number of M.D.s in the services if we are prepared to bear the costs.

Because congressional desires about quality are not well defined, it is more difficult to say whether their desires in that dimension are being met. What we can say is that the quality of military personnel today compares favorably with the experience under conscription. In 1977, 69% of those recruited were high school graduates. In 1970 and in 1964, 68% of those recruited were high school graduates. In 1964 one of seven recruits fell in mental group IV, the lowest mental group eligible for recruitment. By 1977, this ratio had dropped to one in 20.

All of this is being accomplished at modest levels of compensation. The Department of Defense estimates that pay and allowances for a new recruit works out to 33 cents an hour less than the minimum wage for a 48-hour week.

There are those who argue that while overall figures give the impression that things are satisfactory, those figures conceal some special problems; for example, that the quality of Army recruits is too low, or that personnel turnover is too high, or that the proportion of blacks in the Army enlisted ranks is too high. If Congress believes that these are real problems, it is its responsibility to alter compensation and conditions of service to solve them.

There is, indeed, much room for improvement in military recruiting, retention and compensation policies. There is, for example, a pronounced reluctance to take into account what the problems are and how they can be resolved. The Army, for example, has always had more difficulty attracting volunteers than the Air Force, Navy and Marine Corps. While that fact has, at least in part, been recognized by providing ($2,500) bonuses for Army combat enlistments, the Army is not permitted to advertise those bonuses as an attraction to volunteers. Invoking such restrictions while simultaneously contending that voluntarism is not working raises serious questions about congressional intent.●

TRIBUTE TO HIS GRACE BISHOP SILAS

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. HOLLENBECK. Mr. Speaker, this week His Grace Bishop Silas will be enthroned as the first bishop of the Greek Orthodox Church of New Jersey. The occasion is a proud and historic one for the members of our 22 New Jersey parishes and the nearly 2-million members of the Greek Orthodox Church in North and South America.

The church has a long and distinguished tradition of support for human progress, which can only be achieved within the confines of the mystical order and moral law. His Grace Bishop Silas brings to his new responsibilities a long and distinguished personal record of service as a religious leader and educator. He has ministered to the physical and spiritual needs of men and women around the world and is embraced for his service not only by his flock, but by the ecumencial body of churches.

The significant increase in church membership, which led to the enthronement of his grace and the elevation of the Greek Orthodox Church of St. John the Theologian to Cathedral status, can only bode well for our New Jersey communities.

I am confident that the Greek Orthodox Church will continue to foster in our area its firmly espoused values of God, family and country. These values, upon which our government was founded, are no less essential to our national and world survival today as we stride forward into the 21st century.

I am confident, as well, that in His Grace Bishop Silas, the citizens of New Jersey welcome a truly outstanding chief shepherd.●

EXCESS PROFITS TAX

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. GILMAN. Mr. Speaker, I rise today to announce that I have introduced a measure establishing, for a limited period of time, an excess profits tax on the income of corporations engaged in the production of petroleum products.

I am determined that the kind of profiteering by the oil companies that occurred during the 1973–74 oil crisis shall not happen during the coming period of oil shortages due to the dying up of supplies from Iran or from any other source. My bill will encourage oil companies to plow back any new profits attributable to higher world prices into domestic exploration and production and the development of new energy sources, so that our dependence on the whims of foreign suppliers is diminished.

The necessity for this bill is brought home by the record of the oil companies during our last oil crisis in 1973. While the American public was standing in long lines for gasoline and paying sharply higher prices or all petroleum products, the oil companies were reporting, quarter after quarter, record earnings, with increases, over 1972, of 60 to 80 percent not uncommon.

A survey by Carl H. Pforzheimer and Co. of 43 important oil companies showed aggregate 1973 net income of $11.83 billion, an increase of $5.01 billion, or a 73.6 percent increase over 1972.

The Pforzheimer survey for 1974, the year of our country's alleged oil shortage, showed the aggregate net earnings of the 43 companies to be $16.8 billion, a 42.3 percent increase from 1973's level.

Of course, the profit increases of the oil crisis years that were racked up by the Nation's oil giants tell only a small part of the story. Reported corporate profits and particularly oil company profits represent only the tip of the corporate income iceberg. Write-offs for tax accounting purposes grossly distort and understate the real income of oil corporations.

Even so, profits as a percentage of net worth—one of the most significant indicators of corporate performance—averaged 12.7 percent for the five largest companies over the 1969–73 period. In contrast, according to the FTC, U.S. manufacturing corporations as a whole average a 10.6 percent rate of return on their net worth during the same period.

Another example of the unreasonable behavior of the oil companies is that profit margins—net profits as a percentage of sales—of the five oil giants were more than double the margins of manufacturing corporations generally. During the period from 1969 to 1973, the top five companies profit margins averaged 9.1 percent of sales and never fell below 6.3 percent for any company in any year. For all manufacturing corporations, in those years, the average was 4.4 percent and never exceeded 4.8 percent. In other words, the worst profit margin year for any of the top five U.S. oil companies in any of those years was higher than the best year for all manufacturing corporations.

While the oil industry pointed to its needs for capital to aid in energy development as a reason for high profits, oil company spending of its record profits went for a variety of purposes unrelated to exploration and development. For example, Mobil decided to use $802 million in cash to buy Marcor, a conglomerate which operates Montgomery Ward and Container Corp.

Because of the interruption of Iranian oil shipments, a supply crisis similar to that of 1973 is in the making. Unless action is taken, substantial windfall profits will follow in its wake. There are preparations being made at the highest levels of Government for gasoline rationing, and top energy officials are predicting $1 per gallon gasoline in the near future. If the ceiling on old oil prices is removed, further significant profit increases will result.

My bill will impose on the income of every corporation engaged in the production of petroleum and petroleum products, for each taxable year which ends or begins during the life of the tax (3 years), an excess profits tax equal to 25 percent of the excess profits taxable income. Excess profits are defined as profits over and above the greater of 120 percent of company profits during the 1970–72 period, before the first oil embargo (that is, profits for those years, adjusted for inflation) generous return or invested capital (the formula for which is spelled out in the bill).

To provide an incentive for the reinvestment of oil company profits in the development of new domestic production capacity and the exploration and development of new domestic energy sources, my measure allows for a plowback deduction of up to 25 percent of the tax otherwise due under this bill for domestic expenditures on geological and geophysical exploration and research, the purchase of depreciable property used in the extraction of oil or the conversion of oil shale, coal, or liquid hydrocarbons into oil or gas, the operating costs of secondary and tertiary oil and gas recovery, and expenditures on pipelines used to transport oil or gas.

It is crucial to concentrate our efforts on the expansion of our domestic energy production capacity, so that we will cease to be vulnerable to cutoffs such as the one we are now experiencing in Iran.

Mr. Speaker, oil companies should not be denied a fair return on their investment. But at the same time, the consumer is entitled to be charged a fair price for the product. We must not permit the oil industry or any industry to hold our economy hostage through the use of contrived and burdensome prices. Oil price increases have a ripple effect throughout our entire economy, directly affecting the prices for all goods and services.

Even before the effects of the Iranian crisis have been fully felt, the signs of profiteering have become apparent. Exxon reported that its fourth quarter, 1978 revenues rose more than 16 percent to $18.06 billion, up from $15.53 billion a year earlier. For all of 1978, Exxon's revenue was up nearly 11 percent to $64.76 billion from $58.45 billion from $5.10 billion a year earlier. The list of examples could be lengthened; the trends are self-evident. And despite worries over Government regulation in the United States and uncertainties elsewhere—mainly in Iran—the companies generally expect earnings to keep growing.

We must take steps now to prevent windfall profiteering at the expense of the American consumer. The oil industry has demonstrated that it cannot restrain itself and act responsibly; if it did, there would be no need for this legislation. Obviously, there is such a need; a poll of my district shows that over 85 percent of my constituents favored taxing excess oil profits. I believe that this is indicative of the public's concern about burdensome fuel prices.

Accordingly, I urge my colleagues to join with me in support of this legislation in order to impose reasonable restraints on this vital segment of our economy, and to remove the incentive for profiteering on the coming supply crunch.●

STEADY PRODUCTIVITY INCREASES THREATEN JOBS OF MANUFACTURING WORKERS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. CONYERS. Mr. Speaker, steadily rising output per man-hour has been the main feature of manufacturing industries ever since the end of World War II. 13,625,000 manufacturing production workers in 1976 produced 3.2 times as much as did the 12,900,000 manufacturing production workers in 1948. This means it only took 4,298,000 workers in 1976 to produce as much as did all 12,900,000 workers in 1948. When the United States was the undisputed economic leader of the world, expending markets absorbed the increasing productivity of U.S. industry and many American workers were relatively secure in their jobs and had slowly rising living standards. Since roughly 1965, however, their jobs are no longer secure, the quality of their lives have declined, and living standards have been stagnant or diminishing.

The following table illustrates the steady rise in output per production worker man-hour from 1947 through 1978. This increasing productivity threatens to generate massive unemployment in manufacturing industries, unless the hours of work are reduced. The issue of productivity and working hours is one issue that will be examined on Friday, April 6, 1979, at the Second National Conference to Shorten the Work Week. The conference begins at 9:30 a.m. in the Cannon Caucus Room, 345 Cannon House Office Building.

The table follows:

TABLE ON MANUFACTURING PRODUCTIVITY

[1967=100]

	Federal Reserve Board index of manufacturing production	Manufacturing productivity workers aggregate hours index	Output/man-hour index (manufacturing productivity workers)
1947	39.4	90.4	43.6
1948	40.9	89.0	46.0
1949	38.7	79.5	48.7
1950	45.0	87.3	51.5
1951	48.6	93.6	51.9
1952	50.6	93.6	54.1
1953	55.2	98.1	56.3
1954	51.5	87.5	58.9
1955	58.2	93.1	62.5
1956	60.5	93.5	64.7
1957	61.2	90.5	67.6
1958	57.0	81.0	70.4
1959	64.2	87.4	73.5
1960	65.4	86.1	76.0
1961	65.6	82.9	79.1
1962	71.5	86.8	82.4
1963	75.8	87.5	86.6
1964	81.0	89.6	90.4
1965	89.7	95.3	94.1
1966	97.9	101.8	96.2
1967	100.0	100.0	100.0
1968	106.4	101.8	104.5
1969	111.0	103.3	107.5
1970	106.4	96.2	110.6
1971	108.2	92.5	117.0
1972	118.9	97.6	121.8
1973	129.8	103.5	125.4
1974	129.4	100.7	128.5
1975	116.3	88.8	131.0
1976	129.5	94.2	137.5
1977	137.1	98.0	139.9
1978	145.6	101.6	143.3

Sources: Economic Report of the President (1978); Survey of Current Business, Department of Commerce; Employment and Earnings, 1909–74. ●

COMMEMORATING ARMENIAN GENOCIDE

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. BRODHEAD. Mr. Speaker, I wish to join with Armenian people throughout the world in commemorating one of the most terrible crimes ever perpetrated against humanity. In 1915 more than a million and a half Armenians were put to death by the Turkish Ottoman Government. It is fitting to honor the memory of these martyrs, who died only because of their nationality.

No Armenian alive today is unaffected by these senseless and deplorable killings, even though they occurred more than 60 years ago. Families were destroyed and uprooted, and whole communities were wiped out or torn apart. Many survivors were forced to leave their ancestral homes and flee to new lands such as the United States in order reestablish their lives. Today there are more than 500,000 Americans of Armenian ancestry, 50,000 in Michigan alone, and their industriousness, determination and unique culture have greatly enriched our land.

Mr. Speaker, on April 24 Armenians and non-Armenians alike will join in commemorating the genocide which occurred so long ago. But this day must be more than simply a remembrance. Let us honor those who died and strengthen our resolve that this inhuman crime will never be permitted to occur again. I am proud to join with the Armenian community of Michigan on this important day.●

THE PLIGHT OF SOVIET JEWS

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. CORCORAN. Mr. Speaker, when the Soviet Union signed the Helsinki agreement 3½ years ago, they, along with 35 other nations, pledged to reunite families separated by political boundaries. The Soviet Union has not kept its pledge. Some Members of Congress have joined in the efforts to reunite these families. It is my belief that people who are residents of one country should not be prevented from emigrating to another country simply because of political considerations. Soviet Jews should be allowed to emigrate to Israel, the United States, or wherever they desire.

Recently, I have been made aware of a case of the Soviet Union refusing to allow a family to emigrate to Israel. The family involved has close friends who, until very recently, lived in Aurora, a city in my congressional district.

Mr. and Mrs. Boris Nikonov their two young children, and his mother applied 3 years ago to emigrate from Moscow to Israel. Mr. Nikonov, a construction engineer, was refused permission to emigrate and, shortly after he had applied to emigrate, he lost his job. The Nikonovs applied a second time and once again, the family was refused permission by the Soviet Union.

I have today sent letters on behalf of the Nikonovs to Soviet Union First Secretary Leonid I. Brezhnev and Ambassador Anatoloy Dobrynin. I ask that the text of my letter to First Secretary Brezhnev be included in the RECORD at this point:

APRIL 5, 1979.

DEAR SECRETARY BREZHNEV: I am writing you to ask that permission to emigrate to Israel be granted to Mr. and Mrs. Boris Nikonov, their two young children, and Mr. Nikonov's mother. I understand that they have requested permission to emigrate on at least two occasions dating back to three years ago. My involvement in this case results from the fact that the Nikonovs have close friends who, until very recently, lived in my Congressional District.

The Nikonovs' address is: Mr. and Mrs. Boris Nikonov, 107553 Moscow, B. Cherkosovskay, 26 Building 1, Apt. 129; (Phone: 1612453).

I would greatly appreciate a report on the status of the Nikonovs' request to emigrate. Thank you for your assistance.

Sincerely,

TOM CORCORAN,
Representative in Congress.

Mr. Speaker, the stiuation of the Nikonovs typifies that of many in the Soviet Union seeking to emigrate. I sincerely believe that these families must be allowed to emigrate, and I hope that the Soviet Union will fulfill its Helsinki pledge.●

GIVE AMERICAN WOMEN A BREAK

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. MILLER of California. Mr. Speaker, the time to discuss 1979 legislation affecting abortion is upon us. Actually, the time to discuss abortion in this House will always be wth us, untl the large group of predominantly male legislators here decides to give American women a break.

In any case, the Senate Appropriations Subcommittee on Labor-HEW already began hearings on fiscal year 1980 medicaid funding for abortions, and the House subcommittee expects to begin its hearings on April 24. Now, some Members may be weary of these discussions, but I submit we cannot afford to become lax in our self-education on this issue of monumental importance to the rights and health of American women. Therefore, I ask the Members to read some of the latest contributions to this national discussion. The first concerns a news item: The American Bar Association has decided to endorse the reinstatement of Federal funding for legal abortions for indigent women. The second contribution is a compelling, personal statement by Karen Mulhauser, who was raped and knows only too well the terror of that most violent experience. I believe this statement by Ms. Mulhauser should be read particularly by all of the male legislators in this House, as it is a certainty that none of them understands this experience firsthand.

The statements of the American Bar Association and Ms. Mulhauser, which were received in testimony by the Senate on March 28, follow:

TESTIMONY OF BROOKSLEY LANDAU, ON BEHALF OF THE AMERICAN BAR ASSOCIATION, BEFORE THE SENATE APPROPRIATIONS SUBCOMMITTEE ON LABOR-HEW

Mr. Chairman and Members of the Subcommittee:

I am Brooksley Landau, the Last Retiring Chairperson of the Section of Individual Rights and Responsibilities of the American Bar Association. I appear before you at the request of Association President S. Shepherd Tate to present the Association's views on the subject of federal funding of abortion services for indigent women.

In August, 1978, the House of Delegates of the Association considered a resolution presented to it by the Section of Individual Rights and Responsibilities on this subject. As you know, the House of Delegates is the policy-making body for our 250,000 member Association. The House overwhelmingly approved the following resolution:

Be it resolved that the American Bar Association supports legislation on the federal and state level to finance abortion services for indigent women.

The ability to pay for an abortion is, in a real way, the equivalent of having a right to choose to have an abortion. If the Supreme Court's recognition of a right of choice for a pregnant woman, *Roe* v. *Wade*, 410 U.S. 113 (1973), and *Doe* v. *Bolton*, 410 U.S. 179 (1973), is to have any meaning for indigent women, public financing of abortion services is essential.

Prior to the *Roe* and *Doe* decisions, it was a fact that abortions were available to those who could afford to travel to a state where abortion had been decriminalized. Simple equity was thus denied to indigent women, who could not afford such travel, and the denial was based solely on their indigency.

The decisions in *Roe* and *Doe*, while recognizing for all women a right of privacy that included the right to choose to have an abortion, did not alter the reality that indigent women were still denied equal access to abortion services because of their indigency.

The Medicaid program, funded jointly by the states and the federal government, has perpetuated the inequality. While that program pays for almost all other medical needs of the poor, abortion services frequently are excluded by state administrators of the program. Te federal government has left discretion largely with the states, with the practical result that abortions have been unavailable to Medicaid recipients in a significant number of states.

A common restriction in state Medicaid policy provided that abortion services would be covered only where termination of pregnancy was "medically necessary." While funding was available for all indigent women who chose to continue their pregnancies to childbirth, the right to elect to terminate a pregnancy was conditional only. Voluntary abortions were excluded from coverage, despite their undoubted legality.

Nearly every federal court confronted with a challenge to this restriction found it in violation either of the 14th Amendment equal protection clause, or of the Social Security Act, or both. The Supreme Court, however, ruled on June 20, 1977, *Beal* v. *Doe*, 432 U.S. 438, *Maher* v. *Roe*, 432 U.S. 464, that the restriction violated neither the Constitution nor federal statutory law. The Court concluded that it was for the legislators to decide whether to be neutral in the childbirth v. abortion choice.

The issue of public financing of abortion services thus is presently a matter of legislative policy. Congress' repeated enactment of the so-called "Hyde Amendment," and variations of it, has led to new challenges in the courts, again raising profound constitutional questions and serious statutory issues. The same has occurred in the wake of decisions in 35 states to reduce markedly the scope of abortion services funding.

It is our belief that our neediest citizens should not be denied, because of their lack of financial resources, rights guaranteed to our citizenry as a whole. We urge Congress not to impose restrictions on medical funding programs for the indigent which would deny to the poor the right to have an abortion.

TESTIMONY OF KAREN MULHAUSER, EXECUTIVE DIRECTOR OF THE NATIONAL ABORTION RIGHTS ACTION LEAGUE, BEFORE THE SENATE APPROPRIATIONS SUBCOMMITTEE ON LABOR-HEW

I am Karen Mulhauser, the Executive Director of the National Absortion Rights Action League. NARAL is a national membership and lobbying organization with the single purpose of protecting the right of every woman to have a safe and legal abortion. We have presented testimony before this Committee before, urging the federal government to include funding for abortions for poor women as part of the package of health services available to the nation's most needy. On numerous occasions, we have described the public health benefits of legal abortion, and pleaded that you respond to the needs of low income women who are entirely dependent on a compassionate government for all of their health care and for the health of their families. We wonder how the needs of poor women, who carry severely deformed fetuses can be completely overlooked by the Medicaid plan if they should choose to have an abortion. Or the young girl who is a tragic victim of rape by her stepfather and told no one of the incident until she was five months pregnant.

Today, I want to speak on a more personal level for I have had a disturbing experience and can no longer remain silent when I see such injustices as the Hyde amendment reenacted yearly.

I was raped a few months ago, at gunpoint, by two men who broke into my home. My seven-year-old son was at home and my husband was out of town.

I was aware of the problems that rape victims experience, had read analyses of the psychology of rapists and their "needs." Like most women who have never been victims, I had tried to imagine how I would react if ever I was threatened by rape. One can never know. I had imagined that I would resist. But that morning, at 1 AM, when I looked up from my work at the kitchen table and saw a gun pointed at my head, resistance was the farthest thought from my mind. My first thought was for my sleeping child. I knew I must not scream. I pleaded with them not to make noise and wake him. For 2½ hours, while they stole everything of value from our home and raped me repeatedly, I would think only of survival—mine and my son's. What would they do if he awoke, as he often does at night? Would they tie and gag him as they had done to me and force him to watch them rape his mother? What if he screamed? All these thoughts rushed through my mind. And my husband—would he return home to find us both dead? He would have to find a way to survive us. Nothing could have prepared me for the torment, the terror, I experienced that night.

It's easier for me to talk about it now, because they are convicted and have satisfyingly long sentences. The police, my husband and my friends have been very supportive and that helped enormously. I can understand how women who must deal with the terror alone—without that support—could be reluctant to speak of the experience or press charges against their assailants. I imagine the fear of reprisal could be immobilizing. But I know that unless more women speak out about their experiences and unless more rapes are reported, and there are efforts made to arrest the rapists, we will continue to witness the deplorable insensitivity that exists in the minds of so may policy makers, other opinion leaders and the public in general.

In the months since I was raped, my feelings about the experience have changed. At the time, I was overwhelmed with terror. I was convinced that if anything went contrary to their plan, my assailants would kill me and my child. Now, although the terror returns sometimes, the primary feeling is one of anger. I am grateful that anger is replacing terror, because I can do something about that. I am angry at the rapists, for they invaded my home, my privacy and subjected me to one of the most violent acts that one human being can inflict on another. But I am angered, too, by the insensitivity that I see in our society. There are still many people who do not understand rape. Rape is an act of criminal violence. It is an expression of men's anguish toward women, of physical power, a conscious process of intimidation as well as an ugly sexual invasion. It is an attack against body and mind. Rape is the taking of sex through brutal force. And it is part of male mythology that women enjoy being raped and that they cannot be raped against their will.

I am angry when I hear judges like the one in Wisconsin ask the prosecuting attorney, "are we supposed to take an impressionable person 15 or 16 years old and punish the person (rapist) because (he) reacts normally?" The male judge had more compassion for the male criminal than for the female victim. His words only support the falsehood that rape is a "normal" sexual outlet.

I am angry when I hear lawmakers like Congressman Ed Patten of New Jersey, who said, in a conference committee dealing with the Labor-HEW Appropriations bill, that the issue is not whether or not the rape was forced but how much the woman enjoyed it. This kind of cruel and thoughtless statement leads to the cruel, thoughtless and discriminatory Hyde amendment. Recent data presented by Secretary Califano demonstrates that 99% of the low income women in need are denied federal funds for abortions, and yet there are many Members of Congress who claim that the present restrictions on the Hyde amendment are not enough, that the rape clause is a loophole which allows anyone who wants an abortion to claim she was raped. Such unconscionable statements by elected officials reflect the insensitivity in Congress to rape victims in general and a complete disregard for the integrity of women. Recent votes in Congress and statements from lawmakers merely confirm a basic principle expresed by Susan Brownmiller in her book. Against Our Will:

"There is good reason for men to hold tenaciously to the notion that 'all women want to be raped.' Because rape is an act that men do in the name of masculinity, it is in their interest to believe that women also want rape done, in the name of feminity."

I suppose that if a male Congressman or Senator believes women enjoy rape, he might also believe that women would not mind a pregnancy that results from rape.

If I had become pregnant as a result of the rape and was told there were no funds to pay for an abortion. I would have found some means to abort—I would even have considered a risky self-induced abortion. There is no way that I would be twice victimized by such a forced pregnancy. It is hard even to imagine suffering nine months of pregnancy which would continually remind me of the horror of rape. And how would I behave as a mother to a child who would be a visual symbol of that violent act? I am fortunate because, if necessary, I could afford to pay for an abortion. But Congress has passed a discriminatory law that tells low-income women they do not have the same rights as wealthier women. In the years before abortion was legal, the rich could find a way to buy safe medical abortions and poor women suffered at the hands of criminal abortionists. Now, an official government policy, passed by Congress and sanctioned by President Carter, endorses this discriminatory policy.

I began by saying my life has been forever changed by rape. Part of that change is learning to live with fear and learning to direct anger in constructive ways. People who write the laws that affect women who live nl poverty are all too often entirely unaware of the impact of these laws. This is obviously the case when the laws are directly related to reproductive decisions.●

FEDERAL REGULATIONS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. COLLINS of Texas. Mr. Speaker, Government regulation agencies are the fastest growing area of this country. Kenneth Chilton of Washington University in St. Louis analyzed their growth.

Chilton found that from 1971 to 1980 they have budgeted expenditure increases from $1.2 billion in 1971 to $6 billion in 1980. This is a 400-percent increase in a decade.

Take regulations of consumer safety and health, which are up from $392 million in 1970 to $2,467 million in 1980. The Center for the Study of American Business keeps the score. Congress continues to pour money into regulations. The average American says he has too much regulation. And the figures show how the heavy regulatory bureaucracy is a burden on business and the average consumer.●

REPUBLICAN PARTY'S FUTURE DISCUSSED

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. FORSYTHE. Mr. Speaker, at the annual Lincoln Day Dinner in Monmouth County, N.J., my honorable colleague Bob Michel addressed the effectiveness of President Carter's and the Democrat Party's leadership. We face grave domestic and international problems which require strong, consistent leadership. Mr. Michel has some comments, which I commend to the attention of my colleagues on both sides of the aisle, about the present, and future, role of the Republican Party:

Comment by Representative Robert H. Michel

Knowing of Monmouth County's having a national reputation as a summer playground, I must confess some regret that Lincoln's birthday falls in the month of February.

Normally, Lincoln Day speakers are expected to follow a certain ritual.

First there must be a number of hushed, solemn references to Abe Lincoln. Then there must be several pious references to what he said and how those sayings relate to the principles of our party.

Well, my friends, I'm not going to follow that ritual tonight.

I'm not going to follow it because I don't believe such a ritual is in the true Lincoln tradition.

If Abe Lincoln were here to observe the sad, solemn, humorless way we usually talk and write about him and what he stood for, he'd probably throw back his head and have an old-fashioned belly laugh.

Abe Lincoln was a practicing politician most of his adult life. That means he was of the same mold as many of you in this room tonight. He could work a crowd, kiss the babies and do all those things a good politician does on the stump.

He didn't see himself as a plaster saint, above the battle. He was always right in the middle of the political battle, leading the charge.

If he were here tonight he wouldn't be standing here with a sickly look of political piety on his face, hands folded, eyes lifted to the heavens, talking in sweet generalities.

No, he'd be forcefully condemning the new economic slavery of inflation in down-to-earth terms the people could understand.

He'd be direct and candid in his criticism of the kind of stewardship we're getting from the White House these days. You know it's rather amazing—Here we are celebrating the birthday of a bold, resourceful, imaginative and stirring leader and now over 100 years later look what we have. It's enough to make one disbelieve in the theory of evolution.

If Lincoln were here tonight he would be expressing his concern for our faltering leadership, for the decline in U.S. prestige abroad, and meticulously tick off those spots around the globe to prove his point—Afghanistan, Iran, Saudi Arabia, South Korea, Taiwan, Mexico just to name a few.

He would lay it right on the line so far as our national defense and Salt II negotiations are concerned. And I dare say he would also remind us of our Party responsibilities exhorting us as a party to minimize our differences and accentuate our agreement.

Lincoln began his career as an elected public official by winning four terms in the Illinois State Legislature.

And it is in the State legislatures, in New Jersey, Illinois and all across the country where the future of our party is going to be determined.

Let me throw out here a few cold, hard facts of political life:

During the 1960's our Party suffered a loss of over 800 State legislators across the country. We allowed the Democrats to gain control of a great percentage of the state assemblies across the United States. After the census of 1970, the gerrymandering of districts that took place in 1971 and 1972 laid the foundation for continuing disaster to our Party. And after the census of 1980 they'll do it to us again unless we begin to fight, now.

Let me explain briefly how Democrat control of so many State legislatures has distorted and weakened our Republican strength in Washington.

At our low point in the last four elections we Republicans got 40% to 42% of the popular vote while electing 32 to 33% of the Congressional seats. In 1978 when we as a Party received in excess of 46% of the popular vote for our candidates across the country, we elected only 36% of the House of Representatives.

Those results reflect the consistent cross we bear as a minority party all because of gerrymandering in earlier years. Of equal importance, the popular vote figure (now 46%) reflects how close we really are to major victories if we can elect enough state legislators to do some gerrymandering of our own.

If we take the states where we now have the best chance, an increase of only 146 state legislators, half of the total number gained this year, would give us Republican majorities in 25 additional state legislative bodies.

A united, vigorous, Republican Party effort in New Jersey in 1979 and 1980 could significantly help us re-make the political map of this country.

State legislatures are important in and of themselves, but the power they wield in redrawing every one of the 435 Congressional District lines after the 1980 decennial census will have a profound effect on our nation and particularly those decisions that emanate from our Nation's Capital in Washington.

I'm not going to dwell tonight on the inadequacies of the majority leadership in Congress. Suffice it to say that for all my 22 years in the Congress and more than forty years of almost uninterrupted Democratic leadership, they have given us run-away inflation, unconscionably high rates of interest, a weak dollar at home and abroad, billions of dollars wasted through fraud and abuse, and public opinion polls showing the contempt with which Americans view the institution of Congress.

That is the heritage of Democrat leadership. And that is why the country needs a change to Republican leadership. I say we can restore the people's confidence in the Institution, for it ought to be one to be revered rather than maligned.

I have a hunch if Lincoln were here tonight, he might very well have twitted this audience by posing the question, "Well, now, what about Billy Carter's brother's Administration?"

You can't really blame the Carter Administration's troubles all on Billy. The way his brother has been bungling national affairs you have to wonder if he really was born again or just born yesterday.

And then, just the other day in Mexico to bring up the super-sensitive subject of "Montezuma's Revenge" at a formal state dinner—tsu tsu tsu.

Seriously, though, Billy Carter's antics are causing some of us to think about amending the Constitution so that future Presidents not only have to be 35 and native-born, but also be an only child.

Incidentally, have you heard what Jimmy reportedly said to all those farmers who are still camping on the mall to gain recognition for their problems?:

"Look, guys, I'm a farmer myself . . . I know what you're goin' through. There were times back in Georgia when I didn't think I'd make it. But in those dark days I would put my faith in a higher authority. I'd get down on my knees and I'd say, "Bert Lance, ol buddy . . . I need an extra hundred thou or so . . ."

You know it's fun and entertaining to take pot-shots at our opposition. Heaven only knows how vulnerable they are, but they have brought it on themselves.

As a matter of fact, the media is doing a pretty good job of covering all the foibles, but I want to be serious for a few minutes, for what I want to say transcends partisan politics.

It has to do with our national security and indeed the future well-being of the entire free world.

As most of you know, the Carter Administration has cancelled the B–1 bomber, closed our only ICBM production line for Minuteman III missiles, slowed down our new land-based missile system; deferred the neutron bomb; delayed the ground- and sea-launched cruise missiles; slowed ground force and tactical air modernization; and drastically curtailed naval shipbuilding.

Against that background, the pressure is now being applied to sign a second Strategic Arms Limitation Treaty with the Soviet Union. From what we know of the Treaty it will not only fail to slow the massive Soviet military build-up, but will also lock our forces into an inferior and strategically unstable position.

The fall of the once pro-American government of Iran comes as a disastrous blow to American prestige, and to our national security. Over and above the immediate importance of the loss of oil, is the kind of government that will be formed and the long-range effect it will have in the entire Middle East. One need only look at the map to sketch out a scenario of expanding Soviet influence in the area. Afghanistan for all practical purposes is now a communist state.

The instability in Iran suggests that the Saudis could be next. They are already flanked on the South by another communist-oriented regime—South Yemen. And then just across the straits to the Horn of Africa are more Soviet-supported Cubans in Ethiopia. You think the Israelis and Jordanians are not aware of these implications?

We in the Congress are at a terrible disadvantage in the foreign policy arena. We get no intelligence briefings. As a matter of fact, we haven't had one Joint Congressional Leadership meeting with the President this year.

We had only 4 last year and 3 the year before. During Republican Administrations, the Democratic Leadership in Congress was consulted every other week or at worst every third week or so.

I'm reminded of what Senator Vandenberg once told President Truman when he called for a bi-partisan foreign policy. "Mr. President," he said, "if you want us around to help pick up the pieces after the crash landing, we have to be there for the take-off."

Like the American people, we've been kept in the dark. There is great disarray. The State Department says one thing, the National Security Council says another and the President says yet another.

When there is no clear line of policy within the Administration, we can't expect to exert much influence, or build confidence among our allies or gain respect from our adversaries abroad.

The incompetence and ineptness of the Carter Administration in foreign affairs has become a grave national problem, endangering the very security of our nation. Congress must begin, now, to find out what is wrong.

I personally am concerned enough to be seriously considering the introduction of a resolution of inquiry in the House calling upon the President to lay the facts out before us so you and I can make our own judgments. This type of resolution hasn't been proposed in the Congress for several years and it ought not to be considered lightly, but it does seem to me that we need some vehicle to get the dialog going on the gravity of our foreign policy problems.

I have stressed the Carter record on foreign policy and defense because you hear so often that the elections in 1980 will be won on domestic issues alone. That may well be true. But remember: if we ignore foreign policy and defense, we may wake up one day and find out there aren't any domestic issues to discuss because we have been attacked by an adversary who couldn't resist the temptation of making a first strike on a weakened America.

Now let me conclude on a more positive note. While we did lose the Senate race here in New Jersey in November, we did pick up Senate seats in New Hampshire, Minnesota, Iowa, Colorado and Mississippi that will make a significant difference. And in the House we're mighty grateful for your sending us an additional Republican congressman in the person of Jim Courter. We have given him very important Committee assignments and he will, I'm sure, become an outstanding Member of Congress.

I mentioned earlier the increase of better than 300 Republican State legislators and we now have 6 more Republican Governors throughout the country.

Our strategy of rebuilding the party from the grass roots up rather than from the top down is paying off. We're winning more mayorality, city council and County Board members.

We're on the move, and I feel very optimistic about the future.

I don't buy the proposition that the Democrat party has preempted our traditional ground and taken the issues away from us. Far from it!

It gives us all the more ammunition to prove to the American people that we were right in the first place and that the basic principles upon which our party was founded are good and sound principles to espouse in 1979 and 1980.

Let's welcome those who want to join our ranks. But let's not be fooled by their rhetoric.

"By their deeds ye shall know them", and it won't take long for us to put their feet to the fire when it comes to voting on the issues they talked about so freely during the last election.

Many will, I am sure, ultimately be exposed as political opportunists. Governor Jerry Brown of Calfornia has to be right up there at the top of that list. Now I don't dislike Jerry Brown. Don't get me wrong. I just don't know which of his two faces to take seriously.

We're on the right side of the tax issue.

We're on the right side of the spending issue.

We're on the right side of deregulation and less government control.

We're on the right side of the defense issue and the man we honor tonight—Abe Lincoln—charted a course for our party in education and civil rights.

Forgive me if I get excited about our party, our fortunes and the prospects that lie ahead of us. I just happen to be sick and tired of being a member of the minority, where I have been in all my 22 years in the Congress.

I know that given the opportunity we can do a better job of leading in the Congress and restoring the peoples' confidence in that Institution.

And compared with Jimmy Carter, any Republican standard-bearer in 1980 will regain for us our once proud position of preeminence and respect in the world and a full measure of domestic tranquility here at home.●

CONGRESSIONAL TESTIMONY BY DENNIS VIRTUOSO OF NIAGARA FALLS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. LAFALCE. Mr. Speaker, on March 21 several of my constituents came to Congress to present the problems they have faced as a result of hazardous wastes having been improperly handled and buried in areas where they live or work. Mr. Dennis Virtuoso, president, Local No. 12256 of the United Steelworkers of America, was one such witness. Mr. Virtuoso gave detailed information about the toxic chemicals leaching from the dump and the illnesses that his fellow workers have experienced. I would like to share his presentation with my colleagues, for it will help focus their attention on the horrifying effects chemicals can have on our health.

The presentation follows:

MARCH 16, 1979.

Mr. DAVE NELSON,
Subcommittee on Oversight Investigation, Interstate and Foreign Commerce Committee, Washington, D.C.

DEAR MR. NELSON: On December 7, 1978, there was a meeting called by OCAW representative, Mr. Henry Shiro and Steelworkers representative, Mr. Joseph Sparacio. At this meeting, there was also Dr. Chris Oliver.

This meeting was called because of health problems that were reported at Niagara Steel Finishing, which borders the Hyde Park Landfill. Union Officials felt that these problems may have been caused by this landfill. The reason why National Lead and Greif Brothers Unions were invited is because our plants also border the chemical dump.

At the meeting, Dr. Oliver asked us about only health problems that our people have had. We gave her the illnesses that we knew of at the time. This meeting prompted us to go back to our people and find out a little more about the illnesses and deaths we have had.

Before I get into the illnesses, I would like to give you more information about the dump. This dump has many toxic chemicals. Some of these chemicals are:

Dioxin; Chloro Benzene; Toluene; Hexachlorocyclopentadiene (C–56); Mirex; Kepone (Poss.); Lindane; Hexachlorobenzene; Benzene; Chloro Toluene; Carbon tetrachloride; Trichlorophenol; Tetrachlorobenzene; and at least 15 chlorinated hydro-carbons.

These chemicals are very toxic and many of these were found at the Love Canal. Many residents have had ill effects from these chemicals.

A very important fact about this dump is the land it was built on. The dump was built on a very wet and swamp area. As we all know, these toxic chemicals will leach faster through wet areas. This was proven at the Love Canal area. According to reports, the toxic chemicals leach faster in the swell areas of the canal. We have had the same problems at the Hyde Park site. The land is very wet and swampy. About 50 yards from the chemical dump, there is a creek. This creek is a product of ground water and run-off water. Much of this run-off water from the dump runs into this creek. The name of this creek is Bloody Run Creek (nick-named because of its reddish color). This creek has been a problem with us at Greif Brothers. Bloody Creek runs right underneath our plant, through a sewer pipe. There is also a manhole in our plant which is part of this sewer pipe. We have had many complaints about bad smells and fumes from this manhole. Complaints got so bad that the company covered the manhole with plastic but this was to no avail as the plastic was eaten away. The company then placed a piece of 16-gauge steel under the cover. When they did this, the smell was no longer there.

In between our plant and the parking lot, there is another stream. This stream is also a product of ground water. It has a reddish color and sometimes looks very slimy.

Another interesting thing about the area is the disappearance of wild life. When I first started working at the plant in 1970, almost every morning while driving to work, I would see rabbits running around—you don't see this anymore. The birds have also diminished from this area.

Getting back to the illnesses at Greif Brothers, we have had a large number ranging from cancer, breathing and respiratory problems, skin rashes, lumps, growths and cysts, blood diseases, heart problems, high blood pressure. and sinus. These illnesses from our plant were not on Dr. Oliver's report because I did not know at that time that we had these health problems.

We took surveys, both oral and written, going back eight (8) years, and have the following statistics:

Cancer: 8 employees (all dead).

Breathing and Respiratory: 15 people (6 are dead or retired).

Skin Rashes: 17 people (present condition).

Heart Problems: 6 people (2 dead).

High Blood Pressure: 6 people (present condition).

Lumps/Growths/Cysts: 9 people (present condition).

Blood Disorders: 2 people (present condition).

Sinus: 12 people (present condition).

Our employment is around 50 to 60 people; it varies with business. The written surveys have not yet been completed. They also do not cover everybody that has worked there or retired in the last eight (8) years. Our statistics would be much higher if all were included.

At National Lead Industries, there are presently 128 employees. We have received 64 health surveys as of this date. The results were as follows:

Cancer: 14 people (3 dead).

Breathing and Respiratory (Bronchitis): 18 people (present condition).

Sinus: 29 people (present condition).

Skin Rashes: 28 people (present condition).

Heart Attack: 3 people (present condition).

High Blood Pressure: 12 people (present condition).

Cysts: 13 people (present condition).

Eye Irritations: 16 people (present condition).

Tense (hyper): 15 people (present condition).

Bladder: 5 people (present condition).

Prostate: 2 people (present condition).

As you can see, we have had our problems. Many more of these illnesses do exist, such as, headaches, no energy and people who want to sleep a lot.

Many of these illnesses are common and many could be caused by toxic chemicals. As you can see, there are a large number of all these illnesses and the percentage of employees involved greatly influences our concern in wanting to investigate its cause. The percentages on these health problems are much too *high* for the number of people we are talking about.

Most of our union members have been very concerned. We feel something should be done to resolve these problems.

We tried on two occasions to set up a meeting which Dr. Vienna, who is with the New York State Health Department. Both times were cancelled out. We contacted Dr. Vienna at the Love Canal Meeting on Thursday, February 8, 1979. We told him of our situation and gave him Dr. Oliver's report. He said that he would meet and talk with us at the WNYCOSH Meeting in Buffalo, New York.

I went to the WNYCOSH Meeting in Buffalo and saw Dr. Vienna. He told me that he read Dr. Oliver's report and would recommend her suggestions for testing the employees to Dr. Axelrod. The only answer that we got was that it was the Federal Government's responsibility. We felt that we were getting the run around so we contacted Senator John Daly. He arranged to meet with Dr. Axelrod and Dr. Vienna, and it was decided to ask the Federal Government for help.

On Saturday, February 17, 1979, we had a meeting with all three unions, area residents, local politicians, and Love Canal Homeowners Assoc. At this meeting, we formed a group known as the Bloody Run Area Association. One of the main objectives at this meeting was to get physicals for workers and families living in the area.

As of this date, the only help we have received is from OSHA. They came into our plant on Thursday, March 1, 1979 and started testing on March 2, 1979. They are just testing the air at the plant site. What we want is *NIOSHA* into our plants. We feel that they are much more equipped to handle the situation than OSHA is.

We would also like to involve the Congressional Hearing to investigate these chemical dump sites. There are many more of these Love Canal and Bloody Run situations around the country. I feel that some action and laws must be passed soon before we have a complete disaster in this country!

Yours truly,

Dennis Virtuoso,
President, Local 12256
United Steel Workers of America.●

IMPORTANCE OF SCIENTIFIC RESEARCH

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. DASCHLE. Mr. Speaker, recently Roland Leonhardt and Richard Fossum, farmers from South Dakota and members of the board of directors of the Eastern South Dakota Soil and Water Research Farms, Inc., testified before the House Appropriations Subcommittee on Agriculture and Related Agencies. Their testimony in support of continued funding of a 100-acre agricultural research farm in South Dakota correctly points out the critical importance to our country and the world of scientific research, such as is carried out at the Eastern South Dakota Soil and Water Research Farm, of our entire food production system. Mr. Speaker, I place the testimony of Roland Leonhardt and Richard Fossum into the Record:

Statement of the Eastern South Dakota Soil and Water Conservation Research Corporation

We are Roland Leonhardt and Richard Fossum, farmers in Kingsbury and Lincoln Counties of South Dakota. Today, we are representing over ⅓ of the people in South Dakota through our positions on the Board of Directors of the Eastern South Dakota Soil and Water Research Farm, Inc. This 100 acre farm was purchased in 1959 by 15 Eastern South Dakota Soil Conservation Districts for the sole purpose of conducting agricultural research pertinent to our part of the country. We believe, research is essential if we are to maintain or increase our present production levels and efficiency. You have recognized the need for increased Agricultural Research in the Food and Agriculture Act of 1977 where you stated:

"Expanded agricultural research and extension are needed to meet the rising demand for food and fiber caused by increases in worldwide population and food shortages due to short-term, localized, and adverse climatic conditions."

The climate in our part of the county ranges from semiarid to subhumid. We have severe soil and climate variations characterized by intense summer storms with runoff of water essential to crop production. This runoff or loss of water causes severe erosion of our productive soils that in turn create water quality hazards. Presently, there are few short term economic incentives to practice soil conservation. We need to know more about how to conserve our soil and water under the intensive cropping practices that are required to meet present economic survival levels in farming. Field research on soil and water conservation must be and is currently underway at several sites. This research is coordinated and directed by the North Central Soil Conservation Research Laboratory at Morris, Minnesota, with satellite locations at Westport, Minnesota, and Madison, South Dakota, in cooperation with our respective State Agricultural Experiment Stations.

Soil and water research is our major interest but by itself is no longer sufficient. We also need to increase our opportunity for multidisciplinary research efforts that lead to a better understanding of our whole crop production system and the factors that limit it, particularly major soil pests such as the corn rootworm, if we are to develop farming systems that effectively maintain our production, while at the same time conserve our soil, water, energy, and protect the environment. A multidiciplinary approach has been started on our farm by the Morris laboratory and the Northern Grain Insects Research Laboratory at Brookings, South Dakoka. The object of the present research is to better understand the relationship between the soil, the plant, and soil pests. However, the FY 80 budget threatens the longevity of this research.

We are very concerned by the decline we see in support for Agricultural Research in the proposed FY 80 budget. The budget as proposed would intensify the continued erosion of talented, expert scientific personnel from our research staffs. If these suggestions are adopted, South Dakota will lose $172,000 and Morris, Minnesota, will lose $173,193 and more importantly six people. Lack of an increase in funding threatens to dismiss these persons. A cut in funding and personnel position does dismiss them and dismantles the equipment they work with and even threaten to close the laboratories and research farms where they work. The major area of our grave concern is the threatened loss of talented, expert scientific personnel. Recent past history of pest outbreaks have severely affected our crop and livestock production. These outbreaks have been reduced and stopped before they became a national catastrophe, but only because we had research scientists at hand and working who had the talent to recognize the outbreaks and the techniques to quickly develop control methods. How quickly Psuedo Rabies in our hogs was isolated, and control methods developed. Would these have been possible without the correct expert personnel on our research staffs?

All of us would like to see inflation checked but if our agricultural research thrust is diminished regardless of the merits of the cause it will seriously impair our future production potential and the portion of the American budget used for food and fiber will increase. We encourage the Congress not to trade the long term needs of our people for short term benefits. It is in this spirit that we urge the Congress to restore the proposed funding and personnel cuts and to reverse the current downward trends of support for the Science and Education Administration-Agricultural Research particularly in the North Central Region where we produce 84 percent of the corn, 68 percent of the soybeans, and 44 percent of the total cash receipts from farming in the U.S. but receive under 20 percent of the funding for soil and water conservation and crop production research in spite of the fact that soil erosion from agricultural land remains the major threat to our continued productivity and our water quality.

We are here today as active operative farmers who have spent our lives farming. We see a grave crisis in our food production system, if cuts in our research funding are carried out as threatened in the proposed FY 80 budget. We appreciate your consideration of our requests in the past. We believe strongly in the benefits of agricultural research and are grateful to have this opportunity to express our views to you. Thank you very much.●

MILLIONS IN PAST DUE DEBTS OWED TO UNITED STATES

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. YOUNG of Florida. Mr. Speaker, as the ranking minority member of the Appropriations Subcommittee on Foreign Operations, I have become increasingly concerned over the increasing size of the debt owed to the United States by other nations and especially the situation of those who are delinquent in their repayment.

As of September 30, 1978, the U.S. Government is owed a total of $41,938,379,733 from all countries and official organizations. However, what I am troubled by is the fact that delinquent payments of 90 days or more total $523,647,177. It is time for the U.S. Government to make every possible effort to collect this money.

Those who bear the cost for failure to collect overdue debts are the American taxpayers. While delinquent debts increase, the real value of that money is decreasing, and it is the American taxpayer who again makes up the difference, At a time when the United States is facing a severe budgetary and balance-of-payments problem of its own, it is ludicrous not to insist that nations owing us longstanding debts begin to make regular payments and to honor the terms of their contracts made in good faith.

The following is a table showing country by country, the principal, and interest due to the United States that is past due 90 days or more as of September 30, 1978.

The table follows:

Country:	*Principal and interest due and unpaid 90 days or more*
Total, all countries and official organizations	$523, 647, 177
Algeria	1, 681
Angola	100, 027
Anguilla	568
Antigua	449, 234
Argentina	33, 684
Australia	364, 126
Austria	135, 182
Bahamas	60, 677
Belgium	112, 839
Belize (Br. Honduras)	22, 911
Benin	7, 257
Bermuda	18, 648
Bolivia	$364, 823
Brazil	297, 114
British Solomon Is	2, 392
British Virgin Is	31, 877
Bulgaria	7, 773
Burundi	2, 102
Cameroon	3, 727
Canada	1, 155, 188
Cape Verde Is	11
Cayman Is. (U.K.) (Caribbean Reg.)	149, 706
Central African Empire	379, 334
Chad	1
Chile	21, 609
China, Peoples Rep. of (Mainl.)	603, 767
China, Rep. of (Taiwan)	109, 203, 087
Colombia	11, 777, 099
Cook Is	2, 579
Costa Rica (Cocos, Kesling Is.)	529, 108
Cuba	2, 827, 867
Cyprus	7, 372
Czechoslovakia	7, 886, 072
Denmark	523, 160
Dominica	1, 333
Dominican Rep	566, 351
Ecuador	511, 172
Egypt, Arab Rep. of	73, 561
El Salvador	115, 530
Ethiopia	40, 633, 777
Finland	72, 062
France	494, 715
French Guiana	354
French Polynesia	16, 373
Gabon	16, 298
Gambia	8, 900
Germany, Fed. Rep. of (Bonn)	1, 859, 020
Germany, Sov. (Dem. Rep. of E.)	37, 554
Ghana	19, 105
Gibraltar	751
Gilbert Islands	480
Greece	18, 859, 279
Guadeloupe	5, 945
Guatemala	402, 761
Guinea	2, 758, 975
Haiti	638, 577
Honduras	54, 352
Hong Kong (U.K.)	643, 967
Iceland	11, 306
India	5, 126, 438
Indonesia	41, 318
Iran	36, 732, 631
Iraq	2, 683
Ireland	397, 900
Israel	568
Italy	1, 409, 058
Jamaica	241, 345
Japan	933, 009
Jordan	6, 851
Kampuchea (Khmer Republic)	12, 339, 897
Kenya	1, 108, 842
Korea (Dem. Peoples Rep. of)	155
Korea, Rep. of (Seoul)	646, 929
Kuwait	35, 325
Laos	4, 594
Lebanon	157, 266
Lesotho	339
Liberia	224, 961
Libya	145, 312
Luxembourg	15, 353
Macao (Portug.)	11, 701
Madagascar (Malagasy Rep.)	584
Malaysia	56, 120
Maldive Is	1, 669
Malta	3, 031
Martinique (Fr.)	2, 709
Mexico	345, 205
Morocco	14, 886, 758
Nauru	1, 027
Netherlands	246, 656
New Caledonia	213
New Hebrides	109
New Zealand	101, 391
Nicaragua	56, 321
Nigeria	$342, 110
Norway	42, 381
Oman	142, 906
Pakistan	5, 116
Panama	8, 705, 766
Paraguay	412, 792
Peru	2, 117, 190
Philippines	47, 856, 926
Pitcairn Is	1, 974
Poland	20, 994
Portugal	190, 421
Portuguese Timor (now Indonesia)	201
Qatar	1, 286
Rhodesia	43, 579
Romania	14, 495
Rwanda	462
Saint Helena	565
Saint Lucia	3, 697
Saint Vincent	44, 880
Saudi Arabia	611, 429
Singapore	76, 883
Somalia	1, 948, 323
South Africa	445
South-West Africa	1, 808
Spain	1, 511, 768
Sudan	128, 496
Suriname	2, 563
Swaziland	518
Sweden	70, 735
Switzerland	415, 857
Syria	384, 651
Tanzania	5
Thailand	20, 024, 764
Togo	1, 647
Tonga	1, 773
Trinidad and Tobago	50, 534
Tunisia	6, 131
Turkey	94, 746, 301
Turks and Caicos Is	13, 453
Tuvalu	1, 566
Union of Soviet Socialist Reps	212, 291
United Arab Emirates	16, 108
United Kingdom	4, 413, 163
Upper Volta	586
Uruguay	239, 243
Vatican City	45, 933
Viet-Nam N. Dem. Rep. of	221, 311
Viet-Nam Rep. of (Saigon)	11, 829, 185
Western Samoa	4, 823
Yemen Arab Rep. (Aden)	428
Yugoslavia	24, 877
Zaire (Congo-Kinshas)	37, 618, 467
East African Common Services Org	67
European Atomic Energy Comm	18, 764
Intl. Atomic Energy Agency	17, 665
NATO	1, 548
United Nations	5, 438, 995

●

THE HONORABLE SAM FRIEDEL

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. HORTON. Mr. Speaker, I join my colleague, Congressman CLARENCE LONG, in commemorating the life of our former colleague, Samuel Friedel. His former colleagues and friends were informed of his death on March 21.

Sam served nine terms in the House of Representatives from 1953 to 1971 as the Congressman from Maryland's Seventh District. During his 18 years of service, he became well known among his colleagues for his close ties to the people of his district. He may best be remembered for his strong advocacy of civil rights and the war on poverty during the 1960's. I recall the many floor speeches Sam delivered which were always characterized by a deep commitment to the improvement of life for all Americans.

During his years of service, Sam served as chairman of the House Administration Committee from 1968 to 1971 and as second ranking minority member on the Interstate and Foreign Commerce Committee. As one of the senior members of that committee, Sam was also chairman of the Subcommittee on Transportation and Aeronautics.

I join with my colleagues in extending sympathy to his widow Regina, and his sister Gertrude Justman in their loss.●

CONGRESSIONAL TESTIMONY BY DR. JAMES A. DUNLOP OF NIAGARA FALLS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. LAFALCE. Mr. Speaker, on March 21 several of my constituents came to Washington to share with Congress the problems they have had to confront as a result of hazardous wastes having been improperly handled and buried in the past, and which are now having a pernicious effect on their health and well-being.

Dr. James Dunlap, a pediatrician in the Niagara Falls area, told about the tragic effects chemicals leaching from abandoned landfill in the town of Niagara have had on children in the area. I would like to share his testimony with you. It follows:

STATEMENT OF DR. JAMES A. DUNLOP, MARCH 21, 1979

I am James A. Dunlop. I am a Board qualified university-trained pediatrician who has been in private practice for six years. I am also Medical Director of School Health Services for the Niagara Falls Board of Education and have been invloved with the Love Canal situation in this capacity.

I currently have under my care eight children residing near the Bloody Run Creek dump site in Niagara Falls. Six of these children are the grandchildren of Fred and Barbara Armagost residing at 477 Belvedere Road in Niagara Falls. The two other children are the offspring of Mrs. Betty Tuttle who resides at 483 Sherman Avenue in the same neighborhood.

Most of these children have been under my care since birth. All of these children developed serious upper respiratory ailments within the first few months of life and these problems have continued till the present time.

The eldest of these children will be five in August and the youngest is currently 9 months old. Extensive medical studies have been performed on these children to rule out cystic fibrosis, immune deficiency disease and allergy and to date, nothing intrinsic has been found to explain why these children have such profound respiratory problems.

Four other Armagost grandchildren who do not live at the Belvedere Road address do not have any significant respiratory problems. Two of these children are my patients. One is currently residing in West Germany where his father is in the U.S. military service.

My conclusion at the present time is that there must be some extrinsic cause for these children's problems and that cause could perhaps be the chemicals coming from the Bloody Run Creek chemical dump site.

GRAND ISLAND, N.Y.,
October 6, 1978.

Re Armagost family, 477 Belvedere Avenue, Niagara Falls, N.Y.

DR. FRANCIS J. CLIFFORD,
Commissioner, Health Department, Niagara County, Lockport, N.Y.

DEAR DR. CLIFFORD: It has come to my attention that the creek known as Bloody Run traverses thru the property of the Fred Armagost family living at 477 Belvedere Avenue, Niagara Falls, New York 14302. Mr. Armagost, his son, Wayne, age 24, Wayne's wife, Barbara, and four of his grandchildren all live on this property and all have severe upper respiratory problems. Each of his grandchildren has had problems since returning home from the newborn nursery following birth.

As you know, Hooker Chemical has recently admitted to dumping Mirex into the Bloody Run Creek. In addition, Hooker has been dumping various chloride compounds in the creek; these latter chemicals are known to be highly toxic to the respiratory tract.

All of the Armagosts have been evaluated by myself and Dr. Dyung Park, Professor of Pediatrics and Immunology at Buffalo Children's Hospital, and we together cannot explain the high incidence of respiratory disease in this family on any other than extrinsic causes.

I have discussed the situation with Dr. Laverne Campbell of the State Health Department and Dr. Campbell feels that the situation should be handled initially by the Niagara County Health Department.

Where do we go from here? I'll look forward to hearing from you regarding this matter in the near future.

Sincerely,

JAMES A. DUNLOP, M.D.●

BASICS OF NEGOTIATION

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. ABDNOR. Mr. Speaker, I wish to commend to the attention of my colleagues an article appearing in the April 1979 edition of Air Force magazine. The author, the Honorable Clare Boothe Luce, is a former member of this body and served as U.S. Ambassador to Italy from 1953–57.

Her comments merit serious consideration by all of us.

The article follows:

[From Air Force magazine, April 1979]

HOW TO DEAL WITH THE RUSSIANS—THE BASICS OF NEGOTIATION

(By Hon. Clare Boothe Luce)

The principles and techniques of the art of negotiation are not arcane. They are universal. Any successful labor union negotiator, corporation lawyer, or real-estate broker could set them forth in a few pages.

The objective of any negotiator is to reach an agreement that represents a gain, or an improvement, over his prenegotiation status. Obviously, no agreement can be reached unless it also represents a gain for the other party.

Agreement is reached through the classic triad of persuasion: the appeal to self-interest; negotiation: the exploration of all the possible quid pro quos; and compromise, compromise, compromise: the slow, step-by-step descent of the negotiators from their optimum goals to the minimum they will "settle for."

The game model of all negotiations is poker.

An excellent and witty little book on this subject was written some twenty years ago and appeared in Fortune Magazine. A highly entertaining application of Professor von Neumann's "Theory of Games," it was called, Politics, Business, War, and Poker.

The game of poker depends on the art of bluffing. The player who never bluffs is a sure loser. So is the habitual bluffer. The winner is the "honest bluffer"—the player who may—or may not—be bluffing when the stakes are highest.

I remember I gave Professor von Neumann's book to Jack Kennedy during his presidential campaign. He told me later, after the Cuban missile crisis, that the book was right. "The nuclear showdown," he said, was an "utterly terrifying game of poker." Kennedy thought, of course, he had won it, but Khrushchev, in his memoirs published much later, said that the acquisition of Cuba as a political and potential Soviet base was a prime strategic objective of Soviet policy. And he insisted that even though he knew that Kennedy held the winning hand of nuclear aces, he, Khrushchev, nevertheless had won, because he had bluffed Kennedy permanently out of Cuba. Khrushchev also learned, from the naval blockade and the nuclear showdown, the strategic value of nuclear and naval superiority.

In any event, the aim of all sound negotiators is to remove as much as possible the factor of "bluff"—honest or dishonest—from the game. For example, Company A's negotiators, considering a purchase or merger with Company B, will, unless they are morons, insist on seeing as many of Company B's cards as possible. They will demand, so to speak, on-the-site inspection of Company B. A smart negotiator can't know too much about the other fellow's business. Or about the other fellow. Company A's negotiators will want to know such things, for example, as the private reasons why the president of highly profitable Company B was willing to negotiate in the first place. Many a good deal has turned out to be a sour one because of a negotiator's failure to dig up the unfactored factors.

Time, and timing, are important factors in negotiations. The negotiator who is in a hurry, or in under pressure to conclude a deal, never does as well as the patient, unhurried negotiator.

But once an agreement is reached between citizens in democracies and when the legal papers are drawn up, and the fine print is scrutinized, the agreement, for good or ill, is binding on both parties. That is, it is upheld by the law, and cannot be broken with impunity by either signator.

Diplomatic negotiations are something else. The classic triad of diplomacy is still persuasion, negotiation, and compromise. But in the jungle world of the sovereign nations, there is no law above or behind the diplomatic negotiators except the law of force. The threat of force, the nation's triad of land, sea, and airpower, stands in the shadowy background of all diplomatic negotiations. The very essence of sovereignty is the right to exercise force in the pursuit of its objectives.

The nation with predominant power, and the willingness to use it, seldom has much trouble reaching satisfactory agreements with its less-powerful world neighbors. In the nineteenth century, British diplomats received many kudos for their subtle negotiating skills, which really belonged to Her Imperial Majesty's admirals.

Twenty-five hundred years ago, little Sparta, informed of a Greek plan to attack it, sent envoys to Athens, pointing out the injustice of such an attack, and pleading for peaceful negotiations. The Athenians cynically replied that "the question of justice and negotiations only arises between equals."

Negotiations between nations who perceive themselves to be more or less equal in power are always long and drawn out, and the gains for either side are minimal. And where negotiations begin to cut close to the bone of "vital issues," they are always fraught with great tensions. As these approach the crisis, or confrontation stage, both sides may equally fear, and equally wish to avoid, the arbitrament of arms, since wars between equals are always the riskiest and the bloodiest and the most likely. But it is precisely here that the "honest bluffer," the nation with the greater military credibility, has the advantage. Generally, even the veiled threat of a nation with military credibility to resort to force is sufficient to bring the other side's negotiators around to offering an acceptable compromise.

One other point about international negotiations is worth mentioning. All treaties are essentially "scraps of paper." It takes two to sign an agreement but only one to break it. The only judge a sovereign nation can be hauled in front of is the mouth of the cannon. When an agreement no longer serves a nation's interest, that nation will generally break it, since there is no way, short of war, that it can be made to keep it, and, when the chips go down, very few treaties are worth the price of a war. The Soviet Union's record for breaking its agreements and treaties, and often before the ink is dry, is virtually unblemished.

In any event, such is the mortality rate of treaties that a wise diplomatic negotiator will never sacrifice an immediate gain—however small—for a future advantage, however great. One very small bird in the nation's hand is worth ten big ones in the international bushes.

NEGOTIATING WITH THE RUSSIANS

About negotiating with the Soviet Union: Their negotiating techniques are no different than ours—or any other nation's. The difference in our national characters are of very little importance. So what does it matter that our negotiators prefer the two-martini lunch, while theirs prefer the ten-vodka dinner. What is important—all important—is the difference between our two systems.

The Soviet Union is a closed and—at the government level—hermetically sealed society. All Soviet political, economic, scientific, military intentions and capabilities of even the smallest significance are closely—and successfully—guarded secrets.

Take, for example, what the Soviets call the "correlation of forces."

By this they mean the relative economic, political, military, ideological, and psychological strengths of our two countries. Ours is an open, not to say, wide-open-mouthed society. They know all our strengths and weaknesses, and, mutatis mutandis, our intentions, capabilities, and objectives. A democracy, we play our negotiating games with all our cards face up on the table. Only the Soviets know their own strengths and weaknesses, their own intentions and objectives. They know, and we do not know, the real score on the "correlation of forces."

The element of Soviet bluff in our negotiating games simply cannot be estimated, because all their cards are held close to the chest. Wherefore, our negotiators play the game under a most serious handicap.

Now the proof that our government does not know the "correlation of forces" is the intense controversy about it among our political, military, and foreign policy "experts."

I shall never forget the dramatic confrontation before PFIAB (the President's Foreign Intelligence Advisory Board) between the "A" and "B" teams. Arguing from the same known facts, they reached widely different conclusions about the Soviet intentions and capabilities. Obviously, this was because of their different a priori estimates of Soviet objectives. It was not what the experts know, but what none of them really knows, that led to this confrontation. These same unfactored factors have produced ten years of dangerously off-the-mark NIEs (National Intelligence Estimates).

What Soviet negotiators tell US negotiators about anything of more than trivial significance may—or may not—be true. The point is, it cannot be verified. Signal intelligence is, indeed, a formidable tool. But, of course, it has its limitations. The fact is that our human intelligence, our espionage, has failed to pentrate even the lower echelons of the Soviet bureaucracy—much less the Kremlin. The only secret that the CIA has been able to conceal successfully—from the White House, the Congress, and the country—is the extent of this failure. What cannot be concealed are the effects of this failure on our Soviet policies. They are tragically ambivalent, ambiguous, vacillating, contradictory, confused. Our Soviet estimates are at best informed guesstimates. Beyond that, our negotiating posture is further weakened by the fact that US military credibility is at a historic all-time low.

Today, President Carter couldn't bluff Castro out of his afternoon siesta, much less out of Africa. The known unwillingness of the people and the Congress to back up diplomatic negotiations or Presidential rhetoric anywhere in the world, even with a seven-veiled threat of force, subtracts the factor of even covert coercion from the US negotiating process, not only vis-à-vis the USSR but with all other countries. In these circumstances, we must be prepared to see our diplomatic negotiations and initiatives fail, as they have so tragically failed in the Middle East—and will fail in Africa. Or we must be prepared to conclude our negotiations by making the sorts of compromises and concessions that have come to be called appeasement. All the skills of even the most experienced negotiators, as Henry Kissinger has learned, cannot offset the disadvantages of negotiating with a powerful enemy who can chest all his cards, and who knows not only all the cards you hold, but that you are being forced, by public opinion, to discard your aces. And that, I venture to suggest, is where it is at, in our great game of poker with the Soviet Union.

AMERICAN ILLUSIONS

The current case of SALT II illustrates an important point.

From the beginning, SALT has been to me a totally incomprehensible exercise in American statecraft.

Why would any nation, possessing superiority in a decisive weapon system, voluntarily negotiate itself into a position of equality with an avowed enemy of a quarter of a century?

Obviously, this extraordinary, perhaps historically unique, diplomatic and military initiative had to be based on some rationale. It was probably based on the George Kennan assumption that Soviet hostility, and its military buildup, was a natural nationalistic reaction to our own hostile cold war global containment policies; that the Soviets, like ourselves, were essentially defense, and not offense, minded; that they feared nuclear war as much as ourselves; that they believed it just as unthinkable, and unwinnable, as we did; and that, therefore, they would be satisfied with nuclear parity and an arms-control arrangement that would guarantee their security by a perpetual nuclear standoff. It was no doubt further reasoned that even if this nifty arrangement should come unstuck, or cease to be safely symmetrical, the nuclear, and strategic, status quo could always be restored by another and still another SALT negotiation. And this "peace" would become the beamy, bright-eyed child of a MAD mother. These autistic hopes have always seemed to me doomed from the beginning.

Nature abhors, even as much as she does a vacuum, both the status quo and equality. The only thing that does not change in nature, or the affairs of mankind, is change itself. Even the great continents and the mighty mountains, seemingly fixed on the floor of the planet, are constantly changing their shape, size, and position. All history evidences that the shape, size, and status of nations change considerably faster.

"Equality" is a mathematical concept. No two things in nature, or in human affairs, are ever more than approximately "equal," and then only for a fleeting second. Even as between two scorpions in a bottle, one will have a longer sting than another, and grow wearier of life in the bottle faster. When "Greek meets Greek," even though they seem equal, when the tug of war begins, one always proves, in the end, to be "a little more equal" than the other. The "correlation of forces" is never equal.

The ancient Greeks chose the arrow as the symbol of the state, to remind themselves that a nation, in its dynamic trajectory through time and space, is always either rising or falling, and hitting or missing its target.

With every hour of every passing day, the "nuclear balance," and the correlation of forces, is either changing in favor of the U.S.—or against it. Today, against our very will—or the will of the Soviets—dozens of factors, including technology, driven by the demon computers, are changing it. Our lack of an energy policy is changing it. And unless we can shoot all fissionable material, and the secrets of using it, back into sidereal space, the "nuclear balance" will go on changing.

Curiously enough, even the SALT idealists—when they bother to think hard about it—find the prospect of a perpetual balance of terror maintained by nuclear equality both irrational and a little repulsive.

But the SALT concept is rooted in three great contemporary American illusions: That armaments are the cause of war; that all international conflicts of interests can be resolved by "patient negotiation"; and that the Tree of Liberty is watered, not by blood, but by moral rhetoric. All three illusions were expressed by President Carter in his speech at Notre Dame last year.

So, grabbing for their crystal balls, the SALT idealists see SALT III, IV, or mayhap V, leading to a US–USSR agreement to "do away altogether" not only with all nuclear weapons, but all conventional weapons as well. That is, over and beyond "adequate" national frontier police forces. This was the dream President Carter presented in his Inauguration address.

I fear it will require some very painful and humiliating events to awaken the SALT devotees from their dream of it as the way to world disarmament. If they cannot be awakened, the dream will turn into the nightmare of World War III.

But a concluding thought about the SALT negotiations:

How great, really, is our own devotion to the SALT concept of strategic equality?

Assuming that US advances in particle beam weapon technology would represent a significant increase in our defense—and consequently, our offense capabilities—are we now prepared—are the Pentagon and the Congress prepared—either to share that technology with the Soviets, or to abandon it, as we did the B–1 bomber? If not, the Soviets certainly can, and with good reason, claim that our refusal to do so is totally inconsistent with our present SALT and détente policies.

In conclusion, my advice to US SALT negotiators, when in Moscow, is to enjoy the ballet and the museums, and lay off the vodka, which tends to deposit a peculiarly high level of fat in the liver. I would also counsel them to enjoy their historic negotiating contributions to SALT II. since the way things are going in this best of all possible words, the chances of a SALT III are about on a par with the chances of Ruth Carter Stapleton converting Idi Amin.●

BROCKPORT, N.Y.: AN ALL-AMERICAN VILLAGE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. LAFALCE. Mr. Speaker, on my frequent trips home to the 36th Congressional District in New York, one of the places which I always enjoy visiting is the village of Brockport in Monroe County. This village represents the best in the American way of life through its peaceful lifestyles, its ability to come back from attacks on its economy, and its blending of the commercial and educational industries. Through its history, Brockport has staunchly maintained its independence and individual identity.

Though this community is often the forgotten child in Monroe County, being overwhelmed by the size and prosperity of the city of Rochester, it is to me the ideal of a small educational community which has preserved the values on which this Nation was founded, and which demonstrates that those values can lead to prosperity and comfortable growth.

Now, as the village of Brockport prepares to celebrate its 150th birthday, its residents can be justly proud of the rich and fascinating history, and can look forward to more of the same, using the time-honored traditions and institutions to live fully in the present. I salute Brockport on this historic occasion, and look forward to celebrating with them throughout this year.

I insert for the RECORD at this point, an article from the March 22, 1979, issue of the Rochester Times-Union, detailing the history of this proud village:

[From the Rochester Times-Union, Mar. 22, 1979]

BROCKPORT PREPARING FOR ITS 150TH BIRTHDAY

(By Lynda Smith)

Brockport will have its cake and eat it, too.

That's only appropriate for a village that has weathered well in the past 150 years.

On April 6, village officials will kick off the 150th anniversary celebration by handing out cake at the First Federal and Lincoln First banks. The comfortable village in northwest Monroe County, about 30 minutes from downtown Rochester, has a lot to congratulate itself for.

It survived a rough canal-town beginning, a roller-coaster population pattern, an attempted merger with the Town of Sweden, a huge influx of college students, and what some say is an alienation from the rest of the county.

Some people don't even realize it's in Monroe County, said David Hale, an English professor at the State University College at Brockport, who has compiled an historical pamphlet about the village.

"I have friends in Brighton and Pittsford who think anything west of the Genesee River is a suburb of Buffalo," Hale said. That's short shrift, considering Brockport once was the wealthiest and second largest village in the county.

The village's history began in the fall of 1882, when a Connecticut Yankee named Hiel Brockway decided to "make a buck" in upstate New York, Hale said. He and some friends bought some land, put up houses and stores and named the settlement Brockport.

They got a boost a year later when the Barge Canal was opened in the village. By 1829, 685 people had moved there, and the village of Brockport was incorporated. Only one other village in the county, Rochester, was incorporated then.

The rough-and-tumble village, site of one of seven canal toll stations, became known as "Little Hell."

Grain, fruit and vegetable farmers soon established the community as a major agricultural market point. They brought their produce there to be transported to mills and markets in Rochester.

In 1845, Brockport's big business began: the manufacturing of harvesters and reapers. Congressman Elias B. Holmes introduced Cyrus McCormick to Brockport to build reapers, which led to the establishment of the Johnston Harvester Company and D.S. Morgan Company. Those companies made Brockport, now about 4,000 strong, "one of the wealthiest and most popular communities in the county, outside of Rochester," Hale said.

After the Civil War, Brockport flourished. Wealthy businessmen built palatial stone homes along Main Street between the canal and the railroad tracks. Still maintained, they give Brockport a bygone-era atmosphere, despite the heavy influence of the college.

Its halycon days were short-lived, however. A fire in the 1880s destroyed the Johnston Harvester Co., the biggest factory in town. It was rebuilt in Batavia, and took with it hundreds of employees. The village suffered a second blow when the Morgan company went out of business a few years later.

By 1920, only 2,000 people lived in Brockport. It didn't begin to grow again until after World War II. General Electric located a housewares division in the village in 1949, and the Owens-Illinois bottle plant moved there in 1961.

The college, on the western edge of the village, also flourished in the 1960s. What had been a prep school, a state normal school and a teachers college was turned into a liberal arts college.

The influx of teachers, students and other employees made the village the fastest growing area in the state from 1970 to 1973, with about 12,000 residents, according to the U.S. Census Bureau. In 1975, almost 12,000 students were enrolled at the college. Now, the village's population is about 10,000 and the college's enrollment is 9,800.

The extra tax burden the college students brought because of increased fire protection and other services prompted talk of a merger with the Town of Sweden in 1974. The village ultimately resisted, however, choosing instead to hold on to its identity.

That was typical of the village, Hale said. Its long continuity of institutions, such as the 147-year-old fire department and 100-year-old library, have helped give the village "a strong sense of pride in local identity," Hale said.●

THE INFANT FORMULA CONTROVERSY

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. DELLUMS. Mr. Speaker, many of my colleagues have lately been receiving mail from their constituents concerning the promotion and marketing of infant formula in developing countries, where use of infant formula has shown to result in widespread malnutrition, disease, and death among infants whose parents live in poverty. Since not many of us are familiar with the roots of this controversy and some of its recent developments, I am here providing a chronology of the issue in the hopes that familiarity will breed contempt of the unethical promotion practices that lead to this tragedy:

CHRONOLOGY—THE INFANT FORMULA CONTROVERSY

DANGERS OF BOTTLE FEEDING IN THE THIRD WORLD BECOME KNOWN

The early 1970's

A few voices (primarily in professional journals and at medical congresses) warn against the advance of the bottle and the danger of advertising campaigns by milk firms in the Third World.

In a widely discussed article entitled *Commerciogenic Malnutrition?*, Dr. Derrick B. Jelliffe, a well-known expert on infant nutrition, denounces the promotional activities of the baby formula companies and invites them to "dialogue." The aim is voluntary restriction of their activities.

EXPERTS INCREASE CRITICISM, COMPANIES INCREASE PROMOTION

The mid-1970's

This "dialogue" drags on for several years and leads mainly to unfulfilled declarations of intent on the part of the milk companies. At the same time, they considerably increase their promotional activities.

Simultaneously, criticism within professional circles increases; it is reflected by a flood of publication whose tone grows sharper and sharper.

U.N. AGENCY WARNS AGAINST PROMOTION OF INFANT FORMULA FOR "VULNERABLE GROUPS"

July 18, 1972

The Protein Calorie Group (PAG) of the United Nations issues a statement (No. 23) that emphasizes "the critical importance of breast feeding under the socio-cultural and economic conditions that prevail in many developing countries."

BRITISH GROUP PUBLISHES SHOCKING REPORT

February 1974

The Baby Killer, a report on infant malnutrition and promotion of artificial feeding practices in the Third World, is released by War on Want.

WORLD HEALTH ASSEMBLY TAKES ACTION

May 23, 1974

The Twenty-Seventh World Health Assembly (WHO) passes resolutions strongly recommending the encouragement of breastfeeding as "the ideal feeding in order to promote harmonious physical and mental development of children." WHO calls for countries to "review sales and promotion activities on baby foods and to introduce appropriate remedial measures, including advertisement codes and legislation where necessary."

NESTLÉ SUES

June 1974

In Berne, Nestlé brings penal charges against the Third World Action Group for defamation.

CONSUMERS UNION SPONSORS INVESTIGATIVE STUDY

September 1974

A study funded by the Consumers Union provides further evidence on the dangers of breastmilk substitutes. The report called "Formula for Malnutrition," is published in Robert J. Ledogar's *Hungry for Profit*.

U.S. CHURCH GROUPS BEGIN TO ACT AGAINST AMERICAN MULTINATIONALS PRODUCING BREAST MILK SUBSTITUTES

Winter 1974

The Interfaith Center on Corporate Responsibility (ICCR), the sponsor-related movement of the National Council of Churches which analyzes the social performances of major U.S. corporations, begins its own investigation of infant formula abuse in the Third World. In December, ICCR member groups file shareholder resolutions with U.S. formula companies, requesting information on sales and promotional practices.

INSTITUTIONAL INVESTORS ARE SYMPATHETIC TO ACTION OF THE INTERFAITH CENTER ON CORPORATE RESPONSIBILITY MEMBERS

April 1975

The Ford Foundation joins with other shareholders in support of a church-sponsored resolution calling for a report on sales and promotional practices of Bristol-Myers.

Dr. John Knowles, president of the Rockefeller Foundation, writes to Mr. Gavin K. MacBain, chairman of Bristol-Myers, pointing out the hazards of infant formula use in less developed countries (LDC's). He states: "It is a misconception to visualize the use of such preparations in LDC's as in any way comparable to the feeding of middle class infants in this country." The letter concludes with a request for the "publication of all relevant information to the outer limits permitted by competitive consideration."

BRISTOL-MYERS ISSUES A REPORT ON ITS MARKETING PRACTICES

August 7, 1975

In response to increasing pressure, Bristol-Myers issues a 19-page report entitled, "The Infant Formula Marketing Practices of Bristol-Myers Company in Countries Outside the United States."

MEETING TO CHALLENGE THE ACCURACY OF THE REPORT ISSUED BY BRISTOL-MYERS

Winter 1975

Over 20 church representatives are joined by staff members of the Rockefeller and Ford Foundations in a meeting with Bristol-Myers management.

Key sections of their report are challenged; advertisements of Enfamil and OLAC in Jamaica and Barbados are presented to the company representatives in response to the company's claim that they do no mass media advertising.

FORMULA COMPANIES CREATE INTERNATIONAL COUNCIL TO COUNTER INCREASINGLY BAD PUBLICITY REGARDING THEIR ACTIVITIES

A number of large baby milk companies, led by Nestle', form the International Council of Infant Food Industries (ICIFI). ICIFI finally announces plans to implement the self-restrictions demanded by the U.N.'s Protein-Calorie Advisory Group (PAG). Two days before the Nestle' case opens, after five years of delaying tactics, ICIFI proclaims the publication of a "Code of Ethics" for formula promotion. The code is released two days after the Nestle' hearing ends, despite the fact that even membership in the Council has not yet been settled. The text of the "Code" is so vague and meaningless that it is disputed even within the baby foods industry. Abbott and Bristol-Myers, two of the largest formula marketers, refuse to join ICIFI. Two months later, the PAG releases an internal document highly critical of ICIFI's "Code."

CHURCH GROUPS REFILE PROXY RESOLUTION WITH BRISTOL-MYERS ASKING FOR CORRECTION OF "MISSTATEMENTS"

December 1975

ICCR member groups file a 1976 resolution with Bristol-Myers which requests the correction of the Company's August 1975 report. The resolution states: "Several doctors as well as lay specialists have indicated that the report distorted important facts concerning the sales and promotion of Bristol-Myers formulas."

GERMAN GROUP INITIATES INFANT FORMULA CAMPAIGN

January 1976

The Action Group for Social Economic Problems (ASOP) of Cologne, West Germany, begins a campaign against the formula promotion practices of Nestle'. In the months that follow, the German Nestle' Company repeatedly harasses the efforts of ASOP.

SECOND HEARING IN NESTLE' CASE

February 1976

At the request of the Third World Action Group, the British nutritionist Professor Derrick B. Jelliffe, gives evidence lasting three hours.

BRISTOL-MYERS ISSUES PROXY STATEMENT

March 1976

Church groups and other ICCR supporters are shocked to discover that Bristol-Myers claims, in its 1976 proxy statement, that it has been "totally responsive to the concerns (of ICCR members) in the 1975 and 1976 resolutions." The company also claims "infant formula products are neither intended, nor promoted for private purchase where chronic poverty or ignorance could lead to product misuse or harmful effects." Feeling sure this is grossly inaccurate, the Sisters of the Precious Blood, ICCR members and cofilers of the 1976 resolution, seek legal counsel.

AFTER A WEEK OF INTENSE NEGOTIATIONS WHICH FAIL, THE SISTERS OF THE PRECIOUS BLOOD FILE LAWSUIT

April 14, 1976

Bristol-Myers is charged with making "misstatements" in its proxy, i.e. breaking a U.S. Federal Law. The suit argues that the Company's allegedly false and misleading statements were aimed at defeating the Sisters' proxy resolution. The suit calls for "a resolicitation of proxy vote, free from the taint of fraud."

NESTLE' LAWSUIT SETTLED

June 1976

Nestle' drops three of the four libel charges on the day before the verdict is announced. The judge then rules on the remaining charge regarding the title of the Third World Action Group's booklet "Nestle' Kills Babies," saying that since it cannot be shown that Nestle' directly kills infants—the mother who prepares the formula is a third party intermediary—the title must be considered libelous. But the judge also says, "This verdict is no acquittal," serves the Action Group with minimal fines and calls on Nestle' to "fundamentally rethink" its advertising policies. The Group celebrates a major victory.

THE UNITED STATES CONGRESS BEGINS LEGISLATIVE ACTION

August 26, 1976

Twenty-nine members of Congress, led by Representative Michael Harrington of Massachusetts, co-sponsor a resolution calling for an investigation of the United States formula companies and calling upon A.I.D. to develop a nutrition education component in relation to breast-feeding.

EXTENSIVE EVIDENCE OF FORMULA ABUSE PRESENTED IN THE SISTERS' LAWSUIT

October 1976

The Sisters of the Precious Blood submit massive documentation in the U.S. Federal District Court, documenting their charge that Bristol-Myers lied in its proxy statement to shareholders. The company claims, for example, that it did not sell where there was "chronic poverty." Affidavits from more than 15 Third World countries prove that Bristol-Myers formulas are readily available to poor people from the barrios of Santo Domingo to the squatters' camps of Kuala Lumpur. In Haiti, investigators found can labels in English and Spanish despite the fact that literate mothers there read French and Creole.

Affidavits from the Philippines include charges that the company engages in unethical practices aimed at inducing doctors and hospitals to use Bristol-Myers' products exclusively. A local company representative denies such practices.

STOCKHOLDERS FILE NEW RESOLUTIONS WITH U.S. MULTINATIONALS

December 1976–January 1977

Church-related stockholders submit new proxy resolutions to American companies. These resolutions call for specific changes of practices, including the end to widespread free samples, the termination of nurses to distribute baby feeding products, and clear warnings on cans.

CITIZENS ACTION GROUP FORMED IN U.S.

INFACT (Infant Formula Action Coalition) is formed to begin a national campaign aimed at changing the practices of the American companies and the Swiss giant, Nestle'.

BORDEN VOLUNTARILY CURTAILS PROMOTION

February 1977

After church groups file a resolution requesting sales and promotion information, Borden agrees to withdraw all promotion of KLIM milk to infants. Management instructs over-seas operations to clear all KLIM advertising with the home office.

A SECOND COMPANY CHANGES ITS MARKETING PRACTICES

March 1977

Abbott Laboratories agree to numerous policy changes, as well as making seven revisions in their Code of Marketing Ethics. The changes include the elimination of nurses' uniforms being worn by company saleswomen, and an end to the term "Mothercraft Nurses."

JUDGE DISMISSES BRISTOL-MYERS LAWSUIT

May 1977

U.S. District Court Judge Milton Pollack rules in favor of Bristol-Myers' request for a dismissal of the suit. In dismissing it, the judge declines to rule on the accuracy of Bristol-Myers' proxy statement, saying the Sisters were not caused "irreparable harm" by the statement. The text of the decision implies that since a shareholder resolution is "precatory," i.e., not binding on management, it isn't relevant whether a company fails to tell the truth in responding to a shareholder proposal.

SISTERS PLAN TO APPEAL THE JUDGE'S DECISION

The Sisters of the Precious Blood announce their decision to appeal Pollack's dismissal of the lawsuit. They state that the ruling. "does not address the merits of the charges and makes a mockery of Securities and Exchange Commission laws requiring truth in corporate proxy statements." The Sisters ask other church and institutional investors to join the appeal by filing Friend of the Court briefs. The S.E.C. agrees to submit such a brief if the Sisters go ahead with the appeal.

MINNESOTA IN FACT CALLS FOR NESTLE BOYCOTT

July 4, 1977

Believing that Nestle' has not responded sufficiently to pressure from critics, the Minnesota chapter of INFACT initiates a boycott of Nestle's products, making the following demands:

1. Immediately stop all promotion of Nestle' artificial formula.
2. Stop mass media advertising of formula.
3. Stop distribution of free samples to hospitals, clinics, and homes of newborn.
4. Discontinue Nestle' milk nurses.
5. Stop promotion through the medical profession.
6. Artificial formula should be prevented from getting into the hands of people who do not have the means or facilities to use them safely.

Other INFACT members join the boycott. INFACT publishes its first newsletter announcing the boycott and further publicizing the issue.

CONGRESS ACTS ON BABY FEEDING PRACTICES

July 1977

An amendment to the International Development and Food Assistance Act of 1977, introduced by Rep. Michael Harrington, urges the President, through U.S. A.I.D., to develop a "strategy for programs of nutrition and health improvements for mothers and children, including breast-feeding."

The report accompanying the House version of the amendment states that "businesses involved in the manufacture, marketing or sale of infant formula have a responsibility to conduct their over-seas activities in ways which do not have adverse effects on the nutritional health of people of developing nations."

SISTERS BEGIN NEW ROUND OF NEGOTIATIONS WITH BRISTOL-MYERS

September 1977

Under pressure from the appellate court, the Sisters again enter into negotiations with Bristol-Myers in order to reach a satisfactory out-of-court settlement. The Sisters seek changes in corporate practices and an accurate report on Bristol-Myers' formula promotion in the Third World. Plans for the appeal continue, however, in case negotiations break down.

MAJOR MEDIA COVER BABY FORMULA CONTROVERSY

November–December 1977

In November, the Canadian Broadcasting Corporation airs a new documentary *The Formula Factor*, filmed in Jamaica. The film exposes violations of government policy by formula companies and explores the attempts made by Jamaican health workers and government agencies to control the problem of bottle feeding. U.S. distribution of the film is planned.

Mother Jones magazine carries a major article in its December issue which draws nationwide attention to the bottle baby problem. The article follows an August *Mother Jones* advertisement announcing the Nestle' Boycott.

MINNESOTA'S MAJOR POLITICAL PARTY ENDORSES NESTLE' BOYCOTT

December 17, 1977

The Democratic Farmer-Labor Party adopts a resolution calling for a boycott of Nestle' products. The DFL also sends letters to the American formula companies urging them to restrict their formula promotion in the Third World.

Additional shows of support start to flow in, including endorsements from Ralph Nader, Dr. Derrick Jelliffe, numerous state and local church agencies, and many others.

BRISTOL-MYERS LAWSUIT SETTLED OUT OF COURT

January 1978

After several months of negotiations, Bristol-Myers agrees to send a report to its stockholders which includes Third World evidence gathered by the Sisters of the Precious Blood. The Sisters' documentation details the sale of Bristol-Myers formula in poverty areas and describes the medical problems thus caused. Bristol-Myers also agrees to halt the use of *all* consumer-oriented advertising and to withdraw its milk nurses from Jamaica where they have violated government health regulations.

The Sisters agree to withdraw their appeal of the May 1977 summary judgment. The settlement closely follows the Securities and Exchange Commission's filing of a Friend of the Court brief which supports the Sisters' request for stockholder rights.

Church groups file new resolutions with American Home Products and Carnation.

THE BOYCOTT GROWS: NESTLE' REACTS WITH NEW ROUND OF MEETINGS

February 1978

Nestle', feeling the pressure of the Boycott, initiates a second round of discussions with critics. On February 14th, Nestle' meets in New York City with representatives of Clergy and Laity Concerned, Church Women United and several medical professionals. Five days later in Chicago, the INFACT Midwest Policy Council sits down with the U.S. and Swiss Nestle' officials. Nestle' calls the Boycott "an irrational action;" INFACT, CALC and CWU stress that the Boycott will continue to grow until Nestle' makes substantial policy changes.

CHURCHES WAGE PROXY FIGHT WITH AMERICAN HOME PRODUCTS

March 1978

In an attempt to pressure American Home Products to change its promotion practices, church groups solicit the support of institutional investors. The proxy statement, prepared by ICCR and filed with the SEC, documents the criticized promotion strategies. Bottle-feeding action groups around the country contact local AHP shareholders, such as universities and pension funds requesting their support.

AHP REVIEW COMMITTEE RECEIVES STRONG STOCKHOLDER SUPPORT

April 26, 1978

A stockholder resolution filed with American Home Products by ICCR members requesting an infant formula review committee receives 5.28 percent of the vote, strong display of dissent with management. Institutions favoring the resolution include the Ford and Rockefeller Foundations, Harvard University, the Minnesota State Board of Investments and the General Life Insurance Company.

U.S. SENATE HOLDS HEARINGS ON FORMULA PROMOTION

May 23, 1978

The U.S. Senate Subcommittee on Health and Scientific Research, chaired by Sen. Edward Kennedy (D, MA), hears testimony on the infant formula problem from Third World health professionals, church representatives, international medical and marketing authorities and industry officials. Third World doctors and nurses describe the detrimental impact of formula promotion and use in their countries, and church representatives note the industry's inadequate response to criticism. Company officials deny responsibility for socioeconomic conditions in the Third World, but admit that they have no evidence for their claims that formula is used only by the well-to-do.

Dr. James Post of Boston University observes "For eight years, the industry critics have borne the burden of proving that commercial marketing practices were actually contributing to infant malnutrition and morbidity . . . From this time forward, the sellers of infant formula must bear the burden of proving that their products . . . actually serve a public purpose in the developing world.

WORLD HEALTH ASSEMBLY RESOLVES TO SUPPORT BREASTFEEDING

May 24, 1978

The 31st World Health Assembly overwhelmingly passes a resolution recognizing breastfeeding as "the safest and most appropriate way to feed infants" during the first months of life. High priority is given to breastfeeding promotion programs and regulation of "inappropriate sales promotion of infant foods."

CBS REPORTS AIRS FORMULA DOCUMENTARY

July 5, 1978

Over 9 million people view "Into the Mouths of Babes," Bill Moyers' half-hour documentary which focuses on health problems caused by formula use in the Dominican Republic. Moyers also reveals a kickback scheme involving the formula companies paying a percentage of formula sales revenues to the Dominican Medical Association.

INVESTIGATORS UNCOVER VIOLATIONS OF BRISTOL-MYERS MILK NURSE POLICY

July 1978

A Bristol-Myers milk nurse pays a home visit to a Singapore mother in July in clear violation of BM's May 23rd Senate testimony that "all of our mothers craft nurses have been discontinued." In the Philippines, an ICCR investigator discovers that 8 or 9 "milk nurses" discontinued by BM were immediately rehired as "medical representatives" to promote formula to the medical professionals.

NUTRITIONISTS CALL FOR END TO NESTLE PROMOTION

August 27–September 1, 1978

Over 200 prominent nutritionists at the 11th International Congress of Nutrition in Rio de Janeiro, Brazil, sign a petition urging that Nestle immediately "discontinue all promotion of milk formulas for the use of children below the weaning age . . ." The Brazilian press also reports that U.S. nutritionist is detained by the Brazilian police for circulating the petition. A *Brazil Herald* editorial notes that "such an occurrence demonstrates little attention to the rights of persons. What (the nutritionist) did was not illegal; illegal was her arrest."

W.H.O. AGREES TO SPONSOR INFANT FORMULA MEETING

September 1978

Acting on a request from Sen. Edward Kennedy, the Director General of the World Health Organization announces that the WHO will sponsor a meeting on infant formula promotion, marketing and use. Nutrition experts, Third World officials, industry representatives and industry critics will attend. ICCR, INFACT and other industry critics welcome the meeting as a sign of the impact of public pressure, but recognize the limitations of such meeting since similar symposia held after 1970 have had little effect on corporate practices.

N.C.C. OVERWHELMINGLY ENDORSES NESTLE BOYCOTT

November 3, 1978

The Governing Board of the National Council of Churches endorses the Nestle Boycott by an overwhelming majority. Outgoing President William Thompson had met with various top Nestle officials in July, August and October to discuss Nestle's role in the infant formula problem and concluded that Nestle' had not met the demands of the boycott.

NESTLE HIRES PUBLIC RELATIONS FIRM

November, 1978

Nestle hires Hill & Knowlton, the world's largest public relations firm. Under its tutelage Nestle sends out a 24-page statement to the National Council of Churches plus a cover to nearly every (est. 300,000) pastor/minister in the country. Claire Randall of the NCC responds strongly to Nestle's distortions of the events at the NCC Governing Board meeting.

RESPONSE TO CARTER'S EXPORT PLAN

December, 1978

President Carter receives letters from Members of Congress, Minnesota state elected officers and members of the public urging that he put infant formula on the list of hazardous substances in his proposal to assist American companies in increasing exports.

NESTLE ACCELERATES PUBLIC RELATIONS ATTEMPTS

Winter, 1978–79

Nestle mails PR packets to business & health professionals, academics, Congresspersons and citizens who write in. The company put two fulltime staff on Capitol Hill; their schedules are coordinated by Hill & Knowlton. Nestle's Office of Corporate Responsibility consents to more public debate on the issue as groups across the country set up public forums. Stouffer Corp., in talks with the Greater Cleveland Interchurch Council, ties a possible Boycott endorsement to continuation of a longterm dialog about its minority hiring practices—blackmail. The opening of a Stouffer hotel in Cedar Rapids is picketed by 50 INFACT supporters.

GROCER BOYCOTTS NESTLE; MORE NESTLE VIOLATIONS

January, 1979

A grocer in Duluth, MN, decides that it is not in his best economic interest to restock Nestle products and refuses a delivery of Nestle promotional materials. Boycott supporters educate his customers by extensive leafletting.

INFACT researchers in Central America find many violations of Nestle policy regarding product labels.

They also find new Nestle "weaning soups" at high prices and with similar rehydration problems as infant formula.

BOYCOTT ORGANIZER IS ARRESTED

January 13, 1979

Cynthia Kokis of Eugene OR, CALC is arrested for distributing Boycott literature during an International Year of the Child exhibit at a shopping mall. The pretext for her arrest is that her material is political—yet other groups with political pamphlets on display are not asked to leave.

BOTTLE BABIES ON PUBLIC TELEVISION

February 12, 1979

WCDB, public TV in Maine, airs *Bottle Babies* as part of a series on controversial issues which have received inadequate national attention. The infant formula controversy is No. 2 on a list of 10 such issues according to the *Christian Science Monitor* and the *Washintgon Post*. Bill Moyers, who wrote the CBS documentary *Into the Mouth of Babes*, comments in an interview that the American formula makers tried to get CBS to quash the report.

CLIP NESTLE QUIK CAMPAIGN STARTS

April 26, 1979

The Clip Nestle Quik Lenten campaign begins successfully with Nestle already cutting down on their coupon specials in all parts of the country. The CNQ campaign culminates during INFACT Week, April 19–26, with local celebrations. Trucks carrying coupons, letters, banners, etc., converge on Nestle Headquarters in New York after stops in major cities from coast to coast.●

SAN MARINO TRIBUNE'S 50TH ANNIVERSARY

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. ROUSSELOT. Mr. Speaker, today is the golden anniversary of my hometown newspaper, the San Marino Tribune. A special tribute is being paid to this paper which has consistently emphasized the positive side of the news and has taken great pride in reporting those events which would be of special interest to the community in a neighborly and friendly way, always devoting attention to the betterment of the community.

In observing the birthday celebration that has been arranged by the San Marino Historical Society there will be much reminiscing about the times, events, and people connected with this paper of unique and excellent quality. One who will be mentioned with great affection is Herbert H. "Mac" McCormick, who was the San Marino Tribune's editor and publisher for more than 30 years. Mac McCormick passed away on Christmas Day this past year and many of us miss his presence in the community very much. Mac was special to me, as well as to my mother and father, who enjoyed a warm friendship with him for many years.

Mac was especially helpful to me on many occasions. One year my parents gave me a small press and mimeograph machine for Christmas and I recall discussing with him my desire to publish a little weekly neighborhood newspaper one day. From that discussion to more recent ones on politics and world affairs, he always made time available to share thoughts and exchange opinions.

As publisher and editor of his fine newspaper, the San Marino Tribune, which was truly devoted to the progress and prosperity of our city, Mac gave me more back-up and coverage than I probably deserved—and I need not tell my colleagues here today how much news coverage means to a political figure.

I suppose one of the many characteristics which I appreciated so much about Mac was not only his willingness to be an adviser and counselor in many areas of activity, but his giving of practical, solid, commonsense advice—constructive in every way.

When my father passed away in 1967, I relied more and more on Mac to help me think out ideas and suggestions, because he and my father were alike in many ways. Mac provided a tremendous amount of help, assistance and counseling which I would have received from my own dad had he lived longer.

Maurie Jones summarized Mac's life best when he recited the final phrase from The Measure of a Man . . . "Mac fully measured up to the true 'Measure of a Man' . . . as a man."

Finally, I would urge my colleagues to read the following tribute to Mac McCormick which appeared in his paper on January 4, 1979. The mayor of San Marino, Maurice Jones, Jr. has accurately caught the essence of Mac and what he meant to the community of San Marino, Calif.

The article follows:

[From the San Marino Tribune, Jan. 4, 1979]

MAYOR PAYS TRIBUTE TO THE TRIBUNE'S HERBERT MCCORMICK

On December 29, San Marino Community Church held a memorial service for Herbert H. McCormick, the former owner and publisher of the San Marino Tribune who died on Christmas Day. (The following is excerpted from the eulogy delivered by Maurice Jones Jr., mayor of San Marino and long-time friend of Mr. McCormick.)

If it be true that "to live in the hearts of those we love is not to die," then Mac, or "Mr. San Marino" lives on.

Mac was a devoted father, grandfather and shortly before his passing a great-grandfather.

He was a Christian gentleman in all the finest implications of that expression.

He was not only a good citizen but one that worked energetically to help make San Marino better and greater.

During the 33 years he owned and published the Tribune he never abused the "power of the press."

He was honest and fair in his reporting and never tried to smear the character of anyone. He enjoyed giving credit to people for work well done.

Mac was consistent in his attendance at meetings of the School Board and City Council. Having served on both boards I was aware of his great interest in our deliberations. Many times he would express his suggestions and ideas, always in a friendly, constructive way, not at all aggressive or dictatorial. We always gave serious consideration to his remarks. Many times they served as a helpful guide to us, as we knew he had his fingers on the pulse of the community and had San Marino's best interests and welfare at heart.

He loved young people and encouraged those interested in journalism to write of school activities for publication in the Tribune.

He never failed to support movements, actions, elections and bond issues that, after careful consideration, he sincerely believed were for the welfare of all. I particularly recall how he worked so vigorously and contributed so much to the establishment of our high school and the subsequent bond election which created our Unified School District.

In the last few years, Mac was approached by representatives of chain newspapers that published a number of small papers in various cities and were interested in purchasing the Tribune. He never seriously considered any of their offers. He was interested only in having the paper remain a "home town" newspaper for the benefit of his "home town." A year ago he accomplished his mission and sold it to "home town" people, knowing they would continue in the tradition he established.

I would like to share a verse that I believe is most appropriate, titled "The Measure of a Man." (Author unknown.)

Not—How did he die? But—How did he live?
Not—What did he gain? But—What did he give?
These are the true units to measure the worth of a man as a man, regardless of birth.
Not—What was his station? But—Had he a heart?
And How did he play his God-given part?

Was he ever ready with a word of good cheer?
To bring back a smile, to banish a tear?
Not—What was his church? Nor—What was his creed?
But—Had he befriended those really in need?
Not—What did the sketch in the newspaper say?
But—How many were sorry when he passed away?

Mac fully measured up to the true "Measure of a Man" . . . as a man.●

ELIMINATING COMPULSORY OVERTIME

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. CONYERS. Mr. Speaker, on February 1, 1979, I reintroduced the Fair Labor Standards Amendments of 1979 (H.R. 1784) to shorten the workweek to 35 hours, to raise the premium rate for overtime to double-time, and to abolish compulsory overtime.

As the laws exist today, working men and women can be forced to work overtime, whenever and however long it is scheduled by employers. While many workers look forward to overtime work and premium pay, they also deserve to have the responsibility and the liberty to schedule it to fit their own needs and consent to it.

I commend to the attention of my colleagues the following article written by Norman Roth, "Work on the Cheap," which appeared in Labor Today, September 1978.

The article follows:

FORCED OVERTIME—WORK ON THE CHEAP

(By Norman Roth)

In recent years the demand to eliminate forced overtime where it exists and to prevent its spread where it does not, has become a major issue in collective bargaining. A growing number of strikes and job actions (see Brother Gallo's report in this issue) have supported this demand as workers in industry after industry have rebelled against a nationwide campaign to lengthen the work week.

Employers have always resisted the demand to reduce the hours of labor. Some of the bloodiest battles in the history of the U.S. labor movement were fought to establish the 12-hour day, then the 10-hour day and, finally, the 8-hour day, 40-hour week.

HOW IT WORKS

Economic sanctions—the enforced payment of a penalty for overtime work—have been the primary method used to limit overtime hours. The rationale has been to "hit" 'em in the pocketbook" with increased cost of overtime serving an incentive for employers to hire new workers. Thus, the 40-hour week was effectively established by Section 7 of the Fair Labor Standards Act with its mandate of a time-and-one-half premium on all hours in excess of 40 hours in a given week. The other overtime penalties (such as payment for hours in excess of a standard set for a work day, overtime payment for Saturday or Sunday or for certain holidays) are not required by law. They are the result of collective bargaining campaigns built on this basic provision of federal law.

In the years immediately following enactment of the Fair Labor Standards Act, a time-and-one-half penalty, backed by aggressive campaigns to ban *any* overtime, served to limit the work week to the standard set by the FLSA. However, the 8-hour day, 40-hour week standard has since been eroded. A concerted campaign of forced overtime has resulted in lengthening the work week for many workers—*organized* as well as unorganized—to 50–60 and even 84 hours.

TIME-AND-A-HALF NOT ENOUGH

Several factors contribute to this, but it all adds up to the fact that in today's world it is often cheaper for an employer to pay all or part of an existing workforce overtime than it is to hire new workers.

To begin with, employer payments of "fringe benefits"—pensions, medical insurance, vacations, holidays—are generally limited to stranght-time hours. Payroll taxes—social security with its present cut-off of $16,500 and unemployment insurance taxes with a much lower cut-off—also encourage overtime.

Then there is the fact that wages and other payroll costs have, over the years, become a smaller and smaller proportion of total production costs. Then there are constant costs that include the plant and machinery, heat and light, the wages and salaries of the office and clerical workforce, and depreciation and property taxes. These are the same week by week regardless of the hours or number of shifts worked by production workers. All of this makes it possible to manufacture products more cheaply by working overtime than during "regular" working hours. Lee Iaccoca, one-time President of Ford Motor Company, once underlined this fact when, in an attempt to justify the auto industry's callous use of forced overtime, complained that it "costs too damn much money to let those plants sit idle."

THERE'RE JOBS IN ALL THAT OVERTIME

The length of the work week has grown over the years. In the 10-year period between 1956 and 1965, the average overtime hours per week for the month of May in each of those years was 2.66 hours. The average for the same month during the 10 years between 1965 and 1975 was 3.38 hours—an increase of more than 25 percent. The trend over the last three years indicates further increases. In May 1976, slightly more than ¼ of all workers employed in the manufacturing industry were working overtime.

Overtime work robs unemployed workers of jobs and also creates serious problems for employed workers—the worst being the fact that more overtime means more injuries.

Statistics from the coal industry show that the rate of disabling accidents increase with the amount of overtime worked each month. Consider the figures for 1974: When no overtime was worked, there were 4.4 injuries per 1,000 workers per month. When 16 hours of overtime were worked, the rate was 5:3 accidents per 1,000 miners and when 32 hours of overtime were put in, the rate was 6.2.

As the economic top wobbles from crisis to crisis, more and more workers are going to join the campaign against compulsory overtime. Hopefully, they will learn from and build upon the experiences of those who are involved in the fight today.●

TRIBUTE TO JOE BARTLETT

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. LONG of Louisiana. Mr. Speaker, it is with much pleasure that I join with my colleagues in congratulating Joe Bartlett on his 37 years of distinguished service as an officer of the House of Representatives.

As page, chief of pages, reading clerk, and finally minority clerk of the House, Joe Bartlett has proven to be an invaluable asset to the operation of this institution. A dedicated public servant and true gentleman, Joe easily won the respect and friendship of Members and staff from both sides of the aisle.

I wish Joe continued success and happiness in his retirement. We shall certainly miss him.●

PARTICIPATION BY THE STATE UNIVERSITY OF NEW YORK AT POTSDAM'S CRANE SCHOOL OF MUSIC IN THE 1980 WINTER OLYMPIC GAMES

HON. ROBERT C. McEWEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. McEWEN. Mr. Speaker, it is my pleasure to inform you that the Lake Placid Olympic Organizing Committee has selected the world-renowned Crane School of Music at the State University of New York at Potsdam to provide the ceremonial music for the 1980 winter games at Lake Placid, N.Y.

Approximately 600 members of the Crane student body will be involved in providing ceremonial music for the opening and closing ceremonies of the 1980 Olympic Games. In addition, student ensembles will provide music for awards ceremonies to be conducted at the close of each day's events from February 13 through February 24, 1980.

I am most pleased that this outstanding school of music will have a direct role in the 1980 Winter Olympics because their talented performers will contribute to the success of these games, and this opportunity will provide an unusual educational experience for both the faculty and the students at the Crane School.

Music will be provided for the 20-minute parade of nations and the Olympic flag ceremony, as well as the transfer of flags, the lighting of the flame, the Olympic prayer and recessional.

During the closing ceremonies, Crane musicians will perform fanfares, the anthems of Greece, the United States, and Yugoslavia and the awards processional.

Original music will be composed by Crane School composers and performed as a farewell to the Olympics, and Crane musicians will provide music for the dying of the flame and closing music.

At the evening awards ceremonies on each of the 11 days, Crane ensembles will perform fanfares and national anthems of each award recipient.

Four members of the Crane School of Music composition faculty—Dr. Robert Washburn, Dr. Arthur Frackenpohl, Elliot Del Borgo, and Dr. William Maul—are preparing original compositions for the Olympics. Student composers have been invited to submit compositions for consideration.

The Crane School is the oldest in the country for the preparation of school music teachers.●

THE APPALACHIAN TRAIL

HON. BEVERLY B. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mrs. BYRON. Mr. Speaker, the Appalachian Trail is the longest and most famous hiking trail in the world. It is a treasured national resource, stretching more than 2,000 miles from Maine to Georgia. Congress recognized this when it passed Public Law 95-248 last year. This legislation will enable the Federal Government to insure that the trail is protected from the adverse effects of development and incompatible land use. This legislation was necessary to guarantee that the trail remains a continuous national trail and is not broken into a series of unconnected segments, because of the pressures of developments in many local areas.

One of the most remarkable facts about the Appalachian Trail is that it was built and is maintained by dedicated volunteers. These private citizens are performing a great service to our Nation—at no cost to the taxpayers. A great deal of credit should be given to the Appalachian Trail Conference, its 12,500 members, and the approximately 50,000 people who are members of the 59 trail clubs that are affiliated with the Appalachian Trail Conference.

One of these clubs is the Potomac Appalachian Trail Club, which is located in Washington, D.C., and has the responsibility for maintaining trails in Maryland, Virginia, and West Virginia. The February issue of the PATC Trailetter contained a short summary of some of the activities of PATC members in performing their valuable public services on area trails. I would like to insert this summary in the RECORD at this time to share with my colleagues and the other readers of the RECORD an appreciation for the extraordinary efforts of thousands of remarkable people who devote their time and effort to working on trails throughout the country:

TOP TRAIL STORIES OF 1978

PATC's work crews pulled out all the stops in 1978 and turned in a record-smashing 14,297 hours of volunteer trail work.

The volunteers started out angry in the early winter months, when 30 inches of snow blanketed the Blue Ridge Mountains and 36 inches covered Great North Mountain, blocking access to the Club's mountain trailways. The snow held sway for more than three months, as the trail workers sought work projects at lower elevations. One trip was cancelled, but Arthur Froe's roughhouse gang assembled anyway and trekked off to the Sugarloaf Mountains, where they slogged happily through deep snow.

The weather broke in late March but hit again with devastating impact on Easter Sunday, when a 5-inch coating of ice in some areas brought down giant trees and branches that slammed across the foot trails. Thirteen miles of the Appalachian Trail were shut down for several weeks in the aftermath of the storm. Several trails were also closed in George Washington National Forest.

Volunteers under Warren Sharp, Bill Divine, Eric Schmierer, and Mark Cunningham struggled to get the AT open, only to be set back when a second storm hit, obliterating what remained of the trail. Then heavy rains battered the Blue Ridge Mountains, and a profusion of spring growth turned parts of the Appalachian Trail into an impenetrable jungle.

Work crews labored more than 2,000 hours to recut the trailways north of the park and throughout George Washington National Forest. Jake Haun spent 36 hours just clearing a route to get to his Mill Mountain Trail. The national forest volunteers worked hard for several weeks to clear the trails and were awarded a certificate of apprecaition by the U.S. Forest Service. Credit went to Tom Gregory, Bob Davis, Beverly McCarthy, Bernard Kaufman, Julie Hildbold, Herbert Parker, Dave Seifert, Harry Clauss, Sandy and Kathy MacNab, Bob King, Jim and Molly Denton, Jim Richmond, Bob Riemann, John Gruber, Jacob Haun, John Miller, and Dave and Grace Brownlie and a host of helpers including Jed Tucker, Jack Kiernan, and Elizabeth Johnston.

After the trails were cleared, PATC's volunteers set to work on other projects and scored impressive results. The trail workers:

Scouted new corridors for several relocations of the Appalachian Trail.

Completed relocations of the AT at Rockfish Gap, the Loudoun Heights, Lambs Knoll, and the Micheaux Forest.

Started relocations at Mosby Shelter and Jarman Gap.

Completed the new trail system on National Childrens Island.

Renovated trails at Watercup Creek and in the north section of Shenandoah National Park.

Extended the Big Blue Trail in the Great North and Pinnacle Mountain ranges and completed the north terminous of the trail.

Opened 10 more miles of foot trails in metropolitan Rock Creek Park.

Opened the new 5½ mile Northern Peaks Trail in the Sugarloaf Mountains of suburban Maryland.

Opened the new 4 mile Pond Mountain Trail in Piedmont Virginia.

Relocated and improved the Grant Conway National Historical Trail near Harpers Ferry.

Extended the new Catoctin Trail several mils across Cunningham Falls State Park in Maryland.

Scouted new trail locations in the Cabin John Stream Valley of Montgomery County, Maryland; the Bull Run-Lake Occoquan area of Fairfax County, Virginia; and Shenandoah National Park.

Maintained over 600 miles of exsiting trails.●

HUMAN LIFE CONSTITUTIONAL AMENDMENT

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. MAZZOLI. Mr. Speaker, I am introducing—for the purpose of discussion and deliberation—the following human life constitutional amendment:

JOINT RESOLUTION

Proposing an amendment to the Constitution of the United States guaranteeing the right of life to the unborn

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution only if ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress—

"ARTICLE XXVII"

"The paramount right to life is vested in each human being from the moment of fertilization without regard to age, health, or condition of dependency."

Congress should have before it the widest possible range of constitutional proposals to protect the lives of the unborn and to insure them their full constitutional safeguards.

I believe hearings should be held expeditiously in the House Judiciary Subcommittee on Civil and Constitutional Rights on this and all other proposed human life constitutional amendments.●

ROSE TOGLIATTI MAMMINI CITIZEN OF THE YEAR

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. MINETA. Mr. Speaker, I rise today to salute a constituent of mine, Mrs. Rose Togliatti Mammini, who has been chosen "Citizen of the Year" by the Morgan Hill Chamber of Commerce. Rose's life is a model of civic concern and involvement, and this recognition by the Morgan Hill community is an expression of the high regard and sincere appreciation members of the community have for her work. I was proud to be among Rose's friends, neighbors, and associates on March 24, 1979, when she was presented with this award.

Rose Mammini has been a resident of the San Martin area for the past 58 years. During this time she has given generously of her time and her energy to civic activities and helping individuals in need. When her children were in school, Rose was very active in the San Martin Parent Teachers Association, chairing many committees and serving as PTA president. She was also den mother for the Cub Scouts and a 4-H Club leader for two generations. A member of the Wheeler Hospital Auxiliary, she served as buyer and staffer for the hospital's gift shop and was elected auxiliary president in 1969. For her thousands of hours of voluntary service to the hospital, she was honored with life membership in the auxiliary.

Rose is widely considered a "guardian angel" to many elderly persons in San Martin, providing transportation and assisting them with shopping and procurement of medical care. When a local senior citizen's home burned, Rose provided food and shelter. She visits the Driftwood Convalescent Home regularly to assist an invalid patient with personal and business needs.

Rose has been president of the United Order of Druids, the Italian Mothers Club, and the Sons of Italy. Currently, she is president of the Gilroy Veterans of Foreign Wars Auxiliary. In addition, Rose has chaired drives for the Cancer Society, the Heart Fund, and the March of Dimes.

Mr. Speaker, I ask you and my colleagues to join me today in congratulating Mrs. Rose Mammini and sending her best wishes for 1979 as Morgan Hill Citizen of the Year.●

COMMUNITY HOUSING AND ENERGY CONSERVATION CONFERENCE PROMOTES ENERGY SAVINGS AT THE GRASSROOTS

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. BARNES. Mr. Speaker, the continuing energy crisis facing this country today demands new and imaginative measures to focus the attention of the American people on the urgent need for energy conservation. We need to develop programs of outreach and education in conservation techniques and programs that are understandable to community organizations and the general public. Only in this way can we overcome the reluctance of many Americans to face the need for conservation and put to rest the widespread misconception that it is a complex matter beyond the abilities of the average citizen.

Fortunately, Mr. Speaker, the Federal Government and community organizations have joined forces to demonstrate the efficacy of energy conservation programs and encourage greater awareness of Federal programs which can provide assistance at the local level. On March 20, 1979, the U.S. Department of Housing and Urban Development and the Council of Jewish Federations cosponsored, with the Department of Energy, a special Conference on Community Housing and Energy Conservation at Congregation Tifereth Israel in Washington, D.C. It had originally been scheduled for February 19 at the Jewish Community Center of Greater Washington, located in Rockville, Md., but had to be canceled because of the blizzard which occurred that day. But despite the postponement, more than 450 representatives of neighborhood-based organizations, churches, and synagogues spent a full day in classroom settings learning how to teach energy conservation to their memberships.

My office, along with 11 other House and Senate offices, was represented during the daylong program. The reports I have received about the conference convince me that the executive branch and the Congress should increase their support for this kind of grassroots activity. I want to congratulate Geno Baroni, Assistant Secretary for Neighborhoods, Voluntary Associations, and Consumer Protection at the Department of Housing and Urban Development, the Council of Jewish Federations and many neighborhood groups for initiating this vital outreach program and taking some of the confusion out of public perceptions of energy conservation. The conference succeeded in putting caulking guns and other energy-saving tools in the hands of ordinary citizens and showing them they can do it themselves.

I was pleased to see the strong support given to the conference by the White House. Esther Peterson, Special Assistant to President Carter for Consumer Affairs, assisted in planning the conference and addressed participants in the opening session. I would hope that President Carter, in his address to the Nation tonight on energy policy, would emphasize the need for outreach programs of this kind and encourage them in other parts of the country. The increased public awareness such an effort would generate would go a long way toward reducing spiraling energy costs and making the United States less dependent on foreign energy sources.

DOCUMENTS ON ENERGY CONSERVATION

One of the major projects of the conference was to make available to local communities easily accessible sources of information on energy conservation. Several useful documents were prepared as a result of this effort, and I would hope they will soon be available to Members of Congress and other interested persons for distribution across the country.

First, the Department of Housing and Urban Development has received from the Council of Jewish Federations and its consultants, Rice and de Boinville of Washington, D.C., a unique compilation of all Federal programs relevant to local communities on energy conservation. The document is titled "Compendium of Federal Programs Related to Community Energy Conservation." This is the first time that such information has been made available in readily understandable form in one place. Multiple copies will soon be available from HUD's Office for Neighborhoods, Voluntary Associations, and Consumer Protection.

Second, a bibliography of Federal energy conservation publications was made available for the conference. It places in one document a list of relevant Federal publications available free of charge, for the most part, or at a nominal charge, to anyone who wishes to ask for them. Appropriate order blanks attached to the bibliography would be used to obtain information quickly. I would hope that the bibliography would be made available shortly for general distribution.

Third, a professionally produced 15-minute documentary on the Community Housing and Energy Conservation Conference will be available from Assistant Secretary Baroni's office at HUD. The film, accompanied by a free workbook on energy conservation, would be useful for any group which desires to replicate this important workshop in to own community, congregation, or social service group.

Mr. Speaker, I wish to include in the Record copies of two letters, from President Carter and Vice President Mondale, to Mark E. Talisman, director of the Washington office of the Council of Jewish Federations. I also submit the schedule of the conference, so that Members of the Congress and interested persons around the Nation can see the variety of useful activities which can be accomplished at an event of this kind.

The Community Housing and Energy Conservation Conference will be, I am sure, a tremendous boost to public awareness of energy conservation techniques in my own constituency. I would hope that others can be held soon in other parts of the country, and it is my understanding that plans to do so are moving forward rapidly. I wish again to commend Assistant Secretary Baroni, and to thank the participants from the Department of Energy and all of the concerned locally based community organizations who cooperated to make the conference the great success it was.

The Vice President,
Washington, February 19, 1979.

Mr. Mark E. Talisman,
Director,
Washington Council Office,
Council of Jewish Federation, Inc.,
Washington, D.C.

Dear Mark: I regret that I am unable to be with you at your conference today. But I wish to send you my warmest congratulations on the initiative you and the other participants have taken.

There are few more pressing needs confronting us today than energy conservation—especially during times as uncertain as these. The Council of Jewish Federations has generously taken it upon itself to play an important role in this matter, and I am happy that the Department of Housing and Urban Development is working with you. We have asked federal departments and agencies to work with groups such as yours to bring to the people important information about programs and conservation. And in doing so, we have put our hope in the community leaders across the nation. Judging by the response so far—and by the action that you have taken—we have happily seen that our hope was not misplaced.

Everyone can do his share; you are doing yours, and I wish to congratulate you for it.

Sincerely,

Walter F. Mondale.

The White House,
Washington, April 3, 1979.

Mr. Mark E. Talisman,
Director, Council of Jewish Federations, Inc.,
Washington, D.C.

To Mark Talisman:

I want to congratulate you and all of the organizations involved in the Conference on Community Housing and Energy Conservation.

The teaching of conservation techniques will benefit every household, business and industry. It is my strong hope that local groups across the country will use this conference to initiate their own energy conservation activities.

Sincerely,

Jimmy Carter.

COMMUNITY HOUSING AND ENERGY CONSERVATION CONFERENCE

GENERAL SCHEDULE

8:30 a.m.–9:00 a.m., Registration.

9:00 a.m.–9:30 a.m., Convening General Session.

Speakers

Mark Talisman, Director, Washington Action Office, Council of Jewish Federations.

Father Geno Baroni, Assistant Secretary for Neighborhoods, Voluntary Associations, and Consumer Protection, Department of Housing and Urban Development.

Terry Chisholm, Manager, Washington, D.C. Area Office, Department of Housing and Urban Development.

9:30 a.m.–12:30 p.m., Morning Workshops.

12:30 p.m.–1:30 p.m., Lunch.

1:30 p.m.–4:30 p.m., Afternoon Workshops.

4:30 p.m.–5:00 p.m., Closing General Session.

Speaker

Ms. Omi Walden, Assistant Secretary, Conservation and Solar Applications, Department of Energy (invited).

5:00 p.m.–6:00 p.m., Social Hour.

WORKSHOPS

Four workshops will be simultaneously conducted in the morning between 9:30 a.m.–12:30 p.m.; four will be simultaneously conducted in the afternoon between 1:30 p.m.–4:30 p.m.

WORKSHOP PANELISTS

Federal, State and Local officials will address governmental programs and available resources.

Community leaders will discuss their experiences with energy conservation projects.

EXHIBITS AND DEMONSTRATIONS

Throughout the day, the conference will feature exhibits and demonstrations on housing energy conservation and solar energy. These will include actual applications of specific conservation techniques, including caulking, weatherstripping, and insulation.

WORKSHOP SCHEDULE

Workshops will cover major subtopics (i.e., A, B, C) in the order listed. Each subtopic will be discussed for about one hour, with a short break before the next subtopic presentation.

Morning

9:30–12:30 p.m.—

(1) Energy Conservation in the Home:

A. Weatherization and buying an energy efficient home.—Home buyers guide; in the bank . . . up the chimney; audits; pay back concepts; heat pumps; weatherstripping and caulking; glazing; furnance maintenance, etc.

B. Home insulation.—Materials and application techniques.

C. Financing home insulation and weatherization.—Title I home improvement loans; energy tax credit; mortgage refinancing; residential conservation service.

(2) Weatherization by community groups for low-income households:

A. Program planning and development.—Organization; Department of Energy and Community Services Administration funds for materials; Department of Labor funds for installation personnel.

B. Integration with other programs.— HUD community development block grants and section 312 rehabilitation loans; action; administration on Aging.

C. Examples of community projects.

(3) Consumer protection:

A. False advertising.—Product and Appliance labeling; gasoline octane ratings; enforcement procedures.

B. Insulation hazards.—Cellulose manufacturing standards and proper installation; enforcement procedures.

C. Choosing a contractor.

(4) Energy conservation in schools, churches, and other community institutions:

A. Energy audit of the conference building.

B. Financing energy conservation in community institutions.

C. Conservation ethic and community programs.

Afternoon

1:30–4:30 p.m.—

(5) Conservation in HUD programs:

A. Conservation in HUD-assisted housing.—Public housing weatherization; section 8 rental assistance; section 203(b) and (k) home mortgage insurance.

B. Rehabilitation programs.—Community development block grants; section 312 rehabilitation loans; urban homesteading; section 241 rehabilitation loans.

C. Community projects.

(6) Costly energy projects:

A. Energy education and outreach.—Energy extension service; Community Services Administration crisis intervention; Community Services Administration and Department of Energy weatherization assistance.

B. Appropriate technology.—Alternative energy; Department of Energy small grants; National Center for Appropriate Technology; appropriate community technology fair.

C. Examples of community projects.

(7) Solar heating and cooling:

A. Demonstration programs.—Department of Housing and Urban Development residential program; Department of Energy commercial program.

B. Applications.—Active and passive systems; community groups' use of solar energy.

C. Market development and training.—Education and training: SUEDE, SOLCOST; SOLAR INDEX; consumer protection.

(8) Energy conservation in schools, churches, and other community institutions.

A. Energy audit of the conference building.

B. Financing energy conservation in community institutions.

C. Conservation ethic and community programs.●

SALUTE TO UNION, N.J., HIGH SCHOOL MARCHING BAND

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. RINALDO. Mr. Speaker, it was with the greatest pleasure today that I hosted a reception for the Union High School Band of Union, N.J. This marching band—which I think is one of the finest in the State—arrived in Washington only last evening to participate in the Cherry Blossom Festival and Parade.

This is the first time, in my recollection, that a marching band from the 12th Congressional District of New Jersey has been selected to participate in the Cherry Blossom Parade, and I am all the more pleased that my hometown was so honored.

I would like to point out a very important fact about this trip, because I think it might serve as a lesson to my colleagues and other Federal officials. These young men and women—about 150 altogether—did not use 1 cent of taxpayers' money to make this trip to the Nation's Capital. Instead, they resorted to some of the oldest American virtues: Thrift, hard work, and desire. They raised a total of $32,000 to make this trip a reality, and I think they deserve to be commended for a tremendous job.

The Cherry Blossom Festival is one of the highlights of the spring season in Washington, and the Union High School Band will be at the center of the activity. Over the next few days, they will participate in the Cherry Blossom Parade, as well as in other events. And tomorrow, at 12 noon, they will play on the steps of the Capitol Building.

This is a heartwarming and memorable occason for me, as I know it is for these young men and women, school officials, and their friends and families. It is my pleasure, as well, to commend this excellent high school band, that is truly deserving of the honor of participating in a landmark Washington celebration.●

SALUTE TO SAN MARINO TRIBUNE

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. ROUSSELOT. Mr. Speaker, when it is the vogue for a newspaper to print headlines of what is wrong all over the world, it is refreshing for me to ask my colleagues to join me in honoring a hometown newspaper that has for 50 years only covered those events of interest to the residents of the city of San Marino, Calif. My hometown in the center of the 26th Congressional District of California.

From its founding in 1929, to the celebration of its 50th anniversary, today, Thursday, April 5, 1979, this hometown newspaper has had only four publishers.

Dr. Franklin W. Collins, 69 years of age when he started publishing and editing the Tribune in San Marino, continued to his death in 1943 at the age of 83 to print "only those things which a self-respecting and community-loving paper believes its readers would peruse."

The background of editor-publisher Collins set the tone for the newspaper that continues today. Described as "having a varied and distinguished career as a lawyer, educator, editor, and platform speaker in many commonwealths," Collins, a native of New York, received his doctor of civil law degree from Syracuse University. He was admitted to the bar by the Supreme Court of New York, and later practiced law in the States of Minnesota, Nebraska, and Montana. In his career as a lawyer, he had tried 24 cases before the U.S. Supreme Court. Franklin Collins also served as assistant to the Attorney General in Washington, D.C., and was considered a friend and confidant of President William McKinley. Collins is reported to have debated political questions before the chautauquas of the Central West with William Jennings Bryan.

The attitude Collins brought to the newspaper is exemplified in his introductory announcement carried in the Tribune and directed to its readers, and would hold true even to the present owners:

> He loves Southern California with intensity, and is devoted to its interests. Believes that San Marino is a city deluxe, and will endeavor to make the San Marino Tribune a welcome guest in every home.

His florid writing style, set the stage for the Tribune:

> We want everyone to feel that we belong here and can be counted on to push the car of progress just as far and as fast as the sentiment of the community will justify. We shall sedulously decline to regale our readers with hectic tales that bring heartache to households not a few.

Upon Frank Collins death, his wife, Edith, who held the position of children's editor and business manager, assumed the role of publisher. She sold the Tribune to Herbert H. McCormick in 1946.

A graduate of the Columbia School of Journalism, "Mac" McCormick, in his initial statement wrote:

> We believe the readers of the Tribune get greater interest out of the many things at home than the big things in the metropolitan area. That is why we shall continue to be interested in the local, familiar, personal, neighborly and friendly news at home.

For more than 30 years he followed this policy. He died on Christmas Day, 1978, at the age of 82, having the previous year sold the Tribune to Rice Properties, Inc.

Mrs. Dorothy B. Rice became the fourth publisher of the Tribune. Married to Frank J. Rice, vice president of Bullock's, Mrs. Rice is a graduate of the University of Redlands. She had been an elementary schoolteacher prior to the time she retired to raise their three daughters. A community leader, Dorothy Rice has been president of the San Marino League, a founding member of the San Marino Study Club, and president of a chapter of the American Association of University Women. The Rices have been residents of San Marino for 26 years.

Upon taking over direction of the Tribune, Mrs. Rice stated:

> It is our intent to continue to provide the residents of San Marino with the kind of paper devoted to the betterment of the community. We believe that the Tribune's motto, "Devoted to the progress of prosperity of San Marino," is one worth following.

A residential community, San Marino inhabitants have continued to support "their" hometown newspaper and to give the publisher the lifeblood (advertising) to make it possible to publish a weekly report of the happenings in this fine community.

I ask my colleagues to join with me in saluting the community of San Marino and its newspaper on this 50th anniversary of the founding of the San Marino Tribune.●

CINCINNATI'S HUGHES HIGH SCHOOL GIRLS' BASKETBALL TEAM ADVANCEMENT TO THE CLASS AAA SEMIFINALS

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. LUKEN. Mr. Speaker, I ask my colleagues of the 96th Congress to give recognition to the Hughes High School girls' basketball team of Cincinnati, Ohio, for their superb performance during the 1978–79 athletic season and for their advancing to the Class AAA semifinals in Columbus, Ohio.

Coach Janie Fairall led the Big Red team to an undefeated season. I wish to commend the entire team: Marilyn Banks, Scottie Blye, Vickie Edwards, Lorraine Harris, Kim Hill, Jennifer House, Tina Irons, Pam Logan, Venita Mathis, Lisa Smith, Sandy Smith, Barvenia Wooten, Coach Janie Fairall, Assistant Coach Kim Leahy, Team Manager Vanessa Bullock, Statisticians Helen Hill and Vickie Dugan, and Dr. Lafell Williams, principal of Hughes High School for the outstanding season.

I would also like to recognize team member Barvenia Wooten for being named the United Press International's Class AAA Player of the Year.

The team, their coach, and the entire student body of Hughes High School reflect the pride and honor that the Big Red team has brought to their school and to their city.●

CONGRESSIONAL TESTIMONY BY CARL SABEY OF NIAGARA FALLS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. LAFALCE. Mr. Speaker, on March 21 several of my constituents came to Washington to testify in Congress about problems they have had to confront with respect to hazardous wastes.

Mr. Carl Sabey, president, local No. 12230 of United Steelworkers of America, testified before the House Commerce Subcommittee on Oversight and Investigation to share with Congress and the country the effects the Hyde Park landfill dump has had on him and his fellow workers at the N.L. Industries plant. I would like to share his testimony with you now. It follows:

MARCH 16, 1979.

I have worked for N.L. Ind. on Hyde Park Boulevard in Niagara Falls, New York, going on thirty-one (31) years this October. I started to work in the yard department. I worked in this department for about eight (8) years (from 1948 until 1956).

About 1952, Hooker started a landfill dump just over the fence from N.L. Ind. The northern side of the yard department runs right up to this fence. The yard department is two (2) departments in one known as alloy. This is the yard and furnace room.

The first thing I noticed was they would dump drums into the pit a day or so, then cover them with dirt. Some of these exposed drums would blow up and fly up into the air. We learned later that this happened when some of the drums got wet. After a short time, fumes would come out of the dump and cover the department and many times the plant. Whenever this happened my eyes would water, and my skin would burn. If you could not run away from these fumes, then your throat would burn also.

Whenever the fumes got bad the workers would complain to the office. We were told that the plant called Hooker each time this happened. A short time later, as a rule they would have someone bulldoze dirt over the drums. At times fumes caused work stoppage for short spans of times. At night, it was the same—a call was made then you would wait—at night it took much longer before the fumes were stopped. As to how much of the plant was covered, would depend on the wind. At times, the fumes covered our plant completely.

As time went on, fumes were noticed in an elevator and along the main railroad track a colored and smelly slime formed. The elevator pit not far away and the track right along the fence, the railroad bed has now been replaced, a lot of stone and new ties were put in. There was also the time when our front office was being painted. During the night, the dump emitted fumes causing damage to the fresh paint. The next day the paint looked like it had been burned—it was a mess.

From 1949 on I became involved with union work. At one time or another, I held every office within the local union. Also, I moved into maintenance as a millwright. I state this only as a reference to the fact that I became more aware of the plant.

I do not recall the exact date or year—I know it was the early seventies—I became concerned that something was wrong. To me there seemed to be too many ailments. Respiratory ailments, cancer and heart trouble seemed to be on the increase. For the number of employees, these ailments seemed too high.

My concern was expressed at first to union officers and the membership. These people were in agreement with me. I later expressed this concern to the plant manager while we were having a discussion. I told Dom that these ailments seemed high but I didn't get any sign of concern. I got no reaction of any kind. Unknown to me at the time, the employees and unions to the north of us were also becoming concerned about these things. This came to light at a latter date.

This report brings you up to date as to what happened and our concern. With all due respect, I would ask that if these landfill dumps prove to be the blame, that laws be passed to stop this nightmare. You must do something to make this great country of ours a safe place for our grandchildren and our great great grandchildren. This sir, only you can do.

Sincerely,

CARL SABEY,
President, Local No. 12230,
United Steelworkers of America.●

DAVID G. LIVENGOOD

HON. BEVERLY B. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mrs. BYRON. Mr. Speaker, I would like to take this opportunity to honor the memory of a Garrett County resident and highly respected citizen of Oakland, Md.

Deputy David G. Livengood, the 31-year-old Garrett County deputy sheriff was recently slain during a breaking and entering in Oakland, Md.

Livengood had demonstrated bravery above the call of duty during his years of service to the community and will be sorely missed by all who knew him.

He attended St. Peter's Parochial School in Oakland and was a 1965 graduate of Southern High School and a 1978 graduate of Garrett Community College with an associate of arts degree in law enforcement.

Deputy Livengood served in the Marine Corps from 1964 to 1966, and was a member of the Oakland Police Department for 2 years. He was a member of St. Peter's Catholic Church in Oakland.

I know my colleagues will join me in extending the official sympathies of the House to the family of this unselfish and civic-minded American.●

VANCE BRAND

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. BROWN of Ohio. Mr. Speaker, it is with a great amount of sadness that I must inform the House of the death of Vance Brand, who served on the Board of Directors of the Export-Import Bank and as Managing Director of the Development Loan Fund during the Eisenhower administration. Mr. Brand, 72, died March 29 at his home in Delray Beach, Fla., and was interred April 2 in his hometown, Urbana, Ohio.

Mr. Brand was born in Urbana, Ohio, on September 14, 1906. He was educated at the University of Maryland and George Washington University, where he received his A.B. degree in 1927 and was awarded the LL.B. degree in 1930. The George Washington University honored him in 1960 with its Alumni Achievement Award in Law and International Finance.

Both Mr. Brand and his wife, Katherine, were the children of Members of the House. Mr. Brand's father, Charles Brand, served as Congressman from Ohio's Seventh District from 1923 to 1933. Mrs. Brand's father, Homer Le Grand Lyon, served as a Congressman from North Carolina from 1921 to 1929.

Mr. Brand practiced law in Urbana from 1930 until 1954 when President Eisenhower appointed him to the Board of Directors of the Export-Import Bank of the United States. While practicing in Urbana, he was city solicitor from 1930 through 1946, was president of the Champaign National Bank of Urbana from 1950 to 1954 and general counsel of the Grimes Manufacturing Co., now a division of Midland-Ross Corp.

Prior to his appointment to the Export-Import Bank, Mr. Brand was a member and secretary of the Citizens Advisory Committee of the Senate Banking and Currency Committee and participated in the 1953 delegation which officially visited each South American country.

President Eisenhower, who once wrote that he regarded Mr. Brand with "high esteem" for his "distinguished" Government service, in 1959 appointed Mr. Brand to be Managing Director of the Development Loan Fund, a predecessor of the Agency for International Development. Mr. Brand's Board of Directors of the Fund were the secretaries of State, Treasury, and Commerce and the president and chairman of the Export-Import Bank. Mr. Brand served at the Fund the remainder of the Eisenhower administration.

Mr. Brand's career in international development finance was recognized throughout the world. He was the senior advisor to the American delegation to the Council of the Organization of American States in Bogota, Colombia, in 1960. In 1961 he was awarded the Order of Civil Merit by the Governments of Spain and Chile and an honorary doctor of science degree from Mexico's Universitatis Administrationtio at Monterrey.

Following his retirement from Federal service, Mr. Brand practiced law in Washington, D.C., and Urbana, Ohio, and served on the boards of directors of Koppers Co., Inc., the Champaign National Bank, the Grimes Manufacturing Co., and the Mercy Memorial Hospital of Urbana, Ohio.

He is survived by his wife, Katherine, of the home; a daughter, Louise B. Tyler of Miami; two sons, Joseph of Great Falls, Va., and Charles Vance of Melbourne Beach, Fla., and Urbana, Ohio; and 13 grandchildren.●

NUCLEAR POWER MAY BE SAFEST

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. PAUL. Mr. Speaker, no form of mass energy production is entirely safe, but nuclear power may be the safest we have.

Amongst all the hysteria, the voice of Dr. Michael Novak remains clear and calm. I would like to call his recent article on nuclear energy and the new superstitions surrounding it to my colleagues' attention:

NEW SUPERSTITIONS OF THE NUCLEAR AGE

(By Michael Novak)

The highly reported accident at a nuclear reactors near Harrisburg, Pa., illustrates how superstitious is our age. Vast attention—of a special emotional quality—was paid to an accident in which no one was killed, no one wounded. Yet in the state of Pennsylvania between 1870 and 1950, over 30,000 men died in the mines; for long periods, some men died almost daily. This does not count the scores of thousands who were mutilated.

Like the radiation of nuclear materials, the earth also produces noxious gases, some of them explosive, others merely lethal to human lungs. These, too, the miners braved. Some mines were rocked by fierce explosions; in some, fires sucked all the oxygen from the air, and men suffocated. No source of energy is without a cost in human life.

Yet something special disturbs our imaginations when we think of nuclear energy. We begin to think in eschatological terms. The discussion becomes pseudo-religious.

One of the great mistakes of the generations immediately preceding ours was the notion that, as time went on, religion would recede in importance. Rather, their mistake was not to see that as genuine religion fades, its place is filled, not by reason, but by fads, cults, the occult and superstition. They did not see how nuclear energy—among other things—would evoke new superstitions.

The revival of Islam in Iran is matched by the upsurge of pseudo-religious attacks upon modernity in this country and Western Europe. Nuclear energy exceeds the understanding of most of us. Our knowledge about it is mainly symbolic. We see in it images of mysterious power, images of cataclysm, images not far removed from medieval images of hell: fire and incineration, brimstone and radiation, writhing and lingering pain. Better armed than Savonarola are scientists exhorting us to change our behavior, lest we fall into a nuclear gehenna. Now that preachers seldom warn of the end of the world, professors have taken it up. They talk like medieval frescoes.

The socialist world, meanwhile, the One True Religion, is rapidly increasing its reliance on nuclear-powered energy. The Labor government of Great Britain led the way in establishing a nuclear grid there some 30 years ago, There has not been a single fatality. The Soviet Union continues to build nuclear plants.

The socialists of the West, however, have turned against nuclear energy. Left-wing magazines in Europe and the United States have sponsored demonstrations and reported ominously on the bombings of nuclear facilities. Their purposes appear to be twofold: (1) to prevent the West from having nuclear power in the coming energy crunch; and (2) to make certain, in any event, that private industry is driven from the field of nuclear energy, so that the latter may be wholly under the control of the State.

Every source of energy brings nagging social costs along with its enormous benefits. Without energy for machines, humans are reduced to menial servitude and sentenced to live under severe scarcity. The earth is alive with energy: The interior of the earth is alive with fires that break out from time to time in volcanoes; the sun is a source of nuclear energy; every gallon of the oceans contains more power (from hydrogen) than is contained in a gallon of crude oil. Wood and age-old fossil fuels surround us with an abundance of energy. On this poor earth, energy is more plentiful than air or water or food.

But much of this energy is hostile to human life or, at best, neutral. In all this vast universe, we have as yet discovered no other spot fit for human habitation besides this earth. Despite all the enormous energy loose in the universe, humankind is nourished only—so far as we yet know—on this one small orb.

According to scientific estimates (if I may evoke a phrase of beguiling authority), the risk factor of nuclear energy is far lower than that of any other form of energy. But the superstition factor of nuclear energy is far higher.

The more modern it becomes, the more vulnerable our society becomes to symbolism and image. Popular ignorance is vast. Scientific power exceeds public comprehension. When power exceeds comprehension, an Age of Superstition has begun.

We need to pinch ourselves, to remind ourselves to be rational and pragmatic. The fate of the world without nuclear energy is likely to be grim. Those who stoke the fires of superstition, while increasing the power of the state, are toying with deadly realities well known to history.●

TRIBUTE TO JOE BARTLETT

HON. RICHARD C. WHITE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. WHITE. Mr. Speaker, over the years that I have been in Congress I have had a friend who has consistently demonstrated an unpretentious and unselfish friendship first established on the common bond of service in the Marine Corps. When there is true friendship, it transcends politics. Those who have been in the corps discover that fraternal relationships exist on the outside among those who have shared common experiences and similar hazards.

Gen. Joe Bartlett has been the cement that has bound all hill Marines together and has enlivened the liaison between the active corps and the "Few Good Men" who won't acknowledge that the years are advancing.

Joe loves Congress, loves the institutions of this Nation, and has reveled in being a part of the evolutionary process that has advanced this Nation to its great stature. He is leaving before I feel his time has come to leave, but I am sure that along with his lovely wife and fine family he will be contributing to the continued glory of his country, the corps, and the community in which he settles. We all wish Joe and his family the best, which they richly deserve.●

OIL DEREGULATION TAX ACT OF 1979

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. CONABLE. Mr. Speaker, along with several of my Republican colleagues on the Ways and Means Committee, I have today introduced legislation which would impose a wellhead excise tax on decontrolled crude oil prices. The tax is designed to facilitate the transition from price controls to a free energy economy.

It is our hope that we can finally begin to work together to solve some of the problems which have been caused in our society by the OPEC cartel and our domestic energy price control system. We have delayed too long an effective course of action in response to the severe escalation of prices by the OPEC producers.

The bill which I have introduced would impose an excise tax on producers of domestically produced crude oil which is taken out from under price controls. The tax would be at a rate of 25 percent of the increases in prices. It would not be an add-on or an additional tax similar to that proposed 2 years ago by the President. It is a tax on producers not consumers.

Producers liable for the tax would be eligible for dollar-for-dollar credits against the tax if they make qualified domestic energy investments. Our primary need is to produce greater domestic energy supplies and our bill is designed to encourage that. Its purpose is not to generate more taxes for the Government but to stimulate development of adequate energy resources for the American people.

A brief explanation of the bill follows:

GENERAL EXPLANATION OF THE OIL DEREGULATION TAX ACT OF 1979

The Oil Deregulation Tax Act of 1979 would impose an excise tax on certain domestically-produced crude oil. Producers would be liable for the tax which would apply to that portion of the first sale price of presently price-controlled oil which is in excess of price levels allowed under 10 CFR 212 (as in effect on March 31, 1979). Producers liable for the tax would be eligible for a dollar-for-dollar credit against the tax for qualified domestic energy exploration, development and production above those amounts historically expended by the producers for such purposes.

The tax would be imposed on the producer, and computed on a property-by-property basis. (Property would be defined as is presently the case in the Internal Revenue Code for percentage depletion purposes.)

With respect to oil transferred for value, the producer would pay the amount of the tax. The tax would be due and payable on the due dates for individual and corporate income taxes. The producer would not have to pay estimated quarterly tax payments.

With respect to oil not transferred for value, the producer of the crude oil would pay the tax as if a first sale had occurred. The tax would be computed on the basis of an imputed price prescribed by the Secretary.

The rate of tax would be:

Barrels per day, 0 to 1,200: Rate of tax, 0.

Barrels per day, more than 1,200: Rate of tax, 25 percent.

The tax would not apply to oil produced from:

(a) tertiary recovery projects; or

(b) newly discovered oil.

On September 30, 1981, the date on which price controls expire on oil under present law, the tax would also expire.

Producers liable for the tax could reduce or eliminate their tax liability by obtaining "energy development and production credits." These credits would be obtained by making qualified energy investments, in excess of historic expenditure levels (the threshold). Qualified energy expenditures would include expenses for:

Exploratory and developmental wells, including geological and geophysical costs;

Investments in construction, reconstruction, erection or acquisition of depreciable property used to *explore, develop* or *produce* oil, or oil or gas from shale or coal; and

Secondary recovery costs.

The threshold amount would be computed in one of two ways, at the producer's election. Under the first, the dollar amount, adjusted for inflation, expended during the preceding calendar year for items which would have been qualified energy expenditures (without regard to the threshold) had the Act been in effect during such calendar year would constitute the threshold.

The alternative threshold would relate qualified expenditures to gross income. Under this option, a producer who maintains his expenditures at levels at least equal to the percent of gross which was spent for what would have been qualified energy expenditures in the prior year would satisfy the threshold.

Energy development and production credits would be income to the producer.

DEFINITIONS

"Tertiary Recovery" would include techniques whereby steam or chemicals are injected into an oil field to liquefy viscous oil to make it easier to pump out as well as techniques to heat oil in the reservoir to make it more liquid.

"Newly Discovered Oil" means oil from wells spudded after April 5, 1979 on a property (as defined in 10 CFR 212.72) from which there was no previous production of oil in commercial quantities.●

ANNUAL SECRETARIES WEEK

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the week of April 22–28, 1979 is the 28th annual Secretaries Week. Wednesday the 24th is designated Secretaries Day.

The purpose of this observance is to acknowledge the contributions made by all the secretaries in the vital roles of business, industry, education, government, and the professions. The involvement of all secretaries for this observance reemphasizes the importance of continued loyalty of secretaries to their employers and their responsibility to their profession.

In my district the Anacapa Chapter of National Secretaries Association, was chartered in 1962 and their membership represents agriculture, education, banking, manufacturing, and local, State, and Federal government in Ventura County.

The theme of National Secretaries Week "Better Secretaries Mean Better Business," is stressed to promote the significance of teamwork throughout the business world.

Mr. Speaker, I would invite my colleagues to join with me in wishing all the secretaries of America, especially the members of the Anacapa Chapter, a very happy and successful National Secretaries Week.●

OVERTIME AND THE SHORTER WORKWEEK

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. CONYERS. Mr. Speaker, more than 40 years have passed since the Fair Labor Standards Act of 1938, which mandated a premium rate of pay for overtime work, currently a rate of time and a half and which, in effect, created the 40-hour workweek. The purpose of the overtime provision was to spur new employment by raising the cost to employers of over-working their regular employees rather than hiring new employees. This provision has not changed in all these years, despite the fact that labor costs, fringe benefits, and the cost of living have. As a result, the existing overtime provision has proved ineffective as the costs to employers of hiring, training, and paying benefits to, new workers have overtaken the cost of paying the time-and-a-half rate for overtime.

On February 1, 1979 I reintroduced the Fair Labor Standards Amendments of 1979 (H.R. 1784), which not only provide for a gradual reduction in the workweek to a 35-hour week, but, in addition, call for an increase in the premium rate to double-time and an end to compulsory overtime.

Nearly 20 million wage and salaried workers last year were working in excess of 40 hours, during the reporting period in May 1978. There is good reason to believe that if the incentives to employers to hire new workers rather than to overwork their existing work force were strengthened, there would occur a great amount of work sharing and the hiring of a large number of new workers. The overtime premium rate provisions of the Fair Labor Standards Act of 1938 have not been examined for many years. I want to share with my colleagues an article, "The Employment Impact of the Overtime Provisions of the F.L.S.A.," written by Joyce M. Nussbaum and Donald E. Wise, which reveals that raising the premium rate for overtime work could, indeed, lead to the creation of several hundred thousand more jobs. The following are excerpts from that article:

THE EMPLOYMENT IMPACT OF THE OVERTIME PROVISIONS OF THE F.L.S.A.

(By Joyce M. Nussbaum and Donald E. Wise)

I. INTRODUCTION AND SUMMARY

A. INTRODUCTION

There has long been a concern in the United States that "excessive" overtime is responsible for continued high rates of unemployment. In response to this concern, premium pay provisions for overtime work were incorporated into the Fair Labor Standards Act of 1938. Since this legislation, however, the cost of the overtime pay requirements specified by the F.L.S.A. has diminished relative to the increasing cost of nonwage benefits; the result of this trend, it is often conjectured, is that overtime premiums are no longer effective as a deterrent to the use of overtime as a substitute for hiring new workers during periods of high demand.

Previous studies of this hypothesis have been inconclusive. A 1967 Department of Labor study concluded that "it is difficult . . . to develop with any degree of certainty any reliable estimate of the number of jobs which could have been created if the original effectiveness were restored." As a result, the study recommended no legislative changes. An econometric analysis by R. Ehrenberg based on 1966 data concluded similarly that "it does not appear that increasing the overtime premium would be an effective method of decreasing unemployment at this time;" Ehrenberg also recommended no policy change. Further study on the subject is indicated, however, for several reasons:

Each of the previous studies noted the need for additional investigation of the problem because of specific limitations of the analyses, and the inconclusiveness of the results. In particular, many variables have been poorly specified because of limited data availability.

The previous studies are seriously out of date. The ratio of fringe benefits to total employee compensation (and overtime compensation in particular) has continued to increase, with the result that employers have experienced a further reduction in the incentive to substitute increased employment for overtime.

Several new bills have been introduced in Congress to increase the overtime premium above time-and-half. In order to evaluate such proposed legislation effectively, a thorough study of its impact should be undertaken on the basis of the most recent possible data.

In response to these needs we have designed and conducted the study described in this report. The primary objective of the study is to analyze the impact of the overtime wage premium on the employer's choice between overtime and additional employment.

* * * * *

Summary of the findings

Our approach in obtaining estimates of the effects of increasing the overtime premium was first to develop a model of the choice facing the firm regarding overtime hours versus additional employment. The primary purpose of the theoretical work was to see if we could determine on a priori grounds what effect an increase in the overtime premium would have. The rationale for increasing the overtime premium is that the higher premium could serve as an incentive to reduce overtime hours and hire more workers. The theory suggests, however, that this effect would be offset to the extent that the resulting increase in labor costs induces employees to substitute capital for labor or to reduce output.

In order to provide a benchmark with which to compare the results that follow, we illustrate here the maximum impact that could possibly be attached by an increase in the overtime premium. In 1974, the most recent year for which we have data, average overtime for production workers in manufacturing was 167 hours per year. Total overtime for the 14.53 million workers was therefore 2.4 billion hours, or the equivalent of 1.2 million person years. Thus, if all overtime were eliminated, and if all these hours were replaced by additional workers working the standard week, employment would rise by 1.2 million, or 8.4 percent.

We note, of course, that this is the logical upper bound to the employment impact of the overtime premium, but that the actual impact would be smaller for two reasons:

Not all overtime hours would be eliminated;

Not all "lost" overtime hours would be replaced by additional workers.

In order to estimate quantitatively the extent to which these factors would occur if the overtime premium were raised, we estimated equations for overtime hours and employment and used these equations to estimate the changes that would take place in response to a change in the overtime premium from time-and-a-half to double-time.

Both our theoretical and statistical work confirm the hypothesis that an increase in the overtime premium would cause a reduction in average annual overtime hours. Using establishment data from the EEC survey, we estimate the magnitude of this effect to be about 48 percent, or 80 hours per worker. This result was obtained using 1974 data; it is of the same order of magnitude as the estimates we obtained for earlier years. Assuming that total hours did not change, this reduction in overtime hours would imply a 4 percent increase in employment.

We find, however, that we are unable to support the notion that this reduction in overtime hours would be compensated for by a commensurate increase in employment, on either theoretical or empirical grounds. We estimate that an increase in the overtime premium to double-time would cause employment to rise by about 2 percent, or 320,000 workers. Thus, while we would expect employment to increase in response to an increase in the overtime premium, the magnitude of the increase is smaller than what we would expect from a simple transformation of eliminated overtime hours into additional workers. In fact, only about 57 percent of the reduction in overtime hours would be made up by additional workers. The remaining 43 percent would be "lost," with total hours of work falling by 520 million hours (261,000 person years), or 1.7 percent. . . .●

HARRY B. GARRY

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. DASCHLE. Mr. Speaker, no one knows better than our own distinguished Speaker about the qualities of the Irish. Their charm, their genuine affability and their unique character give the Irish a very special place in the hearts of many Americans.

But among the Irish, there are even a select few that stand out among all the rest. They are the ones who bring out the very best in all of us. They are the people who bring a smile to one's face with even the mention of the name.

Such a person is Harry B. Garry.

Harry is a constituent of mine from Salem, S. Dak. His grandparents came from Ireland. And no one for miles around can give you the name of a more genuine Irishman in all the world.

Harry has made St. Patrick's Day somewhat of a extra special occasion in Salem. For the past 5 years, Harry has donned a green derby, a green sweater, and various buttons which proclaim him as the "Honorary Irishman" and the "Honorary Leprechaun." He spends much of the entire day in Salem's downtown business district sharing the spirit of St. Patrick's Day with anyone he meets.

I am proud to call Harry a dear friend. Those that know him join me in wishing him many, many productive and happy St. Patrick's days ahead.

I insert the following article on Harry Garry in the RECORD:

HARRY GARRY ALWAYS MAKES ST. PATRICK'S DAY SPECIAL

(By Kathy Blankartz)

This Saturday all Irishmen (or honorary Irishmen) come out of their everyday humdrum existence to celebrate what is for them the next best thing to Christmas—that is, St. Patrick's Day.

Little did St. Patrick know while bringing Christianity to the natives of the Emerald Isle he was also to become one of that nation's most popular legendary heroes. Credited with everything from driving the snakes from Ireland to using the shamrock to illustrate the concept of the Trinity, numerous legends have developed about the man.

As patron saint of Ireland, St. Patrick has been a symbol of national pride for Irish-Americans throughout history. The holiday, which commemorates the death of the saint on March 17 in 461, has been observed in America since colonial days.

In Salem, there's one Irishman that finds joy not only in celebrating St. Pat's, but also in sharing that joy with others—and that man is none other than Harry Garry.

Harry is just about as Irish as they come. His grandfather and grandmother, who were born in County Cork, Ireland, immigrated to America. His dad moved to Dakota in 1892, and Harry himself was born and raised in this area.

But Harry said that St. Patrick's Day wasn't anything really special in his family—until he made it special, that is. About five years ago when Harry was in the VA Hospital in Sioux Falls, someone gave him a green derby and on St. Patrick's Day he went around cheering up others.

Since that time Harry has been cheering up a lot of people in Salem on March 17. He dons his derby, a green sweater, as well as shamrocks and buttons proclaiming him an "honorary Irishman" and an "honorary leprechaun" then heads for downtown Salem.

Harry makes the rounds going into business places wishing everyone a happy St. Patrick's Day.

Harry does this "just to have fun, of course" and he brings a lot of "fun" into the day for a lot of persons who work downtown or just happen to be in a place when he drops by.

Harry said that since he started his St. Patrick's Day routine a few years ago, people have come to expect it of him. Bank employees asked when he was going to visit them this year since the bank is closed on Saturday.

Like Harry said, once you start something, you've got to keep on doing it. So on Saturday, Salem's "honorary leprechaun" will be making his rounds once again.●

CONGRESSIONAL SALUTE TO BRIG. GEN. JOSEPH H. RITZENHEIN OF SAGINAW, MICH., OUTSTANDING MILITARY LEADER, DISTINGUISHED CITIZEN, AND COMMUNITY LEADER

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. TRAXLER. Mr. Speaker, on Friday, April 6, the people of Saginaw, Mich., and other parts of my congressional district will gather in testimony to the lifetime of exemplary public service of an outstanding citizen, community leader, and good friend, Brig. Gen. Joseph H. Ritzenhein, whose dynamic and energetic endeavors on behalf of our Nation's defense and our community's improvement have benefited every Michigander and every American.

Mr. Speaker, Brigadier General Ritzenhein has, indeed, earned the respect and esteem of all of us for the quality of his leadership and standards of excellence in his dedicated service to his country and his fellow citizens.

Brigadier General Ritzenhein has been a resident of the State of Michigan since his birth in 1919, except for his many tours of duty in the military service, and his service to the community there includes work on the Midland Council on Aging, the St. Helen's Men's Club, and the PTA's of St. Stephen's High School and the Arthur Hill School.

"General Joe" first entered military service as a private with the Michigan National Guard in October of 1940. He entered active service 3 days later with the 3d Battalion, 126th Infantry, 32d Division, Michigan Army National Guard. He served with the 126th Infantry and the 163d Infantry and 163d Infantry Regiment through World War II in the Southwest Pacific.

He rose to the rank of first sergeant before entering officer candidate school in Australia in 1943. He was commissioned a second lieutenant in June of that year. He subsequently rose to the rank of Army captain and served in the positions of platoon leader, company commander, battalion operations and training officer, and battalion executive officer.

Following the war, General Ritzenhein served in the Army Reserve from 1945 to 1947 and then again joined the National Guard. He rose to the rank of major in 1949. He served as executive officer of the 1st Battalion, 125th Infantry, from 1954 to 1955, when he was promoted to battalion commander. He was promoted to lieutenant colonel in July of 1955. He then became battle group deputy commander in March of 1959. In May of that year he become executive officer of the 1st Battle Group, 125th Infantry. He again served as deputy commander of the 1st Battle Group until becoming group commander in 1962. In March of 1963 he was made battalion commander of the 1st Battalion, 125th Infantry. He became brigade commander of the 1st Brigade Command of the 46th Division in February of 1965.

Joseph Ritzenhein was promoted to colonel in April 1965. He was assigned the following February to be group commander, 46th Engineer Group. In October of 1968 he was assigned deputy commander of Michigan Emergency Operations Headquarters. In December of 1970 he was appointed director of the Michigan Military Academy and 2 years later he was assigned assistant division commander, 38th Infantry Division. He was promoted to brigadier general in July of 1973. General Ritzenhein was reassigned to the position of commander, headquarters, Michigan Army National Guard. He retired from the Guard in August of 1978.

Since 1952 General Ritzenhein has served his country well in a civilian capacity, as a Social Security Administration field representative both in Bay City and in Saginaw.

General Ritzenhein's military decorations include the Purple Heart, the Asiatic-Pacific Theater Ribbon with three Bronze Battle Stars, the Michigan Distinguished Service Medal, the Michigan Service Medal with oak leaf cluster, and the Armed Forces Commendation Medal.

Mr. Speaker, I appreciate the opportunity to seek this national recognition of Joseph Ritzenhein and all of his good works. His courage, leadership, and dedicated public service have truly enriched our community, State, and Nation. We do, indeed, salute a distinguished officer, community leader, and great American—Brig. Gen. Joseph H. Ritzenhein.●

COMMUTER TRAINS

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. BARNES. Mr. Speaker, I wish to commend the chairman of the House Subcommittee on Transportation and Commerce, Mr. FLORIO, for his decision to seek a deferral of 1 year of the Department of Transportation recommendation that commuter trains be discontinued this October 1. Commuters on up to 20 trains in 10 State have Mr. FLORIO to thank for acknowledging their most difficult predicament, the threat of being forced to turn to highways or other overcrowded forms of transit to get to work. I hope that the Congress and the administration will recognize the merit of Chairman FLORIO's judgment in this matter.

Secretary of Transportation Brock Adams has recommended that up to 20 trains—designated commuter trains by the Department of Transportation—be discontinued unless the States pay for the losses incurred by the service. Among those trains is the Blue Ridge, which carries a packed crowd of 500 or more commuters daily from West Virginia and Maryland to Washington, D.C., and back again in the evening. Ridership on the Blue Ridge has grown by an astonishing 115 percent in the last 5 years, and it shows no signs of slackening in these days of escalating gasoline prices.

As Chairman FLORIO correctly observed in announcing his intention to seek the 1-year deferral, the October 1 deadline for States to arrange alternate financing is simply insufficient time for the States to reasonably respond to the impending cutbacks in commuter service. The Maryland secretary of transportation, for example, has stated that there are no funds in the current budget to pick up all or even part of the cost of the Blue Ridge. Likewise, the West Virginia Legislature has a schedule that does not permit them to react in time before the October 1 deadline.

I wish to take this opportunity to call to the attention of Congressman FLORIO and the Subcommittee on Transportation and Commerce the similar plight faced by the riders of the Shenandoah train, which runs from Washington to Martinsburg on its way to Cincinnati. Though not designated as a commuter train by the Department of Transportation, it too is slated for extinction this October 1. Because of its place on the schedule as the last train available to commuters that departs in the evening from Washington, the Shenandoah provides a valuable option as a late train to all the commuters who use the Amtrak and B. & O. service. Many of these commuters have told me in no uncertain terms that they would be forced to take their automobiles to work if the Shenandoah is eliminated. I urge the subcommittee to seek a reprieve for the commuter portion of the Shenandoah; that is, from Washington to Martinsburg, along with the 1-year deferral of the other commuter trains.●

TRIBUTE TO SIDNEY S. GALLANT

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. SOLOMON. Mr. Speaker, on April 21, 1979, numerous friends and citizens in the Town of Sand Lake will gather to honor Sidney S. Gallant, a man who has devoted 26 years of his life to his town government, serving the last 8 years as supervisor. During earlier years he was a town board member for 14 years and a town justice for 4 years.

Although the position of town supervisor has been classified as "part time," Mr. Gallant has, during a period of significant town growth, always treated his responsibilities as full time. During his administration a much-needed sewer system was launched, the town highways were markedly improved and the town offices were moved—in the right direction—into the old Sand Lake Presbyterian Church.

Mr. Speaker, I wish to commend Mr. Gallant for this distinguished record of public service to his community, but I should also like to observe that he has made a marked contribution to the American entrepreneural system. He has devoted 42 years of his professional life to the Montgomery Ward Co. and when he retires from his public duties he will also simultaneously leave his position as manager of catalog sales for that venerable, old firm.

Perhaps, more important, Mr. Speaker, is Mr. Gallant's total involvement in the full, rich, American way of life which is best portrayed by the long list of memberships he has held over the years in community organizations. The list includes Averill Park-Sand Lake Fire Company, West Sand Lake Fire Company, Stephentown Rod and Gun Club, Hudson Valley Community College Business Advisory Committee, life member of the Sgt. Walter Adams American Legion Post, former president of the Sand Lake Republican Club, Little League Baseball, Cub and Boy Scouts, Averill Park Parent-Teacher Association, and the Bicentennial Commission. He also served his country as a marine during World War II. And, now the time has come, by his own choosing, that Mr. Gallant is relinquishing his responsibilities to devote more time to his wife, the former Doris Bailey of Sand Lake, their two children and four grandchildren.

Mr. Speaker, I think it is highly appropriate that Sidney S. Gallant be recognized, not only for his service to his friends and neighbors in his community, but for his lengthy, dedicated efforts within our American business system. I join with Sid's many friends in the wish that his retirement years will provide him with good health, the warm memories, and deep satisfaction that comes from the knowledge that he has done his best for his family and fellow man.●

LEGISLATION TO ENACT THE HOSPITAL "SWING-BED" CONCEPT

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. BEDELL. Mr. Speaker, on rare occasions the Federal Government devises a program that not only produces a significant social benefit, but saves money as well. An example is provided by the highly successful reducing acute care costs "swing-bed" program currently operating in Iowa and three other States. This experimental program, begun in 1973 and scheduled for termination early this year, has enabled hospitals in rural areas to use empty beds for long-term care patients, thereby improving hospital efficiency and lowering costs. No less importantly, the program has alleviated the severe shortage of skilled nursing facilities that exists in many nonurban areas. For these reasons, I am today introducing legislation to make the swing-bed program permanent and to extend it nationwide.

The swing-bed concept represents a commonsense approach to the problems of underutilized, acute-care capacity and scarce, long-term nursing facilities, which often exist side by side in rural areas. The swing-bed experimental program has eliminated costly duplication of auditing procedures under medicare and medicaid and has afforded greater flexibility in the use of hospital beds.

In my home State of Iowa, as in the other States where this program has been adopted, there are many rural areas that do not have enough nursing homes capable of providing the skilled care needed by patients that have been recently hospitalized. Yet many of the hospitals in these areas typically operate at occupancy rates far below full capacity. A number of hospitals are unable to maintain an average occupancy rate of even 40 percent. In view of the fact that the cost of maintaining an empty hospital bed is fully half that of maintaining an occupied one, such hospitals are clearly losing money through inefficient utilization of their facilities.

The swing-bed program effectively addresses the twin problems of too many acute-care beds and too few long-term ones by enabling hospitals to obtain reimbursement for filling unused beds with patients that require long-term nursing care.

The preliminary conclusions of a study commissioned by the Health Care Financing Administration confirm the highly positive evaluations of those who have had direct contact with the experimental program. The study, which will be released in final form late this year, reveals that the swing-bed concept results in high-quality care at minimum cost. When compared to good skilled nursing facilities, hospitals participating in the experimental program were found able to provide care of equal quality. Moreover, these hospitals incurred an incremental cost of only $5 to $20 per patient day. The swing-bed concept has thus proved to be a highly cost-effective way of providing skilled, long-term care in areas where it is otherwise unavailable.

The 95th Congress recognized the desirability of making the swing-bed program permanent and extending it nationwide. Last July, the Committee on Interstate and Foreign Commerce approved a swing-bed provision in the otherwise highly controversial Hospital Cost Containment Act of 1978. On September 18, the House passed the Social Security Amendments of 1978, which included similar swing-bed language.

Finally, in considering the Medicare and Medicaid Administrative and Reimbursement Reform Act, the Senate Finance Committee agreed to a provision that would have eliminated the current requirement for separate cost accounting and authorized reimbursement for long-term patients in small rural hospitals that could have employed the swing-bed procedure. Unfortunately, none of these measures made it through both Houses to the President's desk.

In the present Congress, swing-bed provisions are once again imbedded in hospital cost containment legislation in both the House and the Senate. In my view, we should not make the fate of this useful and popular program dependent upon the prospects for passage of a cost-containment bill. I believe it is essential that swing-bed legislation be considered independently so that it may command the widespread support it so justly deserves.

For this reason Mr. Speaker, I am today introducing legislation to enact the swing-bed concept into law. Specifically, my proposal would enable small rural hospitals—under 100 beds—operating in areas where there is a recognized need for any additional, long-term care facilities to make unoccupied beds available for patients who require posthospitalization skilled care. Such hospitals would be able to obtain medicare and medicaid reimbursement without having to meet a large number of detailed accounting requirements or establishing a distinct part of the institution as a skilled nursing facility.

Mr. Speaker, this bill has the inestimable advantage of having been tried on an experimental basis and found to be highly successful. While easing the long-term care deficiency that exists in many rural areas of our country, the swing-bed program enables many hospitals with chronic low-occupancy rates to use their facilities more efficiently. The result is more readily available care for those who need it, and lower costs for the hospitals that provide it. In a time of rapidly increasing health care costs, could we ask for anything more?

I, therefore, urge my colleagues to support enactment of the swing-bed program.●

"SWING-BED" HOSPITALIZATION

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. ABDNOR. Mr. Speaker, today I am introducing legislation to allow rural hospitals with unused beds to provide long-term care services for needy patients. The bill would authorize medicare and medicaid reimbursement to hospitals for nursing services provided on a "swing-bed" basis—that is, alternating between acute and long-term care.

The legislation is aimed primarily at assisting the rural elderly person who is in need of long-term care but is unable to obtain such care due to a lack of nursing home beds. By permitting long-term care patients to remain in their local hospital after their acute care needs are met, the proposal would not only serve the particular needs of the patients but would also encourage hospital cost containment by allowing the rural administrator to broaden the base of his fixed hospital costs.

Rural hospitals have traditionally experienced uneven demands for acute care services, a situation which produces low occupancy rates. Instead of encouraging alternative methods of utilizing these empty hospital beds, our existing medicare and medicaid laws unnecessarily restrict the options available to both patients and hospital administrators.

The swing-bed proposal is not a new concept. Since the early 1970's, the Department of HEW has assisted a number of experimental programs designed to reduce health care costs. The Utah cost improvement project, implemented in 1973, and the Reducing Acute Care Costs (RACC) experiments in Texas, western Iowa, and South Dakota, implemented in 1976, have provided swing-bed care for the last few years.

The Utah and RACC experiments have been a tremendous success. Several conclusions can be drawn from these projects: First, there is a need for expanded long-term care services; second, hospitals are able to provide such care at a reasonable cost due to the existence of available services and staffing; and third, the structure of medicare and medicaid can be modified to enable hospitals to provide long-term care without encountering significant regulatory problems.

The Health Care Financing Administration is convinced that the swing-bed concept should be expanded. HCFA officials have been very helpful in providing for the continuation of the existing programs. However, it is imperative that Congress take prompt action to provide permanent authority for swing-bed reimbursement.

The House registered its strong support of this legislation when it passed H.R. 13817 by an overwhelming margin last September. Unfortunately, the bill died in the final days of the 95th Congress when it became entangled in the hospital cost containment battle.

The bill that I am introducing today is very similar to the legislation which passed the House last year, and is identical to swing-bed legislation currently being considered in the Senate Finance Committee. In addition to providing immediate authority for reimbursement of long-term care services in small, rural hospitals, the bill also calls for a HEW study of the program with emphasis on whether eligibility should be extended to other hospitals, regardless of bed size or geographic location, where there is a shortage of long-term care beds.

I shall be reintroducing the bill in the near future, and I welcome the support and cosponsorship of my colleague in the House.●

NUCLEAR POWER—THE INTERNATIONAL DIMENSION

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. BINGHAM. Mr. Speaker, one fact about the nuclear accident at Three Mile Island is already crystal clear: We now know how much we do not know about commercial applications of nuclear energy. Despite over a quarter century of experience, we have yet to fathom all the implications of this energy alternative for United States and world health, safety, and security. Until these are known, it would be utterly irresponsible to pursue fuel reprocessing, and the recycle of plutonium through the current generation of light water reactors.

Ambassador Thomas R. Pickering, a key administration figure on U.S. nuclear policies, made this point very clearly and eloquently in a recent speech before the Atomic Industrial Forum, a leading pronuclear group. Not only are the current risks associated with these technologies too high, but the economics simply do not justify moving ahead in the absence of major technological and institutional improvements, he explained. Of particular concern to Ambassador Pickering and the Congress, is the prospect of developing technologies which will put nuclear bomb material in the hands of any enterprising terrorist, or irresponsible government. No country, he claimed, can afford to risk these and other dangers of advanced nuclear power, and expect the atom to have any energy future at all.

Mr. Speaker, at this point I would like to include the full text of Ambassador Pickering's perceptive remarks:

ADDRESS BY THOMAS R. PICKERING

I am delighted to be here. This is the first opportunity I have had to speak to this distinguished and knowledgeable group. I hope we will be able to establish a continuing dialogue, both formally and informally, on nuclear issues.

I have been asked to discuss U.S. non-proliferation policy with regard to the development and deployment of alternative forms of the nuclear fuel cycle, domestically and internationally. Before doing so, let me first attempt to restate the objectives of U.S. policy and review the background which has led us to this policy.

U.S. OBJECTIVES

Our objective, simply stated, is to find an acceptable technical and institutional arrangement in which nuclear power may be employed by all states, when needed to meet legitimate energy requirements, in a manner that does not increase the risks of proliferation of nuclear explosives. These arrangements must also assure safety, environmental acceptability, and reasonable economics.

We approach this objective based on the following assessment of the potential role and problems of nuclear power: First, nuclear power is clearly needed to help meet significant energy requirements, particularly in the major industrialized states. Although energy generation based on nuclear fission may not be the ultimate answer to the problem posed by the increased cost and ultimate depletion of fossil fuels, fission is expected to assume an increasing share of world energy production well into the next century. The role of fission energy beyond that time depends on the full development and relative attractiveness of new energy sources such as fusion, solar, and geo-thermal.

Second, we believe that there is no fundamental contradiction between moving forward with nuclear power and controlling the associated risks of proliferation. In fact, these objectives are complementary. Nuclear energy will remain viable in the long term only if it is generally perceived as not entailing unacceptable proliferation, environmental, or safety risks.

Third, we believe that through the mid-1970's inadequate thought was given to achieving the necessary balance of risks and benefits of nuclear energy. This was particularly true as we moved toward fuel cycles involving potentially wide-spread and early use of separated plutonium. Many assumed that the established regimes of the International Atomic Energy Agency (IAEA) safeguards and the political commitment entailed in adherence to the Non-Proliferation Treaty (NPT) would alone continue to be sufficient to maintain the barrier between peaceful and military or explosive applications of nuclear energy. This view prevailed even through reprocessing and the recycle of plutonium. Others assumed that the "genie was out of the bottle," and that there were no effective steps that could be taken to prevent states from acquiring nuclear explosives if they chose to do so.

Neither group effectively addressed the problems created by a large-scale plutonium economy or the opportunities to affect favorably the balance of risks and benefits through new initiatives.

The Indian explosion of 1974 demonstrated dramatically that the barrier between peaceful applications and the explosive use of nuclear energy could be breached. This development threatened to overwhelm the structure for peaceful nuclear cooperation that had been built over the last two decades. Coupled with plans for the transfer of sensitive nuclear facilities to an increasing number of states, and the steady movement toward large-scale plutonium recycle in thermal reactors, the situation becomes doubly difficult.

The United States along with other states came to the conclusion that the predicted wide spread of facilities for plutonium separation and use would, under existing technical and institutional assumptions, rapidly lead to a serious threat to international stability because of the unacceptably high risks of proliferation. It was essential through a careful re-evaluation to find more proliferation-resistant technical and institutional approaches to the next generation of nuclear power.

In undertaking this re-evaluation, we recognized that the U.S. had neither the wisdom to find all the answers nor the ability to impose a solution on the international community. Resolution of the proliferation problem would have to be a cooperative effort of involved and concerned states. Any new structure developed would have to be widely acceptable. At the same time we recognized that the U.S. would want to play a significant role in this effort, and that domestic U.S. policy on the nuclear fuel cycle would have to be consistent with the international fuel cycle regime we sought.

STEPS TAKEN BY THE U.S.

The U.S. has taken a number of steps to redirect U.S. domestic nuclear policy and to strengthen international cooperation in controlling proliferation risks of the nuclear fuel cycle. These include:

Working with other states to establish the Nuclear Suppliers Group to develop common nuclear export policies so that nonproliferation considerations would not become an element in nuclear export competition.

Strengthen the IAEA and NPT safeguards regimes, including reaffirmation of the offer originally made by President Johnson to permit the IAEA to apply its safeguards to U.S. civil nuclear activities to demonstrate that we were not asking others to accept safeguards that we were unwilling to accept ourselves.

Indefinite deferral of commercial reprocessing and recycle in the U.S. and avoidance of the transfer of sensitive facilities and technologies while urging other states to take similar steps.

Deferral of the U.S. decision to commercialize the breeder and restructuring the U.S. breeder program to give greater priority to an evaluation of alternative designs and fuel cycle approaches that might prove more proliferation-resistant.

Improving the U.S. ability to be a reliable supplier of nuclear materials and equipment by expanding U.S. enrichment capacity, reopening the enrichment order books and offering more flexible and attractive terms, and proposing legislation which would clarify and stabilize the U.S. terms for nuclear cooperation and exports.

A commitment to develop U.S. waste handling capability, including an offer to take back some foreign spent fuel so that reprocessing would not be driven by spent fuel handling problems.

Inauguration of an International Nuclear Fuel Cycle Evaluation (INFCE) program to develop a factual and technical basis to assist in structuring international fuel cycle approaches and cooperation.

The Administration approach seeks to find a new foundation for international exploitation of the benefits of nuclear power. We see five cornerstones to this new foundation:

Promoting universal support for the NPT and the IAEA safeguards system.

Improving and strengthening safeguards throughout the nuclear fuel cycle.

Developing and implementing technical variations to the nuclear fuel cycle to provide inherent proliferation resistance wherever feasible and practical.

Limiting the number and dispersing of sensitive fuel cycle facilities, and the size of national plutonium stockpiles, to a minimum consistent with real needs.

Using to the widest extent practicable, institutional arrangements designed to increase resistance to proliferation.

It is our judgment that the U.S. and the world has not only incentive but the time to build this new foundation before large-scale deployment of nuclear power utilizing plutonium fuels takes place in a substantial number of states.

Underlying our approach to the nuclear fuel cycle is the conviction that resolution of these problems must be a cooperative effort involving both suppliers and consumers. Harmonization of the fuel cycle policies of all or most countries is essential if a viable regime to govern the development of nuclear energy through the end of the century is to be established. We are not prepared to accept the least common denominator among all the divergent views in order to reach such a consensus. We are prepared to examine the proposals of others on their merits and to make adjustments in our own approach to take into account the legitimate interests of others, including the special energy problems of developing countries.

WHERE WE STAND

INFCE, which will conclude its work next February, is a central element in our efforts to achieve agreement on the future technical and institutional structure of the fuel cycle. INFCE by itself will not solve the problems we face. But we are hopeful that it will provide the technical basis for judgments on approaches that will address these issues.

It is too early to predict the full results of these studies. The evaluation has already made a positive contribution in a number of areas. First, the data collection and analysis that is being undertaken in the eight working groups has provided all participants with a much better understanding of resource availability, the nuclear programs, the needs and the perceptions of different states. Second and most important, INFCE has reinforced the premise that proliferation concerns are a legitimate element in determining the course to pursue in the development of nuclear energy.

At the same time there remain divergent views on the risks associated with specific aspects of the fuel cycle and on how non-proliferation objectives can best be achieved.

In the context of moving toward the conclusion of INFCE we have some preliminary ideas on the possible structure of a post-INFCE fuel cycle. We have no "grand design" to offer. We do have some thoughts on elements that might be included. Our thinking is preliminary, and it is subject to modification as we explore these ideas with others. I would like to review briefly some of the ideas that we believe might be incorporated in a post-INFCE fuel cycle approach.

First I wish to emphasize that the ideas we suggest are designed to be complementary to and build upon the two cornerstones of the present nuclear regime: the political commitment entailed in adherence to the NPT; and IAEA safeguards on all peaceful nuclear activities in all states. The NPT and IAEA safeguards are and must remain the foundation of the civil nuclear fuel cycle. Any new elements introduced must reinforce and not undermine these established arrangements. However, as I have indicated, we are concerned that the NPT and current IAEA safeguards alone are not adequate to maintain the barrier between peaceful and explosive uses of nuclear energy if separated plutonium or other weapons-grade materials enters into wide-spread use.

Our tentative approach is evolutionary in two senses: First, it is a building block approach designed to address the immediate problems first, but hopefully leading eventually to a comprehensive regime. We do not believe we can now put forward a scheme that purports to make final decisions based on all of the economic, technical and political variables that we will face during the rest of this century and beyond. Second, our approach recognizes that all states which meet basic non-proliferation conditions have the right to develop nuclear energy for peaceful purposes without discrimination as stipulated in Article 4 of the NPT. The U.S. has a strong interest in continuing and expanding nuclear cooperation with other states to assist in the development of this important energy source. We do suggest that there should be restraint in the development of sensitive nuclear facilities and fuel cycles so that they evolve in a close relationship with the energy requirements of the states and regions concerned rather than in advance of these needs. This will provide the needed time for the development of technical and institutional arrangements to handle the special problems and risks associated with a "plutonium economy" and with other sensitive technologies and materials.

In regard to the specific aspects of the fuel cycle, we have the following thoughts:

SENSITIVE NUCLEAR FACILITIES

In our judgment it would make sense from both a non-proliferation and economic point of view for uranium enrichment facilities to be related to collective world-wide requirements for nuclear energy. Economies of scale are important. To be cost effective enrichment facilities require large capital investment and must be operated at or near capacity. States not having national facilities should be assured of fuel supplies through a number of mechanisms which I will discuss shortly.

We believe that the most appropriate planning basis for development of new reprocessing facilities or the expansion of existing facilities would be the plutonium needs for breeder and advanced reactor research and development (R&D). If plutonium in excess of this amount is separated, we believe that its storage under international arrangements is preferable to national storage, but the presence of an international plutonium storage regime should not be used to justify early reprocessing. Early installation of such capacity is not necessary to manage spent fuel arisings for waste disposal purposes or or provide fuel for early plutonium recycle in conventional reactors. As with enrichment facilities, the creation of additional capacity should be related to worldwide requirements.

When new sensitive facilities are justified, we believe they should incorporate appropriate technological and institutional barriers to proliferation. Technical barriers could include, for enrichment plants, advanced safeguards processes that make production of highly enriched uranium difficult or impossible without extensve modifications. For reprocessing plants, co-processing, co-conversion, mixed oxide fabrication at the plant site and advanced safeguards should be considered.

Institutional arrangements could include multi-national participation in the ownership and operation of sensitive facilities, with appropriate constraints on access to sensitive technology. We believe that multi-national participation can provide an added disincentive to the misuses of the facility in question, to the unilateral abrogation of safeguards by one or a number of parties, and can provide increased assurance of supply for participants without necessitating the development of national facilities.

PLUTONIUM USE

Plutonium use for fast reactor R&D is, in our judgment, appropriate in states where projected nuclear energy requirements in the next few decades, together with economic and resource considerations, indicate a potential deployment of substantial number of breeders. Each state must of course make its own decisions on how to meet its energy needs, but the breeder is capital intensive and technically difficult, requires a large technical base, and its commercial feasibility is unproven. Over the long term, and in numbers which justify commercialization of reactor production and fuel cycle facilities, the breeder could make a substantial contribution to energy needs and independence from imports. However, the risks of devoting significant resources in the near term to the development of this reactor concept will probably only be undertaken by states or groups of states with large economic resources and which look to nuclear power to supply a large percentage of their energy needs. Optimum breeder size also indicates that their use will be limited to countries whose electrical grids are large.

We believe that the recycle of plutonium in light water reactors entails the significant proliferation risks associated with the early widespread separation and presence of plutonium fuels, and that its benefits—at least in the near term—are at best marginal. This is a key aspect of our approach. Many of the states with whom we have consulted share this assessment. As I have noted earlier, we believe that uranium resources are adequate to support projected nuclear power requirements through the end of the century without recycle. Should this projection change and recycle become advantageous at some point, the option could still be chosen; the residual energy value of spent fuel would not be diminished by avoiding a premature start.

If plutonium is to be a fuel of the future, the international system needs time to establish the mechanisms to deal with its dangers. Widespread recycle at an early date will not give us this time. On the other hand, if plutonium use for at least the next decade is generally restricted to R&D for breeders and other advanced reactors, the problems are much more likely to be manageable. This will avoid the accumulation of large amounts of separated plutonium which in itself poses a proliferation risk and the presence of which could increase pressure for recycle and the early widespread commerce in separated plutonium.

SPENT FUEL MANAGEMENT

Whatever the course of future fuel cycle plans, substantial storage capacity is required for the near and medium term. As I have indicated, we prefer spent fuel storage to immediate reprocessing for handling spent fuel arisings from both an economic and nonproliferation perspective. Additional spent fuel storage capacity can be developed at reactor sites, at away-from-reactor storage facilities (AFRs), at existing reprocessing plants, and through international spent fuel storage regimes. Much work has already been undertaken by many states to expand storage capacity through reracking and development of AFRs. For our part the Administration has recently submitted legislation to the Congress to address our domestic spent fuel problems and to provide for the acceptance of limited amounts of foreign spent fuel when non-proliferation objectives are served. We are also giving considerable thought to possible regional spent fuel storage centers outside of the continental United States.

In addition, to developing the means to dispose of the high and low level wastes resulting from reprocessing, we believe that it is important also to examine the technical feasibility and ecological soundness of the permanent disposal of unreprocessed spent fuel. Because of large capital costs and the unproven economics of breeders, many states, particularly those with small nuclear programs, may not use these reactors. Spent fuel accumulations in states that pursue the breeder option may exceed the requirements for breeder R&D and start-up. Also, some fuel types may be particularly difficult to reprocess. Permanent disposal of spent fuel without incurring the costs of reprocessing may therefore be an attractive option for some states. Although there are special problems to be overcome in disposing of spent fuel, our experts know of no technical reason why a suitable geological environment cannot be found. If this option is developed, economics, resource considerations, and proliferation considerations can govern decisions about disposition of spent fuel.

FUEL ASSURANCES

Various forms of fuel assurances should be developed for states that meet their non-proliferation obligations. Credible fuel assurances are essential if states are to forego the development of national enrichment and reprocessing facilities. In the wake of the oil embargo, states have become greatly concerned about the need for energy security, even if it involves economic costs. We believe that nuclear fuel supplies can be assured through a multiplicity of arrangements so that the economic and proliferation costs of independent fuel cycles can be avoided. As I noted earlier, the multiplicity of sources of uranium as well as enrichment services available will provide for greater security of supply. In addition, security of supply can be enhanced through financial or other participation in enrichment ventures; backup or safety net fuel arrangements (which we are exploring); and other arrangements such as a fuel bank which would be most appropriate for states with small nuclear programs. Some of these arrangements are being discussed in INFCE. There is no single answer, but we are confident that a combination of arrangements can be developed so that consumers will have increasing assurance that their nuclear fuel requirements will be met.

IMPLICATIONS FOR US NUCLEAR DEVELOPMENT

It is important to examine the domestic implications of the evolutionary approach to the fuel cycle for the next decade.

First, the development and expansion of uranium enrichment facilities in the U.S. would be related not only to our domestic requirements but also to the international supply and demand situation in regard to these services. To provide for a healthy competitive atmosphere and to ensure that problems in the development or operation of individual facilities do not cause serious disruptions, there probably is a good case for considerable excess international enrichment capacity. However, new capacity should be kept in some general relation to demand.

Second, we see no real need for U.S. commercial reprocessing capacity in the near future. U.S. plutonium stocks are adequate to meet our needs for R&D on breeders and advance reactors for the foreseeable future.

Third, we will continue our programs, such as the Non-Proliferation Alternative Systems Program (NASAP), to improve the uranium utilization efficiency of light water reactors (LWRs).

Fourth, the U.S. does not plan at this time to undertake reprocessing for spent fuel management as part of its fuel cycle. Spent fuel will be stored until there is a requirement for plutonuim for breeder start-up or other advanced reactors. Spent fuel clearly in excess of this requirement will be considered for permanent disposal.

And fifth, U.S. work on breeder development will continue, but commercial deployment will not be undertaken until energy demand and economics dictate and until we are sure that the associated proliferation risks are at acceptable levels. In this regard the Administration is examining several options on moving forward with the U.S. breeder program which shows promise of improving economics and efficiency as well as reducing proliferation risks.

I am fully aware that limitations on U.S. nuclear development are of great interest to many of you. We do not believe that pursuit of international non-proliferation objectives will significantly interfere with the achievement of U.S. energy objectives or with the development of a sound nuclear energy industry in the U.S.

CONCLUSION

The approach we suggest would allow all states which undertake basic non-proliferation commitments to enjoy the full benefits of nuclear energy in a manner that will serve the common international interest in preventing the spread of a nuclear explosive capability. No nation, developed or developing, would be denied access on an evolutionary basis to benefits related to any important aspect of the nuclear fuel cycle. As energy requirements increase and technological and institutional arrangements for preventing proliferations are developed, new fuel cycles can be introduced in a manner that is consistent with both energy requirements and non-proliferation concerns.

We hope that discussions with concerned states and with representatives of the nuclear industry such as yourselves will lead to a consensus that this kind of approach can achieve an appropriate balance between the risks and benefits of the development of this essential energy source.●

HOW TO GET MORE OIL

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to insert in the RECORD for the benefit of my colleagues the following guest editorial from the Wall Street Journal, entitled, "How To Get More Oil," which appeared in the Santa Maria Times on March 21, 1979.

[From the Santa Maria (Calif.) Times, Mar. 21, 1979.]

HOW TO GET MORE OIL

On June 1 President Carter has an opportunity to strike a blow in favor of U.S. energy for a change instead of against it. On that day he acquires the power to suspend the mandatory oil price controls that Congress imposed. As of that date it is entirely up to the President whether the policy continues of subsidizing OPEC oil production and discouraging domestic production. It becomes entirely up to the President whether we continue to grow dependent on OPEC oil. To encourage the President to decide in favor of Americans instead of Arabs, 23 associations of independent domestic petroleum producers representing 10,000 independent producers who drill 90 percent of the new exploratory wells in the U.S. have offered him a big plum.

Unable to obtain a meeting between the president and their representatives, the independent producers have put their offer in writing in a letter to the President of February 28. In exchange for terminating price controls on upper tier oil on June 1, 1979, and phasing out controls on lower tier oil by September 30, 1981, these American oilmen offer the president "increased domestic oil production of 400,000 barrels a day in 1985. This new production would displace imports barrel for barrel."

It is always possible that the doomsayers are right and that there is no more oil in the U.S. But only last month the U.S. Geological Survey raised its minimum estimate of domestic undiscovered oil reserves 20 percent to 60 billion barrels. That's hardly a negligible amount, but the cost of drilling, as drillers move offshore and into deeper formations, has been rising rapidly and, under controlled prices, oil and gas drilling has been losing its attractiveness as an investment. The number of drilling rigs operating in the U.S. has declined 12 percent since last October, due partly to the new natural gas act.

The producers fear, for good reason, that the president will merely throw them a bone in June. The Federal Energy Regulatory Commission, (FERC) has already designed the bone in the form of a new price category, for "new, new oil" on top of the "old" and "new" categories that presently exist. Aside from further complicating the regulatory mishmash, the new higher ceiling would apply to very few wells. Given the regulatory risk, the attraction of exploration further declines.

Earlier this year Alfred Kahn, head of the Wage and Price Council, argued against trying "to use rigid controls to hold down the price of oil when the incremental cost to the U.S. economy is $14 a barrel." But a few days later he came away from a meeting with President Carter espousing a different line. Decontrol, he said, "would be seriously inflationary." We would like to see the studies supporting this contention.

In their letter to the president the independent producers point out that the White House's own Office of Domestic Affairs, the Department of Energy and the staff of the House Energy and Power Subcommittee all confirm that phased decontrol over the next 30 months would mean a one-time increase in the price level of one-tenth of one percent in the first year and three-tenths of one percent in the next two years—less than the increase caused by our dependency on OPEC.

For our own part, we reject even this calculation. Decontrolling the price of oil will have zero effect on the inflation rate, since that rate is determined by the government's fiscal and monetry policies and not price movements of any one commodity. Nor does the case for decontrol depend on the drillers' assessment of U.S. oil potential. Even if they find no additional oil at all, decontrol of all energy prices is the only way to bring on substitute forms of energy in a smooth and efficient pattern. Development of substitutes will be retarded until the drillers' predictions are proved or disproved.

Today the incremental cost of oil to the U.S. economy is more than $14 a barrel, and headed upward if Middle East instabilities persist or worse. It makes no sense whatever to continue paying these prices to OPEC while denying them to American drillers. It makes even less sense to maintain the control system's entitlements, which in effect tax current American oil production and use the receipts to subsidize the purchase of OPEC oil.

The American oilmen who are the closest to the facts of domestic oil exploration say they can displace Iranian imports with American output if only the government will remove the controls that prevent them from doing so. That the people with such a promising message can't even get through the president's door is scarcely a hopeful sign of any immediate return to sanity in energy policy.●

SAM FRIEDEL

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mrs. HOLT. Mr. Speaker, I would like to join with my colleagues today in paying tribute to the late Congressman Samuel N. Friedel. Congressman Friedel represented the Seventh Congressional District of Maryland for 18 years. Prior to his election to the House he served the citizens of Baltimore as a city councilman and a member of the Maryland House of Delegates. I never had the pleasure of working with Mr. Friedel as the chairman of the House Administration Committee and as an outstanding and hard-working member of the Interstate and Foreign Commerce Committee, but my colleagues who have certainly hold him in high esteem.

Mr. Friedel was a wonderful example of a grassroots politician in the finest sense of the word. He got his start in Baltimore precinct and ward politics and never lost touch with the local people. In whatever elected office he held he used that position for the good of his constituents and the broader general citizenry. No matter how controversial an issue, Congressman Friedel determined what he thought was in the best interest of the people and then led the fight for that position.

The House has missed him since his retirement, and I am certain his many friends, and the constituency he never stopped serving, will miss him now.●

NOBODY KILLS RUSSIAN AMBASSADORS

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. BOB WILSON. Mr. Speaker, the continuing social upheaval in Iran with the attendant attack on the American Embassy, and the tragic event in Afghanistan—not to mention the murder of our Ambassador to the Sudan in Khartoum would indicate an increasing lack of respect with regard to foreign perceptions of the United States and our country's resolve.

We are seen not so much as a superpower in the world, but rather as a nation that can be pushed around with impunity.

In an article in the March 12 issue of the Air Force Times, retired Air Force Gen. Ira C. Eaker thoughtfully analyzes the "whys" of the situation and his comment on our apparent lack of will are well worth noting by all of us.

[From the Air Force Times, March 12, 1979]

Nobody Kills Russian Ambassadors

(By Ira C. Eaker)

The wanton murder of U.S. Ambassador Dubs in Afghanistan raises the query, why are no Russian ambassadors killed, or why the U.S. cannot protect its representatives abroad as the Soviets do.

A careful analysis leads to a definite conclusion. To protect the diplomatic representatives of any country, two conditions are required: the necessary power and the will of national leadership to use that power.

Nobody kills Russian ambassadors because everybody knows it is not safe to do so. It will be followed by certain punishment. The Soviets now have preponderant power sufficient to enable their leaders to make it hazardous for any nation to endanger their citizens, and the leaders have the will to use that power promptly anywhere in the world.

The U.S. once had that power. Today, apparently, it does not have sufficient military resources to protect its citizens against Russia and Russian satellites. But presently it is the necessary will of U.S. leadership which is in shortest supply.

In the case of Ambassador Dubs, the Kremlin reckoned the time had come to show the world which of the two great nuclear powers was not supreme. It also realized correctly that U.S. leadership was now so desperate for a SALT II agreement that any action against U.S. citizens or interest would be tolerated.

In fairness it must be admitted that this shameful failure to use power to protect U.S. interests did not originate with the Carter administration. Under the Nixon-Kissinger foreign policy we withdrew from Vietnam in such haste that we abandoned $10 billion worth of weapons. These weapons have augmented Russian weapons used by the butchers of Hanoi to murder three million people, our former allies in South Vietnam, Cambodia and Laos.

The liberal press hastened to applaud Nixon-Kissinger forbearance in failing to enforce the Treaty of Paris. This same liberal press castigated President Ford for using the necessary military force in the Mayaguez incident.

Dr. Kissinger became so exasperated by criticism that he exclaimed, "What in God's name is strategic superiority, what can you do with it?" Recently, he apologized for this query. He has undoubtedly learned what can be done with strategic superiority by observing what Russia has accomplished with it.

President Carter, following his liberal advisers in the State Department, instituted a policy of U.S. unilateral disarmament, believing the Russians would follow suit.

Instead, the Soviets have continued their massive arms program, obviously intending to achieve military superiority. Now they feel safe in pursuing an aggressive policy, challenging the U.S. at every turn. It has worked exactly as planned.

It has met no resistance save mild protest. The Carter administration did protest the murder of Ambassador Dubs. The Kremlin responded by sending Ambassador Dobrynin to his funeral, reminiscent of Chicago gangsters of yesteryear, who were wont to send trucks full of flowers to a slain rival's funeral.

A U.S. electronics firm, two of whose employees were imprisoned by the revolutionaries in Iran, realizing the futility of applying to our State Department, organized its own clandestine operation and succeeded in effecting their release.

The Russians have made their point. The U.S. leadership cannot or will not today adequately protect its embassies' ambassadors and citizens abroad.

The writer, an air power pioneer, is a retired three-star AF officer.●

TRIBUTE TO NEWLY ELECTED REP. BILL ROYER AND REDWOOD CITY'S 50TH ANNIVERSARY

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. McCLOSKEY. Mr. Speaker, it is with great pleasure that I bring to your attention two events relating to one of the finest small cities in California, the historic port of Redwood City. On Tuesday, voters of California's 11th Congressional District elected a Redwood City citizen, its former mayor, Bill Royer, as their new Representative in Congress.

Bill will join us to be sworn in next Monday, April 9, a day which also marks the 50th anniversary of Redwood City's original charter. On April 9, 1929, a group of farsighted citizens began what has been a half-century of planned growth, development, and enjoyment of what has been characterized as the finest and most blessed environment in America. The first freeholders who signed the charter are listed as follows:

M. E. Ryan, Mrs. A. S. Kalenborn, Philip Edmond Brand, C. E. Choate, George W. McNulty, C. G. Lambert, Percy E. Long, A. S. Liguori, Nelle L. Miramontes, Edward H. Sampson, Thomas Tuite, Walter T. Kellogg, Henry Witte, Paul A. McCarthy, C. M. Doxsee.

To those freeholders, both Bill Royer and I express our respect and gratitude.

They set a standard for excellence and governmental foresight we will be hard put to emulate.

Today, the people of Redwood City continue to enjoy good government, both through their mayor, Michael J. Barrett, and their city manager, James M. Fales, Jr. Together they are working to make their city more responsive to citizens' needs in the years ahead. We wish them much luck in their endeavors.●

CRUDE OIL WINDFALL PROFITS TAX ACT OF 1979

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. SHANNON. Mr. Speaker, today I am joining with two of my colleagues on the Ways and Means Committee in introducing the Crude Oil Windfall Profits Tax Act of 1979. Quite simply, this bill would impose an 85-percent windfall profits tax on any increased revenues the domestic oil industry will receive under the decontrol plans being considered by the President.

It is not yet clear if the President will propose phased or complete decontrol. In some respects this decision is not important. The oil industry's own figures show they are now making record profits and under either form of decontrol these profits will increase dramatically.

The oil industry maintains that they must have adequate incentives to explore for new oil. Many people would contend that the incentives under recent price increases are already more than adequate. These incentives will only continue to increase under this act since producers will retain 15 percent of increased revenues. However, producers will not be allowed to gouge the American consumer by charging the world price which is set by the OPEC monopoly and is not affected by the laws of supply and demand.

The windfall profits tax we are proposing will not apply to newly discovered oil, Alaskan oil, stripper wells and tertiary recovery methods. It is in our national interests to encourage production from these sources of oil. It is not in our interests, however, to allow a massive transfer of wealth from U.S. consumers to oil companies.

Mr. Speaker, it is becoming increasingly obvious that energy issues will be extremely important in the 96th Congress. The most immediate question concerns the decontrol of domestic oil prices. I have joined in this legislation in order to let it be known that decontrol, either phased or complete, is completely unacceptable without a strong but fair windfall profits tax. The bill we have introduced today meets these criteria. It will protect consumers while also encouraging domestic exploration and production.

Decontrol without a windfall profits tax is, at best, an act of faith—faith in the oil companies to use this money to increase exploration and production. This is an act of faith which is not justified. Decontrol without a stiff windfall profits tax will only mean more profits, more diversification and more ads in newspapers extolling the virtues of the free market system.●

NATIONAL OCEANS WEEK

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. MURPHY of New York. Mr. Speaker, today Congressman Studds, who is chairman of the Oceanography Subcommittee, and I are introducing a joint resolution to proclaim the week of May 20, 1979, as "National Oceans Week."

During the last Congress the House and Senate passed a joint resolution to proclaim a week as "National Oceans Week." President Carter joined us by issuing an Executive proclamation and the week of April 16, 1978, was designated as "National Oceans Week."

The oceans cover over 70 percent of the Earth's surface. Our Nation's need for food, energy, and mineral resources will increasingly be met by the oceans. In addition, they provide the main highways of our international commerce.

Oceans Week is an excellent opportunity to heighten the American publics' awareness of the vital role the oceans play in the sustenance of all life on Earth.

Again this year, the American Oceanic Organization (AOO), which has been described as the most important forum for ocean policy in the Nation's Capital is planning a series of events to highlight the public and private efforts to rationally develop, utilize, and conserve our marine resources.

The rules require 218 cosponsors before the joint resolution will be considered by the House Post Office and Civil Service Committee. For your convenience, we have attached a list of the cosponsors of "National Oceans Week—1978." We hope you will again join us in cosponsoring a "National Oceans Week" joint resolution:

COSPONSORS OF NATIONAL OCEANS WEEK, APRIL 16–22, 1978

Murphy, John M. (N.Y.), Breaux, John, Ruppe, Philip, Pritchard, Joel, Forsythe, Edwin B., Leggett, Robert, Biaggi, Mario, Metcalfe, Ralph, Studds, Gerry, Ashley, Thomas, Dingell, John, Rogers, Paul, Jones, Walter, Anderson, Glenn, de la Garza, Kika, Rooney, Fred, Ginn, Bo, Bowen, David, Eilberg, Joshua, de Lugo, Ron, Hubbard, Carroll, Bonker, Don, and AuCoin, Les.

D'Amours, Norman, Patterson, Jerry, Zeferetti, Leo, Oberstar, James, Hughes, William, Mikulski, Barbara, Bonior, David, Akaka, Daniel, McCloskey, Paul (Pete), Snyder, Gene, Treen, David, Young, Don, Bauman, Robert, Lent, Norman, Emery, David, Dornan, Robert, Evans, Thomas B., Jr., Trible, Paul S., Jr., Lederer, Raymond, Moakley, John, and Addabbo, Joseph.

McCormack, Mike, Simon, Paul, Fisher, Joseph, Santini, James, Brown, George, Fish, Hamilton, Scheuer, James, Flood, Daniel, Carney, Charles, Pickle, J. J., Gore, Albert, Winn, Larry, Pepper, Claude, Corrada, Baltasar, Lott, Trent, Lagomarsino, Robert, Lloyd, Jim, Lloyd, Marilyn, Cunningham, John, Price, Melvin, Bevill, Tom, Burton, Phillip, and Young, Robert.

McHugh, Matthew, Le Fante, Joseph, Ketchum, William, Kazen, Abraham, Bedell, Berkley, Rodino, Peter, Alexander, Bill, Allen, Clifford, Davis, Mendel, Edwards, Jack, Dickinson, William, Clausen, Don, Burton, John L., Badham, Robert, Roybal, Edward, Richmond, Frederick, Crane, Philip, Evans, Billy, Spellman, Gladys, and Ryan, Leo.

Dodd, Christopher, Ambro, Jerome, Andrews, Ike, Annunzio, Frank, Archer, Bill, Bafalis, L. A., Barnard, Doug, Beard, Edward, Beard, Robin, Benjamin, Adam, Jr., Bennett, Charles, Bingham, Jonathan, Blanchard, James, Blouin, Michael T., Boggs, Lindy, Boland, Edward, Brademas, John, Brinkley, Jack, Brooks, Jack, Burke, James A., Burleson, Omar, Cavanaugh, John, and Chappell, Bill, Jr.

Clay, William, Cohen, William S., Conable, Barber B., Jr., Corman, James, Cornwell, David, Cotter, William, Daniel, Dan, Danielson, George E., Dicks, Norman, Early, Joseph, Fary, John, Florio, James J., Foley, Thomas, Fountain, L. H., Fraser, Donald, Gammage, Bob, Gilman, Benjamin, Glickman, Dan, Gonzalez, Henry B., Guyer, Tennyson, Hall, Sam B., Jr., and Hamilton, Lee H.

Hannaford, Mark W., Hanley, James M., Heftel, Cecil, Garcia, Robert (N.Y.), Hefner, W. G., Hightower, Jack, Holt, Marjorie S., Holtzman, Elizabeth, Howard, James J., Huckaby, Jerry, Ichord, Richard H., Jenkins, Ed, Jenrette, John, Johnson, Harold T., Jones, James R., Jordan, Barbara, Kastenmeier, Robert W., Krueger, Robert, Lehman, William, Levitas, Elliott H., Long, Gillis, Livingston, Robert, and Lujan, Manuel, Jr.

Luken, Thomas, McFall, John J., Mattox, Jim, Meeds, Lloyd, Montgomery G. V. (Sonny), Moore, W. Henson, Murphy, Austin J., Murphy, Morgan F., Murtha, John P., Nedzi, Lucien, Nichols, Bill, Nix, Robert, Nolan, Richard, Panetta, Leon, Pease, Donald, Pepper, Claude, Price, Melvin, Risenhoover, Ted, Roberts, Ray, Robinson, J. Kenneth, Rose, Charles, and Rosenthal, Benjamin S.

Russo, Marty, Sharp, Philip, Sikes, Robert, Stark, Fortney H., Steers, Newton I., Jr., Stokes, Louis, Stratton, Samuel S., Stump, Bob, Teague, Olin E., Thompson, Frank, Tsongas, Paul E., Udall, Morris, Waggonner, Joe D., Jr., Walgren, Doug, Whalen, Charles W., Jr., Whitley, Charles, Wiggins, Charles E., Wilson, Bob, Wilson, Charles (Tex.), Wilson, Charles H. (Calif.), Wirth, Timothy E., and Wolff, Lester L.

Won Pat, Antonio Borja, Wright, Jim, Wydler, John W., Young, Robert A., Downey, Thomas, Harkin, Tom, Lederer, Raymond, Moffett, Toby, Smith, Neal, Chisholm, Shirley, Mathis, Dawson, St. Germain, Fernand, Jeffords, James, Fuqua, Don, Frey, Louis, Carr, Bob, Clawson, Del, Carter, Tim Lee, Andrews Mark, and Brown, Clarence "Bud".

Total 220 cosponsors.●

PRESIDENT VERSUS CONGRESS

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. LEVITAS. Mr. Speaker, at a time when Congress is concerned about the full implementation of the legislation it passes, and when it seems that we may have a confrontation with the executive branch over its reluctance to execute all provisions of laws that we pass and that the President himself even signs into law, I would like to commend to the attention of the Members an article written by Arthur S. Miller, a noted constitutional law scholar, which appeared in the April 1979 issue of the Progressive magazine.

Professor Miller points out that a President cannot pick and choose those parts of laws he feels like executing and ignore others.

Professor Miller also comments on a provision in the law that we passed last year which requires the Justice Department to report to us when they refuse to defend the constitutionality of a law, and requires them to state in court when they are only representing the Executive, not the United States.

Since many of us are being asked if legislative veto provisions violate the separation of powers doctrine, the opinions of the learned Professor Miller are of great value.

The article follows:

PRESIDENT VERSUS CONGRESS

(By Arthur S. Miller)

"Can it be presumed, that Persons sworn to execute the laws, shall openly counteract and violate them?" That plaintive question, asked in 1753 by a colonial newspaper, has surfaced again. A little noted but significant power struggle has broken out in Washington over the President's right to challenge the validity of Federal statutes in court. Can the Chief Executive, who swears under the Constitution to faithfully execute the laws, try to kill some of them?

The immediate focus is the "legislative" or "Congressional" veto, a device Congress uses to supervise some specific Executive decisions. (See "The Legislative Veto," by Arthur S. Miller, in The Progressive, May 1978.) When the veto has been challenged in several recent cases, the Department of Justice has supported the challenge. Justice Department lawyers, charged with the duty of representing the United States, assume that they discharge that duty by representing the President. In essence the battle now is one in which each branch of the Government accuses the other of illegality.

When, for example, Ramsey Clark sued the Senate and House over the validity of the "one-House" veto embodied in the Federal Elections Act, the Justice Department openly supported Clark's position. So, too, when 140 Federal judges brought suit in the Court of Claims for a salary increase. In both cases the orders for Justice Department intervention came from the White House, and in both cases the Justice Department acted without notifying Congress.

Basic "separation of powers" questions are at issue. The lawsuits are usually brought by private parties who believe they have been harmed by Congressional use of the veto. The Justice Department then enters the suit as an "intervenor," or files a "friend-of-the-court" brief. The suits are, however, really a Presidential testing of Congressional powers.

It is difficult to see how the President can faithfully execute a law—one that he himself may have signed—when he tries to chip off part of it and have it declared illegal. The Constitution does not give line-item veto to the President. He can either veto a bill or sign it; there is no middle ground.

Members of Congress have, therefore, become justifiably upset about the cavalier attitude taken by the Justice Department in such cases. The Senate has created a new office of Senate Counsel to litigate such matters, and a rider on the Department's appropriation now requires it to notify both houses when it will not defend the constitutionality of a statute. Furthermore, the Department must declare in court that it represents the Executive, not "the United States." Representative Elliott Levitas of Georgia who sponsored the amendment, observes, "When an act of Congress is passed and signed into law, it is the law of the United States, and I do not want the Justice Department to pretend to be defending the United States when it is not."

The Supreme Court has backed away so far from all opportunities to decide the question, but the constitutional struggle will ultimately have to be resolved. Its resolution should come not in the courts but in the political arena. Judges are ill suited to decide delicate questions of this type—questions that the Constitution does not settle in its express language. If the Supreme Court does rule on a case involving the legislative veto, the Justices should come down hard on the side of Congress.

At the same time, the recent proclivity of individual members of Congress to run to court to challenge Presidential actions should be halted. Senator Barry Goldwater's suit against President Carter over the abrogation of some treaties with Taiwan should be rejected, just as was Senator Robert Dole's suit over the Panama Canal treaties. A few years ago, Senator Edward Kennedy successfully challenged President Nixon's pocket-veto of the Family Practice of Medicine Act, thereby setting a bad precedent. Both the President and Congress should stop asking lawyer-judges to umpire their brawls. Let politics do the job.●

LEGISLATION RELATING TO AIR TRAFFIC CONTROLLERS AND FLIGHT SERVICE STATION SPECIALISTS

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. TAYLOR. Mr. Speaker, today I am introducing legislation that offers a balanced approach toward improving general aviation safety while holding down the excessive cost of government.

This measure, which is identical to H.R. 7632 that I authored in the 95th Congress, would terminate the availability of our second career training program for those air traffic controller employees of the Federal Aviation Administration who are eligible for immediate retirement and would extend the early retirement provisions of our current law to flight service station specialist employees of the FAA.

It will soon be 7 years since Congress enacted Public Law 92–297 for the purpose of treating the air traffic control occupation as a comprehensive career program with age restrictions, an early retirement option and retraining for other occupations.

This law provides for 2 years of Government financed second career training for an air traffic controller with at least 5 years of service, after a determination of medical disability or inabilty to maintain technical proficiency.

Additionally, the law allows for mandatory separation from the service at age 56, as well as a retirement option after an air traffic controller reaches age 50 with 20 years of service.

It is my belief, Mr. Speaker, that flight service station specialists have been unfairly and unreasonably excluded from the early retirement provisions of the law for these past 7 years, and the major thrust of my bill is to eliminate this inequity.

Based upon figures supplied by the Civil Service Commission and the FAA in 1977, there are some 4,000 flight service station specialists who would be eligible for additional benefits if all provisions of Public Law 92–297 were extended to them. The costs of providing early retirement would total $136,000,000 in increased unfunded liability of the civil service retirement system, amortized over a period of 30 years for an annual cost of $8.4 million.

Although the Carter administration has followed the example of previous administrations in opposing this concept of extending the early retirement benefits to flight service stations specialists, I am hopeful that the 96th Congress will see fit to put an end to this unfair treatment of these employees. I am encouraged, Mr. Speaker, because the gentlelady from Maryland, Mrs. SPELLMAN, has introduced H.R. 1262 this week, which incorporates part of my proposal.

The key difference between H.R. 1262 and the bill I am introducing, is that mine will pay for itself by reducing the Government's cost of providing second career training for air traffic controllers by precluding those controllers eligible for immediate retirement from receiving the training.

Shortly before President Carter took office, former Secretary of Transportation William Coleman proposed legislation on behalf of the Ford administration to eliminate this particular loophole in Public Law 92–297. According to former Secretary Coleman, the Government could have saved over $8.7 million in training costs if the 179 air traffic controllers who were eligible for immediate retirement had not entered into the second-career program that began in mid-1975.

It seems to me, Mr. Speaker, that those of us who serve in the Congress and who put forth ideas that will eventually increase the cost of the Government have a special responsibility to come up with other ideas to help lessen the financial burden of the taxpayers—who, after all, have to pay for what we do. I firmly believe that this bill does exactly that.●

CONGRESSIONAL TESTIMONY OF CLIFTON VAN EPPS OF NIAGARA FALLS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. LAFALCE. Mr. Speaker, on March 21 several of my constituents came to Washington to share with Congress the problems they have had to confront as a result of improper handling of hazardous wastes and the serious effects they have had on health and the environment in the area.

Mr. Clifton Van Epps, Vice President of Local 8–788 of the Oil, Chemical and Atomic Workers, discussed the health problems which have developed at his plant which is adjacent to the Hyde Park Landfill. The medical data he gave in his presentation, I believe, should be seen by our colleagues because it points out the tragedies which have befallen these people as a result of only doing what any citizen strives to do each day—go to work and earn a living. His presentation follows:

OIL, CHEMICAL AND ATOMIC WORKERS,
March 16, 1979.

Mr. DAVE NELSON,
Sub-Committee on Oversight Investigation, Interstate and Foreign Commerce Committee, Washington, D.C.

DEAR MR. NELSON: On December 7, 1978, a meeting was held by the O.C.A.W. Local 8–778 of the Niagara Steel Finishing Company, to discuss health problems which have developed because Niagara Steel Finishing is adjacent to the Hyde Park Landfill and Chemical dumpsite which is presently owned by Hooker Chemical Company.

Since I am an employee of Niagara Steel Finishing Company, and also Vice-President of Local 8–788 O.C.A.W., I am sending this letter to preface my appearance at the Congressional Hearings on Wednesday, March 21, 1979, at the request of the Sub Committee on the Hyde Park landfill.

My testimony will be on the Lagoons and the problem of overflowing when it rains, which results in the overflow being washed into the creek nearby the landfill.

I will also include Medical Data on the personnel of the workforce and also, some data on family illnesses such as:

1. Miscarriage—10.
2. Cancer—2 cases present.
3. Child Death—3 cases.
4. Lung Problem—2 cases present.
5. Kidney Problem—2 cases present.
6. Birth Defects—3 at Birth.
7. Heart Defect—1 case present.
8. Blurred Vision—3 cases present.
9. Body Swelling—5 cases present.
10. Cysts—4 cases present.
11. Acne—30 cases present.
12. Headaches—23 cases present.
13. Shortness of Breath—14 cases present.
14. Constant Colds—5 cases present.
15. Rash—18 cases present.

Enclosed is a report on the meeting with O.C.A.W. Local 8–778 and the United Steel Workers Union from Grief Brothers and National Lead (NL) industries. Also present, was Dr. Christine Oliver, Medical Doctor for the O.C.A.W. Union. Her report gives full detail of the Hyde Park Landfill and this report should familiarize you with our problem at the dumpsite.

In this testimony, I will include details of the problems stemming from the landfill such as:

a. Easterly winds producing extremely heavy fumes resulting in rashes and burning eyes.

b. Employees having to leave the area to avoid confrontation of toxic fumes.

Dr. Oliver's report also includes a list of chemicals that are found in the landfill at the Hyde Park Dumpsite and their effects they have on Humans.

We hope some action will be taken to pass a law to end this serious problem of toxic waste material.

Sincerely yours,
CLIFTON VAN EPPS,
Vice-President,
Local 8–788.

I. Cancer—Malignant:
B. Brydges—Face and nose cancer.
Dr. Dolan.
549 4th Street.
November 1977.
Unknown reason for cancer.
Gordon Stewart—Face cancer.
Dr. Bernhart—Family doctor.
10th Street.
Niagara Falls, NY.

II. Eye Problems:
Gordon Stewart.
Eyes blurred and burn.
Dr. Gormley.
723 Main St., Niagara Falls, NY.
Nancy Emo.
Blurred vision.
Ransomville, NY.
John Bush.

III. Rash Cases:

Anthony Sabett—Rash on body—Started after he worked outside near the landfill. The rash worsened and his tongue and body started to swell. He went to the hospital was treated there and kept over night. The doctor told him he did not know why he had the rash, there was no apparent reason.

Dr. Rudolph Owens, M.D., P.C., 708 9th St. (Cason Bldg.), Niagara Falls, NY 14301.

Admitted, 3–5–79; discharged, 3–6–79; (allergic reaction).

Richard Berner—Monday Nov. 27, 1978.

Rash on body—He went to Degroff Memorial Emergency in North Tonawanda, NY. There he was given blood tests, X-rays and a shot of adrenalin. The next day he went to his own doctor and there they took more blood tests and urine samples and also stool samples. The doctor told him there was no bacteria and no virus. The doctor told him he could not diagnose his problem.

Records are at DeGroff Memorial Hospital—North Tonawanda, NY.

William Caldwell—March 9, 1978.

Rash appeared on both arms, neck, and back. Doctor looked at the rash and could not diagnose the problem. This rash comes and goes. The rash dries up and clears for a few weeks.

OTHER RASH CASES

Denvil Maggard, Ernie Edwards, Donald Maggard, Bob Farrell, John Bush, Gordon Stewart, Clifton Van Epps, Bill Hurtgam, Henry LoStracco, Mike Irish.

David Iodice, Dino DiRienzo, Whitey McGarvey, Nancy Emo, Robert James, Nick Fortini, Lance Mellenthine, John Eodice, Floyd Piper, Richard James.

IV. Growths as cysts:
Clifton Van Epps—Lumps on left arm.
Walter McIntyre—Growths on ears.
William Hurtgam—Boils in stomach area.
Jack Woomer—Cysts and growing above shoulders.
John Eodice—Growth on chest (removed).
Berardino DiRienzo—Growths on neck, removed and reoccurs.
John Bush—One on chest, one on rectal area.

V. Nose Bleeding:
Don Maggard.
Clifton Van Epps—clear nose—get blood.
Walter McIntyre—Nose cauterized.
Bill Hurtgam—clear nose get blood.
Robert James—Clear nose get blood.
Lance Mellenthine—Clear nose get blood.
John Eodice—Clear nose get blood.
William Caldwell—Clear nose get blood.

VI. Headaches:

Anthony Sabett—No continuance of headaches until he started at Niagara Steel Finishing Co. two years ago. Now he gets steady headaches about three or four times a week.

Denvil Maggard, 2 to 3 per week.
Richard Berner.
Clifton Van Epps, 2 to 3 per week.
Steven Fitzgibbon.
Ernie Edwards.
Gordon Stewart.
William Young, 2-4 per week.
Robert Farrell.

VII. Acne Problems:

Robert Farrell, Henry Lostracco, Anthony Sabett, Clifton Van Epps, Steven Fitzgibbon, Nick Fortini, Robert James.

VIII. Chest Pains:

Robert James—February 1977 admitted to hospital E.K.G.taken, nothing showed up, still under doctors care.

Dr. Ignatius, 549 4th Street, Niagara Falls, N.Y.

RASHES OUT OF PLANT TO FAMILY'S

Nancy Emo—Her husband and children got rashes when she had them. Went to doctor and no results or diagnosis.

Clifton Van Epps—His wife presently has a rash on her face and body. She is seeing a doctor now. The doctor ordered blood tests and a urine sample.

IX. Child Birth Defects and Miscarriages:

Louis Gardner—Mr. Gardner had four children before the Niagara Steel Finishing plant was built at 4715 Hyde Park Blvd. All of his children were in excellent health. After employment at Niagara Steel Finishings present address for a few years, his wife had a son named Jeff. He was born June 20th, 1966 with a brain tumor and died June 24th, 1977.

His wife had miscarried in October 1968 and in 1969 she gave birth to a daughter Violet Ann: Born January 13, 1969. The daughter died January 13, 1969 due to a birth defect (malformed head covering). The doctor in each case said they could not give them a reason for the deaths and the miscarriage.

Dr. Slepian, Niagara Falls, N.Y.

Dr. Crea, 706 9th Street, Niagara Falls, N.Y.

Dr. Shift, 706 9th Street, Niagara Falls, N.Y.

Mark Maggard—Wife gave birth to still born child after full pregnancy term. Doctors performed autopsy and could not diagnose cause of death.

Lance Mellenthine—Wife miscarried at six (6) weeks (hemorrhage).

Ernie Edwards—Wife miscarried in 1968 after six (6) months of pregnancy.

James James—Wife has had two miscarriages in 1978. Has been employed at Niagara Steel Finishing Co. approximately three (3) years.

LUNGS

Robert James was working outside in the Fall of 1975. He went home that night and was rushed to St. Mary's Hospital for breathing problems. Here they discovered his lungs had filled up with fluid. Dr. Booth cleared the lungs. In May of 1977, he had another attack and Dr. Ignatius sent him to Cleveland Clinic. There he underwent a series of tests including a Scope Test and no doctors could diagnose the problem. To this day, he still has problems with breathing.

CHILD BORN WITH RASH—1970

Jason Eodice, John Eodice son, was born with a rash over his entire body. The doctors took blood samples and could not diagnose the rash. After a few weeks, the rash cleared.

KIDNEY INFECTIONS

John Eodice has kidney problems all the time. They have developed in the last year and haven't gone. He was treated for kidney infections, but it hasn't helped.

Wally McIntyre—kidney infections constantly for the last two years. Before he came to Niagara Steel he was in perfect health.

LIVER PROBLEMS

Bob Farrel, liver ailment, Dr. Ramshed/Dr. Wilson—Niagara Falls, New York.

Jack Woomer has had problems with his digestive track. He underwent complete GI series, however, the doctor could not find a reason for the problem. (Dr. Ricotta, 4th Street, Niagara Falls, New York.)

Angelo Scavulli, Dr. Brennon, 723 Main Street, Niagara Falls, New York.

Calcium build up in entire body, arthritis in knees and elbows and hands. He worked near dump more than 8 years ago and always had a rash. He is in management now and does not work near the dump—he no longer has rashes.●

BASIC RESEARCH AS A NATIONAL PRIORITY

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. MARTIN. Mr. Speaker, I wish to share with our colleagues the recent remarks of the president of Princeton University, William G. Bowen, on the essential nature of basic research. It should be well pondered as we continue to deal with appropriations in this area. The remarks follow:

REMARKS OF WILLIAM G. BOWEN

In Alec Leitch's Princeton Companion published last fall, the legacy to the Universty from Woodrow Wilson is described as "a vision of an institution dedicated both to things of the mind and the nation's service. . . ."

That continues to be our vision, and we fulfill it in essential ways through our commitment to scholarship and research of the highest quality.

Scholarship and research constitute an essential investment in the nation's future. They yield insights and discoveries that increase productivity, that enhance the competitive position of American industry, and that can serve to improve standards of living all over the world.

I do not believe I exaggerate when I say that all the freedoms of our society depend in significant degree on the critical exercise of scholarship and research, unfettered by any ideological or political harness and uncompromising in the pursuit of truth.

Finally, scholarship and research matter greatly for more intangible reasons that have to do with our zest for learning, and with the hopes, fears, and spiritual concerns that drive us. Any literate society, interested in human values, needs its poets and philosophers, its art historians and its scholars of religion, no less than its physicists, mathematicians, and engineers. All are necessary for our health and vitality.

Fortunately, there is today in the United States an enviable capacity for outstanding accomplishments in many disciplines—much of it, especially in scientific fields, developed since World War II. According to the National Science Foundation, for example, of 492 major technological innovations in the period 1953 to 1973, 65 percent resulted from work in the United States. And 50 percent of the Nobel Prizes in science awarded since the war have gone to Americans.

While the task of finding applications of new knowledge is of enormous importance, the applications and the technologies of any given age depend critically on the basic research of earlier times, generally conducted by people interested in understanding the fundamental "axioms" of their fields without the deliberate intention of achieving a specific utilitarian end.

I realize that basic research frequently is criticized by those who question its significance and seek immediate payoffs. In assessing such views, we do well to recall that the most important medical advances of this century are rooted in basic research that included no hint whatsoever of such applications as the development of antibiotics, that one of the most important "practical" discoveries of all time (hybrid corn) owes much to a one-time Princeton professor, George Shull, who was equally fascinated by his studies of the evening primrose, and that the modern science of genetics received more than a small push forward as a result of a study by Gregor Mendel that could well been titled "How to Segregate Round from Wrinkled Peas"—a surefire candidate for a "Golden Fleece" in its time.

When the National Science Foundation recently compiled a list of 85 significant advances over the past 20 years in four fields (mathematics, chemistry, astronomy, and the earth sciences), university scientists were found to have been responsible for more than 70 percent of them.

There are, I believe, several characteristics of universities which account in large measure for this record of accomplishment. First, universities are committed to the twin concepts of academic freedom and the pursuit of the most fundamental questions, however unsettling or controversial they may be. Moreover, the university environment tends to encourage independent thinking, comprised as it is of individuals who are charged with a particular responsibility to think for themselves, to challenge each other as well as orthodoxies old and new, and to feel no obligation to follow anyone else's sense of the right way to attack a particular problem.

Another characteristic of universities is that they encompass work in a great variety of disciplines. Thus it is possible for faculty members in various fields to "kibitz" on the work of colleagues in other fields.

Finally, universities are "special" because of the interrelationship between research and teaching which is as important as it is evident.

What this means, in part, is that the investment in university research produces a double benefit: Not only is the research accomplished in an unusually conducive environment, but those who will be the research leaders of the next generation are instructed and encouraged at the same time.

As we look to the future of scholarship and research, we need to bear in mind that, as always, it is the quality of the people involved that matters most. Unhappily, however, even the best people generally require at least some support. I am not convinced that the hair shirt will attract the best people to theology or poetry, never mind to Chinese politics or Plasma Physics.

In my annual report, I shall describe in some detail the decrease in federal support for scholarship and research that has been a fact of the last decade at the major research universities. From a national standpoint, suffice it to say that the federal government supports two-thirds of the nation's total basic research effort and of all research and development conducted at colleges and universities. Between 1962 and 1975, while the fraction of GNP devoted to research and development in West Germany increased by 80 percent and the comparable fraction in Japan grew by 31 percent, in the United States there was a 15 percent decline.

This is a time, I know, when many of us question the role of government in various areas; I know that I do. But let us make no mistake about the role of government in supporting basic research. It is rooted directly in the character of the activity: basic research is unpredictable, and the benefits it confers take the form of new ideas which no private entity can keep entirely to itself, but which naturally and inevitably "spill over" to the entire society. Accordingly, there is widespread agreement with the proposition that government has a clear responsibility to foster advances in knowledge which are the common property of all.

Beyond the general question of levels of support, I have time today only to mention, almost in passing, five other specific concerns related to the future of scholarship and research.

First, there is the terribly discouraging outlook for young scholars in essentially all fields of knowledge. As is well known, various factors—anticipated declines in enrollment, an unfavorable age distribution of faculties, tight budgets, and legislative pressures for later retirement—have combined to diminish drastically opportunities for new people to be appointed and then advanced.

Second, there is the problem of support for the major tools of scholarship and research—which are very expensive. Special mention has to be made of the major research libraries, critical as they are to scholarship in all fields, and of the costs involved in providing proper equipment and instrumentation in laboratories.

Third, there is a danger that the combination of severe budgetary limitations, political pressures to spread the available funds broadly, and worries about "relevance" will strengthen the inclination of both writers of proposals and reviewers of proposals to prefer "safe" projects. Yet, it is often true that the most "unpredictable outcomes" are the most significant. The same NSF study referred to earlier documented the importance of broadly-gauged, flexible research projects. In studying the origins and characteristics of the 85 most significant advances in the four scientific fields over the last 20 years, it was found that only 43 percent of the projects which led to these advances had actually contained, in the funding proposal, a direct reference to the significant outcome; 40 percent of the advances were derived from grants for broadly defined research in the general area; and 17 percent were related neither directly nor generally to the justification used in requesting support.

A fourth concern is administrative burdens. Having mentioned it, I'm almost sorry already that I did, because it's become a kind of code phrase, used in some cases to say things I don't want to say but do not have time today to disavow. In any event, time and personnel available to do research have been reduced by substantially increased administrative demands. When bureaucratic detail and regulatory zeal threaten to crowd out creative effort, there are no winners, and the original purpose of the undertaking is defeated.

Fifth—and this is an enormous subject all its own—in our concern for science, technology, productivity, and all the rest, we dare not lose sight of the importance of those other fields of knowledge which give meaning and direction to our lives. Asymmetries in the support of the sciences and humanities need to be reviewed in the most thoughtful way—not with an eye to somehow "equalizing" things, an objective both impossible and undesirable—but with an eye to recognizing the separate needs and critical contributions of each set of subjects.

Scholarship and research, and our concerns for their future, can be thought of in quite practical, utilitarian terms; and, in one sense, there is nothing wrong with such a conception since these activities do matter so very importantly to our well-being. But such an orientation is, in my view, dangerously incomplete.

My greatest personal debt to Princeton as a teaching institution derives from an experience I had as a beginning graduate student in the fall of 1955. As a student in one of the last classes in the History of Economic Thought taught by Professor Jacob Viner, I was given the privilege of seeing at first hand what constitutes scholarship of a high order, and how the standards and values of scholarship can inform work that otherwise might seem routine or pedestrian—and, for that matter, can affect the whole of a person's life. I hope that those who were unable to witness Professor Viner's scholarship, or who do not know the fruits of it, will nonetheless sense the spirit of what I am trying to say through the following comment of his:

"All that I plead on behalf of scholarship is that, once the taste for it has been aroused, it gives a sense of largeness even to one's small quests, and a sense of fullness even to the small answers to problems large or small which it yields, a sense which can never in any other way be attained, for which no other source of human gratification can, to the addict, be a satisfying substitute, which gains instead of loses in quality and quantity and in pleasure-yielding capacity by being shared with others—and which, unlike golf, improves with age."●

GASOLINE USE SHOULD BE AN URGENT NATIONAL GOAL

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. ANNUNZIO. Mr. Speaker, I rise in support of H.R. 2647 and H.R. 2648, bills I have cosponsored which would encourage the production of gasohol.

As most of you know, "gasohol" has become a shorthand phrase for the alcohol fuels, methanol and ethanol, when these fuels are blended with gasoline and used to power automobiles. The alcohol fuels have been around for years, but they are receiving increasing attention today because of the growing need for fuels that can be substituted for petroleum-based products.

Ethanol can be produced from grain or other agricultural crops, while methanol can be made from coal, from wood, or from urban wastes. These are home-grown fuels, not imported; and they work well in existing automobiles in blends of 10 percent alcohol to 90 percent gasoline. These blends have been received enthusiastically thus far in Illinois at gasoline stations where they have been made available.

Unfortunately, the development of a gasohol has been slowed because of economics, supply, and governmental organization. With regard to economics, the cost of energy derived from alcohol fuels is, as of now, greater than the cost of energy from gasoline. This should change, however, as the price of foreign oil continues to rise, and as Government programs are instituted to encourage gasohol development. The tax exemption from the excise tax on gasoline, enacted last year as part of the Energy Tax Act, is one example of governmental action to meet the economic roadblock to gasohol production.

As to supply, there is ample coal from which to produce methanol. Producing ethanol from grain might pose supply problems on a nationwide basis, but ethanol could make a real contribution to alleviating the fuel shortage in grain-producing States.

Government organization is another roadblock. The Department of Energy seems confused as to what to do about alcohol fuels and how seriously to take them. DOE's alcohol fuels program is under three separate branches of the agency: fuels from biomass, transportation energy conservation, and coal utilization. The Department of Agriculture's pilot plant program is yet a fourth governmental unit. A coordinated Federal effort in this area is desperately needed.

H.R. 2647 would amend the Clean Air Act to require that where unleaded gasoline is now required to be sold at a gasoline station by order of the EPA Administrator, gasohol would be sold instead if it is available. This provision would greatly increase the incentive on the part of manufacturers to produce gasohol. Second, it would clarify a potentially disturbing situation with regard to the possible imposition of a ban on gasohol use by the EPA Administrator on technical grounds. Such a ban almost went into effect last December, and is still a possibility. Under H.R. 2647, no such ban could be imposed unless EPA were able to make an actual finding that a ban on gasohol would actually result in an improvement in air quality.

H.R. 2648 would encourage alcohol fuel production by allowing for the rapid amortization of production facilities. As of now there are almost no production facilities dedicated to producing alcohol fuel for gasoline. Ethanol for that purpose is produced as a sideline by the beverage distilleries, and there are no methanol production facilities for gasohol use at all. This tax break for alcohol fuel plant construction would be of great benefit in encouraging the development of the industry.

Mr. Speaker, the country needs alternatives to gasoline which can be produced at home, not bought from foreign countries. It must be one of our most urgent national goals to encourage the development of such alternative fuels. Gasohol is not the only answer, but it is a road we should be following—and without running into economic and bureaucratic roadblocks along the way. Therefore, I urge the support of my colleagues for these important bills.●

MILLE LACS INDIAN BURIAL GROUND

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. NOLAN. Mr. Speaker, today I am introducing legislation which will amend Public Law 95-571 (92 Stat. 2452). This law originally sought to clear title to a 25-acre parcel of land on the shores of Mille Lacs Lake in Minnesota. This 25-acre tract to which I refer is generally known as Government lot 4. Lot 4 was patented to the State of Minnesota in 1871. The property later passed by deed to the Lake Superior and Mississippi Railroad Co.—subsequently designated as the St. Paul and Duluth Railway Co.—which in turn deeded the property to the Northwestern Improvement Co. This enterprise later conveyed lot 4 to Mr. E. L. Trask who later, by contract for deed, transferred the lot to Mr. A. P. Jorgenson in 1901. Some time thereafter, the land was sold to Mr. Sherman Holbert. Public Law 95-571 and my subsequent amendment find their purpose in the fact that the Congress, on May 27, 1898, passed Joint Resolution 40 which "perpetually reserved the above property (lot 4) as a burial place for the Mille Lacs Indians, with the right to remove and reinter thereon the bodies of those buried on other portions of said former reservation." In other words, the Congress reserved property which it did not own for the expressed purpose of a burial ground for the Mille Lacs Indians.

In recent years, Sherman Holbert has undertaken efforts to develop lot 4. In the course of these development efforts, the Mille Lacs Chippewa Community discovered Joint Resolution 40 which, until that time had remained unknown to anyone in the area. Mr. Arthur Gahbow, president of the Mille Lacs Chippewa Reservation Business Committee has suggested that, on the basis of Joint Resolution 40, Government lot 4 rightfully belongs to those Indians residing at Mille Lacs. This conviction is shared by Sherman Holbert. I agree with both gentlemen.

The necessity for my amendment today is founded in the fact that although Public Law 95-571 authorizes the Secretary of Interior to acquire lot 4, it does not mandate such an action. It now appears this condition may obstruct the expedient transfer of the property by the BIA to be held in trust for the Mille Lacs Chippewa. For this reason, I am introducing an amendment to Public Law 95-571 to direct the Secretary of Interior to acquire, by eminent domain if necessary, Government lot 4.

Following is a copy of a letter I received from the BIA which serves to clarify the situation at hand:

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF INDIAN AFFAIR,
Washington, D.C., February 2, 1979.

Hon. RICHARD NOLAN,
House of Representatives,
Washington, D.C.

DEAR MR. NOLAN: Thank you for your letter of January 17 in regard to the Mille Lacs Cemetery. We have had several conversations with Mr. Holbert and his attorney Mr. Collins. While the figures involved in our appraisal of Government Lot 4 were known by Mr. Holbert quite some time ago, our official letter of offer (copy enclosed) and an actual copy of our appraisal were only recently sent out. Basically the procedure normally followed is that Mr. Holbert will review our appraisal and if he disagrees he can submit his own appraisal. If his appraisal is grossly out of line with our appraisal a neutral third party appraiser is called in to reconcile the difference. Under the terms of the act, if Mr. Holbert does not agree with the value determined to be fair market value he can simply reject it and not sell the land. On the other hand, if he asks for more than fair market value we are not authorized to purchase the land.

We realize that Mr. Holbert feels the appraisal does not adequately reflect his investment in the property. The appraisal was, however, not based on Mr. Holbert's investment or his anticipated return on his investment but on the current fair market value for the land as it sits. We have also discussed the tax and reinvestment advantages that eminent domain would offer Mr. Holbert. However, as the sponsor of the legislation you are aware that Mr. Udall suggested an amendment that changed the language of the bill from a directive to the Secretary to acquire the land (inferring eminent domain authority), to language authorizing purchase as the only means of acquisition of the land. The suggested language was accepted and became part of the bill as enacted. (Congressional Record, October 14, 1978, page H12845).

Administratively we can only follow the language of the bill and at present it authorizes purchase of the land for fair market value and no more. We have no objection to Mr. Holbert seeking an amendment authorizing eminent domain. We also note that the severance damages on the land being severed from Government Lot 4 are so high that authorization to purchase the entire tract would also not be objected to.

As you suggested we are most anxious to settle this entire question once and for all. We will continue to cooperate with you and Mr. Holbert in seeking as rapid a settlement as possible.

Sincerely,
(Sgd) KENNETH J. FREDERICKS,
Acting Director, Office of Trust Responsibilities.●

VOLUNTARY EFFORT WORKS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. SYMMS. Mr. Speaker, I would like to take this opportunity to congratulate the Federation of American Hospitals for what has come to be known as the Voluntary Effort to contain hospital costs. In the first year, 1978, the rate of increase dropped 2.8 percent despite the rising inflation rate which plagues consumers and industry alike.

In a letter to members of FAH, Edward R. Stolman, 1979 FAH president, discusses the Voluntary Effort and what has made it such a successful venture. I commend Mr. Stolman's letter to my colleagues in the House:

On March 6, 1979, President Carter sent a new hospital cost containment bill to Congress, which—if approved—would have a detrimental effect upon the future of the health care industry in the United States.

The new legislation contains an ultimatum, giving hospitals until January, 1980, voluntarily limit the rate of their cost increases to 9.7 percent or face mandatory controls. We believe that this percentage rate is both unfair and unrealistic.

The President has repeatedly called upon American industries to voluntarily control prices and wages in the fight against inflation, but only the health care industry has been singled out and threatened with mandatory controls.

It is unfortunate that the President continues to ignore our industry's successful Voluntary Effort (VE) for cost containment, which began several months before he made his initial appeal to all industries to act voluntarily. The Federation of American Hospitals (FAH) and the other co-sponsors proved in 1978—the first year of the project—that "VE Works", and there is no need for controls.

We have completed only the first phase of a long-range program. This is why continuation of voluntary cost containment as the most logical and fair alternative to any form of government controls remains as a top priority of the FAH in 1979.

Even as we consider the challenges ahead, it is gratifying to look back on the tremendous industrywide effort of 1978 and note that the VE exceeded its initial goal of limiting the rate of cost increases by 2 percentage points.

Actually, the rate of increase dropped 2.8 percent—from 15.6 percent in 1977 to 12.8 percent in 1978. This was an important achievement, especially when you consider that inflation in other key segments of the nation's economy (particularly some that impact most on the health care industry) climbed at a comparatively faster pace.

TOUGH LEGISLATIVE YEAR

The introduction of cost containment legislation—a bill which the President has made a leading item of his anti-inflation program—means that our industry is facing another tough year in the legislative arena.

Defeat of similar legislation can be counted as one of the major highlights of 1978 for the FAH, as well as the entire health care industry and the nation's consumers. From our point of view, a large share of the credit for this important victory goes to Michael D. Bromberg, the FAH's executive director, and his outstanding Washington staff. Mr. Bromberg—working in cooperation with representatives of the AHA, AMA and other health organizations—helped direct the successful strategy that led to the Administration's setback.

With the 96th Congress in full swing, he and his staff are once again in the thick of the battle as the Administration continues its efforts to obtain some form of cost controls over hospitals. We in the investor-owned hospital industry are indeed fortunate to have such an outstanding team of health legislative specialists representing us in the nation's capital. We pledge them our continued support and encouragement.

As for the VE program itself, Mr. Bromberg and the 1978 president of our organization—Andrew W. Miller, senior vice president-administration for Hospital Corporation of America (HCA)—merit much praise for establishing and maintaining the FAH's strong leadership role.

PRAISE FOR MILLER

Mr. Miller has served as the investor-owned hospital industry's representative on the National Steering Committee for the Voluntary Effort since it was formed in late December, 1977. In this capacity, he has given the FAH and our industry a strong voice in the direction of the total program. We are very pleased that he has agreed to continue as the investor-owned representative in 1979 because it will assure us of remaining in the forefront of this most worthwhile endeavor.

Mr. Miller's tenure as president of the national association of investor-owned hospitals can be characterized as an era of change and progress. Under his guidance, here are some of the achievements that have helped make the FAH a stronger and more flexible organization during the last year:

The committee system was reorganized and streamlined so that the FAH can respond more readily to a complex and everchanging health delivery system.

A new dues structure was established to enable the FAH to expand its resources and capabilities as the spokesman for the nation's investor-owned hospitals.

Increasing emphasis was placed on state legislative activities with the addition of a Washington staff member assigned specifically to this area. The No. 1 state goal was—and still is—defeat of state rate controls, which the FAH opposes unequivocally.

An education foundation was established so that the FAH can award scholarships to students in schools or departments of health care administration, which offer courses in cost containment.

The administrative, membership and publications office was reorganized in order to expand the functions and activities in these particular areas.

All of these accomplishments, plus a number of other improvements, made it a banner year for Mr. Miller and the FAH. It is my intention to continue several of the notable programs that he launched.

BUSINESS FOR AN ALLY

As we continue our search for ways to contain costs and, at the same time, maintain high quality health care at a reasonable cost, we must seek allies outside our industry, and, in my opinion, the most logical place to start is the citadel of free enterprise—the business community.

Business, of course, is very concerned about the cost problem because it is second only to to the federal government as the largest purchaser of health care in the country—and, therefore, it wants a larger role in decisions affecting the health delivery system.

In recent years, prestigious organizations—such as the Business Roundtable (with its influential Task Force on Health); the Washington Business Group on Health, and the Chamber of Commerce of the United States—have taken the lead in expanding business' involvement in the decision-making process of health care.

For example, in 1978, the Chamber of Commerce released a five-part report, which in reality, is a blueprint of national health care strategy for the nation's business community. The study—is one of the first documents of its kind to provide a step-by-step plan to improve health care and contain costs through voluntary, private methods implemented at the local level.

The FAH is very pleased that a market approach and private initiatives—rather than more government intervention—are recommended as the most effective ways to contain costs and, at the same time, improve health care. Competition is cited as the key to effective cost containment. In general, the key recommendations are compatible with the spirit and substance of the VE program.

CLOSER RELATIONS NEEDED

While the health care industry and business are cooperating with each other in trying to find a solution to the cost dilemma, I believe that we can effect an even closer relationship through a well-planned program of education and information.

I am confident that the FAH can be a catalyst in creating a greater awareness of what private enterprise can do to help our industry contain costs. Therefore, I have established this project as one of the major goals of my tenure as president in 1979.

Business has made numerous valuable contributions to our industry.

Yet, in this same context, business has contributed to the cost problem by offering broad medical coverage programs, which, in effect, relieves the consumer of fiscal responsibility, and probably unwittingly leads to overuse of the health delivery system. With so many health benefits available, consumers are prone to be less frugal and less conscious of the cost factors.

We believe that Americans who can afford it would be more cognizant of health care costs if they shared the payment responsibility—through co-insurance, deductibles or similar concepts. This is certainly an area in which business could help, especially by creating disincentives that could curtail excessive use of the system.

While business is represented on the VE's national steering committee, we still believe that the health care industry should have the opportunity to carry on an education and information program on voluntary cost containment throughout the entire business community. This would be a logical extension of the VE program.

Business—probably more than any other area—recognizes that restraints against one section of the nation's economy could be the forerunner of general wage and price controls. This is why the conditions are favorable now to build a strong bridge of mutual understanding and support within the private sector.

UNITY IN INDUSTRY

From our vantage point, it is encouraging to realize that—because of the VE and other common goals—the health care industry is more unified now than at any point in its history, and the FAH is proud to be a part of this grand alliance.

Our outlook for 1979 is one of hope and optimism. We believe that the Federation of American Hospitals—through the continued, dedicated support of its membership—will remain a dominant force in responding to the many challenges ahead.

We stand firm in our efforts to fulfill the obligations of the FAH motto—Quality Health Care Through the Efficiency of Private Enterprise.●

SENATOR JIM SASSER OF TENNESSEE

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. JONES of Tennessee. Mr. Speaker, our Senator from the great State of Tennessee, the Honorable JIM SASSER, has been a Member of the U.S. Senate for just a little more than 2 years. He was elected in 1976 in his first bid for public office.

In a short 27-month period, Senator SASSER has proven himself a capable, responsible, aggressive, and dynamic public servant. He has chosen to use his position as chairman of three important Senate subcommittees to reduce Government spending and to help save taxpayers money. I think he is making all Tennesseans and all Americans proud to have a man of his caliber serving in the U.S. Senate.

The Senator's activities in the Senate were recently the subject of a Scripps-Howard newspaper story which appeared in the Memphis Commercial-Appeal. I insert that story into the RECORD.

SASSER'S CLIMB TO POWER REAPS REWARDS OF FAME

(By John Bennett)

WASHINGTON.—Sen. Jim Sasser (D-Tenn.), without much fanfare, has put together a winning combination certain to capture him national attention while he picks up strength back home.

He is beginning to reap the windfall of important publicity that comes from getting on the right committees at the right time.

The baby-faced Democrat from Nashville, perceived by many in his home state as liberal, can now use those committee positions to establish himself in the conservative minds of Tennessee as a money-pinching guardian of tax dollars.

At the same time, Sasser can carry out the budget-slashing policies of President Carter, a friend he has not forsaken, from the same highly visible platforms.

It is a combination certain to help sparkle Sasser's image in Tennessee while he joins the cutting edge of Congress' new assault on government spending.

Few other newcomers to the U.S. Senate have so quickly climbed to oversight power as Congress takes on more serious oversight responsibilities.

In two short years, Sasser wrangled himelf to the chairmanships of three subcommittees—the Senate's Appropriations subcommittee on legislation, the Government Affairs subcommittee on intergovernmental relations and the Small Business subcommittee on monopoly, which investigates economic concentration and anticompetitive practices. Not many senators, junior or senior, can match that. He is also a member of the powerful Budget Committee.

As chairman of these three subcommittees, Sasser has wide latitude to pick the kinds of targets that benefit taxpayers and his own political career.

An example is his recent one-man hearing into the rise in gas prices as a result of the Natural Gas Pricing Act of 1978, an act he voted against.

From the subcommittee, Sasser was able to blast the hands-off policies of the Federal Energy Regulatory Commission (FERC), while probing just why Memphians now face a 20 per cent jump in their natural gas bills.

Sasser conducted that hearing as chairman of the intergovernmental affairs subcommittee solely on the broad mandate that says the subcommittee may probe nearly anything affecting state-federal relationships.

"We can do anything we want," said a subcommittee staff member. "That goes for anything from revenue sharing to gas prices to sunset legislation."

One recent morning, as Sasser opened hearings with his legislative subcommittee, he began reading from statistics provided by the Office of Management and Budget (OMB).

It was a hearing about "excessive" travel by government employees in the executive branch and got the Nashville lawyer on national television news that night.

All Sasser did was quote a few figures, complain of the cost to taxpayers, propose a cut in the travel budget of $500,000, and tell the viewers that, "Something's got to be done to get this under control."

Last week he put his thoughts into legislation to hold down executive branch travel spending, a popular move with his colleagues.

He used the same legislative subcommittee to capture another national story recently when he jumped on a small federal agency for spending so much money for house plants in its Washington offices.

"We can get more publicity from that sort of thing than we could ever get when he was chairman of the civil service subcommittee that helped draft major civil service reform legislation last year," said one Sasser aide. "It's just amazing."

Sasser confesses with a smile that he easily gets more press these days—and praise mail from the voters in Tennessee—for his crusades against government spending, than he ever got for rewriting a civil service document. He gave up the civil service subcommittee this year.

Sasser replaced Sen. Edmund Muskie (D-Me.) as chairman of the intergovernmental affairs subcommittee, a post Muskie held for 15 years. He took the Small Business subcommittee helm from Sen. Gaylord Nelson (D-Wis.), who captured lots of national publicity through years of hearings. The legislative post was held by Sen. Walter Huddleston (D-Ky.).

Sasser's first big headlines came recently on heels of reports by the General Accounting Office (GAO), Justice Department and the OMB, that taxpayers are losing from $5 billion to $50 billion annually in fraud, waste and mismanagement in government.

Sitting beside Comptroller General Elmer Staats, Sasser announced a new national toll free "hotline" to feed tips on such abuse to the GAO, a branch of government whose budget goes through Sasser's subcommittee.

As chairman of the subcommittee that controls GAO purse strings, Sasser is not shy about using the agency's resources—such as access to dynamite investigative audit information—to further his goals.

Sasser notes the "hotline" is nothing new; Franklin D. Roosevelt used it in the 1930's as the New Deal agencies began to grow.

Sasser critics say he needs all the publicity he can get with conservative Tennessee voters, especially with his close ties to President Carter. Some give him a "liberal" label.

"I would say I'm a moderate," Sasser countered this past week. "Among the Democratic senators, I'm pretty much right in the middle."

He calls himself a "staunch supporter" of Carter who he believes will be re-elected in 1980. Still, he said, he has been critical of some Carter guns—including Energy Secretary James Schlesinger.

A Sasser aide said his boss is really moving to a more "independent" relationship with the White House.

Sasser's power, the experience of two years, has brought him a new sense of confidence, he said this week.

"I have a feeling I'm as confident as the next fellow up here," he said. "I have a general feeling I can get something done."●

THREE MILE ISLAND NUCLEAR INCIDENT

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. MATHIS. Mr. Speaker, events which began early on March 28 at the Three Mile Island nuclear plant in Pennsylvania have focused the attention of every American on the need to reduce to an absolute minimum the risks associated with generating electricity. Now that the crisis appears to have passed, it is appropriate that this matter be reviewed thoroughly in a calm and deliberate manner.

Technical evaluation of the incident must await final shutdown of the reactor and a complete report from the utility, the Nuclear Regulatory Commission, and the other Federal and State agencies involved. Nevertheless, it is already evident to me that the investigation is most likely to point to modifications and improvements which should be made in reactor design, licensing, and operating procedures, and Federal and State coordination regarding emergency planning. The highest priority should be given to completion of the investigations and implementation of any recommendations which may be forthcoming, so that the experience gained in this incident is used positively to assure the continued safe operation of other nuclear facilities throughout the country.

No technology is perfectly safe and all means of generating electricity involve some degree of risk, and that is why it is important that the highest safety measures be built into these generating facilities. In the case of nuclear facilities, our Government has insisted that multiple safety systems be built in so that if one fails another will take over. The wisdom of this approach is validated by the Three Mile Island incident in which the facility remained intact through several system failures. It is comforting that in hearings on this past Tuesday before Senator KENNEDY's Health Subcommittee of the Human Resources Committee the Surgeon General of the United States testified that in spite of some very low level releases of radiation from the plant that no substantial risk to public health in the area was created.

Clearly our conservative approach to assuring the safety of the public paid off in this case. I am also encouraged by the vigor with which the utilities and the nuclear industry have responded.

For example, the Southern Co., which is the holding company for Alabama Power Co., Georgia Power Co., Gulf Power Co. in Florida, and Mississippi Power Co., along with Oglethorpe Power Corp., and the Municipal Electric Authority of Georgia, public power organizations which are joint owners of the Hatch nuclear plant near Baxley, Ga., has instituted a nuclear energy audit committee made up of utility nuclear experts along with representatives of the manufacturers and contractors to constantly monitor and review the nuclear safety of its facilities. This committee is coordinating with the NRC regional office. I understand that just yesterday the NRC southeastern regional director, after a review of the Hatch nuclear plant, the only nuclear facility currently licensed to operate in Georgia, reported at a meeting with the Georgia Public Service Commissioners that there are no safety problems and that the unit is in safe operating condition.

I have heard in the last few days calls from some who have long opposed nuclear power for the complete shutdown of all nuclear facilities in this country. If this were to occur, it would result in a public emergency of nearly unprecedented proportions. Nuclear power now generates 13 percent of the electricity produced nationwide, but in some States in the South, the Midwest, and the Northeast it accounts for almost half of their electric supply. Moreover, these nuclear plants are the backbone of our electric system since they are used to provide baseload power on an almost continuous basis. The standby reserve units which would be called on are virtually all oil-fired. Thus, a shutdown of nuclear plants would immediately increase oil imports by an estimated 1.5 million barrels of oil per day, an 18 percent increase over our already inordinately high level of imports.

It is doubtful that oil in that amount would be available, but even if it were, the price would surely be unacceptable. Perhaps one of the most important lessons we have learned from Three Mile Island is that there are no easy or risk free answers to the energy situation and that we had better get on with producing energy from whatever source is available, always assuring the public health and safety remains a paramount consideration.

Last week I introduced H.R. 3302, a bill to improve the licensing process for nuclear facilities. I should note that one section of that bill deals with the need to improve coordination between Federal and State authorities. This appeared to be one of the problems at Three Mile Island. I am reviewing the entire bill in light of that incident, and may be offering some amendments to it at the appropriate time.

But I remain convinced that the nuclear licensing process needs to be modified along the lines set out in H.R. 3302 in order to remove the artificial impediments to nuclear power embodied in the present system and to allow nuclear power to be evaluated on its own merits. I intend to work closely in this matter with the administration and in the Interior and Insular Affairs Committee which has jurisdiction over the bill and of which I am a member.

In conclusion, I want to urge my colleagues in the House and, in particular, the American people, to exercise wisdom and restraint in evaluating the unfortunate situation we have just come through, and to thoughtfully consider the real options available to us for producing electricity in this Nation. My own view is that this will lead to greater efforts to reduce overdependence on imported oil and to rely more extensively on our only two domestic alternatives—coal and nuclear. Neither can do the job alone.•

SOUTHBRIDGE, MASS., ALL AMERICAN CITY HONORED BY NATIONAL MUNICIPAL LEAGUE OF CITIES

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

• Mr. BOLAND. Mr. Speaker, today the town of Southbridge, Mass., in my district is being recognized by the National Municipal League as an All American City. I want to take this opportunity to bring Southbridge's success to the attention of the Members of the body—not only because of Southbridge's recognition as one of the Nation's outstanding communities, but also because of the manner in which Southbridge qualified for that honor. The citizens of Southbridge have shown what one community can do when that community becomes more than simply a collection of buildings.

Only a few years ago, downtown Southbridge appeared to be on the verge of collapse. Some thought the town had ceased to exist as a functioning community. Mr. Speaker, those with such thoughts were wrong. The citizens of Southbridge recognized that action was needed and act is what they did. They initiated a new form of town government, formed a task force to preserve the unique architectural nature of the downtown area, attracted new businesses and occupants to the core area of the city, initiated a cultural program for the city, and encouraged citizen participation in all aspects of community government. Southbridge discovered that community pride was still a potent force.

In recognition of Southbridge's efforts, the National Municipal League named Southbridge one of the Nation's All American Cities for 1978–1979. The designation is not an award for "pretty places," it recognizes those communities where citizens have worked together on important community issues. Southbridge is an All American City not because it has solved all its problems, but because it recognized that problems did exist, and took action to successfully deal with matters of common concern. As a result of a vigorous and concerted community effort, a new spirit now pervades the Southbridge community.

The changes in Southbridge in a very short time have been dramatic. The Quinebaug Valley Council for the Arts and Humanities is now the focus for an area-wide interest in the arts. The Gateway Players Theater draws 11,000 people to its 4 yearly shows. The downtown area is being revitalized and the architectural heritage of the town is being preserved. A town manager-town council form of government has been instituted and is well on its way to success. Rather than on the verge of collapse, Southbridge is well on the way to being one of the premier communities in this country.

Mr. Speaker, I want to add my own congratulations to all the citizens of Southbrige. I am very pleased that the National Municipal League has recognized the accomplishments of this fine community. I am proud to represent Southbridge in this House. At this point, Mr. Speaker, I would like to share with my fellow Members an article on Southbridge's renaissance that appeared in the December, 1978 issue of Springfield magazine.

THE TOWN THAT CAME BACK

(By Linda Bachmann)

For years Southbridge was known as "that mill town next to Sturbridge." It was a community with no identity, being strangled by its resistance to change. Now it's a contender for a national award that honors effective community action.

If you drive through Southbridge today, you'll notice the charm of its Victorian Main Street: the brick buildings with arched windows and heavy filigreed cornices; the stately white mansions now converted to commercial use; and the new granite sidewalks lined with benches and old-fashioned gas lamps.

But only half a decade ago, you probably wouldn't have looked twice at Southbridge as you passed by. Its downtown was physically unappealing and its townspeople psychologically downtrodden. The malls at opposite ends of town pulled business away from the core area, resulting in more and more vacant buildings as retailers abandoned their midtown locations. The movie theaters and the only book store had closed, and all cultural groups had disbanded, young people loitered about the main streets, frightening the elderly and disturbing the police. And the adults resisted all change and grew increasingly apathetic as they lost control of the town government to special interest groups, which packed town meetings to gain power. What transformed the town?

A major change in town government was the beginning step. After years of debate the town voted in 1973 to abandon the selectmen-town meeting form of government for a town manager and representative town council. After the regime was instated, some displaced political groups organized the Citizens for Better Government (C.C.B.G.) and sponsored a non-binding referendum that resulted in a two to one majority against retaining the new administration. When C.C.B.G. pressed for a binding referendum, the council appealed to the court, which granted the vote. With only six weeks between the court decision and the actual vote, 150 supporters of the council system rallied to form, the People for Representative Government (P.R.G.), which distributed information and solicited support from the business community.

The town was badly split over this issue, but communication channels were opened as never before in Southbridge; both C.C.B.G. and P.R.G. sponsored open forums and radio debates, and contributed to a spritely dialogue in the (Southbridge) Evening News, which helped the newspaper win a national award for its coverage.

At the June meeting the town voted 1910 to 1182 in favor of remaining as one of only four towns in the Commonwealth with the town manager form of government.

In the meantime, two incidents occured, which jolted the conscience of the townpeople: the landmark Y.M.C.A., an imposing Romanesque structure that had existed for eight decades, was razed, destroying the continuity of Victorian architecture along Main Street. Then a zone change in the central business district enabled a fast-food restaurant to locate directly across from the beautiful Notre Dame Cathedral and adjacent to another church.

Local leaders took action. The Tri-Community Chamber of Commerce, which represents Southbridge plus the neighboring communities of Sturbridge and Charlton, formed the Architectural Preservation Task Force. Under chairman Paul Mills, vice-president of J.I. Morris Company and member of the Southbridge Historic Commission, the group raised private donations to hire Vision, Inc. of Cambridge to do an architectural evaluation and formulate plans for downtown. The firm recommended unifying the center city by restoring the Victorian characteristics to the facades of historic buildings—a plan that met resistance from building owners, who hesitated to make an investment in a failing area.

To further the cause of revitalization, the Historic Commission applied to place the Main Street buildings on the National Register of Historic Places, the Evening News began a series of articles pointing out the town's rediscovered architectural treasures.

But the major turnabout in downtown decline resulted from visual improvements made possible by a half million dollar grant for streetscaping and a quarter million dollar study grant. From June 1978 until this October, the town underwent a cosmetic transformation: the sidewalks were resurfaced, benches and decorative gas lights were installed, and alternate uses were found for vacant second and third floors. A change in attitude has closely followed the improvements. Merchants report a return of business and commercial interest in downtown.

Rounding out Southbridge's renaissance was the formation of the Gateway Players Theatre in 1975, which now draws 11,000 people to its four yearly shows. Because of the theater's success, the Chamber and other civic groups incorporated the Quinebaug Valley Council for the Arts and Humanities (Q.V.C.A.H.), and hired a full-time director.

To house the council, benefactress Ruth Dyer Wells, wife of Albert Wells of American Optical Corporation, donated the Dresser estate for use as a cultural facility. Through a C.E.T.A. grant the council was able to hire a staff and workers to renovate the building. The Chamber and Q.V.C.A.H. now occupy the second floor of the estate; local service clubs are underwriting the costs of renovating the ground floor into two art galleries and a library-lounge. To provide a permanent residence for the Gateway Players, the council is converting the barn in back of the mansion into a theater.

Southbridge's quick progress has created a new-found community pride, which makes it easier to initiate new projects and has increased citizen participation in town affairs. But Southbridge has accrued another reward—national recognition. Being chosen as a finalist for the All American City Award (A.A.C.A.) has reinforced the town's direction. Several weeks ago, a group of men and women from Southbridge traveled to Louisville, Ky., to explain before a panel of judges why their town should be among the 12 winners cited for effective citizen action and community improvement. Until April, when the winners are announced, investigators from the National Municipal League, the contest's sponsor, will visit Southbridge to verify its success story.

Being recognized as an All American City would be sheer glory, according to Paul Mills, who has chaired the ad hoc A.A.C.A. committee. But the real payoff, he said, has been defeating the defeatist attitude of the townspeople. "Winning the All American Award is less important than feeling confident enough to win it."●

SENATE—*Monday, April 9, 1979*

(Legislative day of Thursday, February 22, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. MAX BAUCUS, a Senator from the State of Montana.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Eternal Father, may this Holy Week teach us that all life is holy when lived in Thy keeping. Show us the way of the cross—that without the shedding of blood there is no remission of sins, that only as life is out-poured is life uplifted. Lead us over the hard road to the lonely garden of decision where life's painful purpose is certified. Save us from the cowardly betrayal of the loveliest and best in life. As He turned not from His cross so may we be prepared for any cross laid upon us. May we follow the way of faith and duty though it be with a crown of thorns and a cross.

When the Passover has been spent and the Resurrection Day has passed may the spirit of redemptive love dwell in our hearts to make this Nation a blessing to the whole world.

We pray in the name of the selfless Son of God. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 9, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable MAX BAUCUS, a Senator from the State of Montana, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. BAUCUS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the orders for the recognition of the two leaders, or their designees, today there be a period for the transaction of routine morning business of not to exceed 1 hour with statements limited therein to 10 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I, for the moment, reserve the remainder of my time.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. BAKER. Mr. President, I yield to the distinguished assistant minority leader.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

NATIONAL OCEANS WEEK

Mr. STEVENS. Mr. President, on behalf of Mr. Hollings, Mr. Magnuson, Mr. Weicker, and myself, I send a resolution to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 61) to authorize the President to issue a proclamation designating the week beginning May 20 through May 26, 1979, as "National Oceans Week."

Mr. STEVENS. Mr. President, I ask unanimous consent that it be in order to consider this joint resolution at this time.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. ROBERT C. BYRD. I have no objection.

The ACTING PRESIDENT pro tempore. Without objection, the joint resolution will be considered as having been read the second time at length, and the Senate will proceed to its consideration.

The joint resolution (S.J. Res. 61) was considered, ordered to a third reading, read the third time, and passed, as follows:

S.J. Res. 61

Whereas the oceans are playing an increasingly important role in the food, energy, and mineral production of the United States as well as the transportation of United States goods; and

Whereas it will be beneficial for the American public to learn of the interrelationship of the United States and the world's oceans; and

Whereas the declaration of a National Oceans Week would help Americans learn about the importance of the oceans: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, that the President of the United States is authorized and requested to issue a proclamation designating the week of May 20 through May 26, 1979 as "National Oceans Week" and calling upon the people of the United States to observe such same week with appropriate activities.

Mr. STEVENS. I thank both leaders for their cooperation.

Mr. BAKER. Mr. President, I thank the distinguished assistant minority leader.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AN INDEPENDENT SPECIAL PROSECUTOR

Mr. BAKER. Mr. President, it has been almost a month now since I joined several of my colleagues in the Congress in calling for an independent special prosecutor to investigate allegations of financial improprieties at the Carter peanut warehouse in Georgia.

It has been almost 3 weeks since Attorney General Griffin Bell responded by appointing a special counsel with limited powers and a very limited investigative mandate.

Syndicated columnist Patrick Buchanan, in a column published in the April 2 edition of the Knoxville Journal, has called the administration's handling of this situation a "modified, limited hangout" reminiscent of an earlier administration's effort to contain the scope of another sensitive investigation.

Mr. Buchanan also raises some thought-provoking questions which ought to be answered, but which go far beyond the mandate given the new special counsel. Unless those questions are answered in the course of a full and independent investigation, the foundation of trust to which this administration has been so outspokenly committed will sink in the quicksand of public suspicion.

It is most unfortunate, Mr. President, that the tradition of a nonpolitical Department of Justice, headed by a nonpolitical Attorney General began and ended in the Ford administration with the appointment of Attorney General Edward Levi.

We are a long way now from the time when Presidential candidate Jimmy Carter pledged to remove the Department of Justice from the Cabinet itself and make it an independent agency totally removed from politics.

The fact that the President has instead appointed a close friend and loyal political ally as Attorney General cannot fail to raise serious questions about the independence and scope of this in-house warehouse investigation.

I renew my call for an independent prosecutor to be appointed in compliance with the Ethics in Government Act, and I would urge my colleagues to read Mr. Buchanan's compelling column with the utmost care. For that purpose, I ask unanimous consent that the text of the column be printed in the Record.

There being no objection, the column was ordered to be printed in the Record, as follows:

Jimmy's Modified, Limited Hangout

(By Patrich J. Buchanan)

Washington.—Let the mind wander back a decade.

Assume Richard M. Nixon, President, were the senior partner and prime profiteer in a business jointly owned with brother Don. The business had been, during the critical months of the campaign, beneficiary of millions in loans from banker-best friend, Bebe Rebozo. Don takes the "Fifth" about the handling of the dough; Bebe is looking down the gun barrel of a federal indictment, and Richard M. refuses to reveal the tax returns from the "family" enterprise.

Then the President's good friend at the Justice Department, John Mitchell, names a "special counsel" with a restricted franchise to look over the business under the watchful eye of department deputy, Richard Kleindienst.

Now, would the politicians on Capitol Hill have bought that with the same disinterest they have shown President Carter's "modified, limited hangout" with the appointment of special counsel Paul Curran?

Perhaps, as with Bobby Baker, the Democrats will succeed again where the Republicans so dismally failed, perhaps the country will yawn at a special counsel with a restricted franchise, denied the final authority to indict or even to grant witness immunity. But the odor above this city will not be cleared away; it is like an overflowing septic tank, backed up for two years.

When the nation needs a Doberman Pinscher with full prosecutorial powers, we have been given a Republican spaniel on a short leash, given the run of the yard—but not the neighborhood. However, there remains questions for Carter's men that cry out for answers.

1. Why, for example, has it taken 18 months to get a go or no-go decision on the indictment of Bert Lance, while the statute of limitations for potential campaign violations has run out?

2. What and who produced the long delay in the Federal Election Commission audit of the Carter campaign, which ended almost 30 months ago?

3. When Peter Bourne, the President's drug abuse adviser departed the White House under a yellow cloud, he stated that there was a "high incidence" of marijuana use and the "occasional" use of cocaine on the White House staff.

A White House correspondent corroborated Bourne's statement by admitting that he, another reporter and White House staffers had used dope together. A leader of the legalized marijuana movement suggested others in the White House had vulnerabilities.

Why have they all not been taken before a grand jury to establish the truth of the story? Why has there not been a thorough investigation of the White House staff—by outside prosecutors—to run down the middlemen and the source of the illicit drugs? If organized crime has a longshoreman's hook in the White House, do not "the people have a right to know"?

4. Who is responsible for the delay in following up on Billy Carter's refusal to answer questions before a federal grand jury in the Lance case. If the individual involved is Phillip Heymann, chief of the criminal division at Justice, what is Heymann doing with veto power over the Curran investigation?

5. Will Charles Kirbo be called to answer under oath if the President has provided him or Billy, directly or indirectly, with instructions regarding the investigation, the Lance case, the disposition of the peanut warehouse or the handling of assets supposedly placed in the blind trust?

Or, like John Dean, is he the "President's lawyer," with a lawyer-client privilege?

6. In 1977, a frantic Pennsylvania congressman phoned President Carter, urging him to fire the Republican prosecutor in Philadelphia. Carter urgently phoned Griffin Bell, who carried out the contract. The congressman was subsequently indicted, convicted and given a suspended sentence—the sort of punishment not granted to Rep. Charles Diggs who apparently lacked a similar pipeline into the White House.

Ought not this chain of events, which raises a question of obstruction of justice, be the subject of an investigation of the very Department of Justice looking over Curran's shoulder?

7. According to published reports, fugitive financier Robert Vesco hired a middleman with a promise of millions if he could get the Department of Justice off his case. In the files at Justice, there popped up a handwritten note from the President to the attorney general, directing him to meet the alleged middleman. Bell does not recall receiving the note; Carter does not recall writing it.

None of the above is to suggest that Paul Curran is not an honorable man. But he has accepted a limited franchise. And this case does not call for a nice-guy Republican. It calls for an independent special prosecutor with the savvy of the late Murray Chotiner, the enthusiasm for combat of the young Charles Colson, and the freedom of action given Archie Cox.

Several Senators addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. If the distinguished Senator will allow me now to use some of my time, if he needs some, I will yield to him.

Mr. BAKER. I will be happy to yield to the distinguished Senator from Kansas whatever remains of my leader's time after the distinguished majority leader proceeds.

Mr. ROBERT C. BYRD. I thank the distinguished Republican leader and I thank the distinguished Senator from Kansas.

OUR ENERGY FUTURE

Mr. ROBERT C. BYRD. Mr. President, our energy problem is urgent. Despite a welter of conflicting statistics, the core of the problem is incontrovertible and easily defined. The United States is now importing about 50 percent of all the oil we use, at a cost of almost $50 billion this year alone. Mr. President, that is $50 for every minute since Jesus Christ was born. That is what it is costing this country to keep the oil flowing, to keep the gas tanks filled. This is an increase of almost 25 percent since the 1973 Arab oil embargo. We are relying on an unstable and increasingly expensive source of energy and this has profound national security and economic risks. We are dependent on a lifeline of oil tankers stretching around the world. Higher oil prices, continued flow of dollars to OPEC, and diminished capacity to control our own political destiny will be the inevitable result of our reliance on foreign oil. Argument over production figures or inventory estimates is simply missing the point. We must act now to free ourselves from this costly addiction.

Last Thursday President Carter, pursuant to the authority granted to him by Congress in 1975, announced a gradual end of price controls on domestic oil. I believe he took the proper approach by announcing a program of phased decontrol, which will help to defuse the drastic inflationary impact which immediate decontrol would have.

This action will provide price incentives for those categories of oil where the maximum amount of new exploration and production can be anticipated. It will end the policy of subsidizing foreign oil at the expense of our own domestic production. It will bring dollars back to this country to promote employment and economic development.

It will encourage conservation and protect the public against the awesomely high prices that could result if the United States imports more and more foreign oil. It should encourage the development of new energy sources as the cost of such methods becomes competitive.

The President has asked the Congress to enact a windfall profits tax to protect against excessive oil company revenues which may result from the lifting of domestic price controls and from future price increases by OPEC. The tax, as proposed by the administration, would still leave a significant portion of the newly derived revenues in the hands of the oil companies to be plowed back into exploration and development of new oil reserves.

Most important, the tax would be used to create an Energy Security Fund, to provide necessary moneys to ease the burden of high energy costs on the poor, to aid mass transit, and to allow adequate investment in alternate energy sources which will provide a realistic transition away from our ever-growing and evermore dangerous dependence on foreign oil.

Developments such as coal liquefaction and gasification or solar heating will give us, if we begin now, the energy security and independence so vital for our national survival.

Mr. President, whether one agrees with the President or disagrees with him with respect to the lifting of controls, I believe that Congress should pass an excess profits tax because I believe that we have an obligation to the American people to do so. There is no painless solution, no painless solution to our energy problems, and everyone will be asked to bear a part of the burden. If we are going to ask the American people to sacrifice, then the energy producers will have to make some sacrifices also, and let us keep our eye on the ball. The tax is not on the people. The tax is on the oil companies.

Everyone expects the oil companies to make a profit. I have never been among those who are constantly lashing out at the oil companies, making the oil companies a whipping boy. And they are entitled to make a profit. This is a very high-risk enterprise. But what we are talking about here are unwarranted profits.

By words and deed, Americans continue to express their disbelief that there is, in fact, an energy shortage.

Mr. President, all they have to remember is that there is that $50 billion going out this year to keep the oil flowing in the gas tanks, and again I say just lay down a $50 bill for every minute since Jesus Christ was born and you will get some idea of how much money this country is paying out for imports of oil every year, a $50 bill for every minute since Jesus Christ was born. Mr. President, everyone should understand that. That is in plain terms.

There should not be any argument as to whether or not there is an energy problem. There is one, and it is real. A bewildering array of statistics and studies has been released recently which could support any view. We have debated among ourselves and with the administration the validity of reports on oil inventories and shortfalls. On the one hand, we are told that the Iranian cutoff caused a shortage of 400,000 barrels a day leading to depleted stocks of gasoline and other refined products. On the other hand, it is revealed that more foreign oil than ever reached our shores during the height of the disruption and that oil companies may be stockpiling supplies awaiting higher prices.

So one may not know whom to believe. The American public does not know whom to believe so they have taken the simplest route—they believe no one.

It is incumbent on the Congress to provide leadership, therefore, to provide responsible solutions. The sacrifices have to be passed around. I know there are differences of opinion about the excess profits tax here in the Senate and in the House. Many Members of the Senate have advised that such a tax would be necessary if decontrol were initiated. Those who are concerned about concessions to the oil companies should be more than willing to support the tax. They should be in the vanguard, they should be in the lead, in support of this tax.

There are no easy answers to these complex problems. But I believe that enactment of an excess profits tax with use of the funds to ease the burden on citizens and to further energy research and development and to help develop additional mass transit will be an investment in the Nation's energy future.

If I have any time left I yield it to the distinguished Senator from North Carolina (Mr. MORGAN).

Mr. MORGAN. Mr. President, I commend my distinguished majority leader for speaking out on this very important issue.

I traveled to my home State this weekend and talked to literally hundreds of citizens with regard to the President's proposal. I also listened to a number of my colleagues yesterday on various news programs, and I read about them in the papers. I found a good many of them critical of the President's proposal but, Mr. President, I did not hear anybody coming up with any suitable alternatives.

I join with my majority leader. The President has said he is going to decontrol oil, and if he is going to decontrol oil, the American people are going to demand that we put some kind of safeguards on what would be termed excessive profits by the oil companies. If someone has a better way to solve the energy problem I hope he will come up with it.

We in the Congress have the expertise of our committee staffs, we have the resources to call before us people from all over the country who are experts, and if someone knows better, a better way to alleviate the energy problem than that which has been proposed by the President, then I hope he will come forth with it and give us an opportunity to consider it.

But three Presidents now have talked about the energy crisis and the energy program, and we simply have not been able to do anything about it. I think we are reaching crisis proportions. So I encourage my majority leader and the President. I want us to debate it, but I do feel very strongly, and the people of my State to whom I talked this weekend feel very strongly, that we cannot allow the oil companies to take advantage of the crisis that exists in America to reap excess, excessive, profits. They are entitled to profits, fair profits, a fair return on their money, to have additional money to reinvest and explore for oil. But the people are going to demand that there be some limits.

I support my majority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from North Carolina for his statement of support.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. Approximately 6½ minutes.

Mr. BAKER. I thank the Senator. I yield now 1 minute to the Senator from North Carolina.

APRIL IS POULTRY AND EGG MONTH IN NORTH CAROLINA

Mr. HELMS. Mr. President, I am very proud of the many citizens of my State who earn their livelihood in the poultry industry. It is a great industry, and it is very fitting that April is officially declared "Poultry and Egg Month" in North Carolina.

The contribution poultry makes to our State and to the employment of so many thousands of our citizens is already substantial, and is increasing every year.

Poultry is North Carolina's fastest growing food industry. In terms of gross farm income it has increased from about $90 million in 1947 to nearly $700 million in 1978—almost a 777 percent increase in 30 years. Moreover, nearly $175 million in marketing services have been added to this farm value, thereby increasing the gross economic impact to approximately $875 million.

Payment for these marketing services provides jobs for countless thousands of our people in poultry and egg processing plants, markets for carton and packing material manufacturers, trucking, and shipping, to name just a few.

Obviously, our poultry industry is a fine example of the free enterprise system at work. Let me illustrate:

Last year, North Carolina poultry farmers provided consumers with approximately 1.4 billion pounds of dressed, ready-to-cook poultry with the highest quality in history.

The retail price of chicken is about the same as it was 20 years ago, while most other consumer prices have more than doubled.

Tar Heel consumers have the opportunity of purchasing the freshest poultry available because they live within one of the largest broiler producing areas of the country.

North Carolina's broiler industry meets the needs of 28.5 million consumers. Turkeys shipped from North Carolina graced the tables of 24 million consumers, and North Carolina now ranks No. 2 in turkey production annually.

Mr. President, the egg aspect of the poultry industry is just as impressive as broiler and turkey production. In 1977 North Carolina poultrymen sent almost 3 billion eggs to market. And eggs continue to be one of the best buys among protein foods.

The North Carolina poultry industry has many dedicated leaders who are recognized nationally. The North Carolina Poultry Federation is a very effective promotion arm of the industry, and all poultrymen receive excellent support from the North Carolina Department of Agriculture and Agricultural Extension Service.

We are proud of our citizens who earn their livelihood in the production of broilers, turkeys, and eggs, and who have demonstrated that the American free enterprise system does work to benefit producers and consumers with a plentiful supply of quality products at a very reasonable price.

I commend the North Carolina poultry industry and offer my congratulations for a job well done.

Mr. BAKER. Mr. President, I thank the Senator, and I now yield whatever time I have remaining under the standing orders to the distinguished Senator from Kansas.

Mr. DOLE. I thank my colleague.

WINDFALL PROFITS TAX

Mr. DOLE. Mr. President, I would only say in response to the distinguished Senator from West Virginia that I assume the issue of whether or not there will be a windfall profits tax or tax credits or whatever might be involved will come to the Senate Committee on Finance, where the distinguished Senator from Louisiana (Mr. LONG), and others on that side, and the Senator from Kansas, as the ranking Republican, will be able to take a hard look at it.

I am not so certain that I disagree with much of what the distinguished Senator from West Virginia said, except to this extent.

The recent proposal announced by the administration to impose a tax on the increased oil revenue that will be generated by oil decontrol has been called a windfall profits tax. However, windfall profits is a misnomer. The President's proposal is an excise tax on crude oil—not a tax on profits. It is a warmed-over version of the crude oil equalization tax which Congress rejected last year.

Mr. President, the Senator from Kansas opposed the crude oil equalization tax in the 95th Congress. I remain opposed to oil taxes that are designed to punish consumers and raise revenue for the Government without any assurances of new energy production.

This is where I believe the administration's plan is again seriously deficient. It fails to address the production side of the energy issue. However, the Senate should not reject the concept of an oil production levy.

The decontrol of oil will increase revenues to the oil companies. Decontrol will reduce the morass of regulations on American industry. It will end the subsidy on foreign oil which artificial domestic prices have created. However, decontrol, by itself, is not the answer.

The American people, as the distinguished Senator from North Carolina just pointed out, are the very wary of both the oil companies and the Government. Many Americans do not believe we face a serious energy supply problem. I believe the country has adequate energy resources. We need, though, to provide the proper incentives for energy development. Taking money—by fiat—from producers will not result in new production. Mr. President, I favor a properly structured tax on the revenues released by decontrol which will insure new supplies. I also favor a legitimate windfall profits tax. I believe Congress should enact a production incentive levy to insure new exploration and development.

If the oil companies do not expand exploration, I believe the Government should direct the money to energy development and to help ease the financial burdens for many Americans which increased prices will impose. New supplies will benefit all Americans. They will create competition for the OPEC cartel which will particularly help crude-deficient areas of the country.

Most of the oil companies have already announced their opposition to the administration's excise tax. They have also stated that the Congress should not concern itself because most of the new revenues will be put back into production. I believe we should insure this result. The oil companies should endorse a tax that backs up their intentions. If they are being honest with the Congress and the American people, they should not be afraid of a production incentive levy because under such a plan, the tax would be reduced for new development expenses.

So, finally, I commend the President for his action on price decontrol. Although the second part of his plan, COET II, is flawed, Congress can still salvage the situation.

It just seems to this Senator, as a member of the Committee on Finance, that we ought to make certain that the oil companies mean what they say and if, in fact, they want to put their revenues back into more development, more exploration, alternate sources, that is one thing. If not, then we should enact a true windfall profits tax but, I think more importantly, the American people are concerned about producing energy and not producing more taxes.

I hope when we grapple with this in the Committee on Finance that we can come up with some realistic proposal that will pass the Congress, along the line of, or at least in accord with, the wishes of the distinguished majority leader and, I think, many other Senators in this body.

THE SELLING OF SALT

Mr. DOLE. Mr. President, the debate on strategic arms control has already begun with major SALT-selling speeches in recent days by the administration's National Security Adviser and Chairman of the Joint Chiefs of Staff on back-to-back platforms. In fact, for the past several months, President Carter's negotiators have leaked key treaty provisions in an attempt to defuse the controversy each successive compromise with the Soviets represents. Although we in the Senate have tried to keep pace and understand these disclosures, gleaned mostly from the press, the Members of this body in general have not been privy to the results and progress of the negotiations. Nevertheless, we must deal with this vital national security issues, both in our overall considerations on military and strategic forces and specifically when the SALT II treaty is sent to the Senate for advice and consent.

EXPERTS CONSULTED ON SALT

As a result of our urgent need to carefully analyze the terms and ramifications of SALT, several of my colleagues have joined the Senator from Kansas in a series of seminars with past and present administration experts to discuss strategic issues. These included former Secretary of State Henry Kissinger, who spoke about the geopolitical context for the SALT debate and NATO commander Alexander Haig, who presented allied concerns and military perspectives

The Senator from Kansas believes it is essential for our ultimate security interests to draw upon the advice of a broad spectrum of informed opinion in this country. Only in this way, given the complex technical aspects of the strategic arms issue, can we hope to properly evaluate the proposed SALT treaty.

The Honorable J. William Middendorf II, former Secretary of the Navy, is an outstanding example of the kind of expert whose informed testimony the Senate must consult during its considerations for this historic debate. I recently asked Secretary Middendorf for his views on the SALT II treaty as we currently know it, and as he was kind enough to reply in some detail, I would like to share the information he provided with the rest of my colleagues. Accordingly, Mr. President, I ask unanimous consent that the text of Secretary Middendorf's letter be printed in the RECORD following my remarks, with only those portions of the letter with personal reference to myself having been deleted.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
March 29, 1979.

DEAR SENATOR DOLE: In regard to your request for my views on SALT II, I am pleased to have the opportunity to offer these thoughts.

When the Senate gave its consent to SALT I in October 1972, it offered advice to the President in the form of the Jackson Amendment. The Amendment noted the numerical advantage granted to the Soviets in the Interim Agreement, and it urged the President to correct that mistake in a new agreement which would ensure that the United States was not required to accept lower levels of strategic forces. This plea was justified on the grounds that an agreement based on the principle of equal force levels would preclude the development by either side of a first-strike capability and thereby generate a stable balance of power. In the interim, the Amendment also urged both the Executive and Legislative branches to press forward with a vigorous R&D program that would ensure high quality in our strtegic weapons and, by implication, would also prevent our being by-passed technologically.

In keeping with the spirit of the Jackson Amendment, President Ford sought to design with Chairman Brezhnev a formula which would give both nations equal force levels in strategic weapons. The Vladivostok Accord established the principle of "equal aggregates."

However, the SALT II Treaty, negotiated on behalf of the United States by Paul Warnke, violates both the thrust of the Jackson Amendment and the principle of equal aggregates. Ingeniously, the new Treaty appears to embody equal force levels. In certain aggregates, it does. But a careful analysis will reveal that in several critical areas it does not.

For example, the Treaty provides the Soviets the unilateral privilege of "heavy" ICBMs. Specifically, the Treaty allows the Soviets to have 308 enormously large ballistic missiles, plus 18 more at test facilities, for a total of 326. The United States, on the other hand, is specifically denied the right to have such weapons. Of critical importance about these weapons is that the newest Soviet heavy ICBM is the SS–18, a missile that has been tested with ten MIRVed warheads, each in excess of a megaton in explosive power. Intelligence estimates forecast that the full contingent of SS–18s will be in the Soviet inventory by 1982, possibly a year earlier. Latest tests show the accuracy of these warheads to be a tenth of a mile (600 feet, CEP). Soviet SS–18s could, therefore, deliver on U.S. ICBM silos an attack involving better than 2,000 warheads, which all analysts agree would be sufficient to destroy better than ninety percent of our ICBM force. Some analysts even contend that the Soviets could feel high confidence with a one-on-one silo, because of the size and accuracy of the SS–18 warheads.

The Soviet heavy missile force alone represents a first-strike capability, the very thing which the Jackson Amendment sought to prevent.

Moreover, the two other new Soviet missiles, the SS–17 and the SS–19, are considerably heavier than their predecessors. And those weapons, along with other ICBMs and SLBMs, could devastate the United States in a second-wave attack, if a President of the United States elected to retaliate after a Soviet first-strike.

In essence, SALT II codifies the two conditions the Jackson Amendment sought to prevent: an unstable balance of power and a first-strike capability.

In addition to this deplorable feature of the SALT II Treaty, the Treaty violates the principle of equal aggregates by allowing the Soviets the right to have several strategic weapons which are not included in the SALT count. The most gratuitous exclusion to the Soviets is the Backfire bomber. U.S. negotiators have acquiesced in the Soviet declaration that the Backfire is a theater weapon which will not be used against the United States. The range of the Backfire is admittedly debatable, but there is no argument in the U.S. intelligence community about the fact that the aircraft is air-refuelable, and that it could strike the U.S. on one-way missions (with recovery in Cuba, for example) without refueling.

Current estimates are that the Soviets will build not less than 400 Backfires; some estimates place the figure as high as 700 because the Soviets have recently doubled the floor space of the production facilities for the Backfire. Even with a force of only 400 Backfires, the Soviets would be increasing the level of their deliverable megatonnge by thirty-five to forty percent. It is of some interest that by canceling the B–1, the United States reduced its deliverable megatonnage by at least that amount.

The most charitable interpretation of the Backfire's role is that it would be used against NATO targets, including the United States military personnel.

In addition to the exclusion of the Backfire bomber, the Soviet SS–20 missile is not counted in the SALT aggregates. The SS–20 is a particularly troublesome weapon because it has been tested in a mobile mode, using a large tracked vehicle. The weapon is believed to be armed with three MIRVed warheads of approximately a half-megaton in size. Analysts contend that if one of those warheads was removed, the weapon could strike the U.S. It would be an ICBM, not an IRBM.

Moreover, the SS–20 can be augmented by a third stage, converting it to the SS–16, a true ICBM. And the SS–16 can be launched from the same tracked vehicle used to launch the SS–20. The United States has no confident estimates of the number of third-stage SS–16 boosters the Soviets have built and stored under cover. Intelligence estimates, however, do forecast a production of at least 1,000 SS–20s, a figure clearly in excess of their "theater" needs. One has to presume, therefore, that some of the SS–20s are to be converted to SS–16s, a process which cannot be identified by our national technical means of verification.

It is not too much to say that the combined forces of Backfires and SS–20s and SS–16s, excluded from the SALT count, represents a grant to the Soviet Union of a second strategic air force.

The advantage being authorized to the Soviets in strategic power in the SALT II Treaty should be viewed in light of the full spectrum of conflict, ranging from a nuclear exchange, through conventional war, to guerrilla conflict, and down to terrorism. At all levels below the strategic level, the Soviets have unchallenged superiority. Only at the strategic level has the United States ever had superiority in recent years. And, now, superiority is being granted to the Soviet Union at the strategic level through the medium of the Strategic Arms Limitation Treaty.

So long as the United States was in a position to escalate any conflict to the strategic level if necessary, United States leaders could feel confident that they could "manage" crises at the lower levels of conflict, even those that might involve Soviet and Soviet-surrogate forces. Now, escalation is no longer a rational U.S. option. Indeed, now that the Soviets enjoy superiority at all levels of conflict intensity, we can expect their leaders to be more adventurous in the months ahead with conventional and guerrilla forces in areas of their choosing. As the result of SALT II, the United States is entering an era in which it could be the object of diplomatic coercion. For that matter, one might conclude from recent events in Africa and the Middle East that we have already entered that era.

Even if the SALT II Treaty were what the Administration purports it to be—an agreement based on the principle of equal aggregates—the case can be easily made that the agreement would be detrimental to the security of the United States because of the difference in U.S. and Soviet military strategies. The U.S. strategy seeks to deter war by maintaining a strategic force capable of inflicting unacceptable damage on an attacker in a retaliation. The U.S. strategy of deterrence denies to us the right of first-strike. Current military doctrine calls for our "riding out" an initial attack. Soviet strategy, on the other hand, does not preclude a first strike. Indeed, it stresses the enormous advantage which would accrue from a first-strike. And the numbers and characteristics of Soviet strategic weapons testify to their strategy.

Parity in numbers of strategic weapons is, therefore, not necessarily a guarantee of national security because parity plus initiative equals superiority.

Although no rational man can object to arms control negotiations as such, a rational man can and must object to a strategic arms limitation agreement which does not provide equal security to both sides but, to the contrary, grants to one side—and denies to the other—weapons and strategic options of critical importance.

Finally, one should recognize that the SALT II formula is essentially a quantitative, bean-count, approach to the problem of arms control. Admittedly, some effort has been made in the Treaty and in the Protocol to limit new weapons. But the agreement in no way restricts research and development, nor does it preclude the possibility that technology may provide one side or the other with weapons capable of upsetting the current "balance", such as it is. The evidence now suggests that new weapons are on the horizon, weapons that could make a mockery of SALT II; and there is good reason to believe that some of these new weapons could be developed within the timeframe of SALT II. In short, technology is moving faster than diplomacy.

In the euphoria of a SALT II agreement one cannot imagine this Administration in sisting on the development of new types and classes of weapons as a hedge against the Soviets' exploiting their SALT-codified advantage or developing new and devastating weapons of their own, such as the particle-beam weapon.

My recommendation would be that the Senate reject the new SALT Treaty, and offer its most forceful advice to the President to send the negotiators back to the table to design a new and acceptable formula. The Soviets will, of course, be outraged. But their outrage now would be minor as compared to the diplomatic and military problems the United States would face at the conclusion of this SALT II term when the Soviets would have unquestionable military superiority at all levels of conflict. Indeed, now may be our last opportunity to put the SALT negotiations back on the right track. And if the Soviets refuse to negotiate a reasonable and fair agreement, then we must face the need to resort to our own capabilities. Even that is a more palatable prospect than facing unquestionable Soviet military superiority.

Sincerely,

J. WILLIAM MIDDENDORF, II.

Mr. DOLE. Mr. President, I yield back to the minority leader the remainder of my time.

Mr. BAKER. Mr. President, I have no further requirements of my time, and no further requests for time. If there is any time remaining under the standing order, I yield it back.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

ADJOURNMENT FOR 1 SECOND

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in adjournment for 1 second.

The motion was agreed to; and (at 12:22 and 14 seconds p.m.) the Senate adjourned for 1 second.

The Senate reassembled at 12:22 and 15 seconds p.m., when called to order by the Acting President pro tempore (Mr. BAUCUS).

AFTER ADJOURNMENT

MONDAY, APRIL 9, 1979

The Senate met at 12:22:15 p.m., pursuant to adjournment, and was called to order by Hon. MAX BAUCUS, a Senator from the State of Montana.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SUPREME COURT JURISDICTION ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate proceed to the consideration of Calendar Order No. 42.

The ACTING PRESIDENT pro tempore. The question is on agreeing to motion of the Senator from West Virginia.

Mr. HELMS. Mr. President, will the Chair call the numbers of these pieces of legislation, so that all Senators may understand what we are considering?

Mr. ROBERT C. BYRD. Calendar Order No. 42, S. 450.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 450) to improve the administration of justice by providing greater discretion to the Supreme Court in selecting the cases it will review, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia. The motion is nondebatable.

The motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, the Senate now has before it a bill that would improve the administration of justice by providing greater discretion to the Supreme Court in selecting the cases it will review.

Mr. President, this is an appropriate vehicle for an amendment such as that offered by the distinguished Senator from North Carolina (Mr. HELMS) on Thusday to the Department of Education bill. I voted for that amendment, and I voted against tabling it; but Mr. President, I feel that this legislation would be a more appropriate vehicle.

I am afraid that that amendment, if it stays on the education bill, will endanger the possible future enactment of that legislation. The amendment deals with Federal court jurisdiction. The bill that I have called up, which is now before the Senate, is not only an appropriate vehicle, but the amendment would be, in my judgment, an enhancement of that legislation. I would hope that the Senator from North Carolina would consider offering such an amendment, and I would hope we could attach it to this bill, and then hopefully the Senate would reconsider its action in voting for the amendment as an amendment to the Department of Education bill, and not attach the amendment to that bill.

I yield the floor.

Mr. HELMS. Mr. President, I appreciate the interest of the distinguished majority leader. I appreciate his support for my amendment on Thursday, and I appreciate his voting against the motion to lay on the table.

However, some Senators are concerned that this is the surest way to kill the prayer amendment. I have consulted with our colleagues on the House side this morning, and there is some question about whether Chairman RODINO, as one Senator put it, will bury the DeConcini bill so deep that it will require 14 bulldozers just to scratch the surface. I am not sure that I feel that Chairman RODINO will do that—but there is concern that he may.

The point is this: A move to add the prayer amendment to the Deconcini bill and strike the prayer amendment from the Department of Education bill is regarded by some as effectively a move to kill the prayer amendment. Needless to say, I do not want to run that risk, real or imagined. Therefore, I must object to what the majority leader proposes.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. HELMS. Yes.

Mr. ROBERT C. BYRD. Will he offer his amendment to this bill?

Mr. HELMS. Well, with the understanding that I am not agreeing to vitiate the amendment on the other bill, I will be willing to think about it.

However, I will say to the Senator that I know this could be interpreted as giving a lot of Senators an out. They can go home and say, "Well, I voted for it on the DeConcini bill, which is a more appropriate vehicle," and that sort of thing.

I hope Senators will not make that mistake. To the limit of my capability, I will say to the able Senator from West Virginia, I will try to make it clear all across the country just what occurred on the Senate floor. Senators should not seek to avoid the responsibility of voting for a prayer amendment that has a good chance of survival on the DeConcini bill, which I think the Senator from West Virginia will acknowledge, because there is great doubt that the House will even have an opportunity to vote on it once it goes to the House Judiciary Committee.

Mr. ROBERT C. BYRD. Mr. President, will the Senator offer his amendment? I hope he will.

Mr. HELMS. Mr. President, I do not at the moment have a copy of it at hand. If the Senator will indulge me a few moments for a quorum call, I will think about it. It may be that I will suggest that the distinguished majority leader submit my amendment.

Mr. ROBERT C. BYRD. All right.

Mr. HELMS. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HELMS. Will the Senator yield for one unanimous-consent request?

Mr. ROBERT C. BYRD. I yield.

ORDER TO PLACE S. 519 AND S. 520 ON THE CALENDAR

Mr. HELMS. Mr. President, I ask unanimous consent that S. 520 and S. 519, which have been held at the desk, be considered as having been read the second time and be placed on the calendar.

Mr. ROBERT C. BYRD. Reserving the right to object, what are the two bills?

The ACTING PRESIDENT pro tempore. The clerk will state the first bill.

The legislative clerk read as follows:

A bill (S. 519) to preserve the academic freedom and the autonomy of institutions of higher education and to condition the authority of officials of the United States to issue rules, regulations, or orders with respect to institutions of higher education.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, has that bill, S. 519, been called up previously and a reading asked for?

The ACTING PRESIDENT pro tempore. The Chair informs the Senator that that bill has had its first reading. Both bills have had their first reading.

Mr. ROBERT C. BYRD. I have no objection, Mr. President, because the mechanism was started earlier by virtue of which bills would eventually have been placed on the calendar. I have no objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SUPREME COURT JURISDICTION ACT OF 1979

The Senate continued with the consideration of the bill S. 450.

UP AMENDMENT NO. 70

Mr. ROBERT C. BYRD. Now, Mr. President, I offer an amendment to the bill and I send the amendment to the desk. I ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virgina (Mr. ROBERT C. BYRD) proposes an unprinted amendment numbered 70

On page 4, after line 15 add the following:

That (a) chapter 81 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1259. Appellate jurisdiction; limitations

"(a) Nothwithstanding the provision of sections 1253, 1254, and 1257 of this chapter the Supreme Court shall not have jurisdiction to review, by appeal, writ of certiorari, or otherwise, any case arising out of any State statute, ordinance, rule, regulation, or any part thereof, or arising out of an Act interpreting, applying, or enforcing a State statute, ordinance, rule, or regulation, which relates to voluntary prayers in public schools and public buildings.".

(b) The section analysis at the beginning of chapter 81 of such title 28 is amended by adding at the end thereof the following new item:

"§ 1250. Appellate jurisdiction; limitations.".

SEC. 2. (a) Chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1364. Limitations on jurisdiction

"Notwithstanding any other provision of law, the district courts shall not have jurisdiction of any case or question which the Supreme Court does not have jurisdiction to review under section 1259 of this title.".

(b) The section analysis at the beginning of the chapter 85 of such title 28 is amended by adding at the end thereof the following new item:

"§ 1364. Limitations on jurisdiction.".

SEC. 3. The amendments made by the first two sections of this Act shall take effect on the date of the enactment of this Act, except that such amendments shall not apply with respect to any case which, on such date of enactment, was pending in any court of the United States.

WAIVER OF PASTORE RULE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may be allowed to speak up to 2 minutes out of order, notwithstanding the Pastore rule, and that such a limitation extend not beyond 20 minutes. There are some Senators on the floor who have wanted to introduce bills by virtue of the action which has been taken. I ask that Senators may be permitted to use up 2 minutes to introduce bills, resolutions, memorials, and make statements.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. KENNEDY. I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. ROBERT C. BYRD. Now, Mr. President, we are on the amendment.

Mr. HELMS. May I ask the distinguished majority leader a question?

Mr. ROBERT C. BYRD. Yes.

Mr. HELMS. The amendment he has just proposed is the so-called Helms amendment, is that correct?

Mr. ROBERT C. BYRD. It is the same.

Mr. DECONCINI. Will the majority leader answer a question for me?

Mr. ROBERT C. BYRD. Yes.

Mr. DECONCINI. What is the pending bill?

Mr. ROBERT C. BYRD. The bill that is now pending, to which the amendment has been introduced, is a bill which came out of the Committee on the Judiciary and which the distinguished Senator from Arizona (Mr. DECONCINI) and, also, Mr. BUMPERS, are authors of. It is S. 450.

Mr. DECONCINI. I thank the distinguished majority leader.

Mr. KENNEDY. Mr. President, we are in the morning hour, is that correct?

The ACTING PRESIDENT pro tempore. The pending business is S. 450 and the amendment of the Senator from West Virginia is the pending business.

Mr. KENNEDY. Are we limited on time?

The ACTING PRESIDENT pro tempore. There is no time agreement.

Mr. KENNEDY. Mr. President, I seek recognition.

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I want to indicate at the outset my desire to cooperate in every way with the majority leader and with the floor manager of the previously pending legislation, in the establishment of the Department of Education bill, a proposition which I support. But I do feel that the issue of the Helms amendment is a matter of enormous consequence and importance to the Members of the Senate. I want to make some comments on this issue. Then I shall be glad to work with my colleagues in seeing that the Senate will at least have an opportunity to express its will.

Mr. President, I, like others, late on Thursday, was faced with the issue, virtually without any notice, of the amendment of the distinguished Senator from North Carolina, an amendment which would have a greater impact and assault on the Supreme Court of the United States and its jurisdiction than has taken place in this country over the 200 years of its history. I am mindful that the debate was virtually free of any discussion by those expressing opposition to it. A motion was made to table, and then, immediately following that, there were additional votes.

I do think it is important that the membership on the floor of the Senate have some awareness and understanding of the extraordinary significance of this measure. Some of the most important decisions, perhaps the two most important decisions that have been made by the Supreme Court, were those that were understood by every student in law school—they learn it early—and by most college students, the Marbury against Madison decision, which permitted the Supreme Court's judicial review of acts of Congress, and the Martin against Hunter's Lessee decision, which recognized the Supreme Court's jurisdiction to rule on State laws. Those are, really, the two bedrock decisions which have established the importance of Supreme Court judicial decisionmaking.

We are asked this afternoon to impede the second of those decisions by eliminating or restricting the judicial authority and power of the Supreme Court on one particular issue—school prayer decisions. At sometime in the future, I—and I am sure my colleagues—would be willing to debate the appropriateness of the previous Supreme Court decisions, or the state of the law, or what this body ought to be doing on that issue. However, the Helms amendment reaches a significance far beyond this issue of prayer. Some can make the declaration or the statement that, on its face, it is unconstitutional. I believe that to be so, but I do not think that we really have to debate this issue. It is basically, I believe, extremely bad, and poor policy. I do think the Helms amendment reaches the foundation of this Nation in one of the most important decisions that our Founding Fathers made. That is on the separation of powers.

No one really questions that we in this body have the power effectively to destroy the judiciary. We could do that by curtailing or eliminating the authorizations and appropriations for U.S. attorneys, for the Federal judges, for magistrates, for the court buildings, for all the mechanisms which permit our Federal system to function. No one denies that we have at least that power.

The question is, Mr. President, whether, by the exercise of that power, we should reduce and impact the jurisdiction of the judiciary. We understand that, under the Constitution, there are clearly housekeeping issues which affect the merits of decisions, which permit Congress to establish appropriate jurisdictional definitions—whether certain courts are going to be able to consider antitrust matters or not—and other similar items. But this, Mr. President, is virtually the first assault on the Supreme Court of the United States in over a 100 years, trying to define its jurisdiction in such a way as to affect the merits or the outcome of a particular Supreme Court decision.

It is for that reason and because this particular amendment affects the issues of the establishment clause and the free exercise clause of the Constitution of the United States that virtually every major religious group in this country is strongly opposed to the Helms amendment. We can ask ourselves, why are they opposed to this amendment?

It is because they see, Mr. President, that if the Congress of the United States is prepared to exclude jurisdiction of the Supreme Court in one particular area, in the area of voluntary prayer, why cannot the Congress of the United States—maybe not this year, maybe not next year, maybe not in 20 years, but, say, in 30 years or 50 years—virtually establish a religion in the United States of America and provide for the Supreme Court exclusion from ruling on the appropriateness of that enactment.

Or, on the other hand, with acceptance of the Helms amendment, what it is going to prevent the Congress in some future years, from violating the free exercise clause of the Constitution by tagging on a little line, and effectively saying that the Supreme Court of the United States will be prohibited from making any jurisdictional finding on the issue?

It is a fact of history, not only of this country but of democracies throughout the history of mankind, that religions have been more persecuted than protected under democracies, and the great religions have expressed strong reservations about tampering with the Constitutional provisions that deal either with the establishment clause or the free exercise clause.

Mr. President, I would think that others in this body would be somewhat leery of this particular procedure. It might not be long before Members of this body, at some future time, might say, "We are going to confiscate certain business properties in this country," and then, after the confiscation process add one little, final clause, and say that no Federal court or Supreme Court will have jurisdiction over this matter, or over compensation, or due process for businesses.

I can see that, sometime in the future, the free press might be under assault or attack. Maybe we are just going to take this one, small action dealing with the free press, and then we are going to take the old Helms language and exclude the press from the jurisdiction of the Supreme Court of the United States. The Helms amendment establishes a precedent for all types of mishief.

Make no mistake about it. It is not just on the issue of the voluntary prayer. The Helms amendment reaches one of the most basic and fundamental issues, and that is the appropriateness of the Supreme Court to be the interpreter of the Constitution of the United States, an issue which I thought was resolved many years ago.

The problems that we will be facing should be understood by all Members. It would exclude the Supreme Court from making judgments in this particular area. We are going to run into a situation in which 50 States could have 50 different interpretations of what the law of the land is—one ruling in Connecticut, another in Massachusetts, another in Rhode Island—all affecting one of the most fundamental tenets of our society, and one which has had an important role in the shaping and formulation of our Union. Fifty States could have at least 50 different interpretations about what is permitted and what is not permitted. That certainly is one of the logical extensions of the Helms amendment.

On the other hand, if enacted we might get into a situation in which those who bring the cases under the various State jurisdictions are going to claim that the State prayer program in schools is not truly voluntary and that, therefore, the Helms amendment does not even apply; that because there is an element of compulsion, we will advance it into the Federal courts and back into the Supreme Court.

There very well may be some means within the Constitution of the United States to achieve our particular desirable goal of voluntary prayer; but I dare say that by the adoption of this amendment, we are not moving in that direction. Also, we will not effectively free the district courts or the supreme courts from dealing wth this matter, because the allegation will be made that no matter what system is established within a State there is some aspect of compulsion involved.

Mr. President, without getting into the merits again, I hope we understand the extraordinarily dangerous aspect and precedent of this amendment. There will not be a group or an interest in this country, if we accept this amendment, that is not going to be back here, talking to the Members, talking to us as individuals, talking to us as parties, and advocating some other provision to limit the jurisdiction of the Federal court systems.

This amendment is bad policy. It seeks to refute one of the fundamental aspects on which this country was established—separation of powers. It is extremely dangerous, and should be rejected.

Mr. President, I should like to mention some letters I have received in the past year. I received a letter from James E. Wood, representing the Baptist Joint Committee on Public Affairs. It reads as follows:

> This letter is being written to you in opposition to a possible amendment to S. 3100 to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgment on the constitutionality of state-sponsored prayers in the public schools.
>
> Through the years the Baptist Joint Committee on Public Affairs, comprised of eight national Baptist bodies of the U.S.A. with a combined membership of 27 million, has expressed unalterable opposition to any efforts to circumvent or circumscribe the historic decisions of the U.S. Supreme Court of 1962 and 1963. Any such efforts we view as an abridgment of the First Amendment and in no way as an aid to religion or the religious exercise of prayer. It is lamentable that more than a decade and a half after the landmark decisions of the U.S. Supreme Court many Americans have still failed to understand the limits or the reasoning of the Court's decisions. As in the past, we contend that the court clearly did not rule out religion from the curriculum of the public schools but, in effect, affirmed that the public school is not a place for worship, but for learning.
>
> It is our hope that you will give serious consideration to opposing any jurisdictional amendment which would limit the U.S. Supreme Court and the district courts from entering any judgment on the constitutionality of school-sponsored prayers as unnecessary and dangerous to the concept of a free society—as injurious to both a free church and a free state.

I received a similar letter which was signed by representatives of the Lutheran Council, United Presbyterian Church, Church of the Brethren, American Jewish Congress, United Church of Christ, Unitarian Universalist Association, and the United Methodist Church.

They talk about altering and changing the jurisdiction of the United States Supreme Court on the question of protection of religion. The particular question being discussed is State-sponsored prayers; but the letters reflect very clearly that their principal concern is altering and changing the jurisdiction of the Supreme Court of the United States on the issues involving the establishment clause and the free exercise clause. I think it is appropriate that those fators be mentioned at this time.

On the other part of the bill affecting the jurisdiction of the Supreme Court, I strongly support it. Quite clearly, we have mandated that the Supreme Court take many matters of jurisdiction.

S. 450 sponsored by the distinguished Senator from Arizona Mr. DeConcini would assure the appropriate use of the time of the jurists on the Supreme Court, as well as insure fair consideration of matters which should be decided by the Supreme Court. It eliminates certain required areas of jurisdiction. It is a worthy goal and has strong support, and it is a goal I support.

I hope this amendment by the Senator from North Carolina will be defeated.

Mr. DeCONCINI. Mr. President, the bill before us is S. 450, which is a bill amending the jurisdiction of the Supreme Court. I am well aware there has been an amendment by the distinguished majority leader which is known as the so-called Helms amendment which also deals with jurisdiction. And when we deal with jurisdiction of the Supreme Court, it is proper, in my judgment, that they be on germane bills. It makes a lot of sense to have the Helms amendment considered with S. 450.

Mr. President, I wish to address a few remarks to S. 450.

The main thrust of S. 450, the Supreme Court Jurisdiction Act, is to eliminate the last vestige of the Supreme Court's mandatory jurisdiction over cases arising under certain sections of the code and substitute for the obligatory jurisdiction, a review by writ of certiorari.

The line between the mandatory jurisdiction and discretionary jurisdiction does not necessarily identify cases in which the Supreme Court should render a decision on the merits. The line may well have been a rational meaningful line in earlier times but today's issues of national importance to which the Court should give its attention arise all across the dockets in unprecedented actions.

I received on June 22, 1978, a letter signed by the nine Justices of the Supreme Court endorsing S. 450 and urging its adoption and passage. I believe it is dispositive of the issue when men of such diverse views as the present members of the Supreme Court can unite in one opinion on the subject matter.

The letter is as follows:

> Supreme Court of the United States,
> *Washington, D.C., June 22, 1978.*
>
> Re S. 3100.
>
> Dear Senator DeConcini: In response to your invitation and inquiries, we write to comment on proposed limitations of the Supreme Court's mandatory jurisdiction, specifically those contained in S. 3100. Various Justices have spoken out publicly on the issue on prior occasions, all stating essentially the view that the Court's mandatory jurisdiction should be severely limited or eliminated altogether. Your invitation, however, enables all of us, after discussions within the Court, to express our common view on the matter.
>
> We endorse S. 3100 without reservation and urge the Congress to enact it promptly.
>
> Our reasons are similar to those so ably presented in hearings before the Senate on June 30, 1978, by Solicitor General McCree, Assistant Attorney General Meador, Professor Gressman and others. First, any provision for mandatory jurisdiction by definition permits litigants to bring cases to this Court as of right and without regard to whether

those are of any general public importance or concern. Thus, the Court is required to devote time and other finite resources to deciding on the merits cases which do not, in Chief Justice Taft's words, "involve principles, the application of which are of wide public importance or governmental interest, and which should be authoritatively declared by the final court." To the extent that we are obligated by statute to devote our energies to these less important cases, we cannot devote our time and attention to the more important issues and cases constantly pressing for resolution in an increasing volume—as witness the current Term now in its closing weeks.

The problem we describe is substantial. We are attaching to this letter an appendix consisting of statistical tables covering the October 1976 Term. As these tables indicate, during the 1976 Term almost half of the cases decided by this Court on the merits were cases brought here as of right under the Court's mandatory jurisdiction. Although presumably the percentage decreased during the 1977 Term because of Congressional action in 1976 severely limiting the jurisdiction of three-judge federal district courts, the burden posed by appeals as of right remained substantial and unduly expended the Court's resources on cases better left to other courts.

Second, the retention of mandatory jurisdiction at a time when the Court's caseload is heavy and growing requires the Court to resort to the generally unsatisfactory device of summary dispositions of appeals. There is no necessary correlation between the difficulty of the legal questions in a case and its public importance. Accordingly, the Court often is required to call for full briefing and oral argument in difficult cases of no general public importance. The Court cannot, however, accord plenary review to all appeals; to have done so during the October 1976 Term, for example, would have required at least 13 additional weeks of oral argument, almost a doubling of the argument calendar—an utterly impossible assignment. As a consequence, the Court must dispose summarily of a substantial portion of cases within the mandatory jurisdiction, often without written opinion. However, because these summary dispositions are decisions on the merits, they are binding on state courts and other federal courts. See *Mandel* v. *Bradley*, 432 U.S. 173 (1977); *Hicks* v. *Miranda*, 422 U.S. 332 (1975). Yet, as we know from experience, our summary dispositions often are uncertain guides to the courts bound to follow them and not infrequently create more confusion than clarity. From this dilemma we perceive only one escape consistent with past Congressional decisions defining the Court's mandatory jurisdiction: Congressional action eliminating that jurisdiction. Accordingly, we endorse S. 3100 and urge its adoption.

Cordially and respectfully,

Warren E. Burger, William J. Brennan, Potter Stewart, Byron R. White, Thurgood Marshall, Harry A. Blackmun, Lewis F. Powell, William H. Rehnquist, John P. Stevens.

At hearings on the bill, support was again unanimous and in questions to the witnesses attempting to identify any group of people who might object to this legislation, we could not find any.

Supporters include all members of the Supreme Court, as I mentioned, the Justice Department, former Solicitor General Griswold, and Prof. Paul Freund, Dean Pollack, and a host of other people.

Mr. President, if the Supreme Court Jurisdiction Act is enacted into law it will be the culmination of a long and historic process converting the appellate jurisdiction of the Supreme Court from one totally obligatory in nature to one that, with a few minor exceptions, will be almost totally discretionary. In the modern era of burgeoning litigation, when the Court is overwhelmed with caseloads and workloads, the maintenance of any substantial amount of obligatory decisionmaking is inexcusable and counterproductive. It detracts from the Court's ability to control its own docket and to effectuate its constitutional mission of resolving only those matters that are of truly national significance. That essentially is why Chief Justice Burger, like so many other observers, has repeatedly proposed that "all mandatory jurisdiction of the Supreme Court that can be, should be eliminated by statute."

To understand why the enactment of this bill is so desirable and indeed so essential, one must examine the role that obligatory jurisdiction has played in the Supreme Court's execution of its appellate functions. It is a jurisdiction steeped in history, but productive of confusion and mismanagement. History has shown that imposing such mandatory functions on the Supreme Court tends to weaken the Court's capacity both to control its own docket and to confine its labors to the frontiers of national law. And history has further shown that the Court, in an effort to counteract the workload problems of this compulsory jurisdiction, has increasingly disposed of "insubstantial" appeals in summary ways that the bar, the lower courts and many commentators often find confusing and opaque, if not inconsistent with the nondiscretionary theory underlying the disposition of appeals. Much of the criticism of the Court's treatment of appeals has emanated from some of those on the Court who have participated in the execution of these mandatory functions.

There are six major reasons for abolishing the Supreme Court's obligatory jurisdiction. First, it is unnecessary to the Court's performance of its role in our society.

Second, it impairs the Court's ability to select the right time and the right case for the definitive resolution of recurring issues.

Third, it imposes burdens on the Justices that may hinder the Court in the performance of its function as expositor of the national law.

Fourth, the existence of the obligatory jurisdiction has made it necessary for the Court to hand down summary dispositions that create confusion for lawyers, for lower court judges and for citizens who must conform their conduct to the requirements of Federal law.

Fifth, the obligatory jurisdiction creates burdens for lawyers seeking Supreme Court review.

Finally, even if the idea of having an obligatory jurisdiction were sound, there is no practical way of describing, in legislation, the kinds of cases that should fall within it.

Congress would do well to eliminate, as proposed in this bill, the last large vestiges of a jurisdiction that has proved unnecessary, burdensome, and controversial. Whatever justification may once have existed for forcing the Court to decide the merits of all cases falling within certain arbitrary classifications, regardless of their importance or lack thereof, has long since disappeared.

The long historic experiment of imposing on the Supreme Court an obligation to resolve appeals taken to it as of right has utterly failed. The modern problems and practices of the Court simply do not permit the luxury of determining the merits of all cases within any designated jurisdictional class. To survive as a viable institution, to control its docket to perform its great mission, the Supreme Court must be given total freedom to select for resolution those few hundred cases—out of the several thousands that are filed each year—that are found truly worthy of review. The Supreme Court Jurisdiction Act will help to achieve that goal by reducing the needless mandatory burdens virtually to the vanishing point.

For all of these reasons, I urge the Senate's support of the enactment of this bill which would eliminate substantially all of the Supreme Court's mandatory appellate jurisdiction, leaving the Court with discretionary control of its appellate docket.

Mr. President, the amendment that we will be voting on I think has some merit. I understand the argument by the distinguished Senator from Massachusetts, the chairman of the committee, but I think it is proper for us to consider this and have a vote on it, and I certainly believe that if to pass a school prayer amendment is the will of the Senate then it is far more germane that it be on S. 450, a bill dealing with the jurisdiction of the Supreme Court, rather than the education bill or any other bill.

Mr. President, I yield the floor.

Mr. MATHIAS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Maryland.

Mr. MATHIAS. Mr. President, I oppose this amendment.

There is no question in my own mind, but there may be a question in the minds of some as to whether or not the proposed amendment is constitutional. But, I do not think there could be any question in anyone's mind about the fact that the amendment is simply a means of bypassing the constitutionally prescribed amendatory process.

What the amendment is really trying to do is find a back door for changing the organic law of the country. It bypasses article V of the Constitution.

Constitutional interpretations are subject to change either by the process provided within the Constitution itself or when the Supreme Court alters one of its prior constitutional holdings.

Every one of us has taken an oath to uphold, support, and defend the Constitution, and it seems to me that by supporting this kind of amendment we do violence to that oath because we blatantly ignore the process which the Constitution itself provides for amendment.

This, of course, like most legal subjects, is not always clear to one as it is to another. But in this particular case we have a considerable amount of guidance.

Mr. HELMS. Mr. President, will the Senator yield at that point for 30 seconds?

Mr. MATHIAS. I am happy to yield to my friend.

Mr. HELMS. I thank my friend from Maryland.

Mr. MATHIAS. Is this for a question or a statement?

Mr. HELMS. Yes.

He mentioned the constitutional duties of the Members of the Senate to uphold the Constitution, and part of that duty is to protect the people of this country against usurpation by the Supreme Court, and that is all this amendment does.

I thank the Senator.

Mr. MATHIAS. Of course, the Senator from North Carolina and I, I think, would disagree that the amendment does only that. The amendment does exactly what was before the Court in the case of the United States against Klein where it was held that Congress may not enact legislation to eliminate an area of jurisdiction in order to control the results in a particular case, and to manipulate jurisdiction to accomplish a result it could not reach by direct means.

In the Klein case, there was a suit brought in the Court of Claims under an 1863 statute which allowed the recovery of land captured or abandoned during the Civil War if the claimant could prove that he had not aided the rebellion.

Relying on an earlier Supreme Court decision that a Presidential pardon proved conclusively that he had not aided the rebellion, Klein won his case in the Court of Claims. While the case was pending, Congress passed a statute providing that a Presidential pardon would not support a claim for captured property, that acceptance without disclaimer of a pardon for participation in the rebillion was conclusive evidence that the claimaint had aided the enemy, and that when the Court of Claims based: Its judgment in favor of the claimant of such a pardon the Supreme Court lacked jurisdiction on appeal. The court held that Congress could not by amending the law alter the grounds for the case, and could not eliminate a particular area of jurisdiction in order to control the results of a particular case.

It is a situation which is very close to what is the real purpose and intent of this amendment.

But I think we have to look beyond the immediate intent of this amendment to the violence that we would do to our whole constitutional system by adopting this amendment. We would substitute for the very carefully wrought amendatory process the legislative enactments of Congress, and that is not our system. It has not been our system.

One of the great strengths of the American system is that we have not allowed the organic law of the Nation to be pulled and hauled with each ebb and flow of the tide of public opinion. That is exactly what we would be doing if we passed this amendment, and I hope the Senate will vote it down.

Mr. KENNEDY. Mr. President, will the Senator from Maryland yield for a question?

Mr. MATHIAS. I am happy to yield to the Senator from Massachusetts.

Mr. KENNEDY. Does the Senator foresee that at some future time this or a similar device could be used to limit the Federal courts' jurisdiction over other areas? Will the Senator not agree with me that, while the Senate now is in this area of a voluntary prayer, if we limit the courts' jurisdiction here we could equally limit the courts from protecting other important constitutional rights?

Would the Senator not agree with me that if this device, this technique, is successfully utilized under this process that there could be other instances in the future involving a wide range of different areas of public policy which could be sufficiently emotional at the particular time in our country's history where the Congress might take action and virtually exclude the Supreme Court or the Federal courts from reviewing the constitutionality of such action? And would this not effectively undermine in a most significant and serious way the Constitution of the United States as the most effective blueprint for the protection of individual rights and liberties that has ever been charted by mankind?

Mr. MATHIAS. The Senator's contention that this principle could be applied to preclude Federal court review of other protected rights I think, is supported by the case that I just cited, United States against Klein.

In Klein the Court said, in effect that you could not manipulate the jurisdiction of the Federal courts to achieve a result Congress could not achieve directly. The Court told Congress we could not do that in Klein, and we should not make the same mistake again. If we do, this method of circumventing the amendatory process, can, as my colleague notes, be used to affect other important constitutional rights.

If once you go down this road, once you lay out this route, then it is only the ingenuity of man that limits the areas to which this could be applied. I think this is a perfect example of the fact that Congress has to exercise its power to limit jurisdiction in a manner which is consistent with the independence of the judiciary, and it must be consistent with the amendatory process. If it is not so, then nothing will be sacred in this country. There is no subject that cannot be reached by a simple act of Congress altering the jurisdiction of the courts to control the outcome of cases. This would be a chaotic situation which could be really destructive of the basic values of the Republic.

Mr. KENNEDY. To carry it to a legitimate and logical extension, you could then be in a position where any action that was taken by Congress could have a final clause that said "This action will not be reviewed by the Federal courts or the Supreme Court of the United States." This would be a way to insulate congressional action from judicial review, whether it affects individual rights or liberties, whether it affects religion, whether it affects private property, whether it affects any actions that could possibly be taken.

Mr. MATHIAS. It would have the effect of wiping the name of John Marshall from the annals of the courts.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. BOREN). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, as a member of the Judiciary Committee, I am always interested in the efforts by my colleagues on that committee when we are considering legislation that is of enormous importance and of enormous consequence to have additional days of hearings. I can remember, as does my good friend, the chairman of the Constitutional Rights Subcommittee, Chairman BAYH, the issue of the electoral college, where just last month many of the voices now pleading that we adopt this very significant constitutional change without any hearings were then pleading in the Judiciary Committee "Let us have 2 more days of hearings. Let us have 5 more days of hearings. Let us have 10 more days of hearings," despite the dozens of days of hearings already held on the issue of direct election of the President. We are now beginning to tamper with some of the most fundamental aspects of our constitutional process, where the time and deliberation on those issues should be extensive and exhaustive. And yet, Mr. President, I see that some members of our own committee, who have spent such time and effort and interest and energy on matters affecting the judiciary process and the judicial system and the functioning of it, are prepared to see such a dramatic and significant alteration and change in the fundamental tenets of our Government affecting the jurisdiction of the Supreme Court of the United States, its ability to interpret laws, without any hearings or serious deliberation. I believe this action begins us down a path which is extremely dangerous and foreboding for the people of this Nation.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Will the Senator withhold that?

Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. KENNEDY. I object.

The PRESIDING OFFICER. There is objection. Objection is heard.

The clerk will continue the call of the roll.

Mr. HELMS. I cannot believe that the Senator would object to my responding to him. I have seen a lot of things in this Senate but I cannot believe that comity is in disarray.

The assistant legislative clerk proceeded to continue to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HELMS. Mr. President, I listened with great interest to the comments by the distinguished Senator from Massachusetts in which he said that since this proposal has not been considered by the committee, we ought to have hearings, and so forth.

Mr. President, this matter has been referred to the Judiciary Committee time and time and time again. This Senator knows who has put his foot on proposals to restore voluntary prayers in the schools.

The Senator from North Carolina has been pleading for hearings for at least 5 years, and not a syllable of interest has been shown by the distinguished Senator from Massachusetts. If I am incorrect about that, let him say so now.

Mr. KENNEDY. Well, the Senator is incorrect. I do so say. The Senator is very incorrect.

Mr. HELMS. Well, the Senator himself is incorrect, because the matter has been referred to the Senate Judiciary Committee, time and time again. But even so, I am not going to get into a lawyers' argument with my friend from Massachusetts or anybody else.

I just cannot understand the objection to giving school children an opportunity to participate in voluntary prayer. If one were to believe the ringing rhetoric that has been heard in this Chamber today, it would bring us to the absurd conclusion that we are proposing to bring down the pillars of justice, when as a matter of fact almost every Senator, if not every Senator in this Chamber, probably engaged in voluntary prayer throughout his school days. I want any Senator to name just one child—one child—who has been harmed by being exposed to voluntary prayer.

Moreover, I think it can be graphed out to demonstrate that the troubles in the schools of this country parallel almost precisely the unfortunate and unwise decisions by the Supreme Court in 1962 and 1963.

As for all of this rhetoric about what we are doing to the Constitution, I would borrow a saying from my friend from New York (Mr. JAVITS), who often comments, "We are not children around here." Sometimes I think we are, but hopefully we are not really.

Mr. Justice Felix Frankfurter himself said:

> Congress need not give this Court any appellate power. It may withdraw appellate jurisdiction once conferred, and it may do so even while a case is in progress.

So we are not bringing down the pillars of justice, Mr. President. We are talking about a fundamental moral aspect of American life. That is all. Nothing more and nothing less. And if it were not so serious a matter, I would find laughable some of the suggestions that have been made to the contrary.

The opponents of the right of voluntary prayer in the schools, I think, Mr. President, have seriously misrepresented the intent and the effect of the so-called Helms amendment. They have suggested that this amendment would induce State court judges to violate the supremacy clause of the Constitution, and even that Senators would violate their oath of office if they support voluntary prayer in our schools.

In any case, the suggestion by the opponents of the so-called Helms amendment does not correctly describe the intent, nor does it describe the effect, of the amendment which was approved by the Senate this past Thursday.

The amendment now before the Senate, submitted at my suggestion by my friend from West Virginia, the distinguished majority leader is of course the Helms amendment. As I said earlier, I appreciate the support of the distinguished majority leader both today and on last Thursday. But the curious interpretations I have heard concerning my amendment rest on a misinterpretation and misapplication of the supremacy clause of the Constitution. That clause states, Mr. President:

> This Constitution, and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every state shall be bound thereby, anything in the Constitution or laws of any state to the contrary notwithstanding.

Obviously, State supreme court justices must respect a decision by the U.S. Supreme Court regarding the parties to the case which the Court has decided. And that is what the supremacy clause seeks to accomplish.

Contrary to what the opponents of the pending amendment would have us believe, the two functions of the supremacy clause are first, to maintain the supremacy of Federal law and second, to provide for the ultimate resolution of inconsistent or conflicting interpretations of Federal law by State and Federal courts.

This amendment today is premised on the understanding that the right to voluntary school prayer is a right which the framers of the first amendment intended not as a matter of Federal law but as a matter of State law. The authors of the first amendment intended that State legislatures and State courts would decide the issue of State encouragement of prayer. My amendment presents no conflict between the power of Congress to regulate the jurisdiction of the Supreme Court and the obligation of State judges under the supremacy clause.

This misguided interpretation of the supremacy clause put forward by the opponents of the amendment is not mandated by the Supreme Court's landmark decision involving the supremacy clause, Cooper against Aaron. That case involved the actions of the Governor of Arkansas to block the desegregation of public schools in Little Rock, Ark. Chief Justice Earl Warren succintly framed the issue to be decided by the Supreme Court in that case. He stated that the Court would decide the "claim by the Governor and legislature of the State that there is no duty on State officials to obey Federal court orders resting on this Court's considered interpretation of the United States Constitution." Indeed, the decision of the Supreme Court in Cooper against Aaron did not involve the obligations of State judges under the supremacy clause at all. It is an elementary rule of constitutional law that the decision of a court is limited to the facts and to the parties to the case.

The opinion of a court cannot automatically be applied to future cases.

Mr. President, it has also been suggested that an 1872 decision of the Supreme Court in the case of United States against Klein will cast doubt on the power of Congress to limit the jurisdiction of the Court in the manner I am suggesting today. But while striking down the law involved in that case, the Court itself observed:

> It seems to us that this is not an exercise of the acknowledged power of Congress to make exceptions and prescribe regulations to the appellate power.

Let us repeat that, Mr. President, for the benefit of those who say that the Congress would act improperly if it sought to exercise its constitutional responsibility in this matter. The Court itself said:

> It seems to us that this is not an exercise of the acknowledged power of Congress to make exceptions and prescribe regulations to the appellate power.

If that does not leave the opponents of this amendment out in left field, Mr. President, I do not know what possibly could, because even the Court on this instance, and in many others, has clearly said that the Congress has the authority to do precisely what this amendment proposes. Instead, the Court struck down the statute on the basis that it "prescribed a rule for the decision of a case in a particular day." Of course, Congress cannot do that, and this amendment does not propose to do that.

The statute which was voided by the Court in Klein was indeed intended by Congress to restrain the Court, but not by means of limiting its jurisdiction, and this decision cannot be taken as a precedent regarding my proposal.

Mr. President, the Court's opinion in Marbury against Madison established that it is a judicial function to decide what the law has been and is now in pending cases. I agree that an act of Congress which seeks to determine the outcome of a case pending before the Court would indeed be an encroachment upon the essential function of the judiciary under our doctrine of separation of powers. This was the problem present in the Klein case, not the issue of Court jurisdiction.

In Klein, the plaintiff's decedent had been the owner of property sold by agents of the Federal Government during the Civil War. The plaintiff sued for the proceeds of the sale in the Court of Claims and recovered under legislation establishing such a right upon proof of loyalty. The Supreme Court had held in earlier cases that a person's loyalty could be proved by a Presidential pardon. While this case was on appeal in the Supreme Court, Congress passed an act crucially altering the rights of the parties in that case. The act provided that in all pending cases no pardon would be permissible to show loyalty and, to the contrary, a pardon would constitute conclusive proof of disloyalty.

That is the case, Mr. President, that has been cited here this morning, and that is the kind of misinterpretation to which this amendment and its effect has been subjected.

The Court, of course, held the statute unconstitutional on the ground that, by prescribing a rule of decision for pending cases, "Congress has inadvertently passed the limit which separates the legislative from the judicial power."

Such an intervention by Congress to determine legislatively the outcome of a controversy between parties to a lawsuit is substantially different from removing the power of a court to hear the controversy in the first place.

Mr. President, I suspect that some potential difficulty with this amendment may result from a lack of knowledge regarding its legislative precedence. Some have described it as an "unprecedented" proposal. I heard that on the radio this morning. Nothing could be more incorrect.

Following the Baker against Carr and the Reynolds against Simms decisions by the Supreme Court in 1962 and 1964, the House of Representatives passed a bill sponsored by Representative Tuck, of Virginia, which similarly limited the jurisdiction of the Supreme Court in any case regarding the apportionment or reapportionment of any legislature of any State.

Similarly, the late distinguished former minority leader of this Senate, Everett Dirksen, proposed a companion bill, S. 3069, during the 88th Congress to deal with the reapportionment decisions of the Supreme Court.

The Senate Judiciary Committee's version of the 1968 Omnibus Crime Control bill responded to the Supreme Court's decision in the case of Miranda against Arizona by similarly including a provision that neither the Supreme Court nor any other article III court "shall have jurisdiction to review or to revise, vacate, modify or disturb in any way, a ruling of any trial court of any State in any criminal prosecution admitting in evidence as voluntarily made an admission or confession of any accused."

So what do the opponents of this amendment mean when they say that this is unprecedented? I will lay aside the sophistry that we are bringing down the pillars of justice when we say that school children ought to have the right of voluntary prayer, but where do these lawyers who have argued against this amendment get the misimpression that this is unprecedented and that it therefore must not happen?

I would point out that for more than 100 years Congress limited the Supreme Court's jurisdiction so that there was no right of appeal to that Court in criminal cases, except upon a certification of division by the circuit court.

In addition, Congress greatly limited the jurisdiction of Federal courts in labor disputes in 1932 when it enacted the Norris-LaGuardia Act.

What has happened to the memory of today's legal experts, these constitutional authorities, who raise their hands in such horror to a proposal to let little schoolchildren have the right of voluntary prayer in schools? I do not understand it, Mr. President. I just do not understand it.

Another precedent: Congress limited the jurisdiction of Federal courts when it feared that a Federal price control program might be nullified by court injunction. Congress did that when it enacted the Emergency Price Control Act of 1942. The examples of similar or even stronger action by the Congress permit it.

I would suggest that before somebody concludes that amendment, known here today as the Helms amendment—and I am proud of it—before they conclude that this amendment is a violation of the supremacy clause or, as they put it, obviously outside the constitutional power of Congress under article III, or, as somebody put it, obviously an unprecedented proposal, that he study these past actions by Congress.

Mr. President, I am not a lawyer, but I can read history. I think I can understand the English language. I certainly understand a few moral principles, and the last is what I am primarily interested in. I want any Senator to stand up and identify one child in this country who has even been harmed because he or she was permitted to participate in voluntary prayer in a school. I do not think any Senator is going to attempt it. Again, I prayerfully suggest that Senators consider the moral aspects of this matter and not try to build a specious legal argument based on misrepresentation of an amendment submitted in good faith by a Senator who has long been concerned about the Supreme Court's denial of the right of voluntary prayer in our schools.

I yield the floor, Mr. President. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. KENNEDY addressed the Chair.

Mr. HELMS. Mr. President, I just asked for a quorum.

The PRESIDING OFFICER. Does the Senator withhold?

Mr. HELMS. No; I think not. Not for the moment.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. THURMOND. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will call the roll.

The assistant legislative clerk continued to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. KENNEDY. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will call the roll.

The assistant legislative clerk continued to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I intend to speak briefly, to respond to some of the points of the Senator from North Carolina in reference to the commentary of Justice Frankfurter dealing with appellate division and the supremacy clause and the question of precedents.

I had claimed earlier that this action by the Senator from North Carolina in this proposition was a precedent, and he questioned whether this really was a precedent. He talked about the provision of the omnibus crime bill and other actions that were taken, recommended by various committees in the Senate or the House of Representatives.

The fact is that none of those is law. With respect to the kinds of restrictions on the jurisdiction of the Supreme Court of the United States and the actions taken in the committee, or introduction of legislation, or even those that pass one house or the other, the Senator from North Carolina would be unable to give us any action by Congress which would take away the jurisdiction to deal with constitutional issues.

What we are talking about here are constitutional issues, not nonconstitutional issues. It is a different criterion. We are talking about constitutional issues. He would be unable to mention any action that has been taken that would deal with this issue in the way we have outlined.

Second, Mr. President, I do not question the points that are raised about Felix Frankfurter talking about various appellate jurisdictions. Of course, there is a question in the issue about how many appeals individual causes have. There has been flexibility. There is imagination. There are a number of considerations now about the whole process of appellate jurisdiction.

The statement he read has absolutely no relevancy, basically, to the question at hand. If he is talking about appellate jurisdiction, the appellate jurisdiction that Felix Frankfurter was talking about is the series of appellate jurisdictions to which individuals would be entitled.

Under the Helms amendment, there is no jurisdiction; the jurisdiction is removed from the Federal court. So, on a constitutional issue, you are going to have 50 different interpretations in 50 courts. The Senator from North Carolina can say, "Well, all 50 courts are going to follow whatever the Supreme Court has said on that." That is a nice, gentle, and generous statement. But who will be the interpreter to find out whether that is so?

Mr. President, I ask unanimous consent to have printed in the RECORD a letter to all members of the committee by the Attorney General of the United States, in strong opposition to the Helms amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C. April 9, 1979.

Hon. ABRAHAM RIBICOFF,
Chairman, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request for my views on the amendment offered by Senator Helms to S. 210, the Department of Education bill. This amendment, which is identical to S. 438 introduced by Senator Helms earlier in this session, is designed to eliminate the jurisdiction of the Federal courts over cases relating to voluntary prayer in public schools and public buildings. In my view, enactment of this proposal would be ill-advised as a matter of constitutional law and of public policy.

Whether Congress may wholly divest the Supreme Court of appellate jurisdiction over a constitutional claim is a complex question that has been the subject of much heated and inconclusive scholarly debate. The Supreme Court itself has never been faced with the question. Article III of the Constitution extends the "judicial power of the United States" to "all cases . . . arising under this Constitution." The Supreme Court is given appellate jurisdiction over all cases within that judicial power "with such exceptions and regulations as Congress shall make." U.S. Const. art. III, § 2, cl. 3. Some commentators have argued that this "Exceptions" clause gives Congress plenary power over the Supreme Court's appellate jurisdiction, even to the point of removing constitutional claims from the Court's review. Other commentators, however, believe such a reading of the clause to be antithetical to principles at the heart of the Constitution. They point to the Supremacy Clause which establishes the Constitution as a supreme uniform law, binding on both the Federal courts and the courts of every state. U.S. Const. art. VI, cl. 2. To permit Congress to "except" a constitutional issue from the Supreme Court's jurisdiction, these commentators argue, would destroy the uniformity sought by the Framers of the Constitution. Rather than one Constitution on an issue, we would have fifty. It has further been argued that "excepting" a constitutional issue from the Court's jurisdiction would violate the due process guarantee of the Fifth Amendment.

Although a number of proposals to restrict the Court's appellate jurisdiction have been introduced in Congress over the years, none has passed both houses. Perhaps the closest Congress has come to eliminating Supreme Court jurisdiction over a constitutional issue was during Reconstruction, when Congress acted to eliminate the Court's appellate jurisdiction over cases raising the constitutionality of the Reconstruction Acts. In *Ex parte McCardle,* 74 U.S. (7 Wall.) 506 (1869), the Court found this Congressional restriction constitutional. The Court noted, however, that it would still have jurisdiction to decide the constitutionality of the Reconstruction Acts in the context of an original petition for *habeas corpus,* and that the circuit courts could still hear such claims. In contrast to the situation presented in *Ex parte McCardle,* Senator Helms' proposal appears intended wholly to foreclose Federal court review of school prayer cases.

I believe that any proposal to eliminate the appellate jurisdiction of the Supreme Court with respect to constitutional claims raises a serious constitutional issue about the extent of Congress' power over the appellate jurisdiction of the Supreme Court. However intrigued we may be by such questions, we should not purchase answers to them at the price of an unnecessary and possibly unfortunate confrontation between the Congress and the Court.

Aside from the constitutional problems which Senator Helms' proposal raises, I believe that enactment of this legislation would be wrong as a matter of public policy for the following reasons: First, it is undesirable to deal with highly specialized, complex and controversial constitutional issues through the device of eliminating an opportunity for a full and fair airing of the issues within the Federal judicial structure. Federal law on this point would be frozen in whatever state it happened to be at the moment; persons dissatisfied with current Federal law on such issues would be foreclosed from the possibility of any further favorable development within the Federal system. It would not be appropriate to deny access to the Federal courts with regard to such constitutional issues.

Second, the proposal chills the ability of the Federal courts to deal with Federal constitutional issues. Matters of constitutional interpretation and adjudication are, of all justiciable issues, pre-eminently within the province of the Federal judiciary; yet a proposal to eliminate such matters from their jurisdiction suggests that the Federal courts are not fit to consider them.

Third, the proposal would run afoul of the public interest in affording at least the opportunity for a uniform, definitive and dispositive nation-wide resolution of issues of constitutional magnitude. By eliminating the jurisdiction of the Supreme Court, the constitutional issues presented by such cases would be left to the highest courts of the fifty states and the District of Columbia, thereby raising the specter of a multiplicity of views as to the proper interpretation of the Constitution in this area.

Fourth, the amendment as presently drafted is restricted to cases involving "voluntary" prayers in public schools and public buildings. In order to determine whether a federal court's jurisdiction is foreclosed by the amendment, therefore, it would be necessary for the court to adjudicate the factual issue of whether the particular prayer practice is itself voluntary. Rather than eliminating the issue of school prayer from the courts, the amendment would virtually assure the involvement of the courts in deciding not only the fundamental constitutional issue of Congress' power to affect federal jurisdiction in this manner, but also the narrower jurisdictional question of whether any particular practice falls within the proscription of the amendment.

For the foregoing reasons, therefore, I would strongly urge the Senate to reject the Helms amendment.

Sincerely,

GRIFFIN B. BELL,
Attorney General.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. ROBERT C. BYRD. Mr. President, this is the predicament I am in, and I think everybody knows it: At 20 minutes after 2 p.m. today, the Senate will go back on the unfinished business, the Department of Education bill. The amendment by Mr. HELMS probably will go on that bill, if we do not get it on this one. So I hope we can get a vote on this amendment.

Mr. KENNEDY. Mr. President, I imagine that we are going to be talking about this issue on a series of different measures during the course of this year, and I will be prepared to debate those. I will accede to the majority leader's request.

Mr. ROBERT C. BYRD. I thank the Senator.

No one is going to attempt to hold the Senator responsible if the Senate does not vote on this matter today, because other Senators wish to speak.

I hope we can get a vote on this amendment.

Mr. HUMPHREY. Mr. President, earlier in the afternoon, the distinguished Senator from Massachusetts alluded to the potential of abuse by Congress of its power to limit the appellate jurisdiction of the court, conjuring up the image of a Congress, for example, that actually would install a state religion.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. ROBERT C. BYRD. Is the Senator in favor of this amendment?

Mr. HUMPHREY. Yes.

Mr. ROBERT C. BYRD. Then, why is he filibustering it?

Mr. HUMPHREY. I have a few remarks I would like to make.

Mr. ROBERT C. BYRD. I wish the Senator would put his statement in the RECORD, so that we could vote on the amendment. The Senator is entitled to make a statement, but I call his attention to the fact that 20 minutes from now will be too late to vote on this amendment, on this bill.

Mr. HUMPHREY. Mr. President, I point out that should a Congress abuse its powers in promoting a State religion, that abuse can be addressed by the people through the electoral process.

In the same vein, the people can address abuse by the Court, through Congress exercising its constitutional right to limit the appellate jurisdiction. So I think the Senator from Massachusetts was exaggerating and muddying the point a little.

Mr. President, in 1962, in the case of Engel against Vitale, the Court ruled that the State of New York had violated the Constitution by allowing public school children to recite a nondenominational prayer at the beginning of each day. The decision was greeted by an outpouring of criticism from the vast majority of the American people, including Members of Congress and many constitutional lawyers.

Fortunately, the Constitution provides a system of checks and balances. In anticipation of judicial usurpations of power, the framers of our Constitution wisely gave Congress the authority, by a simple majority of both Houses, to check the Supreme Court through regulation of its appellate jurisdiction. Section 2 of article III states in clear and precise language that the appellate jurisdiction of the Court is subject to "such Exceptions, and under such Regulations, as the Congress shall make."

Permit me to point out, Mr. President, that Congress has exercised this power on numerous occasions, since the earliest days of the Republic. In the well-known case of Ex parte McCardle, decided in 1868, Congress even went so far as to repeal an act, which had authorized McCardle to appeal to the Supreme Court, after the Court had already heard argument on the case! The Court promptly dismissed the case for want of jurisdiction. Speaking for a unanimous Court, Mr. Justice Davis declared:

> We are not at liberty to inquire into the motives of the legislature. We can only examine into its power under the Constitution; and the power to make exceptions to the appellate jurisdiction of this court is given by express words.

The principle laid down in the McCardle case has been reaffirmed many times by the Court in subsequent cases down to the present. As the Court observed in the Francis Wright case of 1882:

> While the appellate power of this Court extends to all cases within the judicial power of the United States, actual jurisdiction is confined within such limits as Congress sees fit to describe. What these powers shall be, and to what extent they shall be exercised, are, and always have been, proper subjects of legislative control.

In the words of the late Mr. Justice Frankfurter:

> Congress need not give this Court any appellate power; it may withdraw appellate jurisdiction once conferred. (*National Mutual Ins. Co.* v. *Tidewater Transfer Co., 1948*).

Not once in its history, Mr. President, has the Supreme Court departed from this principle or suggested that there are any limitations to Congress' control over the Court's jurisdiction. Indeed, the Constitution itself admits to no limitations.

For this reason, I support this amendment which would limit the appellate jurisdiction of the Supreme Court, and the original jurisdiction of Federal district courts, in actions relating to the recitation of prayers in public schools. It states simply that the Federal courts shall not have jurisdiction to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school.

The purpose of this amendment is to restore to the American people the fundamental right of voluntary prayer in the public schools—and I stress the word "voluntary," Mr. President. No individual should be forced to participate in a religious exercise that is contrary to his religious convictions, and the amendment takes cognizance of this cherished freedom. At the same time, it seeks to promote the free exercise of religion by allowing those who wish to recite prayers—and they are the vast majority of our citizens—to do so, with or without the blessings of government.

As many critics of the Engel decision have correctly observed, the free exercise of religion was actually denied in that case. As you will recall, no individual was compelled to recite the nondenominational prayer, and dissenters were allowed to excuse themselves from the classroom. But the remaining students were denied the freedom to participate in the recitation of the prayer. The conclusion is inescapable, Mr. President, than in Engel against Vitale, the Supreme Court, in effect, gave preference to the dissenters and at the same time violated the establishment clause of the first amendment by establishing a religion—the religion of secularism. Public school children are a captive audience. They are compelled to attend school. Their right to the free exercise of religion should not be suspended while they are in attendance. The language of the first amendment assumes that this basic freedom should be in force at all times and in all places. I respectfully urge my fellow colleagues in the Senate to join me in supporting this amendment and restoring the free exercise of religion to its full constitutional status.

I thank the Chair.

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. I am sorry the distinguished majority leader is not in the Chamber.

I call attention of the Chair to rule VII, paragraph 3:

> Until the morning business shall have been concluded, and so announced from the Chair, or until the hour of 1 o'clock has arrived, no motion to proceed to the consideration of any bill, resolution, report of a committee, or other subject upon the Calendar shall be entertained by the Presiding Officer, unless by unanimous consent; . . .

My inquiry is: Was unanimous-consent obtained in this instance?

The PRESIDING OFFICER. No; unanimous consent was not obtained.

Mr. HELMS. Mr. President, I do not intend to press the point. The distinguished majority leader's motion which was approved and with which in fact I approved at the time, but I hope the majority leader will join me now in saying that he hopes that this action will not constitute a precedent that will eliminate the necessity of unanimous consent in the future.

Mr. ROBERT C. BYRD. Mr. President, I expected someone to raise a point of order at the time, and I would have moved to table it, but I suppose under the rule the Chair really is not supposed to entertain such a motion by the Chair, as it every Senator, is subject to inadvertences, and it all happened so fast that I can understand how the Chair had a problem with it.

Mr. HELMS. I hope the Senator will not misunderstand me. I did not and do not criticize the Chair because I have sat many hours there myself, as the Senator knows.

Mr. ROBERT C. BYRD. That is right.

Mr. HELMS. And I am not being critical of him or of the Chair, but I hope that we can agree that nothing that occurred this morning adversely affects the unanimous-consent requirement under rule VII, paragraph 3.

Mr. ROBERT C. BYRD. I suppose it is a precedent of sorts but it has not been tested, and I am not interested in pressing it. The Senator is correct. The motion should not have been entertained by the Chair but inasmuch as the Chair entertained it, I did not want to object to it, and I am willing to say it is no precedent. The rule is still there.

Mr. HELMS. I thank the Senator.

Mr. ROBERT C. BYRD. I would like to get to a vote on the amendment, though.

Mr. HELMS. I wonder if the Senator would not wish to make a unanimous-consent request that we vote no later than 2:20 p.m.

Mr. ROBERT C. BYRD. I will be delighted to do that.

Mr. HELMS. I suggest that the Senator propound such a request.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the amendment which I have introduced occur at no later than 2:20 p.m. today.

The PRESIDING OFFICER. Is there objection?

Mr. THURMOND. Mr. President, reserving the right to object, I do object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I thought the Senate would be recessing tomorrow night, but it does not appear that it will be.

I say I thought the Senate would be recessing tomorrow evening, but it does not appear it will be.

I would still hope that we could have a vote on this amendment and on the bill.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. Mr. President, I understand the significance of 2:20 p.m. or exactly 2:22 p.m., I believe. But I am a little curious about what we are going to do. It seems to me that we should take note of the fact there are other amendments as well as this amendment to this bill.

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. And I think it is unlikely we could dispose of this bill by 2:22 p.m., and at that time the unfinished business will automatically recur as the pending business before the Senate.

Mr. ROBERT C. BYRD. Mr. President, I propose the following unanimous-consent request in response to the distinguished minority leader's observation:

That the vote on the amendment which I have introduced occur at no later than, whatever the Senator says, 2:30 p.m., and that any other amendments to the bill be limited, if there be any further amendments——

Mr. BAKER. Fifteen minutes for Senator STEVENS I understand.

Mr. ROBERT C. BYRD [continuing]. To 30 minutes equally divided on any other amendment, debatable motion or point of order if such is submitted to the Senate for its consideraion; and that there be a time for debate on the bill itself or not to exceed 30 minutes, to be equally divided between Mr. DECONCINI and the distinguished minority leader or his designee. And how about in the usual form?

Mr. BAKER. Germaneness.

Mr. HELMS. Mr. President, I object to the usual form.

Mr. ROBERT C. BYRD. The Senator objects to the usual form.

Mr. HELMS. Yes.

Mr. ROBERT C. BYRD. Does he have a specific amendment he would like to get in? And we could put the usual form in the rest of it.

Mr. HELMS. No. I have no problem with it myself, but some others may have. All of this has developed, I say to the leader, so rapidly, that some Senators may be a bit confused by it. Therefore, I would rather not have the germaneness rule apply just yet.

Why does he not try it a little later?

Mr. ROBERT C. BYRD. Confusion made a masterpiece. All right. The agreement without the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. And that a call for the regular order not bring the Department of Education bill back until this bill is disposed of, and that there be a vote on passage no later than 4 p.m.

Mr. KENNEDY. The leader is talking about S. 450?

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER. Is there objection? Without objection, this pending business will remain the pending business until disposed of under the terms of the unanimous-consent agreement that has been accepted.

Mr. BAKER. Mr. President, did the Chair also grant the unanimous-consent request dealing with the limitation of time and the time certain to vote?

The PRESIDING OFFICER. That is correct.

Mr. BAKER. I thank the Chair.

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators. We may still get out tomorrow evening.

Mr. THURMOND. Mr. President, I rise in support of the amendment to allow voluntary prayers in schools. I want to commend the able Senator from North Carolina for offering this amendment, and I was pleased to join him as a cosponsor. I hope the Senate will see fit to stand by its decision of last week and agree to this amendment.

Some have said that it would be an infringement of the first amendment to adopt the Helms amendment. The first amendment reads this way:

> Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof;

Mr. President, it is clear that Congress can make no law respecting the establishment of religion, and neither can it prohibit the free exercise of it. I ask the question is it not prohibiting the free exercise of religion if people wish to, but cannot, voluntarily pray, whatever their religion is? Is it not just as bad to deny people the right to pray according to their own religion, as it would be for Congress to establish a religion by law?

Mr. President, our Nation was founded upon religion. Our forefathers came here originally seeking the right to worship as they pleased. That was the primary purpose for America's being settled. Of course, others came for other reasons, but because the original settlers were persecuted in the old country, they came to this country seeking freedom, religious freedom, and religion has been acknowledged frequently in our Government.

Today it is acknowledged in the Government and we ought to remember it: For example, the national motto "In God We Trust;" the Senate motto "God Has Favored Our Undertakings;" and the House motto, over the Speaker's desk, "In God We Trust." This is right here where we make the laws. This is in the Capitol of the United States. This is in the very buildings that constitute this great Government from which all lawmaking power emanates.

The national anthem, in the fourth verse, refers to "God;" the Pledge of Allegiance refers to "God." We have chaplains in the military services, and we have chaplains here in the Senate. There is a chaplain in the House, and these chaplains pray and refer to "God" every day that we are in session. What is wrong with that? Why is it so now that schools cannot have voluntary prayers? I repeat, these prayers are not compulsory, they are purely voluntary. No one has to listen to them. A teacher does not have to listen, a student does not have to listen, but if they wish to have voluntary prayers, why should they not be allowed to do it? I do not know of any person who has ever been hurt by praying himself or hurt for having others pray for him. A great many people feel they have been helped by prayer.

State papers and proclamations have referred to "God." There are hardly any State papers that have not referred to "God."

Ceremonies refer to "God." So do inaugurations. The last time the President of the United States was inaugurated in front of this building there were prayers at that ceremony. The time before that there were prayers. The time before that there were prayers. Every President of the United States who has been inaugurated has had prayers at the ceremony. What is wrong with that?

Well, if we here in the Nation's Capital, we who make the laws, approve of prayers, here, because we do, because we have them every day we meet, because we have them when a President is inaugurated, then what is wrong with letting little children in school pray if they want to? They do not have to. They are not forced to. They are not compelled to. But if they want to voluntarily, then I ask what is wrong with it?

The Declaration of Independence refers to "God," that great document in which those men signed their names, pledging their lives, their fortunes, and their sacred honor. There it refers to "God."

The Supreme Court has over its entrance, that branch of the Government that construes the laws of this Nation, that interprets the laws of this Nation, has over the entrance to its building, "God Save the United States." The bailiff comes in every day and says: "God save the United States and this Honorable Court." That is the way they open every session of the Supreme Court, "God save the United States and this Honorable Court."

Is that not a prayer? Well, if the Supreme Court of the United States has a prayer at its opening, what is wrong again, I say, with the little children praying in a school district in South Carolina or Arizona or Massachusetts or anywhere else?

Oh, they try to say there is a difference. I would like to know what the difference is. The American people do not see the difference. Polls of the American people show overwhelmingly that they favor allowing voluntary prayers in schools.

Baccalaureate services refer to "God" and there are prayers there. All of the things I have mentioned and others in every facet of the lives of the American people show God.

Every President has referred to "God" in his inaugural address. Every State constitution in this country, all 50 State constitutions, refers to "God."

So if the U.S. Capitol Building, if the Supreme Court, if the White House, if the Library of Congress, if the Washington Monument, if the Jefferson Memorial, if the Lincoln Memorial, if the Tomb of the Unknown Soldier, if all of these refer to "God," what is America, where is America, who controls America?

Mr. President, it does not make any sense to say that little children cannot voluntarily pray at school when our Government is laced with "God," is laced with the right to pray. Right in this building every Wednesday morning a group of us, about 20 or 25 Senators, meet in the Vandenberg Room. For what purpose? What is it? It is a prayer meeting. Well, if you do not allow little children in school to voluntarily pray, how can you allow U.S. Senators to meet in this building and hold a prayer meeting, and why do you allow the Chaplain to go up here and open every day with a prayer when we have a session? Mr. President the thing has been carried to extremes.

Now, there has been some question raised about article III of the Constitution, section 1, paragraph 3, which reads this way:

> In all Cases affecting Ambassadors, other public Ministers and Consuls, and those in which a State shall be Party, the Supreme Court shall have original Jurisdiction. In all the other Cases before mentioned, the Supreme Court shall have appellate Jurisdiction, both as to Law and Fact, with such Exceptions, and under such Regulations as the Congress shall make.

Mr. President, I want to repeat that:

> with such Exceptions, and under such Regulations as the Congress shall make.

Mr. President, does that not give the right to Congress to make exceptions as to the appellate jurisdiction? I would ask the distinguished and able Senator from North Carolina, is that not what he is attempting to do here, to get an exception on this particular matter, to take jurisdiction away from the Supreme Court, and is not Congress allowed, under the Constitution to do that?

Mr. HELMS. Mr. President, the Senator is exactly correct.

Mr. THURMOND. Mr. President, as to this argument here that this may not be constitutional, this is the Constitution itself. This is the Constitution. And I want to repeat that sentence:

> In all the other Cases before mentioned, the Supreme Court shall have appellate Jurisdiction, both as to Law and Fact, with such Exceptions, and under such Regulations as the Congress shall make.

Mr. President, Congress is making an exception in the proposal of the distinguished Senator from North Carolina. Congress has the right to make that exception, and I would hope that the Members of this body will see fit to pass that proposed exception.

I thought last week that the action we took on Thursday was one of the most wholesome actions that had been taken in the Senate since I have been in Congress. For years and years we have attempted to get through an amendment, to allow voluntary prayer in the schools; since this decision was handed down by the Supreme Court and I was highly pleased last week when the Senate voted as it did. If the Senate had gone ahead and voted on the motion to reconsider at that time, I am confident it would have passed. However, a motion was made to adjourn the Senate. For what purpose? To try to get more people here to change their votes, to vote otherwise.

Mr. President, I sincerely hope that the Senate will see fit to pass this amendment by the able Senator from North Carolina. Congress has a right to pass it under the Constitution. The people of the country want it, and there is no reason why we, as their humble servants in this body, should not act on this matter and adopt this amendment.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. THURMOND. I am pleased to yield to the Senator from North Carolina.

Mr. HELMS. I thank my friend from South Carolina.

Mr. President, I hope Senators realize that a ground swell of support has arisen all across the country favoring this amendment. I wish my friend from South Carolina could see the deluge of telegrams we have received in my office.

One such telegram comes from Pat Robertson, a distinguished Christian leader who is the son of the late distinguished Senator from Virginia, Willis Robertson, with whom the Senator from South Carolina served. I ask unanimous consent that Pat Robertson's telegram be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

HOT SPRINGS, VA.,
Washington, D.C., April 6, 1979.

Senator JESSE HELMS: I applaud your efforts to restore voluntary prayer in our public schools. Unquestionably the decline in school discipline and the appalling rise of teenage delinquency can be traced directly to the suspension of virtually all religious activities in the public schools of our nation. No constitutional authority could believe the framers of our constitution intended the establishment of a godless society. More power to you.

PAT ROBERTSON,
President.

Mr. HELMS. Besides Reverend Robertson, religious leaders who support the voluntary prayer amendment include the following:

Rev. Jerry Falwell, whose Thomas Road Baptist Church, Lynchburg, Virginia, is one of the largest churches in the world.

Rev. Robert P. Dugan, Director, Office of Public Affairs of the 40 million member National Association of Evangelicals.

Dr. Ben Armstrong, Executive Director of the National Religious Broadcasters.

Dean Kenneth Kantzer, Editor, Christianity Today.

Dr. Harold O. J. Brown, Professor of Theology at Trinity Evangelical Divinity School, Springfield, Illinois, and Chairman, Christian Action Council.

Dr. Thomas A. Carruth, Asbury Theological Seminary, Wilmore, Kentucky.

Rev. James Boice, Tenth Presbyterian Church, Philadelphia, Pennslyvania.

Dr. Charles Stanley, First Baptist Church, Atlanta, Georgia.

Mr. President, I have been furnished by Leadership Foundation a list of 441 churches whose members wish to go on record to indicate the nationwide support for this amendment. I ask unanimous consent that the complete list be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

SUMMARY SHEET

Denomination:	*Number churches replied*
Assembly Of God	31
Baptist	211
Christian and Missionary Alliance	2
Catholic	15
Church Of Christ	3
Church Of God	9
Congregational	2
Disciples Of Christ	1
Episcopal	4
Lutheran	21
Mennonite	2
Methodist	19
Nazarene	2
Non or Inter Denominational	43
Presbyterian	35
United Brethren	40
Christian Broadcasting Network	1
Total	441

ASSEMBLY OF GOD CHURCHES

Bethal Temple, Rev. Powell H. Lemore, Fresno, Calif. 93627

Keyser Assembly of God, Rev. Donald W. Goldizen, Keyser, W. Virginia 26726

Valley Church, Rev. Robert J. Smith, Salt Lake City, Utah 84118

Calvary Pentecostal Church, Rev. Stephen Landis, Keyser, W. Virginia 26726

Ester Assembly Church, Rev. Eugene G. Wooten, Fairbanks, Alaska 99701

Full Gospel Church, Rev. Robert W. Rosin, Alcove, N.Y. 12007

Hazel River Church, Rev. Stanley Bowbeer, Castleton, Virginia 22716

Assembly of God, Rev. Park Benner, Latrobe, Penn. 15650

Assembly of God, Rev. Willard Hutsell, Elmer, Missouri 63538

Cathedral of Light, Rev. L. D. Field, Selma, Calif. 93662

Assembly of God, Rev. Archie M. Minnieweather, Bonita, La. 71223

Mission Sendero de La Cruz, Rev. Dennis Rivera, Pocatello, Idaho 83201

Assembly of God, Rev. Edw. R. Neulaus, Fitchburg, Maine 01420

Assembly of God, Rev. Richard J. Thomas, Ithaca, N.Y. 14850

The Calvary Assembly of God, Rev. Wayne Hampton, Cobleskill, N.Y. 12043

Assemblies of God Headquarters*, Rev. W. R. Leisy, Anchorage, Alaska 99504

First Assembly of God, Rev. Wesley J. Bransford, Ketchikan, Alaska 99901

Assembly of God, Rev. Darrell Redfearn, Anchorage, Alaska 99510

Assembly of God, Rev. Fred Francisu, Dalton, N.Y. 14836

Assembly of God, Rev. Leroy J. Miller, Eloy, Arizona 85231

Assembly of God, Rev. Franaisca Riedel, San Leandro, Calif. 94577

First Spanish Assembly of God, Rev. Simon Melendres, Greeley, Colo. 80631

First Assembly of God, Rev. C. E. Wilson, Bristol, Virginia 24201

Ambridge Assembly of God, Rev. Clinton P. Elliott, Baden, Penn. 15005

Calvary Assembly of God, Rev. Dr. Edgar R. Lee, Atlanta (Dunwoody) Georgia 30338

Christian Life Center, Rev. Tom Miskovich, Dillon, Montana 59725

First Assembly of God, Rev. R. T. Sandbach, Belvidere, Ill. 61006

First Assembly of God, Rev. Carl E. Guiney, Woonsocket, R.I. 02895

First Assembly of God, Rev. Robert D. Goree, Freemont, Calif. 94536

Teen Challenge Chapel, Rev. Mike Zello, Washington, D.C. 20001

Assembly of God, Rev. Bruce Thomas, Priestriver, Idaho 83856

Assembly of Good, Rev. Louise Barrett, Martinsburg, W. Virginia 25401

Pentecostal Church, P. H. Church, Rev. Oscar E. Bryant, Gordonsville, Virginia 22942

Assembly of God, Rev. Ed. R. Neuhaus, Fitchburg, Mass. 01420

BAPTIST CHURCHES

Galilee Baptist Church, Rev. Fred J. Bartz, Austintown, Ohio 44515

Community Baptist Church (G.A.R.B.C.)*, Rev. Daryl E. Sell, Brighton, Colo. 80601

Baptist Church (G.A.R.B.C.)*, Rev. Ernest Bloom, Akron, Ohio 44312

First Baptist Church, Rev. Paul G. Williams, Maine, N.Y. 13802

Berean Baptist Church, Rev. Richard Rahlgrin, Springfield, Ill. 62703

Heritage Baptist Church, Rev. Dr. John Kagir, Jacksonville, Fla. 32221

Baptist Church, Rev. Gerald C. Armstrong, Lebanon Junction, Ky., Route 1, 44050

New Unity, Rev. James S. Williams, Baltimore, Md. 21213

First Baptist Church, Rev. E. Hudspith, Pasadena, Calif. 91101

Baptist Church, Pastor Earl Abbott, London, Ky. 40741.

Liberty Baptist Church, Rev. Wilson B. Waldorf, Charlottesville, Virginia 22901.

Bon-Air-Arl. Baptist Church, Evangelist Dale Crowley, Washington, D.C. 20011.

Faith Baptist Church, Rev. Willis O. Booth, Strathmore, Calif. 93267.

Seward Avenue Baptist Church, Pastor Harold F. Tucker, Topeka, Kansas 66616.

Baptist Church, Rev. Yhreadri Jones, Charlottesville, Virginia 22901.

Calvary Baptist Church, Rev. David A. Tucker, Larkspur, Calif. 94939.

Emmanuel Baptist Church, Rev. Robert L. Weiss, Loveland, Colo. 80537.

First Baptist, Oglesby (G.A.R.B.C.)*, Rev. Thomas M. Parsons, Oglesby, Ill. 61348.

Community Baptist Church, Rev. Elvin G. Nyhuis, Edwardsburg, Mich. 49112.

Bethel Baptist Church, Rev. Clay Nuttall, Fruitport, Mich. 49415.

First of Kouts Baptist Church (G.A.R.B.C.)*, Pastor G. A. Heyboer, Kouts, Ind. 46347.

First Baptist Church, Pastor Gary E. Carpenter, Chelan, Wash. 98816.

Baptist Church, Rev. Wm. L. Taylor, D.D., Parkersburg, W. Virginia 26101.

First Baptist Church (G.A.R.B.C.)*, Pastor Vick Perry, Pulaski, N.Y. 13042.

Baptist Church (Independent), Pastor Mick Hill, San Jose, Calif. 95123.

American Baptist Church, Pastor R. D. McClain, Ithaca, N.Y. 14850.

Flint Hill Baptist Church, Pastor R. W. Weeks, South Birmingham, Ala. 35205.

Mt. Joy Baptist Church, Rev. Henry L. Brinkley, Washington, D.C. 20001.

Faith Baptist Church (G.A.R.B.C.)*, Rev. Merlyn E. Jones, Defiance, Ohio 43512.

Baptist Church, Rev. Dr. Robert B. Diffee, Oxon Hill, Md. 20735.

Emmanuel Baptist, Pastor Robert L. Weiss, Loveland, Colo. 80537.

North Uxbridge Baptist Church, Rev. Mel Hansen, North Uxbridge, Mass. 01538.

Faith Baptist Church, Pastor Lloyd Learned, Greenville, Ohio 45331.

Leonard Heights Baptist Church, Pastor John H. Kleis, Grand Rapids, Mich. 49504.

Baptist Church, Pastor Bill Berry, Tucker, Ga. 30084.

Immanuel Baptist Church, Pastor Murray M. Boyd, Ridgecrest, Calif. 93555.

Parma Baptist Church, Rev. Paul Randall, Parma, Mich. 49269.

Southwood Baptist Church, Rev. Jack Williamson, Jamesville, N.Y. 13078.

Baptist Church (G.A.R.B.C.)*, Rev. Paul Rickins, Weaverville, Calif. 96093.

Shaw Heights First Baptist Church, Pastor E. A. Slaugherhaupt, Denver, Colo. 80221.

Bible Baptist Church (Independent), Pastor Joseph Rock, Grove City, Ohio 43123.

Fellowship Baptist Church, Pastor Stanley Lightfoot, Jr., Marine City, Mich. 48039.

Baptist Church (Independent) Pastor John B. Schrimshire, Mt. Lake, Md. 21550.

Union Baptist Church (G.A.R.B.C.)*, Pastor Marley Evans, Union Mills, Ind. 46382.

Baptist Church, Pastor Richard T. Bray, Jr., Roanoke, Va. 24014.

Baptist Church, Pastor James W. Abington, Austin, Texas 78749.

Baptist Church (G.A.R.B.C.)*, Pastor Norman C. Warner, Stoney Fork, Ky. 40988.

Faison Baptist Church, Rev. D. W. Branch, Faison, N.C. 28341.

Baptist Church, Pastor Adam Bausman, Yakima, Washington 98902.

Baptist Church, Treas. Kester O. Williams (for the church), Star, N.C. 27356.

Footnotes at end of article.

Primitive Baptist Church, Elder Loren H. Wilson (for the church), Fairfax, Va. 22030.

Missionary Baptist Church, Rev. Martin F. Bishop, Birmingham, Ala. 35214.

Baptist Church (Independent), Rev. Daniel Schieber, Mt. Ephraim, N.J. 08059.

Baptist Church, Pastor James W. Wynn, Scott, La. 70583.

Baptist Church, Pastor R. D. McClain, Ithaca, N.Y. 14850.

Baptist Church (Independent), Rev. Don P. Porter, Key Largo, Fla. 33037.

Baptist Church, Pastor A. R. Wynn, Sheffield Lake, Ohio 44054.

Baptist Church, Rev. Louie J. DiPlacido, Wheaton, Md. 20906.

Baptist Church (G.A.R.B.C.),* Rev. John H. Tubbr, Nichols, N.Y. 13812.

Baptist Church, Pastor Wallace R. Berry, Corryton, Tenn. 37721.

Liberty Baptist Church, Rev. Hugh Biggers, Thomasville, N.C. 27360.

Baptist Church, Pastor Donald R. Billman, Indiana, Pa. 15701.

Baptist Church, Rev. Paul Yarnall, Cassville, Mo. 65625.

First Baptist (American), Rev. John Epp, Visalia, Calif. 93277.

Faith Baptist (G.A.R.B.C.),* Pastor Glenn H. Davis, Lancaster, Ohio 43130.

Rocky Fork Baptist Church, Pastor Harold M. Guthrie Cahanna, Ohio 43230.

First Baptist of Wissinoming (G.A.R.B.C.),* Rev. Walter E. Kruckow, Philadelphia, Pa. 19135.

Spruce Street Baptist Church, Rev. Dr. James L. Lowe, Newton Square, Pa. 19073.

First Baptist Church, Rev. Leland Hufhand, Lock Haven, Pa. 17745.

Grace Bapist Church, Rev. Thomas W. Noyes, Norristown, Pa. 19400.

Faith Baptist (Independent) Pastor Ronald C. Laube, Lynchburg, Va. 24501

Bible Covenant Baptist Church, Rev. Robert G. Walter, Media, Pa. 19063

Berean Baptist Church, Pastor Sydney G. Brestel, Marion, Ohio 43302

Independent Baptist Church (G.A.R.B.C.),* Rev. Donald Leitch, North Jackson, Ohio 44451

New Lyme Baptist Church, Pastor Don L. Bennett, New Lyme, Ohio 44066

Oberlin Calvary Baptist, Pastor Allen Curtis, Oberlin, Ohio 44074

Tabernacle Baptist Mission, Pastor Fred Patrick, Louisa, Va. 23093

Calvary Baptist Church (G.A.R.B.C.),* Pastor Roger L. Williams, Mesa, Arizona 85205

First Baptist, Rev. L. D. Grant, Caro, Mich. 48723

Temple Baptist Church (Independent), Pastor Lennon E. Hakes, Glen Burnie, Md. 21061

Faith Baptist Church, Rev. Victor E. Bilboe, Smyrna, Del. 19977

Grace Independent Baptist Pastor Thomas J. Hawkins, Crownsville, Md. 21032

Evangel Baptist Church, Rev. Ernest Thompson, Hagerstown, Md. 21740

Faith Independent Baptist Church, Rev. E. Duane King, Frostburg, Md. 21532

Bible Baptist Church, Pastor Willmont L. Thurlow, Mattawamkeag, Maine 04459

Cedar Run-Crooked Tower Rapidan, Baptist Church, Rev. Floyd T. Binns, Culpeper, Va. 22701

Baptist Church, Rev. Milton S. Jones, Orange, Va. 22960

Trinity Baptist Church, Pastor Jack R. Jackson, Verona, Va. 24482

Faith Baptist Church (Independent) (G.A.R.B.C.)* Rev James J. Pinkerton, ThM, Vero Beach, Fla. 32960

First Baptist Church, Pastor Wayne C. Vawter, Plainfield, Ill. 60544

First Regular Baptist Church, Pastor Ronald L. Gustine, Grant Park, Ill. 60940

First Regular Baptist Church, Pastor E. Guess, Kansas City, Mo. 64127

First Baptist Church, Pastor John D. Neese, Marion, Montana 59925

Baptist Church (Independent), Pastor Larry Leonard, Medina, Ohio 44256

St. Mark's Institutional Baptist Church, Rev. Spencer Dobson, Baltimore, Md. 21216

First Baptist Church, Pastor Sam H. Ingram, Gordon, Ga. 31031

First Baptist (G.A.R.B.C.)* Pastor Ervin Miller, Onaway, Mich. 49765

Wolfe Lake Baptist Church, Pastor Charles W. Stark, Muskegon, Mich. 49441

Grandview Park Baptist Church (G.A.R.-B.C.)*, Pastor Paul Tassell, Ph. D., Des Moines, Iowa 50317

Skyline Baptist Church, Rev. John M. Mitchell, Rome, N.Y. 13440

Waveland Baptist Church, Pastor Eldon J. Coons Brownsburg, Ind. 46112

St. Joe Baptist Church, Pastor Carl Boutiller, Homer, Mich. 49245

West Bethel Baptist Church, Rev. Roy Hendershot, Cleveland, Ohio 44102

Calvary Baptist Church, Pastor Joe Gerard, Adrian, Mo. 64720

Calvary Baptist Church (Independent), Rev. Daniel Schieber, W. Collingswood Hts., N.J. 08059

Calvary Baptist Church (G.A.R.B.C.,* Pastor David E. Strong, Wilmington, N.Y. 12997

First Baptist Church, Pastor Frederick W. Thomas Massapegua, N.Y. 11758

Baptist Church (G.A.R.B.C.),* Pastor William H. Heinrich, Delphi, Ind. 46923

Hillcrest Baptist Church, Rev. Don Reiter, Rochester, Ind. 46975

Marantha Baptist Church, Pastor Russell Schelling, Jeffersonville, Ind. 47130

Five Mile Baptist Church (Independent), Pastor Gary L. Briggs, Allegany, N.Y. 14706

Calvary Baptist Church, Rev. Ronald McLucas, Decorah, Iowa 52101

Lincoln Avenue Baptist (G.A.R.B.C.),* Pastor Jack E. Cook, Ionia, Mich. 48846

Temple Baptist Church, Rev. Richard W. Johnson, Lincoln, Nebr. 68510

Emmanuel Baptist Church, Rev. David R. Crandall, Penn Yan, N.Y. 14527

First Baptist of Bay City, Pastor Donald K. Olsen, Essexville, Mich. 48732

Baptist Church, Pastor Leonard J. Bowden, Huntsville, Ala. 35810

Berean Baptist Church, Pastor Maynard Nutting, Utica, Mich. 48087.

First Baptist Church, Rev. C. Ray Vistue, Merton, Wis. 53056.

Baptist Church (G.A.R.B.C.),* Rev. Fred W. Roff Salem, Ohio 44460

Gwinnett Hall Baptist Church, Rev. M. H. Everett, Lawrenceville, Ga. 30245

Mt. Zion Baptist Church, Deacon Perry Kimbo, Lawrenceville, Ga. 30245

Rolling Hills Baptist Church, Pastor Virgil A. Barrows, Laurel, Md. 20810

Woodruff Baptist Church, Rev. James Patterson, Woodruff, Wis. 54568

Gospel Light Baptist Church, Pastor Harold J. Elting, Jr., Kearney, N.J. 07032

First Baptist Church Pastor Delbert Wren, Tonasket, Wash. 98855

Bible Baptist Church (Independent), Pastor William E. Carnes, Kissimmee, Fla. 32741

Lemoyne Baptist Church, Pastor Charles Alexander, Walbridge, Ohio 43465

First Baptist Church (G.A.R.B.C.),* Pastor Robert J. Smot, Moorcraft, Wyo. 82721

Beth Haven Baptist Church, Pastor Ardy Parlin, Louisville, Ky. 40272

Grace Baptist Church, Pastor John Gregory, Gadsden, Ala. 35901.

First Baptist Church, Pastor Richard L. Shoup, Hartland, Wis. 53029.

Calvary Baptist Church (Independent), Pastor Donald W. Reynolds, Denton, Md. 21629.

Carmel Baptist Church, Pastor James N. Birkitt, Ruther Glen, Va. 22546.

Calvary Baptist Church, G.A.R.B.C.*; Pastor J. Howard Jones, Bucypus, Ohio 44820.

First Baptist Church, Pastor Kenneth Brougham, Paden City, W. Va. 26159.

Northside Baptist Church, Pastor Weldon F. Burnett, Jr., Una, S.C. 29378.

Grace Baptist Church (Independent), Rev. Paul M. Monroe, Lexington, N.C. 27292.

Salem Baptist Church (Independent), Dr. Donald R. Suttles, Director of Business Affairs, Piedmont Bible College, Winston-Salem, N.C. 27107.

Sunnyside Baptist Church, Pastor Dalton Carrington, Toccoa, Ga. 30577.

First Baptist Church, Pastor Paul G. Williams, Maine, N.Y. 13802.

Calvary Baptist Church, Pastor Kenneth I. Smith, Fremont, Calif. 94538.

Hampden Baptist Church, Pastor James P. Carter, Baltimore, Md. 21212.

Northern Virginia Primitive Baptist Church, Pastor Hoyt B. Simms, Fairfax, Va. 22030.

Grace Independent Baptist, Pastor Thomas J. Hawkins, Jr., Crownsville, Md. 21032.

First Baptist Church, Pastor W. A. Burkey, Fairfield, Ga. 94533.

Bible Baptist Church, Rev. Earl E. Jones, Fayetteville, N.C. 28306.

Faith Baptist Church (G.A.R.B.C.)*, Pastor Donald G. Hager, New Hampton, Iowa 50659.

Fellowship Baptist Church, Rev. Frank McQuade, Glen Mills, Pa. 19342.

Wheelersburg Baptist Church, Rev. Richard L. Sumner, Wheelersburg, Ohio 45694.

First Baptist Church, Rev. R. H. Fitzpatrick, Riverdale, Md. 20840.

The Bible For Today, Collingswood, N.J., Rev. D. A. Waite, Director (Th. D., Ph. D.), Member, Bethel Baptist Church, Cherry Hill, N.J. 08000.

First Baptist Church (Independent), Rev. Audron Seymour, Dilliner, Pa. 15327.

Grace Baptist Church, Pastor Jack Dean, Bowie, Md. 20715.

Baptist Church, Pastor James R. Hartman, Shell Rock, Iowa 50670.

Independent Baptist Church, Pastor Randy Shook, Hickory, N.C. 28601.

Freewill Baptist Church, Rev. James A. Pittman, Grifton, N.C. 28530.

Primitive Baptist Church, Elder Loren H. Wilson, Brooklet, Ga. 30415.

SOUTHERN BAPTIST CHURCHES

(Southern Baptists are members of the Southern Baptist Convention)

First Baptist Church, Rev. Robert L. Scruggs, Capitol Heights, Md. 20027

Middleton Road Baptist Church, Pastor Ralph F. Carter, Anderson, S.C. 29624

Giant City Baptist Church, Rev. Larry E. Allen, Grant City, Mo. 64456

Hepzibah Baptist Church, Pastor J. William Casaday, Talladega, Ala. 35160

Baptist Church, Pastor Paul R. Baxter, Crittenden, Ky. 41030

Baptist Church, Dr. W. R. Bates, La Mirada, Calif. 90637

Baptist Church, Pastor Coy R. Bates, Upper Marlboro, Md. 20870

Baptist Church, Pastor Bill Blackburn, Shelbyville, Ky. 40065

Baptist Church, Rev. Joseph L. Aaron, Opp, Ala. 36467

Morgans Baptist Church, Pastor David Brooks, Moneta, Va. 24121

First Baptist Church, Pastor William L. Brown, Clearwater, S.C. 29822

Baptist Church, Rev. Lyndol E. Adams, Midwest City, Okla. 73130

No. Waco Baptist Church, Pastor H. O. Bilderback, Waco, Texas 76708

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*General Association Regular Baptist Church.

Baptist Church, Pastor James N. Birkitt, Ashland, Va. 23005

Baptist Church, Pastor Arles L. Bingham, Strongsville, Ohio 44136

Baptist Church, Pastor Robert Benson, Jackson, Tenn. 38301

Baptist Church, Pastor C. C. Bennett, Lincoln, Ala. 35096

Baptist Church, Rev. Dale P. Wyatt, Portsmouth, Va. 23707

Baptist Church, Pastor Douglas W. Bauldree, Foley, Ala. 36535

Baptist Church, Pastor Jack E. Beck, Austin, Texas 78753

Oak St. Baptist Church, Pastor Thomas C. Biggar, Maryville, Tenn. 37801

Baptist Church, Pastor David Berryhill, Willow Springs, Mo. 65793

Baptist Church, Pastor B. R. Yarbrough, Manassas, Va. 22110

Baptist Church, Rev. W. B. Holt, Greenville, S.C. 29609

Baptist Church, Pastor D. E. Beasley, Lenox, Ga. 31637

Baptist Church, Pastor Norman S. Bell, Potsdam, N.Y. 13676

Baptist Church, Pastor Jerald P. Belzer, Fremont, Nebr. 68025

Bolivar Drive Baptist Church, Rev. Phil Swanson, Bradford, Penna. 16701

First Grifton Baptist Church, Pastor Wm. Brown, Grifton, N.C. 28530

Cray Baptist Church, Rev. Oscar L. Everett, Spotsylvania, Va. 22553

Parkville Baptist Church, Rev. Claud Logan Asbury, Baltimore, Md. 21234

Wayne Hills Baptist Church, Pastor Nevin S. Alwine, Waynesboro, Va., 22980

Mt. Ed. Baptist Church, Pastor Ronald J. Nickell, Batesville, Va. 22924

Baptist Church, Pastor Ty Berry, Dexter, Mo. 63841

Curtis Baptist Church, Pastor Lawrence V. Bradley, Augusta, Ga. 30901

Northwest Baptist Church, Dr. F. William Chapman, Miami, Fla. 33168

CHRISTIAN AND MISSIONARY ALLIANCE

Christian and Missionary Alliance, Rev. Nolan J. Brisco, Swanton, Ohio.

Christian and Missionary Alliance, Rev. David Carlson, Gainesville, Georgia

CHURCH OF GOD

Lake Road Church of God, Rev. Richard Hines, Charlottesville, Va.

Pine Valley Church of God, Rev. I. C. Morris, Jr., Wilmington, N.C.

Church of God, Rev. Ronald E. Grooms, Lynx, Ohio.

Church of God, Rev. Alton Stone, Jr., Wilmington, N.C.

Church of God, Rev. D. D. Cordell, Enid, Okla.

First Church of God, Rev. Howard Liverett, Santa Maria, Calif.

Church of God, Rev. John R. Gouge, Abingdon, Va.

Cleveland Church of God, Rev. W. H. Valentine, Wooster, Ohio.

First Church of God, Rosalie E. Vierra (Dir. Christian Educ.), Sacramento, Calif.

Church of God, Rev. R. W. Hines, Waynesboro, Va.

DISCIPLES OF CHRIST

Disciples of Christ, Rev. Pettit H. Coffey, Louisa, Va.

Disciples of Christ, Rev. Herman Trauernicht, York, Nebr.

EPISCOPAL

Christ Church, Rev. Gordon B. Davis, Gordonsville, Va.

Grace Episcopal Church, Rev. Frank Young, Fork Union, Va.

St. Raphael's, Rev. D. Crandall, Oakhurst, Calif.

St. John's, Rev. Joseph A. Dunaway, Waynesboro, Va.

CHURCH OF THE BRETHREN

Community Brethren Church, Rev. George Arthur Carey, Grass Valley, Calif.

Church of the Brethren, Rev. M. Ward Halterman, Bergton, Va.

First Church of the Brethren, Rev. Guy S. Fern, Altoona, Pa.

Church of the Brethren, Rev. Clarence M. Moyers, Staunton, Va.

Church of the Brethren, Rev. Dwight Hargett, Decatur, Ind.

Stonelick Church, Rev. Roscoe Pringle, Goshen, Ohio

Bethel Church, Rev. James O. Elkenberry, Carleton, Nebraska

Church of the Brethren, Rev. Stanley M. Waybright, Oakland, Md.

Muskegon Church OTB, Rev. Otto S. Zuckschwerdt, Muskegon, Michigan

Church of the Brethren, Rev. Robert M. Latshaw, Pottstown, Pa.

Little River Church OTB, Rev. Elwood F. Humphreys, Craigsville, Va.

Church of the Brethren, Rev. Clyde Carter, Dolesville, Va.

Spindale Church OTB, Rev. Chas F. Rinehart, Spindale, N.C.

Church of the Brethren, Rev. Walter Snyder, Freedom, Pa.

Germantown Brick Church, Rev. Sylvus D. Flora, Rocky Mount, Va.

Boones Chapel Henry Fork, Rev. Harold M. Kenepp, Penhook, Va.

Prairie View Church, Rev. Richard L. Deemy, Friend, Kansas

Morrolluill Church, Rev. Chalmer C. Dilling, Johnstown, Pa.

Stover Memorial, Rev. Berwyn L. Oltman, Des Moines, Iowa

Pittsburg Church, Rev. Bruce Noffsinger, Delphi, Indiana

Bethel Center, Rev. Doyle Peyton, Hartford, Indiana

Church of the Brethren, Rev. Willis H. Freed, Jr. Hagerstown, Md.

South Bend City Church, Rev. E. Myrl Weyant, South Bend Indiana

Church of the Brethren, Rev. H. S. Craig, Staunton, Va.

County Line Church OTB, Rev. Dave Thompson, Lima, Ohio

Church of the Brethren, Rev. N. W. Crumpacker, Roanoke, Va.

Church of the Brethren, Rev. John E. Grimley, Brookville, Ohio

Church of the Brethren, Rev. R. Dean Fawley, Bridgewater, Va.

Church of the Brethren, Rev. Andrew S. Bontrager, Paradise, Calif.

Poages Mill Church OTB, Rev. Dr. Allen D. Pugh, Roanoke, Va.

Church of the Brethren, Rev. B. A. Smith, Christiansburg, Va.

Church of the Brethren, Rev. Archie P. Naff, Pilot, Va.

Bassett First Church OTB, Rev. William C. Stovall, Bassett, Va.

Mount Ida Church OTB, Rev. Ralph Loshbaugh, Westphalia, Kans.

Church of the Brethren, Rev. Fred R. Clayon, Kasson, W. Va.

UNITED BRETHREN IN CHRIST

United Brethren in Christ, Rev. Herbert Householder, Junction City, Ohio.

United Brethren in Christ, Rev. Carl V. Hinkle, Staunton, Va.

CATHOLIC

St. Thomas Catholic Church, Rev. Bernard Michalik, Riverside, Calif.

Sacred Healer, Rev. D. A. Farinba Jr., Patterson, N.J.

Fatima, Rev. Anthony McGowan, San Clemente, Calif.

Mary Queen of Heaven, Sister Roseanna, Erlanger, Ky.

New Orleans, Rev. Robert G. Howes, New Orleans, La.

St. Anthony, Rev. James O. Reilly, Riverside, Calif.

St. Adelaide, Rev. William Erstad, Highland, Calif.

Our Lady of Perpetual Help, Rev. Donald Casey, Riverside, Calif.

St. Catherine's, Rev. John Donald Quinn, Avalon, Calif.

St. Matthews, Rev. Bernard C. Cronin, San Mateo, Calif.

St. Augustine's, Rose M. Moffett, Oakland, Calif.

St. Paul, Rev. Cathal M. J. Brennan, Silverton, Oreg.

St. Patrick, Rev. John P. Farrell, Scotia, Calf.

St. Mary's, Rev. Michael F. Logan, Whittier, Calif.

CHURCH OF CHRIST

Willow Street COC, Rev. Bernard Bliss, Effingham, Ill.

Church Of Christ, Rev. Clifford E. Reeves, Fresno, Calif.

Bethany United COC, No Pastor, Cuyahoga Falls, Ohio.

Church Of Christ, Rev. Phillip H. Powers, East Alton, Ill.

Montgomery COC, Rev. Roger O. Williams, Cincinnati, Ohio.

CONGREGATIONAL

W. Williamsfield Church, Rev. Kenneth R. Roden, Dorset, Ohio.

Lake Avenue Congregational Church, Rev. Ed Holtz, Los Angeles, Calif.

LUTHERAN

Lutheran Church Missouri Synod, Rev. Kenneth L. Zank, Roseburg, Oreg.

Lutheran Church, Rev. L. Beale, Anaheim, Calif.

Lutheran Church, Rev. Dennis A. Kastens, Aiea, Hawaii.

St. Luke Lutheran Church, Rev. Luther Herman, Benton, Ark.

Peace Lutheran Church, Rev. Norman L. Hammer, Honolulu, Hawaii.

Lutheran Church, Rev. Gregory Bye, Dayton, Wash.

Lutheran Church Missouri Synod, Rev. Ralph A. Weinrich, Cocoa Beach, Fla.

Lutheran Church, Rev. Kasimir Kachmarek, Sweet Home, Oreg.

American Lutheran Church, Rev. Herbert W. Wolber, Englewood, Fla.

Bethlehem Lutheran Church, Rev. Eldon L. Pickering, Sedro Woolley, Wash.

Lutheran Brethren Church, Rev. Allen J. Foss, East Hartland, Conn.

Lutheran Church, Rev. E. G. Meseke, Baldwin, Ill.

St. Peter Lutheran Church, Rev. E. H. Pfeifer, Carlsbad, New Mexico.

Lutheran Church, Rev. Robert E. Ward, Portland, Oreg.

Lutheran Church Missouri Synod, Rev. Eldon K. Winker, Blytheville, Ark.

Lutheran Church, Rev. Frank Zirbel, Gillett, Ark.

Lutheran Church Missouri Synod, Rev. Thomas E. Meyer, Aurora, Colo.

American Lutheran Church, Rev. Erling A. Jacobson Bensenville, Ill.

Lutheran Church, Rev. Norman M. Nessett, Corvallis, Oreg.

Lutheran Church, Rev. William Gittner, Montgomery, Ala.

Grace Lutheran Church, Rev. Robert E. Cassell, Elkhart, Indiana.

Good Shepherd Lutheran Church, Rev. Wendell Brown, Salinas, Calif.

Lutheran Church Missouri Synod, Rev. Arnold E. Strohschein, Portland, Oregon.

MENNONITE

Stuarts Draft Mennonite Church, Rev. Charles C. Ramsey, Lyndhurst, Va.

Mountain View Mennonite Church, Rev. Roy D. Kiser, Stuarts Draft, Va.

UNITED METHODIST (EXCEPT AS NOTED)

New Milton UMC, Rev. Robert H. Pimto, Highland Mills, N.Y.

St. Lukes UMC, Jacob R. DeHaven (Chmn. Soc. Concerns), Martinsburg, W. Va.

St. Lukes UMC, Rev. Richards C. Chambers, Martinsburg, West Virginia.

First UMC, Rev. Gordon L. Hemphill, Brewer, Maine.

United Methodist Church, Rev. Lucy S. Norton, Asheville, N.C.

United Methodist Church, Rev. Claude B. Dickenson, Greenville, Va.

United Methodist Church, Rev. Charles K. Root, Farmingdale, N.J.

United Methodist Church, Rev. Donald E. Wildman, Tupelo, Miss.

Emerickville UMC, Rev. G. K. Marshall, Brookville, Pa.

Etlaw Free Methodist Church, Rev. Ronald I. Shultz, Etlaw, Va.

Mineral Wesleyan Methodist Church, Rev. Samuel R. Swinney, Mineral, Va.

Glovier Memorial UMC, Rev. Lee G. Bowman, Waynesboro, Va.

Frances Childs UMC, Rev. Kenneth P. Stevens, Jr., West Collingswood, N.J.

United Methodist Church, Rev. Ronald E. Dunk, Brick Town, N.J.

Garden Heights UMC, Rev. Malvin F. Warntz, Altoona, Pa.

United Methodist Church, Rev. Henry W. Burruss, Charlottesville, Va.

St. Stephens UMC, Rev. A. K. Shumake, Staunton, Va.

United Methodist Church, Rev. Jerry D. Ruff, Sea Isle City, N.J.

Linvale UMC, Rev. Stuart A. Snedeker, Vincentown, N.J.

First UMC, Rev. Ralph W. Widman, Bucyrus, Ohio.

Essex UMC, Rev. Robert Hurley, Essex, Md.

Allegheny Wesleyan Methodist Church, Rev. Clifford A. and Ruth Holen, Sacramento, Calif.

Chevy Chase UMC, Rev. Elmer Kimmel, Chevy Chase, Md.

United Methodist Church, Rev. Orion N. Hutchinson, Asheville, N.C.

NAZARENE

Chrisman Church of the Nazarene, Rev. Martin Arni, Chrisman, Ill.

First Church of the Nazarene, Rev. A. Ralph Montemuro, Salisbury, Md.

Oak Grove Church of the Nazarene, Rev. Leslie Wooten, Decatur, Ill.

Eldorado Church of the Nazarene, Rev. Wayne Bowers, Eldorado, Ill.

Church of the Nazarene, Rev. S. Oren Woodward, Charlottesville, Va.

UNITED PRESBYTERIAN

Granger UPC, Rev. William W. Ainley, Granger, Wash.

Parker Heights UPC, Rev. Paul V. Neel, Wapato, Wash.

United Presbyterian Church, Rev. Osborn McKay, Williston, Fla.

United Presbyterian Church, Rev. J. B. Martin, Elkton, Va.

Culpepper Presbyterian Church, Rev. Horace D. Douty, Culpepper, Va.

United Presbyterian Church, Rev. John H. Rogers, Cashmere, Wash.

United Presbyterian Church, Rev. Ernest L. Vermont, Skagway, Alaska.

First Presbyterian Church, Rev. Donald Meekhof, Ellensburg, Wash.

United Presbyterian Church, Rev. Elbert G. Harlow, Port Angeles, Wash.

United Presbyterian Church, Rev. Vernon A. Anderson, Dallas, Tex.

United Presbyterian, Rev. Robert S. Chamberlain, Washington, D.C.

Cottage Lake Presbyterian Church, Rev. Richard L. Grout, Woodinville, Wash.

White River UPC, Rev. James F. Armstrong, Auburn, Wash.

Cranbury UPC, Rev. Fred W. Quigley, Cranbury, N.J.

First UPC, Rev. Frank D. Svoboda, East Islip, N.Y.

Oliver UPC, Rev. Victor I. Alfsen, Minneapolis, Minn.

Bedford Presbyterian Church, Rev. Thomas A. Hughart, Bedford, N.Y.

United Presbyterian Church, Rev. Gabriel Abdullah, Jacksonville, Fla.

Lakewood Presbyterian Church, Rev. Ernest Eric Pelz, Tacoma, Wash.

United Presbyterian Church, Rev. Lane G. Adams, Memphis, Tenn.

United Presbyterian Church, Rev. Andrew A. Jarvis, Grandview, Wash.

Southern Presbyterian Church, Rev. Harry W. Alexander, Lexington, Ky.

United Presbyterian Church, Rev. M. L. Andrews, Orlando, Fla.

United Presbyterian Church, Rev. Wayne R. Aughinbaugh, Charlotte, N.C.

United Presbyterian Church, Rev. Young Karl Choi, Seattle, Wash.

United Presbyterian Church, Rev. Elliott R. Ohannes, Republic, Wash.

Sumner First UPC, Rev. R. B. Snelling, Sumner, Wash.

Community UPC, Rev. Jim Forbes, St. Maries, Idaho.

Community UPC, Rev. Darrell Udd, Buckley, Wash.

Church of the Atonement, Rev. Stewart J. Rankin, Silver Spring, Md.

INTER OR NONDENOMINATIONAL

Independent Christian Church, Rev. William E. Stork, Mattoon, Ill.

Church of the Open Bible, Rev. Roger V. Seacord, Greenwich, N.Y.

Catacombs Outreach Church, Rev. Randy Shanley, Gilbertsville, Pa.

Ivis Bible Church, Rev. Dave Minturn, Hindman, Ky.

Christian Church, Rev. Phil Hansen, Rochester, Ill.

First Christian Church, Rev. E. T. Phelps, Jr., Flora, Ill.

Church at Northern Virginia, Rev. J. Topping, Oakton, Va.

Orcutt Christian Church, Rev. Kevin Don Levellie, Santa Maria, Calif.

Thoroughfare Chapel, Rev. George W. Johnson, Jr., Brightwood, Va.

Forcey Memorial Church, Rev. Gerald G. Small, Silver Spring, Md.

Free Holiness Church, Rev. Pressley L. Pullen, Craigsville, Va.

Evangelistic Center Church, Rev. A. J. Rowden, Kansas City, Mo.

Faith Community Church, Rev. J. Harvey Dixon, Salisbury, Md.

Interdenominational Church, Rev. David H. Hine, Portland, Oreg.

Full Gospel Church, Rev. Fred P. Chacon, Carmichael, Calif.

Some-One-Cares, Rev. Lance J. Antosz, Wheaton, Md.

Life Bible Fellowship, Rev. David H. Hine, San Bernardino, Calif.

Stokesville Community Church, Rev. Ray E. Tabor, Staunton, Va.

Four States Christian Missions, Rev. James M. Resh, Hagerstown, Md.

The Federated Church, Rev. Russ Rehm, Waterville. Wash.

The Salvation Army, Rev. Capt. Fred Marshall, Concord, N.H.

Moores Corner Church, Rev. William C. Floge, Leverett, Mass.

Interdenominational Church, Rev. S. R. Schwambach, Evansville, Ind.

Christian Broadcasting Network, Rev. Milton Markworth, Terre Haute, Ind.●

Mr. HELMS. I ask unanimous consent that a news release from the National Association of Evangelicals be printed in the Record at this point.

There being no objection, the release was ordered to be printed in the Record, as follows:

NAE Applauds Prayer Amendment

The Director of the National Association of Evangelicals' Office of Public Affairs, Robert P. Dugan, Jr., said Friday: "We are delighted with the favorable action of the United States Senate yesterday, in adopting an amendment by Senator Jesse Helms (R-NC) to the Department of Education bill. Senator Helms' amendment was approved by a vote of 47-37 and is designed to restore the right for 'voluntary prayers in the public schools.'" The vote is to be reconsidered by the Senate on Monday, April 9, and "we would hope that the approval will be reaffirmed by an even larger margin," he added.

Associate Director Floyd Robertson, with the Office of Public Affairs for over 18 years, noted that during the past two decades the National Association of Evangelicals has repeatedly adopted resolutions calling upon the Congress to enact suitable legislation that will strengthen the provision for the free exercise of religion in national life. He called attention to the fact that the NAE believes firmly in the separation of church and state, but holds that this by no means implies an espousal of secular humanism and practical atheism, through the exclusion from the public schools of all reference to God.

Historically, as early as 1957, the NAE Executive Committee adopted a statement asking that the right of voluntary prayer in public schools be preserved. This statement became a resolution in a plenary session of the NAE's 1960 Annual Convention. NAE has consistently stated its conviction that the Free Exercise Clause of the First Amendment was designed to provide such religious freedom in public life. This conviction has been reiterated no less than half a dozen times in other resolutions adopted since 1960.

Dugan and Robertson stated that the enactment of the Helms amendment into public law would be a step toward the restoration of public confidence in the right of religious freedom. It would leave absolutely undisturbed all of the other freedoms secured by the First Amendment and the entire Bill of Rights. It would not promote nor inhibit prayer by anyone. It would not impose responsibility upon any public official or individual to pray or not to pray. It would not require anyone at any time to initiate or supervise prayer. It would not deprive anyone of any right or privilege he or she now enjoys.

The National Association of Evangelicals (NAE) is a voluntary fellowship of evangelical denominations, churches, schools, organizations and individuals providing a cooperative witness and extended outreach for 3.5 million Christians. Founded in 1942, the NAE today represents 38 complete denominations and individual churches from at least 33 other groups. Its working constituency, through Commissions and Affiliates is estimated at between 10 and 15 million.

Mr. HELMS. I have a number of other telegrams, Mr. President, which are brief, expressing support for this amendment. I ask unanimous consent that they be printed in the Record at this point.

There being no objection, the telegrams were ordered to be printed in the Record, as follows:

Madison, N.J.,
April 7, 1979.

Senator Jesse Helms,
Washington, D.C.

We support your voluntary school prayer amendment. We represent a listening audience of 130 million Americans weekly and 850 organizational members.

Dr. Ben Armstrong,
National Religious Broadcasters.

LYNCHBURG, VA.,
April 6, 1979.

Senator Jesse Helms,
Washington, D.C.

As pastor of the 16,000 member Thomas Road Baptist Church in Lynchburg, Virginia and chancellor of Liberty Baptist Schools, I commend you for the wonderful effort you are making with your prayer amendment. There are over 12,000 Baptist churches in our affiliation and we as Independent Baptists urge you to continue the fight on to victory. We commend the Senate for voting to restore to our children the opportunity to begin their school day with voluntary prayer. It is long past time that this basic tenet of the free exercise of religion be returned.

Dr. Jerry Falwell,
Thomas Road Baptist Church.

ATLANTA, GA.,
April 6, 1979.

Senator Jesse Helms: I commend the Senator for your support of voluntary prayer in the public schools.

Dr. Charles Stanley,
Pastor, First Baptist Church.

PHILADELPHIA, PA.,
April 7, 1979.

Senator Jesse Helms,
Washington, D.C.

I wish to express my support for your efforts to restore voluntary prayer in the public schools through Senate action this Monday.

Dr. James M. Boice,
Pastor, 10 Presbyterian Church.

MINNEAPOLIS, MINN.,
April 8, 1979.

Senator Jesse A. Helms: Congratulations on your support of voluntary prayer.

Dr. Thomas McDill,
President, Evangelical Free Church of America.

HIGHLAND PARK, ILL.,
April 8, 1979.

Senator Jesse Helms: Congratulations for moving prayer amendment. Trust Senate will sustain restoration of voluntary prayer in schools to local option.

Kenneth S. Kantzer,
Editor, Christianity Today.

Mr. HELMS. I thank the Chair, and I thank the Senator from South Carolina for yielding to me.

Mr. THURMOND. Mr. President, in the last few days I have received a large number of letters from high school students in South Carolina. Almost every time, each student has asked in his or her letter a simple question:

> Why is the Senate permitted to open each day with a prayer, and yet the Supreme Court does not permit us to do the same thing in our classrooms?

Although, as I have said, this is a simple question, it is not simple to answer. In fact, it cannot be answered without admitting a basic contradiction in this country.

Mr. President, again I want to say that I think, in justice to the people of this country, who want the right to have voluntary prayers in schools, that they should be allowed that privilege. After all, we are merely here representing our people. Overwhelmingly the people feel that way, and their wishes should be granted.

Mr. DURKIN. Mr. President, the amendment offered by the Senator from North Carolina, Mr. Helms, poses a difficult dilemma for many of us.

The Helms amendment would partially remove the jurisdiction of the Federal courts over any act by a State government dealing with voluntary prayers in the public schools. In other words, it would have Congress put a limitation on the specific jurisdiction of the Federal courts, including the Superior Court of the United States.

In common with Senator Helms, I believe that the Constitution and our own traditions offer room for allowing moments of voluntary prayer by each student in their own fashion in the public schools without doing violence to our Constitution. I do not believe that the kinds of prayers that most of us grew up with endanger the Republic, or would do so in the future. I would like to point out that I was educated in a Catholic high school, college as well as law school. Our three children are in a Catholic elementary school. Prayer is an integral part of our family life.

However, I have concluded that I am unable to support this particular amendment, because it improperly restricts the powers of the Federal courts to redress and revise prior Federal court decisions.

After considerable reflection, it appears to be that the aims of the Senator from North Carolina—aims which I in good part share—are ill-served by an amendment which, without any hearing or public debate, may threaten to do permanent change to the constitutional fabric of our country far beyond the present controversy.

This type of restriction on the judicial power, once applied in this instance, will become ever easier to apply in the future. The appetite for this restrictive practice will grow with the eating. Other times, and other measures, will call forth similar demands to restrict the jurisdiction of the court. Pressures to politicize all such controversies will grow apace. The result will be to weaken, if not cripple, the independence of the Federal judiciary and subvert the U.S. Constitution.

Mr. President, it is precisely to avoid this type of outcome that the American Republic, alone among democracies in modern or ancient times, created and continued an independent judicial branch of government. By and large this independence—an independence of custom, tradition, and mutual restraint as much as of law—has served our country well over the past two centuries.

I believe that we weaken this proud tradition at our peril.

For this reason I must oppose this particular amendment.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I yield back the time on my side of the amendment.

The PRESIDING OFFICER. Is all remaining time yielded back?

Mr. HELMS. Mr. President, who has the time in opposition in this matter? If I have it, I will be glad to yield it back.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from West Virginia (Mr. Robert C. Byrd). The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. INOUYE (after having voted in the affirmative). On this vote I have a live pair with the distinguished Senator from Arkansas (Mr. Bumpers). If he were present and voting he would vote "nay." If I were at liberty to vote I would vote "yea." Therefore, I withhold my vote.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Missouri (Mr. Eagleton), and the Senator from South Carolina (Mr. Hollings) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. Williams), is absent on official business.

Mr. STEVENS. I announce that the Senator from Rhode Island (Mr. Chafee), the Senator from Delaware (Mr. Roth), the Senator from Texas (Mr. Tower), and the Senator from Wyoming (Mr. Wallop) are necessarily absent.

I further announce that, if present and voting, the Senator from Texas (Mr. Tower) and the Senator from Wyoming (Mr. Wallop) would each vote "yea."

The PRESIDING OFFICER. Have all Senators in the Chamber voted?

The result was announced—yeas 51, nays 40, as follows:

[Rollcall Vote No. 39 Leg.]

YEAS—51

Armstrong
Baker
Bentsen
Boren
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
DeConcini
Dole
Domenici
Durenberger
Exon
Ford
Garn
Goldwater
Hatch
Hayakawa
Heflin
Helms
Huddleston
Humphrey
Jepsen
Johnston
Kassebaum
Laxalt
Long
Lugar
Magnuson
McClure
Melcher
Morgan
Nunn
Pressler
Pryor
Randolph
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Warner
Young
Zorinsky

NAYS—40

Baucus
Bayh
Bellmon
Biden
Boschwitz
Bradley
Burdick
Cohen
Cranston
Culver
Danforth
Durkin
Glenn
Gravel
Hart
Hatfield
Heinz
Jackson
Javits
Kennedy
Leahy
Levin
Mathias
Matsunaga
McGovern
Metzenbaum
Moynihan
Muskie
Nelson
Packwood
Pell
Percy
Proxmire
Ribicoff
Riegle
Sarbanes
Stafford
Stevenson
Tsongas
Weicker

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Inouye, for.

NOT VOTING—8

Bumpers
Chafee
Eagleton
Hollings
Roth
Tower
Wallop
Williams

So the amendment (UP No. 70) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DeCONCINI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 71

(Purpose: to preserve the existing direct Supreme Court appellate jurisdiction over the Trans-Alaska Pipeline system)

Mr. DECONCINI. Mr. President, I send a technical amendment to the desk in behalf of Senator STEVENS and myself and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI), for himself and Mr. STEVENS, proposes an unprinted amendment numbered 71.

Mr. DECONCINI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, delete the period at the end of line 9 and add: "and inserting in lieu thereof the following: Any review of the interlocutory or final judgment, decree or order of such district court may be had only upon direct review by the Supreme Court by writ of certiorari."

Mr. DECONCINI. Mr. President, this is a technical amendment for the benefit of the transAlaska pipeline system of Alaska. It would preserve the existing direct Supreme Court jurisdiction but make it applicable by writ of certiorari. I urge its adoption.

The PRESIDING OFFICER. Is all time yielded on the amendment?

Mr. STEVENS. I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. DECONCINI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DECONCINI. Mr. President, I move that we have a voice vote on S. 450 at this time unless there are other amendments.

The PRESIDING OFFICER. If there are no further amendments——

Mr. MORGAN. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI. I yield to the Senator from North Carolina.

Mr. MORGAN. Mr. President, I did not know this bill was going to be called up. May I inquire of the Senator, has he made an opening statement on this bill?

Mr. DECONCINI. I have.

Mr. MORGAN. Could the Senator tell me very briefly what it does? I know it somehow limits the jurisdiction of the U.S. Supreme Court. I personally have great trepidation about denying or restricting the right of individuals or States to appeal directly to the Court.

Mr. DECONCINI. As the law is now, as the Senator knows——

Mr. MORGAN. Mr. President, I am sorry. I just cannot hear.

The PRESIDING OFFICER. It is necessary for the Senate to be in order. Members cannot be heard and the Senators will withhold until the Senate is in order. The Chair asks those Senators who are conversing on the floor to remove their conversations elsewhere.

The Senators may proceed.

Mr. DECONCINI. Mr. President, as the Senator from North Carolina knows, the Supreme Court has mandatory jurisdiction over certain cases that arise out of statutes that have been passed by Congress creating that right. The appeal goes directly to the Supreme Court without going to the Court of Appeals. This bill eliminates that and provides for the writ of certiorari as a substitute.

The purpose of the bill is to give the Supreme Court greater control over managing its docket. We have submitted in the record this morning a letter from all nine Supreme Court justices supporting S. 450. We held hearings on the bill last year. There was absolutely no witness who had any knowledge of any person or group who had opposition to the bill.

Mr. MORGAN. Will the Senator enumerate for me in a sort of one, two, three order the cases in which the absolute right of appeals will be eliminated?

Mr. DECONCINI. Under 28 U.S.C. 1252, if the district court holds act of Congress invalid in suit involving the United States, an officer or agency of the United States, that is appealed of right directing to the Supreme Court.

Mr. MORGAN. Is that eliminated?

Mr. DECONCINI. No. Appeals would have to go to the circuit court of appeals first, not to the Supreme Court, but could still go to the Supreme Court by the certiorari.

Mr. MORGAN. From the circuit court directly to the Supreme Court. Is that an absolute right?

Mr. DECONCINI. That is an absolute right, yes.

Mr. MORGAN. Direct appeal is not eliminated?

Mr. DECONCINI. Direct appeal by certiorari is not eliminated under the examples I am going to read.

Also, under 28 U.S.C. 1254, where the court of appeals holds invalid a State statute relied upon by one of the parties to the suit.

Mr. MORGAN. I am not sure I heard correctly. Is the Senator saying that if a Federal district court holds a State statute invalid then the appeal goes to the circuit court?

Mr. DECONCINI. That is right. The Senator is correct.

Mr. MORGAN. Is that an absolute right of appeal from the circuit court to the Supreme Court?

Mr. DECONCINI. That is correct by certiorari from the court of appeals.

Mr. MORGAN. All the Senator is saying is that one cannot go directly from the State court to the Supreme Court but has to go by way of the circuit court of appeals.

Mr. DECONCINI. The Senator is correct.

Next, 28 U.S.C. 1257: A State's highest court holds invalid a Federal statute or treaty; or holds valid a State statute questioned as repugnant to the Constitution or treaties of the United States.

This would go to the district court, then writ of certiorari to the Supreme Court directly from the district court.

Next is the Supreme Court of Puerto Rico taking either of the actions described above in 28 U.S.C. 1254, applying to that.

The last is miscellaneous provisions relating to the Federal Election Campaign Act, California Indian Lands Act, and the Trans-Alaskan Pipeline Authorization Act—although I just amended that section. That was the technical amendment to the Pipeline Act, which permits that they can continue to go to the Supreme Court.

Mr. MORGAN. The last ones that the Senator mentioned go directly to the Supreme Court?

Mr. DECONCINI. That is correct—from the district court.

Mr. MORGAN. Bypassing the circuit court?

Mr. DECONCINI. Yes.

Mr. MORGAN. Are there any cases in which an absolute right of appeal to the Supreme Court is eliminated?

Mr. DECONCINI. No. The Senator means eliminated from an appeal?

Mr. MORGAN. Does this bill anywhere take away from any litigant a right of appeal, an absolute right of appeal, to the Supreme Court, which he now has, and change that to a writ of certiorari?

Mr. DECONCINI. You still have a writ of certiorari, but you have to go to the court of appeals first. But you are not denied the right to appeal in any of these provisions.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate? This is an important colloquy, and I hope Senators and staff members will assist the Chair in obtaining order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MORGAN. In our colloquy, when we talked about the right of appeal to the Supreme Court——

Mr. DECONCINI. I am talking about the writ of certiorari.

Mr. MORGAN. The Senator is talking about a writ of certiorari?

Mr. DECONCINI. Yes.

Mr. MORGAN. Are they now entitled to an absolute right of appeal?

Mr. DECONCINI. They are.

Mr. MORGAN. So what we are really doing, in the cases enumerated by the Senator from Arizona, is saying to litigants, "You cannot really have your full day in court. You can ask the court to review the cases, if it wishes."

Let me rephrase my question.

What we are really doing is saying to this class of litigants, "You no longer have an absolute right of appeal to the Supreme Court, but you may ask the Court if it would care to review it."

Mr. DECONCINI. We are putting in these five categories that I enumerated—we are putting them on the same basis as other litigants, that they have to go to the court of appeals instead of a direct appeal to the Supreme Court; that is by writ of certiorari, they may be considered like any other litigant today. We are equalizing these five areas.

Mr. MORGAN. Let us take a case in which a supreme court of a State, the highest appellate court of a State, rules that a statute is unconstitutional or is constitutional. The litigants now have an absolute right of appeal to the Supreme Court.

Mr. DECONCINI. That is correct.

Mr. MORGAN. But the Senator from Arizona is taking away from those parties, including the States, if a party happened to be a State, that absolute right. The Senator is saying, "You may ask the Supreme Court to review it if they wish."

Mr. DECONCINI. That is correct. The Senator is correct.

Mr. MORGAN. I do not know how much time the Senator has. Will he yield me 5 or 6 minutes?

Mr. DECONCINI. I yield.

Mr. MORGAN. Mr. President, I must say, in all candor, that I come a little late to voice my reservations about this bill. For that reason, I really do not expect to make any substantial alterations to the bill or even to defeat it.

I know what a heavy load the Supreme Court of the United States carries, and I know the desirability of reducing that load. However, every member of the Supreme Court assumed those responsibilities voluntarily. No one is compelling them to sit on the Court.

The right of a litigant in the United States—and especially the right of a sovereign State—to have an appeal and to have his day in court and to argue his case is very important to me. It can be said, "You have a right to appeal to the Supreme Court by writ of certiorari." In my opinion, that is not entirely correct. What you are doing is saying that the State of North Carolina or the State of Minnesota, or what have you, has a right to ask the Supreme Court if it would care to review the case. That would be all right with me if I knew that the Supreme Court gave the same kind of care and attention to a petition for certiorari as it would to a case being argued by the State.

However, I know, and I think most lawyers know, that most of those cases are handled routinely by law clerks. A petition for writ of certiorari, which is a petition in which you ask the Supreme Court to please hear your case, is routinely granted or denied with a one-sentence opinion: Petition is denied. You never know what the consideration was, and you never know who considered it.

I am going to vote against this measure. I am not going to make any concerted effort to persuade others to vote against it. I know that the members of our Supreme Court have a heavy load, and I know it is burdensome, but I repeat: They knew what it was when they went on the Supreme Court.

In my opinion, the sovereign States of the United States have a right at least to argue their case and present it. I never have found petitions for writs of certiorari to be very satisfactory.

I am going to vote against the measure, but it does concern me.

Mr. McCLURE. Mr. President, will the Senator from North Carolina yield?

Mr. MORGAN. If I have time.

The PRESIDING OFFICER. Who yields time?

Mr. McCLURE. Does the Senator from North Carolina have time?

The PRESIDING OFFICER. The majority leader has 5 minutes remaining, and the minority leader has 15 minutes remaining.

Mr. MORGAN. I do not have any time.

Mr. McCLURE. Mr. President, who controls the time for the minority?

Mr. DECONCINI. The minority leader.

The PRESIDING OFFICER. The minority time is controlled by the minority leader or his designee.

Does the Senator from Alaska yield time to the Senator from Idaho?

Mr. STEVENS. I am happy to designate the Senator from Idaho to control time on this matter.

Mr. McCLURE. I thank the Senator from Alaska.

Mr. President, I take this time only that I might comment to my colleague, the Senator from North Carolina, that I share the same concern he does about what may be done here, rather casually, in an offhanded manner, disrupting the rights of the States to an appeal, as a matter of right, to the highest Court of the land.

I think the Senator is correct, that they do not have a right to be heard in the Supreme Court. They have a right to file a writ of certiorari, and the Supreme Court may or may not hear them.

I am struck by the parallel in a similar situation—not exactly the same—in which the State I have the honor to represent in the Senate may be denied its right to be heard in a constitutional case involving a conflict between two States, simply because the master appointed by the Supreme Court in that instance has indicated that the Federal Government is an indispensable party to that suit and that unless the Federal Government desires to intervene, the State cannot be heard. It is another way of saying to the States, "You may have a constitutional right to be heard in the Supreme Court, but that right cannot be exercised because the Federal Government does not want you to exercise that right."

So I share with my friend the very grave concern about the proposed legislation. Perhaps if we had had the opportunity to have thought about it a little more before it came up today, rather unexpectedly, some of us might have had our heads together and had an opportunity to provide a little better balance in the debate.

I, like my colleague, doubt very much what I say today is going to influence any great number of votes because we have not had the opportunity to prepare for this day.

But, Mr. President, I am going to vote against the measure simply on that basis, that I think we do not have a reasoned opportunity to weigh what it will do with respect to the right of the individual States to present their case to the highest court in this land.

I, therefore, oppose the measure.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI. Mr. President, Senator BUMPERS, coauthor of this legislation, could not be here today. I offer a statement by the Senator and ask unanimous consent that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT OF SENATOR BUMPERS

Under present law the appellate jurisdiction of the Supreme Court of the United States falls, in the main, under two headings: appeals and petitions for writs of certiorari. Ever since the Judiciary Act of 1925, certiorari has been the most important source of the court's jurisdiction. It differs from appeals principally in being discretionary. The Court has a right to decide for itself whether to review cases that come to it on petition for writ of certiorari. Appeals, on the other hand, are obligatory. The Court, at least in theory, has no choice. It must hear and decide cases coming to it by appeal.

It is time to do away with this distinction. The entire trend of modern court reform points towards simplification of the forms of actions, and this trend is just as commendable in appellate practice as it is in trial practice. Just as Rule 1 of the Federal Rules of Civil Procedure, first adopted in 1938, made a great advance by declaring that in civil cases there shall be "one form of action," so also it would be in the public interest, from the point of view of the courts as well as litigants, to consolidate and simplify the means of access to the Supreme Court. I have in mind the elimination of most of the Court's obligatory appellate jurisdiction. Under S. 450, of which I am a cosponsor, all of the Court's appellate jurisdiction, with very limited exceptions that I shall describe shortly, would be discretionary, by writ of certiorari. The number of cases that the Court actually decides on the merits should therefore be reduced, freeing the court to concentrate more effectively on the small number of cases that deserve its consideration.

It is true that in most cases the Court appears to treat appeals strikingly similarly to the way it deals with petitions for writs of certiorari. A statement as to jurisdiction, the document that formally initiates an appeal, is for most purposes the functional equivalent of a petition for writ of certiorari. Just as four votes are required to grant certiorari, thereby leading to full briefing, oral argument, and decision on the merits, so four votes are required to note probable jurisdiction of an appeal, a step that also leads to full consideration and decision on the merits.

Most cases that come before the Supreme Court, of course, do not reach this stage. They are disposed of "on the papers," either a petition for certiorari or a jurisdictional statement. The difficulty is that such a summary disposition of an appeal, unlike the denial of certiorari, technically is an adjudication on the merits and stands as a precedent. The traditional rule has been that a summary affirmance, or a dismissal of an appeal for want of a substantial federal question, is the equivalent in its force of any other Supreme Court decision. See Stern & Gressman, *Supreme Court Practice* 197 (4th ed. 1969). As recently as *Hicks* v. *Miranda*, 422 U.S. 332 (1975), the Supreme Court held that state and lower federal courts are as bound by summary disposition of appeals as by dispositions after plenary consideration.

The dilemma that this rule creates was aptly described in a dissenting opinion delivered on November 8, 1976. The Court of Appeals for the Seventh Circuit had upheld the validity of the Indiana guest statute. The Supreme Court denied certiorari, over the dissents of Justices Brennan and Marshall. Two years previously, the court had dismissed for want of a substantial federal question an appeal from the Supreme Court of Utah sustaining the constitutionality of the Utah guest statute, *Cannon* v. *Oviatt*, 419 U.S. 810 (1974), and this dismissal, under the rule of *Hicks* v. *Miranda*, was apparently treated as a binding precedent justifying denial of certiorari in *Sidle* v. *Majors*, the Indiana case.

The situation in which the Court finds itself is described as follows in the dissenting opinion of Mr. Justice Brennan, 42 U.S. Law Week 3343, 3344 (No. 75–309):

> *Hicks* has now eliminated from the consideration of appeals the desirable latitude each of us formerly had to weigh, as in the case of petitions for certiorari, whether the issue presented is sufficiently important to merit plenary review, and whether in any event the question might better be addressed after we have had the benefit of the views of other courts. Particularly unfortunate, I think, is the inevitability that *Hicks* will prematurely cut off, as it has in the case of these guest statutes, consideration of important and evolving federal constitutional questions by the state and lower federal courts. It frequently happens that difficult constitutional issues go through a valuable maturing process, and this Court and developing jurisprudence generally profit enormously from the accumulated wisdom of various courts that have considered the issues in a number of contexts and from a number of angles. *Hicks*, however, now mandates that summary disposition must be followed as fully binding precedents by state and lower federal courts, regardless of the maturity of the issue, and regardless of the fact that even when the issue is before us for the first time, our disposition is made without opinion, without briefing or oral argument, and after only the most cursory conference discussion.

The rule of the *Hicks* case, which I must admit is logically compelled by the fact that appeals are not optional with the Court, necessarily limits the Court to one of two choices under the present statutory scheme. It may greatly increase the number of appeals that are given plenary consideration, thus spreading itself even thinner than at present and diverting needed time and attention from those cases that come before it on certiorari and that deserve full briefing and argument. Or it may continue to dispose of appeals summarily, just as it does petitions for certiorari, and take the consequences of creating a body of off-handed but binding precedents.

The solution is to make all of the court's appellate jurisdiction, or nearly all of it, discretionary by way of certiorari. In this way, the court will have full latitude to decide which cases to decide and which to refuse. It can consider the importance of the issue, the state of development of the law generally, the demands on its own time, and whether the public interest might be served by waiting until other courts have had a chance to express themselves on the point. I therefore rise in support of the pending bill. Specifically, the bill would make the following substantive changes, among others:

1. Under 28 U.S.C. Section 1254 decisions of district courts holding an Act of Congress unconstitutional, in cases where an officer or employee of the United States is a party, are directly reviewable by appeal to the Supreme Court, whether the district court is composed of one judge or three. Repeal of this provision, which S. 450 includes, would make these cases reviewable on appeals to courts of appeals under the general provisions of 28 U.S.C. Sections 1291 and 1292. Decisions holding Acts of Congress unconstitutional are important, to be sure, but I submit that there is no reason why the intermediate appellate level should be skipped. Consideration of the question by a court of appeals will help the Supreme Court in its ultimate resolution of the issue, if it decides to grant review, and the rare case that is so important, or in which time is such a critical element, that an immediate final decision by the Supreme Court is in the public interest, can be handled by the Court's power to grant certiorari before judgment under Section 1254.

2. Under the same Section 1254, the Court presently has jurisdiction by appeal over cases in which United States Courts of Appeals have held state statutes invalid. These cases are also reviewable by certiorari, and in my view this remedy is sufficient.

3. Similarly, under 28 U.S.C. Section 1257 (1) and (2), an appeal lies from a judgment of the highest court of a state holding unconstitutional a treaty or statute of the United States, or holding valid against a claim of federal unconstitutionality any statute of any state. These two classes of cases are also reviewable under Section 1257 (3) by writ of certiorari, and again this remedy, in my judgment, is sufficient.

The Judiciary Act of 1925 was passed at a time of greater leisure for the courts as well as for our lives generally. It made sense, at least theoretically, to require the Supreme Court to hear and determine on their merits certain classes of cases. With the passage of time and the substantial increase in the Court's business, and with the increasing tendency to determine appeals as well as petitions for certiorari "on the papers" without plenary consideration, the reason for this distinction in jurisdiction has gradually disappeared. It therefore seems appropriate to eliminate the distinction in most cases.

I join the distinguished Senator from Arizona (Mr. DeConcini) in urging passage of the bill.

Mr. DeCONCINI. Mr. President, I just point out that this has been around on the calendar in the last Congress and this Congress for almost a year and a half, having passed unanimously from the Judiciary Committee 5 weeks ago, and it passed last year also unanimously from the Judiciary Committee.

The Hruska Commission recommends it. The Justice Department recommends it. All nine Supreme Court justices support it, and a total concurrence by that body is impressive. Dean Pollack supports it.

And it is interesting to note, Mr. President, that 45 percent of the cases now that go to appeal come from these categories, and that means the slightest objection on a constitutional basis from the State court is automatically considered by the Supreme Court.

We are only asking that these cases be considered like any other litigant before the Supreme Court. It does not mean they cannot be heard. It does not mean they are denied the right to appeal, because they will have the right to appeal to the court of appeals and by writ of certiorari may be considered by the Supreme Court.

I reserve the remainder of my time.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, first of all I ask for the yeas and nays on the measure.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. Mr. President, let me respond only to this extent, that for exactly that reason, as stated by the Senator from Arizona, I oppose this measure, because it says the States will now have the position exactly as any other litigant. The States have had a different position before the Court up until the passage of this legislation. I see no reason why the States should be denied that position which is already guaranteed to them and why we should take this right away from them.

I am happy to yield to my colleague.

Mr. HEFLIN. Mr. President, I support this bill. I think it is a logical approach toward handling these matters.

I am a strong believer in the right of appeal. I think really it is a part of due process. But I do not think that a litigant should have two bites on the apple almost and so when you give it to the circuit court of appeals in these cases that in my opinion is sufficient and it is not, for example, on the State's right to take the appeal directly to the Supreme Court. If the supreme court of the State has declared it unconstitutional, that is the way it goes now. If it is held constitutional, then the way it is reviewed is by certiorari.

I do not think this is anything drastic. I think it is an efficient use of judicial time, and I support it.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. Levin). The Senator from Idaho.

Mr. McCLURE. Mr. President, I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, S. 450 eliminates the jurisdiction of the Supreme Court to review by appeal certain types of Federal court cases specified in 28 U.S.C. section 1252 and sections 1254 (2) and certain types of State court cases specified in 28 U.S.C. section 1257 (1) and (2). Instead, the decision as to review of these cases would lie within the sound discretion of the members of the Supreme Court. I believe this shift from obligatory to discretionary jurisdiction to be a necessary change and, therefore, support S. 450.

There can be no doubt that it is within the powers of Congress to enact such legislation. Neither article III nor the due process clause of the Constitution requires that litigants be provided with any absolute right to "appeal" to the Supreme Court. It is for Congress to determine how much of the Supreme Court's appellate jurisdiction is to be compulsory and how much of it is to be discretionary. The Constitution does not prevent Congress from making the Court's appellate jurisdiction totally discretionary.

With the passage of S. 450, we will have essentially completed the long process of shifting from a totally obligatory appellate jurisdiction to one that is virtually all discretionary. From 1789 to 1891, the appellate jurisdiction of our Supreme Court was exclusively obligatory. This proved to be satisfactory for a number of years; but, by 1891, the Court's burgeoning docket had become unmanageable.

Congress responded by setting up intermediate courts of appeals and introducing the concept of discretionary review by writ of certiorari. By 1925, there was a need to adjust the Court's caseload again; and Congress acted decisively by significantly expanding the scope of discretionary jurisdiction, thereby establishing the writ of certiorari as the means of obtaining Supreme Court review in most cases. During the 1970's, Congress passed additional legislation doing away with portions of the Court's obligatory jurisdiction.

I believe that it is time once again for the legislative branch to respond to increasing pressures on our Supreme Court by adjusting its appellate jurisdiction. Obligatory jurisdiction cases constitute a very large percentage of all cases decided on the merits. During the 1976 term, the Court disposed of 3,648 cases on its discretionary docket, of which 234 were decided on the merits. In striking contrast is the fact that 211 of the 311 cases on the Court's obligatory docket were decided on the merits. Obviously, our Supreme Court is being forced to spend a significant portion of its time on certain cases from its obligatory docket at the expense of cases presenting issues of national importance which it might have chosen to hear. I do not support S. 450 because I feel our Supreme Court Justices should have less work to do. I simply believe they should have the discretion to decide which cases will receive the greatest amount of their attention.

They will have that power by virtue of S. 450. The Supreme Court Justices themselves will have that power. If they feel that the case involves a novel issue that needs to be decided and a new precedent to be set, they will hear the case. If it is an issue that the Court has addressed in similar decisions time and time again, why have an appeal that takes the time which justices could devote to other matters? S. 450 will give them needed flexibility.

Finally, passage of S. 450 will help to avoid the very difficult problem of determining what precedential value is to be given to summary disposition of obligatory cases. The rule regarding denials of certiorari is simple and clear. They are of no precedential value. Summary affirmances or dismissals, on the other hand, are recognized to have such value although they are regarded as carrying less weight than a determination of the merits. S. 450 would provide welcome relief from the uncertainty in this area.

I enjoyed having the opportunity during a recent conference in Williamsburg, Va., to discuss this legislation with Attorney General Bell, Chief Justice Burger, and other prominent jurists and scholars. They believe that passage of this bill is necessary, and I would ask my colleagues in the Senate to carefully consider their views also and to support S. 450.

Mr. President, I have a letter from the American Bar Association which reads as follows:

Dear Senator Thurmond: At the meeting of the House of Delegates of the American Bar Association held February 12-13, 1979 the following resolution was adopted upon recommendation of the Special Committee on Coordination of Federal Judicial Improvements:

Be it resolved, That the American Bar Association approves and supports the adoption by the Congress of legislation to abolish obligatory Supreme Court review by appeal, as distinguished from discretionary review by certiorari, of all matters now reviewable by appeal, except for appeals from determinations by three-judge courts.

This resolution is being transmitted for your information and whatever action you may deem appropriate.

Mr. President, I also ask unanimous consent that that letter be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, in closing, I want to point out that you are not denying the people their right to appeal. They do have the right to appeal.

But when they appeal by certiorari in certain cases, if it is determined it is not a matter of great importance or it is a matter the Supreme Court Justices have decided they may not care to review the case. I believe there is no use in taking up additional time. The Supreme Court should move on to other cases.

I certainly do not favor any change in the law that would deny the right of people to be heard. I feel, however, that the changes made here are reasonable ones. They are recommended by the American Bar Association, by the Supreme Court, and by recognized scholars and outstanding lawyers in the country who are familiar with the issues involved.

I hope the Senate will pass the bill.

Exhibit 1

March 28, 1979.

Re: Supreme Court Review.

Hon. Strom Thurmond,
Committee on the Judiciary, U.S. Senate,
Washington, D.C.

Dear Senator Thurmond: At the meeting of the House of Delegates of the American Bar Association held February 12–13, 1979 the following resolution was adopted upon recommendation of the Special Committee on Coordination of Federal Judicial Improvements:

Be it resolved, That the American Bar Assciation approves and supports the adoption by the Congress of legislation to abolish obligatory Supreme Court review by appeal, as distinguished from discretionary review by certiorari, of all matters now reviewable by appeal, except for appeals from determinations by three-judge courts.

This resolution is being transmitted for your information and whatever action you may deem appropriate.

Please do not hesitate to let us know if you need any further information, have any questions or whether we can be of any assistance.

Sincerely yours,

Herbert D. Sledd.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, may I inquire if there are any other Senators on my side who would like time? If there are none, I am prepared to yield back the remainder of our time.

Mr. DeConcini. I am prepared to yield back the remainder of the time on this side.

The PRESIDING OFFICER. All time being yielded back, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and to be read a third time. The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Missouri (Mr. Eagleton), the Senator from South Carolina (Mr. Hollings), the Senator from Michigan (Mr. Hart), and the Senator from Tennessee (Mr. Sasser) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. Williams), is absent on official business.

Mr. STEVENS. I announce that the Senator from Rhode Island (Mr. Chafee), the Senator from Delaware (Mr. Roth), and the Senator from Texas (Mr. Tower) are necessarily absent.

The PRESIDING OFFICER. Are there any Senators who have not voted?

The result was announced—yeas 61, nays 30, as follows:

[Rollcall Vote No. 40 Leg.]

YEAS—61

Baker
Bellmon
Bentsen
Biden
Boren
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
DeConcini
Dole
Domenici
Durenberger
Durkin
Exon
Ford
Garn
Glenn
Goldwater
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Huddleston
Humphrey
Inouye
Jackson
Jepsen
Johnston
Kassebaum
Leahy
Long
Lugar
Magnuson
Matsunaga
Melcher
Nunn
Pell
Pressler
Pryor
Randolph
Sarbanes
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Wallop
Warner
Young
Zorinsky

NAYS—30

Armstrong
Baucus
Bayh
Boschwitz
Bradley
Burdick
Cohen
Cranston
Culver
Danforth
Gravel
Javits
Kennedy
Laxalt
Levin
Mathias
McClure
McGovern
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Packwood
Percy
Proxmire
Ribicoff
Riegle
Tsongas
Weicker

NOT VOTING—9

Bumpers
Chafee
Eagleton
Hart
Hollings
Roth
Sasser
Tower
Williams

So the bill (S. 450) as amended, was passed as follows:

S. 450

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Supreme Court Jurisdiction Act of 1979".

Sec. 2. Section 1252 of title 28, United States Code, is repealed.

Sec. 3. Section 1254 of title 28, United States Code, is amended by deleting subsection (2), by redesignating subsection (3) as subsection (2), and by deleting "appeal;" from the title.

SEC. 4. Section 1257 of title 28, United States Code, is amended to read as follows:

"§ 1257. State courts; certiorari

"Final judgments or decrees rendered by the highest court of a State in which a decision could be had may be reviewed by the Supreme Court by writ of certiorari where the validity of a treaty or statute of the United States is drawn in question or where the validity of a statute of any State is drawn in question on the ground of its being repugnant to the Constitution, treaties, or laws of the United States, or where any title, right, privilege, or immunity is specially set up or claimed under the Constitution, treaties, or statutes of, or commission held or authority exercised under, the United States.

"For the purposes of this section, the term 'highest court of a State' includes the District of Columbia Court of Appeals.".

SEC. 5. Section 1258 of title 28, United States Code, is amended to read as follows:

"§ 1258. Supreme Court of Puerto Rico; certiorari

"Final judgments or decrees rendered by the Supreme Court of the Commonwealth of Puerto Rico may be reviewed by the Supreme Court by writ of certiorari where the validity of a treaty or statute of the United States is drawn in question or where the validity of a statute of the Commonwealth of Puerto Rico is drawn in question on the ground of its being repugnant to the Constitution, treaties, or laws of the United States, or where any title, right, privilege, or immunity is specially set up or claimed under the Constitution, treaties, or statutes of, or commission held or authority exercised under, the United States.".

SEC. 6. The analysis at the beginning of chapter 81 of title 28, United States Code, is amended to read as follows:

"Chapter 81.—SUPREME COURT

"Sec.
"1251. Original jurisdiction.
"1252. Repealed.
"1253. Direct appeals from decisions of three-judge courts.
"1254. Court of appeals; certiorari; certified questions.
"1255. Court of Claims; certiorari; certified questions.
"1256. Court of Customs and Patent Appeals; certiorari.
"1257. State courts; certiorari.
"1258. Supreme Court of Puerto Rico; certiorari.".

SEC. 7. Section 314 of the Federal Election Campaign Act of 1971, as added by section 208(a) of the Federal Election Campaign Act Amendments of 1974, as redesignated and amended (2 U.S.C. 437h), is amended:

(a) by deleting subsection (b); and

(b) by redesignating subsection (c) as subsection (b).

SEC. 8. Section 2 of the Act of May 18, 1928 (25 U.S.C. 652) is amended by deleting ", with the right of either party to appeal to the Supreme Court of the United States".

SEC. 9. Subsection (d) of section 203 of the Trans-Alaska Pipeline Authorization Act (43 U.S.C. 1652(d)) is amended by deleting the last sentence and inserting in lieu thereof the following: Any review of the interlocutory or final judgment, decree or order of such district court may be had only upon direct review by the Supreme Court by writ of certiorari.

SEC. 10. This Act shall take effect ninety days after the date of enactment. However, it shall not affect cases then pending in the Supreme Court, nor shall it affect the right to review, or the mode of reviewing, the judgment or decree of a court when the judgment or decree sought to be reviewed was entered prior to the effective date of this Act.

SEC. 11. (a) Chapter 81 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1259. Appellate jurisdiction limitations

(a) Notwithstanding the provision of sections 1253, 1254, and 1257 of this chapter the Supreme Court shall not have jurisdiction to review, by appeal, writ of certiorari, or otherwise, any case arising out of any State statute, ordinance, rule, regulation, or any part thereof, or arising out of any Act interpreting, applying, or enforcing a State statute, ordinance, rule, or regulation, which relates to voluntary prayers in public schools and public buildings.".

(b) The section analysis at the beginning of chapter 81 of such title 28 is amended by adding at the end thereof the following new item:

"12.59. Appellate jurisdiction; limitations.".

SEC. 12. (a) Chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1364. Limitations on jurisdiction

"Notwithstanding any other provision of law, the district courts shall not have jurisdiction of any case or question which the Supreme Court does not have jurisdiction to review under section 1259 of this title.".

(b) The section analysis at the beginning of the chapter 85 of such title 28 is amended by adding at the end thereof the following new item:

"1364. Limitations on jurisdiction.".

SEC. 13. The amendments made by sections 11 and 12 of this Act shall take effect on the date of the enactment of this Act, except that such amendments shall not apply with respect to any case which, on such date of enactment, was pending in any court of the United States.

Mr. DECONCINI. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DECONCINI. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 450.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF EDUCATION

Mr. ROBERT C. BYRD. Mr. President, what is the pending business before the Senate.

The PRESIDING OFFICER. The Senate will resume consideration of the unfinished business, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 210) to establish a Department of Education.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senate will be in order. The Senator from Connecticut.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote on the Helms amendment to S. 210.

Mr. ROBERT C. BYRD. Will the Senator yield to me?

Mr. RIBICOFF. How much time does the Senator wish?

Mr. ROBERT C. BYRD. Will the Senator yield me 3 minutes?

Mr. RIBICOFF. I yield.

Mr. ROBERT C. BYRD. I yield to the Senator from Wisconsin.

EXTENSION OF THE COUNCIL ON WAGE AND PRICE STABILITY

Mr. PROXMIRE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 2283.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 2283) to amend the Council on Wage and Price Stability Act to extend the authority granted by such act to September 30, 1980, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. PROXMIRE. I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Messrs. PROXMIRE, WILLIAMS, CRANSTON, GARN, and TOWER conferees on the part of the Senate.

DEPARTMENT OF EDUCATION

The Senate continued with the consideration of the bill S. 210.

Mr. ROBERT C. BYRD. Mr. President, on Thursday last the Senate adopted an amendment, the school prayer amendment, offered by Mr. HELMS to the bill creating the Department of Education, S. 210. I voted for the amendment by Mr. HELMS.

Today the Senate adopted the exact same language that was in the amendment by Mr. HELMS to the Department of Education bill to the bill S. 450, the subject matter of which bill was Federal court jurisdiction.

It is hoped now that the vote on the amendment that was adopted by the Senate on Thursday to the Department of Education bill will be reconsidered, and that the amendment will be voted down.

The bill S. 450 which was called up today by the leadership, and to which the Senator's amendment was attached, was the appropriate vehicle in that that legislation dealt with Federal court jurisdiction. To attach the amendment to the Department of Education bill would endanger that bill, in the judgment of many. Therefore, the Senate having already adopted the language of the school prayer amendment on a more appropriate bill today, I would hope that the motion to reconsider which has been made by Mr. RIBICOFF will carry.

Undoubtedly, a motion to table that motion to reconsider will be made. I hope that Senators will vote against the motion to table and vote for Mr. RIBICOFF's motion to reconsider, and if that carries, then that the Senate will indeed reconsider the vote and reverse its vote of last Thursday on the amendment by Mr. HELMS.

Again, I say I voted for that amendment last Thursday. But the Senate has adopted the amendment today on a more appropriate vehicle. In the interest of not endangering the Department of Education bill, I would hope that the Senate would undo what it did last Thursday, vote against a tabling motion, vote for the motion to reconsider by Mr. RIBICOFF, and then vote down the amendment by Mr. HELMS.

Mr. RIBICOFF. Mr. President, the Helms amendment really does not belong in the legislation creating a Department of Education. That is a reorganization bill. The Helms amendment logically belonged on the bill, S. 450. The Senate has worked its will on that.

There is no question in my mind that if the Helms amendment were attached to the Department of Education bill, it would tend to kill the Department of Education bill.

I do realize that there are many people in this Chamber who voted for the Helms amendment and yet are cosponsors and supporters of the Department of Education bill. They were caught in a dilemma. They have expressed their will. They have made their decision for the school prayer amendment of Senator HELMS. It is now attached to S. 450.

Mr. President, I would hope that having so voted, those Senators would vote against the motion to table and for the motion to reconsider.

I am pleased to yield to the Senator from Illinois.

Mr. PERCY. Mr. President, based on the trust that the Senate will vote this down, in the last hour I have had the privilege of meeting with a class of 200 junior high school students from the State of Illinois, up in room 3302. I put the question of voluntary prayer in public schools to them, without prejudice in any way, and asked them to speak to both sides of it. The students spoke on both sides of it. Then they voted, overwhelmingly, against it. I think there were less than a dozen in favor of school prayer.

Afterward, in a discussion with the faculty members who were there, we discussed who would make these decisions, what kind of prayers would be said, and so on.

I simply do not feel that this is the time or place for this amendment. Certainly, I do not feel that this is the proper vehicle. Those who favor the Helms position, and a majority of the Senate did, have now expressed themselves. They have a proper vehicle. I hope we will not burden the Department of Education bill but vote that up or down on the basis of its own importance to the Senators as to whether they should have it or not. We should not encumber it with this particular amendment that has already been adopted by the Senate.

Mr. BAKER. Will the Senator yield to me a minute?

Mr. HELMS. I am delighted to yield to the Senator from Tennessee.

Mr. BAKER. Mr. President, many of us in this Chamber have, from time to time, offered and, on occasion, voted for constitutional amendments to restore voluntary prayer in public schools or to provide a statutory approach to that subject. It is not a trivial matter. It is of extraordinary importance. It is not coercive; it is important, it is fundamental; it is not complex. It is a matter that should be addressed and should be addressed at every convenient opportunity.

Mr. President, I enthusiastically support the creation of a Department of Educaton. I feel that HEW is too big and it is out of control. I think the sooner we get about the business of breaking it down into its component parts, the better off we shall be. Thus, I support the creation of a Department of Education.

In my judgment, Mr. President, there is no more appropriate place to put statutory language dealing with the restoration of the State's authority to judge the question of voluntary prayer in public schools than at the time we consider the creation of a new Department of Education. On that basis, and consistent with my views as I have expressed them many times in this Chamber, I shall vote to table the motion to reconsider.

Mr. HELMS. I thank my friend from Tennessee.

Mr. President, I feel a little bit like the defendant in a case down in Texas when he heard the bailiff say "Oyez, oyez, the great State of Texas against John Smith" and John Smith said, "All that against me?"

The President of the United States has been calling Senators all day long, beginning, I know, as early as 7:30. The distinguished Vice President is sitting right across the cloakroom. He has been collaring Senators here. My friend, the majority leader, who voted for my amendment the other day, and I appreciate it, is now against me. So there is nobody for me except the people.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. HELMS. Briefly, because time is limited.

Mr. ROBERT C. BYRD. The majority leader has neither been collared by the Vice President nor has he been contacted by the President.

Mr. HELMS. I did not say the majority leader had, but other Senators have told me that they have been.

Be that as it may, Mr. President, this is a procedural vote. That is all it is. The Senator from North Carolina and those who stood with him this past Thursday won, fair and square. We called up an amendment, it was voted on. We won by a 10-vote margin. Now what we have is an effort to turn that around, to rescind an action of the Senate simply because people are fearful that it might affect this bill. Well, as to the DeConcini bill, which was just passed, I should like some assurance by somebody that that is going to pass the House of Representatives. I do not know. But I will say, Mr. President, that the Senator from North Carolina intends to put this amendment on every available piece of legislation coming through the Senate until both the House and the Senate get a chance to vote on it.

I yield to my friend from Iowa.

Mr. JEPSEN. Mr. President, I rise to speak today on behalf of the Helms amendment in regard to voluntary prayer in public schools. As I reread the CONGRESSIONAL RECORD of last Thursday's proceedings in this august body, I was struck by the fine and articulate, reasoned manner in which Senator HELMS presented his amendment. I also read with appreciation the comments of the Senator from Nebraska (Mr. EXON). To me, it was certainly a hopeful sign that this amendment passed with a 47-to-37 margin. Now that there has been a motion to reconsider, and I know that many well-intentioned people have been very active since last Thursday in opposition to the Helms amendment, I would like to make a few considered remarks in regard to the amendment.

I also appreciate the action of the majority leader and his assistance in getting a bill passed previous to this.

I rise today not to speak as a constitutional lawyer, although I have read the opinions of many on this matter. I rise to speak as a Christian and as a concerned American. That may not be a very sophisticated and popular thing to proclaim in this modern day of 1979, but I can tell you with great certainty it would have been very much accepted in the Halls of Leadership only 200 short years ago, when our predecessors were shaping the foundation that this great United States has been built upon. A house without a foundation will not stand very long—nor will a nation without a foundation stand very long. If the Members have not read "the Light and the Glory" by Peter Marshall, Jr., and David Manuel, I would suggest you at least peruse it. The depth of faith and conviction with which the leaders of this Nation called upon God and their open, unembarrassed manner in doing so, I believe, will perhaps surprise you. These are the motivating factors that the secular history books overlook. This was founded as a Christian country and the very basis of our Government was the Judeo-Christian ethic. Any scholar who would refute this would be hard put to prove otherwise.

We find ourselves today faced with the erosion of nearly every basic moral and spiritual belief which we held as true in the last 200 years. The so-called new morality is being replaced by "do your own thing." Now, that "own thing" may be at the expense of your family, your home, and your country.

We hear the hue and cry for more rights. Rights for this group and that group. That is fine, but what has happened to the responsibilities that logic alone tells us accompany rights? Do we hear a cry and a new movement for our own responsibilities? Has anyone here ever seen a demonstration demanding responsibilities? I wonder why not? I submit that one of the greatest reasons is that we have taken, stone by stone, the foundation of these United States away and the house is getting mighty shaky.

I submit today that one of those stones that was taken away from our foundation in this country was the freedom of our children to pray in school—if they so choose. In the early schools of America, Bible reading and prayer were an accepted part of the school day for most children. Now they had better not get caught praying or they may be in more trouble than if they were caught smoking pot. Something is wrong.

Our Constitution guarantees us all the "free exercise of religion." It guarantees us all freedom of religion—not freedom from religion. This amendment only gives our children the freedom to pray in school if they wish; it does not tell them or anyone they must pray. I believe this is their basic constitutionally guaranteed right.

We have tried and adopted in the last few years many new "sensitive" approaches to modern-day education. Yet we see the morals and discipline disappearing in our schools and our children many times graduating from high school without being able to read and write adequately. We have chucked the old and brought in the new—and many times, sadly, it has not worked. We have not been giving our children any foundation upon which to build and shape their own value system. No wonder they are floundering for purpose and direction.

Mr. President, I do not propose that voluntary prayer in school will solve all our problems. That would be ridiculous. But it would at least be putting back one of the stones of the foundation this great land is built upon. Please think about it.

I am aware that some of the Christians in this country, and I believe they are in the minority, are opposed to the Helms amendment. I am sure that there are Christians in this Senate that are opposed to this amendment. I would like to say this to them: "My brothers and sisters, I know that your heart is in the right place and your intentions are good, that you are concerned about the rights of the unbelievers and the agnostics, that you do not want to offend them or take from them their rights. I understand your concern. But I would only remind you that the Lord God does not run a democracy—nor bend and change for a disagreeing minority. And he is not overruled by the whims of the Supreme Court of the Day.

I believe that the witness of those in the Christian community who come out in opposition to voluntary prayer in school is a sad and watered-down testimony to the gospel they profess. I believe that the secular humanism that abounds in our children's schools today is a religion and it is openly accepted and generally unchallenged. I believe we Christians are called to stand and proclaim more than a "social religion"—and then by God's grace try to live by his precepts.

In closing, I would like to read from the inaugural address of our country's first President, George Washington. On April 30 of 1789, in New York City, after taking the oath of office, he stepped inside Federal Hall and spoke these words:

> It would be peculiarly improper to omit, in this first official act, my fervent supplication to that Almighty Being, who rules over the universe, who presides in the councils of nations, and whose providential aids can supply every human defect, that his benediction may consecrate to the liberties and happiness of the people of the United States. . . . No people can be bound to acknowledge and adore the invisible hand which conducts the affairs of men more than the people of the United States. Every step by which they have advanced to the character of an independent nation seems to have been distinguished by some token of providential agency. . . . We ought to be no less persuaded than the propitious smiles of heaven can never be expected on a nation that disregards the eternal rules of order and right, which heaven itself has ordained.

Mr. RIBICOFF. Mr. President, I yield 1 minute from the bill to the Senator from Vermont.

Mr. LEAHY. Mr. President, I have heard the debate today and last week.

Speaking personally and as a parent of three young children, I will vote against this amendment. The three Leahy children have attended schools both in the parochial school system and the public school system. They attend the parochial school system in Vermont, and that is by our choice. In that system, prayers are encouraged—in fact, are mandatory—and we are delighted with that, because we have made the choice of the school and we made the choice of the religion involved—in this case, Roman Catholicism—and we accept and believe in the prayers said.

However, I would be very concerned if my children were put in a position where they were required to say prayers in the public school system, prayers I would have no choice or say over, to be dictated perhaps by a school board or bureaucracy with which I was not connected and in which I had no voice.

The PRESIDING OFFICER. The Senator's time is expired.

Mr. LEAHY. Mr. President, will the Senator yield me 30 seconds?

Mr. RIBICOFF. I yield 1 additional minute on the bill.

Mr. LEAHY. We will continue to send our children to Catholic education schools; they will continue to say prayers there. But it will be by our choice and prayers of our choosing, not prayers of someone else's choosing.

For that reason, and on sound constitutional grounds, I will vote against this amendment.

I thank the distinguished Senator from Connecticut.

Mr. BAKER. Mr. President, how much time remains in opposition?

The PRESIDING OFFICER. Time has expired on the amendment.

Mr. BAKER. Mr. President, is there time remaining on the bill?

The PRESIDING OFFICER. On the bill, there are 3½ hours.

Mr. BAKER. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the motion to reconsider the Helms amendment.

The Senator from North Carolina.

Mr. HELMS. Mr. President, I move to table the motion to reconsider, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The question is on agreeing to the motion to table the motion to reconsider.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion to table the motion to reconsider. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

The VICE PRESIDENT assumed the chair.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS) and the Senator from Missouri (Mr. EAGLETON) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. WILLIAMS) is absent on official business.

I further announce that, if present and voting, the Senator from Arkansas (Mr. BUMPERS) would vote "nay."

Mr. STEVENS. I announce that the Senator from Rhode Island (Mr. CHAFEE), the Senator from Delaware (Mr. ROTH), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that, if present and voting, the Senator from Texas (Mr. TOWER) would vote "yea."

The result was announced—yeas 41, nays 53, as follows:

[Rollcall Vote No. 41 Leg.]

YEAS—41

Armstrong
Baker
Bellmon
Boren
Byrd,
Harry F., Jr.
Church
Cochran
Dole
Domenici
Exon
Ford
Garn
Goldwater
Hatch
Hatfield
Hayakawa
Heflin
Helms
Hollings
Humphrey
Jepsen
Johnston
Kassebaum
Laxalt
Long
Lugar
McClure
Morgan
Pryor
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stewart
Thurmond
Wallop
Warner
Young
Zorinsky

NAYS—53

Baucus
Bayh
Bentsen
Biden
Boschwitz
Bradley
Burdick
Byrd, Robert C.
Cannon
Chiles
Cohen
Cranston
Culver
Danforth
DeConcini
Durenberger
Durkin
Glenn
Gravel
Hart
Heinz
Huddleston
Inouye
Jackson
Javits
Kennedy
Leahy
Levin
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Randolph
Ribicoff
Riegle
Sarbanes
Stafford
Stevenson
Stone
Talmadge
Tsongas
Weicker

NOT VOTING—6

Bumpers
Chafee
Eagleton
Roth
Tower
Williams

So the motion to lay on the table the motion to reconsider was rejected.

The VICE PRESIDENT. The question recurs on the motion to reconsider. The Senator from Connecticut.

Mr. RIBICOFF. Mr. President, this has been a busy day, and I know how strong the feelings are on the prayer amendment. With S. 450, which was a proper bill, for this amendment to be attached, the Helms amendment was carried and passed by the Senate.

On Thursday last, the Helms amendment was attached to the Department of Education bill, and it was voted upon. Now we have the reconsideration of the Helms amendment. Senator HELMS moved to table, and the motion to table failed.

It is our feeling that there are many here who feel strongly about the prayer amendment but who also feel strongly about the Department of Education. They have cosponsored this legislation and are in favor of it, but it is a certainty that if this prayer amendment, the Helms amendment, is attached to the Department of Education bill it will doom the Department of Education bill.

There should be an opportunity to vote up or down on the Department of Education bill as a basically clean bill without it being encumbered with a piece of legislation or an amendment that really belongs in the Judiciary Committee or on a Judiciary Committee bill.

The Department of Education bill is a reorganization bill. We did not have hearings on the ins, the outs, the whys and the wherefores and the constitutionality of the Helms amendment.

It is our hope that we will vote up or down on germane amendments to the Department of Education bill.

Those who have favored and who are in favor of the prayer amendment have made their intentions very clear on a bill where it really belongs.

I do hope the Senate will vote favorably on the motion to reconsider the vote on Mr. HELMS' amendment.

The VICE PRESIDENT. The question is on agreeing to the motion to reconsider the vote by which Mr. HELMS' amendment was agreed to.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Arizona (Mr. DECONCINI), and the Senator from Missouri (Mr. EAGLETON) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. WILLIAMS) is absent on official business.

I further announce that, if present and voting, the Senator from Arkansas (Mr. BUMPERS) would vote "yea."

Mr. STEVENS. I announce that the Senator from Rhode Island (Mr. CHAFEE), the Senator from Delaware (Mr. ROTH), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The VICE PRESIDENT. Have all Senators voted?

The result was announced—yeas 50, nays 43, as follows:

[Rollcall Vote No. 42 Leg.]

YEAS—50

Baucus
Bayh
Bentsen
Biden
Boschwitz
Bradley
Burdick
Byrd, Robert C.
Cannon
Chiles
Cohen
Cranston
Culver
Danforth
Durenberger
Durkin
Glenn
Gravel
Hart
Hatfield
Heinz
Huddleston
Inouye
Jackson
Javits
Kennedy
Leahy
Levin
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Ribicoff
Riegle
Sarbanes
Stafford
Stevenson
Stone
Tsongas
Weicker

NAYS—43

Armstrong
Baker
Bellmon
Boren
Byrd,
Harry F., Jr.
Church
Cochran
Dole
Domenici
Exon
Ford
Garn
Goldwater
Hatch
Hayakawa
Heflin
Helms
Hollings
Humphrey
Jepsen
Johnston
Kassebaum
Laxalt
Long
Lugar
Magnuson
McClure
Morgan
Pryor
Randolph
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stewart
Talmadge
Thurmond
Wallop
Warner
Young
Zorinsky

NOT VOTING—7

Bumpers
Chafee
DeConcini
Eagleton
Roth
Tower
Williams

So the motion to reconsider was agreed to.

Mr. ROBERT C. BYRD. Mr. President, the Senate is now about to vote with respect to the amendment offered by Mr. HELMS. The same amendment was adopted earlier today to the Supreme Court jurisdiction bill, which was the appropriate vehicle for that amendment.

The VICE PRESIDENT. Who yields time?

Mr. RIBICOFF. I yield 5 minutes from the bill.

Mr. ROBERT C. BYRD. I voted for the amendment earlier today. I voted for the amendment by Mr. HELMS on last Thursday. But in the minds of many, the adoption of this amendment to the Department of Education bill could prove to be fatal to the bill. I would hope now that the Senate would not support the amendment. As I say, the Senate has already voted on a separate amendment today, and has adopted it to a more appropriate vehicle. We will have a vote now on the motion to adopt the Helms amendment. Is that correct, Mr. President?

The VICE PRESIDENT. It will be on the amendment itself on reconsideration.

Mr. ROBERT C. BYRD. The amendment is before the Senate again?

The VICE PRESIDENT. The question recurs on the amendment.

Mr. ROBERT C. BYRD. I will move to table shortly but I will not cut off any other Senator from an equal amount of time. I simply want to stress the fact for the record that the Senate has already today adopted this amendment but to another bill, to a more appropriate bill, a bill dealing with Supreme Court jurisdiction, which is the subject matter of the amendment. To apply it to this Department of Education bill could endanger the bill. Therefore, I hope that this Department of Education bill can be ultimately passed without this amendment.

Mr. President, I ask that I be recognized to move to table after the Senator from North Carolina and other Senators have spoken.

Mr. HELMS. Mr. President, what the Senator from West Virginia has said is true. He has been accurate in his statement. But the fact of the matter is that I have the apprehension that what has transpired here today may effectively kill the amendment. I do not know what attitude the distinguished chairman of the House Judiciary Committee will take with respect to the bill referred to, S. 450. My information is that he does not like the bill in the first place. But, as the Senator from New York is want to say, we are not children and we can recognize what is going on.

I would say to Senators that from all over this country over the weekend telegrams and telephone calls have poured in from citizens who are very much interested in this amendment. A vote to table the Helms amendment will be, in my judgment, a vote to effectively kill the amendment. If a Senator wants to do that and then to go back home and try to explain it, that is fine. Each of us have to vote our conscience. I would not want any Senator to labor under the impression that he has done his duty on behalf of restoring voluntary prayer in the schools of this country simply by voting for the amendment which was attached to S. 450.

Mr. RANDOLPH. Mr. President, will my colleague yield? I do not want, however, to break his continuity in discussing this important subject.

Mr. HELMS. I am glad to yield to my friend from West Virginia.

Mr. RANDOLPH. Mr. President, there is a desire on the part of this Senator to continue to support voluntary prayer in our public schools.

Mr. HELMS. I believe that.

Mr. RANDOLPH. I have always voted so during my service in the Senate. I regret that the President of the United States has said in recent days that he, in essence, does not want "our Government in the prayer business." I remember, however, that our Chief Executive wants prayer in the White House. We have daily prayer here in the Senate. We have daily prayer in the House of Representatives. This is a public body; the House is a public body; the White House is a public body. I believe he is in error to differentiate, and therefore to be against prayers on a voluntary basis as a part of a voluntary program in the public schools of this country.

Mr. President, I ask unanimous consent to include at this point in my remarks the following news report in the Washington Star of April 9, 1979.

The material follows:

CARTER DOESN'T WANT U.S. IN "PRAYER BUSINESS"

President Carter, commenting on a new effort in the Senate to permit voluntary

> prayer in public schools, has told a news conference, "I think the government ought to stay out of the prayer business."
>
> The president's remarks were made to a group of editors at the White House Friday. A transcript was released yesterday.
>
> Carter declined, however, to say whether he felt that a prayer amendment sponsored by Sen. Jesse A. Helms, R-N.C., was unconstitutional or not.
>
> "I won't try to judge," he said. "I am not a lawyer. I don't know." Then he added. "The Constitution, I think, has been interpreted by the Supreme Court in such a way that students should not feel a constraint to pray while they are in a public school."

Having said this, I now must be very careful in relation to the position I take on the pending vote. The able Senator knows how I feel about the subject. We have discussed it, as I have discussed it with other Senators who take a viewpoint at variance with the one we basically hold in this matter.

I often vote with the Senator from North Carolina. I vote with him, not so much because he offers the amendment—although certainly it is something that I recognize as being offered by a dedicated Senator speaking his conscience and is loyal to his purpose—I vote on the substance of the matter, which I think we must always weigh regardless of which of our colleagues offers an amendment in the Senate.

What I am trying to arrive at in my own thinking is that—having done what Senator BYRD, the persuasive majority leader, has emphasized—we have acted on this matter. I have voted for the amendment of the Senator from North Carolina, attached to an appropriate bill. I cannot say what the members of the Committee on the Judiciary will do; I cannot say what the chairman of that committee, the diligent Senator from Massachusetts, will do. It is not for me to say. But I have spoken with my vote and helped to have the amendment attached to legislation. It is difficult for me to understand why I would have to go back home and explain that this was a part of a maneuver operation. It is not such an action with me. I look on my vote as having been cast. It is there in black and white and it goes to the House of Representatives for subsequent decision. Is that correct? I ask the Senator.

Mr. HELMS. That is correct.

Mr. RANDOLPH. Yes. So it is a vote that is a part of the legislative process. So it is difficult for me to stand with the Senator from North Carolina on a vote of this kind, though I would listen to him further on the subject matter.

Mr. HELMS. Mr. President, I thank the Senator from West Virginia. There is no Member of this Senate who is more versed in the operation of the Senate and no one more able to explain his position than the distinguished Senator from West Virginia.

Mr. President, a parliamentary question.

Mr. KENNEDY. Mr. President, will the Senator from Connecticut be kind enough to yield me 4 minutes.

Mr. HELMS. Mr. President, I still have the floor.

The VICE PRESIDENT. The Senator from North Carolina has the floor.

Mr. HELMS. A parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator will state it.

Mr. HELMS. Is a motion to lay on the table in order in this instance?

The VICE PRESIDENT. The Parliamentarian tells me it would not be, 3 days not having intervened since the motion to table was defeated.

Mr. HELMS. When the time has expired, is a motion to table in order?

The VICE PRESIDENT. Under the precedents of the Senate, a motion to table cannot be renewed once one has failed, unless the amendment has been changed in some form, until after 3 days have intervened.

Mr. HELMS. Will the distinguished Vice President repeat all that in tandem so I can understand?

The VICE PRESIDENT. I shall try. A motion to table, having failed, cannot be renewed except if it has been changed in some form; it cannot be renewed until after 3 days have intervened.

Mr. HELMS. I thank the Chair.

Mr. ROBERT C. BYRD addressed the Chair.

The VICE PRESIDENT. The Senator from West Virginia now has the floor.

Mr. ROBERT C. BYRD. Mr. President, I know about the 3-day rule and that is a misnomer; it is not a rule. I know about the 3-day precedent. In this instance, I think there is an extenuating circumstance, that being that the Senate has only today—only today—voted for an identical amendment to the amendment now pending, an amendment to the Federal court jurisdiction bill. It seems to me that that circumstance would justify a motion to table in this instance. It would not be counted as a precedent, it would not be counted as overruling the previous precedent. But there is an extenuating circumstance in this instance. The Senate has already voted, not more than 2 hours ago, to adopt the same amendment.

Why should the Senate do the same thing twice on the same day in the same session? In that circumstance, I think a motion to table would be in order. If it requires an amendment to the amendment, we can offer one.

Mr. HELMS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. HELMS. Let us have an up or down vote and I shall leave this alone. What is the difference, really, between an up or down vote and a tabling motion except, perhaps, to obscure the issue a little bit? Let us vote up or down.

Mr. ROBERT C. BYRD. The issue has already been obscured. We have already adopted the amendment today.

My distinguished friend from North Carolina says, what about those Senators who will have to go back home and explain how they voted against a prayer amendment? We have already adopted a school prayer amendment. I voted for it. But what is the benefit of adding an amendment to a bill that is going to kill the bill? And when it kills the bill, the amendment dies, also. So that is a vain act, it seems to me.

Mr. HELMS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. HELMS. I want to be frank with the Senator. I have heard at least one Senator say he was going to vote against the bill if this amendment were killed. So it is two sides of the coin. I do not understand the argument that this will kill the bill. I do not want to prolong it, but if the Senator will explain it to me, I would be so grateful for his enlightenment.

Why not allow schoolchildren to have voluntary school prayer?

Mr. ROBERT C. BYRD. The Senator would not be persuaded by my argument, I say in all respect. He would not be persuaded.

Mr. HELMS. Yes, he would. The distinguished majority leader always persuades me.

Mr. ROBERT C. BYRD. Mr. President, the Senate has already adopted this amendment. Why go through the motion of adopting the amendment again, and, especially, to a bill to which it is not germane and which can be endangered by the amendment? We have already adopted the amendment and adopted it to the appropriate bill, a bill that deals with Federal court jurisdiction. That is the bill to which this amendment should have been attached and it was attached, by a resounding vote of the Senate. I do not think the Senate should vote this amendment up again, or down. Let us vote to table it.

Mr. HELMS. Well, the Senate is going to be in violation of the rules unless the majortiy leader appeals the ruling of the Chair, because the Chair has already ruled against him.

Mr. ROBERT C. BYRD. Mr. President, I move to lay the amendment on the table.

Several Senators addressed the Chair.

Mr. ROBERT C. BYRD. I withhold the motion, Mr. President.

Mr. KENNEDY. Mr. President, will the majority leader yield me 4 minutes?

Mr. RIBICOFF. I am pleased to yield 4 minutes from the bill to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, prior to the first motion to table the Helms amendment last Thursday, there really was no debate or discussion about the importance or the significance of this issue from a constitutional point of view. I call to the attention of the Senate my reasons for raising this issue earlier in the day, I will continue to oppose the amendment of the distinguished Senator from North Carolina.

This will be the first time in 200 years of American history—the first time in 200 years of American history—where the U.S. Congress has excluded from Federal court jurisdiction or Supreme Court jurisdiction a matter which is enshrined in the Constitution of the United States. The establishment clause and the first amendment.

There should be no mistake among the Members of this body about the importance and the significance of this particular amendment and what it means to our constitutional history and what it could mean for future legislation.

Mr. President, by adopting the amendment of the distinguished Senator from North Carolina, we will establish a precedent that the Congress will be able to take any action, involving individual rights and liberties directly or specifically referred to in the Constitution of the United States and remove jurisdiction of that matter from the Federal courts and the Supreme Court of the United States.

There is no place in the Constitution of the United States or in the history of this body where that has ever been done before.

We have limited appellate jurisdiction. We have refined appellate jurisdiction. We have defined appellate jurisdiction. But we have never in the history of 200 years in this country effectively denied appellate jurisdiction. We are about to do so in this particular case on a very important issue, the free practice of religion, or the establishment clause of the Constitution of the United States.

We should not lose sight of the significance of this, Mr. President. There can be questions as to whether this amendment is constitutional or not. There can be questions as to whether we can frame a constitutional amendment to remove jurisdiction from the Supreme Court and Federal courts. That is an open constitutional issue. But it is important that all of us understand, Mr. President, that if we as a body differ or take issue with a Supreme Court decision, then our Founding Fathers prescribed a way that issue should be addressed, and that is, it should be addressed by constitutional amendment.

This is how our Founding Fathers wanted us to deal with these matters, not by further refinement or elimination of jurisdiction in the Federal courts or in the Supreme Court.

The Senator from North Carolina has read into the record identities of distinguished religious leaders that support his position—I daresay that better than 60 percent of the organized religious groups in this country are opposed to his amendment, and for a very important reason: It is because they have read history and understand it.

In the history of Western democracies, religions have been basically persecuted. This has been the case in many countries. Religious leaders possibly foresee the day when Members of this body are going to say that a particular religion is going to be the established religion of the United States.

And if such a piece of legislation has added to it that clause, that excludes the Federal jurisdiction of the Supreme Court from ruling on that item, they foresee a grave challenge to our Nation. It is for that very reason, that representatives of the great religious groups of our country have wanted this body to leave the issue of jurisdiction of the Supreme Court in interpreting the Constitution of the United States alone.

I do not just relegate this to questions of religion. We can see it in the seizure of property, or the elimination of due process of law, after the nationalization or seizure of private property, with an amendment similar to the Helms amendment, there would be no review by the Supreme Court.

In the McArdle case, at the time of the Civil War, appellate jurisdiction was further reviewed and defined, but it was never eliminated. And that is the significance of this issue.

I think it is important, Mr. President, since we have received assurances from the Senator from North Carolina that we are going to be faced with this issue time and time and time again, that Members of this body search their consciences and take the time to read through the whole range of constitutional authorities on this issue. We must ponder the steps we are taking on one of the most important and significant questions that has ever affected this body. And that is the basic issue of freedom of religion.

Several Senators addressed the Chair.

The VICE PRESIDENT. The Senator from Connecticut.

UP AMENDMENT NO. 72

(Purpose: To require the Under Secretary to consult with the Secretary concerning the recommendations of the Intergovernmental Advisory Council on Education)

Mr. RIBICOFF. Mr. President, I send an amendment to the Helms amendment to the desk and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Connecticut (Mr. RIBICOFF) proposes unprinted amendment numbered 72 to the Helms amendment.

Several Senators addressed the Chair.

Mr. BAKER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BAKER. Mr. President, we have only heard the title stated. Could the Chair advise us whether or not this amendment is in order?

Mr. RIBICOFF. It is in order. It is germane to the bill.

The VICE PRESIDENT. The clerk will state the amendment.

The assistant legislative clerk read as follows:

> At the end of the amendment, add the following new sentence: "Notwithstanding any other provision of this Act, the Under Secretary shall consult periodically with the Secretary concerning the recommendations of the Intergovernmental Advisory Council on Education.".

Mr. HELMS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HELMS. Is the amendment in order?

The VICE PRESIDENT. The amendment is in order.

Mr. HELMS. Mr. President, a further parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HELMS. Does this Parliamentarian suggest that this amendment is germane?

The VICE PRESIDENT. Yes, it is.

Several Senators addressed the Chair.

Mr. HELMS. Mr. President, may I be recognized?

Mr. President, I was seeking recognition.

Mr. BAYH. So was the Senator from Indiana.

The VICE PRESIDENT. The Senator from North Carolina is recognized.

Mr. HELMS. I ask for the yeas and nays on my amendment.

The VICE PRESIDENT. The yeas and nays are automatic since they were ordered on the amendment initially, and the vote thereon was a yea and nay vote.

The Senator from Indiana.

Mr. BAYH. Mr. President, I think there has been a great deal of discussion on this matter. I would like to heartily concur in the wisdom of the remarks of the distinguished Senator from Massachusetts.

It has been the Senator from Indiana's good fortune to serve on the Judiciary Committee and to have been given the rather thankless task of presiding over the subcommittee of that committee which deals with the constitutional questions.

For some reason or other, they are all hot potatoes, and none of them has been more sensitive than the one involving prayer.

I think it is important for us to understand that what the Senator from Massachusetts says is correct. We are setting a very dangerous precedent that could go far beyond prayer.

But beyond that, in a body comprised, I would say, universally of men and women who are God-fearing people, who believe in a higher being, who practice religious beliefs, I think it would behoove some of us to look at the hearings we have held on the prayer issue shortly after the country decided the Shamp, Vitalley, and Murray question, which was when it first arose.

If we look at those hearings, we will find that the question decided by the Court was not to outlaw voluntary prayer, but to outlaw Government prayer.

The Court has said that we cannot proscribe. The Baltimore School Board, the Pennsylvania State Education Commission, the New York Education Commission, in those questions the question had said, "Thou shall pray every morning, and this is what you say."

I do not think any of us believe that is what we want in our school system. If we want voluntary prayer, if we believe our relationship with the Almighty is an individual one, not to be prescribed by some governmental body, then we ought to vote this down and leave things as they are now. The Court has not proscribed voluntary individual approaches to the Almighty in our school system. It has said, "You cannot do it under Government order."

As sensitive as my State is on this issue, if you have a chance to lay it out, I do not want a State legislature or a city council or a school board telling my child what to pray, even if I believe in it, even if my child would not be offended by it.

It seems to me that if we believe in individual, voluntary prayer, we should have enough of this and get on with the passage of the bill, absent this amendment.

Mr. STEVENS. Mr. President, will the Senator from Illinois yield me some time on the bill, please?

Mr. PERCY. How much time?

Mr. STEVENS. Five minutes.

Mr. PERCY. I yield 5 minutes to the Senator.

Mr. STEVENS. Mr. President, I have listened to the Senator from Massachusetts and the Senator from Indiana, and I want to repeat what I said here the other day.

I voted to table this amendment when it first came up. However, I consider this a unique amendment, and it is a totally new approach to constitutional questions. The Senator from Massachusetts is correct about that. We have to get this amendment on a bill that is going to pass so that it will be decided by the Supreme Court, once and for all. We cannot listen to the debate and act as judges.

With all due respect to my friend, the Senator from Indiana, that is what he is doing. The Senator wants us to be Supreme Court justices and Senators at the same time.

This is a unique constitutional question. It is going to be decided if it gets to the Court that is—if it gets to the Court in a way that it will be presented fairly.

When the motion to table failed the other day, several of us voted for this amendment, for the precise purpose of getting it on a bill that we knew would be signed. We knew it would be presented to the Court, and it could be presented to the Court in several ways, as most lawyers in this body know.

Either we are going to get this over there in a very quick and simple fashion, or we are going to face similar amendments on every constitutional issue we can dream up—not by me, but by other Members of the Senate, because here is a unique way to raise a constitutional issue that has not been presented to the Court before. I challenge any Member of this body to say that this question has been presented to the Court before, because it has not.

I say it is not our job to determine the constitutionality of this unique approach. The arguments that it is unconstitutional are based upon the person's desire to be against the principle that is involved in the matter that would be reserved to the State courts to decide. It may well be a unique way to restore some of the powers to the States.

Mr. KENNEDY. Mr. President, will the Senator yield on that points?

Mr. STEVENS. I will yield in a moment.

It may be a unique way to restore some of the powers to the States. It may be that it is unconstitutional. But I think we all will agree that it is a unique way to raise a constitutional issue.

As I said the other day, if it is constitutional, Congress may have a way to narrow the interpretation of the courts that passed on some of the amendments of the Constitution, which this Senator would like to do. I would like to see this principle examined by the Court, to determine whether or not Congress has the power to so restrict the jurisdiction of the Court, if, in effect, it restricts the interpretation of the amendments to the Constitution.

I yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the point I would like to make is this: I do not think one really has to reach the issue of constitutionality in order to have very serious reservations about this approach. Let me continue for 1 minute.

If we take this action and if the action actually is acceded to, we deny the jurisdiction to the Federal courts and to the Supreme Court of the United States. If that occurs we will have 50 different interpretations as to what the amendment means. That may satisfactory to Members of this body and to the American people, who are disheartened by the current holding of the Supreme Court on the prayer issue, but make no mistake about it: If it is found to be constitutional, each and every State court will be able to make a judgment, on voluntary prayer that will never be contested. And those 50 different interpretations are going to be called the law of the land.

Second, if this is upheld, whenever the issue of prayer comes up again, it is going to be said that it is not voluntary prayer, that it is somehow compulsory prayer, and the issue will be back in the Federal Courts anyway.

So we are giving assurances to the people of this country that we are resolving this issue. We are doing a disservice, I believe, to this institution by undermining the basic concept of the separation of powers.

No one doubts for a moment that we can bring the court system of this Nation to its knees—we have that power—by denying appropriations, either to the Supreme Court, to the district courts, to the U.S. attorneys, or to the courthouses. We have that power. The reason we have worked so successfully in this great Nation of ours is that we have respected the restraint and the importance of separation of powers.

It is my contention that should you come to that final question and decide that there is wisdom in this amendment you do a disservice in a very important, basic, and fundamental way to an area that is carefully outlined in the Constitution of the United States—freedom of religion. For we will have circumscribed the power of the Supreme Court and all the Federal courts to provide, for this one Nation of ours, one rule under law.

Mr. STEVENS. Mr. President, if the Senator from Massachusetts is asking me a question, with due respect, I have not heard the question.

The problem with what he is saying is that, in this instance, we fear the Supreme Court. That is what he is saying: We fear that the Supreme Court might find that this proposal is constitutional. I do not fear the Supreme Court.

As I have told my good friend from North Carolina, I have serious questions about the constitutionality of this proposal. However, I would like to find out whether this is a mechanism to help restore some of the powers to the States. If it is, we might well see some changes. We might well see the diversity that was originally in this Nation. We might well restore the concept of being a Union of States. To me, that would be a desirable goal.

Mr. RIBICOFF. Mr. President, I yield 3 minutes from the bill to the distinguished Senator from New York.

Mr. MOYNIHAN. I thank the distinguished chairman.

Mr. President, I rise for an ancillary purpose. I have opposed and will oppose the amendment of the distinguished Senator from North Carolina for the reasons so ably stated by the Senator from Massachusetts and the Senator from Indiana.

It seems to me that the matter of prescribed prayer inevitably partakes of the establishment of religion and cannot be accepted under our Constitution.

At the same time, it seems to me clear, to use the term of the Senator from Massachusetts, that the American people are disheartened by the circumstances in which they find themselves. Their Government often requires them to do things they do not understand, things they do not like, and at levels of profound seriousness. Hence, we are led into dilemmas such as we see on the floor today.

It was precisely this problem that the Senator from Oregan and I had in mind last year, when we introduced the proposal for tuition tax credits, which would maintain the possibility of a plural school system, a plural educational system such that parents who have particular concerns of this kind have an option—albeit one which cannot be met without encountering the proper restraints of the Constitution. And the Senator from Connecticut supported us in this endeavor.

I hope we were not wrong in having proposed that, as the school system of the United States becomes more of a Government monopoly, this kind of agonizing question will more and more enter our politics, where it does not properly belong.

Mr. President, in our deliberations, in our exposition, we repeatedly said that, far from wishing to avoid the jurisdiction of the Supreme Court in the matter, we welcomed it and had fashioned our legislation in order to bring about a constitutional decision at an early term.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. TSONGAS). The Senator from Connecticut.

Mr. RIBICOFF. Mr. President, the area of intergovernmental relations is an important one. The Roth-Danforth amendments in committee improved the bill with respect to State and local responsibilities in education.

The present amendment to the Helms

amendment would require the Under Secretary, who is a member of the Intergovernmental Advisory Council on Education, to consult with the Secretary concerning the recommendations of the Council.

I, therefore, move that we adopt this amendment to the Helms amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, let us understand what is going on here.

The only reason this amendment has been sent forward is because the rules require it in order for the distinguished majority leader to be able to make a motion to table and thereby avoid an up-and-down vote on this matter.

I do not care much about the amendment. I do not think it does any good. I do not think it does any harm. But I think Senators should know exactly what is going on. The amendment is simply an effort to have a tabling motion instead of an up-and-down vote.

If the majority leader will have an up-and-down vote this debate is over as far as the Senator from North Carolina is concerned. But I want Senators to understand precisely what is going on.

Mr. JEPSEN. Mr. President, will the Senator from North Carolina yield?

Mr. HELMS. I am delighted to yield to my friend.

Mr. JEPSEN. The distinguished Senator from Massachusetts has been talking about separation of church and state, the Constitution, and so on.

There is a bill numbered 4890 that passed in the Commonwealth of Massachusetts which was an act allowing for a moment of meditation for school prayer in the public schools.

> At the commencement of the first class of each day in all grades in all public schools, the teacher in charge of the room in which such class is held shall announce that a period of silence not to exceed one minute in duration shall be observed for meditation or prayer, and during any such period, silence shall be maintained and no activities engaged in.

This bill became law in Massachusetts and was upheld by a Federal court.

I thought I should bring this to the attention of this body and remind the Senator from Massachusetts of that.

Mr. KENNEDY. Does the Senator wish to offer that as a substitute for the amendment of the Senator from North Carolina?

Mr. HELMS. If the Senator from Iowa will yield—oh, I see that the able Senator has sat down. Therefore, he does not have the floor.

Mr. President, I seek the floor in my own right.

The PRESIDING OFFICER. The Senator from North Carolina has the time.

Mr. HELMS. I was tempted to say to my friend, Senator Moynihan, that I would call him from old New York if he would move me back to North Carolina.

No, Mr. President, I have nothing further to say except I am going to move to table this amendment because it serves no purpose at all except to avoid an up-and-down rollcall vote. I think Senators should take a flatfooted stand one way or the other up-or-down on the Helms amendment.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. HELMS. I yield.

Mr. ROBERT C. BYRD. Senators have already taken a flatfooted stand up-or-down on the language of the Helms amendment. How many more times does the Senate have to do the same thing on the same day? It has done that already. I hope it will not have to do it again.

Mr. HELMS. Mr. President, the Senator from West Virginia has stood with the Senator from North Carolina on this question almost entirely. Why does he object to an up-or-down vote?

Mr. ROBERT C. BYRD. Because I do not want to stand day after day and hour after hour with the distinguished Senator from North Carolina.

He tells us now we are going to repeatedly have to vote on this question. We have already voted on it. So let us be done with it.

Mr. McCLURE. Mr. President, will the Senator from North Carolina yield for a question?

Mr. HELMS. I yield.

Mr. McCLURE. I thank the Senator for yielding for this question.

It seems to me I heard the argument today that to leave this amendment on the pending bill will be to kill the bill. I assume that that is also true if it is left appended to S. 450. Therefore, it is not really an action to save the amendment as it is to give it a convenient vehicle upon which it can conveniently die.

Therefore, Congress can avoid having voted on it and can say yes, we voted for it, but without admitting that we voted for it in the form in which we knew it would fail.

That is something that the people across the States will have to judge on their own understanding of the procedures under which it was adopted.

I wonder if the Senator from North Carolina has the same apprehension about what may happen with respect to the ultimate disposition of the Helms amendment.

Mr. HELMS. Mr. President, that would require on the part of the Senator from North Carolina to read the mind of the distinguished chairman of the House Judiciary Committee. I cannot do that. I am hopeful that Congressman Rodino will hear from a considerable number of American citizens about this matter and that he will indeed see to it that the DeConcini bill with the Helms amendment attached to it is reported to the House floor.

If Mr. Rodino decides not to do that, then he can deal with his constituents as he pleases.

I cannot read his mind. I do not know what he is going to do. I am delighted that the prayer amendment is on the DeConcini bill, and I think the Senate should go ahead and complete the job and put it on this education bill.

Mr. President, are we up on our time agreement?

The PRESIDING OFFICER. The Senator has 4 minutes and 30 seconds remaining.

Mr. MOYNIHAN. Mr. President, will the Senator from North Carolina yield briefly to me?

Mr. HELMS. The Senator said "North Carolina" this time.

Mr. MOYNIHAN. I thank the Senator and I correct my mistake and point out that in my enthusiasm for tuition tax credits I did not take into consideration the difference between North and South.

Mr. HELMS. It was my Yankee accent that fooled the Senator.

Mr. MOYNIHAN. I do not think that he feels insulted to be called the Senator from South Carolina, but the Senator from North Carolina clearly prefers to be from North Carolina.

Mr. HELMS. I thank the Senator.

Mr. PERCY. Mr. President, before the Senator moves to table the amendment will the Senator yield me a couple minutes?

Mr. HELMS. I yield.

Mr. PERCY. Mr. President, we have 100 Members of this body. There are 17 different religious affiliations and every single Senator is affiliated with some established religious movement in this country.

We have a Senators' prayer breakfast. Twenty-four Senators were there last week. There are members of the prayer breakfast who voted on both sides of this issue. I do not think we have to prove whether or not we are for religion or against religion. I think it is a very distinct question as to whether or not it belongs on this bill.

As the manager of the bill on the minority side, I believe it does not belong on this bill.

The majority leader has seen to it that the Senate had a chance to vote on it on another vehicle and will send it to the House of Representatives and have this matter tested.

The Senator from Illinois deeply believes and hopes that the Supreme Court cannot be removed from jurisdiction by Congress in this matter. It is an important issue.

I speak with some deep feeling, having listened all my political life to my distinguished minority leader, my colleague in the Senate, the beloved Everett McKinley Dirksen. Whenever he spoke on the school amendment in Illinois or in the Chamber it would bring tears to anyone's eyes, but it never changed his junior partner's decision on this matter.

I think this is a matter that should be left to the Supreme Court.

What I am deeply concerned about is that even on the other vehicle, if it does go to the Supreme Court, we are going to suddenly find our school system engulfed in debates as to how will this be implemented, what time will it be done, will children be excused from the room, if a prayer is offered what kind of prayer should be offered, what is the responsibility of a school district while this is being appealed to the Supreme Court once it has been passed into law, should they or should they not implement it as long as it is on appeal, and so forth.

Our schools are in deep trouble today with financing problems. They have great issues that should be debated and time should be taken with parents and students.

As I mentioned earlier today, I presented this issue to 200 junior high school students from the State of Illinois. We debated it in a seminar in room 3302, the very room where the education bill was voted out. After a full debate on both sides, without the Senator from Illinois indicating how he would vote on it, overwhelmingly those young people would have voted against a school prayer amendment.

Therefore, I intend to vote for the amendment by my distinguished colleague and trust we can have a vote either on a tabling motion or up-and-down motion immediately.

SEVERAL SENATORS. Vote.

The PRESIDING OFFICER. The Senator from Connecticut has used all his time.

Mr. HELMS. Is all time yielded back?

Mr. RIBICOFF. I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from North Carolina has 20 seconds remaining.

Mr. HELMS. Mr. President, I yield back any time I may have remaining, and I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to lay on the table the amendment of the Senator from Connecticut to the amendment of the Senator from North Carolina. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. Bumpers) and the Senator from Missouri (Mr. Eagleton) are necessarily absent.

I further announce that, if present and voting, the Senator from Arkansas (Mr. Bumpers) would vote "nay."

Mr. STEVENS. I announce that the Senator from Rhode Island (Mr. Chafee), the Senator from Delaware (Mr. Roth), and the Senator from Texas (Mr. Tower) are necessarily absent.

The PRESIDING OFFICER. Are there any Members who have not voted?

The result was announced—yeas 38, nays 57, as follows:

[Rollcall Vote No. 43 Leg.]

YEAS—38

Armstrong
Baker
Bellmon
Byrd,
  Harry F., Jr.
Church
Cochran
Dole
Domenici
Exon
Ford
Garn
Goldwater

Hatch
Hayakawa
Helms
Hollings
Humphrey
Jepsen
Johnston
Kassebaum
Laxalt
Long
Lugar
Magnuson
McClure

Morgan
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stevens
Talmadge
Thurmond
Wallop
Warner
Young
Zorinsky

NAYS—57

Baucus
Bayh
Bentsen
Biden
Boren
Boschwitz
Bradley
Burdick
Byrd, Robert C.
Cannon
Chiles
Cohen

Cranston
Culver
Danforth
DeConcini
Durenberger
Durkin
Glenn
Gravel
Hart
Hatfield
Heflin
Heinz

Huddleston
Inouye
Jackson
Javits
Kennedy
Leahy
Levin
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum

Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy

Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Sarbanes

Stafford
Stevenson
Stewart
Stone
Tsongas
Weicker
Williams

NOT VOTING—5

Bumpers
Chafee

Eagleton
Roth

Tower

So the motion to lay on the table UP amendment No. 72 was rejected.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment offered by the Senator from Connecticut.

Mr. RIBICOFF. I yield back the remainder of my time.

Mr. HELMS. Mr. President, I have no objection to a voice vote on the Senator's amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I now move to lay on the table the Helms amendment as amended by the Ribicoff amendment.

I do so on the simple but very logical and I think cogent and persuasive basis that the Senate has already today adopted the same language on another bill, the Federal Judiciary Jurisdiction Act, which is supported by all nine Justices of the Supreme Court. All nine of the Justices support that measure, and to pass this amendment to this bill—and I voted for the amendment; I have supported the amendment, but I think it would be a mistake now, based on my conversations over the weekend, to add this legislation to the pending Department of Education bill.

So, unless the Senator from North Carolina wishes to respond, I am prepared to move to table.

Mr. HELMS. Mr. President, I have no wish to respond, except to thank the Senator from West Virginia, the Senator from Connecticut, and others. I think I know what the outcome is going to be; I have become accustomed to that. I wish we were having an up or down vote. We shall not, but Senators ought to bear in mind that when the Senator from West Virginia moves to table, any Senator voting for the motion to table my amendment is voting against the prayer amendment.

Mr. ROBERT C. BYRD. Mr. President, the Senator from North Carolina moved to table the amendment of Senator Ribicoff a moment ago. He exercised his rights, and I am going to do the same in moving to table his amendment.

I say again—I do not know how many times I will need to say it—the same language, with the exception of the amendment by Mr. Ribicoff, has already been voted up in the Senate today. The Senate has already adopted the Senator's proposal on a bill supported by the nine Justices of the Supreme Court. I oppose putting it on this bill, although I have already voted for the amendment, and I can go back home and tell my constituents I voted to support the prayer amendment, just as the Senator from North Carolina can do.

Mr. President, if the motion to table carries, this will be the last rollcall vote tonight unless a Senator wishes to have a rollcall vote on any other matter. I see no such indication.

Mr. President, I move to table and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the motion to table. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Arkansas (Mr. Bumpers), and the Senator from Missouri (Mr. Eagleton) are necessarily absent.

I further announce that, if present and voting, the Senator from Arkansas (Mr. Bumpers) would vote "yea."

Mr. STEVENS. I announce that the Senator from Rhode Island (Mr. Chafee), the Senator from Arizona (Mr. Goldwater), the Senator from Delaware (Mr. Roth), and the Senator from Texas (Mr. Tower) are necessarily absent.

The PRESIDING OFFICER. Have all Senators in the Chamber voted?

The result was announced—yeas 53, nays 40, as follows:

[Rollcall Vote No. 44 Leg.]

YEAS—53

Baucus
Bentsen
Biden
Boschwitz
Bradley
Burdick
Byrd, Robert C.
Cannon
Chiles
Cohen
Cranston
Culver
Danforth
DeConcini
Durenberger
Durkin
Glenn
Gravel

Hart
Hatfield
Heinz
Huddleston
Inouye
Jackson
Javits
Kennedy
Leahy
Levin
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson

Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Randolph
Ribicoff
Riegle
Sarbanes
Simpson
Stafford
Stevenson
Stone
Tsongas
Weicker
Williams

NAYS—40

Armstrong
Baker
Bellmon
Boren
Byrd,
  Harry F., Jr.
Church
Cochran
Dole
Domenici
Exon
Ford
Garn
Hatch

Hayakawa
Heflin
Helms
Hollings
Humphrey
Jepsen
Johnston
Kassebaum
Laxalt
Long
Lugar
Magnuson
McClure
Morgan

Pryor
Sasser
Schmitt
Schweiker
Stennis
Stevens
Stewart
Talmadge
Thurmond
Wallop
Warner
Young
Zorinsky

NOT VOTING—7

Bayh
Bumpers
Chafee

Eagleton
Goldwater
Roth

Tower

So the motion to lay on the table UP amendment No. 69, as amended by UP amendment No. 72, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. RIBICOFF. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, there will not be any further rollcall votes tonight.

Mr. RIBICOFF. Mr. President, if the Senator will yield, I made an agreement with the distinguished Senator from New Mexico and the distinguished Senator from Massachusetts to have them introduce an amendment, which we will accept. It will take 10 seconds.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. WALLOP. If the Senator will yield, Mr. President, I will not be long.

I call attention to what, by any standards, could be called a double standard. I was late for a vote earlier today by less than that just reserved by the Senator from Florida (Mr. CHILES).

I would say that it does not seem to be a fair standard. We either follow the clock or we do not follow the clock.

AMENDMENT NO. 135

(Purpose: To delete the transfer of programs from the National Science Foundation to the Department)

Mr. SCHMITT. Mr. President, I ask that my amendment No. 135 be called up.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. SCHMITT), for himself, Mr. PROXMIRE, and Mr. GOLDWATER, proposes an amendment numbered 135.

Mr. SCHMITT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 88, beginning with the word "Improvement" on line 2, strike out through the dash on line 4, and insert the following: "Improvement all functions transferred from the Secretary of Health, Education, and Welfare—".

On page 88, line 5, strike out "(A)" and insert "(1)".

On page 88, line 8, strike out "(B)" and insert "(2)".

On page 88, line 10, strike out the semicolon and the word "and" and insert a period.

On page 88, strike out lines 11 through 13.

On page 106, beginning with line 22, strike out through line 23 on page 107.

On page 108, line 3, strike out "SEC. 304." and insert "SEC. 303.".

On page 108, line 12, strike out "SEC. 305." and insert "SEC. 304.".

On page 108, line 18, strike out "SEC. 306." and insert "SEC. 305.".

On page 109, line 3, strike out "SEC. 307." and insert "SEC. 306.".

On page 109, line 10, strike out "SEC. 308." and insert "SEC. 307.".

On page 124, line 18, strike out "section 304" and insert "section 302".

On page 73, in the table of contents, strike out item

"Sec. 303. Transfers of functions from the National Science Foundation.".

On page 73, in the table of contents, renumber items Sec. 304. through Sec. 308. as items Sec. 303. through Sec. 307., respectively.

Mr. SCHMITT. Mr. President, this amendment would delete from the bill, S. 210, the provisions that transfer educational functions now residing in the National Science Foundation to the proposed Department of Education.

Mr. President, the importance of science and technology in providing for the high standard of living in the United States, the defense needs of our Nation, and the improvement of conditions throughout the world cannot be overstated. The answer to many of the problems which we as a Nation face lies with advances in science and technology. The answer to many of the challenges which we as a people face can be found in continued research and development.

In my travels as first a former astronaut and now as a U.S. Senator, I am impressed with how the imagination of people, especially young people, in the United States and throughout the world has been captured by our technological achievements. People in other nations are impressed with how technology has improved the standard of living so greatly in the United States. This is no accident or coincidence. The coordination of science education and research must be credited with much of the success in this field.

The transfer of science education programs from the National Science Foundation to a new department will not meet the goal of improving science education which we all desire. This transfer will result in a communications gap between science education and scientific research. Coordination of education programs and research will be hampered and bureaucratic interference will be increased.

When the science education programs were initially developed they were put into the National Science Foundation rather than the Office of Education. This was not an accident. The basic mission, and that is what is important, was not education as much as the development of science and technology through education. Education is only the vehicle for the improvement of science.

This is an important point when we consider the Department of Education. The programs that have been considered for transfer must be considered in terms of their primary and basic mission and not solely their relationship to education. In the case of science education, this Senator feels that it was and is clear that the basic mission is to increase trained personnel and to promote research and development. That mission cannot be met satisfactorily by removing science education from the National Science Foundation.

The relationship between science education and the research and development programs of NSF are so integral that both will suffer if they are separated. That is the primary reason why this Senator opposes this transfer and this Senator does not stand alone. At this point, Mr. President, I wish to read the editorial which appeared in Science, the journal of the American Association for the Advancement of Science (AAAS), on May 19, 1978:

ANOTHER GO AT FEDERAL EDUCATION

There is something beautiful and good in the vision of Cabinet rank for education. There is to be a seat at the table at last, in the heady company of defense, foreign affairs, and energy. There is a hopeful glimpse of new political power, built on a unified education constituency. Such is the spell wrought by the sorcery of reorganization.

Whether a remodeled government architecture ensures more quality and vitality in education in the United States is by no means clear. To paraphrase Thomas Huxley, size is not grandeur and territory does not make an educated nation. In the past three decades, federal education priorities have zigged and zagged and it is hard to put a name to what has come out of them, although there is evidence that federal leverage played a large role in opening up educational opportunity and that science curricula took a turn for the better. But given the built-in aversion to federal authority over the education process, expectations for striking change were too optimistic. The President sees balkanization of federal responsibility as a problem, and to an extent he is right. But pretentious efforts at reorganization are unlikely to make a difference unless driven by new consensus strategies, which to date have not turned up.

If little is to be gained by reorganizing federal education programs, the next question is whether something is to be lost. It is not idle question, given the jarring news that the National Science Foundation is to be stripped of most of its science education programs. Although science education in NSF is not what it once was, it still commands and deserves respect in the scientific community. The prospect of its assimilation by the conglomerate department of education is unsettling, since no bill of particulars has been presented to show that a superagency would do more than distribute mediocrity uniformly.

Time was when science education made up half of the NSF budget, compared with only 8 percent of a larger budget now. If we understand the government's intentions, NSF's statutory charter for science education would not be revoked even though its programs would be handed off. Puzzling as that may be, what is even more troubling is the severing of science education from the major-purpose agency concerned with the state and progress of science. In a new education department dispensing 18 billion, the forlorn science education component would amount to two-tenths of a percent. One recalls a cherished footnote in federal budgets: "Totals may not add due to rounding." It is hard to believe that so frail a unit in so vast an empire could compete effectively in a contest of priorities.

In the absence of wars and space competitions, the importance of science education may not seem impressive to the reorganization experts. But only weeks ago the President was stressing the importance of science to our principal national purposes and calling for a new surge of technological innovation. He was right on both counts. If scientific research is a necessary public investment, surely it follows that science education is an equally necessary investment, surely it follows that science education is an equally necessary investment. Indeed, if a choice had to be made between more dollars for research and greater effort in science education, the case for the latter would be stronger. Human resources make or break investment in research.

Science education is not a priority that we have outgrown. As the knowledge base expands, increasing pressure is put on teaching. Both the proficiency of instruction at the secondary level and the effectiveness and competence of career counseling have profound meanings for higher education. A public which is asked to cope with difficult problems of choice in matters of health, consumerism, energy, and environmental balance can hardly assess uncertainty in the absence of better science education. There is a large and vexing job to be done. Government, which calls most of the signals for science, should be the first to understand this.—WILLIAM D. CAREY.

The position of the AAAS has not changed since that time after the debates which took place in the Senate on this issue last fall. The council of the AAAS met in January of this year and adopted a resolution reaffirming their position on this issue. Mr. President, I quote from the letter which I received from Mr. William D. Carey, executive officer of the AAAS, on this issue:

> American Association for the
> Advancement of Science,
> *Washington, D.C., January 15, 1979.*
>
> Hon. Harrison H. Schmitt,
> *Committee on Commerce, Science, and Transportation, Dirksen Senate Office Building, Washington, D.C.*
>
> Dear Senator Schmitt: At its meeting in Houston on January 7, 1979, the Council of the American Association for the Advancement of Science expressed opposition to the proposed transfer of science education activities of the National Science Foundation to the new Department of Education which would be created under pending legislation.
>
> As you know, the American Association for the Advancement of Science is the largest federation of scientists in the world, consisting of some 130,000 individual members and nearly 300 affiliated scientific organizations.
>
> The full Resolution adopted by the AAAS on January 7 is as follows:
>
> Whereas the American Association for the Advancement of Science has long recognized the need for effective education in the sciences and for the public understanding of science, and
>
> Whereas the continuing collaboration of scientists and educators within the structure of the National Science Foundation has contributed to the identification and resolution of issues in science education, and
>
> Whereas the transfer of the educational activities of the National Science Foundation to the proposed Department of Education would sever this close working relationship between the scientific and educational communities,
>
> Therefore be it resolved that the Council of the American Association for the Advancement of Science supports the retention of science education as an integral part of the National Science Foundation.
>
> The Association respectfully asks that you give your most serious consideration to its position when the legislation to establish the new Department of Education comes up for action.
>
> Sincerely,
>
> William D. Carey,
> *Executive Officer.*

The Subcommittee on Science, Technology, and Space of the Senate Committee on Commerce, Science, and Transportation held hearings on the Office of Science and Technology Policy last month. We had the privilege to hear testimony from Dr. Edward E. David, Jr., chairman of the American Association for the Advancement of Science and president of Exxon Research and Engineering Co. During Dr. David's testimony, he touched on the issue of science education and the proposed Department of Education. I quote from his testimony:

> As members of this Subcommittee know, there is a proposal in Congress to move the NSF Science Education Program to the new Department of Education. This would not be a productive move, in my opinion. As far as science and engineering education are concerned, innovation has come from the NSF in contrast to the HEW Department of Education or the NIE. NSF has been able to mobilize the technical community to see that bona fide science and engineering are the backbone of math, physics, chemistry, and biological education. The techniques have been copied for use in other curricula by HEW and others, but NSF has been the leader. Fundamentally, education benefits from a close association with research and advanced technical activity. It would be detrimental to the entire technical enterprise if NSF's education activities were divorced from its other activities.

The AAAS does not stand alone in its opposition to this transfer. Higher education associations as well as individual colleges and universities oppose this transfer. The feeling is shared by all affected by this transfer that both science education and research efforts will suffer. Charles Saunders of the American Council on Education stated this best in his testimony before the House Subcommittee on Legislation and National Security last year:

> The location of the Education Directorate within the National Science Foundation affirms the importance of the interdependence of science education and scientific research. To separate the two would inevitably damage the quality of both by depriving them of their mutually supportive relationship.

Although one might argue the scientific community is speaking with a vested interest, the unanimity of this vested interest has to carry a great deal of weight in this deliberation. If we in the Congress and in the Government are going to continue to ignore the recommendations of all of the people most expert in a given field, then we are going to do so at very great peril to the Nation.

Mr. President, I have discussed the basic mission of science education and the interrelationship of science education and scientific research. My last point deals with the concern this Senator has with the transfer of programs into a Department which we know so little about. The Department of Education is still not a reality. It is a proposal which has generated a deal of controversy both in whether it should become a reality and what programs should or should not be included. It is unlikely that these concerns and controversies will disappear quickly even if the proposed legislation is passed. In addition, if the Department of Energy, our most recent Executive Department, is any indication, it may be years before the Department gets itself organized and its house in order. What will happen to science education during this time? How will science education and research suffer during this period of time?

This Senator is very concerned about this situation and has serious reservations about putting science education into the middle of any problems which may arise in the first few years of a new Department. If, in fact, science education does belong in a Department of Education, and this Senator feels strongly that it does not, then, at least, let us wait until the Department is established and has its house in order.

Mr. President, I do not know what else can be said but to emphasize that the essential unanimous opinion of everybody who has been involved in science, scientific research, and scientific education is that we ought not to do it. I have been involved in all of these areas for most of my professional life. I am still involved in them in somewhat a different manner. I cannot say too strongly to my colleagues that this is probably one of the most serious mistakes we are going to make in the 96th Congress if we continue with the creation of the Department of Education and the inclusion of science education in such a venture.

Mr. HATCH. Mr. President, I rise in support of Senator Schmitt's amendment to retain the science education function within the National Science Foundation.

As I am sure every Member of the Senate realizes, the United States is lagging behind in our scientific achievement. Productivity and innovation in the United States is slowing down dramatically and we are losing our lead in a technological capability.

In order to rebuild our position in science and technology we must maintain a strong emphasis on science education. The training of our young people in science is absolutely essential to our future scientific health and our well-being as a nation.

Science education is as much a part of science as basic or applied research. It is the function of science which will determine the success of research in physics, chemistry, biology, or geology in the future. The Federal program for science education ought to remain a part of the Federal entity charged specifically with our scientific enterprise and with that agency which can continue its focus on the future of science, not the future of education.

Mr. President, I wholeheartedly support the effort of my friend from New Mexico to delete the provisions transferring these programs from the National Science Foundation and I commend him for offering this amendment.

Mr. SCHMITT. Mr. President, at this time I yield to the distinguished Senator from Massachusetts.

UP AMENDMENT NO. 73

(Purpose: To amend provisions relating to the transfer of functions from the National Science Foundation)

Mr. KENNEDY. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. There is an amendment pending, the Chair informs the Senator from Massachusetts.

Mr. SCHMITT. Mr. President, I believe this is a perfecting amendment?

Mr. KENNEDY. It is an amendment to the bill.

The PRESIDING OFFICER. Does the Senator from Massachuetts ask unanimous consent to call up his amendment?

Mr. KENNEDY. Yes, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the amendment.

The legislative clerk read as follows:

> The Senator from Massachusetts (Mr. Kennedy) for himself and Mr. Ribicoff, Mr. Percy, Mr. Magnuson, Mr. Williams, Mr. Randolph, Mr. Pell, Mr. Stevenson, Mr. Javits, and Mr. Lugar, proposes an unprinted amendment numbered 73.

Mr. KENNEDY. Mr. President, I ask

unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 106, beginning with line 24, strike out through line 17 on page 107 and insert the following:

Sec. 303. (a) (1) There are transferred to the Secretary all programs relating to science education of the National Science Foundation or the Director of the National Science Foundation established prior to the effective date of this Act pursuant to section 3(a) (1) of the National Science Foundation Act of 1950, except the functions or programs or parts of programs, as determined by the Director of the Office of Management and Budget, after consultation with the Director of the Office of Science and Technology Policy and the Director of the National Science Foundation, which relate to—

(A) scientific career development;

(B) the continuing education of scientific personnel;

(C) increasing the participation of women, minorities, and the handicapped in careers in science;

(D) the conduct of research and development applied to science learning at all educational levels and the dissemination of results concerning such research and development; and

(E) informing the general public of the nature of science and technology and of attendant values and public policy issues.

(2) Except as provided in section 301(a) (1) of this Act, no mission oriented research functions or programs of the National Science Foundation or of any other Federal agency shall be transferred by this Act.

(b) The Secretary is authorized to conduct the programs transferred by subsection (a). In conducting such programs the Secretary shall consult, as appropriate, with the Director of the National Science Foundation, and shall establish advisory mechanisms designed to assure that scientists and engineers are fully involved in the development, implementation, and review of science education programs.

(c) The annual report to be transmitted by the Secretary pursuant to section 427 shall include a description of arrangements, developed by the Secretary in consultation with the Director of the National Science Foundation, for coordinated planning and operation of science education programs, including measures to facilitate the implementation of successful innovations.

On page 107, line 18, strike out "(c)" and insert "(d)".

Mr. KENNEDY. Mr. President, this amendment deals with the proposed transfer of the National Science Foundation science education programs. It is designed to help assure that this Nation's science education programs continue to meet the standard of excellence which has contributed so importantly to this Nation's scientific and technical strength.

I ask unanimous consent to have printed at this point in the RECORD a table summarizing the distribution of NSF's science education programs as provided in my amendment and a narrative description of the manner in which the NSF and the Department of Education are expected to work together to carry out their responsibilities. The amendment provides that NSF will retain 70 percent of its science education funding—rather than only 27 percent as provided in the bill as reported by the Committee on Governmental Affairs.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NSF science education programs	Purpose	Audience	NSF fiscal year 1980 request	Location after DOEd legislation is enacted	NSF	DOEd
Comprehensive assistance to undergraduate science education	Instructional improvement	Scientists and science educators	$3.5	Most to education	$ 3.5	$10.0
Minority institutions science improvement	do	Minority scientists and science educators.	5.0	Education	0	5.0
Resource centers for science and engineering	do	do	2.8	NSF	2.8	0
Undergraduate instructional improvement (local course improvement and undergraduate instructional scientific equipment).	do	Scientist and science educators	6.5	Education get about half.	3.0	3
Dissemination	Knowledge transfer	do	1.3	NSF	1.3	0
Development in science education	Knowledge generation	Scientists and science education researchers.	9.0	NSF	8	0
Research in science education	do	do	6.3	Mostly NSF	6.0	
Science for citizens	2-way communication on issues of public policy.	Scientists and the public	2.1	NSF	2.1	0.3
Ethics and values in science and technology	R. & D. to illuminate issues of public policy.	do	1.3	NSF	1.3	0
Public understanding of science	Information to nonscientists	General public of all ages	4.0	NSF, some to education.	2.4	1 .6
Precollege teacher development	Information to practitioners	Elementary school teachers	9.0	NSF, some to education.	6	3. 0
Science faculty professional development (less elementary school programs).	do	High school and college teachers	3.0	NSF	3	0
Student-oriented programs	Talent identification	do	5.2	NSF	5.2	0
Minorities, women, and physically handicapped	Talent identification and conservation.	Minorities, women, and physically handicapped.	2.0	NSF	2.0	0
Fellowships and traineeships	Talent conservation	Graduate students in science	13.7	NSF	13.7	0
Total			84.7		60.3	24.4

RESPECTIVE ROLES OF DEPARTMENT OF EDUCATION AND NSF IN SCIENCE EDUCATION

The rationale for the division of programs, or parts of programs, between the National Science Foundation and the Department of Education is based on the following principles and considerations:

NSF ROLE

Programs that involve working at the frontiers of a scientific discipline, as in developing curricula reflecting new knowledge;

Programs involving close ties between instruction and the research environment, such as supporting graduate fellowships and developing research opportunities for undergraduate and secondary school students;

Programs directed at practitioners of science and technology, as in their scientific career development, presenting public policy issues affecting them;

Programs with the potential to increase the participation of minorities, women and the handicapped in careers in science;

Programs whereby practitioners of science and technology inform the general public of their perception of issues and values;

Transfers from NSF should result in retention of a sufficient nucleus of programs and staff to sustain the Directorate and provide a base for continued experimentation across the range of program areas.

DEPARTMENT OF EDUCATION ROLE

Ongoing support of general science needs, such as upgrading science teaching facilities and equipment and the calibre of instruction;

Programs directed at the classroom environment, such as surveying the correlation between teachers' education and students' test scores in science subjects;

Instructional and educational improvement at elementary and secondary levels, and at higher levels where instruction does not require advanced scientific expertise;

Science education whose aim is to provide students with scientific and technological awareness, as contrasted with the development of practitioners;

Continuing coordination with NSF on science education planning and program implementation;

In the conduct of its program, the Department will maintain links with the scientific community.

RESEARCH AND DEVELOPMENT

Both NSF and the Department should support innovation and dissemination of R & D results;

Their respective focus for such R & D should be based on the missions spelled out above, with NSF emphasizing the needs of the sciences and contributions of scientists, and the Department emphasizing the needs of general classroom instruction, including teaching technological awareness;

The Department should facilitate widespread implementation of successful new approaches, whether developed by NSF, the Department, or elsewhere.

Mr. KENNEDY. Mr. President, this amendment has been developed with the assistance, cooperation, and support of the Committee on Governmental Affairs, the While House Office of Science and Technology Policy, the National Science Foundation and the Office of Management and Budget. I ask unanimous consent to have printed at this point in the RECORD a letter of support for the proposed amendment from Dr. Frank Press, science adviser to the President.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
April 2, 1979.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR TED: This letter concerns the proposed Department of Education and the transfer of certain activities from the National Sceince Foundation to the proposed department. I know that you expressed concerns in the last Congress about the Administration's proposal and also know that you have continued to be concerned with the specific provisions (Sec. 304) concerning "Transfers from the National Science Foundation" in the current proposal as it has been introduced.

Over the last several months but especially in the last few weeks, our office has worked closely with others in the Administration, officials of the National Science Foundation, representatives of the educational and science communities, and members of the staffs in the House and the Senate to improve the proposal. We have attempted to clarify the roles for the proposed department, the continuing roles of the National Science Foundation, and the relationships that would exist between the two organizations once the Department of Education is established. These discussions have resulted in new formulation of the roles of the Foundation and the proposed department.

The proposal has been strengthened considerably. Our earlier proposal did not fully recognize the continuing important role of the NSF in scientific career development, the conduct of research and development in science and technology and attendant values of public policy issues. At the same time, the proposal did not sharply focus on the special capabilities that would exist at the department. In my judgement, these dificiencies have been corrected.

I believe that the new statement of the respective roles is acceptable and merits Congressional support.

Yours sincerely,

FRANK PRESS,
Director.

Mr. KENNEDY. Mr. President, the National Education Association and higher education groups have also been helpful in this process. They have played an important role in calling to the attention of the Congress the need to examine with great care the impact of any transfer of science education programs from the National Science Foundation to the Department of Education.

Mr. President, my amendment will assure that the National Science Foundation continues to have the primary responsibility for the development of scientific and technical talent in this Nation. It requires that science education programs—whether administered by the NSF or the Department of Education—will draw extensively on the expertise of the scientific community and that there will be close cooperation between researchers and science educators. My amendment also provides that the President's science adviser and the Director of the National Science Foundation will be closely involved in all aspects of science education and in planning and carrying out a smooth transition for any science education programs which are transferred to the Department of Education.

I would now like to describe the substance of my amendment and its impact on science education programs.

First, the amendment reaffirms that the National Science Foundation will continue to have primary responsibility for the direction and initiation and support of basic scientific research and for programs to strengthen scientific research potential and science education programs at all levels in the mathematical, physical, medical, biological, engineering, social, and other sciences.

Second, my amendment provides that most activities presently directed by the National Science Foundation will not be subject to transfer to the Department of Education. Those activities include:

Scientific career development;

Continuing education of scientific personnel;

Efforts to increase the participation of women minorities and the handicapped in careers in science;

Research and development affecting science learning at all educational levels, and the dissemination of results; and

Fifth. Programs which inform the general public of the nature of science and technology and of related ethical, value, and public policy issues.

Third, my amendment provides that the Department of Education must establish advisory mechanisms designed to fully involve scientists and engineers in the development, implementation, and review of science education programs administered by the Department of Education.

And fourth, my amendment provides that the secretary of the Department of Education must report to the Congress concerning the arrangements for coordinated planning and operation of sceince education programs and the steps taken to facilitate the implementation of successful innovations.

Mr. President, in my years in the Senate as chairman of the subcommittee which has direct jurisdiction over the programs of the National Science Foundation I have been deeply involved in the development of programs to strengthen science and science education. I have had the opportunity to work closely with leaders of the scientific community in all disciplines and in all regions of the country. These eminent scientists and educators were deeply concerned over the original proposal for science education programs presented to the Congress by the administration.

Mr. President, I believe that my amendment meets many of the major concerns which have been raised over the proposed transfer. It provides that well over two-thirds of the National Science Foundation's science education programs will remain under the direction of National Science Foundation's science education directorate. It includes provisions which substantially reduce the potential for disruption in the programs which are proposed for transfer—programs which have had an outstanding record of success and whose continued strength and growth must be assured.

It is my hope that the Senate will adopt this amendment and thereby alleviate some of the concerns of scientists and educators with extensive firsthand experience in this important area. And while there may still be those who are convinced that no science education programs should be transferred I hope that the Senate's action today can lead to a productive discussion in the House of Representatives and an opportunity for further adjustments if necessary to assure a firm basis for science education in the future.

I urge the Senate to accept this amendment.

Mr. RIBICOFF. Mr. President, I commend the distinguished Senator from Massachusetts and the Senator from New Mexico. I think they have improved the bill in a very important way. I am pleased to be a cosponsor of the amendment.

Mr. President, the committee has been especially interested in testimony with regard to the transfer of the science education programs to the Department of Education. Senator KENNEDY also has a long record as a strong supporter of legislation to establish a Department of Education. His testimony presented to our committee earlier this year—which reaffirmed his commitment to early enactment of the pending bill—raised important issues with regard to science which both the administration and members of our committee wanted to examine with particular care.

Those issues have now been thoroughly reviewed and, with his assistance and the President's science adviser, we have been able to develop an alternative plan for the NSF's science education programs proposed for transfer. That alternative is provided by the amendment offered today, and I am pleased to join as a cosponsor in offering it to the Senate.

The amendment has the support of the administration, the White House Office of Science and Technology Policy, the National Science Foundation, and the Office of Management and Budget.

A strong, coherent program of science education is important to the new Department of Education. As part of its broad mission to improve educational programs in schools and colleges, the Department of Education will be able to concentrate on the special priority of science education only if it has the appropriate resources to do so. The bill provides these resources and the scientifically trained staff to achieve this goal.

The National Science Foundation has authority over $80 million in fiscal year 1979 devoted to science education programs, less than one-tenth of its total budget. The proposed amendment transfers approximately $25 million to the Office of Educational Research and Improvement of the Department of Education. These programs, transferred intact to the Office of Educational Research and Improvement, would be placed prominently in that Office. The Office is directly responsible to the Secretary of Education. The Office will be headed by an Assistant Secretary for Educational Research and Improvement, concerned with other programs now located in HEW's Education Division which complement the science education programs. These programs include environmental education, metric education, and other science and math programs.

It is extremely important for the Department to provide ongoing support of general science needs. This includes the upgrading of science teaching facilities and equipment and improving the quality of instruction in science. The Department will also have specific responsibility to assist with instructional material and improvement at the elementary and secondary levels and at higher levels where instruction does not require advanced scientific expertise.

These are important responsibilities for the Department of Education. The proposed transfer of some of the National Science Foundation's science education programs provides the Department of Education's Office of Educational Research and Improvement an opportunity to assist in these important endeavors.

Meanwhile, the important mission of the NSF would not be affected by the change. More than 80 percent of the NSF budget goes to basic research and supporting resources—none of which will be involved in the transfer. While the NSF advances in major new research projects, the Department of Education will work closely with both NSF and teachers to translate these findings to school-age students.

All of the statutory authority granted to the National Science Foundation by Congress will be maintained. NSF will keep its authorization to embark on new science education programs when necessary. It will continue to support all graduate-level research training and fellowship programs as well as inservice training programs for scientists and engineers. Encouraging women, minorities, and the handicapped—all of whom are underrepresented in scientific and technological careers—will still be the responsibility of NSF.

The amendment assures a continuing and close relationship between science and science education. It assures that the National Science Foundation will continue to play a major role in assuring that science education programs meet the high standards which have contributed so importantly to our Nation's scientific and technical strength in the past. The amendment assures that those programs which are transferred will be protected to the greatest extent possible against any disruption. The amendment provides language assuring cooperation between NSF and the new department. With this cooperation and the streamlining of the programs involved, the Department of Education and the National Science Foundation will be working to improve the status of science education.

The ranking minority member of our committee, the senior Senator from Illinois, has also been extremely helpful in the development of this alternative. I am pleased that he, too, has joined as a cosponsor.

I ask my colleagues in the Senate to give their full support to the amendment.

Mr. PERCY. Mr. President, I commend Senator KENNEDY and Senator SCHMITT for the addition they have made, the strengthening of the bill. The colloquy we had a year ago on this same subject was very informative.

I think the solution arrived at today is proper and right. I am delighted to associate myself with it.

Mr. SCHMITT. Will the Senator yield?

Mr. PERCY. I am happy to.

Mr. SCHMITT. As I stated earlier, I feel strongly we were making a mistake in transferring any programs from the National Science Foundation to the proposed Department of Education.

I know the Committee on Governmental Affairs and its distinguished chairman and ranking Republican are in disagreement with me on this point. I would, however, like to congratulate the senior Senator from Massachusetts on his initiative to find this compromise position.

I looked over the proposal and I find it does provide that the National Science Foundation retain the most important programs now within its jurisdiction; namely, those programs most closely related to basic research.

It is my understanding the managers of the bill, as I indicated, are prepared to accept the amendment substituted by Senator KENNEDY.

At this point, I think it is in order to withdraw my amendment and ask that the Senator from Massachusetts add me, also, as a cosponsor to his amendment.

Once again, I congratulate him and find this a useful compromise.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I ask that the Senator from New Mexico be added as a cosponsor, and I thank the Senator from New Mexico.

I yield back the remainder of my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, I am glad to see legislation to establish a Department of Education debated on the Senate floor. As a member of the Subcommittee on Education, I strongly urge my colleagues to support it, as I have since the distinguished Senator from Connecticut first introduced legislation to do so.

Education is essential to the well-being of our demoracy, for, in an ignorant country the people cannot choose. And, education is essential to the well-being of the people who reside in our democracy for it is the basis of the developments in the arts and sciences which are the hallmark of a progressive and civilized society. My predecessor in the Senate, Daniel Webster, noted:

> On the diffusion of education among people rests the preservation and perpetuation of free institutions.

That is why the people of America cares so much about education. State and local governments spend more on education—close to 40 percent of their budgets—than on any other item. Schooling is universally available and universally required. The proportion of children who start school earlier and continue longer has increased year by year.

It is time, Mr. President, that we show the same concern on the Federal level. The Federal Government must not usurp the place of the States and localities in providing education. But, we must insure that we do all that we can to help the States and localities provide equal opportunity education of high quality. Education in this country needs help today, and we must give our assistance. The bill which the distinguished Senator from Connecticut has crafted and brought to the floor does this admirably.

The bill is premised on the notion that we can increase attention to the proper Federal role in education through a separate organization which can devote itself to addressing that role and which can then deal effectively with others in serving educational functions. It is difficult to focus Federal attention on educational needs within the HEW context. HEW is overwhelmingly concerned with health and welfare issues and the Secretary has little time to devote to education. Education should become the focus of a Cabinet official, who has the resources and the time to devote to making the Federal effort more effective. Officers of such a Department will be able to then deal in a more direct way with others in the executive, and with Congress. A separate Department will increase the accountability to local education officials and should cut down on the administrative burden of dealing with the Federal Government.

The offices that have been established within this new Department indicate the increased attention we will be able to give to the various aspects of education: Offices for elementary and secondary education; postsecondary education; occupational, community and adult education; civil rights; research and improvement; special education and rehabilitative services.

Mr. President, this legislation not only increases Federal attention to education but achieves many other objectives as well.

The bill emphasizes the need for citizen involvement in the educational process. Such involvement can be the touchstone for better education. It has always been a primary concern of mine—from parental involvement in the education of native Americans, to parental involvement in education for the educationally disadvantaged. We moved to strengthen such involvement through the Elementary and Secondary Education Act amendments last year.

The bill strengthens our ability to insure equal educational opportunities for all individuals. The Office of Civil Rights in the department is given more prominence, is insulated from programmatic pressures, and its Director will report directly to the President, Secretary, and Congress.

The new Department will allow for much better coordination of Federal programs for elementary and secondary education. The current fragmentation leaves educators on the local level no one to turn to when their problems go beyond the specific legislation administered by some official. An important focus of the new Assistant Secretary should be to insure the availability of Federal programs to all those who are eligible. Many eligible students are not being served through title I of the Elementary and Secondary Education Act; few of the eligible students are being served by bilingual education programs. The Assistant Secretary should see how we can most effectively utilize our resources in these areas.

The new department would also be able to make substantial contributions to the effective support of postsecondary education and of occupational, adult, and community education by the Federal Government.

Mr. President, I have already addressed some amendments which have been proposed to this legislation, and I will not address them again here. Several of them would not be wise additions to this bill.

Mr. President, this bill has been improved over previous bills, as well. This bill does not transfer Indian education from the Bureau of Indian Affairs, as was suggested in the committee bill last year.

So, too, we have resolved our problems with National Science Foundation programs.

We must assure that this Nation's science education programs continue to meet the standard of excellence which has contributed so importantly to this Nation's scientific and technical strength.

Earlier in the debate the Senate adopted my amendment to assure that the National Science Foundation continues to have the primary responsibility for the development of scientific and technical talent in this country. It requires that science education programs—whether administered by the NSF or the Department of Education—will draw extensively on the expertise of the scientific community and that there will be close cooperation between scientists and science educators. It provides that 70 percent of NSF's science education programs will remain at NSF.

With the inclusion of this amendment we were able to meet many of the concerns which had been raised about this particular aspect of the bill.

Altogether then, this legislation is an admirable advance, an advance for which the chairman of the Government Affairs Committee deserves great credit.

Altogether, a new Department of Education will indicate that we, at the Federal level, recognize the Federal responsibility to assist local and State governments in their educational efforts. No more should education take a back seat. For, in education lies the future.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, that Senators may be permitted to speak therein for not to exceed 10 minutes.

DEATH OF CARROLL ROSENBLOOM

Mr. KENNEDY. Mr. President, the death of Carroll Rosenbloom in Florida last week has deprived the Nation of one of its most vigorous, successful, and best known figures in the worlds of both business and sports.

As the owner of the Baltimore Colts football team and later of the Los Angeles Rams football team in the National Football League, he was familiar to generations of football players and lovers of the sport as a person with an extraordinary sense of excellence and leadership, and with a deep commitment and dedication to his teams and players.

His teams compiled consistently outstanding records in the National Football League. He won the Super Bowl with the Baltimore Colts in the 1960's and he came so close to repeating that remarkable achievement with the Los Angeles Rams in recent years that all of us who knew him were convinced that the title would be his yet again.

But for each of us who knew Carroll well, it is the sudden loss of his immense vitality and friendship that we shall miss the most. At 72, he had the strength and energy and initiative of persons half his age. Even the open heart surgery he had in recent years could not begin to slow him down.

When he died last week, he was swimming in strong surf off the coast of Florida. His death is a heavy loss to all who knew him, and I extend my deepest sympathy to his wife Georgia and children.

Mr. President, I ask unanimous consent to have printed in the RECORD an excellent column on Carroll Rosenbloom that appeared in the New York Times on April 5, entitled "He Loved To Swim in the Surf."

There being no objection, the column was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 5, 1979]

HE LOVED TO SWIM IN THE SURF

(By Dave Anderson)

He had swum in that surf so often. For years Carroll Rosenbloom had owned an oceanfront home amid the palm trees of Golden Beach, Fla., where millionaires go to relax. When he took over the Los Angeles Rams in 1972 after trading the Baltimore Colts franchise, Carroll Rosenbloom sold his home in Golden Beach and purchased two homes in the Los Angeles area—one in Bel Air with gardens and a tennis court, the other on the beach at Malibu where he could swim in the surf. And last week, while vacationing in Florida with his wife, Georgia, the 72-year-old Rams owner decided to rent a home in Golden Beach for old time's sake. For him, the surf was like everything else in his life—a challenge to be conquered. Anybody can swim in a pool. But when he went swimming in the surf at Golden Beach last Monday afternoon, the surf won. Trapped by the undertow 75 yards from the beach, Carroll Rosenbloom drowned. Yesterday his body was cremated at a funeral in Hollywood, Fla., attended by family and close friends. Next Monday a public service will be held in Los Angeles.

"Swimming in the surf," one of his friends has said, "Carroll loved to swim in the surf."

One night 10 years ago he swam in the surf to put his world in perspective. That afternoon his Colts had been upset in Super Bowl III by the New York Jets, 16–7, and as the owner of the first National Football League team to lose to an American Football League team, he felt disgraced. When he returned to his Golden Beach home, he was consoled by Senator Edward Kennedy, a long-time friend. During the Colts glory years, the Kennedys often had been Carroll Rosenbloom's guests at games. But by 1969, of course, both John F. Kennedy and Robert F. Kennedy had been assassinated.

"Carroll," the Senator reminded the Colts owner that night, "there are worse things than losing a football game."

A SMILE AND A SIX-PIECE BAND

Senator Kennedy persuaded him to go for a swim in the surf before the players, coaches, front office and friends arrived for what had been planned as the Colts' victory party. When everybody arrived, Carroll Rosenbloom was there to greet them with a smile—a forced smile, but still a smile. That night a six-piece band played, everybody had a few drinks and Carroll Rosenbloom was out where they could see him. He did not hide.

Two years later the Colts won Super Bowl V and Carroll Rosenbloom had another party, without forcing his smile.

In recent years, Carroll Rosenbloom was frustrated by the Rams inability to qualify for the Super Bowl despite six consecutive divisional titles. Some people will remember him for that frustration. But for him, perhaps frustration was deeper than for others because of his success as the owner of the Colts and as a businessman, initially as the manufacturer of work clothes. Perhaps his favorite team was the 1958–59 Colts who ruled the N.F.L. with Johnny Unitas at quarterback. Around that time three of his players—Gino Marchetti, Alan Ameche and Joe Campanella—asked him for a loan to open a hamburger stand in Baltimore.

"How much do you need?" he asked.

"We figure about $100,000," Marchetti said.

"You got it," Rosenbloom said.

"But suppose we blow it?" Marchetti asked.

"Then you blow it," he replied.

EWBANK, SHULA AND ALLEN

As it developed, the "Gino's" fast-food chain prospered, so did the players, and Carroll Rosenbloom got his money back. Once a Penn halfback, he identified with his players more than his coaches.

"Coaches," he once snapped. "You hire them and you give them the players and once they win, you can't tell them anything."

He had a knack for selecting assistant coaches who turned out to be brilliant head coaches—Weeb Ewbank and Don Shula with the Colts, and Chuck Knox with the Rams. But when he chose the famous head coach, George Allen, to take over the Rams a year ago, he dismissed him after only two exhibition games.

"Boy," acknowledged Carroll Rosenbloom, "did I make a mistake."

Other owners would have lived with that mistake to sustain their pride. But not him. "There was no way George Allen would flourish under our system," Carroll Rosenbloom said at the time. "And our system was not going to change for him." Our system, of course, was a euphemism for his system. He appointed another assistant coach, Ray Malavasi, as Allen's successor and the Rams got to the National Conference championship game, only to lose to the Dallas Cowboys, 28–0—their fourth title game defeat in the last five years. Whenever the Rams lost, people in their organization worried about Carroll Rosenbloom because of his open-heart surgery in 1974.

"Every Sunday," he once said of being a pro-football owner, "you have the pleasure of dying."

Somehow he got through all those Sundays, but last Monday he could not get through the surf.

SENATOR TSONGAS ON ANGOLA

Mr. KENNEDY. Mr. President, ever since his arrival in Congress, PAUL

TSONGAS has played an active role in shaping U.S. policies on Africa. Already, he has made valuable contributions to our understanding here in the Senate about such vital issues as the present crisis in Rhodesia-Zimbabwe. His first-hand experience of African problems began in 1962 when he went out to Ethiopia as a Peace Corps volunteer. Those years spent in small African villages deepened a concern in PAUL TSONGAS that he has acted on ever since. In 1977, as a Congressman, he and Don Bunker visited countries as various as Kenya, Egypt, and Ethiopia, issuing an important report on the conflict in the Horn of Africa and on human rights violations in Ethiopia.

Last Wednesday, the New York Times carried a clear-sighted assessment by my colleague from Massachusetts of the current state of relations between the United States and Angola. I share Senator TSONGAS' concern that our country cease viewing African nations as passive battlegrounds for the superpowers. I strongly agree with him that we must replace this outmoded outlook with a new realism. We can begin recognizing reality in Angola, and pursuing mutual interest, by immediate recognition of its Government.

Mr. President, I believe that Senator TSONGAS' assessment will be of great value in formulating our future policies toward Angola, and I ask unanimous consent that his article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OF ANGOLA

BY PAUL E. TSONGAS

WASHINGTON.—Our Angolan policy is a fine example of unselfish aid to a faraway nation. Unfortunately, the beneficiary of that policy is not Angola but the Soviet Union. Our firm refusal to recognize the Angolan Government tightens ties between the Soviet Union and Angola. Nonrecognition undercuts our efforts for peace in Southern Africa; it retards the positive potential of American technology and investment in Angola.

The Administration's policy remains mired in the undiplomatic blundering of 1975, when Angola's independence from Portugal precipitated a three-sided civil war. The United States subsidized a losing faction, the National Front for the Liberation of Angola, in a dramatic failure. China, which also invested unwisely in the war, is the only other country that still declines to recognize the result. Thus we have proved to be good losers, continuing to lose in Angola by consistent misjudgment.

The official United States position is to question whether President Agostinho Neto's Government has "effective control" of the country, and to criticize the estimated 20,000 Cuban troops in Angola. This is the rationale for American estrangement from a nation rich in oil, coffee, diamonds, manganese iron, silver, copper and phosphates. On close scrutiny, the official line is lame. "Effective control" is no longer an issue, as it was during the civil war The Neto Government effectively administers Angola. Recently President William Tolbert of Liberia accompanied President Neto to the central highlands, where the guerrilla group known as the National Union for the Total Independence of Angola once had strong support. There the two leaders spoke before 100,000 people in a convincing display of control.

The specter of thousands of Cuban soldiers in Angola is disturbing, and I neither support nor accept their presence. But it is hypocritical to protest their presence after having transported French and Belgian troops to Zaire. Many African regimes are militarily weak and borrow military muscle from reformed colonizers like France and Belgium with no United States protest.

Angola resembles other weak states, but the external threats it faces are specially strong. The region's dominant military power, South Africa, invaded Angola during the civil war. Just last month, Rhodesian planes bombed Patriotic Front training camps inside Angola. Meanwhile, our benign neglect of the Angolan Government cements its dependence on Cuba and the Soviet Union.

What lies behind the flimsy pretexts for our failure to recognize Angola? It is the intellectual armament of the cold-warrior, a vision of the whole world choosing up sides between East and West. But the simplistic assumptions and naive categories of American decision-makers have been refuted by the flp-flops of contending Angolan factions.

The National Union for the Total Liberation of Angola, whose major arms merchant was China, accepted substantial military aid from white-supremacist South Africa. President Neto's victorious faction, the "pro-Moscow" Popular Movement for the Liberation of Angola, underwent a severe crisis in 1977. An ultraleft group supported by the Russians favored an antiwhite policy; President Neto argued for a more open racial policy and a more open door to the West. He put down an attempted coup with some Cuban help.

His overtures to the West, despite our best efforts to alienate him, contradict the cross-eyed vision of East-West ideologues. But his stance is utterly consistent with the long African struggle against colonial domination.

From capitalist Nigeria to socialist Tanzania, African leaders are critically sifting blueprints for development. What they finally select is more an outgrowth of their own culture and history than a product of foreign influence. America's forte in Africa is technological and developmental expertise. This peaceful strength appeals to Angolan leaders, who seek to develop their country's ability to meet human needs. Even without the security provided by diplomatic representation, a number of American firms are already participating in Angolan development. But the potential is there for much greater cooperation. By officially shrugging off the Angolan Government's interests, we also disregard our interests. Our leaders used the Angolan civil war to wage cold war, and managed to magnify the victory of our ideological opponents. Now we must finally stop aiding the Soviet Union in Angola. The outmoded outlook toward African nations as passive battlegrounds for superpowers must be replaced by a new realism. We can begin recognizing reality in Angola, and pursuing mutual interest, by immediate recognition of its Government.

EL AL BEGINS SERVICE TO CHICAGO

Mr. PERCY. Mr. President, on April 2, 1979, El Al Israel Airlines began twice weekly one-stop service from Chicago's O'Hare International Airport to Ben-Gurion International Airport outside of Tel Aviv.

The inaugural ceremonies were led by Robert L. Adler, an outstanding leader of the Jewish community, not only in Chicago but in the entire United States in his capacity as president of the National Jewish Welfare Board. Bob and his volunteer committee, which included Harry Fox and William Levine, from the Public Affairs Committee of the Jewish United Fund organized an impressive and memorable program.

The ceremony not only marked the inauguration of El Al service but the signing of the peace treaty between Israel and Egypt. In my prepared remarks, I announced that I was sending letters to the leaders of Israel, Egypt, and the United States proposing the creation of a trilateral commission to develop tourism in both Israel and Egypt.

Other speakers included Chicago Mayor Michael Bilandic; Tel Aviv Mayor Shlomo Lahat; Mr. Modechai Ben-Ari, executive chairman of the Board of Directors of El Al; Mrs. Ilana Rovner, assistant deputy to Illinois Gov. James Thompson; Mr. Zvi Dinstein, Minister of Israel for Economic Affairs in the United States; Israel Zuriel, Israel Commissioner of Tourism for North America; and Peter Brunswick, of the El Al staff.

Rabbi Hayim Goren Perelmuter, president of the Chicago Board of Rabbis, gave the invocation. The Sager and Skokie Solomon Schecter Day Schools choir, under the expert leadership of Ms. Roz Ebstein, sang joyful Israeli tunes.

It was a day of celebration for the Jewish community in Chicago which now has a direct air link to Israel.

Mr. MATSUNAGA assumed the chair.

SENATOR SAM NUNN

Mr. PERCY. Mr. President, very recently in the Wall Street Journal on page 1 there was an article that appeared entitled "Little Giant."

In the SALT debate, Senator SAM NUNN's role will prove decisive.

Mr. President, I believe that some of my colleagues might have missed this incisive article and would like to read it in full, not necessarily because of the comments about SALT, but because the concurrence of all of those who know Senator SAM NUNN when the evaluation is made by Albert R. Hunt, staff reporter of the Wall Street Journal, citing the fairness, the acumen, and the ability of our distinguished colleague.

Mr. President, I was privileged to serve as ranking minority member of the permanent Investigations Subcommittee of the Governmental Affairs Committee for a number of years. Having served with Senator John McClellan, having served with Senator Sam Ervin, having served with Senator JACKSON, and now serving as ranking minority member with Senator NUNN, I can testify to the fact that it is one of the great joys and privileges I have in serving in the Senate to serve with Senator NUNN.

His sense of bipartistanship, his sense of fairness, his sense of judicious manner, demeanor in his conduct of the committtee, his approach to witnesses, to members of the staff and, of course, to his fellow colleagues on the committee, is a fine example and certainly proves to be one of the most pleasant aspects of my Senate service as well as one of the most interesting aspects of it.

I ask unanimous consent that the column to which I have referred, from the Wall Street Journal, be printed in the RECORD.

There being no objection, the column

was ordered to be printed in the Record, as follows:

In the SALT Debate, Sen. Sam Nunn's Role Could Prove Decisive

(By Albert R. Hunt)

Washington.—When the long-awaited Strategic Arms Limitation Treaty reaches the Senate, much attention will focus on a short, balding, owlish-looking Senator, who will have much to say about its fate.

This is Sam Nunn, a 40-year-old Georgia Democrat. If not especially imposing physically, he is intellectually.

At the start of his second term, the cautious and conservative Sam Nunn often wields as much power as anyone in the Senate on military issues, and his influence is widening. He recently became chairman of the Permanent Investigations Subcommittee and is increasingly active in broad economic and tax issues.

"Sam is a man who always seems to know what he's talking about," suggests Sen. Abraham Ribicoff of Connecticut. "He talks softly and thinks clearly." A Carter administration lobbyist calls him "the fastest rising star in the Senate."

As such, he is a study in achieving power and influence in that competitive chamber. The normal route is the seniority leader leading to a powerful committee chairmanship. Sen. Nunn is the fifth-ranking Democrat on the Armed Services Committee—24 years younger than any senior member and thus a good bet to be chairman someday. Meantime he is making a major mark without a formal power base.

With a prodigious appetite for work, he has mastered complicated political-military issues and shunned headline-grabbing tactics; he once rejected a staff suggestion to subpoena organized-crime kingpin Meyer Lansky to a drug hearing "because he wasn't relevant."

His quiet, thoughtful approach has impressed many Senate watchers who don't always agree with Sen. Nunn's conclusions. "He is a serious legislator, interested in how the institution itself works and is more problem-oriented than ideological," says David Cohen, president of Common Cause, the citizens' lobbying group.

An exception to his deliberate approach was his hard-line defense in 1977 of the then budget director, Bert Lance, who remained popular in Georgia at the time. Mr. Nunn still smarts that some Senators sought to "railroad" Mr. Lance out of office.

FRIENDLY RELATIONS

But he generally enjoys the friendly collegial relations that help with advancement in the Senate. He is a member of the Senate prayer group, a golfer who shoots in the mid-70s, and he is able to legislate with liberals and conservatives alike. He spearheaded major changes in the North Atlantic Treaty Organization, working with such diverse Armed Services committee colleagues as the late conservative Republican Dewey Bartlett and liberal Democrat John Culver. His influence was particularly evident last year when he was the decisive voice in persuading the Senate not to kill the neutron bomb.

Sen. Nunn is sometimes criticized as being too pro-military. "Nunn certainly grasps defense issues," one defense expert says, "but he's too willing to accept the military line. He lacks the experience to be sufficiently skeptical."

Some of the critics believe he is philosophically committed to opposing the SALT II treaty. Sen. Nunn, for his part, says he is genuinely uncommitted but plans to take an active role in the Senate consideration. "I hope the debate will focus on the much broader context of the American political and military approach in the world," he declares. "We can use the debate to look down the road."

DELIBERATE APPROACH

Based on past performance, the Georgian will indeed take a deliberate approach without being philosophically rigid. He supported the Panama Canal treaties, for instance, and has been known to criticize some military practices. This reputation for open-mindedness, coupled with an astute knowledge of military matters, is what makes Sen. Nunn so important in the coming SALT struggle.

"Sam carries such a solid reputation in military ranks that other Senators will look at him in SALT," Republican Sen. William Cohen of Maine suggests.

This is understood at the White House. Some weeks ago, President Carter invited Mr. Nunn over for two separate private meetings on foreign policy in the same day, an unusual concentration of Oval Office attention. (Feelings between the two Georgians have varied over the years. Mr. Nunn backed Jimmy Carter in both his gubernatorial races, but beat Gov. Carter's handpicked candidate for the Senate in 1972 and was neutral in the early stages of the 1976 presidential primaries. Associates say the Nunn-Carter relations today are cordial but not close.)

Politically, Sen. Nunn has a lot of leeway on SALT and most other issues. He was reelected last November with an overwhelming 84 percent of the vote. Unlike many of his peers, who dream of sitting in the White House some day, he likes the idea of an extended Senate career.

"The legislative process has never frustrated me," he says. "I guess it depends on your expectations. I never had executive experience. My background and interests always have been in legislative matters."

With more experience and political security, some colleagues expect the young Democrat to branch out, tackling a wider variety of issues and broadening his philosophical approach.

"Sam has real capacity for growth," suggests Democratic Sen. John Culver of Iowa. "He could be a modern Richard Russell in the fullest sense." (The late Sen. Russell, also a Georgia Democrat, was an immense power in the Senate.)

SOME VOTES WITH LIBERALS

Sen. Nunn has sided with the liberals on occasion. In the last Congress he voted for the constitutional amendment to give Washington, D.C., two Senators and against deregulating natural-gas prices. On some issues—such as abortion, economic sanctions against Rhodesia and legislation to expand the redwoods—he has voted, at different times, with liberals and conservatives.

But overall, he has one of the more conservative voting records of any Senate Democrat. He opposes most major social initiatives, votes against organized labor on major issues and with the business community on most important economic and tax issues. He was the first Senate Democrat to endorse the Republican 33% tax-cut plan last year. Subsequently, he was the author of a revised version, tying more-modest tax cuts to spending restraint, which cleared the Senate but not the House. Currently, he favors a balanced-budget constitutional amendment, although he is unsure exactly how it should be framed.

Even critics of these positions often give him high marks for integrity. "You know Sam Nunn is going to make an intellectually honest judgment," acknowledges Howard Paster, lobbyist for the liberal United Auto Workers, "Unlike some others, he doesn't make crass political moves. I just wish he weren't so conservative."

MILITARY EXPERTISE

In his chief area of expertise, the military, Sen. Nunn receives almost universal respect. "Many people involved, with defense tend to be very ideological," says Robert Pranger, the top foreign-policy and defense expert at the American Enterprise Institute think tank. "But Sen. Nunn is very analytical and always open-minded."

Mr. Nunn's interest in the military comes naturally. He is the grandnephew of Carl Vinson, the longtime former chairman of the House Armed Services Committee. With the influence of Rep. Vinson and Sen. Russell, Georgia is steeped in military installations. After winning a seat on the Armed Services panel, he soon attracted the attention of Chairman John Stennis of Mississippi, who encouraged him to pursue a range of activities.

With this license, the tenacious Georgian has mastered many of the complexities of conventional and strategic warfare, and especially military manpower issues. He travels widely, but not on globe-trotting junkets. He led a five-nation Far Eastern trip late last year, and one of his companions, Sen. Cohen, recalls, "On the plane leaving Washington we were greeted by three large notebooks and didn't stop working until we came home."

Sen. Nunn's most tangible success followed months of scrutiny in 1976 of NATO's conventional-force capabilities in light of the big buildup by the Russian in Eastern Europe. Mr. Nunn and his allies moved to actually trim some costs, while at the same time bolstering the fighting forces. It resulted in modernizing equipment, shifting forces to more strategically located positions and changing 19,000 troops from support positions to combat status. "Sam Nunn's work here was seminal," notes Robert Komer, a top aide to Defense Secretary Harold Brown.

SELECTIVE CRITICISM

He has assailed the taxpayer-subsidized military commissaries and the "top-heavy" concentration of generals and admirals. But he is selective. Despite budget-balancing rhetoric, for example, he voids criticizing the generous military persons; Georgia is full of retired military men.

He is opening an inquiry into the volunteer army. There's little doubt now he feels: "I am absolutely convinced it isn't working," he says in an interview. He raises the possibility of a new draft, "with no college deferments this time."

In foreign affairs, he is spending most of his time lately on the Pacific and U.S.-Soviet relations. He opposes U.S. troop withdrawals from South Korea but backs normalization with China as a "long-term stabilizing" move to counter the Soviet threat.

Sen. Nunn thinks that threat is real. A few months ago, he visited Russia with 11 other Senators and frequently became the focal point of discusions with Soviet officials. "Sam was the one person in our delegation who had the knowledge to take on the Soviets on military matters, and it got to them," another participant observes. "They tried to blow him over by getting mad and questioning his facts. But he calmly and cogently discussed, in detail, their buildup in strategic weapons and conventional forces and backed them down. He really won the respect of the other Senators and, I suspect. the Soviets too."

SOVIET SUPREMACY?

The Georgia Democrat views the coming SALT debate as an opportunity to examine these military balance-of-power issues. "We have to decide—and I think the time is now—whether we want to live in a world where the Soviet have a clear military advantage."

That, of course, is a loaded proposition, but Sen. Nunn thinks that's where the recent trend is headed and it must be reversed. Thus, with or without a treaty, he argues for an escalation of U.S. defense spending and an expeditious development of weapons systems such as deployment of the MX intercontinental ballistic missile. "For a long time, we hoped unilateral restraint would work; it hasn't," he asserts.

Moreover, he sees a favorable political climate here. One of the stronger arguments for SALT I (in 1972), he contends, was that in the midst of Vietnam "there was an aversion to all things military. Today, however, that's changed, and there is an opportunity to gain real strategic momentum," he believes.

On SALT II, Sen. Nunn is bothered by some of the specifics, including the vulnerability of U.S. land-based missiles and adequately verifying Soviet compliance. But an even greater concern, he charges, is the process of the negotiations. The U.S., he claims, hasn't any "clearly defined SALT goals" or any overall "arms-control philosophy." By contrast, he thinks the Soviets "plan their long-range strategic forces and then negotiate an agreement." Thus, in the Nunn view, the Soviets' "strategic programs drive their SALT negotiators, while our SALT-negotiators drive our strategic programs."

SALT III PREPARATIONS

This is more than an academic debate; Sen. Nunn hopes to use this contention to influence U.S. policy as it enters what he thinks is the far more crucial arms-limitation phase of any SALT III.

From this rhetoric, it's easy to conclude Sen. Nunn will oppose the coming treaty. SALT opponents confidently predict so, and he says he has told President Carter he has "real apprehensions" about the treaty.

But Sen. Nunn isn't that simple to figure. He also praises the goal of long-term arms control and admits, "The consequences of rejecting a SALT treaty (in that vein) aren't to be underestimated." It could, he says, "magnify the existing Soviet tendency towards imperialistic paranoia." Further, any resulting big increase in strategic spending could slight outlays for conventional forces, he acknowledges. And as a proponent of a strong NATO, he worries about the impact on European allies, most of whom are in SALT.

PIVOTAL ROLE

Whatever he does, the Georgian's acts will be pivotal. This includes seeking better rate commitments for defense buildups even with SALT II, and the delicate possibility of altering parts of the treaty.

Especially critical will be the effect his stance will have on a half-dozen or so Southern Democrats. "If Sam Nunn goes for SALT, it will provide an umbrella for other Southerners," one knowledgeable Senate source predicts. And no matter how partisan the issue, several Republicans are likely to look to the Georgia Democrat for guidance, too. "Sam Nunn probably carries more weight with our guys on this issue than anybody on the other side of the aisle," says a top GOP Senate strategist.

Other important Senators on the issue include Majority Leader Robert Byrd of West Virginia, without whose support a SALT treaty may not even come to a vote, Armed Services Committee Chairman Stennis whose views and role in the fight are uncertain; Democratic Sen. Henry Jackson of Washington, the leading anti-Soviet arms expert in the Senate and a likely foe, and Sen. Howard Baker of Tennessee, the politically savvy minority leader.

"I can envision winning SALT without Jackson and possibly even without Baker," muses a White House strategist. "But without Nunn, we're dead."

DEVELOPMENT OF ENERGY RESOURCES

Mr. WALLOP. Mr. President, the problems associated with the rapid development of energy resources to meet national needs have gained national attention. Newspapers, magazines, and the television networks have shown the American people the environmental and human price which impacted communities are paying to keep their homes and to keep their businesses operating.

Few analysts dare to actually look ahead to determine the additional impacts and the capital shortfall which these communities are expected to experience in the coming years. The drive for energy independence is far from peaking. The lessons of Rock Springs, and Gillette, Wyo., and of Craig, Colo. cannot be dismissed as passing flukes. Should we fail to address these problems now, they will be remembered not as historic disgraces, but as unheeded harbingers to an insensitive country.

Signed contracts for Wyoming coal indicate that demands will triple in the next 4 years to 136 million tons in 1983. Wyoming is now the leading uranium producing State, yet a 215-fold increase is expected in the next 4 years. Additional powerplants, refineries, and synthetic fuel plants may also be in our future.

Mr. President, Stuart/Nichols Associates, under contract to the Old West Regional Commission, has recently reported on the capital shortfall expected to be experienced in nine energy-impacted counties in Wyoming between now and 1985. They conclude that the total capital needs of the nine county area will be approximately $340 million from 1978–79 through 1984–85. Of that total, there is a projected capital shortfall of between $30 million and $40 million in the nine-county area alone.

Congress will soon consider a previously unused mechanism to help alleviate the impacts caused by energy development on Federal lands and of Federal mineral interests. The mineral development impact relief loan program authorized by section 317(c) of the Federal Land Management and Policy Act of 1976, would provide an advance of Federal mineral royalties to which the State is expected to be entitled over the next 10 years. I addressed the unique nature of the impact problem by making funds available early, when the demands are greatest but the tax base of the locality is only beginning to develop. As the development matures, and the tax base grows, the loan is repaid with interest.

Mr. President, the Senate Committee on Energy and Natural Resources has recommended that this program be fully budgeted at its $50 million authorization.

I encourage my colleagues on the Senate Budget Committee to review the Energy Committee's recommendation with favor. No one pretends that the impact relief loan program will begin to solve all the capital shortfall problems of energy impact in the West, but it represents a necessary, equitable, and immediate first step.

Regulations to implement the program were promulgated on December 11, 1978. What is lacking now is only our collective will to recognize the problems and our obligation, to deal with them.

Mr. President, I ask that the summary of the Stuart/Nichols study be printed in the RECORD.

There being no objection, the summary of the Stuart/Nichols study be RECORD, as follows:

ANALYSIS OF ENERGY IMPACTS FROM 1978–79 THROUGH 1984–85 ON NINE COUNTIES OF WYOMING

This report briefly summarizes the facts gathered and general observations made in nine counties that constitute the major portion of Wyoming's energy impact areas (Fremont, Natrona, and Sheridan Counties were not included). It is based on studies of municipal and county governments and school districts that were recently completed by Stuart/Nichols Associates under contract to the Old West Regional Commission. This report discusses new capital facilities, funding of those facilities, and changes in government services that can be expected with projected population increases. All figures reflect a 7 percent per year inflation rate after 1978.

SUMMARY

In the nine-county study area, capital needs from 1978–79 through 1984–85 total approximately $340 million. Of this total, approximately $75 million has been funded, a maximum of $75 million can be funded from local bond issues, and the balance of $190 million must be funded from other sources or go unmet. State and federal programs can provide approximately $160 million through 1984–85 to meet these needs, but the delayed availability and the inadequate amounts of those funds will mean delays and cancellations in projected capital programs of the local governments studied. Major operating problems of impacted local governments include the need for improved local management, increased employee training and reduced turnover, expanded human services, and improved intergovernmental cooperation to deal with impacts.

COAL PRODUCTION AND POPULATION TRENDS

In the nine counties, we projected coal production to increase 160 percent, from 60 million tons per year in 1978 to 155 million tons per year in 1985; and total population to increase 29 percent, from 142,220 in 1978 to 183,210 in 1985, as follows:

County	Coal production [1,2]		Total population [2]	
	1978	1985	1978	1985
Campbell	28.4	113.5	24,750	36,550
Carbon	11.9	14.2	22,730	29,435
Converse	3.1	3.1	11,700	15,170
Crook			5,400	6,960
Johnson			6,800	8,910
Lincoln	5.0	7.0	11,200	14,040
Sweetwater	12.0	13.9	41,990	49,025
Unita		3.0	10,150	13,460
Weston			7,500	9,660
Total (9 counties)	60.4	154.7	142,220	183,210

[1] Million tons per year.

[2] Estimates by Stuart/Nichols Associates, October 1973.

CAPITAL NEEDS AND FINANCING

Construction of new capital facilities and changes in government services will be required to accommodate population increases. Specific capital needs from 1978–79 through 1984–85 for the county and municipal governments and school districts in the nine-county area have been estimated to total $297 million, of which $72 million have been funded. The following breakdown of specific needs gives some insight to the nature and importance of total capital expenditures that have been projected.

Total projected needs 1978–79 through 1984–85

Description	*Million*
Schools	$88
Water	49
Municipal and County Roads	34
Vehicles and Equipment	33

Description	*Million*
Health and Hospitals	$22
Sewer	18
Buildings (Admin., Police, Fire)	16
Airports	15
Parks and Recreation	13
Other	9
9 County total	297

Some areas of the State will be better able to finance these projects locally than others, depending on the relative magnitude of the expenditures and the tax base of the area. The next table summarizes total identified capital needs, total unfunded capital needs, and capital needs in excess of general obligation bond capacity. The table indicates that after allowing for local government bonding to legal limits, the largest remaining capital requirements will be in Carbon County, and that substantial outside funding will be needed also in Campbell, Unita, Sweetwater, and Converse Counties.

SUMMARY TABLE FOR 1978-79 THROUGH 1984-85

[In millions of dollars]

County	Total identified capital needs	Total unfunded capital needs	Unfunded needs in excess of unused local bond capacity [1]
Carbon	64	47	23
Campbell	78	54	18
Unita	21	21	17
Sweetwater	44	31	17
Converse	42	34	17
Weston	13	10	8
Johnson	15	12	7
Lincoln	13	10	4
Crook	7	6	2
Total	297	225	113

[1] Does not include water facility projects, which are not subject to legal debt limits. Water projects total $13,500,000 in Carbon County, $2,700,000 in Lincoln County, and less than $500,000 in the other areas ($17,800,000 for the 9-county area).

It is not realistic to assume that all local governments will issue general obligation bonds up to their legal limits. Although school districts can generally be expected to bonds themselves to the maximum, only about 40% of the counties' needs can be appropriately financed with debt since major requirements are for equipment and vehicle purchases, and on-going development projects. Debt financing will also be limited for municipalities, because the municipalities that face the largest capital expenditures will have trouble funding their normal operating budgets, and cannot also support large debt service costs.

[In millions of dollars]

	Total unfunded capital needs	Available excess debt capacity	Estimated use of debt capacity	Estimated demand for outside funding
Counties (9)	62	30	25	37
Municipalities (32)	112	42	10	102
School districts (15)	51	40	40	11
Total	225	112	75	150

Several additional projects were identified in the nine-county area, but preliminary information was inadequate to include in the above analysis. The estimated total cost of these projects is $40 million which increases the total identified capital needs from $297 million to about $340 million, and the demand for outside funding from $150 million to $190 million. In addition, substantial demands can also be expected from the impact areas of Fremont, Natrona, and Sheridan Counties.

The two major sources of funds currently earmarked by the State for local impact assistance are a portion of the state severance tax, and a portion of Federal Mineral Royalties. Of the $1.1 billion in state severance taxes projected for collection from the nine-county area from 1978-79 through 1984-85, $125 million will be collected as the Coal Impact Tax before it expires January 1, 1985; and approximately $5 million from the Coal Impact Tax will be collected from the balance of the State. Of the projected $110 million in royalties to be collected by the federal government on Wyoming mineral production, about $4 million will be available to fund local capital projects (under the State Government Royalty Impact Assistance Act), while an additional $4 million will be distributed automatically under a statutory formula to all municipalities in Wyoming. In total, approximately $130 million will be available through the Wyoming Farm Loan Board between 1978-79 and 1984-85 to fund local capital facility needs. There will be a shortage of funds in the early years, however, because by mid-1980 over 50% of the capital facilities will be needed while only 20% of the projected revenues will be available.

Wyoming local governments will also be able to obtain additional funds from federal programs, particularly the following: 1) Water systems grants and loans from the Farmers' Home Administration (USDA); 2) Sewer grants from the Environmental Protection Agency; 3) Airport grants from the Federal Aviation Administration; and 4) Federal recreation grants through the Wyoming Outdoor Recreation Commission. A realistic estimate of future federal funding based on past willingness and ability to fund Wyoming projects is $20 to $30 million through 1984-1985, although optimistically over $50 million might be available.

From both existing state and federal programs, impacted Wyoming local governments should be able to draw from a total of $150 million to $160 million in financial assistance, leaving a capital shortfall of about $30 million to $40 million in the nine-county area alone.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 6968(a), appoints the following Senators to the Board of Visitors of the U.S. Naval Academy: the Senator from Maryland (Mr. SARBANES) (at large), the Senator from Tennessee (Mr. SASSER) (Appropriations), the Senator from Texas (Mr. TOWER) (Armed Services), and the Senator from Maryland (Mr. MATHIAS) (Appropriations).

PORTRAITS OF GEORGE AND MARTHA WASHINGTON

Mr. MORGAN. Mr. President, this morning's Washington Post gave a great deal of attention to the fact that the Smithsonian has been negotiating with the Athenaeum in Boston for the purchase of the Gilbert Stuart portraits of George and Martha Washington. They have been the property of the Athenaeum, which is a library, since 1831, but have hung on loan in the Boston museum for over 100 years. They are particularly significant in that they are the only Gilbert Stuart portraits for which the first President and his wife actually sat. All the others which Stuart produced during his rather prolific career were in effect copies of these, including the one which hangs in room S-207, just off the Senate Chamber.

It is no wonder, then, that the people of Boston and the entire State of Massachusetts are concerned that these portraits of great artistic and historical significance might be leaving and that a hue and cry has gone up to keep George and Martha Washington in Boston. Were they hanging in the North Carolina State Museum, I would feel the same way and would do all within my power to see that they stayed there.

But why do I rise to speak on this matter this afternoon? The answer is this: I now serve on the Board of Regents of the Smithsonian as a representative of this body, have been involved in the discussions related to the possible purchase of the portraits and would like to set the record straight as to the role of the Smithsonian in this matter. I am particularly eager that my distinguished colleague from Massachusetts, Mr. KENNEDY, understand what has transpired since the article bearing his signature in the Washington Post today does make one assumption which is incorrect and might tend to affect his relationship with the Smithsonian and perhaps cause concern among some of our colleagues. I note the article attributed to Senator KENNEDY implies that the leadership of the Smithsonian on their own initiative decided the Smithsonian National Portrait Gallery should have the Gilbert Stuarts and went to Boston with a pocketful of cash and made the Athenaeum an offer which it could not resist.

This is not the case at all, and I would like the RECORD to show that.

The fact is that the Athenaeum found itself in severe financial trouble and decided that the only way to solve its money problems was to dispose of the Gilbert Stuart portraits which are hanging in the Boston Museum. They first offered to sell the portraits to the Boston Museum because for many reasons, including some legal complications, they desired to see the portraits remain in Boston and the State of Massachusetts.

However, the Boston Museum could not meet the asking price which originally was some $6 million; and, at that point, officials of the Athenaeum contacted officials at the Smithsonian. Please note: The Athenaeum called the Smithsonian; the Smithsonian did not call the Athenaeum.

Subsequently, the matter of the offer was brought before the Board of Regents and we discussed the offer at some length. Frankly, to a member I think, we believed the asking price was too high and we asked Smithsonian officials to negotiate for a more reasonable price. At the same time we considered the fact that though we did not have the money in hand for such a purchase, we would try to get the resources together. We decided to do so even if it required payments over a period of years in order to see that the portraits stayed in the public domain, which was a main concern of the Athenaeum and the reason Athenaeum personnel stated they initiated the negotiations with the Smithsonian.

We started negotiations but, unfortunately, it was not long before we were contacted from Boston and advised that the Athenaeum had received an offer, and perhaps more than one offer, for $5 million and that although officials of the Athenaeum desired that the portraits go to the National Portrait Gallery, they might have to accept an offer from another source unles we could make a firm offer immediately of at least that amount. We also were led to believe that if we did not come up with the $5 million the portraits might well go into a private gallery such as the Getty Museum in California, far from either the National's Capital or Boston, the center of so much colonial history.

At that point we reconsidered, decided to arrange the financing and make a firm offer. I believe this offer was much to the relief of Athenaeum officials who feared they would be forced otherwise to see the portraits lost forever to the American public. I assure my colleagues whom I represent on the Board of Regents of the Smithsonian that the Smithsonian does not have this sort of money burning a hole in its pocket as the article stated and that if the purchase is made, it will require financial sacrifices by the Smithsonian. However, we felt that the portraits are so unique in both an artistic and historical sense, that we must somehow find the money for the purchase.

Those of you here know that I am a fiscal conservative and I approach my duties at the Smithsonian, as your representative on the Board of Regents, from this viewpoint. I have been impressed by the present dedication of Smithsonian officials to sound financial practices and to correcting misimpressions which any Member of the Congress might have received in the past. For this reason, I would not want a misunderstanding of the facts surrounding the negotiations for the Gilbert Stuart portraits to raise unwarranted concerns among my colleagues.

I, for one, would be delighted if the people of Boston could raise the money to purchase the portraits and keep them hanging in the Boston Museum. And I am sure that the other members of the Board of Regents probably share this sentiment, as do officials of the Smithsonian.

We do not covet these portraits and did not set about to entice George and Martha to move their residence to Washington. However, if because of financial problems they must be sold and the moneys cannot be found in the Boston area for their purchase, they could find no more fitting home than the National Portrait Gallery.

The Board of Regents already has indicated it will make every effort to arrange financing for and negotiate their purchase. The purchase price will not come from tax moneys or appropriations from the Congress. It will come from trust funds and possibly private contributions, pointing up, I might add, the clear need to have some unrestricted trust moneys on hand for such emergency purchases by the Smithsonian.

Thank you very much for allowing me time for these comments. I hope that in some way I have been able to clarify the sequence of events and assure you of the honorable intentions of the Smithsonian.

And to that end, Mr. President, I ask unanimous consent that the article appearing in today's Washington Post entitled "They Belong in Washington," along with the article by my colleague, Senator Kennedy, entitled "They Shouldn't Leave Boston," be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, Apr. 9, 1979]

THEY BELONG IN WASHINGTON

(By Marvin Sadik)

That the citizens of Boston should be concerned about the relocation of the Athenaeum portraits from their city to the nation's capital is an attitude that I can appreciate After all, I have made no secret of my belief that these paintings of George and Martha Washington by Gilbert Stuart are the greatest of all American historical portraits. It is, however, for the very reason that these portraits *are* what they are that I am convinced they justly belong in the National Portrait Gallery in Washington.

Stuart never parted with these portraits, which he painted in 1796, although he made a considerable number of replicas of the George Washington painting, which has become the most familiar image of the Founding Father of our country. In 1831, three years after the artist's death in Boston, the original portraits were acquired from his widow and daughter for the Athenaeum. The two pictures were bought for $1,500, of which $800 remained from funds collected by the Washington Monument Association for a statue of the nation's first president, dedicated in the Massachusetts statehouse in 1827; and $700 came from a group of gentlemen, some of whom belonged both to the Athenaeum and the Washington Monument Association. The portraits have been on loan from the Athenaeum to the Boston Museum since 1876.

At the time Stuart's widow sold the portraits, there was no national repository for historically significant likenesses. The National Portrait Gallery, established by act of Congress in 1962 as a bureau of the Smithsonian Institution, opened to the public in the fall of 1968. The gallery has annually held major exhibitions on a wide range of American historical topics, each accompanied by a full-scale publication; has built, through gift and purchase (with both federal and private funds) a permanent collection, which now consists of nearly 2,000 portraits; and has attracted an ever-increasing number of visitors, from 85,000 in its first year to nearly half a million last year. However, there is no doubt that the gallery suffers from the lack of many portraits of nationally significant persons that would have come to it had it been established nearer in time to the founding of the republic. Of these, the Athenaeum portraits unquestionably are preeminent.

During the 14 months that have elapsed since negotiations between the Boston Athenaeum and the National Portrait Gallery began, the Boston Museum has been kept fully apprised of the matter through its president, Dr. Howard Johnson. The board of the Boston Athenaeum, the regents of the Smithsonian Institution and the members of the National Portrait Gallery Commission, as a part of their agreement concerning the Athenaeum portraits, have made provisions to lend the portraits back to Massachusetts (with primary consideration to be given to the Boston Museum); and it is our understanding that these arrangements are acceptable to Dr. Johnson and the members of the executive committee of the board of the Boston Museum.

When the portraits are relinquished to the nation's capital, nothing that is uniquely the patrimony of Boston will be surrendered. The Athenaeum portraits were not painted in Boston, but rather where the subjects resided in 1796 when Washington was in his second term as president, in Philadelphia, then the temporary capital of the United States. Washington's greatest moment in Boston, his defense of the city during the American Revolution, was fittingly commemorated in a full-length portrait entitled "Washington at Dorchester Heights," which Gilbert Stuart painted expressly for the city of Boston.

This immense canvas, which hung for 71 years in Faneuil Hall, has, like the Athenaeum portraits, been displayed since 1876 in the Boston Museum.

It is not only Boston's history as the scene of momentous and sacred events that lends the Athenaeum portraits their towering significance. History makes similar claims for Trenton, or Yorktown, or New York, or Philadelphia or Virginia. Rather, it is the whole of the American tradition that invests these portraits with meaning. It was precisely to encompass all such ties that the national capital was established. It seems to me ineluctably right that these precious icons should at long last reside in the National Portrait Gallery, which occupies the very site L'Enfant in his original plan for the city designated for a Pantheon to honor the nation's immortals. Here the portraits will be displayed two blocks from the National Archives, where the only other American treasures of comparable significance, the Declaration of Independence and the Constitution of the United States, are enshrined—in the nation's capital, the city of Washington.

THEY SHOULDN'T LEAVE BOSTON

(By Edward M. Kennedy)

This is the first time I have ever been asked to defend Martha and George Washington.

It would be a tragedy for the artistic heritage of Massachusetts if the Smithsonian wins the current tug of war and Gilbert Stuart's famous paintings are brought to the District of Columbia from the Museum of Fine Arts in Boston.

Fortunately, though, a concerned public is beginning to stir in Massachusetts. If the courts don't block the sale, public officials and private citizens in the state are likely to find a way to match the Smithsonian's $5 million offer and keep the paintings home.

I am strongly opposed to the transfer. Boston should no more be asked to give up its magnificent Stuart portraits than Philadelphia should be asked to give up the Liberty Bell. That the Smithsonian has this sort of money burning a hole in its pocket should certainly be of interest to the congressional appropriations committees that oversee its budget.

One of the great strengths of the arts in America is that fine works of art are found in communities in every section of the nation. Few paintings are better known to the people of Boston or are a source of greater pride than the Stuart portraits.

One of my earliest memories is of sitting on my grandfather's shoulders at the Museum of Fine Arts, looking straight into the eyes of President Washington and savoring tales I was being told. Honey Fitz, my mother's father, had been a congressman and mayor of the city, and he loved to take his grandchildren on Sunday afternoon outings to the ctiy's museums and famous sites. As a patron of both the Athenaeum and the Museum of Fine Arts, he knew their collections well. He used to stop in front of the Stuart portraits and other historical paintings he loved, and give me some of the most enjoyable history lessons I ever had. And so, for purely personal and sentimental considerations, I don't think the portraits should leave Boston.

Another reason that Martha and George should not be brought to Washington is that they probably wouldn't like it here. One can imagine a conversation the portraits might be having with each other in the hours after the Boston Museum closed.

George would, of course, express pleasure that a city had been named after him, and he would surely be impressed by the sum—$5 million—the Smithsonian was prepared to pay. But the telling arguments would be Martha's, who would point out quietly but firmly that no one has a kind word for the city of Washington any more, and that the two of them would be far better off keeping their distance from their namesake. Most persuasively, she would remind him that Boston has been their home for almost 150 years—good years—and that it would be a show of unpardonable disloyalty to leave that city, no matter how good the money.

At the word "disloyalty," George would stiffen, conceding that his wife had made the decisive point.

THE CASE FOR A MASSIVE TAX CUT

Mr. JEPSEN. Mr. President, I am proud to be a cosponsor of the famous Roth-Kemp bill, which would cut individual income tax rates by one-third.

I believe that the case for such a massive tax cut is very strong. It would offset the huge tax increase resulting from inflation as it pushes taxpayers up into higher tax brackets, and it would restore incentive to our economy, creating jobs and real economic growth.

Recently, Prof. Irving Kristol of New York University summarized the arguments in favor of the Roth-Kemp bill in an article for the April issue of Reader's Digest. This is an excellent article and I commend it to my colleagues.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CASE FOR A MASSIVE TAX CUT

Last year when I offered a young woman her first job, the pay was a modest $9500 a year. But with no family obligations she saw no reason why she should have trouble living on $183 a week, even in New York City. Her disillusionment was swift. Her first paycheck came to $138. Surely there had been a mistake, she inquired in bewilderment. There had been no mistake. It was merely her first encounter with the wedge that taxes drive between wages and what has come to be known as "take-home pay."

Over the past ten years more and more Americans have become aware of that wedge. This awareness has bred a spirit of frustration, indignation and rebelliousness. The passage of Proposition 13, a revolt against high property taxes in California last year, was only one sign of this spirit. Legislation to limit taxes and/or spending is pending in virtually every state. And almost every Congressman now swears his adherence to tax cuts.

It sounds hopeful for the harassed taxpayer. But the fact is that even though Congress is not going to increase our income taxes in the foreseeable future, we will nevertheless be paying a greater percentage of our income to Washington.

Why? Part of the answer lies in the sharply increased Social Security taxes levied by Congress. But the real culprit is inflation—the most insidious "tax" of all. More specifically, it is the unholy alliance between inflation and the progressive income tax which pushes us into higher tax brackets as our incomes increase. The key ingredient is the "marginal tax rate"—the tax you will pay on every dollar you earn above your present level of income.

The young woman I hired last year was paying income tax at the marginal rate of about 30 percent. Had I given her a $600 raise, over $200 would have been deducted for taxes—federal (including Social Security), state and city. Had she been making $14,000 a year and I had given her a raise of $1000. over $400—or nearly *half*—would have been deducted.

This level of taxation used to be reserved for the "rich." Yet many Americans are in this bracket today. Every time a salary is raised, or a spouse goes to work to help cope with inflation, there is movement into a higher tax bracket, with higher marginal tax rates. And, as your income increases, your standard of living nevertheless seems to stand still, or even decline.

It's this situation that has given rise to the tax rebellion exemplified by Proposition 13. Unfortunately, the publicity of that remarkable event obscured the fact that *another* tax rebellion was already under way.

This other rebellion is known as "Kemp-Roth," after legislation first introduced in 1977, re-introduced in 1978, and, in modified form, again last January by Rep. Jack Kemp (R., N.Y.) and Sen. William Roth (R., Del.). Their bill would reduce federal income-tax *rates* by about 30 percent over a three-year period and "inflation proof" the tax law by tying tax rates to the rate of inflation. Note the emphasis on tax *rates*. For while Kemp-Roth would in fact cut our income taxes by 30 percent over those three years, its more significant purpose is to cut our *future* taxes as the economy grows and most of us move into higher income brackets.

The goal of Kemp-Roth is not simply tax relief. It proposes to *encourage economic growth* by assuring us that, as we earn more money, we will not simultaneously experience those prohibitive marginal tax rates by which the government takes 50 percent or more of the additional income. Another provision of the bill would slow the rate of growth of federal spending—from 21 percent of the gross national product in fiscal 1980 to 18 percent in 1983.

Unlike Proposition 13, Kemp-Roth was not based on an outburst of indignation at high taxes. It is based on an economic theory propounded by a small group of academic economists (led by Profs. Arthur Laffer of the University of Southern California and Robert A. Mundell of Columbia University) and economic journalists (notably Jude Wanniski, formerly a writer for *The Wall Street Journal* and author of *The Way The World Works*).

At the root of their theory is the belief that the wealth of nations is created not only from natural resources, but also, and more importantly, by people responding to economic incentives, and that the poverty of nations is the result of a lack of these resources and of people being discouraged by a lack of incentives to realize their full potential. When we are urged to make money, only to discover that the government will permit us to keep less than half of it, we are disinclined to do so.

Although this theory seems elementary, modern economics, in its stress on macro-economics, ignores it completely. Marco-economic theory sees the economy as an inter-relationship of statistical aggregates: capital investment, consumer spending, government revenues. Such aggregates, related by intricate mathematical formulas and fed into a computer, would enable us to tell in which direction the economy is moving—if they adequately took into account individual (micro-economic) incentives. But they don't. It is through such a defective macro-economic telescope that the Council of Economic Advisers and the U.S. Treasury see the American economy, and it is on the basis of what they see that they formulate government policy.

Thus, government economists can try to predict how much revenues will increase if income-tax rates are increased; but they cannot tell you how much potential revenue will have been lost as a result of the economic activity that does not take place because of increased tax rates. It is to this lost potential that the Kemp-Roth tax cut addresses itself. It aims not merely to make our tax burden lighter but also (even primarily) to encourage our economic growth by providing us with incentives to work harder, save more, invest more.

Economist Norman Ture agrees with this thesis, and he says that the impact of the Kemp-Roth tax cut would be huge—and would begin the same year as enactment.

Using a computerized "econometric model," Ture says that Kemp-Roth would create 2.1 million new jobs in the first year and 5.6 million ten years hence. These employment gains would be accompanied by sharp increases in productivity and real wage rates: within a year, the average worker would be making $930 more (in constant 1977 dollars) than now projected.

Private investment would increase by $90 billion in the first year and $166 billion a decade later, compared with the investment that would otherwise occur. All this would add to a quantum jump in the gross national product, says Ture—up $175 billion in just the first year and $450 billion within a decade. As a result, federal tax receipts would fall much less than the drastic cuts in rates might suggest.

The historical evidence for a critical relationship between tax rates and economic growth seems to me to be extremely convincing. Many scholars have suggested that the Roman Empire of antiquity, the Islamic Empire of the Middle Ages, the Spanish Empire of the 16th century, all declined with tax systems that stifled the incentive for economic growth. More recently, the Kennedy-Johnson tax cuts of 1964 contributed to a substantial reduction in the unemployment rate and several years of real prosperity before Vietnam expenditures and too rapid monetary expansion got us into inflation.

Pehaps the neatest illustration of what lower tax rates can do for economic growth is provided by the Soviet Union. There, farmers on collective farms must deliver 90 percent of what they produce to the state—in effect, a 90-percent tax. However, they are also permitted to have small private plots on which they can grow food either for themselves or to sell. These plots constitute one percent of the total cultivated land of the U.S.S.R. Yet they produce 27 percent of that nation's agricultural output.

So, to me, the question is not whether or not Kemp-Roth will work. I believe it will encourage economic growth. The controversy as I see it is over the degree to which it will work. At the heart of this controversy is "the Laffer curve"—a bold economic idea formulated by Arthur Laffer.

Obviously, a massive cut in tax rates would seem to mean a shrinkage in government revenues, in turn requiring a substantial cut in government programs and services—or a substantially bigger deficit—unless the tax base of the economy increased. While supporters of Kemp-Roth are aware that many programs and services are wasteful or ineffectual, they also know that efforts to cut back on them will provoke powerful opposition from beneficiaries. Hence, while the bill would restrain the rate of growth of federal spending to less than seven percent a year, the limitations would not require Draconian slashes in government programs. And it would be left to Congress to decide the relative priorities of any spending program.

For the Laffer curve tells us that we need not attempt any massive cut in government spending—simply slowing down the growth of spending will suffice. I believe a cut in tax rates will generate more jobs, greater economic activity and an expanded tax base which, in several years' time, will yield the same or more revenues, even with lower tax rates. There may be a time lag, but experience suggests that it would be short, and there is never any real problem in financing a deficit that is known to be temporary.

Indeed, in our own lifetimes we have seen this. There have been almost a dozen tax cuts in the United States since 1946, and in each case government tax receipts have increased within a year or two, and in no case have these tax cuts prevented continuing growth in federal tax revenues. For example, in 1963, the Treasury predicted a loss in government revenue of $89 billion over six years, presumably at the existing level of income. However, what emerged was an increase in tax revenues of $54 billion as the result of the enlarged tax base that the tax cut (as well as inflation) produced.

In contrast, when we increased the tax on capital gains in 1969, government revenues from this tax declined steadily. As Representative Kemp likes to note, "If you tax something, you get less of it. If you subsidize something, you get more of it. In America, we tax work, growth, investment, employment, savings and productivity while subsidizing nonwork, consumption, welfare and debt."

The opponents of Kemp-Roth have been shaken by such arguments—but not to the point of throwing in the towel. Even if total tax revenue goes up, liberal opponents dislike the idea of the government ending up with a smaller share of our national income. And some conservative opponents think it is irresponsible to cut taxes when the budget is unbalanced. The latter insist that cuts in government spending must come first. They have been insisting on this for over three decades now, with no notable effect.

The odd thing is that regardless of how the dispute over Kemp-Roth turns out, we probably will get so-called tax cuts in the years ahead. Inflation will continue to push us into higher tax brackets. The American people will make their resentment known to their elected representatives, who will move to cut taxes. But the cuts will be nominal, and we shall be lucky if they even partially compensate us for the effects of inflation.

The real issue, therefore, is whether to cut taxes minimally and belatedly as a reaction to popular resentment, or whether to cut tax rates massively now to stimulate the kind of economic growth that will curb inflation, and increase government revenues to balance government expenditures. That is the choice we must make.

WHY CARRYOVER BASIS SHOULD BE REPEALED

Mr. JEPSEN. Mr. President, I was recently privileged to testify before the Senate Finance Committee in favor of repealing the carryover basis provisions of the Tax Reform Act of 1976, which have been suspended until the end of this year.

At this time I was joined by many distinguished legal experts who argued persuasively that carryover basis is inequitable, unworkable, and ought to be repealed.

Among those who testified against carryover basis was Mr. Arley Wilson of Marshalltown, Iowa, representing the Iowa State Bar Association. Mr. Wilson is one of Iowa's leading probate lawyers, who knows from firsthand experience the problems with carryover basis. In his testimony he raised many issues regarding carryover basis which have not been raised by others. Among these is the problem of negative basis.

I would like to bring Mr. Wilson's testimony to the attention of my colleagues and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

COMMENTS ON CARRYOVER BASIS

(By Arley J. Wilson)

First, may I express the appreciation of the Iowa Bar Association for the privilege of presenting the practical problems of the application of carryover basis (COB), from both the taxpayer's point of view and that of his attorney.

The practicing lawyer is no longer speaking from an academic, philosophical or hypothetical point of view. He has had 22 months of actual experience with COB before the blessing of moratorium became a reality.

During that 22-month period we have found that COB is not only unworkable in its present framework but is totally uncorrectable in its present concept and will remain uncorrectable until the proponents recognize where the problems really are and will admit the reality of the end result which will be reached ten years from now.

The representations of the proponents of COB are not only hypothetical but worse they are scarcely believable. What they haven't told you or the practical application of which they may have misunderstood, is of even greater impact.

For instance—

1. COB has been referred to as a tax on capital gains at death. That is only a part of the story. It has become apparent in application that COB is in the rural community a tax on ordinary income as much as on capital gains, with even greater tax effect, such as

A. Raised crop, 0 basis.

B. Raised livestock, 0 basis.

MOSTLY MORTGAGED

I have seen no example by any proponent which has even recognized the existence of such type of income. The prime examples of the proponents are all addressed to stocks and bonds which receive a fresh start as of a fixed date, and a fixed value. This is not so with the application of COB to real estate and depreciable personal property used on the farm and small business. The longer the taxpayer owns the property, the less the basis, until eventually it becomes minimal.

2. Probably one of the less desirable representations is that euphemistically the tax is called a tax on appreciation when in reality it is a tax on inflation. Why not recognize the kind of tax this really is?

3. No attention has at any time been given as to how to handle negative basis. What is this critter no one wants to talk about?

Suppose I bought property in 1977 for $100,000. By 1987 the property is depreciated to $50,000. The so-called appreciated value in 1987 is $250,000 but I have borrowed on it $200,000 non-recourse. I die, giving the property to my child. The result—my child has property basis $50,000, mortgage due $200,000, value $250,000. If the child or my estate sells the property for $250,000 and pays maximum marginal tax on capital gains at 28 percent, the tax will be $56,000, the mortgage $200,000. The actual economic loss of $6,000 will occur. This realization event becomes intolerable when the public realizes what has happened. Now, even academically, can one make the assertion that this will free up capital at death?

While negative basis is not commonplace today, by 1987 with current rates of inflation, it will be an everyday event. One cannot help but ask one's self if estate planning of tomorrow will include a plan involving such a property where it will be recommended to borrow as much as possible and then leave the property to some person you don't like.

4. It has been said that this is a "once in a lifetime" settlement of accounts. Nothing could overlook the practical application more. The proposed settlement does not occur in the lifetime but after death, as a result the decedent is deprived of the lifetime benefits he would have if living such as—

(a) loss of exemptions;

(b) loss of zero bracket amount;

(c) loss of investment credit carryover;

(d) loss of net operating loss carryover;

(e) loss of income averaging benefits;

(f) loss of selectivity in both time to recognize gain and the property to be used to pay;

(g) loss of joint return rate schedule.

5. COB does not recognize the reality of the multiplicity of taxation occurring by virtue of the accident of death which are:

(a) Federal estate tax;

(b) Federal income tax for the decedent and for the estate;

(c) State death taxes;

(d) State income taxes for the decedent and for the estate which in total on an estate of $590,000 passing from father to son lead to a collective tax of up to 124%. This is the death knell to the right to inherit the family farm or family small business.

It has been urged that estate tax and income tax are two separate taxes and the results of the application of both taxes should be considered separately. This is as foolish as trying to deny the parenthood of only one siamese twin while claiming the other as your child.

Academically it may sound great, but the taxpayer is more pragmatic. He must pay all the tax regardless of the niceties of what kind it is or its source of origin.

6. With COB it is almost impossible to practically and legally give equal treatment to the heirs or residuary beneficiaries. Even though the relationship among the heirs is harmonious enough to permit the executor to make a non-prorata distribution, Rev. Rul. 69–486, 1969—2 C.B. 159 may recast the non-prorata distribution. The executor faces an impossible dilemma in an attempt to distribute property equitably with COB bearing no predictable relationship to current market value. If there is anything of substance to distribute, the family farm or family business must for safety reasons be distributed prorata and to say the least, this produces an awkward if not unworkable situation.

A simple example of the difficulty is that if John, father of two sons, had purchased an 80 acres when he returned from World War II for $150 an acre or $12,000 basis, and in 1974 he was able to purchase an adjoining 80 acres for $1,500 an acre or $120,000 and he died in 1978 and the value of each 80 acres was $3,000 an acre or $240,000 each, if he left one son the first 80 and the second son the remaining 80, he could not treat the sons equally because the basis of the first 80 purchased would be substantially less than the basis of the second 80 purchased and this exact value could not be well determined until the date of death of the testator.

7. It has been pretty well conceded by all persons of reason who have attempted practical application of COB that it is totally unworkable. Too little available information requires speculation. When adequate infor-

mation is available, identification of the property is equally speculative—which black cow?—which four-bottom plow?—which feed bunk?—the list could almost be unending.

One of the many unanswered problems not yet considered by the proponents is how do you apply COB in a section 351 tax-free incorporation of a small business or farm? As a practical matter the assets have been acquired at different times with different costs and varying levels of depreciation. It is impractical to have a different basis for each share of stock issued. Would this require multiple classes of stock—one representing the home 160—one for the acquired 80—one class for machinery—one class for breeding livestock? The administration and organization of such a vehicle would be preposterous.

Throughout this talk we have related our discussion to the small and medium-sized estate affecting the family farm and the family-operated business. We have not had too much experience with the multimillion dollar estate in our office. We as country lawyers are impressed with the fact that the House of Delegates at the mid-year meeting of the American Bar Association adopted unanimously a resolution approving the repeal of COB. We are further impressed by the fact that there was not one dissenting vote in the House of Delegates nor one voice raised in the defense of COB. Nothing can be more clear than the fact that the COB law as written in 1976 cannot be implemented nor can it be fairly administered by the service without great expense. It is equally clear after 22 months of hard work in trying to apply this law that it cannot be modified or patched up by any device yet suggested.

It is in fact a leaky boat with bad planking and every time one hole is patched and one leak is stopped, two more leaks appear. I have not yet met one practicing attorney in Iowa who believes that this law can be implemented or effectively repaired. That leaves us with two alternatives, one of which is to enact a limitation on the dollar amount you inherit in any event. If social engineering is to be the order of the day and there is to be a dollar limit on the right to inherit, let us have the courage to say so rather than ruin a perfectly workable tax system which predated the 76 act and not indulge ourselves in what Winston Churchill once labeled as terminological inexactitude. The other alternative is to completely repeal COB in its entire concept.

AMERICA UNDER SIEGE

Mr. JEPSEN. Mr. President, Mr. Anthony Harrigan recently delivered an interesting speech before the Institute for the Study of Comparative Politics and Ideologies at the University of Colorado entitled, "America Under Siege."

Mr. President, Mr. Harrigan raises some very interesting points about the world in which we, as Americans, find ourselves in. He argues that America is essentally surrounded by hostile ideologies, movements and governments. Among these is the Soviet bloc, which fears American power, the Third World, which is envious of our wealth, and from the anti-growth, anti-industrial ideologies which ever infect our own Nation.

I think that Mr. Harrigan's remarks would be of interest to all Americans and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

AMERICA UNDER SIEGE

(By Anthony Harrigan)

If we examine the world around us, we find a hostile environment for the United States with its special traditions and way of life. The power position of the United States, which safeguards American liberties and assures national survival, is deteriorating relative to its adversaries and competitors.

The Soviet threat is understood by the public, though the Executive and Congress have failed to strengthen America's security forces to the necessary degree. Other threats are less clearly perceived.

Neither the American government nor people seem to grasp the extent to which the United States is menanced by hostile political forces in the Third World.

These forces are envious of the wealth of America and jealous of America's traditional role as the industrial leader of the West. They demand massive wealth transfers to the Third World. Tragically, powerful elements in America's government, media and academic life, lacking faith in our country's institutions, are overcome with guilt because of our technological superiority and wealth, and insist that the United States do penance by agreeing to the wealth transfers demanded by the leaders of the Third World nations. Our government doesn't reject the pretence and arrogance of such demands.

American confidence has been eroded by defeats and withdrawals around the world and by concessions to hostile regimes of all sizes—from the Soviet Union to little Panama. We seem to have developed an appetite for humiliation.

We have another problem in that the deterioration of our strategic military power is paralleled by a decline in our industrial might. Our once formidable industrial machine is running down; much of our industrial infrastructure is antiquated. For years we have been told that we are in a mature post-industrial phase and can live on service industries. As a result, heavy industry has been neglected. Heavy industry counts in war and peace—in economic warfare and in armed conflict between nations. The Soviets understand this and drive for industrial as well as military supremacy—often with our misguided help.

In many ways, we are our own worst enemies. For example:

Our nation's strength is threatened because we have an anti-industrial craze or de-industrial ideology in this country, an anti-nuclear, anti-technological populism. We have a "small is beautiful" movement that would have America return to the cottage industries of the Middle Ages, to the windmill and waterwheel. We have enthusiasts for power systems that don't exist or that will be prohibitively expensive for years to come. We have anti-nuclear stormtroopers, who seek to shut down the nation's nuclear plants that were our salvation in recent winters.

These are a few of the problems we face in the United States, a few of the reasons why we are in peril. We have a poor perception of the threats we face and of the inadequacy of our response of those threats, whether the Soviet armaments drive or the campaign for de-industrialization of the United States. If we fail to appreciate these threats and or fail to respond to them—we soon will be unable to defend our liberties or the freedom of other countries in our civilization.

As a result of these various forces, we are under siege today as never before. We are under siege from the Soviets. We are under siege from the countries of the Third World which possess little capacity to create wealth but which have a huge appetite for the wealth produced by a dozen generations of Americans. We are under siege from elements in our own population that would have us accept an anti-industrial philosophy that would cost us our prosperity, well-being and, in the long run, our lives. Finally, we are under siege from economic competitors, who, sensing our current lack of industrial drive are determined to dominate our domestic markets—relying, at times, on the methods of economic warfare.

The grave problems we face at home and abroad serve as a reminder that no country is guaranteed permanent success in this world. The decline and fall of nations is a truth written on every page of history.

If we bear in mind the lessons of history, we will rebuild our national strength. We will drive to regain the military supremacy we enjoyed for two decades—and then lost. We will reject the concept of "distributive justice" at home and abroad. We won't accept the dwarfing of our nation, but will insist that our industrial machine be repaired and expanded, with access to abundant nuclear energy.

Unfortunately, the present leadership of the United States isn't engaged in any of these tasks. On the contrary, the Carter administration is 1) cutting back our defenses by rejecting new weapons systems and slashing naval construction 2) failing to stand up to the Soviets in its indirect conquest of key African territories 3) fawning upon hostile Third World countries in Africa and Asia 4) pursuing an anti-nuclear development program abroad that alienates such powerful friends and allies as West Germany and Brazil 5) bitterly opposes advanced nuclear energy development in the United States and 6) fails to alert the country to the decline in America's industrial power or arrest the intrusion into U.S. domestic markets of foreign competitors that have state-directed, guided or subsidized industries.

The Carter administration has a curious view of the threats to Western civilization. Its fiercest condemnation is directed against South Africa, Rhodesia and Chile, as though those nations posed grave threats to the security of the United States and its allies. The administration also goes out of its way to alienate a longtime ally, Brazil. In the various cases, the administration favors economic pressure, restrictions on transfers of technology, or political isolation because of disapproval of the country's domestic policies. The administration professes to give primacy to human rights concerns, but its human rights standard is unevenly applied. It is friendly with numerous one-party states and military dictatorships in Africa. It recognizes Red China while the Peking regime has seven million people in forced labor camps.

In a colossal error of judgment, the Carter administration seems determined to play the "China card" by helping Peking industrialize and gain authentic superpower status. Assistance to the Peking regime will create, in the words of V. H. Krulak, an economic "gargantua whose shadow will fall everywhere, with no palpable benefit to us in return."

This infatuation with a China strategy—devised without study of the long-range consequences to the United States—is evidence of the foolishness and irresponsibility of the Carter foreign policy. It isn't designed to cement ties with countries that are traditional friends or share America's values. It isn't designed to give the United States access to essential minerals or to protect permanent strategic interests. Rather it is an exercise in superficiality and political faddism

Indeed the administration can be charged with abandonment of American principles. Dr. Brzezinski, in an important essay in *Foreign Policy* in 1976 said that "Structural changes in the American way of doing things become inevitable . . . Resist as it might, the American system is gradually compelled to accommodate itself to this emerging international context."

That conclusion runs against the American grain. The American people didn't yield their principles in earlier periods when the U.S. was challenged, when, for instance, the Axis powers appeared to represent the emerging international context. Nevertheless, Dr. Brzezinski and other senior administration policy planners clearly view the hostile nations of Afro-Asia and Latin America as representing the global wave of the future. It's a serious mistake, however, to imagine that sheer numbers are decisive in history.

North America is an island on this planet. Its population is numerically inferior to the explosive populations of Asia, Africa, South America, and the Indian sub-continent. But North America and Western Europe possess an enormous qualitative edge. Our part of the world has the capacity to defend itself, to overcome the human wave approach of the Third World, and to maintain and widen the distance between the advanced and the retarded nations.

To accomplish this end, however, requires will power and understanding. Americans must grasp the variety of threats that they face. The greatest threat is posed by the Soviet Union, which is powerfully armed and dedicated to the overthrow of the West. It also is capable of employing subversive warfare in all its forms—from support of terrorists to global political agitation on such issues as the neutron bomb.

Then there is the threat from the Third World, which is a threat in part, because some people in the West attribute a moral force or edge to those countries that they don't possess. To be sure, the Third World is not unmindful of the power of numbers—the impact of a human wave strategy. I call to your attention the statement of the late President Boumedienne of Algeria who said:

"Billions of human beings someday will leave the poor southern part of the world to erupt into the relatively accessible spaces of the rich northern hemisphere, looking for survival." This isn't an abstract issue for the United States for, as Richard L. Strout pointed out in the *Christian Science Monitor*, "the only place in the world where there is a direct land confrontation between the so-called 'first' world (affluent industrial nations) and the third world (high birth rate developing countries) is the U.S. and Mexico." This is a matter of profound demographic importance. While we hope that our Mexican neighbors will solve their problems and while we endeavor to assist them, we havé to recognize that we face a potential Bangladesh on our national doorstep if the Mexican population crisis isn't solved. However, the discovery of immense oil reserves in Mexico may provide a solution to Mexico's economic problems and also prove a great boon to the United States.

These are a few of the external threats. The principal internal threats are failures of understanding and perception. A not inconsiderable group of Americans argue that the wealth of U.S. results in others' poverty. They preach the doctrine that Americans should voluntarily lower their standards in order that other countries raise theirs. It is urged that the U.S. turn away from nuclear power plants, steel mills and all the apparatus of industrialization and embrace a lifestyle of meditation retreats, personal growth groups, consciousness expansion, and exploration in interpersonal relationships. It is hard to believe, however, that the majority of Americans find such advice or social criticism logical or acceptable. The majority sees no merit in consuming less, in equalization—between nations and global regions—at the expense of America—in adopting the role of global egalitarians.

Moreover, as Prof. Paul Seabury has written in *The New Oxford Review*, it is "somewhat naive to think that a tutelary America counting on the force of its ethical example can, in acts of purification, render the rest of the world more pure (and better off)." It is to be doubted whether a small-is-beautiful America would help free men preserve their liberties. If America divested itself of its wealth, the divestiture dividend for the world's poor would be infinitesimal.

In classical times, Rome was an advanced society, possessed of organizational and military advantages such as our own possesses over the Third today, but the collapse of the Roman order—its communications, structures and policy, including its military power—didn't benefit mankind. On the contrary, it produced a truly Dark Age.

The type of thinking described here—a combination of Luddite machine-wrecking notions and hairshirt philosophy—indicates how far we have retreated psychologically from the high tide of victory in World War II and the early 20th century pride in our material and technological accomplishments. The inner retreat that these attitudes reveal match the real, external retreats in terms of national power.

The conscious, and occasionally openly expressed desire for Western inferiority on the part of the anti-national, anti-industrial types who are influential in making policy in the United States today indicates the true extent of our problem. National recovery depends on the total removal from government and other power centers of those who prefer that the United States seeks peace through weakness, de-industrialization, and inner retreat.

Our overall task is to view objectively the condition of our country and the environment in which it exists. The future is concealed from us. But we can't reasonably expect it to be as happy as the past if our national power is shaky, if our industrial machine is less than invincible, if we perpetuate myths about the prospects for peace and international cooperation, and if we are lacking in national will, drive and solidarity.

We have it in our power to be strong and free. The question is: do we have the will and the understanding to do what is necessary? Only time will tell.

DOT REGULATIONS ON ACCESSIBILITY

Mr. PROXMIRE. Mr. President, Transportation Secretary Adams has submitted the final regulations for the implementation of section 504 of the Rehabilitation Act of 1973 for review to the Department of Health, Education, and Welfare. While the actual detail of the regulations will not be available until they are published in the Federal Register, the summary of the regulations indicate that the Department of Transportation has opted for a wise and prudent course between the demands of our handicapped citizens for complete accessibility to transportation facilities and the spending constraints mandated by the necessity to limit Federal spending and bring inflation under control.

As chairman of the Senate Committee on Banking, Housing, and Urban Affairs, which has jurisdiction over the transit program—the program that will require the greatest costs to meet the 504 requirement as it applies to transportation—I am well aware of the difficulties inherent in developing these regulations. While no perfect solution was possible, the flexible approach adopted by the Department of Transportation will fulfill the congressional intent of section 504 in a manner that will permit the maintenance and development of the transportation programs now receiving Federal funds.

DOT estimates that implementing the final regulations would cost less than half the amount contemplated to implement the proposed regulations issued last year. Two additions to the proposed regulations regarding the conversion of existing stations on both intracity and intercity rail systems are responsible for a major portion of that cost reduction. These additions include the adoption of a "key station" concept, whereby a percentage of all rail stations will have to be retrofitted. The key station plan will reduce costs to local operators substantially, without compromising accessibility. In the five major old urban rail systems, DOT estimates that the key station approach will save $600 million. However, the stations which are modified to permit accessibility will still handle more than 70 percent of all passengers. There will also be transfer service between the key stations and other stations.

The second addition to the regulations will permit transit operators to request a waiver of the stated requirements of the regulations if they can demonstrate that they are providing alternate services which furnish services that are substantially as good as or better than those that would be provided under the stated requirements; the operators must also demonstrate that there is general support for those alternate services in the local handicapped community. If such waivers are obtained, the cost will decline further.

I have often been critical of government regulations and the costs they generate. These provisions and others included in the final 504 regulations demonstrate the appropriate balance and flexibility which should be adopted generally by government agencies. The regulations will accomplish the congressional intent stated in section 504. At the same time, DOT is not arguing for additional funding to meet the requirements. It is allowing an adequate time period to complete their implementation. This flexible approach should allow us to meet the accessibility needs of our handicapped citizens without putting further pressure on the Federal budget.

CONSCRIPTION IS A TAX

Mr. PROXMIRE. Mr. President, there may be no clearer explanation of the costs of conscripting manpower for the armed services than described in the excellent article in the Wall Street Journal on Thursday by William H. Meckling, the former executive director of the President's Commission on an All Volunteer Armed Force.

Conscription is a tax, as Dr. Meckling points out. It is a hidden tax that falls first on those conscripted and then on society which must bear the loss of productive manpower and the infusion of real wages. To do away with the All Volunteer Army to avoid increasing costs simply substitutes the burden to a different sector of our population.

A draft will take productive personnel out of the economy unless we specialize in drafting the poor and unemployed which would be a policy fraught with injustice and possibly dangerous in its implications for morale and force effectiveness.

As with any economic activity supply is directly influenced by price. The price of manpower is going up annually, along with just about everything else. The shortfalls in manpower are not generalized throughout the military system. They can be compensated for by programs designed to attract and retain those individuals that are required. It will not be an inexpensive process.

During times of relatively high employment, such as now, the price will be high. During times of high unemployment that price will decline. The system should be expected to experience ups and downs as would any economic factor affected by the marketplace. As long as the fluctuations do not impair our national defense, and they do not nearly come close to that now, then we should concentrate on improving the mechanisms of the system rather than throwing it away and replacing it with one riddled with hidden liabilities. A return to the draft will guarantee a loss of morale, a decline in combat capability, a resurrection of national unrest among young people, and the worst kind of work-service atmosphere—that of coercion.

I recommend the Meckling article to my colleagues and ask unanimous consent that it be printed in the Record.

There being no objection, the articles are ordered to be printed in the Record, as follows:

[From the Wall Street Journal, Apr. 5, 1979]

The Draft Shifts Defense Costs to Nation's Youth

(By William H. Meckling)

The "let's revive the draft" symphony is being played in earnest on Capitol Hill. The dominant theme is that "the all-volunteer force isn't working." Sen. Stennis, for example, was recently quoted as saying that "the military isn't getting enough and the right kind of personnel" and that military leaders have had "a full and fair opportunity to determine if the all-volunteer force will work. It has failed its test and proved not to be the answer for peacetime or wartime needs."

The logic of the proposition that military conscription should be revived *because* the all-volunteer force is not working will not withstand careful scrutiny. No one would take seriously the proposal that we undertake conscription of federal employees because the Civil Service System was failing to provide the numbers and quality of employees Congress desired. Most of us would recognize that it is a responsibility of Congress and the administration to see that compensation and conditions of employment produce the number and quality of civil service employes desired.

Congress and the administration can attract whatever number and quality of volunteers for the military it wants—at some level of compensation.

Proponents of conscription interpret the proposition that voluntarism will always work at some level of compensation as extremist. They are indignant at the idea of paying whatever it will take to get the desired number and quality of volunteers. What if we have to pay very high wages to get enough of the right quality of volunteers? The nation couldn't afford it.

That reaction reflects a pervasive and fundamental fallacy about conscription. If we have to pay very high wages to attract volunteers, that fact tells us that defense manpower is very costly, but conscription does not enable us to avoid those costs. All conscription does is decide who will pay the costs. We cannot avoid the manpower costs of defense by substituting conscription for voluntarism. Conscription is a form of taxation. Conscription simply imposes the burden of taxation for defense in our youth rather than the general public.

Over 200 years ago, Benjamin Franklin, in commenting on a judicial opinion concerning the legality of impressment of American merchant seamen, recognized the heart of the issue, and even estimated the hidden tax. He wrote: "But if, as I suppose is often the case, the sailor who is pressed and obliged to serve for the deference of this trade at the rate of 25s. a month, could have £3. 15s, in the merchant's service, you take from him 50s. a month; and if you have 100,000 in your service, you rob the honest part of society and their poor families of £250,000. per month, or three millions a year, and at the same time oblige them to hazard their lives in fighting for the defence of your trade."

Once we understand that conscription is a tax, it is easy to see why Congressmen find it appealing, especially at a time when they are under great popular pressure to reduce taxes. Reinstitution of a specialized hidden tax will enable them to preserve a larger government than would be possible if they were forced to rely entirely on explicit general taxes.

To say that at some level of compensation the services can attract the numbers and quality of volunteers desired is not to say that compensation will have to be very high in order to achieve those goals; it does not even say that compensation ought to be increased. Moreover, it does not imply that higher compensation is the only course of action available to make military service more attractive.

The truth is that all four of the active duty forces have generally been able to maintain authorized strengths since conscription was abolished. Only in specialized areas such as medicine and the reserves has there been any problem, and the shortfalls there can be eliminated whenever Congress and the administration make up their minds that they really want to do so. We can build up the reserves and we can increase the number of M.D.s in the services if we are prepared to bear the costs.

Because congressional desires about quality are not well defined, it is more difficult to say whether their desires in that dimension are being met. What we can say is that the quality of military personnel today compares favorably with the experience under conscription. In 1977, 69% of those recruited were high school graduates. In 1970 and in 1964, 68% of those recruited were high school graduates. In 1964 one of seven recruits fell in mental group IV, the lowest mental group eligible for recruitment. By 1977, this ratio had dropped to one in 20.

All of this is being accomplished at modest levels of compensation. The Department of Defense estimates that pay and allowances for a new recruit works out to 33 cents an hour less than the minimum wage for a 48-hour week.

There are those who argue that while overall figures give the impression that things are satisfactory, those figures conceal some special problems; for example, that the quality of Army recruits is too low, or that personnel turnover is too high, or that the proportion of blacks in the Army enlisted ranks is too high. If Congress believes that these are real problems, it is its responsibility to alter compensation and conditions of service to solve them.

There is, indeed, much room for improvement in military recruiting, retention and compensation policies. There is, for example, a pronounced reluctance to take into account what the problems are and how they can be resolved. The Army, for example, has always had more difficulty attracting volunteers than the Air Force, Navy and Marine Corps. While that fact has, at least in part, been recognized by providing ($2,500) bonuses for Army combat enlistments, the Army is not permitted to advertise those bonuses as an attraction to volunteers. Invoking such restrictions while simultaneously contending that voluntarism is not working raises serious questions about congressional intent.

U.S. HISTORY PROVIDES SOUND REASONS FOR RATIFICATION OF THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, all too often in recent times the United States has come to be regarded chiefly as the world's arms supplier rather than as a world leader in the area of human rights. In view of our recent pledge to supply Israel and Egypt with over $5 billion of arms aid, this can hardly be seen as surprising. Yet, Mr. President, this was not always so. Our own history was once viewed by the world as demonstrative proof that human rights could form the cornerstone of a system of government.

Mr. President, have we forgotten our own history? For we need look no further. Our country has built its foundations on certain inalienable rights: "Life, liberty, and the pursuit of happiness." Our own history demonstrates better than any other example that high ideals can be realized through a concerted effort over a period of time.

Our Declaration of Independence and Bill of Rights are monuments to the high goals of our Founding Fathers. But effective as these documents were, justice was not immediately established.

The Declaration stated that all men were created equal. Yet we know that slaves were not given their political rights. Women were also discriminated against, being denied the right to vote until early this century.

Mr. President, the United States has made magnificent progress in guaranteeing justice and freedom for all Americans. But this was possible only through long centuries of struggle and turmoil. It has been a long, hard road, but it has been a road which this country has continually decided to travel.

In the same way, Mr. President, the Genocide Convention represents an initial step along the road toward the complete elimination of the crime of genocide. It may not end once and for all each and every instance of the crime, but it is a solid step in that direction.

Mr. President, I call on the Senate to renew our commitment to this most fundamental of human rights and ratify the Genocide Convention.

MESSAGES FROM THE PRESIDENT

Messages from the President of the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:30 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that, pursuant to the provisions of 22 United States Code, 276a-1, as amended by Public Law 95-45, the Speaker has appointed Mr. PREYER, Mr. PICKLE, Mr. BOWEN, Mr. FOUNTAIN, Mr. MAZZOLI, Mr. LONG of Louisiana, Mr. LEVITAS, Mr. MCCLORY, Mr. BROWN of Ohio, and Mr. BUTLER as additional members of the delegation to attend the conference of the Interparliamentary Union, to be held in Prague, Czechoslovakia, on April 16-24, on the part of the House.

The message also announced that, pursuant to the provisions of section 1, Public Law 689, 84th Congress, as amended, the Speaker has appointed Mr. PHILLIP BURTON, Chairman, Mr. HAMILTON, Vice Chairman, Mr. BROOKS, Mr. ANNUNZIO, Mr. ROSE, Mr. IRELAND, Mr. ADDABBO, Mr. RUSSO, Mr. BOB WILSON, Mr. BROOMFIELD, Mr. FINDLEY, and Mr. WHITEHURST as members of the U.S. Group of the North Atlantic Assembly Meeting, to be held in Oslo, Norway, May 26-28, 1979, on the part of the House.

The message further announced that the House agrees to the amendment of the Senate to House Joint Resolution 283, a joint resolution reaffirming the U.S. commitment to the North Atlantic Alliance.

ENROLLED JOINT RESOLUTION SIGNED

At 1:17 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 283. A joint resolution reaffirming the United States commitment to the North Atlantic Alliance.

The enrolled joint resolution was subsequently signed by the President pro tempore (Mr. MAGNUSON).

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 99. A concurrent resolution providing for an adjournment of the House and a recess of the Senate from April 10, 1979, to April 23, 1979.

REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Under authority of the order of the Senate of April 5, 1979, the following reports of committees were submitted on April 6, 1979:

By Mr. WILLIAMS, from the Committee on Labor and Human Resources:

Special report on the activities of the Committee on Labor and Human Resources (Rept. No. 96-60).

By Mr. McGOVERN, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. 292. A bill to reduce the fiscal year 1980 authorization for appropriations for the special supplemental food program (Rept. No. 96-61).

By Mr. TOWER, from the Committee on Armed Services, with an amendment:

S. 429. A bill to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes (together with additional views) (Rept. No. 96-62).

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Res. 125. A resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 413.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Special report entitled "First Monetary Policy Report for 1979" (Rept. No. 96-63).

By Mr. CRANSTON, from the Committee on Veterans' Affairs:

Special report entitled "Legislative and Oversight Activities During the 95th Congress by the Senate Committee on Veterans' Affairs" (Rept. No. 96-64).

By Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry:

Special report entitled "Legislative Review Activities During the 95th Congress" (Rept. No. 96-65).

Mr. TALMADGE. Mr. President, pursuant to section 136(b) of the Legislative Reorganization Act of 1946, from the Committee on Agriculture, Nutrition, and Forestry, I send to the desk its legislative review report for the 95th Congress.

By Mr. PELL, from the Committee on Rules and Administration, with an amendment and an amendment to the title:

S. Res. 114. A resolution authorizing the printing of additional copies of the Geological Atlas of the United States (Rept. No. 96-66).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. STENNIS, from the Committee on Armed Services:

Michael Blumenfeld, of the District of Columbia, to be an Assistant Secretary of the Army.

(The above nomination from the Committee on Armed Services was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. STENNIS. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the nominations in the Air Force of 3,087 officers for promotion to the grade of captain (list begins with Gregory J. Aaron) and in the Navy and Naval Reserve, 322 appointments/reappointments to the grade of captain and below (list begins with Susan R. Allen). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD on March 26, 1979, at the end of the Senate proceedings.)

By Mr. WILLIAMS, from the Committee on Labor and Human Resources:

Marjorie Fine Knowles, of Alabama, to be Inspector General, Department of Labor. (Referred to the Committee on Governmental Affairs, pursuant to order of March 1, 1979.)

(The above nomination from the Committee on Labor and Human Resources was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MAGNUSON (for himself, Mr. JACKSON, Mr. STEVENS, and Mr. GRAVEL):

S. 917. A bill to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. NELSON (for himself, Mr. NUNN, Mr. CULVER, Mr. HUDDLESTON, Mr. SASSER, and Mr. WEICKER):

S. 918. A bill to authorize the Small Business Administration to make grants to support the development and operation of small business development centers in order to provide small business with management development, technical information, product planning and development, and domestic and international market development, and for other purposes; to the Select Committee on Small Business.

By Mr. MAGNUSON:

S. 919. A bill for the relief of Jennifer Ferrer; to the Committee on the Judiciary.

By Mr. INOUYE:

S. 920. A bill to authorize the Secretary of the Navy to convey certain real property in the State of Hawaii to the present lessees of such real property; to the Committee on Armed Services.

By Mr. McGOVERN:

S. 921. A bill to amend chapter 55 of title 10 of the United States Code to qualify certain former spouses of members of the uniformed services for medical and dental benefits, and for other purposes; to the Committee on Armed Services.

By Mr. JOHNSTON (for himself, Mr. LONG, Mr. BENTSEN, and Mr. TOWER):

S. 922. A bill to recognize the joint development by the State of Texas and the State of Louisiana of a recurring and environmentally sound source of energy represented by the Toledo Bend Dam and Reservoir and exempt Sabine River Authority, State of Louisiana, and Sabine River Authority, State of Texas, from charges for use, occupancy, and enjoyment of certain lands of the United

States within the Sabine National Forest, Texas; to the Committee on Energy and Natural Resources.

By Mr. LEAHY (for himself, Mr. McGovern, and Mr. Durkin):

S. 923. A bill to amend the Atomic Energy Act of 1954, as amended, to establish within the Nuclear Regulatory Commission an Office of Nuclear Energy Public Counsel in order to improve the regulation of civilian nuclear energy; to the Committee on Governmental Affairs.

By Mr. McCLURE:

S. 924. A bill to provide for protection of the John Sack Cabin, Targhee National Forest in the State of Idaho; to the Committee on Energy and Natural Resources.

By Mr. INOUYE (for himself, Mr. Matsunaga, and Mr. Randolph):

S. 925. A bill to provide for the establishment of an Office for Minority Concerns; to the Committee on Labor and Human Resources.

By Mr. McGOVERN (for himself and Mr. Leahy):

S. 926. A bill to provide for a temporary suspension of the granting of future operating licenses for nuclear fission powerplants pending a review of existing and potential safety defects associated with such plants; to the Committee on Environment and Public Works.

By Mr. JACKSON (for himself, Mr. Morgan, and Mr. Goldwater) (by request):

S. 927. A bill to authorize the Smithsonian Institution to plan for the development of the area south of the original Smithsonian Institution building adjacent to Independence Avenue at 10th Street, Southwest, in the city of Washington; to the Committee on Rules and Administration.

By Mr. STONE:

S. 928. A bill to amend the Food Stamp Act of 1977 to eliminate certain restrictions on excess shelter expense deductions with respect to households that are comprised exclusively of members who are 60 years of age or over or who are recipients of benefits under title XVI of the Social Security Act and to allow a deduction for certain medical expenses in the computation of the income for these families; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. JEPSEN:

S. 929. A bill to amend title 38 of the United States Code to promote the care and treatment of veterans in State veterans' homes; to the Committee on Veterans' Affairs.

By Mr. PERCY (for himself and Mr. Durenberger):

S. 930. A bill to amend the National Energy Conservation Policy Act to prohibit free Federal employee parking; to the Committee on Governmental Affairs.

By Mr. PERCY (for himself, Mr. Domenici, Mr. Heinz, Mr. Kennedy, and Mr. Tsongas):

S. 931. A bill to provide specific encouragement to localities for the development of energy management programs directed toward the implementation of energy conservation strategies and renewable resource-based technologies; to the Committee on Energy and Natural Resources.

By Mr. PROXMIRE:

S. 932. A bill to extend the Defense Production Act of 1950, as amended; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. WILLIAMS (for himself, Mr. Proxmire, and Mr. Garn) (by request):

S. 933. A bill to extend the authorization of appropriations for the National Neighborhood Reinvestment Corporation; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. STEVENS (for himself, Mr. Hollings, Mr. Magnuson, and Mr. Weicker):

S.J. Res. 61. A joint resolution to authorize the President to issue a proclamation designating the week beginning May 20 through May 26, 1979, as "National Oceans Week."

By Mr. PELL:

S.J. Res. 62. A joint resolution to declare May 18, 1979, to be "National Museum Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MAGNUSON (for himself, Mr. Jackson, Mr. Stevens, and Mr. Gravel):

S. 917. A bill to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, and for other purposes; to the Committee on Commerce, Science, and Transportation.

FISHERY CONSERVATION AND MANAGEMENT AUTHORIZATIONS

● Mr. MAGNUSON. Mr. President, today I am introducing on behalf of myself and Senators Jackson and Stevens, a bill to extend the authorization for appropriations for the Fishery Conservation and Management Act. For the fiscal year ending September 30, 1980, the bill provides for an authorization of $30 million. For the fiscal years ending September 30, 1981 and 1982, the bill provides for authorizations of $40 million and $47 million. These figures are based upon the best available estimates of the needs for future FCMA funding. The programs which are funded as a result of the FCMA's extension of fishery management jurisdiction include resource assessment, environmental impact analysis, support of the eight regional management councils, enforcement and surveillance, economic and statistical information gathering, NOAA fleet operations, and other programs.

Mr. President, the Fishery Conservation and Management Act is the most important, challenging, and constructive fisheries legislation in the history of this country. I am pleased to inform my colleagues that it is also performing as well, if not better, than we had hoped. New investment in our fishing industry is taking place at a very rapid rate. Foreign fishing off our shores is steadily decreasing, and our domestic fishermen are increasing their catch. For example, since 1977 when the act was first implemented, there has been a 27-percent decrease in the foreign catch.

The fishery resources within 200 miles of the U.S. coastline constitute approximately 20 percent of the world's harvestable resources. This country thus has an obligation to properly manage these resources, and we are still working hard to get some of the stocks, that were so badly overfished prior to the enactment of the FCMA, back to optimum levels. Over the next decade, the implementation and application of the act's statutory mechanisms should bring our fisheries efforts in line with sound conservation and management requirements, and at the same time help our own U.S. fishing industry take full advantage of our fishery resources. In this regard, we can expect to see our fishing industry help reduce our foreign trade deficit, provide substantial domestic economic benefits, and provide an important source of improved nutrition for the American consumers.

The continued adequate funding for this legislation is essential to accomplishing these objectives, and I encourage my colleagues to support this extension of the authorization for appropriations.

Mr. President, section 2 of this act is also a very important provision. This section would amend section 4311 of the Revised Statutes, which is part of the Shipping Code, to plug a loophole that has recently surfaced and was not foreseen at the time of the enactment of the FCMA. The loophole revolves around the fact that a vessel that wants to engage in the American fisheries must be a U.S. flag, U.S.-built vessel. This has been the case since 1793, and since the passage of the FCMA, it has resulted in very large capital commitments to build fishing vessels in U.S. shipyards. In fact, in the Pacific Northwest alone I have been informed that this investment is between $400 and $600 million. The problem that has arisen is that under the shipping laws "engaging in the fisheries" is being interpreted to mean the same thing that it did in 1978, that is, fishing within 3 miles of our shores or landing one's catch. It does not take into account the enactment of the FCMA and the extension of the U.S. fishery jurisdiction. The result is that a foreign fishing vessel can come into the United States, switch over to the U.S. flag, and then fish freely with all the priviliges of a U.S. vessel outside 3 miles— even though it was never built here.

Mr. President, the recent unexpected discovery of this loophole jeopardizes the substantial investments that are presently being made at a rapid rate in our shipyards. It is also grossly unfair to those fishermen who in good faith have built their vessels in our yards and who have made substantial monetary commitments to expand the U.S. fisheries on the assumption that the law means what it appeared to say. This loophole puts these fishermen at an unfair competitive disadvantage.

The amendment is a very simple one. It merely defines "engaging in the fisheries" as taking fish anywhere within our 200-mile zone. This was certainly Congress intent when it passed the FCMA. and this amendment merely clarifies the ambiguity of an outdated shipping law interpretation of what the "fisheries" means.●

● Mr. GRAVEL. Mr. President, the intention of the Fishery Conservation and Management Act, the Jones Act, and the Coast Guard documentation laws are all quite clear. They were designed to encourage the American fishing industry, with American-built vessels to catch, process, and market the fishery resources in the waters of the 200-mile fishery conservation zone.

These three separate laws, however, were enacted at different times, and each addressed itself to separate but related fisheries issues. As a result the three acts are not completely coordinated.

A strict application of the three laws as they presently read would allow American fishermen on foreign-built vessels to fish in the fishery conservation zone as long as they delivered their catches to American-built vessels outside the 3-mile territorial sea. By not delivering their catches on shore or within the 3-mile territorial sea, the longstanding tradition that American fishermen fish from domestic-built boats could be circumvented.

I do not believe that such a departure from the long established practice of American fishermen operating American vessels should be allowed.

I, therefore, am pleased to be able to join my colleagues in introducing today an amendment to section 4311 of the Revised Statutes (46 U.S.C. 251) which will have the effect of insuring that the letter of U.S. fisheries law corresponds to its widely accepted intent. With passage of this amendment, the long observed tradition that domestically constructed fishing vessels should be used in the U.S. fishing industry will be maintained intact.

The State of Alaska has a particularly keen interest in an amendment of this nature. Both the fishing and fishing vessel construction industries have entered a phase of growth unseen for at least a generation.

The fisheries development potential in the Alaskan bottom-fishery is a subject of great interest, and many of the new fishing vessels presently under construction throughout the United States are destined for the waters of Alaska.

To allow circumvention of the domestic-built ships for the domestic fisheries law would create widespread uncertainty and unnecessary confusion in the resurgent fishing industry.

Passage of this amendment will insure that the intention of several legislative acts, which date back more than a century, will be maintained inviolate.●

By Mr. NELSON (for himself, Mr. NUNN, Mr. CULVER, Mr. HUDDLESTON, Mr. SASSER, and Mr. WEICKER):

S. 918. A bill to authorize the Small Business Administration to make grants to support the development and operation of small business development centers in order to provide small business with management development, technical information, product planning and development, and domestic and international market development, and for other purposes; to the Select Committee on Small Business.

SMALL BUSINESS DEVELOPMENT CENTER ACT OF 1979

● Mr. NELSON. Mr. President, I am today introducing the Small Business Development Center Act of 1979. This bill, when passed, will help provide management and technical assistance for small businesses through State-administered programs.

I first introduced a similar small business development center bill, S. 972, on March 10, 1977. After several days of thorough and comprehensive hearings, S. 972 was favorably reported by the Small Business Committee and then passed unanimously by the Senate on August 5, 1977.

The measure was later incorporated as title II of H.R. 11445 which passed the Congress last fall. Regrettably, that bill did not become law for reasons having nothing to do with title II.

It would be useful to provide some background information as to why the Small Business Development Center program is so critically important to the small business sector.

Small business plays a major role in the Nation's economy. It employs 55 percent of the private sector workforce, constitutes 97 percent of the business population, contributes 43 percent of the gross national product and produces over 50 percent of the Nation's product innovations. Despite these impressive statistics, Small Business Committee hearings have produced data which indicate that the small business sector is encountering major economic difficulties. For example, 400,000 small concerns cease doing business each year; small businesses' total share of commercial and industrial assets has dropped from 50 percent in 1960 to 30 percent in 1972; the share of business profits of independent concerns has fallen from 41 percent in 1960 to 25 percent in 1972; and, only 44 percent of those small companies started, survive their first 2 years of operation. Additionally, smaller firms have experienced difficulty in increasing their sales in foreign markets, which in turn exacerbates America's trade deficit problem.

Testimony, letters, and conversations with small business owners and managers blame these statistical declines on: Increasing Federal, State, and local regulatory burdens; continuing economic uncertainty coupled with inflationary pressures and high cost of money; lack of easily accessible and sophisticated management counseling; energy shortages, tax disadvantages and inequities; increasing industrial concentration, foreign competition, and rapidly advancing technology.

Normally, all businesses, large and small, face these problems. But small firms lack the resources of large corporations' sophisticated in-house specialists in legal, accounting, finance, marketing, and other such areas. These same small firms are sometimes economically unable to retain expensive outside consultants on a sustained basis. The Small Business Administration is not a viable source of management or technical assistance, because the overwhelming majority of its resources are employed to assist those companies who are client-borrowers. Independent small business entrepreneurs are forced, therefore, to confront the overwhelming complexities of the marketplace literally alone.

The small business development centers that would be established by this legislation are designed to fill this management and technical assistance gap by furnishing independent, local small business firms with free, locally available, expert resources to help them with a multiplicity of diverse business problems. These services would be provided through an extension-style delivery system utilizing the resources of public and private colleges, universities, community colleges, private consulting groups and firms and private research laboratories and organizations located throughout each State.

The development center concept did not originate in Washington. Instead, farsighted venture capital managers, small business individuals and associations, and management consultants recognized that basic, fundamental small business management and technical needs were not being met by either the public or private sectors. Collaborating with leaders in the academic community, educational institutions were persuaded to mobilize their resources to provide assistance. Colleges and universities established and operated the first centers with minimal budgets funded by Federal, State, and local governments, regional commissions, large corporations, and private foundations. The focus of each center varied from State to State, but gradually evolved to provide a broad range of services by coupling the resources of the participating schools with existing publicly and privately sponsored programs.

As the centers became more involved with the entrepreneur's needs, they expanded their services and thereby encountered funding limitations. Financial assistance from SBA was sought as a result. Recognizing the value of these centers, but severely limited by agency budget constraints, SBA was able to provide only $350,000 for fiscal year 1977, $900,000 in fiscal year 1978, and $1.83 million in fiscal year 1979. These funds have been used to provide seed money for 10 centers on a pilot project basis. Since these funds cover only a very small portion of each center's actual and projected operating costs, there is serious question whether the centers can become genuinely viable. Furthermore, only a small fraction of small businesses needing assistance can obtain it given the centers' financial constraints.

The outgoing SBA Administrator in his last appearance before the Small Business Committee in February 1977, and the present SBA Administrator, in his confirmation hearing, March 31, 1977, both testified that the development center program had the greatest potential for delivering management and technical assistance to the largest number of small businesses in the most efficient and simplest manner possible. They both urged the Small Business Committee to act on this much needed legislation in order to provide a legitimate test of the program concept.

The Small Business Development Center Act of 1979 is modeled after the Agricultural Extension Service. The program mandated by the act is designed to provide an array of management and technical consulting services through locally based centers situated throughout the State. Although affiliated with universities and colleges, it is intended that only personnel with business backgrounds will staff and manage the centers. As a matter of fact, the bill directs that a center must have a director, business analysts, technology transfer agents, and information specialists all employed on a full-time basis.

The SBDC legislation directs that the program be a "hands on" type of service in that small businesses should be able to obtain specific advice on a 1-to-1 basis in such areas as: Operations, manufacturing, engineering, technology exchange and development, personnel administration, marketing, sales, merchandising, financial management, accounting, and business strategy development.

Both manufacturing, service, and retail firms will benefit from the full service centers. I also wish to point out that private management consultants and other professional people will also find the program to be beneficial. The centers will not only contract with such people to provide counseling and assistance in selected instances, but will refer small businesses to professional consultants if the case is either beyond the scope of the center's expertise or there is need for additional followup assistance.

It is intended that approximately 15 States will be selected to participate in a pilot program for a period of 3 to 4 years to test the validity of the SBDC concept. Hopefully funds will be authorized on a basis similar to the H.R. 11445 formula which was: $8 million in fiscal year 1980; $18 million in fiscal year 1981; $20 million in fiscal year 1982; and $22 million in fiscal year 1983.

Only after the program has undergone a comprehensive evaluation by both the SBA and GAO would the Congress, after consulting with the small business community, make a decision as to whether the program should be terminated or expanded to other States.

In summary, I am introducing this bill in order to:

First, expand the pilot program into a meaningful test that would allow approximately 15 States to participate; second, provide sufficient funds for establishing and operating the statewide centers; third, provide specific program objectives and guidelines; and fourth, provide a mechanism to evaluate the program's effect on the small business sector.

This legislation would bring immediate relief to many small concerns. Experiences of existing centers indicate that the program would have the following impact: 70,000 to 100,000 small businesses would receive counseling annually; 100,000 to 150,000 jobs would be created or saved annually; over 3,000 small businesses would show significant improvement in sales and profits; and at least 200,000 persons annually would attend seminars and workshops sponsored by the centers.

The cost effectiveness of these anticipated results is impressive. It is expected that the state centers would have a highly beneficial effect on American small businesses, paralleling the highly successful agricultural extension programs which, since the 1860's, have helped to make this country's farmers the most efficient and productive in the world.

Mr. President, I ask unanimous consent to have the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 918

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

"SECTION 1. This Act may be cited as the 'Small Business Development Center Act of 1979'.

"SEC. 2. The Small Business Act is amended by redesignating section 21 as section 30 and by inserting the following new section:

"SEC. 21. (a)(1) The Administration is authorized to make grants to, or to enter into contracts or cooperative agreements (herein referred to as grants) with, any State government or any agency thereof, any regional entity, any State-chartered development credit or finance corporation, any public or private institution of higher education, including but not limited to any land-grant college or university, any college or school of business, engineering, commerce, or agriculture, community college or junior college, or to any entity formed by two or more of the above entities (herein referred to as 'applicants') to assist in establishing Small Business Development Centers and to any such body for: small business oriented employment or natural resources development programs; for studies, research, and counseling concerning the managing, financing, and operation of small business enterprises; for technological assistance, technical and statistical information for small business enterprise; for the delivery or distribution of such services and information; and for providing access to business analysts who can refer small business concerns to available experts.

"(2) The Administration shall require, as a condition to any grant (or amendment or modification thereof) made to an applicant under this section, that an additional amount (excluding any fees collected from recipients of such assistance) equal to the amount of such grant be provided from sources other than the Federal Government: *Provided*, That the additional amount shall not include any amount of indirect costs or in kind contributions paid for under any Federal program, nor shall such indirect costs or in kind contributions exceed 50 per centum of the non-Federal additional amount: *Provided further*, That a recipient of funds under this section shall receive a grant of no less than $250,000 or its pro rata share of a $60,000,000 program in fiscal year 1980, a $70,000,000 program in fiscal year 1981, and a $75,000,000 program in fiscal year 1982, based upon the population to be served by the Small Business Development Center as compared to a total population in the United States, whichever amount is greater.

"(b)(1) During fiscal years 1980, 1981, 1982, and 1983 financial assistance shall not be made available to any applicant if approving such assistance would be inconsistent with a plan for the area involved which has been adopted by an agency recognized by the State government as authorized to do so and approved by the Administration in accordance with the standards and requirements established pursuant to this section.

"(2) An applicant may apply to participate in the program by submitting to the Administration for approval a plan naming those authorized in subsection (a) to participate in the program, the geographic area to be served, the services that it would provide, the method for delivering services, a budget, and any other information and assurances the Administration may require to insure that the applicant will carry out the activities eligible for assistance. The Administration is authorized to approve, conditionally approve or reject a plan or combination of plans submitted. In all cases, the Administration shall review plans for conformity with the plan submitted pursuant to paragraph (1) of this subsection, and with a view toward providing small business with the most comprehensive and coordinated assistance in the region, State or part thereof to be served.

"(3) At the discretion of the Administration, the Administration is authorized to permit a Small Business Development Center to provide advice, information and assistance, as described in subsection (c), to small businesses located outside the State, but only to the extent such businesses are located within close geographical proximity to the Small Business Development Center, as determined by the Administration.

"(c)(1) Applicants receiving grants under this section shall assist small businesses in solving problems concerning operations, manufacturing, engineering, technology exchange and development, personnel administration, marketing, sales, merchandising, finance, accounting, business strategy development, and other disciplines required for small business growth and expansion, innovation, increased productivity, and management improvement, and for decreasing industry economic concentrations.

"(2) A state Small Business Development Center shall provide services as close as possible to small businesses by providing extension services and utilizing satellite locations when necessary. To the extent possible, it also shall make full use of other Federal and State government programs that are concerned with aiding small businesses. A Small Business Development Center shall have—

"(A) a full-time staff including a director to manage the program activities;

"(B) business analysts to counsel, assist, and inform small business clients;

"(C) technology transfer agents to provide state of the art technology to small businesses through coupling with national and regional technology data sources;

"(D) information specialists to assist in providing information searches and referrals for small businesses;

"(E) access to part-time professional specialists to conduct research or to provide counseling assistance whenever the need arises; and

"(F) access to laboratory and adaptive engineering facilities.

"(3) Services provided by a Small Business Development Center shall include, but shall not be limited to—

"(A) furnishing one-to-one individual counseling to small businesses;

"(B) assisting in technology transfer, research, and coupling from existing sources to small business concerns;

"(C) maintaining current information concerning Federal, State, and local regulations that affect small businesses and counsel small businesses on methods of compliance. Technology development shall be provided when necessary to help small businesses find solutions for complying with environmental, energy, health, safety, and other Federal, State, and local regulations;

"(D) coordinating and conducting research into technical and general small business problems for which there are no ready solutions;

"(E) providing and maintaining a comprehensive library that contains current information and statistical data needed by small businesses;

"(F) maintaining a working relationship and open communications with the financial and investment communities, legal associations, local and regional private consultants, and local and regional small business groups and associations in order to help address the various needs of the small business community;

"(G) conducting in-depth surveys for local small business groups in order to develop general information regarding the local economy and general small business strengths and weaknesses in the locality; and

"(H) continuing to upgrade and modify its services, as needed, in order to meet the changing and evolving needs of the small business community.

"(d) Regional Small Business Development Centers may be established to support State Small Business Development Centers when the Administration, with the advice of the Board, determines a need for providing assistance and information on technical or specialized problems such as, but not limited to high technology transfer and utilization and regional data acquisition that may require capital intensive research and which transcend State boundaries. Regional Small Business Development Centers shall be provided a specific charter and staff according to the services they will be expected to provide. Their assistance shall be available to all State Small Business Development Centers participating in the program.

"(e) Laboratories operated or funded by the Federal Government are authorized and directed to cooperate with the Administration in developing and establishing programs to support the Small Business Development Centers by making facilities and equipment available; providing experiment station capabilities in adaptive engineering, providing library and technical information processing capabilities; and providing professional staff for consulting. The Administration is authorized to reimburse the laboratories for such services.

"(f) The National Science Foundation and innovation centers supported by the National Science Foundation are authorized and directed under this section to cooperate with Small Business Development Centers participating in this program. The National Science Foundation shall report annually on the performance of such centers with recommendations to the Small Business Administration and the Congress on how such innovation centers can be strengthened and expanded. The National Science Foundation shall include in its report to Congress information on the ability of innovation centers to interact with the Nation's small business community and recommendations to the Small Business Administration on continued funding.

"(g) The National Aeronautics and Space Administration and industrial application centers supported by the National Aeronautics and Space Administration are authorized and directed under this section to cooperate with Small Business Development Centers participating in this program. The National Aeronautics shall report annually on performance of such centers with recommendations to the Small Business Administration and the Congress on how such industrial application centers can be strengthened and expanded. The National Aeronautics and Space Administration shall include in its report to Congress information on the ability of industrial application centers to interact with the Nation's small business community and recommendations to the Small Business Administration on continued funding.

"(h) The Administrator shall appoint a Deputy Associate Administrator for Management Assistance who shall report to the Associate Administrator for Management Assistance and who shall serve without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51, and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rate not less than the rate of GS–17 of the General Schedule.

"(i) The sole responsibility of the Deputy Associate Administrator for Management Assistance shall be to administer the Small Business Development Center program. Duties of the position shall include, but are not limited to, recommending the annual program budget, reviewing the annual budgets submitted by each applicant, establishing appropriate funding levels therefore, selecting applicants to participate in this program under this section, implementing the provisions of this section, maintaining a clearinghouse to provide for the dissemination and exchange of information between centers, concluding agreements with Federally supported laboratories and centers and Federal agencies to provide technology assistance for this program, and conducting audits of recipients of grants under this section. The Deputy Associate Administrator for Management Assistance shall confer with and seek the counsel of the Board in carrying out the responsibilities described in this section.

"(i)(1) There is established a National Small Business Development Center Advisory Board (herein referred to as "Board") which shall consist of nine members appointed from civilian life by the Administrator and who shall be persons of outstanding qualifications known to be familiar and sympathetic with small business needs and problems. No more than three members shall be from universities or their affiliates and six shall be from small businesses or associations representing small business. At the time of the appointment of the Board, the Administrator shall designate one-third of the members and at least one from each category whose term shall end in two years from the date of appointment, and a second third whose term shall end in three years from the date of appointment, and the final third whose term shall end in four years from the date of appointment. Succeeding Boards shall have three-year terms, with one-third of the Board changing each year.

"(2) The Board shall elect a Chairman and advise, counsel, and confer with the Deputy Associate Administrator for Management Assistance in carrying out the duties described in this section. The Board shall meet at least quarterly and at the call of the Chairman of the Board. Each member of the Board shall be entitled to be compensated at the rate not in excess of the per diem equivalent of the highest rate of pay for individuals occupying the position under GS–18 of the General Schedule for each day engaged in activities of the Board and shall be entitled to be reimbursed for expenses as a member of the Board.

"(i) The Administration, with the advice of the Board, shall establish a plan for evaluation of the Small Business Development Center program which may include the retaining of an independent concern to conduct an evaluation. The evaluation shall be both quantitative and qualitative and shall determine—

"(1) the impact of the Small Business Development Center program on small businesses and the socioeconomic base of the regions served; and

"(2) the multidisciplinary resources the Small Business Development Center program was able to coordinate to assist small businesses.

For the purpose of these evaluations, the Administration is authorized to require any Small Business Development Center or party receiving assistance under this section to furnish it with such information annually or otherwise as it deems appropriate. The first such evaluation shall be completed and submitted to the Senate Select Committee on Small Business and the Committee on Small Business of the House of Representatives no later than the third year after the date of enactment of this section and each year thereafter.".

Sec. 3. The Small Business Act is amended by striking subsection 7(d)(1) and inserting the following:

"(d)(1) The Administration shall not fund any Small Business Development Center program, or any variation thereof, except as authorized in section 21 of this Act"." ●

● Mr. NUNN. Mr. President, I am pleased to join today with my distinguished chairman, Senator NELSON, and other of my colleagues in introducing the Small Business Development Center Act of 1979. As the chairman has pointed out, this bill would provide for a 4-year pilot program whereby small business development centers can be established to provide management, technical, and technological assistance to small businesses.

Mr. President, as a member of the Senate Select Committee on Small Business since coming to the U.S. Senate, I am encouraged by the growing awareness on the part of the Congress, the executive branch, and the American people of the importance of the small business sector to our nation's future. On several occasions, I have reminded my colleagues of the important share that small businesses contribute to our gross national product, our employment, and our overall productivity; while I will not recite these statistics once again, I do want to remind the Senate that, despite small business' outstanding contributions to our economic health and prosperity, this important sector is encountering major economic difficulties. The reasons for these are familiar and numerous. Among them are the burdens of paperwork and federal regulation, our continuing energy crisis, inflation, and the high cost of money.

However, the Small Business Committee has discovered that approximately 90 percent of all small business failures are caused by management inadequacies. Therefore, while providing increased money for loan guarantees and other Federal programs are important, they often do not help to solve the management deficiencies which are at the heart of the problem. Small businesses need help in product planning; they require management assistance; they need aid in marketing and financial analysis; they deserve access to the technology that over $350 billion of their own tax money has helped to pay for since 1947 in research and development projects. Large corporations have inhouse assistance available, where they can hire expensive staff and consultants to keep them abreast of changing market conditions and to provide management assistance. All too often, small businesses are simply forced out of the market. As I have stated before, it is a national tragedy that over 50 percent of new businesses, many of them small, fail during the first 5 years.

We must mobilize our available public and private resources to meet this need. Furthermore, we can do so at relatively little additional cost to the taxpayer. We have only to turn to the agricultural sector for an outstanding example of how this can be done.

Over 100 years ago, the Morrill Act was passed by Congress. This measure, along with the Smith-Lever Act, established the Agricultural Cooperative Extension Service. Today, as a result, the United States is a leading world food producer. In the last three decades alone, the average annual improvement in output per manhour was 5.9 percent for the farm sector, while trade and manufacturing had lagged behind at 2.9 percent. The tremendous success of this combination of universities, the Government, and the private sector for the agricultural community goes without question, and it is a program that I believe is worth duplicating.

Mr. President, I believe that the SBDC Act would be a major step in this direction. The Small Business Administration has already realized the importance of this approach by providing limited funding, beginning in fiscal year 1977, for eight centers on a pilot project basis. I am particularly pleased that the University of Georgia was one of the original eight centers, and has established an outstanding track record of assistance to small business. I want to emphasize, at this point, that I agree with the pilot project approach; it is not the intent of the authors of this legislation to create, in one stroke, a complete, nationwide program. However, I also believe that it is equally important that this concept be given a fair chance through a meaningful test program that has clear criteria for the selection of centers, adequate funding, specific program objectives, and a mechanism to evaluate the program's effectiveness.

It is for this reason that I believe the legislation we are introducing is vitally needed. It provides definite objectives for the program, criteria for participant selection, a matching-grant formula, and an adequate funding mechanism for approximately 15 States to reasonably test the program.

During the 95th Congress, I was an original cosponsor of this legislation's predecessor, S. 972, which was approved by the Senate, and ultimately included in the Omnibus Small Business Administration authorization bill, H.R. 11445. While H.R. 11445 was pocket-vetoed by President Carter, I am pleased to note that the SBDC provision was not cited as a reason for so doing. I am, therefore, hopeful that the bill we are introducing today, which is virtually identical to the provisions of H.R. 11445, can once again receive approval by the Congress, and be signed into law. I commend this bill to my colleagues for their careful study, and hopefully, their full support.●

By Mr. McGOVERN:

S. 921. A bill to amend chapter 55 of title 10 of the United States Code to qualify certain former spouses of members of the uniformed services for medical and dental benefits, and for other purposes; to the Committee on Armed Services.

HEALTH BENEFITS FOR DIVORCED NON-MILITARY SPOUSES

● Mr. McGOVERN. Mr. President, I am today submitting legislation designed to eliminate one area of injustice that has for too long escaped the attention of almost all but those who have suffered directly from its unfairness. This bill provides health benefits for the divorced spouses of military personnel to continue when the marriage ends after a minimum of 20 years.

It is easier to understand the reason for this legislation because of the definition and explanation given to the displaced homemaker in our society. The legislation I am presenting deals with a unique kind of displaced homemaker with a unique financial problem. When a military spouse is divorced after any number of years of marriage, the instant the divorce is final the health (medical and dental) care benefits are ended.

At that point, most of these spouses are not eligible for medicare, and often it is just not possible to obtain health insurance at a cost that can be handled by the nonmilitary spouse (realistically almost always the wife) who is then put in the position of being a displaced homemaker—someone who because of the set-up of the transitory, professional military life has not had the opportunity to build a career or acquire technical skills allowing them to move with ease into the private job market and thus into private or group health insurance plans. Additionally, if there is any indication of a medical problem, eligibility for either plan becomes impossible.

We have in recent legislation provided for special Federal responsibilities in the Comprehensive Employment and Training Act, and among those responsibilities are projects to help not only displaced homemakers, but also other special Americans such as migrant and seasonal workers, veterans, handicapped, and native Americans. Each of these groups must be given the training and opportunity to contribute to the work force, and I think it is with the same concern for the contributions made by the wives of military personnel to this country that we must consider this legislation.

These wives, by necessity, dedicate their lives to the defense of this country just as fully as any officer and should not suffer the indignity of having that country remove the health benefits if the marriage is dissolved after 20 years. We know that most marriages destined for break up usually do not reach the 20-year anniversary, and minor dependents, if there are any at that point, continue to receive the benefits, so we are talking about a very small number of individuals involved. Yet to those who have gone through the disruption of a divorce after 20 years of marriage it would be very important to know that another major expense will not be added.

I think we have a real responsibility to carry on the benefits that have been built up over the length of military service—service that required extraordinary family burdens by all members of the family, and service that should not be rewarded by adding unnecessary financial and medical hardships to individuals enduring the emotional distress of a divorce. The stopping of health benefits becomes almost a punitive measure against someone who has given a major part of their adult life to this country.

I do not believe it is our intent to provide these benefits for 20 years or more and then, when they are most needed, remove them only from the nonmilitary divorced spouse.

Mr. President, I submit this bill to the Senate and advise my colleagues that a companion bill has been introduced in the House of Representatives by Congressman John Burton. I ask unanimous consent that the text of the bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 921

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Paragraph (2) of section 1072 of title 10, United States Code, defining dependent, is amended—

(1) by striking out "and" at the end of subparagraph (E);

(2) by striking out the period at the end of subparagraph (F) and inserting in lieu thereof"; and "; and

(3) by adding at the end thereof the following new subparagraph:

"(G) an unremarried former spouse, if such former spouse was married to the member or former member for no less than twenty years."

Sec. 2.(a) Subsection (a) of section 1079 of title 10, United States Code, is amended by striking out "spouses and children" and inserting in lieu thereof "spouses, former spouses described in section 1072(2)(G), and children".

(b)(1) The headings of sections 1079, 1080, 1081, and 1083 of such title are each amended by striking out "spouses and children" and inserting in lieu thereof "certain dependents".

(2) The table of sections for chapter 55 of such title is amended by striking out "spouses and children" in each of the items relating to sections 1079, 1080, 1081, and 1083 of such title and inserting in lieu thereof "certain dependents".

Sec. 3. The amendments made by this Act shall take effect one hundred and eighty days after the enactment of this Act.●

By Mr. JOHNSTON (for himself, Mr. Long, Mr. Bentsen, and Mr. Tower):

S. 922. A bill to recognize the joint development by the State of Texas and the State of Louisiana of a recurring and environmentally sound source of energy represented by the Toledo Bend Dam and Reservoir and exempt Sabine River Authority, State of Louisiana, and Sabine River Authority, State of Texas, from charges for use, occupancy, and enjoyment of certain lands of the United States within the Sabine National Forest, Texas; to the Committee on Energy and Natural Resources.

TOLEDO BEND PROJECT PERTAINING TO EXEMPTION OF PAYMENT OF ANNUAL USE CHARGE

● Mr. JOHNSTON. Mr. President, today I am introducing for myself and Senators Long, Bentsen, and Tower, a bill which would exempt the Sabine River

Authorities of Texas and Louisiana from paying annual use charges for the use of Federal lands within the Sabine National Forest. These lands are currently used in conjunction with the Toledo Bend Dam and Reservoir. The Toledo Bend Dam and Reservoir was built as a bi-State project between the States of Texas and Louisiana without the use of any Federal funds. The present operation not only provides hydroelectric power and water for the region but also is a very popular recreational area. Unfortunately, for all the benefits the project provides for area residents, the State authorities must still pay use charges to the Federal Government. This is so even though, had the project been built with Federal money, no rental fees would need to be paid. A detailed history of this unique project follows. This same bill was introduced last session by Senator BENTSEN as S. 1149 for the same Senators named above. Although it was referred to the Energy and Natural Resources Committee and should have been acted on last Congress, the President's national energy plan kept us from giving this bill the important attention it needs. We hope our colleagues will give it close attention this year.

Mr. President, I ask unanimous consent that a history of the Toledo Bend project pertaining to exemption of payment of annual use charge be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HISTORY OF THE TOLEDO BEND PROJECT PERTAINING TO EXEMPTION OF PAYMENT OF ANNUAL USE CHARGE

The Toledo Bend Dam and Reservoir multi-purpose project on the Sabine River in the lower reach between Louisiana and Texas was studied by the Corps of Engineers many years ago. In a survey report published during 1940–41 the project was concluded to be not feasible because of an unfavorable benefits/cost ratio.

The proposed project, thus was totally dormant thereafter, although efforts were made early in 1950–51 by local interests to reactivate consideration at the Washington level. Such attempts were unsuccessful.

Discussions, however, continued between local interests representing the States of Louisiana and Texas for construction of the project at the bi-state level without Federal funding.

With the consent of Congress the States of Texas and Louisiana entered into a Compact for the comprehensive development of the water resources of the reach of the Sabine River common to both states. The Sabine River Compact was approved by the Texas legislature in 1953, by the Louisiana legislature in 1954, and the Congress in 1954.

This compact provided for joint development of projects such as the Toledo Bend Dam & Reservoir in the bi-state reach of the Sabine River. The legislatures of Texas and Louisiana each created a Sabine River Authority and designated such Agency as the responsible local entity for development of the Sabine River Basin within each respective state, including joint participation in the program of development (and construction) in the bi-state portion of the River, the boundary between Texas and Louisiana.

In 1955, the Sabine River Authorities of Louisiana and Texas entered into a contract agreement for the financing, construction, and operation of the jointly owned Toledo Bend Project and the complex and tedious work involved in developing this Project at the bi-state level without Federal participation or funding was initiated.

On October 14, 1963, the Federal Power Commission issued License No. 2305 to Sabine River Authority, State of Louisiana, and Sabine River Authority of Texas authorizing the construction of a dam, reservoir, and powerhouse on the Sabine River. The license authorized the utilization of 35,000 acres of Federal land within the Sabine National Forest at $2.40 per acre for a total of $84,000 annual land use charge.

Prior to issuance of the license, the FPC queried numerous Federal agencies concerning this proposed bi-state project. To our dismay, the Department of Agriculture recommended that the application be denied on the basis that if it was feasible for the States of Louisiana and Texas to build the project, it would probably be feasible for the Federal Government to do so, and the matter should thus, be restudied. This recommendation did not prevail.

On April 7, 1964, the Federal Power Commission approved a Power Sales Agreement for the sale of the power output of the project to three investor-owned utilities. The cost of the project was approximately $70 million. Approximately one-half of this cost was advanced to the Authorities by the two states. The remainder was financed by the issuance of revenue bonds which were secured by the income to be derived under the Power Sales Agreement. The utilities pay a fixed amount each year to a Trustee. Approximately $300,000 per year is remitted to the Authorities to operate the Project through the Toledo Bend Project Joint Operations after the Trustee makes the required Bond Premium payments.

In estimating the fixed amount of revenues which would be received annually from Power payments, the Authorities did not include any possible payments of any annual use charges for the 35,000 acres of land because such assessment was considered by both States to be unfair and contrary to the intent of Congress. When the license was accepted by the two States in order that construction of the much-needed Project could be commenced, it was specifically stated that the Authorities reserved the right to contest such annual charges to the States because the Project could be operated without profit and thus was exempt from any such payments.

The annual charge of $84,000 initially assessed was to be distributed as follows:

12 percent to the U.S. Treasury credited to miscellaneous receipts.

50 percent to reserve as a part of reclamation fund

37½ percent to the state within whose boundaries the (All of the land is located in Texas. Both states are being charged a fee, part of which will be returned solely to Texas with no return possible to Louisiana).

The Authorities have made applications to the Commission under Sec. 11.24 of the Regulations under the Federal Power Act which provides for an exemption from payment if the power is being sold at no profit. Applications have been submitted for each of the calendar years 1970, 1971, 1972, 1973, 1974, 1975, and 1976. A hearing on the applications for 1970–73 was conducted by the FPC before an Administrative Law Judge on May 12, 1975.

At the hearing, testimony and detailed statistical data were presented which showed that the Project was being operated without profit and that because of the total bonded indebtedness, repayment requirements and operating costs, the Project would never, in the foreseeable future, be considered as a monetarily profitable venture but rather as one providing benefits to the two States and the Federal Government without cost resulting from economic developments and, additionally, use and enjoyment by the citizens within the States and visitors from throughout the nation.

The total irony of the situation was also pointed out repeatedly during the 1975 FPC hearing, to wit: that here is a project where the States of Louisiana and Texas have developed and are operating this great and beneficial Water Resource Development Project on their own initiative and without costs to the Federal government and that while the Federal establishment for the past few years seemingly is trying to get more states' responsibility and cost participation in water development and reduced Federal activities in such, Texas and Louisiana are being penalized for having already done exactly what they are seeking.

These applications were denied by decision dated January 14, 1976. Authority attorneys filed an appeal direct to the Federal Power Commission and no further developments have ensued and no specific FPC commissioners' ruling has been made.

ENHANCEMENT

The U.S. Forest Service owns some 260 miles of shoreline and with only a 2 acre depth, this would be some 13,150 acres of lands which have been converted to valuable "shoreline" lands on the Toledo Bend Reservoir. The average value of this land in the period 1963–64 when land was being acquired for the project was $60 per acre. Due almost exclusively to the existence of the reservoir, the value of that same Federal land today has risen to at least $1,088 per acre. At this average value, the government has received a direct benefit of $14,307,200.

The Toledo Bend Project has created a tremendous recreation benefit to the United States of a type and nature that would be classified as a nonreimbursable expense of up to 15% of the cost of the Project had the Project been constructed by the Corps of Engineers or other Federal agency. The reservoir is readily accessible and has a population within a 70 mile radius of approximately 1,200,000. It is conservatively estimated that the annual attendance for recreation is 3,000,000 visitor days. It is estimated that recreation expenditures induced by the Project is about $12,500,000 per annum. It is believed that the benefits accrued from the Project for fish and wildlife and recreation on a similar Federal project would be sufficiently large to justify a minimum of 7 to 10 million dollars of the project cost on a nonreimbursable basis. In effect, then, the States of Texas and Louisiana, through their respective agencies, are providing a national benefit in the magnitude of $10,000,000 without cost to the Federal government or, in turn, its taxpayers.

The hydroelectric power plant makes use of a recurring source of energy rather than consuming our rapidly dwindling supply of fossil fuel. Its generation is not accompanied by pollution of atmosphere or water supply and is a small step forward in solving the problem of protecting the environment as well as alleviating the present critical shortage of energy.

The impounded waters of the reservoir provide an inland lake with navigable waters for a distance of about 60 miles. The report on the Comprehensive Basin Study Sabine River and Tributaries, Texas and Louisiana, completed in December 1967 indicates that the construction of a barge channel from the mouth of the river to Longview, Texas, will become economically justifiable in the year 2000 at which time the lake created by this project will constitute an important segment in the navigation system.

The retention of silt behind the Toledo Bend dam has reduced required dredging of the navigable channels and basins of the Sabine-Neches waterway by approximately 330,000 cubic yards. At a removal cost of approximately 30 cents per cubic yard, the

U.S. has received a direct benefit of approximately $100,000 annually.

The Toledo Bend Reservoir is the largest water conservation project in the Southwest and is a major supply for future electrical generating plants. The construction of the Reservoir has also improved the quality of the water downstream as shown by the continuous monitoring of the river by Federal and State agencies.

Economic developments in the immediate area of the Reservoir have served to bring about more businesses, more jobs, and improved living standards, all of which contribute to a higher level of taxable income to the Federal Government.

FEDERAL POSITION

That the recognition of the States' position that such assessment is discriminatory and unwarranted, would create a bad precedent for the future and that "other projects" of this nature would have to be given similar consideration. To this position, we comment: where before have any similar situations existed? Or will similar circumstances occur in the future?

That the Authorities have not established that the power furnished to the utilities companies, under the Power Sales Agreement, was not resold to the public without profit. To this we comment that the testimony presented by the utilities companies was totally disregarded.

In order to prove no profit was derived from the sale of power, the utilities would have to develop a "cost of services."

This "apparently" means that even if the utilities did not make a profit from sales to individual customers—the customers may have made a profit indirectly from the use of such power. This is a ridiculous interpretative stretching of the regulations and was never, we believe, so intended by the Congress.

That the annual fee charges is reasonable.

And despite the fact that testimony was presented that the assessment is unfair to the States and no funds are available for such payments. The matter is, of course, further complicated by the increase in charges (see below) after the hearing which makes the situation even more untenable. Perhaps, if this situation is not corrected by the Congress, the Federal government may have to take over the Project which would be highly inconsistent with the position that the states must accept more responsibility in developing, paying the cost of, and operating water development projects within the states concerned.

We have already paid. Any Federal assessments of any kind on this States' owned, paid for and operated Project is unreasonable, discriminatory, and inconsistent.

CURRENT STATUS

1971:

Application for exemption of annual use charge for year 1970 filed with FPC. Applications have been filed each year thereafter.

1974:

June 11—H.R. 15320 introduced by Congressmen Waggonner, Boggs, Breaux, Hébert, Long, Passman, and Treen of Louisiana and Patman and Wilson of Texas.

Oct. 8—Order by FPC set pre-hearing conference on exemption application for October 29.

Oct. 9—Hearing on H.R. 15320 by subcommittee on Forests and reported to Agriculture Committee.

Oct. 30—FPC notice of proposed rule change increasing charges to licensees.

Dec. 10—House Agriculture Committee recommends that H.R. 15320 do pass by Report No. 93-1551. House adjourned without considering.

1975:

Jan. 14—H.R. 1126 introduced by Congressman Waggonner referred to Committee on Agriculture.

May 12—FPC hearing before Administrative Law Judge on application for exemption from annual charges.

May 22—S. 1819 introduced by Senators Long, Johnston, Tower, and Bentsen.

Oct. 7—House subcommittee on Forests hearing on H.R. 1126—Hearing Report Serial No. 94-LL.

1976:

Jan. 14—Decision of FPC Administrative Law Judge denying applications for exemption.

Mar. 12—Brief on Exceptions of the Sabine River Authorities.

Dec. 29—FPC order changes the annual use charge fees. The charge had been $2.40/acre for 35,000 acres, or $84,000 annually. Under the Change Order, estimated new charges, assuming the current interest of 6⅜%, would be: 1977 35,000 ac. at $5.73 equal $200,500; 1978, 35,000 ac. at $7.65 equal $267,750; after 1978, 35,000 ac. at $9.56 equal $334,600.

1977:

Jan. 13—H.R. 1923 introduced by Congressmen Waggonner and Wilson.

Mar. 28—S. 1149 introduced by Senators Bentsen, Johnston, Long, Tower to exempt the Authorities from charges for use, occupancy, and enjoyment of U.S. lands within the Sabine National Forest.●

By Mr. LEAHY (for himself, Mr. McGOVERN, and Mr. DURKIN):

S. 923. A bill to amend the Atomic Energy Act of 1954, as amended, to establish within the Nuclear Regulatory Commission an Office of Nuclear Energy Public Counsel in order to improve the regulation of civilian nuclear energy; to the Committee on Governmental Affairs.

OFFICE OF NUCLEAR ENERGY PUBLIC COUNSEL ACT

Mr. LEAHY. Mr. President, Last August I introduced a bill that would have established within the Nuclear Regulatory Commission an Office of Nuclear Energy Public Counsel, an independent office in the agency to provide increased access to NRC proceedings for the public.

The reason I did that, Mr. President, was to make sure that we Vermonters have as much access to the NRC as the paid lobbyists from the various special interest groups.

The Public Counsel's Office would provide direct representation for citizens who would be directly affected by any decision of the NRC regarding nuclear plant licensing, siting, waste disposal, and even work stoppage orders.

Today, I am reintroducing that bill. The events of the past several weeks highlight the all too apparent need for further public access to the NRC's regulatory proceedings, access in the form of divergent and adequately represented viewpoints.

Mr. President, in recent weeks one important item has dominated the news and the public's attention. That item is energy.

I need not reiterate the problems this country has had with crude oil and refined products supply, including the skyrocketing prices for all oil products our consumers must now pay.

The energy supply situation was exacerbated recently when the Nuclear Regulatory Commission (NRC) shut down five nuclear power plants on the east coast, the region most dependent upon imported oil products. These plants were closed because it is believed their foundations could not withstand the shock from an earthquake. The design plans for these plants were found to have used faulty calculations in determining the amount of stress the plants' foundations could take, especially during an earthquake.

Numerous commentators have expressed indignation over these closings, saying that the probability of an earthquake on the east coast, of a magnitude to cause destruction, was so remote that closing these plants does not justify the extra 500,000 barrels of oil a day needed to generate electricity.

Mr. President, I live on the east coast, in Vermont, a small rural, Northern State that has one nuclear power plant. I know what we Vermonters are paying for a gallon of gasoline and home heating oil, but I also know that there is an amazing amount of earthquake activity on the east coast, as far north as Vermont and Quebec. The nuclear plant in my State has been besieged by any number of safety and operating problems, and, it seems, is closed down more than it is on line. I personally feel relieved that the NRC took immediate steps to insure the safety of the public by closing these plants, to determine what remedial steps must be taken before these plants start up again.

These events are overshadowed, however, by one recent event that carries severe ramifications for this country's future. I am speaking about the shutdown and near meltdown of the Three Mile Island Nuclear plant outside Harrisburg, Pa. What happened there last week brings no relief, only more anxiety and uncertainty over the future of nuclear power in this country and for this country's energy supply.

The news accounts of the accidents at Three Mile Island have absorbed the attention of not only the unfortunate residents of the area but of every person concerned with the future of nuclear power, whether they are pro- or anti-nuclear. I have followed the Three Mile Island situation very closely and have been distressed by the amount of conflicting and confusing information given us by Federal, State, and utility officials.

The story of the disabled plant has consumed considerable space in the newspapers and air time on the television. The Governor of Pennsylvania, Mr. Thornburgh, requested assistance from President Carter and nuclear experts of the Nuclear Regulatory Commission—to take control of stabilization and cleanup efforts, and also to provide a coherent source of information of what was happening.

Mr. President, this event highlights what I believe to be the most glaring deficiencies in our civilian nuclear power program—the Government's unswerving faith in nuclear fuel use and also the credibility of information given the public. At a time when this country is excessively dependent upon imported crude oil and, as we have seen, can be severely crippled by supply shortfalls and rapid price increases, many people including the Secretary of Energy are calling for a more rapid expansion of the nuclear power program—by shortening the bureaucratic time period for licensing powerplants and for plant safety hearings.

It has been reported that President Carter was ready to commit the United States to an expanded program of nuclear fuel use to help cut our dependency on oil. I support the President's efforts to curb our voracious appetite for fossil fuels. However, I seriously question the route he was going to take to accomplish that goal. I have expressed my dismay to him personally that our national energy policy does little to encourage the development and commercialization of appropriate alternative fuels, such as biomass, passive and active solar technology, and hydroelectric power, while it commits us to a fuel program that is as uncertain as solar photovoltaic technology.

If the events of the past week teach us nothing else, they must educate us all of the inexplicable folly of speeding up a program that is rife with uncertainties and potential dangers. Fear, uncertainty and anxiety permeate the public's reaction to the nuclear industry. Private citizens and experts in the field of nuclear physics have continually asked questions about nuclear safety—the safety of particular plants, the safety of transporting nuclear fuel and waste products, and the safety of nuclear waste disposal. These questions have yet to be answered to the satisfaction of many experts and of thousands of private citizens.

The generic questions about nuclear power remain, although last week's incidents have brought many of them into focus. Specific answers to questions about what actually occured that Wednesday and is still occurring will presumably have to wait now until the NRC has thoroughly investigated the situation. The public, however, cannot wait for some of these answers. The public in the 20-mile radius of the plant, those affected by potential evacuation plans and by the radiation, have not been well served by the many voices emanating from the plant, purportedly with the answers and reasons why.

The public in the vicinity of the country's remaining 70 operating nuclear plants, some of the identical design to the Three Mile Island plant, cannot wait for their nuclear plants to malfunction before they are told honestly and forthrightly of potential dangers to their health and well-being, and to their lands, from radiation. The people who rely on nuclear-generated electricity cannot wait until their power is turned off because a nuclear plant miles away is shut down and the utility cannot obtain sufficient oil to generate the electricity.

Recently released reports on NRC plant safety inspections condemn the agency for failing to have permanent safety inspectors at 56 plant sites and for delegating that onsite inspection responsibility mainly to the plant's construction firms. Is that not a little like hiring the fox to guard the chicken coop?

Construction permits have been granted for 90 new nuclear power plants. An additional 45 are in some phase of planning or are awaiting approval of their construction permits. With the 71 plants currently operating, these bring the total number of planned nuclear facilities to 206. Will these 206 be potential Three Mile Islands? It appears the public will never know until something does happen. I find that an abominable prospect.

Mr. President, last August I introduced a bill as an amendment to the Nuclear Regulatory Commission authorization bill for fiscal year 1979. The bill would have established an Office of Public Counsel within the NRC, an independent office in the agency to provide increased access to NRC proceedings for the public, who are the real parties-in-interest to agency proceedings. The Public Counsel's Office would provide direct representation for citizens not immediately alined with one special interest group or another, but who would be directly affected by any decision of the NRC regarding plant licensing, siting, nuclear waste disposal, and even work stoppage orders.

One resident of Middletown, Pa., a dairy farmer whose land is within sight of the disabled plant, was quoted in a newsstory saying that he never complained when the nuclear plant was being built. He admitted that he did not know enough to ask the right questions, that he and the rest of the area residents were not educated about what could go wrong. If such an Office of Public Counsel had been in place at the time the Three Mile Island plant was being planned, these beleaguered residents could have availed themselves of both the technical and legal expertise of the Office's lawyers.

Mr. President, today I am reintroducing my bill to establish within the NRC an Office of Public Counsel. The events of the past several weeks highlight the all-too-apparent need for further public access to the NRC's regulatory proceedings, access in the form of divergent and adequately represented viewpoints. The adequacy of public representation before the NRC was of great concern to me last year. This year, especially after last week's unfortunate incident, it is even more so.

We need an Office of Public Counsel to insure that the NRC is the forum used to decide the complex, technical issues and the broad policy questions relating to nuclear power. Commissioner Bradford, of the NRC, stated last summer that without citizen access to NRC proceedings, such issues will be resolved in other forums—either in the courtroom through lawsuits which only frustrate the process, or ultimately at the plant gates by citizen resistance movements.

This Public Counsel will have party status and legal standing for every proceeding, formal or informal, pending before the Commission. These lawyers for the public can also initiate proceedings before the NRC in a matter which involves the civilian applications of nuclear energy.

In short, the Public Counsel will allow representation for the people now disenfranchised. Whether it is representation of property owners protesting the proposed siting of a nuclear facility or waste disposal site, or of construction workers fighting the shutdown of a project, full representation is essential to assure the full and just resolution of these issues. My hope is that the Public Counsel will constructively represent the public interest on questions of the safe, reliable, efficient, and economical use of nuclear energy. That interest must be adequately represented so that we might avoid future Three Mile Island situations, or the construction of plants requiring unilateral closings.

It is ironic that at the time I introduced this bill last year, the nuclear plant in Vermont was shut down because of a serious crack in its torus, the safety shield. This past week the plant was again down for replacement of leaking fuel rods. Must I wait for a Pennsylvania situation to develop in my own State before I receive answers to these problems. Must my constituents be placed in jeopardy as have those within sight of the other plant before they cry out for the answers?

The time is now, while we are trying to recover from the worst nuclear powerplant disaster hopefully that this country will face, and now while we are considering speeding up our nuclear program with 135 new plants waiting in the wings.

There is an isolation and alienation built into Washington's institutions, especially those that decide nuclear power questions. The interplay between the various Federal agencies, the NRC, the DOE, the nuclear industry, and the environmental advocacy groups is shielded from public comment. The Public Counsel will add a new line of direct public involvement to strip away the feelings of mistrust and alienation, to bring the resolution of the complex issues before us into the public forum and to insure, not only public input, but public understanding of this energy source that is our Pandora's box.

Mr. President, the world is celebrating this year the 100th birthday of one of the world's greatest scientists, and one whom we call the father of the nuclear age. I am speaking, of course, of Albert Einstein. I would like to close with a quote of his which I believe to be particularly applicable to the situations we now face and to the bill I have just introduced. Dr. Einstein said this of nuclear energy:

> To the village square we must bring the facts of atomic energy. From there must come America's voice.

Mr. President, I ask unanimous consent that this bill, cosponsored by Senators McGovern and Durkin, be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 923

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Office of Nuclear Energy Public Counsel Act."

Sec. 2. (a) The Atomic Energy Act of 1954, as amended, is amended by adding at the end thereof the following new chapter:

"Chapter 20.—OFFICE OF NUCLEAR ENERGY PUBLIC COUNSEL

"Sec. 301. Establishment.—(a) There is established a new independent office affiliated with the Commission to be known as the Office of Nuclear Energy Public Counsel (hereinafter in this chapter referred to as the 'Office').

"(b)(1) Director; Term of Office.—The Office shall be administered by a Director. The Director shall be appointed by the President, by and with the advice and consent of the Senate.

"(2) The Director shall serve for a term of four years and shall be responsible for the discharge of the functions and duties of the office.

"(3) The Director shall be appointed and compensated without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, classification, and General Schedule pay rates, at a rate not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title.

"(c)(1) Powers and Duties.—The Director is authorized to appoint, fix the compensation, and assign the duties of the emloyees of the Office and to procure temporary and intermittent services to the same extent as is authorized under section 3109 of title 5, United States Code. Each bureau, office, or other entity of the Commission and each department, agency, and instrumentality of the executive branch of the Federal Government and each independent regulatory agency of the United States is authorized and directed to provide the Office with such information and data as it requests. The Director is authorized to enter into, without regard to section 3709 of the Revised Statutes of the United States (41 U.S.C. 5), such contracts, leases, cooperative agreements, or other transactions as may be necessary to carry out the functions and duties of the Office. The Director shall submit a monthly report on the activities of the Office to the Chairman of the Commission, and the Commission, in its annual report to the Congress, shall evaluate and make recommendations with respect to the Office and its activities, accomplishments, and shortcomings.

"(2) In addition to any other duties and responsibilities prescribed by law, the Office—

"(A) shall have standing to intervene in any proceeding, formal or informal, which is pending or initiated before the Commission and which involves civilian applications of nuclear energy;

"(B) may petition the Commission for the initiation of proceedings on any matter within the jurisdiction of the Commission which involves civilian applications of nuclear energy;

"(C) may seek judicial review of any Commission action on any matter involving civilian applications of nuclear energy to the extent such review is authorized by law for any person and on the same basis;

"(D) shall solicit, study, and evaluate the views of communities and users affected by proceedings initiated by or pending before the Commission, and shall present such views in any such proceeding whenever the Director determines for whatever reason, including but not limited to size and location, that any such community or user might not otherwise be adequately represented; and

"(E) shall independently evaluate the policies and activities of the Commission and other Federal agencies or instrumentalities which significantly affect the public interest in safe, efficient, reliable, and economical use of civilian nuclear energy, and shall have standing to represent such public interest in any proceeding which significantly affects such interest before the Commission or such other agency or instrumentality.

In the performance of its duties under this paragraph, the Office shall assist the Commission in the development of a public interest record in proceedings before the Commission.

"(3) Nothing in this chapter shall be construed to grant to the Office any power, duty, or jurisdiction over or related to matters dealing with national security or military applications of nuclear materials.

"Sec. 302. Concurrent Submission of Budget Requests and Estimates to President and Congress.—The budget requests and budget estimates of the Office shall be submitted concurrently to the Congress and to the President.

"Sec. 303. Authorization of Appropriations.—There are authorized to be appropriated to the Office for the purpose of carrying out the provisions of this section not to exceed $500,000 for the fiscal year ending September 30, 1980, and not to exceed $3,000,000 for the fiscal year ending September 30, 1981.".

Sec. 2(b). The amendment made by subsection (a) shall take effect ninety days after the date of enactment of this Act.

By Mr. McCLURE:

S. 924. A bill to provide for protection of the John Sack Cabin, Targhee National Forest in the State of Idaho; to the Committee on Energy and Natural Resources.

JOHNNY SACK CABIN

● Mr. McCLURE. Mr. President, today I am introducing legislation to preserve and protect a unique structure located in the Targhee National Forest in Idaho. Known as the Johnny Sack Cabin, this structure and surrounding smaller structures have become something of a local historic landmark. Constructed about 1932, the cabin is nestled in the trees overlooking Big Springs, a natural springs emitting warm, geothermally heated water year around. The setting of the cabin, the water wheel nearby, and the springs combine to provide a rare aesthetic beauty which has been enjoyed by countless thousands over the years. Countless artists and photographers have reproduced the scene many times since 1832.

The esthetic beauty of the area, including the cabin, is not the only reason for seeking its preservation, however. The original builder and owner of this cabin, Johnny Sack, was himself a unique individual.

A German immigrant, Johnny Sack stood only 4 feet 11 inches tall. Over the years, following his settlement in the area around 1931, Johnny Sack constructed the main cabin, and later the various other structures nearby, including a water-powered pumphouse, built around 1940.

Legend has it that Johnny Sack lived primarily off the land and, during the summer, held a variety of odd jobs. During the winter, he occupied himself with making improvements on the cabin and constructing furniture. Perhaps the cabin is most unique for its interior woodwork, which is of very high quality characterized by an interesting and attractive planed-bark finish. It remains today in excellent condition. Much of the original furnishings were also built by Sack, utilizing the same bark finishing technique. The workmanship exhibits considerable skill, imagination, and attention to detail.

While many have seen the cabin from the outside, generally from a parking area located across Big Springs, relatively few have seen the magnificent interior of the structure. It is with the intent that the inside of the cabin be opened in some fashion for public use, that I also introduce this legislation.

Johnny Sack was about 60 years old when he died in 1956. The cabin went to his sisters, who then sold it in 1963 to Mr. and Mrs. Rudy Kipp, the present owners and summer residents. Under the original special use permit issued by the Targhee National Forest, the cabin and approximately one-third acre of associated land will revert back to the Forest Service in 1980. The Forest Service has announced its intention to destroy this and 18 other structures in the area as part of their management plan. This proposed action has raised considerable controversy with local residents in the area who consider the cabin to be a historical landmark.

Though technically the cabin does not qualify to be nominated for inclusion on the National Register of Historic Places, it is considered by local residents and experts alike to be worthy of preserving. A recent cultural resource evaluation, undertaken by the USDA, states in part:

> This determination of significance does not mean that the property is lacking in all historic, architectural, or visual value. It could still be managed and preserved as a picturesque landmark for visitor enjoyment.

For some time now the Fremont County Historical Society has been seeking a method for preserving the Johnny Sack Cabin and surrounding area. The Historical Society, I believe, reflects the unanimous feelings of the residents in the area, and in fact all those who have visited the Big Springs area. Interestingly, it is the present owners of the cabin, Mr. and Mrs. Rudy Kipp, who are also seeking preservation, though they know that they must vacate ownership and residency in 1980. As Mrs. Kipp explained to me on a recent trip to the cabin:

> We have been very fortunate to have been able to enjoy this place for many years. The worst that could happen is to have it destroyed. We want it preserved so that the public can enjoy its beauty and uniqueness.

Though the Forest Service has not refused to consider allowing local public interest organizations, such as the Historical Society, to maintain and operate the cabin for public use under a special use permit, the society itself has expressed concern over the financial obligation involved.

After consultation with the Fremont County Historical Society, local Forest Service officials, and interested residents, the consensus is that a legislative solution best suits everyone's needs and desires.

Specifically this bill does nothing more than require the Forest Service to preserve and maintain the Johnny Sack Cabin and associated structures in their present form. It also requires the Forest Service to consult local interest organization, such as the Fremont County Historical Society, concerning the management and operation of the cabin and immediate area; and, in fact, allows the Forest Service to enter into a cooperative agreement for the management and protection of the area for the public use.

Mr. President, I believe this to be the solution best aimed at preserving this unique, beautiful, and historic cabin.

This will not only benefit the residents and frequent visitors to the area but, because of its proximity to Yellowstone and Grand Teton National Parks, will provide an informative and totally different experience for visitors and tourists from around the country.

Mr. President, I ask unanimous consent that the bill, together with two letters, indicating the positions of the Fremont County Historical Society and the Kipps, be printed in the RECORD.

There being no objection, the bill and letters were ordered to be printed in the RECORD, as follows:

S. 924

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of providing for the public use and enjoyment of the John Sack Cabin, Targhee National Forest, State of Idaho, and to protect and preserve such cabin as a unique example of craftsmanship, the Secretary of Agriculture, in consultation with the Fremont County Historical Society and other interested organizations, shall take such action as may be necessary in order to provide for the protection and maintenance of the John Sack Cabin and associated structures. In carrying out the requirements of this Act, the Secretary is authorized, in accordance with existing law, to enter into a cooperative agreement with, or to issue a special use permit to, an appropriate person or organization pursuant to which such person or organization shall provide such protection and maintenance.

SEC. 2. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

MAY 3, 1978.

Senator JAMES A. MCCLURE,
Dirksen Building, Washington, D.C.

DEAR SIR: We are the owners of the summer home built by Johnny Sack which is described in the attached newspaper articles. The land is leased from the Forest Service until the end of 1979 at which time the lease will not be renewed and the structures are to be removed.

The improvements, consisting of the main house shown in the newspaper article and a small structure with a water wheel at the rivers edge, were erected in the 1930's. Johnny Sack was a master craftsman in the construction utilizing native woods. The interior of this log house is trimmed with local pine with the bark still in place. The cupboards and most of the furniture are similarly built. The place is truly one of a kind.

We have had the pleasure of owning and living in this summer home for several years and wholeheartedly join with the residents of Fremont County in the belief that it should not be destroyed. We realize that we must give it up but strongly feel that it's destruction would be a great historical loss to the State of Idaho which already has a dearth of historical landmarks. The residents of Fremont County have indicated a concerned interest in the preservation of this property and we earnestly enlist your assistance in the support of this cause. If you are in the area during the coming summer we cordinally invite you to visit the site.

Once demolished this landmark is lost forever,

Sincerely,

Mr. and Mrs. R. B. KIPP.

APRIL 18, 1978.

Senator JAMES A. MCCLURE,
Dirksen Building,
Washington, D.C.

DEAR SIR: This letter is sent to you in regard of the beautiful cabin owned by Mr. and Mrs. Rudy Kipp and located at the Big Springs, Island Park, Idaho. It has become the concern of the Fremont County Historical Society, that this cabin is in danger of being destroyed. The land has been reclaimed by the United States Forest Service.

We would like to maintain the cabin as a historical site in its present beautiful setting. The cabin itself and furnishings is a work of art and to use this as a visitors center displaying the artistic work of local artists and authors would be of great benefit to the public. The short drive to Big Springs to see the wild life, feed the fish, the fantastic scenery of forest and steam, the exquisite beauty of the Kipp cabin complete with water wheel, would certainly be a breath taking adventure for all. This truly is a natural site for the public to absorb a bit of Island Park History. Surely the preservation of such a land mark is of concern to all.

May we please enlist your help in obtaining this site as a historical point of interest.

Thank you for your concern.

DOROTHY L. GIFFORD.●

By Mr. INOUYE (for himself, Mr. MATSUNAGA, and Mr. RANDOLPH):

S. 925. A bill to provide for the establishment of an Office for Minority Concerns; to the Committee on Labor and Human Resources.

MINORITY CONCERNS ACT OF 1979

● Mr. INOUYE. Mr. President, I am introducing legislation today on behalf of Senator MATSUNAGA, Senator RANDOLPH, and myself, which would amend the Community Mental Health Centers Act of 1963, in order to establish an Office of Minority Concerns within the Alcohol, Drug Abuse and Mental Health Administration.

The primary legislative mandates of this Office would be the development and effective utilization of knowledge about the ability of our Nation's minorities to cope with and adapt to society's stresses. I fully expect that, in this process, considerable emphasis will be placed on evaluating the present efforts of community mental health centers to assist minority consumers. The Office would also actively explore the effects of racism upon our various institutions. This overall mandate is consistent with one of the specific recommendations contained in the President's Commission on Mental Health preliminary report.

The Office will similarly be expected to aggressively emphasize the training of first, minority mental health workers, second, researchers from minority groups, and third, persons serving bicultural and bilingual groups. In our judgment, the accomplishment of these mandates will require both long-term institutional support programs and innovative demonstration project grants.

Presently, a center for minority mental health programs is established within the National Institute of Mental Health. This center has been operating for the past 7 years, and with minimal staff and financial resources, has made remarkable strides in focusing upon the often unique mental health needs and resources of our Nation's minority populations. To date, the center has funded at least 77 research projects and 25 training projects, including major grants to each of the four traditional mental health professional disciplines: Nursing, psychiatry, psychology, and social work.

Some of the money has been used by the American Nurses' Association and the American Psychologcal Association to establish congressional internship programs. In fact, over the past 2 years, I have had the special opportunity of having minority interns, sponsored by the nursing and psychological associations, serve in my office. The center funds six prototype research centers in various parts of the country directly relating to our Black, Asian and Pacific American, Hispanic, and Native American populations.

Minorities presently represent approximately 17 percent of America's total population. Unfortunately, all indications are that these individuals continue to suffer from the stresses of prejudice and racism. Their income levels, housing conditions, educational attainments, and health predicators are substantially below those of our Nation as a whole. Many experts also have continually emphasized that although there is a disproportionately high level of schizophrenia, alcoholism and drug abuse in these populations, the actual number of minority mental health professionals and behavioral scientists remains distressingly low.

In 321 community mental health centers surveyed by the National Institute of Mental Health, minorities represented less than 7 percent of the fulltime staff positions. The 1970 census also shows that of 12,749 psychologists in this country, only 312 were black, 17 Hispanic, 7 American Indian, and 182 Asian. Of 20,084 psychiatrists, 1,000 were Asian, 386 black, and 74 Hispanic. There are no American Indians in this field.

Minorities face specific problems in the alcoholism and drug abuse areas, especially since the problems are compounded by poverty and racism. Studies conducted in 1977 and 1978 by project DAWN, the Drug Abuse Warning Network indicate that although minorities comprise 17 percent of the total U.S. population, they account for 30.5 percent of the number of emergency room episodes of drug abuse. According to the June 1973 HEW third special report to the U.S. Congress on alcohol and health, American Indians have the highest frequency of problems associated with drinking.

The Congressional Budget Office undertook a series of studies to examine circumstances surrounding the delivery of health services to the Nation's minorities. One of these studies, "Health Differences Between White and Nonwhite Americans," documents that differentials in health status between whites and nonwhites continue to persist, despite considerable recent progress in narrowing the gap.

Nonwhites still experience nearly 59 percent more bed disability, 70 percent higher infant mortality, and have a life expectancy 6 years shorter than that of whites. Quite frankly, this means that the average nonwhite males in America will not live to collect social security, nor to have his terminal illness paid for by medicare.

Educational inequities also contribute to stress, which has long been recognized as a major contributor to a variety of physical and mental illnesses. According to the Congressional Budget Office, black Americans tend to have less formal schooling than white Americans. More than two-thirds of the white population has completed at least 12 years of school, whereas, fewer than 23 percent of the black population has. Most of the analysis of enrollment, attainment, and achievement data arrive at the same conclusion—differences between blacks and whites are attributable largely to non-educational factors, such as family income, parental education, socio-economic status of the student's community and notably, the opportunities for upward mobility in the job market.

Studies indicate that unemployment creates stressful situations for laid-off workers and their families. Although the situation of minorities in the labor force has steadily worsened since 1974, the unemployment rate for nonwhites has been twice as high as the white jobless rate for some time. In August 1977, the unemployment rate for nonwhites was 14.5 percent. Other statistics show that, compared with whites, blacks are disproportionately concentrated in low-paying jobs. In career fields, blacks are underrepresented relative to whites among professionals, managers, craftsmen, and administrators. However, they are overrepresented in semiskilled and unskilled jobs.

Mr. President, if all these discouraging statistics are not convincing enough to prove that minorities are stressridden, all we need do is look at the statistics on poverty. Minorities are overrepresented in that area too. Whereas fewer than 8.7 percent of white families are poor, more than 30 percent of black families, 34 percent of Native American families and 21 percent of families with Spanish origin fall into this category. Poverty means not only having less money to purchase health care; it means a greater likelihood of an environment characterized by overcrowded, unsafe housing, inadequate nutrition, and lack of self-awareness which all together predispose a family to illness.

The intent of this bill is supported by the American Psychiatric Association, the American Nurses, the Mental Health Association, the NAACP, the National Urban League, the National Urban Coalition, Operation PUSH, the Coalition of Spanish Speaking Mental Health Organizations, the Association of Black Psychologists, the Asian American Research Center, the Asian American Mental Health Training Center, the Pacific Asian Coalition, the Japanese American Citizens League. I realize moreover, that there is considerable controversy whether the Office of Minority Concerns should be placed at the Alcohol, Drug Abuse, and Mental Health Administration level or at each of the respective agencies; Mental Health, Alcoholism, and Drug Abuse. I am hopeful that this particular concern will be resolved through hearings on this matter.

In the process of my discussions about the various provisions of this bill, it became evident that our Nation's physically handicapped represent a unique segment of our population that should definitely receive increased attention from the Alcohol, Drug Abuse, and Mental Health Administration. In addition to the stress created by living with disability, handicapped individuals have historically faced barriers in housing, education and employment. Fifteen percent of the handicapped population, as compared with 8 percent of the general population, are living below poverty status. Six percent more handicapped individuals than nonhandicapped have earnings of less than $2,000 a year.

This population, who often faces overt discrimination and lack of access to the mainstream of American society, are most vulnerable to the devastation of mental illness, drug abuse, and alcoholism. When one considers the lack of programs for those who are both handicapped and part of a racial minority, it is demoralizing and depressing to even imagine their plight.

Mr. President, I cannot emphasize strongly enough the urgent need for a national commitment to improve the minority mental health in America and to eliminate institutional indifference which has pervaded America's societal structure and impaired the mental health, not only of minorities, but of all Americans. I strongly urge you and my fellow colleagues to join me in my efforts to rid our Nation of indifference, which has been the underlying cause of many of society's social and mental ills.

Mr. President, I ask unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 925

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Minority Concerns Act of 1979".

Sec. 2. Title II of the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 is amended by redesignating part E as part F and inserting after section 231 the following:

"Part E—Minority Concerns

"ESTABLISHMENT OF OFFICE

"Sec. 232. (a) The Secretary shall establish at the level of the Office of the Administrator within the Alcohol, Drug Abuse and Mental Health Administration an identifiable administrative unit with authority for the National Institutes on Drug Abuse, Alcohol Abuse and Alcoholism, and Mental Health, to be known as the Office for Minority Concerns (hereinafter referred to as the 'Office').

"(b) The Secretary, acting through the Office shall—

"(1) support programs with regard to the delivery of alcohol, drug abuse and mental health services to minority populations, including demonstration projects;

"(2) develop a plan to increase the representation of minority populations in alcohol, drug abuse and mental health service delivery and research manpower programs with an emphasis on developing bilingual and bicultural programs;

"(3) support programs of basic and applied social and behavioral research on minority alcoholism, drug abuse and mental health;

"(4) study the effects of racism on institutions and individuals, including majority institutions and individuals;

"(5) develop systems to assist minority populations in adapting to, and coping with, the effects of racism;

"(6) support and develop research, demonstration and training programs aimed at eliminating institutional racism; and

"(7) provide for the increase of representation of minority concerns in training programs, service delivery programs, and research endeavors.

"(c) The Secretary, acting through the Office, may carry out the provisions of subsection (b) by making grants to, or entering into contracts with, professional associations, universities, nonprofit entities, or State or local agencies.

"(d) In carrying out its duties under this section, the Office shall submit an annual report to the Secretary at the end of each fiscal year.

"(e) Nothing contained in this section shall be construed to prevent or impair the administration or enforcement of any other provision of Federal law, nor shall this administrative unit be deemed to have exclusive jurisdiction over the department's efforts to develop effective minority health programs.

"(f) There are authorized to be apropriated to carry out the provisions of this part $50,000,000 for the fiscal year ending September 30, 1980 and each succeeding fiscal year."●

By Mr. McGOVERN (for himself and Mr. Leahy):

S. 926. A bill to provide for a temporary suspension of the granting of future operating licenses for nuclear fission powerplants pending a review of existing and potential safety defects associated with such plants; to the Committee on Environment and Public Works.

NUCLEAR POWER PLANT SAFETY REVIEW ACT OF 1979

Mr. McGOVERN. Mr. President, today I am pleased to introduce the Nuclear Power Plant Safety Review Act of 1979. I introduce this legislation on my behalf and for Senator Leahy.

Mr. President, the American public has become increasingly divided regarding the continued Federal commitment to nuclear energy. Their concern and division has resulted from scores of potential problems that have emerged in the areas of powerplant safety, nuclear waste disposal, reprocessing and weapons development, the long-term effects of low-level radiation, and what they perceive to a degree of apathy on the part of the Federal Government on such issues.

The nuclear industry has labeled these concerns as emotional and irrational, and points, with justifiable pride, to a safety record unparalleled in the energy industry. Yet, millions of Americans are still plagued by the possibility of a serious nuclear powerplant accident.

Although I, too, have had reservations regarding the wisdom of pursuing nuclear power as the future major energy source of our Nation, I placed great faith in our Federal regulatory agencies to prevent such tragedies through comprehensive regulation and investigation. In addition, I devoted considerable effort to the waste disposal problem, and have tried to assure a strong voice for State and local governments in such Federal energy decisionmaking.

Today, what confidence I had in nuclear power has been shaken. Events since the first of this year have served only to document the need for a complete reassessment of this Nation's nuclear energy future. Almost a month ago, the Nuclear Regulatory Commission closed five nuclear plants because of design failures. Prior to that the NRC withdrew its unqualified endorsement of the Rasmussen report. The Department of Health, Education, and Welfare says that risks of cancer from low-level radiation are more uncertain than ever. The administration's interagency task force on nuclear waste reports that the technical feasibility of radioactive waste disposal has been overestimated.

The U.S. General Accounting Office has now reported that communities around nuclear facilities are inadequately prepared for emergencies resulting from nuclear powerplant accidents. These serious dilemmas, when combined with an increasing number of reactor accidents, and the most serious reactor accident to date at the Three Mile Island powerplant, are a mandate that we can no longer remain complacent about the risks of nuclear energy. If we are to proceed with future nuclear energy development, we must do so with our eyes wide open, fully cognizant of its inherent and potential problems.

This is not an issue solely on the minds of residents near Three Mile Island, but one that should strike a note of concern and caution among all Americans. Today, 43 States have sizable fixed nuclear facilities within their boundaries.

Perhaps the greatest concern of all is the possibility that the Nuclear Regulatory Commission has become complacent about the risks of nuclear energy. Dozens of known and unresolved safety problems persist today in plants across the country—despite the fact that we have entrusted this Commission with the critical responsibility of protecting the public's health and safety through strict regulation of nuclear facilities. Critics have now charged the Commission with providing exceptions from certain safety regulations and that the inherent support for nuclear power by some Commission members and staff have prevented it from fulfilling its congressional mandate for independent and objective regulation.

Indeed, these problems are not new. There have been at least 10 serious reactor accidents over the last 4 years. The Commission and the nuclear industry have previously come under attack by the public and the scientific community on numerous safety issues. But the comparative avalanche of events and information on this subject over the last few months now underscores the seriousness of the situation with which we are faced.

It is indeed tragic that the American taxpayer who has subsidized the development of nuclear power and has subsidized the Federal agencies whose responsibilities are to protect him from the hazards of nuclear power may have made such investments in vain.

It is even more tragic that our President, who was once a great champion of the strictest safety requirements in nuclear plants, has literally deserted those campaign commitments today. The President said in an address to the Washington Press Club in 1975:

> In addition to the physical damage and human suffering which would result from a nuclear disaster, the economic, psychological and political consequences to our energy system would be more devastating than a total Middle East oil embargo. It is imperative that such an accident be prevented. We must maintain the strictest possible safety standards for our atomic plants, and be completely honest with our people concerning any problems or dangers.
>
> For instance, nuclear reactors should be located below ground level. The power plants should be housed in sealed buildings within which permanent heavy vacuums are maintained. Plants should be located in sparsely populated areas and only after consultation with state and local officials. Designs should be standardized. A full time Federal employee, with full authority to shut down the plant in case of any operational abnormality should always be present in control rooms.

This is the same President, who in the wake of the Three Mile Island accident has again called for legislation to speed up the nuclear plant licensing process. It would be unconscionable for him to forsake the safety and welfare of the American people in this manner. I will continue to urge him to reconsider this plan.

Despite the President's previous commitments to improved nuclear safety, and despite the fact that the taxpayer has invested billions of dollars in agencies for this purpose, it is now up to the Congress to develop legislation to provide oversight and to assure that any predicated on the greatest safety American technology can provide.

Mr. President, the Nuclear Power Plant Safety Review Act of 1979 is the first step that must be taken to achieve such safety objectives. Essentially, this legislation calls for a comprehensive 3-year examination of all existing and potential safety defects of nuclear fission powerplants to be conducted by the Office of Technology Assessment. Pending the outcome of this investigation, the granting of additional operating licenses for such plants would be suspended.

In addition, any powerplant whose operating license is pending at the time of enactment of this act, would be able to make direct application to the President for exception from the provisions of this legislation if a determination was made that no other energy source could be made available for the short term energy supply needs of the region to be served by such plant.

Let me emphasize that this legislation will not shut down the 72 nuclear plants presently licensed to operate. But it will prevent the operation of future plants until the numerous safety problems associated with these plants have been clearly documented and steps are taken to remedy any defects.

This is a commonsense approach to a serious dilemma. While I am sure that we are greatly relieved that no one has yet died as a result of nuclear reactor accidents in this country, we must take every precaution that Americans are not sentenced to live in anxiety of the threat of future serious nuclear accidents. This is the real question posed by Three Mile Island.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 926

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 2. (a) The Congress finds that potentially serious and unresolved safety defects may exist at nuclear fission powerplants currently under construction or licensed to operate; and that such operational or design defects may constitute an unacceptable danger to the health and safety of the general public and to the environment; and that such potential unresolved safety issues raise serious questions regarding the Nation's commitment to further expansion of nuclear fission powerplants as a major energy source.

(b) The Congress therefore declares that—

(1) the serious and unresolved safety and environmental problems associated with nuclear fission power should be examined and resolved before a further commitment to nuclear power is made by the United States Government; and

(2) the Office of Technology Assessment should undertake a comprehensive review of the existing and potential safety and environmental problems with regard to the construction of new nuclear fission powerplants and all plants presently licensed to operate.

SUSPENSION OF NEW LICENSES

SEC. 3. (a) For a period of 36 months, beginning on the first day after the date of the enactment of this Act, the Nuclear Regulatory Commission shall not issue any license under section 107, Chapter 10 of the Atomic Energy Act of 1954.

(b) The Congress shall continue the suspension of licenses as described in section 3(a) after the first 36 months for any period of time it deems reasonable in order to protect the health and safety of the general public and the environment unless the Congress makes a determination that—

(1) the effectiveness of all safety systems, including but not limited to the emergency core cooling system, of any nuclear fission power plant operating or to be operated in the United States is demonstrated, by comprehensive testing to the satisfaction of the Congress;

(2) the effectiveness of the security systems throughout the fuel cycle is demonstrated to the satisfaction of the Congress;

(3) that the continued use and development of nuclear fission power plants no longer represents an unacceptable danger to the safety and health of the general public and the environment.

(c) In the event that after enactment of this Act, any nuclear fission power plant that has completed construction but may not be issued any license under Chapter 10 of the Atomic Energy Act of 1954 in accordance with the provisions of this Act, has determined that the suspension of such license would constitute a serious energy supply shortfall in the region to be served by such plant may make application directly to the President of the United States for temporary relief and exception from the suspension described in section 3(a). The President may only grant such relief and exception after consultation with the Office of Technology Assessment and the Energy Information Administration of the Department of Energy and has determined that no other adequate source of energy can be made available to the region to be served by such nuclear fission power plant.

OFFICE OF TECHNOLOGY ASSESSMENT STUDY

SEC. 4. (a) The Office of Technology Assessment is directed to undertake a comprehensive study and investigation of all known and potential unresolved safety defects with regard to the construction of new nuclear fission power plants and plants that have received licenses to operate to determine all potential and existing safety hazards, and shall make recommendations to remedy such hazards. Such study and investigation shall include, but not be limited to, an examination of the hazards of unresolved safety defects as listed in—

(1) the Nuclear Regulatory Commission Technical Safety Activities Report, December 1975,

(2) the Advisory Committee on Reactor Safety Report, Number 6, "Status of Generic Items Relating to Light Water Reactors," November 15, 1978,

(3) the Nuclear Regulatory Commission Report, NUREG 0410, January 1, 1978,

(4) the Nuclear Regulatory Commission Report, NUREG 0510, January 1, 1979, and

(5) any and all such defects and hazards as may be discovered as a result of investigations of the nuclear fission power plant accident on March 28, 1979 at Three Mile Island Nuclear Power Plant.

(b) The Office of Technology Assessment report shall also include an assessment of the short term and long term effects of low level radiation that may be emitted from nuclear fission power plants to the general public and the environment and an assessment of the licensing procedures of the Atomic Energy Commission and the Nuclear Regulatory Commission.

(c) The Office of Technology Assessment shall conduct this study independently. The Office in conducting the study shall request, receive and consider the comments and opinions of independent scientists, engineers, consumers, and environmental representatives. The Office shall hold informal public hearings on each major area of inquiry to permit interested persons to present information orally, to conduct or have conducted cross-examination of such persons as the Office determines appropriate for a full airing of the issues and to present rebuttal arguments. A verbatim transcript shall be taken of any oral presentation in cross-examination and shall be published by the Office. The Office shall have the power to enter into contracts with individuals or corporations for the purposes of conducting the study, but shall not enter into contracts with or rely primarily on the expertise of any industry or company which provides materials, management capabilities, research, or consultant services for nuclear fission powerplants or which otherwise in the judgment of the Office might have an interest in perpetuating the nuclear industry.

(c) All Government agencies shall cooperate to the fullest extent with the Office and shall provide access to their personnel and data. At the request of the Office, any governmental agency shall furnish any information which the Office deems appropriate for the purpose of conducting the study. The Office is further empowered to compel the delivery of any information in the possession of any Federal agency, commission or other organization, or any person, corporation, or association which the Office deems necessary for conducting this study.

OFFICE OF TECHNOLOGY ASSESSMENT REPORTS

SEC. 5. (a) Thirty months after the date of enactment of this Act, the Office of Technology Assessment shall submit a final report to the Congress and the Public concerning the safety and environmental hazards of nuclear fission powerplant design and operation.

(b) The Office will provide an annual report to the Congress on the progress of the study, and provide the opportunity for an annual public hearing concerning the progress of the study. In each annual report the Office shall inform the Congress of any and all actions taken to fulfill the requirements of the Act, including any evidence that agencies of the Federal Government, present or past, which have the responsibility for insuring the safety of nuclear fission power, have not faithfully or effectively exercised their responsibilities and recommendations to rectify such defects.

(c) The final report shall include recommendations as to whether a resumption of nuclear fission powerplant licensing should be allowed and under what conditions such licenses should be granted.

COMPENSATION FOR PUBLIC

SEC. 6. (a) The Office of Technology Assessment shall, pursuant to rules promulgated by it, provide compensation for travel costs, per diem expenses, and experts' fees, and other costs in consulting with the Office pursuant to the Office's responsibility under section 3(b), to any person who—

(1) has or represents an interest (A) which would not otherwise be adequately represented in such consultation, and (B) whose views are necessary for a full assessment of nuclear power and alternatives pursuant to this Act; and

(2) who is unable to participate effectively in such assessment because such person cannot afford to pay the cost of travel, per diem expenses and expert witnesses.

AUTHORIZATION

SEC. 7. There is authorized to be appropriated such sums as necessary to carry out the provisions of this Act.

By Mr. JACKSON (for himself, Mr. MORGAN, and Mr. GOLDWATER) (by request):

S. 927. A bill to authorize the Smithsonian Institution to plan for the development of the area south of the original Smithsonian Institution Building adjacent to Independence Avenue at 10th Street SW., in the city of Washington; to the Committee on Rules and Administration.

SOUTH QUADRANGLE DEVELOPMENT

● Mr. JACKSON. Mr. President, on behalf of Senator MORGAN, Senator GOLDWATER, and myself, I introduce a bill on behalf of the Smithsonian Institution. Senators MORGAN, GOLDWATER and I serve as the Senate members of the Smithsonian's Board of Regents. The legislation we are introducing today has been requested by the Executive Committee of the Board of Regents. I ask unanimous consent that a statement entitled "South Quadrangle Development," prepared by Smithsonian staff explaining the purpose of the bill be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SOUTH QUADRANGLE DEVELOPMENT

The Smithsonian Institution is studying a concept designed to strengthen certain areas of the Institution's collection and exhibit programs, and to provide additional services to the public. This concept envisions the development of the south garden quadrangle, located between the Smithsonian Institution Building and Independence Avenue and flanked on the east by the Arts and Industries Building and on the west by the Freer Gallery of Art.

Using the available land area, this concept would enable the Smithsonian to construct a Mall building for the Museum of African Art; a companion building for the Freer Gallery, including a new area for the exhibition and study of Oriental art; and other facilities which would support these new museums and strengthen the Smithsonian's educational programs.

Using approximately $160,000 of nonappropriated trust funds, authorized by the Board of Regents, the Smithsonian is conducting engineering feasibility studies, including the investigation of sub-soil conditions and examination of adjacent building foundations; conceptual architectural planning including refinements of above-ground aesthetic alternatives; and detailed program and space planning including proposed reorganizations of existing space and introduction of shared space resources wherever possible.

Included in the fiscal year 1980 Federal budget request of the Smithsonian Institution is an amount of $500,000 to initiate architectural and engineering planning and design of the proposed facilities.

The current proposal for use and development of the South Quadrangle is composed of three building elements, the first of which is an above-ground building on the east side of the Quadrangle along Independence Avenue that is intended to provide a new building for the Museum of African Art. Above-ground space would be used principally for exhibition purposes and space below grade would be used primarily for education, conservation, and research.

A second above-ground building on the west side of the Quadrangle along Independence Avenue would be developed as a new resource for the Freer Gallery, the exhibition of Oriental art, and related studies. Below grade this structure would be integrated with the existing Freer Gallery building and would provide additional space for conservation, research, storage, and other museum purposes.

A third building element, located beneath the Quadrangle, would provide space for a rare book library, education facilities, and parking and supporting services. This would essentially replace existing parking in the Quadrangle area as well as in the area east of the Arts and Industries Building, and would be available both to staff and to the public.

The funds authorized by this legislation would be used to develop architectural plans and detailed cost estimates. These would form the basis for a further legislative request to the Congress to authorize the Board of Regents to complete the design and undertake construction of the Quadrangle facility.●

By Mr. STONE:

S. 928. A bill to amend the Food Stamp Act of 1977 to eliminate certain restrictions on excess shelter expense deductions with respect to households that are comprised exclusively of members who are 60 years of age or over or who are recipients of benefits under title XVI of the Social Security Act and to allow a deduction for certain medical expenses in the computation of the income for these families; to the Committee on Agriculture, Nutrition, and Forestry.

● Mr. STONE. Mr. President, today, I am introducing a bill that will amend the Food Stamp Act of 1977, in order to give some financial relief to elderly and disabled households that have been adversely affected by recent implementation of this new statute.

It is now evident that elderly households with high medical or high shelter costs are being seriously harmed by the changes in the food stamp program which have been brought about by the 1977 act.

This situation is primarily due to: First, elimination of the specific medical expense deduction, which is now included in the standard deduction and second, alteration in the method for computing excessive shelter expenses and the imposition of a maximum amount (currently $80) for this deduction. Under the new program, households are allowed the following deductions: a standard deduction (currently $65 per month); 20 percent of all earned income; a dependent care deduction, an excess shelter deduction for the excess shelter costs over 50 percent of household income after all other allowable deductions have been taken, or a combination of dependent care and excess shelter, not to exceed $80 (currently).

Our bill will allow an elderly household (age 60 and over) an excess medical care deduction for that portion of the actual cost of medical expenses in excess of the standard deduction.

It is our intention that the inclusions for medical expenses under the old system—that is, the cost of an attendant or housekeeper who is necessary for medical care reasons, would be continued under this amendment.

Under the old system, actual shelter costs in excess of 30 percent of the household income calculated after all other allowable deductions have been made was deductible. Under the Food Stamp Act of 1977, the percentage was raised to 50 percent and a cap was placed on the maximum allowable deduction. This proposal will remove the cap on the shelter deduction.

As a result of the implementation of the Food Stamp Act of 1977, 54 percent of the food stamp recipients in the State of Florida have been adversely affected.

Mr. President, I would like to read an excerpt from a letter I received from the Florida areawide agency on aging for Dade and Monroe Counties. These two counties in Florida carry approximately one-third of the food stamp caseload in the entire State and have a high percentage of senior citizens.

On March 12, 1979, they wrote:

> To date, the projects reporting to us that are involved in working with food stamp clients have indicated that the primary problem group is that which is just over the Supplemental Security Income means limits. Since these persons are not generally eligible for Medicaid, they were formerly utilizing the money saved through participation in the food stamp program to pay for medication and related medical expenditures. The enactment of the 1977 Food Stamp Act Amendments have all but nullified the savings that were available through purchase of food stamps for this group. Therefore, a personal decision must be made between eating or securing needed medical attention. Eating usually loses.

This is not merely a Florida problem it is a national problem. S. 632, introduced by the distinguished Senator from New York (Senator MOYNIHAN) contains a provision removing the cap on the excess shelter deduction for the elderly and disabled. Senator DURKIN, my distinguished colleague from New Hampshire, recently introduced S. 807, which removes the cap on the excess shelter deduction for all food stamp recipients. Medical expenses, in some cases, account for a greater share of a household's disposable income than does shelter costs. In either case, the household simply does not have money to buy food.

This bill would aid only the elderly and disabled households who are suffering serious consequences as a result of the 1977 act. It is not and should not be viewed as a wholesale elimination of the significant reforms contained in the new food stamp law. I strongly believe in an efficiently run food stamp program that excludes the nonneedy from participation. However, I believe that we would be remiss in closing our eyes to the enormous percentage of disposable income that some elderly and disable recipients must spend on housing and medical expenses.

I am aware of the fact that many of the participants who would be affected by the bill will not be restored entirely to the position they were in before enactment of the 1977 act. However, this is a step in the right direction and I believe, a very necessary proposal to remedy the present situation.

I urge my colleagues to join me in supporting this significant legislation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 928

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(e) of the Food Stamp Act of 1977 is amended by—

(1) inserting in the fourth sentence after "Households" the following: ", other than those households comprised exclusively of members who are sixty years of age or over or who receive supplemental security income benefits under title XVI of the Social Security Act,"; and

(2) adding at the end thereof the following new sentence: "Households comprised exclusively of members who are sixty years of age or over or who receive supplemental security income benefits under title XVI of the Social Security Act shall also be entitled to (1) an excess medical care deduction for that portion of the actual cost of medical expenses, exclusive of special diets, that exceeds the level of the standard deduction established under this subsection, (2) a dependent care deduction, the maximum allowable level of which shall be the same as that for the excess shelter expense deduction contained in clause (2) of the preceding sentence, for the actual cost of payments necessary for the care of a dependent, regardless of the dependent's age, when such case enables a household member to accept or continue employment, or training or education which is preparatory for employment, and (3) an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 per centum of monthly household income after all other applicable deductions have been allowed.".●

By Mr. JEPSEN:

S. 929. A bill to amend title 38 of the United States Code to promote the care and treatment of veterans in State veterans' homes; to the Committee on Veterans' Affairs.

Mr. JEPSEN. Mr. President, there are approximately 13 million World War II veterans whose average age is around 60 years. This is the largest group of war veterans this county has ever known who are now in the age bracket where increasing demands will be made on every type of veterans care facility during the next 10 to 20 years. Thirty-two States and the District of Columbia have a total of 44 State veterans' homes which provide one or more of the following categories of care: Domiciliary, nursing home, and hospital. In addition 5 other States are showing interest in this type of program. Statistics prove that the State veterans' homes can provide care which is of equal quality or better for less cost than that of Veterans' Administration homes. We must, however, make certain that these State homes will continue to be able to provide the increased care that will be necessary as the ranks of veterans who will need home care increases.

A partnership between the States and the Federal Government in nursing home care has existed since 1888. However, the State has traditionally contributed the lion's share of maintaining a veteran in a State veterans' home. Legislation which I am introducing today will provide a formula whereby the Federal Government would become a more equal partner in sharing the cost of the care of veterans in State veterans' homes so that the State veterans' homes can provide the additional care which will be necessary in the very near future.

Presently, the Federal Government reimburses State veterans' homes for each veteran on a fixed per diem basis. Since the rate is fixed, whatever temporary Federal assistance is provided to the States under existing legislation will be lost, as time goes on, unless there is a marked turnabout in the economy.

A chart which I will insert for the record shows the effects of inflation when the per diem allowance is fixed:

[In percent]

	Other than VA share of total cost	VA share of total cost
Fiscal year:		
1970	64.7	35.3
1971	68.1	31.9
1972	70.0	30.0
1973	72.4	27.6
1974	69.7	30.3
1975	72.3	27.7
1976	70.9	29.1
Transitional quarter (July 1 to Sept. 30, 1976)	66.8	33.2
Fiscal year 1977 (Oct. 1, 1976 to Sept. 30, 1977)	68.9	31.1
Fiscal year 1978	71.9	28.1

The legislation which I am introducing provides a different method of computing per diem allowances to State veterans' homes which will be more equitable to the States.

Essentially, the bill would require that the State administrator compute the cost for all State veterans' homes of each category of care—domiciliary, nursing home, and hospital—for each fiscal year and then average out the total national costs on a per diem basis. The task is currently performed by the Veterans' Administration. The Administrator would then be required to take one-half of these national average totals in each of the categories of care and compare that figure with one-half of the cost of each category of care in each State veterans' home, paying to the individual homes whichever is the lesser: Either one-half of the national average of each category of care on a per diem basis, or one-half of the per diem cost of the individual State veteran's home.

Several benefits will occur from this proposal:

There will be a more equal cost sharing between the States and the Federal Government. While the States will still probably bear more than 50 percent of the cost, it will be far more equitable than the present 70–30 percent ratio.

Repetitive acts of Congress will not be necessary for per diem payments to State veterans' homes.

The most significant benefit will be that State veterans' homes will be able to provide just that much more veterans' home care at a much lower cost than can the Veterans' Administration.

Experts predict that the annual increase in cost to the Federal Government will be $18 million for all three levels of care. This seems a small price when the Federal payment to private nursing homes alone was $84 million during fiscal year 1978 at $28.42 per diem care, according to Veterans' Administration controller statistics.

In the Veterans' Administration's own nursing care units the care provided by the State veterans' hospitals (fiscal year 1978) would have cost the VA approximately $113 million at $62.15 per diem for nursing care. Yet the State veterans' homes were only allowed a total of $33,650,314 for all three categories of care—domiciliary, nursing care, and hospital.

Even with the additional $18 million payment that the Federal Government would make to the State veteran's hospitals under this proposed legislation, the sum total of $51 million for all three types of care remains far below what it would cost the Veterans' Administration to maintain veterans if the State veterans' homes did not exist.

When one compares Veterans' Administration and State veterans' home costs, and then considers the present per diem allowance payments, the bargain to the Federal Government is clearly revealed. VA statistics from the office of the Veterans' Administration Controller for fiscal year 1978 dramatically illustrate this savings. I insert the following chart showing this on a per diem cost for the Record:

	Per diem cost		Per diem reimbursement to private homes	Per diem reimbursement to States
	VA	State		
Domiciliary	23.66	19.45		5.50
Nursing care	62.15	33.74	28.42	10.50
Hospital	119.10	57.40		11.50

It is obvious from these figures that when a veteran is hospitalized in a nursing care bed, or a domiciliary at a State veterans' home, the home does the job at a lower cost than the Veterans' Administration. Yet the per diem allowance paid to State veterans' homes does not indicate the Federal Government places much faith in these homes. I believe the foregoing indicates that, when compared to Veterans' Administration costs, State veterans' homes are doing a fine job under a present per diem allowance which sets up decided inequalities and really shortchanges the States.

Furthermore, one of the major complaints which I hear from my constituents is that there is too much Federal Government involvement in local affairs. I feel strongly that even though Federal funds are used, we should support legislation which gives decisionmaking and control back to State and local authorities.

The quality of care given in State veterans' homes is at a level of which we can be proud. They are aware that behind every statistic and every cost there is a person, a veteran, who receives every measure of support which the State homes can give, and I believe that this support is the very best the homes can achieve.

Due to the increasing number of veterans who may require veterans' home care within the next 10 to 20 years and to the lower cost at which the State veterans' homes can provide such care, serious consideration of this legislation to equalize the cost of care between the Federal Government and the States is of utmost importance. I ask unanimous consent to print in the Record, additional tables showing the effect of VA reimbursement at 50 percent of the national average per diem per level of care in all State homes.

There being no objection, the tables were ordered to be printed in the Record, as follows:

STATE VETERANS' HOMES PER DIEM COST, NATIONAL AVERAGE

	In dollars			Percent increase		
	1976	1977	1978	1976–77	1977–78	1976–78
Nursing	26.09	29.52	33.74	13.15	14.30	29.32
Domiciliary	16.10	17.55	19.45	9.01	10.83	20.81
Hospital	51.46	53.97	57.40	4.88	6.36	11.54

FISCAL YEAR 1978 EFFECT OF VA REIMBURSEMENT AT 50 PERCENT OF NATIONAL AVERAGE PER DIEM PER LEVEL OF CARE IN ALL STATE HOMES

	Total cost	Present VA reimbursement	Percent VA reimbursement	Proposed VA reimbursement, H.R. 2226	Proposed VA percent reimbursement, H.R. 2226
Nursing	$61, 279, 629	$19, 049, 615	31.1	$27, 803, 535	45.4
Domiciliary	37, 469, 586	10, 386, 200	27.7	15, 622, 280	41.7
Hospital	21, 038, 261	4, 214, 499	20.0	8, 940, 873	42.5
Total	119, 787, 476	33, 650, 314	28.1	52, 366, 688	43.7

COST INCREASE

	Present reimbursement	Proposed reimbursement, H.R. 2226	Increase, H.R. 2226	Percent increase, H.R. 2226
Nursing	$19, 049, 615	$27, 803, 535	$8, 753, 920	46.0
Domiciliary	10, 386, 200	15, 622, 280	5, 236, 080	50.4
Hospital	4, 214, 499	8, 940, 873	4, 726, 374	112.5
Total	33, 650, 314	52, 366, 688	18, 716, 374	55.6

VA FEDERAL GRANTS APPLICABLE TO DOMICILIARY, NURSING AND HOSPITAL CARE PROVIDED BY STATE VETERANS HOMES

Location of State homes	Fiscal year 1978							
					Present		VA grant-in-aid proposed	
	Veteran days of care	Average daily census	Per diem cost	Total veteran cost	By VA	Percent by VA	By H.R. 2226	Percent by H.R. 2226
Domiciliary care	1, 926, 451	5, 278	$19.45	$37, 469, 586	$10, 386, 200	27.7	$15, 622, 280	41.7
California: Yountville	224, 144	614	17.91	4, 014, 419	1, 232, 792	30.7	2, 006, 089	50.0
Colorado: Homelake	25, 813	71	15.97	412, 234	141, 972	34.4	205, 988	50.0
Connecticut: Rocky Hill	173, 326	475	11.76	2, 038, 314	953, 293	46.8	1, 019, 157	50.0
District of Columbia: Occoquan, Va	62, 659	172	20.50	1, 284, 510	344, 625	26.8	609, 045	47.4
Georgia: Milledgeville	119, 560	328	32.43	3, 877, 331	657, 580	17.0	1, 162, 123	30.0
Idaho: Bcise	41, 581	114	10.08	419, 137	209, 568	50.0	209, 568	50.0
Illincis: Qunicy	36, 268	99	23.55	854, 111	199, 474	23.4	352, 525	41.3
Indiana: Lafayette	29, 643	81	42.62	1, 263, 385	163, 037	12.9	288, 130	22.8
Iowa: Marshalltown	34, 368	94	38.69	1, 329, 698	189, 024	14.2	334, 057	25.1
Kansas: Fort Dodge	23, 869	65	10.29	245, 612	122, 687	50.0	122, 687	50.0
Louisiana: Jackson	34, 779	95	28.80	1, 001, 635	191, 285	19.1	338, 052	33.8
Massachusetts:								
Chelsea	92, 717	254	12.90	1, 196, 049	509, 944	42.6	598, 025	50.0
Holyoke	16, 126	44	18.47	297, 847	88, 693	29.8	148, 843	50.0

VA FEDERAL GRANTS APPLICABLE TO DOMICILIARY, NURSING AND HOSPITAL CARE PROVIDED BY STATE VETERANS HOMES—Continued

Location of State homes	Fiscal year 1978						VA grant-in-aid proposed	
					Present			
	Veteran days of care	Average daily census	Per diem cost	Total veteran cost	By VA	Percent by VA	By H.R. 2226	Percent by H.R. 2226
Michigan: Grand Rapids	61,942	170	$15.45	$957,004	$340,681	35.6	$178,192	50.0
Minnesota:								
Minneapolis	121,256	332	13.71	1,596,942	666,908	41.8	791,802	49.6
Hastings (Annex)	5,610	15	42.82	245,830	30,855	12.6	54,529	22.1
Missouri: St. James	21,467	59	13.12	281,647	118,069	41.9	140,824	50.0
Montana: Columbia Falls	30,243	83	12.28	371,384	166,337	44.8	185,692	50.0
Nebraska: Grand Island	46,821	128	25.80	1,207,982	257,916	21.3	455,100	37.7
New Jersey:								
Menlo Park	34,071	93	20.19	687,894	187,391	27.2	331,170	48.1
Vineland	13,055	36	26.85	350,527	71,803	20.5	126,895	36.2
New York: Oxford	9,070	25	31.91	289,424	49,885	17.2	88.160	30.5
North Dakota: Lisbon	38,658	105	11.93	461,190	212,619	46.1	230,402	50.0
Ohio: Sandusky	252,480	692	14.46	3,650,861	1,207,072	33.1	1,825,430	50.0
Oklahoma:								
Ardmore	34,762	95	18.10	629,192	191,191	30.4	314,596	50.0
Clinton	13,947	38	22.28	310,739	76,709	24.7	135,565	43.6
Norman	79,772	219	37.17	2,965,125	438,747	14.8	775,284	26.1
Sulphur	10,636	29	23.46	249,521	58,498	23.4	103,382	41.4
Pennsylvania:								
Erie	27,398	75	25.98	71',800	150,689	21.2	266,309	37.4
Hollidaysburg	10,176	28	18.00	183,168	55,968	30.6	91,584	50.0
Rhode Island: Bristol	41,332	113	18.77	775,802	227,326	29.3	87,694	50.0
South Dakota: Hot Springs	34,512	95	15.77	544,254	189,816	34.9	271,955	50.0
Vermont: Bennington	4,049	11	17.66	71,505	22,270	31.1	35,753	50.0
Washington:								
Orting	30,401	83	27.3	832,683	167,206	20.1	295,498	35.5
Retsil	50,981	140	21.80	1,111,386	280,396	25.2	495,535	44.6
Wisconsin: King	21,008	58	16.38	344,110	115,544	33.6	172,056	50.0
Wyoming: Buffalo	17,951	49	22.58	405,334	98,731	24.4	174,484	43.1
Nursing care	1,816,259	4,976	33.74	61,279,629	19,049,615	31.1	27,803,535	45.4
California: Yountville	124,355	341	23.85	2,965,867	1,305,728	44.0	1,483,555	50.0
Colorado:								
Florence	40,913	112	23.00	940,999	429,587	45.7	470,500	50.0
Homelake	6,774	19	27.89	188,927	71,127	37.6	94,497	50.0
Georgia:								
Augusta	63,511	174	30.23	1,919,938	666,866	34.7	960,286	50.0
Milledgville	44,357	122	40.86	1,812,427	465,749	25.7	748,803	41.3
Illinois: Quincy	115,477	316	32.08	3,704,502	1,212,509	32.7	1,852,251	50.0
Indiana: Lafayette	61,463	168	43.01	2,643,524	645,362	24.4	1,036,881	39.2
Iowa: Marshalltown	56,702	155	46.91	2,659,891	595,371	24.4	1,036,881	39.2
Kansas: Fort Dodge	19,772	54	28.24	558,361	207,606	37.2	279,181	50.0
Massachusetts:								
Chelsea	20,229	55	21.59	436,744	212,405	48.6	218,473	50.0
Holyoke	80,161	220	47.91	3,840,514	841,691	21.9	1,352,316	35.2
Michigan: Grand Rapids	176,357	483	37.89	6,682,167	1,851,749	27.7	2,975,143	44.5
Minnesota: Minneapolis	32,543	89	29.80	969,781	341,702	35.2	484,891	50.0
Missouri: St. James	32,993	90	19.72	650,622	325,311	50.0	325,311	50.0
Montana: Columbia Falls	14,083	39	22.66	319.121	147,872	46.3	159,560	50.0
Nebraska: Grand Island	134,552	369	28.77	3,871,061	1,412,796	36.5	1,936,203	50.0
New Hampshire: Tilton	26,430	72	28.66	757,484	277,515	36.6	378,742	50.0
New Jersey:								
Menlo Park	92,931	255	27.55	2,560,249	975,776	38.1	1,280,589	50.0
Vineland	85,604	235	40,41	3,459,258	898,842	26.0	1,444,139	41.8
New York: Oxford	11,403	31	54.13	617,244	119,732	19.4	192,369	31.2
Oklahoma:								
Ardmore	28,352	78	30.14	854,246	297,696	34.8	427,265	50.0
Clinton	55,583	152	30.73	1,708,066	583,622	34.2	854,311	50.0
Norman	16,739	46	43.29	724,631	175,760	24.3	282,387	39.0
Sulphur	47,772	131	32.63	1,558,800	501,606	32.2	779,639	50.0
Talihina	52,371	144	38.65	2,024,139	549,896	27.2	883,499	43.7
Pennsylvania:								
Erie	25,245	69	25.98	655,865	265,073	40.4	327,933	49.2
Hollidaysburg	0	0	0	0	0	0	0	0
Rhode Island: Bristol	62,393	171	37.14	2,317,276	665,127	28.3	1,052,570	45.5
South Carolina: Columbia	34,562	95	29.16	1,007,828	362,901	36.0	503,914	50.0
South Dakota: Hot Springs	11,060	30	30.45	336,711	116,130	34.5	168,444	50.0
Vermont: Bennington	40,625	111	24.78	1,006,688	426,563	42.4	503,344	50.0
West Virginia:								
Orting	26,645	73	34.68	924,049	279,773	30.3	449,501	48.6
Retsil	27,447	75	39.70	1,089,646	288,194	28.0	463,031	42.5
Wisconsin: King	146,855	372	37.54	5,512,937	1,524,978	28.0	2,477,444	44.9
Hospital care	366,478	1,004	57.40	21,038,261	4,214,499	20.0	8,940,873	42.5
California: Yountville	141,894	389	46.60	6,612,260	1,631,781	24.7	3,306,130	50.0
Connecticut: Rocky Hill	116,435	319	44.10	5,134,784	1,339,003	26.1	2,567,391	50.0
Illinois: Quincy	7,588	21	55.70	422,652	87,262	20.6	211,326	50.0
Louisiana: Marshalltown	45,047	123	80.47	3,625,737	518,156	14.3	1,293,136	35.7
Massachusettes:								
Chelsea	43,013	118	86.68	3,728,367	494,650	13.3	1,234,473	33.1
Holyoke	3,935	11	213.66	840,752	45,253	5.4	112,935	13.4
Oklahoma: Sulphur	6,898	19	48.67	335,726	79,327	23.6	167,897	50.0
Wisconsin: King	1,658	5	203.85	337,983	19,067	5.6	47,585	14.1

By Mr. PERCY (for himself and Mr. DURENBERGER)

S. 930. A bill to amend the National Energy Conservation Policy Act to prohibit free Federal employee parking; to the Committee on Governmental Affairs.

FEDERAL EMPLOYEE PARKING ACT OF 1979

Mr. PERCY. Mr. President, I introduce at this time a bill which is identical to a bill I introduced in 1977. That earlier bill proved to be, as I recall, the most unpopular bill I have ever introduced—unpopular with my own staff and with every other staff member in the Senate, unpopular with every colleague in Congress.

Today I reintroduce this proposed legislation, knowing now that it has the full support of the majority leader of the Senate and knowing also that it has the support of the President of the United States.

Mr. President, I was extremely pleased that President Carter, in his energy speech last week, said that he intends to phase out subsidized parking for Federal employees. I have long supported this concept, and in 1977 proposed legislation which would have ended free parking for all Federal employees.

Although the legislation failed, I believe that it is now an idea whose time has come. While I applaud President Carter's action, I believe that to be fairer and more effective, phasing-out of free parking should include Members of Congress and congressional employees, as well as the Federal judiciary.

The day of free ride should be over. All Federal employees, including Members of Congress and their staffs, should pay for parking just as most other citizens do.

For these reasons, today I am introducing the Federal Employees Parking Act of 1979. The bill would amend the National Energy Conservation Policy Act of 1978. It is similar to the legislation which I introduced in 1977.

The proposed legislation would institute a system of parking fees for all Federal employees. It would require the Administrator of the General Services Administration, the Director of the Administrative Office of U.S. Courts, and the Architect of the Capitol to identify all Federal properties in the United States whish are used primarily for private parking.

These officials would determine parking fees for those properties based on the rates charged for public parking facilities in the immediate area. In suburban or rural areas where no parking fees are customarily charged for any facilities, no fee would be required.

Priority and eligibility for parking privileges would still be determined in accordance with current seniority systems. Carpooling, vanpooling, or other energy saving plans would remain in effect.

The establishment of parking fees will have many positive effects. Energy would be saved as Federal employees switch to carpools and mass transit. This would help to stimulate the development of mass transit systems, and would help to cut air pollution in areas such as Washington, D.C., where there are large numbers of Federal workers. It also will help reduce the Federal deficit by covering the cost of maintaining federally operated parking facilities. Under my bill, these facilities would be paid for by the people who use them, rather than by taxpayers.

Mr. President, those of us who support a comprehensive national energy policy also have maintained that the policy must be balanced so that the burdens are shared as equally as possible. If the Federal Government—especially Congress—expects Americans to accept this policy, we must share the sacrifices.

The basic issue is simple: Is a self-interest in free parking more important to us than the national interest in fairness? Obviously not. I hope that my colleagues will join me in supporting this bill.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 930

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Employee Parking Act".

Sec. 2. (a) Title V of the National Energy Conservation Policy Act is amended by adding at the end thereof the following new part:

"PART 5—FEDERAL EMPLOYEE PARKING

"Sec. 571. (a) No real property located in the United States, which is owned or leased by, or otherwise under the jurisdiction of the United States Government, which is principally utilized, as determined by the Administrator of General Services, to provide parking facilities for privately owned motor vehicles in connection with employment, business, or visitation of Federal offices or installations, may be utilized for such purpose unless there is assessed against each such vehicle a charge or fee within the range of charges of fees generally applicable for public parking purposes in similar facilities in the same general locality.

"(b) As used in this section the term 'similar facilities' shall refer to publicly available parking facilities in nearby business or commercial areas which are of the same kind (lot, garage, or on-street parking), convenience, and quality as that granted on the Federal property. If such similar facilities do not exist in nearby areas a fee shall be asessed which reflects fees charged in any public or private parking facility in a comparable area elsewhere in the United Stats.

"(c) The restrictions imposed by subsection (a) shall not be applicable to parking facilities provided in conection with any Federal employee's residence, including, but not limited to, housing and visitation facilities at military bases and installations.

"(d) The Administrator of General Services, the Director of the Administrative Office of the United States Courts, and the Architect of the Capitol shall take such steps as may be necessary to coordinate the respective activities of the Executive, Judicial, and Legislative Branches of the Government in the implementation of the restrictions imposed under subsection (a).

"(e) The provisions of this section shall become effective upon enactment; except that the restrictions imposed by subsection (a) shall become effective on October 1, 1979 with such phase-out period as the Administrator of the General Services Administration determines is necessary to meet any legal obligations or other compelling considerations.

"(f) All revenues collected pursuant to the provisions of this section shall be deposited into the Treasury of the United States as miscellaneous receipts.".

(b) The table of contents of such Act is amended by inserting immediately after section 509 the following:

"PART 5—FEDERAL EMPLOYEE PARKING

"SEC. 571. Federal employee parking.".

By Mr. PERCY (for himself, Mr. DOMENICI, Mr. HEINZ, Mr. KENNEDY, and Mr. TSONGAS):

S. 931. A bill to provide specific encouragement to localities for the development of energy management programs directed toward the implementation of energy conservation strategies and renewable resource-based technologies; to the Committee on Energy and Natural Resources.

LOCAL ENERGY MANAGEMENT ACT OF 1979

Mr. PERCY. Mr. President, few today would deny the urgent need to reduce our dependence on imported oil. Rising OPEC prices are straining family budgets here at home while diminishing the value of the dollar abroad.

No single "technological fix" can resolve our current energy dilemma. Nuclear energy, long regarded as our energy salvation, faces numerous uncertainties. The Three Mile Island accident has seriously undermined previous assumptions as to the safety of nuclear reactor operations. Long-term storage of radioactive waste poses another considerable challenge.

In developing energy alternatives, we must draw fully upon the ingenuity and and versatility of the American people. Individual innovators and small businesses are among our Nation's greatest resources.

America's cities, towns, counties, and villages are another major—and largely untapped—energy resource. Several units of local government have already exhibited their enormous innovative capacities in the energy field. Seattle, Wash., recently developed an imaginative conservation program which reduced the city's overall electricity consumption by 8 percent in 1977. In Davis, Calif., an energy-conserving building code has cut electricity and natural gas consumption in the residential sector by an amazing 18 percent. Hearings held last summer by the House Energy and Power Subcommittee highlighted these and other successful local energy initiatives.

Unfortunately, Davis and Seattle are by no means typical of America's several thousand local communities. Most units of local government have made little progress in coming to grips with the energy dilemma.

Better communication between localities is needed if we are to stimulate a more active local role in energy management. The Davis and Seattle experiences provide inspiring examples, but their lead will only be followed if reliable, detailed information about these and other local efforts is made widely available.

It is unreasonable to leave the task of information dissemination to individual localities. Davis alone has received hundreds of requests for information on its energy-conserving building code. It cannot afford to respond to these requests with more than the most basic, prepackaged information.

The Federal Government has done little to fill this information gap. Within the Department of Energy, the Energy Extension Service, which recently concluded its pilot phase, primarily targets its information at individual consumers and small businesses. Another Department of Energy initiative, the comprehensive community energy management program, has begun to assess the energy management capacities of a few localities, but the program has done little to strengthen the flow of information between local government officials.

Mr. President, today I am introducing legislation which addresses the need both for a more reliable data base on local government energy initiatives and for better information-sharing among local government officials. The Local Energy Management Act, as it is called, focuses specifically on local government efforts to stimulate energy conservation and the development of renewable energy resources. I am pleased to have Senators DOMENICI, HEINZ, KENNEDY, and TSONGAS as cosponsors of this bill.

I would like to emphasize that the bill's funding requirements are quite modest; $30 million would sustain the bill's programs over a 3-year period. This is a fraction of what is being proposed for further research into such highly speculative projects as the solar power satellite.

I am further convinced that the bill's programs would be highly cost-effective. Upon examining several existing local energy initiatives, I have been impressed by the rapid pay-back of many measures. The city of Carbondale, Ill., is about to retrofit its water treatment plant with more energy-efficient equipment. City officials predict that within 8 months, energy savings will recover the cost of this $20,000 investment. By stimulating comparable energy innovations in many localities, I am confident that the bill I am proposing would more than pay for itself in a few years' time.

In addition to being cost-effective, the Local Energy Management Act avoids creating any new offices within the Department of Energy. Rather, the proposed programs would become the responsibility of an existing office within the Department's Conservation and Solar Applications division.

Mr. President, I am introducing this bill with the hope of generating an active debate in the Congress regarding the Federal role in local energy management. This is an issue which I plan to raise when the Governmental Affairs Committee holds its oversight hearings on the Department of Energy later this spring. I look forward to hearing the views of my colleagues on this matter. I also welcome the comments of individual local officials and organizations such as the National League of Cities, the National Association of Counties, the U.S. Conference of Mayors, and the International City Management Association.

Mr. President, I ask unanimous consent that a summary of the Local Energy Management Act of 1979, followed by the text of the bill, be printed in the RECORD.

There being no objection, the summary and bill were ordered to be printed in the RECORD, as follows:

THE LOCAL ENERGY MANAGEMENT ACT—A BRIEF DESCRIPTION

The Local Energy Management Act proposes to create three interlocking programs:

DEMONSTRATION GRANT PROGRAM

A modestly funded Demonstration Grant Program would offer grants to localities for the implementation of programs which emphasize energy conservation and the development of renewable energy resources. At the end of the grant period, Demonstration Grant recipients would be asked to supply comprehensive information on the programs they have developed, including: (1) an estimation of fossil fuels to be displaced by these programs over a one-year, five-year, and ten-year period; (2) a description of their programs designed to provide information to the public regarding energy conservation and renewable energy resource options; (3) a description of mechanisms used by them to involve the public in energy policy decisions; and (4) a description of programs used to foster private industry—particularly small business—participation in energy conservation and renewable energy resources development. In addition, recipients would be required to outline their plans for future programs, particularly those involving major capital expenditures.

The data provided by Demonstration Grant recipients would constitute an important information resource for other localities wishing to develop their own programs in these areas.

LOCAL ENERGY REFERENCE CENTER

The Local Energy Reference Center would serve as a data bank and information clearinghouse for locally based energy management efforts. The Reference Center would draw upon the experiences of Demonstration Grant localities. In addition, it would collect information on successful programs conducted by non-Demonstration Grant localities.

To minimize the Department of Energy's administrative burdens, and to make maximum use of existing resources, the Reference Center would be established outside of the Department through a contractual arrangement with an organization or a consortium of organizations currently involved in disseminating information to local government officials.

TECHNICAL ASSISTANCE PANELS PROGRAM

The Technical Assistance Panels Program would serve as a versatile, decentralized information and technical assistance agency, with a branch in each of the ten regional offices of the Department of Energy. Each of these branches would be administered by a Panel Program Manager.

The Panel Program Manager would solicit requests for information or technical assistance from localities within the represented region. Upon receiving a particular request, the Program Manager would select from a number of possible response mechanisms. In straightforward cases, he or she could refer the inquiry to an appropriate Federal agency or to the Local Energy Reference Center.

In more demanding cases, the Program Manager would call upon a Technical Assistance Panel. This Panel would consist of individuals with particular expertise in energy conservation and renewable energy resources development. A two-thirds majority of Panel members would be local government officials, while the remainder would not be required to be government-affiliated. Each Federal Region would have its own Panel.

The purpose of the Panels would be to provide a direct, peer-based exchange of information among local officials. On receiving a referral from the Program Manager, a Panel member would consult with the local official who requested the assistance. This consultation would take place via telephone, written correspondence, or site visit. Other than expenses for site visits, Panel members would receive no financial compensation for their services.

The Technical Assistance Panel would occasionally be unable to respond with adequate detail or expertise to certain information requests. In such instances, the Program Manager would have discretionary power to contract with one or more consultants, up to the net equivalent of one full person-year per annum.

FUNDING

Funding for the Local Energy Management Act would be $8 million for the first year, $10 million for the second year, and $12 million for the third year.

The Demonstration Grant Program would receive a minimum of 50 percent of the authorized funds; the Local Energy Reference Center would receive at least 10 percent of the funds; and a minimum of 25 percent of the funds would be allocated to the Technical Assistance Panels Program.

S. 931

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Local Energy Management Act of 1979".

TITLE I—FINDINGS, DECLARATION OF PURPOSE, AND DEFINITIONS FINDINGS AND DECLARATION OF POLICY

SEC. 101. (a) The Congress hereby finds and declares that—

(1) local units of government are highly appropriate vehicles for the promotion of energy conservation and renewable resource-based technologies, because of their sensitivity to geographic and climatic variations, their ability to make effective use of available human skills and economic resources, their high visibility, and their capacity to accommodate a high degree of direct citizen involvement in the study, implementation, and demonstration of new programs;

(2) local units of government can play an important role in stimulating the involvement of private industry, particularly small businesses, in energy conservation and renewable energy resources development;

(3) many localities have already developed innnovative and effective programs which promote energy conservation and the development of renewable energy resources;

(4) geographic and economic constraints have generally discouraged localities with successful programs in the energy field from sharing their knowledge and experience with other localities,

(5) the Federal Government has provided only scattered and insufficient information and financial assistance to localities for the purposes of encouraging energy conservation and the development of renewable energy resources; and

(6) the Department of Energy should encourage localities to implement energy conservation measures and to expand their use of renewable energy resources.

(b) It is the purpose of this Act to provide broader Federal assistance to localities by—

(1) establishing a Demonstration Grant Program, applicable to localities which propose to implement comprehensive programs promoting energy conservation and the development of renewable energy resources;

(2) establishing a Local Energy Reference Center, to collect and disseminate information on existing and potential local programs which promote energy conservation and the development of renewable energy resources; and

(3) establishing a Technical Assistance Panels Program, administered through the Department of Energy's Regional Offices, to facilitate information-sharing among local officials with respect to energy conservation and the development of renewable energy resources.

DEFINITIONS

SEC. 102. For the purpose of this Act, the term—

(1) "Department" means the Department of Energy;

(2) "Secretary" means the Secretary of the Department of Energy;

(3) "Assistant Secretary" means the Assistant Secretary for Conservation and Solar Applications;

(4) "region" refers to a Federal administrative region;

(5) "locality" means a city, town, borough, county, parish, district, or other public body created by or pursuant to State law, with responsibility for the planning and administration of local affairs;

(6) "intermunicipal agency" means an agency established by two or more local units of government;

(7) "local official" means an elected representative of a unit of local government or if designated by the elected representative, an employee of a local unit of government;

(8) "energy conservation" means a capital investment or a practice which leads to a net saving in energy;

(9) "renewable energy resources" means those sources of energy which cannot be permanently exhausted, including agricultural and forest products and excluding nuclear fission and fusion materials;

(10) "demonstration" means the implementation of a local program, for the purpose of conserving energy and expanding the use of renewable energy resources;

(11) "implementation" does not include the acquisition, leasing, construction, or modification of facilities or equipment or the acquisition, leasing, or improvement of land;

(12) "technical assistance" means the transmittal of practical information through printed publications, computer data, or personal visitation.

TITLE II—PROGRAM ADMINISTRATION

GENERAL

SEC. 201. The Department of Energy shall be responsible for carrying out the provisions of this Act. The Secretary shall carry out the responsibilities of this Act through the Assistant Secretary for Conservation and Solar Applications.

REPORTS

SEC. 202. The Secretary shall transmit to the Congress and the President, not later than 90 days after the end of each fiscal year, a comprehensive report on all activities of the programs established under titles III, IV, and V, conducted during the previous fiscal year. Each such report shall include—

(1) a statement of specific and detailed objectives for the activities and programs conducted and assisted under this Act;

(2) a statement of conclusions as to the effectiveness of such activities and programs in meeting the stated objectives and the purposes of this Act, measured through the end of each fiscal year;

(3) a statement outlining the coordination of the activities and programs conducted and assisted under this Act with the activities and programs of other public and private agencies, as described in section 203;

(4) recommendations with respect to such legislation which the Assistant Secretary deems necessary or desirable to assist locally based energy conservation and renewable energy resources development efforts; and

(5) plans for activities and programs during the next fiscal year.

COOPERATIVE EFFORTS

SEC. 203. The Secretary shall consult and cooperate with the Secretary of Housing and Urban Development, the Secretary of Agriculture, the Administrator of the Environmental Protection Agency, the Secretary of Health, Education, and Welfare, the Community Services Administration, the Secretary of Commerce (and the Regional Centers of the Economic Development Administration in the Department of Commerce), the Administrator of the Small Business Administration, and the heads of other Federal agencies administering energy-related programs, with a view toward achieving maximum coordination with other related programs, and for the purpose of ensuring to the maximum extent possible that all energy conservation and new energy technology information disseminated by or through Federal programs in a given area are consistent and are fully coordinated in order to minimize duplication of effort and to maximize public confidence in the credibility of Federal or federally assisted programs. It shall also be the responsibility of the Secretary to promote the coordination of programs under this Act with the activities and programs of other public and private agencies, including the Federal Laboratory Consortium; the National Center for Appropriate Technology; national organizations representing elected State and local government officials; private, non-profit organizations; and private industry.

TITLE III—DEMONSTRATION GRANT PROGRAM

GRANT PROGRAM

SEC. 301. (a) The Secretary may make nonrenewable grants to localities for the development of management programs designed to foster energy conservation and the development of renewable energy resources. The Secretary shall have discretion to determine whether such grant programs shall be of one- or two-year duration.

(b) Grants shall be distributed, to the maximum extent feasible, in a manner which ensures—

(1) an equitable distribution among localities of varying population size, and a fair representation of different types of political subdivisions;

(2) an equitable distribution among localities within each of the 10 Federal administrative regions; and

(3) adequate consideration of other demographic characteristics which the Secretary may deem relevant to the purposes of this Act.

(c) No grant recipient under this title may receive more than 3 percent of the total funds appropriated for the implementation of this title.

APPLICATION REQUIREMENTS

SEC. 302. Applications for grants under this title shall be submitted to the Department in such form as the Secretary may reasonably require and shall contain at a minimum—

(1) an estimation of the overall energy consumption of the locality;

(2) detailed information as to the population size of the locality, employment by sector, economic activities, transportation facilities, and other demographic characteristics which the Secretary deems relevant to the purposes of this Act;

(3) an estimation of the nature and cost of programs and activities to be supported by the grant;

(4) a description of projected mechanisms for providing the public with reliable, detailed energy information; and

(5) a description of projected mechanisms for involving the public in energy policy development.

PROGRAM REQUIREMENTS

SEC. 303. (a) Each participating locality shall, within 180 days after termination of the grant period, submit to the Secretary a report containing—

(1) a detailed description of the overall energy consumption of the locality, by sector;

(2) a detailed description of the activities and programs generated by the grant, including—

(A) an estimation of fossil fuels to be displaced by these programs over a 1-year, 5-year, and 10-year period;

(B) a description of the mechanisms adopted by the locality for the purpose of providing the public with reliable, detailed information regarding energy conservation and renewable energy resources development;

(C) a description of the mechanisms adopted by the locality for the purpose of involving the public in energy policy development;

(D) a description of the mechanisms adopted by the locality for the purpose of stimulating the involvement of private industry, particularly small businesses, in energy conservation and renewable energy resources development.

(3) a detailed description of additional energy conservation and renewable energy resources development measures which will require capital expenditures. Such description shall include—

(A) projected capital requirements including information on the potential involvement of private industry, particularly small businesses;

(B) projected administrative and noncapital expenses;

(C) an assessment of the availability of Federal, State or other funding resources; and

(D) an estimation of fossil fuels to be displaced by these potential measures.

(b) The Secretary shall incorporate the information supplied by Demonstration Grant recipients into the data bank of the Local Energy Reference Center, established under title IV of this Act.

TITLE IV—LOCAL ENERGY REFERENCE CENTER

ESTABLISHMENT OF LOCAL ENERGY REFERENCE CENTER

SEC. 401. The Secetary shall establish a Local Energy Reference Center, to serve as a data bank and information center for localities throughout the Nation. The Local Energy Reference Center shall be established through a contractual arrangement with an organization experienced in information dissemination to localities, such as a national organization representing elected local government officials, or a consortium of such organizations.

RESPONSIBILITIES

SEC. 402. The Local Energy Reference Center shall, at no cost to the requesting unit of local government, and to the maximum extent feasible—

(1) collect detailed and specific information about locally based programs which are designed to promote energy conservation and the development of renewable energy resources; and

(2) disseminate information on request to localities via telephone, computer terminal, or printed communication.

TITLE V—TECHNICAL ASSISTANCE PANELS PROGRAM

ESTABLISHMENT OF TECHNICAL ASSISTANCE PANELS

SEC. 501. The Secretary shall establish a Technical Assistance Panels Program, to provide technical information and assistance to localities with respect to energy conservation and the development of renewable energy resources.

PANEL PROGRAM MANAGERS

SEC. 502. (a) The Secretary shall appoint a Panel Program Manager within each Regional Office of the Department who shall—

(1) establish within 90 days a Technical Assistance Panel, as described in section 503;

(2) publicize the services offered by the Technical Assistance Panels Program established under section 501;

(3) respond expeditiously to requests made by local officials for technical information or assistance with respect to energy conservation and the development of renewable energy resources;

(4) organize conferences and seminars for local officials with respect to energy conservation and the development of renewable energy resources;

(5) provide the Local Energy Reference Center with detailed and specific information about locally based programs within the region, which are intended to promote energy conservation and the development of renewable energy resources;

(6) utilize, where appropriate, the computer data bank, telephone service, and printed publications of the Local Energy Reference Center for the provision of technical information to local officials, with respect to energy conservation and the development of renewable energy resources;

(7) utilize, where appropriate, the resources of other public and private agencies, including the Federal Laboratory Consortium; the National Center for Appropriate Technology; national organizations representing elected State and local govern-

ment officials; private, non-profit organizations ;and private industry; and

(8) explore mechanisms for involving private industry, particularly small businesses, in energy conservation and renewable energy resources development.

(b) Upon receipt of a request for information or technical assistance, the Panel Program Manager shall select and execute one of the following mechanisms for providing the requested information or assistance:

(1) direct staff response;

(2) referral to an appropriate Federal agency or subagency program;

(3) referral to the Local Energy Reference Center;

(4) referral to a member of the Technical Assistance Panel, established in section 503; or

(5) referral to a consultant, as described in section 504.

TECHNICAL ASSISTANCE PANELS

SEC. 503. (a) There is established within each region a Technical Assistance Panel for the purpose of facilitating the implementation of locally based programs intended to promote energy conservation and the development of renewable energy resources. A two-thirds majority of Panel participants shall be local government officials who are knowledgeable and experienced in the areas of energy conservation and renewable energy resources development. The Panel may also include members of the public who have particular expertise in these areas. Panel members shall to the maximum extent feasible—

(1) provide the Panel Program Manager with detailed and specific information about their own respective programs with respect to energy conservation and the development of renewable energy resources; and

(2) engage in direct consultation via telephone, written correspondence, or site visitation with local officials in the region who have requested assistance from the panel.

(b) Expenses shall be provided to Panel members who undertake site visits. Not less than 50 percent of such expenses shall be provided by the locality which has requested the assistance.

USE OF CONSULTANTS

SEC. 504. Upon finding that the Technical Assistance Panel cannot respond with adequate detail or expertise to a specific request for information or assistance, the Panel Program Manager shall commission a consulting establishment to respond to the request. For such special purposes, each Panel Program Manager shall have discretionary power to contract with one or more consulting establishments, up to the net equivalent of one full person-year per annum.

TITLE VI—AUTHORIZATION OF APPROPRIATIONS

AUTHORIZATIONS

SEC. 601. (a) There are authorized to be appropriated for the purpose of carrying out the provisions of this Act, $8,000,000 for the fiscal year ending September 30, 1980; $10,000,000 for the fiscal year ending September 30, 1981; and $12,000,000 for the fiscal year ending September 30, 1982.

(b) Not less than 50 percent of the amount appropriated under subsection (a) shall be distributed to localities according to the provisions of title III of this Act.

(c) Not less than 10 percent of the amount appropriated under subsection (a) shall be used for purposes of the Local Energy Reference Center, established under title IV of this Act.

(d) Not less than 25 percent of the amount appropriated under subsection (a) shall be used for purposes of the Technical Assistance Panels Program, established under title V of this Act.

By Mr. PROXMIRE:

S. 932. A bill to extend the Defense Production Act of 1950, as amended; to the Committee on Banking, Housing, and Urban Affairs.

Mr. PROXMIRE. Mr. President, I send to the desk for appropriate reference a bill to extend for 2 more years the Defense Production Act of 1950. The extension of the act is noncontroversial. The Defense Production Act has been the Nation's only economic mobilization legislation since World War II. The need for this kind of legislation has been reaffirmed by the Congress and the executive branch every 2 years since it was first created at the onset of the Korean war.

The Defense Production Act provides a framework for industrial mobilization in the event of a war or a national emergency. It insures the required expansion of productive capacity and supply for the national defense and it makes provision for access by the small business community to defense contracting. Many of these provisions carry over to the normal day-to-day business of the Defense Department and the related defense industry. For example, the act establishes a system of priorities and allocations of defense goods which are critical to the needs of our defense system.

By Mr. WILLIAMS (for himself, Mr. PROXMIRE, and Mr. GARN) (by request):

S. 933. A bill to extend the authorization of appropriations for the National Neighborhood Reinvestment Corporation; to the Committee on Banking, Housing, and Urban Affairs.

NATIONAL REINVESTMENT CORPORATION ACT AMENDMENT OF 1979

● Mr. WILLIAMS. Mr. President, today I am introducing an amendment to the Neighborhood Reinvestment Corporation Act which would extend the authorization for this very successful program for fiscal years 1980 and 1981.

Joining me in cosponsoring this measure are the distinguished chairman and ranking minority member of the Banking, Housing, and Urban Affairs Committee, Senators PROXMIRE and GARN, who have had a continuing interest in and commitment to this program.

The purpose of the National Neighborhood Reinvestment Corporation is to promote reinvestment in older neighborhoods by local financial institutions working in partnership with community people and local government. The program was established as a public corporation last year after proving its worth as the urban reinvestment task force.

The activities of the Corporation involve the neighborhood housing services programs, which are the basic tool of the Corporation for creating a partnership to reverse neighborhood decline, and technical assistance and educational programs which are a valuable aid in helping develop effective local action. This is a program whose strength is at the local level, and the development of autonomous and productive local operations is an important part of this program's concept.

The effectiveness of the Corporation's program is readily apparent if we realize that a $250,000, 4-year Federal investment in a neighborhood housing services program will typically produce over $5 million in private reinvestment in the neighborhood. Examples of the variety and promise of these programs include projects in Union County, N.J., where a unique neighborhood housing services program provides rehabilitation counseling and financing assistance to homeowners in four small cities in that county; in Baltimore, Md., where an urban lender training program is being conducted; and in Milwaukee, Wis., where innovative financing techniques are being used to promote homeownership in older neighborhoods.

These and many other creative, locally developed programs in over 60 communities across the country are an excellent example of cooperation among all levels of government, the private sector, and community groups, which can result in stable, more livable neighborhoods. An authorization of $9.5 million in 1980 and $10.5 million in 1981 is a modest and worthwhile investment in this program and I urge my fellow Senators to support it.●

By Mr. PELL:

S.J. Res. 62. A joint resolution to declare May 18, 1979, to be "National Museum Day"; to the Committee on the Judiciary.

NATIONAL MUSEUM DAY

● Mr. PELL. Mr. President, I am pleased to sponsor a proposed joint resolution to set aside May 18, 1979, as "National Museum Day."

This action is sought by the American Association of Museums and would have the President issue a proclamation to this effect.

The proposed resolution describes how museums hold in trust for future generations substantial part of humankind's heritage, and that the museums "encourage curiosity in the very young, offer enlightenment and education to the student, and provide a continuing source of enjoyment and cultural enrichment."

Also, the measure speaks of museums enhancing the quality of life in our communities" and providing "a sense of continuity and perspective which reinforces the cultural opportunities offered by schools, colleges, universities, libraries, and other institutions of learning."

It is, indeed, fitting to set aside such a day and I welcome this opportunity to provide some impetus in that direction.●

ADDITIONAL COSPONSORS

S. 12

At the request of Mr. DOLE, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 12, a bill to provide for cost of living adjustments.

S. 94

At the request of Mr. BENTSEN, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 94, a bill to amend the Internal Revenue Code of 1954 to allow individuals to compute the amount of the deduction for payments into retirement savings on the basis of the compensation of their spouses, and for other purposes.

S. 265

At the request of Mr. Domenici, the Senator from Utah (Mr. Garn) was added as a cosponsor of S. 265, the equal access to justice bill.

S. 336

At the request of Mr. Mathias, the Senator from Iowa (Mr. Jepsen) was added as a cosponsor of S. 336, a bill to amend the Internal Revenue Code of 1954 to provide that married individuals who file separate returns may be taxed at the same rate as an unmarried individual.

S. 380

At the request of Mr. Durkin, the Senator from Michigan (Mr. Levin) was added as a cosponsor of S. 380, a bill to amend the Bankholding Act of 1956.

S. 446

At the request of Mr. Williams, the Senator from New York (Mr. Moynihan) was added as a cosponsor of S. 446, the Equal Employment Opportunity for the Handicapped Act of 1979.

S. 615

At the request of Mr. Mathias, the Senator from Michigan (Mr. Riegle), the Senator from North Dakota (Mr. Young), the Senator from Louisiana (Mr. Johnston), and the Senator from Alaska (Mr. Stevens) were added as cosponsors of S. 615, the Small Business Administrative Review Court Act.

S. 664

At the request of Mr. Schweiker, the Senator from Pennsylvania (Mr. Heinz) was added as a cosponsor of S. 664, a bill to amend the Health Programs Extension Act of 1973 to provide for unbiased consideration of applicants to federally supported health professional schools.

S. 697

At the request of Mr. Sasser, the Senator from Illinois (Mr. Percy), the Senator from North Dakota (Mr. Burdick), and the Senator from Virginia (Mr. Harry F. Byrd, Jr.) were added as cosponsors of S. 697, a bill to reduce by $500 million the amount which may be obligated for travel and transportation of officers and employees in the executive branch during fiscal year 1980.

S. 704

At the request of Mr. Dole, the Senator from Wyoming (Mr. Wallop) was added as a cosponsor of S. 704, a bill to extend the statute of limitations from 2 to 4 years.

S. 748

At the request of Mr. Dole, the Senator from North Dakota (Mr. Young) was added as a cosponor of S. 748, a bill to provide for catastrophic health care.

SENATE JOINT RESOLUTION 4

At the request of Mr. Lugar, the Senator from Delaware (Mr. Roth) was added as a cosponsor of Senate Joint Resolution 4, proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds of both Houses of the Congress if the level of outlays exceeds the level of revenues.

SENATE JOINT RESOLUTION 47

At the request of Mr. Baucus, the Senator from New York (Mr. Moynihan), the Senator from Nevada (Mr. Laxalt), the Senator from Alaska (Mr. Stevens), the Senator from New Mexico (Mr. Schmitt), and the Senator from Arizona (Mr. Goldwater) were added as sponsors of Senate Joint Resolution 47, to designate May 1979 as "Family Camping Month."

SENATE RESOLUTION 90

At the request of Mr. McGovern, the Senator from Maryland (Mr. Mathias) was added as a cosponsor of Senate Resolution 90, requesting the Secretary of Agriculture to make a study of the programs administered under the National School Lunch Act and the Child Nutrition Act of 1966.

SENATE RESOLUTION 98

At the request of Mr. Bentsen, the Senator from Virginia (Mr. Harry F. Byrd, Jr.), the Senator from Wisconsin (Mr. Nelson), the Senator from Michigan (Mr. Riegle), and the Senator from Mississippi (Mr. Stennis) were added as cosponsors of Senate Resolution 98, in opposition to the President's proposed standby gasoline rationing plan.

SENATE RESOLUTION 127

At the request of Mr. Domenici, the Senator from Maine (Mr. Cohen) was added as a cosponsor of Senate Resolution 127, a resolution to limit the number of Senate employees.

SENATE CONCURRENT RESOLUTION 8

At the request of Mr. McGovern, the Senator from New York (Mr. Javits), the Senator from Missouri (Mr. Danforth), the Senator from Maine (Mr. Cohen), the Senator from Wyoming (Mr. Wallop), the Senator from Minnesota (Mr. Durenberger), the Senator from South Carolina (Mr. Hollings), the Senator from New Mexico (Mr. Schmitt), the Senator from South Carolina (Mr. Thurmond), the Senator from Nevada (Mr. Cannon), the Senator from New Hampshire (Mr. Humphrey), the Senator from Georgia (Mr. Nunn), and the Senator from Utah (Mr. Hatch) were added as cosponsors of Senate Concurrent Resolution 8, providing for impartial observers of the forthcoming elections in Rhodesia.

SENATE CONCURRENT RESOLUTION 14

At the request of Mr. Magnuson, the Senator from Illinois (Mr. Percy), the Senator from Connecticut (Mr. Weicker), and the Senator from Vermont (Mr. Leahy) were added as cosponsors of Senate Concurrent Resolution 14, for a moratorium of indefinite duration on the commercial killing of whales.

SENATE CONCURRENT RESOLUTION 17

At the request of Mr. Dole, the Senator from South Carolina (Mr. Hollings), the Senator from Wyoming (Mr. Wallop), and the Senator from New Hampshire (Mr. Humphrey) were added as cosponsors of Senate Concurrent Resolution 17, regarding the missing in action in Southeast Asia.

SENATE CONCURRENT RESOLUTION 18

At the request of Mr. Mathias, the Senator from Colorado (Mr. Hart), the Senator from North Dakota (Mr. Burdick), the Senator from Massachusetts (Mr. Kennedy), and the Senator from Iowa (Mr. Jepsen) were added as cosponsors of Senate Concurrent Resolution 18, designating April as "Fair Housing Month."

SENATE RESOLUTION 133—SUBMISSION OF A RESOLUTION TO APPROVE THE AMENDMENT TO DEPARTMENT OF ENERGY STANDBY CONSERVATION PLAN NO. 1 (DOE CONSERVATION PLAN NO. 4)

Mr. JOHNSTON submitted the following resolution, which was referred to the Committee on Energy and Natural Resources:

S. Res. 133

Resolved, That the Senate approves the contingency plan numbered four submitted to the Congress on April 5, 1979.

● Mr. JOHNSTON. Mr. President, on Thursday, April 5, the President submitted an amendment to his proposed energy conservation contingency plan No. 1 (relating to weekend gasoline sales restrictions). This proposed amendment would grant additional flexibility to States or political subdivisions thereof to fashion programs to be implemented in lieu of federally mandated weekend gasoline sales restrictions.

Today I am submitting a resolution of approval for this amendment so that the procedures contemplated in sections 201 (d) and 552 of the Energy Policy and Conservation Act which relate to amendments to energy conservation contingency plans will be available to the Committee on Energy and Natural Resources and the Senate. I ask unanimous consent that the President's letter of transmittal and the text of the amendment be printed in the Record at this point.

There being no objection, the message and amendment were ordered to be printed in the Record, as follows:

To the Congress of the United States:

Pursuant to Sections 201(d)(1) and 552 of the Energy Policy and Conservation Act (EPCA), 42 U.S.C. 6261(d)(1) and 6422, I am hereby transmitting to the Congress for its approval an amendment to Emergency Weekend Gasoline Sales Restrictions (Standby Conservation Plan No. 1) which I transmitted on March 1, 1979.

The purpose of the amendment is to expand the scope of "comparable programs" which a state may develop in order to qualify for an exemption from the Federal plan. The amendment will further encourage states, or political subdivisions thereof, to develop conservation programs which will qualify them for an exemption from the operation of Federal energy conservation contingency plans should those plans ever be put into effect. Such exemptions for "comparable programs" are authorized under Section 202 (b) of the EPCA.

The amendment reflects my belief that states should be given the flexibility to meet their share of any energy shortfall prior to the adoption of nationwide measures. The amendment would expand the size of allowable comparable state programs in two ways. First, it would eliminate the requirement that any alternative state plan be a mandatory one. If a state is able to achieve comparable energy savings through a voluntary plan, this should be permissible. Second, the language in the plan requiring that state alternatives deal with "the same subject matter" as the Federal plan would be eliminated and a requirement that savings be of the same fuel would be substituted. This would allow states to propose any alternative approach so long as it achieved comparable savings of the same fuel.

The procedures for approval by Congress of an amendment to a contingency plan are detailed in Section 552 of the EPCA, and require among other things that a resolution of approval be passed by each House of Congress within 60 days of submittal of the amendment. Inasmuch as the subject of this amendment has been considered thoroughly by the Congress in its deliberations on the conservation contingency plans, I urge the Congress to give this amendment expedited consideration so that it may be approved together with the Emergency Weekend Sales Restrictions plan.

The EPCA does not specify in Section 552 the form which the resolution of approval is to take. As I noted in my submission of the conservation contingency plans on March 1, 1975, it is my view and that of the Attorney General that actions of the Congress purporting to have binding legal effect must be presented to the President for his approval under Article I, Section 7 of the Constitution. Therefore, I strongly recommend that Congressional approval of the amendment be in the form of a joint resolution. If this procedure is followed, the amendment itself, agreed to by the Congress and the President, will not later be subject to possible judicial invalidation on the ground that the President did not approve the resolution.

I urge the prompt and favorable consideration by the Congress of this amendment.

JIMMY CARTER.

THE WHITE HOUSE, *April 5, 1979.*

CONTINGENCY PLAN NO. 4

(An Amendment To Standby Conservation Plan No. 1)

Pursuant to Section 201(d)(1) of the Energy Policy and Conservation Act, 42 U.S.C. 6261(d)(1), section 6(e) of Standby Conservation Plan No. 1, Emergency Weekend Gasoline Sales Restrictions, is amended to read as follows:

"(e) For purposes of this section, 'comparable program' means a program which conserves at least as much of the same fuel in the State or political subdivision thereof as this Plan would be expected to conserve in such State or political subdivision." ●

SENATE RESOLUTION 134—SUBMISSION OF A RESOLUTION AUTHORIZING FUNDS FOR INVESTIGATION INTO THE ACCIDENT AT THE THREE MILE ISLAND NUCLEAR POWER STATION

Mr. HART (for himself, Mr. RANDOLPH, Mr. SIMPSON, Mr. MOYNIHAN, Mr. BAKER, Mr. DOMENICI, and Mr. ROBERT C. BYRD) submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 134

Whereas the accident at the Three Mile Island Nuclear Power Station raises issues that are crucial to the welfare of the People of the United States;

Whereas the public welfare in the nuclear age is heavily dependent on credible and effective Federal regulation and control of civilian atomic energy;

Whereas the Congress of the United States established the Nuclear Regulatory Commission to be independent of the Executive Branch and to keep the Congress fully and currently informed of its activities;

Whereas the special investigation of the Committee on Environment and Public Works, through its Subcommittee on Nuclear Regulation, into the accident, and its study of major issues related to the accident, will help to inform the Senate of the significance of the accident to future regulation and control of civilian atomic energy and indicate any need for legislation;

Whereas the urgency and scope of such an investigation and study require that resources may be necessary beyond those normally available for committee inquiries and studies: Now, therefore be it

Resolved, That the Committee on Environment and Public Works, through its Subcommittee on Nuclear Regulation, be authorized to expend such sums as may be necessary from the contingent fund of the Senate, to assist in such Committee's conduct in exercise of its jurisdiction as specified in Rule XXV 1. (h) (1) 10. of the Standing Rules of the Senate of a special investigation into the accident at the Three Mile Island Nuclear Power Station and a study of all issues arising from the accident that are significant to the regulation and control of nuclear energy, including (1) the employment of personnel, (2) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency, and (3) the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 2. In conducting its special investigation and study, the Committee on Evironment and Public Works, through its Subcommittee on Nuclear Regulation, shall utilize, to the extent practicable, any available studies, investigations, reports and other relevant material.

● Mr. HART. Mr. President, I am today submitting on behalf of myself and the distinguished Senator from West Virginia, Mr. RANDOLPH, Chairman of the Senate Committee on Environment and Public Works, and other Senators, a Senate resolution to authorize additional funds for the committee's special investigation into the accident at the Three Mile Island nuclear power station. The resolution will also make possible a study of related issues involving Federal regulation and control of civilian atomic energy.

As chairman of the committee's Subcommittee on Nuclear Regulation, I am committed to moving ahead swiftly and investigation of the role of the NRC in connection with this nuclear accident. The subcommittee oversees the activities of the Nuclear Regulatory Commission. It also exercises the committee's jurisdiction over the evironmental regulation and control of civilian atomic energy. The investigation of this accident is now underway, but it has become clear that the urgency and the scope of the inquiry will require resources beyond those normally available to the committee and its subcommittee for inquiries and studies.

This resolution also serves to clearly establish the Senate's prerogative to conduct its own special investigation and study, independent of whatever inquiry the President may initiate. It should be remembered that Congress established the Nuclear Regulatory Commission to be independent of the executive branch and to keep Congress fully and currently informed of its activities. The special status of the Government's nuclear program, and its special obligation to the Congress, date back to the establishment of the old Atomic Energy Commission in 1946. Congress has a special responsibility, therefore, to develop its own independent findings and come to its own conclusions as to the causes of the Three Mile Island accident. Congress should also assess the significance of this near catastrophe to future regulation and control of civilian nuclear power in the United States. To a certain degree, Congress itself is on trial in terms of its response to this accident.

The committee will hold its first hearing on the accident on Tuesday, April 10, when we will hear from the Chairman and members of the Nuclear Regulatory Commission. The subcommittee has delayed its first hearing until then, so as not to interfere with the duties of the Commissioners in connection with the ongoing efforts to bring the Three Mile Island reactor to a safe shutdown. The hearing will proceed only if the situation at Three Mile Island is relatively stable at that time.

The Committee on Environment and Public Works will soon make specific proposals to the Committee on Rules and Administration as to the additional resources that will be needed to conduct the special investigation and related studies. I am determined to complete the investigation within 6 months and to finish the studies in no more than 6 years after approval of the resolution.

The accident poses questions of enormous consequence with respect to the health and safety of the American people and to the energy security of the Nation. In the rush of events since the emergency began 9 days ago, several major issues have emerged relating to the accident and to the effectiveness of nuclear licensing, inspection, and control.

The special investigation of the Nuclear Regulation Subcommittee will cover the following:

How the accident happened—the sequence of events and determinations of component failures and operator errors.

Were there early warnings of the accident? The quality of NRC inspection and other regulation of operating reactors, specifically of this and other Babcock & Wilcox plants. The quality of NRC review of the design of this and other B. & W. plants at the construction phase.

NRC's response to the accident. Should the NRC have been involved sooner and could its involvement have been more effective? Why were there conflicting assessments of the dangers and explanations of what was happening between the NRC and the utility?

The adequacy of the State and local response and evacuation plans. Why had not the plan been tested as required by NRC regulations? Should the NRC require that such plans meet the strictest Federal criteria as a condition for issuing operating licenses to nuclear powerplants?

The subcommittee's study would be comprised of the following elements that relate to generic issues raised by the accident:

NRC review of designs and construction of nuclear power plants. Is the NRC too dependent on information provided by the applicant? Should it have greater resources to independently verify the applicant's design and construction work? Is the NRC's level of scrutiny sufficient to catch defects in design and construction that could lead to accidents?

The sufficiency of NRC inspection of operating reactors. Is the level of scrutiny sufficient to detect early warning signs of accidents ahead? Can procedures be improved for checking out design changes and repair work done during shutdowns? Should there be a stricter review process before shutdown reactors are committed to start up again?

Crisis management by the NRC. What reforms are needed to place the NRC clearly in charge of an emergency situation? Should there be remote monitoring of all powerplant operations at NRC headquarters to provide instantaneous notification of an emergency situation? Should the NRC have crisis management teams ready to respond in the event of such an emergency? What changes in the law and regulations would be needed?

Cleaning up after a reactor accident. What are the problems of cleaning up after an accident involving major radiation releases? How can we be assured that a reactor can be safely operated after decontamination and repair work is completed? Can the waste from this operation be safely transported and disposed of?

Who pays for the cost of the accident and the follow-up repair? Should this cost be borne by the utility stockholders or the ratepayers or the taxpayers? Are the Price-Anderson Act and present regulations and procedures relating to liability sufficient and equitable?

Mr. President, I hope very much the Senate can act swiftly on this resolution. Only by conducting an independent investigation and study of all aspects of the Three Mile Island nuclear accident can the Congress promote public confidence in Federal regulation and control of nuclear power and help to insure the health and safety of the American people.●

SENATE RESOLUTION 135—SUBMISSION OF A RESOLUTION RELATING TO THE ACTIONS OF PFC. WILLIAM JAMES TSAKANIKAS

Mr. JAVITS (for himself, Mr. Moynihan, Mr. Mathias, and Mr. Sarbanes) submitted the following resolution, which was referred to the Committee on Armed Services:

S. Res. 135

Whereas, the Senate has learned of recent reports that PFC William James Tsakanikas and the Intelligence and Reconnaisance platoon of the 394th Infantry Regiment of the 99th Division of the United States Army acted with extraordinary valor, bravery, and sacrifice in December, 1944 during the Battle of the Bulge;

Whereas, it is also reported that this heroic action was a substantial element in that Allied victory;

Whereas, the capture of all of the survivors of PFC Tsakanikas' platoon and the loss by fire of his Army records, have obviated to date the possibility of a recommendation for an appropriate act of recognition for this valiant action;

Whereas, time should not be permitted to dim memory of these events and 10 U.S.C. 3744(b) and 3752(a) technically bar award of the Congressional Medal of Honor in this case: Now, therefore, be it

Resolved, That it is the sense of the Senate that, having investigated the deeds of William James Tsakanikas and his platoon in World War II in the Battle of the Bulge, in December, 1944, it

(1) finds that such deeds exemplify extraordinary valor, bravery and sacrifice and merit the fullest appropriate recognition; and

(2) requests the President to take appropriate action to award the Congressional Medal of Honor to PFC William James Tsakanikas posthumously.

● Mr. JAVITS. Mr. President, I am submitting today a sense of the Senate resolution concerning the action of Pfc. William James Tsakanikas and his intelligence and reconnaissance platoon during the opening stages of the Battle of the Bulge during World War II. According to the information available, in December 1944, this platoon halted the advance of an entire German battalion at a vital crossroads in the Ardennes; the platoon of 18 men is reported to have held off an elite German battalion for almost an entire day, inflicted over 500 casualties, and made it possible for the 99th Infantry Division to regroup and hold on against this last German offensive until the allied armies could react and win the Battle of the Bulge. This action was the subject of a cover story in Parade magazine on March 25 of this year. I ask unanimous consent to have this article inserted in the Record at the conclusion of my remarks.

I am submitting a sense of the Senate resolution to be referred to the Senate Armed Services Committee, thereby giving them the basis to investigate the appropriateness of awarding the Congressional Medal of Honor to William James Tsakanikas for special valor in this action in World War II.

It appears that at present, there cannot be technical compliance with the timeliness requirements of the statutory provisions governing the award—and the recommendation for the award—of the Congressional Medal of Honor. This is so because Private Tsakanikas and his platoon were captured at the end of this incident and did not return to the United States until after the war. Moreover, official Army records regarding Private Tsakanikas were destroyed by fire impeding a prompt investigation into the facts. By this resolution, I seek an inquiry by the Armed Services Committee into all available historical records and to determine authoritatively exactly what happened. Once that inquiry has been made, we will be in a position to know the appropriateness of awarding the Congressional Medal of Honor to Private Tsakanikas.

Private Tsakanikas was very severely wounded in this incident. After the War, he returned to the United States, completed his college education, and went to Cornell Law School. He married and had a family in Port Chester, N.Y. There he lived what has been described as the life of a model citizen and became Rye Town Republican Committee Chairman. He died in June, 1977, shortly after the 36th operation he had resulting from his war injuries.

On April 5, 1979, his widow threw out the first ball at the season opener at Yankee Stadium. I understand that this past weekend, the surviving members of his platoon met and had a reunion in New York.

It was my hope that the record, as authoritatively established, will show that the awarding of our Nation's highest medal for bravery—the Congressional Medal of Honor—will be found to be in order for William James Tsakanikas.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Parade magazine, Mar. 25, 1979]

Why Private Tsakanikas Should Get the Medal of Honor

(By Jack Anderson)

The Lanzerath Incident should have gone down as one of the most valorous and pivotal actions of World War II. It was omitted from the histories because no one returned to tell the story until the war was over. Yet for an eternity of 18 hours, 18 stubborn Americans halted an entire column of German panzers, paratroopers and SS troops.

The GI's were ordered to hold a slope overlooking a strategic crossroads at a Belgian village called Lanzerath. Bullets whined around their heads, and artillery shells ravaged the landscape. Their hillside was a hell of gunfire and shrapnel. Yet they fought back, hugging the sides of their foxholes, until their guns burned up or ran out of ammunition.

When the Germans at last overran the position, they pulled the grimy GI's bodily from their foxholes. Their lieutenant Lyle J. Bouck Jr., described the end tersely. "We never surrendered," he said. "We were captured." On the American side, miraculously, only two died in the firefight, although many were shot up badly. The German toll: an incredible 509 casualties.

Those few forgotten heroes disrupted the timetable and blunted the surprise of a Nazi strike through the snow-sheeted Ardennes. Had they not held the crossroads for that long December day, the Germans would have caught the untested 99th Division off balance and might have won the Battle of the Bulge.

Writing from retirement, Maj. Gen. Walter Lauer, the division commander, has declared: "Had we failed, there would have been no Bastogne, and the entire complexion of the war could have changed most drastically." He gave all the credit to his men. "Their heroism has been unsurpassed in history. I know it. Many of our soldiers know it. The German soldiers who met them know it. God knows it."

This epic stand of 18 men against overwhelming German might has gone unrecognized by the Pentagon for 35 years. Not a medal has ever been awarded the enlisted men for their extraordinary bravery. Only the lieutenant received an unsought Silver Star that came to him without explanation through the mail in 1965—21 years late.

Every member of the forgotten platoon deserves a medal. But if one soldier symbolizes the heroism of that last-ditch stand, it would be PFC William James Tsakanikas, known to the others simply as "Sak." At 19, he was the youngest of them—an aggressive gung-ho GI who volunteered for all the tough missions. It took a German burp gun, fired point-blank into his face, to put him out of action.

Somehow the young soldier was saved by a German military doctor. Sak recuperated in a German prison hospital, made a break for freedom but was recaptured. Near the war's end, he was liberated by advancing U.S. forces. He returned home to a life of pain, dropped his tongue-twisting last name and died as Will James on June 27, 1977. He now lies in Arlington National Cemetery, an unremembered hero—but not to the 17 men who fought by his side or to the wife who witnessed the agony of 36 operations to reconstruct his face.

"Whatever he did in the war," she told us, "I knew my husband as a hero all of his life. He didn't talk about what happened that day until a little while before he died. But for me and my sons, he showed his heroism to us every day that he lived."

Seeking to make belated amends, Rep. Richard Ottinger (D., N.Y.) will introduce a bill this week authorizing President Carter to award Will James a posthumous Medal of Honor "for valorous acts performed at the risk of his life above and beyond the call of duty." The proposal has already encountered resistance from the Army bureaucrats behind their red-tape entanglements. They have noted stiffly that "the public law covering retroactive awards prohibits us from considering a recommendation for an award unless there is conclusive evidence that a formal recommendation for the award was entered into official military channels within two years of the act or service. . . ."

It would have been a bit difficult to meet the two-year deadline. Regimental headquarters believed the platoon had been wiped out, and those who knew the story had been dispersed to German prison camps. When they last saw James, he seemed unlikely to recover.

We tracked down Lyle J. Bouck in St. Louis, where he is now a chiropractor. He helped us get the story from other members of his World War II unit. From their accounts, we have pulled together the details of that day of courage.

It began before dawn on the bitter-cold morning of Dec. 16, 1944. The platoon had been handpicked to serve as the eyes and ears of the regiment. Almost all of them had college and athletic backgrounds. But their role had never been combat; they were an intelligence and reconnaissance platoon.

But they had been ordered to fill a gap in the front line. They settled into foxholes overlooking Lanzerath's eight or nine frame houses and a stretch of road leading to the strategic fork. One prong led like an arrow to the Meuse and the rear of their division. Beyond was the vital supply port of Antwerp on which Gen. Dwight D. Eisenhower and his armies depended.

At precisely 4:40 on the fateful morning, the men of the I&R platoon were jarred by the thunder and crash of a massive artillery barrage. The ground literally shook under their feet.

They had no way of knowing that they had ringside seats to the opening of Adolf Hitler's Ardennes offensive. He sought to encircle the American divisions in the Bulge and seize Antwerp. Nor did they know that they stood in the path of one of the spearheads of the Nazi assault.

During the next 18 hours, they would foul up the mission of a special panzer SS unit under Lt. Col. Joachim Peiper, who, furious over having his offensive stalled, later ordered the execution of 71 American prisoners at Malmedy.

The entrenched platoon survived the two-hour artillery baptism without casualties. It was followed by an ominous silence in the fields and woods around them. Minutes later, Bouck and James in the forward foxholes were appalled to see their closest support, a tank destroyer company about a mile away, beat a retreat toward the rear. Jeered James: "They might at least wave goodbye as they leave."

From the regiment came anxious instructions to scout out the situation east of Lanzerath. Four men—Bouck, James, Sgt. Bill Slape and Pvt. John Cregar—crept in a ditch toward the village and sprinted the last lap to the second floor of a house that had served as an observation post. They surprised a civilian talking German over a telephone; he had the look of a fifth columnist caught in the act.

James whipped out his bayonet and forced the stranger to drop the telephone. But Bouck had no stomach for a civilian execution. They let the suspected spy go, and he scurried down the stairs.

From their vantage point, the four Americans saw rolling toward them a German column in full battle array. Leaving the other two to keep watch, Bouck and James raced back to their foxholes. The lieutenant radioed headquarters the news that a massive attack was on the way. His superiors were skeptical. "Damn it," exploded Bouck, "don't tell me what I can see! We've got 20–20 vision here! There's a whole column of Krauts coming up that road!"

His demand for artillery fire on the road into Lanzerath went unheeded. Meanwhile, he received an urgent call from the two men in the observation post; they reported that Germans were already occupying the floor beneath them. Three men—Cpl. Aubrey McGehee, PFC Jordan "Pop" Robinson and Pvt. Jim Silvola—were sent to aid the trapped pair. But Slape and Cregar managed to sneak unnoticed through a rear, second-story window. In racing to safety across the icy road, Slape became the first casualty of the battle. He slipped and broke two ribs.

All too soon, the Germans appeared below, marching steadily on each side of the road, their weapons slung over their shoulders. Bouck ordered his men to hold their fire until the first command vehicle appeared. But at the last minute, a small girl ran out of a house and pointed to their location.

The Nazi commander, reacting instantly to the alarm, shouted a command, and the advancing Germans dove for cover. The advantage of an ambush was lost, but the Americans were so well hidden on the snow-covered slope that the Germans were unable to pinpoint their location.

From the forward position, James fired bursts from his grease gun. Slape manned the mounted machine gun on the jeep with deadly effect. From other foxholes, platoon members such as Risto Milosevich, Lou Kalil and Bill Dustman laid down lethal automatic rifle fire.

Separated from the outfit, Robinson, McGehee and Silvola took shelter behind a pile of cut timber and opened fire from another direction. The attacking Germans fell back, their ranks decimated, leaving their dead and wounded on the battlefield.

After a second repulse, a team of Germans approached waving a white flag. They sought a cease-fire so their medics could attend the wounded. Someone on the American side let go a defiant round of rifle fire at the feet of the Germans. This angered Bouck, who agreed to the cease-fire.

The third German attack began in the early afternoon. Heavy small-arms fire knocked out Slape's machine gun on the jeep and drove him to cover. He sprinted to the foxhole occupied by Milosevich. "Just as I reached his position and before I could get into the hole with him," Slape recounted, "two Germans opened up on me from about 50 yards. I got one of them and my carbine jammed—it was so hot I could barely hold it—so I threw it at the other German and dived into the bunker. I got him with a rifle."

The firefight was ferocious. The three behind the woodpile ran out of ammunition and were captured trying to make their way back to the platoon. Some Americans were wounded but continued to fight, in Slape's words, "like tigers." Two newcomers, Pvt. Cliff Fanscher and an unidentified GI from another unit, were killed in the action.

The Germans again were driven off, but ammunition was running low. Bouck turned to James in their bunker. "My orders are to hold the hill at all costs," said the lieutenant. "But you take off with as many of the men that want to go." James shook his head fiercely. "Lieutenant," he said, "you stay, we all stay." They turned to meet the fourth attack, which they met furiously, according to Slape, "even up to eyeball-to-eyeball contact."

The end came for Bouck and James in a horrific lightning flash. A German burp gun was poked into the rifle slit of their makeshift bunker and fired directly in James's face. The blast tore out his eyeball and most of his right jaw.

Bleeding from a bullet wound in his leg, Bouck helped a German medic carry James down the slope past the German dead toward Lanzerath.

About 10 p.m., an incensed officer, wearing the death insignia of the SS, strode into the village cafe where Bouck and James had been deposited. The officer was in a rage. He demanded to know why a "battalion" of Americans had cost him a day. He shouted that his troops had spent the time milling uselessly around when they should have been driving toward their objective.

The enraged Nazi was Lt. Col. Peiper. He never noticed that only a few feet away lay the 20-year-old lieutenant and the savagely wounded James who, with 16 other GI's, had stopped Peiper's elite battalion. (Peiper was to serve a six-year war crimes sentence for the Malmedy massacre, then to be assassinated by a group calling themselves the Avengers at a French villa in July 1976.)

After Peiper stormed out, Bouck succeeded in getting medical attention for James from a German doctor who praised the American's bravery. Then Bouck was led off, leaving James apparently dying behind. The lieutenant heard a black wooden country clock in the tavern chiming midnight and realized that he had reached his 21st birthday with only one gift—the red badge of courage.

This same clock now hangs in the living room of the modest Port Chester, N.Y., home where James and his wife, Lucille, raised their four sons. Her husband went back to Lanzerath a few years before his death and returned triumphantly with the clock.

The widow, sitting proud and erect, took up the story after Bouck's departure. James was moved to a prisoner depot, she said, where other German doctors did their best under rudimentary war conditions to repair his face. En route, a Nazi soldier stole his shoes, remarking, "Amerikanischer, you won't need these anymore."

She told about James's escape, recapture and liberation. He returned home to a life of painful surgery. After one operation, he met an Army nurse, Lucille Cassell, a slim, brown-haired West Virginia girl. They were married in 1948 after his graduation from the University of Pennsylvania. Characteristically, he was on the track and wrestling teams. Then he enrolled in Cornell Law School and eventually took his family to Port Chester.

Will James is remembered in Port Chester as a model citizen who was active in community affairs, youth work, church activities and politics. He served for 16 months as Rye Town Republican chairman. But only a few knew he was in constant pain from his war wounds. In June 1977 he returned home from his 36th operation, still in agony. A few days later, he was found dead in his bedroom.

In his St. Louis office, Bouck reflected on the furious battle that helped stop the 1944 Nazi offensive. He endorsed Representative Ottinger's effort to get a Medal of Honor for James: "I'd like to see Will James get every possible honor he has coming to him. He spent a lifetime of mental torture and physical agony."

He had one more thing to say about the unheralded Lanzerath Incident: "I think every man who was there is entitled to a medal, red tape or no red tape." ●

SENATE RESOLUTION 136—SUBMISSION OF A RESOLUTION FOR THE ESTABLISHMENT OF AN OFFICE OF FARMER COOPERATIVES

Mr. MORGAN (for himself, Mr. Culver, Mr. Helms, Mr. Eagleton, Mr. Ford, Mr. Lugar, Mr. Stewart, Mr. McGovern, Mr. Melcher, Mrs. Kassebaum, Mr. Nelson, Mr. Proxmire, Mr. Pryor, Mr. Bumpers, Mr. Sasser, Mr. Baucus, Mr. Hollings, Mr. Zorinsky, Mr. Pressler, and Mr. Durenberger) submitted the following resolution, which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. Res. 136

Whereas, the U.S. farm production system is envied around the world for its efficiency and reliability based on the freedom of action, dedication and ingenuity of more than two million family farmers; and,

Whereas, this family farm system, increasingly threatened by the pressures of inflation, regulation, and rapid growth of corporate market power, is largely dependent on the ability and freedom of farmers to work together through cooperatives to survive in today's economic environment dominated by large conglomerates; and,

Whereas, the Congress and the U.S. Department of Agriculture have long been staunch proponents of farmers' urgent needs for cooperatives, as expressed by the passage of the Capper-Volstead Act in 1922, the Cooperative Marketing Act of 1926, and the 1953 formation within USDA of an independent cooperative research and educational agency, the Farmer Cooperative Service; and,

Whereas, farmer cooperatives are facing increasing challenges to their rights to organize for the benefit of our farmers and the ultimate security of our national food supply; and,

Whereas, the prestige and the long-term effectiveness of the Farmer Cooperative Service have been threatened in the past decade by declining budgets and loss of cooperative personnel, and more recently by further loss of identity as the Farmer Cooperative Service; and,

Whereas, it is the determination of the Senate that the family farm system must be preserved, and that firm Congressional and Administration support for farmer cooperatives in the interest of our farmers and our nation must be reaffirmed and reinforced;

Now therefore,

Be it resolved by the Senate that the critical importance of farmers' self-help efforts through cooperatives be fully recognized and reaffirmed as a vital and necessary element in maintaining and promoting our superbly efficient family farm system of food production, and

Be it further resolved that the U.S. Department of Agriculture and all appropriate budget appropriation review groups recognize the need for reinforcement and expansion, as possible, of efforts to assist cooperatives in: (1) broad industry research for such vital issues as member control, cooperative industry growth and greater involvement in export activities; (2) appropriate services including statistical analyses, organizational and feasibility studies for groups including low-income farmers wishing to establish or extend group efforts, and (3) educational efforts to help acquaint public, farm, and other audiences with the constructive role of cooperatives in our national economy, and

Be it further resolved that the USDA should take aggressive leadership toward expanding resources, as possible, for such cooperative work on behalf of farmers and the national welfare and that an Office of Farmer Cooperatives be established as an agency within USDA to centralize and coordinate all programs of cooperative research, service, education, and other cooperative assistance now being carried out through the good work of the Economics, Statistics, and Cooperative Service and other agencies.

OFFICE OF FARMER COOPERATIVES

Mr. MORGAN. Mr. President, today I bring before the Senate a resolution encouraging the Secretary of Agriculture to establish an Office of Farmer Cooperatives.

Establishment of such ar. Office could be done in my opinion, without any additional expenditures of public funds.

Until little more than a year ago, the Department had a separate agency which served the public's need in the area of cooperative agriculture. In an internal reorganization plan implemented in early 1978, the Farmer Cooperative Service was merged with three other agencies into the Economics, Statistics, and Cooperative Service (ESCS).

This merger has not served the best interests of the Nation. However, I believe that this reorganization cannot be undone. Rather, I would like for the Senate to join me in presenting the Secretary of Agriculture with a mutually satisfactory alternative. Through the option that I propose todav, the Secretary can provide adequate visibility to services related to cooperatives while maintaining the thrust of reducing the number of Government organizations within the Department of Agriculture.

This resolution does not ask the Secretary to create a new organization with the status of a major agency. Rather, this resolution asks the Secretary of Agriculture to give proper visibility to work related to the well-being of farmer cooperatives in American agriculture.

This resolution, which has strong bipartisan support representing virtually all regions of this great Nation, flows from my deepest concern for the role of farmer cooperatives, and cooperatives generally in our lives.

In many ways, cooperatives are the cornerstone of which our farming system has been built. With progressive farmer cooperatives, Congress can better assure the continued viability of our farmers and our agriculture, a system that is unparalleled in the world.

The Department of Agriculture has historically played three roles in the area of cooperatives. First, it has provided technical services to existing cooperatives as well as assisting farmers in organizing new cooperatives. Second, the USDA has collected and published various types of information relating to cooperatives. Third, the Department has various educational programs to help educate the American people concerning the vital role that cooperatives play.

I am introducing this resolution not only because of my strong conviction for the need of visible cooperative-related services within the USDA, but because I fervently believe that we, as a society, can benefit from forms of cooperative-type organizations in our economy. Indeed, in an economy dominated by conglomerates, we need various forms of organization to encourage greater competition. With more competition we can encourage our economy to grow and prosper in a way that serves the interests of the American people.

Another primary motivation for this resolution lies in my concern that it is now, under the new organizational structure, difficult to trace and evaluate public expenditures for cooperative-related services within the USDA. Indeed, this is one of the many reasons why many of my colleagues have joined me in sponsoring this effort.

I think that it would be educational for me to share with the Members of this Chamber some information concerning the pervasiveness of cooperatives in the United States. The following are excellent examples of the emergence of cooperative organization in our society:

More Americans now own a share of a consumer cooperative than a share of stock in a U.S. corporation.

Credit unions, which essentially are credit cooperatives, now have 35 million members.

More than 2 million Americans now live in housing cooperatives.

Nearly 3,000 oil cooperatives now provide one-third of all U.S. rural petroleum needs.

As I said, farmer cooperatives have played, and will continue to play, a key role in the economic well-being of rural America. Whether in supply or marketing, cooperatives are virtually the only alternative that farmers have to being at the mercy of a very limited number of buyers and sellers.

My resolution goes into considerable detail on why I believe an Office of Farmer Cooperatives should be created as well as what I believe such an Office should do. I do not want to go into all of these reasons in my remarks.

Mr. President, I have heard from a number of North Carolinians concerning the need for this resolution. I would like to share some of these comments with my colleagues:

"We feel that the growth and development of farmer cooperatives are essential to maintain a productive and stable agriculture." James T. Walker, president North Carolina Cooperative Council.

"I am of the opinion that the present arrangement (within USDA) has diluted the agency's efforts to be of service to agricultural producers. In the years ahead producers will need, to a much greater extent, the assistance of efforts of the Farmer Cooperative Service." Fred Bond, general manager, Fluc-Cured Tobacco Cooperative Stabilization Corp.

"A strong Cooperative Service is needed to provide cooperative research and to make information available to farmers, to consumers, and to decision-makers at the policy level." Charles D. Colvard, executive vice president, Cooperative Council of North Carolina.

"In the USDA realinement of last year, I am afraid FCS's (Farmer Cooperative Service) status and influence were unduly diminished by the action taken." Marvin McClam, president and general manager, FCX.

"At a national meeting which I attended in January, cooperative leaders unanimously approved a resolution requesting that this Service be restored to its original status. This Service needs its original status to adequately service agriculture and farm cooperatives, in particular." G. B. DeLoatche, general manager, Central Carolina Farmers.

Jim Graham, the North Carolina commissioner of agriculture and president of the National Association of States Department of Agriculture, also has expressed strong support for my resolution.

This resolution is also supported by the American Farm Bureau Federation, the National Farmers Union, the National Milk Producers Federation, the National Rural Electric Cooperative Association, and the National Council of Farmer Cooperatives.

Many Senators have offered their support for this resolution. Senators Culver, Helms, McGovern, Nelson, Stewart, Proxmire, Hollings, Melcher, Zorinsky, Baucus, Ford, Eagleton, Bumpers, Sasser, Durenberger, Pryor, Kassebaum, and Pressler are cosponsors of this effort.

SENATE CONCURRENT RESOLUTION 20—SUBMISSION OF A CURRENT RESOLUTION HONORING ROCKVILLE, MD., AS "ALL AMERICAN CITY"

Mr. MATHIAS (for himself and Mr. Sarbanes) submited the following concurrent resolution, which was referred to the Committee on the Judiciary:

S. Con. Res. 20

Whereas the City of Rockville, Maryland, has been named an All American City for 1978–79; and

Whereas Rockville is the only city in the nation to be a four-time winner in the 30-year history of this award; and

Whereas the All American City award indicates special achievement in community development through citizen action; and

Whereas the City of Rockville was cited specifically for its completion of a community goals setting process, development of a comprehensive program to insure active lives for senior citizens and creation of a wide-ranging community arts program

Now, therefore be it resolved that the Senate (the House of Representatives concurring, recognizes the City of Rockville and its residents for their outstanding efforts in making their city an "All American" city.

● Mr. MATHIAS. Mr. President, I am proud today to submit a resolution honoring the city of Rockville in Montgomery County, Maryland, for being named an All American City for 1978–1979 by the National Municipal League. Rockville has been recognized for outstanding achievement in community development through citizen action. Rockville has the unique distinction of being the only city in the Nation to be a four-time winner in the 30-year history of this coveted award. It also received the award in 1954, 1961 and 1976–77. I am grateful when the outstanding accomplishments of the citizens of Maryland are given public recognition, but I am never very surprised. It is always well deserved.

Robert H. Rawson, President of the National Municipal League in announcing the award said:

> The award is conferred for the imaginative and vigorous action its citizens have taken to improve their community, thus demonstrating an example of effective citizenship to the nation. We believe their effort is even more important today, for it illustrates the potential that responsible action of citizens in their home communities has for rebuilding confidence in our total system.

Rockville was cited by the National Municipal League for its community goal-setting process, development of a comprehensive program to insure active lives for senior citizens and the creation of a wide-ranging community arts program.

Citizens of Rockville completed a community goals process to set the direction for Rockville into the year 2000 and beyond. The goals and objectives were drafted by a group of 200 citizens. The results were mailed to all households for review and comment, and after public hearings, the document was adopted by the mayor and council.

The program for senior citizens includes an active sports and exercise program, including large group activities, such as swimming, bowling, hiking, gymnastic classes at senior citizen club meetings and individualized programs for daily exercises. Another innovative proposal is to build grandparent cottages—modular cottages on the lots of existing residential units to house elderly parents or grandparents. This concept is under study by a citizen task force. Preservation Unlimited employs retired senior craftsmen to teach young and disadvantaged persons such skills as repointing of bricks and hand tooling needed for preservation of historic homes and buildings.

Rockville's community arts efforts have included a sculpture competition involving citizen participation. Another aspect of this program was the creation of an outdoor art gallery on a fence surrounding a large construction site in the city central business district. This project, sponsored by local businesses involved more than 200 area artists. The city also has adopted an art and architecture ordinance requiring that 1 percent of the capital budget for public buildings be devoted to art.

The second largest city in Maryland, Rockville is located 12 miles northwest of Washington, D.C., in west central Maryland. It is the county seat of Montgomery County. Rockville is a successful mix of yesterday and today. Its historic and architectural value is nationally recognized, with several designations on the National Register of historic places.●

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF STATE AND RELATED AGENCIES AUTHORIZATIONS—S. 586

AMENDMENTS NOS. 137 AND 138

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. PELL submitted two amendments intended to be proposed by him to S. 586, a bill to authorize appropriations for the Department of State, International Communication Agency, and Board for International Broadcasting for fiscal years 1980 and 1981, and a supplemental authorization for State for fiscal year 1979, and for other purposes.

DEPARTMENT OF EDUCATION—S. 210

AMENDMENT NO. 139

(Ordered to be printed and to lie on the table.)

Mr. SCHWEIKER submitted an amendment intended to be proposed by him to S. 210, a bill to establish a Department of Education.

● Mr. SCHWEIKER. Mr. President, as one who feels that a strong and educational system is the most important resource we have as a nation, I am offering an amendment to S. 210, the Department of Education bill, which will improve the Federal education bureaucracy while at the same time hold the line on its size and power. My amendment would elevate and restructure our education division in the Department of Health, Education, and Welfare, so that education programs receive the attention and prestige they deserve, without the increased Federal regulation which a separate department would surely bring.

The substance of my amendment has been passed by the Senate once before—in the Educational Amendments of 1976. This restructuring plan would set up a new Education Division within HEW which would finally bring some order from the confusion which presently reigns in the U.S. Office of Education. A new Under Secretary for Education would communicate directly with the Secretary of Health, Education, and Welfare. Four Assistant Secretaries for Education would administer Federal education programs and assistance for the Under Secretary.

The first, an Assistant Secretary for Elementary and Secondary Education, would be responsible for seven Bureaus: School improvement, handicapped, occupational, vocational, and adult education, compensatory education, bilingual education, overseas dependent schools, and State and local programs.

The second, an Assistant Secretary for Postsecondary and Continuing Education would handle the following Bureaus: Student financial assistance, graduate education, continuing education, postsecondary education, and international education.

The third, an Assistant Secretary for Research and School Improvement would cover the National Institute of Education and divide into the following Bureaus: Education research and policy analysis, development, demonstration, and dissemination, fund for improvement of postsecondary education, the national center for education statistics, and evaluation.

A fourth Assistant Secretary for Education would be responsible for administering other education programs which do not fit into one of these broad categories, for example library programs. The Secretary and Under Secretary would have the discretion to move programs around if this arrangement were found inadequate.

Mr. President, I submit this amendment today because of the incredible change I have witnessed in the past year in regard to a separate Department of Education. I am not exaggerating when I say that at least 75 percent of those who expressed their support for a department in the past have this year come to me to indicate that they no longer feel a separate department would have any positive impact on the state of education in this country. These are people who have thought long and hard on this issue, people who have devoted their whole lives to the education of children and adults. These educators are afraid of increasing Federal regulation of educational programs at both the State and local levels, and they feel the establishment of a separate department would be the first step toward federalization of education in this country.

Mr. President, aside from the question of whether a separate Department of Education would increase Federal regulation of education programs, there remains the question of why we are setting up a separate Department of Education and leaving many education programs in other departments. Everybody says they want an education department until it comes time for their programs to be administered by it. Then there are 10 good reasons why they should be left out. There are not many more programs included in the structure in S. 210, than we have now in OE. Can you imagine what will be the result of increased bureaucracy with only half of the education programs—I can, increased bureaucratic regulation of a type we have never seen before in education. The fact that the Department has been pared down in terms of the substance it will administer can only mean increased regulation of the programs it presently operates. Those who support this legislation rather naively assume that because the bill supports the concept of local control that the State and local governments will continue to administer the educational programs. The examples we have seen in the last 20 years hardly support such an assumption.

At a time when the American people have indicated that they want less, not more Federal control over their lives, a Federal Department of Education is not called for—we can accomplish the objectives of better organization and increased efficiency by a restructuring of education within HEW. I urge my colleagues to think carefully before voting on S. 210 and to support my amendment.

The decision we make today will have a dramatic impact on future generations. We must decide whether we want education policy in this country to be set at the Federal level, or where it properly should be, set at the State and local levels of government.

Mr. President, I ask unanimous consent that the amendment, together with an outline of explanation, be printed in the Record.

There being no objection, the amendment and outline were ordered to be printed in the Record, as follows:

Amendment No. 139

On page 72, beginning with line 11, strike out through line 21 on page 146 and insert the following:

That this Act may be cited as the "Education Functions Reorganization Act of 1979".

AUTHORITY FOR AND ORGANIZATION OF THE EDUCATION DIVISION

Sec. 2. Sections 401, 402, and 403 of the General Education Provisions Act are amended to read as follows:

"EDUCATION DIVISION

"Sec. 401. (a) There shall be in the Department of Health, Education, and Welfare, an Education Division which shall be headed by an Under Secretary of Education. The Education Division shall be the primary agency of the Federal Government responsible for the administration of programs of financial assistance to educational agencies, institutions, and organizations.

"(b) The Education Division shall include the National Institute of Education, the National Center for Educational Statistics, and the Office of Education.

"PRINCIPAL OFFICERS

"Sec. 402. (a) (1) There shall be in the Department of Health, Education, and Welfare an Under Secretary of Education, who shall be appointed by the President, by and with the advice and consent of the Senate. The Under Secretary shall be the principal officer in the Department to whom the Secretary shall assign responsibility for the direction and supervision of the Education Division. The Under Secretary shall be compensated at the rate specified for level III of the Executive Schedule under section 5314 of title 5, United States Code.

"(2) The Under Secretary shall carry out his functions under the direction and supervision of the Secretary. The Under Secretary shall report directly to the Secretary, and not to or through any other officer of the Department.

"(b) (1) There shall be in the Education Division—

"(A) an Assistant Secretary for Elementary and Secondary Education, who shall be the principal officer of the Education Division with responsibility for programs of the Education Division relating to elementary and secondary education;

"(B) an Assistant Secretary for Postsecondary and Continuing Education, who shall be the principal officer of the Education Division with responsibility for programs of the Education Division relating to programs of postsecondary education;

"(C) an Assistant Secretary for Research and School Improvement, who shall be the principal officer of the Education Division with responsibility for programs of the Education Division relating to research and development in education; and

"(D) one additional Assistant Secretary, who shall carry out such functions of the Education Division which are not within the responsibilities of the Assistant Secretaries specified in subparagraphs (A) through (C), as determined to be appropriate by the Secretary in consultation with the Under Secretary.

"(2) Each of the Assistant Secretaries established under paragraph (1) shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code. Each Assistant Secretary shall carry out his functions under the direction and supervision of the Under Secretary, and shall report directly to the Under Secretary and not to or through any other officer of the Education Division.

"ADMINISTRATIVE REQUIREMENTS

"Sec. 403. (a) The Education Division, shall, consistent with such organization thereof as may be provided by law, be divided into bureaus, and such bureaus shall be divided into divisions as the Under Secretary determines appropriate.

"(b) The Under Secretary shall not delegate to any employee in any regional office any function which was not carried out, in accordance with regulations effective prior to June 1, 1973, by employees in any such office unless the delegation of such functions to employees in regional offices is expressly authorized by law enacted after August 21, 1974.

"(c) Not later than February 1 of each year, the Under Secretary shall submit to the Committee on Labor and Human Resources of the Senate and the Committee of Education and Labor of the House of Representatives a report on the personnel needs of the Education Division and the assignment of personnel within the Education Division. Each such report shall include a description of the organizational structure of the Education Division and the assignment of personnel to carry out the various functions of the Education Division, and an analysis of the personnel needs of the Education Division.

"(d) Not less than 85 percent of the personnel employed in the Education Division shall be assigned to carry out the functions of Assistant Secretaries specified in section 402(b) and the functions of the Director of the National Institute of Education.

"(e) The Under Secretary may change the title of an office or officer in the Education Division which is fixed by any law enacted before the effective date of the Education Functions Reorganization Act of 1979, but the Under Secretary may not change the responsibilities of any such office or officer or the compensation of any such officer."

REDESIGNATION

Sec. 3. (a) Any reference in any law, rule, regulation, certificate, directive, instruction, or official paper in force on the effective date of this Act to the Commissioner of Education or to the Assistant Secretary for Education are deemed to refer and apply to the Under Secretary of Education.

(b) Any reference in any law, rule, regulation, certificate, directive, instruction or official paper in force on the effective date of this Act to the Office of Education or to the Office of the Assistant Secretary for Education, are deemed to refer and apply to the Education Division of the Department of Health, Education, and Welfare.

CONFORMING AMENDMENTS

Sec. 4. (a) (1) Section 400(c) (1) (C) of the General Education Provisions Act is amended to read as follows:

"(C) 'Under Secretary' means the Under Secretary of Education;".

(2) Section 400(c)(1)(D) of such Act is repealed.

(3) Section (c)(1) of such Act is amended by redesignating subparagraphs (E) and (F) as subparagraphs (D) and (E), respectively.

(b)(1) Section 404 of such Act is amended by striking out "Secretary" each time it appears and inserting "Under Secretary"; and

(2) Section 404(c) is repealed.

(c) The second sentence of section 405 (d)(1) of such Act is amended to read as follows: "The Director shall be responsible to the Assistant Secretary for Research and School Improvement and shall report to the Under Secretary through such Assistant Secretary and not to or through any other officer of the Department.".

(d) Section 406 of such Act is amended—

(1) by striking out "non-voting" in subsection (c)(4).

(2) by striking out "shall, in consultation with the Office of Education," in subsection (i)(1), and inserting "shall"; and

(3) by striking out "shall, in consultation with the Office of Education," in subsection (i)(2)(A) and inserting "shall".

(e) The second sentence of section 408(d) of such Act is repealed.

(f) Section 422 (a)(4) of such Act is amended by striking out "section 403" and inserting "Part A".

(g) The second sentence of section 604(a) of the Emergency School Aid Act is repealed.

TRANSITIONAL PROVISIONS

Sec. 5. (a) On the effective date of this Act, all employees, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, and allocations of the Office of Education, as determined by the Director of the Office of Management and Budget, shall be transferred to the Education Division of the Department of Health, Education, and Welfare.

(b) On the effective date of this Act, the Office of the Commissioner of Education and of Assistant Secretary for Education shall terminate.

AMENDMENTS TO TITLE 5, UNITED STATES CODE

Sec. 6. (a) Section 5314 of title 5, United States Code is amended by adding at the end thereof the following:

"(70) Under Secretary of Education, Department of Health, Education, and Welfare."

(b) Section 5315 of such title is amended—

(1) by striking out "(5)" in paragraph (17) and inserting "(4)"; and

(2) by adding at the end thereof the following:

"(128) Assistant Secretaries of the Education Division, Department of Health, Education, and Welfare (4).".

EFFECTIVE DATE

Sec. 7. This Act shall take effect on October 1, 1979.

Amend the title so as to read: A bill to provide for the reorganization of the Education Division and the Office of Education of the Department of Health, Education, and Welfare.

Outline of Amendment of Senator Richard S. Schweiker, Elevating and Restructuring a New Education Division in HEW

1. Create the position of Under Secretary of Education which would combine the existing position of Assistant Secretary and Commissioner of Education. The Under Secretary will report to the Secretary of HEW and have administrative control over all education programs. The existing Under Secretary would become the Under-Secretary for Health and Welfare.

2. Create four Assistant Secretaries each of whom will report directly to the Under Secretary. These will be: the Assistant Secretary for Research and Innovation, the Assistant Secretary for Post Secondary and Continuing Education, the Assistant Secretary for Elementary and Secondary Education, and an Assistant Secretary for all other programs of the Education division.

3. No fewer than 85 percent of the persons employed in the Education Division would be assigned to carry out actual program responsibilities. Presently, there is a huge, top-heavy planning staff, and not enough grant reviewers in the Office of Education.●

AMENDMENTS NOS. 140 AND 141

(Ordered to be printed and to lie on the table.)

Mr. HATCH submitted two amendments intended to be proposed by him to S. 210, a bill to establish a Department of Education.

NOTICES OF HEARINGS

SPECIAL COMMITTEE ON AGING

● Mr. CHILES. Mr. President, there will be a hearing of the Senate Committee on Aging on "The Effects of Food Stamp Cutbacks on Older Americans" on April 11, at 10 a.m. in room 1223 Dirksen Senate Office Building.

The hearing, which I will chair, will focus on recent regulations impact on the elderly's participation in the food stamp program. Testimony will be heard from the USDA, food stamp administrators, and elderly recipients.●

SUBCOMMITTEE ON FOREIGN AGRICULTURAL POLICY

● Mr. STONE. Mr. President, I wish to announce that the Subcommittee on Foreign Agricultural Policy will conduct a hearing on Public Law 95–501, the Agricultural Trade Act of 1978, on Wednesday, April 11, beginning at 9:30 a.m.

This hearing was scheduled to determine what progress has been made in the implementation of Public Law 95–501. The law which provides incentives for increased agricultural exports was passed late in the 95th Congress with overwhelming support from the Senate Agriculture Committee as well as producer and agribusiness groups.

The subcommittee will hear from Dale Hathaway, Deputy Secretary for International Affairs and Commodity Programs. Several other USDA officials will accompany the Deputy Secretary.

The hearing will be held in room 324 Russell. Anyone wishing further information should contact the committee staff at 224–2035.●

ADDITIONAL STATEMENTS

LONG ISLAND SOUND HERITAGE

● Mr. RIBICOFF. Mr. President, several major environmental and conservation organizations have formed a coalition, known as the Coast Alliance, to focus the Nation's attention on the assaults against and growing danger to America's fragile coastline. The Coast Alliance seeks to educate our fellow citizens on the importance of coastal ecology and the need to preserve and protect this area.

Certainly the coastline of Long Island Sound represents a primary area of national and regional concern. The unique location of the sound's 1,300 square miles and its 600-mile shoreline is the source of both its value and its vulnerability. Its salt water and unique coastline are treasures to be zealously guarded in the midst of the urbanized Northeast.

In February I introduced legislation to create the Long Island Sound Heritage. This measure authorizes an expanded system of parks and recreation areas along the sound's shores and focuses on the serious shortage of public conservation, recreation and open lands in this area.

I am gratified by the support my proposal has received, particularly in many Connecticut newspapers. I submit for the Record three recent editorials, appearing in the Bridgeport Post, the Norwich Bulletin, and the New Haven Journal-Courier.

The editorials follow:

[From the Bridgeport Post, Feb. 10, 1979]

Sound Heritage

Senator Abraham Ribicoff has reintroduced a bill to authorize creation of the Long Island Sound Heritage—an expanded system of parks, beaches and wildlife areas in Connecticut and New York.

The Ribicoff bill, originally introduced in 1977, directs that 14 sites—nine in Connecticut—be closely examined by responsible local, state and federal officials. If it is decided they should be included in the Heritage, after appropriate hearings, they would be acquired by the U.S. Interior Department. There would be agreements involving federal and local and state officials covering administration and maintenance procedures.

The bill authorizes $50 million to provide up to 75 percent assistance to state and local communities to aid in caring for the properties.

The Connecticut coastline on Long Island Sound is a fabulous resource which often has been ill-used over the years.

As Senator Ribicoff says, "My proposal focuses on the fact that the region's scenic, recreational, natural and cultural resources are threatened by growth and development pressures."

He is right. And once again we wish the senator every success in his attempt to save the beauty of Long Island Sound.

[From the Norwich Bulletin, Feb. 26, 1979]

Preserving the Sound

U.S. Sen. Abraham A. Ribicoff recently introduced legislation calling for the establishment of the Long Island Sound Heritage in Connecticut and New York. The legislation, which is co-sponsored by six other senators, would preserve and protect portions of the shoreline both on Long Island and along the Connecticut shoreline.

The legislation directs the Secretary of the Interior to work with both states and affected municipalities to formulate detailed plans for the heritage. Ultimately, 14 sites along the sound either would be given to the federal government or purchased by it. These sites would be turned over to the states or municipalities so that they could be administered by them with up to three-quarters of the funding coming from the federal government.

The legislation cites 14 areas which are either owned privately, by the state or municipalities for initial inclusion in the heritage. Nine of the sites are in Connecticut and include Bluff Point State Park in Groton, Ram, Dodgers and Andres Islands off Stonington, Rocky Neck State Park and the Niantic State Farm for Women in Niantic.

The heritage bill would go a long way toward protecting important sections of the coastline before they are destroyed or otherwise abused. As Ribicoff points out, the sound is gradually being engulfed by urban sprawl. Both Long Island and the Connecticut shoreline are one of the most rapidly growing areas in the Northeast. This growth will increase pressures on the use of Long Island Sound. It is likely that more and more areas which should be preserved will be developed which will mean they will be lost forever.

Although there are 600 miles of coastline along the sound, 262 miles of which are natural beaches, there already is considerable competition among various groups on how sections will be used. Much of the beach land already is tied up by municipalities, private landowners or commercial interests. The little that remains is not adequate to fill the needs of the public.

Although Connecticut has attempted to preserve some sections of the shoreline, there is not enough money to secure enough portions to meet the needs of all the people.

The heritage bill would provide initial financing of $50 million to begin acquiring land to be included in the heritage act. In addition, the Secretary of Interior would be allowed to acquire other land through purchase or donation.

The proposal which was first introduced in 1977 won the endorsement of the New England River Basins Commission and several conservation organizations. The commission noted in a 4-year study that an additional 20 miles of beach will be needed in less than 15 years to accommodate the expected increase in population. In addition, 800 more acres of picnic grounds will be needed.

Long Island Sound is unique among the nation's water bodies. It's the largest protected body of saltwater in the country, and it is a potential recreation ground for the 13 million people who live nearby. And in the summer it is a magnet for countless millions of vacationers.

Unless strong measures are taken to preserve the unique cultural and natural heritage along the sound, much could be lost. And, as so often happens, once it is lost, it can never be replaced.

[From the New Haven (Conn.) Journal-Courier, Mar. 12, 1979]

State Shoreline Needs

There have been enough spring-like days to turn thoughts to the warm days ahead and the joys of beachgoing. All of which focused attention on the good news that prospects are considered good for passage by Congress of the Long Island Sound Heritage Bill. Such action is overdue. This is the third time in three years that Sen. Ribicoff's bill to protect "The American Mediterranean" is being introduced.

The need for the legislation was urgent when it was first submitted so that it's more acute than ever. The longer it takes to pass the bill, the less chance there is protecting and developing natural resources that belong to all the people and that are needed for ecological balance.

One aspect of the legislation addresses a problem that has plagued Connecticut for years—lack of adequate beach facilities that are open to all state residents. The lion's share of Connecticut's shoreline is controlled by cities, towns and owners of private property. The result is that state beaches are awfully crowded during the hottest summer days. There are even times when Hammonasset Beach is so jammed that people are turned away. Obviously the state should aggressively develop all the shoreline property that it can.

The Long Island Sound Heritage Bill is designed to help the state realize the recreational and ecological potential of its beaches and other shoreline areas. Under the legislation, there would be expansion of Rocky Neck State Park in East Lyme, additional improvements at Pleasure Beach in Bridgeport, and development of Silver Sands State Park in Milford. These are just a few of the projects that would be expedited under an expanded system of parks, beaches and wildlife areas around the Sound.

The development of Silver Sands Park by the state has become a bone of contention in Milford. A bill providing that the state give the park back to the City of Milford has been introduced in the General Assembly. It's being supported by various political leaders, some of whom feel that residents of the area object to a state park. Mayor Povinelli opposes the bill, asserting that the city doesn't have the funds that would be required to develop the land if the state returned it.

It's surprising, in view of the dire need for shoreline recreational opportunities for state residents, that a plan is being considered to give up a resource that helps meet that need. This controversy points up the fact that the state should move faster to realize the potential of Silver Sands. Such progress could be expedited if the Long Island Sound Heritage Bill were passed. The Connecticut congressional delegation should push hard for passage during this session of Congress.●

GEOPOLITICAL IMPLICATIONS OF SALT II

● Mr. GARN. Mr. President, I would like to call to the attention of my colleagues two fine articles on the political significance of nuclear weapons. Far too often we hear that nuclear weapons have no meaning in the world of international affairs because the use of such weapons would result in a cataclysmic nuclear holocaust from which no nation could hope to derive any benefit. However, this view merely touches the surface of this issue, and fails to examine the import of the strategic nuclear balance under conditions less than those of nuclear war. Here, the insight of Mr. Eugene V. Rostow, former Undersecretary of State for Political Affairs, in his article, "Missiles and World Politics," is extremely important. Mr. Rostow states that:

> Many tend to dismiss the vision of nuclear war as unthinkable. But the vision of Soviet political coercion, backed by astronomic nuclear and conventional forces, is far from unthinkable.

Mr. President, I think we would do well to ponder these words of Mr. Rostow.

In addition to Mr. Rostow's article, I believe that an article by Mr. Michael Novak, "Sad Consequences of Ignoring the Political Role of Military Might," also highlights this critical point in a clear and straight-forward manner. As Mr. Novak points out:

> A basic principle needs to be stressed: The reason for unquestionable strategic superiority is not military. It is political. The more forceful side acquires political gains. It inspires long-range confidence. It does so among leaders of smaller nations who are ambitious and calculating, and also among those who wish to act reasonably in the face of overwhelming strength.
>
> It is the political meaning of the SALT agreements that is most overlooked by Americans . .

The Carter administration is one of the principal culprits in failing to grasp the geopolitical consequences of SALT II. Time and time again it has stated the SALT should be judged independently of other developments in world politics. I believe that this failure to recognize the importance—even the very existence—of what is called "linkage" is a reflection of a much more fundamental error: The failure to discern the interrelationship between the nuclear balance, the conventional military balance, and diplomacy. These elements must be viewed as an organic whole, not as compartmentalized and isolated pieces. The maintenance of a strategic balance of power is a political, as much as a military, imperative. In short, military power, including nuclear power, does have political utility.

At the time of the Cuban missile crisis, the United States had unquestioned nuclear superiority. We knew it, and the Soviets knew it. It was said that Kennedy and Khrushchev were eyeball-to-eyeball, and that the Soviet blinked. When the next Cuban missile crisis arises somewhere in the Third World, who will be the one to blink—whose ships are going to turn around and go home?

I am not saying that the Soviet Union is ruled by irrational men who are determined to risk nuclear war. In fact, I'm saying quite the contrary. The Soviet leaders are cautious men; they will not recklessly seek nuclear confrontation with the United States. They will, however, continue to probe for weak spots around the world and to exploit instances of regional turmoil. The adverse shift in the United States-Soviet nuclear equation will allow the Soviets to secure political, military, and economic advantage without recourse to force. An American President, finding himself in the untenable position of nuclear inferiority, will defer to Soviet initiatives on the rationalization that U.S. interests are somehow not important enough to warrant a response beyond verbal sword rattling.

Mr. President, this is a dimension of the SALT II debate which needs to be examined, and I believe that the articles of Messrs. Rostow and Novak are worthy contributions to the SALT debate. I submit these articles for the Record.

The articles follow:

Missiles and World Politics

(By Eugene V. Rostow)

Nuclear weapons do not exist in isolation. Their function can be understood only in relation to the entire process of world politics as we have witnessed it since the Second World War.

It is often said that the goal of our nuclear forces is deterrence—to deter the use of or the credible threat to use nuclear weapons in world politics. This is correct, although the proposition is often coupled with the erroneous assumption that deterrence is also the goal of Soviet nuclear policy.

Our policy of deterrence necessarily goes far beyond safeguarding the United States against the possibility of nuclear attack. We must also provide a nuclear guaranty for our interests in many parts of the world, and make it possible to defend those interests by diplomacy or by conventional forces.

The relationship between nuclear and conventional force deterrence is by no means simple, or mechanical. But it is fundamental. Effective American nuclear deterrence cannot alone keep the Soviet Union from using conventional forces, at least against targets they think we regard as secondary. Like Vietnam or Ethiopia. In most such situations, except for massive attacks on our most vital interests, like Western Europe or Japan, defense has to be provided by conventional forces, at least in the first instance. But the absence of effective American nuclear deterrence would have a disastrous effect, denying all credibility to our conventional force deterrent.

In the early post-war years, we had a monopoly of nuclear weapons. And for a decade or so after that—until the middle or late sixties—we had overwhelming nuclear superiority. Nonetheless, in that period we had to deal with a long series of Soviet managed attacks on our interests, from the early threats to Iran, Greece, and Turkey and the Berlin Airlift to the war in Korea, the Cuban missile crisis, the war in Indochina, and the recurrent threats to our interests in the Middle East and Africa.

We dealt with those threats by diplomacy or, when diplomacy failed, by the use of or the credible threat to use conventional forces. But the nuclear weapon was always the decisive factor in the background.

During the Berlin airlift, the shadow of our nuclear monopoly kept the Soviets from firing on the allied planes, and then persuaded the Soviet Union to end the blockade. The exercise had too many uncertainties and had become too risky, so the Soviet Union gave it up. In Korea, despite our nuclear monopoly, we used only conventional forces. But veiled nuclear threats, altogether credible after the long and bitter war, persuaded the North Koreans to come to Panmunjon.

The essence of the problem is illustrated by the Cuban missile crisis of 1962. There, the Soviet Union secretly undertook to introduce land-based nuclear missiles into Fidel Castro's Cuba, in violation of their assurances to us, and in the face of private and public warnings from the President of the United States. Such action would have altered the basic equation of nuclear deterrence, and gravely affected the credibility and effectiveness of American diplomatic warnings to the Soviet Union.

At that time, we had unchallengeable nuclear superiority. If there had been a nuclear exchange, the Soviet Union would have suffered about 100 million casualties and the United States 10 million. We had equally obvious conventional force superiority in the area. If we had invaded Cuba, the Soviet Union could not have opposed the invasion effectively through the use of conventional or nuclear forces.

By mobilizing an invasion force in Florida and instituting a limited naval blockage of Cuba, we demonstrated our will to insist on the evacuation of the Soviet missiles from Cuba, at a minimum. Confronted by these realities, the Soviet Union backed down.

Since 1962, the Soviet Union has been engaged in a massive military buildup, both in nuclear and conventional forces, designed to reverse the force relationships which determined the outcome of the Berlin airlift, the Korean War, and the Cuban missile crisis.

The first result of that buildup was evident in Vietnam. In the late sixties and early seventies, our nuclear superiority was no longer as evident as it has been at the time of the Cuban missile crisis, indeed, superiority had given way to stalemate. Therefore the hints which brought the Korean War to an end could no longer determine the course of events in Indochina.

This is the true moral of Vietnam, above and beyond a good many others about the failure to press for military victory. The deterioration of our nuclear advantage led to the erosion of our position, and profoundly affected the final stages of the conflict.

There can be no question that since Vietnam our nuclear position has slipped from stalemate to the borders of inferiority.

While the experts argue about whether we are already inferior to the Soviet Union in overall nuclear power, they are agreed that if present trends continue we shall be significantly inferior—and soon.

Some careful studies contend that the strategic force relationships which dominated the Cuban missile crisis will soon be reversed, unless we undertake a crash program immediately—that in the event of a nuclear exchange we should risk 100 million casualties, and the Soviet Union 10 million.

It is not difficult to anticipate what would happen if we were to allow such a situation to develop. A perceptive student of the problem has remarked that confronting such a scenario, even General Curtis LeMay would advise "accommodation." Our foreign policy and conventional forces would be impotent, and we would acquiesce.

It is the first objective of Soviet policy to achieve such a situation. Soviet leaders believe it would enable them to determine the future course of world politics.

Obviously, no such situation should be allowed to develop. No President of the United States should ever be put into a corner where he would have to choose between the surrender of vital national interests and nuclear holocaust.

This—not nuclear war itself—is what our nuclear weapons program and the SALT negotiations are all about. Many tend to dismiss the vision of nuclear war as unthinkable. But the vision of Soviet political coercion, backed by astronomic nuclear and conventional forces, is far from unthinkable.

Sad Consequences of Ignoring the Political Role of Military Might

(By Michael Novak)

When critics of a new SALT agreement say that by 1983 new Soviet missile systems will be able to destroy 90 per cent of our land-based missile force, Sen. Edward M. Kennedy has an answer.

First, he says, no one knows how the launching of hundreds of missiles with thousands of warheads would actually work. One might explode in flight, blowing up others. No massive tests have ever been conducted. In the real world, things don't work as they do on paper.

Second, he says, the president of the United States will have up to 30 minutes of advance warning after the Soviet attack is launched. Will he sit still or press the button before the damage is done?

But if things don't work as they do on paper, many problems arise. Suppose the president's warning allows him only 12 minutes, instead of 30. Suppose, in all conscience, he needs to verify the first warning before he acts. Suppose that his own command equipment has a malfunction—perhaps through sabotage.

Worse still, imagine that the president, recognizing that the Soviet first strike is on its way and that a second, aimed at U.S. cities, will be launched the moment he launches U.S. missiles at Soviet cities, decides to have no part in such destruction.

In this grisly business, as in chess, every supposition must be thought through before irreversible moves are made. But the main point to observe on the strategic chessboard today is that the Soviets have massive superiority in conventional forces (troops, tanks, planes, artillery). Now they have parity—and perhaps incipient superiority—in nuclear forces, as well. On balance, in strictly military calculations, theirs is the growing force, ours the declining.

The Soviet military budget has been going upwards since the beginning of "detente." That of the United States, particularly in constant dollars, has been going down.

Nations trying to calculate who will be the superior force over the next decades already are becoming kinder to the U.S.S.R. Who can blame them?

A basic principle needs to be stressed: The reason for unquestionable strategic superiority is not military. It is political. The more forceful side acquires political gains. It inspires long-range confidence. It does so among leaders of smaller nations who are ambitious and calculating, and also among those who wish to act reasonably in the face of overwhelming strength.

It is the political meaning of the SALT agreements that is most overlooked by Americans on the left. Many on the left have grown up in political struggles in which they had to oppose the anticommunism of the right (in the 1950s), to oppose the Vietnam "war machine," and to concentrate on the "human needs" of Americans. Their bias is deeply set against strategic thinking. They want to forget, or to minimize, the importance of military power for political purposes. They are not grateful for the power that protects them now.

The Soviets, by contrast, know from their long history that great military power pays off handsomely in political power. They know that international political decisions are not based on friendship, love, niceness or moral feeling. They are based on respect for power. Even dissidents at home must trim their sails to power.

Against Soviet power, the United States has not replied with increases in American power. We lack the leadership. We lack the will. We lack an aroused liberal conscience. Instead, our leaders are attempting to "play the China card"—that is, to use Chinese power as a counterbalance to Soviet power.

Every move in chess is followed by the opponent's move. As Edward N. Luttwak argues brilliantly in the recent Commentary magazine, the Soviets can play the China card, too. There are any number of incidents they may now provoke which would force the Chinese to side with them. The Soviets might, for example, encourage North Korea to attack South Korea. The Chinese would have to enter that war, against the United States, if only to keep the Soviets out of North Korea.

The Soviets are intelligent. They perceive the weakness and cowardice of the West at least as clearly as Solzhenitsyn does. U.S. military strength is too thin to reply effectively to Soviet provocations. Many on the left are so eager to "keep us out of war" that they are making war supremely tempting as it was in 1938.

The next five or six years loom as times of deep tension between the Soviet Union and the United States. Since 1945, the trajectory of political power around the world has gone up for the Soviets, down for the United States. The Olympics in Moscow in 1980 will focus the whole world's attention upon Soviet supremacy, in sports as in reality. The Twentieth is turning out to be "the Soviet Century." ●

SENATOR METZENBAUM ON DECONTROL OF OIL PRICES

● Mr. McGOVERN. Mr. President, last week we heard the administration's new energy proposals in which the decontrol of oil prices is the centerpiece of the President's proposal.

It is of paramount importance that the Congress carefully examine the impacts of oil decontrol as well as the reliability of the information being used to sell this program to the public. The Secretary of Energy has informed us that decontrol is essential to alleviating a critical energy shortage as it will provide domestic production incentives. However, according to the Department's own reports there was no shortage during the cessation of Iranian oil imports and at the same time domestic production has increased.

Mr. President, I request that an excellent article by my colleague Senator METZENBAUM, that appeared in the New York Times be printed in the RECORD.

The article follows:

Now, Oil Decontrol

(By Howard Metzenbaum)

Washington.—Once more, the sledgehammer of price is about to be used on the consumers as the solution to our energy problems. And once more the oil industry is playing out a charade with confused statistics, contrived shortages and promises of fantastic supply increases.

It now appears that the Administration will bow to the oil industry's pleas for price decontrol, and this will show that we have learned nothing from recent history.

After 18 months of agonizing debate amid constantly changing Administration signals, Congress deregulated natural-gas prices. Within days after deregulation became law, the oil industry admitted embarrassingly that there was a "glut" of natural gas. The gas had always been there, in the pipelines—waiting for price increases, we now see.

Charles Curtis, chairman of the Federal Energy Regulatory Commission, recently told a Senate subcommittee that consumers would pay an extra $2 billion in 1979 and should expect prices to rise for years to come. But he also said that there was no guarantee that deregulation would yield significant production increases.

The oil industry and the Administration are now willing partners in leading the public to believe that gasoline pumps are running dry.

They maintain that the Iranian cutback has drastically depleted oil inventories, and piously deny that there has been any attempt to hold back supplies in anticipation of decontrol.

We only have to go to the recent testimony by John O'Leary, Deputy Secretary of Energy, to learn what many of us have suspected.

In startling testimony before the House Energy and Power subcommittee, Secretary of Energy James R. Schlesinger's right-hand man informed the nation that we have not yet experienced any shortages as a result of the halt of imports from Iran. Whatever shortage there may be has been caused by oil companies' "restraining deliveries"—a move Mr. O'Leary termed "entirely prudent."

I call it hoarding, thus creating a shortage where none existed. And with the artificially created shortage came astronomical gasoline prices.

According to figures from the Department of Energy and the American Petroleum Institute, the oil industry's lobby, the demand for oil in the last three months is up only 1.9 percent while supply is up 3.4 percent. Stocks are being depleted at a slower rate than is normal for this time of year instead of the drastic reductions that had been reported. In all areas—production of domestic oil, imports of crude oil and imports of refined products—the figures show rises over last year.

In the last few days, more evidence has surfaced to indicate that Dr. Schlesinger has used the Iranian situation to justify his contention that we have a shortage.

First, the House Energy and Power subcommittee's staff disclosed that International Energy Agency data showed that American imports had *actually* increased one million barrels a day in February rather than there being a 500,000-barrel shortfall as claimed by Dr. Schlesinger. Then we learned through a Central Intelligence Agency study that worldwide oil production had risen nearly one million barrels a day in January and February despite the fact that Iran was not exporting oil. So much for the "shortage."

Even more important, however, is the devastating impact decontrol would have on consumers. The Congressional Budget Office says that decontrol would "increase inflation, slow economic growth and create unemployment." It estimates that total decontrol would transfer an astounding $32 billion from consumers to the oil companies in the next 28 months. There is no rational reason—in the middle of a desperate battle to control inflation—for imposition of such a burden on the consumer.

In an atmosphere of crisis brought on by a well-orchestrated campaign of fear and guided by a Secretary of Energy who has not shown the slightest concern for the consumer, decontrol is being slowly force-fed to us. As if by way of compromise, the Administration is proposing "phased decontrol," a cousin of the infamous natural-gas compromise. Phased decontrol is the oil companies' proposal. They themselves fear total decontrol because it would skyrocket prices. Coupled with the proposal may be a promise to tax windfall profits. But we are only kidding ourselves if we believe that the oil lobby will allow a tax to be enacted unless all or most of it is returned to the companies. Otherwise, Congress will not enact it.●

THE YOUNG LADIES' RADIO LEAGUE, INC. TO CELEBRATE 40TH ANNIVERSARY

● Mr. GOLDWATER. Mr. President, it recently came to my attention that the Young Ladies' Radio League, Inc. this year will celebrate its 40th anniversary and in conjunction with its anniversary the YLRL will hold an International Convention in Philadelphia from June 29 to July 1. I understand that Governor Thornburgh of Pennsylvania is planning to proclaim June 24 to 29 Young Ladies' Radio Week.

On this occasion, Mr. President, I should like to congratulate the ladies of the Radio League and wish them success in their convention and in their future activities.●

CRUDE OIL DECONTROL AND THE NATION'S ENERGY NEEDS

● Mr. RIBICOFF. Mr. President, last Thursday President Carter presented to the American people his long-awaited proposals on dealing with our continuing energy crisis and on oil decontrol. The President announced there would be a phased decontrol of oil along with, but not directly tied to, a windfall profits tax.

President Carter's recommendations will have an especially important impact on oil dependent regions such as New England and the Northeast. While I applaud a number of the President's initiatives, I regret that he chose not to directly tie the decontrol proposal to a windfall profits tax.

Shortly following the President's message I released a statement reacting to his recommendations. In order that my colleagues may know my position on this important national issue, I submit my statement for the Record:

The statement follows:

Statement by Senator Ribicoff

I share President Carter's very legitimate concerns over our Nation's energy challenges. I agree that we must increase domestic energy production in order to lessen our dependence on expensive foreign oil and that we must make sacrifices in order to conserve more. I am deeply disappointed, however, that the President failed to tie any crude oil decontrol directly to a cushion, such as a refundable tax credit, to protect consumers of home heating oil against extraordinary price increases; to a windfall profits tax; and to a trust fund to develop alternative energy sources and promote more energy-efficient transit systems.

Under the President's proposal oil producers will reap significant benefits without any requirement to return these windfall profits either to the additional production of energy through conventional sources or, more importantly, to investments in alternative sources of energy. Any excess profits realized by the oil companies through decontrol must be immediately and fully returned to the production of additional energy and to aid those least able to afford increased energy costs.

We Americans are very wasteful in our use of energy. With less than 6 percent of the Earth's people we currently take more than one-third of the world's energy production. Conservation has been called the best and most cost-effective way to "produce" new energy. Unfortunately, the President's conservation goals, as proposed almost two years ago, have not been met.

Conservation is not the only answer. We must actively explore and promote the use of alternative fuel sources in order to decrease our dependence on oil and gas. We must insure that we will have future energy resources other than fossil fuel. This will be a vast, expensive undertaking. A portion of the anticipated decontrol windfall should be retained and serve to underwrite an alternative energy/energy-efficient transportation trust fund.

In consultation with Administration officials prior to last night's speech I urged that any decontrol be directly linked to a windfall profits tax, an energy trust fund and a refund for home heating oil consumers and the poor and elderly. I foresee a lengthy and acrimonious debate over the nature and extent of any windfall profits tax and the use to be made of any revenues from such a tax.

The decontrol proposal is certainly no bargain for New England. We have no indigenous energy resources and must depend on expensive foreign oil. For the past several years the New England delegation has attempted to have the Administration provide for a regional petroleum reserve in the event of an energy emergency or another embargo. While a Strategic Petroleum Reserve has been enacted, there has been no provision for New England and no money in the President's budget was requested for even a small regional reserve which could protect New England in times of oil shortages. This should be corrected.

While New Englanders may derive some small benefits under a tax credit for wood-burning stoves or Federal aid to help generate power through the estimated 1,900 small dams in the region, the Carter proposal is insufficient. It has been estimated that the cost of decontrol to New England over a year, for home heating oil alone, will be $246.3 million.

The Senate Finance Committee, on which I serve, will play a key role in helping the President enact his energy proposal. I intend to vigorously support a windfall profits tax which is directly tied to the development and production of alternative sources of energy, to a permanent program to assist those living on fixed incomes, the poor, near-poor and elderly to meet soaring fuel and energy costs, and to a refundable tax credit for home heating oil consumers.●

TWO AMBASSADORS

● Mr. MATHIAS. Mr. President, on March 29, I was privileged to attend ceremonies at Georgetown University honoring two great diplomats. The late David K. E. Bruce, one of the United States' finest public servants, and Berndt von Staden, the very able current Ambassador to the United States from the Federal Republic of Germany, each were awarded the Jit Trainor Award for Distinction in the Conduct of Diplomacy. Among the speakers was Averell Harriman, himself a distinguished practitioner of the arts of diplomacy. I was particularly gratified that the ceremonies at Georgetown, also honored Mrs. Bruce and Mrs. von Staden for the extraordinary contributions they have made to the conduct of diplomacy. I can think of no other profession, except perhaps politics, where teamwork is so important. But, in politics as in diplomacy, too often the joint nature of the effort is overlooked and credit is frequently too narrowly bestowed. I am glad that at this occasion that mistake was not made.

I ask that citations accompanying the awards be printed in the RECORD. I also ask that Ambassador von Staden's Jit Trainor address be printed in the RECORD. I commend his perceptive remarks to all of my colleagues. The citations and the address follow:

THE HONORABLE DAVID K. E. BRUCE

Rarely does any nation produce a man who combines the qualities that David K. E. Bruce brought to the profession of diplomacy and to the service of his country: integrity, intellectual acuity, the ethic of public service, professionalism of the highest order, the quality of leadership, and a charm and urbanity that endeared him to all whose lives he touched.

He served the United States of America in many important positions—as a member of a state legislature, as representative of the Red Cross in England during the war, as a high official of the Office of Strategic Services, as Assistant Secretary of Commerce, as representative of the Marshall Plan in Paris, and as a diplomat in more important posts than have been held by any of his countrymen.

He was ambassador to France, Deputy Under Secretary of State, representative to the Coal-Steel Community, ambassador to the German Federal Republic, ambassador to the Court of St. James, representative at the Paris meetings on Vietnam, chief of the American liaison mission in Peking, and representative to the North Atlantic Treaty Organization.

To all these positions he brought visions of the enlightened long-term interests not only of his nation but of the world; a sensitive understanding of the countries of his accreditation, combined with a deep interest in their history and culture as well as their economy, social structure, and politics; and a personal warmth and humanity that made many friends for the United States and for himself and his family, his wife being one of his most effective helpers.

His passing in December 1977 was mourned by statesmen around the world who compared him—his manner, style, his stature and vision—to some of the greatest statesmen in American history. He was a great diplomat and a man of the world, and among the qualities used to describe him were the Latin words *virtus* and *gravitas*, qualities of mind and character that are rarely found in combination and which, in the days of Rome, marked a true leader who was also a servant of his people.

A distinguished aspect of David Bruce's diplomatic career was that while serving the American national interest he also promoted interests that transcended nations. In the positions he held in relation to the Marshall Plan, the Coal-Steel Community and the European Army, he was a passionate but disinterested advocate of trans-national concepts, discerning in them an imperative of history. As a champion of a United Europe and of the partnership of Europe and America in collective security, he sought to combine what was best in Europe with what was best in America, for the common benefit of both.

During his extraordinarily rich and varied life, he was a lawyer, a Foreign Service Officer, a banker, a businessman, and army officer, a government official of sub-cabinet rank in Washington, an historian, and a representative of his country abroad in the fields of intelligence, foreign aid, country-to-country diplomacy, and multilateral diplomacy. Above all, however, he was a man of culture, with a broad perspective of world civilization, and also a good and loyal friend. Perhaps not least among his accomplishments was his masterful practice of the art of conversation, being a man whose interests ranged widely, who could take delight in wit and beauty, and who gave enjoyment of a private kind to many who had the good fortune to come into personal contact with him.

For his outstanding contribution to the diplomacy of his country, for his professional skill and devotion to the national interests of the United States and the broader interests of humanity, for his work in the cause of peace and international understanding, and for having given of himself unstintingly as a public servant in the best tradition of the Foreign Service of the United States, the School of Foreign Service of Georgetown University presents its Jit Trainor Award for distinction in the conduct of diplomacy to *David Kirkpatrick Este Bruce*, 1898–1977.

THE HONORABLE BERNDT VON STADEN

The work of American diplomats is rarely appreciated at home. Even less appreciated are the achievements of foreign diplomats who contribute in our capital to the well being not only of their own countries but of the United States and the world community as well. Today, the School of Foreign Service, through its Institute for the Study of Diplomacy, is proud to honor an Ambassador from abroad whose conduct of diplomacy has elevated its practice and advanced the community of interests he so ably represents.

Prior to his assignment as Ambassador of the Federal Republic of Germany to the United States, Ambassador Berndt von Staden acquired a broad education and experience in international relations. He studied law at the Universities of Bonn and Hamburg and international relations at the School which now honors him. As a young career diplomat he served initially in Brussels and subsequently as chief of the Soviet Affairs Department of his country's Foreign Ministry. For three years, Ambassador von Staden aided in the creation of a united Europe as Chef du Cabinet to Dr. Walter Hallstein, first President of the Commission of the European Economic Community.

In 1963, Ambassador von Staden received his first official assignment to Washington where he served as Political Counsellor for a period of five years. It was during this period that he doubled his qualifications and graced the diplomatic world by marrying Wendi von Neurath, a career diplomat of the Federal Republic who had preceded him in an assignment to the United States. In 1968 Ambassador von Staden returned to Germany to the post of Assistant State Secretary and head of the Political Division of the Foreign Ministry. It was from this position that he was appointed Ambassador to the United States six years ago.

During the extended term of his service in Washington, Ambassador von Staden has earned the high admiration of his fellow diplomats, other international affairs professionals, Congressmen, journalists and members of the academic community. His reputation is based on the essential diplomatic qualities of wisdom, energy and good humor. His knowledge of the United States, of the foreign policy process and of the *dramatis personnae* of American diplomacy is unrivaled by many natives of Washington. His candor coupled with discretion has averted or assuged diplomatic problems. His energy and unfailing courtesy have enabled him to appear to be everywhere at once and to discharge both substantive and representative responsibilities with admirable ease and effect. His qualities of friendliness and considerateness are synonymous with his signature.

Ambassador von Staden serves as the representative of a country whose relations with the United States are of vital importance. They require constant and careful attention. The responsibility is great, and the demands are strenuous. Professionally, Ambassador von Staden has discharged his responsibilities with brilliance, steadiness, patience and uncommon modesty. Personally, he has made enormous contributions to friendly bilateral relations between two countries which form the bulwark of an essential alliance. And together he and his wife Wendi have made significant contributions to the life of the Nation's capital through their active and generous interest in higher education, the arts and the social life of the city.

In admiration of his diplomatic ability, his professional accomplishments, and his personal qualities and in appreciation for his elevation of the international life of Washington, the School of Foreign Service is proud to present a Jit Trainor Award for Distinction in the Conduct of Diplomacy to *Berndt von Staden*.

SPEECH GIVEN BY AMBASSADOR BERNDT VON STADEN

It is a great honor for me today to receive the Jit Trainor Award for Distinction in the Conduct of Diplomacy. I feel especially honored in being permitted to share this distinction with a man who was undoubtedly one of the outstanding diplomats of our time. Were David Bruce here today, he would have been the one to speak about diplomacy in the modern world. But it has fallen to me, and I must admit that it somewhat frightens me because in my view, diplomacy can be neither defined nor described. It is as diverse as life itself. Unlike the expert, who deals with a specific field, a diplomat has to be prepared to address every kind of problem and affair in international relations—and in every corner of the world as well. So broad a theme can only be handled selectively.

I would like, therefore, to confine myself to mentioning only a few of the qualities that in my view the diplomat ought to have. And, with the aid of examples taken from the relations between my country and the United States, I will try to demonstrate why I consider these traits important.

If one has had the opportunity—as I have—to deal with German-American relations for almost twenty consecutive years, then one knows that for example calm and patience are as important traits as is a good memory. History, of course, does not repeat itself, it does not move in a circle. But it sometimes moves like a spiral, and situations recur which bear a certain similarity to each other. Let's take as an example the dialogue between our two countries over defense policy and related issues. Take for instance the Radford-Plan or the doctrine of flexible response, the multinational fleet, the offset agreement or the Mansfield Resolution, and more recently the neutron bomb.

I need only mention these buzz words and you no doubt remember that over the course of years we repeatedly experienced phases during which we engaged in what the French call a "discussion suivie"—a lively exchange. But, unfailingly, we brought these discussions to a good conclusion. For that which fundamentally unites us has infinitely more weight than the details which occasionally divide us.

In order to properly evaluate and not dramatize occasional differences, we need an awareness of our common interests and of their basis. This awareness requires historical insight and psychological experience and that brings me to a second trait, or mastery, if you prefer, of the diplomat. Diplomacy is no exact science like physics or chemistry. Diplomacy deals with human beings and a human being is a four-dimensional creature in time and space. He is the product of a long biological history which has determined his instincts and of a much shorter cultural history which determines the value systems, characteristic for various civilizations.

Germans and Americans share essentially the same cultural heritage. We both are products of what is called Western civilization. We have been formed by Greek philosophy, Roman Law and Christian belief whether Catholic or Protestant. Spiritually and intellectually, we have together travelled the same road from renaissance to humanism and from humanism to rationalism and liberalism. But in the political domain, this journey on the German side was handicapped.

The revolutions that England experienced in the seventeenth century and that took place in America and in France in the eighteenth century did not occur in Germany. In 1848 an attempt at a democratic revolution failed in my country. So it was that my people could exercise a free option in favor of Western pluralistic democracy far later than this was the case in England, France or the United States.

After the failure of the Weimar Republic we had that option only after 1945 and even then only a part of my nation—if fortunately by far the largest part—was granted that choice. It was taken without hesitation or reservation, and the important thing is: this decision was irreversible. It was irreversible because it corresponds to our cultural heritage, because it corresponds to the deep longing of our people for an enlightened, mature and human society.

Speculations—and they recur like false omens—that we Germans may change our minds and be willing to sell even a piece of our freedom for any kind of a price, fly in the face of reality. Our elections in which up to ninety percent of the electorate participate demonstrate that radical parties on the right and left together have for years received less than one percent of the vote. How much political stability does it take to placate the doubters?

Still, as a continental European nation, we Germans do not only live in a cultural community of the European West and the New World. We also live in a geographic community of European peoples. To this geographic community also belongs the Russian people, whose similar but distinct tradition has partly been formed by Byzantine Orthodoxy. With this nation to whose sphere of influence a part of our own nation is subject as well as with the other Eastern European peoples we must live together and maintain neighborly relations. Of course, we will never abandon our demand that our entire nation be granted the right to exercise self-determination.

We know, however, that the German question cannot be solved in isolation, but only as part of a comprehensive settlement between West and East. And we know that this settlement is not yet in sight. The ideological gap remains unbridgeable. So far now, it is our interest to strengthen and to extend a modus vivendi that we have achieved with our Eastern neighbors, including the German Democratic Republic.

There is no contradiction between our adherence to the Atlantic Alliance—to which our contribution is second only to yours—or our striving for European unity—to which our continued contribution is second to none—on the one hand, and our vital interest in the pursuit of a policy of detente, of cooperation with the East and of arms control on the other hand. These are no alternatives but part of one policy on which, as I can note with satisfaction my government and the U.S. administration are in complete agreement.

If we need, as I have tried to demonstrate, historical and psychological insight to understand the basis of our common beliefs, the fundamentals so to speak, then we need another ability to understand each other's actual interests. This ability which the diplomat ought to have is the capacity to stand in another's shoes, whether the other be friend or adversary. Only when we know each other well, only when we are familiar with the other's factual situation, can we rightly judge his interests and reactions and adjust our own behavior accordingly.

This means, for instance, that in relations between the United States and the Federal Republic of Germany we must always be aware of our fundamental mutual interests, the commonality of our views, the values we share while at the same time not permitting ourselves to lose sight of the great differences between our two countries.

America is practically a continent in itself—spacious, not too densely settled, rich in raw materials, a world power which exports less than ten percent of its gross national product. By contrast, the Federal Republic of Germany is a geographically small, densely populated country, part of a partitioned nation, situated on the border between the two alliances that split Europe apart ideologically and as a consequence politically, economically and militarily.

Our contribution to our mutual defense, as I said, remains only behind that of the United States; but we are not a nuclear power. Germany is no longer a world power and will never be one again. Aside from coal, we have no raw materials. We have to import everything and in order to pay for our imports, we have to export thirty percent of our gross national product.

Economically, and in terms of security we are far more exposed than the United States. And, furthermore, our past is not forgotten, neither in the East nor in the West. This is why stability gets such particularly high priority in our thoughts and in our policies. This is why we react with such sensitivity to disturbances of stability and equilibrium.

This is why, for example, we take questions like those which deal with the deployment of nuclear weapons in Europe so seriously. This is why we insist that only a nuclear power can decide about the production of nuclear armament. All this is no expression of any faintness of heart, but a reflection of responsible political thinking that takes into account our geography and our history.

But other consequences also result from our different basic situation. We know that Europe cannot be shaped without us—that we have decisive contributions to make toward European unity. But, for good reasons, we shy away from any appearance of a dominating role.

Another consequence of our special situation is that as a country without sources of oil of its own, we are obliged to further the development of nuclear energy and we cannot agree to a limitation on our full participation in nuclear technology for peaceful use. These are only a few examples which are meant to show you that different factual situations may lead to different approaches to specific questions. But as long as we are capable to step into each other's shoes, we will be able to distinguish between the basic commonality of our interests which is unshakeable and the questions of detail which we have to discuss in order to compromise.

In conclusion permit me to mention two more qualities of the diplomat in this incomplete inventory which, in my opinion are of outstanding importance. It is expected of us that in our profession we combine within ourselves contradictory traits. We are supposed to be open and at the same time discreet; firm but flexible, imaginative and simultaneously realistic; engaged, yet still detached; alert, but also composed.

But there are two traits for which there is no counterpoint, which we must possess if we are to be of service and avoid doing damage in our profession—courage and integrity.

It is said that the Ambassador of today is only a letter carrier. This is nonsense. To begin with, there are no longer any letters to carry. Today's messages are carried by telephone or telex. But it is also nonsense in a symbolic sense. No matter how our activities are described and evaluated, we are constantly being called upon to make judgments, often about questions of either vital importance or of a very controversial nature. And we must have the courage to deliver our judgments openly and forcefully even when they are unpopular, even at personal cost. And I do not rate integrity any less highly. In former times, this was sometimes perceived differently.

In Machiavelli's Era the art of deception was thought to be a necessary means of diplomacy. Today, we know better. We can no longer afford that. We live in a contracting world; a world in which more and more people must share in limited resources—a world in which weapons of increasingly greater destructibility are being built; a world in which ideological conflict still seems to be spreading; a world in which change is accelerating and becoming radical in many places.

In other words, we live in a dangerous world. Our chances for survival will, in the end, depend upon whether we humans are able to overcome our innate tendency toward mistrust. Only where trust exists, can conflicts of interest be peacefully settled.

Trust is, therefore, our most precious treasure in international life. Integrity is, therefore, in my view, the most important of a diplomat's qualities. We can all make mistakes. To err is human and forgivable. But trust is a delicate plant that must be cultivated, and he who destroys trust commits a mortal sin.●

OIL AND WHEAT IN AMERICA

● Mr. McGOVERN. Mr. President, for almost the last year a small band of Senators, including Senator BELLMON, Senator MELCHER and me, have pursued a serious effort to promote international cooperative pricing agreements among wheat exporting nations. We have seen protracted international wheat agreement negotiations in London and Geneva come to a stalemate and our own wheat producers continue to sell on the international market at prices that do not approach North American cost of production.

During this same period of time we have watched OPEC countries increase the cost of crude oil, and gasoline prices go sky high at the pump and on the farm. Farmers must absorb these price increases resulting in higher production costs and continued low prices for farm products. How long can this situation go on?

Perhaps there is a breakthrough in sight with the news that Canadian Wheat Minister Otto Lang has called a meeting of exporters in Ottawa later this month. How much better it would have been for American farmers if Secretary Bergland had taken this initiative.

The Aberdeen, S. Dak., American News is published in the heart of the South Dakota wheat country. On March 28, 1979, an editorial appeared in this paper on the subject I have discussed, entitled "With Oil Prices Going Up, the Time Is Ripe for a Wheat Cartel." I ask that the editorial be printed in the RECORD.

The editorial follows:

WITH OIL PRICES GOING UP, THE TIME IS RIPE FOR A WHEAT CARTEL

With world oil prices moving ever upward, and $1 a gallon gasoline looming ahead, counter measures obviously are needed.

One such measure, suggested often in the past but never formulated, is the formation of a wheat cartel. Such a cartel would be patterned after OPEC, the organization of oil exporting countries.

Sen. George McGovern of South Dakota is a leader in the latest proposal. He has backing from Sen. Henry Bellmon, Oklahoma Republican. Ideally, the cartel would include the four largest wheat exporting countries: The United States, Canada, Australia and Argentina.

As proposed, such a cartel would include an agreement to peg export prices at between $4 and $5 a bushel, as compared to the current level of about $3. Shares would be assigned the participating countries to avoid cutthroat competition.

A backer of such a cartel is Canadian Sen. Hazen Argue, chairman of the Canadian Senate Agriculture Committee. He says "It is absolutely urgent and necessary that our two countries work together to see there are adequate price levels for wheat. Our Canadian Wheat Board gives you the assurance that we are prepared to cooperate in any mutual endeavor.

Support for such a plan comes indirectly from nationally-known economist Eliot Janeway. He cites Japan's handling of escalating oil prices as an example to follow. An importer of oil plus food and fiber resources, Japan thrives in the world market by a barter system. It balances its imports with exports, refusing to part with hard currency and withholding oil imports from those countries which do not accept its finished products.

Janeway cites this policy by the Japanese as the reason the yen holds such a commanding position in the world monetary market.

Janeway's position is that the United States should stop paying for oil with dollars but instead barter with the OPEC nations, sending them foodstuffs and finished industrial products. This would stop the flooding of foreign countries with cheap dollars, Janeway says, and would enhance its value.

Such a system can work because none of the major oil exporting nations is self-sufficient in food or industrial products.

South Dakota farmers should be interested in any barter or cartel arrangements which would assure them a steady and profitable market for their farm products and at the same time hold fuel costs within a manageable range.

Sen. McGovern is on the right track in his efforts to establish an international wheat agreement. Prof. Janeway also makes sense in proposing to use our exports of industrial goods and knowhow as leverage.

The principles are sound and the need exists now. It is time to put such a barter plan into action.●

THE PRESS CONTINUES TO DISCUSS THE SORRY STATE OF THE PRESENT BILLBOARDS PROTECTION ACT

● Mr. STAFFORD. Mr. President, earlier in this session of the Congress I introduced S. 344, a bill that offers to the States the flexibility to continue to participate in the so-called Federal Highway Beautification Act, or to act independently of that law. Such an optional approach is the way in which the billboard control program began in the late 1950's; it remains as sound an approach today.

Passage of S. 344 is essential for several reasons:

First. It will lessen the imposition of Federal regulations in areas where regulation has not worked and is not needed.

Second. It recognizes that the 1965 Beautification Act has been perverted, actually producing a sharp consolidation among the billboard companies, leaving the lush residual and protected market to companies that now typically churn out annual profits greater than 20 percent of their annual revenue.

Third. At present rates, it could take nearly a century to complete the billion dollar Federal billboard removal program. That is absurd.

Fourth. My bill recognizes that the present law essentially is written to protect the billboard companies, at the expense of the American taxpayer.

Fifth. And it will allow those States that want to drop out of the program to do so, while those who want to remain to do so. What could be fairer?

A number of news stories, as well as editorials, have appeared in various newspapers in recent weeks discussing the sorry state of the Federal Highway Beautification Act. Mr. President, I ask that these articles be printed in the RECORD.

The articles follow:

[From the Atlanta Journal and Constitution, Feb. 4, 1979]

FOES, BACKERS CHANGE SIDES—HIGHWAY BEAUTIFICATION PROGRAM MAY DIE

(By Brenda Bell)

WASHINGTON.—The federal highway beautification program, coaxed from Congress in 1965 by Lyndon Johnson in a virtuoso display of presidential arm-twisting, is being abandoned by his Democratic successor, Jimmy Carter.

And that's just as well with many of the people who hailed the legislation back then. In a strange twist, the former instigators of highway beautification—an amalgamation of garden clubs members and environmentalists—are now ready to nudge it into the grave.

"Johnson's original idea has been perverted . . . it's gotten turned on its head," said Kathy Cudlipp, a former Senate staffer familiar with the convoluted history of the Highway Beautification Act and the impassioned conflicts generated by the seemingly inocuous, apple-pie legislation restricting highway billboards and junkyards.

The genesis of her argument is this: states with their own tough policies against billboards dislike the federal requirement that they compensate sign owners—to the tune of $3.000 to $4,000 per sign—for removal of billboards they formerly whisked away without payment. And billboards still proliferate in violation of the law in those states such as Georgia and Missouri, which never cared anyway.

Ms. Cudlipp's former employer, Sen. Robert Stafford, R-Vt., will soon introduce a bill that, in effect, repeals the 13-year-old beautification act, termed "a bonanza for the billboard industry" by a spokeswoman for the Garden Club of America.

As if to prove her point, a large segment of the billboard industry—which has sought concessions in the law since its inception—now wants to keep the program alive.

"We'd like to see it stay. It's healthy for the environment and healthy for industry," said the director of the largest billboard trade organization in the country. Classing Stafford with a "handful of rabble-rousers," he said the senator merely wants to save money for his home state, which has been fighting billboards since 1923.

Somewhere in the middle is Lady Bird Johnson herself. She has always been the patron saint of the highway beautification program that her husband, the former president, foisted upon a reluctant Congress and a wide range of hostile interest groups, including road builders, motel and billboard owners, wrecking and junking associations and county officials.

In a statement issued from her office in Austin last week, Mrs. Johnson suggested that people who still believe in highway beautification should communicate their interest to their representatives in Congress. It can reinstate the funding Carter has cut if it wants to.

"In my experience I have found there are troughs and crests in the establishment of many programs. If the majority of citizens want the beauty of landscaped highways where scenery is not obscured by billboards or blight, I firmly believe we can continue toward that goal although we may be delayed in its realization," said the former First Lady.

That mild statement constitutes her first public utterance—despite several recent attempts to elicit one—in defense of her pet project, targeted by the Carter administration as one of my government programs the country can easily do without. Carter's 1980 budget eliminates all funds for the spasmodic highway beautification effort, pending the outcome of a study to determine whether it should be revived or left to expire.

Thus what once seemed like a good idea—control and removal of unsightly billboards and junkyards along federal interstate and primary highways—edges toward its demise. According to at least one nationwide poll, there will be few mourners.

"It's not something that captures the imagination of the American public," observed Ms. Cuddlipp.

How did the apple pie go sour? People like Ms. Cuddlipp, who acknowledges she long ago abandoned objectivity on the issue, blame what they see as congenital defects in the 1965 legislation and subsequent pressure for changes by the billboard industry.

The "real crusher," they say, was congressional passage last year of several new amendments sought by the industry and abetted by Lady Bird's fellow Texans, Sen Lloyd Bentsen and House Majority Leader Jim Wright. Bentsen, head of the subcommittee where the amendments originated in the Senate, and Wright, former chairman of a national commission which spent a couple of million dollars reviewing the beautification program, supported the changes.

But the problem started with money, which Congress has dispensed fitfully. The high mark was in 1967, when $78.5 million was appropriated for the three major beautification objectives: screening of junkyards, removal of outdoor advertising signs which don't conform with regulations and scenic "enhancement" through purchase of easements along interstate and other federal highways (the only places where the law applies). Funding dropped to almost nothing the next year—only enough to pay administrative salaries.

Since then, it has fluctuated wildly: $10 million in 1971, $48 million in 1974, $13 million in 1978. According to the Federal Highway Administration, at the current rate of funding it will take 110 years to remove 200,000 remaining billboards.

Those statistics, combined with a recent General Accounting Office report which questions whether the program is worth the effort or the money, helped convince Carter's budget analysts that it isn't.

BILLBOARD LAW REPEAL DEBATED

(By Brenda Bell)

WASHINGTON.—If politics makes strange bedfellows, so do the laws the politicians make.

Consider this peculiar coupling major segments of the nation's billboard industry are lining up against the proposed repeal of the Highway Beautification Act of 1965—a law that was intended not to please billboard owners, but to subject their business to unprecedented federal restrictions.

Spokesmen for the Outdoor Advertising Association of America, a organization of primarily urban advertisers comprising the industry's largest trade group, and the Roadside Business Association, representing motels and other such billboard users in rural and outlying areas, praise the beautification act as a "worthy" endeavor that should continue—despite President Carter's elimination of all funds for the program in his 1980 budget.

"It's kept well over 1 million new signs off the interstate system," boasted one lobbyist in what seemed a curious endorsement from the industry. If the various states were left to their own devices, he said, billboards would proliferate in some states and be absent from others and there would be no "continuity" along the interstate system.

"You'd wind up with the damnedest billboard mess you ever saw," said the OAAA spokesman, who asked that his name not be used. We're not interested in cluttering up highways."

What about the anti-billboard faction's charge that the original intent of the act has been subverted by public apathy and an influential industry which now benefits from the law? I suspect if you dislike the industry you could draw up all types of statements like that. There's always a handful of people who would be against anything," he said.

The intent of the law was to create highway beautification—it's just done the reverse," countered Ellen Kelly of Baltimore, head of the policy committee for the Garden Club of America, one of the original backers of the legislation. It's lining the pockets of the billboard association."

We call it the billboard protection and compensation act," said Vic Maerki, an aide to Sen. Robert Stafford (R-Vt.), who is sponsoring the repeal legislation. Stafford's home state chafes under the federal regulations, which have made it more difficult and expensive for Vermont to continue waging its 56 year-old anti-billboard program—one of the toughest in the country.

In Stafford's view, the beautification act now gives the industry the best of both worlds. Billboard owners, who must be compensated for signs which are removed under the law, offer up for cash payment signs which would formerly have been written off as worthless due to changing advertising trends or traffic patterns. Almost all the so-called "non-conforming" signs removed in Ohio were volunteered for sale by their owners.

At the same time, he argues, certain other signs are protected because there's not enough money to pay for their removal. The situation could be exacerbated if Carter succeeds in eliminating funds for the program during fiscal 1980 and the beautification act remains on the books—minus the appropriations needed to carry it out.

Maerki expects many original supporters of the highway beautification act—mostly garden clubs and environmental groups—to support Stafford's bill. Plenty of other groups who opposed the 1965 law to begin with—wrecking firms, junkyards, motels, state and local governments—should also be happy to see it fall by the wayside.

[From the San Jose Mercury News,
Feb. 11, 1979]

LADY BIRD, BILLBOARD LOBBY ARE NOT HAPPY—"BEAUTIFICATION'S" NOT SO PRETTY END

(By Monroe W. Karmin)

WASHINGTON.—After 14 years, Lady Bird Johnson's cherished highway beautification program appears to be doomed, a casualty of both Jimmy Carter's fiscal austerity and Congress' loss of enthusiasm.

On Capitol Hill, an environmentalist, Sen Robert T. Stafford, R-Vt., recently introduced legislation to allow states to withdraw from Lady Bird's program.

So bleak does the future appear for beautification that Mrs. Johnson, whose husband pushed the bill through the 1965 Congress as a present for his wife, departed from the customary silence she has maintained on public issues since she left the White House.

"Of course, I regret the omission of highway beautification funds from the budget," Lady Bird declared in a statement from Austin, Texas, "but I do understand the urgency of curtailing all possible spending in order to hold down inflation."

In translation, this means Mrs. Johnson is not happy but, because she and Carter are fellow Democrats, she won't criticize the president.

The irony in highway beautification's ugly ending, however, is that while the Carter administration seems bent upon killing the program, the billboard industry wants to save it.

"We're disappointed the president has chosen not to fund the act," said a spokesman for the Outdoor Advertising Association of America, the largest billboard industry organization.

This role reversal—the industry favoring more beautification money, the government giving none—suggests why the nation's first major environmental program is headed for the junkyard.

Since 1965, highway beautification has been designed to the billboard industry's specifications, so much so that the industry prefers federal law to stricter state laws such as those in Sen. Stafford's Vermont.

Over the last 14 years, Lady Bird's act has been:

Riddled by a succession of industry-supported exceptions that permit more and more billboards to be erected and to remain standing.

Changed to require federal and state governments to pay "just compensation" to billboard owners for signs removed not only under federal law but under state and local law, too.

Starved for funds with which to pay sign owners by a Congress that steadily has lost interest in the program.

The reason is explained by John S. Hassell, Jr., the deputy federal highway administrator. At the rate Congress now is financing the program, he estimates it will take 110 years to complete the billboard acquisition task and more than 300 years to control junkyards.

The choice, therefore, came down to putting vast sums into beautification or nothing at all. Richard J. Sullivan, chief counsel of the House Public Works committee that oversees the program, tells what happened:

"While the garden clubs, the League of Women Voters, and the environmentalists have become dormant on highway beautification, the billboard people have been as busy as ever."

Despite its dreary prospects, however, there is a difference of opinion over whether the program has been a success or a failure.

Both deputy highway administrator Hassell and the Outdoor Advertising Association claim success, not so much in the number of billboards removed but in the number that were not built because of the act.

DOT estimates that nearly 307,000 billboards have not been put up since Lady Bird got her present in 1965.

This positive appraisal is not shared by the environmentalists. "A complete failure is the verdict of Professor Charles F. Floyd of the University of Georgia. "The law has been abandoned by its former friends, and totally mutilated by the billboard industry."

The General Accounting Office has also chartered the programs' progress, or lack thereof.

After passage of the 1965 act, an inventory showed there were 729,135 signs eligible for removal, including 430,731 illegal signs that could be taken down without payment to owners.

"Illegal signs were easily removed at little cost," GAO reported. "Many of the illegal signs were hand-bill type posters tacked to posts and other small signs that were removed by highway maintenance crews without notifying the owners."

On the other hand, the report said, progress in removing non-conforming signs—those for which compensation must be paid—"has been slow."

Of the 298,404 signs identified as non-conforming, according to latest figures, only one-third have come down, at a federal cost of $137 million, leaving approximately 200,000 signs remaining to be acquired.

Dwindling acquisition money is not the only obstacle to future progress, GAO concluded. It noted these other impediments:

From the beginning, the Highway Beautification Act permitted so-called "on-premise" signs that advertise business conducted on the property on which they are located.

"The result," said Floyd, "has been huge gas station signs towering above the landscape at almost every interchange and the unchecked spread of sign clutter along our highways."

The original beautification act also permitted signs to remain standing in commercial and industrial areas, both those zoned for that purpose and unzoned areas where industry and commerce was being conducted.

In 1968, Congress further directed the secretary of transportation to accept state and local decisions on zoning and commercial and industrial activity.

"In practice, therefore, many local communities, and particularly rural counties," declared Floyd, "attempt to circumvent the Highway Beautification Act by zoning long stretches of rural highways as commercial and industrial areas."

The original act directed the federal government to work out, with the states, regulations covering the size and spacing of billboards. In 1968, however, Congress decided to accept size and spacing limitations that were "customary" in the states.

As a result, Floyd noted, 32 states adopted a maximum size limitation "equal to the floor area of a medium size three-bedroom house and approximately twice the size of the largest billboards normally erected along the interstate system."

In 1976, Congress made another significant change, allowing non-conforming directional signs to remain standing if it could be shown that removal would cause "economic hardship" to an area.

"This provision has the potential of completely halting the removal of rural signs," Floyd contended.

In 1978, Congress voted to permit certain flashing electronic signs to remain standing if they advertise a business conducted on the premises.

"It is difficult to conceive of any change in the Highway Beautification Act that would be more counter to its original intent," Floyd said. "Not only are they aesthetically undesirable, but they create very definite safety hazards."

By far the most controversial change, however, came last year when Congress decreed that "just compensation" must be paid for billboards removed from the highway system under state and local as well as federal law.

Simply stated, this means beautification will cost lots more money—both for the federal government, which pays 75 percent of the cost of sign removal, and for state governments, which pays 25 percent.

"We're in favor of the principle of reasonable regulation" declared an Outdoor Advertising official, "providing that, when signs are to be removed, the government abides by the principle of just compensation."

If the industry is pleased with what Congress has done to highway beautification, Stafford, the environmentalist, is not.

On Feb. 6, the senator introduced legislation to allow states to withdraw from the Highway Beautification Act program.

"The purposes this act was intended to achieve have been, to a large degree, perverted," Stafford concluded. "The act has become more a protection for billboards than the cause for their removal."

[From the Sun, Feb. 12, 1979]

THE 1965 HIGHWAY BEAUTIFICATION ACT WEAKENED; BILLBOARDS BLOSSOMING

(By Stephen E. Nordlinger)

WASHINGTON.—Motorists heading south on Interstate 95 toward warmth and sunshine are going to be treated to a new burst of billboards and huge signs in south Georgia just before crossing the Florida border.

The signs have been put up in Jimmy Carter's home state after Georgia officials rezoned to commercial use a long stretch of the major north-south highway deliberately to allow the big advertisements, federal officials said.

Groves of pines are to be chopped down, some belonging to the federal government, to insure good visibility for the billboards that have been erected at several interchanges.

The action in Georgia is the latest display of the weakness of the federal law designed to make driving on highways more appealing by removing or preventing signs and junkyards.

Because of it, a key Maryland court decision has been effectively nullified.

The federal law, known as the Highway Beautification Act of 1965, was the pet project of Lady Bird Johnson. But critics now call it the Highway Sign Protection Act. One of the nation's early environmental laws has been extensively eroded under pressure from the outdoor advertising industry.

The law allows signs to go up in commercial and industrial zones. Although some officials at the Federal Highway Administration thought that Georgia had circumvented the law by deliberately "spot zoning" Interstate 95, top members of the highway administration said it would be hard to gather enough proof to cut off federal highway funds as a penalty.

Georgia, which already has 24,000 signs that fail to conform to the law, was merely told not to do it again.

This case was but one in a string of triumphs for the outdoor advertisers.

Their biggest victory after years of chipping away at the law came in a little-noticed move by Congress in the closing days of the session last fall.

A rider was attached to the $54 billion highway bill that experts say is going to effectively block attempts by states and cities to use their land-use and police powers for controlling signs.

According to officials at the highway administration, the action, taken without hearings and over the opposition of the Carter administration, effectively nullifies a key decision by the Maryland Court of Appeals two years ago that allowed Baltimore city to remove signs in its Old Town section as part of its urban renewal program.

This ruling had been used by federal authorities to inform cities across the country that they could use their police powers to remove signs without compensating the owners if the signs had been fully amortized so the owners recovered their value.

The congressional rider, pressed by the powerful outdoor-advertising industry, now requires compensation for all signs that are to be removed from federally aided roads whether or not they have been amortized.

This will cost federal and local governments more than $1 billion, according to the Department of Transportation, a costly burden that experts believe will discourage the removal of signs in the future.

So sweet has the law become for the industry, represented by the Roadside Business Association and the Outdoor Advertising Association of America speaking for the urban segment of the business, that it has switched its course.

Once opposed to the measure, the industry warmly embraces it and is prepared to turn its formidable lobby to its defense this year on Capitol Hill.

The administration is taking a different view of the law.

President Carter is asking for no new funds in his 1980 budget for the program, even though it was pushed through Congress by his Democratic predecessor, Lyndon B. Johnson, at the behest of his wife.

The President wants to hold up funds until a study is finished by the Federal Highway Administration to determine whether the program is worth preserving. Congress's most vocal critic of billboards, Senator Robert F. Stafford (R., Vt.), who comes from a state where they are strictly regulated, has made up his mind about the value of the law. He introduced a bill last week that would repeal it.

Senator Stafford said he would prefer strengthening the law, but he contended that "public sentiment for more beautiful roads on the national level seems too weak to stand up against a strong, organized industry lobby." Lady Bird Johnson herself is still defending the law—but only mildly. In a statement issued by her office in Austin, Texas, she commented there are "troughs and crests in the establishment of many programs."

"If the bill were any good, the outdoor advertisers wouldn't like it, but they love it," said Charles F. Floyd, chairman of the real estate department at the University of Georgia, who is about to publish a book on the program.

"The law doesn't prevent new billboards and it doesn't remove the existing ones. It's totally in favor of the industry."

Over the 14 years since President Johnson signed the beautification law, proclaiming it a major environmental measure, only about 88,000 signs have been taken down of the 296,000 that fail to meet the law's standards. Thousands of those still standing are jumbo signs that loom above farmland near major highways.

In Maryland, 357 so-called nonconforming signs have been removed, 18 per cent of the state's original total of 1,997, according to the Federal Highway Administration. Maryland ranks 34th among the 50 states in the percentage of signs removed.

A big reason for the slow pace is the failure of Congress to provide much money to buy signs. Only $111 million has been spent by the federal government, which pays three-quarters of the cost, with an additional $56 million remaining unspent.

Congress appropriated only $13 million for this year, a far cry from the $48 million five years ago. According to Richard Moeller, chief of the program at the highway administration, it will take an estimated 110 years to complete the program at this pace.

There are big exemptions in the law, carved out by the advertising industry even before last year. These huge signs near service stations, motels and other roadside businesses, called "lollypops" in the trade, are left untouched.

And there is the exemption for signs in commercial and industrial areas along highways. There are more than 260,000 signs in this category.

"We think it has been a very good program," said William Reynolds, executive director of the Roadside Business Association, in an interview on the much-amended bill. This is a marked departure from the congressional testimony of his predecessor in 1965, James R. Hartzell, who said, "Americans overwhelmingly are in favor of outdoor advertising."

Mr. Reynolds strongly defended the 1978 amendment requiring compensation for all removed signs as "fair" in view of the compensation given other private property taken by the public.

But Mr. Floyd, in an interview, strongly dissented, contending that the value of an outdoor sign derives from exposure on the public roads and that once its value has been amortized the owners have been fully compensated. This is in line with the Maryland Court of Appeals decision.

When the highway bill was passed last fall, all of the Maryland delegation in the House supported the industry-backed amendment except Representative Gladys Noon Spellman (D., 5th), and Newton I. Steers, Jr. (R., 8th). There was no vote on the amendment in the Senate.

Although most of the road signs may remain, some citizens are taking the issue into their own hands.

When billboard owners in Tennessee, Arizona, Kansas and a few other states chopped down cottonwoods, poplars and other trees last year to make their signs more visible environmentalists took action. They formed Joyce Kilmer Brigades and sawed off the legs of the billboards.

The brigades were named for the writer of a poem which begins, "I think that I shall never see a poem lovely as a tree."

The confrontation is a sign of the emotion still behind the billboard issue 14 years after the passage of Lady Bird Johnson's bill.●

SENATOR TALMADGE: CHAMPION OF U.S. AGRICULTURE

● Mr. NUNN. Mr. President, a recent editorial in the Southeast Farm Press attempted to chronicle the many contributions of Senator HERMAN TALMADGE to American agriculture. In giving us the highlights of his accomplishments and legislative initiatives since becoming chairman of the Agriculture, Nutrition, and Forestry Committee, the editor has confirmed what his colleagues in the Senate have always known: HERMAN TALMADGE has been and is the leading proponent and champion of American agriculture.

I ask that the following fine editorial be printed in its entirety in the RECORD.

The editorial follows:

SENATOR TALMADGE: CHAMPION OF U.S. AGRICULTURE

U.S. Senator Herman E. Talmadge (D., Ga.), chairman of the Senate Committee on Agriculture, Nutrition and Forestry, has signaled an all-out fight against the Administration's plan to reorganize the U.S. Department of Agriculture, terming the proposal "a classic case of bureaucratic box-shuffling."

He is also currently in the forefront seeking to curb what he feels is a disproportionate cut in USDA's budget for FY 1980.

It was January 1971 when he was appointed to chair the Senate Committee on Agriculture and probably no other Congressional leader has fought harder for the USDA and the farmer or been more instrumental in bringing about positive legislation for the farmer than Senator Herman E. Talmadge.

During those years, he has sponsored or co-sponsored no less than forty important legislative actions aimed at benefiting American agriculture. It would take a book to compile all of the contributions he has made to enhance the economy of the farmer.

One of his first involvements was with the Farm Credit Act of 1971 which was designed to make credit available to farmers and ranchers and their cooperatives and consolidate existing farm credit laws to meet current and future rural credit needs.

In 1972, he helped provide the Rural Development Act for improving the economy and living conditions in rural America.

Then followed other major legislative activities in which Senator Talmadge sponsored, co-sponsored or helped guide to passage, such as the Rural Telephone Bank of 1972, Farmers Home Administration Loans of 1972, Federal Environmental Pesticide Control Act of 1972, Forest and Rangeland Renewable Resources Planning Act of 1974, Egg Research and Consumer Information Act of 1974, Commodity Futures Trading Commission Act of 1974 and many, many others.

More recently was his push for the Beef Research and Information Act of 1976 to enable cattle producers to establish, finance and carry out a coordinated program of promotion to improve, maintain and develop markets for cattle, beef and beef products.

That same year came the Farmer to Consumer Direct Marketing Act to encourage the direct marketing of agricultural commodities from farmers to consumers.

He was behind the United States Grain Standards Act of 1976 to improve the grain inspection and weighing system and the extension of the Emergency Livestock Credit Act of 1976.

Then came the Food and Agriculture Act of 1977, the Land and Water Resources Conservation Act of 1978 and the Emergency Agricultural Act of 1978.

More recently have been Senator Talmadge's Agricultural Credit Assistance Act of 1978 and his work on the Federal Pesticide Act of 1978, Agricultural Trade Expansion Act of 1978 and his Foreign Investment Disclosure Act.

Of most immediate signficance to farmers, was the Georgia Senator's bill to allow investment tax credit on structures used for food and plant production, including facilities for the breeding, raising and production of poultry and livestock under the Revenue Act of 1978.

And, even at this moment, he is sponsoring a new crop insurance plan as a vehicle for developing comprehensive disaster insurance protection for farmers, nationally.

These are just a few of his many accomplishments and contributions to Sunbelt agriculture and to American agriculture as a whole.

There is no question that Senator Herman Talmadge's leadership in agriculture over the years have been a strong force in favoring the economic well-being of all farmers and ranchers.●

SALT SELLERS UPENDED

● Mr. GARN. Mr. President, the Carter administration has launched an allout campaign to sell SALT II to the American electorate. As a part of this effort, the Department of State and the Arms Control and Disarmament Agency has published a pamphlet entitled "SALT and American Security." This brochure purports to answer a number of questions that have been raised thus far in the SALT II debate. These questions involve the critical issues of verification, Backfire bomber, U.S. land-based ICBM vulnerability, Soviet civil defense, the cruise missile program, and linkage.

I must commend ACDA and the State Department, for they have surely put together a very attractive package complete with ample reassurances concerning the benefits of SALT II for U.S. security. Unfortunately, their analysis is dead wrong. It glosses over the essential issues of SALT II, and fails completely to refute the concerns of those who oppose this SALT II treaty. The Committee on the Present Danger recently released a critique of the administration's position entitled "Does the Official Case for the SALT II Treaty Hold Up Under Analysis?" The committee's presentation is a thoughtful piece that effectively counters the soothing, but misleading, assurances of the SALT II sellers. It provides some much needed balance in the debate and raises it above the superficial level on which the Carter administration seems content to remain.

Mr. President, I submit for the RECORD the committees' pamphlet, and I commend it to the attention of my colleagues. I would also like to point out an instance of crude misrepresentation of fact by one of the SALT II sellers, Mr. Herbert Scoville, Jr. It seems that Mr. Scoville told a Wyoming audience that—

> Some 25,000 square miles of land would be taken out of agricultural production or public use if the proposed MX missile is deployed in ground shelters.

The correct figure is 25, not 25,000 square miles. This is not an insignificant or isolated example of misrepresentation, and its blatant inaccuracy should give one pause when listening to the polished presentations of the SALT II sellers.

I submit for the Record an article published in the Omaha World Herald on March 16, 1979, regarding Mr. Scoville's statement.

The material follows:

DOES THE OFFICIAL CASE FOR THE SALT II TREATY HOLD UP UNDER ANALYSIS?

(An Evaluation of "SALT and American Security" as issued by the Department of State and the Arms Control and Disarmament Agency)

This statement comments on a 2600-word brochure with the title of "SALT and American Security."[1] The brochure was recently produced and is now being widely distributed by the Department of State and the Arms Control and Disarmament Agency. The professed purpose of the brochure is to advance public understanding of the strategic arms treaty between the United States and the Soviet Union. The brochure begins with a summary of the rationale, procedures, and course of the negotiation and follows with answers to thirteen questions that "Americans are asking" about the results.

The need to set straight some of the more significant among many questionable assertions in the brochure prompts this statement. The endeavor is in keeping with a basic purpose of the Committee on the Present Danger, "to help promote a better understanding of the main problems confronting our foreign policy, based on a disciplined effort to gather the facts and a sustained discussion of their significance for our national security and survival."[2]

The comments correspond to the order of topics in the brochure.

THE POLITICAL AND STRATEGIC SETTING

According to the introductory synopsis in the State-ACDA brochure, "the SALT process" represents a joint quest for "equitable and adequately verifiable limitations on strategic arms to enhance the national security for both sides." The process came into being because the superpowers shied away from "an unlimited arms race." Its initial success was a treaty to end competition in defensive strategic systems coupled with a five-year interim agreement to regulate certain aspects of superpower rivalry in offensive strategic systems. Some "six years of tough bargaining" have brought the superpowers to the verge of a follow-on interim agreement, SALT II. Without that agreement, according to the brochure, "we could face the possibility of an escalating arms race, increasing tension between this nation and the Soviet Union, and a greater risk of the catastrophe of nuclear war."

Comment: An observation quoted from one of the late Dr. Merle Fainsod's authoritative writings on the character of the Soviet polity is pertinent:

> Perhaps the greatest single source of distortion in foreign affairs derives from the image of "the enemy" which is deeply imbedded in Marxist-Leninist patterns of thought. The politics of Communism are built around the concept of the implacable capitalist adversary who has to be disarmed and defeated lest he in turn annihilate Communism. The Lennist dialectic which the leadership has been trained to apply is essentially a vision of progress and triumph through conflict and struggle. Such a Weltanschauug reduces any accommodation to a negative virtue. Compromise becomes at best a disagreeable necessity rather than a creative achievement . . . The essence of politics remains the clash with the capitalist enemy . . .
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> Since . . . even the temporary ally of today represents a potential political enemy to-

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[1] "SALT and American Security," issued by the Department of State and the Arms Control and Disarmament Agency, U.S. Government Printing Office, Washington, D.C., November 1978.

[2] "Common Sense and the Common Danger," Committee on the Present Danger, 11 November 1976, Washington, D.C., p. 5.

morrow, the information that filters through to the ruling group tends to be perceived, arranged, and analyzed in categories which take such hostility for granted. Expressions of antagonism to the Soviet Union constitute vertification of the profundity of the Communist perception of reality; professions of friendship tend to be discounted as wily or naive stratagems designed to lull the vigilance of the Soviet leadership . . .[3]

The interplay between armaments and character in such a society standing within the first rank among nations is central to contemporary security problems. An analytic statement by the Committee on the Present Danger titled "What Is the Soviet Union Up To?"[4] examines the relevance of the Soviet Union's political character to an appraisal of the SALT II treaty terms. Without taking into consideration the antithesis between the meliorative policies of the United States and the revolutionary purposes underlying the Soviet Union's role in world affairs, it is virtually impossible to understand how the treaty terms have been arrived at or what they portend for this country's interests, including preeminently its security.

The portrayal in the State-ACDA brochure, however, plays down that antithesis as if nonexistence or inconsequential. Instead, the aura there conveyed reflects symmetry of situations and complementarity of purposes between the negotiating sides. Empathy prevails. The spirit is that of being in the same boat.

A proper basis for evaluating that portrayal requires a brief but searching review of pertinent events beginning with the United States' initiative soon after the end of World War II to bring about a solution to the security problems posed by nuclear technology as a novel and hugely destructive instrument of warfare.

The plan then offered called for the United States to cede its nuclear monopoly—inevitably temporary as it was destined to be—to an international authority to be vested with ownership of and control over nuclear resources and facilities wherever located, thereby neutralizing nuclear power as a strategic factor. The idea was stillborn—thanks in essential part to Soviet opposition. Besides being already well along with nuclear plans of its own, the Soviet Union at that juncture also had a headstart in developing rocketry as a means, prodigious in speed and reach for delivering nuclear destruction on enemy targets. As is now apparent in retrospect, foundations for a steady progression, combining increments of nuclear military power and continuous improvements in rocketry in phase with advances in other aspects of military capability, were firmly established by the Soviet Union during the 1950s.

For the time being, however, military preeminence on balance remained with the United States. The components included naval primacy in the principal waterways, supremacy in military aviation, and an army attuned to victory. The basis of American preeminence during the early post-war period was a continuing edge in nuclear capabilities—coupled in due course with superiority in rocket technology as a means of delivery additional to bombers.

The United States' comprehensive strategic strength provided the underpinning for such successful undertakings as resistance to the Berlin blockade, repulsion of the Soviet-abetted attack on South Korea, an array of alliances shielding important positions in Europe and the Orient otherwise subject to threat from the Soviet Union, and the forced retraction of Soviet surface-to-surface missiles from Cuba.

The last episode deserves particular attention. The Soviet dispatch of such missiles to Cuba appears in retrospect to have been a miscalculated bid to hurry along the future by a stealthy, sudden redress of the strategic nuclear balance—a somewhat uncharacteristic gamble probably induced by a misguess of the likely U.S. response. While compelled to scrub the experiment, the Soviet Union in the aftermath persevered with the longer-range task of improving and enlarging stage by stage its strategic capabilities.

According to an interpretation then widely accepted among Americans, the lesson from the Cuban missile crisis was the inapplicability of strategic nuclear weaponry as an instrumentality of war and as a factor in the reckonings of international political competition short of war. However wishful and unsubstantiated it may be, that thought achieved a degree of acceptance within governing circles as well as among the public. One effect was to stimulate efforts to register that idea in a negotiated contract with the Soviet Union.

The unfolding purpose was to establish a sure basis for mutual deterrence and crisis stability between the superpowers. Under the conditions to be agreed on, neither of them would be in position to make a first strike on the other with strategic nuclear weapons without incurring unacceptable damage in retaliation. Thus neither superpower could gain strategic advantage by getting in the first blow. Each side would be confident of the other side's reciprocal perception. Temptations toward a preemptive strike at junctures of heightened clash would be forestalled. The strategic nuclear factor overhanging international politics would thereby be neutralized. The effect in this respect would be akin to the earlier proposal for an international nuclear monopoly, but the means in this new version would be reciprocal controls on weapons, assuring stability in a crisis.

Such a design hinges on a sharing of goals. Thus pertinent U.S. policy has banked on a reciprocal outlook on the part of the Soviet Union. It is now obvious, fifteen years later, that our belief, founded on a wish rather than on reality, has been reflected in a succession of versions. In an interview given in the mid-1960s, the U.S. Secretary of Defense then in office went so far as to postulate the Soviet Union's relinquishment of any design to match the U.S. in strategic nuclear strength. When ascertained facts about Soviet production and deployments overturned that happy assumption, a succeeding theory was developed: the Soviet Union was only trying to catch up strategically. As that idea in turn has been rendered implausible by the volume and variety of the Soviet progression in nuclear weaponry, a substitute conceptual reassurance has emerged—called nuclear sufficiency or essential equivalence. That concept is preoccupied with avoidance of nuclear war. It regards the probability of retaining a capacity to deliver an appreciably damaging second strike to be sufficient for forestalling a preemptive attack. The concept discounts the import of disparity between the superpowers' nuclear armories. As a corollary to denying the idea of strategic superiority, the theory writes off the intimidatory potential of strategic nuclear preponderance as a fulcrum for political leverage in conditions short of war.

Whatever the passing rationale—by whatever name—the United States' strategic nuclear resources have been kept under unilateral restraint since the middle 1960s, with certain qualitative improvements balanced against a considerable concurrent numerical reduction in launchers. In contrast, over the same fifteen years the Soviet Union has carried out successive enlargements and improvements of its nuclear strategic armory, each stage a steppingstone to the next advance. The contraposition, with one side making time while the other forges onward and upward; is what unconditionally committed devotees to arms control call the "arms race."

With the above background, it becomes feasible to see the SALT setting in a proper perspective. The picture painted in the brochure of the two sides in the bargaining earnestly striving for terms, to "preserve the security of both nations," does not wash. That concept of mutual security is entertained unilaterally rather than shared. The phrases associated with the concept—mutual deterrence, nuclear sufficiency, essential equivalence, and the like—are terms of art used within the United States' arms control community, but they are extraneous to the SALT dialogue because the concept reflected in them is no part of Soviet thought.

There is, however, a facade of concord; both sides in SALT II do want an agreement—though for divergent reasons. The discrepancy is linked to the antithesis between the superpowers' purposes in world affairs. In contradistinction to the United States' design for neutralizing strategic nuclear factors in international politics, the Soviet Union strives to firm up and validate a strategic foundation for what Soviet Foreign Minister Andrei Gromyko, in Communist forums, refers to as "increasingly visible preponderance" on the basis of which to control the direction of world politics.

The U.S. approach puts a premium on arriving at a pact. The Soviet approach puts a premium on avoiding any impingement on Soviet ambitions. Issue by issue in the negotiation, the typical sequence is: presentation of a formulation by the U.S. side, Soviet rejection of elements counter to the Soviet Union's ambitious strategic goals, and then revision to accommodate the Soviet position. The "tough bargaining" referred to in the brochure, rather than characterizing the bilateral negotiation, has occurred among concerned U.S. agencies over how far to go in eroding U.S. positions in order to accommodate to Soviet demands.

The reference in the introductory portion of the brochure to the dire consequences of a failure of the agreement is echoed in its final portion. A comment on the idea is made in that connection below.

A strategic standoff between the superpowers has become a built-in circumstance. The reference to inherent "economic and technological strength" as our hedge against any sinister surprise implicitly waves aside as immaterial the Soviet Union's continuing investment in military research and production at a rate 70 percent above ours.

"Is America Becoming Number 2?"[5]—a study of current trends in the U.S.-Soviet military balance issued by the Committee on the Present Danger—is recommended as a realistic antidote to the complacency reflected in the brochure. Brief quotations from the Committee's comprehensive study must suffice here:

> In the critical area of strategic nuclear strength, Soviet programs confirm beyond any reasonable doubt the rejection of our notions of nuclear stability and sufficiency, and of mutual deterrence. The Soviet buildup reflects the basic doctrinal precepts of Soviet strategy—that strategic nuclear offensive and defensive programs are designed to enable the Soviet Union to fight, survive, and win a nuclear war, should it occur.
>
> . . . The Soviet military buildup reflects the offensive nature of the Soviet political and military challenge and the Soviet belief

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[3] Merle Rainsod, *How Russia is Ruled*, Cambridge: Harvard University Press, 1963, pp. 341–342.

[4] "What Is the Soviet Union Up To?" Committee on the Present Danger, 4 April 1977, Washington, D.C.

[5] "Is America Becoming Number 2? Current Trends in the U.S.-Soviet Military Balance," Committee on the Present Danger, 5 October 1978, Washington, D.C.

that the use of force remains a viable instrument of foreign policy.

THE CONTENTS OF THE TREATY

In answer to a question, "What will be in the SALT TWO agreement?" the brochure sums up the provisions thus far agreed and allocates them among the basic agreement to run to 1985, a protocol "which will expire well before that date," and a set of guidelines for negotiating a successor to the basic agreement. It enumerates the limits on numbers prescribed for strategic nuclear launchers: a comprehensive ceiling for each side of 2,400 to be reduced to 2,250 during the life of the agreement; within that ceiling, a limit of 1,320 on the aggregate of launchers of land-based intercontinental ballistic missiles (ICBMs) equipped with multiple independently-targeted reentry vehicles (MIRVs), launchers of MIRVed submarine-launched ballistic missiles (SLBMs), and airplanes equipped for long-range cruise missiles (ALCMs); within that 1,320, a further limit of 1,200 on launchers of MIRVed ICBMs and SLBMs; and within that 1,200 a still further limit of 820 on launchers of MIRVed ICBMs.

Comment: Except for a reference to benefits from the sublimit on launchers of MIRVed ballistic missiles, this segment of the brochure avoids appraisals and conclusions. It omits mention of the unequal allocation of launchers of MIRVed ICBMs of the latest and largest type, 308 for the Soviet Union in contrast to none for the United States. The omission is important. These formidable and accurate Soviet heavy weapons, alone, could destroy our ICBM force and much besides—airfields, submarine bases, and other military and industrial targets. Its allusion to "equal" prescribed totals for strategic nuclear launchers may be faulted also for failing to note the exemption of Soviet Backfire bombers, but the point is discussed elsewhere in the brochure. The status and effects of the protocol, matters of considerable importance, are dealt with in the comments below on the cruise missile and mobile intercontinental ballistic missile.

THE MEANING FOR U.S. SECURITY

In answer to a question, "What will the SALT TWO agreement mean for American security?" the brochure finds much to rejoice about. The specifics include imposed "equal limits on the overall U.S. and Soviet strategic forces" and a prospective Soviet dismantling or destruction of "up to 300 strategic systems" (compared to none of ours) so as to comply, and a limitation on "Soviet strategic forces . . . well below what they could deploy in the absence of an agreement." There are vague references to a reduction in "uncertainty in our own strategic planning," to "important provisions to help us determine that the Soviets are living up to their obligations," to "flexibility . . . to continue the strategic programs we require," and to "essential equivalence."

Comment: The reference to "equal numerical limits on . . . strategic forces" is unsubstantiated and unsustainable. Measurement of such forces in relation to each other embraces a wide array of considerations such as (to name a few) quantities and qualities of warheads deployed and in inventory, numbers of missiles deployed and in inventory, numbers of launchers, their facility for reloading, throw weight (meaning gross capacity to project payloads to adversary targets), accuracy of delivery systems, gross power to knock out hardened sites such as missile silos and command-and-control and communication centers, relative hardening or vulnerability of such vital strategic centers, gross area-destruction capabilities, and relative protection or vulnerability of populations and industry. Among all the relevant dimensions, SALT is preoccupied with gross numbers of intercontinental strategic nuclear launchers. Even with respect to them, one must take "equal numerical limits" with a grain of salt. As noted in the London *Economist*'s appraisal, "On the surface the proposed new treaty is neatly balanced; but it conceals, just under the surface, a large imbalance in Russia's favor."

One offsetting disparity applies to permitted numbers of launchers for the largest the newest types of MIRVed ICBMs—308 for the Soviet Union in contrast to none for the U.S. The treaty terms likewise confirm a Soviet advantage in permissible numbers of warheads on MIRVed ICBMs. As a result of progress in MIRVing and accuracy, the Soviet Union's warheads will, within the life span of the treaty, surpass ours in gross numbers, destructive power, and versatility. Another disparity concerns prospective deployments of MIRVed ICBMs within the span of the treaty—a full quota of 820 for the Soviet Union, in contrast to a shortfall by about one-third for the U.S. Moreover, the Soviet Union is excused from having to count its Backfire bombers against the prescribed limits, notwithstanding their capability to reach targets in the United States.

There is less than meets the eye in the prospective Soviet reduction of "up to 300 strategic systems." The launchers to be retired are nearing obsolescence and are becoming superfluous with the progressive deployment of increasingly capable new Soviet launchers and missiles. The scheduled retirement is in phase with Soviet military plans developed and carried out without reference to SALT. There is no basis for assuming the contemplated reduction in launcher numbers to represent a net cutback in Soviet strategic capability. To the contrary, Soviet strategic capability is due to rise concomitantly with the reduction. In any event, nothing in the treaty would prevent the Soviet Union from putting into inventory—as standbys for reloading or soft-pad launching—any missiles left over from the prospective reductions.

The description of Soviet strategic forces as "well below what they could deploy in the absence of an agreement" is too vague for much disputation. By implication, the Soviet Union is portrayed as having renounced even more formidable increments of strategic power in deference to its desire for a pact. No one can demonstrate or refute the implication, for no one ever knows how different things might be if things were different. The present and prospective levels of Soviet military endeavors, however, are enormous by any measure—and especially so when measured against the Soviet gross national product. The notion that the Soviet Union is holding unused in reserve a large potential for additional strategic efforts is dubious at best.

VERIFICATION

"How can we be sure that the Russians will live up to the agreement?" In answer to that question, the brochure declares, "In SALT, we do not rely on trust or Soviet good faith." It then names and briefly explains three continuing elements already provided under SALT I: primary reliance on "national technical means"—that is to say, detection devices within each side's possession and operational control—for checking on compliance; a mutual prohibition against interference and concealment designed to obstruct the operation of such means; and a joint Standing Consultative Commission to handle questions regarding alleged violations of SALT obligations. The brochure commends the effectiveness of the latter institution: "In each case the United States has raised, the activity in question has either ceased or additional information has allayed our concern." Without giving specifics, the brochure predicts in SALT II "additional detailed provisions to increase our confidence." The brochure affirms U.S. intentions, known to the Soviets, "to call them to account for any questionable activities" and "to expect satisfactory resolution."

Comment: It is important to put the question of verification in perspective. In general, the importance of verifiability of performance varies in direct proportion to the desirability of an agreement. Thus, while beneficial terms are susceptible of being nullified by malperformance, a bad contract is not redeemable even by absolute assurance regarding compliance. The salient question regarding SALT II is whether it represents a provident contract from the standpoint of United States security, even with impeccable performance on the Soviet side. The brochure omits the most plausible premise for confidence in Soviet fidelity to SALT II obligations: the temptation to cheat on a contract so palpably favorable to Societ interests and ambitions should be minimal.

Those points aside, the case as stated in the brochure is questionable. Consider the assertion that "we do not rely on trust or Soviet good faith." Belief in Soviet intentions, consonant with those of the United States, to bring an end to the overhang of nuclear power on international politics is integral to the agreement. A color of that belief runs through the entire rationalization for SALT II and the prospectus for SALT III as given in the brochure.

As a specific, furthermore, the United States relies on trust and Soviet good faith in accepting as sufficient the Soviet Union's assurances on numbers, deployments, and missions for the Backfire bomber. Reliance on trust and good faith rather than verification applies also to Soviet performance respecting restrictions under the protocol on the operating span of land-based and sea-based cruise missiles permitted to be flight tested and deployed. A case also eminently pertinent, unmentioned in the brochure, is the United States' retreat on an issue growing out of Soviet encrypting of telemetric signals in missile tests. U.S. acquiescence—registered in the SALT II negotiation—is in response to a Soviet pledge not to encrypt signals significant, in Soviet judgment, for U.S. monitoring of compliance with SALT obligations. The formula makes the Soviet Union judge in its own cause. A clearer instance of relying on trust and Soviet good faith for compliance would be hard to imagine.

Unfortunately, the record scarcely warrants the affirmativeness expressed in the brochure regarding the effectiveness of the Standing Consultative Commission for enforcing compliance. Whether cessation of a "questionable activity" after the lodging of a protest provides reassurance may hinge on a question of time. As an illustration—Soviet desistance from testing of an air defense interceptor in violation of the SALT I treaty did follow a U.S. protest, but only after the completion of a lengthy series of tests ample for producing all the information sought.

VULNERABILITY OF THE UNITED STATES' FIXED-SITE ICBMS

"Under the SALT agreement, won't our Minuteman missiles be vulnerable to Soviet attack?" The answer to that question in the brochure is: yes, but do not blame the SALT process. The brochure identifies as the cause the Soviet Union's advances in accuracy and numbers of ICBMs. For long-run reassurance, the brochure cites an eventual possibility of "alternative, more survivable methods for basing ICBMs." For reassurance during an indefinite interim, the brochure refers to "substantial uncertainties" considered likely to dissuade Soviet authorities from attacking this country's vulnerable land-based ICBMs. The dissuasive doubts are expressed in the following words: " . . . how reliable and accurate will their missiles really be; can they avoid having the explosion of one attacking warhead damage the effectiveness of subsequent attacking warheads; can they be certain of the hardness of our missile silos; and would the United States launch its own ICBMs once it was determined that a massive ICBM attack was underway, thus leaving only empty holes for the Soviet missiles to hit?" The brochure quotes advice from the incumbment Secretary of Defense against regarding vulnerability of our ICBMs as "synonymous with the vulnerability of the United States, or even of the strategic deterrent." The brochure adds, "Any Soviet planner must realize that even a successful attack on the Minuteman would still leave the Soviet Union vulnerable to massive response by our ballistic missile-firing submarines and heavy bombers. The damage these remaining forces could do would be devastating."

Comment: No item in any contract ever arrived at in the strategic arms limitation talks stipulates vulnerability for the ICBM component of U.S. strategic forces. In that sense true enough, the increasing threat to that mainstay of U.S. strategic security "is not the result of SALT." What is true: steady increments in Soviet offensive strategic nuclear power have occurred while the SALT I interim agreement has been in effect and will continue during the contemplated span of the SALT II treaty. The concern over Minuteman vulnerability voiced at the Capitol during consideration of the interim agreement, and the call in Congress for more efficacious limitations on Soviet offensive forces in SALT II, have proved unavailing. Vigorous research and development programs as a hedge against the expanding Soviet threat to Minuteman—such programs were pledged in Executive assurances given during consideration of the interim agreement—have not materialized. Thus the spirit underlying the U.S. approach to SALT—shaping security policies in hope to advance arms control rather than shaping arms control policies to serve U.S. security—has contributed in a basic way to the worsening problem of ICBM vulnerability.

To comprehend the prospective predicament for U.S. security, one must take realistic account of the contingency of war and also look beyond that contingency to effects under conditions short of war. The reassurances attempted in the brochure are impersuasive because they fail to come to grips with the extent of the emerging danger whether on a hypothesis of war or of conditions short of war.

Under existing trends, by the early 1980s the strategic ratios will be such as to put the Soviet Union in position to knock out about 90 percent of U.S. ICBMs with a preemptive strike using only about a third of its MIRVed ICBMs. Of U.S. submarines fitted as strategic missile launchers, about half—the portion usually in port for overhaul at any time—would probably be destroyed in such an attack. As much as 60 percent of the strategic bomber force—the portion usually not on alert at any moment—might well be lost also.

Even after such a damaging attack—provided that command-and-control points and communication networks were sufficiently undamaged to be able to marshal a retaliatory attack—the remnant U.S. strategic nuclear forces would be theoretically sufficient to inflict enormous damage on portions of Soviet population not dispersed from major cities and on Soviet industrial facilities without appropriate protection. Against hardened targets—such as Soviet missile silos, command centers, and strategic communication facilities—the residual forces would be substantially ineffective. By any reasonable calculation, the surviving portion of the U.S. strategic nuclear force would be hugely outmatched by the Soviet Union's retained war-fighting capability. Under such conditions, a retaliatory strike, even, if technically feasible, would be a vain gesture of revenge. In its aftermath, the United States would be left strategically defenseless against an adversary still in command of enormous strategic nuclear resources capable of inflicting pervasive ruin on this country. In such a situation, those in authority here would be confronted with a choice whether to submit before or after a devastating Soviet strategic counterblow.

The Committee on the Present Danger takes no satisfaction from offering so foreboding an analysis. It adduces the analysis only to indicate the flimsiness of the foundations for the sort of optimism, reflected in the brochure, that discounts the import of the prospective strategic eclipse of Minuteman. Like other rationalizations under the rubric of essential equivalence, the outlook in the brochure—preoccupied with avoidance of war—neglects the importance of strategic strength in preserving acceptable conditions of peace and the penalties of being second in a showdown short of war. This contrasting analysis in this statement is not a prediction of a chain of events necessarily culminating in nuclear war. The aim, rather, is to stress the effects of the looming strategic disparity on superpower relationships short of war.

Under the conditions now in prospect, the idea of a U.S. retaliatory strike would lose plausibility. That would surely be the case insofar as the outlook of those in authority here is concerned. It would surely be beyond bounds of responsible calculation to attribute to Soviet decision-makers a higher degree of belief in the hypothetical probability of a U.S. second strike than entertained here. In sum, mutual deterrence would have eroded. This country and its people would be placed at disproportionate hazard. That circumstance—and the shared awareness of that circumstance—would be borne in upon the minds of those in charge of strategic-political affairs in both superpower capitals. Those in charge here would be the ones under compulsion to scramble for terms of propitiation in any juncture charged with high controversy.

The suppositions in the brochure regarding doubts likely to beset Soviet decision-makers and stay any launching of a strategic attack are scarcely substantial enough to be counted on to restore strategic equilibrium in face of such palpable disparity.

One item in the list of hypothetical restraining doubts deserves special note. It is the one concerning a Soviet misgiving lest "the United States launch its own ICBMs once it was determined that a massive ICBM attack was underway." The term of art for such an instant riposte is launch-on-warning. The concept involves a paradox amounting to a contradiction: it posits the success of deterrence on a hypothetical recklessly self-defeating reaction to its failure. Anyway, the feasibilty of launch-on-warning is subject to serious doubts on technical grounds. That point aside, the concept, if ever put into operation, would require the making of the most fateful choice imaginable—on notice of five minues or less. For lack of time, launch-on-warning would probably have to be geared up as an automatized response to electronic stimuli. The President's discretionary function would be reduced to the possibility of interposing an instant decision—in the nick of time—to call off a counterattack likely to induce ruinous consequences for the United States. A situation compelling reliance on launch-on-warning must be regarded as highly unstable and dangerous. A strategic ratio which lends any relevance to the concept is surely to be avoided. The allusion to the idea in a brochure with the title "SALT and American Security" is incongruous.

THE SIGNIFICANCE OF SOVIET CIVIL DEFENSE EFFORTS

"What about Soviet civil defense?" The answer to that question in the brochure acknowledges the Soviet civil defense effort to be "substantially larger than ours" but discounts it, nevertheless, on grounds that "Soviet civil defense cannot change the current strategic weapons balance or the fundamentally disastrous nature of a major nuclear exchange between the United States and the Soviet Union," involving for the Soviets "the deaths of tens of millions of their citizens and the destruction of most of their industrial resources and urban areas." The brochure cites from a CIA source an expression of disbelief "that the Soviets' present civil defenses would embolden them deliberately to expose the U.S.S.R. to a higher risk of nuclear attack."

Comment: On the one hand there is a preconception, reflected many times in the brochure, of parallelism and complementarity between the Soviet strategic outlook and that of the United States. On the other hand there is manifold evidence concerning the magnitude and elaborateness of the Soviet civil defense effort and the significance manifestly attributed to it by the Soviet regime. It is difficult to a point of impossibility to get the preconception and the evidence to jibe. Contradiction between a preconception and phenomena presents a necessity either to revise the preconception or to explain away the import of the phenomena. The brochure tries the latter course by posing an imprecise question and supplying an evasive answer. To bolster the answer with a show of authenticity the brochure quotes selectively from a now outdated CIA report—significantly omitting portions of the context at variance with the desired conclusion.

A properly thought-out question would be: in view of changes in the strategic weapons balance already achieved or looming ahead, how much importance, if any, should we attach to the Soviet civil defense program? A proper answer would be along the following lines.

Occurring apart from other large-scale Soviet strategic efforts, the Soviet defense program might be of only marginal significance for the United States. Considered in conjncution with the ongoing Soviet build-up in strategic nuclear weapons, the expanding Soviet civil defense effort takes on considerable strategic importance.

Strategic nuclear war is not unthinkable to the Soviet Union. There the idea represents a plausible part of futurity. Notions that neither side can win—that both sides must lose—in such a war are no part of Soviet thinking. The Soviet view calls for being the winning side. Protection of essential portions and elements of the population, along with industrial assets, is regarded as a fundamental requirement for successful waging of nuclear war and the attainment of victory. Civil defense is thus an integral part of Soviet war-fighting capability.

To cite the strategic significance of Soviet civil defense—demonstrated by the impressive scope and elaborateness of the ongoing program—does not necessarily prefigure a Soviet preemptive strike. Civil defense, nevertheless, is definitely a factor in efforts to place the the Soviet Union observably in better position than this country to cope with the eventuality of nuclear war. The pertinent program contributes to establishing a position of visible preponderance. It is thus an element in efforts to establish a strategic ratio placing the United States and its population at disproportionate hazard so that this country's policy-makers will be the ones under pressure to come forth with terms of accommodation in future contests of purpose under the shadow of war.

To express disbelief "that the Soviets" present civil defenses would embolden them deliberately to expose the U.S.S.R. to a higher risk of nuclear attack"—in the words of the brochure, cited from a CIA report—misses the main point. What counts is the effect of the civil defense effort in reducing the Soviet regime's estimates of risk entailed in ambitious ventures. A Soviet civil defense program capable of reducing Soviet fatalities resulting from a hypothetical U.S. retaliatory strike from 95 million to 10 million or less—those figures are reflected in authoritative U.S. estimates—is indeed a strategic factor to be reckoned with when considered with other aspects of Soviet strategic endeavors. Portions of the CIA report not quoted in the brochure affirm the potential of the Soviet civil defense program as a factor in a strategically significant shift in the nuclear balance.

THE BACKFIRE BOMBER ISSUE

"What about the Soviet 'Backfire' bomber?" In answer, the brochure acknowledges the Soviet Backfire bomber to be capable of reaching "a significant number of targets in the United States on one-way, high-altitude, unrefueled missions." The brochure takes note of this government's stated reluctance about exempting the Backfire from being counted as an intercontinental launcher within the prescribed numerical limits, and alludes to U.S. urgency to have Backfire deployments and production rates placed under contractual restraints. Here is the pertinent language in the brochure: "The United States has indicated to the Soviets that the Backfire can be excluded from the permitted overall SALT totals if, and only if, the Soviets undertake commitments which will inhibit the Backfire from assuming an intercontinental role in the future, as well as impose limits on its production rate. These commitments would have the same status as the SALT agreement, binding the Soviets to the commitments contained therein. Although there are not assurances that the Backfire would not be used against the United States in time of conflict, these commitments by the Soviet Union are designed to inhibit the Backfire from being given an operational intercontinental role and to limit its overall strategic potential."

Comment: The quick transition from "no assurances" to "commitments" is baffling. So is the attribution to something omitted from a contract "the same status" as if it were included.

There are important omissions from the presentation in the brochure. A one-way mission for the Soviet Backfire, landing in Cuba after operating against targets in the United States, could be accomplished without refueling. Such a mission would be counterpart to the kind of mission allotted to the United States' B–52 bomber. A B–52, however, on such a mission would have to be refueled. The target coverage and operational flexibility of Backfire for intercontinental strike missions, moreover, are susceptible of being significantly increased by refueling in flight. Every Backfire is fitted for such refueling. U.S. air defenses against penetration by Backfire are notably lacking. Yet the Backfire is exempted from being counted against the permissible launcher totals in SALT II. The B–52 is not exempted. The difference in treatment is one of the more prominent paradoxes in SALT II.

What the Soviet Union tenders in response to U.S. anxieties is a non-contractual statement of intentions not to regard the Backfire bomber as being what it acually is and not to use it in ways for which it is indisputably fitted. This country's acquiescence will not relieve policy-makers and strategic planners from having to count the Backfire as an intercontinental factor in the calculation of risks. The numbers involved, already appreciable, will go on steadily expanding during the time-span of the SALT II treaty.

EFFECTS ON THE CRUISE MISSILE PLAN

In answer to the pertinent question—"Won't SALT TWO constrain the United States' cruise missile program?"—the brochure makes a point concerning the case taken "to preserve those cruise missile options most important to our defense needs.' The terms give a green light for deploying long-range cruise missiles on heavy bombers and for flight-testing other types of cruise missiles. A ban on deploying ground-launched and sea-launched cruise missiles with operating spans over 600 kilometers is portrayed as due to lapse with the protocol. The brochure anticipates cruise missile limitations among the agenda for negotiating a contract to succeed the main agreement due to expire about three years after the protocol.

Comment: It is pertinent to revert to an assurance expressed in the brochure in connection with outlining the contents of the treaty: that the protocol, imposing limitations of operating ranges for sea-based and land-based cruise missiles, "will expire well before" the basic portion does.

In evaluating that assurance, one should note the scheduling of a SALT III negotiation to follow immediately on ratification of the SALT II treaty and the sure prospect for including cruise missile questions in the SALT III agenda. What is certain is not the lapse of constraints on deployments of cruise missiles; it is that the question of continuing or abandoning those constraints will be subsumed into SALT III.

That consideration puts a different light on a supporting argument implicit in the brochure—to wit, that deployments of cruise missiles with the proscribed characteristics within the specified interval are no part of United States plans anyway, so that the sacrifice is akin to giving up watermelon for Lent.

That argument prompts a question: if only that gratuitous sacrifice is involved, then why bother to include the proscription? The question suggests an answer. The protocol is included not for inconsequentiality but for enduring and important intended effects. The prudent approach in appraising the provisions in the protocal must be to consider them as important constraints designed to the shape of things to come rather than transient gestures. The brochure omits several important considerations that help explain the significance of the cruise missiles constraints.

The permitted maximum range—600 kilometers, or about 372 miles—is a minor fraction of the minimum operating range considered strategic in the sense of the SALT purview. Verification of the adherence to the restriction, moreover, is impracticable. The anomalous inclusion of the restriction in a treaty supposed to focus on strategic matters and to be governed by the principle of verification is due to Soviet insistence. (*Pravda*, in an editorial on 11 February 1978, has put the argument in strongest terms: to oppose the limits is "to wreck the agreement as a whole.") The subject matter must be important to the Soviet Union.

The permitted operating range—applicable to cruise missiles carrying non-nuclear charges and those bearing nuclear warheads—represents a drastic constriction on the uses of cruise missiles for tactical missions and regional defense. Accordingly, the implications apply especially to Western European security. SALT II, meanwhile, leaves the Soviet Union free to deploy the Backfire bomber and the SS–20 ballistic missile (with a range nine times greater than the cruise missiles concerned) as additions to its striking power against Western Europe.

According to an argument frequently heard from SALT advocates, SALT II is an essential steppingstone to the opportunity in SALT III to straighten out inequities such as the hobbling of cruise missiles as instrumentalities for European defense while leaving reciprocal threats untrammeled. By the line of reasoning presented, U.S. freedom to increase the operating range of sea-based and land-based cruise missiles after the expiration of the protocol can be traded for Backfire and SS–20s reductions. The better-luck-next-time argument suggests a counter question: in view of U.S. negotiators' inability to have Backfire (let alone the SS–20) included in the SALT II treaty in return for accepting the cruise missile restriction, why expect a better package deal later on after the deployment of considerable numbers of Soviet Backfire and SS–20 missiles? Trading off something contingent for something else already in hand is likely to entail more intrepidity in bargaining than yet shown by U.S. SALT negotiators.

EFFECTS ON MOBILE LAUNCHERS

The brochure answers "no" to the question, "Will SALT TWO stop us from developing mobile intercontinental ballistic missiles?" The question pertains to a prohibition against deploying mobile ICBM launchers and flight-testing ICBMs from mobile launchers, but not pertinent research and development programs, during the three-year interval covered by the protocol. The brochure refers briefly to versions of mobile ICBM-basing concepts under study, "including some involving alternate launch points for each missile." It adds in reassurance, "The current and projected capabilities of our strategic forces give us time to study thoroughly questions of technical feasibility, military effectiveness, and cost prior to making decisions about deploying mobile ICBMs. The parts of the draft text . . . already . . . agreed upon allow deployment of mobile ICBM systems of the types we are considering. The draft agreement explicitly permits deployment of mobile ICBM launchers during its term, after the expiration of an interim protocol period which would end well before mobile ICBM systems would be ready for deployment." In connection with such systems, as yet hypothetical, the brochure stresses the necessity of conformity "with all provisions—including the verification provisions—of a strategic arms limitation agreement."

Comment: The cognizance of mobility as a characteristic for special attention in SALT in connection with regulating intercontinental launchers stems from a U.S. initiative growing out of concern for verification. The importance of the questions at hand relates to problems now looming as a result of the growing vulnerability of the fixed-site land based components of U.S. strategic nuclear forces, discussed earlier in this statement.

The allegation in the brochure about pre-assured permissibility for deploying mobile ICBM launchers after the protocol period lapses needs to be recast. All that one is entitled to be sure about in this connection is this: issues about mobile launchers for ICBM are bound to be on the agenda for SALT III, if there is one. Besides focusing on permissibility, the issues subject to negotiation will include matters of definition, for there is no present agreement between the superpowers on what characteristics are covered by the term "mobile."

One should be wary also about the assurance of there being plenty of time—thanks to "current and projected capabilities of our strategic forces." The looming threat to U.S. security growing out of Minuteman vulnerability will have become an established circumstance during the time-span of the SALT II treaty and indeed during the shorter interval covered by the protocol. The problem is one calling for solution by 1982 or thereabouts—not one for the 1990s.

A pertinent matter of utmost importance concerns the status, in relation to the restraints in question, of methods for preserving deterrence—while keeping within the prescribed launcher limits—by multiplying the number of targets which the other side would feel compelled to hit in undertaking a preemptive strike. In that connection, the reference in the brochure to the United States' study of "a number of mobile ICBM basing concepts, including some involving alternate launch points for each missile" is significant in implying that whatever systems are under study—being "mobile"—therefore come within the category embraced by the restrictions in the protocol against deployment and flight-testing.

The description is wholly in line with a recent United States demarche in SALT II identifying several possible systems of that general character as "mobile" and indicating the United States' reservation of the right to deploy some such system after the expiration of the protocol. A matter deserving special note is the specific mention in that demarche of one system—a multiple vertical protective structure system. That system would add no ICBMs beyond the number permitted by SALT, could be made readily conformable to the verification requirement, and would not involve "mobile" launchers within any meaning of the term in common usage. In the Air Force's judgment, moreover, that system, among the several conceivable systems, is the only one practicable in the sense of being feasible to build at reasonable cost and, when made operational, capable of preserving the survivability and endurance of our ICBMs.

By logical inference from the U.S. demarche, the Soviet Union is in position to exercise a gratuitous veto, at least for the term covered by the protocol, over a preferred method for alleviating the danger to Minuteman and to crisis stability. By further logical inference from the U.S. demarche, the Soviet Union is permitted, under the treaty, to deploy such a system whether we do or do not do so.

EFFECTS ON ALLIES

"How will SALT TWO affect our NATO allies?" As pointed out by the brochure in answer to that question, such matters as the following are not within the SALT II purview: France's and the United Kingdom's nuclear forces, U.S. nuclear and other forces stationed in Europe, and U.S. efforts in cooperation with allies to strengthen NATO conventional forces. "There will be no ban on the transfer of cruise missile and other sophisticated technology," the brochure adds. It stresses the United States' attentiveness to consultation with its allies and to their security concerns.

Comment: The United States is the mainstay of the alliance on which their security hinges. Any weakening of the United States' strategic position vis-a-vis the Soviet Union must inevitably undercut the North Atlantic Alliance. That is the main consideration affecting the country's European allies.

After taking account of disparities in the SALT II terms, a recent editorial in the London Economist[6] speculates on broad implications for the alliance and goes on to consider aspects of narrower though still important concern. The portion quoted below serves as a commentary on the brochure:

> . . . The allies of the United States have got into the habit of measuring its ability to protect them against Russia by totting up the units of American nuclear power. That is the "nuclear umbrella." If that power is seen to be getting smaller than Russia's, one spoke of the umbrella after another, public opinion in these allies will grow more nervous about the value of American protection; and nervousness could crack the alliance.
>
> . . . The most dangerous place of such mistrust to grow is western Europe. The second major criticism of SALT-2 is that it has managed to increase Europeans' doubts about America most of all.
>
> The planned treaty, while setting limits on the number of missiles Russia can aim at America, says nothing about the growing number of missiles it points at western Europe, especially the powerful new SS-20; and the only reference to Russia's Backfire bomber will apparently be some sort of Soviet "assurance" (outside the treaty itself) that this Europe-busting nuclear-bombing aircraft will not be used to bust America too. This hardly encourages the Europeans. They are not reassured by the fact that the American-designed cruise missile, which could be one way of equalising things, may be denied to them under the SALT-2 clause which says that neither side may do anything to "circuvent" the treaty. The Americans say this should not prevent them providing the Europeans with the knowhow, and maybe some of the parts, to make the cruise missile; but Russia says flatly it will prevent just that.
>
> The Europeans also find it worrying that the kinds of cruise missiles most useful to them—the ones launched from ships or from the ground—will be limited to a feeble 375-mile range by the protocol which will regulate a few particularly tricky problems during the first two or three years of the general treaty. They suspect that when those two or three years are over Russia will try to bully Mr. Carter or his successor into prolonging the protocol, and with it the range restriction, and they are not confident of Mr. Carter's ability to defy Russia . . .

COLLATERAL ISSUES IN NATIONAL DEFENSE

In the phrasing found in the brochure, "How do cancellation of the B-1 bomber and the decision to defer production of the 'neutron bomb' relate to SALT?" According to the answer given, the connection is nil, for the matters involved in both decisions—choices concerning strategic bomber types and tactical weapons—come within the United States' autonomous discretion, and neutron weapon technology is not within the SALT purview at all. The brochure depicts the B-1 cancellation as a creditable decision "made . . . in the interest of providing the United States with a strong, efficient, and cost-effective national defense." The brochure describes the sidetracking of the neutron warhead as an initiative taken in hope to induce "appropriate, meaningful restraint by the Soviet Union" in response.

Comment: The brochure overlooks a significant relationship. The B-1 bomber cancellation and the sidetracking of neutron weapon technology—and this observation applies also to deliberate slippage in the mobile missile and Trident submarine programs—reflect a subordination of national security policies to wishes for promoting arms control instead of shaping arms control to security needs. The same inclination dominates the U.S. approach to SALT.

The stated rationale for canceling the B-1 bomber program and trying to make do with the B-52 instead is not convincing. As instrumentalities for advancing cruise missiles to transoceanic targets, B-1 bombers are demonstrably superior to the B-52s in efficiency, cost-effectiveness, and capability to escape from an attack and therefore to survive.

The decision on neutron weapon technology constitutes a rescission *sine die*, rather than a contingent deferment as portrayed in the brochure. Significant aspects are ignored in the brochure. For example, nothing is said about the Soviet Union's pervasive and energetic propaganda campaign to head off neutron weapons, about the unanimous recommendations from the President's defense advisors overridden by the President's decision or about the resulting consternation among the United States' European allies. The most important potential of neutron warheads pertains to their utility for countering attacks by tanks and similar armored tactical vehicles without doing enormous damage to the physical surroundings in the manner of existing types of tactical nuclear weaponry. Neutron technology thus would be a basis for a more cogent defense for the central front against the threat from the East posed by a heavy preponderance of Soviet armor in the European theater. Hence the sidetracking of neutron weapon technology is an act of renunciation with special impact on the security of the United States' transatlantic allies.

The nature of the Soviet forbearance looked for in reciprocity to the U.S. decision remains as vague in the brochure as it was in the President's announcement. The sole sign of response from the Soviet side so far has been a not surprising disavowal of any plan to develop its own neutron weapons. The logic chain from the U.S. rescission to the Soviet Union's renunciation has an analog in a fabled householder's decision to forego acquiring a tomcat pending more evidence on what the mice planned to do—whereupon the mice announce their reciprocal intention to make do for the time being without acquiring a tomcat of their own.

LINKAGE TO SOVIET CONDUCT

The pertinent question as phrased in the brochure is: "Why should we sign an agreement with the Soviet Union when that country promotes instability in Africa and other parts of the world?" The answer takes abstract cognizance of U.S. opposition to "Soviet policies where they conflict with ours," advises against regarding SALT as "a reward that we are giving the Soviet Union for good behavior," calls SALT justifiable "only if, by itself, it promotes our national security," and then asserts the worthiness by that criterion of SALT as a support to "continued nuclear stability" and a reducer of the risk of nuclear war.

Comment: The brochure thus takes only passing note of the antithesis between U.S. and Soviet purposes in world affairs—and does so only to wave it aside as marginal, notwithstanding its central importance to the security issues in SALT. It is appropriate here to cite a more apt appraisal of the salient realities from "What is the Soviet Union Up To?"[7]

> The attainment of the ultimate Soviet objective—a Communist world order—requires the reduction of the power, influence and prestige of the United States, the country which the Soviet leaders perceive as the central bastion of the "capitalist" or enemy camp. They see the global conflict as a drawn-out process with the Soviet Union and America the two principle contenders. In that contest they see their task as isolating America and, despite temporary reverses for their side, reducing it to impotence.
>
> In its global activities the Soviet Union pursues a "grand strategy" involving the use of a great variety of means to attain the ultimate end: the reduction of any potential opponent's ability to resist. These means include economic, diplomatic, political and ideological strategies against a background of military strength, to be used separately or together as instrumentalities of power. The Soviet eagerness to increase its trade with the Western world or to participate in arms limitation negotiations does not preclude politico-military campaigns to outflank and envelop centers of non-Communist influence, such as the long and patient Soviet efforts to penetrate and dominate the Middle East, and now the drive, supported by client states, to establish regimes friendly to Soviet domination in Africa.

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[6] Seven Lean Years," The Economist, London, December 30, 1978, pp. 7-9.

[7] What Is the Soviet Union Up To?" Committee on the Present Danger, 4 April 1977, Washington, D.C. pp. 6-7.

The import of Soviet designs in such regions is by no means marginal. The steady purpose of Soviet endeavors there is to impinge on sources of materials and lines of supply essential to the security of the United States and its allies. That purpose is wholly consonant with the Soviet approach to SALT—the two being coordinated parts of the drive for visible preponderance.

The advice in the brochure against regarding SALT as "a reward" to the Soviet Union "for good behavior" is salutary if, taken alone, it is construed as a rebuttal of those who say their misgivings about the SALT II treaty might be assuaged by an interval of Soviet forbearance in external affairs. The brochure is correct in asserting the touchstone for judging the SALT II treaty to be the effect of its provisions on national security. The description of the SALT II treaty as beneficial to United States security, however, is left as uncorroborated in this context as it is elsewhere in the brochure. Under logical and informed analysis, the SALT II treaty is seen as the inverse of that portrayal. The assertion concerning continued strategic stability reflects nothing more substantial than preoccupation with counting permissible numbers of intercontinental missile launchers. As for the declaratory reduction in risks of nuclear war—a spurious sense of security is, among all moods, the one most likely to propel the nation toward the predicament of having to choose between capitulation and a doomed belligerency.

EFFECTS ON STRATEGIC COMPETITION

The short answer given in the brochure to the final question—"Will SALT TWO really slow the arms race?"—is yes. The brochure continues, ". . . the SALT process has already slowed the arms race." The supporting argument recalls acomplishments in SALT I—namely, the treaty to end competition in certain strategic defensive systems and the interim agreement on offensive strategic nuclear weapons—as a precedent to justify optimism. Turning to the SALT II treaty, the brochure discerns contributions to stability and security in the prescribed "equal aggregate ceilings for strategic nuclear vehicles. . . and common subceilings on launchers for missiles carrying MIRVs," corollary requirements for the Soviet Union "to reduce a considerable number of strategic systems," and—as an item mentioned for the first time—expected "constraints on the introduction of new types of ballistic missiles." The argument emphasizes the importance of the SALT II treaty as a steppingstone to SALT III, from which it anticipates "further progress in reducing the nuclear arsenals on both sides . . . and further restrictions in qualitative improvements." Concerning "the price of not reaching agreement," the brochure warns, "An expansion of the startegic arms competion, at significant monetary cost, could follow, with an increasing danger that future weapons systems could increase the incentives to resort to nuclear weapons in time of crisis."

Comment: The metaphoric phrase "arms race" means different things to different people at different times and in some contexts becomes almost impossible of definition. For example, if "arms race" is taken to characterize the superpower strategic interplay preceding the SALT I accords, then the phrase must denote a relationship between one side under unilateral restraint and in the course of reducing strategic deployments and another side pressing ahead with utmost will and vigor in diverting resources to strategic uses. "Arms race" in that sense, however, can scarcely be taken to include something "slowed" by SALT I—as alleged in the brochure—for the effect of SALT I has been to register and extend the increasingly disparate strategic relationship as it had been developing.

Certainly the SALT I interim agreement has not—as alleged in the brochure—served to "stop the Soviet buildup of ICBM launchers." The Soviet Union has persevered in that buildup at rates projected in long antecedent plans. A statement in the brochure hailing the SALT I treaty on defensive strategic nuclear arms for having "curtailed an expensive competition" that 'could have stimulated the expansion of offensive strategic forces to offset them" must also be examined warily. A principal effect of that treaty—by which the United States shelved a program that was making sound headway in return for Soviet adandonment of a counterpart program that was faltering badly—has been to free resources for diversion into helping sustain the Soviet offensive buildup designed for gaining ascendency over the U.S. strategic forces which the ballistic missile defense system was designed to protect.

The important present questions, however, relate to the portrayal of the SALT II treaty. As already noted in the discussion on "The Meaning for U.S. Security," the prospective cutback on Soviet launchers, far from signaling a reduction of offensive strength, fits in with the Soviet schedule of steady increments in offensive nuclear striking power. The interpretation of the cutback in the brochure only reflects the engrossment with launcher-counting, characteristic of the U.S. approach to SALT.

To turn from counting launchers to measuring other dimensions may help put the SALT II treaty in better perspective as a reputed arms control venture. During the span of the agreement numbers of nuclear warheads can be expected to rise by 300 percent on the Soviet side, in comparison to about 50 percent for the U.S. In the same period, strategic nuclear power represented in capability for area destruction will double on the Soviet side and rise by approximately an eighth for the U.S.—a disparity between growth rates in a ratio of 16 to 1. Capability for destroying hard targets such as missile silos and command-and-control and communication centers will rise by 1000 percent on the Soviet side and—depending on the degree of progress in cruise missile developments—perhaps 400 percent for the U.S.

Another key to evaluating the SALT II treaty is to measure its provisions against the United States' hopes and aims at the outset of the negotiation in 1972. One aspiration then was to limit offensive nuclear power in ways counterpart to the permanent controls on defensive nuclear weapons in the SALT I treaty. That design was abandoned early in deference to Soviet insistence on having instead another interim agreement to expire at a time—1985—when the ratio of Soviet strategic power to that of the United States will be signally to the United States' disadvantage.

As a related goal, the hoped-for treaty should provide for equality in offensive nuclear capabilities between the two superpowers at levels politically and economically affordable for the United States. The equality actually obtained is a superficial one applied only to numbers of intercontinental launchers irrespective of important qualitative differences—and subject to the critical exemption of Soviet Backfire bombers. As for affordability—whether for want of will or of money, the United States will prospectively fall short of its allotted share of MIRVed ICBMs by one-third in contrast to a full complement for the Soviet Union.

Yet another earlier hope was that of bringing about reductions in offensive nuclear armaments and related expenditures. The SALT II treaty, as is now apparent, will not fulfill that hope. The limits to be imposed under its terms—reflecting an absorption with counting launchers to the exclusion of centrally important considerations such as numbers, power, and accuracy of missiles and warheads—affect the wrong things and are so high as to be at variance with any valid version of arms control. The prospective cutback in Soviet launchers, made much of in the brochure, will be devoid of substantive significance. As for the "constraints on the introduction of new types of ballistic missiles" mentioned in the brochure, U.S. proposals for rigorous specifics to give the idea true effect have been put aside in favor of a weakened formulation in deference to Soviet insistence.

The terms originally envisioned were to be constrained by the verification principle and by the need to take account of the security interests of the United States' allies. The terms as actualized are wanting in both respects.

An essential effect envisioned at the outset was prevention of either side from being able to gain advantage by a first nuclear strike. Thereby both sides were to be relieved from temptation to strike preemptively. The nuclear threat would be neutralized. Thus the condition of crisis stability would be established. The shadow of war would be lifted from junctures of heightened adversariness. That cluster of aims, too, is going by the board with the expansion of the Soviet threat to Minuteman. The SALT II treaty will not check the threat to this country, its population, and its military forces in any significant way.

All the goals recalled above may be summed up as the hope of reducing the risk of nuclear war and the weight of nuclear armaments overhanging international politics. The SALT II treaty contributes nothing to that hope as it pertains to the world at large and to the United States in particular. The period ahead coterminous with the SALT II treaty appears charged with troubles. Surely it would exceed the bounds of reason to attribute them all to SALT. The shortcoming in SALT, pronounced in the upcoming treaty, pertains to the failure to redress the unfavorable strategic trends all too likely to place the United States in a situation, unprecedented in its experience, of having to fend for its interests and survival from a position of palpable disadvantage.

In light of that prospect, one may evaluate assurances in the brochure concerning "further progress" for SALT III in achieving the kind of benefits alleged to be accomplished in the SALT II treaty. The troublesome prospect for SALT III is precisely in the likelihood of furtherance of the unfavorable momentum which SALT II, far from arresting, seeks to register as part of the supreme law of the land.

In weighing the question whether to authenticate the inequitable SALT II provisions in a ratified treaty—rightly tagged by the brochure as "this most serious of issues"— one may well heed Shakespeare's wise words:

". . . To persist in doing wrong extenuates not wrong. But makes it much more heavy. . . . "

The United States approach in SALT, with its premium on agreement to the disparagement of our own true interests and security, is wrong. Its results put the country in a perplexity from which it is far easier to extricate now than it will be in 1985.

The argument in the brochure concerning a putative "significant money cost" as part of "the price of not reaching agreement" is to be regarded skeptically. No data support it. With or without an approved SALT II treaty, great expenses are now imperative for correcting the unfolding deficiencies in our strategic defenses. To invoke the cost argument, with its false hint of potential savings, can only serve to impede acceptance of the indispensable. Contrary to the monition in the brochure, the SALT II treaty, carried out in the spirit exemplified by the Administration, would all too probably foreclose more economical and efficacious options and compel recourse to costlier but less effective means on behalf of the common defense. The point is illustrated in the question how to shore up Minuteman: by the timely and relatively economical method which the Administration is manuevering to put aside in deference to the Soviet atitude, or by some system—hugely more expensive and yet impossible to complete in time to fill the bill—along the lines now being contemplated by the Administration as possible alternatives?

The warning in the brochure of "increasing danger" in consequence of a rejection of the SALT II treaty must be weighed against a candid appraisal of the dangers inherent in going ahead with it. There is nothing inappropriate in this country's deciding to stand instead for a solidly based treaty consonant with the purposes in mind at the time of undertaking the negotiations—one manifestly equitable and free of the serious liabilities of the current proposal, including especially its inherent conduciveness to a strategically unstable environment.

The answer to the question posed in the title of this memorandum, "Does the Official Case for the SALT II Treaty Hold Up Under Analysis?" is: no. The emerging terms of SALT II, against a backdrop of the unfavorable trends in the U.S.-Soviet military balance, do not square with the security of the United States. The arguments advanced in the brochure "SALT and American Security" ignore this ominous prospect.

[From the Omaha World-Herald, Mar. 16, 1979]

SALT ADVOCATE SLIPS ON FIGURES

Herbert Scoville Jr., the disarmament advocate, who is stumping to win grassroots support for SALT II, told Downtown Rotary Club members recently that some 25,000 square miles of land would be taken out of agricultural production or public use if the proposed MX missile is deployed in ground shelters.

Following the talk, a World-Herald reporter asked Scoville about that figure. The reporter said Gen. Lew Allen, Air Force chief of staff, has said a maximum of 25 square miles would be needed.

Scoville insisted that his figure was accurate.

The reporter then asked Lt. Gen. Tom Stafford, Air Force deputy chief of staff for research and development, what the land requirement would be.

Stafford's reply: "Less than 25 square miles."●

SALLY QUINN ON SOUTHERN AFRICA

● Mr. McGOVERN. Mr. President, the American press has recently focused on some African countries likely to present major foreign policy challenges to the United States.

Sally Quinn of the Washington Post exposed the human tragedies caused by South African racism and the hideous system of apartheid. She quotes the sentiment expressed by Percy Qoboga, a widely respected black journalist, that should concern us all: "What worries me most about this society," he said, "is that people have resigned themselves to the inevitability of revolution and violence."

Ben Bradley also conveyed some extraordinary personal insights. "Never before have I been involved in a country where conversation is so overwhelmed by a single subject," he wrote at the conclusion of his visit to South Africa. Everything revolves around the race issue. He then goes on to alert us of the rigidity of the South African regime. "Despite everything you may have read, despite even some cosmetic improvements, the lengths to which the white South African Government goes to keep itself in power and to stifle opposition overwhelm anyone used to the freedoms of the U.S. Constitution."

As if to underscore the point, the New Yorker commented on the extent of press censorship on South Africa. One of the last remaining democratic institutions in the country, the South African press now stands threatened by the possibility of a crackdown by the government of Prime Minister P. W. Botha as a result of its courageous exposure of the scandal involving secret activities of the Ministry of Information. In light of allegations of interference in our internal political affairs, it is essential that the South African Government permit the press to function openly and freely to reveal the full story behind this scandal. Any attempt to cover up the facts would only feed suspicions of deeper culpability by top officials in covert operations abroad.

A second focus of attention is Zaire, an important country with profound social, political and economic problems. An article in the Boston Globe warns of the troubles ahead for this country and their implications for U.S. policy.

Finally, Mr. President, I want to draw attention to the situation in Rhodesia. The International Committee of the Red Cross has released an unprecedented appeal to both sides in this war, calling upon them to allow the ICRC to properly carry out its humanitarian tasks of protection and assistance to war victims. I urge all parties to respond positively to this appeal. I ask that these publications be printed in the RECORD.

The material follows:

[From the Washington Post, Mar. 7, 1979]

AN ALLIANCE GOING SOUR: DIVERGING PATHS OF BLACKS AND WHITE LIBERALS

(By Sally Quinn)

JOHANNESBURG.—His name is Percy Qoboza and his favorite saying used to be that of Martin Luther King: "Either we learn to live together as brothers or we perish as fools."

It used to be.

That was before they closed down his paper and threw him in jail.

He used to be a moderate, the one all foreign journalists would come to when they visited South Africa, the one who would convince them it could all be worked out without violence. He used to be the black the white Afrikaners pointed to to show how fair the system was, how blacks could indeed rise to the top, be successful. He is a former Nieman fellow, the best-known black journalist in South Africa and former editor of the two largest black newspapers in his country, The World and Weekend World.

Today Percy Qoboza is a different man. He is angry, despairing.

He sees more and more young blacks becoming militant; he sees a turning away from the white liberals who have traditionally championed their causes.

He sees a hardening of the views of the Afrikaners and he sees, finally, the inevitability of the violence both blacks and whites have always feared.

Today Percy Qoboza is out of jail. And he has another newspaper, the Post, the largest black newspaper still being published in South Africa.

But now he knows how tentative, how ephemeral, all this is. He knows that for no reason he could be thrown in jail, be banned, have his newspaper closed again.

So now the white Afrikaners don't mention him any more. And now the white liberals get edgy when asked about good old Percy. And now, when visiting foreign journalists go to see him, they get a very different story from Percy Qoboza.

He is short and very dark-skinned, with a round face, bloodshot eyes and a cynical tongue.

At lunch he will say—with shocking bluntness—to a white South African editor who has just been left jobless after his paper was merged with another: "Now you know what it feels like to be a kaffir" (in effect, "nigger").

And the editor will reply sarcastically, "Oh Percy, try not to be your insufferable self."

Now Percy Qoboza sits in his office at the Post and gives an interview, joking occasionally with reporters who stick their heads in to say hi or chat.

But he is not in a joking mood.

"My whole experience has been a very traumatic one," he says. "I went through those five and a half months in jail in periods of intense bitterness, sometimes bordering on pure and brutal hatred. It was a time of extreme soul searching, thinking about my country for the first time in a quiet and serene atmosphere. At the end I said to myself, 'They've closed down my paper for no reason at all, I suspect because we continued to speak out and editorialize against injustice. They threw me in jail without telling me why my freedom was violated.' "

And so, he says, he felt there was only one conclusion to make. "I ended up saying to myself, 'I have tried my best to reflect society in an honest matter. I have suffered the supreme indignity. I have no more role to play here in South Africa. I must get out.'

"I must pack my cases, take my children and get out. I saw no hope for this society."

It was his children, he says, who convinced him to stay.

"I discussed this with my wife and children and I told them there was no future for us in this country. With all the good will under the sun, the very thing we have tried to avoid all our lives, this bloody racial issue, will come. At the moment, when people are in jail without trial, I cannot see change. So we must leave."

His 15-year-old daughter was strongly opposed and rallied his other children on her side.

"She told me, 'That's great,' " says Qoboza. " 'We'll all live a good life in New York, going to good schools. You'll get a good job on one of the papers and we will live happily ever afterwards. Except this story cannot end like all good stories. We'd still be confronted with the realities of this country. We would see on television or read in the papers of some relatives who died from police bullets.

" 'We would see people we know on the streets from our neighborhood getting killed. We'll still read about and see people dying. Can we live with our consciences?" My daughter asked me, 'when maybe, just maybe your physical presence in this country could help in some way to avoid disaster?"

"This confrontation with my children," says Qoboza, "kept us thinking My wife and I, in spite of my experiences, in spite of the danger that I will still go back to jail, in spite of the danger that our home will be bombed, I eventually felt I had to remain in this country."

There are many avenues Qoboza could take in trying to help his country. Up until now he has been taking the moderate course, communicating with white liberals. But even with the white liberals things are beginning to sour, and the young blacks are beginning to abandon their white support—possibly the first indication of violence to come.

"It has been one of my most unfortunate and sometimes bitter experiences," says Qoboza, "to see how more and more young people can become very angry at what people consider liberal whites. The liberal white has become a cliche with his sanctimonicous statements and comfortable words. Yet they continue to reap the fruits of raciality, continue to maintain the position of privilege.

He says he feels sorry for some white liberals, especially the ones who have been acting as a bridge between Afrikaners and the blacks. "Now," he says, "they seem to be getting it from both sides."

"We have an expression in the black community," he says. "That we would rather deal with the Afrikaners than with the white liberals. The liberal element is confused about where it stands. With the white Afrikaner, the lines are clearly defined on both sides."

LEGENDARY LIBERAL

Helen Suzman is something of a legend in South Africa, as is Percy Qoboza. To the white, English-speaking liberals, Suzman is Lillian Hellman. To the white Afrikaner she is Bella Abzug.

Helen Suzman is the only woman member of parliament in South Africa. At 61, she is one of 17 members of the liberal Progressive Party, composed mostly of white, English-speaking South Africans, as opposed to the ruling Nationalist Party, which is made up of white Afrikaners. Married to a rich doctor, she is the daughter of Russian Jewish immigrants. She has been in politics for nearly 30 years and at one point, between 1961 and 1974, she was the only member of the Progressive Party in the entire parliament. "I was the only spokesman for *everything,*" she says today, even now with a note of disbelief in her voice. "That was really something."

She is a feisty, funny, attractive and totally fearless woman who drives the white Afrikaners up the wall with her relentless criticism of their racist system, with her larger and enthusiastic following.

"I would be in a state of rage all the time if I were black," she says. "God knows where that would lead me."

She understands better than most how Percy Qoboza feels, his growing disillusionment with even the white liberals. "Percy's under pressure from his own people," she says. "And he's going that way. We liberals have no power. We make all these noises and we're genuinely upset about the situation—we're not simulating it. But we're small. I can't scrap the immorality act, for instance. And the blacks know we're in no position of power. I'm under no illusions about that."

The young blacks, says Suzman, are "becoming far less interested in the white liberals and have cut themselves off. I think we're going to find our position much more difficult."

She had always thought it would be the young Afrikaners who would leave South Africa at the first threat of violence, at the first indication of a black takeover.

In fact, she says, it is the young English-speaking whites who are leaving.

"I might leave," she admits, "if I were young and not so involved. It becomes more difficult once you're involved. Both of her daughters have left South Africa and live abroad. And she admits politics had something to do with their departure.

For Suzman, as for other white liberals in South Africa, watching what is happening is not only maddening but frustrating as well. "You see the course of events," she says, "and can't understand why no one else does. People don't react if they're privileged. This government is much stronger than Rhodesia. Millions of white South Africans haven't the slightest intention of leaving. They've been here for a hell of a long time."

Still, Helen Suzman doesn't feel the end is near, as do many white liberals and blacks.

"I don't personally think we're on the verge of any upheaval," she says. "I don't see the blacks being in any position to force fundamental change. They're so busy keeping alive, getting their wages, getting to and from work. I mean, they have to get up at four in the morning to get themselves to work from Soweto.

"I think the outside world pressure to continue to harass the government can help. But the whites will not share power with the blacks."

And Helen Suzman is a pessimist, but with a note of hope.

"The communication hasn't ceased by a long shot," she will say. "Of course most of the young blacks have become radicalized. They don't want to have anything to do with the whites. But millions of blacks in the majority still want to talk."

Then she will change her mind again. "Still, if you'd asked me five years ago whether there would be Cubans in Angola I'd have said you needed your head read."

And again. "But," she says, "change is much further ahead than most people think. I think it will be a long time before we see fundamental change. It's going to be a long time. A very long time."

BITTERNESS, NOT HATE

Percy Qoboza says he is not afraid. "But I am conscious more than I was before, that I am living in a country which disregards fundamental human freedoms.

He has to censor himself, he says, because there is a real possibility the government will shut this paper down as well and he worries about his staff and their futures. And he says with stunning simplicity, "It's better to be on the outside of jail and have a paper than to be in jail with no paper."

What frustrates him the most, he says, is that some young people feel he is too moderate and some old people think he is too radical. "This is one of the strange twists of fate, because I don't want to be labeled anything but a newspaperman."

Percy Qoboza insists now that his bitterness is directed not at people, but at the system, and he says too that he has stopped hating.

"Hate disorients you," he says. "But my bitterness is something I cannot liberate myself from until such time as every vestige of injustice is liberated from my country. . . ." He smiles. "And it will, that's why I'm still here."

Unlike Helen Suzman, however, he is not as optimistic about how it will happen or how long it will take.

The radical Percy Qoboza speaks:

"We are living in a situation that is a continuous volcano about to erupt," he says. "You move around the streets of Soweto, you talk to people and it looks normal, quiet and peaceful. The government will be quick to tell you that. But in the midst of that calm and sweetness and apparent peace, if you put your ear to the ground you can hear the simmering volcano. And it is sure to erupt any day . . . over just one little stupid incident. It is the height of folly to think that Soweto is peaceful."

No sooner has he finished this depressing prognostication than the moderate Percy Qoboza emerges, interjecting the last hopeful words.

"What worries me most about this society," he says, "is that people have resigned themselves to the inevitability of revolution and violence. But I still believe in man's capacity to rise up to the occasion. Maybe, just maybe, some great leader will rise up, not an Afrikaner but a great black leader. . . ."

His voice trails off and Percy Qoboza slumps down in his office chair.

[From the Washington Post, Mar. 6, 1979]

SOUTH AFRICA'S SHADES OF UNCERTAINTY: A COUPLE'S PLIGHT

(By Sally Quinn)

Third of a series

PRETORIA, SOUTH AFRICA.—Already she had been fired from one job.

"Bad for the company's image," was her boss' explanation.

Her sister's husband would not allow her to bring her boyfriend, John, to their house.

"The caretaker might see John and throw us out of our flat," was what her brother-in-law told her.

Her friends in the apartment across the hall asked her to please not visit.

"John's skin is too swarthy," one explained bluntly.

Her father refused to allow her to bring John to the house.

"How could my daughter be so low as to go out with anyone who even looks like John?" was his response.

But for Celeste Cross, all that was nothing compared to the police breakin.

She tells the story in her own words:

"Saturday night, a few weeks ago before John and I went out we left a note on the door saying when we would be back. We got home around 3 a.m. and we had brought back three friends with us. We chatted for a while in the living room until two of our friends left. The other, who had had a bit too much to drink, stayed over. John and I had a hell of a fight about that and I went into my room, turned off the light, got into bed and went to sleep. John was sleeping in the living room because of the fight."

She had already fallen asleep, says Cross, when suddenly she heard a terrible noise. "I heard this row," she says, "I heard people breaking the door down. When I woke up there were policemen surrounding my bed taking pictures of me, flashing bulbs in my eyes. I didn't know what was happening. I had been sleeping. I had nothing on. I tried to pull my blanket over me. I don't know whether they got nude photos or not. I just yelled at them to get out of my room so I could get dressed. I didn't know what was going on."

According to Cross, one of the policemen yelled at her, "What's this Indian doing in your flat?" and I said, 'He's not an Indian, he's European.' [That means 'white' in South Africa.] He said, 'Well, he looks like an Indian to me,' and I said, 'You can think what you like and say what you like but he's not.' The policeman then said, 'We'll speak about it further when we see his ID documents down at the station.' And I told him, 'You should have looked at his ID documents before you broke in.' "

It was only after she had dressed and come into the living room that she realized that there were 14 policemen, who had broken into her apartment and searched the entire place.

She and her friend John Fraser were taken to the Pretoria police station, where John had to produce his identification documents.

It turned out that Fraser was classified as white.

POLICE IMAGE

Celeste Cross is 22, a white Afrikaner who was actually raised in Capetown before she came to Pretoria. She is a beautiful young woman, with a round soft face, large eyes, and a coltish manner.

At the time of the interview less than a week after the incident, she was in the Pretoria hospital recovering from minor surgery.

Sitting cross-legged on her bed in a pale blue bathrobe, she was chain smoking as she spoke in rapid breathless bursts, in a tone of disbelief, whispering so that the other white women in her ward would not hear.

Fraser, she explained, is 25. His parents are both white Afrikaners, classified as white, as is his sister. They have been brought up in a white area, a small farm outside of Pretoria where Cross says he has worked out doors all his life accounting for some of the darkness of his skin. He has been to white schools, lived as a white and has been a paratrooper in the South Africa Army, a position not open to blacks, Indians or coloreds.

"The police were not embarrassed at all," says Cross. "They won't even give me the photographs back. They say they're being kept for evidence. They are furious with me for talking to the newspapers. They say it makes the police look bad. At first they said they had to break down the door because we refused to open the door, but when they were told they hadn't knocked they said they had to break it down because the caretaker's key wouldn't fit. So when we told them the caretaker was out of town and they couldn't have gotten the key they said the owners of the building gave them permission to break down the door. The owners said they didn't know anything about it . . . They had no search warrants, they broke in, they didn't identify themselves, they took illegal photographs, and if they had caught John and me in bed and proved that he was an Indian or colored they could have prosecuted us under the Immorality Act [the law making it illegal for people of different races to have sexual relations]. But me in bed alone? It serves no purpose."

"CLASSIFICATION" HORRORS

Practically every day in the English speaking papers in South Africa (as opposed to the Afrikaans), there are horror stories of people whose race classification has been changed.

The most famous story is the case of Sandra Lang, the young girl from a white Afrikaner family whose skin was darker than her parents' who was thrown out of school, ostracized from the community and disowned by her parents.

But even as recently as two weeks ago, Dr. Frederik van Zyl Slabbert, a member of parliament in the Nationalist Party, but of the moderate wing, was objecting to the race laws in South Africa, and publicized the case of Mr. X, a 22-year-old white Afrikaner in Capetown. He had a white birth certificate, grew up in a white community, went to white schools, did his military service in a white regiment, married a white wife and has a child who was classified white. His parents are both classified white as are his brother and his sister. He applied for his "Book of Life" or ID papers and found that someone had decided arbitrarily that he was colored and had changed his classification, based on a document found which alleged that his mother, four years before his birth, had been classified as colored.

He has appealed to no avail. Already his child has been reclassified colored. If his new classification as colored sticks he will have to give up his job, move into a colored neighborhood, with his child—but where his wife, being white, will not be able to live (If one parent is colored the offspring are automatically colored). He would have to give up all of his privileges as a white.

A reporter tried to interview Mr. X through van Zyl Slabbert but was told that he is terrified of having his identity known and that his wife, who is expecting their second child, is afraid that her parents would force her to leave him. Slabbert said that Mr. X at this point is suicidal.

It is only since the Nationalist Party came into power after 1948 that South Africans of any color have been required to carry race classification cards which must be shown to police upon demand at any time.

There is a race classification board which sits to determine what race a person is if their present classification is questioned.

The changes are almost invariably from white to colored although occasionally from colored to black.

The person in question is summoned for an "interview" before the board, which is not open to the press. At the interview the person is examined physically. The board looks for kinky hair, wide nostrils, thick lips, and the color of the palms. Once the person has been examined, the board meets privately to "decide"—completely arbitrarily—what color the person is. The rest of a person's life is determined by that one decision announced by the board.

THE FAMILY DIVIDED

Celeste Cross is particularly upset by the latest incident in her life with her friend John Fraser for several reasons.

"My mum and dad have actually split up because of this whole business," she says. "My mum and I have always been close; my dad and I never got on."

"My dad's point of view was this: His daughter had been queried about going out with an Indian. And this is terrible—the fact that I could be so low as to go out with anybody who even looks like an Indian.

"Even the fact that he knows John is classified white and that he was a paratrooper doesn't make any difference to him. All he cares about is the fact that his daughter gets into a situation where the authorities query whether her boyfriend is white or nonwhite. I wrote my father and told him that even if John were an Indian it wouldn't matter to me. But I think that if John had been, my father would probably have committed suicide. My father has told me not to contact him again. He said to me as far as he was concerned I don't exist. The way I feel about it is that if I'm not good enough for him while I'm going out with John, why should I be good enough for him if I break up with John."

Afer that exchange with her father, says Cross, "my mum just packed her bags and left."

"YOU'RE INDIAN, SHE'S WHITE"

It was about a year ago, that Celeste Cross first met John Fraser. Cross had been in the hospital then also, and had met Fraser's sister Lizette. At the time she thought Lizette had rather darker skin, that she could have been an Indian but they discussed it and Lizette told her she was white.

They became friends and later Lizette introduced her to Fraser, who was on leave from the Army. At the time Fraser had been spending a lot of time outdoors and was very tan. But up until then he had never had any problems. "It never happened to him before in his life. And we've been to lots of restaurants and discos [closed to blacks, coloreds and Indians] together and never had any problems." Fraser, she says, occasionally made jokes about being Indian because of his swarthiness but never took it seriously. Then the trouble began.

Cross recalls sitting in a car on Saturday night soon after they began going out together, waiting to show another couple the way to a party. A man approached them and asked the time, leaning down into the car. Then he said to Fraser, according to Cross, "You're not allowed to be sitting in the car with that girl. You're in South Africa now."

Fraser, says Cross, replied, "So what?"

"We have apartheid," answered the man. "You're Indian, she's white."

"Can you prove I'm Indian?" asked Fraser.

When the man answered no, Fraser told him to move on.

"John's funny," says Cross. "He'll say he's Indian but if he tells it, he's joking. But somebody mustn't come up to him and say he's Indian. They would be insulting him. To most white people in South Africa 'Indian' and 'colored' are dirty things. He was quite upset at the papers getting hold of the story. He was afraid everybody would think he was an Indian. We had terrible fights about it. I told him it can only do him good because the stories proved that he wasn't an Indian."

It was particularly hard on him, says Cross, when she was fired from her first job. She had done part-time modeling, then worked for Pretoria Hardware Wholesales. It was there that her boss said that she would either have to give John up or lose her job because "it made a bad impression for the company. I wouldn't have lowered myself to have him show his classification card to them," she says. "Just to prove to some mentally disturbed people that they were wrong. But John felt that he had brought a lot of bad luck in my life. I told him he mustn't be silly. I told him it was him that mattered to me."

Celeste Cross is not a typical Afrikaner in her attitudes about race. She says it started when she was a child; when she heard her mother speaking harshly to their black servants it would upset her. "I always used to feel sorry for them," she says, "the way they were treated. I used to think if I were black and everybody pushed me aside, how would I feel. Most whites don't even think how they would feel if they were born with a black skin. But the way I think, it could just as well have been me."

Before moving to Pretoria, Cross attended the University of Capetown where she says she made many Indian friends. "In my mind the Indian race were much more civilized than the whites."

So, says Cross, it wouldn't have made any difference to her whether John Fraser was Indian or not.

"What difference does it make?" She says. "You're still you." Still, she is glad he turned out to be white. "This makes me realize what a problem people of different races have who fall in love. It's a hell of a problem. I was lucky John was European. I know what I would have felt like if John was classified an Indian. I couldn't have married him then.

"Even if John had been an Indian they couldn't have changed my feelings about him. It makes me so cross. In South Africa they get a certain group of little people to try and control other people's minds. If they say, you musn't fall in love with blacks they're like gods, trying to make up your mind for you. Why can't they leave people alone? I can't see the point of it. I really can't, of trying to make people do what they want them to do."

The whole episode has made Celeste Cross even more determined than before to marry John Fraser.

"I think we will get married," she says. "I'd still marry John even if I had to classify myself as an Indian. And I couldn't care less whether our children came out pitch black."

For Celeste Cross and for John Fraser, there appears to be no danger of his being reclassified. Since both his parents are classified white it would be against the law for him to be reclassified colored or Indian—even if his skin were black. The important thing is not what color you are, it is what color your ID card says you are.

And besides, because he is classified white, he would be breaking the immorality law if he went out with an Indian or a colored person.

So who should he go out with?

Cross giggles, despite herself. "People who look like him who are classified white."

One would think that having experienced an episode like the break-in, she and Fraser would want to leave South Africa, to move to a more tolerant climate. But no, she says, they have no intention of doing so.

"John," says Celeste Cross, "has very strong views. He likes South Africa. And besides, why should he let people drive him out of his own country?"

[From the Washington Post, Mar. 4, 1979]

IMAGES OF AFRICA

(By Benjamin C. Bradlee)

The tall, young African was strangely seated in a chair, all alone in the middle of an immense field just under the airstrip at Ulundi, the newly built capital of Kwazulu, or Zululand. Except for a few goats grazing on the grass strip, half a mile away, he was undisturbed.

His hands were held out in front of him, extending out from his full-length robe. Every few seconds he would wrench them around to the left, back straight, then around to the right. From time to time one hand would drop to his side and move quickly in and out.

He was practicing how to drive a car.

In Salisbury, the capital of Rhodesia, Meikle's Hotel is the center of what social life still exists. People still dress for dinner, and dance to the music of Jack Dent and his aging combo. From morning till night, old ladies mix with drinking tea or whiskey, watching the comings and goings of the embattled and the curious.

Black uniformed guards stand at the doors, in front of small empty tables, stopping anyone with a package or a purse, to look for bombs or grenades or other weapons.

One afternoon last week, a handsome white couple in their 30s walked up to the doors for the usual inspection—she blonde and tanned, he mustached and rugged, both obviously ranchers in from the bush.

The double-take came when you saw that the guard searched her purse and his pouch, but totally ignored the semi-automatic rifles each was casually carrying.

The images linger hauntingly, after a 15-day immersion in South Africa and Rhodesia, not as keys to any code which points to miaculous solutions to the desperate problems confronting each country, but simply as reminders without judgment that "white Africa" is overwhelmingly black and strange, and full of contradictions and strong, purposeful people.

Never before have I been involved in a country where conversation is so overwhelmed by a single subject. In South Africa today, Topic A is race, nothing else. So is Topic B, C and D, all the way to Topic Z. South Africa is going through its own Watergate scandal, but the scandal involves the diversion of government funds and the commission of government crimes to sell the various policies of apartheid and white supremacy and the silencing of critics. So even conversation about the scandal, the so-called Muldergate after former Information Connie Mulder, is conversation about race.

Talk about sports is talk about race, in South Africa. So is talk about real estate, so is talk about sex.

From all this conversation, two powerhouse convictions emerge, first as surprises, then as truths:

The white ruling class enjoys massive support from the white minority population. In other words, apartheid—petty or grand—is embraced by the white establishment. The logic of the white opposition may seduce visitors, but it falls preponderantly on deaf ears at home.

There are plenty of intelligent, reasonable, popular blacks to negotiate with today—*interlocuteurs valables*, the French called them when they surrendered sovereignty to the North Africans more than 20 years ago. But they won't be there for long, as they get first pressured, then replaced by their more radical children.

Despite everything you may have read, despite even some cosmetic improvements, the lengths to which the white South African government goes to keep itself in power and to stifle opposition overwhelm anyone used to the freedoms of the U.S. Constitution.

For example:

An article in the Sunday Express last month so outraged Prime Minister P. W. Botha that he called its publisher, Clive Kingsley, and gave him this primitive option: Either you apologize or I will close you down. The Sunday Express apologized . . . on the front page, convinced that Botha would and could carry out his threat.

In Soweto, the city of 1.6 million on the outskirts of Johannesburg, where all blacks must live (but can't own property), authorities have constructed only one outdoor basketball court; there is only one fire station and one movie theater and no old age homes (the government wants blacks to return to the "homelands" to die).

A black doctor and political leader, Nthato Motlana, has been refused land on which he would build (at his own expense) a clinic to treat blacks.

Black journalists consider jail a way of life, with solitary confinement routine, often without charges. One black newspaperman told me that after more than a year in solitary, he was put back with other prisoners, and all were shown a movie—"All the President's Men." Another was photographed with me during the lunch, and he quickly rose from the table to speak to the (black) photographer. "I'm banned," he said, meaning that by government order he cannot talk to more than one person other than his wife at the same time, "and if that picture were published they'd put me back in jail." The film was destroyed.

It takes a 350-page book just to list all the laws which journalists must obey before they can be sure their stories will be printed.

Chief Gatsha Buthelezi is a smiling, quick-speaking man, with an ascot tucked into his dashiki shirt as he talks to visitors in his small, air-conditioned office in the new village of Ulundi, which is the capital of Kwazulu and an hour by air from Durban. Buthelezi is chief of the Zulus and president of Inkatha, the National Cultural Liberation Movement, with 200,000 dues-paying Zulu members. He could be prime minister of an "independent" Kwazulu tomorrow, if he went along with the South African government's plan for independent homelands, like Chief Kaiser Matanzima of the Transkei.

Buthelezi sees himself as the leading (unjailed) black critic of South Africa, and the South African whites' best chance for meaningful negotiations.

Others see him as "a creature of Pretoria." Sally Motlana, the tough and graceful head of the Black Housewives' League in Soweto, said: "The whites pay his salary and buy him his Mercedes."

This is the thinking that puts Buthelezi in the middle of a minefield. If he really joins the opposition, he could well get banned and that would bring his cousin, the king, to power and the king would accept the South African government's offer of "independence." If he remains within the system, some blacks are going to think of him as an Uncle Tom.

The farmer's name was Black, and he was white, one of only 250,000 whites among 6 million blacks in Rhodesia. His farm is only 20 kilometers outside Salisbury, more than 3,000 acres of beautiful, fertile soil, planted to corn, soybeans, and supporting more than 500 head of Hereford and Brahman cattle. At 67, his face is deeply tanned and lined, and he talks lovingly of his land as he drives us around the farm in his Datsun pickup truck. His father bought the farm for 800 pounds in 1902. The main house is now surrounded by a chain link fence, topped with barbed wire. A few months ago there was some machine-gunning late at night a few hundred yards from the living room, as guerrillas ran through the farm escaping from a raid nearby.

His hospitality is straightforward, like the answers to our questions. He employs 60 blacks and so supports 60 black families on the farm. He admires Ian Smith more than any man in the world. He wonders "what the hell America is up to" in southern Africa. And he asks a question:

"What's this fellow Pat Moynihan like? He seems to make more sense than anyone else you've got over there."

At dinner in Cape Town, the cabinet minister for communications and sports, a warm, friendly, attractive young man named Frederick W. de Klerk, was being hectored by South Africans like Helen Suzman, one of 17 Liberal members of Parliament (against 135 Nationalist members); Alan Hendrickse, leader of the Labor Party!; Hassan Howa, leader of a group trying to integrate South African sports, and Bishop Patrick Matolengwe. Suzman is white, Hendrickse is "colored," Howa is Asian and Matolengwe is black.

When the conversation turned to political prisoners, de Klerk turned it aside by asking about "the Torres case," a case which South African leaders apparently know more about than American editors. (Torres was a Vietnam veteran who was brutalized by Houston police and who was found dead in Buffalo Bayou. Three policemen were eventually arrested, convicted only of violating Torres' civil rights, and given minor sentences.)

Sybrand Von Niekirk is the administrator of the Transvaal province of South Africa, and he is talking about the new Pretoria Opera House. Earlier he had been quoted as saying that the opera house would be for whites, not because blacks were black, but because blacks didn't like opera. They liked war chants.

"The publicity about that caused more music than any opera house," he said with a smile.

Is the opera house going to be open to blacks?

"I don't like that word 'open,' it doesn't mean a thing, because the opposite is 'closed,'" he replies. "The government has a policy that what cannot be duplicated for blacks must be shared. We cannot afford two opera houses in Pretoria. So if there is to be an opera house, it has to serve all sections of Pretoria. But it cannot be the opera house for all. It wouldn't suit those people (blacks, colored and Indians) to have facilities in the white area. Everybody knows that's not possible. So, therefore, these people must have availability. You can say that the opera house will not be 'open' to them, but it will be 'available' to non-whites, but it will be for the whites."

Isn't that playing a semantic game?

"Yes," von Niekirk says, matter-of-factly. "You have to."

A wise man is talking in his Johannesburg garden. He is officially banned by the South African government despite his profession (a minister), despite his color (white) and despite his nationality (Afrikaans).

"I would trust this man with my life," a black leader has told us, and so he is asked for the ultimate answers.

"I try to seek a parallel in history where a whole community has so successfully suppressed information that eventually led to its own downfall, and I cannot find a parallel."

Where does hope lie?

"I believe hope for South Africa lies in the black community," he answers solemnly. "The white community cannot help itself."

NOTES AND COMMENT

The mind of the political censor is seldom displayed as unguardedly as it is in a document that has just reached us—a letter from the Directorate of Publications, Republic of South Africa. The Directorate has the power, under South African law, to ban books, pamphlets, and periodicals that are either politically or morally "undesirable." Its letter explains why it banned a pamphlet on the situation at Crossroads, a squatter camp near Cape Town where twenty thousand African men, women, and children live in shacks of corrugated metal and cardboard, which they built themselves. (The men would otherwise have to live in all-male hostels, because their families have no right, under South Africa's "pass" laws, to be in the Cape Town area or live in the official black township nearby.) The government planned to bulldoze Crossroads, but it has held off in the face of international protest aroused by the residents with the help of white lawyers, religious leaders, and faculty and students at the University of Cape Town. The pamphlet was published last October by the National Union of South African Students. It is a ninety-seven-page collection of reports, interviews, and legal documents on Crossroads—mild in tone by American standards. When it was banned, soon after it came out, the students wrote to the Directorate of Publications to ask the reason; they got a detailed letter in reply.

One objection was to the title of the pamphlet; "'We Will Not Move'—The Struggle for Crossroads." The use of "will" instead of "shall" conveyed "an implication of intention, volition, or choice," the Directorate said, and many readers would "regard it as a deliberate call to illegal action." The pamhplet was "calculated to further undesirable confrontation with the authorities and to incite lawbreaking." In general, the letter said, the pamphlet was guilty of "distorted one-sidedness." As an example of bias, it cited an interview with Mrs. N——, of Crossroads, who was quoted as saying, "We worked very hard to build this home. We cleared the bush, then we laid down mats. We initially built up a shelter to prevent the wind from blowing at the primus stoves. On the first night we were not able to put on the roof and we were told to build some toilets ourselves. Then we were only able to get water pipes installed after three months, as a result of some nurses, I would think." Such material, the Directorate said, was intended to "worsen and harm Black-White relations, disturb the peace and good order, and cause hostile international reaction amongst persons not acquainted with the full facts." And, the letter said, the timing was undesirable: "The pamphlet is being brought out at a time when plans are, as far as is known, already afoot for the peaceful removal of the illegal squatters."

The students included in the pamphlet two substantial statements by Brigadier J. H. van der Westhuizen, an official of the South African government: a report in which he criticized arguments against the destruction of Crossroads, and the verbatim transcript of a speech by the Brigadier at the University of Cape Town. Including his report was "an alleviating factor," the letter said, but it was "more than counterbalanced by the dishonest and crude way in which his speech before the students is reported." The letter explained, "It is easy to make a speaker, who is addressing an audience which may at times be noisy or distracting, look ridiculous by giving a verbatim tape transcription of his speech. No decent journalist would, however, descend to such methods. An analogy is Parliament, where the Hansard writers take great pains to give a true reflection of what a Member has said, even if the tape recording of his speech may at times not accord with the rules of sentence structure and grammar."

The Directorate of Publications also made another point. "Publicity is given to the determination of the illegal squatters not to leave the area," it said. "The gravity of this is compounded by the fact that the vast majority of the illegal squatters are Transkei citizens, making them in effect foreign intruders who could under certain circumstances become a dangerous fifth column." Most of the Crossroads residents are "Transkei citizens" because they are blacks whom South African law has assigned to an official "homeland" in the Transkei. Two and a half years ago, the Transkei became an "independent" country; one million six hundred thousand blacks living in various parts of South Africa were deprived by the South African government of their South African citizenship and told that they were now citizens of the Transkei, a place many of them had never seen. No country other than South Africa recognizes the Transkei as an independent state.

The factual content of the letter from the Directorate of Publications is uniquely South African, but the reasoning is not limited to censors or would-be censors in one country.

[From the Boston Globe, Mar. 19, 1979]

DECAY IN ZAIRE

(By David Lamb)

KINSHASA, ZAIRE.—Nineteen years ago, when independence and bloodshed descended on the Belgian Congo, this was a prosperous land with great potential. Joseph Desire Mobutu was a 30-year-old army sergeant with much ambition but no money.

In those first few years of nationhood, before children died of hunger and the African rich enslaved the poor in a new form of bondage, coups and violence and secessconist movements wracked the land, presidents rose and fell, a UN peacekeeping force came and went.

Finally, in late 1967, a semblance of unity evolved from the convulsions of independence. Rich mines stood ready for exploring, fertile fields for tilling. The country was ready to move, and for a while it did. Then everything—the directions, the dreams, even the names—changed.

The Belgian Congo became Zaire, Leopoldville became Kinshasa. And Joseph Desire Mobutu Sese Seko the billionaire president, a despotic thief who today is presiding over the disintegration of his country with a glib nonchalance.

At Mama Yeno General Hospital—named for Mobutu's mother—unattended patients die because there are no bandages, no sterilization equipment, no oxygen, no film for the X-ray machines. The dead often remain for hours in the intensive-care unit before being removed, a doctor said.

The health clinics at the university campuses in Kinshasa and Lubumbashi have closed because—as at Mama Yemo's—medicines intended for use there have been diverted to the black market. The university cafeterias also are closed; there is no food.

Near the Kasavuvu market outside Kinshasa, 12,000 bags of US rice are hidden. Western diplomats say. The rice, a gift from the United States, will never reach the people for whom it was intended. The bill of lading has been changed and now bears the name of Mobutu's son, Nywa.

The government's AZAP news agency and Zaire magazine have suspended operation due to a lack of paper; the transportation system has broken down for lack of fuel and spare parts, and 360 abandoned buses are rusting near the airport; the national airline, Air Zaire, can afford only enough fuel for one in four of its domestic flights and its Boeing 747 and Douglas DC-10 jets have been repossessed.

Critical food shortages, due to drought, corruption and neglect of the agriculture sector, also grip this land that once fed itself. Guards are hired for $33 a month to protect homes and shops from gangs of hoodlums, and Zaire soldiers forage for food through Kinshasa's garbage bins at night. In Kisenso, a wealthy slum suburb, missionaries say they are treating 20 to 40 children a day with swollen bellies and hair that has turned red and begun to fall out.

In the rural areas, people are reverting from cash-crop farming to subsistence farming because there are no roads to get their produce to market and food is rotting. The government in many of these areas now relies entirely on missionaries to provide educational and medical facilities.

What food is available in the cities is often beyond the reach of most citizens. In Kinshasa—the world's most expensive city after Tokyo, according to a UN report—inflation is running well over 100 percent a year, and a bag of corn meal needed to feed a family of six for a month costs $130, twice a laborer's monthly salary. At the same time, Sedec, a well-stocked downtown department store, offers a flashy display of Havana cigars for $310.

Not surprisingly, a great discontent seethes throughout Zaire in these steaming-hot days of the African summer. For the first time, Africans openly complain that Mobutu—who likes to be called The Guide—no longer deserves their respectful obedience. They now speak of being embarrassed that the national philosophy is called Mobutuism, the national dress is a Mobutu suit, the scheme for economic recovery is the Mobutu Plan. (In reality, the plan is an attempt to save Mobutu, not Zaire).

"I have worked with this man for a long time," said one of his ministers, "and all I can tell you is that he has changed. He is isolated now. He knows nothing of his people's problems, and he cares only about keeping power and getting richer. It annoys me to even speak his name."

So great is the resentment against Mobutu and his band of fellow millionaires that many wealthy Zairians no longer dare drive their Mercedes-Benz cars in some poverty-stricken sections of Kinshas. Other Zairians have fortified their plush hilltop estates with alarm systems and rented downtown apartments as a possible refuge if social rebellion explodes.

Mobutu himself seldom leaves the safety of the Tshatshi army base these days, except to visit the $20 million shrine he just had built nearby to honor his late wife. When he does venture forth, it is in the company of Moroccan bodyguards, and he travels in a heavily fortified bus or in an armored personnel carrier.

He no longer consults his ministers, relying instead on the advice of witch doctors who he summons from as far away as Senegal, highly placed government sources said. Those who have access to Mobutu say he seems aware he is facing a grave economic and social crisis, but apparently believes the problems will soon blow away.

Accordingly, his lifestyle resembles that of Louis XIV, and according to Western and African intelligence source, he takes 20 percent of virtually every dollar coming into Zaire. Western economists, for instance, esmate Zaire's 1977 coffee crop was worth $400 million. Because of smuggling and underinvoicing, only $120 million returned to Zaire. The rest ended up in foreign bank accounts held by Mobutu and his inner circle of Gbande tribesmen.

"Ours is a sick, sick society," said a university professor.

"But we remember the early days of independence when blood really did run in the streets, and the experience has made us passive, cautious. You should not interpret this as a weakness.. It's just that we don't want the world to say, "There go those bloodthirsty Zairians again.'

"Mobutu is the symbol of our sickness, but he's not the sole cause of it. We, you see, were never given the opportunity to define ourselves. Immediately at independence the West imposed on us its manner of thinking and looking at things. We were shown a model of the Western way of life, but not taught the means by which it could be obtained.

"So now every time Mobutu is ready to fall, America rushes in with rice, Belgium with troops, France with money. You say you fear a Communist takeover if Mobutu goes, but don't you understand that by propping him up, you are helping to create the very condition you say you fear?"

Indisputably, Mobutu, a staunch pro-Western, anti-Communist, stays in power only because of Zairian guns and Western support. Mobutu, in fact, has suffered the ultimate humiliation in black Africa during the past year by tacitly admitting he is incapable of governing and turning the management and security of Zaire over to foreigners.

A six-man team from the International Monetary Fund has taken over control of the central bank. Twenty Belgians are arriving this month to take over the customs department. A Turk sponsored by the United Nations is coming to run the treasury in the capacity of controller general. Other Europeans are moving into the Finance Ministry, the taxation office and the transportation system.

The International Monetary Fund team is headed by Erwin Blumenthal, former director of the West German Central Bank. Locally nicknamed "The Stone-Crusher," Blumenthal has become something of a folk hero in Zaire with tough measures aimed at influential Zairians in Mobutu's service.

Despite the reforms, Western economists are not optimistic about Zaire's chances of early economic recovery. The country is $3.5 billion in debt and must borrow just to meet its interest payments.

Zaire's 30,000 white residents fear any social rebellion against Mobutu could spill over into the white community.

Last month Belgium flew 250 paratroopers into Kitona, 100 miles southwest of Kinshasa. Officially, their duty is to train members of the unruly Zairian army, but Western diplomats here indicate their arrival was timed to ally white fears.

Organized opposition to Mobutu, based largely overseas, is fragmented. Last month students tried to march on the university with signs reading, "We are hungry." Policemen shot four of them, and when Mobutu made a rare public appearance at the university the next day to quiet the students, he was jeered and heckled.

A week earleir, authorities in neighboring Rwanda arrested a dozen drunken Europeans who said they were mercenaries preparing to invade Zaire. Western intelligence sources confirmed their presence. But they said their behavior was so amateurish that some speculate Mobutu hired them to create a national emergency that would make Zairians forget their empty stomachs.

Mobutu spawned another opposition group last year by firing 10,000 army soldiers, all from tribes other than his own. He also must keep tabs on the Angola-and-Zambia-based Katangese rebels who invaded Shaba Province in southern Zaire in 1977 and 1978. In last May's attack, more than 1000 blacks and whites were killed, and the Kolwezi copper mines—Zaire's economic lifeblood—were closed briefly.

Despite the disruption, Zaire still managed to meet 83 percent of its scheduled copper production and 97 percent of its cobalt production last year. Those production figures, as well as a recent rise in world copper prices, encourage Zairian economists.

But the peace—and thus the copper production—in Shaba Province depends on the continued presence of 1500 Moroccans and 600 Senegalese soldiers, part of an inter-African force sent here after last year's Katangese invasion. Financed by Saudi Arabia, the inter-African force is scheduled to leave Zaire in four or five months.

The white population in Shaba fell from 13,000 to approximately 4000 after the attack in Kolwezi. Most of those who remain plan to leave Zaire the moment the inter-African force goes home.

Mobutu took power in a November 1965 coup. Within a few years, copper was fetching record price on the world market and Mobutu went on a spending orgy unparalleled in Black Africa.

He built palaces and linked them to Kinshasa with four-lane highways. He built monuments to himself and redesigned the main street of Kinshasa to accommodate more military parade vehicles. He spent $15 million sponsoring the Muhammed Ali-George Foreman world championship fight in 1974. He did nothing to help his people.

Suddenly copper prices dropped and checkbooks were overdrawn. Still Mobutu spent and stole. From the isolated grandeur of his 11 palatial residences, he assumed an air of immortality and surrounded himself with legions of young dancing girls who sung his praises and wiggled suggestively at his feet.

"The West likes to say this conduct is very African, very compatible with our tradition of chieftains," said a European-educated Zairian doctor.

"That, of course, is nonsense. Mobutu is not in the least a product of our African heritage. He is nothing more than a product of Western capitalism."

Rhodesia/Zimbabwe: Appeal by the International Committee of the Red Cross

1. The International Committee of the Red Cross (ICRC) has become increasingly alarmed in recent weeks by the multiplication of acts of inhumanity committed by the parties to the conflict in Rhodesia/Zimbabwe. As the fighting escalates and spreads out over the entire country and into the neighbouring countries, the warring parties adopt ever more merciless attitudes; they combat not merely to defeat, but to annihilate those who oppose them or seem likely to oppose them. Moreover, the authorities on both sides of the front often prevent the ICRC from properly carrying out its humanitarian tasks of protection and assistance to war victims—a task which is based on international humanitarian law and for which the ICRC has received a clear mandate from the international community.

2. The conflict in Rhodesia/Zimbabwe has been fought from the outset in a particularly cruel way. Fundamental humanitarian rules accepted by all nations—such as the obligation to distinguish between combatants and civilians, and to refrain from violence against the latter—have been largely ignored. In fact, those who suffer most in the conflict are the civilian populations living in the war-affected areas as well as persons displaced and families separated by the hostilities. Moreover, very little progress has been made towards providing effective protection against inhuman treatment to those who are in the hands of the adverse party; captured combatants and other persons detained as consequence of the conflict.

3. Since the end of 1976, the ICRC has on several occasions launched formal appeals to the authorities in Salisbury and to the leaders of the nationalist movements in order that they respect and apply the basic humanitarian rules in their conduct of warfare. The Front Line States as well as the United Kingdom have been informed of the launching of these appeals and invited to support them. In practice, these appeals have not had the desired results.

4. The rapidly deteriorating humanitarian situation compels the ICRC to launch an urgent appeal to the parties concerned and to spell out concretely, publicly, and in detail what is needed to stop the proliferation of indiscriminate violence in Rhodesia/Zimbabwe and to enable the Red Cross to effectively carry out its humanitarian tasks.

5. In general, the ICRC appeals to all the parties that they:

cease all attacks against the civilian population in the war-affected areas (killings and ill-treatment, burning of villages and "protected villages");

spare the lives of those who surrender, and give humane treatment to all captured enemy combatants;

respect the protective emblem of the Red Cross and thus allow those who carry it in the accomplishment of their humanitarian task to work in safety;

allow the freedom of movement necessary to all Red Cross personnel seeking to bring relief to the civilian population in the war-affected areas;

disseminate, or allow the ICRC to disseminate, to their armed forces the basic humanitarian rules for the conduct of warfare.

6. The ICRC specifically requests of the Transitional Government in Salisbury that it:

formally suspend the executions of captured members of the nationalist forces and other persons sentenced to capital punishment for offences of a political character;

allow the ICRC delegates to visit regularly, and without witness, in their places of detention (in addition to detainees under the Emergency Regulations to whom the ICRC already has access):

all captured members of the nationalist forces

all persons sentenced to terms of imprisonment for offences of a political character

all persons detained under the provisions of martial law

all civilians forcibly removed from their habitations in the war-affected areas and temporarily detained in camps

allow the ICRC to provide medical care without discrimination to all wounded and sick war victims;

ensure normal supply of food to the civilian populations in rural areas and stop the destruction and confiscation by its armed forces of goods (foodstocks, cattle) that are essential for the survival of the civilian population in the war-affected areas;

permit continued material and medical relief assistance, by the ICRC and other humanitarian organizations, to the civilian populations in need as a consequence of the hostilities, and allow the ICRC to resume relief distribution in those areas where they have been forbidden by the security forces;

abstain from attacking civilians in the course of military operations in neighbouring countries.

7. The ICRC specifically requests of the Patriotic Front that it:

cease the killings of captured enemy combatants and civilians;

cease the shooting down of civilian passenger aircraft;

allow the ICRC to visit captured enemy combatants and civilians, regularly and without witness, wherever they are detained, as well as to exchange family messages between them and their next of kin;

refrain from abducting civilians, in particular children, to neighbouring countries, and allow those who are in refugee camps in Botswana, Zambia, Mozambique and elsewhere to return to their homes if they so desire;

allow the ICRC to register all civilians, whatever their age, in refugee camps in Botswana, Zambia and Mozambique, to exchange family messages between them and their next of kin in other refugee camps and in Rhodesia/Zimbabwe, to trace missing persons and to carry out repatriations of individual persons on humanitarian grounds;

clearly separate civilian establishments, particularly refugee camps, from military installations.

8. The ICRC recalls that the ultimate responsibility for respecting and applying the provisions of humanitarian law lies, not with the ICRC, but with the parties to the conflict with all states who have ratified or adhered to the Geneva Conventions and who have thereby committed themselves to respect and to ensure respect for these conventions in all circumstances. It therefore also appeals to:

all the States parties to the Geneva Conventions, and in particular the United Kingdom,

the Front Line States (Angola, Botswana, Mozambique, Tanzania, Zambia),

the members of the United Nations Security Council,

the Chairman of the Organization of African Unity,

the Secretary General of the United Nations,

to fully support its appeal to the warring parties in Rhodesia/Zimbabwe in order that an end be put to all the suffering there and that all the victims of the conflict receive the humanitarian protection and assistance to which they are entitled and which they so urgently need.●

JIM RICHARDSON: BOATBUILDER

● **Mr. MATHIAS.** Mr. President, the joy of living and the joy of accomplishment are closely akin. When we can see with our eyes the fruits of our labor, there is a special reward. And when a man or woman creates something single-handedly, without the help of anyone else, the feeling is sublime.

We have in Maryland a craft which I hope will long endure. I am reminded of it by an article in the Washington Star on April 5, 1979, about Jim Richardson, a 72-year-old boatbuilder near Cambridge on the Eastern Shore. Working without blueprints—which he finds too time-consuming—Mr. Richardson epitomizes the individualism which has made America great.

As Charles Haddon Spurgeon wrote:

> It is said that if Noah's ark had had to be built by a company, they would not have laid the keel yet; and it may be so. What is many men's business is nobody's business. The greatest things are accomplished by individual men.

Mr. Richardson is described as a man "sure of eye and hand." From reading the Star account of his activities, I would say that he is sure of heart as well. I submit for the RECORD the Washington Star article on Mr. Richardson.

The article follows:

JIM RICHARDSON: LIVING LEGEND AMONG MARYLAND BOATBUILDERS

(By Pete Baker)

In an age when boatbuilding companies pop out fiberglass sloops and ketches with the efficiency of a production-line worker stamping out stainless steel tableware, Jim Richardson is an anachronism.

Richardson is a 72-year-old boatbuilder whose yard is at the head of LeCompte Creek outside of Cambridge on the Maryland Eastern Shore. Better yet, he is not a boatbuilder, he is the boatbuilder: A man so sure of eye and hand that his accomplishments are legend to many.

But Jim Richardson, a prudent Eastern Shore gentleman, is the first to insist that reports of his prowess are greatly exaggerated.

"There's a lot of people who talk a lot of foolishness," he says when asked of the legend. "I don't know why they do, but they do."

At first glance, the boatyard, a group of seemingly ramshackle buildings and rusty machinery scattered over 140 acres of marshland, seems to bear out his denials. Yet it is here, legend insists, that Richardson builds wooden boats. Magnificent wooden boats.

Four hours and too few words later, the legend has been updated. Richardson built wood boats; now he builds a dream.

Behind the legend of Jim Richardson is 50 years of boatbuilding in which he has had an uncanny knack for building boats—power yachts, sailing yachts and sailing ships from other centuries. And he has built all but the most complicated without blueprints, substituting a discerning eye and patient shipwright's hands for the calibrated regimentation of the architect's drawings.

"Costs too much these days," Richardson explains, "to work from blueprints. By the time you get into figuring how to make the measurements come out like they do on paper, your costs are sky high. . . . Trouble is, everyone wants to build a yacht. Why not build something that gives you pleasure and comfort and you can get a fish aboard?"

The dream is the Jenny Norman, a 48-foot bugeye ketch he has been building by hand since his "retirement" six years ago. And it will be such a boat. And, Richardson says, "She'll be 48 feet long, give or take a few inches, and tight. One of the best things about a wooden boat is when it's tight. When you can go to sleep at night and know it's not up to the engine pan in water."

The ketch occupies a one-sided shed at the northeast end of the yard. It is Richardson's peaceful part of the world. Here, he has but one purpose: to complete the Jenny Norman before he dies.

This is not to say that Richardson seems to be near death or that the Jenny Norman is the last boat Richardson plans to build.

This day, Richardson works on the port sheer strake, working alone with an assortment of ropes, clamps, a light maul and galvanized nails and a hydraulic jack. As he works, he permits occasional intrusions, but it is clear that he will not be drawn too far from the task that is so far from completion after six years. Already there have been too many deviations.

The latest sidetrack was the building of the celegrated Dove, the replica of a 17th-century pinnace used in the recent recreation of the 1634 landing in the colony of Maryland at St. Mary's City.

The most frequent diversion occupies a small wooden box a few feet from the Jenny Norman. It was installed a few years ago by Richardson's sons-in-law, who now operate the yard. It is a telephone.

Shortly after his arrival, Richardson must disregard a shim he is fitting to the stem and answer the phone. The caller, from Washington, is seemingly keen on building a yachty, 32-foot skipjack.

"Yes, yes," Richardson says. "I could build it. But I've retired and my sons-in-law operate the business now. You'd better talk with them . . . When? Well, my sons-in-law are somewhat like Arabs—sometimes they're in the tent and sometimes they're off on the camel."

Shortly afterward, the conversation ends, and Richardson returns to the shim. The fit is imperfect, and Richardson disappears into a tool shed.

The pitched whine of a band saw stirs the morning. A mallard lifts from the marsh, noisily squawking its displeasure. Richardson emerges from the shed and eyes his work. The fit is snug.

The hands address the business of building the Jenny Norman far better than the mind addresses the questions of history, but, as Richardson puts it together, the legend began 57 years ago, when he "started fooling around with it," meaning boatbuilding, as a 15-year-old.

"It was sort of a family thing, on my father's side," he recalls. "He fooled around with it; but he didn't like it very much."

Richardson, however, liked it well enough to make it his lifelong endeavor.

During World War II, Richardson worked in the shipyards in Cambridge, building pursuit and rescue boats, metal boats with wooden frames. In 1955, he returned to the boatyard at the head of LeCompte Creek. And, except for the deviations, he has been there since, building boats of wood.

"How many?" Richardson says, and laughs. "I don't know. I will say this, I haven't built near as many as a lot of others have in a lot less time."

Probably that is because Richardson's stock is in his eye and his hands and the tools he can work with them: the adze, the hand plane, the maul, the clamp.

It is deliberate work. The Jenny Norman rises slowly. The heavy work with the adze is finished. No longer does Richardson lift the timeless tool he found beneath a shed when he was a boy and whistle it carefully, purposefully through a short arc, laying off another section of the massive white oak that is now the Jenny Norman's keelson. The floor frames are in place, the ribs have been steamed and bent. There isn't a milimeter of space between floors and ribs, between deck beams and gunwale. There is no flatness to the bilge amidships, only the gentle curve and integral strength of a seaboat. A boat without "yachty" frills that will take Richardson wherever he desires, whenever he desires.

"I figure 48 feet is about as big as you can singlehand, and I know there'll be times when I want to go sailing and no one else will, and I don't want to wait around for someone to condescend to go sailing with me. When I go sailing, I don't want to be stumbling over a bunch of clerks saying, 'Hey! Hey; I didn't get the proper angle on this thing. Lift this thing. Lower that thing. Try it again.'

"There are a lot of places I'd like to go and I don't want to have to wait around."

It is past midday, and Richardson steps down from his work platform, wondering where the morning has gone. The sheer strake is only halfway in place. The maul that has been punctuating his slow, easy words is silent. Richardson looks at his dream and wonders aloud if he will ever finish the Jenny Norman.

"When? I don't know. Maybe this year I'll build the tramway, a temporary affair, you see, across the roadway, and she'll go into the drink. It won't be a very traditional launching—bow first it'll have to be—but I couldn't care less. I despise launchings."●

AMTRAK PLAN OPPOSED BY GEORGIA HOUSE

● **Mr. TALMADGE.** Mr. President, the Georgia House of Representatives, in session in Atlanta, adopted a resolution which, for myself and my colleague, Senator NUNN, I bring to the attention of the Senate, and submit for the RECORD.

The resolution follows:

House Resolution No. 379

Whereas, the United States Department of Transportation has submitted a Final AMTRAK System Plan which is so drastic as to cause a forty-three percent cutback in train passenger service; and

Whereas, such a plan will result in the virtual elimination of passenger service in Georgia, including the abandonment of the following routes which run through this State: The Silver Star, The Silver Meteor, The Champion, The Floridian, and The AMTRAK Crescent; and

Whereas, passenger rail service continues to have a significant function as an efficient and reliable means of transportation in the rural areas of this State and in areas where commercial air transportation services are unavailable; and

Whereas, with the impending energy crisis, efficient rail passenger service wil be essential in our country's overall balanced transportation system.

Now, therefore, be it resolved by the House of Representatives that every member of the Georgia Congressional Delegation is hereby urged to oppose the Final AMTRAK System Plan, as proposed by the United States Department of Transportation, and to support any alternative plan whereby passenger rail services will be maintained in this State.

Be it further resolved that the Clerk of the House of Representatives is hereby authorized and directed to transmit an appropriate copy of this Resolution to each member of the Georgia Congressional Delegation.●

ELECTORAL REFORM

● Mr. McCLURE. Mr. President, one of the most difficult issues that this body will be facing during this session is that of reform of the Presidential and Vice Presidential election process. Senate Joint Resolution 28, which would abolish the electoral vote system and substitute direct election for these offices, is currently the subject of Senate Judiciary Committee hearings. Under an agreement reached last month, Senate Joint Resolution 28 is scheduled to be reported out of committee no later than April 10, with full Senate consideration possible as early as June 1.

I would like to draw the attention of this body to an excellent pro-con discussion on electoral reform printed recently in the New York Times. Our distinguished colleague from Utah (Senator Hatch) argues in behalf of the present system and in oppostion to direct election, while our equally distinguished Indiana colleague (Senator Bayh) argues the opposite case. This discussion offers a clear and succinct introduction to the issues involved in electoral reform.

I submit this discussion for printing in the Record.

The statements follow:

Direct Presidential Elections—The Cases Pro and Con

(By Warren Weaver, Jr.)

Washington.—In the 1976 Presidential election, a shift of fewer than 10,000 votes in Ohio and Hawaii would have given Gerald R. Ford 270 electoral votes to Jimmy Carter's 268, keeping the Republican in the White House despite a popular majority of nearly 1.7 million votes for the Democrat. A shift of fewer than 15,000 votes in Ohio and Delaware would have left each contender with 269 electoral votes, and the decision would have passed to the House of Representatives, with each state entitled to one vote. If all House members had voted their party, Carter would have overwhelmed Ford, 36 to 11, with three states—New Hampshire, New Mexico and Virginia—unable to vote because their delegations were evenly divided.

Neither of these disquieting scenarios took place. But under rules for the Presidential election embodied in the United States Constitution and untouched since 1804, either very easily could have. Such possibilities are lending impetus to the latest effort to amend the Constitution, under consideration in the Senate Judiciary Committee last week.

As he has before, Senator Birch Bayh, Democrat of Indiana, is leading the campaign for an amendment to abolish the Electoral College, elect the Presidential candidate who receives the highest popular vote and hold a runoff between the two top candidates if no one receives 40 percent of the vote. Leading the opposition are three conservative Republican Senators—Strom Thurmond of South Carolina, Orrin G. Hatch of Utah and Jesse A. Helms of North Carolina.

Efforts to revive the direct election plan tend to be cyclical, gaining renewed strength after a national election so close that the popular vote winner almost failed to become the electoral vote winner, or one in which potential abuse of the existing system caused widespread apprehension. In 1968, George C. Wallace openly threatened to use any third-party electors he won to ensure that the House, operating under the constitutional provision for no electoral vote majority, would choose the major party candidate he favored whatever the popular vote might be. Less than a year later; the House approved a direct election amendment 338 to 70. It died in the Senate, where 68 votes are required before an amendment goes out for ratification by three-quarters of the state legislatures, when supporters were unable to break a filibuster by Southern and small-state lawmakers.

There are several compromises that would retain electoral votes: eliminating electors, who sometimes vote against their mandate, and automatically casting a state's electoral vote for the candidate who carried it; allocating electoral votes by Congressional district rather than state; and dividing a state's electoral votes proportionally among candidates according to their popular vote.

But none of these is likely to figure in this years' debate, which seems to have narrowed to an all-or-nothing matter. More openly than before, minority groups are actively supporting the electoral college on the ground that any change would deprive them of present political leverage. Others argue that direct election would subordinate the electoral process to the pressures of the press and weaken the two-party system, as some say the proliferation of Presidential primaries in the last two decades has already done.

Mr. Hatch and Mr. Bayh were interviewed separately on the subject last week; excerpts from the discussions follow. The first question asked of each was what changes he thought are needed in the Constitution to give each voter a full and fair share in the choice of the President.

SENATOR HATCH

A. Under our dual Federalism system we have an approach thought out during the great compromise between the large states and the small states. The founding fathers were afraid of the tyrannical majority, and so instead of having one-man, one-vote in the vote for the President, they adopted the reasonable majority rule by emphasizing the power of the states. I would not change the Constitution.

Q. What about the "faithless elector" problem?

A. Of the 20,000 electors since the beginning of this Republic, only 10 have been faithless. The faithless elector is a red herring raised to try and create some argument in favor of direct election. Now, I would have no problem at all in doing away with the possibility.

Q. By statute or by amendment?

A. The states can do it, under the Constitution. But I would have no objection to an amendment.

Q. You're not troubled by the prospect of electing a minority President?

A. We have only had one minority President elected, in 1888, Benjamin Harrison. But even in that election, in which Grover Cleveland captured seven-tenths of 1 percent more of the popular vote, substantial vote corruption occurred in the Tammany Hall precincts of New York, one of the Cleveland strongholds. Cleveland's main problem was that his support was relatively sectionalized. Harrison went all over, and as a consequence won because of the Electoral College. And that's precisely what our founding fathers wanted to happen. They did not want to have any region of the United States control the whole country.

Q. But if you vote for the losing candidate within your state, your vote is cancelled out. Does that bother you?

A. Not at all. Direct election takes one of the diverse principles that underlies the constitutional system—political equality—and transforms it into the sole operating principle. It ignores basic values and principles of Federalism—separation of powers, checks and balances, geographical balance.

The Constitution contemplates many non-majoritarian institutions. Number one is the Senate of the United States. The Presidential veto is a non-majoritarian institution. So is judicial review. In other words, the Constitution was not drafted by nose-counting Democrats like some of those who are propounding the direct election of the President.

Q. You think there'd be an increase in the number of candidates?

A. It'd look like the Boston Marathon. In the end you're going to have every special interest group in the country—from big labor to the Right-to-Lifers to the Birch Society to the Communist Party—trying to split off and force a run-off. The run-off is going to be the real election and there's going to be all kinds of corruption and jockeying for position.

Q. Do you sympathize with the black and Jewish organizations who feel a change would dilute their political power?

A. I certainly do. They're saying this because they've realized that it's easier for minorities to be heard on a state level under the Electoral College system than it is for them to just be lost in a sea of a majoritarian election process.

Q. You don't feel that the advantage minority groups now have is unfair?

A. Oh no. The founding fathers provided the Electoral College precisely for that reason. They didn't want minorities to be walked on by a radical majoritarian approach. While an ideological devotion to one-man, one-vote may create a "simpler" system of government—and I question that—it was in its very variety and complexity that the founding fathers envisioned their new government best protecting the rights and security of its citizens.

Q. That is consistent with the large-state/small-state situation. Small states are minorities.

A. No question about it.

Q. But you're not disturbed by the fact that under the Electoral College system, let's say 10,000 voters in Salt Lake City have greater influence than 10,000 voters in New Haven or New York?

A. I would hate to see it any other way. In the place of a system that has worked, direct election would substitute a system with respect to which experts are in some substantial disagreement. Would the small states or large states benefit? What special interest would benefit? What would happen to the two-party system? What about political party conventions? What about party organizations?

Instead of competing for electoral victory, small parties would now be competing in conjunction with other small parties to deny the 40 percent threshhold to a majority candidate. A recount would throw the office of the Presidency into a turmoil, and under a single national direct election each one of the 180,000 precincts would have to be recounted in the event of a close race—and I think that would be a matter of course after a few years. It isn't a simple question. The burden of proof hasn't been met.

SENATOR BAYH

A. There's only one way, and that's to have a direct election of the President. That is the criterion we've established for every other election in America. Everybody's vote counts the same, and the winner is the one who gets the most votes.

Q. Is election of a President with a minority of the vote the most serious flaw in the present system?

A. The first time it happened, when we had Hamilton vs. Burr [in 1800], we ended up with the 12th Amendment [providing a mechanism to choose a winner when there is no electrical vote majority through one-state, one-vote in the House of Representatives]. All the people who think the founding fathers had infinite wisdom ignore the fact that one of the first changes to be made in the Constitution was this very feature of how you elect the President.

Suppose we had had a dead tie [in 1976]? It doesn't take much imagination. All you have to look at is Humphry's testimony and Dole's testimony in which they very candidly admitted that in a situation like that they'd go out shopping for electors to see if you could buy one.

Q. Was the black and Jewish groups' claim—that they're going to have diluted power if the Electoral College is abolished because they now enjoy a balance position—as openly and bluntly stated in the past?

A. The American Jewish Congress has had a consistent position on this. In fact, look at what John Kennedy said. He opposed direct election and admitted there was this bias. But he said that he would buy that because there were a lot of states where black voters weren't registered. Since then, of course, that has been remedied.

Q. Do these groups have an immutable right to the same kind of advantage?

A. Well I think it's questionable whether they have had an advantage. Secondly, I don't think they have any right to it.

Q. It's argued that the situation is parallel to that of the small states versus the large states.

A. It's specious. If the Jewish argument makes sense, why is it that New York went Democratic and New Jersey, right across the river, went Republican? For the black voters, how does somebody who's a black leader in Chicago protect a system in which every black vote on the West Side was cast for Jerry Ford in the last election—every black vote in Gary, every Chicano vote in Southern California, was cast for Jerry Ford, despite the fact that probably 85–90 percent voted for Jimmy Carter. I don't see how you can say that black voters have an advantage.

Q. Does Federalism, greater state identity, trouble you?

A. Well, anybody who's read the Constitution's guards knows that the Federal system was put together by our founding fathers in the legislative branch of our country. The United States Senate really represents equal representation in each state.

Q. But on a popular-vote Presidential campaign, would smaller states be ignored?

A. With more emphasis being placed on television, with the unit rule and most of the people living in the large elective vote states, that's most of the campaigning under the Electoral College system. Direct popular vote wouldn't change the fact that you're going to go where most of the people are. You would probably spend more time in the large population centers of the small states and less time in the small population centers of the large states. Now you ignore places not because you wouldn't like to appeal to 200,000 voters but because you're only talking about three electors, four electors. Whereas you go in a smaller size city—Olney, Illinois—knowing that you're talking about 28 electors.

Q. Would direct election encourage many more splinter party Presidential candidates and produce run-offs?

A. I don't think so. If you were talking about a 50.1 or 50.01 percent, then a small party could make a difference. The biggest split we've had was [in 1912] when Teddy Roosevelt and the Bull Moosers come in second, the Republicans, third and you had Eugene Debs with a million votes. Still, Wilson got almost 42 percent of the popular vote.

The party system is not based on Presidential politics. It's based on the foundation of how the political system works and the understanding of most politicians that if somebody goes out there and runs independent, then we're going to lose and the other side is going to win. The people who suggest the Electoral College is the saviour of the two-party system apparently have forgotten a guy by the name of George Wallace, or another fellow named Gene McCarthy. Gene McCarthy, with less than 1 percent of the popular vote was almost determining the President of the United States—not because he wanted to win but because he wanted to try to keep somebody else from winning and almost did. If he'd gotten on the ballot in New York, he'd of done it sure as the world.●

TRIBUTE TO DICK FITZGERALD

● Mr. FORD. Mr. President, I call to the attention of my colleagues the retirement of Richard S. "Dick" Fitzgerald from his local government position in Los Angeles, Calif. Dick and I served together as national officers of the Jaycees, and he proved himself to be any man's equal and most men's superior in enthusiasm and capability for the job at hand.

The "City of Hope" will honor Dick at a testimonial dinner on Friday, May 4. He has touched the lives of people from coast to coast in such diverse activities as the Tournament of Roses, the U.S. Chamber of Commerce, and the World Life Saving Association. He is a sportsman, a civic leader, and a humanitarian.

At a time when a man's failures are often more quickly noted than his accomplishments, we who are friends of Dick Fitzgerald can instead point proudly to the positive influence he has had on so many people, not in one spurt of public-minded zeal but instead in a lifetime of commitment to people.●

ALASKA—STATE OR COLONY?

● Mr. GRAVEL. Mr. President, the Associated General Contractors of America, in the March issue of their magazine Constructor, have addressed the Alaska lands issue.

The title of their article, which appears on the magazine's editorial page, tells the whole story: "Alaska—State or Colony?"

The magazine addresses the administration's withdrawals of more than 100 million acres in Alaska last December and correctly concludes that these withdrawals were based on a false premise: That, indeed, there was no emergency, no imminent "development" that needed to be stopped, and no need for the very onerous new "layers of protection" added by President Carter and Interior Secretary Andrus.

As the article states:

> These are the actions of a distant, ill-informed government attempting to mold the destiny of a faraway state—a state with the right to mold its own destiny. Such colonialistic policies are not in the best interests of the people of this nation.

Mr. President, I would like to share this article with my colleagues, and I ask that it be printed in the RECORD.

The article follows:

ALASKA—STATE OR COLONY?

Alaska, the 49th state, is being called upon to fill two seemingly inconsistent roles—this nation's resource warehouse and its national park. The colonialistic policies of the Carter Administration toward Alaska are emphazing the "national park" role to the virtual exclusion of the resource warehouse role. The administration's withdrawal of over 120 million acres (almost one-third of the entire state) from any form of productive use by man clearly demonstrates this. These actions may also be a breach of the Alaska Statehood Act and the National Environmental Protection Act, as well as a violation of the government's principle of separation of powers. It is a charade upon the people of this country.

In 1958, Congress admitted the territory of Alaska to the union of states. One of the terms of that admission, contained in a compact approved by a vote of both Alaska's residents and Congress, was a provision granting to the State the right to select 104 million acres of land from the federal domain. This was to enable Alaska to develop a viable economic base and become economically self-sufficient—to get off the "federal dole."

However, twenty years have passed since Statehood and, through a series of continual land "freezes" and occasional arbitrary administrative actions by the Interior Department and other federal agencies, Alaska has received title to only 21 million acres of that 104 million acres promised.

In 1971, Congress passed the Alaska Native Claims Settlement Act (ANCSA). ANCSA included a provision, Section 17(d)(2), which authorized the Secretary of the Interior to withdraw up to 80 million acres of federally owned land in Alaska for a period of seven years. During this time a study would be made to determine which lands Congress would place under one of the four federal land management systems—the National Forest System, the National Parks System, the National Wildlife Refuge System, or the National Wild and Scenic Rivers Systems.

Nothing was said in Section 17(d)(2) about setting aside any land in the Wilderness system which is the most restrictive of all the federal land management systems. As usual, defining what is in the best national interest has proved a difficult task to achieve.

The provision has been seized upon by the environmental and anti-developmental forces as a way of permanently closing millions of acres of public land. No resource recovery and little recreational use would be possible. Access would be denied of severely restricted, under most of the legislation proposed by those who support closing Alaska. Many of the badly needed energy, mineral and timber resources of Alaska would not be available for use by the nation. And these lands and their resources belong to all Americans.

After a two-year-long battle marked by more than 150 days of committee work, Congress still has not passed Alaska lands legislation. H.R. 39, originally introduced by Congressman Morris Udall (D-Ariz.), would have placed 147 million acres of Alaska lands in the Wilderness category. More rational heads prevailed, and the bill passed by the House called for "only" 65 million acres of Wilderness. The Senate version of H.R. 39 did not reach the floor. The Senate Energy and Natural Resources Committee, however, did approve a bill which would have set aside some 35 million acres of Wilderness. The Alaska lands issue didn't die with the 95th Congress. It is more "alive" today than it was when Congress went home.

In the opening week of the 96th Congress, Udall again introduced an Alaska lands bill, strangely enough again assigned bill number "H.R. 39." But the bill number is the only thing this bill has in common with the earlier version of H.R. 39.

The new bill calls for some 118 million acres to be classified into the four federal land management systems. Twenty-five million acres of already-classified land would be re-classified. Eighty-five million acres would be classified Wilderness. In total, the new Udall bill would affect 143 million acres of public land in Alaska. Some of that land is rich in mineral, energy, timber, and agricultural resources and other acreage has recreational and scenic values. However, all are inaccessible and unuseable without transportation and other facilities. Under H.R. 39 these facilities could never be built and the resources could never be utilized for America's benefit.

In addition, the President and his Secretaries of Interior and Agriculture, in the period between October 15, 1978, and January 15, 1979, while Congress was not in session, acted to withdraw some 121 million acres of land in Alaska under various provisions of existing legislation, including 57 million acres of National Monuments' land. According to Interior officials, supposedly these closure actions are temporary, to preserve Congress' options. But the National Monuments land withdrawal is permanent unless the Congress, by two-thirds vote, revokes the President's action. These lands didn't need any more protection. These actions prevent the selection of the balance of the land belonging to the State of Alaska and the staking of claims by miners.

These are the actions of a distant, ill-informed government attempting to mold the destiny of a faraway state—a state with the right to mold its own destiny. Such colonialistic policies are not in the best interests of the people of this nation. Alaska has the space (375 million acres in all—one-fifth of the nation's total land area) to accommodate both of the roles it is being called upon to play. It can be the energy, mineral and resource warehouse of the nation and, at the same time, the national park of the nation. But this dual role can only be achieved if the Congress recognizes that colonialism is not a valid approach to the Alaska lands situation and asserts itself as the only entity of the federal government with the right to classify lands in the federal domain. And while it is asserting that role, the Congress can return some sense to a confused and botched situation.●

WHO GETS FOOD STAMPS?

● Mr. McGOVERN. Mr. President, the Department of Agriculture has recently completed an analysis of the gross incomes of the households participating in the food stamp program under the new Food Stamp Act of 1977.

As the food stamp program is currently going through a major transition, and receiving close attention during the budget process, it is important to note that the majority of households participating in the food stamp program under the new law have very low incomes. High income households have been eliminated from the food stamp program.

Over half of all households in the program have incomes of less than $300 a month, or $3,600 a year. Nearly three-quarters have income less than $400 a month, $4,800 a year. Less than 3 percent of all households have monthly incomes which exceed $750 ($9,000 a year) and none of these are households of less than four people. Six-tenths of 1 percent of food stamp households have incomes in excess of $1,000 a month ($12,000 a year) and all are households of seven or more.

Of households of four, very few have incomes close to the gross income limit of $10,300. In fact, nearly three-quarters of the households of four have incomes below $500 a month, or $6,000 per year. One 1$\frac{3}{10}$ percent have income between $9,000 and $10,300 on an annual basis. All of these are households whose income comes from earnings and whose child care or shelter costs are so high that they qualify for the maximum deduction.

Persons who qualify for participation receive, on the average, a Government subsidy of 33 cents per meal.

I request that the Department's analysis be printed in the Record.

The material follows:

HOUSEHOLDS PARTICIPATING IN THE FOOD STAMP PROGRAM UNDER FOOD STAMP ACT OF 1977—PERCENT OF HOUSEHOLDS BY GROSS INCOME[1]

Gross monthly income	Equivalent annual gross income	Household size 1	2	3	4	5	6	7	8+	Percent of all households	Cumulative percent of all households
0	0	2.1	2.4	2.9	12.0	8.7	6.8	5.0	3.1	4.5	4.5
$1 to $99	$1 to $1,199	4.2	7.2	7.4	7.6	5.8	2.7	4.3	1.5	5.9	10.3
$100 to $199	$1,200 to $2,399	19.4	16.5	10.7	9.3	7.2	7.6	3.0	3.6	13.8	24.2
$200 to $299	$2,400 to $3.599	58.0	24.6	12.0	8.9	14.2	8.6	7.6	7.5	28.7	52.8
$300 to $399	$3,600 to $4,799	14.6	34.4	30.4	17.3	10.7	13.4	7.8	10.4	21.4	74.2
$400 to $499	$4,800 to $5,999	1.7	11.4	22.1	18.4	16.1	17.1	15.7	12.3	11.8	86.0
$500 to $599	$6,000 to $7,199	0	3.3	10.6	11.7	14.4	20.4	13.1	12.3	6.6	92.6
$600 to $749	$7,200 to $8,999	0	0.3	3.9	13.5	13.9	8.2	12.2	12.2	4.5	97.0
$750 to $999	$9,000 to $11,999	0	0	0	1.3	8.9	15.3	26.4	13.0	2.3	99.4
$1,000+	$12,000+	0	0	0	0	0	0	4.8	24.1	0.6	100.0
		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Percent of all households		31.4	22.6	16.2	13.6	8.0	4.1	2.0	2.2		

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[1] Based on MATH simulation model for households as of July 1978.

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NUCLEAR BALANCE

● Mr. BAUCUS. Mr. President, in view of our possible need to vote on a SALT II treaty sometime in the not too distant future, I attended a meeting where Mr. Paul Nitze made some interesting comments on the relationship of the strategic nuclear balance to the general military and power balance. I think his views are worthy of being entered into the Record.

Also, since the issue is so important, I asked the Arms Control and Disarmament Agency to comment on Mr. Nitze's remarks. It too has provided a thoughtful analysis of the problems, and I want to enter the text of its letter to me, signed by ACDA's General Counsel, Thomas Graham, Jr.

I submit these items for the Record.

The material follows:

The Relationship of the Strategic Nuclear Balance to the General Military and Power Balance

At all times since World War II the Soviet Union has had superior conventional non-nuclear forces on the European Central front and on its northern and southern flanks. This has been due, in part, to geography, the USSR enjoying the central position and interior lines, and, in part, to the greater effort they and the Warsaw Pact have made than has NATO.

In the years up to the early 1950s this Soviet conventional superiority was offset by the U.S. nuclear monopoly. Later the conventional deficiency was in large measure offset by U.S. theater nuclear weapons. Today the U.S. theater nuclear superiority has disappeared, and it has proved necessary to assign a number of our POSEIDON submarines to cover targets of interest to NATO. As the Soviets deploy increasing numbers of SS-20 MIRVed missiles, BACKFIRE, and other high performance theater bombers, more and more of our surviving strategic nuclear forces will be called upon for assignment to the theater mission.

For most of the post-World War II era the U.S. Navy has enjoyed unchallenged control of the sea. This assured that we could protect our power, wherever needed, on the periphery of the Eurasian landmass. The Soviet Union had no comparable power-projection capability. Today they, together with their associates in the so-called "camp of peace and freedom," are on the way to developing such a capability. Even now their intermediate-range nuclear weapons, such as the SS-20s and the BACKFIRES, provide an umbrella arching out some two to three thousand miles from the Soviet borders over Europe, the Middle East, South Asia, and China.

The willingness of either side to use conventional or theater nuclear weapons in a confrontation not involving the territory of the other is importantly affected by the confidence it has in the quality of its strategic forces relative to those of the other side.

The Soviet leaders have a full understanding of the potential destructiveness of nuclear weapons. If this were not so they would not have demanded such enormous sacrifices from their population to create the forces they are creating. Nor would they have persisted year after year in a civil defense program some ten times as elaborate and costly as the civil defense program the Executive Branch is now considering. They do not want a nuclear war. The best way to avoid a nuclear war is to have overwhelming superiority. As Clausewitz put it, the aggressor never wants war, he would prefer to enter your country unopposed.

But the Soviet Union does propose that no important decisions be made in the world without its aims and ambitions being taken fully into account. And beyond that, much of what they do, and what they say to internal audiences within Russia is consistent with the hypothesis that they aspire to world hegemony.

The Chinese Communists, who know the Kremlin well, tell us that the current focus of Soviet strategy is on Western Europe, that they aim to outflank Europe by achieving dominance over the Middle East, that they propose to outflank the Middle East by achieving controlling positions in Afghanistan, Iran, and Iraq on one side, South Yemen, Eritrea, Ethiopia, and Mozambique on the other, and by achieving the neutrality of Turkey to the north. Concurrently, they are attempting to encircle China by pressure on Pakistan and India, by alliance with Vietnam and dominance over North Korea. Even in Cuba they are putting their finger in our eye.

In pursuing their global strategy they use, in connection with each specific objective, the lowest level of pressure or of violence necessary to achieve that objective. The purpose of their capabilities at the higher levels of potential violence, all the way up to all-out nuclear war, is to deter, and if necessary control, escalation by us to such higher levels.

The significance of the SALT II negotiations, which have been going on for more than six years, is that through them we have been attempting to put a cap on both sides' capabilities at those higher levels.

THE ORIGINAL U.S. OBJECTIVES FOR SALT II

Enough is now known about what has already been agreed in SALT II to judge the extent to which the original objectives of the U.S. side for SALT II have been achieved.

Specifically, our aim, when we began the negotiations six years ago, was a treaty of indefinite duration, to parallel the ABM Treaty. This treaty was to provide:

Limits on offensive nuclear capabilities equal for both sides.

Terms assuring "crisis stability," that is, a situation where, in a crisis threatening war, there would be no significant advantage to the side striking first, preempting, or launching from under indications of attack.

Limits calling for, or consistent with, true reduction in offensive nuclear armaments and their capabilities and in related expenditures.

The limits *should be verifiable*, meet the *legitimate concerns* of our allies, and be low enough to be economically and politically feasible for the United States to attain.

In sum, the agreements should be such as to reduce the risks of nuclear war and the weight of nuclear armaments on world politics.

Finally, for there to be a valid agreement, the terms must be acceptable both to the Soviet leadership and to two-thirds of the United States Senate.

For reasons to be considered in a minute, the terms, now all but finally agreed, meet none of the original objectives, except perhaps the last.

THE SUBSEQUENT NEGOTIATING CASUALTIES

The first casualty, abandoned in 1974, was the hope for a treaty of indefinite duration paralleling the ABM Treaty. We settled in 1974 for a short-term pact to end in 1985; a time when the strategic relationship between the two sides is likely to be least favorable to the United States.

The second casualty was equality. Notwithstanding the equal limits to 2,400—and later 2,250—on strategic nuclear delivery vehicles, and to 820 on MIRVed ICBM launchers, neither the actuality of equality nor the appearance, if one takes a second look, is preserved. To illustrate:

Within the permitted number of ICBM launchers, the Soviet Union is permitted more than 300 very large ICBMs of the latest type. Our side—none.

It will be impossible for the U.S. to have more than 550 MIRVed ICBM launchers at the time the treaty lapses; probably fewer. The Soviet side almost certainly will have deployed its full 820.

We are permitted to have no more than three warheads on each of our MIRVed ICBMs. The Soviet Union is permitted and is expected to have deployed four, six, and ten warheads on each of its SS–17s, SS–19s, and SS–18s, respectively. The U.S. will be permitted to test a new ICBM missile with up to ten warheads during the period of the treaty. However, we will almost certainly not be able to deploy such a missile within that time period.

The Soviet BACKFIRE bombers, and comparable U.S. bombers, will be exempt from the count of strategic launchers. The USSR will have 300 to 400 BACKFIRE bombers by 1985. Our side will have no similar planes by 1985 beyond its presently less proficient and much less numerous FB–111s.

The third casualty, and the most worrisome, is "crisis stability." Over the past fifteen years it would not have profited either side to attack first. It would have required the use of more ICBMs by the attacking side than the attack could have destroyed. By the early 1980s that situation will have changed. By that time, the Soviet Union will be in a position to destroy 90 percent of our ICBMs with an expenditure of a fifth to a third of its ICBMs. Even if one assumes the survival of most of our bombers on alert and our submarines at-sea the residue at our command after a Soviet initial counterforce attack would be strategically outmatched by the Soviet Union's retained war-making capability.

The fourth casualty has been true reductions. Although the number of Soviet launchers will decline from around 2,500 to 2,250 during the term of the treaty, the more significant indices of nuclear power will rise dramatically; particularly on the Soviet side, but on our side as well. The number of Soviet warheads will have increased some three-fold; ours by a half. The area destructive capabilities of Soviet weapons will have increased by a half; ours by a quarter. The capability of their weapons to knock out hardened targets, such as missile silos, will have increased ten-fold; if our cruise missiles, still under development, fulfill present expectations, ours will have increased four-fold. The sponsors of SALT II do not anticipate that SALT II will warrant a reduction in our expenditures on nuclear forces, nor that the Soviets will reduce theirs.

By 1985, under the limits of SALT II and taking into account the current programs of the two sides, it will be virtually impossible for the United States to avoid a situation in which our prompt counterforce capability against hardened military targets (silos; command, control and communication centers; storage depots; and shelters for leadership personnel; etc.) will be less than an eighth that of the Soviet Union. This will be compounded by the fact that they will have double the number of hard targets, each, on the average, twice as hard as ours.

A bad agreement, even if wholly verifiable, is still a bad agreement. In addition, however, the extent to which the strategically significant terms of SALT II will be verifiable remains very much in doubt.

In sum, I believe SALT II, as now envisaged, will not reduce the risks of war. I believe it will dramatically increase the risks of war, particularly if it reinforces the President's judgment that we are militarily stronger that the USSR at a time when we are not. War and defeat arise from just such gross misjudgments of relative military capabilities by the weaker of two opposed powers. On the other hand, a subsequent, more realistic reevaluation of the balance by this or another President, at a time when it is too late to reverse trends, could result in forced accommodation to the Soviet Union leading to a situation of no return from retreat and Finlandization.

U.S. ARMS CONTROL AND
DISARMAMENT AGENCY,
Washington, D.C. March 26, 1979.

Hon. MAX BAUCUS,
U.S. Senate, Washington, D.C.

DEAR SENATOR BAUCUS: Thank you for your letter of February 22 to my staff and for providing the opportunity to comment on Mr. Paul Nitze's statement of February 8. I would like to address in detail the remarks regarding SALT, particularly his four alleged "casualties" of the negotiations since 1972.

According to this statement, the first alleged casualty was the hope for a treaty of indefinite duration paralleling the ABM Treaty. It is asserted in the February 8 statement that expiration in 1985 will be at a time least favorable to the United States. This is not the case. In actuality, the United States will be well into its strategic force modernization program during this time period: Minuteman accuracy and yield improvements will be complete; many Poseidon submarines will have been fitted with the longer-range Trident I SLBM; highly capable Trident submarines will be deployed; and ALCM deployment on B–52 bombers will be well underway.

Furthermore, several U.S. strategic programs will either be, or could be, at a point in the development process to provide a strong incentive for the Soviet Union to desire serious subsequent negotiations. These include the Trident II SLBM, the M–X ICBM, the cruise missile carrier aircraft, a new generation of supersonic cruise missiles, and advanced strategic bomber concepts as a follow-on to the B–52.

Finally, in 1985 the U.S. capability to retaliate will be at an all-time high, despite the projected Soviet build-up and the prospect of reduced fixed ICBM launcher survivability. The Secretary of Defense's Report to the Congress on the FY–1980 Budget notes that U.S. retaliatory capability in the mid-1980s will be substantially larger than our current capability.

To support the second alleged casualty, equality, the statement provides four specific illustrations:

The Soviets are permitted to have more than 300 heavy ICBMs while we are allowed none. It was SALT ONE which brought the deployment of Soviet heavy ICBMs to a halt. If there had not been a SALT ONE, the Soviets might now have 400 or 500 or more heavy ICBMs. Under SALT TWO, the Soviets will continue to be limited to 308 heavy ICBMs.

The United States, since the early 1960s, has decided—for its own military reasons—to deploy smaller ICBMs. The U.S. gave up the rights to modern heavy ICBMs in the course of the SALT TWO negotiations quite simply because we have absolutely no interest in such missiles. By giving up our rights to modern heavy ICBMs, we were able to gain important concessions in other areas. In particular, this bargaining chip was used in the negotiations at Vladivostok in 1974 to get the Soviets to drop their insistence on limits on U.S. European-based aircraft and the nuclear systems of U.S. Allies.

Furthermore, it is important to understand that the Soviet advantage in heavy ICBMs applies only to silo-based ICBMs. Neither side is permitted heavy mobile ICBMs or heavy SLBMs. This is an important consideration because improvements in missile accuracy are making silo-based ICBMs obsolescent, and it is only a matter of time before the Soviets get out of the silo-based ICBM business—as we are doing in the context of our studies of alternative basing modes under the M–X program.

Another important factor is that the Soviets will be permitted a maximum of 10 warheads on their heavy missiles, the same number we will be permitted on our M–X missile; thus, they will not be able to exploit the greater payload of the heavy missiles in any meaningful fashion.

It is impossible for the U.S. to have more than 550 MIRVed ICBMs in 1985 while the Soviets will almost certainly have 820. MIRVed ICBM launchers are only part of the story. Each side is limited to a total of 1200 MIRVed ICBM and SLBM launchers. In 1985, the U.S. will have over 650 MIRVed SLBM launchers to no more than 380 for the Soviets. The SALT TWO Treaty would permit the United States to convert its Minuteman II launchers to house the excess Minuteman III missiles now in storage by withdrawing MIRVed SLBMs from our forces; however, because of how the U.S. desires to structure its forces under the 1200 MIRV limit, we do not want to have as many MIRVed ICBMs as the Soviets. This relative level of deployment between U.S. ICBMs and SLBMs is the result of a deliberate decision to have a balanced Triad of deterrent forces, while the Soviet deterrent is very heavily weighted in favor of land-based ICBMs. This decision was made long before SALT; balance has been the hallmark of our strategic forces. Furthermore, to the extent fixed ICBM vulnerability is perceived to be a serious problem, it is clearly preferable to have fewer of our strategic assets in fixed land-based ICBM launchers.

U.S. ICBMs are permitted to have no more than three warheads while the Soviets are permitted and expect to have ICBMs with up to ten warheads during the period of the treaty. SALT TWO will permit the U.S. to have ICBMs with up to 10 warheads. While the U.S. may not, as a practical point, choose to deploy on ICBM by 1985 which matches Soviet ICBM fractionation, this situation reflects complex development and deployment decisions that are not related to SALT TWO and would not be accelerated in the absence of SALT TWO. At the same time, the Soviet Union will be unable, as a practical matter, to match by 1985 the U.S. SLBM fractionation level or the U.S. level of deployment of ALCMs aboard heavy bombers. Finally, contrary to the assertion in this statement, the United States is not limited to 3 reentry vehicles on Minuteman, but to the maximum number tested on Minuteman, which is a significantly larger number. Whether there is a miltiary requirement for deployment of such MIRVed warheads is a decision the U.S. can make under SALT TWO.

The Soviets will have 300 to 400 Backfire bombers by 1985 outside the SALT limits and unmatched by U.S. systems. The characteristics of the Soviet "Backfire" bomber fall between the characteristics generally attributed to existing heavy bombers and those of acknowledged medium bombers (tactical aircraft and medium bombers on both sides are not covered by the SALT ceilings). The Backfire can reach a significant number of targets in the United States on one-way, high-altitude, unrefueled missions. However, close observation over a period of years indicates that this bomber is currently being deployed for use in a theater or naval strike role and is a replacement for older Soviet medium bombers. Were the Soviets to use the Backfire strategically against the United States on one-way missions, this would detract from the Soviet's ability to meet the needs of the theater and naval strike missions—missions of clear military importance to the Soviets.

It should be noted that the United States and its allies have hundreds of aircraft which, when deployed in forward bases such as in the European theater, are capable of striking targets in the Soviet Union. We have refused to include these aircraft in SALT because they are theater systems and the Soviet forces which they face are not covered by the SALT limits. Exempting these forward-based systems from the overall aggregate limits was a major negotiating achievement of President Ford at Vladivostok in 1974. It was strongly desired and strongly supported by our NATO allies.

The United States has indicated to the Soviets that the Backfire can be excluded from the permitted overall SALT totals if, and only if, the Soviets undertake commitments which will inhibit the Backfire from assuming an intercontinental role in the future, as well as impose limits on its production rate. These commitments would have the same status as the SALT agreement, binding the Soviets to the commitments contained therein. Although there is no assurance that the Backfire would not be used against the United States in time of conflict, these commitments by the Soviet Union are designed to inhibit the Backfire from being given an operational intercontinental role and to limit its overall strategic potential.

The third alleged casualty, according to the February 8 statement, is crisis stability. U.S. retaliatory capability, when all forces are considered, not only ICBMs, will actually increase between now and 1985. An ongoing analysis by the Defense Department, the results of which are in the FY–80 Report to Congress, reflects this. The results of this analysis assume modernization of U.S. forces. This modernization, with programs such as Trident submarine deployment, Minuteman III improvements, and ALCM deployment, is now underway.

It is erroneous to blame SALT TWO for the declining survivability of fixed U.S. land-based ICBMs, and it is erroneous to equate Minuteman vulnerability with U.S. strategic force vulnerability.

The question of the vulnerability of the U.S. land-based ballistic missile forces to a Soviet first-strike is one that arises without regard to the provisions of SALT TWO. Once each side had deployed large numbers of MIRVed ICBMs, the vulnerability of land-based silos increased. As qualitative improvements in guidance were made to the forces of each side, this vulnerability has further increased. Yet, to acknowledge this vulnerability of land-based ICBMs is not to say that the U.S. deterrent is itself vulnerable. The United States—unlike the Soviet Union—has developed a balanced triad of strategic forces. Were the Soviets to launch a surprise attack on the United States and its land-based force, we would retain the massive retaliatory capability of our sea-launched ballistic missile force and of our strategic bomber force.

Although Minuteman vulnerability is a serious problem which is increasing as Soviet missile accuracy increases, it must be viewed in perspective. The uncertainties faced by the Soviets in planning an attack on the Minuteman force are substantial and in themselves may have a deterring effect. Doubts the Soviets might have about the reliability and accuracy of their own missiles, about their ability to avoid fratricide effects (i.e., the possibility that detonation of one RV may degrade the effectiveness of subsequent RVs), about the precise hardness of U.S. missile silos, or about whether the United States would launch its own ICBMs once the United States verified that a massive Soviet ICBM attack was underway, contribute to these uncertainties.

It should also be noted that the United States retains the option to deploy a mobile ICBM system after the expiration of the Protocol should we consider this necessary to increase the survivability of our ICBM force. One of the candidate systems that has been mentioned is the so-called multiple protective structures (MPS) system. Without the limitations on the number of warheads per missile in the SALT TWO Treaty, such a system could be ineffective as the Soviets could just add warheads as we added aim points.

Finally, would crisis stability be improved in the absence of SALT? The uncertainties would be far greater. The important SALT verification provisions would lapse. And the number of strategic nuclear delivery vehicles and deliverable warheads could well multiply dramatically. An arms race, uncontrolled and fueled by suspicion and uncertainty, is not the road to crisis stability.

The fourth alleged casualty is true reductions. SALT is a process, and SALT TWO is an essential step, providing an upper limit and then reducing it. The Statement of Principles for SALT THREE, embodied in SALT TWO, provides a general framework and foundation for further progress in reducing nuclear arsenals and for further restrictions on qualitative improvements.

The reductions and limitations in SALT TWO should not be belittled. For example, the Soviets will be obliged to dismantle or destroy over 250 strategic systems to comply with the aggregate limitations set by the Treaty. These are the first reductions negotiated in the history of strategic nuclear offensive arms. These reductions will have to come from heavy bombers, SS–11s, or nuclear-powered submarines, which are not obsolete systems. Furthermore, these systems, if there are no reductions, could be replaced by the most modern systems. Without a SALT TWO Treaty, the Soviets, based on the momentum of their current strategic programs, could reach a level of approximately 3,000 deployed strategic systems by 1985. For the U.S. to match such deployment levels by 1985 would require crash programs and the expenditure of vast sums over and above planned strategic force expenditures. No increase in security would be obtained. Moreover, the Soviets have accepted limits on throw-weight, limits on the number of warheads which can be deployed on their ICBMs, including the heavy SS–18 missile (which could carry 30 or more warheads per missile rather than the 10 permitted by SALT), and a ban on new types of ICBMs (with one exception for each side). Thus it can be said that the major component of Soviet strategic forces—ICBMs—is significantly constrained by the Treaty, both quantitatively and, to a considerable degree, qualitatively.

It is true that both forces will increase in capability by the mid-1980s. The February 8 statement asserts that Soviet warheads will increase by threefold; ours by half. What is omitted is that the U.S. in 1985 will continue to lead in total warheads. It is stated that the area of destruction of Soviet weapons will increase by half; ours by a quarter. What is omitted is that both sides now have more than sufficient capability to destroy the urban areas of each country many times over and that more area destruction capability is meaningless. It is asserted that Soviet hard-target kill capability will increase by tenfold; ours by fourfold. What is omitted is that we are starting from a better position and by the mid-1980s both sides will be roughly equivalent.

With respect to the discussion in the statement of prompt counterforce capability, it is asserted that U.S. capability will be less than one-eighth that of the Soviet Union. The key word is "prompt." By this definition, the entire U.S. bomber force is excluded. This force, by 1985, will carry thousands of highly accurate long-range cruise missiles as well as gravity bombs and SRAMs. Since in retaliation bomber weapons are just as good as ICBM weapons, the asymmetry pointed out is artificial.

The February 8 statement specifically cited only four "casualties," but it also says that the objective of verifiable limits will not be met in SALT TWO, although this is tempered later on in the statement by the comment that "the extent to which the strategically significant terms of SALT TWO will be verifiable remains very much in doubt."

A central objective in developing the SALT TWO Treaty has been to ensure that it will be adequately verifiable. President Carter has also said that he will not submit a SALT Treaty to the Senate that is not verifiable. To begin, SALT TWO will continue the SALT ONE prohibitions against any interference with national technical means of verification and any deliberate concealment measures which could impede verification of compliance. Without a SALT agreement containing such prohibitions, the Soviets would be free to use any and all methods of concealment, making our overall monitoring task far more difficult. SALT TWO, furthermore, will contain additional detailed provisions to increase our confidence that the Soviets are complying with the agreement. Precise definitions and counting rules have been incorporated. One counting rule, for example, stipulates that any missile of a type ever tested with MIRVs must be counted as a MIRVed missile. A second counting rule provides that any launcher of a type which has ever contained or launched a MIRVed missile counts as a MIRVed launcher. The Soviets have agreed, for the first time, to an agreed data base on strategic systems. These and other verification-related provisions, combined with our own national technical means, will ensure that we will be able to verify adequately SALT TWO.

In this regard, I would like to note that in February 1978, as required by statute, the Director of the U.S. Arms Control and Disarmament Agency submitted to the Senate Foreign Relations Committee an assessment of the verifiability of SALT TWO. This assessment was based on an interagency study, an unclassified version of which is attached. The assessment concluded that SALT TWO, both when taken as a whole and its individual provisions, will be adequately verifiable.

We have had, moreover, extensive experience dealing with the Soviet Union regarding questions of Treaty compliance with SALT ONE. The SALT ONE agreements provided for the establishment of the joint Standing Consultative Commission, a forum in which the United States and the USSR address questions about matters relating to the implementation of the agreements, including questions of compliance. In the Commission, both sides have raised a number of activities which were judged to be ambiguous or subject to question and which were thus a source of some concern. In each case the United States has raised, the activity in question has either ceased or additional information has allayed our concern.

The February 8 statement also asserts, incorrectly, that SALT TWO has not met the legitimate concerns of our NATO allies. Our NATO allies strongly support SALT TWO, and we have consulted closely with them during the negotiations. In January of this year, Prime Minister Callaghan, Chancellor Schmidt, and President Giscard publicly endorsed SALT. Chancellor Schmidt said: "SALT TWO is going to be a very important contribution toward stabilizing world peace."

Finally, the February 8 statement charges that SALT TWO "will dramatically increase the risks of war." That proposition is untenable. Our forces have been designed and procured with national security—not SALT—in mind. They are strong today and becoming stronger. During the period of the SALT ONE Interim Agreement, we have added an average of nearly three new strategic warheads a day to our forces. Total spending for strategic forces from FY 1979 to FY 1980 is expected to increase by 23 percent from $8.8 to $10.8 billion. It is estimated that expenditures for strategic forces through FY 1984 will increase from 20 to 40 percent on an average annual basis. These figures do not represent a United States that is standing still.

SALT TWO represents an opportunity to take a major step to enhance strategic stability and reduce the risk of nuclear war. An arms race, with heightened suspicion, tension, and uncertainty, unlimited by any agreement, with ever more destabilizing weapons in the hands of both sides, could increase the risk of nuclear war. SALT will place meaningful limits on the competition in strategic forces; it will take the first step towards real reductions; and it will pave the way for a continuation of the SALT process in SALT THREE. These are significant achievements.

I hope that these comments have proven helpful. If you have any further questions or if we can assist you in any way, please let me know.

Sincerely yours,

THOMAS GRAHAM, Jr.●

A WAIL OF TWO CITIES

● Mr. MATHIAS. Mr. President, it is a wonderful experience to wake up on a bleak, dank Monday and find in your morning paper vibrant affirmation that, despite all signs to the contrary, spring has indeed arrived and everything is going to be all right after all.

The coming of spring reminds us of the eternal verities. It trains our eyes on the permanent forces at work in the world. It ennobles, however temporarily, our thoughts.

And so I was comforted when I read the Washington Post's lead editorial and its opposite editorial page articles by Senator KENNEDY and Marvin Sadik, director of the National Portrait Gallery, on the burgeoning controversy about where Gilbert Stuart's great portraits of George and Martha Washington should hang. At last, I thought, after Watergate and Vietnam, the Post is training its eyes on something that really matters in the eternal scheme of things.

Great issues are involved here. Whether these famous portraits should hang in the National Portrait Gallery, with liberal visiting rights retained by the city of Boston, or whether they should remain in Boston, raises issues of custody that have perplexed philosophers since the days of Solomon. Which city, I wondered, would be the first to give up if Solomon's solution were proposed? Which would back off first if we threatened to cut the portraits in half?

I confess that I myself am torn by the merits of the competing claims of Boston and Washington. There is much to be said on both sides of the argument. Since this is so, we must, I think, examine the question from George Washington's point of view.

First, it is absolutely clear that Washington would abhor a prolonged dispute in this matter. George Washington was outspoken about such quarrels as now embroil Boston and Washington. He said:

> We must drive away the demon of party spirit and local reproach.

Second, George Washington himself has given us a sphinxian hint about where the portraits should hang. He advised:

> Associate with men of good quality, if you esteem your own reputation. It is better to be alone than in bad company.

So it really boils down to the question of whether George and Martha will be hanging around with better company in Boston or in Washington. The answer to that question would confound even Oedipus, I think.

The Washington Post examination of the larger issues involved here—including the important human rights aspect—is a constructive contribution to this debate. I request that the Post editorial entitled "Free George and Martha," as well as articles by Senator KENNEDY and Marvin Sadik, described above, be printed in the RECORD. And, in order to show that this is by no means a "Tale of Two Cities" I would like William Safire's essay on the subject in the New York Times of April 9 also be printed in the RECORD.

The material follows:

FREE GEORGE AND MARTHA

On first hearing, the frenzy in which our neighbors north of New York have enswathed themselves sounds admirable in motive. The National Portrait Gallery, located in Washington, has an agreement to purchase from the Boston Athenaeum, located in Boston, the famous Gilbert Stuart portraits of George and Martha Washington, thus necessitating an emigration for our country's father, and, we suppose, mother. In indignant protest The Boston Globe has spread the alarm through every Middlesex village and art lover, in an attempt to awaken them to a "new crusade." What was the old crusade, you may ask. It was the effort in the 1930s to save the USS Constitution from the "scrap heap." This is what the Globe compares the current struggle to. And Boston's esteemed mayor, Kevin White, has compared the proposed transaction to "the Louvre trying to sell the Mona Lisa to the Arabs."

The Globe's analogy is simply too insulting to cope with. We mean—*really*—a "scrap heap". Mayor White's analogy is far more friendly and also more interesting, since by comparing Washington to the Arabs, he is reflecting the national attitude toward Washington as a place of lavish spending—and a foreign place, at that. The analogy fails in essence, of course, because, while the Mona Lisa had no connection with the Arabs (that we know of), Mr. and Mrs. Washington have had considerable doings with our cherished city, as their name implies.

But that is not the heart of this dispute. And perhaps if The Boston Globe and Mayor White searched their souls about their objections to the sale, they would see the truth for what it is. The heart of the dispute is that no Bostonian believes that another Bostonian should leave Boston—ever. As William Dean Howells put it in "The Rise of Silas Lapham": "The Bostonian who leaves Boston ought to be condemned to perpetual exile." While this feeling is often and passionately expressed in Boston, the truth is that droves of Bostonians wish desperately to leave Boston, as fast and as soon as possible. It is in fact this very Bostonian-in-the-manger complex that accounts for the tormented New England temperament (and all the trouble that's caused the nation over the years), and which clearly explains the current cries of anguish.

On the other hand, there is another side of Bostonians to which an appeal can be made in almost any situation—their love of liberty. The city that brought us the tea party and the massacre will surely understand, in its moments of temperate and fair contemplation, that this portrait sale is a human-rights issue—a human-replica rights issue, at any rate—and that the Washingtons must be set free. They do in fact belong here; Martha certainly, but George even more so. For one thing the portraits are unfinished; and what could be more appropriate for this town than the symbol of eternally unfinished work? For another, it was George who said with a straight face that he could never tell a lie.

Come home, George.

THEY SHOULDN'T LEAVE BOSTON

(By Edward M. Kennedy)

This is the first time I have ever been asked to defend Martha and George Washington.

It would be a tragedy for the artistic heritage of Massachusetts if the Smithsonian wins the current tug of war and Gilbert Stuart's famous paintings are brought to the District of Columbia from the Museum of Fine Arts in Boston.

Fortunately, though, a concerned public is beginning to stir in Massachusetts. If the courts don't block the sale, public officials and private citizens in the state are likely to find a way to match the Smithsonian's $5 million offer and keep the paintings home.

I am strongly opposed to the transfer. Boston should no more be asked to give up its magnificent portraits than Philadelphia should be asked to give up the Liberty Bell. That the Smithsonian has this sort of money burning a hole in its pocket should certainly be of interest to the congressional appropriations committees that oversee its budget.

One of the great strengths of the arts in America is that fine works of art are found in communities in every section of the nation. Few paintings are better known to the people of Boston or are a source of greater pride than the Stuart portraits.

One of my earliest memories is of sitting on my grandmother's shoulders at the Museum of Fine Arts, looking straight into the eyes of President Washington and savoring tales I was being told. Honey Fitz, my mother's father, had been a congressman and mayor of the city, and he loved to take his grandchildren on Sunday afternoon outings to the city's museums and famous sites. As a patron of both the Athenaeum and the Museum of Fine Arts, he knew their collections well. He used to stop in front of the Stuart portraits and other historical paintings he loved, and give me some of the most enjoyable history lessons I ever had. And so, for purely personal and sentimental considerations, I don't think the portraits should leave Boston.

Another reason that Martha and George should not be brought to Washington is that they probably wouldn't like it here. One can imagine a conversation the portraits might be having with each other in the hours after the Boston Museum closed.

George would, of course, express pleasure that a city had been named after him, and he would surely be impressed by the sum—$5 million—the Smithsonian was prepared to pay. But the telling arguments would be Martha's, who would point out quietly but firmly that no one has a kind word for the city of Washington anymore, and that the two of them would be far better off keeping their distance from their namesake. Most persuasively, she would remind him that Boston had been their home for almost 150 years—good years—and that it would be a show of unpardonable disloyalty to leave that city, no matter how good the money.

At the word "disloyalty," George would stiffen, conceding that his wife had made the decisive point.

THEY BELONG IN WASHINGTON

(By Marvin Sadik)

That the citizens of Boston should be concerned about the relocation of the Athenaeum portraits from their city to the nation's capital is an attitude that I can appreciate. After all, I have made no secret of my belief that these paintings of George and Martha Washington by Gilbert Stuart are the greatest of all American historical portraits. It is, however, for the very reason that these portraits *are* what they are that I am convinced they justly belong in the National Portrait Gallery in Washington.

Stuart never parted with these portraits, which he painted in 1796, although he made a considerable number of replicas of the George Washington painting, which has become the most familiar image of the Founding Father of our country. In 1831, three years after the artist's death in Boston, the original portraits were acquired from his widow and daughter for the Athenaeum. The two pictures were bought for $1,500, of which $800 remained from funds collected by the Washington Monument Association for a statute of the nation's first president, dedicated in the Massachusetts statehouse in 1827; and $700 came from a group of gentlemen, some of whom belonged both to the Athenaeum and the Washington Monument Association. The portraits have been on loan from the Athenaeum to the Boston Museum since 1876.

At the time Stuart's widow sold the portraits, there was no national repository for historically significant likenesses. The National Portrait Gallery, established by act of Congress in 1962 as a bureau of the Smithsonian Institution, opened to the public in the fall of 1968. The gallery has annually held major exhibitions on a wide range of American historical topics, each accompanied by a full-scale publications; has built, through gift and purchase (with both federal and private funds) a permanent collection, which now consists of nearly 2,000 portraits; and has attracted an ever-increasing number of visitors, from 85,000 in its first year to nearly half a million last year. However, there is no doubt that the gallery suffers from the lack of many portraits of nationally significant persons that would have come to it had it been established nearer in time to the founding of the republic. Of these, the Athenaeum portraits unquestionably are preeminent.

During the 14 months that have elapsed since negotiations between the Boston Athenaeum and the National Portrait Gallery began, the Boston Museum has been kept fully apprised of the matter through its president, Dr. Howard Johnson. The board of the Boston Athenaeum, the regents of the Smithsonian Institution and the members of the National Portrait Gallery Commission, as a part of their agreement concerning the Athenaeum portraits, have made provisions to lend the portraits back to Massachusetts (with primary consideration to be given to the Boston Museum); and it is our understanding that these arrangements are acceptable to Dr. Johnson and the members of the executive committee of the board of the Boston Museum.

When the portraits are relinquished to the nation's capital, nothing that is uniquely the patrimony of Boston will be surrendered. The Athenaeum portraits were not painted in Boston, but rather where the subjects resided in 1796 when Washington was in his second term as president, in Philadelphia, then the temporary capital of the United States. Washington's greatest moment in Boston, his defense of the city during the American Revolution, was fittingly commemorated in a full-length portrait entitled "Washington at Dorchester Heights," which Gilbert Stuart painted expressly for the city of Boston.

This immense canvas, which hung for 71 years in Faneuil Hall, has, like the Athenaeum portraits, been displayed since 1876 in the Boston Museum.

It is not only Boston's history as the scene of momentous and sacred events that lends the Athenaeum portraits their towering significance. History makes similar claims for Trenton, or Yorktown, or New York, or Philadelphia or Virginia. Rather, it is the whole of the American tradition that invests these portraits with meaning. It was precisely to encompass all such ties that the national capital was established. It seems to me ineluctably right that these precious icons should at long last reside in the National Portrait Gallery, which occupies the very site L'Enfant in his original plan for the city designated for a Pantheon to honor the nation's immortals. Here the portraits will be displayed two blocks from the National Archives, where the only other American treasures of comparable significance, the Declaration of Independence and the Constitution of the United States, are enshrined—in the nation's capital, the city of Washington.

UNFINISHED BUSINESS

(By William Safire)

(SCENE: Heaven, Founding Fathers Section. George Washington is riding around the clouds on a white horse, while Alexander Hamilton and Thomas Jefferson are seated at a desk, perusing a newspaper.)

JEFFERSON: Says here that the Smithsonian Institution in Washington, D.C. has made a $5 million offer to a private library in Boston for two Gilbert Stuart paintings—the unfinished portrait of George Washington, and another one of Martha.

HAMILTON: The dollar-bill portrait? Good, that painting, and its mate, belong in the nation's capital. That's where mine is—the painting on the $10 Federal Reserve note. Pity about you and the $2 bill, Tom—people think it's unlucky.

JEFFERSON (still reading): But the Mayor of Boston is determined to resist. He claims that the proposed sale would be comparable to "the Louvre trying to sell the Mona Lisa to the Arabs." Going to fight it in court.

HAMILTON: Provincial demagogue. The most famous portrait in the nation belongs in the National Portrait Gallery, in the capital of the country, not in some rustic backwater.

JEFFERSON: If Americans are thinking your way—that a central government's desires takes precedence over local authority in matters like these—then I tremble for my country.

HAMILTON: You're always saying that, but you don't look like you have the shakes to me. Look—we set up a strong central government, and the aristocracy that runs it now called "the bureaucracy." National treasures belong to the national government, which has to protect the people from themselves. Paintings tend to rot unseen in Boston.

Jefferson: That's not the way I read the Federalist papers. A wise and frugal government should restrain them from injuring one another, but otherwise leave them free to regulate their own pursuits of industry and improvement. It should not take from the mouth of labor the bread it has earned, or from local culture the paintings it displays. This is the sum of good government, and why I liked Proposition 13.

Hamilton: You and your dreams of another constitutional convention to hold down Federal spending. (Washington dismounts and approaches.) Here's the old man—let's see how he feels about the portraits.

Jefferson: Mr. President, what position do you take on the controversy that's surrounding the sale of the Stuart portraits now in Boston?

Washington: I think he made Martha look fat.

Jefferson: Sir, you seem to be missing the significant symbolism involved here. The controversy centers on the tendency of a national government to draw to itself the power—and the treasure—that should remain with the private individual, or at the least with local government.

Hamilton: Put a different way, does a selfish locality have the right to deny the whole nation a national treasure?

Washington: I don't know why there's such a fuss—Stuart never finished these, you know. Left the bottoms unpainted. You'd think a professional painter, with plenty of oils on hand, wouldn't be in such a hurry. I always thought it was a little disrespectful.

Jefferson: He made up for it later, Mr. President, by painting plenty of other full-length portraits of you, all finished right out to the edge, including the one that hangs in the White House today.

Hamilton: You will recall, sir, that's the painting Dolley Madison cut out of the frame and saved when the British took Washington. For that reason, it has some value, but it's still only a copy of the original dollar-bill portrait that Stuart painted, which belongs in the National Portrait Gallery—

Washington: Good girl, that Dolley. Nobody ever made her look fat in a painting. Well, I hope they work it out (Mounts, rides off into clouds.)

Jefferson: I often wonder if he has a decent respect for the opinions of mankind. If Smithsonian's people can snatch that picture from Boston, they won't stop—next they'll tear down Independence Hall in Philadelphia and rebuild it brick by brick in the Ellipse behind the White House.

Hamilton: Not to rub it in, Tom, but there's that rock that's wasting away up in Plymouth . . .

Jefferson: You think that you and the cultural centralizers have won?

Hamilton: Not to rub it in, Tom, but today's President don't call their key aides "Jefferson."

Jefferson (reaching for a quill pen): I tremble for my country, which needs a standard to which the wise and honest can repair—in modern terms, a bumper sticker. Here—

He unfurls a bumper sticker bearing this message: Washington Has Too Much Washington.●

AFL–CIO OPPOSES REPEAL OF CARRYOVER BASIS

● Mr. KENNEDY. Mr. President, in a letter I have received today, the AFL–CIO has gone on record in strong opposition to repeal of the carryover basis tax reform enacted in 1976.

The 1976 legislation closed one of the most notorious loopholes in the Internal Revenue Code, a provision that allowed property held until death to escape any income tax on its appreciation in value. Often, enormous gains in value were exempted from tax by this provision, whose benefits were limited almost exclusively to the wealthiest individuals in the Nation.

The 1976 reform closed this loophole by requiring gains on property transferred at death to be taxed in the same way that gains on property transferred by gifts are taxed—that is, the former owner's tax basis in the property is "carried over" and becomes the tax basis of the new owner. When the property is later sold, the increase in value, calculated from this basis, is subject to tax as a capital gain.

In the letter, the AFL–CIO strongly opposes the repeal of this worthwhile reform. To strike this provision, as Mr. Kenneth Young, director of the AFL–CIO's Department of Legislation, points out in the letter, "would again give clear evidence that our Nation's income tax laws are becoming more heavily tilted in favor of nonearned income and the very wealthy."

Mr. Young also points out the irony that those supporting this repeal, which would cost substantial revenues—nearly $1 billion a year when fully effective—are among the most vigorous advocates of a balanced Federal budget.

Mr. President, I believe that the AFL–CIO letter will be of interest to all of us concerned with this issue, and I therefore submit the following letter for printing in the Record.

The letter follows:

April 9, 1979.

Hon. Edward M. Kennedy,
U.S. Senate, Washington, D.C.

Dear Senator Kennedy: The AFL–CIO urges you to oppose any attempts to repeal or postpone the 1976 reform "carryover basis" provision which places a modest tax on heirs of the wealthy. It is likely the Senate will vote on this measure in the near future as an amendment to a minor House-passed tax bill. It is particularly ironic that the attempt at repeal comes amid cries for fiscal responsibility and budget balancing. Had this Congressionally-approved provision been allowed to take effect, much-needed revenues would be forthcoming now to help reduce the budget deficit.

Implementation of the provision has been suspended since 1978, thus preventing a fair, minimal tax on income that otherwise escapes a levy—an advantage most Americans do not enjoy. As a result, some $20 billion in capital gains income totally escape taxation each year, and over three-fourths of this tax bonanza goes to the heirs of the wealthiest four percent of the population. The annual revenue loss in F.Y. 1980 as a result of this loophole is $10 billion if computed as tax rates on ordinary income.

The modest 1976 provision on carryover gains would raise approximately $800 million annually from heirs when fully effective—after 20 years. In the coming fiscal year, the revenue gain, if this provision remains, would be approximately $200–300 million.

The original provision became law as part of a compromise in the House–Senate conference which trebled the size of the tax exemption. That compromise left in place this modest step toward fairer taxation of the very wealthy.

To strike this provision would remove the centerpiece of the 1976 tax reform legislation and would again give clear evidence that our nation's income tax laws are becoming more heavily tilted in favor of non-earned income and the very wealthy.

Sincerely,

Kenneth Young,
Director, Department of Legislation, AFL–CIO.●

KEEP THE E IN HEW

● Mr. HAYAKAWA. Mr. President, I would like to submit this April 9 New York Times editorial for the Record which deals with some reasons for opposing S. 210, legislation to create a Cabinet-level Department of Education.

Last week I spoke at some length about my opposition to this legislation. There are many valid reasons why we in the Senate should oppose, or at least postpone action on, this legislation. A move to slice education from the Department of Health, Education, and Welfare is not something we should brush over lightly. Indeed, this proposal is something that deserves much thought, much discussion.

Several weeks ago, with several of my colleagues, I distributed materials to every Senator that dealt with the serious problems with and implications of separating education from its present house. I do not think we want to establish the precedent of creating a separate Cabinet-level department for every national interest.

I hope my colleagues will add this article to the collection already dispersed by me and my colleagues, and give it serious consideration.

Mr. President, I request that this article be printed in the Record.

The editorial follows:

Keep the E in HEW

The Senate has revised the bill to establish a cabinet-level Department of Education which the House leadership last year tried wisely but unsuccessfully to bury. The pressure to establish such a department comes mainly from the National Education Association. As the teachers' largest trade organization, the N.E.A. has an understandable interest in being represented within the Cabinet. But that is exactly why a department with such a special base is unwise. It threatens to distort the broad and complex interests that more truly comprise education.

Senator Moynihan, with undoubted devilish intent, has let it be known that he plans to turn the proposal for a mere Department into a scheme for a Super E, which would gather unto its fiefdom all education-related activities now lodged wherever there seems to be a natural kinship with a program's mission. Thus, international academic exchanges are handled by the State Department; school food programs are in Agriculture and the Smithsonian Institution enjoys independence. To suggest disturbing these sensible arrangements is to suggest why an education department is unwise.

A bad proposal may be made even worse by the mischievous amendment to restore the "right of voluntary prayer" in the public schools which the Senate approved by a vote of 47 to 37. Senator Jesse Helms, the rider's sponsor, thinks that the Supreme Court, which has ruled such prayer unconstitutional, has a "myopic and narrow view of the Constitution." We were not aware that acceptance of the Supreme Court as the interpreter of the Constitution is optional—even for the Senate.

The supporters of a separate department speak vaguely of the need for a Federal policy on education. We believe that they misunderstand the nature of American education, which is characterized by diversity.

The legitimate centers of gravity are, and ought to remain, in the educational authorities of the states and the local communities for the public schools, and in the independent governing boards of the colleges and the universities. There is a need for Federal policies to deal with a multitude of educational problems, but that is not the same as a Federal policy emanating from a central department.●

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that the following measure has been cleared on the other side of the aisle for action by unanimous consent: Calendar Order No. 57.

I therefore ask unanimous consent that the Senate proceed to the consideration of that matter.

Mr. BAKER. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Tennessee reserves the right to object.

Mr. BAKER. I will not object. I reserve only for the purpose of confirming the majority leader's understanding, and I join him in that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

ETHICS IN GOVERNMENT

The PRESIDING OFFICER. The Senate will now proceed to the consideration of S. 869, which the clerk will state by title.

The legislative clerk read as follows:

S. 869, a bill to amend section 208 of title 18 of the United States Code.

The Senate proceeded to consider the bill.

Mr. RIBICOFF. Mr. President, President Carter wants prompt congressional action on certain technical amendments to the Ethics in Government Act. There has been much concern in the executive branch concerning certain "revolving door" provisions. These amendments will, in the opinion of the administration, put much of that concern to rest.

In a letter, dated March 31, 1979, the President reaffirmed his commitment to the important objectives of the Ethics in Government Act. The president stated the act will "stand as a landmark statute in providing the public with greater confidence and trust in the way in which the Federal Government operates."

The President also requested that Congress act promptly on the amendments, and indicated that he opposed any delay in the effective date.

I agree that the way to address public concern about this act is to remedy the specific problems in the statute. That is the express purpose of these minor changes. I support the technical and clarifying amendments proposed by the President, on the understanding that they remedy the problem. It is also assumed that these changes, like the law itself, do not supercede any ethical requirements imposed by voluntary professional standards, such as the ABA code of professional responsibility.

There is executive branch consensus on the need for this action.

A week ago—April 2—several administration officials testified before Congressman Danielson's subcommittee on these ethics amendments. The witnesses were OPM Director Campbell, OGE Director Wruble, Deputy Secretary of Defense Duncan, and Secretary Califano.

The basic points made by that testimony can be summarized as follows:

First. The technical amendments, as proposed by the President, will resolve the problems.

Second. The law, as amended, is necessary and reasonable.

Third. There should be no delay in the effective date of July 1, 1979. Instead, Congress should act promptly to address specific problems.

The clarifying and technical amendments have three purposes—

First. They will clarify that the ban on "aiding and assisting in representing" is limited only to those particular matters in which the former official had been "personally and substantially" involved while in office.

Second. They will limit "aiding and assisting in representing" to on-site appearances before the Government.

Third. They will equalize the treatment between military officers and civilian officials, insofar as automatic inclusion for certain provisions such as the 1-year "cooling off" period. With the amendment, the military grade subject to automatic inclusion will be increased from an 0 to 7 (brigadier general) to 0 to 9 (three star general) and above.

Mr. President, I urge the Senate to act promptly on S. 869, the clarifying and technical amendments to the Ethics in Government Act.

The bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled. That Subsection (b) of section 207 of title 18, United States Code, as amended by the Act of October 26, 1978 (Public Law 95–521, section 501(a); 92 Stat. 1864) is amended as follows: in clause (ii), strike "concerning" and insert "by personal presence at"; and in subparagraph (3), before "which was" insert ", as to (i)," and after "responsibility, or" insert ", as to (ii),".

Subsection (d)(3) of the aforesaid section 207 is amended by striking "0–7" and inserting "0–9"; and by inserting after "or" the following:

"At such pay grade of 0–7 or 0–8 who has significant decision-making or supervisory responsibility as designated by the Director of the Office of Government Ethics in consultation with the head of the department or agency concerned; or"

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the two orders for the recognition of Senators, there be a brief period for the transaction of routine morning business tomorrow for not to exceed 20 minutes, with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATORS HUDDLESTON AND SASSER ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders have been recognized under the standing order, that Messrs. Huddleston and Sasser each be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I move, in accordance with the previous order, if there be no further business to come before the Senate, that the Senate stand in recess until the hour of 12 noon tomorrow.

The motion was agreed to; and at 6:39 p.m., the Senate recessed until Tuesday, April 10, 1979, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 9, 1979:

The Judiciary

Cornelia G. Kennedy, of Michigan, to be U.S. circuit judge for the Sixth Circuit, vice a new position created by Public Law 95–486, approved October 20, 1978.

Department of Health, Education, and Welfare

Richard Bryant Lowe III, of New York, to be Deputy Inspector General, Department of Health, Education, and Welfare, vice Charles F. C. Ruff, resigned.

In the Air Force

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Freddie Lee Poston, [redacted]FR, U.S. Air Force.

In the Army

The following officers for appointment in the Adjutant General's Corps, Army National Guard of the United States, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. Willie Leo Scott, [redacted]

Brig. Gen. Trelawney Eston Marchant, Jr., [redacted].

To be brigadier general

Col. James Herbert Jones [redacted].
Col. Frank Jose Schober, Jr., [redacted].

IN THE ARMY

The following-named officers for temporary appointment in the Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3442 and 3447:

To be major general

Brig. Gen. William E. Read, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert Arter, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Edward C. Peter, II, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Stan R. Sheridan, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Nathaniel R. Thompson, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Louis C. Wagner, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. James S. Welch, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Drake Wilson, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Orlando E. Gonzales, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. William E. Cooper, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Duard D. Ball, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert L. Herriford, Sr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Allen H. Light, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. John B. Oblinger, Jr., [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Patrick M. Roddy, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. James H. Patterson, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Theodore G. Jenes, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Richard W. Anson, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Thomas F. Healy, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. William H. Hunzeker, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert M. Elton, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Emmett Paige, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert L. Schweitzer, [redacted], Army of the United States (colonel, U.S Army).

Brig. Gen. Dwight L. Wilson, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. William H. Fitts, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Harold I. Small, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Harvey D. Williams, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. John W. Hudachek, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Albert N. Stubblebine, III, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Clarence E. McKnight, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Carl E. Vuono, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. Jack A. Walker, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. Charles W. Dyke, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3284 and 3306:

To be brigadier general

Brig. Gen. William E. Read, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert Arter, [redacted], Army of the United States (colonel, United States Army).

Brig. Gen. Edward C. Peter, II, [redacted], Army of the United States (colonel, United States Army).

Brig. Gen. Stan R. Sheridan, [redacted], Army of the United States (colonel, United States Army).

Brig. Gen. Nathaniel R. Thompson, Jr., [redacted], Army of the United States (colonel, United States Army).

Brig. Gen. William E. Cooper, Jr., [redacted], Army of the United States (colonel, United States Army).

Brig. Gen. Harvey D. Williams, [redacted], Army of the United States (colonel, United States Army).

Brig. Gen. James S. Welch, [redacted], Army of the United States (colonel, United States Army).

Brig. Gen. William K. Hunzeker, [redacted], Army of the United States (colonel, United States Army).

Brig. Gen. William H. Fitts, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert L. Herriford, Sr. [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Drake Wilson, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Albert N. Stubblebine, III, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Clarence E. McKnight, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. James H. Patterson, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Richard W. Anson, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Emmett Paige, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Orlando E. Gonzales, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Allen H. Light, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert L. Schweitzer, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Duard D. Ball, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Theodore G. Jenes, Jr., [redacted], Army of the United States (Colonel, U.S. Army).

Brig. Gen. Harold I. Small, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. John B. Oblinger, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Dwight L. Wilson, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Louis C. Menetrey, [redacted], Army of the United States (Colonel, U.S. Army).

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

To be first lieutenant

Abel, James M., Jr., [redacted]
Acosta, Jose R. [redacted].
Acosta, Roberto, [redacted].
Adamcik, Anthony J., [redacted]
Adams, Emil J., Jr. [redacted]
Alexander, Scott F., [redacted]
Allbright, William G., [redacted]
Allen, Craig R., [redacted].
Allen, Randolph P., [redacted]
Allison, Robert D., [redacted]
Alonis, Jay J., [redacted].
Alston, Gregory A., [redacted]
Alston, Tom Jr. [redacted].
Altstock, Robert R., [redacted]
Amason, Robert F., Jr., [redacted]
Anderson, Alice J. W., [redacted]
Anderson, Michele, [redacted]
Anderson, Russell L., [redacted]
Andrews, Wayne L., Jr., [redacted]
Andrus, Howard P., Jr., [redacted]
Anthony, Roland C., Jr., [redacted]
Aponte, Evelyn [redacted].
Arrington, Adrian J. [redacted]
Ashford, William M., [redacted]
Astor, James E. [redacted].
Atchison, Walter L., [redacted]
Atkinson, Calvin S., Jr., [redacted]
Au Willis W., [redacted].
Austin, Kenneth R., [redacted]
Ayers, Deborah J., [redacted]
Ayers, James F., [redacted].
Baer, Arthur E., Jr., [redacted]
Bailey, Robert E., Jr., [redacted]
Baker, Allen D., [redacted].
Baker, Deborah A., [redacted]
Baldwin, Robert K., [redacted]
Ballew, Dennis E., [redacted]
Barham, James Jr., [redacted]
Barker, James B., [redacted]
Barksdale, Harry H., Jr., [redacted]
Barnes, Jack R., [redacted]
Barnes, Jeffery B., [redacted].
Barron, Walter T. III, [redacted]
Bartlett, Charles R., Jr., [redacted]
Bazzell, Donald A., [redacted]
Beach, Dennis L., [redacted]
Bebel, Joseph C., [redacted]
Befi, Vincent P., [redacted]
Beggs, William R., [redacted]
Bell, Oscar C., Jr., [redacted]
Bell, Willie G., [redacted].
Bennett, Terry J., [redacted]
Benson, Errol, [redacted].
Bergan, Donald E., [redacted]
Bernatonis, Henry E., [redacted]
Berry, Scott W., [redacted]
Berthoff, David J., [redacted]
Bertram, John M., [redacted]
Berwick, Gregg M., [redacted]
Bessant, Dale M., [redacted]
Bialas, Howeard S., Jr., [redacted]
Biggs, Rufus N., [redacted]

Bilger, William W. III, [redacted].
Billard, Guy M., [redacted].
Bilotta, Frank G., [redacted].
Binford, Ronald L., [redacted].
Birkhead, John A., [redacted].
Blackwell, Lucinda A., [redacted].
Blake, Brenda J. [redacted].
Bland, Tony L., [redacted].
Blanken, John D., [redacted].
Blanton, Richard L., [redacted].
Blattner, Steven L. [redacted].
Bledsoe, Gary L., [redacted].
Blockwood, James V. [redacted].
Bobo, Perry H., Jr., [redacted].
Bohm, Gregory F. [redacted].
Bohn, Lynn B., [redacted].
Bolen, Samuel J., [redacted].
Bonapart, John H., Jr., [redacted].
Boone, Vanessa D., [redacted].
Borchik, Albert S., III, [redacted].
Borders, Michael G., [redacted].
Bostick, Oreather J., [redacted].
Bowers, Dennis R., [redacted].
Bowlds, Ted F., [redacted].
Bowler, John P., [redacted].
Boyes, Warren C., Jr. [redacted].
Boyll, Charles A., [redacted].
Brandon, Herman E., Jr., [redacted].
Brandt, Marlene A., [redacted].
Brasher, Edward C., Jr., [redacted].
Brazelton, Carl E., [redacted].
Brennan, James O., Jr., [redacted].
Brightman, Mark R., [redacted].
Britt, Benny P., [redacted].
Broad, Paul T., [redacted].
Brooks, Dan H., [redacted].
Brooks, Kenyon D., [redacted].
Brown, Daniel G., [redacted].
Brown, Edward E., [redacted].
Brown, Linda H., [redacted].
Brown, Thomas L., [redacted].
Bruegger, George J. [redacted].
Bruger, Steven J. [redacted].
Brune, Daniel L. [redacted].
Bryant, Paul G., [redacted].
Brydges, Robert L., [redacted].
Buechler, Janet V., [redacted].
Bull, Raymond T., [redacted].
Bullock, Jon R. [redacted].
Bundy, James C., [redacted].
Bunnell, Robert E., [redacted].
Bunyan, Mary T., [redacted].
Burch, Elisabeth A., [redacted].
Burch, Larry E., [redacted].
Burg, Joan R. [redacted].
Burgess, Richard M., [redacted].
Burke, Robert F., [redacted].
Burris, Gary W., [redacted].
Burruss, Robert E., [redacted].
Burton, Carl W., [redacted].
Bushman, James B., [redacted].
Butler, Richard S., [redacted].
Buttrick, Brandon A., [redacted].
Butz, Mark G. [redacted].
Buvel, Raymond L., [redacted].
Byard, Robert J., [redacted].
Calise, Albert T., [redacted].
Campbell, Howard D., [redacted].
Campeggio, Francis M., Jr., [redacted].
Campo, Jane K., [redacted].
Cannata, Richard W., [redacted].
Cardon, Louis P., [redacted].
Carpenter, Gary L., [redacted].
Carter, Danny F. E., [redacted].
Carter, Ricky E., [redacted].
Case, Frederic T., [redacted].
Case, James E., [redacted].
Catlin, John E., III, [redacted].
Cavanaugh, Stephen, [redacted].
Chang, Bernard C. W., [redacted].
Chapin, Richard M., [redacted].
Cherry, Carlos O., [redacted].
Christian, William H., Jr., [redacted].
Clark, Lloyd N., [redacted].
Clarke, Charles P., [redacted].
Clarke, Richard L., [redacted].
Cloyd, Mary B., [redacted].
Clune, Patrick M., [redacted].
Cluskey, Mark A., [redacted].
Coates, Allen D., [redacted].
Cochrane, Michael J., [redacted].
Coe, Robert A., [redacted].
Coleman, Ronald, [redacted].
Collier, John D., [redacted].
Collier, William O. [redacted].
Collins, Jeffrey D., [redacted].
Collins, Kelly B., [redacted].
Collins, William M., [redacted].
Columbus, Boyce R., [redacted].
Comtois, Frank R., [redacted].
Conaway, Dean P., [redacted].
Connaughton, Dennis A., [redacted].
Connell, David W., [redacted].
Conner, William M., [redacted].
Conover, Dennis W., [redacted].
Conrad, Michael K., [redacted].
Cook, Judith E., [redacted].
Coombs, David F., [redacted].
Corbin, Roger T., [redacted].
Corle, Clyde E., [redacted].
Cornell, Michael D., [redacted].
Cotter, Charles A., Jr., [redacted].
Cox, Robert D., Jr. [redacted].
Craighead, David O., [redacted].
Crawford, Joseph B., [redacted].
Creagan, Danny J., [redacted].
Crego, Richard H. [redacted].
Cribbs, Maria I., [redacted].
Crone, Douglas A., Jr., [redacted].
Crymes, James Jr., [redacted].
Culpepper, John C., [redacted].
Culverhouse, George M. [redacted].
Curling, Harold L., Jr., [redacted].
Curran, Eugene M., [redacted].
Daily, Jeffrey T., [redacted].
Damron, Michael C., [redacted].
Dandurand, Randy L. [redacted].
Daniels, Jonathan P., [redacted].
Darden, Laura A., [redacted].
Davidson, Ronald, [redacted].
Davis, Dennis E., [redacted].
Davis, Jeffrey C., [redacted].
Davis, Terry, [redacted].
Debruin, Johannes B., [redacted].
Debusk, Edward W., [redacted].
Decelles, Arthur G., [redacted].
Dees, Richard L., [redacted].
Delahunt, Joseph J., [redacted].
Delgado, Jose A., [redacted].
Depuy, Kathleen M., [redacted].
Devault, Harry J. [redacted].
Devincenzo, Frank R., [redacted].
Dicarlo, David M., [redacted].
Dickson, Tommy D., [redacted].
Dilk, Virginia A., [redacted].
Dirlam, Michael R., [redacted].
Disler, Sharon R., [redacted].
Distretti, Sandra J. [redacted].
Dodd, Jerry L., [redacted].
Dong, Howard, [redacted].
Donnell, Robert, Jr., [redacted].
Douglas, Mark E., [redacted].
Dowe, Everett B., [redacted].
Doyle, Brian W., [redacted].
Drescher, Charles D., [redacted].
Driver, William E., [redacted].
Duke, Gail R., [redacted].
Dunlap, Michael L., [redacted].
Dunn, James D., [redacted].
Dupre, John A., [redacted].
Dutilly, Martin D., [redacted].
Easley, James D., [redacted].
Easley, John L. [redacted].
Eldridge, Daniel E. [redacted].
Ellis, Donnie R., [redacted].
Emerick, Kenneth C., [redacted].
Enas, Elizabeth A., [redacted].
Enloe, Clifford G., [redacted].
Enzweiler, Stephen C. [redacted].
Erdman, Ronald R., [redacted].
Esber, Beverly L., [redacted].
Esteve, Willie M., Jr. [redacted].
Evans, James W., [redacted].
Evans, Michael P., [redacted].
Everson, Michael E. [redacted].
Ewing, Nicholas F., [redacted].
Fahrney, Leroy R. [redacted].
Faithful, George E., [redacted].
Fales, Gary R., [redacted].
Farris, Michael R., [redacted].
Farry, Stephen F., Jr., [redacted].
Feaster, Kenneth V. [redacted].
Felsburg, David F., [redacted].
Ferguson, David W. [redacted].
Ferguson, Stephen E., [redacted].
Fetko, Michael G. [redacted].
Fick, Gary H., [redacted].
Filbert, James C., [redacted].
Filler, Michael R., [redacted].
Fillers, Russell N., [redacted].
Fink, Timothy M., [redacted].
Finnegan, Thomas P., [redacted].
Fisher, Gary K., [redacted].
Fitzgerald, Gary H., [redacted].
Fitzgerald, William J., [redacted].
Flanigan, Joanne M., [redacted].
Flanigan, Ralph M., Jr. [redacted].
Florick, Leo, [redacted].
Flowers, Woodrow, T. T., [redacted].
Flynn, Nicholas F., [redacted].
Foessett, Robert E., [redacted].
Follweiler, Glenn J., [redacted].
Fornes, Patricia M., [redacted].
Foster, Michael J., [redacted].
Foster, Paul A., [redacted].
Fowl, Guy C., [redacted].
Fowler, Chester L., [redacted].
Fowler, James G., [redacted].
Fowlkes, William A., Jr., [redacted].
France, Richard L., [redacted].
Franks, Terry A., [redacted].
Frant, Walter, [redacted].
Fraser, Douglas A. [redacted].
Freeman, Jimmy B., [redacted].
Frey, Alan S. [redacted].
Frierson, Lawrence M., [redacted].
Friesen, Ricky W., [redacted].
Fuqua, Jerry N., [redacted].
Gable, Mykel D., [redacted].
Gaines, James W., [redacted].
Garber, Frank A., [redacted].
Garland, Kathleen T., [redacted].
Garland, Patricia D., [redacted].
Garland, Thomas E. [redacted].
Garrett, Hugh H., [redacted].
Gasson, John E., [redacted].
Geist, John W., [redacted].
Gensler, Charles O., [redacted].
Geurtz, Peter W. [redacted].
Gianakos, Kris D., [redacted].
Gibbs, James H., [redacted].
Gibson, David A., [redacted].
Gilbert, Roy A., [redacted].
Gillispie, Tommie L., [redacted].
Giroux, Maurice L., [redacted].
Glisson, Bobby E., [redacted].
Godale, Daniel R., [redacted].
Gold, Byron M., [redacted].
Gomez, Adrian, [redacted].
Goodell, Dale L., [redacted].
Gordon, Hugh L., [redacted].
Gordon, Johnny H., [redacted].
Gossage, Jan P., [redacted].
Graban, Gaillard M., [redacted].
Grafton, Kemit S., [redacted].
Graham, Douglas U., [redacted].
Graham, Douglas W., [redacted].
Graves, Raymond D., Jr., [redacted].
Gray, Millard H., Jr., [redacted].
Grecus, Robert E., [redacted].
Greenwood, Mark L., [redacted].
Greier, Robert W., [redacted].
Greig, James W., II, [redacted].
Griffin, John C., [redacted].
Gross, Stephen P. [redacted].
Grubbs, Burgess D. [redacted].
Guerra, Reyes, [redacted].
Gunderman, Philip H., [redacted].
Haines, Donald M. [redacted].
Hall, David C., [redacted].
Hall, Jeffrey M., [redacted].
Hall, Kevin R., [redacted].
Hall, Thomas L., [redacted].
Halloran, Michael O., [redacted].
Halverson, Kenneth P. [redacted].
Hamilton, Susan M., [redacted].
Hammiller, John J., [redacted].
Hansford, Larry C., [redacted].
Harkins, James K., Jr. [redacted].

Harkins, Warren L. [redacted].
Harris, Daniel L., [redacted].
Harris, O. T [redacted].
Harris, Stephen H. [redacted].
Hartshorn, Clyde A., Jr., [redacted].
Haseloff, Robert H., [redacted].
Hauck, John D., Jr., [redacted].
Hawkins, Harold R., [redacted].
Hayden, Danney R., [redacted].
Haynes, Harold D. [redacted].
Helmig, Donald R. [redacted].
Henderson, James C., III, [redacted].
Henninge, Frederick P., Jr., [redacted].
Henninger, John R., III, [redacted].
Henry, Harold W., [redacted].
Henry, Richard W. [redacted].
Herd, Gary D., [redacted].
Hereford, Edward L., [redacted].
Hess, John R., [redacted].
Heumann, Jeanette M., [redacted].
Heumann, John S., [redacted].
Hicinbothem, Grant W., [redacted].
Hickman, Darryl H., [redacted].
Hicks, Robert E., [redacted].
Higdon, Gregory T. [redacted].
Higginbotham, Carl D., [redacted].
Hines, Ellis M., [redacted].
Hinrichsen, Ronald L., [redacted].
Hodges, Morgan J., Jr. [redacted].
Hoffman, Rebecca J., [redacted].
Hoffmaster, John E., [redacted].
Hoffner, Charles T., [redacted].
Hogan, Gregory M., [redacted].
Holaday, James R., [redacted].
Holder, Jimmy R., [redacted].
Hood, Gary D., [redacted].
Horn, Harld R., [redacted].
Horn, Randall E., [redacted].
Horne, Michael W. [redacted].
Horton, Robert L., [redacted].
Houlton, Michael T., [redacted].
Houser, William G., Jr. [redacted].
Howard, Gordon W. [redacted].
Howard, Maxie F., [redacted].
Hoyes, Yardley N., [redacted].
Hrin, Stephen M., [redacted].
Hudak, Peter S., [redacted].
Hudgins, John, [redacted].
Hundley, James C. [redacted].
Hunt, James A., [redacted].
Hunt, Rodney L., [redacted].
Hutchinson, James W., [redacted].
Hynek, Michael D., [redacted].
Irby, Billy G., [redacted].
Isaac, Charles D., [redacted].
Ittig, Thomas W., [redacted].
Ivancovich, George S., [redacted].
Jackson, John S., [redacted].
Jackson, Robert Jr. [redacted].
Jakowatz, Louis G., III, [redacted].
James, Randall L., [redacted].
Janak, Douglas E., [redacted].
Janeczko, Edward B., Jr., [redacted].
Jarema, James E., [redacted].
Jarvis, Craig L. [redacted].
Jennings, Robert F., [redacted].
Jex, Thomas A., [redacted].
Johnson, Cedric B., [redacted].
Johnson, Connie W., [redacted].
Johnson, David J., [redacted].
Johnson, Elwood K., Jr. [redacted].
Johnson, Herschell C., [redacted].
Johnson, James S., [redacted].
Johnson, James S., [redacted].
Johnson, Jessie E. [redacted].
Johnson, Richard M., [redacted].
Jones, Joseph T., Jr., [redacted].
Jones, Michael E., [redacted].
Jones, Russell T., [redacted].
Jordan, James E., Jr. [redacted].
Junge, Ronald G., [redacted].
Kahne, Steven D. [redacted].
Kallsen, Dale M., [redacted].
Kearney, Daniel E., [redacted].
Keefe, Michael R., [redacted].
Keller, Dennis L [redacted].
Kennedy, Margaret A. [redacted].
Kennedy, Michael R., [redacted].
Kennedy, Monty R., [redacted].
Kenney, Ronnie B., [redacted].
Kephart, James B., [redacted].
Keppler, Daryl C., [redacted].
Kerr, Robert L., [redacted].
Kibel, Abraham J., [redacted].
Kielman, Robert J., [redacted].
Killion, Thomas J., III, [redacted].
Killpack, Larry S., [redacted].
King, Jerry D., [redacted].
King, Joseph B., [redacted].
Kintigh, Dennis J., [redacted].
Kirk, William R., [redacted].
Kirlin, Kevin W., [redacted].
Klark, Eugene L., [redacted].
Kline, Joseph W. [redacted].
Knieriem, David W., [redacted].
Kniseley, Richard A., [redacted].
Knowles, Donald T., [redacted].
Knudson, Bruce J., [redacted].
Kondek, John J., [redacted].
Koperski, Michael C., [redacted].
Koshiyama, Glenn T. [redacted].
Kovach, Richard J., [redacted].
Kraeff, Kyrill C., [redacted].
Kramer, Sandra M., [redacted].
Kretzer, John M., [redacted].
Krsul, Theodore R., [redacted].
Kruthaupt, Michael H., [redacted].
Kuchinos, Michael A., [redacted].
Kugler, Lawrence, [redacted].
Lacy, Leonard C., III, [redacted].
Lagassey, Gary C. [redacted].
Lail, Charles S., [redacted].
Landon, David J. [redacted].
Langstaff, Will, Jr., [redacted].
Laraway, Donald W., Jr., [redacted].
Lariviere, Mark W., [redacted].
Larry, Horace L., [redacted].
Lassiter, Archer P., II, [redacted].
Latham, Elester, [redacted].
Latson, Donald C., [redacted].
Laycock, James W., [redacted].
Ledbetter, Roger D., [redacted].
Lee, David R., [redacted].
Lee, Lynn R., [redacted].
Lekarczyk, David J., [redacted].
Leroy, Hartley D., [redacted].
Lew, Alan E., [redacted].
Libaire, Jeffrey L., [redacted].
Lindbeck, Lyonel R., [redacted].
Link, Robert D., [redacted].
Litherland, Barry G., [redacted].
Locklear, Glen D., [redacted].
Lofrano, Michael D., [redacted].
Logsdon, Philip F., [redacted].
Lohman, James P., [redacted].
Long, Rita A., [redacted].
Longo, Americo, Jr., [redacted].
Longstaffe, Roy, [redacted].
Lopez, Herman, [redacted].
Lopez, Jose M. [redacted].
Lorenzen, Jay L. [redacted].
Lund, Ammon R., [redacted].
Lutz, Lloyd E., Jr., [redacted].
Lysaght, Gregory A., [redacted].
Macdonald, Gordon E., [redacted].
Machuzak, John S., [redacted].
Mackness, Nolan F., [redacted].
Mager, George J. [redacted].
Mahan, Wiley H., [redacted].
Manley, Margaret A., [redacted].
Mann, Jack C., [redacted].
Markum, James D., [redacted].
Marlow, Lemuel F., [redacted].
Marquardt, Thomas C. [redacted].
Marrs, Danny D., [redacted].
Martin, David C., [redacted].
Martin, William L., [redacted].
Martinez, Hector M., [redacted].
Marx, Charles G., [redacted].
Mason, Dixie J., [redacted].
Mason, Ross O., [redacted].
Matthews, Dennis M., [redacted].
Mattox, Lawrence H., [redacted].
Maunder, David P., [redacted].
Maxfield, Donald A. [redacted].
May, James E., [redacted].
McAllister, Billie A. [redacted].
McAuliffe, David J., Jr. [redacted].
McBride, Patricia A. [redacted].
McCants, Blaine E., [redacted].
McCarthy, Dennis M., [redacted].
McCauley, Kevin J., [redacted].
McCleary, Michael A., [redacted].
McClure, Robert W., [redacted].
McConkey, Robert M., [redacted].
McCormack, Lanny W., [redacted].
McCreary, Ronald P., [redacted].
McDaniel, Gary R., [redacted].
McDermott, Estella L., [redacted].
McDonald, Richard T. [redacted].
McDowell, Fayne A., [redacted].
McGregor, Robert M., [redacted].
McIntyre, Michael E., [redacted].
McKee, Shirley A., [redacted].
McKenna, Kevin F., [redacted].
McKinney, Terry L. [redacted].
McLean, Dahl H., [redacted].
McNamara, Brien G., [redacted].
McNiff, Michael T., [redacted].
McPherson, Craig R., [redacted].
McPherson, James R. [redacted].
McShea, Robert E., [redacted].
Meador, Lee A. [redacted].
Meggers, George E. [redacted].
Meigs, Stephen L., [redacted].
Mendez, Anthony W., [redacted].
Mengelkoch, Raymond B. [redacted].
Menking, Ricky A., [redacted].
Menschner, Craig S., [redacted].
Mercer, Roosevelt, Jr., [redacted].
Merkel, Lewis J., Jr., [redacted].
Merwald, Bernard J., Jr. [redacted].
Messina, Stephen R., [redacted].
Mezzacappa, Carmen M. [redacted].
Michelson, Leonard L., [redacted].
Mickel, Randolph M., [redacted].
Miller, Michael J., [redacted].
Miller, Michael M., [redacted].
Miller, Theresa L., [redacted].
Minerley, Richard R., [redacted].
Mitchell, Lawerence H., [redacted].
Mitchell, Richard S., [redacted].
Mladic, Richard M., [redacted].
Monde, John R., [redacted].
Moore, Joanne E., [redacted].
Moore, Norman L., Jr. [redacted].
Morales, Joe S., [redacted].
Morgan, Joseph A., [redacted].
Morris, Frances J., [redacted].
Morris, Laurence D., [redacted].
Morris, Rocky S., [redacted].
Morson, Donald R. [redacted].
Morton, Michael D. [redacted].
Morwood, David L., [redacted].
Mosely, Kelly, [redacted].
Moss, John W. [redacted].
Motyl, John J., Jr., [redacted].
Moy, Charles A., [redacted].
Mueller, Kent A., [redacted].
Mull, Paul R., [redacted].
Murawski, Paul M., [redacted].
Murray, Melvin R., [redacted].
Musgrove, Robert A., [redacted].
Nagel, Carl, III, [redacted].
Nazareno, Joven R. [redacted].
Neall, Raymond A., Jr., [redacted].
Neill, John M., [redacted].
Nelson, Steven M., [redacted].
Nenninger, John D. [redacted].
Nerge, Larry G., [redacted].
Newbry, David A., [redacted].
Newman, Charles W., [redacted].
Nicholson, Lewis I., [redacted].
Niederlitz, Kris, [redacted].
Norris, Basil S., Jr., [redacted].
Nutt, Waymond C., Jr., [redacted].
Oakes, Alden B., II, [redacted].
O'Brien, William J., Jr., [redacted].
O'Connell, Kenneth P., III, [redacted].
O'Keefe, Thomas P., [redacted].
Okimoto, Lance S., [redacted].
Oliver, Kevin G., [redacted].
Olney, Duncan R., [redacted].
O'Neal, George T., [redacted].
Otten, Hans J., [redacted].
Owskey, Thomas C., [redacted].
Oyler, Stephen L., [redacted].
Padden, Harry D., [redacted].
Pagan, Johnny N., [redacted].
Page, Michael G., [redacted].

Palmer, Michael W., [redacted].
Parker, Curtis L., [redacted].
Parker, Florence E. [redacted].
Parker, Steve A. [redacted].
Patterson, Christopher J., [redacted].
Pavelko, Anthony J., III, [redacted].
Payne, Russell D., [redacted].
Pearson, Stephen C. [redacted].
Penix, Billy H. [redacted].
Penny, Peter P. [redacted].
Percefull, Robert L., [redacted].
Perkins, Michael K., [redacted].
Perkins, Timothy K., [redacted].
Perkins, William M., Jr., [redacted].
Perroni, John B., Jr., [redacted].
Peters, David A., [redacted].
Peterson, Douglas A., [redacted].
Petronsky, Joseph P., [redacted].
Pettersen, Clifford A., [redacted].
Petty, Michael E., [redacted].
Phillips, Floyd G., [redacted].
Phillips, Herbert N., [redacted].
Phillips, Samuel W., III [redacted].
Pierce, Robert D. [redacted].
Pinkins, Armater, [redacted].
Pitcher, Barry W., [redacted].
Pittman, Emerson W. [redacted].
Ploszaj, Leon J., [redacted].
Polasek, Joseph R., III, [redacted].
Pompeo, John A., [redacted].
Posey, Ronald M., [redacted].
Pothier Peter O., [redacted].
Poulson, Randall L., [redacted].
Pounds, Phillip B., [redacted].
Prejean, Sidney J., [redacted].
Price, David W., [redacted].
Price, George W., Jr., [redacted].
Prior, John P. [redacted].
Prowse, Michael J., [redacted].
Pubillones, Rafael, [redacted].
Puhl, Philip M., [redacted].
Pyant, Elaine R. [redacted].
Quinn, William M., Jr., [redacted].
Quinn, William R., [redacted].
Radcliffe, Patrick J., [redacted].
Radigan, William J., Jr., [redacted].
Ramsaur, Jack W., II, [redacted].
Ramstine, Kurt A., [redacted].
Randall, Carol A., [redacted].
Ransom, Michael J., [redacted].
Ransom Robert W., [redacted].
Rask, John D., [redacted].
Readey, Mary L., [redacted].
Redder, Teresa S., [redacted].
Reed, Berneil L., [redacted].
Reed, Edward T., [redacted].
Reed, George A., [redacted].
Reed, Michael J., [redacted].
Reese, Robert S., [redacted].
Refsdal, Patricia R., [redacted].
Register, Lonnie B., Jr., [redacted].
Reid, John E. [redacted].
Reilman, Susan J., [redacted].
Reinke, Donald L., [redacted].
Remiszewski, James F., [redacted].
Reynolds, James C., [redacted].
Reynolds, Rolland C. [redacted].
Rhoden, John E., [redacted].
Rhodes, Joseph M. [redacted].
Rhodes, Samuel C., [redacted].
Richwine, Allen G., [redacted].
Riggle, William J., [redacted].
Riley, William A., Jr., [redacted].
Riley, William D., [redacted].
Rish, James C., [redacted].
Riski, William A., [redacted].
Rizzo, Philip P., [redacted].
Robb, William P., [redacted].
Robbins, Susan S. [redacted].
Roberts, Richard W., [redacted].
Roberts, Thomas S., [redacted].
Robinett, Ronald L., [redacted].
Robinson, Richard M., [redacted].
Rodriguez, Ruperto, [redacted].
Romeyn, Thomas N., [redacted].
Ronci, Americo, Jr., [redacted].
Rothtman, Clyde W., [redacted].
Rowe, Mark C., [redacted].
Roybal, Ramona L. S., [redacted].
Ruggs, Hubert, [redacted].
Rumsey, Hal A., [redacted].
Russell, Ethel L. C., [redacted].
Russell, John P., Jr., [redacted].
Russell, William F., [redacted].
Rutt, Brian L. [redacted].
Ryan, Michael Y., [redacted].
Ryburn, James T., [redacted].
Saeger, Walter W. Jr., [redacted].
Sakonchick, Stephen, II, [redacted].
Sakre, Thomas M., [redacted].
Sandlin, Sandy L., [redacted].
Sarver, David A., [redacted].
Sastri, Jon L., [redacted].
Sattely, Edward J., [redacted].
Satzer, John A. [redacted].
Savage, Georgann M. [redacted].
Saxon, Edward R., [redacted].
Schaeffner, David K., [redacted].
Scherer, Carol A., [redacted].
Schiripa, Richard, [redacted].
Schlank, Ronald, [redacted].
Schlegel, Will C., [redacted].
Schmidt, Richard H., [redacted].
Schmoyer, Anne E., [redacted].
Schofield, Jack C. [redacted].
Scholl, Dennis N., [redacted].
Scholte, Paul E., [redacted].
Schrag, Paul J., [redacted].
Schultz, Larry G., [redacted].
Schumacher, James R., [redacted].
Scott, Donald H., [redacted].
Scott, Michael J., [redacted].
Scott, William J., [redacted].
Scotter, James D., [redacted].
Seay, Nancy J., [redacted].
Segersten, Cynthia L., [redacted].
Seitz, Robert L. [redacted].
Selin, Gary R., [redacted].
Sette, Richard J. [redacted].
Seymour, Russell W., [redacted].
Shack, Steven W. [redacted].
Shakley, David W., [redacted].
Shanahan, Randall L., [redacted].
Sharek, Robert J., [redacted].
Shepherd, Larry D. [redacted].
Sherwood, Donald F., [redacted].
Shirley, Steven L., [redacted].
Shook, Michael G., [redacted].
Shuping, Robert W., [redacted].
Shutler, David F., [redacted].
Sierocki, Martin J., [redacted].
Silver, Mark S., [redacted].
Simon, George C., Jr., [redacted].
Simpson, Paul A., [redacted].
Simpson, Ronald F., [redacted].
Sims, Jackie C., [redacted].
Sims, John B., III, [redacted].
Sisk, Albert E., [redacted].
Smith, Eugene, [redacted].
Smith, Eugene C., [redacted].
Smith, Herbert F., Jr., [redacted].
Smith, James E., [redacted].
Smith, Jeffrey A., [redacted].
Smith, Jesse J., [redacted].
Smith, Mark T., [redacted].
Smith, Mary E. [redacted].
Smith, Roy E., [redacted].
Smith, Stephen E., [redacted].
Smith, William E., Jr., [redacted].
Smithson, Robert M., [redacted].
Snider, John A. [redacted].
Snodgrass, David E., [redacted].
Soileau, Randall L., [redacted].
Soller, Michael A. [redacted].
Soucy, Robert H., [redacted].
Speer, Thomas E., [redacted].
Spielmann, Craig S., [redacted].
Spivey, William L., [redacted].
Spreen, Barbara D., [redacted].
Sprinkle, David M., [redacted].
Spruyt, Mark T., [redacted].
Staal, Robert E., [redacted].
Stanfield, Charles B., [redacted].
Staudenmeier, Elizabeth R., [redacted].
Stephens, Donald D., [redacted].
Sterling, Gail A., [redacted].
Stevens, James A., [redacted].
Stevens, Mary E., [redacted].
Stewart, Douglas W., [redacted].
Stewart, Howard D., [redacted].
Stobart, Douglas J., [redacted].
Stoecker, James J., [redacted].
Stokes, Lowell W., [redacted].
Stomberg, Barbara L., [redacted].
Stradinger, Jeffrey P., [redacted].
Strange, Darrick, [redacted].
Strasburg, Kathy L., [redacted].
Stray, Charlotte R., [redacted].
Stroberg, Jon E., [redacted].
Strom, Larry D. [redacted].
Stromain, Patrick M., [redacted].
Stubbe, Steven J., [redacted].
Sullivan, Michael P., [redacted].
Summer, Peter D., III, [redacted].
Summerlin, James A., [redacted].
Swaim, Danny R., [redacted].
Swan, Cathy W. [redacted].
Swisher, Virginia C., [redacted].
Szych, William H., [redacted].
Talbot, Thomas J., [redacted].
Talley, Charles J., [redacted].
Talty, Thomas E., Jr., [redacted].
Tatanus, Joyce A., [redacted].
Taylor, Henry L., [redacted].
Taylor, Richard W., [redacted].
Templeton, Charlie A., [redacted].
Templin, Carl R., [redacted].
Tencza, Thadeus E., [redacted].
Terrell, Gary D. [redacted].
Terry, Paul B. [redacted].
Tew, Randall J., [redacted].
Theriault, Stephen G., [redacted].
Thomas, George E., [redacted].
Thompson, Bruce T., [redacted].
Thompson Donald R., [redacted].
Thompson, Ken C., [redacted].
Thompson, Lindel R., [redacted].
Tich, David F., [redacted].
Till, William A., Jr., [redacted].
Tilton, Howard A., [redacted].
Tingley, Robert L., [redacted].
Tisaby, William D., [redacted].
Tobola, Vincent J., Jr., [redacted].
Tolbert, Arnold J., [redacted].
Tomlin, Eric H., [redacted].
Trahan, Maureen A., [redacted].
Treat, Edwin C., Jr., [redacted].
Trent, Peter P., [redacted].
Trevino, Anthony, [redacted].
Trost, Denise J., [redacted].
Trzeciak, Anthony A., [redacted].
Tullman, Edward J., Jr., [redacted].
Turner, John M., III, [redacted].
Tweedle, Roy U., [redacted].
Ulrich, James D., [redacted].
Vachon, David W [redacted].
Vanvleet, Ronald L., [redacted].
Vaughn, Richard J., [redacted].
Vegdahl, Edward J., [redacted].
Villagran, Pamela R., [redacted].
Villegas, Joe A., [redacted].
Vines, Johnny G., [redacted].
Wachendorf, James C., [redacted].
Wacholtz, Steven P., [redacted].
Walecka, Christopher J., [redacted].
Walker, Angress, Jr., [redacted].
Walker, Archie G., III, [redacted].
Wallace, John J., [redacted].
Walsh, James F., Jr., [redacted].
Walsh, Susan A., [redacted].
Walters, Steven M., [redacted].
Walton, Alwyn A., Jr., [redacted].
Wanzek, Rebecca R., [redacted].
Ward, Deborah D., [redacted].
Ward, William A., Jr., [redacted].
Washington, Stephen T., [redacted].
Watts, Nicki J., [redacted].
Watts, Robert D., [redacted].
Watts, Ronald J., [redacted].
Webb, David W., [redacted].
Weber, Karen S., [redacted].
Weekly, Ralph K., Jr., [redacted].
Welch, Damon L., [redacted].
Wells, Stephanie A., [redacted].
Weslow, Matthew E., [redacted].
Westfall, Scott W., [redacted].
Wheat, Frank, [redacted].

White, Marvin A., [redacted].
Whited, Richard L., [redacted].
Whitten, Terrence R., [redacted].
Wiesner, Richard M., [redacted].
Wilhelm, Danny T., [redacted].
Wilkins, Gary D., [redacted].
Will, Peter M., [redacted].
Willett, Carol E., [redacted].
Willey, Kevin J., [redacted].
Williams, David L., [redacted].
Williams, Floyd V., [redacted].
Williams, Glenn H., [redacted].
Williams, Michael C., [redacted].
Williams, Paul S., [redacted].
Willis, Carl M., [redacted].
Wilson, Darrel D., [redacted].
Wilson, Joe D., [redacted].
Wilson, Thomas M., [redacted].
Wingard, Barbara J., [redacted].
Winston, Donald K., [redacted].
Wintermute, David M., [redacted].
Wise, Neil, III, [redacted].
Wise, Timothy G., [redacted].
Wisniewski, Joseph B., [redacted].
Witt, Christopher P., [redacted].
Wittman, Jerome R., [redacted].
Wojcikiewicz, Karl D., [redacted].
Wolf, Doreen M., [redacted].
Wolthoff, Rodney A., [redacted].
Wong, Bruce S., [redacted].
Wood, Kent P., [redacted].
Wood, Robert E., [redacted].
Woods, Stephen K., [redacted].
Woolf, Steven L., [redacted].
Worthington, Richard A., [redacted].
Wowk, Victor, [redacted].
Wright, Eugene R., [redacted].
Wright, Larry B., [redacted].
Wright, Linda J., [redacted].
Yastishock, David S., [redacted].
Young, Larry, [redacted].
Youse, Phillip N., [redacted].
Zanella, Lawrence A., [redacted].
Zernial, Ernest E., Jr., [redacted].
Zimmermann, Hugo W., [redacted].
Zock, Lucy E., [redacted].
Zunic, Nicholas F., III, [redacted].

To be second lieutenant

Aeillo, Michael P., [redacted].
Albano, Anthony W., [redacted].
Albritton, Jerry L., [redacted].
Alcorn, William D., [redacted].
Alex, Joseph L., [redacted].
Alte, Douglas K., [redacted].
Anderson, James L., Jr., [redacted].
Andreas, Stephen C., [redacted].
Anglea, Ronnie L., [redacted].
Ardern, Thomas D., [redacted].
Armour, Robert L., Jr., [redacted].
Baker, Bradley S., [redacted].
Barnett, Larry W., [redacted].
Batten, Stanley T., [redacted].
Beaver, Larry D., [redacted].
Bebo, Michael R., [redacted].
Beckman, Paul A., [redacted].
Bevis, Lawrence R., II, [redacted].
Bible, Dale F., [redacted].
Bich, David J., [redacted].
Binder, Roger A., [redacted].
Bjork, Thomas P., [redacted].
Blankenbiller, Thomas R., [redacted].
Boddie, Harold W., [redacted].
Botta, Louis H., [redacted].
Bowen, Charles M., [redacted].
Bower, Guy F., [redacted].
Braden, Paul D., [redacted].
Bradshaw, James S., [redacted].
Brewer, Ted A., [redacted].
Brezausek, Carl M., [redacted].
Brinsfield, James W., [redacted].
Brocato, Humberto J., [redacted].
Brown, Carl A., [redacted].
Brown, Ronald J., [redacted].
Brown, Thomas D., Jr., [redacted].
Brown, Walter C., [redacted].
Brunner, Gary D., [redacted].
Burk, Christopher A., [redacted].
Busse, Roger P., [redacted].
Cain, Jeff, [redacted].
Call, Douglas V., [redacted].
Camp, William H., [redacted].
Cannan, Martin J., [redacted].
Cantwell, James D., [redacted].
Capenos, Steven R., [redacted].
Cardin, Edwin W., [redacted].
Caskey, Walter M., Jr., [redacted].
Catalano, George D., [redacted].
Cerulli, James V., [redacted].
Clark, Kyle E., [redacted].
Clovis, Allen M., [redacted].
Clowers, Robert M., [redacted].
Coil, Patrick W., [redacted].
Conrad, Kevin L., [redacted].
Contreras, Andres F., [redacted].
Crabbe, William M., III, [redacted].
Crowley, John S., Jr., [redacted].
Cunha, Michael A., [redacted].
Cunningham, Tamzy J., [redacted].
Cyr, Gary P., [redacted].
Darnell, Daniel J., [redacted].
Davee, John T., [redacted].
David, Joel D., [redacted].
Davis, Bradley S., [redacted].
Davis, James S., [redacted].
Davis, Michael K., [redacted].
Dawson, Gregory D., [redacted].
Deal, Duane W., [redacted].
Debolt, Mark W., [redacted].
Deegan, Patrick A., [redacted].
Dees, Danny J., [redacted].
Delpinto, Carlo T., [redacted].
Delsignore, Paul M., [redacted].
Deutsche, Robert M., [redacted].
Deyerle, Craig M., [redacted].
Dodd, Dale E., [redacted].
Donough, Kenneth E., [redacted].
Douet, Lee J., [redacted].
Drake, Billy E., [redacted].
Dulinawka, Michael P., [redacted].
Eastman, John W., [redacted].
Eberhart, Jeffrey W., [redacted].
Elder, Robert J., Jr., [redacted].
Elliott, Bruce R., [redacted].
Entwistle, Thomas D., [redacted].
Etzel, Larry L., [redacted].
Fay, Michael J., [redacted].
Fels, James D., [redacted].
Fobian, John C., [redacted].
Fortescue, Peter C., [redacted].
Fowler, Stephen S., [redacted].
Fowler, Wade R., Jr., [redacted].
Fraser, Gary L., [redacted].
Fraser, James S., [redacted].
Frizzelle, Robert L., [redacted].
Fugate, Thomas C., Sr., [redacted].
Garrett, Robert S., [redacted].
Gartland, Timothy C., [redacted].
Gebhardt, Daryl F., [redacted].
Geddes, Robert D., [redacted].
Geiger, Robert L., [redacted].
Gilbert, Frederick C., [redacted].
Glendinning, David R., [redacted].
Gore, Edward A., [redacted].
Graf, Charles F., Jr., [redacted].
Green, Billy M., [redacted].
Greene, John D., [redacted].
Griffith, Michael A., [redacted].
Gross, Charles W., Jr., [redacted].
Gugelman, Danny W., [redacted].
Hammond, Lance R., [redacted].
Hampton, William C., Jr., [redacted].
Hankins, Gary L., [redacted].
Hansen, Craig M., [redacted].
Hardin, David D., [redacted].
Harkins, Francis W., Jr., [redacted].
Harmon, Stanley G., [redacted].
Harnagel, Jerrold H., Jr., [redacted].
Harris, David K., [redacted].
Harrison, Scott C., [redacted].
Hazenfield, Michael G., [redacted].
Heinen, William J., [redacted].
Hellmann, Steven P., [redacted].
Henley, Douglas A., [redacted].
Hensel, James T., [redacted].
Hensley, John L., [redacted].
Herbert, Douglas D., [redacted].
Hetzner, Richard A., [redacted].
Hilburn, Benjamin G., Jr., [redacted].
Hill, Douglas R., [redacted].
Holder, Gary W., [redacted].
Holtschneider, Stanley W., [redacted].
Hudson, Jerry D., [redacted].
Huefner, John F., [redacted].
Huestis, Edwin W., [redacted].
Hughes, Robert W., [redacted].
Hutchings, David G., [redacted].
Iltis, Michael J., [redacted].
Irvine, Vanness, [redacted].
Jacob, Mark S., [redacted].
Janik, David S., [redacted].
Jardin, Roy D., [redacted].
Jensen, Alan N., [redacted].
Jensen, Dale A., [redacted].
Jimenez, Daniel L., [redacted].
Johnson, Howard M., [redacted].
Joyce, Christopher D., [redacted].
Kadechka, David C., [redacted].
Kaloostian, Jeffrey P., [redacted].
Karlin, Robert W., [redacted].
Kaufman, Arthur D., Jr., [redacted].
Keeney, Robert L., [redacted].
Keese, John S., [redacted].
Keller, Bruce M., Jr., [redacted].
Kelley, James D., [redacted].
Kent, James S., [redacted].
Kershaw, Spence M., [redacted].
Kile, Rodney A., [redacted].
Kinser, Lawrence D., [redacted].
Kole, Jeffrey S., [redacted].
Kostamo, Chris E., [redacted].
Kougias, George N., [redacted].
Kozdron, John A., [redacted].
Kraft, Thomas E., [redacted].
Kranich, James H., Jr., [redacted].
Krohn, Roger S., [redacted].
Kunnen, Harold J., [redacted].
Kwallek, Jeffrey A., [redacted].
Lagerberg, Ty M., [redacted].
Lavigne, Mark S., [redacted].
Lawrenson, Leo J., [redacted].
Leblanc, John T., [redacted].
Ledesma, Federico E., [redacted].
Lee, Curtis B., [redacted].
Lefevre, Richard L., [redacted].
Lefforge, David R., [redacted].
Lehman, Douglas D., [redacted].
Leland, Richard A., [redacted].
Leone, Daniel A. Jr., [redacted].
Lewis, Mark A., [redacted].
Long, Terrence P., [redacted].
Lorimer, Thomas C., [redacted].
Lott, Timothy A., [redacted].
Lubiak, Stanley A., [redacted].
Lund, Earle L., III, [redacted].
Lundell, Terry F., [redacted].
Lynott, James P., [redacted].
Lyon, Charles C., [redacted].
Mabry, Robert L., [redacted].
Macdonald, Dennis P., [redacted].
Mainquist, Randall S., [redacted].
Mallon, Patrick G., [redacted].
Malloy, Thomas A., [redacted].
Mariani, Bernardo L., [redacted].
Marshall, Thomas A., [redacted].
Martin, William C., III, [redacted].
Martinez, Ramon, [redacted].
Matejczyk, John P., [redacted].
Mathieson, Erik L., [redacted].
McCarthy, David J., [redacted].
McCarthy, Thomas W., [redacted].
McDaniel, Robert S., II, [redacted].
McGovern, Francis X., [redacted].
McGraw, David D., [redacted].
McHugh, Patrick T., [redacted].
McKenzie, Daniel W., [redacted].
McKenzie, Michael P., [redacted].
McNiff, Timothy R., [redacted].
Meyer, Jerome P., [redacted].
Meyer, Steven A., [redacted].
Michael, Gregory L., [redacted].
Michealson, Glen D., [redacted].
Miller, Clifford N., [redacted].
Miller, Kirk B. F., [redacted].
Miller, Thomas A., [redacted].
Milner, Carol J., [redacted].
Milton, Michael L., [redacted].
Mohan, James C., [redacted].
Moore, Jeffrey W., [redacted].
Moore, Jerry G., [redacted].
Morgan, Michael L., [redacted].

Morris, Randy E., [redacted].
Morrison, Geoffrey C., [redacted].
Moss, Kevin A., [redacted].
Murphy, David J., Jr., [redacted].
Neal, Curtis V., [redacted].
Nelson, Orval A., Jr., [redacted].
Newell, Michael J., [redacted].
Niebes, David E., [redacted].
O'Connor, John J. [redacted].
Ollie, Thomas W., Jr., [redacted].
Panarelli, John P., [redacted].
Pedeaux, William W., [redacted].
Pelzel, David W. [redacted].
Pentland, Pat A., [redacted].
Perron, Bernard J., [redacted].
Phillips, Glenn E., [redacted].
Piepenbrink, John O., [redacted].
Pinkston, George L., [redacted].
Pitts, Byron L., [redacted].
Poindexter, James H., Jr., [redacted].
Powell, David M., [redacted].
Prater, William N., [redacted].
Pressley, Rodney C., [redacted].
Pribyl, Stephen J., [redacted].
Quinn, Bartholomew J., [redacted].
Rapp, Steven W., [redacted].
Ray, Lynn G., [redacted].
Reed, Allan T., [redacted].
Reed, John H., III, [redacted].
Reichel, Alan J., [redacted].
Reid, William E., [redacted].
Ridenour, Wayne L., [redacted].
Ridgway, Larry D., [redacted].
Riordan, Ricky J., [redacted].
Risenmay, Glade K., [redacted].
Robinson, John W., III, [redacted].
Roche, Andrew D., [redacted].
Roclevitch, Anthony R., [redacted].
Route, Gary P., [redacted].
Rudicel, Kenton E., [redacted].
Russell, Jackie W., [redacted].
Ruthford, Thomas S., [redacted].
Rybicki, Joseph, Jr., [redacted].
Salfen, Jack A., [redacted].
Salomon, Roy K., [redacted].
Samay, Robert J., [redacted].
Schill, Roger A., [redacted].
Schmidt, Donald K., Jr., [redacted].
Schulte, Richard P., [redacted].
Sears, Dennis R., [redacted].
Seward, Jay E., II, [redacted].
Shackle, Ronald L., [redacted].
Sharman, William J., [redacted].
Sheehan, Kevin A., [redacted].
Sherman, Craig W., [redacted].
Simmons, William M., III, [redacted].
Sipe, David W., [redacted].
Sipas, Nicholas A., [redacted].
Sledge, Avery P., Jr., [redacted].
Smith, Douglas E., [redacted].
Smith, Joseph E., [redacted].
Snyder, Michael D., [redacted].
Snyder, Neil K., [redacted].
Sobczak, Joseph E., [redacted].
Sopko, Raymond W., [redacted].
Sorenson, Richard B., [redacted].
Sparkman, Charles C., [redacted].
Spencer, Alan C., [redacted].
Staley, Victor L., Jr., [redacted].
Stan, David R., [redacted].
Stephenson, Donald L., [redacted].
St. George, Michael P., [redacted].
Stokes, William A., Jr., [redacted].
Strasburger, Frank J., [redacted].
Strawn, Russell K., [redacted].
Stryker, William N., [redacted].
Surber, Dennis E., Jr., [redacted].
Szybillo, Stanley J., [redacted].
Taylor, Larry E., [redacted].
Teagarden, Bruce L., [redacted].
Teer, Louis P., Jr., [redacted].
Thomas, David A., [redacted].
Thompson, Darryl W., [redacted].
Tiller, David R., [redacted].
Tomlinson, Robert L., Jr., [redacted].
Torres, Augustin J., [redacted].
Turnquist, Paul E., [redacted].
Valdivia, Hugo S., [redacted].
Vanvalkenburg, Frederick D. J., [redacted].
Wallace, Jeffrey W., [redacted].
Wallington, Cary R., [redacted].
Walters, John J., [redacted].
Walton, Mark C., [redacted].
Washer, Wayne R., [redacted].
Watschke, John S., [redacted].
Watterberg, Jeffrey J., [redacted].
Watzke, Anthony R., [redacted].
Webb, Michael M., [redacted].
Wells, Franklin A., Jr., [redacted].
Westerfield, Martin W., [redacted].
White, Elliott, Jr., [redacted].
Wilenken, Arnold A., [redacted].
Wilmoth, Danny S., [redacted].
Wing, David B., [redacted].
Wolfe, Gerry D. [redacted].
Wolfenbarger, Craig, [redacted].
Wright, Andrew C., [redacted].
Young, Stephen F., [redacted].

IN THE AIR FORCE

The following cadets, U.S. Air Force Academy, for appointment in the Regular Air Force in the grade of second lieutenant, effective upon their graduation, under the provisions of section 8284 and 9353, title 10, United States Code. Date of rank to be determined by the Secretary of the Air Force:

Abbott, Keith C., [redacted].
Aboyme, Gerry B., [redacted].
Adair, David A. [redacted].
Adams, Mark G., [redacted].
Adams, Scott A., [redacted].
Ahlquist, Richard C., [redacted].
Ahlstrom, Bruce W., [redacted].
Ahmie, Kenneth S., [redacted].
Ahrendt, William M., [redacted].
Ahrens, Gregory S., [redacted].
Akong, Bayne P., [redacted].
Albro, Trevor S., [redacted].
Alderfer, Jeffrey S., [redacted].
Alfaro, Albert C., [redacted].
Allan, Scott D., [redacted].
Alston, Stephen M., [redacted].
Alvarado, Richard L., [redacted].
Anderson, Garth B., [redacted].
Armington, James F., [redacted].
Armstrong, Jay A., [redacted].
Ash, Eric A., [redacted].
Ashby, Jeffrey E., [redacted].
Ashley, Michael K., [redacted].
Asiu, Bernhard W., [redacted].
Atherton, Rhuett K., [redacted].
Austin, Christopher L., [redacted].
Ayala, Charles H., [redacted].
Ayres, Timothy D., [redacted].
Bahr, Donald J., [redacted].
Baldwin, Brian D., [redacted].
Baldwin, Richard D., [redacted].
Ball, Harold R., III, [redacted].
Barge, Beverly L., II, [redacted].
Barker, Kenneth W., [redacted].
Barnes, Stephen R., [redacted].
Barron, James W., [redacted].
Barron, Joseph, [redacted].
Barry, William P., [redacted].
Bartell, Richard J., [redacted].
Bash, Craig N., [redacted].
Baudhuin, Michael P., [redacted].
Baum, Peter, C., [redacted].
Baumgarten, Harry E., III, [redacted].
Baumgartner, Daniel J., Jr., [redacted].
Baumgartner, Michael L., [redacted].
Beam, Lance D., [redacted].
Beaver, Charles R., Jr., [redacted].
Beckwith, Robert S., [redacted].
Bell, Michael L., [redacted].
Belzer, David R., [redacted].
Bell, Steven E., [redacted].
Belt, James M., [redacted].
Beltrand, Craig D., [redacted].
Benitez-Casanova, Wilfred C., [redacted].
Bennett, Irvin N., Jr., [redacted].
Bennett, James E., [redacted].
Bennett, Richard L., [redacted].
Berdeguez, Nicholas P., [redacted].
Bergamini, Peter J., [redacted].
Berglund, Kenneth W., [redacted].
Berkebile, Richard E., [redacted].
Bernhardt, George P., IV, [redacted].
Besson, Paul M., [redacted].
Bianco, Lynn A., [redacted].
Bimmerman, Paul T., III, [redacted].
Bingaman, John F., [redacted].
Bingle, Bruce A. [redacted].
Bishop, Paul E., [redacted].
Bjornson, David L., [redacted].
Black, Richard E., [redacted].
Black, Ricky E., [redacted].
Blake, Gregory N., [redacted].
Blanchard, William R., Jr., [redacted].
Blight, Thomas C., [redacted].
Blount, Legrande O., [redacted].
Bodner, Michael J., [redacted].
Bogden, Edward L., [redacted].
Bohac, James M., [redacted].
Boldosser, Michael J., [redacted].
Bonutti, Anthony G., [redacted].
Booen, Michael W., [redacted].
Bordenave, Paul B., Jr., [redacted].
Bottesch, Curtis, [redacted].
Bowen, Kevin W., [redacted].
Bowling, David C., [redacted].
Box, Jon L. Stem, [redacted].
Boyd, William T., [redacted].
Boyington, William E., [redacted].
Boykin, Johnnie K., [redacted].
Boykin, Stephen M., [redacted].
Boylen, Daniel M., [redacted].
Bradley, Dale M., [redacted].
Bradley, Michael D., [redacted].
Braley, Mark S., [redacted].
Brandin, Keith R., [redacted].
Breidenstein, Martin H., [redacted].
Breines, Steven H., [redacted].
Brewer, Gregory F., [redacted].
Bridges, Berry D., [redacted].
Briggs, Kevin G., [redacted].
Brill, Michael J., [redacted].
Britsch, Uwe K., [redacted].
Brittenham, Larry W., [redacted].
Brown, Al C., [redacted].
Brown, Douglas A., [redacted].
Brown, Kenneth A., [redacted].
Brown, Lawrence R., [redacted].
Brown, Robert W., Jr. [redacted].
Brown, Tommy C., [redacted].
Browne, Edward H., Jr., [redacted].
Brownfield, John J., [redacted].
Bruckmeier, Grant H., [redacted].
Brugh, Mark S., [redacted].
Brundidge, Gregory L., [redacted].
Buchholz, Brian J., [redacted].
Buckley, Charles K., [redacted].
Buda, Mario C., [redacted].
Buechter, Mark J., [redacted].
Bunce, Peter J., [redacted].
Burcher, William R., [redacted].
Burg, Gary D., [redacted].
Burton, Dale A., [redacted].
Busch, Andrew E., [redacted].
Bush, Gary L., [redacted].
Bush, Robert B., [redacted].
Busler, Bruce A., [redacted].
Butcher, John E., [redacted].
Butler, Laurence J., [redacted].
Byers, Carl L., [redacted].
Caglia, Kelly L., [redacted].
Calhoun, Byron C., [redacted].
Callahan, James P., [redacted].
Calloway, David L., [redacted].
Calvin, John T. [redacted].
Candeto, Steven L., [redacted].
Carley, Dale H., Jr., [redacted].
Carpenter, John L., [redacted].
Carter, William B., [redacted].
Cebuhar, Mark P., [redacted].
Cerise, Mark C., [redacted].
Chabolla, Steven A., [redacted].
Chenaille, Peter J., [redacted].
Childers, Edwin R., [redacted].
Chimelski, Scott E., [redacted].
Chin, Craighton, [redacted].
Ching, Jeffrey G., [redacted].
Christy, James G., [redacted].
Clardy, William L., [redacted].
Clarizio, Robert J., [redacted].
Clark, Delane E. [redacted].
Clay, Thomas R., [redacted].
Cleland, Roy A., [redacted].
Cohick, Donald M., [redacted].
Coleman, Jerald A., [redacted].
Collins, Harry S., [redacted].
Collura, Salvatore J., Jr., [redacted].

Colvin, Gregory J., [redacted].
Colvin, James T., Jr., [redacted].
Combs, James L., Jr., [redacted].
Conroy, William F., III, [redacted].
Cook, Peyton E., [redacted].
Coons, Burton A., [redacted].
Cooper, Charles H., [redacted].
Cooper, Thomas G., [redacted].
Courtney, John F., [redacted].
Cozadd, Duane R., [redacted].
Craig, Nicholas D., [redacted].
Crandall, Michael A., [redacted].
Cromwell, Jori N., [redacted].
Culp, David P., [redacted].
Cummings, Scott O., [redacted].
Curry, Gary D., [redacted].
Cusanelli, Robert A., [redacted].
Cutkomp, Mark E., [redacted].
Cvelbar, Daniel A., [redacted].
Czerepak, George K., [redacted].
Dallas, John R., Jr., [redacted].
Darkes, Brian K., [redacted].
Davidson, Walter F., [redacted].
Davis, Alan K., [redacted].
Davis, Charles R., [redacted].
Davis, John L., [redacted].
Davis, Patrick A., [redacted].
Davis, Philip N., [redacted].
Davis, Walter R., Jr., [redacted].
Davitte, Mitchell C., Jr., [redacted].
Dawson, Michael S., [redacted].
Deaux, Charles S., [redacted].
Deekens, Arthur C., [redacted].
Defalco, Frank R., [redacted].
Degraaf, Peter J., [redacted].
Degreef, Leo H., [redacted].
Delouis, Dana R., [redacted].
Deming, Bryan F., [redacted].
Dennis, Scott T., [redacted].
Dent, Joseph F., [redacted].
Denton, David C., [redacted].
Desmond, Robert, [redacted].
Diamond, Paul A., [redacted].
Dickman, Steven P., [redacted].
Dickson, Stephen M., [redacted].
DiFrancesco, Joseph, [redacted].
Dignazio, Timothy L., [redacted].
Dobbert, Brian D., [redacted].
Donahue, Mark J., [redacted].
Donald, Edward G., [redacted].
Donaldson, Kenneth A. H., [redacted].
Donatelli, Michael G., [redacted].
Donovan, James L., [redacted].
Doremus, Eric V., [redacted].
Dorff, Scott J., [redacted].
Doyle, William P., Jr., [redacted].
Draper, Gary J., [redacted].
Drohan, Thomas A., [redacted].
Dubicki, Edward J., [redacted].
Dubose, Ted [redacted].
Duda, George J. Jr., [redacted].
Dudley, Thomas E. Jr., [redacted].
Dudney, Fred S. III, [redacted].
Duhamel, John L. Jr., [redacted].
Dunaway, Jeffrey W., [redacted].
Dunbar, Matthew C., [redacted].
Duncan, Christopher J., [redacted].
Dunkelberger, Leroy B. II, [redacted].
Dunphy, Robert M. III, [redacted].
Durban, Ronald M., [redacted].
Duvalle, Reginald A., [redacted].
Edmonds, David K., [redacted].
Eichelberger, William S. III, [redacted].
Elder, Gregory D., [redacted].
Elliott, Phillip C., [redacted].
Ellis, William W., [redacted].
Ellison, Roger K., [redacted].
Emmert, Paul H., [redacted].
Englebrecht, Michael S., [redacted].
English, Brian A., [redacted].
English, Thomas E., [redacted].
Erickson, Steven G., [redacted].
Erkes, Gary W., [redacted].
Ermel, Steven D., [redacted].
Eshleman, Brock W., [redacted].
Evans, David J., [redacted].
Eyre, Trulan A., [redacted].
Fagot, Jon F., [redacted].
Fallon, David B., [redacted].
Falzone, Joseph J., [redacted].
Faulkner, Paul E., [redacted].
Fernandez, Thomas E., [redacted].
Field, Burton M., [redacted].
Finch, Phillip D., [redacted].
Finchum, Kenneth G. Jr., [redacted].
Fink, Michael D., [redacted].
Fish, Mark B., [redacted].
Fitzgerald, Michael G., [redacted].
Flanders, Ronald R., [redacted].
Fleming, Michael J., [redacted].
Fleming, Thomas F., [redacted].
Flickinger, James A., [redacted].
Flood, Brian J., [redacted].
Foertsch, Thomas R., [redacted].
Fountain, Michael A., [redacted].
Fox, Arthur D., Jr., [redacted].
Fox, Michael E., [redacted].
Franceschi, Darwin C., Jr., [redacted].
Francois, Frank, Jr., [redacted].
Frangos, Stephen A., [redacted].
Franklin, Jeffrey G., [redacted].
Franklin, Stephen G., [redacted].
Frantz, Todd R., [redacted].
Frey, Michael D., [redacted].
Fudge, James M., [redacted].
Fullhart, Randal D., [redacted].
Fyda, Timothy J., [redacted].
Gagne, Richard H., [redacted].
Galbreath, Bryani G., [redacted].
Garber, Michael J., III, [redacted].
Garcia, Fred N., [redacted].
Garza, Roberto, [redacted].
Gaylord, Robert C., [redacted].
Gebhard, Bruce J., [redacted].
Gee, Michael P., [redacted].
Genda, William D., II, [redacted].
Gentemann, James L., III, [redacted].
Gerdemann, William P., [redacted].
Gibbs, David G., [redacted].
Giglio, Mark S., [redacted].
Gilbert, Michael H., [redacted].
Gilchrist, Lenue, Jr., [redacted].
Gilday, David C., [redacted].
Gilliland, Kent J., [redacted].
Gipson, Michael R., [redacted].
Glass, Jeffery R., [redacted].
Glenn Michael G., [redacted].
Goldbach, Gregory P., [redacted].
Golden, John S., [redacted].
Gomez, Gregory A., [redacted].
Goodwin, Kenneth R., [redacted].
Gordon, Jeffrey S., [redacted].
Gordon, Robert L., [redacted].
Gordy, George H., Jr., [redacted].
Gorenc, Frank, [redacted].
Gottleib, Aryea, [redacted].
Gowen, Jeffrey B., [redacted].
Grady, James H., Jr., [redacted].
Graf, Stephen D., [redacted].
Gray, Ronald L., [redacted].
Green, Gordon S., [redacted].
Green, Thomas G., [redacted].
Gregory, Gordon F., [redacted].
Gregory, William G., [redacted].
Gricius, Randall E., [redacted].
Griffith, Thomas E., Jr., [redacted].
Grisham, Rodney J., [redacted].
Grunwald, Scott L., [redacted].
Guertin, David B., [redacted].
Gunther, William C., [redacted].
Hackbarth, Joey R., [redacted].
Haendschke, Ernie H., [redacted].
Hagar, Richard L., [redacted].
Haisch, Henry A., Jr., [redacted].
Hall, Richard P., [redacted].
Halvorsen, Steven A., [redacted].
Hamlin, Richard J., Jr., [redacted].
Hammer, John J., Jr., [redacted].
Hampl, Brian J., [redacted].
Hanbey, Glenn T., [redacted].
Hancock, Regis T., [redacted].
Haney, Anthony L. H., [redacted].
Hanger, James L., Jr., [redacted].
Harden, Bradford L., [redacted].
Hargrove, Mark D., [redacted].
Harper, Malcolm C., [redacted].
Harrington, Scott D., [redacted].
Harris, Gary N., [redacted].
Harris, Junious L., III, [redacted].
Hartley, David B., [redacted].
Hawkins, Carl A., [redacted].
Hay, Scott D., [redacted].
Hayes, Michael S., [redacted].
Hays, Peter L., [redacted].
Heaberlin, Michael A., [redacted].
Headlee, Christopher R., [redacted].
Helms, Michael R., [redacted].
Henderson, Frank E., III, [redacted].
Hennings, Gary L., [redacted].
Henry, Bobby D., [redacted].
Hernandez, Ricardo, [redacted].
Herrera, Rojelio, Jr., [redacted].
Herrera, Walter H., [redacted].
Hess, Parke H., Jr., [redacted].
Hilburn, Mark J., [redacted].
Hill, Robie J., [redacted].
Hilley, Dennis F., [redacted].
Hilton, Jeffrey C., [redacted].
Hoff, Ernest H., [redacted].
Hoffman, Lawrence J., [redacted].
Hoida, Daniel J., [redacted].
Holbrook, John B., [redacted].
Hollenbeck, Kenneth F., [redacted].
Holmes, Reginald C., [redacted].
Honneycutt, Grover R., [redacted].
Hoobler, Michael A., [redacted].
Hood, David B., [redacted].
Hoog, Stephen L., [redacted].
Horning, Richard R., [redacted].
Horton, Ronald G., [redacted].
Hough, Paul G., [redacted].
Hoy, Timothy J., [redacted].
Huberty, Paul G., [redacted].
Hudspeth, Ernest M., Jr., [redacted].
Huff, George W., [redacted].
Hughes, Peter C., [redacted].
Hugo, Dennis R., [redacted].
Humphrey, Jack D., Jr., [redacted].
Hunsuck, Donald E., [redacted].
Hunt, Ronald S., [redacted].
Hunt, Thomas P., [redacted].
Hutchison, Hugh E., [redacted].
Ilseng, Jon K., [redacted].
Impellizzeri, Kenneth B., [redacted].
Iott, Charles D., [redacted].
Jackson, Jeffry A., [redacted].
Jackson, William T., Jr., [redacted].
Jacobsen, Frederick J., [redacted].
Jacobson, Christopher P., [redacted].
Jensen, Scott R., [redacted].
Jerger, Michael A., [redacted].
Jimenez, James A., [redacted].
Jogerst, John D., [redacted].
Johnson, Alan E., [redacted].
Johnson, Curtis W., [redacted].
Johnson, Henry O., IV, [redacted].
Johnson, Samuel L., [redacted].
Johnston, Stephen A., [redacted].
Jones, Bradley K., [redacted].
Jones, Charles D., III, [redacted].
Jones, Kevin E., [redacted].
Jones, Richard A., [redacted].
Jones, Vernon D., [redacted].
Jones, Wesley W., [redacted].
Jordan, Michael A., [redacted].
Jouas, Jan M., [redacted].
Jowers, David G., [redacted].
Joyce, Peter S., [redacted].
Jurewicz, Donald, [redacted].
Kadlec, Robert P., [redacted].
Keary, George T., Jr., [redacted].
Keese, Charles R., [redacted].
Kellerhals, Philip J., [redacted].
Kelly, Brian J., [redacted].
Kelly, Brian T., [redacted].
Kelly Paul M., [redacted].
Kemp, Calvin W., [redacted].
Kent, Roger L., [redacted].
Kerr, Stuart V., [redacted].
Kertz, Kevin D., [redacted].
Kimmel, Charles D., [redacted].
Kinard, Samuel R., [redacted].
King, Christopher R., [redacted].
King, David M., [redacted].
King, Steven B., [redacted].
Kirk, Kevin D., [redacted].
Kiss, Vincent T., [redacted].
Kleinheksel, Mark A., [redacted].
Klingshirn, Glen W., [redacted].
Klopp, Todd W., [redacted].
Kluttz, John R., Jr., [redacted].
Kochaniuk, Milton M., [redacted].
Kocourek, Elden J., [redacted].
Koechel, Brian R., [redacted].
Koehler, Kenneth R., [redacted].
Kohlhofer, Jeffrey L., [redacted].

Kolling, James G., [redacted].
Kovatch, Thomas B., [redacted].
Kraak, Kenneth L., [redacted].
Krakoff, Richard A., [redacted].
Kraska, Andrew W., [redacted].
Krier, Daniel W., [redacted].
Kries, Keith D., [redacted].
Kronebusch, Robert A., [redacted].
Kuebler, William R., Jr., [redacted].
Kuehn, John M., [redacted].
Kuhlmann, Mark S., [redacted].
Kurlancheek, Brad, [redacted].
Lafon, Ronald C., [redacted].
Lane, Mark R., [redacted].
Lankford, Frederick A., [redacted].
Larned, Russ H., [redacted].
Larsh, Jeffrey S., [redacted].
Larson, James B., [redacted].
Lathrop, Larry W., [redacted].
Lease, Lon M., [redacted].
Leatham, Dale W., [redacted].
Leggett, Michael J., [redacted].
Lemelin, Edward E., [redacted].
Lengenfelder, Douglas R., [redacted].
Lenz, Peter R., [redacted].
Leonard, Steven D., [redacted].
Leone, Michael, [redacted].
Lepper, Steven J., [redacted].
Leptrone, Jeffrey L., [redacted].
Lessel, Erwin F., III, [redacted].
Leuthold, Mark A., [redacted].
Leutze, Michael S., [redacted].
Lewis, James C., [redacted].
Lewis, William L., Jr., [redacted].
Liard, Scott R., [redacted].
Liederbach, Jeffrey T., [redacted].
Lientz, Michael E., [redacted].
Lind, Marcus R., [redacted].
Lindblom, Bruce A., [redacted].
Locher, Mark A., [redacted].
Lockie, Thomas R., [redacted].
Lonczak, David W., [redacted].
Long, Cyril S., [redacted].
Long, Leslie J., [redacted].
Long, Ronald M., [redacted].
Longoria, Michael A., [redacted].
Longwill, Brian G., [redacted].
Looney, Steven J., [redacted].
Lowery, Stephen M., [redacted].
Lujan, Bruce E., [redacted].
Lukasik, Mark J., [redacted].
Lund, Eric H., [redacted].
Lund, John L., Jr., [redacted].
Lundy, Leo C., [redacted].
Lustig, Donald, [redacted].
Luukkonen, William J., [redacted].
Machado, Kenneth R., Jr., [redacted].
Mackey, Philip, Jr., [redacted].
Macklin, Joseph D., Jr., [redacted].
MacPherson, Bruce E., [redacted].
Madsen, David A., [redacted].
Maher, William M., [redacted].
Mallery, Carl J., [redacted].
Mamuzich, Kelvin A., [redacted].
Mandziara, James J., [redacted].
Mangan, John W., III, [redacted].
Manning, David M., [redacted].
Markl, David C., [redacted].
Marquardt, Joe H., [redacted].
Martin, Chal A., [redacted].
Martin, Daniel P., [redacted].
Martinelli, Michael A., [redacted].
Masonis, Jerome F., II, [redacted].
Mathews, Stephen A., [redacted].
Matsen, Stephen R., [redacted].
Mattern, Kenneth G., [redacted].
Mattson, Michael A., [redacted].
Matz, Jon A., [redacted].
Maust, Dennis R., [redacted].
Maxon, Stuart B., [redacted].
Maxwell, Richard M., [redacted].
Maynard, Joel R., [redacted].
Mays, William B., [redacted].
McAlear, Rodney A., [redacted].
McBride, George E., III, [redacted].
McCabe, Thomas M., [redacted].
McCafferty, Thomas P., [redacted].
McCarthy, Thomas A., [redacted].
McCartney, David R., [redacted].
McCasland, William N., [redacted].
McCausland, Charles W., [redacted].
McChesney, Donald J., [redacted].
McChesney, Jeffrey A., [redacted].
McCorkle, Charles S., [redacted].
McCormack, John B., [redacted].
McCurdy, Timothy M., [redacted].
McDavid, Geoffrey K., [redacted].
McDonald, Dann C., [redacted].
McElwee, Michael J., [redacted].
McGovern, Thomas L., III, [redacted].
McGrath, Daniel T., [redacted].
McGraw, Danny L., [redacted].
McGreal, Robert M., [redacted].
McIntee, James W., Jr., [redacted].
McIntire, Edward J., [redacted].
McKay, David B., [redacted].
McKay, Kenneth E., Jr., [redacted].
McKinney, David K., [redacted].
McKinnon, Frank B., [redacted].
McLaughlin, John S., [redacted].
McLean, Timothy R., [redacted].
McNeill, Rodney J., [redacted].
Melim, Peter B., [redacted].
Mendoza, Frank R., [redacted].
Merriam, Stephen D., [redacted].
Meyer, Randell S., [redacted].
Micalizzi, John, [redacted].
Mikula, Daniel J., [redacted].
Miller, James M., Jr., [redacted].
Miller, Jerry F., [redacted].
Miller, Mark D., [redacted].
Miller, Paul J., [redacted].
Miller, Wesley A., [redacted].
Millican, Marc J., [redacted].
Milot, William P., [redacted].
Minkinow, Ted H., [redacted].
Minster, Seth N., [redacted].
Mitchell, Verner D., [redacted].
Miyamoto, Jimmy, [redacted].
Mohar, Robert K., [redacted].
Moore, Harrell M., II, [redacted].
Moore, Jeffrey A., [redacted].
Morel, Ronald R., [redacted].
Morgan, George R., III, [redacted].
Morgan, John J., [redacted].
Morgan, Kevin J., [redacted].
Morgan, Mark E., [redacted].
Moroze, Michael L., [redacted].
Morris, Thomas J., [redacted].
Morrissette, Michael C., [redacted].
Mueller, Stephen P., [redacted].
Muhlenberg, Mark C. K., [redacted].
Mullady, Michael, [redacted].
Mulligan, Geoffrey C., [redacted].
Mumby, James J., Jr., [redacted].
Mundelein, Teddy O., Jr., [redacted].
Murakami, Michael G., [redacted].
Murphy, William K., [redacted].
Murry, Curtis R., [redacted].
Muscatell, James J., Jr., [redacted].
Needham, Theodore E., III, [redacted].
Needs, Richard C., [redacted].
Neice, Mark W., [redacted].
Nelsen, Donald A., [redacted].
Nelson, James L., [redacted].
Nemeth, Gregory S., [redacted].
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Newman, Laurence B., [redacted].
Newman, Richard L., [redacted].
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Nord, Robert A., [redacted].
Norris, Michael A., [redacted].
Norton, Bradley G., [redacted].
Notestein, John A., II, [redacted].
Nowak, Michael J., [redacted].
O'Connell, Peter F., IV, [redacted].
O'Donnell, John C., [redacted].
O'Mahen, John, [redacted].
O'Neil, James W., Jr., [redacted].
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Orban, Kenneth D., [redacted].
Oritz, David, [redacted].
Osler, Benjamin F., [redacted].
Ostdiek, Paul H., [redacted].
Oswald, Jeffrey S., [redacted].
Otomo, Michael, [redacted].
Owen, David L., [redacted].
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Paddock, Patrick B., II, [redacted].
Page, Brian C., [redacted].
Palandech, Donald M., [redacted].
Pappalardo, Paolo, [redacted].
Paradowski, Anthony M., [redacted].
Pardo, John R., Jr., [redacted].
Pardun, Lindsey S., [redacted].
Parsons, Robert A., III, [redacted].
Parsons, Roger D., [redacted].
Pasko, Peter D., [redacted].
Pasterak, George R., [redacted].
Pate, Walter R., Jr., [redacted].
Pearson, Edward O., [redacted].
Pepin, Wayne C., [redacted].
Pecor, Bruce R., [redacted].
Pearson, Ricardo, [redacted].
Peplinski, Michael L., [redacted].
Perdue, Vinson K., [redacted].
Perry, Ronnie W., [redacted].
Peters, Richard D., [redacted].
Petterson, Hermes J., Jr., [redacted].
Pfautz, Richard J., [redacted].
Phene, Claude J., II, [redacted].
Phillips, Patrick W., [redacted].
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Phillips, William E., IV, [redacted].
Pickett, Gary D., [redacted].
Pickitt, John O., [redacted].
Pierce, George J., [redacted].
Pimentel, Mark N., [redacted].
Piribek, John M., [redacted].
Plaehn, Timothy A., [redacted].
Pointer, Ronald L., [redacted].
Player, James I., [redacted].
Pool, James H., [redacted].
Price, Jeffrey A., [redacted].
Prior, John W., II, [redacted].
Quasney, Thomas J., [redacted].
Rakel, Steven L., [redacted].
Ramirez, Juanito E., [redacted].
Rand, Robin, [redacted].
Rasmussen, Steven K., [redacted].
Rathnau, Ronald A., [redacted].
Rayfield, William L., II, [redacted].
Reed, Dale N., Jr., [redacted].
Regan, James C., III, [redacted].
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Reilly, William D., III, [redacted].
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Rember, William B., [redacted].
Renis, Joseph A., [redacted].
Repasky, Daniel S., [redacted].
Rew, William J., [redacted].
Reynolds, Scott A., [redacted].
Rhodes, David M., [redacted].
Rhodes, Michael L., [redacted].
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Ristine, William N., [redacted].
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Robinson, Eddie, [redacted].
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Roman, Gregory A., [redacted].
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Rosebush, Russell C., [redacted].
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Ryder, Bill K., [redacted].
Saettel, Donald J., [redacted].

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Salvador, John A., [redacted].
Sanchez, Humberto A., II, [redacted].
Sanders, Robin L., [redacted].
Sandoval, Lawrence J., [redacted].
Sands, Raymond G., [redacted].
Sapper, David A., [redacted].
Saunders, Edward W. [redacted].
Savala, Thomas J., [redacted].
Sawtelle, Steven C., [redacted].
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Scherbinske, Donald A., [redacted].
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Schirmer, Chester C., [redacted].
Schmidt, Bradly R., [redacted].
Schmidt, Kerry D., [redacted].
Schmidt, Kevin G., [redacted].
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Schneller, James L., [redacted].
Schoch, Dennis L., [redacted].
Schoon, Neil F., [redacted].
Schossau, Tom M., [redacted].
Schotanus, Reed D., [redacted].
Schubert, Paul R., [redacted].
Schug, Klaus H., [redacted].
Schuld, Rodger G., [redacted].
Schultz, Keith D., [redacted].
Schulz, Frederick E., [redacted].
Schumacher, Edward J., [redacted].
Scott, Daniel L., [redacted].
Seager, Samuel C., Jr., [redacted].
Seamster, Robert A., [redacted].
Seiler, Wayne J., [redacted].
Sekac, Edward A., [redacted].
Semenok, Wayne A., [redacted].
Senechek, David R., [redacted].
Sercel, Jonathan A., [redacted].
Shell, Roger D., [redacted].
Shemwell, Paul F., [redacted].
Shields, John J., [redacted].
Shillington, Thomas P., [redacted].
Short, Gregory L., [redacted].
Shropshire, Allan B., [redacted].
Shular, Kurt W., [redacted].
Shumate, James R., [redacted].
Shunk, Lawrence J., [redacted].
Siegrist, Robert C., [redacted].
Simmons, Scott P., [redacted].
Sims, James R., Jr., [redacted].
Skarstedt, Vance R., [redacted].
Skubal, Gary A., [redacted].
Smetana, Scott M., [redacted].
Smiley, Charles P., [redacted].
Smith, David B., [redacted].
Smith, Gerald T., [redacted].
Smith, Gregory L., [redacted].
Smith, James D., [redacted].
Smith, Robert B., [redacted].
Snow, Warren W., [redacted].
Snoy, Kenneth L., [redacted].
Snyder, Francis E., [redacted].
Snyder, Jay R., [redacted].
Snyder, Jeffrey G., [redacted].
Sollars, Mark J., [redacted].
Sosa, Steve A., [redacted].
Sowards, Mark A. [redacted].
Spears, Fredrick S., [redacted].
Spence, Stephen M., [redacted].
Spencer, Clyde V., Jr., [redacted].
Spurio, Nazzareno H., Jr., [redacted].
Staples, Richard J., [redacted].
Stark, Thomas J., [redacted].
Starr, William K., [redacted].
Stearns, Mark E., [redacted].
Steele, Danny, [redacted].
Steffen, Michael W., [redacted].
Stephan, Robert B., [redacted].
Stevens, Kurt B., [redacted].
Stewart, Ruston J., [redacted].
Stone, William E., Jr., [redacted].
Storms, Douglas R., [redacted].
Story, James R., [redacted].
Stratford, Daniel W., [redacted].
Stricklin, Steven L., [redacted].
Stubbs, Stephen W. [redacted].
Stull, Bert W. N., [redacted].
Sumada, Jiro A., [redacted].
Susalla, John R., [redacted].
Sveska, Creg R. [redacted].
Svestka, Mark J., [redacted].
Swain, Robert R., Jr., [redacted].
Swanson, Dale A., [redacted].
Swanson, Pat H., [redacted].
Swanson, Paul G., [redacted].
Swartz, Calvin L., [redacted].
Szulta, John A., III, [redacted].
Takai, Thomas, A., [redacted].
Talbot, Thomas J., [redacted].
Tarczynski, Gary C., [redacted].
Tardie, Robert D., [redacted].
Taylor, Abbott L., Jr., [redacted].
Taylor, Walter W., Jr., [redacted].
Tebrink, Kenneth L., [redacted].
Teigeler, Thomas W., [redacted].
Tenpas, Lowell J., [redacted].
Tettelbach, Robert J., [redacted].
Thomas, David G., [redacted].
Thomas, John D., [redacted].
Thomas, Michael A., [redacted].
Thomason, James K., [redacted].
Thomasson, David J., [redacted].
Thurman, Paul E., [redacted].
Tierney, John G., II, [redacted].
Tisdale, Patrick D., Jr., [redacted].
Todar, Charles F., [redacted].
Todoroff, Kurt R., [redacted].
Tomkinson, Stanley J., [redacted].
Towe, Russell L., [redacted].
Trapaga, Ralph P. L., [redacted].
Travnick, William R., [redacted].
Treadway, Charles G. C., [redacted].
Tremblay, Richard E., [redacted].
Trogstad, Douglas D., [redacted].
Trouwborst, Keith J., [redacted].
Trumble, Quentin M., [redacted].
Tschirgi, Daniel M., [redacted].
Tullia, Terrance T., [redacted].
Turberville, Mark S., [redacted].
Ungaro, Glen D., [redacted].
Vance, James D., [redacted].
Vandam, Blaine A., [redacted].
Vandercook, David A., [redacted].
Vanhoomissen, Michael F., [redacted].
Vanlaan, Michael J., [redacted].
Vanvalkenburg, Scott W., [redacted].
Vanwicklin, Frederick D., [redacted].
Vazquez, Donald J., Jr., [redacted].
Veitschegger, Frederick B., [redacted].
Vendlinski, Terry P., [redacted].
Vera, Nelson T., [redacted].
Vilot, Michael J., [redacted].
Vinskey, Michael A., [redacted].
Vitullo, John B., Jr., [redacted].
Vogt, Robert P., [redacted].
Volk, Mark A., [redacted].
Vonkessel, Karl R., [redacted].
Vrabel, David J., [redacted].
Waddell, Charles C., Jr., [redacted].
Wagner, Glen R. [redacted].
Wagner, John, [redacted].
Waibel, Burt C., [redacted].
Walker, Frank E., [redacted].
Wallace, Rick C., [redacted].
Walley, Richard A., [redacted].
Walsh, Guy M., [redacted].
Walter, Jeffrey A., [redacted].
Ward, David C., [redacted].
Ware, Michael E., [redacted].
Warner, Curt E., [redacted].
Watkins, Alex E., [redacted].
Watkins, Steven D., [redacted].
Watson, Michael D., [redacted].
Wavering, Kenneth R., [redacted].
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Weaver, Kenneth L., [redacted].
Weaver, Paul J., [redacted].
Weiger, William K., [redacted].
Weiland, Michael, J. P., [redacted].
Weisman, Joseph S., [redacted].
Welch, William E., [redacted].
Wheeless, Steven D., [redacted].
White, James A., III, [redacted].
White, Lawrence J., [redacted].
Whiting, Harrison H., III, [redacted].
Willard, Bruce W., [redacted].
Willemin, Robert L., [redacted].
Williams, Steven C., [redacted].
Wills, Guy J., III, [redacted].
Wilson, Edward M., [redacted].
Wingo, Thomas L., [redacted].
Winters, James B., [redacted].
Withers,Peter A., [redacted].
Witt, Richard B., [redacted].
Woish, Mark S., [redacted].
Worsowicz, Christopher J., [redacted].
Wright, Walter E. III, [redacted].
Wyatt, Richard G., [redacted].
Wyman, Max M., [redacted].
Yaniero, William C., [redacted].
Yanni, Thomas D., [redacted].
Yata, Avyn F., [redacted].
Young, Daniel C., [redacted].
Zamora, Ross Carl Jr., II [redacted].
Zanowicz, Edward T., [redacted].
Zarate, Peter J., [redacted].

THE JUDICIARY

Richard L. Williams, of Virginia, to be U.S. district judge for the Eastern District of Virginia, vice a new position created by Public Law 95–486, approved October 20, 1978.

ACTION AGENCY

Richard Frank Celeste, of Ohio, to be an Associate Director of the ACTION Agency, vice Carolyn R. Payton, resigned.

HOUSE OF REPRESENTATIVES—*Monday, April 9, 1979*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, B.D., offered the following prayer:

Make me to know Thy ways, O Lord; teach me Thy paths. Lead me in Thy truth and teach me, for Thou art the God of my salvation; for Thee I wait all the day long.—Psalms 25: 4, 5.

O God, our help in ages past and our hope for years to come, we thank You for the direction Your word can give us when we are uncertain, or afraid. Cause us to lift our eyes to those truths that do not change, help us to set our hearts to the high vision which You have given.

Let us not be content with the ordinary or the usual, but give us the courage to raise our sights to see you as the Author and the Finisher of our faith and the ever present help in time of need.

In Your name, O Lord, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's

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☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S 423. An act to promote commerce by establishing a national goal for the development and maintenance of effective, fair, inexpensive, and expeditious mechanisms for the resolution of consumer controversies, and for other purposes.

DISAPPROVAL RESOLUTION URGED TO PREVENT AMTRAK ROUTE RESTRUCTURING

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. GLICKMAN. Mr. Speaker, time is running out for us to act to prevent implementation of the Amtrak route restructuring proposed by the Department of Transportation in January, and I urge my colleagues immediately to contact the House Commerce Committee urging that a disapproval resolution be reported for action by the full House. At the very least, the Amtrak study should be returned to DOT for reevaluation in light of a drastically changed energy situation. And our opportunity to send it back will run out in the middle of May.

The DOT proposal would eliminate 43 percent of Amtrak's rail mileage, largely in areas of the country with no alternative mode of mass transportation. And, if it goes into effect, it would mean that this Government will have made a decision to give up on a meaningful rail passenger system in most areas of the country. Once that decision is made, we might as well accept the fact that it will be not just for tomorrow, but forever.

There are plenty of reasons why we should send these recommendations back to DOT. Two strike me as particularly compelling. First, these recommendations are based on outdated research done last summer. At that time, I seriously doubt that the DOT had ever heard of the Ayatollah Khomeini. And that is obvious when you review the DOT recommendations and find that their impact on our energy situation were given little more than lip service. Second, the cost estimates used in preparing the recommendations were extremely one sided. The report talks about savings involved in the cuts, but DOT still—several months after filing its report—has not been able to provide comprehensive figures on the costs involved in rerouting aspects of the proposals. I don't think it makes sense to move ahead with only half the facts.

Again, I urge my colleagues to join those of us who have urged the Commerce Committee to send this matter to the floor. At that point, we can decide this issue in light of its full ramifications.

ADMINISTRATION'S EMPHASIS ON HUMAN RIGHTS DEFENDED

(Mr. GORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GORE. Mr. Speaker, I read an article recently that attempted to draw the conclusion that the Iranian revolution was due partly to the emphasis on the part of the administration on human rights around the world. I disagree and I want to say that I think, even if the President's determination to make human rights a subject for discussion around the world causes some discomfort, it is something that should be done anyway.

□ 1205

I think it is an achievement that for the first time in recent history countries around the world have the idea of human rights on their lists of concern. People are talking about what America stands for, and I think that is an accomplishment that this administration can be proud of.

WELCOME TO CONGRESS, TOM PETRI

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, I want to be among the first Members to welcome TOM PETRI, our bright, new Congressman from Wisconsin's Sixth District.

Congressman PETRI's district borders my district on the south, and I have followed his campaign and his career over the years.

TOM's outstanding ability as a legislator is well known to me from the years when we both served in the State legislature, TOM as a State senator and I as a State representative.

Congressman PETRI is a dedicated public servant. He has prepared himself well for the challenges and opportunities that face America today.

He will be able to apply his excellent Harvard Law School education to the work of Congress. I am sure he will quickly become a valuable addition to our ranks.

Congressman Bill Steiger left a great gap in the House. It is reassuring to know that his seat will be filled by a man of TOM PETRI's caliber.

Congressman PETRI, welcome to Congress.

WORLD FREE ENTERPRISE

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, there is soon to be an International Congress on Freedom. This will be held April 23–27 in Asuncion, Paraguay. It is anticipated that over 80 countries will be represented at this meeting. They will represent political parties, civic associations, religious organizations, unions, businessmen, workers, professional leaders, and a cross section of citizens throughout the world.

Under the leadership of President Alfredo Stroessner, Paraguay continues to make remarkable progress with the development of the Itaipu Hidroelectric power plant which Brazil and Paraguay are jointly constructing. This Itaipu achievement represents the best of private enterprise. It may prove to be the greatest step forward this century for all of Latin America.

As the world faces the choice between communism and the free enterprise system, I am proud to see these leaders meet to discuss ways of strengthening and building a progressive free enterprise system throughout the world.

Our country represents living proof of the strength and opportunities from a free enterprise system. For over 10,000 years people have lived on our land. They had built no permanent cities. They had not even discovered the wheel. Yet, with the free enterprise system, we have within the short period of 200 years developed the greatest civilization of all times.

Dr. Juan Manuel Frutos is chairman of this meeting in Paraguay. To Dr. Frutos I extend my sincerest congratulations on arranging this outstanding meeting. Dr. Frutos is the incoming chairman of the congressional council which is coordinating this international conference.

UPCOMING BUDGET RESOLUTION CONTAINS LEGISLATIVE SAVINGS TOTALING $5.966 BILLION

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, last week the House Budget Committee reported out the first concurrent budget resolution for fiscal year 1980. Responding to the concerns of many Members and taxpayers, the committee worked very hard to hold down the projected deficit. After careful study and scrutiny, the committee endorsed a budget with a $24.9 billion deficit, more than $4 billion less than the deficit proposed by the President in his January 15 budget message.

However, as a member of the Budget Committee and as chairman of the Task Force on Legislative Savings, I would like to remind Members that this $24.9 billion deficit is not at all a guaranteed goal. Achieving it depends in large part on whether the Congress adopts the numerous legislative savings proposals assumed in the budget resolution. These savings total $5,966,000,000 for fiscal year 1980 and more than $55 billion on a cumulative, 5-year basis. In other words, without these savings reforms, the fiscal year 1980 budget deficit would automatically rise to $30.8 billion.

There is no question that attempting to control unnecessary spending and to balance the budget is a painful process. Talking about the need for fiscal restraint is easy, but making the choices on important programs that may impact on one's own district is far more difficult. Nevertheless, if we are ever to regain control over the budget on a long-term basis, we must begin to focus on the area of legislative savings and, in particular, on those legislative savings that the committee has already identified in this year's budget resolution. Certainly, some of these proposals are tough, some of them impact on favored interest groups, but nonetheless, we must consider them and adopt either them or equivalent savings, if we are to attain the $24.9 billion deficit the committee has recommended.

Besides the savings assumed for fiscal year 1980, the committee went one step further and adopted language I proposed which would require all standing committees to report to the House by July 1 on the status of their actions on this year's legislaive savings and which would mandate that in their March 15 reports, starting in 1980, the standing committees include specific recommendations as to additional possible legislative savings. It is the hope and intent of the Budget Committee that this will greatly stimulate both consideration of and action on new legislative savings.

Attached is a listing of the legislative savings included in the first concurrent resolution on the budget. I would urge Members to study this list and to look for proposals that they suport, that they can push as individuals or as members of authorizing committees. Each of us may have concerns about some of these proposals; that is to be expected. However, I would hope that, by taking a longer range view of the savings contained in these measures and by working together, we can enact these reforms and make the kind of permanent changes in law that will really bring spending under control. Without this kind of tough, difficult process, we will never achieve the fiscal restraint we all seek.

A pertinent table follows:

Legislative savings assumptions in fiscal year 1980 budget

[Outlays in millions of dollars]

Program	Fiscal year 1980	Fiscal years 1980–84
Wage board reform	$80	$664
Annualize COL for Federal retirees	23	23
Lower operating differential subsidies—merchant marine	50	(1)
Eliminate indexing State vocational ed grants	72	701
Cap Title XX grants for State, local training	26	170
Impact aid reform—B category	100	500
Hospital cost containment	1,400	21,820
Medicare/Medicaid program reform	404	4,574
Food stamp reforms	152	740
AFDC reforms	208	982
AFDC child support enforcement	75	356
SSI modifications	10	65
Child nutrition programs—cut subsidy for nonneedy	519	2,600
Social security disability reforms	62	3,004
Veterans health—third-party reimbursement	165	1,514
Other veterans health benefits (otc drugs, travel, dental)	97	506
GI bill—correspondence course, flight training	59	218
Burial benefits	50	262
General revenue sharing to States	2,285	14,250
Total	5,966	55,334

(1) To be computed.

INTRODUCING BILL TO REQUIRE PAYMENT FOR PARKING PRIVILEGES ON CAPITOL HILL

(Mr. WHITTAKER asked and was given permission to address the House for 1 minute and to revise and extend his remark.)

Mr. WHITTAKER. Mr. Speaker, I rise to ask my colleagues to join me in showing the American people that we are serious about responding to our country's energy problems, we must show them that they are not the only ones who will be asked to make sacrifices.

I am introducing a bill today to require that all of us, and our staff members, pay for our parking privileges here on Capitol Hill. Now that the President has acted to require other Federal employees to pay for their parking spaces, it is up to us to join him in displaying leadership, forgoing special privileges, and encouraging others to go along with an energy plan that is in the Nation's best interest—but which requires sacrifices from us all.

Nothing will be achieved by waiting for others to make the sacrifices needed to address our energy problems. Much can be gained by taking the lead ourselves.

CERTIFICATE OF ELECTION FOR REPRESENTATIVE-ELECT BILL ROYER—COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
April 9, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a copy of the Certificate of Election for the Honorable BILL ROYER, who was duly elected Representative in Congress from the 11th Congressional District of the State of California in a Special Election held on April 3, 1979.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

PERMISSION FOR SWEARING-IN OF THE HONORABLE THOMAS E. PETRI, NOTWITHSTANDING NONARRIVAL OF CERTIFICATE OF ELECTION

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that the gentleman from the Sixth District of Wisconsin, Mr. THOMAS E. PETRI, be permitted to take the oath of office today. His certificate of election has not arrived, but there is no contest, and no question has been raised with regard to his election.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. COAST GUARD ACADEMY FOR YEAR 1979 COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON MERCHANT MARINE AND FISHERIES

The SPEAKER laid before the House the following communication from the chairman of the Committee on Merchant Marine and Fisheries:

COMMITTEE ON MERCHANT MARINE
AND FISHERIES,
Washington, D.C., March 21, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
The Capitol Building,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to section 194 of title 14 of the United States Code, I have appointed the following Members of the Committee on Merchant Marine and Fisheries to serve as members of the Board of Visitors to the United States Coast Guard Academy for the year 1979:

The Honorable MARIO BIAGGI of New York.

The Honorable E. (KIKA) DE LA GARZA of Texas.

The Honorable GENE SNYDER of Kentucky.

As chairman of the Committee on Merchant Marine and Fisheries, I am authorized to serve as an ex officio member of the Board.

Sincerely,

JOHN M. MURPHY,
Chairman.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. MERCHANT MARINE ACADEMY FOR 1979, COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON MERCHANT MARINE AND FISHERIES

The SPEAKER laid before the House the following communication from the chairman of the Committee on Merchant Marine and Fisheries:

COMMITTEE ON MERCHANT MARINE
AND FISHERIES,
Washington, D.C., March 21, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House, U.S. House of Representatives, The Capitol, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Public Law 301 of the 78th Congress, I have appointed the following Members of the Committee on Merchant Marine and Fisheries to serve as members of the Board of Visitors to the United States Merchant Marine Academy for the year 1979.

The Honorable MARIO BIAGGI of New York.

The Honorable LES AUCOIN of Oregon.

The Honorable PAUL N. MCCLOSKEY of California.

As chairman of the Committee on Merchant Marine and Fisheries, I am authorized to serve as an ex officio member of the Board.

Sincerely,

JOHN M. MURPHY,
Chairman.

☐ 1210

APPOINTMENT AS MEMBER OF FEDERAL COUNCIL ON THE ARTS AND THE HUMANITIES

The SPEAKER. Pursuant to the provisions of section 2(a)(8), Public Law 93–133, the Chair appoints as a member of the Federal Council on the Arts and the Humanities the following Member on the part of the House: The gentleman from California, Mr. STARK.

APPOINTMENT AS MEMBER OF NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

The SPEAKER. Pursuant to the provisions of 44 U.S.C. 2501, as amended, the Chair appoints as a member of the National Historical Publications and Records Commission the gentleman from North Carolina, Mr. PREYER.

APPOINTMENT AS MEMBERS OF MIGRATORY BIRD CONSERVATION COMMISSION

The SPEAKER. Pursuant to the provisions of 16 United States Code 715a, as amended, the Chair appoints as members of the Migratory Bird Conservation Commission the following Members on the part of the House: Mr. DINGELL of Michigan and Mr. CONTE of Massachusetts.

APPOINTMENT AS MEMBERS OF SELECT COMMITTEE ON OUTER CONTINENTAL SHELF

The SPEAKER. Pursuant to the provisions of House Resolution 53, 96th Congress, the Chair appoints as members of the Select Committee on the Outer Continental Shelf the following Members of the House:

Mr. MURPHY of New York, chairman;
Mr. UDALL of Arizona;
Mr. KAZEN of Texas;
Mr. BREAUX of Louisiana;
Mr. STUDDS of Massachusetts;
Mr. HUGHES of New Jersey;
Mr. RUSSO of Illinois;
Mr. MILLER of California;
Mr. SEIBERLING of Ohio;
Mr. GINN of Georgia;
Mr. ZEFERETTI of New York;
Mr. BONIOR of Michigan;
Mr. FORSYTHE of New Jersey;
Mr. YOUNG of Alaska;
Mr. LOTT of Mississippi;
Mr. EMERY of Maine;
Mr. LIVINGSTON of Louisiana; and
Mr. LEWIS of California.

PERSONAL ANNOUNCEMENT AS TO VOTE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, due to hearings in the Subcommittee on Administrative Law and Governmental Relations, which I chair, I was unable to be present for the first vote on Monday, April 2, 1979. That vote, rollcall No. 70, was to suspend the rules and pass House Joint Resolution 199, making a technical correction in the Pueblo Indian Land Trust Act. House Joint Resolution 199 passed by a vote of 336 yeas to 0 nays. I would have voted "yea."

HEW REGULATIONS RAISE HOSPITAL RATES

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, today I received a letter from a local hospital in my hometown—Memorial Hospital in Long Beach, Calif. This hospital is being forced to raise its prices.

But it is not inflation, lack of planning or too many hospital beds which is forcing their prices up.

The culprit is a new set of regulations dreamed up by the foremost critic of rising hospital costs—HEW Secretary Joseph Califano.

It seems that HEW has taken upon itself the authority to force all hospitals to alter their accounting systems to one uniform code—for the convenience of HEW. This code was developed by HEW bureaucrats. The manual for this code is 600 pages long. And the cost to this one hospital to implement this code for the first year alone will be one-half million dollars. After that, it will cost this hospital more than $100,000 annually to train additional personnel to use it, and to keep the system up.

This hospital in my district is nonprofit and it cannot absorb the cost of these new regulations. The only thing it can do is pass the cost of this new system along to the consumer.

How can we expect to the public to take seriously the need to control prices and keep cost down when the Government itself is one of the biggest price gougers around?

STIMULATION OF DOMESTIC PRODUCTION OF ENERGY

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. DERWINSKI. Mr. Speaker, in reviewing the program developed by White House policymakers responsible for dealing with the Nation's energy problems, I am reminded of that television program "Double Jeopardy." The course of action they advocate leaves us completely at the mercy of unreliable foreign producers and nullifies much of the incentive for domestic exploration and production.

The key issue is the eventual termination of U.S. dependence on foreign suppliers, and the only way to do that is by stimulating domestic production. There are limitations on how far you can go to restrict the use of energy. I also think it is a mistake to penalize American companies through the so-called windfall profits tax. A more logical approach would be to designate that profits over and above a reasonable level be plowed back into new exploration, increased production, and expansion of refinery and storage capacity.

In ignoring some economic and geopolitical facts of life, White House policymakers have completely mishandled the Nation's energy problems. In my opinion, American know-how, American capital, and American determination can bring us national self-sufficiency without seriously restricting the living standards of our people. The correct first step toward achieving that goal is the stimulation of American production.

CALL OF THE HOUSE

Mr. MICHEL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 81]

Archer
Ashley
Aspin
Badham
Barnes
Beard, Tenn.
Beilenson
Boggs
Breaux
Brown, Ohio
Buchanan
Burton, John
Burton, Phillip
Campbell
Carter
Cheney
Chisholm
Clausen
Clay
Cleveland
Coleman
Collins, Ill.
Conable
Conyers
Cotter
Coughlin
Crane, Daniel
Crane, Philip
Daschle
Davis, S.C.
Deckard
Dellums
Derrick
Diggs
Dingell
Dodd
Donnelly
Dornan
Duncan, Oreg.
Ertel
Evans, Ga.
Fascell
Fenwick,
Fish
Fithian
Foley
Ford, Tenn.
Frost
Garcia
Hagedorn
Hall, Tex.
Harsha
Heckler
Holt
Holtzman
Hubbard
Hutto
Hyde
Ichord
Jenkins
Jones, N.C.
Kogovsek
LaFalce
Leach, Iowa
Leach, La.
Loeffler
Long, La.
McCormack
McDonald
McEwen
McKinney
Marks
Mathis
Mavroules
Mazzoli
Miller, Calif.
Moffett
Murphy, Ill.
Nolan
O'Brien
Pease
Pepper
Perkins
Preyer
Railsback
Reuss
Rhodes
Rodino
Rostenkowski
Runnels
Russo
Santini
Scheuer
Sebelius
Shelby
Shuster
Skelton
Smith, Nebr.
St Germain
Staggers
Stark
Stockman
Stump
Thompson
Traxler
Udall
Watkins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wright
Wydler
Young, Alaska
Zablocki
Zeferetti

□ 1230

The SPEAKER. On this rollcall 316 Members have recorded their presence by electronic device, a quorum.

Under the rule. further proceedings under the call are dispensed with.

SWEARING IN OF MEMBERS

The SPEAKER. Will the duly elected Members of the House, the gentleman from California (Mr. ROYER) and the gentleman from Wisconsin (Mr. PETRI), please present themselves in the well of the House and take the oath of office.

Mr. ROYER and Mr. PETRI appeared at the bar of the House and took the oath of office.

ELECTION OF HON. BILL ROYER AS MEMBER OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Mr. MICHEL. I send to the desk a privileged resolution (H. Res. 215) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 215

Resolved, That Bill Royer, of California, be and he is hereby elected a member of the Committee on Public Works and Transportation.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION OF HON. THOMAS E. PETRI AS MEMBER OF COMMITTEE ON EDUCATION AND LABOR

Mr. MICHEL. Mr. Speaker, I send to the desk a privileged resolution (H. Res. 216) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 216

Resolved, That Thomas E. Petri, of Wisconsin, be and he is hereby elected a member of the Committee on Education and Labor.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADJOURNMENT OF HOUSE FROM TUESDAY, APRIL 10, 1979, TO MONDAY, APRIL 23, 1979; AND RECESS OF SENATE FROM TUESDAY, APRIL 10, 1979, TO MONDAY, APRIL 23, 1979

Mr. BRADEMAS. Mr. Speaker, I send to the desk a concurrent resolution (H. Con. Res. 99) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 99

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Tuesday, April 10, 1979, it stand adjourned until 12 o'clock meridian on Monday, April 23, 1979, and that when the Senate recesses on Tuesday, April 10, 1979, it stand in recess until 12 o'clock meridian on Monday, April 23, 1979.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

INTERNATIONAL DEVELOPMENT COOPERATION ACT OF 1979

Mr. WOLFF. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3324) to authorize appropriations for fiscal years 1980 and 1981 for international development and economic assistance programs and for the Peace Corps, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from New York (Mr. WOLFF).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 3342, with Mr. LEVITAS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Thursday, April 5, 1979, title III had been considered as having been read and open to amendment at any point.

Are there any amendments to title III?

AMENDMENT OFFERED BY MR. DERWINSKI

Mr. DERWINSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DERWINSKI: Page 22, line 4, immediately after "SEC. 302.", insert "(a)";

Page 22, line 15, strike "for Syria or";

Page 23, immediately after line 8, insert the following new subsection:

"(b) None of the funds authorized to be appropriated by the amendments made by this title may be used to provide assistance for Syria."

Mr. DERWINSKI. Mr. Chairman, as the Members know, this bill was before us last week and did encounter, as expected, detailed debate by the Members. I had circulated a "dear colleague" letter to the Members alerting them to my amendment.

This amendment, basically is in the same form, as one adopted over a year ago to the appropriation bill. The amendment was then lost in conference.

Quite frankly, watching developments in the Middle East during the past year, I am convinced that one of the major obstacles to the U.S. peace initiative is the activity of the Government of Syria.

If I may sum up the case for this amendment, Mr. Chairman, it is this: that at a time when the United States may be called upon to provide anywhere from $5 billion to $7 billion or $8 billion to insure the peace in the Middle East—and personally I think an investment in peace is worth it—it should be noted that that high cost is a direct result of the activity of the so-called rejectionist group of Arab States, among which Syria is the leader. It seems to me that providing $45 million in aid to Syria, in return for their activities which force us to spend many billions more to keep the peace in the Middle East, is contradictory.

I would also point out an interesting facet to this aid to Syria. During fiscal years 1975 to 1978, over the last 4 years, we have obligated $348 million; only $36 million has been spent. That, it seems to me, shows it has obviously run into administrative difficulties.

I have here voluminous quotes from Syrian officials, but I will just take one. This is from the Syrian foreign minister, who also is the deputy prime minister. In a recent statement—and I quote this official—he states as follows: that "no Arab ruler has the right to end this conflict." Then he went on to say that "the Arab masses must exert maximum pressure in order to stifle, bring down, and punish the Egyptian regime."

There are also references to the United States and its role in "supporting the evil Zionist movement."

These are official statements made by the government of Syria.

Quite frankly, even if this were only a $1 million program, I do not believe it could be justified. I would suggest that the logical course of action for us to take is to strike the amount for Syria from this bill.

This is now a 1-year authorization. If they do a remarkable about-face and justify by their actions a new look from the United States, we will have that opportunity a year from now. But under the circumstances, following their view of the Middle East peace, I see no basis for continuing this program.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois (Mr. DERWINSKI) and commend him for this initiative.

Year after year, the Congress has been asked to approve assistance for Syria on political rather than developmental grounds. We are supposed to believe that these meager funds will result in some political moderation by that nation toward U.S. policies on the Middle East. Somehow we are supposed to be able to offset the billions of dollars of aid and military equipment that Syria now receives from the Soviet Union. Our aid, according to the administration, seeks to encourage Syria to pursue a peaceful path toward a general settlement of the Middle East crisis. Clearly, all these efforts have failed.

Rather than winning Syria away from Soviet influence and toward direct negotiations leading to a lasting peace, the Syrians have been the opposition leaders in attacking U.S. efforts in the Middle East. They have joined forces with the rejectionists Arabs from Libya, Algeria, South Yemen and the PLO in accusing President Sadat of "high treason" for assisting "forces hostile to the Arab nation, headed by the United States of America." During a visit to Syria shortly after President Sadat's historic visit to Jerusalem, our House Foreign Affairs Committee was told by the Syrian Foreign Minister, instead of praising this opening for peace, that Sadat should be "hanged a thousand times." Their recent actions in response to the Egypt-Israeli peace agreement illustrates the continued folly of our policies and actions. Syria has shown time and time again in their policies toward Lebanon, Egypt, and Israel that it is not interested in a peaceful solution to the problems of the Middle East.

Moreover, Syria's human rights attitude, particularly to Syrian Jewry, leaves much to be desired; their right to emigrate being severely restricted.

Accordingly, I support the Derwinski amendment to delete all assistance in this bill for Syria and urge that these funds be put to better use in nations that are willing to act in good faith to achieve further progress toward a comprehensive peace settlement.

I urge my colleagues to support the Derwinski amendment.

Mr. MIKVA. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Illinois.

Mr. MIKVA. I thank the gentleman for yielding.

Mr. Chairman, I am somewhat troubled by my colleague's amendment. First, on my visit to Syria, I found the same problems with their foreign minister that the gentleman described.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. DERWINSKI) has expired.

(On request of Mr. MIKVA and by unanimous consent, Mr. DERWINSKI was allowed to proceed for 3 additional minutes.)

Mr. DERWINSKI. I yield further to the gentleman from Illinois (Mr. MIKVA).

Mr. MIKVA. But I found that they were a little easier on immigration than might otherwise appear. But more than that, I am troubled by the fact that, if I understand my colleague, the gentleman from Illinois, he is proposing this cut for Syria but is not proposing any counterpart action for Jordan. Frankly, it seems to me that the most extreme statements are coming out of our former good friend from Jordan, and I am curious about the dichotomy in my colleague's views.

Mr. DERWINSKI. Mr. Chairman, first, I would like to point out that there are other Members who are going to direct their attention to the funds as they relate to Jordan. My interest goes back over a year ago, when I had this amendment adopted. It was then lost in conference. I felt, looking back, that if my point of view prevailed a year ago, and if this message—as the Members of the Committee like to refer to messages—had reached the Syrian Government, perhaps they would have adopted a more friendly attitude if in fact our AID program is essential to them.

As the gentleman knows, the Syrians are the largest recipient of arms from the U.S.S.R. in the Middle East, roughly $1 billion a year, we estimate. I do not quite understand the attempt to finesse that huge Soviet contribution with this U.S. economic aid contribution.

Mr. MIKVA. Mr. Chairman, if my colleague will yield further, I would say that I do not view this as an effort to offset the Soviets, but, on the other hand, I would be concerned if there were not even a little window open in Syria for us to maintain some kind of part and not because we are buying their good behavior or their bad conduct, because I would at least rather have some dialog with the West rather than have them take all of their messages from the Soviet Union.

Mr. DERWINSKI. They should demonstrate that they can provide leadership rather than a negative attitude.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

Mr. Chairman, I want to associate myself with the statements of the gentleman and I join him in support of his amendment. It seems to me that this is not a question of whether we should maintain an open window to Syria; it is, rather, that the Syrians have definitely and very deliberately closed that window. They have not only gone along with the efforts to isolate Egypt from the other Arab countries, but they have helped to lead the charge. And to the extent that they are successful it is going to cost the American taxpayers millions and millions of dollars more, perhaps billions of dollars, to implement that peace effort.

□ 1245

I think the gentleman is eminently correct. We should adopt this amendment, and, as I know the gentleman is very reluctant to send messages, he must think this is a very important message to send, or else he would not be asking us to do so.

AMENDMENT OFFERED BY MR. HAMILTON TO THE AMENDMENT OFFERED BY MR. DERWINSKI

Mr. HAMILTON. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. HAMILTON to the amendment offered by Mr. DERWINSKI: Strike out the period at the end of the text proposed to be added to the bill and insert in lieu thereof the following: "unless the President determines, and reports to the Congress, that assistance for Syria is in the national interest of the United States.".

Mr. HAMILTON. Mr. Chairman, the gentleman from Illinois offers an amendment to cut off all aid to Syria, and the purpose of my amendment to his amendment is simply to permit Presidential discretion. If the President would find it is in the national interest to permit aid to continue to Syria, then he could make that determination, and the aid would continue to flow.

Now, obviously, we are not entirely happy with Syria and the positions that that government has taken on a variety of matters. But, it does seem to me that there are enough positive factors to at least permit flexibility by Presidential discretion.

What we want to do is to draw Syria toward the peace process, to enable Syria to keep its options open what we do not want to so is to force them to choose against us.

Syria is an indispensable element to peace in the Middle East. It is essential for a Middle East peace. On the positive side, I think we need to note several factors. First of all, Syria, although it has been against the Camp David agreements, has supported U.N. resolution 242 and 336. Syria continues to support a comprehensive peace agreement.

Second, Syria has been accessible to us, and they want to deal with us as a nation. By cutting off all aid to Syria, what we really do is to force Syria toward the rejectionist camp and away from the peace process.

Some Members may have noted in the paper this morning that Syria did not favor the oil embargo against the United States, which is being much discussed now in the Arab world. They do not favor a trade boycott against the United States.

In addition, Syria has always resisted a treaty with the Soviet Union.

The committee has already cut aid to Syria. In this fiscal year we gave them $90 million. The administration came in and recommended a $60 million figure for fiscal year 1980, and the committee cut that down to $45 million.

It seems to me the signal is very clear to Syria that we are not happy with its position on the peace process. But, at the same time we ought to recognize the positive factors, and there are several of them.

We have to know that if we are going to have peace in the Middle East, at some point we are going to have to have the support of Syria. It seems to me to be the wise thing to do to keep the door open to permit the President to have discretion so that we do not force Syria against the Camp David peace process, but encourage them instead toward that process.

□ 1250

Mr. RITTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it is not simply that I represent a district with greater than 5,000 Syrian-Americans that I wish to speak to this amendment of my good colleague, the gentleman from Illinois (Mr. DERWINSKI).

I believe that the Syrian people are actively interested in participating in comprehensive peace in the Middle East. I believe that this body must differentiate between the will of the Syrian people to live in peace and harmony with their neighbors and what may be defined as "rhetoric." I am sure that we are all familiar with the nature of political rhetoric.

To isolate Syria from our own comprehensive efforts in the Middle East by denying them this amount of economic aid would be to further drive a wedge between our efforts and the successful conclusion of those efforts.

Therefore, Mr. Chairman, I urge the Members of this body to think very carefully about denying Syria $45 million in aid while we are supplying or are talking about supplying billions and billions of dollars in aid to two other countries in the Middle East.

I thank the Chairman.

Mr. WOLFF. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of Mr. DERWINSKI's amendment to eliminate $45 million in economic aid to Syria.

There are many reasons that justify cutting these funds.

Syria's leading role in the "Rejectionist Front" against the Egyptian-Israeli peace treaty is a compelling reason to eliminate this aid. President Carter has repeatedly sought Syria's support for the treaty, with no success. I see no reason why tax dollars should go to aid a country that is doing its utmost to thwart U.S. foreign policy aims and vital national interests. Failure of the peace treaty would make another Middle Eastern war virtually inevitable. I, for one, do not want to give money to aid a government whose actions could lead us to war.

Syria's role in the Lebanese crisis disturbs me greatly. Syrian troops still occupy Lebanon, after more than 2 years of "peacekeeping." These "peacekeepers" have shown their true intentions with respect to Lebanon: Having never accepted Lebanon as an independent nation, Syria wants to annex it to make it part of "greater Syria."

Last year the Congress passed Congressman DERWINSKI's amendment to cut $90 million in aid to Syria. After the Camp David accords, the Congress decided to give the aid, concerned that such a cut would preclude Syria's support of the Camp David accords. Not only did this have little impact on Syria's rejection of Camp David, but Syria bombed Lebanon soon afterward.

Any of these three reasons would be sufficient to argue for cutting aid to Syria. The three combined make it imperative that we do so.

Mrs. FENWICK. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Derwinski amendment and in support of the amendment offered by the gentleman from Indiana (Mr. Hamilton).

Mr. Chairman, I do not want to take too much time of the House, but I would like to associate myself with the remarks of my colleague, the gentleman from Pennsylvania (Mr. Ritter), and with those who have supported some indication to Syria that we are not cutting that nation away from any regard on the part of the United States. But neither are we content and we have not forgotten that there are 51 women, not engineers or physicists or trained persons, but 51 women who would like to leave Syria to be married abroad and simply cannot get out. I would like to remember them here and speak for them. They have been trying now for a year and a half to get out of Syria.

It is not that we approve of everything which happens. It is that we are here charged with the awesome responsibility for the stability of the Middle East and so much of the peace of the world.

Again, Mr. Chairman, it is not that we approve. It is that we are trying to do our duty as Members of Congress not to separate this strategically placed nation from the solution of the problems in the Middle East.

Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. FINDLEY AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. DERWINSKI

Mr. FINDLEY. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. Findley as a substitute for the amendment offered by Mr. Derwinski: Substitute the following language: Page 22, line 4, immediately after "Sec. 302.", insert "(a)";

Page 23, immediately after line 8, insert the following new subsection:

"(b) None of the funds authorized to be appropriated by the amendments made by this title may be used to provide assistance in excess of $15,000,000 for Syria."

Mr. FINDLEY. Mr. Chairman, with this substitute amendment pending, the members of this Committee now have three choices in regard to aid to Syria. One choice is to adopt no amendment and, therefore, leave the legislation as it stands under which as much as $45 million could be provided to Syria for various programs that are on the drawing board or are partly underway. The other possibility is to totally wipe out the possibility of any aid to Syria no matter what political developments may lie ahead in the very uncertain and momentous year that does lie before us. Another possibility is for us to adopt the Derwinski amendment with the Hamilton amendment thereto under which the aid would be prohibited unless the President should certify that such aid is in the national interest.

Another possibility would be to adopt my substitute under which aid to Syria could not exceed $15 million for the coming year. Frankly, I would hope that this body would see fit to reject all of the pending amendments and amendments and substitutes thereto and therefor, and say nothing further beyond what is now in the legislation.

I think the gentleman from Pennsylvania and the gentleman from Indiana have offered us words of wisdom. Syria is a critical element in the peace process. Syria will not go away. It stands in a sense at the crossroads that must be passed by our Government in the journey toward a comprehensive settlement.

The Government of Syria, of course, speaks with several voices. I have had conversations, as many Members have had, with the President of Syria and with his Foreign Minister, and we all agree that the rhetoric, the language, that comes from these two persons differs greatly. It seems that the Foreign Minister is given to very excessive rhetoric, and excessive rhetoric rarely does any good for a cause. But examination of the words of the President of Syria, the top leader of that Government, leads to a different impression. His words are those of moderation. Although many elements in Lebanon perhaps would dispute this statement, I think it is fair to say that under President Assad Syria has rendered constructive leadership to the country of Lebanon in a very difficult period of history. What government would really relish the role that Syria has undertaken there? Who else could have done a better job in the absence of Syrian leadership? I ask the Members, what would have happened to Lebanon? It is my impression that Assad has done a constructive job, certainly not flawless, but, nevertheless, on balance, one that seeks a better life for the people living in Lebanon.

Syria has not joined the Rejectionist Front, and I do not think anyone would want to leave the impression with this Committee to the contrary. Syria has refused to join that front. Syria has sought to keep itself away from that front in order to be a constructive influence on events that lie ahead. It may well be that the problems of exit permission for people of Jewish commitment in Syria will continue to be a problem. Maybe these exits will not be approved, but certainly if we slap Syria in the face with an amendment of this nature, it would surely make it less likely that we will get the desired cooperation of Syria.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from New York.

Mr. WOLFF. I thank the gentleman for yielding.

I am a little concerned lest we be misled into believing that the Syrian support of the PLO has helped the Christians in Lebanon. I would ask the gentleman if he would accept an amendment that the $15 million could go to Syria if they denied sanctuary to the PLO?

Mr. FINDLEY. The gentleman knows quite well that the effect of that amendment would be to nullify any desirable effect by the language, because Syria is not in a position to deny sanctuary to the PLO. In fact, it believes in the basic cause of the PLO, which is to establish an independent state for the Palestinians.

Mr. WOLFF. If the gentleman will yield further, it is not a question that they cannot deny sanctuary but they do not want to deny sanctuary to a terrorist organization.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Findley was allowed to proceed for 3 additional minutes.)

Mr. FINDLEY. I am sure the gentleman's view of the PLO is quite different from that of the Government of Syria. In any event, the Palestinians do exist in Syria. They have a well organized cause there, and that cause will not go away. It is something that we have to face up to sooner or later.

□ 1300

But the important thing before us today is whether it will serve the interest of our Government to leave with the President discretion to provide aid to Syria, or is it in the better interest of our Government to deny aid to Syria. I say it most certainly is in the interest of our Government to leave in the hands of the President the flexibility through which he can respond to whatever political circumstances lie ahead, in order to have the option of aid to Syria.

Mr. Chairman, may I add further before yielding, I should not use the term "aid to Syria," because when we provide assistance of this sort, it is just as much in the interest of our Nation as in the interest of the recipient nation. Otherwise, we should never provide it; so I apologize for using that term.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from New York.

Mr. WOLFF. Mr. Chairman, I just take this time to ask the gentleman if the gentleman condones the terrorist activities of the PLO.

Mr. FINDLEY. No, I do not. I think many of the things that have occurred are regrettable. I do regret it very much. I have spoken out in criticism of such terrorism.

I regret violence on both sides. I regret the violence in Southern Lebanon that led to the death of over a thousand civilians during the Israeli military operations in that region, just as I regret the death of the people, just as I regret the violent deaths of the people in the bus about a year ago near Tel Aviv.

Mr. WOLFF. Mr. Chairman, will the gentleman yield further?

Mr. FINDLEY. Yes; I yield to the gentleman from New York.

Mr. WOLFF. Was part of that action for the protection of the Christians in Lebanon?

Mr. FINDLEY. Well, it is difficult to run down the exact reason for each death; but disinterested parties and international bodies have come to the conclusion that more than a thousand civilians did die in military operations which were conducted by Israel in Southern Lebanon; but in any event, the important question before us today is are we going to turn our back on Syria or will we keep open the door for the President to use in the event that he sees a worthy opportunity for the use of U.S. assistance in order to advance the interests of the United States, the interests of the State of Israel, as well as the interest of the people of Syria.

I hope that the amendment offered by my friend and colleague, the gentleman from Illinois (Mr. DERWINSKI) will be defeated; but if it is not rejected, then it certainly should have attached to it the amendment offered by the gentleman from Indiana (Mr. HAMILTON).

Ms. OAKAR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I mentioned some months ago when the Derwinski amendment first took the floor that I thought it was very subtle and serious. I think it is still very subtle and serious and I think it is also very regrettable.

We see a foreign aid policy that does not have a nickel for food for Lebanon.

Now we see a policy that wants to cut off still another Middle Eastern country. I think it is a further erosion of the equity that we demand as Americans toward all countries of the Middle East and the world community. Therefore I strongly oppose the Derwinski amendment.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Findley substitute.

I will be very brief; in fact, I would just sum up in a minute.

First, the substitute amendment offered by the gentleman begs the basic question, which is shall we or shall we not support the Government of Syria with an aid program? Whether it is $15 or $45 million is as much symbolic as monetary. There is $300 million in the pipeline for Syria. The rate of actual spending has been about $9 million a year, which leads me to believe that the technicians in our aid program have had a hard time justifying this political aid package, which was granted when we restored relations with Syria.

Then I would like to point out that the Syrians receive approximately $1 billion in arms from the Soviets every year. Obviously, when they have to make decisions, if they are free to do so, that $1 billion arms package from the Soviet Union outweighs anything that we could come up with.

Then look at the Presidential determination. The reason I oppose the application of a Presidential determination is I am convinced the State Department has made up its mind that they would recommend the President continue the program, and he would do so.

□ 1305

That puts the President in the same position he is with the 60-day message we receive on Cyprus. The President is required to misstate the fact in order to meet the letter of the law. There is no progress on Cyprus. Every 60 days he implies that there is. Would you have the President say that it is in the national interest of the United States that we continue aid to Syria when it is not. Yet in the tortured logic of the State Department that would be the case.

I would like to point out as far as Lebanon is concerned the Syrian military are more of an occupation force than a peacekeeping force. There is serious concern over whether their long-range goal is not the absorption of Lebanon and its elimination as an independent state.

Last but not least I would be very pleased if Members would come up with suggestions as to how to redirect this $45 million. I could suggest Sudan which refused to participate in the Baghdad conference or Lebanon. Or just hold it in the kitty. We are obviously going to need enough to support our peacekeeping momentum in the Middle East.

Mr. FINDLEY. Will the gentleman yield?

Mr. DERWINSKI. I will in a moment. But I suggest that before the gentleman sways us with his eloquence, vote against his substitute and against the Hamilton amendment.

I yield to the distinguished gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I think my friend got to the root of it in the early part of his comments when he said that $15 million as opposed to $45 million suggests that either amount is really symbolic. A political level. I agree with the gentleman. My reason for offering the substitute which would put a cap of $15 million on it was to keep the symbolism, keep the political message in the bill, the message that the United States has its own interests to protect in keeping the door open for this type of cooperation with the Government of Syria.

For us to strike it out is to send the wrong signal, to get the wrong political message on the wires across to Syria. We need the right kind of symbolism in this bill. The rest of the bill is full of symbolism. I am sure the gentleman will agree with me that the money in it for the State of Israel is largely a political sum, in a sense pulled out of the thin air. The money in it for Egypt is the same way. We are trying to send the right sort of symbolic message to those governments. Should we not at least keep the door open just a bit to the Government of Syria?

Mr. DERWINSKI. I appreciate the gentleman's discussion of symbolism. As a rule I appreciate his leadership, especially on agricultural matters. I suggest at this time if I turn out to be wrong, a year from now under this same bill you will have a chance to make your corrections. I dare say I will be proven right. Syria will remain in the vanguard of the states making it difficult if not impossible for Egypt to implement a Middle East treaty.

Mr. ZABLOCKI. Will the gentleman from Illinois yield?

Mr. DERWINSKI. I yield to the distinguished gentleman.

Mr. ZABLOCKI. Mr. Chairman, I had not intended to speak on this amendment. But listening to the eloquence of both my colleagues from Illinois, I must call to the attention of the committee· Who a few years ago would have voted for assistance to Egypt? Who, today, would deny assistance to Egypt? We should keep the door open as far as Syria is concerned, I submit, Mr. Chairman and, therefore, I urge a no vote on the Derwinski amendment as it is, a no vote on the Findley substitute and an aye vote on the Hamilton amendment to the Derwinski amendment which will permit the President to furnish assistance to Syria if he determines that such assistance would be in the national interest of the United States.

● Ms. HOLTZMAN. Mr. Chairman, I support the Derwinski amendment to the International Development Cooperation Act (H.R. 3324). This amendment would cut off all U.S. economic aide to Syria—$45 million in this bill. I also support the Hamilton amendment to the Derwinski amendment.

I have voted for the Derwinski amendment in the past, and I strongly support the general principles behind it. Syria has played a leading role in Arab condemnation of, and opposition to, the Israel-Egypt Peace Treaty; it has generally played a profoundly irresponsible role in the Middle East. The United States should not support a country that works to undermine the peace efforts we have fought so long to achieve.

I also think it is important to retain some ability to try to influence Syria to act responsibly. The Hamilton amendment would permit this by allowing the President to grant aid to Syria if it is in the national interest to do so. There is always the possibility that situations may arise where we may be able to "buy" Syria's cooperation in the Middle East peace process by providing economic aid. Without the Hamilton amendment we would cut off any possibility of using economic aid to induce Syria to act in a positive, constructive manner.

The Israel-Egypt peace treaty is too important to withhold what might be a critical tool from the President. Nonetheless the President, who is given discretion to provide aid, must act responsibly. In my opinion, he is required to refuse aid if he cannot exact real and substantal concessions from Syria.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. HAMILTON) to the amendment offered by the gentleman from Illinois (Mr. DERWINSKI).

The question was taken; and on a division (demanded by Mr. ZABLOCKI) there were—ayes 18, noes 18.

□ 1310

RECORDED VOTE

Mr. ZABLOCKI. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 193, noes 177, not voting 64, as follows:

[Roll No. 82]

AYES—193

Abdnor
Akaka
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Applegate
AuCoin
Bailey
Baldus
Barnard
Bedell
Beilenson
Bennett
Bereuter
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Brinkley
Brooks
Brown, Calif.
Buchanan
Burlison
Byron
Carr
Cavanaugh
Chappell
Cheney
Chisholm
Clay
Clinger
Coelho
Conte
Conyers
Corman
Cotter
Danielson
Dannemeyer
Derrick
Dickinson
Downey
Drinan
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
English
Erlenborn
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Findley
Fisher
Flippo
Flood
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Fuqua
Gephardt
Giaimo
Gibbons
Ginn
Gonzalez
Gore
Gray
Guarini
Gudger
Hall, Tex.
Hamilton
Hanley
Harris
Hawkins
Hefner
Heftel
Hightower
Hillis
Holtzman
Howard
Huckaby
Hughes
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kostmayer
Leach, Iowa
Lederer
Lewis
Lloyd
McCloskey
McKay
McKinney
Maguire
Markey
Marks
Marlenee
Mathis
Matsui
Mavroules
Mazzoli
Michel
Mikulski
Mikva
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Oakar
Oberstar
Obey
Panetta
Pashayan
Patten
Patterson
Perkins
Peyser
Pickle
Price
Pritchard
Rahall
Rangel
Ratchford
Reuss
Richmond
Ritter
Roberts
Rose
Rosenthal
Roybal
Royer
Russo
Sabo
Seiberling
Shannon
Sharp
Shelby
Simon
Slack
Smith, Iowa
Solomon
St Germain
Stanton
Steed
Stewart
Stokes
Stratton
Studds
Swift
Synar
Tauke
Treen
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Winn
Wyatt
Zablocki

NOES—177

Addabbo
Albosta
Ambro
Andrews, N. Dak.
Archer
Ashbrook
Aspin
Atkinson
Bafalis
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boner
Bonior
Bouquard
Brodhead
Broomfield
Broyhill
Burgener
Burton, John
Burton, Phillip
Butler
Carney
Clausen
Collins, Tex.
Conable
Corcoran
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Davis, Mich.
de la Garza
Derwinski
Devine
Dicks
Dixon
Dodd
Donnelly
Dougherty
Duncan, Tenn.
Early
Edwards, Okla.
Emery
Erdahl
Evans, Del.
Ferraro
Fish
Florio
Forsythe
Frenzel
Gaydos
Gilman
Gingrich
Glickman
Goldwater
Gradison
Gramm
Grassley
Green
Grisham
Guyer
Hall, Ohio
Hammerschmidt
Hance
Hansen
Harkin
Harsha
Heckler
Hinson
Holland
Hollenbeck
Hopkins
Hutto
Ichord
Ireland
Jeffries
Kelly
Kemp
Kildee
Kindness
Kramer
Lagomarsino
Latta
Leath, Tex.
Lee
Lehman
Leland
Lent
Levitas
Livingston
Loeffler
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McDade
McDonald
McHugh
Marriott
Martin
Mattox
Mica
Miller, Ohio
Minish
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Murphy, N.Y.
Myers, Ind.
Nelson
Nichols
Nowak
Ottinger
Paul
Petri
Pursell
Quayle
Quillen
Regula
Rinaldo
Robinson
Roe
Roth
Rousselot
Rudd
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sensenbrenner
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
Spence
Stack
Stangeland
Stenholm
Symms
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Wolff
Wolpe
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zeferetti

NOT VOTING—64

Ashley
Badham
Boggs
Brown, Ohio
Campbell
Carter
Cleveland
Coleman
Collins, Ill.
Coughlin
Crane, Daniel
Crane, Philip
Daschle
Davis, S.C.
Deckard
Dellums
Diggs
Dingell
Dornan
Duncan, Oreg.
Ertel
Fithian
Fountain
Frost
Garcia
Goodling
Hagedorn
Holt
Horton
Hubbard
Hyde
Kogovsek
LaFalce
Leach, La.
Long, La.
McCormack
McEwen
Madigan
Moffett
Nolan
O'Brien
Pease
Pepper
Prever
Railsback
Rhodes
Rodino
Rostenkowski
Runnels
Santini
Sebelius
Skelton
Staggers
Stark
Stockman
Stump
Thompson
Traxler
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wright
Wydler

☐ 1325

Messrs. WEAVER, BROYHILL, LENT, EMERY, OTTINGER, LEHMAN, DICKS, FLORIO, MICA, SCHEUER, LELAND, and DIXON changed their vote from "aye" to "no."

So the amendment to the amendment was agreed to. The result of the vote was announced as above recorded.

☐ 1330

Mr. FINDLEY. Mr. Chairman, I ask unanimous consent that I may be permitted to withdraw my substitute amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. DERWINSKI), as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offere an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 24, after line 2, add the following new paragraph:

"(b) No assistance may be furnished under this section to Mozambique, Angola, Tanzania, or Zambia, except that the President may waive, this prohibition with respect to any such country if he determines, and so reports to the Congress, that furnishing such assistance to such country would further the foreign policy interests of the United States."

Mr. BAUMAN. Mr. Chairman, this amendment simply replaces into the law an existing provision of the law which each year the Subcommittee on African Affairs deletes from the law and which each year the House puts back. It simply is a prohibition, together with the Presidential waiver of that prohibition, against any assistance being furnished through the foreign aid program to the so-called frontline nations surrounding Rhodesia-Zimbabwe. Each of the countries named in the prohibition are either Marxist oriented, controlled by Communist governments, or are serving as the bases for guerrilla raids into Rhodesia.

It has been my position from the beginning, and that has been sustained by wide majorities in this House, that these four nations ought not to be financed by American foreign aid or by the American taxpayers' largess, because of the activities in which they are engaged.

Presently in the law there is absolute prohibition against any aid to these foreign nations that was attached to the appropriation bill last year. However, out of an abundance of diplomacy on my part, which is characteristic of my usual manner of operation, I have written into this particular amendment a Presidential waiver against the day when, perhaps, after the Rhodesian-Zimbabwe elections are held in April, these four nations may change their view toward this first black African state, which has perhaps reached a peaceful solution of its internal problems. But for the time being I think the least we can ask is that our tax dollars not be used to finance the guerrilla activities or serve in any way to assist governments to permit this bloodshed to go on, and particularly in the case of Zambia, which served as the base for attacks on 2 domestic airliners, killing more than 100 people in the last few months.

☐ 1335

So my feeling is very strong that the committee was mistaken in deleting this present existing section of law. All the amendment does is seek to restore that into the bill.

Mr. SOLARZ. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, let me first of all compliment the gentleman from Maryland for his statesmanship in including in this amendment a presidential waiver which provides the President with a measure of flexibility in implementing the amendment if it is adopted. That certainly is infinitely preferable to a flatout prohibition which would have denied us the ability under any circumstances whatsoever to provide such assistance to the countries that are named in this amendment. But even with the Presidential waiver, I oppose the amendment because I think that its adoption would constitute a gratuitous slap in the face to four countries, each of which in their own way have been supporting American diplomatic objectives in southern Africa.

The fact of the matter is that our primary objective in southern Africa today is to find a way in which the conflicts in Rhodesia and Namibia can be brought to an end. The only way in which those conflicts can be brought to an end is through a negotiated settlement providing for some kind of internationally acceptable transition to majority rule in both countries. Such an agreement by definition is going to require not only the consent of the Salisbury Government in Rhodesia and the South African Government in Pretoria, but the consent of the Patriotic Front, which is waging an armed struggle in Zimbabwe and SWAPO, which is waging a war of national liberation in Namibia.

In our effort to secure the cooperation of the Patriotic Front and SWAPO, we have had necessarily to rely on the willingness of the frontline states, the very countries that are named in this amendment: Tanzania, Zambia, Mozambique, and Angola to put pressure on the Patriotic Front and SWAPO to accept the American and British proposals designed to bring these conflicts to an end.

The fact of the matter is that each and every one of the front line states named in this amendment have lent their diplomatic support to the objectives of the Anglo-American proposal in Zimbabwe and the proposals of the Western Five in Namibia. Until now we have not, to be sure, been successful in getting the parties to this conflict to agree to the terms of the Anglo-American proposal. I do not want to suggest to my colleagues on the committee that the chances of achieving such an agreement are necessarily very good; but the possibilities for a negotiated settlement particularly after the elections take place in April cannot completely be precluded, and our ability to get such an agreement will depend more than anything else on the willingness of the frontline states to cooperate with us in that endeavor.

Left to their own devices, it is entirely possible that Mr. Mugabe and Mr. Nkomo, the leaders of the Patriotic Front, might prefer to win their victory on the battlefield than agree to a settlement at the negotiating table. But, for better or worse, the leaders of the Patriotic Front are not autonomous actors in the drama which is now taking place in Zimbabwe.

☐ 1340

They are significantly, if not completely, dependent on the willingness of the frontline states to continue to permit them to use their territory for the purpose of waging the armed struggle in Zimbabwe and to the extent that we cut off aid to these countries, our ability to get the continued cooperation of Mozambique, Zambia, Tanzania, and Angola, in our efforts to presuade the Patriotic Front to accept the terms of the Anglo-American proposal, would be significantly diminished.

Now the gentleman from Maryland takes the position that we should not be providing aid to Marxist countries such as the ones named in this amendment. I think, however, it is important to point out that there are several other countries in Africa and elsewhere in the world which can also be considered so-called Marxist regimes.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. SOLARZ was allowed to proceed for an additional 2 minutes.)

Mr. SOLARZ. There are several other countries such as Ethiopia, Benin, Guinea, Somalia, Cape Verde, all of which have so-called Marxist-Leninist regimes to whom we provide foreign aid because we believe it is in our national interest not only to help the poor people in those countries achieve a better standard of living but to have some continuing dialog with the leaders of those nations.

If we have learned anything in the last 3 decades, particularly after the Sino-Soviet split, it is that simply because a country may have a Marxist-Leninist political system does not mean we cannot have cooperative and constructive relations with it.

We have good relations with Romania, we now have good relations with the People's Republic of China, and we have good relations with several other African countries, such as Samolia and the Sudan which are also (according to the definition of the gentleman from Maryland, Marxist-Leninist regimes.

I would say in conclusion that if you really want to bring the war in Zimbabwe to an end the best way, indeed the only way, to do it is through a negotiated settlement. The only way we can get a negotiated settlement is through the cooperation of the frontline states and the adoption of this amendment, by cutting off aid to those countries, will necessarily diminish the possibilities for continued cooperation from them.

Lastly, may I just say that these countries, while they do permit the Patriotic Front to use their territory for establishing bases, are not providing any military or economic assistance to the guerrillas because these countries are so poor themselves they have no aid to provide to others.

Consequently, I think everybody in this House can be confident that if this amendment is defeated, and the aid goes through anyway, none of it will reach the guerrillas.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RITTER. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment of my colleague from Maryland denying aid to the "front line" states in southern Africa.

Mr. Chairman, it is an interesting commentary that my very eloquent and well versed colleague from New York makes when he talks about the victory of the Rhodesian Patriotic Front being achieved at the conference table as opposed to the victory of the Patriotic Front achieved in the battlefield.

You know, Mr. Chairman, I really believe and I think many people in this body believe that we do not wish to see "victory" of the Patriotic Front either at the conference table or in the battlefield. The so-called Patriotic Front is a blatant terrorist organization committed to creating mayhem in Rhodesia through violence.

I think it is ironic that a number of years ago several factions—those factions which then were fighting the Soviet-Cuban-backed communist takeover of Angola—were denied aid by the Congress, going against the President and the then Secretary of State Kissinger. At this time, the Soviet-Cuban directed Angolans are firmly ensconced in Luanda. Now, we are prepared to give them aid. I indeed find that ironic.

He also mentioned good relations with Marxist-Leninist regimes, calling attention to Romania. Does anybody in this body really believe that there is any similarity whatsoever between our relations with the Government in Romania and the Government in Luanda, in Angola? Not many, I suspect.

Thank you, Mr. Chairman.

☐ 1345

Mr. PEASE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise just briefly—and it will only take a minute or two—to say that I am sure my friend, the gentleman from New York (Mr. SOLARZ), has adequately explained the reasons why this amendment is not well taken. I would like to add just one other perspective in relation to Tanzania.

As everybody knows, we are on the verge of being rid of Idi Amin in Uganda, one of the most notorious butchers in the history of mankind. Tanzania has been extraordinarily helpful in that effort. Tanzania has shown a great deal of restraint and wisdom in the way it has proceeded to help rid the world of Idi Amin.

Mr. Chairman, it would be distressful to me if we were to give a slap in the face to Tanzania after it has performed the way it has during the last month.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. PEASE. I am happy to yield to my friend, the gentleman from New York.

Mr. SOLARZ. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, if there is any Member of the House who has been responsible for the decisive actions which the Congress of the United States has taken against the Amin regime in Uganda, it is the gentleman from Ohio (Mr. PEASE), without whose leadership we undoubtedly would not have adopted the embargo on trade against Uganda last year which significantly contributed to the weakening of Amin's position in the country.

I would simply like to add to the words just now spoken by the gentleman from Ohio (Mr. PEASE) that when the Members consider this amendment, I would hope they would keep in mind the fact that Zambia, one of the four countries mentioned in the Bauman amendment, is not a Marxist-Leninist regime by anybody's definition. Insofar as Tanzania and Mozambique are concerned, neither of them has Soviet bases in their countries. Mozambique, indeed, has denied such request by the Soviet Union. They are both primarily nationalist regimes which have no intention, having achieved their independence from the colonial powers that previously controlled them, to submit to a new domination from another center of power not located on the African continent.

So, Mr. Chairman, I would very much hope, in the interests of rationality and in the interests of ultimately maintaining good relations with African countries that have been cooperating with us in the search for negotiated transitions to majority rule in Zimbabwe and Nambia, that we would defeat this amendment.

Mr. PEASE. Mr. Chairman, I appreciate the gentleman's contribution and his kind words.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as my learned colleague, the gentleman from New York (Mr. SOLARZ), just mentioned, I hope the members of the committee will read the amendment. If they read the amendment, they will find it reads exactly the way the gentleman was talking about. He said it was in our national interest to furnish aid to these four countries; and all the amendment says is that that will be done if the President determines with respect to those countries that furnishing such assistance would further the foreign policy interests of the United States.

It seems to me that with the controversy surrounding the whole situation in that part of Africa and with the fact at least that some of these states are Marxist-Leninist and our general policy rules against our providing aid to such kinds of countries, certainly a higher standard should be required.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I think that the sensitivity shown by the gentleman from New York (Mr. SOLARZ) and others about this amendment is typical of the State Department policy and in line with what we have heard from liberals on the subject of southern Africa for some years. Not only are they concerned about the possible cutoff of aid to these Marxist countries, but they are afraid we might even offend them.

But the record of the policies in all four of these frontline nations violates human decency as understood all over the world. These are the countries which have allowed themselves to serve as bases for attacks that have resulted in slaughtering blacks and whites systematically in Rhodesia.

In the case of Zambia, which the gentleman defends, it has also served as a base for many unprovoked attacks on civilian airliners, in two instances killing more than 100 people and these are terrorists attacks.

The Soviets and Chinese and other countries have pumped in arms and assistance to the guerrillas fighting against the people of Rhodesia. And what are the sins of the Zimbabwe-Rhodesian coalition? They have committed the sin of being the only African nation that is now trying to bring about a multiracial government in which the blacks have a majority rule and do it in a peaceful manner. That does not suit the State Department or Whitehall in Great Britain.

□ 1350

No. They would much rather have the terrorists and guerrillas as allies. They have been offered a chance to come in. They will not. So what I am saying is that our tax dollars ought not go to countries that engage in these inhuman practices and permitted themselves to be used for these purposes. If the President wants to determine at a later point that they have changed their character, let him send a message to the Congress and let us know that.

Mr. Chairman, I urge my colleagues to support my amendment.

Mr. PEASE. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Ohio.

Mr. PEASE. I thank the gentleman for yielding.

Mr. Chairman, just briefly, I hope the gentleman from Maryland would agree that the actions of Tanzania regarding Uganda do not offend standards of human decency in the world but, rather, that they deserve to be explored to help rid us of Idi Amin.

Mr. LAGOMARSINO. I certainly agree with the objective of that movement. Although it is interesting that, when, for example, Somalia, invaded across the boundary of Ethiopia, the African countries and, to some extent, the United States, were very upset and used the territorial integrity argument as an excuse for the Cubans to assist Ethiopia.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from New York.

Mr. SOLARZ. I thank the gentleman for yielding.

Mr. Chairman, I do not want to belabor a point which has been already debated at some length, but just so that the record is made clear, I think it should be stated that, while there is no doubt that the Patriotic Front during the course of this struggle in Rhodesia engaged in atrocities, which not only the gentleman from Maryland but I think every member of this committee deplores, the fact of the matter is that so is the Rhodesian Government, which the gentleman defends.

The Subcommittee on Africa had hearings about the human rights situation in Rhodesia, and one of the witnesses was a member of the Catholic Commission on Rhodesia, who testified in unequivocal terms that there were atrocities being committed by both sides of the conflict. I think that is a terrible tragedy.

Mr. BAUMAN. Why does the gentleman take one side? Why does not the gentleman have an evenhanded policy? Why does the gentleman always come down on the guerrillas?

Mr. SOLARZ. That is, I might say to the gentleman, precisely what I am supporting, because the only honest end to the war in Rhodesia is to have an internationally supervised election in which all sides participate. Asking the Patriotic Front to enter elections under the supervision of the Smith regime is no more reasonable than asking the internal leaders to lay down their arms and enter an election under the supervision of the Patriotic Front.

The only way to get an agreement permitting the people of Rhodesia and Zimbabwe to determine their own future in regards to free and fair elections is to have both sides lay down their arms and have an election under the supervision of the United Nations.

Mr. LAGOMARSINO. My understanding has been that they said they would not enter into such an agreement. Also, I might point out that Freedom House, which is a responsible human rights evaluation organization, has pointed out that three of these countries have a worse human rights record than Rhodesia.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. RITTER

Mr. RITTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RITTER: On page 24, immediately after line 25, insert the following new section:

MIDDLE EAST PEACE DEVELOPMENT FUND

SEC. 306. It is the sense of the Congress that the President take all appropriate steps to negotiate with other industrial nations an agreement for the creation of a Peace Development Fund whose purpose would be to underwrite the costs of implementing a Middle East peace.

□ 1355

Mr. RITTER. Mr. Chairman, all Americans felt a sense of hope recently, as we witnessed the signing of a peace treaty between Egypt and Israel. After so many years of strife and bloodshed, we saw the courageous leaders of two nations take an historic first step toward what we pray will be a lasting comprehensive peace for the Middle East. And we also saw the President of the United States taking a constructive role in achieving that historic step toward peace.

Now that the treaty has been signed it is necessary for the Congress to turn our attention to the actual implementation of the treaty. As we now know, that implementation will not be without considerable cost. As my colleagues know, having heard from Prime Minister Begin and President Sadat, those costs must be paid if the treaty is to move from words on paper to reality.

There have been differing reports of what those costs would be. An Associated Press story indicated that the treaty would involve total costs of about $4½ billion. The President has requested $4.8 billion in grants and loans, with $1.47 billion in actual budget obligations.

But the one glaring fact about the costs of implementing the peace treaty, whatever those costs may turn out to be, is that the American taxpayer is being asked to pay them alone.

Mr. Chairman, if one thing is obvious about the long peace process of the past weeks, it is that the United States has already worked above and beyond the call of duty, so to speak, toward achieving a peace treaty. Our President, our Government, and our people have been as steady as a rock in pursuit of peace. This country has done its share many times over, and had it not been for the United States, there would be no peace treaty, certainly. Time and time again since the end of World War II the United States has stood up alone in defense of peace.

Yet it is just as obvious that the United States is by no means the only nation that benefits from this historic peace effort. Even though, admittedly, problems still remain, the entire world benefits immeasurably from Middle East stability. The New York Times has reported that "America's European allies are quietly endorsing President Carter's success," and as one Senator recently said:

> Japan, West Germany, Great Britain, Western Europe and Africa all share the fruits of a peace in the Middle East.

That is true indeed. All nations, especially those which depend on oil from a stable Middle East, have a stake in the success of the peace treaty. Yet, of those nations, only one people—the American people—are being asked to bear the costly burden of peace.

I submit that that is wrong, Mr. Chairman, and if the response I have gotten from my constituents is any indication, the American people agree with me.

So, today I am offering an amendment designed to bring the other nations who benefit from the peace treaty into a partnership with us to share the costs of implementing the treaty.

My amendment asks the President to take all appropriate steps to negotiate with other industrial nations an agreement for the creation of a peace development fund whose purpose would be to share the costs of implementing a Middle East peace. During negotiations, some equitable means would be worked out among the parties to share the cost burden.

Since first introducing this concept as House Concurrent Resolution 85 on March 22, I have gotten tremendous and positive response from my colleagues and constituents. As this is the first amendment I have offered on the floor, I was most gratified that it has received strong bipartisan support.

I urge my colleagues to join with me today, by supporting this amendment, to urge the President to begin negotiations with other nations to do their part, and to stand with the United States in helping to assure the economic development and military security of the Middle East, and in sharing the weighty cost of peace.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. RITTER. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, the gentleman has introduced this amendment earlier in another piece of legislation.

Mr. RITTER. I think it was on title VII, Mr. Chairman.

Mr. ZABLOCKI. Yes. Well, it is the sense of Congress that the President take appropriate steps to negotiate a peace development fund. I find no objection to it.

Does the gentleman desire to yield for the purpose of having the gentleman from Wisconsin accept the gentleman's amendment?

Mr. RITTER. Yes.

Mr. ZABLOCKI. I thank the gentleman for yielding, and we accept the amendment.

Mr. BROOMFIELD. Mr. Chairman, the gentleman yield?

Mr. RITTER. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, we are also happy on our side to accept this amendment.

● Mrs. SMITH of Nebraska. Mr. Chairman, I rise in support of the amendment offered by my good friend from Pennsylvania. During the signing of the Mideast peace treaty between Israel and Egypt, it was sagely noted that no one can put a price tag on peace. That is true. When you consider the staggering costs of war in terms of human lives and suffering, not to mention billions spent for armaments, peace at almost any cash price is worth it.

This does not dismiss the fact that the treaty as signed imposes additional costs on the American taxpayer. Estimates vary—some put the costs as low as $1.7 billion. More realistic appraisals of the cost of the economic aid and military assistance committed to Egypt and Israel see us spending between $4 and $6 billion.

The question immediately arises: Should the United States bear this burden alone? Peace in the Mideast benefits so many of our allies. All of the industrial countries will reap rewards of the stable relations between these countries.

Western Europe is increasingly vulnerable to instability in the Middle East. Like the United States, many Common Market countries are dependent on oil supplies from this region and recognize that they have no assurance of well-being if Middle East instability threatens to cut off oil supplies. There can be no disagreement between Europe and the United States on the West's common interest in peace in the region and in preventing heightened Soviet influence.

Chances that this historic peace treaty will be successful on all fronts will be greatly enhanced if the industrial nations make a contribution to bolster the settlement. This amendment simply suggests to the President that if there is no voluntary movement in this direction by other industrial nations, we should not be above a little friendly persuasion.

This amendment simply asks other countries of the world to help pay over 3 years to end an enmity that has produced three wars in 25 years, brought the Russians into Egypt, and threatened our oil supplies. Is there anyone who would say no? I enthusiastically urge the adoption of this amendment.●

● Mr. MICHEL. Mr. Chairman, this amendment offered by Mr. RITTER is a model of commonsense and clarity. All that it asks is that those who benefit from Mideast peace bear part of the burden of implementing that peace.

President Carter's admirable role in bringing about the Egyptian-Israeli peace treaty should not confuse us to the reality behind that treaty. Yes; the United States played a major role in the treaty. But that does not mean that the United States is therefore the only beneficiary. In fact, true justice would call for the industrial nations not only to pay their fair share of the cost of peace but our share as well, since it was our President who took all the risks for peace.

But all we are asking here is that those nations who benefit from the treaty simply act in their own self-interest by contributing to a peace that has, in effect, been handed to them.

The time has come for the United States to stop being so bashful when it comes to asking for justice in the international area. Let me give one example. For almost 35 years we have been supporting the United Nations the way a patient man supports a drunk leaving a bar room. The drunk laughs and sings and causes an uproar but the patient man pays the majority of his bills.

Well, the same is true in this case. We took the risks while all the rest of the industrial nations watched from safety. When a treaty came about through our President's dedication, all the other industrial nations acted as if it was something they should come to expect as a right. As usual, Uncle Sam is carrying everybody while the other nations just carry on.

The American taxpayer has been digging into his pocket for money for the defense and survival of Israel for many years. We have not complained. It is in our interest to have a free and strong Israel in the Mideast. But the Egyptian-Israeli treaty is different. We were not acting just for ourselves. We are acting for the world.

The rest of the world has enjoyed the party. Now let them pay their share of the bill.●

The CHAIRMAN. The question is on the amendment offered bv the gentleman from Pennsylvania (Mr. RITTER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. EVANS OF DELAWARE

Mr. EVANS of Delaware. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. EVANS of Delaware: Page 22, strike out all of lines 13 through 20 and renumber each succeeding paragraph accordingly.

Mr. EVANS of Delaware. Mr. Chairman, 2 weeks ago today almost to the minute, Prime Minister Begin, President Sadat and President Carter were meeting at the White House. Prime Minister Begin and President Sadat were affixing their signatures to a very historic document, a peace treaty between Egypt and Israel, and the President of the United States was witnessing that document. It gave a great deal of hope for the future, not only in the Middle East, but I think for peace around the world. But, I believe that all of us recognize that it was only a first step. It was a beginning. What we need is a comprehensive peace settlement for that entire region, because the long-term interests of Israel, Egypt, other nations in the Middle East or America itself unless and until we extend the peace treaty to the entire area.

The bill we are considering today contains language which, if not corrected, could well serve as a giant step backward in this Nation's effort to achieve a comprehensive and lasting peace treaty in the Middle East.

My amendment strikes the restrictive language which permits aid to Jordan only if the President determines and certifies to the Congress that Jordan is acting in good faith to achieve further progress toward a comprehensive peace in the Middle East.

I have a somewhat unique perspective in proposing this amendment. Two weeks ago almost to the minute, Jordanian time, I was in a Palestinian refugee camp talking to a number of the refugees there and especially to some of the children. It is the children that I am really concerned about not only there or in Israel or Egypt, but around the world.

Later on, at 9 p.m., Amman, Jordan time, 2 p.m., Washington, D.C. time, I attended a dinner that was given by a very well respected physician is Amman. Present at that dinner were three ex-prime ministers of Jordan, the former United Nations ambassador, the former president of the Senate, leaders in the professions, and leaders in business.

I can tell you, ladies and gentleman, that those people at that dinner and the people that I talked to were deeply saddened when word of the language in section 302 reached Amman.

□ 1400

The Jordanians have a long established record of friendship with the United States. I felt a very good spirit there. I really believe that the people in Jordan want a comprehensive peace accord. But they felt that with this language in the bill they were slapped in the face. They were deeply saddened by it, since it lumped them in the same boat with Syria.

The Syrians have not been long-established friends of the United States, but certainly the Jordanians have; and make no mistake about it, they do not like being included with the Syrians in this section.

Mr. Chairman and members of the committee, I do not believe that any nation in the world, certainly in the Middle East, has ever responded to this type of heavy-handed pressure—not Israel, not Egypt, not Jordan, no one.

Not only will it not work, but I think it may very well push moderate states like Jordan into the camp of the PLO and other enemies of peace in that area.

Mr. Chairman, the committee in its wisdom and in its report seemed to link the language in section 302 to the participation by the Jordanians at the recent Baghdad Conference. However, the committee also very appropriately pointed out that the actions recommended at the Baghdad Conference have not been and, in fact, may never be implemented.

Mr. Chairman, as Secretary of State Vance says in his letter of April 3 to the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Wisconsin (Mr. Zablocki), "It is particularly important that we not take negative measures at this moment when the application of the Baghdad sanctions is still being determined."

The CHAIRMAN. The time of the gentleman from Delaware (Mr. Evans) has expired.

(By unanimous consent, Mr. Evans of Delaware was allowed to proceed for 1 additional minute.)

Mr. EVANS of Delaware. Mr. Chairman, I might also add that it remains to be seen whether the Baghdad Conference will actually place those sanctions against Egypt or if a country such as Jordan will fully implement these sanctions. In short, we do not know whether the Baghdad Conference is an agenda for action or simply political rhetoric. However, there is a big difference between rhetoric and substantive implementation.

Mr. Chairman, my amendment recognizes the moderate course Jordan has followed in the past, and it may serve as an incentive to the Jordanians to participate more fully in the peace-table process.

Mr. Chairman and my distinguished colleagues, it is a step I believe worth taking for peace. I hope the Members will support this amendment and eliminate from the bill the restrictive language which could be highly counterproductive in our effort to achieve a lasting and a comprehensive peace in the Middle East.

The CHAIRMAN. The time of the gentleman from Delaware (Mr. Evans has again expired.

(On request of Mr. Broomfield and by unanimous consent. Mr. Evans of Delaware was allowed to proceed for 2 additional minutes.)

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. I certainly yield to the gentleman from Michigan, our distinguished ranking minority member.

Mr. BROOMFIELD. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Delaware (Mr. Evans).

I must admit that I believe the language which is presently in the bill is offensive: and I really believe that if we are to have a comprehensive peace in the Middle East, the next step obviously is going to involve Jordan. I cannot see how this kind of language is going to be conducive to bringing Jordan to the peace table.

Mr. Chairman, I have to admit that I am somewhat disturbed by an article entitled "P.L.O. to Step Up Attacks in Israel" which appeared in today's New York Times with respect to the PLO delegation going to Amman, hoping to coordinate with the Jordanian authorities on action to help Arabs in the occupied territories resist Israeli moves; but I do feel that the gentleman from Delaware has rendered a very valuable service in offering this amendment and that his statement is very logical, in my judgment.

Therefore, Mr. Chairman, I hope the committee will go along and support the gentleman's amendment in deleting this language.

Mr. EVANS of Delaware. Mr. Chairman, I thank the gentleman for his kind remarks.

□ 1405

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

Mr. Chairman, I rise to speak in support of the amendment offered by my colleague, the gentleman from Delaware (Mr. Evans).

I think that everyone wants the peace momentum in the Middle East to continue, so that it eventually involves all of the Arab nations. Some Members here want Jordan cut off from U.S. aid because they think that this would somehow help the peace process. I think that this action would actually frustrate the effort to achieve a lasting peace.

First, Jordan is a moderate Arab State and should not be lumped in the same category as Syria. King Hussein has a genuine interest in the stability of his country, and clearly has tried to avoid confrontation with Israel. In fact, the Jordanians patrol their border with Israel to block Palestinian terrorists from crossing over into Israel. In 1970 Jordan fought a civil war with the Palestinians and has since banned the military activities of the PLO within their borders.

Second, Jordan cannot implement any of the sanctions approved at the recent Baghdad Conference because it does not have the economic power of the other Arab States. We should not treat Jordan the same way we do the countries which possess the economic power of the Middle East.

And third, we should not cut off aid to Jordan because any peaceful and workable West Bank settlement obviously must include Jordan. Cutting off aid now would be a slap in Jordan's face, and would probably discourage them from eventually negotiating with Israel.

America's role in the Middle East has been to initiate peace discussions. Cutting off aid will only alienate those Arab countries that could respond favorably to any influence our initiative could provide.

Because Jordan borders Israel, and because any settlement of the Palestinian question must involve Jordan, it is especially important that the United States maintain open lines of communication. Cutting aid to Jordan would choke this line of communication.

I suggest that a vote for the amendment is a vote to continue the peace process, which has yet to be completed.

Mr. EVANS of Delaware. I thank the gentleman for a very fine statement. I do not think there is any question about what we are attempting to do here. We are attempting to expand the treaty in a comprehensive way, not in a counterproductive way. I do not believe that any nation, particularly in that area of the world, will respond to this type of restrictive language, especially in view of the fact that traditionally and historically they have been great friends of the United States.

The CHAIRMAN. The time of the gentleman has expired.

PERFECTING AMENDMENT OFFERED BY MR. ZABLOCKI

Mr. ZABLOCKI. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Perfecting amendment offered by Mr. ZABLOCKI: Page 22, strike out lines 13 through 20 and insert:

"(2) It is the sense of Congress that funds made available under this chapter for countries in the Middle East are designed to promote progress toward a comprehensive peace settlement in the Middle East and that Syria and Jordan, to continue to receive funds under this chapter, should act in good faith to achieve further progress toward a comprehensive peace settlement and that the expenditure of the funds will serve the process of peace in the Middle East.

Mr. ZABLOCKI. Mr. Chairman, I am in full sympathy with the intent and purposes of the gentleman from Delaware (Mr. EVANS). In his amendment, he would strike on page 22, in section 302, all of subparagraph (2). Jordan and Syria, both countries, are very critical in the future development of peace in the Middle East. However, Mr. Chairman, in view of the fact that the Committee on Foreign Affairs felt that some language should be in the legislation to serve as an incentive, as an inducement, for the countries in the Middle East to help promote that peace in the Middle East, the Subcommittee on Europe and the Middle East have proposed language as it is now in the bill before us.

Mr. Chairman, my perfecting amendment would do exactly the same as the gentleman from Delaware (Mr. EVANS) intends to do, except that I have retained a sense of the Congress that the funds that are available under this chapter are designed to promote progress toward comprehensive peace settlement in the Middle East, and that Syria and Jordan should act in good faith to achieve further progress toward a peace settlement in order to continue to receive such funds under this chapter.

Mr. EVANS of Delaware. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Delaware.

Mr. EVANS of Delaware. I thank the distinguished chairman of the full committee for yielding. I congratulate him on the perfecting amendment. I think it will be a positive step. It is a sense-of-the-Congress resolution. I think we have demonstrated through colloquy on the floor today that clearly there is a difference between Syria and Jordan. We have recognized the long-established tradition of friendship between Jordan and the United States of America. We have eliminated the restrictive nature of the language as it relates to Jordan. The gentleman's amendment is perfectly appropriate, and I certainly thank the gentleman.

Mr. ZABLOCKI. Indeed, there is a difference between Jordan and Syria. Yet I must underline and underscore, Mr. Chairman, that both Jordan and Syria are very important and critical to peace in the Middle East.

☐ 1410

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank the gentleman for yielding.

I wonder why, since we have already dealt with Syria in the Derwinski amendment as amended by the gentleman from Indiana (Mr. HAMILTON), why we do not omit any mention of Syria in this particular perfecting amendment of the chairman?

In other words, just make it simply apply to Jordan, which then would be in a completely different category, as the chairman rightly says it is.

Mr. ZABLOCKI. It is merely the sense of Congress, a policy statement. What we are saying in my perfecting amendment is that we need both Syria and Jordan to promote peace. It is not related to the Derwinski amendment, as amended by the gentleman from Indiana (Mr. HAMILTON).

Mrs. FENWICK. If the gentleman will yield further, as I understand the Derwinski amendment as amended will appear in the bill because it was adopted.

Mr. ZABLOCKI. Yes, it will.

Mrs. FENWICK. Therefore, I see no reason to repeat any conditions about Syria again, since Jordan objects to being linked with Syria.

Mr. ZABLOCKI. There is a difference, because the Derwinski amendment as amended by the amendment of the gentleman from Indiana, denied funds for Syria unless the President determined, and reported to the Congress that it was in the national interest of the United States.

No such provision is necessary for Jordan.

Mrs. FENWICK. But why link Syria with Jordan?

Mr. ZABLOCKI. Because I think we should have both working toward peace in the Middle East. Jordan has thus far been more cooperative in the past than Syria. If we omit Syria now—does the gentlewoman intend that we should not have Syria contributing toward the efforts of peace in the Middle East?

Mrs. FENWICK. We have already dealt with Syria in that other amendment and since Jordan is objecting to being linked with Syria, it seems to me contrary to logic and good sense to link Syria again unnecessarily with Jordan.

Mr. ZABLOCKI. Well, I will have to talk to the gentlewoman privately. I see I am not getting through to the gentlewoman. There is a difference.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I am delighted to yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, I rise to associate myself with the remarks of our chairman. I think this is an improvement over the amendment that was offered by the gentleman from Delaware. I support the amendment.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The perfecting amendment was agreed to.

The CHAIRMAN. The amendment offered by the gentleman from Delaware (Mr. EVANS) will not be voted upon, because it is in the nature of a motion to strike.

Mr. PEYSER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, at this point I had intended to offer an amendment limiting the aid to Turkey to just 1 year in this bill. As we know, the House has already passed the 1-year limitation on the bill in its entirety; so obviously the thrust of my amendment is lost; but I do not want to lose the opportunity on each occasion of bringing before the House the recognition of the fact that Turkey has yet to make a positive move, as of last week, on the Cyprus situation.

I think that on every opportunity the House should make it very plain, through statements on the floor that we are going to demand before this bill reaches the House next year that Turkey will have made a major step forward, that the President of the United States will have insisted that action and positive action be taken to resolve what is now a situation that has gotten grotesque in the extension of it, that is hurting thousands of Cypriots, and our Turkish ally, so-called, is doing nothing about it. I just want to be on the record with that and with other Members who feel very strongly on this issue.

The CHAIRMAN. Are there further amendments to title III?

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 23, line 10, strike all of Section 303(a) and insert in lieu thereof the following new Section 303:

"Sec. 303. (a) Section 533 of the Foreign Assistance Act of 1961 is amended to read as follows:

" 'Sec. 533—Southern Africa Program

" '(a) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1980, $68,000,000 shall be available (only) for the countries of southern Africa and for—

" '(1) a southern Africa regional refugee support, training, and economic planning program to address the problems caused by the economic dislocation resulting from the conflict in that region;

" '(2) education and job training assistance;

" '(3) a southern Africa fair and open election program to address the problem resulting from the conflict and internal strife in that region.

"'Such funds may be used to provide humanitarian assistance to African refugees and persons displaced by war and internal strife in southern Africa, to improve transportation links interrupted or jeopardized by regional political conflicts and to provide support to countries in that region.

"'(b) In furtherance of the purposes of this section and the foreign policy objectives of the United States the President may appoint a team of impartial observers to observe elections in southern Africa and report to Congress:

"'(1) as to whether all of the people of southern Africa and all organized political groups were given a fair opportunity to participate fully in the election without regard to ethnic identity or political affiliation; and

"'(2) on the extent of public participation in the election, including the extent to which disruptions in the election process due to guerrilla activities may have affected public participation in the election and the extent to which eligible voters expressed opposition by voluntarily refraining from voting in the election.

"'(c) Of the amounts authorized to be appropriated to carry out the purposes of this section, $20,000,000 shall be made available to the government of Zimbabwe/Rhodesia which is installed in that nation as a result of the election held in April 1979, which election may be evaluated and reported upon by observers as provided for in this section.'"

☐ 1415

POINT OF ORDER

Mr. SOLARZ. Mr. Chairman, I rise on a point of order.

The CHAIRMAN. The gentleman from New York will state his point of order.

Mr. SOLARZ. I make a point of order that this amendment is not in order. It provides or appears to call upon the President to send observers to monitor the elections in southern Africa by which presumably is meant Rhodesia since there are no elections anywhere else in southern Africa which are currently being held.

There is nothing in this bill which deals with elections either in southern Africa or in Rhodesia itself. For this reason it seems to me this amendment goes beyond the scope of the bill and is not germane.

The CHAIRMAN. Does the gentleman from Maryland wish to be heard?

Mr. BAUMAN. I do, Mr. Chairman.

Mr. Chairman, first of all the section to which this amendment is addressed is section 303 of the bill. This section was just recently amended by a previous amendment which I offered and which considerably expanded the scope of that section, including a Presidential waiver and determination regarding aid for four different countries in the southern African area. The general proposition is that the entire section and indeed the entire purpose of the bill should be looked to as to whether or not germaneness is applicable to an amendment which is offered.

The gentleman objects that this particular section imposes some duty upon the President. I would call the attention of the Chair to section (b) the amendment which simply allows the President in his discretion to use the mechanism the amendment provides to evaluate any election held in the southern African area including ones in the Republic of South Africa or in any of the other nations which may hold elections at any time. This amendment offers a device to determine whether or not the funds under this section shall be made available.

☐ 1420

Mr. Chairman, I would like to call the attention of the Chair to the precedents which I believe do have application in this case.

The general proposition is that to a bill amending a law dealing with several subjects within a definable class, an amendment further amending that law to add another subject within that same class is germane.

This was a decision on March 26, 1975, made by the chairman of the Committee of the Whole in the case of an amendment that was offered and a point of order made against additional language offered by the other body to a tax bill. The amendment was ruled to be germane, and the Chair said:

> The Chair would call the attention of the House to the precedent contained in Cannon's VIII, section 3042, wherein the Committee of the Whole ruled that to a bill raising revenue by several diverse methods of taxation, including an exise tax, an amendment in the form of a new section proposing an additional method of taxation—a tax on the undistributed profits of corporations—was held germane . . . the test of germaneness in such a situation is the relationship between the new section or title and the subject matter of the bill as a whole.

I would also call the attention of the Chair to the ruling of the Chair on March 20, 1975, in which a bill was brought before the House that contained price supports for a number of different agricultural commodities. An amendment was offered by the gentleman from Massachusetts (Mr. CONTE) that added another defined class to agricultural commodities, and the Chair ruled "that the purpose of this bill as set forth in the report is to establish an emergency price support program" for "cotton, wheat, feed grains, soybeans, and milk."

Then he went on to say:

> Under the general proposition that it is in order to add another subject to a proposition containing subjects of the same class, the Chair would point out that the amendment of the gentleman from Massachusetts adds another agricultural commodity to the commodities proposed . . .

Mr. Chairman, the reason that this precedent is applicable in the case of this amendment is that we have before us in this bill section 303 which amends the southern Africa programs section of the Foreign Assistance Act. That act sets up funding for various programs in southern Africa, including regional refugee support, training, economic planning, and economic dislocation, and also including improving transportation links interrupted or jeopardized by regional political conflicts, and it provides support to "countries" within that region, meaning governments.

All the gentleman's amendment proposes is that in addition to these various objectives in southern Africa, an additional use of the money can be found, and that is discretionary with the President to judge whether or not elections in the area are held fairly and openly and whether or not the countries then would be eligible for receipt of money under the funding.

So I suggest, Mr. Chairman, it is a valid amendment, simply adding to the class of already described activities that the bill contemplates, and it does not impose any new duties, simply leaving discretionary with the President what he would do with the authority granted.

The CHAIRMAN. Does the gentleman from New York (Mr. SOLARZ) wish to be heard further on the point of order?

Mr. SOLARZ. No, Mr. Chairman.

The CHAIRMAN (Mr. LEVITAS). The Chair is prepared to rule on the point of order made by the gentleman from New York (Mr. SOLARZ) against the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The essential nature of the point of order made by the gentleman from New York (Mr. SOLARZ) is that the amendment offered by the gentleman from Maryland (Mr. BAUMAN) is not germane to title III. The key, it seems to the Chair in resolving that question, turns on the point made by the gentleman from Maryland in referring to the precedents cited by the gentleman from Maryland; namely, whether the new category of authorized funds for a southern Africa fair and open election program to address the problem resulting from the conflict and strife in the region is the same class of assistance authorized in section 303. Or is it a new and different class of assistance?

In making a determination with respect to that question, the Chair has read carefully the language in section 303. The purposes of assistance cataloged in section 303 are basically two in nature. One is general economic assistance for the countries of southern Africa, and, secondly, a southern Africa regional refugee support, training, and economic support program to address the problems caused by the economic dislocation resulting from the conflict in the region.

☐ 1425

The language in section 303 goes on to point out:

> Such funds may be used to provide humanitarian assistance to African refugees and persons displaced by war and internal strife in southern Africa, to improve transportation links interrupted or jeopardized by regional political conflicts . . .

In addition to that, the gentleman from Maryland has pointed out that the language of section 303 in its scope has just recently been expanded considerably by an amendment offered and adopted in the Committee of the Whole to permit the President to make determinations on other issues of U.S. national interest regarding certain countries in southern Africa.

It is the opinion of the Chair that, since the general thrust of the purposes or classes of assistance in section 303 is to provide funds to alleviate the effects of political turmoil and strife in the region, and that this is specifically noted in the language presently in the bill, and that the team of observers provision is merely an oversight mechanism relating to proper utilization of those funds. It would seem the funding of fair elections in the region would be another class of assistance of the same general type, and, therefore, the amendment offered by the gentleman from Maryland, in the opinion of the Chair, is germane.

The point of order is overruled.

The Chair recognizes the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, I thank the Chair for that eminently fair and brilliant ruling on the amendment.

Mr. Chairman, this amendment places before the House an issue that was to have been denied us only a few days ago.

As some Members of the House may know, the other body several weeks ago voted on the sending of observers to Rhodesia—Zimbabwa—for the elections that will occur there within the next few weeks.

The history of these elections has been most difficult for the people in that nation and, I might add, most difficult for the members of this committee and the State Department, as well, since it placed many of our liberal policymakers in the position of refusing to support free elections, one of the few such elections ever held on a multiracial basis in any nation in Africa.

The other body overwhelmingly endorsed the sending of such observers not in any way as support for the transitional government now existing within Rhodesia but, rather, as a means of determining on the part of the House and on the part of the other body whether or not these elections produced a government that would be worthy of our support.

I call the attention of the committee to the fact that there is now existing in the Foreign Assistance Act, as a result of an amendment which was offered by the gentleman from Maryland and the gentleman from Missouri (Mr. ICHORD) last year, a provision known as section 27, which calls upon the President of the United States to lift sanctions, depending upon the outcome of elections to be held in Rhodesia. At the time this amendment was adopted last year it was hoped that these elections would have been held by the end of December.

I am fully aware that the language that I offer to the Members today simply allows the President discretion not to send observers to Rhodesia now—it is too late for that—but, rather, at any time in the future that elections are held in nations that might receive moneys from the southern Africa fund. It provides the President a mechanism on which to base a judgment as to whether assistance should be given. It also says, retroactively, that the President can, if he wishes, send observers to Rhodesia—obviously, it would have to be through the discretionary funding that he has available—and make a judgment based on the April elections, after the fact, as to whether he would extend aid to the nation that is created as a result of the elections.

I do not think that in any sense this takes sides in this election. It simply says that, in each case where we have professed to support democratic governments that vindicate the right of all people, regardless of color, to cast their votes and to govern themselves, we have some sort of system to provide the Congress and the Executive information on which to base judgments as to the outcome of those elections. And there will be further elections, aside from the one in Rhodesia. Of course, this provision could even apply to Mamibia when they hold elections, one of which may have to be called in the near future.

□ 1430

It is an evenhanded approach, not taking the side of the terrorists who have refused to take part in the election despite repeated offers that they could do so, not taking the side of the multiracial government now in control in Salisbury; but, rather, allowing us to make a judgment based on information, and at the same time if that information dictates for giving a boost to the new nation of Zimbabwe, if it indeed deserves that kind of support from the United States.

I would hope that all Members who realize the nature of this conflict would support this amendment in the hopes that we do allow a peaceful transition rather than following the path of the current administration in siding with those who have done everything they can do to obstruct that free and fair election in Rhodesia.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

I think the gentleman's amendment is worthy of support. In the debate on the gentleman's earlier amendment, it was claimed by people who opposed that amendment that our policies in southern Africa were evenhanded. The gentleman's amendment is certainly evenhanded, and I would hope that the people who opposed the earlier amendment will accept this amendment, support it, and really try to take a true and impartial stand here to help everybody there who needs it, and to take a look at all of the elections that might be held.

Perhaps the one thing that might make it difficult for people on the other side to take that position, however, is what the gentleman from New York said earlier.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

(At the request of Mr. LAGOMARSINO and by unanimous consent, Mr. BAUMAN was allowed to proceed for 1 additional minute.)

Mr. LAGOMARSINO. The gentleman from New York pointed out in the point of order debate that there are no other elections pending in that part of the world. That, I think, says something in and of itself. At least in Rhodesia, elections are pending. We might probably all agree that the elections are not exactly perfect from our standpoint, but they are holding elections in many of the other so-called frontline countries in that area who have never held an election and have apparently no intention of doing so. I think we should encourage this kind of activity.

Mr. BAUMAN. The gentleman is correct. It is a sad indictment of the area that there are not, but there are other elections that may be held. Namibia, for instance, has called for additional elections there, and they could be subjected to this same mechanism to allow us to make a useful judgment.

Mr. SOLARZ. Mr. Chairman, I rise in vehement, vigorous, and total opposition to this amendment.

Mr. Chairman, and members of the committee, this amendment would have the most disastrous consequences imaginable if it were adopted, not only for our relations with virtually every country in Africa, but also with respect to our remaining ability to achieve a peaceful and negotiated settlement of the war in Rhodesia. The relatively innocuous comments on this amendment by my good friend on the other side of the aisle notwithstanding, I want to point out that this amendment goes way beyond urging the President to send some observers to monitor the forthcoming elections in Rhodesia.

This amendment provides that, regardless of how the elections are conducted, regardless of what conclusions the observers that the President may send to Rhodesia come to with respect to the conduct of those elections, that once the elections are held, we have to provide $20 million to the new government that takes office in Rhodesia. This does not simply lift sanctions. The amendment goes way beyond lifting sanctions and for the first time would require the U.S. Government to provide $20 million in foreign aid to the Government in Rhodesia.

I urge my colleagues to remember that last year we adopted the so-called Case-Javits amendment, which provides that if elections are held in Rhodesia, and the President concludes that they have been free and fair and that all political and population groups have been given an equal opportunity to participate, and that the new government agrees to attend an all-parties conference for the purpose of resolving the armed struggle in Rhodesia, then sanctions have to be lifted.

□ 1435

This amendment now comes before us and asks us, in effect, to provide $20 million in foreign aid to Rhodesia, not only before the elections have been held, not only before the observers will be sent to monitor the elections and report back that they have been free and fair, but it also asks us to provide foreign aid to the Rhodesian Government even if they refuse to participate in an all-parties conference, as they were required to do under the terms of the Case-Javits amendment. In other words, to put it very simply, this amendment constitutes a complete and total repudiation of the congressional consensus which was arrived at last year when we took the position that we would be willing to lift sanctions if free and fair elections were held and if the new government was prepared to participate in an all-parties conference.

Mr. Chairman, under the terms of the amendment offered by the gentleman from Maryland (Mr. BAUMAN), even if the observers whom he says the President should send come back and report that the elections have not been free and fair, even if they should report that people were herded to the polls and intimidated into participating in the elections, even if they should say that the whole election was dishonest from beginning to end, and even if the new government in Rhodesia says it has no interest whatsoever in entering into negotiations to end the war, we would be obligated, under the terms of this amendment, to provide $20 million in aid to Rhodesia.

Mr. Chairman, what would that mean? What would it mean for our country if this amendment were adopted and we were then obligated to give $20 million in aid to Rhodesia? To begin with, it would mean that our relations with virtually all of Africa would have been dealt the most severe and serious blow imaginable.

Mr. Chairman, in my judgment as chairman of the Subcommittee on Africa, that situation would be far worse than lifting sanctions. Lifting sanctions could, at least, be defended as a neutral act on the grounds that while we are not going to provide assistance to Rhodesia, neither are we going to deny American citizens and corporations which want to do business with Rhodesia the right to do so.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has expired.

(By unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. Mr. Chairman, this amendment, by going beyond the lifting of sanctions to providing $20 million in assistance to Rhodesia, not only would put our Government squarely behind the new Rhodesian Government, regardless of what these elections were like and regardless of whether they were willing to enter into negotiations, but by so doing would alienate literally every country in Africa. In addition to that, whatever remaining chances there are to bring the war to a peaceful conclusion, through a negotiated settlement, would go completely down the drain, since the frontline states and the Patriotic Front would come to the inescapable conclusion that we had decided to throw the full weight of our resources behind the Salisbury government, and they would therefore conclude that we could no longer be relied upon as an honest broker. Indeed, I would go further and say to those Members who are concerned, as I am, about the possibility of significant Cuban and Soviet intervention in the conflict in Rhodesia that this amendment would be a passport to the Russians and the Cubans to become infinitely more involved in the Rhodesian conflict than they are today, because it would put tremendous pressure on the frontline states and on the Patriotic Front to accept massive Cuban and Soviet help on the grounds that the United States had decided to come to the active assistance of the Salisbury government, and then where will we be? We will be stuck in another Vietnam-like situation where the Salisbury government is rapidly going under, under the combined pressure of Soviet and Cuban support for the Patriotic Front, and where we are in a position of supporting a government which has the support of only one other country on the globe, the Government of South Africa.

Mr. Chairman, I say to the Members that if that is the position they want to put our country in, then go ahead and support this amendment.

□ 1440

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. SOLARZ was allowed to proceed for 1 additional minute.)

Mr. SOLARZ. Forget about our relations with the rest of Africa. Forget about the possibility of a peaceful transition to majority rule in Rhodesia. Forget about what we have been trying to accomplish for the last few years.

Let me just say in conclusion that if this amendment is adopted, it will constitute an unmitigated disaster not only for American foreign policy in Africa but for whatever chances remain of bringing the conflict in Rhodesia to a peaceful end.

Lastly, may I say that for us to take this step before our British allies have taken any comparable step on their own, when they, after all, have the primary responsibility for the decolonization of Rhodesia, would not only be a slap in the face to the rest of Africa, it would be a slap in the face to the United Kingdom as well.

Mr. DERWINSKI. Mr. Chairman, I rise to support the amendment, but I would also like to point out, Mr. Chairman, that I join in the applause that greeted the statement of my dear friend, the gentleman from New York (Mr. SOLARZ), because I consider it one of the most masterful overstatements of a case I have ever heard. In listening to the gentleman from New York, he described the Bauman amendment as creating the basis for total chaos in Rhodesia, or Zimbabwe. The opposite is true. The Bauman amendment would produce practical application of an overdue evenhanded U.S. policy.

Let me tell the Members what the problems are there. The problems are that the so-called frontline states, the states which presumably have an interest in freedom and democracy in Rhodesia, are anything but models of democracy. Not a single one of them could stand up under any legitimate inspection of human rights or of normal democratic procedure.

Furthermore, they are the host countries at the moment for Cuban and Russian cadres, personnel. Notwithstanding the manner in which our foreign policy has been handled in the last few years in this delicate area, where it has been handled by our Ambassador to the U.N. rather than through the Department of State or even the President. The facts are that the elections to be held constitute the best opportunity for a transfer to a multiracial government and ongoing control that would be vested in the majority, without the imposition of a Marxist dictatorship by the Cubans and Russians supporting the guerrilla forces that have havens in the adjacent countries.

There is absolutely nothing in the Bauman amendment other than a practical, evenhanded, long overdue, fair application of U.S. policy to this area.

I would suggest to the Members that those who are concerned with the spread of Marxism in Africa, those who are concerned with the use of the Cubans as a foreign legion in Africa by the Soviet Union, not be lulled by the wonderful, glowing oratory of my friend, the gentleman from New York (Mr. SOLARZ), but that instead they carefully read the amendment offered by the gentleman from Maryland (Mr. BAUMAN), and they will find that it merits their support.

Mr. WOLPE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I have listened very carefully in the course of not only the debate today, but in the course of the deliberations of the African subcommittee on the question of sending observers to Rhodesia-Zimbabwe—to the arguments that have been raised by those who would have us identify ourselves in some way with the regime that is in power today.

It has been argued that America has a vital stake in the outcome of the conflict in Rhodesia. I would concur with that judgment. We, indeed, have a vital stake not only in Rhodesia-Zimbabwe—but in the entire southern African region.

It has been argued that the intent of American foreign policy in southern Africa should be to promote peaceful transition to majority rule. I would concur with that judgment as well.

It has been argued by the proponents of the amendment today that our objective in that area is to prevent the extension of Soviet and Cuban influence and that America has a vital interest in that effort. I would concur with that judgment as well.

□ 1445

But where I part company with those who would offer American identification with the regime in power today in Rhodesia/Zimbabwe is their claim that this identification with the Smith regime would be in the American national self-interest. The reality is that such a move would go further than anything we could do, and anything that the Soviets or the Cubans could do on their own initiative, to guarantee the extension of Soviet and Cuban influence in that part of the continent.

The fact of the matter is that regimes in much of this world lack legitimacy because they lack the support of their people. Until we begin to recognize that we do ourselves no favor by continuing to identify ourselves with regimes that lack legitimacy, we are not going to be serving the American self-interest. Instead, we will be creating a self-fulfilling prophecy wherein our effort to stop the spread of Soviet and Cuban influence by identifying ourselves with illegitimate regimes has the unintended effect of advancing Soviet and Cuban interests.

There is a more immediate concern with the amendment that is offered today. Under existing law, under the Case-Javits amendment, sanctions against Rhodesia would be lifted, if there were a finding that the elections to be held were free and fair. Under the amendment before us today, foreign assistance would be extended to Rhodesia even before there is a finding that the elections to be held there are free and fair.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I would be pleased to yield to the gentleman from New York.

Mr. SOLARZ. Mr. Chairman, I think the gentleman is making a terribly important point. As I understand it, what the gentleman is saying is that under the existing law sanctions will be lifted if the President makes a determination that the elections have been free and fair, but under the terms of the amendment before us today we would be obligated to provide foreign aid to the Rhodesian Government, even if the President and the observers that we have sent to Rhodesia to monitor the elections come to the conclusion that the elections have not been free and fair.

Mr. WOLPE. That is precisely the point and I thank the gentleman from New York for focusing attention on that very profound difference between what is being proposed today and what is in place under the Case-Javits amendment.

Mr. Chairman, during our deliberations, the Foreign Affairs Committee received a communication from the Secretary of State, and I would like to share that communication with the Members at this point:

> The Administration strongly opposes any legislative initiative that could be interpreted as U.S. support for one side or the other in the Rhodesian conflict. Such legislation would seriously undermine the ability of the United States to continue to play a constructive and impartial role in seeking lasting solutions to the problems in Rhodesia and elsewhere in southern Africa. The consequence would be to prolong the war and the suffering and to increase the risks of political and economic instability throughout the region.
>
> In passing the Case-Javits amendment last year, the Congress has expressed its will with respect to the situation in Rhodesia. The President will faithfully make the required determination at the appropriate time on whether the conditions of that amendment have been fulfilled. In the meantime we would strongly urge the Congress to take no action that would have the effect of preempting the President's determination.

The fact of the matter is, Mr. Chairman, that by identifying ourselves with the regime that is in place through this amendment, we would be doing precisely what it is claimed that we would not be doing; that is, we would be identifying ourselves with one faction to the conflict. It is in our self-interest, the interest of the American Government and the American people, not to identify ourselves with one faction to that conflict.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. WOLPE) has expired.

(At the request of Mr. SOLARZ, and by unanimous consent, Mr. WOLPE was allowed to proceed for 2 additional minutes.)

Mr. WOLPE. Mr. Chairman, it is in the American self-interest not to become identified with one faction to that conflict, but to insist as we have from the beginning, on a truly all-parties conference, and the consideration at that conference of all issues and all alternative proposals, including the Anglo-American proposal.

It is in our own self-interest not to identify ourselves with a regime that simply does not possess the support of the people.

We have a lot of history to draw upon, very recent history. We only need to look to the situation in Iran, to many similar situations in Latin America.

Please, let us take a look at those historical lessons and let us draw upon that history and not once again create the kind of self-fulfilling prophecy which will weaken the American strategic position, the American economic stake, the American relationship to the African continent, and especially to its southern region.

☐ 1450

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words and rise in opposition to the amendment.

Mr. Chairman, as I read the early portions of this amendment it would permit the President to do that which I understand he already has the authority to do. He already can send a team of observers if he sees fit to do so. He could take the other actions which the amendment conceives and this simply states that he has the authority to do so. He already has this authority.

The portion of the amendment, however, with which I have real problems and to which I have rather strong objections is section 2(c):

> Of the amounts authorized to be appropriated to carry out the purposes of this section, $20,000,000 shall be made available to the government of Zimbabwe/Rhodesia which is installed in that nation as a result of the election held in April 1979, which election may be evaluated and reported upon by observers as provided for in this section.

Even though the gentleman from Maryland has indicated in colloquy that he interprets this as meaning the $20 million shall be made available if the President makes the determination, I find the language of the amendment simply to say it shall be provided regardless of the outcome of the election, regardless of the nature of that government.

Now this is out of the $68 million for southern Africa in this bill. This bill has already been trimmed down. The $20 million will have to come directly from some other purpose which the committee intended. I do not know from whence it is going to come.

I have really strong problems with requiring a $20 million transmission to the Government of Zimbabwe/Rhodesia regardless of the outcome of the April elections.

Mr. ZABLOCKI. Will the gentleman yield?

Mr. BUCHANAN. I will gladly yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, the amount the gentleman from Maryland earmarks in his amendment is almost one-third of the total amount authorized in the entire bill for the African program.

Is it not true, further, that Rhodesia is the wealthiest country in Africa? Is that not true?

Mr. SOLARZ. Will the gentleman from Alabama yield?

Mr. BUCHANAN. I will yield to the gentleman from New York on that point.

Mr. SOLARZ. Rhodesia is the second wealthiest country on the continent. South Africa is the first. However, the standard of living even of the black people in Rhodesia, who obviously are not as well off as the whites, is considered to be 11 times higher than the average standard of living of black people throughout Africa as a whole.

Mr. ZABLOCKI. Will the gentleman yield further?

Mr. BUCHANAN. Surely I will yield to the gentleman.

Mr. ZABLOCKI. Certainly it is not a poor country by any standard compared to other countries in Africa.

I am surprised that the gentleman from Maryland (Mr. BAUMAN) would come up with such a figure when there were no hearings. I wonder where he got the $20 million figure. I think it comes out of the clear blue sky and to me it is irresponsible.

Mr. BAUMAN. Will the gentleman yield?

Mr. BUCHANAN. I will yield to the gentleman from Maryland.

Mr. BAUMAN. If I may respond to the gentleman, Henry Kissinger gave me the figure. This was the amount that he included 3 years ago in the authorization bill for the first Southern African fund, which you reported out of your committee and changed on the floor later. It is nothing new. You may call and check with Mr. Kissinger.

Mr. ZABLOCKI. Will the gentleman from Alabama yield.

Mr. BUCHANAN. I will yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. The figure is not a current one even if it is one that was suggested 3 years ago.

I must point out, however, that the entire amendment is subject to criticism. As the gentleman from Alabama pointed out the President has authority to appoint observers, but putting it in legislation I think is irresponsible. We cannot possibly have observers in time in Rhodesia for the elections.

Finally, the adoption of the gentleman's amendment, particularly subparagraph (c) which suggests an aid program at $20,000,000 for Rhodesia would be the wrong signal to give to the people in that area. Certainly the amendmen would be construed as giving a blessing to the elections even before they are held.

I hope the amendment is overwhelmingly defeated. I thank the gentleman for yielding.

Mr. BUCHANAN. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

What strikes me is that the proponents of the amendment have argued that this would provide for evenhanded treatment in the area. The fact of the matter is that this amendment proposes that aid be mandated for the Government to emerge from the election, mandated.

The CHAIRMAN. The time of the gentleman has expired.

□ 1455

Mr. BINGHAM. Mr. Chairman, the amendment the gentleman previously offered to stop aid to foreign countries unless the President said it was in the national interest was precisely the opposite. In other words, it is to give advantage to one and take away the chances for the other. It strikes me that it is anything but evenhanded.

It is in fact an amendment to identify this House with the Smith regime and what the regime is trying to do in Rhodesia.

Mr. BUCHANAN. In addition to what the gentleman has said and as the distinguished chairman of the House Committee on Foreign Affairs has said, Mr. Chairman, we have sought to point this aid to the poorest of the poor. This amendment is mandating a large portion of it to one of the wealthiest governments of Africa, without knowing the nature of the government that will emerge from the coming elections.

Mr. Chairman, I urge the defeat of the amendment.

Mrs. FENWICK. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I find this a curious amendment. In the earlier part, (a), and in (b) our President is told he may send observers to elections in Southern Africa wherever they may occur, and that aid shall be given to the education, transportation, and various other things in these countries.

But then comes the surprise. At the very end, in section (c), we are told, knowing, we will not be able to organize observer teams to Zimbabwe between now and April 29 regardless of that fact, that the President is ordered in fact to give $20 million to the Government in Rhodesia.

I would like to make it clear that I am not carried away by any illusions about the Popular Front. I sometimes wonder if it is "Popular," and I do not even know that it is a "Front." I think they are fighting each other consistently.

We have the tragedy of five armies now tearing that country apart and killing the people.

Bishop Muzorewa's army was accused by Rev. Sithole as being unprecedented in its brutality to the people. So, indeed, was Mr. Sithole's army accused by Bishop Muzorewa. Then, of course, there is the SS troop of the government itself, which is also accused of brutality. And we know the brutality of which the two armies of Mr. Nkomo and Mr. Mugabe have been accused.

All this stands unrefuted. Nobody is able to protect the people of that country. Nobody is talking about the rights of the minorities, and nobody seems to consider individual rights in the country. Not one person. That is the tragedy we have here.

I think it would be a grave mistake to involve ourselves as this amendment suggests. We cannot supervise every election in Southern Africa, and it would be foolish for us to try to do so. Certainly we cannot give $20 million to the government that stands in Rhodesia now.

Mr. Chairman, I hope this amendment is defeated.

Mr. FINDLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wonder if the author of the amendment could shed a little light on the effect of the language.

For example, section (c) at the bottom of the amendment has been brought into question, and several speakers have indicated that this mandates the provision of $20 million to the Government of Rhodesia under certain circumstances.

Is it mandated there, or is it discretionary with the President?

Mr. BAUMAN. Mr. Chairman, if the gentleman will yield, I would say that it was the intention of the gentleman from Maryland in drafting this language that the amount of money be made dependent upon determinations to be made by these observers. At the beginning of the page it indicates it is discretionary with the President whether or not he would carry this out.

If this language troubles the gentleman from Illinois (Mr. FINDLEY), I would certainly be willing two accept a change in order to make that very clear.

The major purpose of offering the amendment was to present the issue of the observers prior to the election in this body, because we had been denied that by the vote of the Subcommittee on Africa.

Mr. FINDLEY. Mr. Chairman, the language I have in my hand contains the word, "may," and it is written in. The word, "shall," is stricken in two different places in that last paragraph.

I wonder if that is the form in which the amendment now pending before this body appears? Does it say, "may" or "shall"?

Mr. BAUMAN. I believe, as it is before the committee at the Clerk's desk, it says that $20 million shall be made available, but I would be amenable to a change, if that comforts the gentleman.

Mr. FINDLEY. Is the gentleman asking unanimous consent to modify the amendment?

Mr. BAUMAN. No; I will leave that to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Then, Mr. Chairman, may I also ask this: Concerning the effect of the language on the first page of the amendment which would seem to set aside $68 million exclusively for the countries of southern Africa, could the gentleman shed any light on this question? To what extent would this amendment alter the provision of aid which is contemplated by the original bill?

□ 1500

Mr. BAUMAN. The language in section (a) is not, for the most part, the language of the gentleman from Maryland but, rather, the language of the bill. But last year, when this southern Africa fund was created, it specifically earmarked the funds only for southern African countries. Without any notice in the report of this bill, that "only" was taken out, and the language before us, on page 23 of the bill, is—

> . . . shall be available for the countries of southern Africa and for a southern Africa regional refugee support . . .

Mr. FINDLEY. Is it the gentleman's intention that the amendment now pending not tie the hands of the President in any single respect?

Mr. BAUMAN. Only that it would provide him the opportunity, and indeed the responsibility, if he refused, of using these observers in the instance of any elections that occur, so that the Congress and the public of the United States could judge whether or not these elections were free and open and fair.

Mr. FINDLEY. But I wonder if, even in that instance, this amendment would tie the hands of the President, because at top of the first page the gentleman's amendment says that the President may appoint a team of impartial observers. I do not read that to be a mandate to appoint a team.

Mr. BAUMAN. It is not a mandate. It is not an absolute mandate. It is at his discretion.

Mr. FINDLEY. It would seem to me that there is nothing in the gentleman's amendment that would actually tie the hands of the Persident.

Mr. BAUMAN. That is my interpretation.

Mr. FINDLEY. And the net effect of the amendment, therefore, is to give the President the encouragement to appoint a team of observers for the election in Rhodesia.

Mr. BAUMAN. Something he badly needs at this point. And I think the House should lend its support. Not to endorse any faction, but simply to observe.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. The elections end on the 21st. That is next Saturday. The Members will note that the amendment speaks of elections in southern Africa and not in Rhodesia. It is not until we get to subparagraph (c) that it says the President shall make $20 million available. It does not say how it should be spent. I want to ask the Members what would happen if your committee came to this floor and said, "Let us give $20 million to Zilch," without any mandate as to how it is to be spent. It would be most irresponsible.

Mr. FINDLEY. I will rely upon the intention of the gentleman from Maryland in drafting this language to leave with the President full discretion on this point. If the language pending before the body mandates the expenditure, then I would hope that the gentleman from Maryland would ask consent that the amendment be revised. It is my belief, based upon the gentleman's assurances, that he is not trying to tie the hands of the President in this respect or in any other respect.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. FINDLEY) has expired.

(On request of Mr. BUCHANAN and by unanimous consent, Mr. FINDLEY was allowed to proceed for 1 additional minute.)

Mr. BUCHANAN. Mr. Chairman, if the gentleman will yield, I would say to the gentleman, in the words of Thomas Jefferson, one should bind men by the chains of law. Whatever this colloquy may say, the language says, "shall," and that "shall" applies to a mandate, $20 million to whatever government emerges from the election in a single country, Rhodesia-Zimbabwe.

Mr. FINDLEY. Mr. Chairman, just to bring this to a head, I ask unanimous consent that the word "shall" which appears in two places in the last paragraph of the amendment be changed to "may."

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. SOLARZ. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The gentleman will have to submit an amendment in writing if the Chair is to consider it.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

I wonder if I could ask the author of the amendment, since the language refers to southern Africa, does that mean there is more than one country; is that correct? Since the original language came from the committee, as I understand it, I wonder if we could have the countries that are under consideration in this amendment be listed. This is not just Rhodesia.

☐ 1505

Mr. BAUMAN. The area of "southern Africa" is somewhat imprecise, because it is a geographic reference; but, obviously, it would include all those countries, including South Africa, Mozambique, Angola, Rhodesia-Zimbabwe, Botswana, Lesotho, and a number of others. Any of these countries would be eligible for this aid, as they have been over the last 2 years, of the fund's existence, with some restrictions.

Mr. ROUSSELOT. So it is not restricted to just one country.

Mr. BAUMAN. No, it is not.

Mr ROUSSELOT. It is merely an attempt for our country to have observers present for some of these special elections.

Mr. BAUMAN. Any of them.

Mr. ROUSSELOT. So I do not understand why my colleague from New York (Mr. SOLARZ) is so fearful of having observation teams in these several nations, should they have elections. That does not sound like an extreme position to me. I want to be sure I understood the intention of my colleague who offered the amendment. I do not see that that sounds very extreme to have observers of elecions in any of this area, and how that would do damage to us. If the amendment of my colleague from Illinois is accepted to change the language from "shall" to "may," which I guess would leave it in the hands of the President to some degree, I do not really see that that does great harm to our country or those involved in southern Africa. The observers merely give us a chance to see how the elections are conducted and if the plebiscite is being carried out in a fair way.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield for the purpose of offering an amendment?

Mr. ROUSSELOT. Yes.

Mr. FINDLEY. Mr. Chairman, I have an amendment at the desk.

The CHAIRMAN. The Chair will advise the gentleman from Illinois that he will have to seek his own time for the purposes of offering his amendment.

Mr. ROUSSELOT. Do I understand that the gentleman from Illinois plans to offer an amendment to change the language from "shall" to "may"? Is that correct?

Mr. FINDLEY. That is correct.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. I thank the gentleman.

The gentleman was asking, almost rhetorically, what was wrong with our going to observe some elections. I wonder if the gentleman realizes that the Constitution under which the elections are to be held in Rhodesia was adopted by a vote of only 2 percent of the citizens of that country? Is the gentleman aware of that?

Mr. ROUSSELOT. Yes, but, at least it is an election. That is better than they have had down in Cuba. You know, Cuba has some 50,000 guerrilla troops in southern and mid-Africa trying to bring wrongful pressure on all their elections.

My answer to that is that Rhodesia is carrying out the people's will better than they do in Cuba. They are at least having an election.

My answer to my colleague from New Jersey is that all that is being asked in this amendment is that observers be sent to several nations in south Africa. As I understand it, my colleague from Illinois (Mr. FINDLEY) is going to offer an amendment to change "shall" to "may" in section (c). I just do not see how that is so difficult to comprehend.

My colleague from Maryland seems anxious to clarify a point.

Mr. BAUMAN. The gentleman from New Jersey refers in a rather scornful manner to the fact in a referendum the registered white votes of Rhodesia did in fact overwhelmingly approve this Constitution, which is the first instance anywhere in the world of a minority ceding power to a majority in a colonial nation by vote of the electorate. They did so because Prime Minister Smith made a commitment to the white electorate that they would have that right. But, they voted overwhelmingly to bring about the elections that will occur this month, and those elections will allow a transfer to black majority rule, again unprecedented in all of Africa.

The fact that the gentleman's point about the election being approved by the white electorate is really somewhat irrelevant.

Mr. ROUSSELOT. Also, I do not see how that would adversely affect us, or we should be fearful of having observers there. I do not think that influences the election. It just allows us to see how the first full interracial election is conducted. I support the amendment.

☐ 1510

Mr. DOWNEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, it seems clear to me that the decisions reached by the U.S. Congress with regard to the outcome of the elections later this month in Rhodesia and the sanctions in force against that country, will have a major and lasting effect upon the future of American interests in Africa and our relations with all the nations of black Africa. I believe that it is also clear that the scheduled elections in Rhodesia/Zimbabwe are destined to be a farce, which will in no way satisfy the conditions set forth in the Case-Javits amendment for a free and fair election. The circumstances leading up to these elections and the mechanics of the election process itself make this evident. I would like to list a number of facts which illustrate the truth of this statement:

First. The constitution upon which these elections are founded is fundamentally undemocratic and has not been approved by 98 percent of the electorate. The 60 percent of the white electorate who took part in the constitutional referendum constitute only 2 percent of Rhodesia's population. There has been no black referendum on the constitution.

Perhaps a brief review of some of the provisions of this constitution will indicate why blacks have been excluded from the process of approving the constitution:

The whites (4 percent of the population) have 28 out of 100 seats reserved for them in the House of Assembly, and 10 of the 30 Senate seats are also reserved for whites.

The whites can vote twice and every white vote is worth 11 black votes. Whites vote once for the reserved white seats and again for those to be elected to the remaining 72 seats in the assembly.

The whites will have a level of power out of all proportion to their numbers and Mr. Smith, the symbol of white domination throughout Africa, will play a leading role in the new parliament.

The white dominance of society is preserved because whites are able constitutionally to veto change.

The whites will remain in full control of the police and the security forces which have been taken out of government control.

The constitution allows for cosmetic changes in the law and for a change in the color of the government; it will not change the nature of either the government or society in Rhodesia.

Second. The very mechanics of the election process prelude the concept of free and fair elections.

The two wings of the Patriotic Front, ZANU and ZAPU, are banned organizations inside Rhodesia and so are prevented from participating in the election in April. Though they have been invited to return, the political wings of these groups inside Rhodesia are banned from any organizing or campaign activity.

As ZANU and ZAPU represent considerable popular support in the country, a fundamental requirement of the Case-Javits amendment is denied at the outset.

Bishop Muzorewa is the only black leader to have been given the opportunity to campaign on the state-run television network.

There is to be no registration of black voters, no write-in provisions and no opportunity for voting for particular candidates for the black seats in parliament. Voters are shown only the names and symbols of the five registered parties.

People will not be free to abstain from voting nor to spoil their ballot paper as a protest.

Voting will not be a secret for the majority of the people. Because of the high rate of illiteracy (some 70 percent) among black voters, government officials will be present while voting takes place.

Martial law now covers over 85 percent of Rhodesia, and this is an admission that civil administration has broken down in most of the country.

Third. These last two points bring to light a central flaw in the planned elections. The intimidation of black voters by central government officials and security forces, as well as by guerrilla forces in many parts of the country, makes normal voting almost impossible. I might ask my colleagues who claim this election can be free and fair, how they would expect to vote as 1 of the 340,000 black workers on white-owned farms, being driven in a truck by your white employer to a polling place guarded by government troops and being assisted in filling in your ballot by a government official. This is only one example of the extraordinary pressures being put on the ordinary African voters in Rhodesia, who have been told repeatedly for months now that not voting for one of the five registered parties is only a step away from treason.

Mr. Chairman, I have outlined my reasons for believing that the Rhodesian elections will not, and cannot, be free and fair in any terms understood by informed citizens of the United States or any other democratic nation. In conclusion, I would like to stress the very negative impact a recognition of the internal settlement in Rhodesia would have for American foreign policy.

First. It would not end the war. Nor would it fundamentally improve the stability of the new government, which—with 85 percent of the country under martial law, large guerrilla forces inside the country, and private armies loyal to black leaders within the government—is bound to be unstable.

Second. The war is likely to escalate and the risk of Cuban/Soviet intervention will increase, if the United States clearly takes the side of the internal settlement.

Third. The lifting of sanctions by Congress before free and fair elections would isolate the United States in the international community, cause friction within the Western alliance, and be ruinous to our relationship with black African nations.

Fourth. Recognition of the new government in Rhodesia after the April election would be followed by demands from Salisbury, for arms and material aid. Such recognition would put the United States firmly in the camp of the white minority regimes of southern Africa.

Fifth. A delegation of British Members of Parliament from all three British parties visited Washington recently and made it clear that in their view the British Government will not normalize relations with Rhodesia whether or not the conservative party comes to power in Britain.

I do not think that many Americans or many Members of the Congress wish to see a picture of the United States standing shoulder to shoulder with South Africa and Rhodesia against the world, as violence and guerrilla warfare escalates in southern Africa. I do not think many Americans want to see their country back the "wrong horse" again in the area of foreign affairs.

□ 1515

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

The gentleman makes the point that certain groups are excluded. The only condition that the government, the biracial government, in Salisbury has imposed on Zapu and Zanu is that they put down their guns if they come in and participate. They were given freedom at the beginning of the regime, as the gentleman will admit, and when that freedom was allowed, they began moving in a military way in the country, killing people, causing disruption, and they have been finally clamped down on. Now they have been offered the chance to come in and participate peacefully and they have rejected that.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mrs. FENWICK, and by unanimous consent, Mr. DOWNEY was allowed to proceed for 1 additional minute.)

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

The point of the gentleman from Maryland we would be interested in: We are not questioning that they have said, "You can lay down your arms; come in from the surrounding countries and vote." What we are questioning is then those parties organize and then they hold rallies among the people who are already there, and the answer is, no. I am talking about the people who are not outside, who have not got arms. The people in the country now are not allowed to organize among themselves and present parties to debate.

Mr. BAUMAN. If the gentleman from New York (Mr. DOWNEY) will yield, the gentlewoman from New Jersey (Mrs. FENWICK) is not correct.

Mrs. FENWICK. No, they are manned parties. As parties, they cannot.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to my friend, the gentleman from New Jersey.

Mr. MAGUIRE. I thank the gentleman for yielding.

I want to congratulate the gentleman on his statement and associate myself with his remarks on the ad hoc monitoring group. I think his analysis is very persuasive.

I think the gentleman from Maryland (Mr. BAUMAN) really has not given us a very good account as to why we should go along with an illegal government under a constitution voted through by whites only, and a constitution which will in fact perpetuate white rule, as well as ban participating parties from the election.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. DOWNEY was allowed to proceed for 1 additional minute.)

Mr. DOWNEY. I would like to respond to my colleague, who has been a thoughtful advocate on the part of U.S. policy in southern Africa and ask him candidly if he thinks that these elections can be held in any way to comply with the requirements of the Case-Javits amendment.

Mr. MAGUIRE. If the gentleman will yield, I would certainly think not. The difficulty is not whether the people are going to be filing in and out of the voting booth somehow. As the gentleman has pointed out, there will be government presence, and it will not be possible to talk about a free election. But even if they had people filing in and out voting freely, the fact of the matter is that the whole process is so fundamentally flawed because it is an illegal government, because the constitution was adopted in spite of a 95 percent black majority in the country, without a single black vote for it, and the constitution itself provides, as the gentleman pointed out, blocking of a minority of whites in the legislature, in the judiciary, the civil service, and the military. The domination of whites is perpetuated, and it simply is an illegitimate process.

Mr. DOWNEY. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

AMENDMENT OFFERED BY MR. SOLARZ TO THE AMENDMENT OFFERED BY MR. BAUMAN

Mr. SOLARZ. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. Solarz to the amendment offered by Mr. Bauman: On page 2 of the amendment, strike out subsections (b) and (c).

Mr. SOLARZ. Mr. Chairman, I will try to be relatively brief, because I think we have already debated this issue at some length. My amendment would strike out subsection (b) which urges the President to send observers to Rhodesia, and it would also strike out subsection (c) which would in effect require us to send $20 million in foreign aid to Rhodesia after the elections are held.

It strikes out the section on observers, because the President and Secretary of State have made it absolutely clear that in their judgment it would be extremely counterproductive for the President to send observers to observers to Rhodesia to monitor these elections, both with respect to our relations with all of Africa as well as in terms of our ability to continue playing the role of an honest broker in the search for a negotiated end to the war in Rhodesia.

It also strikes out section (c) which provides $20 million in foreign aid to Rhodesia on the ground that, under existing law, sanctions will be lifted if the President decides the elections have been free and fair. But under the terms of section (c) in the Bauman amendment we are obligated to provide $20 million in aid to Rhodesia even if it turns out that there have not been honest elections.

□ 1520

Now, one point which I think really has to be stressed here today, is that our primary interest is not in who emerges as the ruler of Rhodesia over the course of the next year or 2, but in bringing the war to an end as rapidly as possible, both as a way of minimizing the human suffering of the people of Rhodesia as well as in terms of precluding the possibility of a significant Soviet or Cuban involvement in that conflict.

The fact of the matter is that we have very constructive relationships with a wide variety of African countries. We have good relations with a Marxist country like Somalia and with a capitalist country like Senegal. We have good relations with a democracy like Botswana and with a dictatorship like Bexin.

I submit that no matter who comes to power in Rhodesia, even if it should be the Patriotic Front, we are going to be able to have a relatively constructive relationship with them. It may be that some Members would prefer to see Bishop Muzorewa as the ruler of Rhodesia, rather than Robert Mugabe or Mr. Nkomo, but in terms of the interests of the United States, I would submit that our experience in dealing with a wide variety of other African countries, many of whom have political and social systems of which we may not personally approve, indicates that no matter who comes to power in Salisbury, we will be able to do business with them.

The problem with the Bauman amendment is that by providing $20 million in aid to Rhodesia, we will have clearly taken sides in that conflict, and in the process of taking sides we will have not only increased the pressure on the Patriotic Front, and on the frontline states, to invite in the Cubans and the Russians, we will also have eliminated whatever chance remains for a negotiated settlement.

Until now we have not supported the internal settlement and we have not supported the Patriotic Front. I do not believe we should support either, because if we do we will not only foresake whatever chances may remain for a negotiated settlement, but we will also begin to move down the path toward the kind of increasing involvement which led this country to grief in Vietnam. So for all of these reasons, I would really urge my colleagues to vote for this amendment and to eliminate these objectionable provisions in the Bauman amendment.

Mr. ZABLOCKI. Mr. Chairman, I ask unanimous consent that all debate on the Bauman amendment and the Solarz amendment to the Bauman amendment and all amendments thereto end at 3:30 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, I have no objection to limiting time, I think we have discussed it enough; but this would not preclude the gentleman from Maryland from offering a substitute amendment for the Solarz amendment at this point, would it?

The CHAIRMAN. The Chair will state that the Solarz amendment is not subject to a substitute.

Mr. BAUMAN. No substitute would be in order to the Solarz amendment?

The CHAIRMAN. That would be an amendment in the third degree. The Bauman amendment would be subject to a substitute.

Mr. BAUMAN. Mr. Chairman, I understand.

I thank the Chair.

Further reserving the right to object, I wonder if the gentleman from Wisconsin could tell us how many Members might be interested at this point in making some remarks?

Mr. ZABLOCKI. I observed four Members standing.

Mr. BAUMAN. Well, with that understanding, I withdraw my reservation of objection and I do not object.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was made will be recognized for 1 minute each.

The Chair recognizes the gentleman from Illinois (Mr. Findley).

□ 1525

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Findley: In the last paragraph substitute "may" for the word "shall."

The CHAIRMAN. The Chair would advise the gentleman from Illinois the amendment is not in order. There is already an amendment pending to the Bauman amendment.

Mr. FINDLEY. May I reserve my time?

The CHAIRMAN. If there is still time left. The Chair would point out the limitation is for 3:30 p.m.

Mr. BUCHANAN. Mr. Chairman, I yield back the balance of my time.

Mr. DERWINSKI. I would like to repeat my support for the Bauman amendment and point out that the gentleman from New York (Mr. Solarz), in his dedication, has continually overstated the case.

Let me reemphasize, this is a long overdue effort to have the United States maintain an even-handed policy, not a proguerrilla policy in Rhodesia.

Secondly, and I say this with great respect for the gentleman from New York, the gentleman has come to assume these elections are not going to be fair. I realize he has a Tammany Hall background and that is an easy conclusion to reach, but let us give them a chance to hold fair elections.

I guarantee the gentleman the elections to be held in the next few weeks will be a lot more fair than if you let the guerrillas shoot their way in and impose a Marxist dictatorship.

I urge support for the Bauman amendment.

Mr. BAUMAN. Mr. Chairman, I strongly urge rejection of the Solarz amendment. The gentleman from New York does me the honor of presenting the issue squarely. He does not want observers at these Rhodesian elections or any elections in southern Africa.

There is a saying that there are none so blind as those who will not see. The gentleman from New York has enlisted himself quite candidly in that group by his position on the matter of Rhodesian elections. He refuses to admit any possibility of a fair, free, and Democratic change to black rule in that country and I think that is sad.

I do not think the House of Representatives has to accept that position. By voting against his amendment we will go on record as being for that peaceful transition and in opposition to the terrorists, the Marxists and, regretably, the U.S. State Department that has upheld their cause for all too long.

Mr. FINDLEY. Mr. Chairman, if the Solarz amendment is rejected, as I hope it will be. I will then ask consideration of my amendment which would change the word "shall" to "may," in the last paragraph of the amendment of the gentleman from Maryland which would set the amendment in the tone in which I believe the author intended it to be. That is, entirely discretionary on the part of the President, not binding him in any respect, but, nevertheless, conveying a strong encouragement for him to send a U.S. team to observe the elections in Rhodesia, which elections will come up in the next few days.

Mr. ZABLOCKI. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. SOLARZ) to the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The question was taken; and on a division (demanded by Mr. BAUMAN) there were—ayes 23, noes 18.

☐ 1530

RECORDED VOTE

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 233, noes 146, not voting 55, as follows:

[Roll No. 83]

AYES—233

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Applegate
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Brademas
Brodhead
Brooks
Brown, Calif.
Buchanan
Burlison
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
D'Amours
Danielson
Daschle
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
Erdahl
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frenzel
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gramm
Gray
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Holland
Hollenbeck
Holtzman
Horton
Hughes
Hutto
Jenkins
Jenrette
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kostmayer
Leach, Iowa
Leach, La.
Lederer
Lehman
Leland
Levitas
Lloyd
Long, Md.
Lowry
Lujan
Luken
Lundine
McCloskey
McDade
McHugh
McKay
McKinney
Maguire
Markey
Marks
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Myers, Pa.
Natcher
Neal
Nedzi
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Price
Pursell
Rahall
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Roe
Rose
Rosenthal
Roybal
Russo
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Steed
Stenholm
Stewart
Stokes
Studds
Swift
Synar
Tauke
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
White
Whitley
Whitten
Williams, Mont.
Wolff
Wolpe
Yates
Young, Mo.
Zablocki
Zeferetti

NOES—146

Abdnor
Anderson, Calif.
Andrews, N. Dak.
Archer
Ashbrook
Bafalis
Barnard
Bauman
Beard, Tenn.
Bereuter
Bethune
Bevill
Bowen
Breaux
Brinkley
Broomfield
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Chappell
Cheney
Clinger
Collins, Tex.
Corcoran
Courter
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Derwinski
Devine
Dickinson
Dougherty
Edwards, Ala.
Edwards, Okla.
English
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Findley
Fish
Forsythe
Fountain
Gingrich
Goldwater
Gradison
Grassley
Grisham
Guyer
Hammerschmidt
Hansen
Harsha
Hightower
Hillis
Hinson
Holt
Hopkins
Howard
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Johnson, Calif.
Jones, N.C.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leath, Tex.
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lungren
McClory
McDonald
Madigan
Marlenee
Marriott
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Murtha
Myers, Ind.
Nelson
Pashayan
Pritchard
Quayle
Quillen
Railsback
Regula
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Santini
Satterfield
Sawyer
Schulze
Sensenbrenner
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stratton
Symms
Taylor
Thomas
Treen
Trible
Vander Jagt
Walker
Wampler
Watkins
Whitehurst
Whittaker
Williams, Ohio
Winn
Wyatt
Wylie
Yatron
Young, Alasks
Young, Fla.

NOT VOTING—55

Ashley
Badham
Boggs
Brown, Ohio
Burton, John
Carter
Clausen
Cleveland
Coleman
Coughlin
Crane, Daniel
Crane, Philip
Davis, S.C.
Deckard
Dellums
Dornan
Ertel
Fithian
Flood
Frost
Goodling
Hagedorn
Heftel
Hubbard
Huckaby
Hyde
Kogovsek
LaFalce
Long, La.
McCormack
McEwen
Mikva
Moffett
Nichols
Nolan
O'Brien
Pepper
Preyer
Rhodes
Rodino
Rostenkowski
Runnels
Sebelius
Staggers
Stark
Stockman
Stump
Thompson
Traxler
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wright
Wydler

☐ 1545

The Clerk announced the following pairs:

On this vote:

Mr. Moffett for, with Mr. Badham against.

Mr. Pepper for, with Mr. Daniel B. Crane against.

Mrs. Boggs for, with Mr. Dornan against.

Mr. Thompson for, with Mr. Philip M. Crane against.

Mr. Frost for, with Mr. Coleman against.

Mr. Staggers for, with Mr. Hyde against.

Mr. McCormack for, with Mr. Brown of Ohio against.

Mr. Rodino for, with Mr. Sebelius against.

Mr. Flood for, with Mr. Coughlin against.

Mr. FISH changed his vote from "aye" to "no."

Mr. MOLLOHAN and Mr. TAUKE changed their vote from "no" to "aye."

So the amendment to the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Does the gentleman from Maryland ask unanimous consent to offer an amendment to his pending amendment?

Mr. BAUMAN. Am I not in order, Mr. Chairman, to offer an amendment to an amendment once it has been offered?

The CHAIRMAN. The Chair will state that that requires unanimous consent.

Mr. BAUMAN. Then, Mr. Chairman, the gentleman from California (Mr. ROUSSELOT) will offer the amendment.

AMENDMENT OFFERED BY MR. ROUSSELOT TO THE AMENDMENT OFFERED BY MR. BAUMAN, AS AMENDED

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment to the amendment, as amended.

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT to the amendment offered by Mr. BAUMAN, as amended: Immediately after the last sentence of subsection (a) of section 533 of the amendment offered by Mr. BAUMAN, as amended, add the following:

(b) In furtherance of the purposes of this section and the foreign policy objectives of the United States the President may appoint a team of impartial observers to observe elections in southern Africa and report to Congress:

(1) as to whether all of the people of any such southern African nation and all organized political groups were given a fair opportunity to participate fully in the election without regard to ethnic identity or political affiliation; and

(2) on the extent of public participation in the election, including the extent to which disruptions in the election process due to guerrilla activities may have affected public participation in the election and the extent to which eligible voters expressed opposition by voluntarily refraining from voting in the election.

(c) of the amounts authorized to be appropriated to carry out the purposes of this section, $20,000,000 may be made available to the government of Zimbabwe/Rhodesia which is installed in that nation as a result of the election held in April 1979, which election may be evaluated and reported upon by observers as provided for in this section.

☐ 1550

POINT OF ORDER

Mr. SOLARZ. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman from New York (Mr. SOLARZ) will state his point of order.

Mr. SOLARZ. Mr. Chairman, I make a point of order that the amendment just offered by the gentleman from California is out of order on the ground that it is virtually identical to the amendment which was just overwhelmingly rejected by the House, in that it does provide for $20 million in foreign aid to Rhodesia for these observers. It is essentially identical to the amendment we just rejected and, therefore, it should be ruled out of order.

The CHAIRMAN. Does the gentleman from California (Mr. ROUSSELOT) desire to be heard on the point of order?

Mr. ROUSSELOT. Yes, Mr. Chairman. I have made some changes and substituted the word "may" for "shall." It is a substantive change, and I believe it is in order on the basis of the way I have submitted it.

The CHAIRMAN. Does the gentleman from Maryland (Mr. BAUMAN) desire to be heard on the point of order?

Mr. BAUMAN. Only to point out that the previous language was mandatory. The previous language in the amendment voted down was mandatory insofar as the allocation of funds, and in this case it is totally discretionary, a fundamental change in the character of the amendment. Therefore, I do not think the point of order is well taken.

Mr. SOLARZ. Before the Chair finally rules on the issue, may I bring to the attention of the Chair the fact that the gentleman from Maryland (Mr. BAUMAN), who is the author of the original amendment, argued on several occasions during the course of the debate that the language in his amendment was not mandatory and, therefore, it seems to me that this is virtually identical to the amendment that was just defeated and is, therefore, not germane.

The CHAIRMAN (Mr. LEVITAS). Is there any further discussion on the point of order? If not, the Chair is prepared to rule.

The Chair has compared the language in the amendment offered by the gentleman from California (Mr. ROUSSELOT) to the language just stricken from the amendment offered by the gentleman from Maryland (Mr. BAUMAN) as a result of the amendment offered by the gentleman from New York. The rule is that identical or substantially identical language cannot be inserted after an amendment striking substantially identical language has been adopted.

□ 1555

In reading the amendment offered by the gentleman from California, the Chair notes certain changes in language which the Chair does not believe to be substantial in nature; however, in section (c) which is added by the amendment, the change of the word "shall" to the word "may" appears to the Chair to be a change of substance, a material change in the substance of the amendment offered by the gentleman from California, different from that which appeared in the original text of the amendment offered by the gentleman from Maryland.

Consequently, it is the opinion of the Chair that it is in order for the amendment to be offered and the point of order is overruled.

PREFERENTIAL MOTION OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. BAUMAN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. BAUMAN. Mr. Chairman, why would the gentleman from Maryland wish to strike the enacting clause of this magnificient piece of legislation?

The gentleman wishes to accomplish that end simply because he feels that the Committee of the Whole has been dealt a grave injustice in the characterization of the last amendment.

I know it is difficult in this day and age when Members are not permitted by the press of business and committee activities to understand fully the proceedings that occur on the floor of the House of Representatives and to understand fully all the amendments.

This is particularly so when amendments have to be offered at the last moment to guard against the opposition and many of us have resorted to that tactic on occasion.

I deeply resent the characterization of this amendment as the Members came through the door during the last vote with some saying the amendment allowed an addition of $20 million to foreign aid. I had Members from both sides of the aisle come to me and say they were told that this amendment added $20 million in foreign aid for Rhodesia. Nothing of the sort, nothing of the sort.

Now, if we cannot conduct the business of the Committee of the Whole in an honest and open and factual way, we do a disservice to our membership, because Members are placed in the situation of voting in ignorance.

The last amendment added not one dollar. I refer to page 23 of this bill, southern African programs which provides $68 millions for fiscal year 1980 for the southern African program. All the amendment that I originally offered proposed to do was to earmark $20 million of those dollars for the new Government of Rhodesia after they hold full, free, and fair elections.

It did not add one dollar. I think some Members were under that misimpression, because of the wilful misleading that took place when the amendment was described to them.

Now, what does this amendment now pending do? The gentleman from California with his ideas as if springing from the head of Zeus, brought this amendment here to the floor, thank God, and saved us so that we could address this issue. I commend him for his quick-witted ability to draft amendments.

This amendment simply says that the President may establish a team of observers that can go to any southern African country that holds an election and come back and report to the Congress what precisely those elections are all about, whether they are free and fair. In the case of Rhodesia/Zimbabwe they could come back after elections to be held shortly and say that it was a free election and the results reflected democratic process in action, then the President may if he wants to, in his full discretion earmark $20 million out of the $68 million. This amendment simply puts us on the side of a new freely elected black majority government in Africa and against the side of the terrorists, the bombers, those who shoot down planes, those who make our asinine policy in the State Department and those who gather on the floor of the House and support that policy. Now, that is your choice. I urge you to vote for this amendment.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the author of the amendment.

Mr. ROUSSELOT. Mr. Chairman, as one who came from Zeus, I would like to say that all I was trying to do was because I understood the gentleman from Illinois wanted to make it discretionary on the part of the President, that all I tried to do in offering this amendment, was try to accommodate what I thought the gentleman from Illinois and the gentleman from Maryland had agreed upon and what our colleague tried to prevent from allowing it to happen. It is absolutely ridiculous to try to stop that by that little cute technique that was used, a very smart parliamentary maneuver, but it did not give this body a chance to really know what is happening.

Mr. BAUMAN. Mr. Chairman, the gentleman from California and the gentleman from Maryland resent cute little parliamentary techniques at all times.

□ 1600

Mr. FINDLEY. Will the gentleman from Maryland agree with me that the language now pending does not tie the President's hands in any respect?

Mr. BAUMAN. Not in any way. As much as I would like it to it does not.

Mr. ZABLOCKI. Will the gentleman yield?

Mr. BAUMAN. I yield to the distinguished chairman.

Mr. ZABLOCKI. I thank the gentleman for yielding.

I am sure the gentleman from Maryland did not intend to include the gentleman from Wisconsin as one who stood at the door misinforming Members.

Mr. BAUMAN. Surely not.

Mr. ZABLOCKI. Because, indeed, the gentleman heard I said this was a Bauman amendment.

Mr. BAUMAN. That alone is debilitating.

Mr. ZABLOCKI. And that it earmarked $20 million for Rhodesia and that it provided for observers to the election.

Mr. SOLARZ. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the motion.

I realize there are a lot of Members who were not on the floor while we debated this issue at great length so I would particularly like to address myself to those Members who had the perspicacity upon coming through the doors of the House to instantaneously grasp the disabilities of the Bauman amendment and overwhelmingly reject it when it came up for a vote a short while ago.

If you will basically vote the same way you voted the last time this time we will certainly end up with the same result.

Now some of you may ask what is so bad about this new version of the amendment which, after all, does not obligate the President to send observers to monitor the elections in Rhodesia and does not obligate the President to give $20 million in foreign aid to Rhodesia but which simply urges the President to send observers to the election and which says the President may provide up to $20 million in foreign aid to Rhodesia after the elections are held.

I will tell you what is wrong with it. Insofar as the observers are concerned, today is April 9. The elections begin tomorrow on April 10. The elections will be over by April 21. There is no way under the Sun, even if the President thought it was a good idea, that he could send observers to Rhodesia and expect them to do the job.

Second, the President has made it absolutely clear that, while he has no objection to private observers going over to Rhodesia, as indeed many will, he does object to the idea of sending official American observers to Rhodesia to monitor the elections, because that will, ipso-facto, be interpreted by the African countries, by the frontline states, and by the Patriotic Front, as an endorsement of the internal settlement, thereby bringing to an end whatever remaining possibilities there are for a negotiated transition to majority rule in that country.

Now, you may say, "What is wrong about giving the President the authority to provide up to $20,000,000 in foreign aid to Rhodesia once these elections are held?"

What is wrong with it is that under existing law we have an amendment on the books which provides that once elections are held, if the President determines that the elections have been free and fair and that the new government is willing to go to an all-parties conference, sanctions must be lifted.

□ 1605

But under the terms of this amendment we are signaling a willingness on the part of the Congress to permit up to $20 million in foreign aid to go to Rhodesia even if the elections have not been free and fair and even if the new Rhodesian Government is totally unwilling to enter into an all-parties conference.

I want to say to my colleagues on the committee that they may think it is easy to vote for this amendment, that it really does not do any harm, and that it does not force the President to do anything he does not want to do, but we should keep in mind the fact that if this amendment is adopted, by tomorrow morning every key figure in Africa is going to come to the conclusion that the U.S. House of Representatives has decided to throw its weight behind the internal settlement.

We may want to do that at some subsequent point. If these elections are free and fair and if the President comes to the conclusion that they have been honest, then sanctions will be lifted and the way will be cleared to providing the Rhodesian Government with assistance if we decide to do so. But under this amendment we are signaling a willingness to permit $20 million in foreign aid, once the elections are held, even if they have not been free and fair.

Finally, may I say that if this amendment is adopted, we are in effect saying to the President of the United States that in spite of the fact that every other country in the world except South Africa is supporting sanctions against Rhodesia, in spite of the fact that we may come to the conclusion the elections have not been free and fair, and in spite of the fact that we may not lift sanctions ourselves, nonetheless we will send Rhodesia $20 million in foreign aid once the elections are held, regardless of how dishonest they may have been.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to my friend, the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentleman for yielding.

Being essentially the fiscal conservative that I am, I do not want $20 million just thrown around. We are counting pennies in the House now, and obviously all my colleagues on the other side share my feeling.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has expired. All time has expired.

The question is on the preferential motion offered by the gentleman from Maryland (Mr. BAUMAN).

The preferential motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT) to the amendment offered by the gentleman from Maryland (Mr. BAUMAN), as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 191, noes 184, not voting—59, as follows:

[Roll No. 84]

AYES—191

Abdnor
Ambro
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
Bafalis
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bereuter
Bevill
Biaggi
Bouquard
Bowen
Breaux
Brinkley
Broomfield
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Chappell
Cheney
Clausen
Clinger
Collins, Tex.
Conable
Corcoran
Courter
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Devine
Dickinson
Dingell
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Findley
Fish
Flippo
Forsythe
Fountain
Frenzel
Fuqua
Gingrich
Ginn
Goldwater
Gradison
Grassley
Grisham
Gudger
Guyer
Hall, Tex.
Hammerschmidt
Hansen
Harsha
Hefner
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Horton
Howard
Huckaby
Hutto
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McDade
McDonald
McKay
Madigan
Marlenee
Marriott
Martin
Mica
Michel
Mikulski
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murtha
Myers, Ind.
Natcher
Nelson
Pashayan
Paul
Perkins
Petri
Pickle
Pritchard
Quayle
Quillen
Railsback
Regula
Rinaldo
Ritter
Roberts
Robinson
Roe
Roth
Rousselot
Royer
Rudd
Santini
Satterfield
Sawyer
Schulze
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Steed
Stenholm
Stratton
Symms
Synar
Tauke
Taylor
Thomas
Treen
Trible
Vander Jagt
Walker
Wampler
Watkins
White
Whitehurst
Whittaker
Williams, Ohio
Winn
Wyatt
Wylie
Yatron
Young, Fla.
Zeferetti

NOES—184

Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Annunzio
Anthony
Applegate
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Bedell
Beilenson
Benjamin
Bennett
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Buchanan
Burlison
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conte
Conyers
Corman
Cotter
D'Amours
Danielson
Daschle
Derrick
Dicks
Diggs
Dixon
Dodd
Donnelly
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Glickman
Gonzalez
Gore
Gramm
Green
Guarini
Hall, Ohio
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hollenbeck
Holtzman
Hughes
Jacobs
Johnson, Calif.
Johnson, Colo.
Jones, Tenn.
Kastenmeier
Kildee
Kostmayer
Lederer
Lehman
Leland
Lloyd
Long, Md.
Lowry
Luken
Lundine
McCloskey
McHugh
McKinney
Maguire
Markey
Marks
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Myers, Pa.
Neal
Nedzi
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Peyser
Price
Pursell
Rahall
Rangel
Ratchford
Reuss
Richmond
Rose
Rosenthal
Roybal
Russo
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Solarz
Spellman
St Germain
Stack
Stewart
Stokes
Studds
Swift
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
Whitley
Whitten
Williams, Mont.
Wolff, N.Y.
Wolpe, Mich.
Yates
Young, Mo.
Zablocki

NOT VOTING—59

Anderson, Ill.
Ashley
Badham
Bethune
Boggs
Brown, Ohio
Burton, John
Carter
Cleveland
Coleman
Coughlin
Crane, Daniel
Crane, Philip
Davis, S.C.
Deckard
Dellums
Derwinski
Dornan
Ertel
Fithian
Flood
Frost
Goodling
Gray
Hagedorn
Heftel
Hubbard
Hyde
Kogovsek
LaFalce
Long, La.
McClory
McCormack
McEwen
Mikva
Moffett
Nichols
Nolan
O'Brien
Pepper
Preyer
Rhodes
Rodino
Rostenkowski
Runnels
Sebelius
Staggers
Stark
Stockman
Stump
Thompson
Traxler
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wright
Wydler
Young, Alaska

☐ 1620

The Clerk announced the following pairs:

On this vote:

Mr. Philip M. Crane for, with Mr. Frost against.

Mr. Young of Alaska for, with Mr. Thompson against.

Mr. McClory for, with Mr. Moffett against.

Mr. Daniel B. Crane for, with Mr. McCormack against.

Mr. Badham for, with Mr. Rodino against.

Mr. Hyde for, with Mr. Staggers against.

Mr. Brown of Ohio for, with Mr. Pepper against.

Mr. DUNCAN of Tennessee changed his vote from "no" to "aye."

Mr. VANIK changed his vote from "aye" to "no."

So the amendment to the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

☐ 1625

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN), as amended.

The question was taken; and on a division (demanded by Mr. SOLARZ) there were—ayes 71, noes 84.

RECORDED VOTE

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 180, noes 190, not voting 64, as follows:

[Roll No. 85]

AYES—180

Abdnor
Ambro
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
Bafalis
Barnard
Bauman
Beard, Tenn.
Bereuter
Bethune
Bevill
Bouquard
Bowen
Breaux
Brinkley
Broomfield
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Chappell
Cheney
Clausen
Clinger
Collins, Tex.
Conable
Corcoran
Courter
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Derwinski
Devine
Dickinson
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ind.
Findley
Fish
Flippo
Forsythe
Fountain
Frenzel
Fuqua
Gingrich
Ginn
Goldwater
Gradison
Grassley
Grisham
Gudger
Guyer
Hall, Tex.
Hammerschmidt
Hansen
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Horton
Huckaby
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McDade
McDonald
McKay
Madigan
Marlenee
Marriott
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murtha
Myers, Ind.
Natcher
Nelson
Pashayan
Paul
Petri
Pickle
Pritchard
Quayle
Quillen
Railsback
Regula
Rinaldo
Ritter
Roberts
Robinson
Roe
Roth
Rousselot
Royer
Rudd
Santini
Satterfield
Sawyer
Schulze
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Steed
Stenholm
Stratton
Symms
Synar
Tauke
Taylor
Thomas
Treen
Trible
Vander Jagt
Walker
Watkins
White
Whitehurst
Whittaker
Whitten
Williams, Ohio
Winn
Wyatt
Wylie
Yatron
Young, Fla.
Zeferetti

NOES—190

Miller, Calif.
Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Anderson, Ill.
Annunzio
Anthony
Applegate
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Buchanan
Burlison
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conte
Conyers
Corman
Cotter
D'Amours
Danielson
Daschle
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Glickman
Gonzalez
Gore
Gramm
Gray
Green
Guarini
Hall, Ohio
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Hefner
Hollenbeck
Holtzman
Howard
Hughes
Hutto
Jacobs
Johnson, Calif.
Johnson, Colo.
Kastenmeier
Kildee
Kostmayer
Lederer
Lehman
Leland
Levitas
Lloyd
Long, Md.
Lowry
Luken
McCloskey
McHugh
McKinney
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mineta
Minish
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Myers, Pa.
Neal
Nedzi
Nowak
Oakar
Oberstar
Obey
Panetta
Patten
Patterson
Pease
Perkins
Peyser
Price
Pursell
Rahall
Rangel
Ratchford
Reuss
Richmond
Rosenthal
Roybal
Russo
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Solarz
Spellman
St Germain
Stack
Stewart
Stokes
Studds
Swift
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
Whitley
Williams, Mont.
Wolff,
Wolpe,
Yates
Young, Mo.
Zablocki

NOT VOTING—64

Ashley
Badham
Boggs
Brown, Ohio
Burton, John
Carter
Cleveland
Coleman
Coughlin
Crane, Daniel
Crane, Philip
Davis, S.C.
Deckard
Dellums
Dornan
Ertel
Evans, Ga.
Fithian
Flood
Frost
Goodling
Hagedorn
Harsha
Heckler
Heftel
Hubbard
Hyde
Jenrette
Kogovsek
LaFalce
Long, La.
Lundine
McClory
McCormack
McEwen
Mathis
Mikva
Moffett
Nichols
Nolan
O'Brien
Ottinger
Pepper
Preyer
Rhodes
Rodino
Rose
Rostenkowski
Runnels
Sebelius
Staggers
Stark
Stockman
Stump
Thompson
Traxler
Wampler
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wright
Wydler
Young, Alaska

☐ 1640

The Clerk announced the following pairs:

On this vote:

Mr. McClory for, with Mr. Frost against.

Mr. Sebelius for, with Mr. Rodino against.

Mr. Daniel B. Crane for, with Mr. Staggers against.

Mrs. Heckler for, with Mr. Thompson against.

Mr. Philip M. Crane for, with Mr. Pepper against.

Mr. Wampler for, with Mr. Moffett against.

So the amendment, as amended, was rejected.

The result of the vote was announced as above recorded.

☐ 1645

The CHAIRMAN. Are there further amendments to title III? If not, the Clerk will read title IV.

The Clerk read as follows:

TITLE IV—INSTITUTE FOR SCIENTIFIC AND TECHNOLOGICAL COOPERATION

STATEMENT OF POLICY

SEC. 401. As declared by Congress in the Foreign Assistance Act of 1961, a principal objective of the foreign policy of the United States is the encouragement and sustained support of the people of developing countries in their efforts to acquire the knowledge and resources essential to development and to build the economic, political, and social institutions which will improve the quality of their lives. The Congress reaffirms the profound humanitarian and foreign policy concerns of the United States in the economic and social progress of the developing countries and in the alleviation of the worst physical manifestations of poverty in these countries.

In furtherance of that objective, the Congress recognizes that developing countries require extensive scientific and technological capacity in order to deal effectively with their development problems, relate to the industrialized nations, and constructively participate in the shaping of a stable world order.

It is therefore in the mutual interest of the United States and the developing countries to increase scientific and technological cooperation and jointly to support long-term research on critical problems that impede development and limit the efficient use of the world's human, natural, and capital resources.

PURPOSES AND ESTABLISHMENT OF THE INSTITUTE

SEC. 402. (a) To strengthen the capacity of the people of developing countries to solve their development problems through scientific and technological innovation, to foster research on problems of development, and to facilitate scientific and technological cooperation with developing countries, the President is authorized to establish an Institute for Scientific and Technological Cooperation (hereafter in this title referred to as the "Institute"), which shall be subject to the foreign policy guidance of the Secretary of State.

(b) The Institute shall be guided by the policies set forth in sections 101 and 102 of the Foreign Assistance Act of 1961 and shall direct a substantial share of its resources to those objectives.

FUNCTIONS OF THE INSTITUTE

SEC. 403. (a) In carrying out its purposes, the Institute shall have the following functions:

(1) assist developing countries to strengthen their own scientific and technological capacity in order for them to under-

take the research and experimentation necessary for development;

(2) support research, in the United States and in developing countries, on critical development problems, with emphasis on research relating to technologies which are labor-intensive or which do not generate additional unemployment or underemployment and with emphasis on those problems which are the greatest impediment to improvement in the lives of the majority of the poor;

(3) foster the exchange of scientists and other technological experts with developing countries, and other forms of exchange and communication to promote the joint solution of problems of mutual concern to the United States and developing countries;

(4) advise and assist other agencies of the United States Government in planning and executing policies and programs of scientific and technological cooperation with developing countries;

(5) facilitate the participation of private United States institutions, businesses, and individuals in scientific and technological cooperation with developing countries;

(6) gather, analyze, and disseminate information relevant to the scientific and technological needs of developing countries.

(b) In carrying out its functions, the Institute shall take particular care to review all of its programs, projects, and other activities to ensure that technologies which are developed, utilized, or promoted are assessed with regard to minimizing any new problems and that participants in such programs, projects, and activities are fully aware of the need for such review with respect to any technology-related activities for which they are responsible.

(c) For purposes of carrying out the functions of the Institute, the President may utilize, in addition to authorities conferred by this title, such authority contained in the Foreign Assistance Act of 1961, the Foreign Service Act of 1946, title V of the Foreign Relations Authorization Act, Fiscal Year 1979, and title IV of the International Development and Food Assistance Act of 1978, as the President deems necessary.

(d) The Institute shall carry out its functions in consultation and cooperation with the agencies of the United States Government, international organizations, and agencies of other governments engaged in promoting economic, social, and technological development in developing countries.

(e) The President shall prescribe appropriate procedures to assure coordination of the activities of the Institute with other activities of the United States Government in furthering the use of science and technology in the cause of development.

GENERAL AUTHORITIES

SEC. 404. To carry out the purposes and functions of the Institute, the President may—

(1) subject to the availability of appropriations, make and perform contracts and other agreements with any individual, institution, corporation, or other body of persons however designated, within or outside the United States, and with governments or government agencies, domestic or foreign;

(2) make advances, grants, and loans to any individual, institution, corporation, or other body of persons however designated, within or outside the United States, and to governments or government agencies, domestic or foreign;

(3) employ such personnel as necessary and fix their compensation;

(4) make provision for compensation, transportation, housing, subsistence (or per diem in lieu thereof), and health care or health and accident insurance for foreign nationals engaged in activities authorized by this title while they are away from their homes, without regard to the provisions of any other law;

(5) accept and use money, funds, property, and services of any kind by gift, devise, bequest, grant, or otherwise in furtherance of the purposes of the Institute;

(6) acquire by purchase, lease, loan, bequest, or gift and hold and dispose of by sale, lease, loan, or grant, real and personal property of all kinds;

(7) prescribe, amend, and repeal such rules and regulations as may be necessary to the conduct of the business of the Institute;

(8) utilize information, services, facilities, officers, and employees of any agency of the United States Government;

(9) establish a principal office in the United States and such other offices within or outside the United States, as may be necessary;

(10) make such expenditures as may be necessary for administering the provisions of this title;

(11) adopt, alter, and use an official seal for the Institute, which shall be judicially noticed; and

(12) take such other actions as may be necessary and incident to carrying out the functions of the Institute.

DIRECTOR OF THE INSTITUTE

SEC. 405. (a) There shall be a Director of the Institute (hereafter in this title referred to as the "Director") who shall be the chief executive officer of the Institute. The Director shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate provided for level III of the Executive Schedule under section 5314 of title 5 of the United States Code.

(b) The President may exercise any authorities conferred upon him by this title through the Director or any other agency or officer of the United States Government as he shall direct. The Director or head of any such agency or any such officer may delegate to any of his subordinates authority to perform any of such functions.

DEPUTY DIRECTOR AND OTHER STATUTORY OFFICERS

SEC. 406. (a) A Deputy Director of the Institute shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director shall receive compensation at the rate provided for level IV of the Executive Schedule under section 5315 of title 5 of the United States Code.

(b) The Deputy Director shall perform such duties and exercise such powers as the Director may prescribe.

(c) The President may establish up to two additional positions in the Institute to be compensated at the rate provided for level V of the Executive Schedule under section 5316 of title 5 of the United States Code.

COUNCIL ON INTERNATIONAL SCIENTIFIC AND TECHNOLOGICAL COOPERATION

SEC. 407. (a) In order to further the purposes of the Institute, the President is authorized to establish a Council on International Scientific and Technological Cooperation (hereafter in this title referred to as the "Council").

(b) (1) The Council shall—

(A) advise the Director with respect to the policies, programs, planning, and procedures of the Institute;

(B) make recommendations to the Director on the use of the resources available to the Institute; and

(C) advise the Director on matters involving the activities of the Institute overseas and appropriate relationships with the private sector, within and outside the United States.

(2) The Council shall prepare an annual report setting forth the major recommendations made and advice given pursuant to paragraph (1) of this subsection.

(c) The Director shall seek the advice of the Council before making any decision with respect to the selection or termination of, or any significant change in, the areas and issues in which the Institute conducts its activities, and with respect to the transfer of specific programs and projects from any other Government agency to the Institute. The Council shall have the authority to review all new programs and initiatives before their implementation and to recommend with regard to the approval or disapproval of new programs and initiatives in excess of $500,000 or duration greater than two years.

(d) The Council shall consist of up to twenty-five members appointed by the President, one of whom the President shall designate as Chairman. The members of the Council shall be appointed for terms of four years, except that the members first appointed shall be appointed for such shorter terms, as designated by the President at the time of their appoint, so that the terms of approximately one-fourth of the members of the Council expire in any year. The members of the Council shall be selected from among—

(1) citizens of the United States who are widely recognized for their broad knowledge of, or expertise in, science and technoolgy, or their interest in the scientific and technological problems of developing countries;

(2) citizens of foreign countries who by their knowledge and expertise are capable of providing advice and guidance to the Institute on the application of science and technology to the problems of developing countries, except that not more that one-third of the membership of the Council shall consist of members who are citizens of foreign countries; and

(3) up to five members of the Council may be officials of the United States Government, one of whom shall be the Secretary of State or his designee.

(e) Members of the Council who are not officials of the United States Government shall be entitled to compensation, not to exceed the daily equivalent of the highest rate which may be paid to an employee under the General Schedule established by section 5332 of title 5 of the United States Code, while in the performance of their duties under this title, and to reimbursement for expenses and per diem in lieu of subsistence while away from their homes, or regular places of business, in accordance with the provisions of section 5703 of title 5 of the United States Code for persons in Government service employed intermittently. Members of the Council who are not officials of the United States Government shall not be deemed officers, employees, or otherwise in the service or employment of the United States Government for any purpose, except that members of the Council who are United States citizens shall be deemed Government employees for the purposes of sections 202, 203, 205, 207, 208, and 209 of title 18 of the United States Code.

(f) The Council may appoint from among its members an Executive Committee, and such other committees it deems necessary, to assist it in exercising its powers and functions. The Executive Committee shall consist of seven members, one of whom shall be the Chairman of the Council and not more than three of whom shall be employees of the United States Government. The Executive Committee shall exercise such powers and functions as are delegated to it by the Council.

INSTITUTE FELLOWSHIPS

SEC. 408. (a) The President is authorized to award up to twenty fellowships annually for periods up to two years, such awards to be renewable for an additional period not to exceed two years, to individuals who have demonstrated exceptional competence and ability in the fields of scientific, technological, economic, or social endeavor selected by the Institute for concentration. The awards shall be made so as to encompass a wide diversity of disciplines and backgrounds, and shall be made on the basis of criteria established by the President upon the advice of the Council. Up to ten of the awards in any year may be made to citizens of countries other than the United States. Individuals awarded fellowships shall be designated as Institute Fellows.

(b) The President may assign Institute Fellows to undertake such activities, in the United States or abroad, as will further the purposes of the Institute

(c) The amount of the awards made pursuant to this section shall be established by the President, but shall not in any case exceed the highest rate which may be paid to an employee under the General Schedule established by section 5332 of title 5 of the United States Code. In addition, where appropriate, the President may make provisions for transportation, housing (when assigned outside country of residence), subsistence (or per diem in lieu thereof), and health care or health or accident insurance for Institute Fellows and their dependents while engaged in activities authorized by this title.

(d) Except as provided otherwise in this section, Institute Fellows shall not be deemed employees or otherwise in the service or employment of the United States Government. Institute Fellows shall be considered employees for purposes of compensation of injuries under chapter 81 of title 5 of the United States Code and the tort claim provisions of chapter 171 of title 28 of the United States Code. In addition, Institute Fellows who are United States citizens shall be considered Government employees for purposes of sections 202, 203, 205, 207, 208, and 209 of title 18 of the United States Code.

(e) Alien participants in any program of the Institute, including Institute Fellows and their dependents, may be admitted to the United States, if otherwise qualified as nonimmigrants under section 101(a)(15) of the Immigration and Nationality Act, for such time and under such conditions as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General.

CONFLICT OF INTEREST

SEC. 409. Members of the Council and Institute Fellows shall avoid any action, in their activities with respect to the Institute, which might result in, or create the appearance of, a conflict of interest, including but not limited to—

(1) using their office or position for private gain;

(2) giving preferential treatment to any person;

(3) making recommendations or decisions relating to any activity authorized by this title in other than an impartial and independent manner;

(4) misusing Government property or official information obtained through their office or position which has not been made available to the general public; or

(5) affecting adversely the confidence of the public in the integrity of the Institute.

AUTHORIZATION OF APPROPRIATIONS

SEC. 410. There are authorized to be appropriated to the President to carry out the provisions of this title, in addition to funds otherwise available for such purposes, $25,000,000 for the fiscal year 1980, and $40,000,000 for the fiscal year 1981. Funds appropriated under this section are authorized to remain available until expended.

ANNUAL REPORT

SEC. 411. (a) Within ninety days after the end of each fiscal year, the President shall submit to Congress a complete and detailed report of the Institute's operations during such fiscal year. Each such report shall include a detailed discussion of the impact of the programs of the Institute on development and shall specify what percentage of the Institute's funds (excluding funds used for operating expenses) were used during such fiscal year for activities which further the policies set forth in section 102 of the Foreign Assistance Act of 1961.

(b) Each such report shall include the report prepared by the Council pursuant to section 407(b)(2).

MISCELLANEOUS PROVISIONS

SEC. 412. (a) Section 5314 of title 5 of the United States Code, relating to level III of the Executive Schedule, is amended by adding at the end thereof the following:

"(70) Director, Institute for Technological Cooperation.".

(b) Section 5315 of title 5 of the United States Code, relating to level IV of the Executive Schedule, is amended by adding at the end thereof the following:

"(128) Deputy Director, Institute for Technological Cooperation.".

(c) Section 5316 of title 5 of the United States Code, relating to level V of the Executive Schedule, is amended by adding at the end thereof the following:

"(152) Additional officers, Institute for Technological Cooperation (2).".

(d) The number of positions published pursuant to section 5311(b)(1) of title 5 of the United States Code is hereby increased by four.

ESTABLISHMENT IN INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

SEC. 413. If, and at such time as, an International Development Cooperation Agency is established, pursuant to reorganization plan, the Institute shall be established in such Agency.

EXPIRATION OF AUTHORITIES

SEC. 414. The authorities contained in this title shall expire on September 30, 1984.

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. BAUMAN. Mr. Chairman, I object, and I will continue to object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk continued to read title IV.

□ 1700

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. Are there amendments to title IV?

AMENDMENT OFFERED BY MR. ZABLOCKI

Mr. ZABLOCKI. Mr. Chairman, I offer a technical amendment.

The Clerk read as follows:

Amendment offered by Mr. ZABLOCKI: Page 39, strike out lines 8 through 10.

Mr. ZABLOCKI. Mr. Chairman, the effect of this amendment would be to assure that the executive level positions authorized in connection with the Institute for Scientific and Technological Cooperation would come under the ceiling for such positions established by the Civil Service Reform Act, Public Law 95-454, in the last session of Congress. There was some question whether these positions would come under the ceiling. This technical amendment assures that point.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Virginia.

Mr. HARRIS. I appreciate the gentleman's yielding.

I also appreciate the gentleman's amendment. As my colleague knows, as chairman of the Subcommittee on Human Resources, I wrote the committee on March 30 pointing out that there might be some confusion in this bill with respect to whether or not the four new executive levels came under the ceiling. That letter is as follows:

WASHINGTON, D.C., *March 30, 1979.*

Hon. CLEMENT J. ZABLOCKI,
Chairman,
Committee on Foreign Affairs,
Washington, D.C.

DEAR MR. CHAIRMAN: It is my understanding that in the mark-up of H.R. 3324 on March 29, 1979, four Executive Level positions (Sec. 405(a) and Sec. 406 (a) and (b)) were created in connection with the proposed Institute for Scientific and Technical Cooperation.

As you know, pursuant to the enactment of the Civil Service Reform Act (Public Law 95-454), the Office of Personnel Management is required to identify the number and classification of all executive level positions currently in existence in the Executive branch, and make these figures available not later than April 11, 1979. These figures will then become the ceilings at which executive level positions will be maintained until the President transmits a comprehensive plan for authorizing a maximum number of executive level positions in the Executive branch and a justification for these positions by next year (5 USC Section 5311).

I firmly believe that in enacting this provision, it was the intent of the Congress to hold the current line on the number and classification of executive level positions until the Executive branch can satisfactorily justify any future requests for increases in number of classification adjustments of these positions.

As Chairman of the Subcommittee on Human Resources of the Committee on Post Office and Civil Service, I would, therefore, urge amendments be adopted to make certain that these positions will be included in the "pool". I would also request that the appropriate sections of Title 5 USC be amended to show authority for these positions.

The Civil Service Reform Act also created a maximum number of "supergrade" (GS 16-18) positions government wide. Since Congress in its wisdom, authorized an aggregate number of "supergrade" positions higher than presently accounted for, any such positions necessary for the effective creation of Institute for Scientific and Technical Cooperation should come from the existing supergrade "pool" (5 USC Section 5108). I would urge adoption of language to provide for this inclusion.

I request that this letter be included in your Committee report and that you offer the amendments necessary to correct these problems.

If I can be of any assistance, or if you have any questions, please feel free to contact me or my Subcommittee Staff Director, Anita Gottlieb, at 225-2821, at any time.

Sincerely,

HERBERT E. HARRIS II,
Chairman,
Subcommittee on Human Resources.

Do I understand, Mr. Chairman, that this amendemnt makes it clear that the four executive levels that I referred to in this title of the bill are in fact subject to and under the ceiling established by Public Law 95-454?

□ 1705

Mr. ZABLOCKI. Mr. Chairman, before responding specifically to the gentleman's question, I want to express appreciation for the gentleman's letter, which is included in the committee report on page 43, calling the attention of the Committee on Foreign Affairs to this issue.

It is clearly the intent of the amendment that positions authorized for the Institute for Scientific and Technological Cooperation be included under the ceiling. The gentleman is correct.

This amendment would put these four executive level positions under the ceiling. My technical amendment would clarify that and assure that that is not only our intent, but will, indeed, be carried out.

Mr. HARRIS. Mr. Chairman, I thank the gentleman very much.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 25, line 1 and following, strike out all of title IV down through and including line 19 on page 39, and renumber the titles accordingly.

Mr. BAUMAN. Mr. Chairman, I dislike at this late hour to bring to the attention of the House this title and offer a chance to remove it from the bill, but I think it is worth doing. I do not know how many have taken the time to read the report, which applies to the Institute for Scientific and Technological Cooperation. I am sure that in another time and in another place it might have had some usefulness; but the fact of the matter is that it creates for the first time a brand new bureaucracy for research within the Department of State and authorizes under this bill $25 million for the first fiscal year. In case you had some idea as to where it might be going after that, before the amendment of the gentleman from Indiana (Mr. QUAYLE) was adopted the other day, $40 million was planned for the second fiscal year for this Institute.

Look at it closely, because it creates not only a long-term mechanism for increased funding for research in this particular area, but it also sets up a Council, a Director, a Deputy Director, it allows the President to appoint assorted fellows, many at the top grades of payment in the United States. The amendment just offered, for instance, would have taken away the increase in the number of supergrades, and instead left them in the total pool of which we have a statutory limitation; that is at least a step in the right direction. I do think we have to ask the question at a time when the Budget Committee is cutting back, for instance, on the President's programs to fight inflation by having a wage income protection plan; that was scrapped the other day in the Budget Committee. We should be talking about wiping out entire agencies, not adding new ones.

Here we have a brandnew agency, never before in existence, the value of which has to be called into question.

I would suspect, if we read on pages 38 and 39 of the report, the functions of the institute, we would find that most of these activities are already being carried on by other agencies of the Government and, indeed, agencies within our foreign policy agency, the Department of State.

The point is that this trip just is not necessary. I know that a lot of us have heard, as I have, from institutions of higher learning in our own States who want to get in on the largesse, the taxpayers money that will be handed out for appointments to this little goodie; but I really believe this is one part of the bill that can be dispensed with. Let us bring it back when we have a surplus, when we have paid off the national debt,when we have a few other improvements in our economy, when we have perhaps a reduction in the total number of bureaucrats, because this runs contrary to all those steps which we badly need.

I hope the title will be stricken.

Mr. ZABLOCKI. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, there is no question but that the amendment of the gentleman from Maryland strikes the entire title IV of the bill. It is a very bold and unequivocal decision that the gentleman has made, to strike title IV, after the Committee on Foreign Affairs has given so much time to and held hearings on this very important issue. The gentleman would do away with the title with one sweep because it costs $25 million.

Not only the Congress, the Committee on Foreign Affairs, but also the executive branch, Mr. Chairman, has given thorough consideration, for months, to this matter.

□ 1710

Title IV creates an Institute for Scientific and Technological Cooperation. This is primarily a reorganization effort. It does not establish, as the gentleman from Maryland stated, a new large bureaucracy. It is in effect reorganizing within the executive branch. It is not a new AID spigot. Could one ever imagine that for $25 million we would get a large new bureaucracy? Certainly this particular Institute will do well and provide a great service not only in research and development throughout the world, but also for our own country's benefit.

Of the 25 on the Council, 5 would be U.S. Government persons and thus only 20 would receive compensation. Furthermore, the need and the functions of the Institution are clear as we mention on page 38 of the report, to which the gentleman from Maryland has referred.

Let me just summarize, Mr. Chairman.

This Institute will carry out the following functions:

To attack critical problems that are blocking development in the less developed countries.

To develop better technology to address global issues, such as natural resources management, environmental planning, and population.

To build problem-solving capabilities in developing countries.

To establish corroborative relations in science and technology with less developed countries.

To involve the U.S. science and technology community in developmental problems with the scientific technology of lesser developed countries.

To develop a wider range of U.S. mechanisms to assist developing countries, particularly middle-income countries, and to coordinate the disparate programs of the U.S. Government agencies in science and technology with the developing countries.

Mr. Chairman, six expert studies have pointed to the need for a degree of separation of research and related capacity building from AID.

From the experience of 18 years, AID has not been able to handle such research adequately and, contrary to what the gentleman from Maryland said, this is not a duplication of some of the programs that AID has involved.

I cannot overemphasize that this Institute will be primarily responsible for and its efforts will be in research and development in cooperation and correlation with other scientists and technologists in other countries of the world.

It would be, I think, disastrous, and that is not too strong a term, if this title were stricken because it will cost $25 million. I submit we will reap returns many times the cost involved.

I hope the amendment will be defeated.

The CHAIRMAN. The time of the gentleman has expired.

(Upon request of Mr. BINGHAM, Mr. ZABLOCKI was allowed to proceed for 1 additional minute.)

Mr. BINGHAM. Will the gentleman yield?

Mr. ZABLOCKI. I will be happy to yield to the gentleman from New York.

□ 1715

Mr. BINGHAM. Mr. Chairman, I thank the chairman of the committee for yielding.

As I understand it—and I believe the committee chairman will confirm this—the $25 million is not in addition to other programs, but this is a different way of spending funds for research that would otherwise be spent. So it is not an addition to programs that AID is carrying on.

Mr. ZABLOCKI. Mr. Chairman, I thank my dear friend and esteemed colleague, the gentleman from New York (Mr. BINGHAM), for bringing this out. I had failed to bring it out myself.

The gentleman is absolutely correct. This does not add $25 million to other programs, but the bill authorizes up to $25 million for this purpose.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield further?

Mr. ZABLOCKI. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, this is for purposes of research, and if this institute is not set up to carry out these programs, they would be carried on in the best way they can do it and in what has proven to be an inadequate way by the Agency for International Development; is that correct?

Mr. ZABLOCKI. The gentleman is correct.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I will ask, why does the gentleman say it is not an addition, since on page 37 of the bill it says:

> There are authorized to be appropriated to the President to carry out the provisions of this title, in addition to funds otherwise available for such purposes, $25,000,000 . . .?

That is $25,000,000 we would not spend otherwise. Of course it is in addition. Every appropriation here is in addition.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. ZABLOCKI) has again expired.

(By unanimous consent, Mr. ZABLOCKI was allowed to proceed for 1 additional minute.)

Mr. ZABLOCKI. Mr. Chairman, that very language points up the fact that these funds would not be taken from other programs but from similar and existing programs, that are already in the budget.

This is the research and development as the gentleman from New York (Mr. BINGHAM) says. If this institute were not authorized and provided for, then they would have to do the best they can. But we have learned over the years that AID is not equipped for this type of research and development, and we hope that the function would be transferred to the institute as we authorize in this bill.

Mr. PEASE. Mr. Chairman, will the gentleman yield ?

Mr. ZABLOCKI. I yield to the gentleman from Ohio.

Mr. PEASE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would like to commend the distinguished chairman of the committee for his excellent explanation of what this new institute would do. I think the key to this proposal is in the title—"Cooperation."

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. ZABLOCKI) has once again expired.

(On request of Mr. PEASE, and by unanimous consent, Mr. ZABLOCKI was allowed to proceed for 2 additional minutes.)

Mr. PEASE. Mr. Chairman, will the gentleman yield further?

Mr. ZABLOCKI. I yield to the gentleman from Ohio.

Mr. PEASE. Mr. Chairman, I thank the gentleman for yielding.

I wish to say that we simply cannot solve the long-run, developing problems of LDC's and middle-income nations unless we can build in those nations an ability to put science and technology to the service of development in those nations. That is what this institute would do. I think it is an awfully good investment of our time and effort to build an indigenous capacity within those nations to use science and technology for their own development.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman from Ohio (Mr. PEASE) for his contribution.

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I am one of the members of this committee, the Committee on Foreign Affairs, who had to be sold on this idea.

It is a fact that our country is in perhaps the best position of any country on Earth to give leadership in areas of science and technology. It is a wonder that we have not already had in existence an institute specifically for this purpose, and that we are this late in creating such an institute.

I want to underline the fact that this is not a quantitative increase in persons or in budget. It is intended as a qualitative improvement; it is to improve the effectiveness of what we are doing in this area.

What we would do under this new institute is already being done by AID. There are no increases in either budget or personnel. But as the chairman of the committee has indicated, during 18 years of experience AID has not done a good job on this research function. Indeed, the past four AID Directors, Gilligan, Parker, Hannah, and Bell, agree that this is not the right function for AID, and they all endorse this proposal.

Mr. Chairman, I would point out that Father Theodore Hesburgh, who heads the delegation to the U.N. Conference on Science and Technology, and Development for the United States in 1979, has strongly applauded this initiative and has urged its adoption.

What we seek to do here is to improve the quality of what we are doing in this area by transferring dollars and persons into this special function. It is in effect an effort to sharpen organization and management. It is not adding to budget. It is not creating some bureaucracy with new persons and new funds. It is, rather, a transfer to improve efficiency from an agency that does not fit this function to an agency which will.

Mr. Chairman, I urge the defeat of this amendment.

□ 1720

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from New York.

Mr. BINGHAM. Was it not brought out in the hearings that we had in the committee that the AID agencies have difficulty recruiting scientists for long-range research of the type that is so badly needed, and that it is felt that an institute of this kind could recruit top-notch scientists for that research?

Mr. BUCHANAN. The gentleman is exactly correct. I think that such an institute can draw from the best talent that we have to do a job that we can probably do better than anybody else if we have the right mechanism with which to invest our resources, and I think this is that mechanism.

Mr. WINN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think the gentleman from Alabama (Mr. BUCHANAN) has done a very fine job of explaining why many of us on this side of the aisle are supporting this new Institute for Scientific and Technological Cooperation. I think, if we read the current polls these days, many, many people of this country are against the basic philosophy of just plain out-and-out foreign aid. But I would be willing to bet that you could not find many in this country who would not be willing to share the research and the scientific technology that we have so that the people of developing countries can live a better life.

I would like to point out, if I may, Mr. Chairman, that there are three principal reasons—I am not going to read all of the background; we had the privilege of hearing almost the entire title IV read—for establishing the proposed Institute for Scientific and Technological Cooperation. First of these is the need to protect the intermediate and long-term development research functions from being unduly subordinated to AID's understandable emphasis on day-to-day implementation of generally country-specific overseas projects.

Second, such an Institute would have the increased visibility and central focus on research needed to better mobilize U.S. public and private scientific and technological expertise on development problems.

Third, the Institute would serve as an improved mechanism for cooperative development relations with the so-called middle income or more advanced developing countries. These countries, while they may still have significant numbers of poor people, have been graduated from our regular concessional aid programs which focus, for the most part now, on the very poorest countries. They are also in the process of building up their own scientific and technological capabilities, and the time is ripe for a cooperative mechanism such as the Institute.

Let me just tell the Members briefly some of the main problem areas that this Institute will address. It will concentrate its research efforts on increased agricultural productivity and rural income—we all want that for these developing countries—improving health conditions, improving population programs, nutritional improvement, strengthening indigenous science and technology capacity, improved processes of technological cooperation, communications and information systems, energy planning and new supplies, environmental protection and resource management, and nonagricultural employment.

No one can argue with those points. I think it is past time to improve our ability to effectively mobilize the great scientific and technological capabilities of the United States for cooperative approaches to serious worldwide development problems. I think the vehicle for that mobilization is before us in the form of the Institute for Scientific and Technological Cooperation provided in this bill.

□ 1725

Having the privilege of serving on both the Committee on Science and Technology and the Foreign Affairs Committee, I have had the good opportunity to consider the issues thoroughly involved, and I support the proposed institute.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. WINN. I would be glad to yield to my colleague from California.

Mr. BROWN of California. I want to compliment the gentleman on his statement, which I would like to associate myself with. I would like to point out also that the gentleman, being on both the Science and Technology Committee and the Foreign Affairs Committee, has been in an excellent position to observe this need from both perspectives.

Mr. WINN. I thank the gentleman for his kind remarks. I might add that the gentleman is on the Science and Technology Committee and did appear, expressing his opinions to the Foreign Affairs Committee in our hearings, and I thank the gentleman.

Mr. FUQUA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to this amendment, because I think title IV of this bill is a great improvement and one that I support and testified on before the Foreign Affairs Committee, and very strongly support the potential that this Institute for Scientific and Technological Cooperation can do.

Mr. Chairman, I would like to add my comments today to those of my colleagues in support of title IV for the creation of the Institute for Scientific and Technological Cooperation.

I think one point that deserves further emphasis is the unique role the Institute will play in dealing with the so-called Middle-Income Developing Countries. Our present AID programs, for various legal and administrative reasons, have not and do not provide needed assistance to these key countries. We lose important opportunities to work with countries, many who serve in roles of leadership with other developing countries. Up to now this has been true even when they were willing to pay for that help.

This is an important point. Many of these middle income countries, like Brazil and Mexico, are willing to enter into cost-sharing or reimbursable programs in the areas of science and technology development. Our development programs have been precluded from entering into these kinds of agreements. These countries, because of their progress, are the very ones that are most likely to provide the greatest mutual benefit desired in these programs.

Brazil is a good example. In 1973 they found themselves more severely dependent on oil imports than the United States. Since then they have incorporated an intensive program of using readily assessible grain alcohol to supplement gasoline supplies. Today they use up to 20 percent alcohol in their gasoline, with no needed changes in their cars, and greatly relieving their energy "crisis." The technical information gained in their practical experience would certainly be of use to the United States.

So this is a case of reciprocity, where the United States gets something back in return. I am sure that there are other examples, but I am also sure that we have much to gain in the way of cooperative science and technology endeavors.

Mr. Chairman, I would like to urge my colleagues to vote down this amendment and to support the action that the committee has done, a very fine action, that I think will extend our program of mutual help to other countries, but also that the United States may be able to get something in return for a change.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, I wish to commend the gentleman for his contribution. Now, this particular title, provision for the institute, is not the brainchild of the Foreign Affairs Committee.

Really, the gentleman from California (Mr. BROWN) and the gentleman in the well, the chairman of the Science and Technology Committee, presented their views before the committee and had a very strong influence on the members of the Foreign Affairs Committee who incorporated their views in the legislation in what is now title IV.

I want to thank the gentleman from Florida for all his efforts in making this particular provision possible.

Mr. FUQUA. I want to commend the gentleman and his committee for their fine work.

□ 1730

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Bauman amendment and in support of the Institute for Scientific and Technological Cooperation.

When I was first presented with this idea, I was skeptical as to whether it was a good idea. After I read more about it and talked to people from the proposed institute, I became convinced that the institute not only would be a good way to use funds for development purposes but also would be an effective means to work with countries who would not otherwise be interested in or eligible for U.S. assistance, perhaps a good bridge to an idea many of us support—trade not aid.

For example, a number of countries, like Mexico and Colombia, refuse to accept what they consider to be handouts from the United States. Yet these countries recognize U.S. advances in technology and are willing to join in a cooperative scientific effort to seek solutions to long term problems like low agricultural productivity and chronic disease.

Our interests in countries like Mexico, Venezuela, and Egypt have been dramatically emphasized in recent weeks. The institute would provide an ideal opportunity to cooperate with these countries in areas which are of mutual concern. The scientific approach promoted by the institute would operate on a cost-shared basis with middle tier countries. These countries like Brazil and Taiwan have important resources of their own and are significant participants in the global economy, but they are also countries still struggling with basic poverty issues. These middle tier countries are often ones where AID missions have been terminated and where concessional AID is not appropriate. The technology programs of the institute would provide the means to attack the problems of the poorest sectors of those countries.

One of the strongest arguments against the institute has been "Why A New Bureaucracy?" for something which AID should have been doing all along. That was one of the reasons I was hesitant about supporting the proposal at first. After talking with institute officials I realized that this concept is completely different from the usual AID approach. The institute concentrates on problems that affect many regions rather than just individual countries. The institute would concentrate on long-range solutions rather than short-term benefits. It would use specialists and experts from developing countries as well as from the United States to participate in planning, programing, and evaluation activities. The greater autonomy of the institute would attract experts for its activities who might otherwise be reluctant to be associated with the U.S. foreign aid program. As a small research and development organization, the institute would not be encumbered by the bureaucracy of the usual Government agency. It would serve to stimulate private sector activity and will encourage direct institution-to-institution contact and cooperation. All of these elements represent a sharp distinction from the AID program.

The Institute for Scientific and Technological Cooperation is a bold new approach to international cooperation and development. It offers the United States the opportunity for increased contact with many of our most important allies and offers an approach to dealing with their problems without being patronizing.

I urge my colleagues to support this Institute.

Mr. PASHAYAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I should like to pose this question: To what extent can this country continue to export the wealth created by the working men and women of our Nation?

One of the most expensive items in any economically developed country today is science and technology. Are we not fooling ourselves, are we not attempting to fool the American people when we say that $25 million is a sufficient amount to try to achieve such extensive things as scientific and technological development in the underdeveloped countries?

Mr. Chairman, I see this as merely a beginning phase of something which, if it is to be successful throughout the world, will have to cost the American taxpayer far more than a mere $25 million or even a mere $40 million.

☐ 1735

Science and technology is simply too expensive for this kind of program to be successful in one country, let alone the developing countries.

Our foreign policy must change. It has depended too much upon the idea that we can export our wealth to other countries. We must change it to a policy of trade. Many of these countries possess the natural resources and raw materials that our country and our economy need so dearly. For example, in the area of agriculture, our farmers can produce far more food than they are producing now. Why should we not develop the policy of trading our food for the natural resources and raw materials possessed by these developing countries?

The taxpayer in this country today, Mr. Chairman, is concerned about not only the expense of Government but the soundness of the dollar in the international marketplace. Can there be any doubt that if we launch ourselves into a policy of making this program successful, we will have to export an enormous amount of American wealth that will further jeopardize the soundness of the American dollar. We must develop a policy of trade. By this means only will we be able to satisfy the demand of the American taxpayer as it is seen in their cry for a constitutional convention and an amendment to the Constitution to balance the budget.

Our policy must be to create and to assist in the creation of wealth throughout the world, not a policy of its continued redistribution.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 136, noes 236, not voting 62, as follows:

[Roll No. 86]

AYES—136

Abdnor
Albosta
Applegate
Archer
Ashbrook
Atkinson
Bafalis
Bailey
Barnard
Bauman
Benjamin
Bennett
Bethune
Breaux
Brinkley
Brooks
Broyhill
Butler
Carney
Chappell
Cheney
Clausen
Collins, Tex.
Corcoran
Cotter
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
de la Garza
Derwinski
Devine
Dickinson
Dodd
Donnelly
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Evans, Ind.
Frenzel
Gaydos
Gingrich
Gore
Gramm
Grassley
Grisham
Hammerschmidt
Hansen
Harsha
Hinson
Holt
Hopkins
Huckaby
Hughes
Hutto
Ichord
Jeffries
Jenkins
Kazen
Kelly
Kindness
Kostmayer
Kramer
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Livingston
Loeffler
Long, Md.
Lott
Lungren
McDonald
Marlenee
Marriott
Mathis
Mattox
Mikulski
Miller, Ohio
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Nichols
Pashayan
Paul
Petri
Quillen
Regula
Ritter
Roberts
Robinson
Roth
Rousselot
Rudd
Russo
Satterfield
Sawyer
Schulze
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snyder
Solomon
Spence
Stack
Stangeland
Stanton
Steed
Stratton
Stump
Symms
Taylor
Treen
Trible
Volkmer
Walker
Watkins
Whittaker
Williams, Ohio
Wyatt
Wylie
Young, Alaska
Young, Fla.
Young, Mo.

NOES—236

Addabbo
Akaka
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonker
Bouquard
Bowen
Brademas
Brodhead
Broomfield
Brown, Calif.
Buchanan
Burgener
Burlison
Burton, Phillip
Byron
Campbell
Carr
Cavanaugh
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Conable
Conte
Conyers
Corman
Courter
D'Amours
Danielson
Davis, Mich.
Derrick
Dicks
Dingell
Dixon
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Emery
Erlenborn
Evans, Del.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Fuqua
Gephardt
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Gradison
Gray
Green
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Hefner
Hightower
Hillis
Holland
Hollenbeck
Horton
Howard
Ireland
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kildee
Lagomarsino
Lederer
Lehman
Leland
Levitas
Lewis
Lloyd
Lowry
Lujan
Luken
Lundine
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Martin
Matsui
Mavroules
Mazzoli
Mica
Michel
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moorhead, Pa.
Murphy, Ill.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Roe
Rose
Rosenthal
Roybal
Royer
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Slack
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stenholm
Stewart
Stockman
Stokes
Studds
Swift
Synar
Tauke
Thomas
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Walgren
Wampler
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Williams, Mont.
Winn
Wolff
Wolpe
Yates
Yatron
Zablocki
Zeferetti

NOT VOTING—62

Badham
Beard, Tenn.
Boggs
Bonior
Brown, Ohio
Burton, John
Carter
Cleveland
Coleman
Coughlin
Crane, Daniel
Crane, Philip
Davis, S.C.
Deckard
Dellums
Diggs
Dornan
Ertel
Evans, Ga.
Fithian
Flood
Frost
Garcia
Giaimo
Goodling
Hagedorn
Heckler
Heftel
Holtzman
Hubbard
Hyde
Jones, Okla.
Kemp
Kogovsek
LaFalce
Long, La.
McClory
McCloskey
McCormack
McEwen
Mikva
Moffett
Murphy, N.Y.
Nolan
O'Brien
Pepper
Rhodes
Rodino
Rostenkowski
Runnels
Santini
Sebelius
Staggers
Stark
Thompson
Traxler
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wright
Wydler

☐ 1750

Mr. OBEY and Mr. RAILSBACK changed their vote from "aye" to "no."

Mr. ALBOSTA and Mr. LONG of Maryland changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

☐ 1755

The CHAIRMAN. Are there further amendments to title IV? If not, the Clerk will read title V.

The Clerk read as follows:

TITLE V—PEACE CORPS

ESTABLISHMENT OF PEACE CORPS IN INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

SEC. 501. (a) The Congress declares that the service of men and women of the United States as Peace Corps volunteers makes a unique contribution to world peace and friendship by assisting friendly countries to meet their needs for trained personnel. The Congress finds that the ability of the Peace Corps to carry out its functions can be strengthened by establishing an autonomous Peace Corps as one of the entities to comprise the proposed International Development Cooperation Agency.

(b) Upon the establishment of the International Development Cooperation Agency (hereinafter in this section referred to as the "Agency"), pursuant to a reorganization plan, the Peace Corps shall be established within the Agency.

(c) Upon the establishment of the Peace Corps pursuant to subsection (b) or (i) of this section, the Director of the Peace Corps and the board of directors established pursuant to subsection (d) of this section shall have the authority, as provided in subsection (e), to exercise all the functions under the Peace Corps Act, which, immediately before such establishment, the Director of ACTION, or any other officer or employee of ACTION, has the authority to exercise.

(d) (1) Upon the establishment of the Peace Corps pursuant to subsection (b) or (i) of this section, there shall be established within the Peace Corps a board of directors (hereinafter in this section referred to as the "Board") composed of seven members, one of whom shall be the Director of the Agency, who shall be the chairman, and six of whom shall be appointed by the President, by and with the advice and consent of the Senate, as follows:

(A) Two members shall be appointed from among senior officers and employees of agencies of the United States concerned with development programs abroad and from among United States citizens serving in multilateral international development agencies.

(B) Four members shall be appointed from private life from among United States citizens knowledgeable in development and volunteer programs abroad.

(2) The Board shall meet at least four times in each year.

(3) Members of the Board referred to in paragraph (1)(A) shall be appointed for terms which expire when the term of the President expires. Members of the Board from private life shall be appointed for terms of four years, except that the first such member appointed shall be appointed for a term of one year, and of the remaining three such members, one shall be appointed for a term of two years and one shall be appointed for a term of three years, as designated by the President at the time of their appointment. A member of the Board appointed to fill a vacancy occurring before the expiration of the term for which some other member was appointed shall be appointed only for the remainder of such term; but upon the expiration of his term of office a member shall continue to serve until his successor is appointed and shall have qualified. Members of the Board shall be eligible for reappointment.

(4) Members of the Board shall serve without additional compensation, but shall be reimbursed for actual and necessary expenses, and for transportation expenses, when engaged in their duties on behalf of the Peace Corps.

(5) The Board may prescribe, amend, and repeal bylaws, rules, and regulations governing the manner in which the business of the Peace Corps may be conducted and in which the powers granted to it by law may be exercised and enjoyed. A majority of the Board shall be required as a quorum.

(6) The Board shall nominate individuals to the President for appointment as Director of the Peace Corps, and the Board may make recommendations to the President with respect to the removal of the Director.

(e) It is the intent of the Congress that, in order that the Peace Corps exercise the autonomy required to maintain its unique character and identity, the Director of the Peace Corps shall be responsible for carrying out the policies and programs of the Peace Corps, developing the budget of the Peace Corps, and directing its operations, subject to overall policy guidance and review by the Board. The Board shall assure the coordination of Peace Corps activities with other development assistance activities which are carried out by the United States or in which the United States participates.

(f) On or after the establishment of the Peace Corps pursuant to subsection (b) or (i) of this section, any reference in any other law to the President, ACTION, any other Federal department or agency, or any officer or office, with respect to functions which are vested in the Director of the Peace Corps and the Board by subsection (c) of this section and which are exercised after such establishment, shall be deemed to refer to the Director of the Peace Corps and the Board.

(g) Upon the establishment of the Peace Corps pursuant to subsection (b) or (i) of this section, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with, the functions which are vested in the Director of the Peace Corps and the Board by subsection (c) of this section shall be transferred to the Peace Corps. Unexpended funds transferred pursuant to this section shall only be used for the purposes for which the funds were originally authorized and appropriated.

(h) (1) The Director of the Office of Management and Budget, at such time or times as the Director shall provide, shall—

(A) make such determinations as may be necessary with regard to the functions vested in the Director of the Peace Corps and the Board by subsection (c) of this section; and

(B) make such additional incidental dispositions of personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as the Director of the Office of Management and Budget may deem necessary to accomplish the purposes of this section.

(2) The Director of the Office of Management and Budget shall provide for terminating the affairs of all offices terminated by reason of this section and for such further measures and dispositions as the Director considers necessary to effectuate the purposes of this section.

(3) After consultation with the Director of the Office of Personnel Management, the Director of the Office of Management and Budget shall, at such time as the Director of the Office of Management and Budget shall provide, make such determinations as may be necessary with regard to the transfer of positions within the Senior Executive Service in connection with functions vested in the Director of the Peace Corps and the Board by subsection (c) of this section.

(i) If, by October 1, 1979, the Congress, pursuant to the provisions of chapter 9 of title 5 of the United States Code, has not defeated a resolution of disapproval with respect to a reorganization plan establishing an International Development Cooperation Agency, then the Peace Corps shall be established as an independent agency. In appointing members of the Board following such establishment, the President shall appoint, in lieu of the Director of such Agency, a third member from among those individuals described in subsection (d)(1)(A) of this section, such individual to be appointed by and with the advice and consent of the Senate. The members of the Board shall elect one of their number of chairman.

AUTHORIZATION OF APPROPRIATIONS

SEC. 502. Section 3 of the Peace Corps Act is amended—

(1) in subsection (b), by striking out the matter before the first proviso and inserting in lieu thereof the following: "There are authorized to be appropriated to carry out the purposes of this Act for fiscal year 1980 not to exceed $105,404,000, and for fiscal year 1981 $112,888,000"; and

(2) in subsection (c), by striking out "for fiscal year 1978, $1,069,000, and for fiscal year 1979" and inserting in lieu thereof "for fiscal year 1980 and fiscal year 1981".

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that title V be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

POINT OF ORDER

Mr. DODD. Mr. Chairman, I make a point of order against section 501 of title V for its failure to comply with clause 5 of rule XXI of the Rules of the House.

May I be heard on the point of order, Mr. Chairman?

The CHAIRMAN. The gentleman may be heard on his point of order.

Mr. DODD. Mr. Chairman, the provisions of section 501 of title V which violate clause 5 of rule XXI are found on page 43, line 15, after the word "and", and through the word "appropriations"; and on page 44, line 10, after the word "and", and through the word "appropriations".

Mr. Chairman, both of these provisions which I have cited violate clause 5 of rule XXI because they would allow already appropriated funds to be used for purposes other than the purposes for which the funds were originally appropriated.

For the foregoing reasons, I believe that my point of order would lie.

Mr. ZABLOCKI. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded, and it is sustained. Section 501 is stricken.

AMENDMENT OFFERED BY MR. ZABLOCKI

Mr. ZABLOCKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZABLOCKI: Insert the following title after title IV:

ESTABLISHMENT OF THE PEACE CORPS IN THE INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

SEC. 501. (a) The Congress declares that the service of men and women of the United States as Peace Corps volunteers makes a unique contribution to world peace and friendship by assisting friendly countries to meet their needs for trained personnel. The Congress finds that the ability of the Peace Corps to carry out its functions can be strengthened by establishing an autonomous Peace Corps as one of the entities to comprise the proposed International Development Cooperation Agency.

(b) Upon the establishment of the International Development Cooperation Agency (hereafter in this section referred to as the "Agency"), pursuant to a reorganization plan, the Peace Corps shall be established within the Agency.

(c) Upon the establishment of the Peace Corps pursuant to subsection (b) or (i) of this section, the Director of the Peace Corps and the board of directors established pursuant to subsection (d) of this section shall have the authority, as provided in subsection (e), to exercise all the functions under the

Peace Corps Act which, immediately before such establishment, the Director of ACTION, or any other officer or employee of ACTION, has the authority to exercise.

(d)(1) Upon the establishment of the Peace Corps pursuant to subsection (b) or (i) of this section, there shall be established within the Peace Corps a board of directors (hereafter in this section referred to as the "Board") composed of seven members, one of whom shall be the Director of the Agency, who shall be the chairman, and six of whom shall be appointed by the President, by and with the advice and consent of the Senate, as follows:

(A) Two members shall be appointed from among senior officers and employees of agencies of the United States concerned with development programs abroad and from among United States citizens serving in multilateral international development agencies.

(B) Four members shall be appointed from private life from among United States citizens knowledgeable in development and volunteer programs abroad.

(2) The Board shall meet at least four times in each year.

(3) Members of the Board referred to in paragraph (1)(A) shall be appointed for terms which expire when the term of the President expires. Members of the Board from private life shall be appointed for terms of four years, except that the first such member appointed shall be appointed for a term of one year, and of the remaining three such members, one shall be appointed for a term of two years and one shall be appointed for a term of three years, as designated by the President at the time of their appointment. A member of the Board appointed to fill a vacancy occurring before the expiration of the term for which his or her predecessor was appointed shall be appointed only for the remainder of such term. Upon the expiration of his or her term of office a member of the Board shall continue to serve until his or her successor is appointed and shall have qualified. Members of the Board shall be eligible for reappointment.

(4) Members of the Board shall serve without additional compensation, but shall, to the extent provided in advance in appropriation Acts, be reimbursed for actual and necessary expenses and for transportation expenses, when engaged in their duties on behalf of the Peace Corps.

(5) The Board may prescribe, amend, and repeal bylaws, rules, and regulations governing the manner in which the business of the Peace Corps may be conducted and in which the powers granted to it by law may be exercised and enjoyed. A majority of the Board shall be required as a quorum.

(6) The Board shall nominate individuals to the President for appointment as Director of the Peace Corps, and the Board may make recommendations to the President with respect to the removal of the Director.

(e) It is the intent of the Congress that, in order that the Peace Corps exercise the autonomy required to maintain its unique character and identity, the Director of the Peace Corps shall be responsible for carrying out the policies and programs of the Peace Corps, developing the budget of the Peace Corps, and directing its operations, subject to overall policy guidance and review by the Board. The Board shall assure the coordination of Peace Corps activities with other development assistance activities which are carried out by the United States or in which the United States participates.

(f) On or after the establishment of the Peace Corps pursuant to subsection (b) or (i) of this section, any reference in any other law to the President, ACTION, any other Federal department or agency, or any officer or office, with respect to functions which are vested in the Director of the Peace Corps and the Board by subsection (c) of this section and which are exercised after such establishment, shall be deemed to refer to the Director of the Peace Corps and the Board.

(g) Upon the establishment of the Peace Corps pursuant to subsection (b) or (i) of this section, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with, the functions which are vested in the Director of the Peace Corps and the Board by subsection (c) of this section shall, to the extent provided in advance in appropriation Acts, be transferred to the Peace Corps. Unexpended funds transferred under this section may only be used for the purposes for which the funds were originally authorized and appropriated.

(h)(1) The Director of the Office of Management and Budget, at such time or times as the Director shall provide, shall—

(A) make such determinations as may be necessary with regard to the functions vested in the Director of the Peace Corps and the Board by subsection (c) of this section; and

(B) to the extent provided in advance in appropriation Acts, make such additional incidental dispositions of personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as the Director of the Office of Management and Budget may deem necessary to accomplish the purposes of this section.

(2) The Director of the Office of Management and Budget shall provide for terminating the affairs of all offices terminated by reason of this section and for such further measures and dispositions as the Director considers necessary to effectuate the purposes of this section.

(3) After consultation with the Director of the Office of Personnel Management, the Director of the Office of Management and Budget shall, at such time as the Director of the Office of Management and Budget shall provide, make such determinations as may be necessary with regard to the transfer of positions within the Senior Executive Service in connection with functions vested in the Director of the Peace Corps and the Board by subsection (c) of this section.

(i) If, by October 1, 1979, the Congress, pursuant to the provisions of chapter 9 of title 5 of the United States Code, has not permitted a reorganization plan establishing an International Development Cooperation Agency to become effective, then the Peace Corps shall be established as an independent agency. In appointing members of the Board following such establishment, the President shall appoint, in lieu of the Director of such Agency, a third member from among those individuals described in subsection (d)(1)(A) of this section, such individual to be appointed by and with the advice and consent of the Senate. The members of the Board shall elect one of their number as chairman.

(j) To the extent that any provision of this section provides new authorities involving the expenditure of appropriated funds, such provision shall apply only with respect to funds appropriated after the date of enactment of this Act.

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record. It is identical to the language that is contained in the bill, for which unanimous consent was granted that it be considered as read and printed in the Record, except that it does not include the appropriations.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, the only difference in the existing language is to remove the offending provision which the gentleman from Connecticut (Mr. Dodd) objected to?

Mr. ZABLOCKI. If the gentleman will yield, that is correct.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman from Wisconsin, and I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

● Mr. GRAY. Mr. Chairman, I rise in opposition to any congressional attempts to send observers to monitor the Rhodesian elections or the remote possibility of lifting U.S. sanctions in that troubled region.

Men and women throughout the world who believe in the principle of government by majority rule have expressed strong opposition to American foreign policy toward Africa, in particular, its policy toward Rhodesia. Until the dawn of our present administration, the United States has pursued a course in foreign affairs of alining itself with the remaining colonial governments in the world where an elite group of people rule the majority and deprive them of their basic human rights.

Between the years of January 1972 and March 1977, the United States had been illegally importing chrome ore from the country of Rhodesia. The reason for the illegitimacy was a direct result of the United States not complying with United Nations sanctions in violation of the United Nations Security Council resolution which we had solemnly endorsed in 1965. On March 16, 1977, the Congress repealed the Byrd amendment, which lifted sanctions on Rhodesia, and drew that shameful chapter in our African policy to a close.

Today, we are being asked to wage that struggle again, on the dubious pretext that the Smith regime has somehow reformed itself in the form of the so-called international settlement, which was announced in Salisbury over a year ago. It does not take a constitutional scholar to see that the Salisbury agreement is not a formula for majority rule, but in the words of Ambassador Andrew Young, "A Recipe for Civil War"—only a mechanism designed to perpetuate white minority rule under a new name.

The war in Rhodesia has escalated mightily over the course of the last year, generating a situation that can hardly be considered appropriate for free and fair elections to take place. Yet, certain Members of Congress have used the new Rhodesian constitution as the basis for amending the international security assistance bill with the Case-Javits amendment which stipulates two conditions that must be met before the United States could lift sanctions. The first held that the Smith regime must agree to participate in an all-parties conference, in addition to having international observers monitor free and fair elections. During Ian Smith's controversial visit to the United States last fall, he indicated a willingness to attend such a conference, but only to discuss proposals for including the patriotic front in the proposed constitutional arrangement to which I have alluded. By excluding the Anglo-American plan from the agenda, Smith failed to meet the first condition. The second condition, called for free and fair elections to take place in Rhodesia—but allowing for full participation. This again, is a condition which has not been met.

On Monday of this week, the Africa subcommittee voted 9–0 in opposition to sending U.S. observers to monitor the Rhodesian elections. In the wisdom of the subcommittee, we were acutely aware that the black majority of Rhodesia has yet to be given a voice in determining the future of their next government. Some believe that the way to answer the question of whether free and fair elections are held is to send a team of impartial observers to monitor the elections scheduled to take place between April 17–20. However, let us look at this plan for so-called majority rule:

It would give the Europeans a total of 28 percent of the seats in Parliament, even though whites are only 3 percent of the population.

The same 3 percent of the population would hold a veto over any constitutional changes by controlling just 28 percent of Parliament.

An upper house, or Senate, would be one-third elected by whites.

And the police, military, and public service officers would be picked from existing ranks, thus assuring white domination.

Furthermore, this plan for alleged majority rule was approved for the April ballot in a process which totally left out Rhodesia's 6 million black people. Only whites, Asians and persons of mixed descent were allowed to participate in the election. Absolutely no effort was made to give the remaining 97 percent of the population a voice—even though they stand to be greatly affected by the formation of a new government.

Second, the referendum last January allowed for only a "yes" vote, or a "no" vote. There was no opportunity to vote on an alternative.

Third, of the 3 percent of the population which was eligible to vote, only 60 percent voted to approve the new constitution—meaning that plans for the new government were endorsed by just 2 percent of the entire country.

Besides the patent discrimination inherent in such an election, this low figure is certainly a fragile base on which to build any nation's future.

Unquestionably, the protection of individual and minority rights must be an essential feature of any new government. But there is a point beyond which the effort to protect minority rights begins to take on the appearance of an attempt to protect entrenched racists power—and the January election crossed that point.

If the United States is identified with sending observers to monitor the Rhodesian elections, we would be signaling to all of Africa that we are not committed to a policy of true human rights—that we have alined ourselves with a racist regime whose only interest is to perpetuate their self-interest which it has in the past accomplished from the sweat and tears from the majority of that country.

The United States would be basically playing into the hands of the Cuban and Soviets which many of my colleagues in Congress have professed are behind the patriotic front. If the United States recognizes the Rhodesian elections or even considers lifting our sanctions, we would be playing into the hands of the Cubans and Soviets and giving them an outlet to provide even additional assistance to the guerrilla movement.

I urge my colleagues to oppose any congressional attempts to send observers to monitor the Rhodesian election. To observe or even acknowledge the elections would be to validate the discriminatory foundation on which the election process rests. It would make a mockery of our commitment to human rights, and would have a negative worldwide impact on our credibility.●

● Mrs. COLLINS of Illinois. Mr. Chairman, I rise in support of H.R. 3324, a bill authorizing expenditures for international development assistance for fiscal year 1980 and 1981 as well as initiating some badly needed reforms in the organization of our foreign aid effort. There are, however, several issues on which I have some serious reservations which I feel compelled to share with my colleagues.

To begin with, I support the movement toward a 2- rather than the traditional 1-year authorization, for the purpose of giving Congress a fuller opportunity to exercise oversight on the programs it funds and to permit the agencies time to show what they can do with the money. The need for this change is largely the result of the fact that the fiscal year does not begin until October 1, leaving Congress with only a few months in which to evaluate the progress of the programs it funds before having to take up the authorization process once again. Since overseas programs require a longer time lag before they get underway than is usually the case for domestic programs, Congress is rarely in a position to render an informed judgment until 2 years following a given authorization. I hope that the committee will take advantage of the proposed, new 2-year procedure to undertake an aggressive oversight function.

With respect to Africa, a region of the world that is of special interest to me, I am pleased that the committee agreed to the administration's request to reauthorize our $160 million toward commitment to the Sahel development program (SDP).

Of all the programs which AID has undertaken over the years, I have never felt as confident about the overall purpose or direction of any foreign assistance effort as I do about the SDP. Fully consistent with the congressional mandate to aid the poorest of the poor, with our increasing emphasis on well-coordinated multilateral assistance in place of fragmented bilateral efforts, as well as the commitment to the use of appropriate technology, the SDP exemplifies what our foreign aid program should be. This is not to say that the program is without flaws; organizational problems are inevitable in a situation where several previously country-specific programs are being consolidated into a regional framework consisting of not only the Sahel countries themselves, but other donor countries as well as international financial institutions. However, I have been encouraged by the responsiveness of AID to constructive criticisms of the SDP and its willingness to make improvements in both planning and performance.

I am also in strong support of the Subcommittee on Africa's recommendation to reinstate a $15 million line item for African refugees as part of the International Disaster Assistance account. Both AID and the United Nations High Commissioner for Refugees report that the number of refugees throughout the continent has increased dramatically over the past year from an estimated 828,000 in December 1977 to approximately 2,063,000 homeless people as of December 1978. The continuing strife in Rhodesia is sending an estimated 1,000 Zimbabweans over the border into Mozambique every month.

In spite of this irrefutable evidence of a problem of tragic dimensions, the administration had requested only $1.2 million more in refugee assistance for Africa in fiscal year 1980 than what Congress appropriated for fiscal year 1979. It, therefore, fell to the Africa subcommittee to redress this oversight with the above recommendation.

I am glad to see that this bill contains $5 million in development assistance for Nigeria, one of the poorest countries in Africa and, therefore, one that should not be excluded from aid simply by virtue of its membership in OPEC, any more than Indonesia and Ecuador, both of which are justifiably slated to receive development support under H.R. 3324.

These modest sums allocated for Africa stand in stark contrast with the enormous levels of assistance earmarked for the Middle East, including $785 million for Israel, $750 million for Egypt, $60 million for Jordan, and $45 million for Syria for both fiscal years 1980 and 1981. In addition, the administration has indicated that we can expect a forthcoming request for an additional $5 billion in military aid for Israel and Egypt. It seems that there is no limit to what the American people are being asked to sacrifice in the interests of securing peace in this troubled region. While I strongly applaud the diplomatic successes of the Carter administration in the Middle East, I cannot help but wonder why the ongoing conflicts in Africa are relegated to such a low priority in the scope of our international commitments.

In this connection, I concur in the committee's skepticism concerning the value of our continuing commitments to Syria and Jordan, in the light of the uncooperative position that both of these countries have taken in opposition to the

Israel-Egyptian peace agreement. I hope that the President will consider the question of good faith on the part of Amman and Damascus before providing assistance to those regimes.

In addition to these regional considerations, I wish to comment on five important innovations that this bill makes with respect to the structure and substance of our international development programs. Title IV authorizes the President to establish an Institute for Scientific and Technological Cooperation (ISTC) to assist developing countries in scientific and technological research on critical problems impeding development. This proposal is the result of a recognition that development requires more than the transfer of resources, but includes also the capability to utilize resources in a productive and efficient manner. This reminds me of a rather pedestrian saying which nonetheless has relevance for our foreign aid effort: "give a man a fish and you have fed him for a day; teach him how to fish and he can feed himself forever."

The developing countries of the Third World have long realized that even massive infusions of capital do not, in themselves, relieve the underlying conditions of poverty. This has given rise to a demand for transfers of Western technology, of which the United States is the foremost inventor and promoter. Thus far, however, such transfers have taken place in a haphazard manner, largely through the presence of multinational corporations whose interests may or may not coincide with those countries in which they operate. It is time that this important phenomenon become part of a conscious and deliberate effort that take account of our national interests along with the legitimate needs of the developing world.

Another somewhat more controversial initiative was to separate the Peace Corps from the jurisdiction of its foster parent—ACTION—for eventual inclusion in the future International Development Cooperation Agency (IDCA) that the administration is planning to establish as part of its overall reorganization plan for foreign assistance sometime later this year. The committee has further stipulated that should the Congress fail to authorize the establishment of an IDCA by October 1, 1979, the Peace Corps would be reestablished as an independent agency.

For the past 18 months I have watched with intense interest the debate surrounding the proposal made by my good friend and colleague Congressman DON BONKER, to establish the Peace Corps as an independent foundation for the purpose of separating it from the bureauratic imperatives of ACTION and thereby revitalizing its programs and image both at home and abroad. I have also witnessed, with great sadness, the recent and badly publicized conflict between ACTION Director Sam Brown and former Peace Corps Director, Dr. Carolyn Payton, individuals for whom I have high personal regard and who both have valid contributions to make to our international volunteer efforts. My position at this time is that the problems facing the Peace Corps as both a concept and an agency have less to do with where it is situated organizationally, than with the ideals to which it is committed.

While I do not oppose the committee's decision to separate Peace Corps from ACTION, I am more concerned about two issues that I feel are more central to Peace Corps' future. The first is whether the Peace Corps is equipped to perform activities that are truly relevant to the needs of the countries where volunteers serve.

There has long been a debate over whether the agency should recruit so-called generalists, who are unlikely to contribute any more than their language skills, or whether the emphasis should be placed on technicians such as engineers, agronomists, and management specialists who can address the material problems of development. The answer, of course, depends on the expressed needs of the country being assisted and its level of development. I would hope that the Peace Corps, wherever it is situated, will have the flexibility to choose its programs on the basis of the needs of each individual country rather than according to a rigid predetermined formula of what such countries ought to have.

My second concern has to do with the volunteers whom the Peace Corps seeks to attract to overseas service. For too long the volunteer experience has been regarded, not without some justification, as a white, middle-class adventure, irrelevant to the experience of black and other Americans from economically disadvantaged backgrounds. ACTION's record on minority volunteer recruitment has been abysmal, averaging 5 percent for all minorities including blacks, Hispanics, Asian, and Native Americans. The reasons for this deplorable situation are several: First, lack of effective outreach to black campuses in particular; second, the recent emphasis on technical areas in which minorities are not well represented; and third, a lack of apparent connection between the Peace Corps experience itself and the postservice expectations of minority youth. If I may be allowed to elaborate on this last point, I would emphasize the fact that for today's young college graduates, the job market is an extremely insecure proposition. This is especially the case for black youth regardless of how well they achieve in college still have a legacy of discrimination to overcome. The idea of spending 2 years abroad, doing something useful and exciting, only to return to a highly competitive job market with little or no guidance with which to get a handle on the situation, is enough to discourage many an ambitious, black youth. The Peace Corps is simply not doing enough to insure that when volunteers return they have the know-how needed to parlay their hard-earned skills into a job at a decent salary befitting a college graduate with 2 years of international work experience. The returned Peace Corps volunteer should be a sought after person, the cream of the crop for junior level positions in the fields of foreign service, international development, business, and cultural relations. Instead, some volunteers spend their first year back in the United States wandering aimlessly through the job market, spending their meager $3,000 "readjustment allowance" on psychological counseling trying to find out why they cannot find suitable employment. The Peace Corps has a real responsibility to provide more than token support to the returned volunteer, perhaps in the form of educational and housing benefits similar to those made available to veterans, and to provide career counseling and job contacts at accessible locations, such as regional recruitment centers.

Another innovation in our foreign aid program is the very excellent provision introduced by Congressman DON PEASE as section 104 of the bill which authorizes $9 million in fiscal year 1980 and $15 million in fiscal year 1981 for the purpose of encouraging exploration of potential oil, gas, and coal resources of developing countries that are not members of OPEC. Several recent studies have highlighted the fact that vast regions of the developing world have yet to be fully explored with respect to conventional energy supplies which could be made available for the purpose of enabling industrializing Third World countries to become self-sufficient in energy, thereby reducing demand on the international market and perhaps enabling the United States and other energy-importing countries to diversify their sources of supply.

Upon hearing this proposal, one is tempted to ask why the international oil companies have not looked into this possibility before instead of relying on OPEC's extortionary pricing policy to supply us with crude. The answer is a complicated one, but the short of it is that, so long as we allow the companies to pass on OPEC prices, and often a bit more, to the consumer, they are perfectly happy to continue buying their oil from the sultans and shahs of the world. Until we are willing to undertake a wholesale revision of our oil import policy, so as to provide oil companies with incentives to diversify their sources of supply, we will have to rely on the Government to take the initiative in developing these new sources. I, therefore, support section 104 of the bill as a step in the right direction.

I also wish to express my strong support for section 110 of H.R. 3324 which addresses the important relationship between narcotics production and underdevelopment. The committee has rightly recognized the fact that poor farmers in developing countries, who have cultivated narcotic substances for decades, will continue to do so, unless they are given and encouraged to adopt a viable alternative. The bill, therefore, directs AID to give priority consideration in its program planning for narcotics producing countries to projects which would help reduce illicit cultivation by stimulating broader development opportunities and to share its expertise in development matters with other U.S. agencies involved in controlling drug-related activities abroad.

In sum, Mr. Chairman, I believe that H.R. 3324, the International Development Cooperation Act of 1979, will make a significant contribution toward the struggle against world poverty and will enhance the level of cooperation between the United States and the developing world.●

● Mr. FASCELL. Mr. Chairman, section 222A of the Foreign Assistance Act authorizes the productive credit guaranty program, under which AID issues guaranties to local lending institutions for loans made to groups and individuals for self-help community development projects. These loans are made to borrowers who, without the benefit of the guaranties, would be unable to obtain credit on reasonable terms for worthwhile development projects.

The results of the program to date are encouraging. There has been widespread interest on the part of lending institutions in Bolivia, Costa Rica, and Paraguay, and there exists at least the potential for successful activities in other countries. Based on our experiences with the program, $5 million of guaranty authority was added to permit a limited expansion of the program.

This program could be successfully implemented on a subregional basis through a local development bank, such as the Caribbean Development Bank. Certainly this program is designed to benefit eligible borrowers in the Caribbean region as well as in a specific Latin American country. I see no reason why the expansion of the program to another country cannot be considered to permit a program to be implemented through a development bank for a subregional area.●

● Mr. BARNES. Mr. Chairman, I know that much of the debate regarding the "location" of the Peace Corps is prompted not so much by consideration of the substance of the Peace Corps program as by differing views on the leadership being offered the Peace Corps by the administration of ACTION, the umbrella volunteer agency in which it now resides.

Indeed, I think the movement toward relocation of the Peace Corps as an independent agency within the framework of the new International Development Cooperation Agency—which I support—has occurred because of an unusual convergence of several perspectives—

Of those who, like myself, believe that the Peace Corps is essentially a development program, and as such should be coordinated within the general framework of the Government's new development coordinating agency;

Of those who consider the independence of the Peace Corps as the highest priority, and want it out of ACTION simply by definition;

Of those who disagree with the administrative management which has been offered the Peace Corps through ACTION, and particularly by the present leadership of ACTION; and

Of those who disagree with the philosophical direction in which the Peace Corps has been turned (or, as I believe, returned), and thus want to take the Peace Corps out of ACTION as a way of taking a slap at ACTION's leadership.

I am happy that my colleagues of the first opinion have been able to join in coalition with those of the second opinion and develop the compromise represented by the Foreign Affairs Committee report of title V of the International Development Cooperation Act, which transfers the Peace Corps from ACTION to independent status within the new IDCA. And if those who feel that the Peace Corps has been administratively mismanaged within ACTION also wish to join our "coalition," I have no problem.

But I do wish to clearly disassociate myself from those who would join in this action believing that it represents a criticism of the direction or philosophy of Sam Brown, the Director of ACTION, or of the approach to people-to-people development which he has instilled in the Peace Corps.

I disagree. I think that Sam Brown has restored to the Peace Corps the mission which President Kennedy, Hubert Humphrey, and Sargent Shriver originally conceived for the Peace Corps—and which made the Peace Corps the foremost ambassador of the ideals of the American people to all the people of the Earth.

As I wrote the President last month urging that the Peace Corps be transferred to IDCA, "in no way does my recommendation reflect on the current content or direction of the Peace Corps program."

"Indeed," I continued, "I support the orientation which Sam Brown has attempted to infuse in the Peace Corps, and I would hope that, in transferring the Corps to IDCA, you would make clear your expectation that that orientation should be maintained."

And I am not alone in this opinion. It happens that on the same day, March 13, that I was writing the President, the Louisville Courier-Journal was running an editorial on Sam Brown's leadership of ACTION and the Peace Corps.

The Courier-Journal wrote:

> Mr. Brown feels that the truly poor have more pressing needs, such as sanitation and greater crop production, than learning English. Mr. Brown's goals seem closer to the original purpose of the 17-year-old Peace Corps, which lost ground during the Vietnam War and the Nixon years. And they certainly are closer to the feeling in Congress, which increasingly has demanded that international development agencies focus harder on programs of direct aid to the neediest.

The Courier-Journal concluded:

> Sam Brown's goal is not only clear and powerful, but right.

I submit the full editorial for the RECORD. And I ask this House to agree that the Peace Corps, established independently, but coordinated within the new International Development Cooperation Agency, should continue the direction conceived by its founders and revived by Sam Brown. And finally, I applaud President Carter's nomination of Dick Celeste of Ohio, who I know will carry on that direction as the new Director of the Peace Corps.

The editorial follows:

THE WANDERING PEACE CORPS

For some observers, symbolism prevailed over substance when the experienced black female who headed the Peace Corps was fired four months ago by her young, white, male boss. But it is now becoming clear that the fight which ended with Carolyn Payton's ouster by Sam Brown, head of ACTION, was not a battle of symbols but of concrete goals.

The struggle, as outlined the other day in a *Courier-Journal* report from *The Washington Post*, involved contradictory views of where and for whom the Peace Corps should send its 6,000 volunteers. To Ms. Payton it was appropriate for college graduates to teach English and math to urban students in not-so-poor countries, such as Korea. Mr. Brown feels that the truly poor have more pressing needs, such as sanitation and greater crop production, than learning English.

Mr. Brown's goals seem closer to the original purpose of the 17-year-old Peace Corps, which lost ground during the Vietnam war and Nixon years. And they certainly are closer to the feeling in Congress, which increasingly has demanded that international development agencies focus harder on programs of direct aid to the neediest. It was a pledge by those agencies to concentrate on the poorest of the poor, and to further trim assistance to governments, that saved their budgets from the congressional knife last fall.

Many felt that President Carter's appointment of the dynamic Mr. Brown to ACTION would reverse the Corps' decline in both numbers and prestige. That this reversal has been impeded could be due in part to Ms. Payton, who embraced such ideas as the usefulness of Peace Corps workers in building homefront support for foreign aid appropriations. That's not the purpose of the program, and her unwillingness in other areas to support Mr. Brown's change of direction didn't aid the case for her retention.

The Corps may never again have 15,000 volunteers, as it did in 1966. Yet America certainly has plenty of idealistic people willing to tackle difficult tasks, and many such tasks remain to be confronted. Sam Brown's goal is not only clear and powerful, but right.●

Mr. ZABLOCKI. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. DANIELSON) having assumed the Chair, Mr. LEVITAS, chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3324) to authorize appropriations for fiscal years 1980 and 1981 for international development and economic assistance programs and for the Peace Corps, and for other purposes, had come to no resolution thereon.

□ 1800

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks and to include extraneous material on the so-called Hamilton amendment to title III of H.R. 3324 which was adopted in the Committee of the Whole earlier today and that all Members may be permitted to extend their remarks and include extraneous matter on the bill just debated today.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3363, DEPARTMENT OF STATE AUTHORIZATION ACT, FISCAL YEARS 1980 AND 1981

Mr. DODD, from the Committee on Rules, submitted a privileged report (Rept. No. 96-92) on the resolution (H. Res. 217) providing for the consideration of the bill (H.R. 3363) to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communications Agency, and the Board for International Broadcasting, which was referred to the House Calendar and ordered to be printed.

HUMAN RIGHTS IN NORTHERN IRELAND

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Gilman) is recognized for 60 minutes.

GENERAL LEAVE

Mr. **GILMAN**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order and to include therein extraneous material.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

□ 1805

Mr. **GILMAN**. Mr. Speaker, it is, indeed, an honor to bring to the floor of the House this evening the subject of human rights violations in Northern Ireland. I am joined by many of my distinguished colleagues who share my concern, and horror, about the present conditions in Ireland, conditions which have resulted in flagrant violations of human rights in Northern Ireland.

Mr. Speaker, before I speak on the devastating conditions in Ireland, I want to commend you and Senator Kennedy on the encouraging St. Patrick's Day message which you offered, a message which was indeed timely and heartfelt. Many of our colleagues were pleased and truly inspired by your message, and I would like to express my hope that in the future all Members of Congress can work together toward a lasting peace in Ireland, offering the guidance and wisdom of American leaders to those Irish leaders who seek our assistance. I believe that the people of Ireland want peace, value peace, and will work toward peace when and if they are assured that the American people are working side by side with them.

I am also encouraged to learn that the Speaker will be visiting Ireland during the Easter recess, and I hope that he will convey to the Irish people our deepest concerns for peace, and extend to them our hope that all the differences which continue to tear the fiber of life apart in Northern Ireland will be soon resolved.

Mr. Speaker, as you know, in the last month, several developments in the Irish issue have been brought to world attention. In late March, the Bennett Commission report was published, a report which definitely states that there are human rights violations in the prisons in Ireland, and that the conditions which the prisoners endure should and must be changed. In recent times, both Amnesty International and the European Court of Human Rights at Strasbourg concluded that Great Britain was guilty of human rights violations in the treatment of Irish prisoners. As a result of the Amnesty International findings in June 1978, a commission was appointed to verify these conclusions. That was the Bennett Commission. But the Bennett Commission was not an "independent body" in search of truth in this matter—it was a commission appointed by Great Britain, consisting of a British membership. In essence, the British were doing some minor "housekeeping" in following through on the Bennett Commission findings, and their conclusions that the conditions in these prisons must improve is a less than satisfactory mandate, in light of the fact that no enforcement provisions could have been included in this Commission. While the British Government shows some concern for the systematic torture and abuse of Irish prisoners in Northern Ireland, the Ulster police continue to harass, abuse, and use excessive force in Irish suspects. I am including for the Record at this point, a list of abuses which the Bennett Commission specifically considers as "ill-treatment" and which should be prohibited:

(1) Any order or action requiring a prisoner to strip or expose him or herself.

(2) Any order or action requiring a prisoner to adopt or maintain any unnatural or humiliating posture.

(3) Any order or action requiring a prisoner to adopt or maintain any physically exhausting or demanding action or to adopt or maintain any such stance.

(4) The use of obscenities, insults or insulting language about the prisoner, his family, friends or associates, his political beliefs, religion or race.

(5) The use of threats of physical force.

(6) The use of threats of sexual assault or mis-behaviour.

It is hard for me to believe that such treatment of prisoners is so widespread in a nation as civilized and advanced as Great Britain.

I am inserting at this point a newspaper article from the Irish Press of March 17, 1979, which clearly illustrates the instances of abuse which the Bennett Commission discovered:

Medical Evidence Cited To Show Ill-Treatment

One of the key passages of the Bennett Report relates to medical evidence about the injuries alleged to have been sustained or inflicted on the prisoners while in RUC custody.

The report adds that, on the basis of its examination of medical evidence, that there were cases in which injuries "whatever their precise cause" were not self-inflicted by prisoners and goes into considerable detail about the highly important aspect of their investigations.

The committee said that medical evidence on groups was most important as far as the inquiry was concerned. "This is indicated beyond all doubt by the nature, severity, sites and number of separate injuries in one person," it says.

"An example would be hemorrhage in the eyes, a swollen nose, a cut lip and multiple bruises on various parts of the body, all on one prisoner," the report adds.

But then it goes on to say: "We are well aware that, in most instances, the complaints of the prisoner and the reports by the doctors of their findings and conclusions have not been elucidated by critical cross-examination.

"We also wish to make it clear that we have not heard any evidence from either the officers who interrogated these prisoners or those who were responsible for their custody.

"Circumstances may arise in which prisoners may lawfully have to be physically restrained, or in which officers may have to defend themselves. We are not to be taken as condemning these officers unheard. There can, however, be no doubt that the injuries in this last class of cases were not self-inflicted and were sustained during the period of detention at a police office."

The report also says that what they had found reinforced the concern shown by the doctors and the police authority, and demonstrated the need for an improvement in the supervision and control of interrogation.

"Moreover, we cannot blind ourselves to the possibility that if, as we found, ill-treatment causing injury could occur, so could ill-treatment which leaves no marks.

"We hasten to add that the evidence we have confirms one point made in the Amnesty report, namely that on complaint of ill-treatment is made against uniformed officers. Further, the evidence we have seen and heard confirms that prisoners do invent allegations and exaggerate trivialities for their own ends and purposes.

In view of the controversy which has arisen over the evidence of Dr. Robert Irwin, the report contains an instructive passage on the duties of police sergeants.

It says it was important that recognition should be given to the special responsibilities that medical officers have by virtue of their membership of the medical profession.

"They have drawn our attention in particular to a declaration endorsed in 1975 by the World Medical Association and known as the 'Tokyo declaration'," the report says.

"This declaration emphasizes that a doctor must have complete clinical independence in deciding upon the care of a person for whom he is medically responsible, and that he should not countenance, condone or participate in torture or other forms of cruel, inhuman or degrading procedures," it adds.

The report declares it is clearly necessary that a doctor employed in a setting where prisoners are interrogated should have the means to satisfy himself that they are not being ill-treated.

"For our part, we do not consider that the officers watching at any particular time need necessarily be of the rank of inspector, although the effective use of the equipment should clearly be a factor in the reviews of staffing at inspector level," it said.

The report goes on to say the isolation of a prisoner from all contact with the outside world is often necessary in order to effect the arrest of associates or the discovery of arms or the material for making bombs.

"We consider, however, that 48 hours should provide reasonable time for police inquiries and searches of this kind to be pursued and indeed we have heard evidence to this effect.

"We have not forgotten the importance of the results of interrogation, but it is our view that our proposal, if carried into effect, would not only secure to a prisoner the benefit of advice about his rights but might prove to be an extra deterrent against the possibility of ill-treatment. If ill-treatment nevertheless occurred, it would enable the complaint to be made to the recorder by an independent person acting solely in the interests of the prisoner at a reasonably early stage".

Dealing with the possibility of appointing investigating officers from outside the RUC, the report says that, although they have come to the conclusion that investigations into complaints should continue to be carried out by police officers, they believe that considerable advantage would be achieved by the appointments to a very much greater extent than has been the case of investigating officers from other police forces in the United Kingdom.

It says there were too many complaints from persons who had undergone interrogation to allow for the appointment of an investigating officer from outside in every instance.

But they recommended that in the case of every such complaint which has caused public disquiet, or where there is an allegation of serious assault and medical evidence consistent with the complaint, or where the Chief Constable has any other grounds for special disquiet or concern, he should request the chief officer of another police force in the United Kingdom to make available a senior officer to investigate the complaint.

The report in dealing with a code of conduct for interviews says that the most important which prohibited ill-treatment. It seemed entirely necessary and proper that these should be expounded and, if appropriate, expanded in any instructions to police officers about the treatment of prisoners in custody.

My colleagues will speak to this point later, and I am certain that it is the conclusion of all members present today that the Bennett report, while yet another official pronouncement of abuses, is simply not enough to correct these abuses, and that it has become necessary to speak out forcefully on this matter, and to request that Great Britain take further action in this regard.

As a Member of Congress, I have had the opportunity to take a special interest in the situation in Northern Ireland. What has come to my attention in the past few years is that our Government, despite meticulous concern with the human rights in all other lands, is truly unconcerned with the violations of human rights in Northern Ireland, and is unwilling to address this problem. What is also evident is that despite the pleas from the Irish-American community, and growing numbers of Irish-Americans concerned with this matter, our Government has seen fit to give Irish-Americans only lipservice as to the reasons that the President and the rest of the administration has seen no reason to speak out against these violations.

Allow me to cite an example of the shortsightedness of the American Government's foreign policy in the area of human rights violations in Ireland. As is evident to many Members of Congress, many members of the Irish community in the United States, and evident, I am certain, to the British and our own State Department, individuals are being denied basic human freedoms in the prisons of Northern Ireland, and are being accused of wrongdoings without a fair trial, and without the benefit of justice. This is a serious situation, no less serious than the imprisonment of Soviet dissidents in Russia, no less serious than the violations of rights by nations in Asia. These cases of rights violations have been documented, and I intend to share some of the most flagrant violations of human rights with you later on.

Despite this documentation of violations, our State Department in its 1979 report on human rights to the International Relations Committee stated, in regard to the granting of a fair trial to the Irish, and the protection of the rights of one's privacy in the home that: "Fair public trial is guaranteed" and that "there is no evidence of such a practice" (invasion of the home). And yet, we have sworn statements by residents of Northern Ireland which state the contrary, and which continue to make clear the seriousness of the violations. Families are being torn apart, because of the tragic nature of their situations.

I would like to include at this point in the RECORD the text of a letter which I have sent to the State Department expressing my concerns over the report they issued on Britain's compliance with a human rights platform:

WASHINGTON, D.C.,
April 9, 1979.

MR. RICHARD THOMPSON,
Irish Desk, State Department,
Washington, D.C.

DEAR MR. THOMPSON: I would like to thank you for taking the time to meet with representatives of several New York and New Jersey based organizations of Irish-Americans in mid-February. As you know, several of these individuals are my constituents, and I regret not having been able to attend this meeting due to prior commitments in my Congressional district.

While I believe that it is important to have an ongoing dialogue with representatives of the Administration on this issue, I am gravely concerned about the lack of response that was elicited from the February meeting.

I have looked over the section of the State Department's Report to the International Relations Committee (1979) which deals specifically with the human rights issue as it pertains to Great Britain, and as a Member of the Foreign Affairs Committee (previously the International Relations Committee) I have great reservations as to the accuracy of the report.

First, I believe that the entire premise on which the State Department Report is based is inaccurate and is comprised of several subtle distinctions which give Great Britain much leeway in appearing innocent of violations. While it is proper that a nation amend its own laws to deal with a particular crisis (i.e. the Emergency Provisions Act of 1973 and the Prevention of Terrorism Act of 1976) there is no reason to believe that the amendment of these laws ensures compliance with human rights. Indeed, the State Department euphemistically reports that "these acts empower the restrictions of personal liberties" which means, in U.S. terms, that any show of strength by the British, because of enabling legislation, is justified under temporary legislation. Another subtlety occurs in the area of semantics; the State Department report is filled with references to the freedoms that are granted to all citizens of Britain (i.e. "Political liberties are well-protected in the United Kingdom" "British law bars discrimination on the basis of sex, race, religion or ethnic origin" and "Fair public trial is guaranteed.") Yet, what the report fails to mention is that these rights may be superseded for the "common good" (the "common good", of course, being nowhere defined) and that they may be abridged legally, for instance, in the case of someone who is suspected of terrorism.

Mr. Thompson, I cannot believe that our State Department is so naive as to believe that simply because a nation claims to protect the freedoms of their citizens that such claims are indeed true, and that simply because protections are "on the book" that the U.S. need not concern herself with verifying the reports that continually surface about mistreatment of prisoners, illegal searches and seizures, false accusations, the denial of mail and legal counsel, etc. . . . I cannot imagine what more must be done to make the State Department and our President aware of the severity of the treatment of prisoners in places such as Armagh, the H-block at Long Kesh, Albany Prison and the Castlereagh Detention Center.

If proof is lacking concerning these accusations, I sincerely hope that you will feel free to call on me so that I can produce evidence of these mistreatments. I believe that it is the Administration's obligation, to become aware of both sides of the issue, and I am confident that your awareness of these violations will be heightened with increased exposure to the issue.

It is inconceivable that the State Department could minimize the importance of the June, 1978 Amnesty International Report which clearly indicates a violation of human rights in Northern Ireland. The U.S. Department of State is consistently outspoken on alleged violations of human rights, and it seems incongruous that these violations should be overlooked while other nations' violations are publicly condemned.

Finally, the State Department Report quotes Foreign Secretary Owen in reference to Britain's strong commitment to the improvement of human rights practices. He said in February, 1978, that "The British Government's practice is to be fully ready to listen to any comment from others on its record of human rights matters, to accept criticism where it is fair, and to rebut it firmly where it is unjustified." I believe that Great Britain would take note of the U.S. State Department's injuiry into questionable practices if our State Department responsibly undertook the initiative to approach Great Britain on this matter.

It is a sad day in the history of U.S. foreign policy when our State Department selectively speaks out against certain violations of rights, while maintaining silence on others. Our entire human rights platform is undermined by the exclusion of Great Britain, and by implication, that nation may assume that the U.S. approves of its actions, lack of regard for human rights and continued violations of these rights.

Thank you for your kind attention,

Very truly yours,

BENJAMIN A. GILMAN,
Member of Congress.

In November of 1978, I had the pleasure of accompanying Congressman MARIO BIAGGI to Ireland where we met with many representatives of the Irish people—all segments—to gain a sense of these people in regard to a peace forum which several Members of Congress have proposed as a possible vehicle for the establishment of peace in Northern Ireland. As Congressman BIAGGI will attest, the sentiment of the Irish people concerning this proposed peace forum in which the United States would take the part of an "honest broker" was overwhelmingly favorable. The primary objective of the peace forum, sponsored by the Congressional Ad Hoc Committee on Irish Affairs, would be to bring together the opposing sides in the conflict and to take a first step toward the resolution of differences in the Irish question.

In meeting with leaders of all sides in the conflict one major point was stressed—no peace could be accomplished until the British troops were withdrawn from Ireland. Understanding that it is ultimately the responsibility of the Irish people themselves to determine the extent and intention of their own government, they believed it is important to remove any "foreign" presence from this land. The Irish feel that if the British were to express a "declaration of intent" to leave Ireland many of the crises plaguing the Irish would be resolved.

We are trying to arrange the peace forum for some time during the spring of 1979, and are anticipating a successful first venture into the peace process. The ad hoc committee is fully supportive of any efforts which can be made regarding peace, a peace without violence and a lasting peace.

While in Ireland, Congressman BIAGGI and I also met with many family members whose loved ones were prisoners in Northern Ireland. They asked us to make Americans more aware of the deteriorating physical conditions of many prisoners, some young boys, and young girls, others * * * men who had become unable to take care of themselves. I have learned since my trip, that there is a 16-year-old boy being held in the H-block cells of Long Kesh Prison. In 1979, the year of the child, such action is unconscionable. I would like to share some excerpts from a letter which I received from the boy's mother, explaining the details of his arrest:

> On the 8th of January 78 a bomb exploded in a local flour mill. On 1-9-78 (he) was arrested, taken to Strand Road Police Station in Derry and questioned in his father's presence about being involved as a "look out so that the bomb could be planted." He denied all knowledge of this and after several hours of questioning he was released.
>
> On 3-14-78 he was again taken to Derry RUC Station—his father and myself were denied a visit to see him and he was held from approximately 12 noon until 3-16-78 when he was charged with being a member of the junior wing of the IRA, and when we saw him on 3-15-78 for the first time since his arrest he told us he had been beaten by several RUC special branch men, made to sit in a chair position, had his hair pulled, face slapped, etc . . . He signed a statement because he was afraid and thought the beating and torture would be on indefinitely. He was 15½ years of age at the time.
>
> We tried to get him out on bail but were refused as the police had got Roy Mason to sign a detention order to keep him imprisoned. He remained a prisoner in Crumlin Road prison from 3-16-78 until his trial in October 78.
>
> His case was held in a Diplock Court and after 8 days in which our barrister tried to prove that the statements were made under duress the judge accepted the word of the police and sentenced (him) and two other innocent boys (on the same charge) to 4 years detention.
>
> . . . (Our son) and his two friends have been in Long Kesh since just before Christmas. (He) refused to wear his prison clothes and has been on the blanket protest since December to protest his innocence. . . . (He) simply "refused to wear the prison clothes," to use his own words. "Mammy I see your point of view, but you always taught me to be a decent boy to never do anything to bring shame on myself or my family and now you want me to wear criminals' clothes. No Mammy, I just can't do it."
>
> . . . I fear for his mental and physical health. He is alone in a cell 24 hours daily. He lies on a mattress on the floor—he is naked except for a blanket—he never gets fresh air and has already been forcibly washed. . . . He is not allowed any books, radio or personal belongings. He is not allowed any association except when he goes to Mass on Sunday. Father Denis Faul has seen him and can testify to these facts. He has recently been put in a cell where his only view is a grey wall and (he) thinks this is an added punishment to try and break him mentally. . . . While we had our visit . . . on 2-10-79 we saw some of the long term blanket men, coming out for their visits and they looked like zombies. Long hair, matted and white . . . their eyes large and staring. I was deeply shocked and frightened and hope to God you can do something very very soon for these poor Irish men and boys. . . .

Mr. Speaker, in the past few weeks, I have received many letters which come directly from Ireland, and all of which have in common one plea: Please make Americans more aware of the problems that are besieging Northern Ireland, and please make public information on the conditions of prisoners, particularly those prisoners now held on the H-Block in Long Kesh prison.

I would like to share one such letter with my colleagues:

> While you are preparing to celebrate St. Patrick's day this year, we, the relatives of prisoners "on the blanket" in the H-blocks of Long Kesh prison would be very grateful if you would remember the grim suffering of these young Irish men and boys.
>
> Although we realise that the St. Patrick's day parade in New York is traditionally non-political, we would hope that on humanitarian grounds you would see your way to helping in highlighting the gross violations of the basic human rights of these prisoners.
>
> The H-block prisoners have endured their suffering for three years now with no mercy or compassion shown to them by the British authorities. They can do no more to highlight their plight. We must highlight it for them. We need your help. We sincerely hope and believe that you will not let us down.

When I visited the Irish prisons in November of last year, and when I met with the families of those prisoners, one thing was made clear to me above all else: the pathetic conditions which these men, and some of them young girls, were forced to endure. A mother of a prisoner in Long Kesh handed me a letter which was smuggled out of the prison from her son. The letter was written on toilet paper, as the prisoners are not able to obtain regular writing paper for letters to relatives. The text of the letter reveals the intricate system whereby ordinary materials must be obtained—pens, paper, cigarettes, and shows the paltry and oppressive conditions which make prison life truly unbearable. The letter itself tells us little about the writer, but in the urgency of the message, we can share in the mother's anguish and pain:

> (Letter smuggled out of the Maze Prison
> (Long Kesh))
>
> HELLO THERE: Just a few lines to box off about the tobacco. I never get the right chance in the visit to get it boxed off right, and I'm the only one in the wing that smokes and doesn't bring any back. If you can, bring me up ½ oz. 2 pks. papers and 2 pen refills. Take the papers out of the packet and put them and the refills in the middle of the tobbaco and roll the whole lot up into a good sausage shape package. Well everything else is all right in here at the minute. The screws were hoseing us down and throwing buckets of scalding water with disenfectant in it around some of the boys, some of them was treated for burns. I am on and the rest of the boys is keeping all right. I'll have to go now running out of time and paper. Hope you can do that for me.
>
> Love and God bless,
>
> TOMAS xx.

One of the most abhorrent and disturbing aspects of the imprisonment of individuals in Northern Ireland is the disgraceful treatment of women in prisons. May I share with my colleagues one of the particular cases which has come to my attention:

JEAN HAMILTON

> Jean Hamilton was 18 years of age when she was arrested in June 1977. She was two months pregnant at the time. She was taken to Castlereagh RUC Interrogation where she was held for three days incommunicado.
>
> She alleges:
>
> During this time she was threatened and verbally abused by both male and female Special Branch detectives. At one stage she was hit by a female police officer who also told her that her child would be malformed when born. She was threatened that her child would be taken from her when born and that they would see to it that she would never get the child back. This continued this line of harassment for a long time. She was then charged and brought to Armagh Jail.
>
> Bail was granted when she was seven months pregnant. This was Jean's second application for bail. She was refused the first time.
>
> In June 1978 she was sentenced to 14 years imprisonment. She was refused permission to bring the child into jail with her. At this time Jean was again two months pregnant. She joined the protest for political status. Even though she was pregnant she was locked up and lost all rights and privileges like the other protestors. During her time on protest she was threatened with a miscarriage. She was not satisfied with the medical attention given her. Four days later she was rushed to Craigavon Hospital with a threatened miscarriage—which had been her own diagnosis previously. During her stay as a patient in the Gynaecology Ward of Craigavon hospital where she was confined to bed a screen was kept round her bed in the large room; her bed was in the corner and the screen was pulled on one side because there was a male police officer and a female police officer continuously in her room. While she tolerated and understood a female prisoner officer in her room she and others thought it nothing short of disgraceful that an RUC man should be present in her room; she said she had no peace of rest and quiet while these people carried on continuous loud conversation morning and night. The N. Ireland Office were informed of this violation. After four days she was returned to Armagh Jail and was considered fit to be

> locked up again. Jean appealed her case but it was rejected.
>
> When Jean was seven months pregnant she was declared unfit for punishment and rights and privileges were restored. She gave birth two months later to a baby boy by caesarean section in Craigavon Hospital. After four days she was moved back to the hospital wing of Armagh Jail and then eventually to the protesting "B" Wing. Jean sent the child out to her home when he reached the age of six weeks as she was informed by the prison authorities that if she continued on protest the baby would have to be locked up in the cell full time with her. At present she is back on protest and has lost all rights and privileges. She sees her children once a month. Neither of them recognize her as their mother.

Recently, I had the opportunity to meet with Mrs. Kathleen Gallagher of Derry, Northern Ireland, the chairwoman of the Derry Defense League, who has worked consistently toward peace in that nation. I am enclosing for the RECORD excerpts of a letter from Mrs. Gallagher which poignantly explains the situation there:

> DEAR MR. GILMAN: I wish to take this opportunity to thank very sincerely the Congressional Ad Hoc Committee for the interest and concern they have voiced publicly regarding the Human Rights violations inflicted on the oppressed people of the North of Ireland by the British government.
>
> The past ten years have been traumatic years for the people in the north of Ireland. Particularly for the relatives of those who have been killed and imprisoned. The injustice of internment, men forcibly arrested in downswoops on their homes by the British army, and imprisoned without charge or trial . . . 2,000 dead; 25,000 wounded . . . 390 young men, the youngest 16 years old . . . are on the "Blanket protest" . . . Locked up twenty four hours a day . . . denied fresh air, exercise, allowed no letters, no television, radio. . . .
>
> Since Archbishop Thomas O'Faisch visited Long Kesh Concentration Camp in July, 1978 and told the world the truth of this horrific situation in H-block 3-4-5 and said "If something is not done soon these young men will die," nothing has been done to help end this nightmare. . . . People of conscience and compassion can no longer remain silent about H-block. . . .
>
> As an Irish mother I appeal to the caring American public to speak out right now. . . .

It is hard for us to imagine that the British would seize upon a young boy and young women and force them to endure the tortures of solitary confinement, stale air, the battery of abuses which are so commonplace in British prisons nowadays. And yet, we continue hearing about such abuses—these are just a few of many, many documented cases which we have shared with you before.

One of the most touching requests that was made to Congressman BIAGGI and myself while in Ireland, was to ask all Americans to continue speaking out against these injustices, to continue supporting the work of the ad hoc committee, and to join together in raising their voices above the silence which has surrounded this issue.

I hope and pray that all Members of Congress will become concerned with the peaceful solution to problems in Northern Ireland and will speak out, will join in our proposed peace forum, and will make certain that this human rights issue will not be clouded over, will not be put out of mind, or laid to rest until there is peace and justice in all of Ireland.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I am pleased to yield to the gentleman from New York.

Mr. WEISS. Mr. Speaker, I would like to thank my distinguished colleague, the gentleman from New York, for arranging this timely discussion of the human rights situation in Northern Ireland.

International attention is once again focused on Northern Ireland and on the British Government's abuse of suspected members of the Irish Republican Army who are regularly detained by the Ulster police.

Several studies have been conducted over the past few years concerning conditions in the jails and detention centers of Northern Ireland. Many of these reports have concluded that beatings and physical abuse of Catholic suspects are systematic, pervasive practices in Northern Ireland.

And now we have confirmation of these findings from an official committee appointed by the British Government and chaired by Judge Harry Bennett.

The Bennett report found several instances of brutality directed against suspected IRA members in the Six Counties. This conclusion, in turn, is further buttressed by Ulster police surgeon Dr. Robert Irwin who recently said that between 150 and 160 prisoners he examined over the past 3 years were suffering injuries that were not "self-inflicted."

The Bennett report and Dr. Irwin's statements follow last year's report by Amnesty International which documented 78 cases of brutality at the Castlereigh interrogation center in Northern Ireland.

Clearly, then, there is no longer any question as to whether Ulster police engage in brutality against IRA suspects. What remains to be discovered is the precise extent of this mistreatment. And what remains to be done is the implementation by the British Government of measures to end these human rights violations.

The Bennett report was a step in that direction. Although the committee was directed to assess only the overall situation in Northern Ireland's jails and detention facilities and not investigate individual cases of brutality, the report does provide some sound recommendations which should be immediately implemented.

It urged, for example, that interrogaation in Northern Ireland's jails and detention facilities and not investigate inauthorities and that detainees be permitted to contact a lawyer within the first 48 hours that they are in custody—a right now denied IRA suspects under the British Prevention of Terrorism Act.

I would strongly urge Northern Ireland Secretary Mr. Roy Mason to apply these fundamental protections at once. And I would also call upon the British Parliament to review other provisions in the Prevention of Terrorism Act which permit detention for 7 days without the filing of charges and which sanction trials on charges of terrorism by a judge alone, without the presence of a jury.

There should also be a thorough independent investigation of the treatment of IRA suspects in Northern Ireland. The Bennett report is flawed and incomplete insofar as it is an investigation of British Government practices by the British Government itself. Outside examination of the situation is essential.

Guaranteeing fundamental human rights to detainees in Northern Ireland is but the first step toward an end to the violence and injustice that has plagued the Six Counties.

I believe that the course of action which I recommended to President Carter in October 1977 remains sound today. I called upon the President at that time to urge the British Government to formulate an absolute guarantee of social and economic justice for the Catholic minority in the Six Counties.

I also suggested then that the aim of a permanent peace could best be advanced through U.S. insistence on the gradual withdrawal of British troops from Northern Ireland and the establishment of an interim United Nations peacekeeping force.

President Carter took a commendable initiative in 1977 when he spoke out for an end to the killing in Northern Ireland and pledged support for human rights in the Six Counties.

Now it is time to make good on that pledge. The United States can play a most productive role in ending the bloodshed and insuring justice and equality in Northern Ireland. I again urge the President to speak out in this way and to commit his administration to a fair and lasting resolution of the continuing tragedy in Northern Ireland.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from New York (Mr. WEISS) for participating in this special order.

We know of his long concern for this issue, and we certainly welcome his remarks this evening.

Mr. WOLFF. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I am pleased to yield to the gentleman from New York.

Mr. WOLFF. Mr. Speaker, I thank the gentleman for yielding. I congratulate the gentleman on his leadership in bringing to the attention of the House once again the question of the denial of human rights to the minority in Northern Ireland.

Mr. Speaker, I believe that it is important to give consideration to this matter on this specific day, because just as I came to the floor, I noticed a request from the Pentagon for $28 million in military sales to the Government of Great Britain.

Mr. Speaker, if we are ever to put any teeth into the human rights legislation, then I think it is about time that we started to concern ourselves with some of these areas which Congress now has the opportunity of responding too, and that is the limitation on the sale of any type of military equipment to any country and also to consider the authority which the Committee on Foreign Affairs and the Congress have in restricting those particular sales.

On that point I should just like to inform the House that it will be my responsibility, as well as that of a number of other Members, to call some questions into account in the whole area of the denial of human rights to the minority in Northern Ireland and to bring this question up within the 30-day period which exists between this time right now and the time when the sale will be required to be consummated.

Mr. Speaker, I am happy to participate in this special order with so many of my colleagues from the floor where I often stood alone or with only a few Members in the cause of human rights in Northern Ireland.

This is a unique occasion though, for I speak in the wake of the Bennett Commission report which details the systematic torture and abuse of prisoners detained in Northern Ireland. As many of my colleagues and many in this Nation are aware, I have diligently attempted to call the world's attention to the horrors inflicted upon the minority in Northern Ireland. In my travels to the land and my unprecedented visit to the prison at Long Kesh, as Joe Brannigan, I reported a "concentration camp" atmosphere that overwhelms the environment. I reported the gross violations of human rights and human suffering that exists.

Now the Bennett Commission points to these conclusions. I say this not with a sense of pride or accomplishment but with the objective in mind of taking steps to further document the injustices visited upon the minority in Northern Ireland so that it may never happen again. I also speak from a new perspective. For while we must be ever vigilent in exposing the inhumane treatment of the Irish in Northern Ireland, we must also make every effort to respond to the recent official revelations to correct the grievous situation that exists there.

I call upon the British today to open up their inquiry and investigative process to include Amnesty International and the political parties of Northern Ireland in a meaningful way.

I call upon the British to allow civilian supervisors so the police in the Northern Ireland region are not in the position of investigating charges against themselves.

I call upon the country which gave the world the Magna Carta to change the law that prohibits lawyers from being present for the first 48 hours after people are arrested.

And in the name of justice and humanity, I request a review of all sentences of those who are now serving long prison terms.

This week marks the beginning of the Passover holiday for members of my faith. Our holiday details the terrible conflicts between the Egyptians and Israelis thousands of years ago. This year, we witnessed an historic peace accord between these two peoples. What a tragedy it would be for the parties of Northern Ireland and Great Britain, and the world, if the achievements between Israel and Egypt could not serve as an inspiration and guide for resolving the historic conflicts that exist in Northern Ireland.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from New York (Mr. WOLFF) for his remarks and for bringing this issue to our attention. It is certainly an issue to which we must address ourselves.

I also want to commend the gentleman, Mr. Speaker, for his longstanding interest and concern in the question of bringing the violence to an end in Northern Ireland. I know that the gentleman has personally visited some of the prison camps in Northern Ireland and has expressed his concern over the violation of human rights which existed in those jails.

Mr. WOLFF. Mr. Speaker, if the gentleman will yield further, I thank the gentleman for referring to this subject. I want the gentleman to know—and I am sure that he is well aware of it—that as a U.S. Congressman, I tried to get into the prison camps, and I was not able to do it. I had to adopt an alias of "Joe Brannigan" in order to do so. I certainly do not look like "Joe Brannigan," but, by the same token, I had to adopt an alias to get into the camps.

Mr. GILMAN. Mr. Speaker, I certainly thank "Joe Brannigan" for his remarks.

Mr. CARNEY. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I will be pleased to yield to the gentleman from New York.

Mr. CARNEY. I thank the gentleman for yielding. I would like to commend my colleague, the gentleman from New York (Mr. GILMAN), for his effort on behalf of the people of Northern Ireland, and I would like to associate myself with his remarks.

Mr. Speaker, we are assembled today to voice our opposition to the violations of human rights in Northern Ireland. As my esteemed colleague from New York, the Honorable MARIO BIAGGI, stated in his St. Patrick's Day message:

> We are here to rededicate ourselves to the goal of making the 1980's a decade of peace for all of Ireland.

Daily violations and deprivations of human and civil rights occur in Northern Ireland. While these conditions exist peace remains an impossibility. For the past 2 years we have been told by the President that the issue of human rights is the cornerstone of the U.S. foreign policy. However, the deprivation of human rights continues in Ireland. In order to claim that our Nation truly desires a uniform belief in human rights we must effectively apply this in a consistent fashion. Until now all we have seen is a selective morality in the administration's cry for human rights. It is time that this cry included Ireland.

As my colleagues have stated before, as members of the Ad Hoc Committee for Irish Affairs we deplore any form of violence be it induced by institutions or civilians. Progress cannot be achieved if violence occurs, only suffering continues. Restraint is needed by all sides. I am all too aware of the blood bath which is occurring in Ireland today. This blood bath can end, but only when peace is achieved. I firmly believe that peace is impossible in Ireland until the British presence is removed as quickly as possible.

As a member of the Ad Hoc Committee for Irish Affairs I stand behind Mr. BIAGGI in his call for the creation of a special international task force to monitor human rights matters, especially in prisons under British control. I also support a firm and binding declaration by Britain for the withdrawal of her troops from Ireland. The need for action by the United States in this matter is clear. Our prestige as a leader of the free world, and our unique shared heritage with the Irish people are two reasons why it is incumbent upon us to show our support for the cause of human rights in Ireland. The time is right for a substantive U.S. initiative in Ireland.

In closing, I restate my total and unbending opposition to violence in any form. By definition violence impedes the path to peace. The people of Ireland have suffered all too long. We cannot stand by while another Irish generation is forced to endure injustice, bloodshed, and oppression.

Mr. GILMAN. I thank the gentleman from New York, particularly since the gentleman is a new Member in this House, for his concern and for his work on the issue of human rights in Northern Ireland.

Mr. Speaker, as we know, in the last month there have been several developments in the Irish issue that have been brought to the world's attention. In late March the Bennett Commission report was published, a report which definitively states that there are human rights violations in the prisons in Ireland and that the conditions which the prisoners endure should and must be changed.

In recent times both Amnesty International and the European Court of Human Rights at Strasbourg both concluded that Great Britain was guilty of human rights violations in the treatment of Irish prisoners. As a result of the findings of Amnesty International, in June 1978, a commission was appointed to verify these conclusions. That was the Bennett Commission. But the Bennett Commission was not any independent body in search of truth in this matter. It was a commission appointed by Great Britain consisting of British membership. In essence, the British were doing some minor housekeeping. In following through on the Bennett Commission findings and their conclusions that the conditions in these prisons must improve is a less than satisfactory mandate in light of the fact that no enforcement provisions could have been included in this commission. While the British Government shows some concern for the systematic torture and abuse of prisoners in Northern Ireland, the Ulster police continue to harass, abuse, and use excessive force on Irish suspects.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I will be pleased to yield to the gentleman from New York.

Mr. FISH. I thank the gentleman for yielding.

Mr. Speaker, in late August, early September last year, I traveled to Belfast and Dublin as a member of a study mission at the request of the chairman of the Committee on the Judiciary, the Honorable Peter W. Rodino, Jr.

Our immediate concern was to determine whether the Department of State was arbitrarily denying or revoking visas to certain Irish political leaders in response to the British and Irish Republic Governments. In reviewing the background of these visa cases, it became immediately obvious that there was a basic correlation between the social, political, and economic conditions in Ireland and the ultimate unfavorable decisions continuously being rendered in the past few years to certain Irish nationals.

I must confess that I was totally unprepared for what I saw and learned during the 4 days and 5 evenings in Northern Ireland. I believe that the majority of the American people are unaware of the "armed camp" atmosphere prevalent in Ulster and the suppressive tactics being employed by the British Government in the name of preserving order.

The measures the British are using today in Northern Ireland violate every accepted democratic principle of human rights. The actions of the British Army and the Royal Ulster Constabulary; the system of warrantless searches, detentions and arrests; and the one judge, no-jury courts foster the very violence the British Government is allegedly seeking to eliminate.

Americans should condemn all violence—whether on the part of the Republican paramilitary, the Loyalist paramilitary, the British Army, or the constabulary.

This administration has adopted a forthright policy of concern of human rights throughout the world. Yet, I am surprised, as indeed many of my colleagues are, on the complete lack of expression of the administration on the human rights issue in Northern Ireland. The voluminous study made by the Department of State on human rights violations in the world makes only a passive reference to Northern Ireland. Yet, one needs only to enter Belfast and observe Army patrols in the street, body searches of persons entering certain sections of the city, and listen to the people recounting the grim details of house searches, arrests in the night, harassment on the streets, incommunicado detentions, harsh interrogations to grasp fully the realism of the situation.

The report of the Bennett Commission appointed by the Secretary of State for Northern Ireland, Roy Mason, released in March 1979 recognizes certain harsh procedures are used in the course of interrogation. This is not, however, an adequate response to the Amnesty International findings, as only interrogations procedures were inquired into and no effort was made to investigate individual cases. As such, the Bennett Commission report is not an acceptable reply to the allegation of human rights violations.

In its confirmation of the visible injuries as a result of police interrogation, the Bennett report does confirm not only the findings of Amnesty International, but much of what is contained in a volume known as the "Castlereigh Files," written by Fathers Denis Faul and Raymond Murray. It should be pointed out, however, that in addition to documentation of visible injuries resulting from police interrogation, the "Castlereigh Files" also describe 20 examples of injuries inflicted that leave no visible traces.

On my trip to Northern Ireland, we made it a point to meet with individuals from both sectarian sides, the clergy, political figures, government officials and the ordinary people on the street. I am hopeful that within the very near future, we will be in a position to issue a report which contains transcripts of recordings made with the persons with whom we met.

Our study mission concluded that there appears to be evidence of a growing desire on the part of northern Irish people to seek a political solution without any intervention by either the British or Irish Republic governments. They seek a nation to act as an "honest broker" or a guarantor to foster these discussions and negotiations. Without exception, the individuals we spoke to feel that the United States is the only country which could fill that role.

We feel that in order to create the proper atmosphere for realistic discussions, the British Government should make clear its long range intentions and begin to relax suppresive measures.

We deplore the recent violence attributed to the provisional IRA. These actions only serve to reinforce the contention that a withdrawal of the British Army would lead to further bloodshed.

We, therefore, believe that the necessary groundwork leading to a peaceful solution must involve a cessation by the opposing paramilitary forces of further violence.

If any progress is to be made, our Government must take this opportunity to encourage affirmative actions toward bringing all interested parties together in a neutral setting.

In our visa issuance policy, I feel that the Department of State must reassess its basic criteria on temporary visas to the United States for Irish nationals. It disturbs me to see that certain individuals who may have been associated with violent actions are granted visas because of their relationship to British interests in Northern Ireland while other individuals are excluded because of an activity which is regarded as anti-British.

I fully realize that this struggle in Northern Ireland has been going on for eight and a half centuries, and that the solution is difficult and elusive. However, I do believe that with proper goodwill and reason, we can be an instrument in bringing peace and equality to the people of Ulster.

☐ 1815

Mr. GILMAN. Mr. Speaker, I thank the gentleman from New York (Mr. Fish) for his words and his long concern in this issue. We recall the recent visit of the gentleman from New York (Mr. Fish) to Northern Ireland and the impact that that visit had upon the issue and the statements that were made by both sides in the hostilities in Northern Ireland following the gentleman's visit.

I am certain that through the continued efforts of all of us we will have to resolve this issue.

Mr. Speaker, I would be pleased to yield to the gentleman from New York (Mr. Biaggi).

Mr. BIAGGI. Mr. Speaker, I thank the gentleman for yielding.

On this day I take special pleasure to acknowledge the statements made by a number of outstanding Irish-Americans in our Nation, to-wit: Speaker O'Neill, Senator Kennedy, Senator Moynihan, Governor Carey and Gov. Brendan Byrne of New Jersey on St. Patrick's Day.

The statement marked a radical departure from the usual ceremonial comments as history has recorded them. For the first time, it contained the substance of the people of the Nation, that the moral people of the world had a right to expect. Those comments in my mind will have, have had and will continue to have significant impact on all the nations concerned, ours not the least.

Mr. Speaker, as chairman of the 128 member Ad Hoc Congressional Committee on Irish Affairs, I am proud to join with my colleague Mr. Gilman, as a cosponsor of today's special order. This is not the first time we have been forced to resort to a special order to discuss human rights in Ireland. Just last July, I sponsored one to discuss an Amnesty International report detailing some 80 cases of inhumane treatment of prisoners at the Castlereagh Prison under the control of Great Britain.

We return today with a somber message—human rights throughout Ireland are deteriorating. There are two culprits—the London and the Dublin governments. There are hundreds of thousands of victims. The net result—there is no peace in Ireland today.

Today we are concentrating on the two reports; one by Dr. Robert Irwin, a Northern Ireland police surgeon, the other by Judge Harry Bennett. Both detail a systemmatic pattern of violations against Republican suspects, mostly at the same Castlereagh Prison and interrogation center. I have made earlier statements on these two reports on March 13 and 15 and wish at this time to have them inserted as part of this special order.

HUMAN RIGHTS VIOLATIONS IN IRELAND AGAIN SPOTLIGHTED

Mr. Biaggi. Mr. Speaker, a major story appeared in the Sunday, March 11, Washington Post, which once again spotlighted another documented example of human rights violations in Northern Ireland. As chairman of the 121-member Ad Hoc Congressional Committee for Irish Affairs, I wish to place this article in the Record as I have done when similar reports by the European Commission and Court of Human Rights as well as Amnesty International were relaxed.

The findings of Dr. Robert Irwin, a Northern Ireland police surgeon were perhaps the most shocking cases to date in what is becoming a tragic human rights record in the North. Dr. Irwin indicated that between 150 and 160 suspects that he personally examined were beaten and ill treated by police authorities. The scene of these travesties was the Castlereagh Interrogation Center. The recent Amnesty International report on Northern Ireland focused on some 78 cases of prisoner maltreatment at the same Castlereagh Prison.

Concurrent with these findings is the ongoing human rights horror of Long Kesh's H Block compound. Here we find prisoners, some 300 in number, living in the most squalid and inhumane conditions imaginable. I am deeply concerned about the rapidly deteriorating physical condition of these prisoners and feel the Government of Great Britain has a moral responsibility to insure that no prisoner dies in Long Kesh.

As many Members know we are about to celebrate St. Patrick's Day. Yet the existence of past and ongoing human rights violations make for a muted celebration for millions of Irish Americans. They see a divided nation where peace and justice for all is a myth. They see bloodshed and oppression continuing.

We the members of the ad hoc committee are also deeply concerned about Ireland today. Our response is to present the Irish situation with a dramatic new initiative whose sole purpose is to advance the cause of peace and justice in Ireland. I refer to the upcoming congressional Irish Peace Forum which this committee has agreed to sponsor beginning the week of May 14. It is designed to serve as a catalyst for peace and a restoration of human and civil rights for Ireland.

Despite the noninvolvement of our administration it is most obvious that human rights are not fully respected in Northern Ireland. We have been most outspoken in other instances where abuses have been revealed. On the occasion of St. Patrick's Day I renew my plea to the administration to work for the respect for human rights in Ireland.

At this point in the Record I wish to insert the article from the Washington Post entitled "Ulster Doctor Says IRA Suspects Maimed in Police Custody."

ULSTER DOCTOR SAYS IRA SUSPECTS MAIMED IN POLICE CUSTODY

(By Leonard Downie, Jr.)

London, March 10.—A Northern Ireland police surgeon has revealed that 150 to 160 suspected IRA terrorists he examined in police custody during the past three years were beaten and otherwise "physically ill-treated" while being interrogated by police in Belfast.

In a taped interview to be broadcast Sunday on Weekend World, a popular television news magazine program here, Dr. Robert Irwin said he was disturbed by the injuries he found prisoners to be suffering after they had been questioned by the Royal Ulster Constabulary at its Castlereagh interrogation center in Belfast.

"I've seen five ruptured eardrums," Irwin said "I have seen two injuries to bones of the forearm . . . I have seen joint injuries in both the wrist and to the little joints in the fingers, which have been caused by squeezing the hand or by twisting the fingers."

Irwin said these are not injuries that could be self-inflicted, as the authorities in Northern Ireland have sometimes claimed.

"Ruptured eardrums, I would say, being one of the most serious injuries, could not possibly be self-inflicted," he said. "There is not enough leverage in one person's arm to rupture their own eardrums, and falling about does not produce a ruptured ear. It can only be produced by a blow with force from somebody else.

"Also, some of the sites of some of the injuries would defy even a contortionist to produce the injuries, and the extent of the bruising that has been seen on occasions indicates that considerable force had been used from some other source."

Irwin said such mistreatment, which he attributed to "probably twenty" Ulster police officers at Castlereagh, is "destroying" the Ulster police force's reputation and undermining the "magnificent" work of the majority of its officers, who he said have helped the British army reduce violence in Northern Ireland in recent years.

His public statements corroborate an Amnesty International report of last summer, which described 78 cases of brutality allegedly suffered by suspected terrorists in police custody in Ulster. Amnesty International complained repeatedly in the report that Ulster police authorities would not allow access to police surgeons or their records.

The report prompted the British government to set up a committee, headed by a noted judge, to investigate these allegations and report on interrogation methods in Northern Ireland.

The committee's inquiry is finished and its report is now being reviewed by Britain's Northern Ireland secretary, Roy Mason, before being made public later this month. A spokesman for the Northern Ireland office said today he could not comment on Irwin's statements or on reports here that the investigating committee has found that Ulster police interrogation methods "leave a lot to be desired."

Irwin, an official of the Association of Police Surgeons of Great Britain, said he will resign if the committee's report does not acknowledge the mistreatment he has found. He said he also would urge the other 600 police surgeons in Britain to "walk out in protest."

A Protestant lawyer recently resigned from the complaints committee of Northern Ireland's police authority because, he said, it took an action on a number of specific complaints of "alleged torture" he had presented. "They don't want to know," attorney Jack Hassard said.

More than 1,000 formal allegations of police brutuality during interrogations of suspected IRA terrorists in Ulster have been made in the last three years. Some police officers have been prosecuted, but none has been convicted.

British security forces have killed 10 persons in Northern Ireland in the past year. Authorities have acknowledged that some innocent people may have been killed mistakenly in these incidents, and there have been disputes about whether some suspected terrorists were shot by British soldiers although they offered no resistance.

British officials, who point out that sectarian killing has decreased dramatically in the recent years of direct British rule, nevertheless have become increasingly sensitive about allegations that the British Army and the predominantly Protestant Ulster police have been brutal in their treatment of Catholic terrorist suspects.

The European Commission of Human Right, which previously found the Ulster police guilty of brutality in their treatment of IRA suspects interned without trials—a practice later abandoned—is now investigating allegations that convicted terrorists are being mistreated in prison.

For the past year, about 300 IRA terrorists imprisoned in the Maza prison outside Belfast for robbery and other crimes have been refusing to wear clothes, wash or use the prison's toilet facilities, in an IRA-orchestrated campaign to have them recognized as political rather than criminal prisoners.

DOUBLE BARREL EXPOSURE OF HUMAN RIGHTS ILLS IN NORTHERN IRELAND

Mr. BIAGGI. Mr. Speaker, just yesterday I placed into the RECORD an article from the Sunday Washington Post detailing the findings of a Northern Ireland police surgeon who stated that some 150 suspects that he examined had been mistreated by Royal Ulster Constabulary officers.

Today I wish to insert another article—this time from this morning's Washington Post entitled "British Inquiry Finds Abuse in Ulster." The findings are disturbingly similar—this time an official British Government inquiry concluded that suspected Republican terrorists have been physically mistreated by Ulster police trying to extract confessions. The significance of this rests with the fact that this represents the first time ever that the British Government has acknowledged that Ulster police have mistreated prisoners.

Throughout my 10 years in the Congress and most especially in the 18 months that I have served as chairman of the 122-member Ad Hoc Congressional Committee for Irish Affairs I have been imploring our administrations to recognize the severity of the human rights problems in Northern Ireland and apply pressure to rectify the situation. Thus far mine and others pleas have fallen on unresponsive ears. President Carter has just returned from a magnificent mission to the Middle East where his own personal determination resulted in a Middle East peace treaty. I call on the President in this same spirit of peace to acknowledge the human rights problems in Ireland and call on Great Britain to restore all lost human and civil rights in Ulster. It seems difficult to fathom a full fledged St. Patrick's Day celebration while there are violations of human rights—while there is an H block—while there is oppression. Let us pledge our strongest effort to having these problems rectified before St. Patrick's Day—1980.

The Washington Post article follows:

BRITISH INQUIRY FINDS ABUSE IN ULSTER—GOVERNMENT PROBE CONCLUDES NORTHERN IRELAND POLICE MISTREATED IRA SUSPECTS

(By Leonard Downie, Jr.)

LONDON, March 14—A British government inquiry into police interrogation practices in Northern Ireland has concluded that suspected IRA terrorists have been physically mistreated by Ulster police trying to extract confessions from them.

The report's conclusions, based on medical evidence and interviews with police and medical informants constitute the British government's first official acknowledgement that the Ulster police have mistreated some IRA suspects.

The government committee of inquiry, headed by Judge Harry Bennett, has found numerous cases in which the Irish-Republican Army suspects in Ulster police custody suffered serious injuries that "were not self-inflicted," according to sources with knowledge of the report's contents.

The committee reportedly recommends that interrogations of IRA suspects in Ulster be monitored by senior police officials on closed-circuit television, that the police complaint process be improved and that terrorist suspects be allowed to contact a lawyer within 48 hours of their arrest, a right they do not have under the British Prevention of Terrorism Act.

Northern Ireland Secretary Roy Mason reportedly was disturbed by the findings and has decided to carry out as many of the committee's recommendations as possible.

Mason received the report several weeks ago but had not planned to present it to Parliament or the public until next week. Highlights of the report were confirmed by informed sources here today after some had been revealed by The Guardian newspaper.

Last Sunday, an Ulster police surgeon, Dr. Robert Irwin, said on television here that he had examined many suspected IRA terrorists who were seriously injured during police questioning at the Royal Ulster Constabulary's Castlereagh interrogation center in Belfast. His statements were attacked this week by Ulster authorities including the chief constable of the Royal Ulster Constabulary, who said Irwin had made formal brutality complaints in only 10 cases.

Mason has refused comment to reporters or Parliament since Irwin's television interview created new controversy about Ulster here. In the past, Mason has strongly praised the Ulster police for helping the British Army reduce sectarian violence and killing during his 2½ years as the British official in charge of Northern Ireland.

Mason has been gradually withdrawing British soldiers from Northern Ireland, turning over more and more of the responsibility for security there to the Royal Ulster Constabulary.

The Bennett Committee inquiry began last summer after Amnesty International detailed 78 cases of alleged brutality at the Castlereagh interrogation center. The committee was authorized to report on interrogation practices generally, rather than investigate individual cases in depth.

Critics of the British government's Northern Ireland policy are not expected to be satisfied with the Bennett Committee's report for this reason. Gerry Fitt, a Catholic Social Democratic and Labor Party member of Parliament from Northern Ireland, said today that general conclusions about brutality would not be enough. He said he wanted every individual case investigated thoroughly and the police responsible for mistreatment brought to trial.

The Bennett Committee's report and Irwin's televised testimony about brutality came at a particularly inopportune time for the British government, which assumed direct rule over Northern Ireland in 1972.

Next week, Parliament debates the further extension of the five-year-old "temporary provisions" of the Prevention of Terrorism Act, under which terrorist suspects can be detained without charges for seven days and can be convicted of terrorism, usually on their own confession, by a judge sitting without a jury. Opponents of the act are expected to use the new revelations of police brutality as reasons to detention powers and the reliance on confessions should be restricted.

The British government also has become increasingly concerned about the IRA's propaganda efforts abroad particularly in the United States to discredit a recent crackdown on violence in Northern Ireland.

The IRA has drawn attention to several hundred IRA prisoners living without clothes or blankets in cells fouled by human wastes in the Maze Prison in Ulster. Northern Ireland officials have emphasized that the prisoners themselves have refused to wear clothes or use toilet facilities in protest against the British government's refusal to classify them as political prisoners.

The European Commission on Human Rights which found Northern Ireland guilty several years ago of mistreating IRA suspects imprisoned without trials, is now investigating conditions at the Maze Prison. To present their side of the story about the prison, which was built as a model facility, Northern Ireland officials have taken members of Parliament on a tour of the prison and plan to take reporters inside soon.

[From the Washington Post]

ULSTER DOCTOR SAYS IRA SUSPECTS MAIMED IN POLICE CUSTODY

(By Leonard Downie, Jr.)

LONDON, March 10.—A Northern Ireland police surgeon has revealed that 150 to 160 suspected IRA terrorists he examined in police custody during the past three years were beaten and otherwise "physically illtreated" while being interrogated by police in Belfast.

In a taped interview to be broadcast Sunday on Weekend World, a popular television news magazine program here, Dr. Robert Irwin said he was disturbed by the injuries he found prisoners to be suffering after they had been questioned by the Royal Ulster Constabulary at its Castlereagh interrogation center in Belfast.

"I've seen five ruptured eardrums," Irwin said. "I have seen two injuries to bones of the forearm . . . I have seen joint injuries in both the wrigt and to the little joints in the fingers, which have been caused by squeezing the hand or by twisting the fingers."

Irwin said these are not injuries that could be self-inflicted, as the authorities in Northern Ireland have sometimes claimed.

"Ruptured eardrums, I would say, being one of the most serious injuries, could not possibly be self-inflicted," he said. "There is not enough leverage in one person's arm to rupture their own eardrums, and falling about does not produce a ruptured ear. It can only be produced by a blow with force from somebody else.

"Also, some of the sites of some of the injuries would defy even a contortionist to produce the injuries, and the extent of the bruising that has been seen on occasions indicates that considerable force had been used from some other source."

Irwin said such mistreatment, which he attributed to "probably twenty" Ulster police officers at Castlereagh, is "destroying" the Ulster police force's reputation and undermining the "magnificent" work of the majority of its officers, who he said have helped the British army reduce violence in Northern Ireland in recent years.

His public statements corroborate an Amnesty International report of last summer, which described 78 cases of brutality allegedly suffered by suspected terrorists in police custody in Ulster. Amnesty International complained repeatedly in the report that Ulster police authorities would not allow access to police surgeons or their records.

The report prompted the British government to set up a committee, headed by a noted judge to investigate these allegations and report on interrogation methods in Northern Ireland.

The committee's inquiry is finished and its report is now being reviewed by Britain's Northern Ireland secretary, Roy Mason, before being made public later this month. A spokesman for the Northern Ireland office said today he would not comment on Irwin's statements or on reports here that the investigating committee has found that Ulster police interrogation methods "leave a lot to be desired."

Irwin, an official of the Association of Police Surgeons of Great Britain, said he will resign if the committee's report does not acknowledge the mistreatment he has found. He said he also would urge the other 600 police surgeons in Britain to "walk out in protest."

A Protestant lawyer recently resigned from the complaints committee of Northern Ireland's police authority because, he said, it took no action on a number of specific complants of "alleged torture" he had presented. "They don't want to know," attorney Jack Hassard said.

More than 1,000 formal allegations of police brutality during interrogations of suspected IRA terrorists in Ulster have been made in the last three years. Some police officers have been prosecuted, but none has been convicted.

British security forces have killed 10 persons in Northern Ireland in the past year. Authorities have acknowledged that some innocent people may have been killed mistakenly in these incidents, and there have been disputes about whether some suspected terrorists were shot by British soldiers although they offered no resistance.

British officials, who point out that sectarian killing has decreased dramatically in the recent years of direct British rule, nevertheless have become increasingly sensitive about allegations that the British Army and the predominantly Protestant Ulster police have been brutal in their treatment of Catholic terrorist suspects.

The European Commission of Human Rights, which previously found the Ulster policy guilty of brutality in their treatment of IRA suspects interned without trials—a practice later abandoned—is now investigating allegations that convicted terrorists are being mistreated in prison.

For the past year, about 300 IRA terrorists imprisoned in the Maze prison outside Belfast for robbery and other crimes have been refusing to wear clothes, wash or use the prison's toilet facilities, in an IRA-orchestrated campaign to have them recognized as political rather than criminal prisoners.

The observations I made then hold true today. Great Britain has been shown to have some of the most repressive laws on its books of any Western nation—I speak specifically of the laws insuring their continuing occupation of Northern Ireland, such as the Emergency Powers Act.

It is becoming clear that Great Britain is not the only culprit responsible for human rights violations in Ireland. Blame can also be placed at the doorstep of the Irish Government. In June 1977, Amnesty International released a report detailing human rights violations by the Dublin government. In response, Prime Minister Lynch, after rejecting calls for an independent inquiry into the charges, appointed a panel headed by Judge Barra O'Briain. They completed an investigation, detailing charges against the Dublin government and made recommendations. The Dublin government, displaying a high degree of arrogance, rejected the report outright. Consequently, Amnesty has commenced with still another investigation. I wish at this point to insert in the RECORD a detailed analysis with verbatim excerpts from both the Amnesty International and the O'Briain report. The analysis was provided by the American-based human rights organization, the Irish National Caucus. I must point out that the caucus has been in the forefront of the human rights question and their national director, Father Sean Mac Manus, was chosen to serve in an unprecidented special ministry for peace and justice under the auspices of Bishop Thomas Drury of Corpus Christi, Tex.:

MEMORANDUM

To: Members Of The 96th Congress.
From: The Irish National Caucus.
Subject: The continued refusal of the Dublin Government to insure minimum standards for the protection of basic human rights of those in custody. This is the second annual report on violations of human rights by the Dublin Government.

The Irish National Caucus as an Irish human rights organization monitors and criticizes incidents of violations of basic civil, constitutional and human rights in Ireland. This is our moral duty as Irish Americans and our legal right under the law of the United States. Human Rights is written into foreign aid bills and embraces investment by American concerns outside the United States.

The Irish National Caucus is deeply concerned by the refusal of the Dublin Government to protect people in custody. The Dublin Government was cited by Amnesty International for violations of human rights in June, 1977.

EXCERPTS OF AMNESTY REPORT

"Amnesty International has been concerned with the increasing number of allegations reaching the organization during the past year that arrested persons in certain categories have been maltreated while in police custody. . . It is the view of Amnesty International that where special legislation reduces the safeguards normally prevailing with regard to the rights of arrested or accused persons, particularly careful scouting should be made into any allegation of violations of these rights." (Irish Times, Sept. 1977).

"Amnesty International has also examined charges that some sections of the Offenses Against the State Act, 1939, and the Offences Against the State (Amendment) Act (1972) have also contributed in practice to a reduction in such safeguards . . . Allegations common to every case examined are that the victims were at various times beaten and punched, the most common targets being the ears, stomach and groin; knocked or thrown against walls or furniture; thrown from one officer to another; kneed in the stomach and kicked."

"The assaults described above are alleged in most cases to have lasted from between half an hour to approximately four hours continously, and were followed by a period of interrogation, after which brutality was resumed. The total period of brutality intermittent with interrogation varies from about 10 to 60 hours . . . In most of the testimony examined, the persons concerned reported losing a sense of time and feeling severe or total disorientation at some stage during the time spent in police custody . . ."

"A feature common to nearly all cases examined is that the maltreatment and interrogation are alleged to have been committed by detectives from the Central Detective Unit in Dublin, the Guarda Technical Bureau or the Special Branch . . . The consistency in the nature of allegations from persons arrested at different times and in different parts of the country must, in the opinion of Amnesty International, lend weight to their validity, as must the fact that during the past 18 months and longer the same officers have been mentioned as being involved in maltreatment of suspects in reports made at different parts of the country."

"There is evidence that the type of interrogation methods described were undertaken in order to induce arrested persons to make incriminating statements or confessions. In most cases, maltreatment is reported to have occurred only after repeated refusals on the part of arrested persons to make incriminating statements; in all the cases studied by Amnesty International the maltreatment reportedly stopped after the alleged victims signed incriminating statements. The Amnesty International delegates found that in cases where several persons were arrested together those who refused to sign statements were allegedly maltreated for longer than those who did sign statements."

"The police have wide powers under Section 52 of the Offences Against the State Act to demand that persons arrested under Section 30 of the Act (relating to the commission of scheduled offences) give statements accounting fully for their movements and actions during any specified period. These powers removed arrested persons' rights in common law to remain silent."

"In other cases, persons who alleged maltreatment also stated that one reason for their eventually signing incriminating statements was their awareness that they were under a legal obligation to give a statement . . . the police retain . . . more limited powers under Section 2 of the Offenses Against the State (Amendment) Act to demand statements relating to the recent movements of a person arrested 'at or near the place at the time of the commission of' a scheduled offense 'or soon afterwards' . . . However, persons arrested under the Emergency Powers Act have testified to being told they were under an obligation to make statements with regard to incidents or periords of time going beyond the provisions of the . . . (Amendment Act).

"In seven of the 14 cases . . . all signed (incriminating statements) within the first three days of detention and usually within 48 hours. . . . In a number of cases examined of persons arrested under Section 30 of the Offenses Against the State Act, detention was prolonged beyond the 48 hour limit, usually by means of re-arrest . . . In at least one case examined, re-arrest was due to the refusal of the detained person to sign incriminating statements."

"One person who refused throughout to sign an incriminating statement reports in an affidavit having been beaten intermittently until one hour before his release without charge after a total of 60 hours in police custody . . . The evidence suggests that in at least three of the cases referred to in the above paragraph the prolongation of detention was to conceal from the courts evidence of injuries obtained while in police custody . . . The risk that injuries or other effects of maltreatment (disorientation, deprivation of sleep, dehydration, etc.) may be concealed at least to the extent that subsequent medical examination may not be conclusive becomes much greater with detention under Section 2 of the Emergency Powers Act (1976).

"In a majority of cases examined—covering the period both before and after the introduction of the Emergency Powers Act—arrested persons were not allowed a solicitor until after they had signed incriminating statements . . . Many of the lawyers with whom the delegates spoke reported that a number of solicitors known to act regularly for persons arrested on suspicion of involvement in politically motivated offenses have at some time during the past 18 months been impeded in visiting clients both in police stations and in prisons . . . The Supreme Court has stipulated that certain rights, constiutional or otherwise, may not be denied under the current State of Emergency, among these the right of access of a detained/arrested person to his legal advisor."

"Lawyers have also reported having difficulty in finding independent doctors willing to come to police stations to examine persons alleging maltreatment, partly due to problems outlined above and often because doctors are unwilling to become involved in any subsequent court action and do not wish to be thought to be in any way supporting criminals or subversives. Solicitors told the delegates of other cases where clients declined to take legal action against the Gardai for fear of personal danger and consequences of naming officers involved."

AMNESTY CONCERNS

The following abuses are of particular concern to Amnesty:

1. That there is maltreatment of detained persons;

2. That the maltreatment is systematically carried out by detectives who specialize in oppressive methods to extract statements;

3. That there are impediment in access to legal council;

4. That there is insufficient safeguards for rights of suspects;

5. That the rights under Constitution do not eliminate the risk of maltreatment;

6. That a person detained in police custody without prompt access to solicitor or other witness is at a disadvantage in proving maltreatment;

7. That incidents of brutality may not be verified are increased by the fact that this reduces the possibility of bringing successful action against those responsible for maltreating suspects; if persons responsible for acts of maltreatment feel immune in law, this may itself contribute to the incidence of maltreatment;

8. That the Government of the time saw no need for an impartial inquiry; and

9. That the present Government sees no need for an impartial inquiry.

THE SPECIAL CRIMINAL COURT

"Amnesty International is concerned at the attitude of the Special Criminal Court in relation to the rules of evidence where there are maltreatment allegations . . . It is the law (Amnesty quoting ex-Justice Minister Cooney) that no statement made by an accused person may be admitted in evidence if it was not a voluntary statement. This means that the statement must not have been obtained as a result of physical pressure, or a threat or an inducement. If any question is raised as to whether a statement was voluntary, the onus of proof is on the prosecution and in any case of doubt the statement is inadmissible. The Special Criminal Court has rarely dismissed a case on the grounds that statements were voluntary but has thus far appeared consistently to accept police testimony as against that of the accused."

"A prison doctor . . . stated that injuries the accused received were consistent with having been assaulted and not, as the police maintained, with having fallen down stairs in the police station. A) the court accepted police claims of privilege with regard to police practice in taking photographs when the police photographers stated that it was not unusual practice for negatives to be destroyed. B) the Court accepted the view of a police doctor that the defendant had fallen down a flight of stairs in the police station although the doctor failed to identify some injuries later discovered . . . C) the Court decided that the consistency in police testimony was a mark of the truth of police testimony and attributed consistency in the defendant's testimony to a 'criminal conspiracy' on the part of the accused to defame the police:

"It is the view of the Amnesty International delegates that while it may not be possible to establish beyond all reasonable doubt the truth of the allegations of brutality, the evidence of maltreatment was in the case of sufficient weight or at least raise doubts as to the statements being voluntary. In the delegates' view, the prosecution failed to eliminate the element of doubt."

"It is the view of the delegates that on balance it cannot be stated with confidence that the Special Criminal Court strictly applied the principal of law which lays the onus on the prosecution to prove that statements were made freely and voluntarily. 'The Special Criminal Court has seemingly failed or refused to scrutinize allegations of maltreatment according to the principles of law which govern the burden of proof with regard to the admissibility of statements'." (From Amnesty Report)

After the release of the Amnesty International Report, Prime Minister Jack Lynch was asked by Amnesty International to set up an impartial inquiry. He refused and instead set up an inquiry headed by Mr. Justice Barra O'Briain, his own man; on the 6th day of October, 1977, this committee was appointed by Order of the Government.

Justice, he did an exemplary job and the Irish National Caucus endorses his recommendations with reservations. Our reservations are in the area of repressive legislation and non-jury courts which we recommend be abolished. Draconian laws and special courts provide the machinery that inevitably leads to abuse.

The recommendations of the O'Briain Committee are as follows:

The practice of taking people whom it is desired to question to a Garda Station "to help the police with their enquiries" should be discontinued. We so recommend.

Where a person is arrested and brought to a Garda Station he should have assigned to him, on arrival in the Station, a member of the force who is not connected with the investigation or other police action which led to the arrest. For convenience this Garda is hereinafter referred to as the "Custodial Guardian". It would be the duty of the Custodial Guardian to ensure that the person is treated humanely and in strict accordance with Garda Regulations while he is in custody. Assignment of the Custodial Guardian should be made by the Station Sergeant or senior Garda then present in the Station. Once appointed he should be responsible, until officially relieved, for the well-being of the person in custody and the safe-guarding of his rights. The Custodial Guardian should immediately hand him the official printed form notifying him of his rights (Garda Form C 72 (S), a copy of which is set forth in Appendix E). He should satisfy himself as to whether the person requires medical examination, and if of opinion that it is necessary or desirable, he should have authority to prevent any questioning until a medical examination has been completed. In the case of an uninformed or illiterate person he should particularly ensure that he fully understands his rights. We so recommend.

It should be the duty of the Custodial Guardian to ensure that reasonable requests made by the person in custody are met, so far as possible. He should keep him informed as to progress in efforts to contact his solicitor, his family or friend. He should ensure that the person is afforded reasonable facilities for rest and sleep, and that he is properly fed. In the event of any member of the force, whether senior in rank or not, attempting to treat the person inhumanly or contrary to Garda Regulations, the Custodial Guardian should forthwith intervene to prevent such abuse. If he considers that such abuse has occurred, he should at once record the relevant facts in the Logbook (referred to in paragraph 50 hereafter) and report the matter to his immediate superior. We so recommend.

In the case of a person detained or arrested under the Offences Against the State Act, 1939, or the Emergency Powers Act, 1976, the Custodial Guardian should be a member of the force of a rank not below that of Inspector, to be assigned by the Chief Superintendent of the Division in which the person is detained. We so recommend.

A new station record, to be known as the Station Log-book, should be devised and supplied immediately to all Garda Stations. The log-book should be used to record the history of each person arrested and detained from the time of arrest or detention to the time of release or transfer to Court, prison or other authority outside the Station. Every contact with the person in custody should be recorded and initiated by the Custodial Guardian. The ultimate responsibility for the proper maintenance of the Log-book should rest with him. A suggested format for a page in the Log-book is given in Appendix F, but this is offered merely as a suggestion of the type of information which should be recorded. The record should be kept in triplicate; one copy should be forwarded immediately to the Divisional Officer of the Division in which the person is detained; another copy should accompany the arrested party when he is brought in custody out of the Station and should be furnished, where appropriate, to the District Justice before whom the party is remanded; the third copy should be retained in the Station. We so recommend.

A "Central Agency" should be instituted in every Garda District for the recording of the whereabouts of every person taken into custody therein. Immediately upon the arrival of the person at the Garda Station the Central Agency at District Headquarters should be informed. The whereabouts of the person in custody should be made known, upon request and as of right, to any member of the legal profession or any member of the person's family—the latter only with the permission of the person in custody. We so recommend.

A situation may arise where a person is arrested and detained in a District other than that in which he resides. We feel justified in suggesting that a special additional measure be taken to meet the eventuality. In such a case where the Custodial Guardian becomes, or is made aware of the fact, he should notify the whereabouts of the person in custody to both his own District Central Agency and that of the District in which the person resides. We so recommend.

If an arrested person indicates desire or willingness to make a voluntary statement, he should be afforded the opportunity of writing out same in his own hand. If he prefers to have the statement taken down by a Garda, a sentence to this effect should be included at the beginning of the written statement. We so recommend.

If a person in custody in a Garda Station agrees to answer questions about matters other than the crime for which he is in custody, the interrogation should take place in a room set aside for this purpose. The room should be sufficiently furnished for basic human comfort. Anything suggestive of intimidation, isolation or deprivation should be avoided. We so recommend.

If an arrested person has asked for a named solicitor, a reasonable time should elapse to allow for the attendance of the solicitor. The duration of a "reasonable time" must necessarily depend on circumstances, but we regard a period of not less than one hour and not more than two hours as reasonable in most cases. Questioning in the absence of the solicitor should not commence until the "reasonable time" has elapsed. The solicitor should be granted access to his client immediately on arrival at the Station, the consultation to be out of the hearing of the Gardai but subject to such requirements as to safe custody as may be necessary. The solicitor should be entitled, as of right, to attend any subsequent interrogation as an observer. We so recommend.

If a solicitor whose attendance has been requested by an arrested person fails to attend within the "reasonable time", and the arrested person indicates a willingness to answer questions, questioning may take place. We so recommend.

The Custodial Guardian should be entitled to attend throughout the questioning of an arrested person, but he should not be entitled to intervene. If he deems it advisable, he should be entitled to call for medical examination at any time. If the doctor is of opinion that questioning, or further questioning, is inadvisable, and so certifies, no questioning should take place. We so recommend.

Questioning within the confines of a Garda Station can be a traumatic experience for all but the hardened criminal. It seems appropriate that steps should be taken to draw up regulations governing questioning procedures in those cases where questioning is permissible, as, for example, the Offences Against the State Act, 1959. Such regulations should allow the Gardai to ask questions in a fair and humane manner, and at the same time protect the person being questioned from feeling isolated, vulnerable or intimidated. We believe that not more than two Gardai should be entitled to question a prisoner at one time, and that not more than four Gardai should be present at any one time. Prolonged questioning should not be permitted; at most, four hours of questioning should be allowed, followed by a break of one hour (or two hours, when the break includes time for eating a meal). Only in exceptional circumstances should questioning take place between the hours of midnight and 8 a.m. e.g. where there may be reason to believe that accomplices are escaping, or evidence is being destroyed. We so recommend.

The investigation of complaints by members of the public against the Garda Siochana should be brought into line with more enlightend practice in Western Europe. A Complaints Tribunal with a strong independent element should be set up. We do not feel called upon to spell out how its membership should be composed, although the desirability of having an expert penologist and an experienced criminal lawyer suggests itself. Whatever its composition, the membership should be clearly so impartial and above any suggestion of bias that it would earn the respect and co-operation of both Garda Siochana and public. We cannot emphasize too strongly our belief that any such Tribunal must have the whole-hearted support of the Gardai if it is to function effectively, and no effort should be spared to secure the goodwill of the several Representative bodies. Whatever procedure is adopted for dealing with complaints no suggestion of double jeopardy should arise. We so recommend.

On the first occasion an accused appears in the District Court, the Prosecution should be required by the District Justice to say whether any statement or confession made by the accused will be relied upon. If the answer is in the affirmative the Justice should enquire of the accused whether or not such confession or statement was made freely. If the answer is that the confession or statement was not made freely, the accused should be permitted, but not compelled, to elaborate, particularly with regard to any alleged ill-treatment. The proceedings in the District Court should be duly recorded, and the record (including the original of any statement) should later be available to the trial Court. We so recommend.

A person who suffers injury while in Garda custody because of ill-treatment by a member or members of the force should be entitled to claim and to receive compensation out of State funds. This right should be maintained even in cases where the offending member or members cannot be identified. We so recommend.

The Law Society delegation which appeared before us regarded as feasible a scheme whereby a panel of "duty solicitors" could be maintained. Solicitors on the panel for any given day would be available to attend at a local Garda Station when a prisoner requests the advice of a solicitor but is unable to name a solicitor of his own. A feasibility study of the subject should be undertaken forthwith. We so recommend.

Many Garda Stations are unsuitable for the detention of persons in custody for prolonged periods. In the case of subversive crime a maximum period of 48 hours' detention is possible under the Offences Against the State Act, 1939. Should the Emergency Powers Act, 1976, be reactivated, a maximum period of seven days' detention would become possible. In no case should a person be detained in Garda custody for more than 48 hours; if detention for a longer period is permitted by law, any period in excess of 48 hours should be spent in prison or other convenient place. We so recommend.

The forsenic facilities available to the

Garda Siochana are, by all accounts, seriously inadequate and compare unfavourably with those available to police forces elsewhere. Immediate priority should be given to the development of adequate facilities in this field. Reliance on confessions and self-inculpatory statements should be lessened and the solution of crime by other methods of police-work made possible. We so recommend.

The training of Garda recruits and the in-service training of members of the Garda Siochana should lay stress on the proper treatment of persons in Garda custody, having regard to their legal rights as laid down in the United Nations Declaration on Human Rights and other international agreements and conventions. We so recommend.

In order to reduce the number of people held in Garda custody, an offender should not be arrested in any case in which he may be made amenable to the law by way of summons. In addition, bail should be granted by the Gardai under the powers conferred on them by section 31 of the Criminal Procedure Act, 1967, in every case where it is believed that an arrested person will attend Court to answer the charge laid against him, and that he will not interfere with witnesses. We so recommend.

Feasibility studies should be instituted at once to establish whether videotaping of interrogations in the investigation of serious crime is a viable proposition. In addition, taperecording should be tried on as wide a basis as possible. It is fully appreciated that a variety of technical and legal difficulties will have to be surmounted, but we believe that a start should be made at once in trying out mechanical aids. Persons being questioned should be informed that the interrogation is being recorded. We so recommend.

Consideration should be given to embodying in a comprehensive statute the protection to be afforded to persons in custody, and the powers and duties of the Garda Siochana in dealing with them. We so recommend.

Barra O. Briain,
Chairman.
Ruaidhri Roberts.
Patrick Malone.
G. L. Frewen B.L.,
Secretary.

The Irish National Caucus endorses the recommendations of the report with reservations. Our reservations are in the area of repressive legislation and non-jury courts which we recommend be abolished. Draconian laws and special courts provide the machinery that inevitably lead to abuse.

ABUSE CONTINUES UNABATED

Sean MacBride, Nobel Peace Prize winner, criticized the Lynch Government's failure to investigate allegations of police brutality at a meeting of the Irish Section of Amnesty International (Hibernian Review 5/11/78).

Prime Minister Lynch rejected the recommendations of his self-appointed Committee of Inquiry. Amnesty International sent him a letter in November, 1978, reprimanding him. The deplorable situation continues, but why?

According to Hibernian Review (8/3/78), "many cases of serious ill-treatment in the Dublin area have been brought to our attention in recent months. The government's rejection of the report's principal recommendations will leave the situation more or less unchanged. The 'heavy gang' (political police) can carry on with impunity!" The same periodical state "the government's response is devious, mostly negative and in essence worthless" (9/14/78).

"Only a few weeks ago (Fall, 1978), the government rejected the principal recommendations of the O'Briain report on persons in custody. Last Friday, the inquest on Aidan White, the fifteen-year-old boy who died of 'meningitis' only 36 hours after spending the weekend in Garda (police) custody, demonstrated how badly those safeguards are required. Aidan White's friend and weekend cellmate gave evidence that Aidan White had been beaten and bruised while in Rathfarnham Garga Station. But this allegation apart, it is deplorable that any children should be held for 48 hours in Garda custody, without charge, and without parents being contacted, and particularly in this case, without any medical attention." (Editorial, Hibernian Review 10/5/78).

Gardai Fingerprint eight year old (Hibernian Review, 10/26/78). "John Cahill, aged eight, was playing in the Bangor Load area with three of his companions recently, when a squad car drew up, two plainclothes detectives got out and arrested them. They were taken to Sun Drive Garda Station and held for over an hour during which they were questioned and had their fingerprints taken. At no time were the parents of any of the boys informed of the whereabouts of their son and no permission was sought to take fingerprints. It is difficult to understand how children between 8 and 12 years could make such a serious decision unaided."

"In the case of John Cahill there is no attempt to claim that the police are investigating a complaint against the child himself, but there is strong evidence that the incident involving that 8 year old boy was part of a systematic attempt to harass and intimidate the family. To guilt by association, is now being added guilt by descent."

CONCLUSION

One would think that Dublin Government would want "clean hands" in the area of human rights. They successfully brought the British government to the Strasbourg Court of Human Rights and Britain was found guilty of inhuman and degrading treatment. The irony and pity is that Dublin has derogated from the very clause by which it had indicted, prosecuted and convicted the British government. Dublin is now accused of similar conduct.

Sean Donlon, the newly appointed Ambassador of the Dublin government to the United States did much of the ground work in the successful Strasbourg case. Mr. Donlon relied on the Association for Legal Justice for most of his documentation. Those he dealt with closely on the case were Fathers Denis Faul, Brian Brady, Raymond Murray and Mrs. Rita Mullan. Mrs. Mullan is presently the Executive Director of the Irish National Caucus. The three priests work closely with the Caucus on human rights issues. Sean Donlon as Ambassador has the inevitable task of covering up his government's human rights violations from exposure in the United States.

Torture, brutality and repression have constituted an integral part of life in Northern Ireland not just over the past ten years, but ever since the mini-State was established. And they will certainly continue until the constitutional settlement on this island reflects the majority will of the population. But even in the meantime it should be possible to reduce the occasion of police brutality under questioning.

The O'Briain Report dealing with the same general area was unfortunately given scant attention by the Government here. It contained many sensible suggestions for the protection of persons in custody and for the proper supervision of any interrogations. But the Government did promise to give further consideration to the Chairman's personal addendum on the matter of detention for the purpose of interrogation and the matter of the right of silence. Barra O'Briain personally favcured a system of power to detain a suspect for up to six hours—subject, however, to full access for him to legal adviser, doctor and relatives. He also suggested that a suspect should be required to answer a limited degree of questioning during this detention period.

The present onus on the police to secure convictions through confessions is corrupting of its very nature and must inevitably lead to abuse. North and South, the system cries out for reform. (Hibernia, 3/15/79).

According to Irish newspapers, there is another scandal in the area of human rights violations. This involves the Dublin Government.

Judge Barra O'Briain, who headed the inquiry into safeguards for persons in Garda (police) custody, revealed that the files give the names and details both of people alleged to have been ill-treated and of the Garda officers said to have been responsible. These were supplied by Amnesty International.

He explained in an RTE radio interview that at the time his committee was carrying out its own inquiry, statements by members of the Government had left him with the impression that, simultaneously, an inquiry was being held by senior Garda officers into the conduct of certain named Gardai.

He said he was later surprised to learn that the Garda inquiry had not even begun. He added that the Garda inquiry never took place and that the Minister for Justice, Mr. Collins, had explained this by saying that they had not been supplied with names.

O'Briain said, there are two files which give the names and details, both of the persons ill-treated and the officers who are alleged to have done the ill-treatment.

Justice O'Briain said, that it was true that the British Government seemed to be more forthcoming in the response to the Bennett Report than the Irish Government had been to his.

Asked if he had any communication with the Government since the publication of his report, Justice O'Briain revealed that he was not even sent an official report.

In the past few years Ireland has produced some great men concerned about human rights. The Irish National Caucus would like to pay tribute to them in this report. The founder of Amnesty International was Sean MacBride, Nobel and Lenin Peace Prize winner. The Late President of Ireland, Cearbaill O'Dalaigh resigned rather than be involved with repressive legislation, which as President, he was compelled to sign. President O'Dalaigh took the prerogative of questioning the constitutionality of the legislation and sent it to the Council of State before signing the legislation. He and the Office of the Presidency were insulted by Minister Paddy Donegan. Finally, we pay tribute to Justice Barra O'Briain who has criticized the Dublin Government rather than be associated in a cover-up of human rights violations.

Amnesty International holds that repressive legislation reduces the safeguards for human rights. In the 26 counties of Ireland under the jurisdiction of the Dublin Government, there is a set of repressive laws second to none in the world. The laws are the Offences Against the State Act 1939, amended 1940; amended 1972; and further expanded by the Criminal Law Act of 1976. The following are examples from those laws.

Special powers of arrest and detention

(1) Whenever a Minister of State is of opinion that any particular person is engaged in activities which, in his opinion, are prejudicial to the preservation of public peace and order or to the security of the State, such Minister may by warrant under his hand and sealed with his official seal order the arrest and detention of such person under this section.

(2) Any member of the Gárda Siochána may arrest without warrant any person in respect of whom a warrant has been issued by a Minister of State under the foregoing sub-section of this section.

(3) Every person arrested under the next

preceding sub-section of this section shall be detained in a prison or other place prescribed in that behalf by regulations made under this Part of this Act until this Part of this ceases to be in force or until he is released under the subsequent provisions of this Part of this Act, whichever first happens.

Powers of search et cetera of detained persons

(1) It shall be lawful for any member of the Gárda Síochána to do all or any of the following things in respect of any person who is arrested and detained under this Part of this Act, that is to say:

(*a*) to demand of such person his name and address;

(*b*) to search such person or cause him to be searched;

(*c*) to photograph such person or cause him to be photographed;

(*d*) to take or cause to be taken the fingerprints of such person;

(2) Every person who shall obstruct or impede the exercise in respect of him by a member of the Gárda Síochána of any of the powers conferred by the next preceding subsection of this section or shall fail or refuse to give his name and address when demanded of him by a member of the Gárda Síochána under the said sub-section or shall give a name or an address which is false or misleading shall be guilty of a contravention of the regulations made under this Part of this Act in relation to the preservation of discipline and shall be dealt with accordingly.

Power to question person found near place of commission of scheduled offence

Where a member of the Garda Síochána—

(*a*) has reasonable grounds for believing that an offence which is for the time being a scheduled offence for the purposes of Part V of the Act of 1939 is being or was committed at any place,

(*b*) has reasonable grounds for believing that any person whom he finds at or near the place at the time of the commission of the offence or soon afterwards "knows," or "knew" at that time, of its commission, and

(*c*) informs the person of his belief as aforesaid,

the member may demand of the person his name and address and an account of his recent movements and, if the person fails or refuses to give the information or gives information that is false or misleading, he shall be guilty of an offence and shall be liable on summary conviction to a fine not exceeding £200 or, at the discretion of the court, to imprisonment for a term not exceeding twelve months or to both such fine and such imprisonment.

Evidence of membership of unlawful organization

(*a*) Any statement made orally, in writing or otherwise, or any conduct, by an accused person implying or leading to a reasonable inference that he was at a material time a member of an unlawful organisation shall, in proceedings under section 21 of the Act of 1939, be evidence that he was then such a member.

(*b*) in paragraph (*a*) of this subsection "conduct" includes omission by the accused person to deny published reports that he was a member of an unlawful organisation, but the fact of such denial shall not by itself be conclusive.

(2) Where an officer of the Garda Síochána, not below the rank of Chief Superintendent, in giving evidence in proceedings relating to an offence under the said section 21, states that he believes that the accused was at a material time a member of an unlawful organisation, the statement shall be evidence that he was then such a member.

Statements, meetings et cetera constituting interference with the course of justice

(1) (*a*) Any public statement made orally, in writing or otherwise, or any meeting, procession or demonstration in public, that constitutes an interference with the course of justice shall be unlawful.

(*b*) A statement, meeting, procession or demonstration shall be deemed to constitute an interference with the course of justice if it is intended, or is of such a character as to be likely, directly or indirectly to influence any court, person or authority concerned with the institution, conduct or defense of any civil or criminal proceedings (including a party or witness) as to whether or how the proceedings should be instituted, conducted, continued or defended, or as to what should be their outcome.

(2) A person who makes any statement, or who organises, holds or takes part in any meeting, procession or demonstration, that is unlawful under this section shall be guilty of an offense and shall be liable—

(*a*) on summary conviction, to a fine not exceeding £200 or, at the discretion of the court, to imprisonment for a term not exceeding twelve months or to both such fine and such imprisonment;

(*b*) on conviction on indictment, to a fine not exceeding £1,000 or to imprisonment for a term not exceeding five years or to both such fine and such imprisonment.

The definition of "document" as considered under the acts

(*a*) any map, plan, graph or drawing,

(*b*) any photograph,

(*c*) any disc, tape, sound track or other device in which sounds or other data (not being visual images) are embodied so as to be capable (with or without the aid of some other equipment) of being reproduced therefrom, and

(*d*) any film, microfilm, negative, tape or other device in which one or more visual images are embodied (whether with or without sounds or other data) so as to be capable (as aforesaid) of being reproduced therefrom and a reproduction or still reproduction of the image or images embodied therein whether enlarged or not and whether with or without sounds or other data".

Incitement or invitation to join et cetera an unlawful organization

Any person who recruits another person for an unlawful organisation or who incites or invites another person (or other persons generally) to join an unlawful organisation or to take part in, support or assist its activities shall be guilty of an offence and shall be liable on conviction or indictment to imprisonment for a term not exceeding 10 years.

Search warrants relating to commission of offences

(1) Where a member of the Garda Síochána not below the rank of superintendent is satisfied that there is reasonable ground for believing that evidence of or relating to the commission or intended commission of an offence under this Act or the *Criminal Law Act, 1976*, or an offence which is for the time being a scheduled offence for the purposes of Part V of this Act, or evidence relating to the commission or intended commission of treason, is to be found in any building or part of a building or in any vehicle, vessel, aircraft or hovercraft or in any other place whatsoever, he may issue to a member of the Garda Siochána not below the rank of sergeant a search warrant under this section in relation to such place.

(2) A search warrant under this section shall operate to authorise the member of the Garda Síochána named in the warrant, accompanied by any members of the Garda Síochána or the Defence Forces, to enter, within one week from the date of the warrant, and if necessary by the use of force, any building or part of a building or any vehicle, vessel, aircraft or hovercraft or any other place named in the warrant, and to search it and any person found there, and to seize anything found there or on such person.

(3) A member of the Garda Síochána or the Defence Forces acting under the authority of a search warrant under this section may—

(*a*) demand the name and address of any person found where the search takes place, and

(*b*) arrest without warrant any such person who fails or refuses to give his name and address when demanded, or gives a name or address which is false or misleading or which the member with reasonable cause suspects to be false or misleading.

A prison officer may in the interests of security search any person at any time while he is in a prison or while he is in the custody of the governor of a prison.

Power of Garda Siochana in relation to certain arrested persons

(1) Where a person is in custody under the provisions of section 30 of the Act of 1939 or section 2 of the Emergency Powers Act, 1976, a member of the Garda Síochána may do all or any of the following in respect of him:

(*a*) demand of him his name and address;

(*b*) search him or cause him to be searched;

(*c*) photograph him or cause him to be photographed;

(*d*) take, or cause to be taken, his fingerprints and palm prints;

(*e*) make or cause to be made any test designed for the purpose of ascertaining whether he has been in contact with any firearm (within the meaning of the Firearms Acts, 1925 to 1971) or with any explosive substance (within the meaning of the Explosive Substances Act, 1883) and for that purpose take swabs from his skin or samples of his hair;

(*f*) seize and retain for testing anything that he has in his possession.

(2) Any person who obstructs or attempts to obstruct any member of the Garda Síochána or any other person acting under the powers conferred by *subsection (1)* of this section, or who fails or refuses to give his name and address when demanded, or gives a name or address which is false or misleading, shall be guilty of an offence and shall be liable—

(*a*) on summary conviction, to a fine not exceeding £500 or to imprisonment for a term not exceeding 12 months, or to both, or

(*b*) on conviction on indictment, to imprisonment for a term not exceeding 5 years.

Power of the Garda Siochana to search vehicles and persons in vehicles

Where a member of the Garda Síochána who with reasonable cause suspects that an offence to which this section applies has been, is being or is about to be committed requires a person to stop a vehicle with a view to ascertaining whether—

(*a*) any person in or accompanying the vehicle has committed, is committing or is about to commit the offence, or

(b) evidence relating to the commission or intended commission of the offense by any person is in or on the vehicle or on any person in or accompanying it, he may search the vehicle, and if (whether before or after the commencement of the search) he suspects with reasonable cause that any of the facts mentioned in *paragraph* (*a*) or (*b*) above exists, he may search any person in or accompanying the vehicle.

A member of the Garda Síochána may use reasonable force in order to compel a person to comply with the requirement to stop a vehicle, and such force may include the placing of a barrier or other device in the path of vehicles.

Any reference in *subsection (1)* of this section to an offence includes a reference to attempting or conspiring to commit the offence.

Power to retain articles seized

(1) Where in the course of exercising any powers under this Act or in the course of a search carried out under any other power, a member of the Garda Síochána, a prison officer or a member of the Defence Forces finds or comes into possession of anything which he believes to be evidence of any offence or suspected offence, it may be seized and retained for use as evidence in any criminal proceedings, or in any proceedings in relation to a breach of prison discipline, for such period from the date of seizure as is reasonable or, if proceedings are commenced in which the thing so seized is required for use in evidence, until the conclusion of the proceedings, and thereafter the Police (Property) Act, 1897, shall apply to the thing so seized in the same manner as that Act applies to property which has come into the possession of the Garda Síochána in the circumstances mentioned in that Act.

(2) If it is represented or appears to a person proposing to seize or retain a document under this section that the document was, or may have been, made for the purpose of obtaining, giving or communicating legal advice from or by a barrister or solicitor, that person shall not seize or retain the document unless he suspects with reasonable cause that the document was not made, or is not intended, solely for any of the purposes aforesaid.

Prohibition of possession of photographs etcetera of certain buildings

(1) A person in lawful custody in any prison, Garda station or courthouse shall not have in his possession any photograph, film, illustration, drawing, sketch, map, plan or other representation of or note concerning any part of the interior or exterior of any prison, Garda station or courthouse without the permission of the governor (if he is in a prison), of the member of the Garda Síochána in charge (if he is in a Garda station) or of the court before which the person in question is appearing or is to appear (if he is in a courthouse), and any such person who has any such representation or note in his possession without that permission shall, unless he has it in his possession when taken into cutody and discloses that fact on being informed that possession of any such representation or note without permission is forbidden, be guilty of an offense.

(2) (*a*) A person who is in or in the precincts of a prison, Garda station or courthouse and while there intends to visit or meet, or has visited or met, a person in lawful custody in that prison, station or courthouse shall not have in his posession any representation or note which is referred to in *subsection* (*l*) of this section without the permission specified in that subsection, and any person who has any such representation or note in his possession without that permission shall be guilty of an offense if he has been informed orally or by written notice that possession of any such representation or note without that permision is forbidden.

I am cognizant of the British indifference to the issue of full respect for human rights. I am aware of the inaction of the Irish Government to the charges of human rights violations in the six counties of the North. What I cannot comprehend is the continuing silence of our own Government to these clearly documented violations of human rights.

I ask—do or do we not have a foreign policy with respect for human rights as its "cornerstone"? Are we or are we not going to be consistent in our application of this policy? Are we going to continue our policy of selective morality? Are we committed to seeing this policy achieve the laudable result of respect for human rights everywhere? Is the relationship between the United States and the United Kingdom so sacrosanct that they may be exempted from our human rights policy? Mr. Speaker, these are fundamental questions which I pose here today and which I have posed to leading administration figures. I await an answer.

It is almost 10 years since I made my first statement in the CONGRESSIONAL RECORD about Northern Ireland. It came in the form of cosigning a letter to President Richard Nixon calling on him to convey to the British Government our concern about Northern Ireland. The letter said:

> No nation can remain free when any of its people are oppressed.

The main author of the letter was the present distinguished Speaker of the House, THOMAS TIP O'NEILL.

I noted and commended the Speaker as well as Senators KENNEDY and MOYNIHAN and Governor Carey for their strong St. Patrick's Day message. They concentrated their remarks on these same reports and as I said in a letter to the Speaker dated March 28—

> The criticisms you directed at the British Government were entirely valid. Hopefully our combined efforts may ultimately lead to a stronger administration statement of concern which would have a profound impact on restoring lost human and civil rights in Ireland. Such a statement would demonstrate consistency of the administration policy in support of human rights around the world.

On St. Patrick's Day I was joined by some 71 of my colleagues in a St. Patrick's Day Message of Peace which also focused on the human rights question. I would like to insert this in the RECORD.

71 MEMBERS SIGN ST. PATRICK'S DAY MESSAGE OF PEACE

"As we observe the final St. Patrick's Day of the 1970's we deeply regret that peace and justice have yet to be realized by all Irishmen. We the undersigned rededicate ourselves to helping make the 1980's a decade of peace for all Ireland.

Peace remains impossible while there are violations and deprivations of human and civil rights. We are cognizant of past documented reports from the European Commission and Court of Human Rights as well as Amnesty International, detailing abuses and inhumane treatment of both Catholic and Protestant prisoners by both British and Irish authorities. We were most concerned about a very recent statement by Dr. Robert Irwin, a Northern Ireland police surgeon who stated that more than 150 Republican prisoners that he examined were physically mistreated by the Royal Ulster Constabulary at the Castlereagh interrogation center.

The existence of past and ongoing violations of human rights dims the hopes for peace in Ireland while making for a muted celebration of St. Patrick's Day by millions of Irish Americans.

The President has stated that human rights is the cornerstone of our Nation's foreign policy. We renew our plea to the President that this foreign policy include Ireland. The respect for human rights is admirable but only effective if applied in a consistent fashion. Up to now, the Administration has engaged in selective morality in its human rights policy by the exclusion of Ireland.

We restate our total opposition to violence, whether it be institutional or civilian. It too impedes the path to peace. Ireland and her people have suffered too long. We cannot allow another generation to endure an environment of bloodshed and oppression."

"We pledge our total commitment to peace in Ireland and it is our fervent hope that the advent of a new decade will be accompanied by peace and justice for all people in Ireland."

Mario Biaggi, D–N.Y., Patricia Schroeder, D–Colo., Don Bailey, D–Pa., Raymond F. Lederer, D–Pa., William M. Brodhead, D–Mich., William R. Ratchford, D–Conn., Frank Annunzio, D–Ill., Gerald B. H. Solomon, R–N.Y., Richard L. Ottinger, D–N.Y., and Charles B. Rangel, D–N.Y.

Gary A. Lee, R–N.Y., Parren J. Mitchell, D–Md., Nicholas Mavroules, D–Mass., Elliott H. Levitas, D–Ga., John W. Wydler, R–N.Y., Morgan F. Murphy, D–Ill., Lester L. Wolff, D–N.Y., and William R. Cotter, D–Conn.

Joseph M. Gaydos, D–Pa., Michael E. Lowry, D–Wash., James H. Scheuer, D–N.Y., Geraldine A. Ferraro, D–N.Y., George Miller, D–Calif., Dan Rostenkowski, D–Ill., and William Carney, R–N.Y.

Joseph G. Minish, D–N.J., Doug Walgren, D–Pa., Frederick W. Richmond, D–N.Y., James J. Florio, D–N.J., Marty Russo, D–Ill., Robert A. Roe, D–N.J., and Hamilton Fish, Jr., R–N.Y.

Henry B. Gonzalez, D–Tex., Mary Rose Oakar, D–Ohio, Austin J. Murphy, D–Pa., and David E. Bonior, D–Mich.

Benjamin A. Gilman, R–N.Y., William S. Moorhead, D–Pa., Douglas Applegate, D–Ohio, Ronald M. Mottl, D–Ohio, Matthew J. Rinaldo, R–N.J., Jerome A. Ambro, D–N.Y., Antonio Borja Won Pat, D–Guam, and Ted Weiss, D–N.Y.

Herbert E. Harris II, D–Va., James J. Blanchard, D–Mich., Michael O. Myers, D–Pa., Edward P. Boland, D–Mass., Benjamin S. Rosenthal, D–N.Y., James J. Howard, D–N.Y., and Bruce F. Vento, D–Minn.

John B. Breaux, D–La., John H. Rousselot, R–Calif., Leo C. Zeferetti, D–N.Y., John M. Murphy, D–N.Y., Jim Lloyd, D–Calif., Peter A. Peyser, D–N.Y., and George M. O'Brien, R–Ill.

Abner J. Mikva, D–Ill., Floyd J. Fithian, D–Ind., S. William Green, R–N.Y., Melvin Price, D–Ill., Edward J. Stack, D–Fla., and John P. Murtha, D–Pa.

Frank J. Guarini, D–N.J., James L. Oberstar, D–Minn., Gene Snyder, R–Ky., Henry J. Hyde, R–Ill., John G. Fary, D–Ill., James M. Hanley, D–N.Y., and Charles Wilson, D–Tex.

Mr. Speaker, I can say candidly that I have been in the forefront on the issue of human rights in Ireland. It was for this reason that the Ancient Order of Hibernians asked me to form and chair the Ad Hoc Congressional Committee for Irish Affairs. It is for our advocacy of human rights for all Ireland that 128 Members of Congress have lent their names to the committee. Now almost 10 years after I began the campaign to focus American attention and concern on Northern Ireland—the effort is beginning to bear fruit. The Irish question has become a major issue of American foreign policy. In addition, it is today a major political issue similar to Vietnam perhaps not in magnitude. It will grow as we grow closer to the 1980 Presidential election. The support which my colleagues are giving to this special order is a further indication of the extent to which this is a major issue.

I intend to continue to press for a resolution of the Irish question. I will do so with my colleagues on the ad hoc committee when we conduct our congressional Irish peace forum. We intend to focus a considerable amount of attention on the human rights questions and hope to raise the world's consciousness. We on the ad hoc committee realize one fundamental fact—peace in Ireland will never be achieved while there are violations and deprivations of human and civil rights. Human rights violations are an impediment to peace.

I know that this CONGRESSIONAL RECORD is read in all foreign embassies. I hope for these in the British and Irish Embassies—our message is coming through loud and clear. We want human rights restored to all the people in Ireland. We condemn the past and ongoing violations and deprivations of these rights. We will continue to make it an American issue until the situation improves. We expect negative reactions from both quarters. I am not new to this. However, let us carefully review their reaction to our statements today and hope that no further attempts will be made to discredit our message or ourselves as messengers. By doing this they serve to obscure the real issue and worse the real wrongdoers.

□ 1820

Mr. GILMAN. I yield to the gentleman from Pennsylvania (Mr. WALGREN).

Mr. WALGREN. I thank my colleague and I want to congratulate both my colleagues in the well for bringing and keeping this issue of the denial of human rights in Ireland before the Congress.

I think some people might wonder what the Congress of the United States is doing, becoming involved in an issue that is across the sea. We not only have our own constituents who have deep roots in that country to represent but we also have a moral commitment to the human rights across the whole world.

I notice in this body we are surrounded by 25 medallions of individuals who have played central roles in the rule of law and if it is one thing that the law is designed to do, it is to bring out truth under circumstances which at least have a possibility of reducing violence among people. Only two of those medallions are Americans. All the rest were born and raised and have lived their lives overseas. So before this House as a body where free speech really reigns, we have an opportunity to air, under a system of law, enough of the facts to get at the truth and that, I think, is really the only way that a situation which is fostering violence among pepole can be developed to the point that a peaceful solution can be found.

I want to congratulate my colleague.

Mr. GILMAN. I thank the gentleman for his kind words and for taking time to take part in this special order. We know of the gentleman's long-standing commitment to human rights in Northern Ireland.

I, too, want to thank the gentleman from New York (Mr. BIAGGI) for sharing this special order with me. We are aware of his longstanding leadership in helping to form the Ad Hoc Committee on Irish Affairs in the House of Representatives. We are aware of his commitment, trying to bring about a peace forum during the spring of this year, a proposal which we hope will be successful. We also thank him for his many visits to not only Ireland but to the prisons in Ireland focusing attention on the violations of human rights there.

● Mr. BIAGGI. Mr. Speaker, violence in Ireland has always troubled me and at times angered me as well. While all acts of violence, whether institutional or civilian, are in and of themselves wrong, there occur individual acts of violence which must be denunciated.

Such is the case with the bombing death last week of a member of the British Parliament, Mr. Airey Neave. This was a terrible crime which incurred a worldwide outcry of condemnation including a strong statement by Pope John Paul II. While Mr. Neave was an outspoken supporter of the British presence and harsh measures in Ireland—is freedom of speech held in such little regard as to permit assassination?

The fact is that violence provokes a reaction. The British Government hardly needs an excuse to brutalize the people in Northern Ireland—many of whom have no association with violence. Why give them the excuse to continue the documented policies of deprivations of human and civil rights?

I serve as chairman of the 128-member Ad Hoc Congressional Committee for Irish Affairs. In this capacity I am committed to working for peace and justice in Ireland. I reject violence of any type as a means to achieve this end. From two very recent trips to Ireland I have taken, I sense a great wariness in Ireland about violence. The killing of Airey Neave was wrong and it must be condemned. However, I note the fact that violence in Ireland has many origins and acts of violence cloaked under officialdom are no less condemnable. All violence must be ended so that peace can come to Ireland.●

● Mr. BRODHEAD. Mr. Speaker, many Members have been deeply concerned about reports of systematic mistreatment and torture of prisoners in Northern Ireland jails. These reports, as substantiated by Amnesty International, have prompted an investigation by the British Government.

The investigation was carried out by the Bennett Commission, which has now issued a report. While the report states that there is no evidence of regular or widespread torture, it is significant that there is an admission that such events have taken place. I would like to quote two paragraphs of a story which appeared in the Washington Post on March 15, 1979:

> LONDON, March 14.—A British government inquiry into police interrogation practices in Northern Ireland has concluded that suspected IRA terrorists have been physically mistreated by Ulster police trying to extract confessions from them.
>
> The report's conclusions, based on medical evidence and interviews with police and medical informants, constitute the British government's first official achnowledgement that the Ulster police have mistreated some IRA suspects.

The question of whether or not this practice is widespread is perhaps best answered by noting that Dr. Robert Irwin, only one of 50 Northern Ireland police surgeons, has had 150 to 160 cases of people whom he believes were tortured or ill-treated over a period of 3 years.

It is also significant to note that by some estimates, 80 percent of convicted IRA terrorists now serving prison sentences were convicted on their own statements. This at least raises a serious question about whether duress was used in obtaining the statements.

Just as we condemn the acts of terrorists, so also must we condemn the insidious terror of torture and mistreatment of prisoners. By raising these issues in the public forum of the U.S. House of Representatives, we further the cause of human rights of all people.●

● Ms. OAKAR. Mr. Speaker, I consider it a privilege to join my distinguished colleagues today to continue our work for the cessation of human rights violations in Northern Ireland. I believe it is time for the Carter administration and the Congress to focus public attention on the atrocities which are continually perpetrated on the Irish people.

The United States has intervened throughout the world in the name of peace. The U.S. Government must now bring pressure on the London and Dublin governments to end this longest-lasting armed conflict. International public opinion must be marshaled to the rescue of the children left fatherless and motherless, and to the widows, widowers, and parents who carry the burden of community grief. I particularly deplore the lack of comprehensive civil rights legislation, as well as the deliberate violence of not only the beleaguered populace but also of the authorities, as documented by competent international bodies.

I strongly support the Peace Forum in Washington on May 10, and urge all parties to the conflict to attend and begin negotiating for a united Ireland where peace and justice can flourish for all.●

● Mr. LEDERER. Mr. Speaker, I rise today with my colleagues to focus our attention on human rights in Northern Ireland. I come from a district along the Port of Philadelphia where many of our families came ashore and made their start in America. Many of our parents and grandparents came here to avoid persecution in Europe, Asia, and other centers of the world. I am dismayed that we are now hearing about alleged abuses and persecutions in this day.

I cannot presume to know what is actually happening in prisons in Northern Ireland. However, there are many reports which cannot be overlooked. Human rights are a cornerstone of our American policy and way of life just as they are the basis of the British framework from which we draw our heritage. In the interest of peace and human rights, I urge all parties involved to remember their common bonds and goals and end this continuing and serious problem.●

● Mr. DRINAN. Mr. Speaker, it is necessary once again to vigorously protest the continuing violations of human rights that are taking place in Northern Ireland. There has been a steady stream of reports from physicians, priests, and other credible sources detailing the torture, cruelty, and humiliation that is being inflicted on suspected criminals in Northern Ireland, in such infamous places as the Palace Barracks, Holywood, Long Kesh, and Castlereagh. In these places, innocent people are burned, urinated upon, strangled, and kicked repeatedly, often for hours at a time. These are only some of the methods of eliciting confessions that are popular with the authorities in Northern Ireland. Abuses too horrible to mention are practiced routinely.

These occurrences have been systematically documented by a variety of sources. In 1972, Amnesty International reported systematic torture of suspected IRA terrorists by the British Government in Northern Ireland. In 1976, the European Commission of Human Rights found the British Government guilty of torture in Northern Ireland. In 1978, the European Court of Human Rights found the British guilty of "inhumane and degrading treatment" of Irish Catholics in Northern Ireland. In the summer of that year, Amnesty International again reported organized torture going on in Northern Ireland, and documented 78 cases of individual brutality. A few months later, Fathers Denis Faul and Raymond Murray spoke to the Congress about the ongoing and widespread mistreatment of suspected terrorists in Northern Ireland. Just last month, Dr. Robert Irmin, an Ulster police surgeon, confirmed yet again the unending brutality of the British treatment of Irish Catholics.

After examining over 150 suspected terrorists, he reported that they had been "beaten" and "physically mistreated." He diagnosed five ruptured eardrums and numerous bone and joint injuries, which could only have been caused by others—not self-inflicted, as the British claim. Finally, partly in response to the 1978 Amnesty International report, a special British commission, headed by a noted judge, was established to look into the abuses taking place in Northern Ireland. The Bennett report, as it is called, was released last month, and concludes that there has been and continues to be a pattern of cruelty and torture inflicted on suspected Irish Catholic terrorists by the British Government and local police. Although the issuance of the report is significant for the fact that it constitutes a recognition by the British that there is a problem, it clearly does not insure that the abuses in Northern Ireland will end soon.

The evidence speaks for itself. The systematic and flagrant ill treatment of the citizens of Northern Ireland must stop. We cannot rely on the good will of any one group to bring about an end to this problem. We must mobilize world opinion, and bring pressure to bear on the British Government to end its acceptance and perpetuation of the mistreatment of the citizens of Northern Ireland. Although the Bennett report is an encouraging first sign, it will be a meaningless document if steps are not taken to correct the abuses which it has identified.●

● Mr. LEE. Mr. Speaker, I rise today to join with my colleagues Mr. GILMAN and Mr. ZEFERETTI of New York in speaking out against the allegations of human rights violations and improprieties in the questioning of prisoners in Northern Ireland.

Violations of human rights, the torture of any person, or the mistreatment of prisoners of criminal, political or other crimes should not be condoned in today's world. I have long advocated that the United States has a world-wide responsibility to bring to others' attention the misuse of persons wherever such a condition may exist in the world.

I have looked through much of the materials provided to me by groups both here and abroad who are particularly interested in the fair treatment of prisoners of the disputes in Northern Ireland. Sadly, I admit that the evidence of official police brutality in that conflict—away from the field of battle—appears very convincing. I am disturbed, Mr. Speaker, that such activities could ever take place. Equally, I am disturbed that while the so-called "Bennett Inquiry" made it clear that the evidence of violations was present, they could neither place the blame nor find patterns in the occurrences. Many recommendations for changes were made, yet they are merely recommendations until the British Government makes it clear that the force of the state itself is behind the enforcement.

As a student of history, I am fully aware that the records of centuries have been filled with human rights violations. Only in recent years, and primarily in our Nation and a handful of the more civilized nations of the world has any attention at all been paid to these rights. I am also fully aware of the fact that, in wartime particularly, violations occur in the heat of emotions. Yet the British Government has stood since this nation was formed as the bastion of civilization and civilized treatment. It is incredulous to me to imagine the staid Britishers of today giving even their tacit approval to the reported recurrences in Northern Ireland prisons.

We rise today to bring to the attention of all those in Britain and Northern Ireland who may be responsible for past violations, and those who are charged with preventing future violations, the fact that the United States is disappointed. And I join with my colleagues in urging an immediate end to these violations through vigilant enforcement of recommended standards of behavior in Northern Ireland.

I thank you, Mr. Speaker, for allowing me this opportunity to speak.●

● Mr. FLOOD. Mr. Speaker, I join with my colleagues and members of the Ad Hoc Congressional Committee on Irish Affairs in bringing attention to the Bennett study, which has recently been completed by the British Government. The study marks one of the few instances in which the British Government has admitted the existence of a serious human rights problem in Northern Ireland.

The Bennett commission's report is an important step toward correcting the serious abridgment of the rights of those suspected members of the IRA who have been imprisoned and mistreated by the Royal Ulster Constabulary in the north of Ireland.

It is encouraging to note that the Right Honorable Roy Mason, Secretary of State for Northern Ireland, has announced that he will attempt to enact as many of the commission's proposals as possible, however, there are still many distressing factors behind the Bennett report. For example, the study was completed by the British Government, an organization which is far from being an unbiased, objective observer of the situation. Furthermore, the British Government seems to be making no move toward enforcing the ideas behind the Bennett Commission's study.

As a matter of fact, the House of Commons has recently extended the "temporary" provisions of the Prevention of Terrorism Act, which provides for the detainment of terrorist suspects without charges and the suspension of the right of trial by jury.

If the British Government intends to make the Bennett Report the first link in the chain of a peaceful resolution of the troubles in Northern Ireland, it is imperative that it reconsider its extension of the Terrorism Act and move towards ending the mistreatment of suspected IRA members by restoring the abridged rights of those in Ulster.

The protection of civil rights has been made a cornerstone of the U.S. foreign policy. To this end, we must remember that human rights applies to all countries, and we join together to encourage the British Government to reinstate home rule in Northern Ireland, restore criminal justice and establish the conditions for a peaceful solution to the troubles in Northern Ireland, which have bled the people of two great nations for centuries.●

● Mr. ZEFERETTI. Mr. Speaker, once again I join my colleagues in deploring the gross violations of human rights that have been permitted to continue in the north of Ireland. Time and again we have stood here and spoken out on the Irish people's struggle to attain the rights and liberties the people of any democracy take for granted, yet the U.S. Government remains silent.

The evidence of human rights violations against the British Government continues to mount. An Ulster police doctor, in an unprecedented announcement, recently revealed that the British-trained police forces in the north employed beating and torture in their interrogation of suspects. His statements corroborate last year's Amnesty International report of the brutality invoked upon suspected terrorists by Ulster authorities.

Now the British Government itself, through the investigation by the Bennett committee, has admitted that suspects have been physically mistreated by Ulster police trying to extract confessions from them.

I want to stress that this is not the first time that this type of abuse has been documented. In addition to the Amnesty International probe and the Bennett inquiry, in 1976 the European Commission of Human Rights found the British Government guilty of torture in the north of Ireland. And in 1978, the European Court of Human Rights found the British guilty of "inhumane and degrading treatment." Unfortunately, the Bennett report is basically a whitewash of the real symptoms of the problem. An in-depth critique of the report has been issued by Rev. Sean McManus, director of the Irish National Caucus, a nationwide organization dedicated to making the violations of human rights in Ireland an American issue. Following my remarks, I wish to submit the text of his critique into the RECORD.

British law in Northern Ireland violates the most fundamental principles of common law. It permits the imprisonment of suspects without trial, it permits nonjury trials and it permits the use of coerced confessions as admissible evidence. These laws make a mockery of justice, but I sadly note that the British Parliament recently overwhelmingly voted to continue the laws, claiming them to be a "necessary infringement of civil liberties."

I also want to point out that the Irish Government in the south has been accused of the maltreatment of prisoners, which was the subject of a separate Amnesty International study. While the British at least set up a committee to study the charges, the Irish Government has taken no steps to probe the allegations.

Mr. Speaker, it is time for the United States to break its silence on the violations of human rights in Ireland. You are to be congratulated for your recent St. Patrick's Day message in which you and other prominent American legislators criticized the brutality occurring in Northern Ireland's police interrogation centers as well as Great Britain's part in these abuses.

The Carter administration has made human rights the cornerstone of this Nation's foreign policy, but this policy has been carried out haphazardly. This endeavor must be pursued indiscriminately, not in a "pick and choose" fashion that chastises a number of nations and ignores a chosen few, such as Great Britain.

Fortunately, I feel that our efforts in Congress are having a positive impact. This action is due largely to the work of the Ad Hoc Congressional Committee for Irish Affairs, under the fine leadership of my colleague, MARIO BIAGGI, and now boasting a membership of 127 Members of the House and the Senate. I want my colleagues and the American people to be assured of our sincerity in our ongoing endeavor to bring peace to Ireland, free from outside intervention. But this peace can be achieved only after we address ourselves to the violations of fundamental human rights in that land.

I would now like to submit Father McManus' remarks into the permanent RECORD of these proceedings.

The remarks follow:

IRISH NATIONAL CAUCUS REACTION TO THE BENNETT INQUIRY

1. The Inquiry was held behind closed doors in Belfast and London. It was boycotted by Amnesty International, by the SDLP and other political parties, except the Alliance Party.

2. It was a British Committee—appointed by a British Cabinet Minister—to adjudicate on a police force which calls itself British—in order to protect Britain's reputation by offering mild criticisms and recommendations to be implemented by the British Government.

3. It exonerated the uniformed branch of the Royal Ulster Constabulary (RUC). But the uniformed branch are co-conspirators in carrying out the arrests of the people, knowing that they will be tortured.

4. The "few bad apples in the barrel" theory must be discredited. Torture is systematic and is known to those in authority.

5. The Bennett Report still says that the police are best to carry out investigations of complaints against the police. It is a case of thieves being investigated by thieves. Civilian supervisors are not being permitted.

6. Americans should remember that lawyers are still not allowed to be present for the first 48 hours after people are arrested, in contrast to the Miranda provisions in the United States.

7. The Director of Public Prosecution is still responsible for prosecuting the police, yet he depends on the police for his information in order to prosecute the police. It is a massive cover-up.

8. The Police Authority is not released by the Report from its subjugation to the political authority of Roy Mason and of the Director of Public Prosecution.

9. The reactions of Mr. Mason: He says there is no suggestion that the injuries inflicted constituted regular and wide-spread practice. But Dr. Irwin, who is only one of about 50 police surgeons, has had 150 to 160 cases over a period of three years of people whom he believes were tortured and illtreated. If that is not systematic practice, we don't know what is.

10. Mason also suggests neither he nor the Chief Constable will condone illtreatment. Yet, Councillor Jack Hassard of Dungannon, Independent (Protestant) member of the District Council and a former member of the Police Authority, insists that the Chief Constable again and again refused to meet with the Police Authority to consider complaints of illtreatment.

11. There is a question of the dirty tricks tactics against Dr. Robert Irwin, who spoke out against the torture and ill treatment of victims he had personally examined. Dr. Irwin's wife was raped by a Special Air Service (SAS) man stationed at the Grand Central Hotel in Belfast, who broke into his home, pistol-whipped his adopted son and raped his wife. This SAS man was immediately shipped to Germany by the British Government and has never been prosecuted. Although this incident occurred in 1972, it has not been revealed until now, when it suits the British Government policy to try to smear Dr. Irwin by saying he has a grudge against the police for not prosecuting the man who raped his wife.

This is typical of the dirty tricks policy pursued by the British Government from the time of Parnell through Archbishop Makarios, Colonel Grivas of Cyprus and Jomo Kenyatta of Kenya.

12. The most important point is that there must be a call for the review of all sentences of those who are now serving long prison terms. Eighty percent of these have been convicted on their own statements—statements obtained in situations of great duress, often amounting to torture.

To allow this situation to continue without redress is detrimental to the prospect of peace in Northern Ireland and of vital importance to the entire community.

Dr. Robert Irwin of Northern Ireland is the latest in a long line of impeccable witnesses to testify to the torture practices of the Royal Ulster Constabulary (RUC) in Northern Ireland. Fathers Denis Faul, Raymond Murray and Brian Brady have been publicizing the horrors visited on arrested persons in N. Ireland for the past eight years. Amnesty International—1972; the European Commission—1976; the European Court—1978; and Amnesty International—1978 have all exposed the criminal acts of the RUC. Despite this enormous dossier of proven allegations against their members, the RUC continues torturing arrested persons. We use the term "arrested persons" advisedly, rather than "suspected terrorists". Many people have been tortured merely as part of an intelligence-gathering exercise and not because they were suspected of any crime.

Will Dr. Irwin's brave stand also come to naught as far as stopping torture is concerned? We believe it will, unless the part of those who protect the torturers is understood and steps taken to deal with them. Among the protectors of the RUC torturers must be included the Secretary of State for Northern Ireland, Mr. Roy Mason, the senior Civil Servants in the Northern Ireland Office, the Chief Constable of the RUC, the members of the Police Authority, the Director of Public Prosecution and members of the Judiciary.

The responsibility of these people amounts to criminal conspiracy to pervert the course of justice at least in fact, if not in law.

After each exposure of torture, the Secretary of State and his spokesmen in the Northern Ireland Office issue brazen denials that torture is being practiced by the RUC. Moreover, they impune the motives of both the victims who make complaints and those who take up their cause. The official lie is the answer to everything. The Chief Constable of the RUC takes the same line with the usual immotive addendum that protesting against torture "endangers the lives of policemen". The Police Authority has consistently refused to set up independent tribunals of investigation into well-founded allegations of torture by members of the RUC as they are empowered to do by law. The Director of Public Prosecutions either refuses to prosecute the torturers in the RUC or prosecutes so inefficiently that the accused are almost assured of acquittal even before their trial begins.

The final bastion of the system which protects RUC torturers is the Judiciary Judges in the Diplock Courts who adjudicate on the facts as well as the law, convict many people on the basis of confessions alone, confessions frequently obtained in conditions of duress amounting to torture. On the rare occasions when the torturers of the RUC are charged with assaulting arrested persons and appear before these same judges, they are acquitted. The usual reasons given for acquittal are either "the injuries of the arrested person could have been self-inflicted" or "the arrested person was undoubtedly assaulted, but the identity of those who assaulted him has not been established beyond reasonable doubt". Consequently, no member of the RUC has ever served a day in prison for assaulting a person arrested under the Emergency Provisions Act.

The outcome of this official solidarity in support of injustice is that members of the RUC know that they are immune from punishment for their torture activities. They have become the only category of criminal in Northern Ireland's society which is going unpunished. Thus they are encouraged to torture as the easy way of getting convictions, particularly of those whose religious or political affiliation they detest. Indeed torture may be even the road to the Honors List.

Those who protect them are partners in their crimes and must be regarded as part of a great criminal conspiracy. Unless that conspiracy is broken, torture by the RUC will continue and Dr. Irwin's protest will have been in vain.

It is difficult to see how, in the present state of this illegal system in Northern Ireland, this conspiracy can be brought to an end. One way in which it might be done is to prosecute them under the bizarre prescription of the Emergency Provisions Act, which makes withholding of information about terrorist activities a crime. Torture is a terrorist activity. The Secretary of State, senior Civil Servants of the Northern Ireland Office, the Chief Constable of the RUC, members of the Police Authority, the Director of Public Prosecution and Judges have the information about torture, but will not admit it. They should be charged with withholding information about the terrorist activities of the RUC.

This proposal is, of course, unrealistic because if carried through with impartiality, it would cause the present corrupt law enforcement system in Northern Ireland to self-destruct. The only realistic proposal is, in the end, a political solution which would end forever the "Northern Ireland Experiment" and with it all forms of discrimination, including torture.●

● Mr. BLANCHARD. Mr. Speaker, I join with Mr. BIAGGI, Mr. GILMAN, Mr. ZEFERETTI, and several of my distinguished colleagues in denouncing the flagrant violations of human rights in Northern Ireland.

Recently, the British Government released the findings of an investigation into human rights violations in Northern Ireland as cited by Amnesty International in June of 1978. The report was prepared by the Bennett Commission, a group appointed by and comprised of British officials.

An example of the kind of testimony included in the Bennett Commission's report is a statement by a police surgeon who said that he had witnessed between 150 and 160 cases of apparent torture or ill treatment of prisoners over a period of 3 years. This man is only 1 of approximately 50 police surgeons. Yet, since the release of the commission's report, little has been done to put a stop to these human rights violations.

Practices in Northern Ireland have been found to be in direct violation of 15 articles of the Universal Declaration of Human Rights. Suspected criminals have been incarcerated for periods of up to 7 days without officially being charged with an unlawful offense. During this period the prisoner is denied access to counsel, clergy, physicians, or relatives. Frequently these so-called suspects are released after suffering inhumane, degrading treatment.

The abrogation of basic freedoms in any modern society is unpardonable. President Carter has echoed this belief in his foreign policy addresses by speaking out strongly for the need to insure basic human rights. I hope my colleagues will join with me in calling upon the Government of Northern Ireland to put an end to these human rights violations, so that we might take sure steps toward peace in Northern Ireland.●

● Mr. LOWRY. Mr. Speaker, it is time for the United States to speak out against injustice in Northern Ireland.

Our great country was built upon a firm belief in civil rights and equal justice for all. In recent years, we Americans have enacted laws to make certain that all of our citizens enjoy equal rights in the courts, voter registration booths, school systems, hiring places, and real estate firms.

Human and civil rights are not uniquely American notions, but should be recognized by all states. This is not the case today in Northern Ireland. Last month there was released yet another report, this time commissioned by the British Government, documenting systematic physical abuse and gross violations of human rights by Ulster police. But the cycle of discrimination, fear, and violence is nothing new to the inhabitants of the northern tip of the Emerald Isle.

The infamous tradition of enmity between Catholics and Protestants in Northern Ireland has its roots back in the 17th century. Embittered by the seizure of their lands by English and Scottish settlers, the native Irish took up arms in 1641 against their Protestant neighbors. Oliver Cromwell's army mercilessly made the insurgents pay for their actions in blood. The harsh, discriminatory penal laws imposed later in that century nearly outlawed Catholicism, relegated most Catholics to impoverishment, and furthered the fear and resentment between the Protestant majority and the Catholic minority.

Repression and hostility continued through the 1960's, when Northern Ireland was like a powder keg about to explode. Catholics had become a permanent underclass, suffering a high jobless rate, severe housing discrimination, inferior schooling, and lack of representation in government. They also harbored an intense bitterness toward the British, the police, and their Protestant neighbors. That repressed anger had to surface sometime. And that time was during the 1960's.

The civil rights movement initially was nonviolent and constituted no direct threat to Protestant rule. But it sparked intense anti-Catholic sentiments in the cities of Belfast and Londonderry. Peaceful demonstrations were attacked by anti-Catholic mobs. Like the poor and minorities in this country, working class Catholics were accused of being lazy and not wanting to work. Escalation of the conflict continued in Belfast, where, for the first time, direct confrontation and violence between Protestants and Catholics took place.

British troops sent in to quell the violence were at first perceived by residents of the cities as a means of protection against the Protestant mobs. But gradually, the Catholics began to view the British police as oppressors, who constantly sided with the Protestants. By 1971, Northern Ireland was virtually embroiled in civil war.

During this period of open violence, many innocent men and women were mistakenly arrested and detained without formal charges and without trial. The Special Powers Act, a particularly pernicious law, provided the basis for intrusion into basic civil liberties. It allowed police to enter dwellings without search warrants, and hold people without trial and without being formally charged with a crime.

Political prisoners detained by Ulster police often were subjected to brutality and torture. In 1978, the European Court of Human Rights accused the British Government of "inhumane and degrading treatment" of prisoners in Northern Ireland jails. That same year, Amnesty International reiterated its 1972 condemnation of British police practices for gross violations of human rights. In response to this report, the British Government created the Bennett Commission to investigate these charges. The Commission's report documents systematic rights violations in Northern Ireland prisoners. The Government Commission found numerous cases in which suspects in Ulster police custody suffered serious injuries that were definitely not self-inflicted. Ruptured eardrums, broken wristbones, and extensive bruises were not uncommon.

Attention has also been drawn to the inhumane living conditions in Maze Prison, where many Irish Republican Army suspects are interned, many without clothing or blankets. The British Government has said that the IRA suspects reject these basic provisions as an expression of protest against imprisonment.

The United States cannot let outrageous injustices go on without comment. Our commitment to human rights must extend to even our closest allies. We must let the British Government know that just and peace-loving nations will no longer condone violations of human rights and dignities.

This is the message I wish to send today through my participation in this special order, and through the Ad Hoc Congressional Committee for Irish Affairs, of which I am a member. The peace forum scheduled for next month to raise the visibility of these issues, and to allow all parties interested in the situation in Northern Ireland to discuss solutions, will hopefully help turn Northern Ireland toward pursuit of peace.●

● Mr. MAVROULES. Mr. Speaker, I come before you to speak on an issue dear to the hearts of all Americans, the very cornerstone of our democracy, and, indeed, what we profess to be our guide in the conduct of our Nation's foreign policy.

Over the past 10 years, the fratricidal conflict in Northern Ireland has cost mankind many hundreds of lives and millions of dollars.

Catholics shy away from Protestants, and both from the authorities.

Neighbors live in silence, making a mockery of the word "neighborhood."

And death waits in the shadows for every man, woman, and child in this troubled land.

Exacerbating the tragedy of Northern Ireland is the British presence there, now recognized by many as the chief obstacle to peace and the perpetrator of countless human rights violations; violations documented by such reputable international organizations as Amnesty International and the European Court on Human Rights.

If one were to look for a symbol of Britain's suppression of Northern Irish rights, one would not have to look beyond the walls of Belfast's dreaded Long Kesh Prison, where hundreds of Irish prisoners, many of them in their teens, live in indescribable filth and physical deprivation.

To this point, last year's congressional fact-finding delegation compared the prison's conditions with the worst man has ever devised.

Ironically, this is not the doing of some Latin American or African dictator. It is the doing of Britain, the very source of the rights Americans embrace so warmly.

Imperceptibly, Britain has paid dearly for her role in Northern Ireland. Her once vaunted system of justice must be counted among the casualties, as well, as it has given way to martial law and the suspension of human rights.

And as long as she remains in Northern Ireland, an obstruction to peace and an embarrassment to her history, Britain's role as one of the world's leading democracies will continue to diminish.

Mr. Speaker, I call upon our Nation to put its cherished principles to work to insure the observance of human rights in Northern Ireland and to return political and social stability to the area.

I call upon our Government to intercede on behalf of the Northern Irish, both Catholic and Protestant, and ask Britain to withdraw, with the hope that, finally, peace will result.

America has traveled a long road, championing human rights. But there is still some distance to go if we are to turn the harsh, ugly reality of Long Kesh Prison into a pile of rubble.●

● Mr. PEYSER. Mr. Speaker, we are here today to condemn the alleged human rights violations of the citizens in Northern Ireland and to urge the British Government to take all steps necessary to protect against such abuses.

The recently released Bennett report, although it failed to adequately address specific cases of official police abuse, served to underscore the civil rights violations that have characterized the military rule in Northern Ireland. The report revealed what can and does result from a lack of safeguards for due process rights, which has been caused by the widespread use of the Prevention of Terrorism Act and the Emergency War Powers Act.

We condemn the abuse of due process rights under these acts in which suspects can be held without charge for 7 days and can be convicted of terrorism, usually on their own confession, by a judge sitting without a jury. In view of the recent revelations by the Bennett report, the detention authority, and other arbitrary power under the acts should be abolished.

We call upon the British Government to respond to the allegations of human rights violations and to take all steps necessary to eliminate them and to guarantee to the citizens of Northern Ireland their right to fair and just law enforcement and full protection of due process and human rights. The people of the United States stand prepared to assist in any way possible the promotion of peace in Northern Ireland and the settlement of differences between the factions in that country.●

● Mr. RINALDO. Mr. Speaker, a British Government inquiry into alleged brutality in Northern Ireland—the Bennett Commission—has recently concluded its work and confirmed some of the worst suspicions and allegations about treatment of prisoners in Northern Ireland.

This inquiry, headed by Judge Harry Bennett, found that alleged terrorists have been beaten by Ulster constables and that some have been denied access to legal counsel for up to 2 days after their arrest. These confirmations follow on the heels of other reports, most notably those by Amnesty International and the European Commission on Human Rights, that the Ulster police have systematically brutalized and physically abused detainees in Northern Irish prisons.

I am pleased to join my colleagues today to express my own concern about the situation in Northern Ireland. All too often, we read headlines about human rights in the Soviet Union, Iran, and Communist states such as Cuba. We have been too prone to forget the millions of suffering citizens in Northern Ireland who have been subjected to the harsh and unjustified treatment of the Ulster constabulary.

The United States, which is the home of millions of emigrants from Ireland, has a very deep concern about the situation in Northern Ireland. The fighting which has persisted there for decades should be brought to an end as quickly as possible so that everyone, Protestants and Catholics alike, can live in peace.

The deplorable tactics of the Ulster police force have only served to play into the hands of extremist elements and prolong the suffering and bloodshed in Northern Ireland.

More importantly, I do not believe anyone who has followed the situation in Northern Ireland will be ready to believe completely in the Bennett report.

This is a British Government report on British Government activities. Do they honestly expect us to believe that it is an unbiased, objective report on police brutality?

I know I speak for many other Members of this House in urging the British Government to heed the wishes of the international community and do everything in its power to prevent continued abuses of human rights in Northern Ireland. The Bennett report, while it is a start in this direction, is only a start. More needs to be done. Respected, nonpartisan groups such as the Red Cross should be called in to judge the situation there fairly and objectively; it is only in this manner that we will have a true and significant reform of police tactics in Northern Ireland.

Mr. Speaker, I am grateful for this opportunity to speak out on an issue of fundamental importance. I am hopeful that the strong outpouring of sentiment here today will help put pressure on British authorities to reform the system in Northern Ireland and work toward a just and permanent peace for all the citizens of Northern Ireland.●

● Mr. HARRIS. Mr. Speaker, although the long-awaited Bennett report has been released in Great Britain, little has been done to cease the rampant violations of human rights in Northern Ireland. Furthermore, the inquiry was conducted behind closed doors, and by the British Government.

The report does detail the systematic torture and abuse of prisoners detained in Northern Ireland, but it offers only mild criticisms and recommendations to be implemented by the British Government.

As a Member of Congress who is concerned about human rights violations throughout the world, I could not let this matter go by. Great Britain must feel compelled to comply with the provisions of the European Commission on Human Rights and our administration must no longer be silent in the face of documented instances of human rights violations. These violations constitute an important setback in American foreign policy—that is, a respect for human rights around the world.

As a longstanding member of the Ad Hoc Congressional Committee for Irish Affairs, I pledge my total commitment to peace in Ireland. The path to this peace is impeded, however, because of the ongoing human rights violations. As was stated in the committee's St. Patrick's Day message:

> We are totally opposed to violence, whether it be institutional or civilian. Ireland and her people have suffered too long. We cannot allow another generation to endure an environment of bloodshed and oppression.●

● Mr. OTTINGER. Mr. Speaker, I am pleased to join today with my colleagues in protesting the British Government's apparent dismissal of the inordinate number of gross human rights violations in Northern Ireland. In June 1978, Amnesty International detailed 78 cases of British brutality and extreme loss of civil rights at the Castlereigh Interrogation Center in Northern Ireland. Several years ago, the European Commission on Human Rights found the British guilty in their treatment of Irish prisoners. Prompted by these reports of flagrant and brutal abuses occurring in British prisons, the British Government set up a committee, headed by a noted judge, to investigate these allegations and report on interrogation methods in Northern Ireland; the committee was dubbed the Bennett Commission.

After months of anticipation, the Bennett Commission report was finally released in the middle of March. According to the report, strong evidence exists of the mistreatment of Irish Republican Army suspects by the Ulster police. But these instances of abuse are dismissed by the Commission as mere exceptions to the rule. Knowing the overwhelming evidence to the contrary that, indeed, torture is systematic and is known to those in authority, the validity of the entire report is thrown into question.

Four days before the Washington Post carried the story on the Bennett Commission report, it ran an article entitled "Ulster Doctor Says IRA Suspects Maimed in Police Custody." Dr. Robert Irwin, a Northern Ireland police surgeon, revealed that 150 to 160 suspected IRA terrorists he examined in police custody during the past 3 years were beaten and otherwise "physically ill treated" while being interrogated by police in Belfast. The article went on to report that:

> "I've seen five ruptured eardrums," Irwin said. "I have seen two injuries to bones of the forearm . . . I have seen joint injuries in both the wrist and to the little joints in the fingers, which have been caused by squeezing the hand or by twisting the fingers."
>
> Irwin said these are not injuries that could be self-inflicted, as the authorities in Northern Ireland have sometimes claimed.
>
> "Ruptured eardrums, I would say, being one of the most serious injuries, could not possibly be self-inflicted," he said. "There is not enough leverage in one person's arm to rupture their own eardrums, and falling about does not produce a ruptured ear. It can only be produced by a blow with force from somebody else.
>
> "Also, some of the sites of some of the injuries would defy even a contortionist to produce the injuries, and the extent of the bruising that has been seen on occasions indicates that considerable force had been used from some other source."

Roy Mason, Northern Ireland's Secretary, has refused to comment on Dr. Irwin's statements. Indeed, the British Government seems content to let a mild admission of guilt replace an effort to correct the injustices that have captured world attention.

The Bennett Commission's inquiry was held behind closed doors in Belfast and in London. It was a British committee—appointed by a British Cabinet Minister—to adjudicate on a British police force. The Commission still says that the police are best to carry out investigations of complaints against the police. In light of the clear evidence that the Bennett Commission's report falls far short of a thorough inquiry into the violations of human rights in British prisons, I join my colleagues in urging the British Government to undertake a review of all sentences of those who are now serving long prison terms. Eighty percent of these have been convicted on their own statements, statements obtained under circumstance which have resulted in physical and mental disabilities. Unless this situation is stopped, the prospects for peace in Northern Ireland will be in continued jeopardy.●

● **Mr. DONNELLY.** Mr. Speaker, the cause of human rights in Ulster is of paramount importance to the people of the 11th District of Massachusetts. This district, Mr. Speaker, has a large Irish American population, many of whom are proudly aware of their roots and traditions; therefore, the tragedy of Ulster concerns them deeply.

I would like at this time to introduce as an extension of my remarks today, for inclusion into the Record, an incisive observation of the current state of American political thinking on the Irish question.

[From the Boston Globe, Mar. 17, 1979]

A Shift on Ulster

The leader of the Irish National Caucus listened as the long statement from the "Big Four"—Senators Kennedy and Moynihan, Speaker O'Neill and Gov. Carey—was read to him over the telephone, and for a moment, Sean McManus was almost at a loss for words.

"I'm a little inarticulate right now," said the Ulster born priest. "God, I'm elated. I welcome that statement enormously."

The statement was the annual message on the Irish situation from the leaders of the Irish-American political establishment—a message fast becoming part of the ritual of St. Patrick's Day, and part of the politics of Great Britain and Ireland.

When Ted Kennedy and Tip O'Neill and their friends speak out on Ireland, people listen in London, Dublin and Belfast for a hint of the feelings not just of Irish-American sentiment, but of the perceptions of the U.S. government.

It was no accident that Jimmy Carter was the first American president to address the Irish question directly and publicly, when he called two years ago for a "just solution" in Ulster. He had some persuasive advisers from Boston.

The conventional wisdom, as reflected in the "Big Four's" earlier statement, was to stress the responsibility of the Irish Republican Army for the violence in the North and to warn Irish-Americans against giving either financial or psychological support to the bomb-throwers.

The emphasis, McManus and others believed, was misplaced.

As Jack Holland wrote in an article published this week in the Nation, the criticism was justified. "By linking the violence in Northern Ireland with Irish-American money, the Kennedy-O'Neil-Moynihan-Carey statements have shifted attention away from where it could be more revealingly focused: on the role of succeeding British governments and their security forces in Northern Ireland.

Their statements have been seen as pinning responsibility for the cause of violence on Irish-Americans and the IRA. This is about as sensible as saying that the Vietcong were the cause of the Vietnam War."

McManus, a priest whose brother was killed in the IRA cause in 1972, felt frustrated trying to get across the idea of British culpability for the violence and the stalemate in the North.

There was fear that any argument that blamed the British would seem to be supportive of the IRA and terrorism. There was a reluctance to seem on the side of Rep. Mario Biaggi of the Bronx in his campaign for congressional hearings on Ireland, hearings that would provide a forum for the IRA.

And McManus himself was brushed aside as sympathetic to the bomb-throwers when he tried to argue that IRA violence was a reflection of the institutional violence the British brought to Ireland.

And who was going to listen when he scoffed at the idea of waiting for the next British election? "People in Ireland have been waiting for British elections for the past 100 years," McManus says.

But suddenly, this year, someone listened, and for a variety of reasons.

It was not that McManus had changed, or the IRA, or the perception of the IRA.

Rather, it was a variety of changes in the Irish situation itself, not the least of which was the growth in the awareness of the human-rights violations, which the British acknowledge but blame on the Northern Irish.

But there have been other changes too—the sense that even the Labor government has no desire to grapple with the Irish question in a determined way, the improvement in the Republic of Ireland's economy, the greater acceptance of the idea pressed by John Hume that the ultimate solution in Ireland involves British withdrawal from the North and the creation of a federation linking Northern Ireland with the Republic while guaranteeing minority rights.

Hume a leader of the Northern Ireland Social Democratic and Labor Party, is a nonviolent politician close to both Kennedy and O'Neill.

He has been pressing his proposal for British withdrawal in talks in this country and calling attention to the extravagant price the British have been paying in lives and in pounds for their continued presence in Ireland—a price that somehow never seems to become an issue in the British political debate.

And so, the annual St. Patrick's proclamation had its obligatory condemnation of sectarian violence again this year but it had far more. It had a scolding of the British government, not just for its political lassitude but for its acquiescence in "official brutality and violation of human rights."

The statement urged the British to behave "responsibly on human rights" in Ireland, asked the British to consider eventual withdrawal from the North and suggested ever so gently the possibility of a united Ireland, after observing that the country is already being drawn together through "a coincidence of interests," primarily economic ones.

The pressure on the British was being raised by several degrees and Sean McManus couldn't hide his great enjoyment. "Everyone was saying we were terrorists last year for saying these things. Now it's the popular respectable thing."●

● **Mr. ANNUNZIO.** Mr. Speaker, documented reports of repeated human rights violations in the North of Ireland continue to be received from many official and unofficial sources, and they indicate that physical abuse and harassment, in addition to torture, are being used by the British against Irish prisoners.

Americans as a free people cannot stand by silently in the face of human rights abuses, no matter where they occur, and our Government must do everything possible to promote peace in Ireland and condemn the British Government for its shameful actions. The torture of human beings is a most atrocious act, and the Ad Hoc Congressional Committee for Irish Affairs condemns all violence in Ireland, wherever it originates. Ireland's people have suffered for too long and continued violence makes a peaceful solution to Ireland's difficulties much more difficult to achieve.

For too long, "confessions" forced by torture have been used in Ireland to condemn prisoners to many long years in prison under the most brutal of conditions. The British continue to disregard the Universal Declaration of Human Rights by putting people in jail with no charges placed against them and without even the formality of a trial. Torture has become a standard part of British Government rule in Northern Ireland, and no action is being taken to stop this barbarity. The lives, freedom, and dignity of the Irish people must be a high priority in the actions of our own Government toward Britain, and oppression in all its forms must be condemned.

Mr. Speaker, peace and justice must be a goal to which our great Nation remains forever committed, in both words and action, and the human rights and peace of Ireland must become a vital part of United States foreign policy as it affects the British.●

● Mr. ADDABBO. Mr. Speaker, I wish to join with my colleagues in expressing the importance of making human rights violations in Ireland an American issue, particularly in view of the controversy surrounding the report issued by the Bennett Commission.

I would like to commend the gentlemen from New York, Mr. ZEFERETTI and Mr. BIAGGI, for making sure that the Congress has time to discuss this issue in depth. Human rights has been a focal point of the Carter administration and nowhere in the world today is the issue of more burning importance than in Northern Ireland.

I believe that we must make sure that the rights of Northern Ireland citizens are not taken away as a means of suppressing dissent. We are aware that there have been human rights violations in Northern Ireland and that there continues to be violations today. It would appear that these violations have been undertaken as a means of silencing those who seek independence for the northern Irish people. It is perhaps difficult in an area where terrorism has become a way of life to remember that unjust jailing is as destructive to human freedoms as those who kill or maim senselessly in its name. But it is up to us to point out to the world at large that citizens have been jailed without evidence in Northern Ireland, that prisoners have not been accorded basic rights, the least of which is being presumed innocent until proven guilty, and there is evidence that the human rights violations go as far as torture in some instances.

There are those who contend these charges are overblown, and that human rights violations have been halted where found. The facts appear to dispute these contentions, but I would call for an open process in Northern Ireland so that the world can see for itself who is telling the truth and who is not.

The sad truth as it seems to me is that human rights violations have occurred on both sides in Northern Ireland, and that they are likely to continue for as long as this senseless killing goes on. Until some means is found to provide stability in this sorrowful part of our globe, I would call on all who live in Northern Ireland to assure themselves and each other that they give full accord to basic human rights for all the people of Northern Ireland, and that men and women of good will insist that human rights be the first step toward seeking a peaceful solution for the problems of that beleaguered nation.●

● Mr. HUGHES. Mr. Speaker, President Carter said in 1976:

> We want to establish a pool of moral commitment and make the United States a rallying point for human rights around the world, a position we have not enjoyed in recent years. We want to be a beacon of light.

We have an opportunity to put these noble words into practice. I agree with President Carter that we can no longer selectively apply the human rights doctrine. When there is an abrogation of these rights as in the case of Northern Ireland, we in Congress have an obligation to speak out. This is not the first time we have had occasion to do this, and sadly, it will probably not be the last.

Unfortunately, the situation in Northern Ireland has not changed much in recent years. The two sides are as far apart as ever and the violence continues to occur with all too much regularity. What is even more incomprehensible is that the British Government continues to ignore the fact that systematic torture and harrassment takes place in the police interrogation center in Northern Ireland.

This deplorable state of affairs has been documented not only by the victims but also by prison doctors. It appears that the British Government has been less than diligent in adhering to the basic doctrine of human rights. It is particularly distressing since the Government has chosen to ignore its basic pledge to the European Court of Human Rights.

I would prefer to believe that the British Government would not deliberately ignore its commitment to human rights. I hope that this reminder by Members of Congress will help the Government live up to its responsibilities to all of its citizens, not just some.

All of us here today join with the people in Great Britain and Ireland in the sincere hope that a real and lasting peace can be forthcoming. In the meantime, I will continue to join with my colleagues in the House of Representatives in our vigil to have the British Government observe the most inalienable right of all—the right to be treated in a decent and humane fashion.●

● Mr. HANLEY. Mr. Speaker, for years concerned individuals in and out of Congress, in the United States and elsewhere in the world, have pointed out the systematic abuse and violence perpetrated indiscriminately against prisoners detained by the British in Northern Ireland. Using a variety of spurious legal mechanisms that violate basic British common law precepts, thousands of people in Northern Ireland have been detained, tortured, and brutalized with no regard for basic human rights. Despite strong statements of condemnation by concerned individuals everywhere, these barbaric practices continue unabated.

Several years ago the European Commission on Human Rights condemned the treatment of Irish prisoners, and in June 1979 Amnesty International published a report which pointed up the flagrant violations of human rights occurring in British prisons in Northern Ireland. Great Britain responded to this public pressure by appointing its own commission; in effect, they decided to study themselves. The results of this effort, known as the Bennett Commission, have now been published, and it is not surprising that even the British themselves have found gross violations of basic human rights. Despite this, the reign of terror in Northern Ireland continues.

Under the Carter administration, human rights has become a cornerstone of American foreign policy. If we are to justly condemn our enemies for their abuse of basic human freedoms, can we continue to remain silent while one of our staunchest allies ignores our most heartfelt concern? I think not, and so today I want to raise my voice and state in no uncertain terms my full and complete opposition to the continuance of the dubious legal structure that allows British troops and British hirelings to maintain their reign of terror against the elementary human rights of prisoners in Northern Ireland. These barbarous acts must cease, and I will work to bring pressure to bear on this Government to make known to the British that the United States condemns their actions in Northern Ireland and urges them to remove their troops immediately, so that wounds can be healed, festering sores can be closed, and so that peace may at last return to that troubled land.●

☐ 1825

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. SAWYER) is recognized for 5 minutes.

● Mr. SAWYER. Mr. Speaker, on April 2, the electronic vote machinery failed to record my vote on rollcall No. 73, to adopt House Resolution 183, thus passing the bill H.R. 2534, to provide for a temporary increase in the public debt limit. I opposed the resolution and should have been recorded as voting "no." For the record I would note that I was properly recorded on the vote which immediately preceded final passage. On that I voted against the previous question on House Resolution 183.

FIFRA AUTHORIZATION—PESTICIDE RESEARCH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. WAMPLER) is recognized for 5 minutes.

● Mr. WAMPLER. Mr. Speaker, today Congressman DE LA GARZA and I introduced legislation that extends the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, commonly referred to as FIFRA for 1 year from September 30, 1979. The reasoning behind extending this authorization for only 1 year rather than 2 years as requested by the Environmental Protection Agency is to give the House Agriculture Committee the opportunity to exercise effective oversight over EPA. In years past, there has been a great deal of controversy developed over the implementation of FIFRA and by keeping EPA on a "short leash" we have managed to get the attention of officials at EPA and have been able to get better cooperation from them. I must, in all candor, state that I am much more pleased with the attitude recently expressed by EPA personnel but am not yet ready to extend the authorization more than 1 year at a time.

You will note that this legislation extends the funding authorization for both research and nonresearch activities in the amount of $62,250,000. H.R. 2676, the bill authorizing appropriations for environmental research, development, and demonstrations for fiscal year 1980 includes $9,638,000 for pesticides research and was passed by the House on March 27, 1979.

H.R. 2676 was developed by the House Committee on Science and Technology which shares jurisdiction over the activities of FIFRA with the House Committee on Agriculture. By including this amount in our legislation, we intend that when this legislation is enacted into law, the funds available for expenditure for FIFRA research activities will be the amount as provided under H.R. 2676. In my opinion, the oversight jurisdiction of the House Committee on Agriculture must include both the research and nonresearch activities of FIFRA. Consequently, there is a need to include the research funding in the authorizing legislation for fiscal year 1980 FIFRA authorization developed by Congressman DE LA GARZA and me, as has been true for the last few years. That is, notwithstanding the fact that H.R. 2676 contains appropriation authorization for FIFRA—pesticide, et cetera—research funding, such authorization is also included in the de la Garza-Wampler bill introduced this date.

It is not intended that there be two authorizations of approximately $9 million each for pesticide research, but what is intended is that the action of including that authorization in this bill, which I believe will be referred only to the Committee on Agriculture, will reflect our assertion of our continuing committee claim of jurisdiction over this important EPA activity. My interest in research activities of all kinds that affect agriculture is well known, so I wanted to take this opportunity to explain my position in this regard.●

COUNTERCYCLICAL AID

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. RATCHFORD) is recognized for 10 minutes.

Mr. RATCHFORD. Mr. Speaker, there is no question that our Nation is facing difficult times. With needs far exceeding our capacity for remedies, it seems we can only hope to target Federal aid to those problems which are most severe. I rise today to present the case for this responsible and efficient approach to the needs of the American people, with a disconcerting sense that the worst is yet to come.

I do not need to remind my colleagues of the grim economic outlook which we now face, and of the increasing dangers of a serious recession in 1980. Only this morning we heard reports from the White House that additional steps will be taken to slow down the economy, to halt inflation, adding to the risks of a deep recession next year. The impact of such a recession—on unemployment, and on the financial plight of our struggling cities—will be nothing short of tragic.

A glimpse of the economic forecasts for the coming months provide a sobering reminder of the impending unemployment problems. By the end of this calendar year, joblessness in America will soar: The Congressional Budget Office predicts an unemployment rate between 6.2 percent and 7.2 percent; Data Resources, Inc., expects unemployment to reach 7.1 percent by December; and Chase Econometrics Associates, Inc., forecasts a rate of 7.4 percent by the conclusion of this year. We must begin our preparations now in order to meet this unemployment challenge in 1980.

Mr. Speaker, I cannot in good conscience accept the tragic fiscal crisis which many areas in our country now encounter. In my own district, the Fifth District of Connecticut, unemployment is as high as 8.6 percent in Waterbury, and 8.7 percent in Ansonia. Unemployment conditions in my district, and many other districts across this Nation, are already approaching intolerable levels. It is time for the 96th Congress to address this problem.

I am convinced that a countercyclical assistance program is the most effective manner in which the Federal Government can provide fiscal relief in areas of the country which have been adversely affected by unemployment and fiscal stress. Countercyclical aid was first implemented under authority granted in the Public Works Employment Act of 1976. The program was designed to provide State and local municipalities with short-term assistance, to help offset reduced revenues caused by recession. Last year, Congress did not reauthorize the program, and refused to enact a proposal to take its place.

It seems clear that the 95th Congress erred in refusing to extend this countercyclical aid program. The positive long-term effects of this Federal antirecession aid program cannot be disputed. The Congressional Budget Office estimates that a 1-percent increase in the national unemployment rate results in a loss of $17 billion to the Federal Treasury, through reduced tax revenues. Clearly, it is essential that we protect the fiscal health of this Nation by enacting this important program. The short-term costs of a countercyclical aid program pale in comparison to the long-term costs of high unemployment.

In its proposed budget for the fiscal year 1980, the administration has repeatedly implied that there is an inevitable trade off between inflation and unemployment. I cannot accept the view that lower price levels will be achieved at the expense of the jobs of thousands of American workers. I believe that countercyclical aid offers one example of how we can avoid these problems. By targeting aid to areas of high unemployment, we can stimulate local economies, without contributing significantly to the overall inflation problem.

We must recognize that a countercyclical program would not seriously jeopardize the anti-inflation efforts of the administration. We must remember that this program was already provided for in the fiscal year 1980 budget submitted by President Carter. Consequently, the interests of the administration and the 96th Congress to maintain balanced economic growth, and to reduce the deficit, will not be adversely affected by the countercyclical assistance program.

This program is extremely important in the context of cutbacks in essential services, the layoffs of thousands of municipal employees, and the severe unemployment which plague much of our country today. A striking example of the serious conditions of urban America is the unemployment rate for black youth, which has already reached an incredible 35 percent. It is imperative that we reinvest in the American working force by enacting this significant and vital program.

Mr. Speaker, the abrupt termination of the countercyclical aid in September 1978 created a fiscal nightmare for many cities and towns. At the suggestion of the Carter administration, these communities included countercyclical funds in their 1979 budgets. The sudden and unexpected expiration of this program last fall triggered costly layoffs, and large reductions in essential services.

I am convinced, Mr. Speaker, that this will be a cost effective program. Most importantly, this aid is targeted to those localities experiencing the most severe fiscal problems, and in the greatest need of regaining financial stability. In the broadest sense, this targeted aid will make the sacrifices necessary for budget austerity in fiscal year 1980 much more acceptable, in the context of our pressing national problems.

The proposal for antirecession aid before the 96th Congress are reduced from the program introduced, and rejected, last year. The flexibility which this program offers each qualifying community will allow it to address its greatest needs in difficult times. Authorization by this Congress of the countercyclical assistance program would provide state and local governments with a standby economic insurance program, which would act as a hedge against economic distress, in the event of an extreme downturn in our national economy.

Mr. Speaker, the 96th Congress must enact this important measure to assist the many communities with mounting fiscal problems. It is incumbent upon this Congress to fulfill pledges made to these municipalities over a year ago to forestall further layoffs of municipal employees and cutbacks in essential municipal services.

Mr. Speaker, for these reasons I urge adoption of a countercyclical assistance program.

☐ 1830

AN "AMERICA FIRST" ENERGY POLICY

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WEAVER) is recognized for 10 minutes.

● Mr. **WEAVER**. Mr. Speaker, our energy policy, if we have one, seems exactly the opposite of what we should do in acting in our own interest.

We burn our oil wastefully, a binge that cannot last. When our oil stocks disappear, food costs will soar, our national security will be in jeopardy and we, an oil have-not nation, will be at the mercy of those nations who still have oil.

We should be reserving oil for our future, by rationing, by setting aside national security reserves, and we should raise the price of our grains to pay for the oil we import.

In the Washington Post Sunday, Mr. William Greider wrote an article of which I would like to place some excerpts in the RECORD, which make these points:

AN "AMERICA FIRST" ENERGY POLICY?

For instance: Right now, while the United States is supposedly running out of oil, the oil companies are desperate to sell some of it to Japan. This oil—our oil—is pumped at greater expense in arctic Alaska and shipped by pipeline and tanker to the West Coast, where it immediately produces a glut—too much oil in California. Meanwhile, at additional great expense, the federal government is buying extra oil from the Arab nations and shipping it to Louisiana where—yes—this oil is pumped back into the ground. This is called our "National Energy Policy."

My friend and I worked out one of our own. Would it not be easier, also cheaper, simply to leave that Alaskan oil in the ground? We went further into the future and concluded that, if the world is really running out of oil (and we remain recklessly skeptical), let's save America's until last, burn up the other guy's first.

This is approximately the reverse of the proclaimed government policy under three presidents (though I will grant that some foreign nations insist that this is the true, unarticulated U.S. approach). Our private notion was that, if the world reaches a rocky patch when oil production cannot keep up with demand, any American of normal loyalty would want the U.S.A. to be sitting on the high end of the boat. This is not totally selfish. As the major industrial consumer of world oil production, the United States will someday have the largest management problems in the inevitable transition to alternative fuels.

Which brings me back to the serious computer analysis done by economists Ronald G. Ridker and William D. Watson, Jr. Unlike the doom studies, which assume hostile political decisions by foreign governments, Ridker-Watson assume that oil will continue to be bought and sold like other global commodities—wheat or coffee or rice. This means America may buy Arab oil or Chinese oil or even Russian oil, if the price is right.

Ridker and Watson warn: if the United States and its industial allies "use their own resources first and turn to OPEC when theirs are inadequate, as appears to be happening, a time will come when the principal remaining petroleum resources of the world will be controlled by the Communist countries."

To put it primitively, we can trade with the Commies now, when our leverage is good, or we will surely trade with them later, when we are desperate.

Now that's what I call a hard-headed, forward-looking energy policy. It looks at the world in real terms, beyond the fog of "crisis" propaganda. And it puts America first. Surely, everyone will drink to that.●

THE SPECTER OF THREE MILE ISLAND

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. **GONZALEZ**. Mr. Speaker, the specter of Three Mile Island will not go away; the incident there may soon pass the critical stage, but the age of innocence about nuclear power, if there ever was one, is gone forever.

We now know a taste of the terror that a nuclear accident holds; we know, too, that despite the assurances we have heard from renowned scientists and public servants, a nuclear power plant can be operated contrary to rules and regulations; and we know, too, that accidents can happen in even the newest of nuclear power plants—for Three Mile Island is the newest of them all. We know, worst of all, that the Nuclear Regulatory Commission safety programs are short of perfect; what is most terrifying of all is that we do not know how imperfect those safety programs may be.

The Nation is gripped by the urgent need to devise powerplants that are free of the strangling hand of foreign oil suppliers and cleaner than the coal-fired systems that once blackened the skies of big industries cities—but are we changing the poisons that we can see for those we cannot? It is a question that cannot be evaded, however much we may want to wish it away.

It is the nature of nuclear power that makes a nuclear accident so terrifying; the mind that is inured to death and mutilation by automobile accident, by industrial accident—by explosion or fire or disease—becomes terrified by the threat of radiation poisoning. The mind may prefer familiar devils, but even familiarity does not still the heart's terror of radiation poisoning; invisible, unfelt, nothing but an electronic trace, it can kill or maim or alter a life now, a year from now, a generation from now.

We know so little about the effects of radiation; only that it is silent, insidious, and that we have been as careless about it as any other deadly force invented in this century. That we know so little, that we have been so careless with this power speaks volumes for our hubris and ignorance alike.

In the back of our minds, we have known little things that should have warned us of the dangers—the fate of those Pacific islanders who have been returned to their atoll home at Bikini, supposedly to a cleaned-up test site, only to find that it was not safe after all, and moved away again. We have heard of subdivisions, whole towns endangered by the radiation from uranium mine tailings. We have heard of homes that may be radioactively dangerous, because of cement blocks used in them containing waste nuclear material. We have heard of all these things, but they have seemed far away, things to shrug our shoulders about and pass on, disturbed but not really comprehending.

Nuclear power, we have been told, is safe, it is abundant, it is cleanest of all. But we know now that for all the assurances, things can go wrong, that disaster can happen, and that if it does, it will be more than expensive, it will be terrifying beyond anything we have ever known.

There is an element of risk in everything. But the risk in nuclear power is special, as I have said. Industry representatives may complain that they are being held to a higher standard than anyone else in the power business, but that is not unfair; after all, no other type of powerplant has the potential for disaster that a nuclear plant does. However small that chance may already be, and it is small, indeed, we know today that it is altogether too great. The standards are not high enough yet.

At Three Mile Island, we know that the plant safety systems were not wholly operative at the time of the accident. They had not been for some time. The plant was being operated in violation of the safety standards and rules that were specified for it. Was it deliberate? Was it out of ignorance? It may be some time before we know.

But what this reveals is terrible. For what it reveals is that it was not only possible to physically operate that plant with some of its safety systems out of service, it was done without anybody taking corrective action. Not only does the plant design not lock out the system if it is not being operated safely, the inspection system allows unsafe operation to continue.

Where were the inspectors?

We know that one NRC inspector gave Three Mile Island clearance, on December 30, even though he reported that his inspection was not fully verified. One of the unverified features was a valve of the type that stuck in an open position during the accident, and spilled 200,000 gallons of contaminated water into the containment building.

I have information from one. Tens of millions of dollars rode on the ability to bring Three Mile Island into operation by December 31—rate increases and tax benefits. It would be a great temptation for an inspector to let a plant pass, if he knew how many millions of dollars would ride on the date of his "OK" report.

But there is more to the dilemma than this.

I do not believe that the NRC, in fact, performs all its own inspections. It relies on contract personnel to do this kind of thing. Construction firms likewise, will employ their own inspectors.

Yet a contractor inspector is going to be most sanguine in his work; after all, his company has a deadline to meet and cost estimates to stay within. A supposedly independent contractor doing inspections for the NRC may find himself in trouble if he is too zealous—for industry will not sit idly by if some inspector delays or threatens the viability of a project that may be valued in the billions of dollars.

In a business where absolute safety is not only a goal but a near necessity, we are left with no other conclusion than that the inspection process may be enormously flawed—flawed by the fact that inspectors employed by plant builders must confront the daily reality that their reports may conflict with the most urgent needs of their own employers; flawed by the fact that contract inspectors for the NRC may be subject to pressures subtle and outrageous alike; and flawed by the fact that the NRC, itself, the regulator of the industry, is also charged with its nurture and growth.

In such a climate as this, it is not necessary that inspectors be harassed or intimidated or suborned—though I have had reports that all this has happened. In such a climate as this, there need be only the pressure, day in and day out, for an inspector to calm his own doubts, spurred on by a great safety record to date, encouraged by a desire to make a new industry work, for the good of the whole country.

The veil is torn away; we know now that the inspection system is faulty, and that it is in fact the ultimate line of defense against nuclear accident. It is not an acceptable situation .

If safety systems are capable of being bypassed, as they were at Three Mile Island; and if the safety inspection systems are as flawed as they appear to be, where is the guarantee of safety?

The real guarantee may well lie in the simple fact that a nuclear plant operator may stand to lose more from being careless than from being safe. But who makes that determination? We should not have to rely upon that kind of calculus, the calculus of risk versus profit. It appears that we have been perilously close to that.

Three Mile Island is a symbol of a kind. It is a symbol of our own carelessness, our own wanting to believe that the unthinkable really cannot happen, and our realization that it can, indeed.

It can, indeed—unless we in Congress discharge our responsibility to the public. That responsibility is to ask the questions that now must be asked; not to accept bland assurances; not to overlook the real strains that exist between people of good conscience and people driven by the need to make huge risks of time and money pay off; and not to forget that whatever assurances the public may have are only as good as our own vigilance, no more and no less.

If Three Mile Island is not enough to warn us of our responsibility, we might heed the words of a man who never dreamed of nuclear power, but who recognized what forces we contend with, and what our responsibilities are. These are the words of Walt Whitman:

In many a smiling mask death shall approach beguiling thee,
Thou in disease shall swelter,
The livid cancer spread its hideous claws clinging upon thy breasts,
Seeking to strike the deep within,
Consumption of the worst, moral consumption, shall rouge they face with hectic,
But thou shall face thy fortunes, thy diseases, and surmount them all.

I have detailed some of my concerns in letters to the Nuclear Regulatory Commission, and the Attorney General and I enter those letters into the RECORD at this point:

WASHINGTON, D.C.,
April 5, 1979.

Hon. JOSEPH M. HENDRIE,
Chairman, U.S. Nuclear Regulatory Commission, Washington, D.C.

DEAR CHAIRMAN HENDRIE: In my earlier letter to you, I expressed concern that contractor-employed inspectors on nuclear power plant projects may be under considerable pressure to approve work that is only marginally adequate, owing to the immense amounts of money involved, and owing to pressures to meet completion schedules. In light of information I have received in the past day or two, I want to elaborate upon this, and raise some specific questions.

My understanding is that the Commission conducts independent inspections of nuclear power plant design and construction, and issues licenses on the basis of those independent inspections. I had always assumed that this meant that the NRC inspectors are Government employees, I have been told that in many cases, if not always, the NRC inspections are conducted by contractors employed by the Commission for that purpose. Is that correct?

I have been told that some or all NRC inspections at Three Mile Island were conducted by a contractor. Is that correct?

I have also been told that NRC inspections at the South Texas Nuclear Project are done by contract personnel. Is that correct?

In each case, if contract personnel were employed to act in behalf of the NRC, would you kindly provide me the name of the firm(s) you contracted with?

It has been suggested to me that marginally safey constructions items were approved at Three Mile Island, perhaps because there was disagreement as to the problems involved, but perhaps also because there was considerable pressure to get the plant on line by December 31, 1978. News reports indicate that a rate increase of $47 million depended upon meeting the December 31 date, which indeed was done.

My concern is that the Commission must assure itself that inspections are performed by capable, independent persons who are insulated from the financial interests and pressures involved with construction of nuclear power plants. There can be no dispute that the safety record to date of these plants has been enviable; but neither can there be any dispute that safety depends ultimately on the integrity of your inspection and regulatory system.

With best wishes, I am,

Sincerely yours,

HENRY B. GONZALEZ,
Member of Congress.

WASHINGTON, D.C.,
April 3, 1979.

Hon. JOSEPH M. HENDRIE,
Chairman, U.S. Nuclear Regulatory Commission, Washington, D.C.

DEAR CHAIRMAN HENDRIE: The municipal power company of San Antonio, known as City Public Service, is a partner in the South Texas Nuclear Project, currently under construction.

The South Texas Nuclear Project is designed to produce 2,500 megawatts of electricity, of which San Antonio would receive 28 per cent, or 700 megawatts. The plant is scheduled to be brought into service beginning sometime in 1981. So far as I am able to determine, the South Texas Nuclear Project will be the largest nuclear generating plant in the United States.

Even though this plant cannot be brought into service until and unless operating licenses are approved by your Commission, I am naturally concerned that every possible step be taken to ensure the safety and reliability of the plant.

It seems reasonably clear from various accounts that reactors of the type installed at Three Mile Island may have a common design defect; your Commission has accordingly instructed owners of these plants to begin an immediate review of their safety.

The South Texas employs a Westinghouse plant, not a Babcock & Wilcox plant. However, there have been intimations in the past that Westinghouse plants have had possible problems with corrosion in their steam generator tubes. It is said that at the South Texas plant this problem will be corrected by chemical means. Nevertheless, the possibility of a common design problem in Babcock & Wilcox reactors coupled with the possibility of a common problem in Westinghouse units, raises serious questions about the ultimate serviceability of the South Texas Project.

In view of the possibility, however remote, that there is a design problem common to nuclear power plants of a given manufacturer, does your Commission intend to order a safety review to include possible design problems at the South Texas Nuclear Project?

The construction of nuclear power plants involves, as you well know, very large amounts of money. The investment in the damaged unit at Three Mile Run exceeds $780 million; a similar unit at the South Texas Project would be valued at a billion or more dollars. With that kind of money involved, it is conceivable that constructors would want to avoid anything that would delay completion of a project or raise its costs. It would seem that inspectors would be at least as zealous to avoid the possibility of being too cautious in their assessments as they would be to ensure the integrity of the project. That is, inspectors would be at least as anxious to avoid raising the cost or delaying a project as they would be to do anything else. One inspector at the South Texas Project has alleged that he was fired for being too zealous; the managers say that the inspector was not trustworthy. Regardless of the outcome of this particular contest, does your Commission maintain continual surveillance during construction of these projects? Does it maintain independent inspectors of its own, and if it does, how many of these are assigned to the South Texas Nuclear Project?

Three Mile Island demonstrates that even a new plant is not absolutely safe. It also demonstrates that a huge investment can be rendered wholly unusable for an indefinite, perhaps even permanent period of time. If the plant is never capable of being repaired, investment on it (if ever paid) would not cover even half the original investment, let alone make up for the hundreds of thousands of dollars a day that are needed to purchase power to replace the lost production. It is this fact that necessitates action by your Commission to assure that all plants are not only safe, but reliable. If there is any question whatever about the safety of any plant, it cannot be operated; and if it cannot be operated, the costs to ratepayers are simply astronomical.

Thus, if there is any question whatever about the ultimate safety and reliability of the South Texas Nuclear Project, the time to know this is now—now, while corrective steps can be taken. If there is any possibility at all that this project will have to be modified, the time to act on that problem is now. It would be far better to delay this plant now than it would to see it taken out of service or modified at great cost two or three years hence.

For that reason, I am requesting that your Commission act at once to review plants in progress, and particularly the South Texas Nuclear Project, with a view of determining what actions are needed, if any, to ensure that there is no doubt about their safety and serviceability. If this means delaying work in progress, it would be less costly to incur such delay than it would be to start anew with a finding down the line that containment buildings are not sufficient or that critical reactor components cannot be relied upon, or that safety systems must be redesigned and rebuilt.

Sincerely yours,

HENRY B. GONZALEZ,
Member of Congress.

WASHINGTON, D.C.,
April 5, 1979.

Hon. GRIFFIN B. BELL,
The Attorney General, Department of Justice, Washington, D.C.

DEAR GENERAL BELL: The San Antonio City Public Service Board is a 28 per cent owner of the South Texas Nuclear Project, a 2,500 megawatt plant now under construction at Bay City, Texas. The ultimate cost of this project will probably exceed $2 billion.

As you are aware, the Nuclear Regulatory Commission sets exceedingly high standards for safety and requires stringent controls on the quality of materials and structures. At the same time, the immense cost of such projects is a constant invitation to evade quality standards and to get the job completed on time and within cost projections. This sets up a strong conflict between quality controls and economic considerations.

I have received reports that inspectors at the South Texas Nuclear Project have been subject to various kinds of harassment and intimidation. One construction employee, a concrete foreman by the name of Hinds, was killed in a strange, apparent burglary attempt at a beach house not far from the site. The person who shot him was no-billed, it being alleged that Hinds was in the act of committing a burglary. An inspector named Perry claims to have been fired for insisting that safety standards in his section be met. Another, named Swayze, claims in a lawsuit that he was fired for overzealous inspections. Other less specific allegations have been reported to me, indicating that inspection documents have been falsified and that inspector initials have been forged.

I have not had an opportunity to obtain detailed information on these matters. However, should these allegations be true, it would indicate that an attempt has been made to defraud the Nuclear Regulatory Commission, which I judge would be a criminal action against the Government. If, indeed, there is cause to believe that such an effort has been made, I request that you act at once to investigate fully and bring action against the responsible persons.

With best wishes, I am,

Sincerely yours,

HENRY B. GONZALEZ,
Member of Congress.

AIR FORCE DR. DOMINIC CATRAMBONE WINS FREEDOM ESSAY CONTEST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, Capt. Dominic Catrambone, a medical doctor serving in the Air Force who is a former resident of my congressional district in Chicago, recently won the George Washington Freedom Medal and a $50 U.S. savings bond from the Freedoms Foundation for his outstanding essay on the meaning for him personally of our precious heritage of freedom in our United States of America.

It is heartwarming, indeed, to read Captain Catrambone's words of patriotism, especially in this day and age when too few of our citizens give any thought at all to the glorious legacy of liberty which our Founding Fathers left to us.

I extend my heartiest congratulations to Captain Catrambone on meriting this honor, and send him my warmest best wishes for continued success in his career.

Mr. Speaker, a copy of the captain's essay follows as contained in an article on his award from the Hi-Desert Flyer newspaper published for the personnel at George Air Force Base in California. The article follows:

WHY AM I IN THE UNIFORM OF MY COUNTRY

I wear my uniform because I believe in it.

It would be much more fortunate if a world existed in which no country needed to employ military forces. It would be ideal if all people could live peacefully.

It would be wonderful if people such as Adolph Hitler, Mussolini and others were merely figures of someone's imagination; however, the world has not been so fortunate. Greed, persecution, denial of rights and war have been part of Man's history. There must be a powerful force that can stand as a deterrent to those who would bind and chain, or even annihilate innocent people. The deterrent force must be our people in uniform. We must show the world that our rights and government by the people are worth promoting and defending.

No other country on earth has had a history like our U.S.A. Our proud country has progressed from a population of persecuted exiles and peoples with visions of freedom to a nation of free people. Despite some failures and short-comings, the U.S.A. is still unique in its position as a place to live and to grow. No other country can offer the opportunities which we enjoy. No other nation can quite duplicate the diversity and accomplishments of our forefathers and of our present population. We experience a life that is well worth defending and protecting; unfortunately, there are powers in the world who despise and resent our accomplishments. There are powers who have a sole goal of burying our accomplishments and dreams. It is because of these people that some of us must serve as a ready force to deter their threats. There must be sacrificing individuals who labor so that the general population may enjoy the unique benefits of our freedom. Unselfish individuals have fought and died for over two-hundred years in order to preserve a dream that was felt by many to be an impossibility. These people who have served in the various uniforms of the United States are a testimony to that original dream.

When one thinks of the glorious history of such a young nation, it seems impossible not to be proud of one's respective uniform. I am proud to say that our national anthem swells my heart with pride and often brings tears of joy to my eyes. It is a great honor for me to wear the uniform of my homeland. I have always been proud to say that I am an American. I pray that Americans will always appreciate our uniqueness in the annals of Mankind. May young American children be taught that the U.S. flag and the uniforms of our country are symbols to be respected and protected. I also hope that those Americans in uniform will always ensure that our Stars and Stripes always fly proudly "o'er the land of the free and the home of the brave". ●

EXPORT-IMPORT BANK FINANCING NOTIFICATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, I call to the attention of my colleagues two communications from the Export-Import Bank of the United States that have been referred to me as chairman of the Banking Subcommittee on International Trade, Investment, and Monetary Policy.

These letters notify the Congress of two proposed Eximbank transactions to assist in the sale of U.S.-made jet aircraft to airlines in Singapore and Brazil.

Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, requires the Eximbank to notify the Congress of proposed loans or financial guarantees or combination thereof in an amount of $100 million or more at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the Bank may give final approval to the transaction unless the Congress dictates otherwise.

In the notification announced today, the Eximbank proposes to extend a direct credit of $154,683,400 to Singapore Airlines Limited (SIA) to facilitate the purchase in the United States of five new Boeing 747-200B jet aircraft, four new Boeing 727-200 jet aircraft and three new McDonnell Douglas DC-10-30 jet aircraft and related spare engines and parts. SIA is the commercial air carrier of Singapore and is 99 percent owned by the government of Singapore; the remaining shares are owned by the airline's employees.

The Eximbank credit of $154,683,400 will facilitate the export of $524,210,000 of U.S. goods. The Bank's participation will finance 42.5 percent of both the Boeing 727-200 and the McDonnell Douglas DC-10-30 aircraft and 20.7 percent of the Boeing 747-200B aircraft purchase. The Eximbank credit will bear interest at 8 percent per annum, payable semiannually.

In the second transaction, the Eximbank proposes to extend a direct credit of $97,500,000 and to issue a guarantee of a $97,500,000 loan to finance the purchase by Viacao Aerea Rio-Grandense (VARIG) of Brazil of five DC-10-30 jet aircraft and related spare parts and of equipment and services to modify four DC-10-30 planes now owned by VARIG. VARIG is a privately owned Brazilian airline that has been in operation for 52 years; it claims to be the world's largest private airline outside the United States. The Eximbank loan and guarantee will cover 74.4 percent of the $262,158,000 sale. The Bank will charge an annual interest rate of 8.5 percent, payable semiannually, plus fees.

I am inserting in the RECORD the letters from Eximbank pertaining to these transactions. I will welcome any comments any of my colleagues may wish to offer concerning this proposed Eximbank financing:

EXPORT-IMPORT BANK OF
THE UNITED STATES,
Washington, D.C., March 30, 1979.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES,
The Speaker's Room, H-209, U.S. Capitol, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Section 2 (b) (3) (I) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States House of Representatives with respect to the following transaction involving U.S. exports to Brazil:

A. *Description of Transaction*

1. *Purpose*

Eximbank is prepared to extend a direct credit of $97,500,000 and to issue a guarantee with respect to a credit of $97,500,000 to be extended by a United States private lender to "VARIG" S.A. (Viacao Aerea Rio-Grandense). The purpose of this Eximbank financing is to facilitate the purchase from the United States by VARIG of (i) five DC-10-30 jet aircrcaft (including engines), related spare parts, ground equipment and services, and (ii) equipment and services to modify four DC-10-30 jet aircraft now owned and in use by VARIG. Total U.S. exports from this transaction are valued at $262,158,000.

2. *Identity of the Parties*

(a) *Varig S.A. (Viacao Aerea Rio-Grandense)*

VARIG is a privately-owned Brazilian airline which has been in operation for 52 years. It claims to be the world's largest privately-owned airline outside of the United States. Eximbank's credit experience in financing prior aircraft purchases by VARIG dates from 1956 and has been uniformly satisfactory.

(b) *Banco Nacional do Desenvolvimento Economico*

VARIG's debt obligations to Eximbank and the private lender guaranteed by Eximbank for the subject transaction will be unconditionally guaranteed by Banco Nacional do Desenvolvimento Economico (BNDE). BNDE is a development bank of the Brazilian government, which has maintained a good earnings record and a sound financial condition over many years and with which Eximbank has had satisfactory credit experience in transactions dating from BNDE's creation in 1952. It has become the Brazilian government's most important instrument for channeling financial resources to key sectors of the Brazilian economy, and, while BNDE's obligations do not carry the full faith and credit of the Brazilian government, there is a strong element of implicit government support due to BNDE's ownership by the government and its importance to the Brazilian economy.

3. *Nature and Use of Goods and Services*

The principal goods and services to be exported from the United States are five commercial jet aircraft (including engines), related spare parts (including spare engines) and ground equipment, at a total cost of about $259,358,000. In addition, equipment to effect modifications in four aircraft now in service with VARIG will be exported at a cost of about $2,800,000. The airframes will be manufactured in Long Beach, California, by Douglas Aircraft Company of McDonnell Douglas Corporation of St. Louis, Missouri. The engines will be manufactured at the General Electric engines plant in Cincinnati, Ohio. In addition, other U.S. firms will participate in the manufacture of parts for the aircraft. Non-U.S. components for the aircraft of about $8,500,000, in addition to the total of $262,158,000 for U.S. goods and services, will be manufactured in Canada by the Douglas Aircraft Company and are not included in the financing plan set out below.

The aircraft are to be used on routes from Brazil to cities in several other Latin American countries, namely, Argentina, Chile, Colombia, Panama, Peru, Mexico, and Uruguay, as well as to Miami and New York. VARIG's U.S. routes have been in effect for many years.

B. Explanation of Eximbank Financing

1. *Reasons*

The Eximbank credit and guarantee totalling $195,000,000 will result in U.S. exports with a total value of $262,158,000. These U.S. exports will have been achieved in the face of strong competition from the A-300-B4 jet aircraft manufactured by Airbus Industries. That aircraft was presented to VARIG as a viable alternative with financing support of the French government.

The Eximbank financing appears to have been a decisive factor in winning this sale for U.S. suppliers, a matter of particular significance to the aircraft industry where sales, profits, and employment for U.S. aircraft manufacturers are heavily dependent on exports.

Through 1990, aircraft purchases by foreign airlines are expected to account for approximately 40 percent of total U.S. aircraft sales. Eximbank's financial support for exports of U.S. aircraft has assisted U.S. aircraft manufacturers in obtaining approximately 80 percent of the world market for commercial jet aircraft.

This sale will have a very favorable impact on income and employment in various geographic areas of the United States, affecting a number of U.S. firms. McDonnell Douglas estimates that this sale will generate a total of 2,900 man years of employment, 53 percent of which would benefit McDonnell Douglas's employees in Long Beach, California, and 47 percent of which would benefit U.S. contractors located in 35 States with the principal beneficiaries being California, Ohio, and Texas.

Future benefits that might be expected to flow from this financing are the follow-on exports of spare parts and equipment for modification of the aircraft being financed under this transaction (similar to the modifications being made in this transaction for the four aircraft already in service for VARIG).

2. *Financing Plan*

The financing plan for the total U.S. goods and services of $262,158,000 is as follows:

	Percentage of U.S. costs	Totals
Cash payment	15.0	$39,323,700
Eximbank credit	[1] 37.2	97,500,000
Private loan with Eximbank	[1] 37.2	97,500,000
Private loan without Eximbank guarantee	[1] 10.6	27,834,300
Total	100.0	262,158,000

[1] Approximate.

(a) *Eximbank Charges*

The Eximbank credit will bear interest at the rate of 8½% per annum, payable semiannually; Eximbank will charge commitment fees of ½ of 1% per annum on the undisbursed portion of the Eximbank credit and ⅛ of 1% per annum on the undisbursed portion of the private loan guaranteed by Eximbank; and Eximbank will charge a guarantee fee of ¾ of 1% per annum on the amount of the private loan guaranteed by Eximbank disbursed and outstanding.

(b) *Repayment Terms*

The Eximbank credit and the guaranteed and unguaranteed private loans will be repaid by VARIG in two schedules of 20 approximately equal semiannual installments each. Amounts disbursed through December 31, 1980, will be repaid under the first schedule, beginning July 10, 1981. Amounts disbursed after December 31, 1980, will be repaid under the second schedule, beginning January 10, 1982. Under each schedule the private loan unguaranteed by Eximbank will be repaid first, the private loan guaranteed by Eximbank next, and the Eximbank credit last.

Sincerely,

H. K. ALLEN.

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., March 29, 1979.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES,
The Speaker's Room, H-209, U.S. Capitol, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Section 2(b) (3) (I) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the House of Representatives with respect to the following transaction involving U.S. exports to Singapore:

A. *Description of Transaction.*

1. *Purpose*

Eximbank is prepared to extend a direct credit of $154,683,400 to Singapore Airlines Limited (SIA). The purpose of the Eximbank financing is to facilitate the purchase in the United States by SIA of five new Boeing 747-200B jet aircraft, four new Boeing 727-200 jet aircraft and three new McDonnell Douglas DC-10-30 jet aircraft and related spare engines and parts. The engines for the Boeing aircraft are Pratt and Whitneys manufactured by United Technologies Corporation and the engines for the McDonnell Douglas aircraft are manufactured by the General Electric Company. The total U.S. export value for this transaction is estimated to be $524,210,000.

2. *Identity of the Parties*

(a) *Singapore Airlines Limited*

SIA is the commercial air carrier of Singapore and is 99% owned by the Government of Singapore; the remaining shares are held by SIA's employees. In 1971 Singapore and Malaysia agreed to separate Malaysia-Singapore Airlines Ltd. into two national carriers with SIA obtaining most of the predecessor's international routes. In 1972 SIA was incorporated under the laws of Singapore and became the national carrier of Singapore. Eximbank has previously made six loans to SIA or its subsidiaries and repayments have been made on a timely basis. SIA currently flies to 31 cities in 26 countries, mainly in the western Pacific but also in the Middle East and Europe. It will inaugurate in April 1979 passenger service to San Francisco via Honolulu, its first passenger route to the United States.

(b) *Government of Singapore*

The Government of Singapore will unconditionally guarantee payment of SIA's indebtedness to Eximbank under the direct credit as it has done in the previous six transactions.

3. *Nature and Use of Goods and Services*

The principal goods to be exported from the United States are 19 commercial jet aircraft, 12 of which are to be financed in part by Eximbank, to be used by SIA on its western Pacific, Middle East and European routes. The airframes for the 727's and 747's will be manufactured in the Seattle-Renton-Everett area by The Boeing Company of Seattle, Washington and the airframes for the DC-10's will be manufactured in Long Beach, California by the Douglas Aircraft Company of McDonnell Douglas Corporation of St. Louis, Missouri. The engines for the Boeing aircraft and the McDonnell Douglas aircraft will be manufactured respectively by the Pratt and Whitney Aircraft in Hartford, Connecticut and the General Electric engines plant in Cincinnati, Ohio. In addition, other U.S. firms will furnish spare parts. An additional $4,800,000 of components for the DC-10 aircraft will be manufactured in Canada by the Douglas Aircraft Company and will not be financed by Eximbank.

B. *Explanation of Eximbank Financing*

1. *Reasons*

The Eximbank credit of $154,683,400 will facilitate the export of $524,210,000 of United States goods. Sales, profits and employment for U.S. aircraft manufacturers and their subcontractors are heavily dependent upon exports. Through 1990, aircraft purchases by foreign airlines are expected to account for approximately 40 percent of total U.S. aircraft sales. Eximbank's financial support for exports of U.S. aircraft has assisted U.S. aircraft manufacturers in obtaining approximately 80 percent of the world market for commercial jet aircraft.

Boeing estimates that the export of its nine aircraft will provide 7.3 million man/hours of work for Boeing and its subcontractors. McDonnell Douglas Corporation estimates that the export of its three aircraft will provide 3.7 million man/hours of work for MDC and its subcontractors. Additional benefit which flow to the United States from the transaction include sizeable follow-on exports of spare parts, ground support and other related equipment.

It should be pointed out that due to the nature of SIA's routes, where even long distance flights are broken by many intermediate stops SIA could have purchased the Airbus Industrie's A-300 to accomplish the same purpose and this European made aircraft was seriously considered by SIA for its fleet expansion. Also, the financing terms for the A-300 are usually more generous than those offered by Eximbank; and on occasion the relevant European governments have offered intangible inducements to potential purchasers of the A-300 such as landing rights. SIA currently operates an all U.S. manufactured fleet of aircraft with past Eximbank support having financed many of these aircraft.

SIA is also purchasing seven additional new Boeing 747-200-B jet aircraft and related spares, having an estimated U.S. cost of $450,000,000, without Eximbank financial support. SIA intends to use these seven aircraft on long distance routes on which the A-300 could not be used and Eximbank offered therefore its guarantee and not direct credits to finance the aircraft. SIA decided to finance this purchase without the Eximbank guarantee. Boeing estimates that the export of these seven aircraft will provide 8.4 million man/hours of work for Boeing and its subcontractors.

2. *The Financing Plan*

The financing plan for the total U.S. procurement supported by Eximbank, divided according to type of aircraft, is as follows:

(I) for the Boeing 727-200 aircraft and related spares:

	Percentage of U.S. costs	Totals
Cash payment	15.0	$9,360,000
Private financing (without an Eximbank guarantee)	42.5	26,520,000
Eximbank credit	42.5	26,520,000
Total	100.0	62,400,000

(II) for the McDonnell Douglas DC-10-30 aircraft and related spares:

	Percentage of U.S. costs	Totals
Cash payment	15.0	$22,471,500
Private financing (without an Eximbank guarantee)	42.5	63,669,250
Eximbank credit	42.5	63,669,250
Total	100.0	149,810,000

(III) for the Boeing 747-200B aircraft and related spares:

	Percentage of U.S. costs	Totals
Cash payment	15.0	$46,800,000
Private financing (without an Eximbank guarantee)	42.5	132,600,000
Refinancing (see explanation below)	21.8	68,106,600
Eximbank credit	20.7	64,493,400
Total	100.0	312,000,000

The Refinancing mentioned above refers to the fact that SIA will sell five older Boeing 747 jet aircraft, financed under past Eximbank credits, and instead of prepaying the past credits. SIA will use the proceeds to pay part of the cost of the new Boeing 747 package. Eximbank will now receive interest at the rate of 8 percent per annum on the unpaid amount of the Refinancing instead of a weighted rate of 6.7 percent per annum on the unpaid amounts of the existing credits.

(a) *Eximbank Charges*

The aggregate Eximbank Credit and the Refinancing will bear interest at the rate of 8 percent per annum, payable semiannually. A commitment fee of ½ of 1 percent per annum will also be charged on the undisbursed portion of the aggregate Eximbank Credit.

(b) *Repayment Terms*

I. The financing for the Boeing 727-200 aircraft and spares will be repaid by SIA in 15 semiannual installments beginning February 7, 1980, with the lenders of the Private Financing receiving the early installments and the Eximbank receiving the later installments.

II. The financing for the McDonnell Douglas DC-10-30 aircraft and spares will be repaid by SIA in 14 semiannual installments beginning August 7, 1980, with the lenders of the Private Financing receiving the early installments and Eximbank receiving the later installments.

III. The financing of the Boeing 747-200B aircraft and spares will be repaid by SIA in 13 semiannual installments beginning January 7, 1981, with the lenders of the Private Financing receiving the early installments repaying disbursements under the Eximbank Credit and the Refinancing mentioned above.

Sincerely,

H. K. ALLEN.●

THE PANAMA CANAL: URGING SUPPORT OF H.R. 1958

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD), is recognized for 10 minutes.

● Mr. FLOOD. Mr. Speaker, on March 29, 1979, this body of the Congress, after considerable debate, adopted by the decisive vote of 272 to 117, the following amendment to the International Security Assistance Act of 1979: "None of the funds authorized by this Act shall be made available to the Republic of Panama or its agencies or instrumentalities." (CONGRESSIONAL RECORD, Mar. 29, 1979, pp. 6808-6810.)

In examining the rollcall for that action, I note that I was inadvertently paired as being against the amendment. Since that error has caused some uncertainty in the Congress as well as in various parts of the Nation as to my stand on surrendering the U.S. Canal Zone and Panama Canal, I desire to make my position positively clear.

Because of my studies of Panama Canal history and problems over many years and long association with other Isthmian and Caribbean as well as investigation of the World War II Katyn massacre, I have vigorously opposed various attempts by successive administrations to surrender U.S. sovereign control over either the Canal Zone or canal to Panama, any other country, or international organization.

In view of the current mounting world crisis, as shown by recent events affecting the Republic of China on Taiwan, Nicaragua, southern Africa, the Near East, and especially Iran, I still oppose the projected surrender, now more strongly than ever. Moreover, I urge all my colleagues interested in the security of the United States or interoceanic commerce to cosponsor H.R. 1958, introduced by Representative GEORGE HANSEN and of which I am one of its many cosponsors, known as taxpayer relief amendments to Panama treaty legislation. This can be done by calling the office of Representative HANSEN.●

PRIVATE CALENDAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BOLAND) is recognized for 5 minutes.

● Mr. BOLAND. Mr. Speaker, I would like to take this opportunity to set forth some of the history behind, as well as describe the workings of the Private Calendar. I hope this might be of some value to the Members of this House, especially our newer colleagues.

Of the five House calendars, the Private Calendar is the one to which all private bills are referred. Private bills deal with specific individuals, corporations, institutions and so forth, as distinguished from public bills which deal with classes only.

Of the 108 laws approved by the First Congress, only 5 were private laws. But their number quickly grew as the wars of the new Republic produced veterans and veterans' widows seeking pensions and as more citizens came to have privvate claims and demands against the Federal Government. The 49th Congress—1885 to 1887—the first Congress for which complete workload and output date is available—passed 1,031 private laws, as compared with 434 public laws. At the turn of the century, the 56th Congress passed 1,498 private laws and 443 public laws—a better than 3 to 1 ratio.

Private bills were referred to the Committee of the Whole House as far back as 1820, and a calendar of private bills was established in 1839. These bills were initially brought before the House by special orders, but the 62d Congress changed this procedure by its rule XXIV, clause 6, which provided for the consideration of the Private Calendar in lieu of special orders. This rule was amended in 1932 and then adopted in its present form on March 22, 1935.

A determined effort to reduce the private bill workload of the Congress was made in the Legislative Reorganization Act of 1946. Section 131 of that act banned the introduction or the consideration of four types of private bills: first, those authorizing the payment of money for pensions; second, for personal or property damages for which suit may be brought under the Federal tort claims procedure; third, those authorizing the construction of a bridge across a navigable stream, or fourth, those authorizing the correction of a military or naval record.

This ban afforded some temporary relief but was soon offset by the rising post war and cold war flood for private immigration bills. The 82d Congress passed 1,023 private laws, as compared with 594 public laws. The 88th Congress passed 360 private laws as compared with 666 public laws.

Under rule XXIV, clause 6, the Private Calendar is called the first and third Tuesday of each month. The consideration of the Private Calendar bills on the first Tuesday is mandatory unless dispensed with by a two-thirds vote. On the third Tuesday, however, recognition for consideration of the Private Calendar is within the discretion of the Speaker and does not take precedence over other privileged business in the House.

On the first Tuesday of each month, after disposition of business on the Speaker's table for reference only, the Speaker directs the call of the Private Calendar. If a bill called is objected to by two or more Members, it is automatically recommitted to the committee reporting it. No reservation of objection is entertained. Bills unobjected to are considered in the House as in Committee of the Whole.

On the third Tuesday of each month, the same procedure is followed with the exception that omnibus bills embodying bills previously rejected have preference and are in order regardless of objection.

Such omnibus bills are read by paragraph, and no amendments are entertained except to strike out or reduce amounts or provide limitations. Matter so stricken out shall not be again included in an omnibus bill during that session. Debate is limited to motions allowable under the rule and does not admit motions to strike out the last word or reservation of objections. The rules prohibit the Speaker from recognizing Members for statements or for requests for unanimous consent for debate. Omnibus bills so passed are thereupon resolved in their component bills, which are engrossed separately and disposed of as if passed separately.

Private Calendar bills unfinished on one Tuesday go over to the next Tuesday on which such bills are in order and are considered before the call of bills subsequently on the calendar. Omnibus bills follow the same procedure and go over to the next Tuesday on which that class of business is again in order. When the previous question is ordered on a Private Calendar bill, the bill comes up for disposition on the next legislative day.

Mr. Speaker, I would also like to describe to the newer Members the official objectors system the House has established to deal with the great volume of private bills.

The majority leader and the minority leader each appoint three Members to serve as Private Calendar objectors during a Congress. The objectors are on the floor ready to object to any private bill which they feel is objectionable for any reason. Seated near them to provide technical assistance are the majority and minority legislative clerks.

Should any Member have a doubt or a question about a particular private bill, he can get assistance from the objectors, their clerks, or from the Member who introduced the bill.

The great volume of private bills and the desire to have an opportunity to study them carefully before they are called on the Private Calendar has caused the six objectors to agree upon certain ground rules. The rules limit consideration of bills placed on the Private Calendar only shortly before the calendar is called. The agreement is as follows:

Reaffirming the policy initially adopted on June 3, 1958, the members of the Majority Private Calendar Objectors Committee have today agreed that during the 96th Congress, they will consider only those bills which have been on the Private Calendar for a period of 7 calendar days, excluding the day the bill is reported and the day the calendar is called. Reports must be available to the objectors for 3 calendar days.

It is agreed that the majority and minority clerks will not submit to the objectors any bills which do not meet this requirement.

This policy will be strictly enforced except during the closing days of a session when House rules are suspended.

This agreement was entered into by: The gentleman from Massachusetts (Mr. BOLAND), the gentleman from Minnesota (Mr. OBERSTAR), and the gentleman from Pennsylvania (Mr. ERTEL); and the minority objectors: The gentleman from Maryland (Mr. BAUMAN), the gentleman from California (Mr. ROUSSELOT), and the gentleman from Wisconsin (Mr. SENSENBRENNER).

I feel confident that I speak for my colleagues when I request all Members to enable us to give the necessary advance consideration to private bills, by not asking that we depart from the above agreement unless absolutely necessary.●

INCREASING APPROPRIATIONS UNDER THE OLDER AMERICANS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing a resolution which calls on the Congress to approve a $244.1 million supplemental appropriation for programs under the Older Americans Act. This resolution also calls on the Congress to approve appropriations for the fiscal year beginning on October 1 of this year, fiscal year 1980, in an amount which will fund services in greater or equal amounts to that provided during the fiscal year beginning October 1 of last year, fiscal year 1979.

I am pleased to announce that my resolution is cosponsored by 43 of my colleagues, and has received an endorsement from the American Association of Retired Persons (AARP).

Mr. Speaker, the need for this supplemental appropriation is clear. Last year, the Congress authorized significantly higher authorizations for Older Americans Act programs. Because the authorization was adopted late in the session, the Congress passed a continuing resolution funding fiscal year 1979 programs at the fiscal year 1978 level of $721 million.

Considering that the 1978 amendments to the act added new financial burdens to recipients of program funds, and that inflation continues to erode the value of services purchased with each dollar, it is important that this Congress expedite consideration of a generous supplemental appropriation.

The administration has requested a supplemental appropriation for fiscal year 1979 of $20.9 million, an amount which fails to meet the needs of these programs. Unless the Congress adopts a supplemental appropriation with significantly higher funding, there will be massive cutbacks in the provision of social services, particularly in the nutrition and senior jobs programs.

The level of funding called for in my resolution would be sufficient to provide the following increases: $4,500,000 for State agency activities; $63,970,000 for area agency services and centers; $79,590,000 for nutrition; $3,000,000 for the White House Conference on Aging; $4,143,000 for research, training and special projects; and $88,900,000 for community service employment for older Americans.

Local aging offices have informed me that these increases are needed to fund their programs so that vital services can be provided to our senior citizens.

The Congress demonstrated its commitment to the needs of our senior citizens by approving last year's amendments to the Older Americans Act. It is time now for the Congress to make good on that commitment by approving the supplemental appropriation called for in my resolution, and I urge my colleagues to support it.

The text of the resolution follows:

H. RES. 219

A resolution expressing the sense of the House of Representatives that the Congress should approve supplemental appropriations to provide sufficient funds for programs under the Older Americans Act of 1965

Whereas the Congress, in enacting the Comprehensive Older Americans Act Amendments of 1978, restructured and improved the delivery of essential services to senior citizens under the Older Americans Act of 1965 by consolidating administration of community programs, senior centers, and nutrition programs; and

Whereas the Comprehensive Older Americans Act Amendments of 1978 expands services to senior citizens by authorizing long-term care demonstration programs which emphasize non-institutional programs for the elderly, increasing the availability of legal services to senior citizens, encouraging the construction of multipurpose senior centers, and increasing services for senior citizens who live in rural areas; and

Whereas the Ninety-fifth Congress failed to appropriate funds for these expanded services to senior citizens; and instead enacted a continuing resolution providing funding for programs under the Older Americans Act of 1965 for fiscal year 1979 at the same level as that provided for such programs for fiscal year 1978 despite the effects of inflation and despite the need for increased funding for the expanded services authorized by the Comprehensive Older Americans Act Amendments of 1978; and

Whereas the level of funding provided for fiscal year 1979 is insufficient to fund the programs authorized under the Older Americans Act of 1965 (as amended by the Comprehensive Older Americans Act Amendments of 1978) without requiring a severe reduction in services under those programs; and

Whereas additional funding under a supplemental appropriation is urgently needed to provide for the expanded services authorized under the Comprehensive Older Americans Act Amendments of 1978 and to avoid a severe reduction in other services authorized under the Older Americans Act of 1965: Now, therefore, be it

Resolved by the House of Representatives of the United States of America in Congress assembled, That it is the sense of the House of Representatives that programs under the Older Americans Act of 1965 should receive sufficient funds to meet the needs of this Nation's senior citizens, and that the Congress (1) should approve supplemental appropriations for such programs for the fiscal year ending September 30, 1979, in the amount of $244,100,000, and (2) should approve appropriations for such programs for the fiscal year ending September 30, 1980, in an amount which equals or is greater than the amount provided for such programs for the fiscal year ending September 30, 1979.●

WHEN IT COMES TO POPULATION, WE ARE NOT THINKING AHEAD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. OTTINGER) is recognized for 5 minutes.

● Mr. OTTINGER. Mr. Speaker, we are a forward-looking nation, forever poised with one foot on the threshold of a better tomorrow. Whether in settling the West or landing on the Moon, we have been thinking about tomorrow. Even as we have shifted from simply discovering new resources to also planning for their conservation, our sights have been on the future.

But, as Syndicated Columnist Ellen Goodman has written recently, we often overlook what is most fundamental to our lives and well-being. In my opinion, when it comes to people themselves, we are not thinking or planning ahead.

That is the most striking finding of the House Select Committee on Population last year. There were 16 members on the committee. They represented both parties, almost all standing committees of the House, and certainly a variety of points of view on the role of government in private well-being. After a year's work, the committee members concluded:

> The federal government has no capacity to plan systematically for population changes; yet changes in the size, age composition and geographical distribution of the population can, and often do, have profound effects on federal policies, and federal policies and programs often influence the direction of populations change unintentionally.

We are trying to plan ahead for adequate energy, reduced inflation, fuller employment, more effective education, improved health care, a better protected environment. More often than not we persist in ignoring what is most fundamental to all of these—people themselves.

As Members of Congress we should be more aware of that than most in Government. When our communities grow at boomtown rates we are among the first to hear about it. When their age compositions change, it registers in our constituents' letters and requests. When public schools are bursting at the seams or closing down, the Halls of Congress are one of the places where solutions are expected to be found. And, obviously, when our districts change in size, our offices experience the effects.

These kinds of population changes are so basic to so much of our work in Congress, yet they receive so little direct attention. The Federal Government at large is no exception. The select committee has reported:

> Policymakers at all levels of government and the American public have limited understanding of the long-term consequences of population change for individuals and society as a whole. The federal government has not made a concerted effort to educate either the public or the policymakers about population trends and their consequences.

During 1978, much of the work of the select committee was to assist standing committees to expand on their review of population issues, including contraceptive development, immigration, and foreign aid for population planning. But I believe the committee's greatest contribution to the work of the House was to identify an issue to which no single committee had given attention—population change and Federal policymaking.

In its final report of recommendations, the committee concluded:

> Policies which influence or are influenced by population change can be found in all federal agencies. Yet, no single agency has the authority to coordinate these often-conflicting policies. The Committee recommends that the Congress undertake a thorough investigation to identify all population-sensitive programs and policies, to assess their impact on population, and to consider alternative mechanisms for improving the ability of the federal government to:
>
> (a) conduct continuing analysis of the interrelationship of demographic change and federal programs and policies;
>
> (b) coordinate programs and policies which will be affected by changes in the size, composition and geographical distribution of the population, or which may affect population; and
>
> (c) develop alternative policies and programs for planning for future population change and assess the short-term and long-term costs and benefits of each course of action.

The work of the Select Committee on Population is completed. The committee has compiled recommendations that are geared to improving the work and effectiveness of Congress and the administration, not just to highlighting population issues. Now the work of the House begins—as individual members and committees—to act on these recommendations.

I, for one, an especially concerned about the committee's finding that the "United States has no explicit policy outlining goals relating to the overall size, growth and distribution of the population . . ." To encourage debate and support for coordinated Federal planning for population change and eventual stabilization, I will be introducing soon legislation to declare a national population policy for stabilization and to establish a White House Office of Population Policy.●

AFGHANISTAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

● Mr. FASCELL. Mr. Speaker, the murder of a distinguished American diplomat, Adolph Dubs, in Afghanistan only 7 weeks ago shocked and saddened all of us. We, however, must not allow that event, and the role Soviet advisors played in it, to divert our attention from a more fundamental and disturbing series of actions by the Soviet Union in Afghanistan which may threaten the stability and peace of that region of Asia.

Confronted by strong internal opposition to its policies, the Taraki regime in Afghanistan has embarked on a classic Communist plan to blame indigenous problems on outside intervention. In my views, there is little doubt that use of such a tactic is the product of Soviet advice. The Soviet press itself—and by that I mean so-called authoritative commentators—have been alleging in recent weeks that the United States and other countries are supporting dissident groups in both the eastern and western parts of the country.

Spokesmen for our Government have repeatedly said that allegations of such interference by this country are totally false. U.S. State Department spokesman Hodding Carter has said that "The United States has not interfered in the internal affairs of Afghanistan." And I have been personally assured that the United States is not involved.

Yet these Soviet allegations persist, and I am led, with some concern, to wonder whether in fact this might be a smokescreen for some move the Russians are planning themselves.

We do know that they are very active, themselves, in Afghanistan right now. Since the Marxist regime took over, the number of Soviet advisers there has continued to grow. Soviets now actually work in several government ministries in that country, especially those having to do with the military and police. (It was such Soviet advisors who were on the scene directing events when our Ambassador to Kabul was tragically killed.) In the meantime, resistance to the Marxist regime continues, and the Soviet effort there continues to grow. Soviet planes are flying in more and more advanced equipment, some of it clearly more sophisticated than the Afghan forces can use themselves, and there are reports of Russian casualties.

The question in my mind is whether the repeated Soviet allegations of U.S. interference in that country are meant to clear the way for some massive intervention by the Soviets themselves. Hungary and Czechoslovakia were cases where they drummed up false stories of foreign intervention as a smokescreen for their own actions. I think the record is fairly clear that the Soviets feel they are entitled to intervene in so-called socialist countries—countries where they have acquired a dominant role—whenever the normal political processes in that country seem to place their clients in jeopardy.

If such is indeed their intent, it must be regarded as a most serious matter. The extension of Soviet military power into Afghanistan would be highly destabilizing to the region and could, indeed, invite further intervention by other outside forces. Let us hope that the Soviets will have more sober second thoughts about any such reckless actions.

Mr. Speaker, as chairman of the Subcommittee on International Operations, I would like to take this opportunity to advise Members of the House that immediately upon Congress return from the Easter recess, Chairman LESTER WOLFF of the Subcommittee on Asian and Pacific Affairs and I have agreed to hold a joint hearing on Afghanistan.●

FEDERAL AID TO LOCAL GOVERNMENTS IS CRITICAL ISSUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WEISS) is recognized for 5 minutes.

● Mr. WEISS. Mr. Speaker, Federal aid to local governments is a major issue confronting Congress. The level of aid and the most desirable means to provide it have been widely debated and these issues have become more critical in the current economic situation. Two programs that have provided major assistance to States and local governments will be considered in the 96th Congress: General revenue sharing, which is authorized to September 1980, and countercyclical financial assistance, which terminated last year and has been proposed again. In order to assist Members in evaluating the issues, I have prepared some background matter which describes the history of each of these programs, the administrative provisions and allocation methods of each, and the results accomplished. It summarizes as well the questions that are likely to be raised in the discussion of these programs. This material was prepared with the assistance of Ms. Harriet Frank, a congressional fellow now working on my staff. I think Members will find it informative and I commend it to their attention.

GENERAL REVENUE SHARING

I. BACKGROUND

Revenue sharing was originally conceived as a way to share Federal budget surpluses with State and local governments. It was justified on the grounds that it would make available the proceeds of the progressive Federal income tax system to government units that traditionally have relied on more regressive types of taxes. Designed with a minimum of Federal procedural requirements or spending restrictions, GRS was intended to restore substantial decisionmaking to State and local governments which were thought to be in a better position to determine local needs and priorities.

General Revenue Sharing was enacted in 1972 with a 5-year appropriation of $30.2 billion. It was extended and amended in 1976 with an additional 3 year appropriation of $24.9 billion. Since its enactment, GRS has distributed over $42 billion to some 39,000 units of State and local government. The current funding level is $6,850 billion annually, with individual entitlements ranging from the statutory minimum of $200 to the $300 million entitlement for New York City.

a. Allocation of Funds.—The allocation formula distributes funds to State areas, and then to local governments within each State area, as follows. Each State area receives the higher amount resulting from one of two formulas: the first considers population, relative income, and general tax effort; the second considers those factors as well as the extent of urbanized population and state income tax collections. The resulting amounts are scaled down by a uniform proportion to conform to total grants to the appropriated funds.

One-third of the amount for each State area is provided to the State government. The remainder is allocated first to county areas, and then to units of local government within the county areas. The allocation to each county area is based on population, relative income, and general tax effort.

The county government receives an amount which is based on the proportion of the adjusted taxes of the county government and the adjusted taxes of all government units within the county area. Similarly, if there are townships within the county area, an amount is reserved for all townships based on the proportion of township adjusted taxes and the adjusted taxes of all government units within the county area. Adjusted taxes are aggregate tax collections minus an amount properly attributable to the costs of education.)

The grant amounts to individual townships and municipalities is based on population, relative income, and general tax effort.

The grant amounts so computed are subject to the following constraints: (1) Any unit of government whose computed entitlement is less than $200 receives no grant; (2) The per capita amount allocated to any county or unit of local government may not be less than 20 percent nor more than 145 percent of the per capita amount for all county and local government units in the State; and (3) the total amount paid to any unit of local government may not exceed 50 percent of the government's adjusted taxes and intergovernmental transfers to such government.

A more detailed description of the allocation formula is included with the attached fact sheet.

b. Administrative Requirements.—The administrative provisions of GRS are quite simple, and they are summarized in the fact sheet. No application is required, and eligible jurisdictions receive the funds almost automatically. However, recipients must file an annual Statement of Assurances and comply with requirements regarding public participation, equal opportunity, audits, etc. Because of the simplicity of the program, cities have generally not had to assign staff specifically to administer revenue sharing. The original legislation restricted expenditures to certain functional categories such as public safety, environmental protection, etc. These categories were so broad, and the possibilities of substituting GRS for local funds so pronounced, that this limitation had little practical effect. The 1976 Amendments consequently eliminated this restriction, as well as the restriction on use of GRS to match other Federal grant-in-aid programs. Thus, GRS can be used for any legitimate local purpose.

c. Use of Funds.—It is impossible to state with precision what purposes were actually accomplished with GRS funds because of two factors: (1) the matter of "fundibility" or the fact that GRS can be used to substitute for local funds in given areas thus releasing local funds for other purposes; and (2) the fact that it is not known what local decisions would have been made concerning budget priorities or taxes if revenue sharing funds were not available. Nevertheless, the use reports filed by recipient jurisdictions show the following patterns. Law enforcement and fire protection took a major and increasing share of GRS funds. In 1976, about 23 percent of funds were used for law enforcement, and 19 percent for fire protection. Other major expenditure areas were environmental protection with 12 percent, parks and recreation with 9.8 percent, and street and road repair, with 8.9 percent. By contrast, social and health services took only 4 percent of the funds.

These expenditure patterns have not varied substantially by type or size of jurisdiction, nor between city and suburb. There are some regional differences, with cities in the east and west spending a larger proportion of funds on law enforcement, and cities in the south spending more on parks and recreation and environmental protection. However, on a national basis, expenditure patterns have tended to be quite consistent among types of jurisdictions.

d. Distribution Effects.—General Revenue Sharing is very widely distributed, with almost all municipalities receiving something. The allocation formula was designed with the "something for everybody" approach, and on a national basis, population plays a major role in determining allocations. (Below the State level, population does not affect allocations unless the per capita maximum or minimum provisions are called into play, since population appears in the relative income factor as well as separately, and the figures cancel each other.) Thus, GRS is not well targeted as other programs of assistance to localities.

Nevertheless, GRS does have a mild equalizing effect among different jurisdictions. On a per capita basis, cities, large urban areas, and poor rural areas receive the highest grants. These funds also provide some equalization between cities and suburbs.

A recent study by the Congressional Budget Office analyzed the extent to which various programs were responsive to measures of local need. The study distinguished among *fiscal needs* which are needs arising from unbalanced budgets, high taxes, large debt, etc., or from a mismatch between the need for services and the resources available to pay for them; *social needs*, which are needs arising from high rates of poverty, unemployment, crime, etc.; and *economic needs*, which are needs to improve the economic base. (Of course, all these needs are interrelated, and the distinctions are somewhat arbitrary.) The Congressional Budget Office found that GRS was highly responsive to measures of fiscal need, and moderately responsive to economic need. In addition, it found that GRS was moderately responsive to social need if the grants to overlying county areas were considered.

e. Fiscal Effects.—Although GRS constitutes a small part of the total revenues of most jurisdictions, it has had a significant fiscal impact. Most jurisdictions surveyed have reported that GRS funds have either prevented a tax increase or have reduced the amount of tax increases that have taken place. Contrary to the expectations that some had when the program was enacted, only a small number of jurisdictions have used GRS to reduce taxes. Thus, GRS has provided significant aid to financially distressed cities which would either have had to raise taxes further or cut back services. It is true, however, that many jurisdictions that would not be considered distressed have also used GRS to stabilize taxes.

f. Future Prospects.—GRS enjoys widespread support among local governments. Local officials, regardless of their form of government, prefer revenue sharing to other forms of Federal assistance existing or proposed. Its administrative simplicity, flexibility, and predictability have made it popular even among jursidictions that had been skeptical of GRS initially. However, GRS is vulnerable in a time of inflation and sizeable Federal deficits—in fact, revenue sharing has been called "deficit sharing." This vulnerability is increased by the fact that some state and local governments have realized budget surpluses in recent years.

The intentions of the Administration with regard to GRS are unclear at this time. The Treasury Department's Office of Revenue Sharing has an ongoing task force to consider options and has made a report to the Office of Management and Budget, but there is no word yet on any decisions. Based on President Carter's previous statements on Revenue Sharing, it may be anticipated that he will propose to extend it at a reduced level of funding with modifications that will increase the targeting to needy areas or place additional conditions on the use of funds. It is likely that states will either be eliminated from the program or be required to use the funds to provide greater assistance to local governments. Since GRS is authorized through Fiscal Year 1980, the Administration proposals to extend it are not due to be submitted to Congress until May 15, 1979.

II. ISSUES

The following are the key issues that are likely to be raised in considering reauthorization of General Revenue Sharing:

1. Is revenue sharing needed? Some states and local governments have accumulated surpluses. Others have used revenue sharing to stabilize and even reduce taxes, among which are localities that are not financially distressed. Recently, some observers have concluded that most local governments have recovered from the recession and are in good financial condition. Thus, the need for revenue sharing will be questioned on the grounds that local fiscal conditions do not warrant it.

The actual financial viability of local governments varies considerably. While the financial situation of many communities has undoubtedly improved, some remain severely distressed and have had to reduce services and dismiss staff. Some cities with balanced budgets have accomplished this at the cost of providing inadequate public services and neglecting to maintain their physical plants. Many have raised taxes to the point that they are counterproductive in that they discourage investment and result in a stagnating economy and tax base. Many cities that have recently experienced new investment downtown and in certain residential areas nearby are simultaneously experiencing high unemployment, loss of jobs, and housing deterioration and even abandonment in other areas of the city. The slowdown in the economy that is likely to ensue from current anti-inflation efforts is likely to create further financial difficulties for many cities.

In the discussions that have taken place about the state and local government surpluses, much has been made of the surplus shown in the national income account statistics of the Department of Commerce. For the year 1977, the size of the surplus reached $29 billion. However, the significance of this figure has been overstated. About half of that amount consists of pension funds which are not available to meet current operating expenditures. Moreover, the amount in these pension funds is less than the actual liabilities of most cities, and many are likely to experience considerable difficulty in meeting their future pension obligations. It is also noted that a reasonable surplus represents sound budgeting and provides for future contingencies. In part, the surpluses that have been realized are cyclical in nature and represent an improvement in the liquidity of local governments. A large part of the surplus was in the State of California, and that will shortly be eliminated as a result of Proposition 13. Many other cities are having to draw on accumulated surpluses to pay current costs.

Although there is no doubt that many cities do need the funds that GRS provides the program also assists communities that are not financially distressed and that can raise revenues from other sources. Because of this, and the fact that revenue sharing is used for such diverse purposes, some of which may be considered inessential, the continuation of GRS may be questioned on the basis of budgetary priorities. It may be argued that there is a greater need to reduce Federal expenditures in order to fight inflation than to distribute funds indiscriminately to so many jurisdictions, and that if budget cutting is to take place, it is better to cut GRS than other programs which serve clearly defined national objectives. This issue is related to the issue of targeting which is discussed under the heading of formula issues, but the issue is inherent in the nature of the program which is to be widely distributive.

2. Is GRS the best way to assist local governments? It has been argued that Federal takeover of all welfare costs, increased aid for education, and similar measures could provide equal assistance to local governments while accomplishing specific Federal priorities. It has also been argued that it would be better to use the funds to provide assistance to distressed cities for activities that would deal with the structural problems that have led to their financial plight, for example, for economic development activities.

In theory some of these proposals probably make sense, but a clear choice between GRS and another alternative is not likely to be presented at one time. One approach to eventual substitution of GRS with another form of Federal assistance might be to include a type of "sunset" provision for automatic review of GRS when any new program is adopted that would substantially reduce local financial obligations. It should be noted that most local officials would prefer continuation of GRS to the types of alternatives that have been proposed; it is the only major program that provides total flexibility to local governments in setting priorities and adapting to new conditions.

3. Accountability. GRS has been criticized by both liberals and conservatives on the grounds that it is not accountable to either citizen desires or national priorities. Conservatives have tended to criticize the separation between the taxing and spending authority, and the use of Federal funds without clear Federal standards. Liberals have criticized the lack of controls that would assure that the funds are used to meet the needs of the disadvantaged, and have cited the use reports that show very little funds used for social and health services and the like. Both have stated that the program gives too much discretion to local governments and results in a kind of of random spending. When GRS was reauthorized in 1976, many liberals supported it, although with reluctance, because of the dependence of the program of many distressed cities. However, the public participation and equal opportunity provisions of the program were strengthened. It is likely that many of the same criticisms will be voiced again, and it may be proposed to adopt new restrictions on the use of funds.

In defense of the program it is stated that its basic purpose is to provide financial assistance to localities and not to carry out specific programs. It is argued that GRS helps correct fiscal imbalances in the Federal system, returns decisionmaking to the local level, minimizes paperwork and red tape associated with other Federal grant programs, and enables cities to carry out programs suitable for their needs. Additional restrictions on the use of funds would be incompatible with the basic premises of the revenue sharing program.

4. Formula Issues. The major issue underlying the questions that have been raised about the formula is the extent to which GRS funds should be targeted to the neediest communities or more widely distributd. Numerous specific issues have been raised, many involving technical complexities and data problems. In general, these questions fall into three categories: (a) the validity of the measures of fiscal capacity and relative tax effort in the current formula; (b) whether additional measures of need should be included in order to improve targeting; and (c) whether the constraints on the individual grant amounts should be modified or eliminated. These issues are discussed below.

In considering formula changes it must be borne in mind that support for the program may be affected if the interests of a large number of jurisdictions are adversely affected, or the proposed allocations seem unfair to any region of the country. Moreover, the formula is quite volatile, and seemingly small adjustments can have a major effect. Changes therefore must be considered with great care and the actual distributional effects of any proposed changes must be determined before decisions are made.

a. Validity of current measures.—The current formula measures fiscal capacity by the per capita income of the residents. However, personal income taxes account for only 25 percent of the tax revenue raised by state governments, and less than 5 percent of the taxes raised by local governments. Moreover, there is a poor correlation between geographical distributions of income and distributions of other bases for local government revenue such as property values and retail transactions. It has therefore been suggested that most accurate measures of local fiscal capacity be developed.

For distributions to municipalities and townships, Brookings Institution has recommended the use of taxable property values equalized on a statewide basis. This would tend to favor lower income jurisdictions, but not always. For distributions to the states, Brookings experimented with an index of state tax capacity developed by the Advisory Commission on Intergovernmental Relations in 1967, updated to 1971 values. The result favored urban states in a modest way, but the losses of some rural states were sizeable. Brookings concluded that this was a more equitable way to measure fiscal capacity, but its political acceptability is questionable.

With regard to the measure of relative tax effort, the current formula takes only taxes into account, and only nonschool taxes below the state level. However, many jurisdictions rely heavily on non-tax sources of revenue, such as user charges; nationally, such sources yield one-fourth as much as state and local taxes. It has accordingly been recommended that user charges be included in the formula. This would favor most southern states which rely heavily on such sources. However, care would have to be taken in developing the measure so that fees that are more like business revenues than taxes (for example, revenues of a municipal utility) are excluded.

b. Adding Measures of Need.—A number of different measures of need have been suggested. These include the proportion of the population below the poverty line, or the proportion of the population receiving welfare assistance, as well as other measures of dependency. It has also been suggested that unemployment rates be included, since that factor made Anti-recession Financial Assistance so well targeted to local need. Finally, there have been suggestions to include measures similar to the Community Development Block Grant formula, such as age of housing stock, or growth lag, as these have resulted in making the CDBG formula very well targeted to older cities with serious problems.

It should be noted that the addition of these factors to the CDBG formula was controversial and that passage was eased by the fact that the original formula was also retained, and no entitlement city lost funds as a result—the increase to the cities benefitting from the new formula came from the phaseout of hold-harmless funding to cities that would have lost funds in any case. By contrast, if GRS becomes more targeted, some cities would have to lose.

c. Constraints.—There are three types of constraints on individual entitlements, and the effects of removing them would vary.

(i) *Minimum and maximum per capita grants.* These constraints were adopted because of early fears that some large, distressed cities would get such large entitlements under the formula that there would be little or nothing left for other communities in their vicinity. These constraints result in some cities getting more, and some considerably less than the share which would otherwise be due them under the formula.

The 145 percent ceiling has the largest effect. It directly affects 1,238 jurisdictions, including many of the largest, hardest-pressed municipalities, but also some of the poorest rural jurisdictions. However, it also prevents certain abuses such as excessive grants to industrial enclaves with very high tax receipts but small populations. Removal of this constraint would measurably improve the equalizing effect of GRS and could provide significantly increased entitlements to some distressed cities. In considering reauthorization of GRS in 1976, it was proposed to raise the ceiling by stages to a maximum of 175 percent, but no changes in formula were adopted.

Changes in this constraint must be considered carefully, since they could have unintended results. It is possible that eliminating the constraints could actually reduce the grants to certain large and distressed cities because smaller and poor rural jurisdictions whose grants are also constrained would take an increased amount. Often, raising the constraint to a specific level is more advantageous to specific jurisdictions than eliminating it entirely. For example, in a projection done a number of years ago it was found that Pittsburgh's grant would increase by $1.5 million if the ceiling were raised to 175 percent, but would have declined by $1.9 million if the ceiling were raised to 300 percent! Another approach to this could be to eliminate any across the board ceiling but substitute another constraint that would prevent very small jurisdictions from taking such excessive amounts that the entitlements of large cities are reduced.

The 20 percent minimum affects many more jurisdictions, but the total amount of money involved is small, constituting approximately one percent of all funds going to municipalities. It does reward some localities while taking money from needier jurisdictions, however, and provides funds to some jurisdictions which have limited purpose or overlap other jurisdictions.

(ii) *50 percent of local taxes limit.* The effect of this is to withhold funds from minimally active jurisdictions, and to limit the size of grants that might otherwise go to jurisdictions such as industrial enclaves with high tax yields in relation to income or fiscal need. Moreover, it provides some incentive for communities to increase taxes to provide new services, since that would result in an increase in shared revenue as well. The Brookings study recommended retaining this constraint but eliminating intergovernmental transfers received by the locality.

(iii) *$200 de minimus provision.* This provision keeps out very small jurisdictions (half have under 500 population, all are under 2,500), and jurisdictions of limited purpose. It has been suggested that this limit is too small, and that it be raised to exclude a significant number of limited purpose and overlapping jurisdictions that now receive funds. This would have certain administrative benefits, but the amount of funds that are likely to be saved is small.

5. Should the States be included, and at what funding level? Some state governments perform limited functions and collect a small proportion of the total taxes collected in the state area. Yet, all state governments receive a uniform one-third of the shared revenue for the state area. President Carter is on record as favoring elimination of the state governments from the program, and administration proposals for Supplementary Fiscal Assistance have excluded the states. Brookings has recommended that the amount provided to each state government be based on the relation between the tax effort of the state government to the tax effort of all government units in the state area. That would result in a 50–50 split nationally, but minimally active states would get less. In addition, Brookings stated that it would be possible to retain the ⅔–⅓ split nationally by giving local taxes extra weight while recognizing the differences among state governments. It is noted that the Governors' Conference has provided important political support for revenue sharing, and this must be taken into account in considering any changes in funding to state governments. Another alternative would be to impose certain requirements on states for receipt of funds, for example, requiring states to provide a certain level of assistance to local governments.

6. Funding level. Inflation has substantially reduced the real value of GRS. It is estimated that the real value of GRS will have declined by 18 percent from 1972 to 1980 despite the fact that the current appropriation is higher in nominal terms than the original funding level. Yet the needs of cities for assistance have probably increased—it is noted that the high rate of inflation in the last few years has increased the costs of local government much more rapidly than it has increased their revenue raising ability (with some exceptions) and has had a major effect on the financial difficulties that they have experienced. Thus, it would be desirable to seek an increased level of funding at least sufficient to restore the purchasing power of the original program. Yet, there will be major pressures to keep costs stable or reduce them.

ANTI-RECESSION FINANCIAL ASSISTANCE

Anti-recession Financial Assistance (ARFA) was enacted in 1976 as part of an economic stimulus package that included Local Public Works and public service jobs under Titles II and VI of CETA. Also known as counter-cyclical revenue sharing, the purpose of ARFA was two-fold: it would aid localities affected by the recession to maintain services while providing a national economic stimulus.

Originally authorized at $1.25 billion, ARFA was extended in 1977 and provided $3.03 billion to some 18,000 units of state and local government to its termination in September 1978.

The program was similar to General Revenue Sharing in its administrative provisions and the fact that funds were distributed under a formula. No application was required, but recipients had to comply with certain Federal requirements such as compliance with civil rights requirements. ARFA had to be used to maintain services and the funds had to be expended within six months of receipt.

Under the legislation, the program was "triggered" when the national rate of unemployment exceeded 6 percent. The funds were provided to state and local governments whose unemployment rates exceeded 4.5 percent. The amount of the individual grants was computed based on the relative General Revenue sharing amounts and the extent to which the local unemployment rate exceeded 4.5 percent. State governments received one-third of the funds.

ARFA did not enjoy the support of the House Subcommittee. During reauthorization hearings in 1978 the program was strongly criticized on a number of grounds. It was stated that the program was not needed, that it unnecessarily duplicated General Revenue Sharing, and that the recession which it was enacted to counteract was over. ARFA was also questioned as an anti-recession tool, and it was argued that there were more effective and rapid means to provide an economic stimulus, such as direct Federal spending and tax reductions.

A GAO study of ARFA concluded that most governments receiving funds were in good fiscal condition, and that the financial difficulties of the remainder stemmed not from the temporary recession but from long term structural problems. It was therefore concluded that the program was not accomplishing the purpose for which it was designed.

Yet, the program was well targeted to cities that were distressed, and the termination of the program has resulted in considerable problems such as layoffs and curtailments of public services in some cities. The Congressional Budget Office study of the responsiveness of Federal grant programs to city need found that ARFA was highly responsive to measures of social, economic and fiscal need. A similar study performed by the Treasury Department of 48 large urban governments also found that ARFA was most effective in targeting assistance to cities according to fiscal condition, although the study expressed reservations similar to those of GAO as to the effectiveness of ARFA in helping cure a national recession. While ARFA was designed as a countercyclical program, in practice it was well designed to deal with long term city problems.

The distribution formula of ARFA was also criticized, and it was noted that some communities receiving assistance were affluent. The problem arose because unemployment rates are not available for municipalities under 50,000 population and therefore the unemployment rate of the overlying county was attributed to smaller jurisdictions, resulting in some cases in large per capita grants to rich communities. Although this situation could have been easily remedied by imposing some constraint such as a maximum per capita income limit on eligibility, individual "horror stories" were cited to discredit the program.

Another issue was the unemployment rate that should be used as a basis for eligibility and computation of grant amounts. The rate of 4.5 percent was considered too low by many and resulted in a large number of jurisdictions whose unemployment rates were well below the national rate being eligible for funding.

In 1978 the Administration introduced as part of its new urban policy a bill to extend ARFA and authorize a new program of Supplemental Fiscal Assistance to localities whose unemployment rates remained high after a national recession was over. Under that proposal, states would be eliminated and funds provided only to local units of government whose unemployment rate exceeded 4.5 percent. In addition, a new provision of eligibility was added, namely slow growth in two of the following: population, per capita income, and employment. Although this would have made some 10,000 additional jurisdictions eligible for funding, it failed to increase support for the bill in committee, and it was strongly criticized by urban interests for diluting limited funds.

Although a number of alternatives were considered, no bill was reported out of committee. A modified version of the Administration bill was approved by the Senate. It included the two tier approach of the administration but required a 6 percent state or local unemployment rate to qualify for funding under either tier. The bill failed to reach the House floor for consideration and ARFA consequently died at the end of the session.

The administration has recently proposed a new Targeted Fiscal Assistance Program, and a bill to implement it was introduced on March 22, 1979 by Rep. William S. Moorhead of Pennsylvania. Under this proposal, local government units with unemployment rates of 6.5 percent or more would receive funds regardless of the national rate of unemployment. The amount of funds authorized is $250 million for Fiscal Year 1979 and $150 million for Fiscal Year 1980. This bill includes certain new provisions to increase the targeting effect, namely, a de minimus provision under which localities must qualify for at least $20,000 under the formula to receive any grant, and a provision that excludes localities whose per capita income exceeds 150 percent of the national per capita income. The number of communities that would receive funding under this bill is 1,231.

The Administration proposal also includes a countercyclical component which would provide funds to both states and local governments whose unemployment rates are 5 percent or more when the national rate of unemployment rises to 6.5 percent. The Administration is assuming that the national unemployment rate will not exceed 6.5 percent during this period and consequently has not asked for an appropriation for this tier of the program.

A number of other bills for aid to distressed local governments have been introduced. Rep. Peter Rodino introduced a bill on January 22, 1979 that would provide $340 million annually to local governments having an unemployment rate of more than 6 percent when the national rate of unemployment is at least 5 percent. The bill also contains a countercyclical component under which both states and local governments with unemployment rates of 6 percent or higher would receive funding when the national rate of unemployment reaches 6 percent. Rep. Elizabeth Holtzman introduced a one-tier Supplementary Antirecession Fiscal Assistance bill on January 15, 1979. That bill would provide $550 million annually to states and local governments whose unemployment rates are 6 percent or higher regardless of the national rate of unemployment. Finally, Rep. Olympia Snowe introduced a countercyclical bill on March 22, 1979 that is the same as the Moorhead bill with the following exceptions: the de minimus provision is $10,000 rather than the $20,000 amount in the Moorhead bill; the unemployment rate that qualifies a locality for funds is 6 percent rather than 6.5 percent; annual unemployment figures are used rather than 6 month figures; and there is a 10 percent limitation on the total amount of funds that could go to localities in any one state.

Under all of these bills, funds are allocated based on the extent to which the local (or State) unemployment rate exceeds 4.5 percent and the General Revenue Sharing amount for that recipient, as in the previous Anti-recission Financial Assistance Program.

The arguments that are likely to be raised against these proposals include some of the arguments that have been made against General Revenue Sharing itself, including the issues of need, appropriateness, and accountability. In addition, the issue of duplication with GRS is likely to be raised. Arguments are likely to be made that most cities are no longer financially distressed and do not require additional assistance. Moreover, questions will be raised as to whether it is appropriate in this time of budget austerity to introduce a new program that distributes funds to a wide number of recipients by formula to be used as they see fit with no Federal priorities being served. Ironically, a proposal as highly targeted as the Administration proposal is likely to face difficulty precisely because it is targeted and a relatively small number of jurisdictions receive assistance.

Proponents of targeted financial assistance will argue that a program that is more highly targeted to distressed cities will have a smaller budgetary impact than a program that distributes funds more widely—a relatively small appropriation can go a long way. Moreover, a program that is so targeted does not duplicate General Revenue Sharing, but rather supplements it—since it is limited to localities that are particularly distressed it serves a different purpose for which funds are clearly needed.

The precise degree of targeting that is appropriate will be a key issue, including the local rate of unemployment that should be required to qualify for funds, the de minimus provision, and the cap on funds to a particular state that would result in certain communities reeciving much less than they would under the allocation formula. In addition, the national unemployment "trigger" for the countercyclical component is also likely to be debated.

With regard to the overall question of how needy cities are, proponents of targeted financial assistance will note the difficulties many cities are continuing to experience in providing public services and maintaining their physical plants. Numerous cities are continuing to experience significant losses of population, jobs, and tax base, and are left with populations that are increasingly dependent, paying less taxes and requiring more services than before. Increasing local taxes would exacerbate those problems since they were often a factor in the original loss of jobs and population. And, it should be borne in mind that the current and projected anti-inflation measures are likely to hit such cities particularly hard, making the need for assistance even more critical.●

CONSENT CALENDAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. FLIPPO) is recognized for 5 minutes.

● Mr. FLIPPO. Mr. Speaker, the members of the Consent Calendar Committee have agreed, for the 96th Congress, upon the following policies and procedures: First, generally, no legislation should pass by unanimous consent which involves an aggregate expenditure of more than $1 million; second, no bill which changes national policy or international policy should be permitted to pass on the Consent Calendar, but rather should be afforded the opportunity of open and extended debate; and third, any bill which appears on the Consent Calendar, even though it does not change national or international policy, or does not call for an expenditure of more than $1 million, should not be approved without the membership being fully informed of its contents. If it is a measure that would apply to a majority of the Members of the House, in which case the minimum amount of consideration that should be given such a bill would be clearance by the leadership of both parties before being brought before the House on the Consent Calendar. Such a bill would be put over without prejudice one or more times to give an opportunity to the Members to become fully informed as to the contents of the bill.

It must be pointed out to the membership that it is not the objective of the objectors to obstruct legislation or to object to bills or pass them over without prejudice, because of any personal objection to said bill or bills by any one member or all of the members of the Consent Calendar Objectors Committee, but rather that their real purpose, in addition to expediting legislation, is to protect the membership from having bills passed by unanimous consent, which in the opinion of the objectors, any Member of the House might have objection to.

The members of the Consent Calendar Committee request that the chairmen of the standing committees of the House having resonsibility for bringing legislation before the House take into account the contents of this statement before placing the bill on the Consent Calendar. While it is not absolutely necessary for the sponsors of the bill appearing on the Consent Calendar to contact the objectors, to avoid the bills being put over unnecessarily, it is a good practice to do so. The committee members welcome the practice of getting in touch with them at least 24 hours in advance of the time the legislation is called up on the regular call of the Consent Calendar. In many instances, such courtesy on the part of the sponsors will clear away questions which the objectors may have and consequently make for expeditious handling of the legislation.

This agreement was entered into by the gentleman from Alabama (Mr. FLIPPO), the gentleman from Texas (Mr. HANCE), the gentleman from California (Mr. COELHO), the gentleman from Texas (Mr. LOEFFLER), the gentleman from California (Mr. DORNAN), and the gentleman from Pennsylvania (Mr. SCHULZE).●

INDEPENDENT CONTRACTORS FURTHER CLARIFICATION OF TAX STATUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. GEPHARDT) is recognized for 5 minutes.

● Mr. GEPHARDT. Mr. Speaker, on Tuesday, March 27, 1979, I introduced H.R. 3245, a bill to clarify the standards used for determining whether, for Federal income tax withholding, social security, and unemployment tax purposes, an individual is an independent contractor or an employee.

This question is now answered, with certain limited statutory exceptions, by reference to the common law test of control. This test focuses on the control exercised over the worker whose status is in issue. A worker will not be treated as an "employee" unless the person for whom he performs services controls—or has the right to control—not only the result to be accomplished—whether that be the solicitation of insurance applications or the sale of real estate or of consumer products in the home—but also how that result is to be accomplished.

For many years, the common law test served us well. Both taxpayers and the Internal Revenue Service (IRS) were able to examine the facts and circumstances of a business relationship and determine with relative certainty whether an independent contractor relationship or an employer-employee relationship existed. This ability to know, at the time the relationship begins, what type of relationship is involved is very important, for the duties and obligations imposed on the parties differ depending on whether the worker involved is an independent contractor or an employee. If the worker is classified as an "employee," not only will his "employer" be required to withhold and remit to the Treasury income taxes and the employee's share of social security taxes, the "employer" will also be obligated to pay unemployment taxes and the employer's share of social security taxes. If the worker is classified as an "independent contractor," however, the worker will be directly liable for paying his income taxes and self-employment taxes.

The need for certainty in this area is obvious. Where the worker is an "employee," the "employer" is required to serve as a collecting agent for the Government, withholding and remitting income and social security taxes from the remuneration paid to the worker. Consequently, it is essential that companies be given clearer indications, before the fact, of their obligations in this regard. This was highlighted by the recent decision of the Supreme Court of the United State in a case involving the issue of whether lunch expenses constituted wages subject to withholding. There, the Court stated:

> Because the employer is in a secondary position as to liability for any tax of the employee, it is a matter of obvious concern that, absent further specific congressional action, the employer's obligation to withhold be precise and not speculative. *Central Illinois Public Service Co.* v. *United States*, 435 U.S. 21, 31 (1978).

Unfortunately, the certainty that once characterized employment tax status determinations, the certainty that the Supreme Court has indicated must be present, has vanished in some industries as a result of the IRS's misapplication of the common law test. Beginning in the early 1970's, the IRS intensified its employment tax compliance program and, in what the U.S. Court of Claims has labeled "a radical departure from the traditional common-law concept of an employer-employee relationship," the IRS has reclassified as "employees" workers who have traditionally been viewed as independent contractors. *See Aparacor, Inc.* v. *United States*, 556 F.2d 2004, 1012–13 (Ct. Cl. 1977). The reclassifications not only flew in the face of court decisions and published revenue rulings of general applicability, but in many instances they also were contrary to private IRS letter rulings and the results of tax audits of the very taxpayers whose workers were being reclassified as employees.

The retroactive reclassifications were understandably alarming to the business community. They not only presented many companies with staggering tax assessments for back years, but the retroactive nature of the reclassification program threatened the qualification of both corporate pension plans and the H.R. 10 plans many workers had established as self-employed individuals. Equally important, the IRS actions deprived companies utilizing the services of independent contractors of the certainty necessary to plan and conduct their business affairs.

From the worker's standpoint, too, the IRS actions were disturbing. The IRS was concluding, in effect, that an individual in any one of a number of different industries could no longer be his own boss, that he could no longer be totally free to control his own destiny, so that he might rise or fall by his own efforts. The IRS reclassification program threatened to turn numerous traditionally independent businessmen into employees and, therefore, it was contrary to the independent business ethic.

In 1976, Congress took notice of the problem and endorsed a statement in the conference report on the Tax Reform Act of 1976 that urged the IRS not to apply any changed position in the employment tax area until the staff of the Joint Committee on Taxation completed a study of the area. Unfortunately, the IRS chose to ignore this directive; it continued to initiate audits, to issue adverse technical advice memoranda, and to assess taxes attributable to employment tax status reclassifications. Accordingly, in 1978, Congress took up the issue again. The Committee on Ways and Means established a task force to study the problem and draft responsible legislation. I was privileged to serve as a member of that task force which was ably chaired by Congressman RANGEL. The result of our efforts was H.R. 14159 which, with minor changes, was incorporated into the Revenue Act of 1978 as section 530. Section 530 was designed to give taxpayers interim relief while Congress formulated a permanent solution to the problem. Under section 530, a taxpayer's treatment of its workers as independent contractors is to be accepted unless the taxpayer had no "reasonable basis" for such treatment. Section 530 established several "safe havens" that, if satisfied, entitle taxpayers to relief.

As noted, however, section 530 provides only interim relief, for it applies only to taxable periods ending before January 1, 1980. It is, therefore, necessary for us to address this issue for the third time in 4 years. We must formulate and enact permanent legislation that clarifies whether workers are independent contractors or employees. The bill I introduced on March 27, 1979, will clarify the rules by establishing a statutory "safe harbor" within the common law.

Mr. Speaker, the purpose of the bill is to establish rules that for employment tax purposes can be easily applied in those industries where the IRS's reclassification program has disrupted business relationships and threatened the very existence of the independent businessmen. An overriding purpose of the bill, therefore, is to preserve the status of workers who have historically been treated as independent contractors. The bill does not, and is not intended to, affect in any way the status of individuals for nontax purposes.

The bill sets forth five requirements that, if satisfied, would result in a worker being treated as an independent contractor. It is important to realize, however, that the bill creates a "safe harbor." If the five tests of the bill are not satisfied, the worker will not automatically be deemed to be an employee; in such a case, reference is to be made to the common law test. Indeed, the bill's requirements, for example, most lawyers would fall outside of the "safe harbor," because they rarely perform their services pursuant to a written contract that specifies that they are independent contractors. Similarly, a plumber or electrician who comes to your home to perform services, who is paid by the hour, or who does not work pursuant to a written contract, would not satisfy the tests set forth in the bill. Likewise, owner-operators of trucks and other bona fide subcontractors might not be able to satisfy the strict requirements of the bill. None of these individuals, however, would become an "employee" simply by virtue of this fact. If these individuals are independent contractors under the common law, the bill will not change that result.

Again, the purpose of the bill is not to replace the common law. Its purpose is not, for example, to impose upon all independent contractors a requirement that they work pursuant to a written contract; in many short-term, sporadic relationships, for example, doctor-patient or plumber-customer—such a requirement would be infeasible and unduly burdensome. Nor does the bill seek to impose a rule that will govern all cases. Any bill that attempted to do that could very possibly produce arbitrary results; it would impose unnecessary hardships on both workers and those persons for whom services were being performed. The bill's purpose is to bring some degree of order to those industries in which the IRS's reclassification program has raised the greatest number of questions. It is also intended to establish standards that may be used to preserve the independent contractor status of workers who have traditionally enjoyed that status.

The bill sets forth five conditions that must be met before the worker will be deemed to fall within the "safe harbor." Because the bill creates a "safe harbor," the strict requirements of the bill are justified. Compliance with the requirements is the cost taxpayers must pay for the certainty afforded by the "safe harbor." Likewise, strict requirements help preserve the status quo of workers who are "employees" at the present time. A provision-by-provision analysis of the bill demonstrates that it is the preferable approach; it adds certainty without producing unjustifiably harsh results.

The bill amends the Internal Revenue Code of 1954 by adding a new section 3508, a provision entitled "Alternative Standards for Determining Whether Individuals Are Not Employees." Subsection (a) provides that if the "safe harbor" requirements of subsection (b) are justified, the worker will not be treated as being an employee; in other words, he will be treated as being an independent contractor. (Moreover, if the "safe harbor" tests are satisfied, the person for whom the worker performs services will not be treated as being an employer.) If the requirements of subsection (b) are not satisfied, however, no inference is to be drawn that the worker is an employee.

Subsection (b) sets forth five requirements. All five of the requirements must be satisfied before a worker will be treated as an independent contractor under the bill. If less than all the requirements are met, section 3508 will not apply and the worker's status will be determined under the common law test.

First. Control of hours worked. The first requirement of subsection (b) is that the worker control the aggregate number of hours actually worked and substantially all the scheduling of the hours worked. The question is whether the worker has the right—the exercise of that right will depend on his own drive and initiative—to determine the number of hours he works. The prong of the test is not directed at whether the worker devotes or is required to devote his "full-time efforts" to performing services for the person, but rather at whether the worker is free to determine how long or how hard he works. A requirement that a worker perform services on a "full-time" or "exclusive" basis, therefore, would not necessarily place a worker outside the "safe harbor." A "full-time" or "exclusive" requirement focuses on whether the worker may simultaneously perform services for two or more persons in the same industry. The bill's requirement, however, focuses on whether the worker is free to work 20, as opposed to 40 or 60 hours a week. That is the critical distinction. Clearly, a worker who punches a time clock or who is required to work from 9 a.m. to 5 p.m., 5 days a week would not satisfy this test. In contrast, a worker who is free to control his hours would satisfy this "safe harbor" requirement.

The second prong of the test requires that the worker control substantially all the scheduling of hours worked. An employee is often required to follow a set sequence or order. An independent contractor, in contrast, is free to set and follow his own schedule; for example, he can determine when he will call on particular customers and precisely how he will perform his services. The right to control one's own schedule is a factor that distinguishes an independent contractor from an employee. Moreover, the fact that a worker attends weekly or monthly sales meetings as is customary for many salesmen does not significantly impinge on this right and, therefore, would not cause the worker to fall outside the bill's "safe harbor." So long as the worker controls the scheduling of substantially all the hours worked, this test will be satisfied.

Second. Place of business. The second requirement of subsection (b) is that if the worker has a principal place of business, it is not provided by the person for whom services are performed or, if it is so provided, that the worker pay rent therefor. Employees are generally provided their principal place of business by their employer; independent contractors, by contrast, normally provide their own place of business. The purpose of this test is to insure that the person for whom services are performed does not, as a matter of course, provide the worker's principal place of business.

The bill provides, however, that many individuals, by virtue of the nature of the services performed, simply should not be treated as having a principal place of business. It is my understanding that insurance agents, door-to-door salesmen, and real estate agents, for example, do not perform their services at a single location. They move around from customer to customer and home to home. The same thing is probably true with respect to loggers, truckers, and many oth- contractors. Accordingly even though workers such as these might have an office (either in their home or otherwise), for purposes of applying this test they will not be treated as having a principal place of business.

The bill also recognizes that many workers rent office space from the person for whom they perform services. Where the worker pays rent, he is entitled to the protection of the "safe harbor."

Third. Investment or income fluctuation. One of the hallmarks of an independent contractor is that his income level is neither fixed nor guaranteed. An independent contractor has no assurance that his income will bear any relation to the amount of time he devotes to performing his services. For example, he may make several sales presentations and yet not make a single sale; in such a case, he would have nothing to show for all his efforts. Or, after making a substantial investment in tools, materials, or transportation facilities, he may not be given the opportunity to perform any services. An employee's income, in contrast, is "guaranteed" in the sense that as long as he works a certain number of hours (and performs his job at a reasonably acceptable level), he will receive a specified amount of compensation.

The third test of subsection (b) recognizes that a worker who has either a substantial investment in the assets used in connection with the services performed or, alternatively, who risks significant income fluctuations, because his remuneration is tied directly to sales or other output (and not to the number of hours actually worked) is not in the same position as a worker who is paid by the hour or who is provided with all necessary tools and materials. Moreover, in applying the income fluctuation prong of this test, it is the risk of income fluctuation, not the actual fluctuation, that is critical. That risk exists where there is no assurance that, if the worker works a certain number of hours or makes a certain number of sales presentations, he will earn a specified amount of money. In addition, a worker whose income level depends in whole or in part on sales or output of another individual with whom he works jointly or whose activities he coordinates; for example, override commissions—would satisfy the income fluctuation test.

It is not intended that the substantial-investment-in-assets test be applied mechanically. There is no fixed percentage of the worker's income that must go to purchase materials, tools, or other items in order to satisfy the test. The key to both the substantial-investment and the income-fluctuation alternative tests is that the worker may invest a significant amount of money or of his time with no assurance of success.

Fourth. Written contract and notice of tax responsibilities. As previously noted, the bill imposes some additional requirements that go beyond current law. The written-contract requirement of paragraph (b) (4) is perhaps the most significant of these. The bill provides that, to fall within the "safe harbor," the services must be performed pursuant to a written contract that spells out the worker's status as an independent contractor and the tax consequences flowing therefrom. The premises underlying this test is that both parties should know of their respective tax obligations at the time their business relationships begins. To fall within the "safe harbor" of the bill, therefore, the contract must place the worker and the person for whom his services are performed on notice of the nature of their relationship. That notice must be specific, and either in the contract or at the time it is executed, the worker must be given clear instructions about what his tax responsibilities are. He must be informed that he will not be treated as an employee for tax purposes and, therefore, that he is responsible for the payment of income and self-employment taxes.

To ease the administrative burdens that will accompany the written contract requirement, paragraph (c) (2) of section 3508 provides that the parties will not be required to reexecute their contract if the existing contract clearly indicates that the worker is not an employee. For example, many contracts already provide that the worker is an independent contractor; such contracts would fall within the ambit of paragraph (c) (2). In no event, however, will the requirement that the worker be provided with a notice of tax responsibilities be excused. Accordingly if an existing contract satisfies paragraph (c) (2), notice satisfying subparagraph (b) (4) (B) must nevertheless be given to the worker before January 1, 1981.

Fifth. Filing of required returns. The final requirement of subsection (b) is that the person for whom the worker performs services must file all required information returns (form 1099). The requirement thus denies "safe harbor" treatment in situations where any required information returns are not filed. The test insures that the worker will be provided with the information necessary to file his income and self-employment tax returns. It also insures that the IRS will be provided with the information necessary to permit collection of the taxes due. It is not intended, however, that this test deny "safe harbor" treatment in situations where an information return contains an error; for example, the precise amount of remuneration paid is incorrect—if such error is attributable to "reasonable cause" as that term is used in the code.

The "safe harbor" created by the bill is available only to those workers whose status would otherwise be determined under the common law rules. Accordingly paragraph (c) (1) of section 3508 provides that the bill will in no event apply for social security purposes in respect of workers who are statutory employees for such purposes under section 3121(d) (3) of the code. Those statutory employees provisions will continue to be applied as if this bill were not enacted.

Subsection (d) simply reaffirms the "safe harbor" nature of section 3508. It provides that, if any of the requirements of subsection (b) is not satisfied, no inference is to be drawn that the worker is an employee. In such cases, the worker's status is to be determined in accordance with the common law test.

Finally, section 3 of the bill contains a conforming amendment to the Social Security Act.

To summarize, this bill creates a statutory scheme that promises to end the confusion and uncertainty created by IRS enforcement practices that have characterized employment tax status determinations for nearly a decade. To be treated as an independent contractor under the bill, five objective tests have to be satisfied. Under these tests, the independent contractor status of many workers in many industries will be insured. It is recognized, however, that the tests cannot govern all cases. Therefore, if any one of the tests is not met, the common law test will be applied to determine the worker's status as an independent contractor or an employee.●

WHERE NATIONAL ECONOMIC POLICIES ARE HEADED VERSUS IMPLEMENTING THE HUMPHREY-HAWKINS ACT

(Mr. HAWKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HAWKINS. Mr. Speaker, following my statement is a reprint of a pamphlet entitled, "Where Are National Economic Policies Headed? The President's 1979 Economic Report and Budget vs. Fulfilling the Humphrey-Hawkins Act of 1978", issued by the Full Employment Action Council in March 1979. This is a comprehensive analysis of the administration's economic policy and budget proposals as compared to the requirements of the Humphrey-Hawkins Full Employment and Balanced Growth Act of 1978.

The reporting and policy coordination requirements of the act are underway, but we are distressed about the sharp departure the policies have taken from the intent and letter of the law. I urge my colleagues to carefully read the analysis, as it will clarify the policy and program changes necessary to successfully achieve a full employment economy with reasonable price stability.

The pamphlet follows:

WHERE ARE NATIONAL ECONOMIC POLICIES HEADED? THE PRESIDENT'S 1979 ECONOMIC REPORT AND BUDGET VS. FULFILLING THE HUMPHREY-HAWKINS ACT OF 1978

INTRODUCTION

The Full Employment Action Council, a broad based coalition, has been involved during about four years in developing support for and providing educational materials for what is now the Full Employment and Balanced Growth Act of 1978, better known as the Humphrey-Hawkins Act.

Since enactment of this profoundly important legislation, our concerns have mounted as subsequent policies and programs of the national Administration have moved counter to some mandates and objectives of that Act, and responded inadequately to others. The consequences disturb us, in terms of the performance of the economy and the well-being of the American people as a whole.

This pamphlet analyzes the Administration's current policies and programs, projected ahead to 1983, and proposes alternatives which we deem consistent with our own sense of economic and social needs and capabilities and with the Humphrey-Hawkins Act.

Regarding such technical matters as the detailed qualifications of the Administration's policies and programs and their consequences, and also the detailed quantifications of goals through 1983 and the means of attaining them, the Full Employment Action Council has relied upon studies of the Conference on Economic Progress. The Conference has published 30 studies directed toward similar purposes since 1954, under the direction of Leon H. Keyserling, Chairman of the Council of Economic Advisers under President Truman, and has updated these studies for our current purposes with help from a Full Employment Action Council task force of economists. The Full Employment Action Council cannot pass upon all of the Conference work in detail, and individual Council members have varying views as to the relative allocations to various national priorities in the Federal Budget. But we agree with the thrust, coverage, general conclusions as to the past and present, and basic findings for policies and programs in future (to be regarded as falling within a wide range of options).

We offer this pamphlet with a deep sense of public responsibility, for consideration by the Executive Branch, the Congress, State and local public officials, functioning economic groups and their organizations, public-interest and other groups, and the American public at large. We will welcome and benefit by any comments received.

MURRAY H. FINLEY,
CORETTA SCOTT KING,
Co-chairpersons,
Full Employment Action Council.

OUR ECONOMIC AND SOCIAL CREED

We who join in this statement have had common purposes throughout our adult lives. We are deeply committed to economic progress and social justice, and believe that the two are inseparable and mutually reinforcing. We are convinced that the American economy, unique in its innate resources and capabilities, can create, within a reasonably short period of years, abundance for all and scarcity for none. And sound economic policies are reduce the intolerable disparities in incomes, enjoyments, and oportunities which weaken support for our institutions, generate discontent, and at times lead to public disturbances of a threatening nature in urban areas.

Full production and optimum economic growth, the essential means

We further hold that the most important element in attaining these objectives is sustained full use of an ever-expanding technology, brains and skills, labor force, managerial talents, and other potentials. This full use includes response to the yearnings of all those able and willing to work to be usefully employed rather than unemployed and wasted. According to Conference on Economic Progress estimates, full use of our capabilities can increase total real output of goods and services by about 5.5 percent a year until we take up the huge economic slack of today, and by 4.5 percent a year or even better in a fully-used economy. Full production, growing in accord with our growing capabilities, is essential because of vast unmet domestic needs, private and public; the heavy burden of maintaining our national security; and those other international obligations which help the lesser-developed, reduce hunger and poverty, and enlarge the prospects for a real and lasting peace.

Full employment is an economic necessity and a moral imperative

Full employment is the most important single ingredient in full production, for economic reasons, and certainly for social and human reasons. And it is manifest that full purchasing power, viably and equitably distributed, is basic to full employment and full production, and essential in any event to social justice.

The great national priorities must be served

Equally of the essence of our beliefs and commitments is that we must pay due attention to the great priorities of our domestic needs—in education, health and housing; rescue of urban life and sustained rural prosperity; restoration of depressed or retarded groups and areas; conservation and development of natural resources and energy; improvement of the environment; and reduction and then elimination of poverty, especially where it is concentrated most heavily among the nonwhite population and our senior citizens. Full employment and full production are essential to fully satisfactory treatment of these priorities. But these conditions with neglect of the great domestic priorities would only produce a land where wealth accumulates and people decay.

Role of private enterprise and government, and the need for efficiency

We are deeply committed to our system of private enterprise, which has always had and should continue to have the major role in the expansion of employment, production, and purchasing power. But we also know that ours is a mixed economy, where responsible private enterprise must be both reinforced and supplemented by responsible free government. Government has a vital role, including fostering of an economic climate in which full utilization of all of our economic capabilities becomes the rule rather than an occasional happenstance.

We are entirely in accord with the need to iron out inefficiencies, duplications, and waste in "big government", even though these aberrations exist also in the private sector and require attention in the national interest. But we know that, in the modern and complex economy, government must remain big in terms of the range and degree of its activities. We therefore reject any sentiment to the contrary, and toward these ends we favor a clearer and more specific definition by government of its goals, programs, and policies, and their coordination in a better planned process at the public level.

MEANING AND SIGNIFICANCE OF HUMPHREY-HAWKINS ACT

The strength of support for the Act

Although we have always shared these ideals and practical objectives, we have for more than four years been drawn together in an harmonious working coalition for enactment of the Full Employment and Balanced Growth Act of 1978, usually referred to as the Humphrey-Hawkins Act. Literally, we have spent our strength and sweat and money toward obtaining this legislation; figuratively, we have at times shed our blood and tears as well. That legislation, in the middle of 1978, was approved by the House of Representatives by a majority of 107, and in the Fall of 1978 was approved by the Senate by a majority of about four to one. Shortly thereafter, it was signed by the President with a pledge to help implement it vigorously without delay. We at that moment saw a rising sun after many years of economic and social gloom. We had evidence that the American people understood what was happening, and approved.

The long-range need for the Act

The Humphrey-Hawkins Act was not the response to a few months or a few years of economic and related social troubles. It reflected a long overdue national reawakening, after a quarter century when five periods of economic stagnation and recession had caused us to forfeit from 4 to 6 trillion 1977 dollars worth of total national production, to suffer more than 76 million man- woman- and teenager-years of unemployment above levels consistent with full employment, and to lose accordingly from one to one and a half trillion dollars in public revenues at all levels at existing tax rates, with consequent "inability to afford" in even anything near adequate amounts those great priorities of our domestic needs which depend upon public aid to others or direct public action.

Full employment, from inflation to price stability, and a balanced Federal Budget

It was for these reasons that Humphrey-Hawkins legislation mandates the President, through his Economic Reports and Budget Messages, beginning with January 1979, to establish annual numerical goals for the reduction of unemployment "which shall be consistent with achieving as rapidly as feasible the goals of full employment and production . . ."[1] Short of reaching full employment, the Act mandates the President to establish annual numerical goals for reaching the interim unemployment reduction goals of "not more than 3 per centum among individuals aged twenty and over and 4 per centum among individuals aged sixteen and over within a period not extending beyond the fifth calendar year after the first such Economic Report" (meaning the calendar year 1983).[2] That the explicit intent of the Act is to begin the reduction of unemployment in the first year 1979 is further made clear by the provision that in the Second Economic Report (1980) "the President shall review the numerical goals and timetables . . . report to the Congress on the degree of progress being made, the programs and policies being used, and any obstacle to achieving such goals and timetables; and, if necessary, propose corrective economic measures toward achievement of such goals and timetables . . ."[3] Correspondingly, the Act requires that the President initiate the policies and programs he deems necessary to the achievement of these specified goals.

In full accord with our own views, the Humphrey-Hawkins legislation sets forth a more complete and comprehensive anti-inflationary effort than on any previous occasion except in times of a hot war. But also in accord with our own commitments, as widely restated by leading members of the House and the Senate in both parties when the proposed legislation was under debate, the Humphrey-Hawkins Act takes the position that it is morally wrong and economically hurtful to attempt to fight inflation by increasing unemployment. The moral grounds for this require no explanation. The economic grounds are amply written into our experience during the past 25 years. This experience in the great laboratory of the U.S. economy in action has demonstrated in general that increases in unemployment and stagnations and recessions have brought more inflation, while relative price stability has been achieved only when we were near reasonably full use of our labor force and other production resources. And this is what led the Congress to write into the Humphrey-Hawkins legislation this specific mandate: "*Provided*, that policies and programs for reducing the rate of inflation shall be designed so as not to impede achievement of the goals and timetables specified in clause (1) of this subsection for the reduction of unemployment."[4]

The Humphrey-Hawkins legislation also establishes the goal of reducing the Federal deficit and achieving in due course a balanced budget. But recognizing that wide and growing departures from full employment and full production have immensely increased the Federal deficits, the legislation reasserts the principle which is at the foundation of modern economics: "The Congress further declares that it is the purpose of the Full Employment and Balanced Growth Act of 1978 to achieve a balanced Federal Budget consistent with the achievement of the medium-term goals [unemployment reduced to 4 percent overall and 3 percent for adults] specified in section 4."[5]

Footnotes at end of article.

SHORTCOMING IN PRESIDENT'S ECONOMIC GOALS AND POLICIES AND ALTERNATIVE GOALS AND POLICIES

The goals first head in wrong direction and then become too feeble

Encouraged by the signing of this legislation by the President, we awaited with high hopes and great expectancies the issue of the President's Economic Report and Budget Message in late January 1979. But we are deeply concerned with the content and thrust of these documents, not only for the nearer future but for the years ahead through 1983.

We do not need to fathom the official intent or the consequences of the official program, because the official documents are very explicit. They contemplate that officially recorded unemployment be lifted from 5.8 percent of the civilian labor force in December 1978 to 6.2 percent in both 1979 and 1980, before being reduced to 4.0 percent in 1983. But according to the estimates of the Conference on Economic Progress (there are others), the Administration's policies and programs might lift unemployment far above 6.2 percent within these two years if a recession occurs. Dr. Alice M. Rivlin, Director of the Congressional Budget Office, in testimony before the Subcommittee on Employment Opportunities of the House Committee on Education and Labor on February 13, 1979, estimated that the Administration's policies and programs would result in an unemployment rate of 6.2–7.2 percent in fourth quarter 1979 and also in fourth quarter 1980. The Conference estimates that unemployment should be reduced to 5.6 percent in 1979 and 5.1 percent in 1980 on the way to 4.0 percent in 1983.

Again according to the estimates of the Conference, the Administration's policies and programs would lift unemployment to 6.5 percent by 1983, contrasted with the 4 percent goal mandated by the Humphrey-Hawkins Act, and would lift unemployment to 6.9 million in 1983, contrasted with the 4.4 million consistent with a 4.0 percent unemployment rate. The Conference also estimates that the difference between the results of the Administration's policies and programs and those needed to reduce unemployment to 4.0 percent by 1983 would be about 500 thousand in 1979 and 2.5 million in 1983 in terms of unemployment, for a five year difference of about 7.8 million. The difference in terms of employment are estimated at 1.4 million in 1979 and 5 million in 1983, or about 16.7 million over the five years.[6]

The official documents express deliberate intent to reduce the real rate of economic growth from 4.3 percent in 1978 to 3.3 percent in 1979 and 2.2 percent in 1980, for an annual average of about 2.7 percent. The goals thereafter are for an average annual real growth rate of about 4.4 percent during 1980-1983, which means an annual average of 3.8 percent for the five year period 1978–1983. The Administration proposes fiscal and monetary and guideline policies directed toward these ends. The approved tax legislation will contribute to these results, although it was not so originally intended. But the Administration's economic growth goals are hardly attainable under its proposed policies and programs; a five-year average growth rate of 3.8 percent cannot come near to reducing unemployment to 4.0 percent by 1983; and a 2.7 percent average during the first two years would require a 7.2 percent average during the last three years to accomplish the 4.0 percent unemployment goal—an economic growth rate not attained for even one year during the past quarter century. The Conference estimates the need for a real economic growth rate of 5.6 percent from 1978 to 1979, and an average of 5.5 percent thereafter through 1983, to reach 4.0 percent unemployment by 1983.

Moreover, jobs are not to be valued for themselves alone, but also for the goods and services which they create to support a rising standard of living, reduction of poverty, high business investment, meeting competition from overseas, and servicing national defense and our other international obligations. The Conference estimates that the five year difference in GNP between the policies and programs of the Administration and those recommended in this pamphlet (compatible with the Humphrey-Hawkins Act) would aggregate almost 820 billion 1977 dollars.

These are losses neither our economy nor our people can stand, coming on top of the roller-coaster performance from 1953 to 1978 which, as earlier stated, caused us to forfeit some 4 to 6 trillion 1977 dollars worth of total national production, and to suffer more than 76 million man-woman- and teenager-years of unemployment above levels consistent with full employment throughout the quarter century.

Consumption, private investment, and public outlays are not pointed toward balanced growth

We are equally disturbed about the treatment of balanced growth in the official reports. The Humphrey-Hawkins Act, both in title and in content, accents the profound importance of this balance, if any of its other objectives are to be attained. But the goals in the official documents would aggravate serious imbalances which have long existed and still exist.

According to the official reports, during 1979, with GNP growing only at 3.2 percent in real terms (compared with 4.3 percent in 1978), personal consumption expenditures in real terms would grow at only 1.7–2.25 percent (compared with 3.8 percent in 1978), Federal purchases only 0.75–12.25 percent (compared with 3.5 percent in 1978), and nonresidential fixed investment, designed to enlarge and improve production capabilities, would grow at 4.0–4.50 percent (compared with 8.3 percent in 1978).

This avowed determination to encourage a growth rate in investment in plant expansion several times as fast as the growth rate in private consumer spending or in public outlays runs directly counter to the lessons to be learned from the five previous stagnations and recessions since 1953. All of these were characterized by growth in the capacity to produce, during the periods of upturn, far in excess of what could be sustained by the growth rate in consumption and public outlays combined. The same thing happened again during the upturn periods from fourth quarter 1977 to fourth quarter 1978, when the real growth rate was 6.1 percent for investment in plant and equipment and only 3 percent for total private consumer expenditures plus total public outlays for goods and services. These imbalances were supported by a 10 percent real growth rate in corporate profits, contrasted with only 2.8 percent in wages and salaries. Now is a peculiarly inappropriate time to augment these imbalances, the recurrent existence of which has been a prime cause of cyclical disturbances.

The position of the official policymakers, as stated in the Economic Report (p. 3) is that "the task now confronting us is to manage an economy close to its capacity", this leading to the conclusion that private investment needs to be stimulated several times as rapidly as all else to enlarge capacity. But the Economic Report (p. 237) itself shows that capacity utilization in manufacturing was only 85.2 percent in 1978 and 85.7 percent in fourth quarter 1978. Five years earlier, in 1973, it was 87.5 percent. Further, as to utilization of overall capabilities, the Economic Report (p. 72) estimates that the gap between actual GNP and potential GNP in 1978 was only 37.8 billion dollars. But this figure was stated in 1972 dollars, which would be lifted to more than 60 billion by using the 1978 price level. And even this appears to be a vast underestimate. Several former Chairmen of the Council of Economic Advisers, including Walter W. Heller, have made various estimates of the 1978 gap ranging from 100 to 200 billion dollars.

The economic and social role of housing is overlooked

Viewing housing starts the official reports estimate that the annual rate would drop from 2.1 million in fourth quarter 1978 to a rate which could be as low as a million in fourth quarter 1979, a plunge of more than 50 percent. Even a precipitate decline in housing starts of 25 percent (close to the general expectancy now) would, even as that beginning in 1974, greatly accentuate the rise in unemployment, the growth in the economic imbalances, and the deterioration of economic conditions generally. The estimate on which we rely, and that offered at the February 13 hearings by Henry B. Schechter, Director of the Department of Urban Affairs, AFL–CIO, is that at least 2.5 million housing starts in 1979 would be needed to reflect home construction's role in balanced economic development in accord with the unemployment reduction goals and timetables of the Humphrey-Hawkins Act, and to meet urgent family needs. To reduce unsatisfactory housing at an appropriate rate would require an even higher level of starts, perhaps 2.9 million.

The really critical deficiency in private (and some public) investment today is in the housing field.

Tight money and rising interest rates continue their destructive impacts

The policy of tight money and rising interest rates, mainly attributable to the Federal Reserve Board but now enjoying the encouragement of the Administration, in the judgment of a wide range of economists of all shades has been a substantial factor in the five periods of stagnation and recession since 1953 and the secular increase in unemployment. The prevalent monetary policy since 1952 has transferred more than 1.5 trillion dollars (representing actual interest payments in contrast with what payments would have been if 1952 levels of interest had been maintained) from borrowers to lenders. This has added to economic imbalances and social inequity. In calendar 1978 alone, the outlays in the Federal Budget represented by soaring interest rates (difference between 1978 with 1952 levels) was almost 21 billion dollars, compared with fiscal 1979 budget outlays of only 12.2 billion for manpower programs, only 12.7 billion for education, and only 13.3 billion for housing and community development. A national economic policy which encourages a continuation of this monetary policy is perverse and inequitable on all scores. It enlarges the incomes of those who need help the least; it places so heavy a burden upon the average American family that it cuts into living standards and impels dangerous reliance upon credit; and it strikes heavy blows at home construction, school construction, and building of utility plant and exploration of new sources of fuel, and all of these are among the areas of largest price inflation. Moreover, extraordinarily high interest rates, while partly due to inflation, are inflationary per se.

Federal aid to the States and localities is slighted

The official reports project a decline in the real rate of growth in State and local outlays from 3.5 percent in 1978 to as low

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as 1.75 percent in 1979, a 50 percent drop. This may well be correct, for municipal finances are in sorry shape. Coupled with official policies which turn their back upon earlier promises of adequate Federal aid to the cities, it is tragically clear what this means for our cities and the whole nation. To illustrate broadly what is happening, Federal Budget outlays for housing and community development, measured in fiscal 1980 dollars, fall from 13.1 billion and 0.58 percent of GNP in fiscal 1979 to 12.3 billion and 0.49 percent in fiscal 1980.

Tax policy remains upside down in its consequences

The tax legislation of 1978 now officially embraced will, according to the official reports, reduce corporate taxes by 5 billion dollars, apart from other large concessions to owners of capital. Reputedly to stimulate business investment, these tax reductions are in the main unwarranted when viewed along with recent profit trends in ratio to the official estimates of consumer and public demand. And since 1964, repeated tax reductions and concessions to the wrong recipients have been a major factor in the economic imbalances and in the "roller-coaster" downsweeps of the economy. The official documents cite a 14.5 billion dollar reduction in personal income taxes in 1978 (reduced in impact over time by the process of inflation). But they do not take account of the regressive nature of these tax reductions, nor of the fact that the increases in social security taxes from 1980 forward would mean on net balance a regressive increase in the total tax burden. The regressive feature has been characteristic of most of the personal tax reductions since 1964.

Properly designed tax reduction, at times, is manifestly desirable. But the propensity of national policy for a decade and a half, now greatly accentuated, to pour out hundreds of billions of dollars in tax reductions which help some far too much, while short-changing the vital public outlays which these tax reductions make it "harder to afford," cannot be accepted with equanimity or confidence.

The wage-price guidelines are inequitable and lack economic balance; meaning of a genuine national incomes policy

The wage-price guidelines policy is also to be considered. Superficially, it calls for a 7.0 percent annual increase in money wage rates and price deceleration of 0.5 percentage points with a 9.5 percent maximum in terms so vague as to make evasions easy. The official documents project a 7.5 percent actual rise in consumer prices in 1979, which appears to be an optimistic estimate. But when account is taken of the fact that a majority of wage earners will not receive the 7.0 percent wage rate increase, the realistic figure for average wage rate increase appears to be at least two percentage points lower than that figure.

Contrasting this with the 7.5 percent figure for prices (which may well be exceeded), the real purchasing power of average wage earners, coming near to two-thirds of all consumers, would move seriously downward even if the wage insurance proposal were to be enacted. Increases in employment would not lift total wage purchasing power anywhere near enough to do its part toward needed GNP growth. This conclusion is entirely consistent with the earlier mentioned fact that the official documents' 1979 goal for real expansion of consumer expenditures is only 1.7–2.5 percent. Nothing would contribute more to economic imbalance and social inequity. The concept of money wage rate advances lagging far behind price increases has never before entered into Government efforts to influence prices and wages. Never before have guidelines or controls sought to force real wage rates downward. Even Business Week, in its February 19, 1979 issue, concedes that "to the extent that the wage guidelines are effective, the change in real buying power will turn negative in coming months." Business Week also states: "Even though weekly earnings are about 9 percent ahead of a year earlier, so are prices, balancing out any real gains for the individual worker. This pattern will worsen at least for the rest of the winter and into early spring."

It should further be noted that a price stabilization program which essentially condones continuation of such very high price increases is unparalleled. When the Chinese entered the Korean war in 1950, prices rose at an annual rate of about 10 percent. A program aimed at stabilization brought price increases down to 0.8 percent in 1953 with unemployment at 2.9 percent. The guidelines during the Kennedy-Johnson years achieved remarkable price stability, even though the rate of real economic growth was very high and unemployment was reduced to 3.8 percent by 1966. Furthermore, the current guidelines do not aim selectively against especially glaring price increases, nor do they aim toward some price decreases, both of which have been hallmarks of successful stabilization efforts.

In her testimony of February 13, referred to above, Dr. Rivlin estimated that the Administration's proposals would reduce the inflation rate in fourth quarter 1980 only 0.1 percentage point, and in fourth quarter 1981 only 0.2 percentage point, below the fourth quarter 1978 rate. And the fourth quarter annual rate of inflation was about 7.2 percent.

And to achieve the essential balance between the three basic components of GNP—consumer expenditures plus public outlays which constitute ultimate demand and private investment which adds to the ability to produce—it is not nearly enough to deal with prices and wages. For it is profits which bear upon private investment, just as it is wages which bear upon consumer expenditures. Without balanced real growth in profits and wages, there can be no balance in the economy at large.

Thus the official documents neglect the central problem of balance entirely, and in violation of the Humphrey-Hawkins legislation,[7] when they bear down so severely upon wages and consumer incomes generally, as well as upon Federal outlays, even while they fail to examine thoroughly what levels and rates of profits are conducive or inimical to sustained real economic growth and reduction of unemployment. Slapping public restraints upon wages while giving no consideration to one mode or another of profit restraints reflects unsound economic analysis, and also disturbing biases in favor of one sector of the economy at the expense of another.

Indeed, if the Government is moving toward an "incomes policy," it must recognize that all economic activity rests on income flows, that all major types of income need to be considered, and that all national policies (fiscal, monetary, and other) which powerfully affect income must be pointed consistently and coherently toward a balance which fights inflation, promotes real growth, and reduces unemployment.

The core rationale of the short-range official program is mistaken; making things worse now does not help to make them better later on

What is the core rationale underlying the short range official program to increase unemployment and strike so many other hammer blows at the American economy? The claim is made that inflation is the top priority to be dealt with first. It is claimed that the officially contrived travails of 1979 and 1980 must be borne in order to create a sure foundation from which to realign national economic policies toward achievement of the goals for 1983 under the Humphrey-Hawkins legislation, including those for the reduction of unemployment. But as demonstrated clearly above, this is not compatible with the Humphrey-Hawkins Act, which contemplates a vigorous start in this direction in January 1979 and not circa January 1981.

As indicated earlier, to start in 1981 would leave only three years during 1981–1983 inclusive to meet these goals and targets. But the official though erroneous position during negotiations on the Humphrey-Hawkins bill was that five years was too short a time, and that a longer period of time would be desirable. Far more important, to achieve the 1983 targets by starting in 1981 would require an average annual economic growth rate far beyond the scope of efforts within any range likelihood. According to the estimates of the Conference on Economic Progress, a real average annual growth rate of 7.2 percent would be required during 1980–1983 (assuming the Administration's goals of only 3.2 percent and 2.5 percent for the first three years) to reach by 1983 the employment-reduction and total national production goals contemplated by the Humphrey-Hawkins Act. The Act intends movement most of the way toward full employment and full production by that year. During the past quarter century, the 7.2 percent real growth rate has never been approximated for even one year, much less three, and it would be unthinkable under the policies and programs projected through 1983 by the Administration as of now.

Further, all experience during the five periods of stagnation since 1953, due in large measure to policies very similar in the main to those now being initiated, demonstrates that every one of these periods of stagnation was followed by a recession before an economic advance commenced. A drowning man cannot be rescued more easily by holding him under for a longer period of time. That is why a majority of economists today expect a recession in 1980.

To round out this phase of the discussion: The official position depreciates the harsh impact of a rising number of unemployed during 1979 (with no reduction in 1980) on the ground that leaving many of the unemployed neglected is a harsh necessity. The Budget Message states (p. 6): "Programs targeted to employ the *truly disadvantaged* (stress added) are continued at their current high levels as targeted by the Administration. More general employment programs, *not directed to those specifically in most need must be reduced* (stress added) to reflect improvements in the economy and our need to establish priorities." But the economy, as the official statements readily admit, will be performing much worse, not better, in 1979 than in 1978. And if the Administration policies succeed in reducing unemployment among those claimed to be worse off, while overall unemployment rises from 6.0 percent to 6.2 percent, that would mean that those worse off or "truly disadvantaged" who got jobs would take them away from others with more experience and skills, to the detriment of output and productivity.

This position is short on economic realism and social awareness. There should be no higher priority than the reduction of total unemployment. Any attempt to separate those unemployed who should be accorded jobs because they are "more" in need and those who should not be accorded jobs because they are "less" in need would be entirely unworkable and divisive—and it is not in accord with the Humphrey-Hawkins legislation. All of the unemployed cannot be reemployed quickly but huge portions of them should not be omitted from the effort.

Footnotes at end of article.

WEAKNESSES IN LONGER-RANGE POLICIES

We turn now to those portions of the official documents which deal with the longer range, beginning with 1981 after the effort to make things better in the long run by making them worse in the short run has run its unsuccessful course.

The heart of those portions of the official documents is that the objective is to maintain an average annual real economic growth of 3.8 percent from 1978 through 1983, with a sharp slowdown below 1978 in 1979 and 1980 and a higher rate than in 1978 and 1979 in later years. But putting aside the insuperable handicap of starting two years too late, the projected 3.8 percent average annual rate of real economic growth in 1978–1983 is far below the 4.4 percent average annual real growth rate held to be necessary by most economists even to prevent unemployment from rising when we are at full employment, much less to reduce it greatly from its current high level.

The Conference on Economic Progress estimates are that a real economic growth rate averaging 5.5 percent during 1978–1983 is needed to achieve the 1983 goals and targets for the reduction of unemployment contained in the Humphrey-Hawkins legislation, and to meet its other vital objectives of achieving full production, acceptable productivity growth, and reasonable response to high domestic priority needs.

These goals are moderate. They are justified by the productivity-growth potential (subsequently discussed), the high current nonutilization of resources, and the estimated growth in the civilian labor force under conditions of good opportunity to get jobs. Our average real economic growth rate was 5.4 percent during 1961–1966, and the unemployment rate was reduced to 3.8 percent. There have been six years during the past quarter century when the real growth rate has been well above 5.5 percent. And there would have been many more such years, but for the advent of stagnation and recession.

The productivity problem is incorrectly addressed

The main reason advanced for the official position is that the annual growth rate potential of the U.S. economy has been reduced to 3.5 percent under conditions of reasonably full resources use and only slightly higher in view of the large economic slack of today; this is used in defense of the dangerously low 1978–1983 economic growth rate projections in the official documents. The reason advanced for this as a sharp decline in the rate of productivity growth, projected ahead at around 1.5 percent by the Administration. This needs remedy. But the long discussion of productivity in the official reports overlooks completely the stark fact that the main influence upon productivity growth is the degree of utilization of existing capabilities as influenced primarily by the real rate of economic growth. To illustrate, when employment and production trends were reasonably good or very good, the average annual growth rate in productivity in the private economy as officially reported was 3.8 percent during 1947–1953 and the same during 1960–1966. The productivity growth rate in the private economy was at an annual rate of 7.6 percent from fourth quarter 1975 to first quarter 1976, when the economic recovery movement was very brisk. But the periods of very low average annual economic growth during 1953–1960, 1966–1970, and 1972–1978 witnessed average annual productivity growth rates of 2.6 percent, 1.7 percent and 1.1 percent, respectively. The very low average annual productivity growth rates from first quarter 1976 until the end of 1978, averaging annually only 1.8 percent from first quarter 1976 to fourth quarter 1977 and only 0.5 percent from fourth quarter 1977 to fourth quarter 1978, were during periods of substantial reductions in the rates of real economic growth, viewing these periods as a whole, and periods of high nonutilization of labor force and plant throughout.

Moreover, even the low productivity growth figures for the total private economy most recently fail to take account of the unreliability of the data for the nonmanufacturing sectors, while in the manufacturing sector productivity during the past twelve months increased at the fairly good rate of 3.5 percent.

Due to an advancing technology, the growth rate in the productivity *potential* is still increasing (it is now at least 3.5 percent annually, and perhaps much higher), and needs only the spur of a strong and sustained movement toward full employment and full production to call it forth. It is almost inexplicable that the official documents, while deploring recent trends in productivity, seek to reactivate a period of economic stagnation—and quite probably a recession—when the objective record shows so clearly that such developments strike productivity growth an almost mortal blow. How can higher unemployment, and the fear of it among the employed, help productivity growth? And insofar as higher productivity growth depends upon more business investment, how is this activated by the advent of economic stagnation and enlarged concern about another recession?

The official documents, instead of offering strong programs to improve productivity growth, weakly accept the notion that productivity growth less than the long-term U.S. average under favorable economic condition is now unavoidable. This is but one example of a defeatist stance, with respect to the power and needs of America, which marks so many portions of the official documents. Instead of building for the best, these documents dig in for the worst. They represent an economic Maginot line approach.

Longer range Federal budget policies fall far short of needs and capabilities

The Federal Budget is the main instrument of national economic policy. The "lean and austere" Federal Budget now proposed evidences in real terms an average annual growth rate of only 1.4 percent from fiscal 1979 to fiscal 1983, and generally at a declining rate of real growth from year to year. Correspondingly, the ratio of the Federal Budget to GNP as officially estimated, which was 21.55 percent in fiscal 1979, is officially estimated as 21.22 percent in fiscal 1980, and is projected at 20.33 for fiscal 1982. The intended figure for fiscal 1983 is 20 percent or lower.

Establishing a Federal Budget policy which decides arbitrarily for years ahead what the ratio of the Federal Budget to total national production should be, in an attempt to convince the American people that the Government is practicing "economy", or in response to the assumption that the American people want this ratio reduced without examining their views as to what services they want to have maintained or expanded, cannot be defended on any grounds.

The proper role of the Federal Government, which represents all the people, needs to be determined pragmatically rather than ideologically, on the basis of the current stage of any business cycle, and taking account of changes in the structure of the economy, in technological conditions, in consumer needs and desires, and in the value judgments of the people themselves as to what they want and how to obtain it. There needs to be constant application of the principle laid down by Abraham Lincoln better than by anyone else, that "It is the function of government to do for the people what they need to have done and cannot do for themselves, or cannot do so well, in their separate and individual capacities". And in this connection, what the people need to have done in a democracy is close to what they want to have done. This is the very reason why the Congress, in considering the Humphrey-Hawkins bill, did not accept any proposals to establish a fixed ration of the Federal Budget to total national production, but instead made it abundantly clear that this ratio should be determined each year in a manner best designed to accomplish the purposes set forth in the legislation itself.

Allowing for population growth and other relevant figures, the officially projected growth-rate trends in the Federal Budget and in ratio to GNP cannot maintain recent levels of essential services. Much less can they expand them in accord with the growing needs of a growing nation. They cannot pay that attention to the great national priorities which we have been talking about since the Russians launched the first Sputnik in 1957, and which the Humphrey-Hawkins legislation at long last lifts to a proper order of importance in the development of national economic and social programs.

The longer-range shrinkage of the Budget in its ratio to GNP might or might not be justified under conditions of full use of our resources allied with a high real growth rate in GNP. But to pursue this shrinkage policy in an economy with very low economic growth and very high unemployment, a policy of which the 1980 Budget is a striking example, violates every dictate of modern economics. It attempts to value the position of the Federal Budget far more than the position of the national economy. It is a veritable invitation to economic stagnation and recession, and to the human neglect which is even worse. The estimates of the Conference on Economic Progress indicate that the average annual real growth rate in Federal Budget outlays should be about 4.7 percent during fiscal 1979–1983 (much lower than the needed 5.5 percent real average annual growth rate in total national production during the calendar years 1978–1983). This is required to help bring about the degree of economic restoration and national priority attention consistent with the objectives and timetables of the Humphrey-Hawkins Act.

The official documents defend the Budget policy on these grounds, as stated in the Budget Message (p. 4); "This reduction [in the rate of Budget growth, and absolutely as to some important programs] . . . is a fundamental goal of my policy, equally as important as reducing the deficit." And it is defended on the ground that ". . . we will continue as a compassionate society to meet our commitments to the disadvantaged. Therefore, I have ensured that my Budget include adequate funds for programs that help those Americans most truly in need." (Budget Message, p. 5.) But who are more disadvantaged than the unemployed, whose ranks will increase substantially during 1979 and 1980 under the official plan, with policies deliberately so contrived? And who are more disadvantaged than those who must depend upon maintenance and increases in essential services provided through the Federal Budget? And how can it truly be a defensible official position to carry forward the intended Budget policy at the economic and social costs involved?

The true meaning of the official Budget policy is further demonstrated by the following analysis.

According to the official documents, Federal Budget outlays for all domestic programs, which peaked at 16.46 percent of GNP in fiscal 1976 and were 16.01 percent in fiscal 1979 are set at 15.65 percent by 1982. The official documents do not extend these projections to fiscal 1983.

Budget outlays for manpower programs, including service programs, which were 0.59 percent of GNP in fiscal 1979, are set at 0.46 percent in fiscal 1980, and would fall to 0.38 in 1982.

Outlays for education, which were 0.53 percent of GNP in fiscal 1979, are set at 0.53 percent in 1980, and would decline to 0.48 percent in 1982.

Outlays for health, which were 2.19 percent of GNP in fiscal 1979, and are set at 2.13 percent for 1980, are projected at 2.12 percent for 1982.

Outlays for income security, which were 6.85 percent of GNP in fiscal 1979, and are set at 6.94 percent in 1980, would decline to 6.63 percent in 1982.

Outlays for housing and community development, which were 0.59 percent of GNP in fiscal 1979, and are set at 0.49 percent for 1980, would decline to 0.47 percent in 1982.

Especially in a GNP growing at a far less than needed rate from now through 1983, the above figures show grossly inadequate attention to public needs of a pressing economic and social nature—needs the satisfaction of which is essential on purely economic grounds and beneficial to the whole American people. The above figure allows no room even for a meaningful but modest start on national health insurance. On the manpower side, they show no recognition of the fact that the official documents set forth targets which (as indicated earlier in the discussion) cannot bring unemployment down to 4 percent by 1983. They appear to be consistent only with the official document's viewpoint that the "most needy" of the unemployed would be taken care of and the rest of the unemployed overlooked. And the projection in the official documents of a 4 percent rate for unemployment in 1984 implies that 4 percent unemployment is to be regarded as full employment. It ignores the specific mandate of the Humphrey-Hawkins Act—when 4 percent unemployment is reached in 1983, policy shall be directed toward moving unemployment lower than this to reach full employment.

The considerable ratio decline with respect to education runs counter to significant and competent studies of trends in educational needs in an industrial society; these trends make a college education as needed now as a high school education was needed half a century ago. The allowances for income security, also moving the ratio downward, forget all about the call, a few years back, for universal income supports at acceptable levels for those Americans who for a variety of reasons are unable to enjoy a decent level of living on their own. Based upon experience, the allowances for housing are a formula for general economic stagnation and recession. These allowances take no account whatsoever of the role of home construction in the national economy, and abandon completely the Government goal more than a decade ago of 2.2 million housing starts a year, 1970-1980. As the actual performance has been more than 11 percent below this, with very hurtful impacts upon housing conditions, economic growth, and employment, the goal now should be at least 2.5 million housing starts a year.

Clearly, there is nothing in the official Budget projections which squares with what our economic society really needs to do and can afford to do. There is nothing which justified the statement in the Budget Message (p. 5): ". . . we will continue as a compassionate society to meet our commitments to the disadvantged." The unrestrained desire to make the Government look smaller and smaller runs counter to the need for a Government which should be big enough in understanding and vision to do its job.

Appropriate goals for Budget outlays related to the great domestic priorities

Having advanced the considerations, both economic and social, which relate to the appropriate size of the total Federal Budget through 1983, we find it necessary to enter into some discussion of appropriate goals for Budget outlays in the categories of the Federal Budget related to the great domestic priorities. We do this because it adds to the significance and understandability of what we say about the Federal Budget as a whole, and because the Humphrey-Hawkins legislation enumerates these great domestic priorities and emphasizes their importance in achieving the purposes of the Act.[8]

This undertaking is as difficult as it is essential, because among the membership of the Full Employment Action Council, as well as among others, there will be varying judgments as to the relative weights to be attached to the various domestic priority programs. But this task must be undertaken to serve as an example (others differing widely in detail could be used) of what the President's 1979 Economic Report should contain in accord with the mandates and purposes of the Humphrey-Hawkins Act. Accordingly, the Appendix at the end of this pamphlet contains the findings on this subject prepared by the Conference on Economic Progress, which since its establishment in 1954 has published about 30 studies related to the requirements for sustained full employment, production, and purchasing power, with due attention to the great domestic priorities, and with due regard for the role of the Federal Budget.

In developing these materials, the Conference has drawn upon other excellent studies which have estimated needs in these priority areas. But most of these other studies have not rationalized selective needs in terms of GNP and Budget considerations; the estimates of the Conference do this in accord with the purpose of the Humphrey-Hawkins Act to plan and reconcile Federal programs instead of continuing them on a hit-and-miss basis. This phase of the Conference work is set forth in the Appendix.

For obvious reasons, members of the Full Employment Action Council cannot pass upon the details of this Conference work, nor are we all in accord as to the relative apportionment among and the relative sizes of the programs proposed. But we are all in accord that these demonstrations are essential to distinguish between what can be afforded and needs to be done and what the official documents are committed to.

Moving forward in this manner, we can within five years in many instances, and in less than a decade in all instances, build an America where all have decent housing and adequate health services at costs within their means; education at costs within their means up to the limits of their abilities and aspirations; more attractive and healthful urban areas in which to live; prosperous rural communities with sufficient public services; clean environments; the liquidation of poverty, with all lifted not only above the poverty cellar but above a deprivation level of living; swift and comfortable mass transportation; the supply of energy and other requirements for an expanding full economy; the national defense required for our security, without strain upon the economy; and the means to help others overseas in the developing countries to improve their standards of living. Reading of the Humphrey-Hawkins Act makes it clear that these are among its objectives.[9]

There are those who believe that political attitudes in general are not responsive to the magnitudes of our recommendations. Nonetheless, what we set forth will encourage many to move much further in the directions we indicate, and we hope through the educational process, on which this pamphlet makes a start, to help persuade them to move all the way.

It is indefensible to confront the public with the notion that, by allocating a smaller share of the national product to those who are now being shared out, there will be more available for others. One good answer is that there should not be more available for others higher up in the income structure at the expense of those lower down. There should not be a feeding of the fat and starving of the lean. As earlier stated, there should not be billions of dollars of tax reductions where they are not needed, at the expense of public outlays where they are needed. If this problem of sharing is a genuine one, the realignment of shares should be along lines which would be equitable rather than inequitable, and which in addition would help the economy to work better because they would redress some of the economic imbalances discussed above.

But the big answer is that there would be no bruising problems of resharing if the economic pie were bigger, through the restoration and maintenance of a full and fully growing economy. And even if the movement toward attainment of this goal still required some resharing, which it undoubtedly would, the absolute gains by all would be immensely greater than under conditions of subnormal real economic growth, beginning with two years of veritable stagnation in 1979 and 1980, with deficient and uneven progress even later on.

As earlier stated, the Conference on Economic Progress estimates that, measured even in 1977 dollars, real economic growth and progress in accord with attaining the 1983 targets of the Humphrey-Hawkins Act would yield about 818 billion dollars, more of total national production and 16.7 million more man- woman- and teenager-years of employment than the policies and program now set forth in the official documents. It would yield more than 200 billion dollars more of public revenues aat existing tax rates. It would enable us to meet real needs, without distinguishing between the "most" needy and the "less" needy, instead of developing lame excuses for not even trying to meet real needs fully.

These estimates reflect our conviction, shared by others, that the Administration's program would achieve far less than claimed for it; we use Conference projections as to what the Administration's policies and programs would yield. And even if, as we believe unlikely, the Administration's policies and programs were to reduce unemployment to 4 percent by 1983, its productivity growth goals would reduce its goals for output of goods and services almost in line with the 818 billion dollar loss as cited above.

The relationship between national defense outlays and domestic priority outlays

We insist that the level of defense outlays is no valid reason for not carrying forward in full the attention to our great domestic priority needs in accord with our recommendations.

In one sense, national defense outlays and domestic priority outlays are not comparable; the first are nonproductive in an economic sense and are undertaken for entirely different reasons; the second are undertaken for their economic and related social benefits. We insist most emphatically that the proposed range of national defense outlays is no reason whatsoever for the lean and austere treatment of domestic outlays. Even if the former need to be increased by 3 percent from

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Footnotes at end of article.

fiscal 1979 to fiscal 1980, it is economically unsound and socially unjust to increase the Budget as a whole by so little from fiscal 1979 to fiscal 1980 and during the years thereafter. If cutbacks somewhere were essential, taxes should be increased to reduce expendable private outlays.

Surely, even granted the size of the President's national defense budget for fiscal 1980 and any changes within the range of likelihood in the years immediately thereafter, it remains essential on all grounds of worthy analysis to increase the domestic priority programs along the lines we set forth in this pamphlet. In arriving at our conclusion as to how to balance the Federal Budget by 1983, we take a conservative position by allowing for defense outlays trending consistently with what the President proposes for fiscal 1979, although we are taking no position for reasons already stated as to whether such trends are desirable.

We need not rob Peter to pay Paul. It is among our most precious assets that we have the economic and financial resources to be strong at home and, within the limit of the foreseeable, safe around the world. And we cannot maintain the latter condition without regaining the former conditions.

HOW TO GET AND NOT TO GET A BALANCED FEDERAL BUDGET

The official reports tell us that what is now being done must be done in order to move toward and achieve a balanced Federal Budget. But at whose expense? Why more tax increases for those paying taxes under the social insurance system, thus permitting them to buy less of the necessities they need, and more tax reductions for those so high up in the income structure that a substantial part of their spending is of an expendable nature? Why impose billions of dollars of additional costs upon the Federal Treasury in the form of higher and higher interest payments which are inflationary per se, at the expense of Federal outlays for education and health and housing?

Beyond all this, the efforts to balance the Federal Budget at the expense of the national economy have been a monstrous failure. The Conference estimates that almost no deficiency in total national production on the average during 1947–1954 yielded an average annual surplus in the Federal Budget of 0.9 billion dollars. Year by year since then, the Federal deficit has mounted as the "gap" between potential and actual GNP has increased. During 1971–1978, the GNP gap measured in 1977 dollars averaged annually scores of billions of dollars, and the Federal deficit averaged 36.4 billion. By fiscal 1976, the deficit soared to 66.4 billion in consequence of more than two years of the sharpest economic downturn since the Great Depression. Since then, the inadequate decline in the deficit has been due to the inadequate improvements in the economy. And today, a number of economists say that the deficit in fiscal 1980 will be very much higher than the goal of the President and the estimates of the official documents, just because these economists feel certain that the economic performance will be even less satisfactory than the official documents claim.

The C.E.P. studies upon which this pamphlet draws yield these results: Measured in fiscal 1980 dollars, it is estimated that economic developments which are judged to result from the policies and programs set forth in the official documents would result in an average annual Federal deficit of 25.6 billion dollars during the fiscal years 1980–1983, and a deficit of 13.6 billion in fiscal 1983. In contrast, it is estimated that the movement of the economy in line with attaining the objectives and timetables of the Humphrey-Hawkins Act would mean an average annual Federal deficit of about 14.3 billion (somewhat above half the size) during the same fiscal years, and a balanced budget by fiscal 1983, with a surplus of 2.4 billion in that calendar year. And these budget estimates reflect "meet the needs" Federal Budgets averaging annually during the fiscal years 1979–1983 about 42 billion fiscal 1980 dollars higher than those in the official documents; the better results in the Budget itself would flow from the differences in the size of the GNP over the years, averaging annually 195 billion.

HOW TO DEAL WITH INFLATION: THE TRADE-OFF REMAINS IN AGGRAVATED FORM

None is closer to the victims of the inflation than those working together in the Full Employment Action Council. None is more sensitive than we to the economic damage and social cruelty wrought by inflation. But we are not satisfied with constantly talking about the evil without examining cause or proposing a reliable cure. The official documents give reduction of inflation top priority, but ignore the actual causes and propose remedies discredited by experience.

We insist that repeated attempts to deal with inflation by fastening the costs of the effort upon the backs of unemployed and/or otherwise deprived people is economically damaging and socially indefensible. The so-called "trade-off" between unemployment and inflation has been proved a ghastly failure; we deplore the Administration's continued reliance upon it.

Prohibition of "trade-off" in Humphrey-Hawkins act: empirical evidence against the "trade-off"

The official documents center upon two propositions: (1) that the reduction of inflation has the top priority, and (2) that, at least for 1979 and 1980, success in the effort to reduce inflation depends upon higher unemployment. This means slashing the rate of real economic growth, aggravating unemployment, and neglecting social problems. These effects would injure the disadvantaged far more than they would be injured by inflation. It is true, as the official documents state, that inflation fleeces the unemployed, the needy, and the poor and others of low income more than it does others. But it is also true that these people, in the main, have been and still are being hurt more by other ills than they are being hurt by inflation, and the way to help them is not to increase and prolong these other ills through deliberate Government policies.

It is partly for this reason that the Humphrey-Hawkins Act mandates specifically that the efforts to restrain inflation shall not in any way be along lines which interfere with achievement of goals for the reduction of unemployment year by year through 1983. The policies enunciated in the official documents are incontestably in violation of this mandate of the Congress within the law signed by the President.

This determination of national policy by the Congress was not merely humanistic; it was absolutely correct in a traditional economic sense, with regard to how to reduce inflation. Committee Reports dealing with the Humphrey-Hawkins bill, and the statements of leading Republicans and Democrats during the debate in the Senate and the House, are of compelling weight. These statements espouse the proposition that, contrary to the trade-off idea, inflation rises when unemployment and other underutilized production resources are high, and is lowest when the opposite is the case. The full case against the "trade-off" appears in Congressional hearings and Reports and in the 1978 and 1979 pamphlets by Senators Hubert and Muriel Humphrey and Congressman Hawkins.

Viewing this empirical evidence, reading the Congressional Record, and noting the expressed awareness of the true facts of our economic life so many economists, we find it hard to understand why the official documents still close their eyes to the unimpeachable record, and still treat the "trade-off" as the Eleventh Commandment, or why the Economic Report (p. 123) states: "The most difficult obstacle to achieving the 1983 goals for unemployment arises from the potential inconsistency between the objectives for growth and unemployment and the need to reduce inflation."

But even if the restoration of a full economic performance were not the surest weapon against inflation, there are safer ways than the "trade-off" to reduce inflation and achieve price stability, which do not hurt those most who need help most, even while they batten the coffers of many who have profited by inflation. These better ways have been used during those period when price stability was combined with a fully vigorous economy and an humane spirit.

These approaches are listed in the Humphrey-Hawkins Act, and the time to use them is now; coordinated fiscal and monetary policies, an effective information system to monitor and analyze inflationary trends; programs and policies for alleviating shortages of goods, services, labor, and capital, with particular emphasis on food, energy and critical industrial materials; establishment of stockpiles of agricultural commodities and other critical materials; encouragement to labor and management to increase productivity; recommendations to increase competition in the private sector and to improve the economic climate for the creation and growth of smaller businesses, including recommendations to strengthen and enforce the antitrust laws, the patent laws, and the internal revenue laws and regulations; removal or proper modification of such Government restrictions and regulations as add unnecessarily to inflationary costs; increasing exports and improving the international competitive position of agriculture, business and industry; and such other administrative actions and recommendations for such legislation [including direct controls] as the President deems desirable.[10]

Why is there so little of this (the most comprehensive legislative listing ever, save in times of war) in the 1979 Economic Report, rather than reliance on the discredited and legislatively prohibited "trade-off"?

SHOULD OUR GOVERNMENT SELL AMERICA SHORT?

Why the need for "sacrifices" and, if needed, by whom?

The official documents are redundant with the counsel that the great American economy and the great American people cannot register the economic performance and gains which they used to; that we must be content with much less, or at least that those in the lower portions of the income structure must be content with much less; that we have moved into an era of very low gains in real levels of living on the average, and actual loses for those who can least afford to bear them; that "do without" must be substituted for "do"; and that "sacrifice" is the order of the day for the next few years.

Sacrifice is worthy in its time and place. When every productive capacity of the economy was being overstrained during World War II, when the real economic growth rate

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Footnotes at end of article.

averaged 9 percent for four years, when unemployment was down to one percent, and when almost half of our resources were being blown up in fighting the war, there was indeed need for some sacrifices on the home front. But there was "equality of sacrifice". And with real levels of living in many respects rising at a more rapid pace than before or since, sacrifices of automobile joy rides and some other expendables were not in the slightest comparable to the current vogue for telling the unemployed to stay put, or asking old people to give up some benefits enjoyed for many years, or asking families to wait until who knows when for relief from sky-high medical costs, or requiring homeowners to pay interest rates two and a half times as high as their parents paid in 1952.

Today—unlike World War II—with the level of unemployment at 6 percent and "scheduled" to move higher, with manufacturing operating so very far below capacity, and when GNP may be as high as 200 billion dollars short of its potential, where does "sacrifice" come in as a general economic proposition? The proper economic strategy is to call forth the great nonsecret weapon of the U.S. economy, its ability to move vigorously forward, toward the economic and social progress which is so well within our means, and to do this with proper accent upon helping those first who need help most.

How to strengthen our position overseas and strengthen the dollar

To be sure, our economic difficulties go beyond our own borders, and part of the reasons advanced for the official position is that we need to strengthen the dollar. But what is the real source of our international economic difficulties, the lack of confidence in the dollar, the deficits in our balance of payments and trade accounts, the competitive inroads upon our own markets, and the excessive flows of American capital abroad through multinationals and otherwise?

The primary source of all this trouble is that we are losing ground, both in economic terms and in the opinions of others based upon how we treat human beings. During 1953–1977, the average annual real economic growth rate of the U.S. economy was 3.2 percent, and during 1969–1977 it was only 2.7 percent. The figures for Japan during the same periods were 8.6 percent and 6.5 percent respectively; for Germany they were 4.8 percent and 3.6 percent respectively; for France they were 4.9 percent and 3.6 percent respectively, and for Mexico, they were 6.5 percent and 5.3 percent, respectively. We now read that, in 1979, Germany expects a real economic growth rate of 4 percent, higher than last year, and a full third higher than what we are now "planning", coupled with an inflation rate of only 3 percent while we accept as par for the course two to three times that amount. In terms of social services to people, rates of unemployment, and protection against the hazards of life, many of the other advanced economies are a quarter century ahead of us, despite fewer resources.

The current trends in our national economic policies fill us with concern that, before many years, the nation we love will be second rate in its economic power and third rate in its social thought and action. Speaking of what we can "afford", can we really afford to let this happen?

RECOMMENDATIONS IN BRIEF

In this statement, we have recognized our obligation to accompany criticism with positive alternatives, as specific as we can make them.

Towards these ends, we have undertaken herein to set forth full and clear alternatives to the goals and policies contained in the President's *Economic Report* and *Budget Message*. We do this primarily by setting forth alternatives to the goals contained in these official documents. The goals we set forth are designed to begin in early 1979 to move us realistically toward attainment of the goals and timetables for mid-1983 contained in the Humphrey-Hawkins Act. We accompany this with an analysis which demonstrates, we believe conclusively, that the goals and policies contained in the official documents would move us in the opposite direction during 1979 and 1980, and beginning with 1981 would move us far too slowly to come even near to the 1983 goals of the 1978 Act—for employment, production, and attention to priorities.

In the area of the Federal Budget, we express in detail our objections to the official documents. We also set forth the magnitudes by which we think the Federal Budget as a whole should be increased from fiscal 1979 to fiscal 1983. And we explain why our *total* proposals will balance the Federal Budget by 1983 and produce a surplus thereafter. In contrast, we see huge Federal deficits, increasing greatly above the President's goal in fiscal 1980, under national economic policies aimed against restoration of full economic health. We are not for a bigger Budget *per se;* we are for one which *sees* needs and capabilities.

We cannot determine the details of the wide range of national economic policies—fiscal and monetary, social insurance, agriculture, urban affairs, welfare, and a wide range of others—needed to help achieve the broad goals. The Humphrey-Hawkins Act recognizes wisely that this must be left to the Congress and the President, year by year. But we do know that the policies cannot be adequate if the goals are as deficient and the policies and programs as maladjusted as those set forth in the official documents. We do note that any dynamic policies stated in the *Economic Report* and the *Budget Message* are almost nondetectable, just because the goals are so timid and defeatist. We reject the idea of a great nation resting on its oars, lowering its sights, and ducking its duties.

TO THE PRESIDENT AND THE CONGRESS

Despite all that we have said, we recognize the vexatious problems and terrible burdens of the presidential office. We regard Jimmy Carter as a very able man, elevated in his religious and moral commitments, and highly sensitive to people's needs. We therefore urge him to reconsider the trends or drifts in the policies he is now putting before the Congress and the American people, and beyond that to retain his tested and proved open-mindedness about changing policies when unfolding evidence proves them to be in error.

The Congress of the United States, under our political system, is at the center of national policymaking. The Congress has taken a great step forward in its initiation and approval of the Humphrey-Hawkins Act. There are many in the Congress who are dissatisfied with aspects of the 1979 *Economic Report* and *Budget Message*. We hope that they will bring their minds and hearts to bear upon the needed corrections in national economic policies, especially with respect to their human implications, but mindful also of their economic and international significance.

For our own part, we pledge ourselves, as a coalition representing many scores of millions of Americans, to stand by our economic and social creed, and to work more vigorously than ever to bring the Humphrey-Hawkins Act to full fruition as a powerful instrument toward effectuating the true promise of America.

APPENDIX

The goals for GNP and its main components and for a "model" Federal Budget have been developed and revised over many years by the Conference on Economic Progress, in studies designed to incorporate what are now the purposes of the Humphrey-Hawkins Act. The results, as brought up to date, are as follows:

GNP AND FEDERAL BUDGET OUTLAYS
[Billions of fiscal 1980 dollars]

	Fiscal 1980 (Presidents' budget)	Fiscal 1980 (goals)	Fiscal 1983 (goals)
GNP	2,505.7	2,582.0	3,025.0
All domestic outlays	392.1	416.0	494.0
Manpower, including public service jobs	11.5	16.5	19.5
Education	13.3	15.0	25.5
Health	53.4	57.0	74.0
Income security	173.8	180.0	207.0
Housing and community development	12.3	18.0	19.5

BUDGET OUTLAYS AS PERCENT OF GNP (GNP=100)

All domestic outlays	15.65	16.11	16.33
Manpower, including public service jobs	.46	.64	.64
Education	.53	.58	.84
Health	2.13	2.21	2.47
Income security	6.94	6.97	6.84
Housing and community development	.49	.70	.65

The precision in the above figures is due to the need to construct a "model" in which all categories (including some not listed) add up to a total Federal Budget in accord with the nation's needs and capabilities. But in fact, all of the figures are intended to be construed as representing a broad range of options as to each category, and as to distribution among the categories.

FOOTNOTES

[1] Section 3(a)(2)(A) of the Employment Act of 1946 as amended by Section 103 of the Humphrey-Hawkins Act.

[2] Section 4(b)(1) of the Employment Act of 1946 as amended by Section 104 of the Humphrey-Hawkins Act.

[3] Section 4(d) of the Employment Act of 1946 as amended by Section 104 of the Humphrey-Hawkins Act.

[4] Section 4(b)(2) of the Employment Act of 1946 as amended by Section 104 of the Humphrey-Hawkins Act.

[5] Section 2(h) of the Employment Act of 1946 as amended by Section 102 of the Humphrey-Hawkins Act.

[6] The differences in unemployment are not the same as those in employment, due to greater growth in the civilian labor force under more favorable economic conditions. The estimates of unemployment for 1979 are roughly equivalent to those in the testimony of Dr. Rivlin, who estimated that the Administration's Budget policies *alone* would mean employment about 350 thousand lower in fourth quarter 1980 than if previous Budget policies (much tighter than those proposed herein) were maintained.

[7] Section 5(a) of the Employment Act of 1946 as amended by Section 105 of the Humphrey-Hawkins Act states: "To aid in determining the short-term and medium-term goals . . . analysis shall be presented in the Economic Report with respect to major aspects of the appropriate composition or *structure* [stress added] of each goal, and as to the appropriate apportionment of total national production among its major components (private investment, consumer expenditures, and public outlays) as affected by relative income flows and other factors, in order to promote balanced growth and a balanced Federal Budget, reduce cyclical dis-

turbances, and achieve the other purposes of this Act and the Full Employment and Balanced Growth Act of 1978."

[8] Section 6 of the Employment Act of 1946 as amended by Section 106 of the Humphrey-Hawkins Act.

[9] See Section 106.

[10] Section 8 of the Employment Act of 1946, as amended by Section 109 of the Humphrey-Hawkins Act.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Rodino (at the request of Mr. Wright), for today, on account of illness in the family.

Mr. Frost (at the request of Mr. Wright), for April 9 and 10, on account of official business.

Mr. Long of Louisiana (at the request of Mr. Wright), for April 5, 9, and 10, on account of medical reasons.

Mr. Pepper (at the request of Mr. Wright), for today, on account of death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Lewis) to revise and extend their remarks and include extraneous material:)

Mr. Collins of Texas, for 20 minutes, today.

Mr. Sawyer, for 5 minutes, today.

Mr. Carney, for 5 minutes, today.

Mr. Wampler, for 5 minutes, today.

(The following Members (at the request of Mr. Ratchford) to revise and extend their remarks and include extraneous matter:)

Mr. Ratchford, for 10 minutes, today.

Mr. Weaver, for 10 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Neal, for 5 minutes, today.

Mr. Panetta, for 5 minutes, today.

Mr. Flood, for 10 minutes, today.

Mr. Boland, for 5 minutes, today.

Ms. Holtzman, for 5 minutes, today.

Mr. Ottinger, for 5 minutes, today.

Mr. Fascell, for 5 minutes, today.

Mr. Alexander, for 5 minutes, today.

Mr. Weiss, for 5 minutes, today.

Mr. Flippo, for 5 minutes, today.

Mr. Gephardt, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Hawkins, to include extraneous matter notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $2,970.

Mrs. Smith of Nebraska, to revise and extend her remarks immediately before the passage of the Ritter amendment.

(The following Members (at the request of Mr. Lewis) and to include extraneous matter:)

Mr. Lent.

Mr. Dannemeyer.

Mr. Collins of Texas in two instances.

Mr. Anderson of Illinois.

Mr. Miller of Ohio in four instances.

Mr. Paul in two instances.

Mr. Treen.

Mr. Erlenborn.

Mr. Conable.

Mr. Whitehurst.

Mr. Kindness.

Mr. Lott.

Mr. Vander Jagt.

Mr. Symms.

Mr. McClory in two instances.

Mr. Lee.

Mr. Jeffords.

Mr. Goldwater.

Mr. Moore.

Mr. Rinaldo in two instances.

(The following Members (at the request of Mr. Ratchford) and to include extraneous matter:)

Mr. Bailey in two instances.

Mr. Dodd in two instances.

Mr. Aspin.

Mr. Luken in five instances.

Mr. Anderson of California in 10 instances.

Mr. Gonzalez in 10 instances.

Mr. Brown of California in 10 instances.

Mr. Annunzio in six instances.

Ms. Holtzman in 10 instances.

Mr. Jones of Tennessee in 10 instances.

Mr. Boner of Tennessee in five instances.

Ms. Mikulski.

Mr. Derrick.

Mr. Rodino in three instances.

Mr. Santini.

Mr. LaFalce in three instances.

Mr. Mottl in two instances.

Ms. Oakar.

Mr. Mavroules.

Mr. Hawkins.

Mr. Ottinger in three instances.

Ms. Byron.

Mr. Donnelly.

Mr. Vento in two instances.

Mr. Barnes.

Mr. Ford of Michigan.

Mr. Ford of Tennessee.

Mr. Gore.

Mr. Alexander.

Mr. Harkin.

Mr. Lehman.

Mr. Wolff.

Mr. Oberstar in two instances.

Mr. Mineta.

Mr. Gephardt.

Mr. Stenholm.

Mr. Drinan.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 423. An act to promote commerce by establishing a national goal for the development and maintenance of effective, fair, inexpensive, and expeditious mechanisms for the resolution of consumer controversies, and for other purposes; to the Committees on the Judiciary and Interstate and Foreign Commerce.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 283. Joint resolution reaffirming the U.S. commitment to the North Atlantic Alliance.

ADJOURNMENT

Mr. RATCHFORD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 35 minutes p.m.), the House adjourned until tomorrow, Tuesday, April 10, 1979, at 12 o'clock noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the third and fourth quarters of calendar year 1978 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1, AND DEC. 31, 1978

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]
Akaka, Daniel	11/19	11/20	Tokyo, Japan	21,638.00	112.00			29,517.62	147.11	51,755.62	259.11
Authorization for Japan, $122 per day per diem.	11/20	12/3	Peking, China	1,480.00	874.70	345.00	203.90			1,825.00	1,078.60
	12/3	12/4	Hong Kong, China	720.00	150.00					720.00	150.00
Airline transportation for entire trip.							1,477.90				1,477.90
Bor, Bob	11/13	11/16	Tokyo, Japan	187,884.00	1,008.00					187,884.00	1,008.00
Embassy reimbursed 5 Members and 1 staff a total of $1,060.28 for transportation to Kagoshima=$176.00 per person.	11/16	11/17	Kagoshima, Japan			34,150.00	176.71	29,517.62	147.11	63,667.62	323.82
	11/17	11/20	Tokyo, Japan								
Airline transportation for entire trip.							1,365.00				
Committee total					2,144.70		3,223.51		294.22		4,297.43

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTU RE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1, AND DEC. 31, 1978

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Bowen, David R.	11/13	11/16	Tokyo, 'apan	187,884.00	1,008.00					187,884.00	1,008.00
	11/16	11/17	Kagoshima, Japan			34,150.00	176.71	29,517.62	147.11	63,667.62	33.82
	11/17	11/20	Tokyo, Japan								
	11/20	12/3	Peking, China	1,480.00	874.70	345.00	203.90			1,825.00	1,078.60
	12/3	12/6	Hong Kong, China	1,440.00	300.00					1,440.00	300.00
Airline transportation for entire trip.							1,752.90				1,752.90
Brown, George	11/13	11/16	Tokyo, Japan								
	11/16	11/17	Kagoshima, Japan			34,150.00	176.71	29,517.62	147.11	63,667.62	323.820
8 days at $112 per day	11/17	11/20	Tokyo, Japan		896.00						896.00
	11/20	12/3	Peking, China	1,480.00	874.70	345.00	203.90			1,825.00	1,078.60
	12/3	12/4	Hong Kong, China	720.00	150.00					720.00	150.00
Airline transportation for entire trip.							1,573.90				1,573.90
Committee total					4,103.40		4,088.02		294.22		8,485.64
Hagedorn, Tom	11/19	11/20	Tokyo, Japan	21,638.00	112.00			29,517.62	147.11	51,155.62	259.11
	11/20	12/3	Peking, China	1,480.00	874.70	345.00	203.90			1,825.00	1,078.60
	12/3	12/4	Hong Kong, China	720.00	150.00					720.00	150.00
Airline transportation for entire trip.							2,798.50				2,798.50
Hightower, J	11/13	11/16	Tokyo, Japan								
	11/16	11/17	Kagoshima, Japan			34,150.00	176.71	29,517.62	147.11	63,667.62	323.82
	11/17	11/20	Tokyo, Japan		896.00						896.00
	11/20	12/3	Peking, China	1,480.00	874.70	345.00	203.90			1,825.00	1,078.60
	12/3	12/4	Hong Kong, China	720.00	150.00					720.00	150.00
Airline transportation for entire trip.							1,824.34				1,824.34
Committee total					3,057.40		5,207.35		294.22		8,558.97
Hogan, John	11/13	11/16	Tokyo, Japan	187,884.00	1,008.00			29,517.62	147.11	217,401.62	1,155.11
	11/16	11/17	Kagoshima, Japan			34,150.00	176.71			34,150.00	176.71
	11/17	11/20	Tokyo, Japan								
Airline transportation for entire trip.							1,365.00				1,365.00
Mabus, Raymond	11/13	11/16	Tokyo, Japan	67,418.40	336.00			29,517.62	147.11	96,936.02	483.11
	11/16	11/17	Kagoshima, Japan			34,150.00	176.71			34,150.00	176.11
	11/17	11/20	Tokyo, Japan								
	11/20	12/3	Peking, China	1,480.00	874.70	345.00	203.90			1,825.00	1,078.60
	12/3	12/4	Hong Kong, China	720.00	150.00					720.00	150.00
Airline transportation for entire trip.							1,647.70				1,647.70
Committee total					2,368.70		3,570.02		294.22		6,232.94
Sebelius, Keith	11/19	11/20	Tokyo, Japan	21,638.00	112.00			29,517.62	147.11	51,155.62	259.11
	11/20	12/3	Peking, China	1,480.00	874.70	345.00	203.90			1,825.00	1,078.60
	12/3	12/4	Hong Kong, China	720.00	150.00					720.00	150.00
Airline transportation for entire trip.							1,654.90				1,654.90
Volkmer, Harold	11/19	11/20	Tokyo, Japan	21,638.00	112.00			29,517.62	147.11	51,155.62	259.11
	11/20	12/1	Peking, China	1,480.00	874.70	345.00	203.90			1,825.00	1,178.60
	12/3	12/4	Hong Kong, China	720.00	150.00					720.00	150.00
Airline transportation for entire trip.							1,647.70				1,647.70
Committee total					2,273.40		3,710.40		294.22		6,278.02

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[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

THOMAS S. FOLEY,
Chairman, Committee on Agriculture.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1, AND DEC. 31, 1978

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Bill Alexander		11/13	United States	None claimed							
	11/14	11/16	Japan		224.00		29.36				
	11/16	11/26	PRC		750.00						
	11/26	11/28	Hong Kong		150.00		69.76				
	11/28	11/30	Philippines		150.00		19.10				
	11/30	12/3	United States		200.00						
Transportation by DOD							2,730.00				
Total					1,474.00		2,848.22				4,322.22
Hon. Mark Andrews		11/13	United States	None claimed							
	11/14	11/16	Japan		224.00		29.36				
	11/16	11/26	PRC		750.00						
	11/26	11/28	Hong Kong		150.00		69.76				
	11/28	11/30	Philippines		150.00		19.10				
	11/30	12/3	United States		200.00						
Transportation by DOD							2,730.00				
Total					1,474.00		2,848.22				4,322.22
Hon. Tom Bevill	11/11	11/12	Japan		112.00						
	11/12	11/24	PRC		900.00						
	11/24	11/25	Hong Kong		75.00		50.57				
Transportation by DOD							2,400.00				
Total					1,087.00		2,450.57				3,537.57
Hon. Clair Burgener	11/9	11/11	United States		150.00						
	11/12	11/18	Japan		784.00						
	11/18	11/21	Philippines		225.00						

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]
Transportation by DOD							2,472.00				
Total					1,159.00		2,472.00				3,631.00
Hon. Joseph Addabbo	11/9	11/11	United States		150.00						
	11/12	11/18	Japan		784.00						
	11/18	11/21	Philippines		225.00						
Transportation by DOD							2,472.00				
Total					1,159.00		2,472.00				3,631.00
Hon. Jack Edwards		11/13	United States		None claimed.						
	11/14	11/16	Japan		224.00		29.36				
	11/16	11/26	PRC		750.00						
	11/26	11/28	Hong Kong		150.00		69.76				
	11/28	11/30	Philippines		150.00		19.10				
	11/30	11/3	United States		200.00						
Transportation by DOD							2,730.00				
Total					1,474.00		2,848.22				4,322.22
Hon. Jack Kemp	12/10	12/12	Switzerland		225.00		1,587.00				1,812.00
Hon. Joseph McDade	11/9	11/11	United States		150.00						
	11/12	11/18	Japan		784.00						
	11/18	11/21	Philippines		225.00						
Transportation by DOD							2,472.00				
Total					1,159.00		2,472.00				3,631.00
Hon. Gunn McKay	11/9	11/11	United States		150.00						
	11/12	11/18	Japan		784.00						
	11/18	11/21	Philippines		225.00						
Transportation by DOD							2,472.00				
Total					1,159.00		2,472.00				3,631.00
Hon. Clarence Miller	11/9	11/11	United States		150.00						
	11/12	11/18	Japan		784.00						
	11/18	11/21	Philippines		225.00						
Transportation by DOD							2,472.00				
Total					1,159.00		2,472.00				3,631.00
Hon. John Myers		11/13	United States	None claimed							
	11/14	11/16	Japan		224.00		29.36				
	11/16	11/26	PRC		750.00						
	11/26	11/28	Hong Kong		150.00		69.76				
	11/28	11/30	Philippines		150.00		19.10				
	11/30	12/3	United States		200.00						
Transportation by DOD							2,730.00				
Total					1,474.00		2,848.22				4,322.22
Hon. George O'Brien		11/13	United States	None claimed.							
	11/14	11/16	Japan		224.00		29.36				
	11/16	11/26	PRC		750.00						
	11/26	11/28	Hong Kong		150.00		69.76				
	11/28	11/30	Philippines		150.00		19.10				
	11/30	12/2	United States		200.00						
Transportation by DOD							2,730.00				
Total					1,474.00		2,848.22				4,322.22
Hon. Ralph Regula	11/9	11/11	United States		150.00						
	11/12	11/18	Japan		784.00						
	11/18	11/21	Philippines		225.00						
Transportation by DOD							2,472.00				
Total					1,159.00		2,472.00				3,631.00
Hon. J. Kenneth Robinson		11/13	United States	None claimed.							
	11/14	11/16	Japan		224.00		29.36				
	11/16	11/26	PRC		750.00						
	11/26	11/28	Hong Kong		150.00		69.76				
	11/28	11/30	Philippines		150.00		19.10				
	11/30	12/3	United States		200.00						
Transportation by DOD							2,730.00				
Total					1,474.00		2,848.22				4,322.22
Hon. John Slack		11/13	United States	None claimed.							
	11/14	11/16	Japan		224.00		29.36				
	11/16	11/26	PRC		750.00						
	11/26	11/28	Hong Kong		150.00		69.76				
	11/28	11/30	Philippines		150.00		19.10				
Transferred by DOD	11/30	12/3	United States		200.00		2,730.00				
Total					1,474.00		2,848.22				4,322.22
Hon. Neal Smith		11/13	United States	None claimed							
	11/14	11/16	Japan		224.00		29.36				
	11/16	11/26	PRC		750.00						
	11/26	11/28	Hong Kong		150.00		69.76				
	11/28	11/30	Philippines		150.00		19.10				
Transportation by DOD	11/30	12/3	United States		200.00		2,730.00				
Total					1,474.00		2,848.22				4,322.22

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1, AND DEC. 31, 1978—Coht.

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Donald L. Denton	11/9	11/11	United States		125.00						
	11/12	11/14	Japan		270.00						
	11/14	11/21	Philippines		496.00						
	11/21		United States		75.00		430.40				
Transportation by DOD							2,199.00				
Total					966.00		2,629.30				3,595.30
Jimmy R. Fairchild		10/28	United States		50.00						
	10/21	10/23	Japan		225.00						
	10/23	10/26	Korea		225.00						
	10/26	10/27	Taiwan		75.00						
	10/27	10/29	Hong Kong		150.00						
	10/29	11/1	Thailand		225.00						
	11/1	11/2	Signapore		75.00						
	11/2	11/5	Indonesia		225.00						
	11/5	11/9	Philippines		225.00		1,684.20				
	11/9	11/18	Japan		1,120.00						
	11/18	11/21	Philippines		225.00						
Transportation by DOD							1,283.00				
Total					2,820.00		2,967.20				5,787.20
Robert Foster	11/9	11/11	United States		150.00						
	11/12	11/18	Japan		784.00						
	11/18	11/21	Philippines		225.00						
Transportation by DOD							2,472.00				
Total					1,159.00		2,472.00				3,631.00
Aubrey A. Gunnels		11/25	United States		500.00						
	11/26	11/27	Netherlands		84.00						
	11/27	11/27	Germany		85.00						
	11/28	11/30	England		270.00		1,433.65				
Total					489.00		1,433.65				1,922.65
Dempsey B. Mizelle		11/13	United States	None claimed.							
	11/14	11/16	Japan		224.00		29.26				
	11/16	11/26	PRC		750.00						
	11/26	11/28	Hong Kong		150.00		69.76				
	11/28	11/30	Philippines		150.00		19.10				
	11/30	12/3	United States		200.00						
Transportation by DOD							2,730.00				
Total					1,474.00		2,848.22				4,322.22
Peter J. Murphy	10/23	10/25	Netherlands		150.00						
	10/25	10/29	Belgium		300.00						
	10/29	11/1	West Germany		225.00						
	11/1	11/5	Denmark		300.00						
	11/5	11/7	Norway		150.00						
	11/7	11/11	Sweden		300.00						
	11/11	11/16	United Kingdom		375.00		2,261.79				
Total					1,800.00		2,261.79				4,061.79
John Osthaus		11/13	United States	None claimed							
	11/14	11/16	Japan		224.00		29.36				
	11/16	11/26	PRC		750.00						
	11/26	11/28	Hong Kong		150.00		69.76				
	11/28	11/30	Philippines		150.00		19.10				
	11/30	12/3	United States		200.00						
Transportation by DOD							2,730.00				
Total					1,474.00		2,848.22				4,322.22
Terry R. Peel	10/12	10/17	Japan		375.00						
	10/17	10/20	Korea		225.00						
	10/20	10/22	Taiwan		150.00						
	10/22	10/24	Philippines		150.00						
	10/24	10/26	Guam		100.00						
	10/26	10/30	United States		250.00		1,821.73				
Transportation by DOD							1,084.78				
Total					1,250.00		2,906.51				4,156.51
Edwin F. Powers	11/9	11/11	United States		150.00						
	11/12	11/18	Japan		784.00						
	11/18	11/21	Philippines		225.00						
Transportation by DOD							2,472.00				
Total					1,159.00		2,472.00				3,631.00
Ralph Preston	11/9	11/11	United States		150.00						
	11/12	11/18	Japan		784.00						
	11/18	11/21	Philippines		225.00						
Transportation by DOD							2,472.00				
Total					1,159.00		2,472.00				3,631.00
Donald E. Richbourg	12/10	12/16	Indonesia		425.00						
	12/16	12/17	Hong Kong		75.00		1,943.00				
Total					500.00		1,943.00				2,443.00
Austin Smith	11/9	11/11	United States		150.00						
	11/12	11/18	Japan		784.00						
	11/18	11/21	Philippines		225.00						
Transportation by DOD							2,472.00				
Total					1,159.00		2,472.00				3,631.00

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or US. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S currency
Donald P. Smith	10/12	10/17	Japan		375.00						
	10/17	10/20	Korea		225.00						
	10/20	10/22	Taiwan		150.00						
	10/22	10/24	Philippines		150.00						
	10/24	10/26	Guam		100.00						
	10/26	10/30	United States		250.00		1,821.73				
Transportation by DOD							1,081.38				
Total					1,250.00		2,903.11				4,153.11
J. David Willson	10/23	10/25	Netherlands		150.00						
	10/25	10/29	Belgium		300.00						
	10/29	11/1	West Germany		225.00						
	11/1	11/15	Denmark		300.00						
	11/5	11/7	Norway		150.00						
	11/7	11/11	Sweden		300.00						
	11/11	11/16	United Kingdom		375.00		2,261.79				
Total					1,800.00		2,261.79				4,061.79
George Carter Baird	11/12	11/15	West Germany		300.00						
	11/15	11/17	Belgium		227.25						
	11/17	12/1	West Germany		1,003.75						
	12/1	12/7	England		516.00		1,515.00				3,562.00
Robert W. Catlin, Jr	10/12	10/15	West Germany		281.25						
	10/15	10/17	Turkey		168.75						
	10/17	10/20	Greece		187.50						
	10/20	10/24	Italy		318.75						
	10/24	10/27	Spain		225.00						
	10/27	10/31	England		349.00						
	10/31	11/2	West Germany		468.75						
	11/5	11/9									
	11/2	11/5	Holland		228.00		2,396.50				4,623.50
Ronald B. Carpenter	10/1	10/3	Belgium		264.75						
	10/3	10/6	Norway		240.00						
	10/6	10/11	England		451.50						
	10/11	10/26	West Germany		1,514.50		1,877.90				4,348.65
Paul F. Dinsmore, Jr	10/12	10/15	West Germany		281.25						
	10/15	10/17	Turkey		168.75						
	10/17	10/20	Greece		187.50						
	10/20	10/24	Italy		318.75						
	10/24	10/27	Spain		225.00						
	10/27	10/31	England		349.00						
	10/31	11/2									
	11/5	11/9	West Germany		468.75						
	11/2	11/5	Holland		228.00		2,396.50				4,623.50
Anthony J. Gabriel	11/12	11/15	West Germany		300.00						
	11/15	11/17	Belgium		227.25						
	11/17	12/1	West Germany		1,046.25		1,515.00				3,088.50
James Brian Hyland	10/12	10/15	West Germany		281.25						
	10/15	10/17	Turkey		168.75						
	10/17	10/20	Greece		187.50						
	10/20	10/24	Italy		318.75						
	10/24	10/27	Spain		225.00						
	10/27	10/31	England		349.00						
	10/31	11/2									
	11/5	11/9	West Germany		468.75						
	11/2	11/5	Holland		228.00		2,396.50				4,623.50
Glen D. McLaren	10/31	11/2	Canada		60.25						60.25
James J. O'Kane	10/31	11/2	Canada		150.00						150.00
George T. Prosser	10/1	10/3	Belgium		264.75						
	10/3	10/6	Norway		240.00						
	10/6	10/11	England		451.50						
	10/11	10/26	West Germany		1,514.50		1,877.90				4,348.65
Robert J. Reitwiesner	10/1	10/4	Belgium		303.00						
	10/4	10/6	France		186.75						
	10/6	10/11	England		451.50						
	10/11	10/26	West Germany		1,066.00		1,524.00				3,531.25
R. W. Vandergrift, Jr	11/12	11/15	West Germany		300.00						
	11/15	11/17	Belgium		227.25						
	11/17	12/1	West Germany		1,003.75						
	12/1	12/7	England		516.00		1,515.00				3,562.00
H. Branch Wood	10/1	10/4	Belgium		303.00						
	10/4	10/6	France		186.75						
	10/6	10/11	England		451.50						
	10/11	10/26	West Germany		1,066.00		1,524.00				3,531.25
Committee total					20,514.75		8,538.30				39,053.05

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Mar. 29, 1979.

JAMIE WHITTEN,
Chairman, Committee on Appropriations.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL COMMITTEE ON SELECT COMMITTEE ON ASSASSINATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND DEC. 31, 1978

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2] 0
A. Hausman	9/24	10/5	Canada		806.25		233.66		48.79		1,088.7 0
A. Hack	9/24	10/5	Canada		806.25		233.66		35.79		1,075.7 0
Edward Evans	10/29	11/3	England		516.00		683.00		31.00		1,230.0 5
Jerome Cullings	10/29	11/7	England		516.00		683.00		11.25		1,210.2
Louis Parisi	10/29	11/7	England		430.00		683.00		106.00		1,219.00
Committee total					3,074.50		2,561.32		232.83		5,823.65

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amoun expended.

Mar. 20, 1979.

LOUIS STOKES,
Chairman, Select Committee on Assassinations

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1198. A communication from the President of the United States, transmitting a draft of proposed legislation to authorize supplemental international security assistance for the fiscal year 1979 in support of the peace treaty between Egypt and Israel and related agreements, and for other purposes (H. Doc. No. 96-91); to the Committee on Foreign Affairs and ordered to be printed.

1199. A communication from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1979 for foreign assistance in support of the peace treaty between Egypt and Israel (H. Doc. No. 96-92); to the Committee on Appropriations and ordered to be printed.

1200. A communication from the President of the United States, transmitting a report on the survivability, cost effectiveness, and combat effectiveness of ships requested for the combat forces for fiscal years 1979, 1980, and 1981, pursuant to section 810(b) of Public Law 95-485; to the Committee on Armed Services.

1201. A letter from the Comptroller General of the United States, transmitting a report on the release of certain budget authority, the rescission of which was proposed by the President and not approved by the Congress, together with his review of the revised rescission of budget authority contained in the message from the President dated March 15, 1979 (H. Doc. No. 96-75), pursuant to section 1014(c) of Public Law 93-344 (H. Doc. No. 96-93); to the Committee on Appropriations and ordered to be printed.

1202. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, relating to the involuntary separation or mandatory retirement of officers in the Regular Navy and Regular Marine Corps; to the Committee on Armed Services.

1203. A letter from the Secretary of the Navy, transmitting notice that the Navy has determined that it is not economically feasible to extend the U.S.S. *Nautilus* in service; to the Committee on Armed Services.

1204. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment to Saudi Arabia (transmittal No. 79-27), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

1205. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense equipment and services to Thailand (transmittal No. 79-30), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

1206. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of certain defense equipment to Saudi Arabia (transmittal No. 79-32), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

1207. A letter from the president and chairman, Export-Import Bank of the United States, transmitting the annual report of the Bank for fiscal year 1978, pursuant to section 9 of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

1208. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Robert P. Smith, Ambassador-designate to Liberia, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

1209. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by William Lacy Swing, Ambassador-designate to the People's Republic of the Congo, and by members of his family, pursuant to section 6 of Public Law 93-2126; to the Committee on Foreign Affairs.

1210. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on Foreign Affairs.

1211. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Jordan (transmittal No. 79-24), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1212. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Jordan (transmittal No. 79-25), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1213. A letter from the Acting Director Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Kuwait (transmittal No. 79-26), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1214. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Saudi Arabia (transmittal No. 79-27), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1215. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to the Republic of Korea (transmittal No. 79-28), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1216. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to the United Kingdom (transmittal No. 79-29), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1217. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to Thailand (transmittal No. 79-30), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1218. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment and services to Saudi Arabia (transmittal No. 79-31), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1219. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment to Saudi Arabia (transmittal No. 79-32), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1220. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment to Spain (transmittal No. 79-33), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1221. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to Malaysia (transmittal No. 79-34), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1222. A letter from the Assistant Secretary of Health, Education, and Welfare for Management and Budget, transmitting notice of a new proposed records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1223. A letter from the Assistant Secretary of Health, Education, and Welfare for Management and Budget, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1224. A letter from the Secretary of Energy, transmitting a report on a management audit of selected areas of the Department of Energy; to the Committee on Government Operations.

1225. A letter from the Inspector General, Department of Energy, transmitting the annual report on the activities of his office for calendar year 1978, pursuant to section 208 (c) of Public Law 95-91; to the Committee on Government Operations.

1226. A letter from the Administrator of General Services, transmitting the annual report of the General Services Administration for 1978, pursuant to section 212 of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

1227. A letter from the Chairman, Securities and Exchange Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1228. A letter from the Comptroller General of the United States, transmitting a report on the management and productivity of word processing in certain Federal agencies (FGMSD-79-17, April 6, 1979); to the Committee on Government Operations.

1229. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $50,084.67 in royalty payments to C&K Marine Production Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

1230. A letter from the Secretary of the Interior, transmitting notice of his determination that certain lands in the States of Idaho, Colorado, and Nevada are not suitable for disposal under the provisions of the Unintentional Trespass Act, pursuant to section 214(b) of the Federal Land Policy and Management Act; to the Committee on Interior and Insular Affairs.

1231. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on the health hazard aspects of discharging waste from rail conveyances and the financial hardships on railroads which would result from a prohibition of such waste disposal, pursuant to section 301 of Public Law 94-555; to the Committee on Interstate and Foreign Commerce.

1232. A letter from the Assistant Secretary of Energy for Conservation and Solar Applications, transmitting the 1978 annual report on the State energy conservation program, pursuant to section 365(c) of Public Law 94-163; to the Committee on Interstate and Foreign Commerce.

1233. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a report on the study of virus contamination of drinking water sources and means of control of such contamination, pursuant to section 1442(a)(7) of the Public Health Service Act, as amended; to the Committee on Interstate and Foreign Commerce.

1234. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

1235. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

1236. A letter from the Secretary of Transportation, transmitting the first quarterly report of the Urban Mass Transportation Administration on grants made under the authority of the Urban Mass Transportation Act, covering the quarter ended December 31, 1978, pursuant to section 4(h)(1) of the act, as amended; to the Committee on Public Works and Transportation.

1237. A letter from the Federal and State Cochairmen, Appalachian Regional Commission, transmitting a report on a study of the physical hazards constraining land use in the Appalachian region, pursuant to section 119 of Public Law 94-188; to the Committee on Public Works and Transportation.

1238. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a list of present and former employees of NASA who have filed reports with NASA pertaining to their NASA and aerospace-related industry employment for fiscal year 1978, pursuant to section 6 of Public Law 91-119, as amended; to the Committee on Science and Technology.

1239. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting the eighth annual report on the financial condition and results of operations of the Airport and Airway Trust Fund, covering fiscal year 1978, pursuant to section 208(e)(1) of the Airport and Airway Revenue Act of 1970, as amended; to the Committee on Ways and Means.

1240. A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to promote balanced growth and development in the regions of the Nation by reauthorizing the Appalachian Regional Commission and amending title V of the Public Works and Economic Development Act of 1965, as amended, to create a nationwide system of multistate regional development commissions; jointly, to the Committees on Public Works and Transportation, Agriculture, Banking, Finance and Urban Affairs, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Submitted April 6, 1979]

Mr. PRICE: Committee on Armed Services. H.R. 2575. A bill to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized, for procurement of aircraft, missiles, and naval vessels and for research, development, test, and evaluation for the Armed Forces, and for other purposes; with amendment (Rept. No. 96-90. Referred to the Committee of the Whole House on the State of the Union.

[Submitted April 9, 1979]

Mr. STRATTON: Committee on Armed Services. H.R. 3354. A bill to authorize appropriations for fiscal year 1980 for conservation, exploration, development, and use of naval petroleum reserves and naval oil shale reserves, and for other purposes (Rept. No. 96-91). Referred to the Committee of the Whole House on the State of the Union.

Mr. BEILENSON: Committee on Rules. House Resolution 217. Resolution providing for the consideration of H.R. 3363. A bill to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting (Rept. No. 96-92). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BIAGGI:

H.R. 3513. A bill to amend title IV of the Higher Education Act of 1965 to provide for a National Student Financial Assistance Data Bank; to the Committee on Education and Labor.

By Mr. BOWEN (for himself, Mr. COELHO, and Mr. JONES of Tennessee):

H.R. 3514. A bill to amend section 103(f) of the Agricultural Act of 1949 in order to establish a minimum loan rate for the 1980 and 1981 crops of upland cotton, a diversion program for the 1979 crop of upland cotton, and a waiver of certain cross-compliance requirement for disaster payments for the 1978 crop of upland cotton; to the Committee on Agriculture.

By Mr. DEVINE:

H.R. 3515. A bill to provide that in civil actions where the United States is a plaintiff, a prevailing defendant may recover a reasonable attorney's fee and other reasonable litigation costs; to the Committee on the Judiciary.

H.R. 3516. A bill to provide for the recovery by the prevailing party of attorney's fees from the United States in civil actions where the United States is a party which does not prevail; to the Committee on the Judiciary.

H.R. 3517. A bill to authorize the payment of attorney's fees in tax cases; jointly, to the Committees on the Judiciary and Ways and Means.

By Mr. DOWNEY:

H.R. 3518. A bill to amend the Internal Revenue Code of 1954 to allow an income tax deduction to individual taxpayers for costs incurred in connecting a residential sewer line to a public sewage system; to the Committee on Ways and Means.

By Mr. ERDAHL:

H.R. 3519. A bill entitled, "Public Access to Railroad Abandonment Act of 1979"; to the Committee on Interstate and Foreign Commerce.

By Mr. ERLENBORN (for himself and Mr. CONABLE):

H.R. 3520. A bill to provide taxpayers an additional year in which to correct certain attempted rollovers of lump sum distributions which occurred in taxable years beginning after 1974 and before October 14, 1978; to the Committee on Ways and Means.

By Mr. GORE:

H.R. 3521. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of cooperative electric and telephone companies; to the Committee on Ways and Means.

By Mr. HARKIN:

H.R. 3522. A bill to amend title XIX of the Social Security Act to deny payment for nursing home care under the medicaid program (for specified periods) to persons who dispose of assets without fair compensation in order to qualify for such payment or for other medicaid benefits; to the Committee on Interstate and Foreign Commerce.

By Mrs. HECKLER:

H.R. 3523. A bill to amend the Internal Revenue Code of 1954 to allow a retirement savings deduction for persons covered by certain pension plans; to the Committee on Ways and Means.

By Mr. JACOBS:

H.R. 3524. A bill to amend title II of the Social Security Act to provide that benefits may not be paid thereunder to individuals confined to penal institutions or correctional facilities; to the Committee on Ways and Means.

By Mr. JEFFORDS (for himself and Mr. MINETA):

H.R. 3525. A bill to amend the Comprehensive Employment and Training Act to establish a solar energy youth employment and training program, and for other purposes; to the Committee on Education and Labor.

By Mr. JOHNSON of California:

H.R. 3526. A bill to authorize the Secretary of the Interior to construct hydroelectric powerplants at various existing water projects, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 3527. A bill to authorize the Secretary of the Interior to cooperate with States and their political subdivisions for the purpose of obtaining law enforcement services at water resource development projects under jurisdiction of the Secretary of the Interior; to the Committee on Interior and Insular Affairs.

H.R. 3528. A bill to authorize the Secretary of the Interior to provide for the protection, use and enjoyment of the esthetic and recreational values inherent in the Federal lands and water at East Park and Stony Gorge Reservoir, Orland Project, Calif.; to the Committee on Interior and Insular Affairs.

By Mr. MARTIN:

H.R. 3529. A bill to amend section 432 of the General Education Provisions Act to prevent the use of Federal controls over curriculum; to the Committee on Education and Labor.

By Ms. MIKULSKI:

H.R. 3530. A bill to amend title 5, United States Code, to provide for access to a certified nurse-widwife without prior referral in the Federal employee health benefits program; to the Committee on Post Office and Civil Service.

H.R. 3531. A bill to amend titles XVIII and XIX of the Social Security Act to provide for inclusion of services rendered by a certified nurse-midwife under the medicare and medicaid programs; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

By Mr. MINETA (for himself and Mr. JEFFORDS):

H.R. 3532. A bill to amend the Comprehensive Employment and Training Act to establish a solar energy youth employment and training program, and for other purposes; to the Committee on Education and Labor.

By Mr. MOTTL:

H.R. 3533. A bill to amend title 38 of the United States Code to authorize certain additional training for nurses employed in the Department of Medicine and Surgery of the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. PEASE:

H.R. 3534. A bill to amend the Internal Revenue Code of 1954 to provide a limited additional tax credit for political contributions to candidates for Congress; to the Committee on Ways and Means.

By Mr. PANETTA:

H.R. 3535. A bill to assure fair practices in agricultural bargaining; to the Committee on Agriculture.

By Mr. NATCHER:

H.R. 3536. A bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to stone mining operations or to sand and gravel mining operations; to the Committee on Education and Labor.

H.R. 3537. A bill to establish a congressional award program for the purpose of recognizing excellence and leadership among young people; to the Committee on Education and Labor.

By Mr. ROE (for himself and Mr. Rinaldo):

H.R. 3538. A bill to provide a procedure for expediting the process through which flood control projects are selected and designed; to the Committee on Public Works and Transportation.

By Mr. STENHOLM:

H.R. 3539. A bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to clay surface mining operations; to the Committee on Education and Labor.

By Mr. TRIBLE:

H.R. 3540. A bill to amend the Water Resources Development Act of 1974 to require immediate construction on an emergency basis of an erosion control structure on Tangier Island, Va.; to the Committee on Public Works and Transportation.

By Mr. WHITTAKER:

H.R. 3541. A bill to require the payment of fees by Members of the Congress and congressional employees for the use of certain congressional parking facilities; to the Committee on House Administration.

By Mr. ASHBROOK:

H.R. 3542. A bill to provide more effective means for protecting the public interest in labor disputes affecting the marketing of agricultural products for processing, and for other purposes; to the Committee on Education and Labor.

By Mr. BAFALIS:

H.R. 3543. A bill to amend the Wild and Scenic Rivers Act to designate a certain portion of the Myakka River in Florida for potential addition to the wild and scenic rivers system; to the Committee on Interior and Insular Affairs.

By Mr. BURLISON:

H.R. 3544. A bill to prohibit the Secretary of Agriculture from prohibiting the use of nitrites as a food preservative on the basis of any carcinogenic effect nitrites may be represented to have until a satisfactory substitute preservative is commercially available; to the Committee on Agriculture.

By Mr. CHAPPELL:

H.R. 3545. A bill to amend the Food Stamp Act of 1977 to increase the amount of the standard deduction in the case of those recipient households which contain a member of age 65 or older; to the Committee on Agriculture.

By Mr. de la GARZA (for himself and Mr. Wampler):

H.R. 3546. A bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 1 year; to the Committee on Agriculture.

By Mr. MINETA:

H.R. 3547. A bill to provide assistance to airport operators to prepare and carry out noise compatibility programs, to provide assistance to assure continued safety in aviation to provide assistance to aircraft operators to aid them in complying with noise standards, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. WATKINS:

H.R. 3548. A bill to amend the Bank Holding Company Act of 1956 to provide that the Board of Governors of the Federal Reserve System shall not deny any application for the formation of a one-bank holding company because the transaction to form such one-bank holding company involves a bank stock loan which is for a period of not more than 25 years; to the Committee on Banking, Finance and Urban Affairs.

By Mr. DEVINE:

H.J. Res. 296. Joint resolution proposing an amendment to the Constitution relating to the continuance in office of judges of the Supreme Court and of inferior courts; to the Committee on the Judiciary.

By Mr. FITHIAN:

H.J. Res. 297. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. OBERSTAR:

H.J. Res. 298. Joint resolution designating May 14 through May 20, 1979, as "National Fishing Week"; to the Committee on Post Office and Civil Service.

By Mr. BARNES:

H. Con. Res. 100. Concurrent resolution recognizing the naming of the city of Rockville as an "All-American" city; to the Committee on Post Office and Civil Service.

By Mr. NEAL:

H. Con. Res. 101. Concurrent resolution declaring the sense of Congress regarding periods of silence and the objective study of religion and religious literature in the public schools; jointly to the Committees on the Judiciary and Education and Labor.

By Mr. PAUL (for himself, Mr. Mottl, Mr. Jacobs, Mr. Duncan of Tennessee, and Mr. Whittaker):

H. Con. Res. 102. Concurrent resolution prohibiting use of Federal funds for foreign travel by Senators, Representatives, and officers and employees of the Congress, unless such travel is specifically authorized by a recorded three-fourths vote of the House involved; to the Committee on House Administration.

By Mr. PEPPER (for himself and Mr. Broomfield):

H. Con. Res. 103. Concurrent resolution to seek the resurrection of churches and religious freedom in the Ukraine; to the Committee on Foreign Affairs.

By Mr. ROTH:

H. Con. Res. 104. Concurrent resolution establishing a Joint House-Senate Committee to investigate the nuclear accident at the Three Mile Island generating plant; to the Committee on Rules.

By Mr. GOODLING:

H. Res. 218. Resolution amending rule X of the Rules of the House of Representatives to limit the number of Congresses a Member may serve on the Committee on House Administration; to the Committee on Rules.

By Ms. HOLTZMAN (for herself, Mr. Addabbo, Mr. Ambro, Mr. Bedell, Mr. Bevill, Mr. Bingham, Mr. Blanchard, Mr. Bonior of Michigan, Mr. Conyers, Mr. Corrada, Mr. Davis of Michigan, Mr. Donnelly, Mr. Dornan, Mr. Dougherty, Mr. Downey, Mr. Drinan, Mr. Edwards of California, Mr. Foley, Mr. Green, Mr. Gudger, Mr. Horton, Mr. Hughes, Mr. Kildee, Mr. LaFalce, Mr. Lederer, Mr. Maguire, Mr. Markey, Mr. McCormack, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Nolan, Mr. Nowak, Mr. Ottinger, Mr. Rangel, Mr. Richmond, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Scheuer, Mrs. Spellman, Mr. Traxler, Mr. Vento, Mr. Weiss, and Mr. Charles Wilson of Texas):

H. Res. 219. Resolution expressing the sense of the House of Representatives that the Congress should approve supplemental appropriations to provide sufficient funds for programs under the Older Americans Act of 1965; to the Committee on Education and Labor.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

118. By the SPEAKER: A memorial of the House of Representatives of the State of Hawaii, relative to educational programs for the handicapped; to the Committee on Education and Labor.

119. Also, memorial of the Legislature of the State of Hawaii, relative to a strategic petroleum reserve for Hawaii; to the Committee on Interstate and Foreign Commerce.

120. Also, memorial of the Legislature of the State of Utah, relative to the proposed equal rights amendment to the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H.R. 3549. A bill for the relief of John S. Tichenor and Pearl G. Tichenor; to the Committee on the Judiciary.

By Mr. BARNES:

H.R. 3550. A bill for the relief of Rudolphe H. Ellert-Beck; to the Committee on the Judiciary.

By Mr. VAN DEERLIN:

H.R. 3551. A bill for the relief of Edwin Mendez Yorobe and Barbara Magat Yorobe; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 39: Mr. Annunzio and Ms. Mikulski.

H.R. 96: Mr. St Germain and Mr. Stenholm.

H.R. 182: Mr. Bonior of Michigan, Mr. Coughlin, Mr. Gray, Mr. Harkin, Mr. Kemp, Mr. Mineta, Mr. Mitchell of Maryland, and Mr. Simon.

H.R. 801: Mr. Bafalis, Mr. Boland, Mrs. Bouquard, Mr. Corrada, Mr. Dornan, Mr. Evans of the Virgin Islands, Mr. Forsythe, Mr. Gudger, Mr. Hightower, Mr. Hughes, Mr. Kindness, Mr. Lent, Mr. McDonald, Mr. Moakley, Mr. Murphy of Pennsylvania, Mr. Ottinger, Mr. Roberts, Mr. Roe, Mr. Stanton, Mr. Stokes, Mr. Stump, Mr. Vento, Mr. Williams of Ohio, Mr. Bob Wilson, Mr. Winn, and Mr. Young of Alaska.

H.R. 806: Mr. Bailey, Mr. Corrada, Mr. Lagomarsino, Mr. Mathis, Mr. Pritchard, and Mr. Charles Wilson of Texas.

H.R. 809: Mrs. Bouquard.

H.R. 1307: Mr. Boland, Mr. Johnson of Colorado, and Mr. Stokes.

H.R. 1320: Mr. Thomas, Mr. Kemp, and Mr. Fary.

H.R. 1516: Mr. Davis of Michigan, Mr. Erlenborn, Mr. Nolan, Mr. Lent, Mr. Maguire, Mr. Oberstar, Mr. Stanton, Mr. Pursell, and Mr. Gilman.

H.R. 1539: Mr. Beard of Rhode Island, Mr. Buchanan, Mr. Donnelly, Mr. Evans of Georgia, Ms. Ferraro, Mr. Flippo, Mr. Gray, Mr. Harris, Mr. Heftel, Mr. McKinney, Mr. Shannon, Mr. Williams of Montana, Mr. Wolpe, and Mr. Wyatt.

H.R. 1913: Mr. Hammerschmidt and Mr. Bafalis.

H.R. 2066: Mr. Long of Maryland.

H.R. 2582: Mr. Winn, Mr. Stangeland, Mrs. Snowe, Mr. Hopkins, Mr. Collins of Texas, Mr. Robinson, Mr. Ritter, Mr. Symms, Mr. Kindness, Mr. Richmond, Mr. Gingrich, Mr.

Perkins, Mr. Stump, Mr. Montgomery, Mr. Young of Alaska, Mr. Jeffries, and Mrs. Holt.

H.R. 2655: Mr. Winn, Mr. Rahall, Mr. Flood, Mr. Edgar, Mr. Bevill, Mr. Applegate, Mr. Murphy of Pennsylvania, Mr. Walgren, and Mr. Moakley.

H.R. 2792: Mr. Bonior of Michigan, Mr. Weiss, Mr. Matsui, and Mr. Young of Florida.

H.R. 2814: Mr. Bevill and Mr. Flippo.

H.R. 2849: Mr. Bonior of Michigan, Mr. Barnes, Mr. Conyers, Mr. LaFalce, Mr. Weiss, Mr. Carr, Mr. Downey, Mr. Beilenson, Mr. Bingham, Mr. Vento, and Mr. Stark.

H.R. 3159: Mr. Dan Daniel, Mr. Charles Wilson of Texas, Mr. Stump, Mr. Breaux, Mr. McDonald, Mr. Wyatt, Mr. Long of Maryland, and Mr. Leach of Louisiana.

H.R. 3379: Mr. Barnes and Mr. Richmond.

H.R. 3434: Mr. Miller of California.

H.J. Res. 239: Mr. Anderson of California.

H.J. Res. 279: Mr. Sensenbrenner.

H. Con. Res. 4: Mr. Russo and Mr. Downey.

H. Con. Res. 73: Mr. Carney, Mr. Miller of Ohio, Mr. Symms, Mr. Kindness, Mr. Kelly, Mr. Bafalis, Mr. Rudd, Mr. Moorhead of California, Mr. Madigan, Mr. Hillis, Mr. Shumway, Mr. Stump, and Mr. Beard of Tennessee.

H. Res. 115: Mr. Leach of Iowa.

PETITIONS, ETC.

Under clause 1 of rule XXII,

97. The SPEAKER: Presented a petition of the city council, Minneapolis, Minn., relative to proposed cutbacks in Amtrak routes, which was referred to the Committee on Interstate and Foreign Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3324

By Mr. MITCHELL of Maryland:

—Page 46, add the following new title at the end of the bill:

TITLE VII—MINORITY RESOURCE CENTER

ESTABLISHMENT AND POLICY

Sec. 701. (a) In keeping with the established policy to maximize the use of appropriate domestic experience and technology in the delivery of international development assistance, participation by United States economically and socially disadvantaged enterprises should be assured.

(b) In order to increase the participation of economically and socially disadvantaged business enterprises in contract, procurement, grant, and research and development activities funded by the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961, the Administrator of such agency shall, within 90 days after the effective date of this title, establish within such agency a Minority Resource Center (hereinafter in this title referred to as the "Center").

(c) The Center shall have an Advisory Committee which shall consist of five individuals appointed by the Administrator of such agency within 45 days after the effective date of this title, three of whom are selected from a list of recommendations solicited from and submitted by trade and business associations representing economically and socially disadvantaged businesses.

GENERAL AUTHORITIES

Sec. 702. (a) The Center shall—

(1) establish, maintain, and disseminate information as an international information clearinghouse for economically and socially disadvantaged business enterprises, for the purpose of furnishing to such businesses information regarding business opportunities in development assistance programs, funded by the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961, which implement the policy set forth in section 102 of such Act;

(2) design and conduct programs to encourage, promote, and assist economically and socially disadvantaged business enterprises to secure direct contracts, host country contracts, operation expatriate contracts, indefinite quantity contracts, subcontracts, projects, grants, and research and development contracts in order for such enterprises to participate in such development assistance programs;

(3) conduct market research, planning, economic and business analyses, and feasibility studies to identify business opportunities in such development assistance programs;

(4) develop support mechanisms which will enable socially and economically disadvantaged businesses to take advantage of business opportunities in such development assistance programs;

(5) enter into such contracts (to such extent or in such amounts, as are provided in appropriation Acts), cooperative agreements, or other transactions as may be necessary in the conduct of its function under this section.

(b) The Administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 and the Secretary of State shall provide the Center with such relevant information, including procurement schedules, bids, and specifications with respect to development assistance programs funded by such agency which implement section 102 of such Act, as may be requested by the Center in connection with the performance of its functions under this section.

DIRECTOR OF THE CENTER

Sec. 703. (a) There shall be a Director of the Center (hereinafter in this title referred to as the "Director") who shall be the Chief Executive of the Center. The Director shall be appointed by the Administrator.

(b) The Director of the Center shall hold an ex-officio seat on the Procurement Policy Advisory Committee of such agency.

DEFINITIONS

Sec. 704. For the purposes of this section—

(1) the term economically and socially disadvantaged enterprise means a business—

(a) which is at least 51 per centum owned by one or more socially and economically disadvantaged individuals; or, in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by one or more socially and economically disadvantaged individuals; and,

(b) whose management and daily business operations are controlled by one or more of such individuals.

(2) Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities.

(3) Economically disadvantaged individuals are those socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged. In determining the degree of diminished credit and capital opportunities the Administrator of such agency shall consider, but not be limited to, the assets and net worth of such socially disadvantaged individual.

REPORTS

Sec. 705. Not later than eight (8) months after the effective date of this section, and no later than the end of every six-month period thereafter, the Administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 shall submit to each House of the Congress a report concerning the activities of the Center under this title.

AUTHORIZATION OF APPROPRIATIONS

Sec. 706. There are authorized to be appropriated to the President to carry out the purposes of this title, in addition to funds otherwise available for such purposes, $950,000 for fiscal year 1980, and $1,030,000 for the fiscal year 1981. Amounts appropriated under this title are authorized to remain available until expended.

REPEAL AND TERMINATION

Sec. 707. Section 133 of the International Development and Food Assistance Act of 1977 is repealed and any section on minority business established under such section is abolished.

EXTENSIONS OF REMARKS

VOICE OF DEMOCRACY

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. SANTINI. Mr. Speaker, fellow colleagues, for the last 32 years the voice of democracy scholarship program has provided financial assistance to deserving students who display an abiding concern for our country and the precepts upon which it was founded.

Since the Veterans of Foreign Wars assumed the sole sponsorship of the program in 1961, the scholarship program has grown from a single $1,500 award to five separate awards totaling $22,500. Student participation has tripled, and school participation has doubled.

The past year, more than one-quarter million students participated in the Voice of Democracy Contest on the theme of "Why I Care About America."

Nevada's winner was Lucy Elizabeth Groh of Zephyr Cove. Lucy is a 16-year-old 11th grader at George Wittel High School. She plans on pursuing a career in law or a related field.

Below is the text of Lucy's speech which I would like to share. I think you will find her comments both inspiring and thought-provoking.

The speech follows:

Why I Care About America

The miracle of creation brings with it more than just the manifestation of an idea. It is significantly and uniquely a part of its creator. And when that invention is offered to me as a gift to treasure, to display proudly, or to use wisely, my sense of care has been profoundly aroused because I have become the recipient of that treasure. Such a treasure is the document drafted for us by the men who wrote the Constitution of these United States of America. It had cost them much in blood and sacrifice; their lives, their fortunes, and their sacred honor. Each generation that has followed since the institution of this republic has dedicated itself to the preservation of that gift.

It offered to posterity freedoms, all woven into the same cloth to be treated with great care. Each thread priceless and fragile. I cannot cut one without damaging the entire piece. It shrouds me not with the divine right of one, but with the divine right for all.

When I consider what my heritage is—freedom of choice, freedom to choose an occupation, a religion, a government—to make of my life what I will, not what I am ordered, I dare not risk the frivolities of disrespect or neglect. I am obligated to share in the responsibilities of preserving it and contributing to its expanding growth. I can do this by recognizing my role in this society and by demonstrating the right to which I hold claim. The Declaration of Independence spoke ringingly of what was about to be mine—life, liberty, and the pursuit of happiness—I accepted it with the full knowledge that so valuable a gift would require necessary talents and skills to preserve. My gift permits me vast educational opportunities to strengthen my knowledge of its function, I have been given the instruments of political choices through my vote at the polls, I will accept the call to arms when my precious gift is threatened.

My caring will require courage—the valor to reinforce that feeling even when my country is not being threatened.

My appreciation for its ideals of liberty and equality are enshrined in my heart. On this solid relationship I hope to share in making these opportunities available for everyone, throughout the world. There is strength in numbers, and the force of America's compassion for human kind will extend far beyond its present sphere of influence. Perhaps—why I care about America—will become for me the reason for my being.●

HISTORIC FIRST IN WESTMORELAND COUNTY

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. BAILEY. Mr. Speaker, it gives me great pleasure to announce to the Members of the House of Representatives the recent formation of the Pennsylvania State Constables Association, Women's Auxiliary, Westmoreland County Chapter. This is the first such chapter of its kind in Westmoreland County and in the Commonwealth of Pennsylvania.

This auxiliary presently has 45 active members who are civic-minded wives, mothers, and friends of the constables association. The noteworthy objectives of the women's auxiliary are to lend aid and support to the Westmoreland County constables chapter in encouraging law enforcement, developing programs for charitable purposes, and promoting scholarships for outstanding high school students.

On April 22, 1979, the auxiliary will be holding its first annual dinner dance with a twofold purpose in mind: To generate revenue for its scholarship fund and to create civic good will within the Westmoreland County community. At this time they will be presented with a number of tributes, including a proclamation from the Westmoreland County commissioners announcing them as a historical first in Westmoreland County and the Commonwealth of Pennsylvania.

It should be noted that the office of constable was deemed a position of importance for more than three centuries under the British crown. It became part of the legal system adopted from England when Pennsylvania was still one of the Thirteen Colonies. It has continued to be recognized in our Commonwealth with the establishment of these United States of America.

Therefore, on behalf of the good citizens of Westmoreland County and all of Pennsylvania's 21st Congressional District, it is an honor to pay tribute to the Pennsylvania State Constables Association, Women's Auxiliary, Westmoreland Chapter, which will serve our community well in the coming years.●

ARMS FOR YEMEN, QUALMS FOR US

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. ROSENTHAL. Mr. Speaker, the President's decision to bypass congressional review of a $390 million weapons sale to the Yemen Arab Republic was, in my opinion, an abuse of Presidential discretionary authority.

The facts simply did not justify the action. The situation was so fluid there was no way the arms—including F-5 jet fighters, M-60 tanks and armored personnel carriers—and accompanying American advisers could have arrived in time to make any difference. The truth of the matter is the Yemeni were not then and still are not able to utilize, maintain, or absorb any of this equipment quickly, and few, if any, of its military personnel are acquainted with the equipment.

Compounding that situation is the fact that the day before the President signed the order waiving Congressional review, Prof. Arthur Schlesinger, Jr., points out in today's New York Times:

> The Arab league called for a cease-fire and negotiations. The cease-fire took effect shortly afterward. The negotiations soon resulted in agreement by the leaders of Yemen and Southern Yemen to unite their two countries.

I commend Professor Schlesinger's Op Ed column to all my colleagues and urge them to read it. The column follows:

ARMS FOR YEMEN, QUALMS FOR US

(By Arthur Schlesinger, Jr.)

President Carter announced his decision on March 7 to sell Yemen $390 million worth of arms. Since this consignment includes sophisticated weaponry, he also announced that the arms would have an appropriate escort of American military advisers. Whatever the merits of the Yemen policy, the mode of making it raises serious questions.

For Mr. Carter, in sending arms and advisers to Yemen, did something no President had ever done before. He invoked a waiver provision of the Arms Export Control Act that permits the President to bypass Congress on arms sales if "an emergency exists which requires such sale in the national security interests of the United States." The Arms Export Control Act requires that arms sales amounting to $7 million or more ordinarily be laid before Congress for 30 days, during which Congress can consider and, if it so desires, disapprove the proposed sale.

The point of this requirement is obvious: It is to prevent Presidents from making major commitments of arms, advisers and prestige abroad without review by Congress. The point of the waiver provision is obvious too: It is to give Presidents, should an authentic and dire emergency threaten national security, authority to act at once.

Did Southern Yemen's attack on Yemen constitute, as Mr. Carter's action implies, a grave and urgent threat to the safety of the Republic? The day before Mr. Carter declared the existence of the emergency, the Arab League called for a cease-fire and negotiations. The cease-fire took effect shortly afterward. The negotiations soon resulted in agreement by the leaders of Yemen and Southern Yemen to unite their two countries. Whatever that agreement may mean, which may not be much, and however long the cease-fire lasts, which may not be long, these developments cast doubt on the Administration's claim that the United States was faced with so immediate a threat to national security that there was no alternative to unilateral Presidential action.

A look at the arms-sale package reinforces this doubt. The President could have sold Yemen weapons it could have used to meet its immediate enmergency—grenade launchers, antitank missiles, ammunition—without going to Congress, because the amount involved would not have broken the $7 million barrier. The expensive weapons in the package, such as 12F-5E aircraft and 64 M-60 tanks, would have been useless in the alleged emergency because Yemen, not a notably advanced country, lacks the personnel to operate such equipment. That is why American advisers must go along. A delay of 30 days to allow Congress to ponder the wisdom of sending advisers into a war zone would have made no difference to the fighting, which of course has come to an end anyway.

In addition, Yemen has three times as large a population as Southern Yemen. It has arms supplied, ironically, in an earlier spin of the dial, by the Soviet Union (which raises the interesting question as to whom our F-5E aircraft and M-60 tanks may be used against in the future). Yemen's condition could hardly have been so desperate as the Presidential invocation of the emergency waiver implied, unless its people were less concerned than we are about defending their own country.

The emergency was patiently spurious. Even if it had not been, would the "loss" of Yemen so vitally threaten our safety as to leave no time to seek the support of Congress? If Mr. Carter's interpretation of the Act prevails, it is hard to see how that act will restrain Presidents from making unilateral commitments of arms, advisers and prestige wherever the four winds blow. And what will happen, our arms, advisers and prestige having been thus committed, if "our" side begins to lose? Congress, having accepted the commitment, will find it far more difficult to prevent deeper involvement further on down the road.

On March 15, Representative Leon Panetta of California introduced a concurrent resolution protesting Mr. Carter's use of the waiver authority. "This action," he said, "denies to the Congress an opportunity to examine all relevant facts in the Yemen war and determine whether making this kind of major new commitment to North Yemen is in the best interests of the nation."

In the Senate, George McGovern of South Dakota observed that the point of the Arms Export Control Art was to prohibit "unexamined major commitments instituted solely by Presidential discretion." Sending arms and advisers to Yemen, he said, was plainly one element in the development of a new policy in the Middle East. "The President's waiver was significant not because some weapons were shipped out but because a new security policy, with new American commitments and risks, was being created without any serious Congressional review of its scope, character or problems."

No doubt Mr. Carter, on the defensive because of miscalculations in Iran and troubles in Afghanistan and elsewhere, hoped to strengthen himself at home by showing how macho he was prepared to be in Yemen. But, in the longer run, the initiation of military commitments on his own say-so is not to his own best interests, for the requirement that Congress pass on large arms sales is surely to Presidents' advantage. A year ago, Mr. McGovern pointed out to the Senate that, had that requirement not existed, Mr. Carter's arms-sale package to Saudi Arabia and Israel "would have been carried out by the executive branch unilaterally, and virtually every Senator would have been tempted to stand up on this floor and assail the President of the United States, knowing the deal was going to go through anyway. But when we had to face the hard decision of voting yes or no and take the responsibility for the interest of the United States in this sale, it was quite a different result. By a vote of 54 to 44, a clear majority of the U.S. Senate said, in effect, to the world, we uphold the hands of the President. So I think we did an enormous service by sharing the responsibility of that very agonizing and difficult decision with the President."

The idea of committing the United States to the defense of Yemen may or may not be sensible. In either case, the policy would benefit from serious national debate. And it is essential now for Congress to declare Mr. Carter's action a misuse of the waiver authority in the Arms Export Control Act; otherwise a dangerous precedent will be established. Wise Presidents will regard the requirement of Congressional collaboration not as a burden to be evaded but as an opportunity to be embraced in order to give our foreign policy a solid base in understanding and consent.●

ANNIVERSARY OF THE NATIONAL FAIR HOUSING LAW

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. HAWKINS. Mr. Speaker, in wake of our country's long and bitter struggle for civil rights I would like to bring to the attention of my colleagues the anniversary of a monumental and historical piece of legislation which was passed by the Congress in 1968, the national fair housing law, title VII of the Civil Rights Act of 1968.

This April marks the 11th year of the national fair housing law, which was signed on April 11, 1968, by President Johnson. The law guarantees equal opportunity in housing to every American by providing that all actions necessary be taken to prevent discrimination on the basis of race, creed, and national origin in federally financed housing and related facilities.

Fair housing is an idea which embraces the spirit of societal justice for all Americans. Equally important however, is to make sure this spirit is translated into reality through a forthright national commitment.

Our Nation has a responsibility to help communities provide adequate shelter and a respectable environment. To do less than this involves the denial of justice and the denial of a measure of human diginity. The elimination of discriminatory barriers is essential for a strong and viable society. The principles embodied in the fair housing law are the building blocks for a more equitable society, a more compassionate society, and certainly a more humane society.●

NEWARK REVITALIZATION

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. RODINO. Mr. Speaker, I want to call my colleagues' attention to an article written by Neal Pierce and appearing in the Washington Post of March 10 concerning my home city of Newark. It tells of the hard work and dedication of the local public officials, private industry, and citizens of Newark to bring the city back from decay.

Mr. Speaker, I am proud to be a part of Newark's revitalization and I believe this article would be valuable reading for those who might feel that our Government should "give up" on our cities, because they are incapable of helping them selves. Newark's story is one of continuing struggle and success, and I am very happy that Mr. Pierce has written about the efforts to rehabilitate Newark, and their results. Maybe now it will no longer be "one of the best-kept secrets in urban America. * * * "

Mr. Speaker, I insert the article in the RECORD:

THE QUIET REVIVAL OF RIOT-TORN NEWARK

(By Neal R. Peirce)

NEWARK, N.J.—The best-kept secret in urban America is how this city, devastated by riots a dozen years ago and long afflicted by America's worst problems of burned-out slums, high crime and municipal penury, has begun to bounce back.

Admittedly, the bounce has to be a long one in a city still troubled by alarmingly high jobless rates, flashes of arson and the fact that a third of the population is on public assistance. But from downtown to the neighborhoods, the visitor discovers multiple signs of rejuvenation that national media stories—focused uniformly on the lurid signs of civic distress—rarely mention.

One sign of Newark's rebirth is the heavy amount of downtown building under way with the backing of banks, insurance companies and other firms who feel the city's future is secure enough to justify large investments. Perhaps even more significant is the comeback in Newark's neighborhoods.

Thousands of Newark working-class folk are investing life savings and taking out substantial loans to rehabilitate their homes—hardly a sign of a population in flight. Newark's neighborhood rebirth is 100 percent a blue-collar, black and ethnic, lower-income group affair. "Gentrification" by middle and upper-income types—the hanging plant and spinach salad crowd taking over newly chic neighborhoods in many cities—is virtually nonexistent here.

One's strong impression is that if Newark, given its weight of problems and drawbacks, can emerge with new strength, then any city in America can.

Even in its darkest days, of course, Newark has had formidable economic assets. It remains the connecting point between the nation's most heavily trafficked highway, rail and air routes and largest harbor (New York). Newark's port facilities are outstanding. It is still New Jersey's largest city, with banks holding billions in assets and life insurance companies selling more policies than any city save New York.

Still, the fact is that Newark entered the 1970's with an appalling list of disabilities. The crime, population, density, unemployment, venereal disease and infant-mortality rates were the country's highest—or close to it. The city had been convulsed with two decades of rapid population change, from white ethnic to black and Hispanic, with pockets of violent emotions along the cutting edge of neighborhood racial change.

Not all of those conditions have changed in nine years, but enough . . . have to make a fundamental difference. The metamorphosis started in 1970 when Kenneth Gibson, a black leader of honest reputation and palpable good will, defeated Mayor Hugh Addonizio, soon to go to prison for plundering the public treasury.

Administratively, the Gibson administration often drifted. But it did convince Washington that Newark was the nation's worst-off city and garnered over $500 million in aid in eight years. Added to increased state aid, that made Newark look like a fiscal-aid junkie. When Congress cut off countercyclical aid last year, Newark had to lay off 425 city workers, including 200 police. But Gibson claims that large outside payments are justified by the huge amount of Newark land devoted to state and federal office buildings, universities, roads and port—all the appurtenances of a major regional service center cut off from the natural tax base of its affluent hinterland.

Gibson also claims solid economies. He says city government per-capita cost has declined from $360 to $280 since 1970, without adjusting for inflation. The city's bond rating improved. Tax rates, for years way above those of nearby suburbs, have begun to inch downward. The crime rate finally leveled off, then declined sharply to its latest ranking of 28th in the nation. Public-health measures cut the venereal disease and infant mortality rates to a fraction of their prior levels.

A new element has been added to Newark's character with a $300 million wave of investments in universities—the New Jersey College of Medicine and Dentistry, the New Jersey Institute of Technology, a branch of Rutgers University and others. They have caused the student population to balloon to 23,000 in a decade.

In the mid-'70s the tide of black and Hispanic immigration and push into formerly white neighborhoods ceased, permitting stabilization—albeit at a very high 80 to 85 percent minority figure citywide. A Regional Plan Commission poll last year showed twice as many Newark residents expected their city to get better in the next five years as expected it to get worse.

The most vivid example of all is provided by the Portuguese, now the majority group of the old Ironbound neighborhood of tightly crowded little houses, shops and factories close to the center city. Joining the Germans, Poles, Lithuanians and Italians who preceded them, the Portuguese (immigrating most heavily since 1967) are providing a sparkling new example of the old ethnic, pull-yourself-up-by-your-bootstraps dream. Says one city official of the Ironbound's melange of mixed uses, narrow streets and sidewalks and yards: "It breaks every rule of city planning—except that it works tremendously."

The most serious test for Newark will be the future of its Central Ward, blasted by the 1967 riots. It will probably be decades until that area lives down its past. But even there, one finds hope. On a wintry day I climbed over a construction site where the Pilgram Baptist Church is spearheading a 100-acre redevelopment site with 305 handsome townhouses under a federally insured mortgage for low- to moderate-income people. Several hundred yards away one could see the hulks of public housing high-rises, where three young girls were recently multilated and thrown off the roof. Such structures, Pilgrim Baptist Pastor Arthur Jones told me, "ought to be dynamited like they were in St. Louis."

But his townhouses, Jones said, were being built with quality, on a human low-rise scale. "Come here in 10 years and I guarantee you that this complex will not be vandalized," he said. "It will be like a good cancer that spreads." ●

CLEVELAND'S BEST KEPT SECRET

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. MOTTL. Mr. Speaker, we hear a lot about Cleveland these days, most of it, unfortunately, derogatory.

But permit me to tell you about the quality of Cleveland's medical care with special reference to one of its finest hospitals. Most of us have heard of the Cleveland Clinic and its "guests" from Saudi Arabia. We know lots about university hospitals, and most of the other hospitals with which Cleveland is blessed.

The hospital I want to talk about is one that we do not know much about, because we do not hear or read much about it. But it was my good fortune to be "introduced" to Cleveland Metropolitan General Hospital about 2 weeks ago when my wife was taken there and admitted to the department reserved for high-risk pregnancies.

To me, this hospital is Cleveland's best kept secret. The treatment accorded to my wife probably could not have been matched anywhere else in the area. The hospital is specially equipped to deal with such cases, and the skill and dedication of the doctors and the nursing was simply wonderful. I herewith gratefully pay my gratitude to Drs. Mortimer G. Rosen, Roger Hertz, LeRoy Dierker, and Melinda Kwong and also administrator, Henry E. Manning.

Mr. Speaker, Cleveland Metropolitan General Hospital is one of the finest in the country and I am glad to be able to bring it to the attention of this House. Not only does this hospital deal with high risk pregnancies, it also has highly specialized departments to deal with severe burning injuries, with tuberculosis, and has an intensive care unit for nursery children, and provides comprehensive care for children with multiple handicaps.

In past years the hospital concerned itself primarily with the indigent citizen, but now the fame of this institution is spreading far beyond the city's boundaries so that a large and growing percentage of the patients reside in the suburbs.

Cleveland Metropolitan, "the best kept secret" over the last 15 years has been engaged in a vast building program and restructuring of the facilities which provide a full range of medical services for the entire community.

Oh, yes, I almost forgot. Cleveland Metropolitan General with the help of my beautiful wife gave me the gift of an equally beautiful baby girl, 4-pound, 10-ounce Amanda Leigh.●

CONGRESSIONAL TESTIMONY OF ELLIOT LYNCH OF YOUNGSTOWN, N.Y.

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. LAFALCE. Mr. Speaker, Elliot Lynch is one of many of my constituents who came to the Capitol on March 21 to provide Congress with firsthand experiences in dealing with one of our most serious health and environmental issues—hazardous wastes. Mr. Lynch, now retired, ran the water treatment plant for the city of Niagara Falls for 10 years, and he learned about the problems faced when a municipal water treatment plant is located adjacent to a hazardous waste disposal site and in a city where one of the major industries deals daily with chemicals, many of them highly toxic.

Mr. Lynch's presentation to Congress helps show how important it is that we in Congress deal with this issue, and do so soon, so we can prevent future disasters such as the one that has struck the Love Canal neighborhood in Niagara Falls. I would like to share his testimony with you and with our colleagues. It follows:

"S" Area Occurrence Chemical Company Land Fill, Buffalo Avenue and Fifty-Third Street, Niagara Falls, N.Y.

I am Elliott J. Lynch, 2091 Lake Road, Youngstown, New York 14174. I am presently employed as Acting Chief Operator-chemist, for the Niagara County Water District, 7227 Williams Road, Niagara Falls, New York 14304.

I am a 1950 graduate of Niagara University, and was employed by the City of Niagara Falls Water Department from June 1949-to-September 1978. I served as Chemist-Chief Operator, from September 1953 until my retirement in 1978. Besides my regular employment with the City, I was also the City's representative on the Niagara County Board of Health, from 1965 to 1970.

Since I no longer have access to Water Department records, the testimony which follows is primarily recollection. Some facts may be substantiated by various governmental records and correspondence.

The City of Niagara Falls operates two (2) 32 million gallons per day Water Treatment Plants at 53rd & Buffalo Avenue, adjacent to the Hooker Chemical Company property. The first of the two plants was built in 1912. The chemical treatment and filtration section is still in operation. The pumping facilities were replaced in 1953. The original pump station was renovated into offices and vehicular and equipment storage. Some of the underground piping and water storage facilities were abandoned intact. These were adjacent to what is called the "S" Area—a disposal sight. A road-way, "Dock Street," now separates the two properties.

My first recollection of the dump site is in the mid 1950's. Its presence probably would never have come to the attention of the Water Department employee's except for the obnoxious odors, spontaneous fires and smoke, which occurred from time to time and carried by the prevailing south-west winds across the Water Works property. The nature of the gases was nauseous, choking, and lacrimatory to humans, and toxic to plant life as evidenced by the death of trees and plants which we attempted to grow. Both Fred J. Hayes, Supt. of Maintenance and I reported these occurrences to our superiors and the Hooker Chemical Co., on many occasions. There was some alleviation when more cover was provided for the land-fill.

In about 1957 the State Power Authority began the construction of the Robert Moses Parkway, and the 400 ft. concrete dock and industrial water intake on the bank of the Niagara River directly behind the Water Treatment Plant. In 1958 I began taking pictures of this construction as well as of the Hooker landfill area next to the city property.

Photographs shows the disposal area, 55 gal. containers, tank trucks and in one distance a railroad tank car. A series of paralled trenches were dug, 55 gal. drums lined up on the crest of the trenches, punctured in some instances, and rolled into the trenches and covered. Tank wagons would be discharged directly into the pits, and the effluent then covered.

About ten years ago, the pumping station operators began complaining of chemical odors emanating from the pump station wet-well. Mr. Fred Hayes, Supt. of Maintenance determined that it was apparently coming from an abandoned raw water pipe line leading north along our west property line.

We contacted Allen Marine Salvage Company, and they subsequently confirmed Mr. Hayes suspicion. The consensus of opinion of the operators and supervisory personnel at the time, was that it originated from the Hooker land fill. The conclusion was derived from the smell, general appearance and proximity to the "S" Area. The Hooker Company was so notified. The abandoned pipe was plugged with concrete and the condition in the pump station alleviated.

A re-occurrence of the chemical smell in the pumping station occurred again in the late spring of 1978. I recommended to the Director of Utilities, Mr. Robert Mathews, that Allen Marine Salvage Company be recalled and the concrete plug and general area be examined. A portion of the plug had eroded, and more of the same chemical waste was issuing into the wet-well. Samples were taken and analyzed by Hooker. It is my recollection that Mirex and C–56 were found in the deposits.

I had retired from City employment by this time August 1978, but was retained on a consulting basis for two months. The deposits were removed and a metal bulk-head installed in the abandoned raw water line.

It should be noted that there is considerable difference of opinion concerning the origin of the Mirex and C–56. My contention is that it originates from the "S" Area land fill. According to published reports, other local officials and the Hooker Chemical Company are reserving decision publicly. Their contention is that it may be from the Niagara River itself, and an accumulation of many years.

In my refutation of this claim, I have cited that the repeated chemical analysis of both the raw river water and finished water over the past fifteen years, by State and Federal laboratories which have shown negative, or within the limits prescribed for various organic toxins in Part 5 of the New York Sanitary Code. The most recent comprehensive series of analysis were between 1972 and 1977, and were conducted by the New York State Health Department under the U.S. Geologic Survey. These are on file in the New York State Department of Health and in the Niagara County Health Department.●

HEALTH CARE

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Ms. MIKULSKI. Mr. Speaker, today I am introducing legislation that is consistent with two of my most important goals for the 96th Congress: To improve the quality of health care delivered by utilizing varied health professionals and to lower the cost of quality health care. I am introducing two bills to the Congress; One provides for the inclusion of nurse-midwife services under medicare and medicaid programs and the other provides for access to a nurse-midwife without referral in the Federal employee health benefits program.

Since many people are unaware of the education and training background of nurse-midwives and their ability to deliver high quality obstetric health care services, I would like to take this opportunity to inform my colleagues. A nurse-midwife is trained in both the disciplines of nursing and midwifery, and is certified according to the requirements of the American College of Nurse-Midwives upon completion of a 1- to 2-year educational training program. In order to receive certification from the OCNM, the nurse-midwife must successfully pass a national certification examination.

Women, as consumers, must be afforded the opportunity to select the most efficient, satisfying, and economical delivery system according to their own needs. Women have indicated a preference for obstetric care by nurse-midwives as they feel they receive more personal support from the nurse-midwives, as health care providers in any national health care plan, we enable midwives to be reimbursed for services provided on the same basis as other health care providers delivering the same level of quality service.

The standards for the practice of midwifery are comparable to those of obstetrics; the practice of nurse midwifery occurs with a formal written alliance with an obstetrician or another physician who has a formal consultation arrangement with an obstetrician. If the need arises, the nurse-midwife, with her training to recognize the variations from the normal delivery, will then call upon the obstetrician to assist with the case.

Having carefully studied the training and disciplines of nurse-midwifery, I am fully confident that nurse-midwives can provide high quality health care at a reduced cost to health care consumers. This being one of my key legislative goals for the 96th Congress, I, thereby, submit legislation that will provide for the inclusion of nurse-midwives under medicare and medicaid programs, and that will provide for access to nurse-midwives without referral in the Federal employee health benefits program. In passing this legislation, Congress will provide the consumer with high quality health care at a reduced and saving cost.●

PRESIDENT OF SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT URGES SUPPORT FOR PUBLIC TRANSPORTATION

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. ANDERSON of California. Mr. Speaker, I wish to commend President Carter on his nationwide address of April 5, in which he urged Americans to increase their utilization of mass transportation, carpooling, riding the bus to work, and other modes of energy efficient transportation, as part of the administration's effort to stem energy consumption.

On April 4, Mr. Marvin L. Holen, president of the board of directors of the Southern California Rapid Transit District presented his testimony before the House Appropriations Subcommittee on Transportation. Mr. Holen emphasized the need for increased Government funding for mass transit at a time when both House Appropriations Subcommittee on energy consumption and prices are skyrocketing. As one who was bringing these facts to this Chamber 7 years ago, and who was active in "busting open" the Highway Trust Fund for utilization in mass transit programs, I feel Mr. Holen's goals are good ones.

President Carter has indicated his desire that windfall profits accruing to oil companies as a result of decontrol be heavily taxed. I support this tax on windfall profits and believe that a substantial amount of the new revenues it will create should be used to provide additional funding for public transportation systems nationwide.

With this in mind, Mr. Speaker, I would like to share with our colleagues the following remarks delivered by Mr. Holen:

TESTIMONY OF MARVIN L. HOLEN BEFORE TRANSPORTATION COMMITTEE ON APPROPRIATIONS, APRIL 4, 1979

My name is Marvin L. Holen. I am the President of the Board of Directors of the Southern California Rapid Transit District. Mr. Chairman and members of the Committee—I appreciate the opportunity to appear here today to relate to you some specific problems—and some specific opportunities—that exist in the greater Los Angeles area concerning public transportation.

Los Angeles is still automobile dominated, and given the state of public transportation in Los Angeles, it will necessarily remain so unless government is willing to make available the necessary funds to provide an adequate public transportation alternative.

I must present to you some information about public transportation in Los Angeles that you may find hard to believe.

The Southern California Rapid Transit District is the third largest transit system in the United States—providing primary service to some seven million people and secondary service to an additional three million people.

The service area by way of population and geography is in excess of the combined cities of Washington, D.C., Baltimore, San Francisco and Atlanta.

Our ridership has increased 67% in the past 4 years and now some 550,000 persons each weekday are dependent on the system.

In the dense metropolitan area of Los Angeles we are now out of capacity—leaving people at the bus stops unable to get to work. Those that do get aboard are so crammed together that the experience is an agony.

We have been forced to reduce our annualized mileage over the past few years by 11%—and this in the face of increased passenger demand.

Our fleet of buses is the oldest in the nation—averaging over 12 years of age. Some buses are so old that parts must be specially made for replacements. We suffer nearly 1200 *in service* breakdowns per week resulting in a huge excess maintenance cost and an inconvenience to passengers that has become intolerable.

The central (Wilshire) corridor of Los Angeles has a population density second in the nation and the buses in that corridor—a most costly and inefficient way to transport large numbers of people—carry more passengers than the entire BART rail system in the San Francisco Bay Area.

As you can see, public transportation is now an essential part of Los Angeles life, and the people of Los Angeles need and want a modern, reliable system. We must have the money to replace our old buses, to expand our service and to build new mass transit facilities which are cost effective, such as a rail line through our high-density central corridor.

I must emphasize to you as an Appropriations Committee of Congress that money spent on public transportation is an investment of tax dollars that results in a lower cost of living and thereby a higher standard of living. It is good public business to invest public funds in public transportation.

Forgive me if I step out of my role for a moment as an advocate for better public transportation in Los Angeles and speak as a very concerned American citizen.

Our country is in the midst of a national energy crisis requiring reduction in petroleum use. Major sources of our petroleum are under foreign domination and control making us subject to foreign influence. Our currency is being undermined by the huge balance of payment deficits resulting from foreign oil purchases. Our people are being subjected to terrible inflationay pressures making the cost of private transportation prohibitive for a rapidly growing number of families. The continuing dependence on the automobile causes a polluted atmosphere subjecting everyone to irritation and disease and requiring massive investments in our attempt to keep the air at least breathable.

We call on the federal government—the President and the Congress—for a crash program to expand public transportation. It is a direct way to attack and in large part solve our eneragy problem. It would be one of the most effective ways to dilute the pain of inflation. It would help relieve us of the massive cost and consequences of polluted air. It is the wise course of action and should be of first priority.

We urge you to increase appropriations not only to the authorized level but well beyond.

Thank you for your time and consideration. I will be very happy to answer any questions.●

FAMILY FARM PROGRAM

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. JONES of Tennessee. Mr. Speaker, my colleague on the House Agriculture Committee, TOM HARKIN of Iowa, recently addressed a "Family Farm Rally," sponsored by the National Farmers Union in Atlantic, Iowa.

Since coming to Congress in 1975, Mr. HARKIN has proven to be a vocal and effective spokesman for the family farm, working to insure that the next generation of farm operators are family farmers, and not nonfarm corporations, or giant agribusinesses.

In his speech to the "Family Farm Rally," Mr. HARKIN outlined a nine-point farm program. It is sure to be controversial, but it is thought-provoking and merits the attention of every Member of this body.

I commend his speech to the attention of my colleagues, and include it at this point in the RECORD:

SPEECH BY REPRESENTATIVE TOM HARKIN

Thank you very much.

It's a pleasure to be here.

When you stop and consider that when I left Washington, D.C. to begin the trip out here, I left the worst snow storm to hit that city in 20 years and quite a few farmers who have been snarling traffic all week, you'll understand how serious I am when I say "It is a real pleasure to be here."

If the drive from the Omaha airport to Atlantic was not leisurely, it was at least unobstructed and I am grateful for that.

Thomas Jefferson, himself a farmer and farm innovator, once described farmers as "The chosen people of God." He said they had a "special character based on substance and genuine virtue."

Like most of our founding fathers, Jefferson believed very deeply in a system of agriculture, based on family farms.

That base had more than just symbolic importance to them . . . for as long as Americans could chart their own destiny and build their own prosperity as independent family farmers and land owners . . . Americans would remain free.

Many things have changed in this nation since then.

But perhaps no other change that has taken place since then would surprise Jefferson as much as the change in our agriculture system.

The answer to the question: "Who shall control agriculture?" is not as easy to answer in our day as it was in theirs.

Then the answer was simple: Family farmers shall control agriculture.

Today our generation must decide:

Will it be the agribusiness corporations?

Will we have an agriculture system based on absentee landownership, or foreign ownership?

Or will it be based on a great many farms owned and operated by the independent families who live on these farms?

As a member of the House Agriculture Committee . . . and its Subcommittee on Family Farms . . . these are questions I face every day.

And as a member of those committees, I want to take this opportunity to thank the National Farmers Union . . . Tony Dechant, . . . and Lowell Gose, . . . and all the rest of you, for the thoughtful and well documented testimony and advice you have provided over the years.

Your opinions are respected, and your advice is highly valued. I thank you for it.

I'd like to take just a moment, here, to talk about some of those other farmers who've been in Washington the past two weeks.

I don't question that many of them have reason to be mad. But let me be quite frank with you. They have not helped our cause.

They have deliberately snarled traffic at rush hour.

They have torn up and burnt park benches for firewood.

They cut down 25 young elm trees on the mall and burnt them.

They have driven their tractors on joyrides through the reflecting pool at the foot of the Capitol, doing serious damage to it.

They knocked over and broke an $8,500 sign outside the Smithsonian Institution (I don't know which makes me the maddest . . . the fact that they knocked it down and broke it, or the fact that somebody thought we needed an $8,500 sign outside the Smithsonian in the first place!)

They have damaged an underground sprinkling system used to water the grass on the mall.

They damaged curb signs, bike and walking paths.

They have crashed their tractors into police cars and driven them over police motorcycles.

And, they have torn up the mall so badly it must now be entirely re-sodded at a cost of a half million dollars.

Each day the protest continues it costs the federal government and the District of Columbia nearly $200,000—that's nearly a quarter of a million dollars.

In short, this "demonstration" has done more than draw attention to the farmer's cause.

It has cost the American taxpayer nearly 2 million dollars, so far.

And, I might add, many urban Members of Congress are having a hard time believing that the farmers who are living on the mall in their 24 foot mobile homes or staying at the Mayflower and Hilton Hotels are really in need of help.

But I'm afraid, the most serious damage they've done, will not carry a price tag.

The antics of a minority of the farmers in Washington, I'm afraid, have been a serious set-back to our efforts . . . to build bridges between rural America and urban America.

Some of you attended the Farm Convention I held with Congressman Bedell and Congressman Nolan from Minnesota two years ago. Over 300 family farmers attended.

An important part of that convention was the afternoon those family farmers spent going around in small groups to the offices of urban Members of Congress. They explained their situation. The discussions were thoughtful, and were rational. And the urban Members of Congress listened.

Some eyes were opened. Some minds were opened. Bridges were built.

I'm afraid a lot of that foundation, a lot of that goodwill, has disappeared in the last 2 weeks.

They have set back our efforts to get good farm legislation.

They have made my job and the job of other farm state Congressmen much harder.

We now have to convince those urban Members of Congress that the few "hell raisers" in the group of farmers in Washington . . . and the few who protest their "poverty" from $30,000 mobile homes . . . don't represent rural America.

The sad part is this:

(And I say this as someone who has always supported 100% parity.)

We're not going to get 100% parity . . . or 90% parity . . . or anything like that . . . through the legislative process or government supports. It's just not going to happen. It wasn't going to happen before the farmers came to Washington and it certainly isn't going to happen now.

The economic, legislative and political realities simply make it impossible.

Well, that leaves us with two choices. We can either tear up the mall, block traffic, and "hold our breath" until we turn blue . . .

. . . Or we can work for other ways to build the kind of farm system we had hoped parity would provide.

I say it's much more productive to do the latter. If we had kept parity we would have a good system today. But we can't turn the clock back . . . we have to look ahead.

We have to ask what kind of agriculture system do we want? And how do we get it?

(1) We want a system of many farms and one in which they all equitably contribute to our food production.

Since 1950 the number of farms in America has been cut in half . . . from 5.6 million to 2.7 million.

And only the largest 6% of those that remain . . . account for 53% of all farm receipts.

We must turn this around.

(2) We want a system that provides ample access for young people . . . young families . . . to begin farming.

Today over half the farmers in this nation are over 50 years old.

And the ever rising cost of land and the interest paid on money borrowed to buy it, is placing the dream of operating their own farm well beyond the reach of those who do not inherit their land.

(3) We want a system that will maintain farming not just as the risk taking and profit making business it is . . . but most importantly as a way of life—as a part of our social fabric.

The fact is the policies of the last 30 to 40 years have taken us in the exact opposite direction. They have preached the "bigger is better" policy. And those policies have resulted in:

The American farm becoming bigger and bigger: doubling in size since 1950. The average farm doubled in size, while the actual *number of acres* in production dropped *by 10%* and the number of farms *dropped by 50%*.

We must have an agriculture farm policy which will reverse those trends.

Since the changes we seek are major, so must be the changes in our agriculture policy, and in our way of thinking about agriculture policy.

We need the following nine items:

(1) We need a *graduated* farm program.

We must go beyond the price support payment limitations. Price supports must be scaled to farm size and wealth and there must be a point when we say "good luck, you are on your own."

It makes no sense for the taxpayer to supplement the income of someone with a million dollars in equity. (Not debt!) And it makes less sense for us to do that if our goal is to help and encourage the average family farmer.

Target prices, loans, and disaster payments all reduce risk. It is a well established economic principle that risk management is the key to business expansion. So, by reducing large farmers risk, we make him more hungry and expand and thus allow him to outbid small or new farmers for land.

A similar change is needed in our farm loan programs.

It is no secret many big farmers in Iowa got 3% SBA disaster loans after the drought of '77. They didn't need that help.

They had the equity to weather a tough year like 1977. But they took the 3% money, put it in a bank, and earned interest.

The law allowed that.

And the law needs to be changed.

That 3% disaster money meant life or death for the farm operations of many family farmers in Iowa. The program served them well.

But for a lot of other big farmers it did not mean the difference between success or failure. It meant simply, an opportunity to make some easy money.

We must graduate program benefits and prohibit benefits to non-farm corporations and partnerships.

What I'm suggesting may sound a bit strange coming from the Members of Congress who represents the 8th most rural Congressional district in the nation.

But it has to be said, if we're serious about doing what we must to stop the demise of the family farm. We have to concentrate our limited resources on helping those who really need help.

And, if we're serious about cutting waste in government, we must admit it is everywhere; it's not just in the "other guys'" programs. It's in every program, including "OUR" programs.

When it comes to cutting waste in federal spending there should be no "sacred cows."

(2) We need a tax policy that discourages absentee landownership and has a disincentive for getting bigger.

The income that comes from farm land to anyone other than those who live and work on that land, must be taxed at a higher rate; and that rate must be structured so that it is not more profitable for that absentee landowner to just pass his higher tax bill along to his renter.

We need a graduated property tax.

We can have such a structure and at the same time protect the retired farmer who depends on what he and his wife built through a lifetime of work for their retirement income.

(3) We must change the inheritance tax laws to allow a farmer to pass a farm on to the next generation of his family to continue farming without breaking it up.

(4) We must prohibit foreign ownership of farm land in the United States.

(5) We must establish a special "money pool" to help young farmers compete with established farmers and investors with lots of equity—in purchasing farm land.

Today, nearly 60% of all farm land sales are made to established farmers, enlarging their farms.

A little over four square miles per day, or about 1 million acres of farm land a year, is sold to people who plan to put it to non-agricultural uses.

New farmers and corporations scramble for what little is left and corporations can beat new farmers in bidding for land. New farmers need long-term, low-rate, financial help.

(6) Our agricultural policy must address not just price, but conservation and the best use of the land as well.

If price were our only objective, 100% parity . . . mandated by legislation, it would take the price of corn up to $3.50–$4.00 a bushel. But it also would result in thousands of Texas and Oklahoma and Colorado farmers planting corn and other crops on what is essentially grass land. Taking precious water from water table for irrigation. Competing with Iowa and Illinois farmers where we can grow those crops better.

Growing corn would not be the best use of that land, and we'd find ourselves heading back to the days of the dust bowl.

In 100 years of farming nearly one-third of our top soil has been lost. We lose some 4 billion tons of top soil a year. If anything is to remain for the generations to come we must get serious about saving it now.

I'm happy to say the Carter Administration may be moving in this direction. The Council of Environmental Quality has recommended farm program participation be made contingent upon the use of soil conservation practices. If this becomes Carter Administration policy, we will have taken a giant step closer to ensuring the protection of our top soil for the generations yet to come.

(7) We must have an agriculture policy that recognize that we can use farm land for energy also.

(8) We must redirect, research and extension programs to help family farms—not agribusiness and not non-farm corporations.

(9) We need a national grain marketing board to sell our grain abroad. We are the only major nation in the world that sells its grain through private companies. Under that arrangement, foreign buyers of our grain barter among those companies for the lowest price. With a national grain marketing board, we'd sell our grain to the highest bidder and farmers would reap the profit.

If we are serious about building the kind of agriculture system in which the family farm can survive and prosper our program must be broad and comprehensive and address the many factors which impact the family farm. If we continue to address only the price issue, the only thing we will accomplish is to make the rich richer and the big farmers bigger.

My final point today is this:

Those of you who remember my battle with the Carter Administration over beef imports, and my inclusion on Secretary Bergland's "bed wetters" list last fall, know I've never been a "cheerleader" for the Carter Administration.

I've always felt free to criticize this Administration—even though it is of my party—when I thought they were wrong. And I shall continue to do so. That is my obligation, and my right.

But I've never been one to stand by and let someone take a "bum rap" when I felt they were getting one, either. So let me be frank.

Jimmy Carter and Bob Bergland are getting a "bum rap" from the farmers who have gathered in Washington and from many farmers across this nation. And I think it's time someone said so.

One and two years ago, farmers were reaping the bitter harvest of the policies of Earl Butz and Richard Nixon. Prices were at rock bottom in the 3rd successive year of disaster on the farm.

I know you all remember what it was like. I know I do, too.

What is the situation today?

Prices farmers received at the end of this past harvest season were nearly ¼ higher than the year before. Corn was up 18 percent. Wheat was up 32 percent. Soybeans were up 21 percent. Cattle were up 52 percent. Hogs were up 28 percent.

Prices we pay are up too—but not as high.

Farm equity is up 73 billion dollars over last year.

Net farm income was up 40 percent in 1978 and reached the second highest level on record . . . $28 billion dollars.

Livestock receipts are up over 10 billion dollars.

Crop receipts are up over 4 billion dollars.

1978 was the first year since 1973 that the rise in gross income exceeded the rise in the farmers expenses.

These are dramatic improvements. They are not the product of happenstance. They are the product of sound agricultural policy. They are the product of a policy which:

Established an on the farm farmer owned grain reserve . . . that reserve reestablished our reputation as a reliable supplier to the world. It guarantees we won't have any more grain embargoes.

It's no accident agriculture exports were up nearly 14 percent over last year.

It's no accident farm exports set a new record in 1978, both in volume and in dollars received.

And as Jimmy Carter and Bob Bergland open the door to China the prospects for even bigger exports are even brighter.

Domestically, that reserve kept the price of corn from collapsing in the face of a 7 billion bushel harvest.

And that on-the-farm reserve, owned by farmers, means that when the price of corn goes up even further, farmers will profit, not the Commodity Credit Corporation.

We will keep our commitment to our export customers, and we will also help our balance of payments.

This Administration's farm policy can be summed up in one word: "recovery."

And that is a welcome change from the policies of Earl Butz, Gerald Ford, and Richard Nixon, who gave us little price protection, fence row to fence row planting, grain embargoes, and price freezes.

Those who are trying to tell you Jimmy Carter and Bob Bergland are responsible for all the farm problems today are simply wrong.

And I, for one, are willing to stand up and say so.

They are on the right track. We need to do more—as I outlined—but while we may disagree about how fast we should go, there should be no disagreement that, overall, we are at last, finally going in the right direction.

Now that doesn't mean we can all sit back and take it easy for awhile.

There's still a lot of work to do.

We must continue to push and work for the changes still needed to ensure the survival of the family farm. I've outlined some of those changes I think we need, this afternoon.

I intend to continue to work for them, and I hope the National Farmer's Union, and all of you, will too.

Thank you very much.●

TRIBUTE TO GEORGE KOPPEL

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. ANDERSON of California. Mr. Speaker, our contemporary American society presents a very difficult world in which to live. In this complicated age where we are simultaneously bombarded by talk of rising costs and the falling value of the dollar, tax revolts, and demands for increasing social services, the energy crisis and nuclear powerplant mishaps, food additives that are carcinogenic, peace conferences in the Middle East and wars and coups d'etat in obscure parts of the world; it is all too easy to become confused, misdirected—to lose touch with the most basic values upon which this society was built. The business world in particular is wrought with very harsh realities. There are few individuals who are able to remain calm in an atmosphere of crisis, unselfish in an age of the self, and philanthropic in an age of acquisition.

One such individual is George Koppel. In the 10 years that I have had the pleasure of knowing him, he has consistently displayed a most genuine love for humanity. He is a living symbol that one does not have to become completely immersed in the often boiling waters of business in order to succeed. As head of Koppel, Inc., one of the most successful commodity merchandising and trading companies in the world, George has managed to rise to the top of the corporate world without neglecting his family, his faith, or his fellow man.

It would not be possible to pay tribute to George Koppel without mentioning his family, and particularly his wife, Harriet. Truly, they have forged a firm, steady partnership over the years so that one without the other is incomplete. Together they have created a wonderful family of four children, each of whom has received all the love and care that George and Harriet could provide.

George Koppel is a rare combination of qualities. He stands at the pinnacle of success in the corporate world, yet he is equally successful at home and in the community. A happy man who returns a joy of living to all of us around him, George is a pleasure to know. His name in the business world is synonymous for quality, integrity, and dedication. And in the community his name is synonymous for concern for his fellow man, involvement in a wide range of community affairs, and leadership in making life better for many less fortunate than himself. One most notable example is the establishment of the George Koppel Research Fellowship at the world famous City of Hope Medical Center.

My wife, Lee, and I would like to extend our very best wishes to George and his lovely wife Harriet and to thank them both for being the outstanding people that they are.●

THANK YOU, CONGRESS, FOR MY EDUCATION

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. FORD of Michigan. Mr. Speaker, like most of my colleagues, I suppose, I have days when I wonder if anyone understands or appreciates what we do in Congress. Certainly we all believe we act in the best interests of our fellow Americans, and we hope people benefit from our votes, programs, and plans.

A young man in Michigan, Richard McGrath, provided me with a heartwarming experience when I opened a letter from him. It had recently come to his attention that I chair the Subcommittee on Postsecondary Education. He wrote to thank me and through me thank all the Members of Congress for making it possible for him to graduate from college.

Particularly in light of the criticism of the younger generation, and the publicity about student loan defaulters, I hope my colleagues will take a minute to read this letter. I promise it will pick up your day.

Mr. Speaker, I include the text of the letter from Richard McGrath at this point in the RECORD:

MARCH 26, 1979.

Congressman WILLIAM FORD,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN FORD: My name is Richard McGrath and I am a recent graduate of Olivet College, Olivet, Michigan. I am writing to you because of an item which appeared in the Detroit news on 3/20/79 (enclosed).

Basically, the article describes your committee assignments and provides a brief description of the impact you have had on these committees. In particular I refer to your chairmanship of the Postsecondary Education Subcommittee of the House Labor and Education Committee. I believe that I have directly benefited from your involvement on this committee.

The fact that I attended college at all is due to the generosity of many persons. Most of these persons are easily identifiable and I have been able to express my gratitude to them without difficulty.

The problem I experience now is this: a portion of my financial aid was in the form of Basic Educational Opportunity Grants and National Direct Student Loans. Who do I thank? How does one say thank you to the federal government? By writing the President? I think not. Perhaps it could be done by writing to the agency which administers the program. Maybe, but I think the applause should go to the men and women in Congress who went onto the floor and into their committees to fight for the programs and funding from which so many students have benefited.

I would like to take this opportunity to express my deepest gratitude for the work you and other members of Congress have done in behalf of college students, including myself. It was with the help of the B.E.O.G. and N.D.S.L. programs that I was able to attend college. I believe that the education that you helped provide has been the key to the success that I now enjoy.

I would very much appreciate it if you would forward this letter to other members of your committee and support staff, so they might know that their efforts do not go unnoticed. Thank you.

Sincerely,

RICHARD J. MCGRATH.●

EMMERT R. BOWLUS

HON. BEVERLY B. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mrs. BYRON. Mr. Speaker, I would like to take this opportunity to honor the memory of a Frederick County resident and highly respected citizen of Frederick, Md.

Emmert R. Bowlus was deeply admired by all who knew and loved him. He was a well-known auctioneer and former Frederick city alderman. Mr. Bowlus died of a heart attack on January 2, 1979, at the age of 68 years.

As a lifelong resident of Frederick County he was elected eight times to public office. Emmert was a member of the Republican Party and served as president of the board of aldermen between 1943 and 1966 under six different mayors and he served one of the longest tenures in city hall.

Mr. Bowlus was a member of the Frederick Church of the Brethren; Moose Lodge 371; Frederick Lodge 684 of the BPOE Elks; and was the charter president of the Frederick Breakfast Optimists. Emmert also served on the board of aldermen for 22 years and was elected three times to the County Republican State Committee.

At 26, Emmert Bowlus was one of the youngest men ever appointed to an unexpired term as Frederick city police magistrate when he first served in public office in 1936.

I know my colleagues will join me in extending the official sympathies of the House to the family of this unselfish and civic-minded American.●

HUMANITARIAN AWARD TO ROBERT DAVIS

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. BAILEY. Mr. Speaker, on Sunday April 29, a constituent of mine, Robert Davis, Greensburg, Pa., will be honored at a testimonial dinner held by the Westmoreland County Conference for Economic Opportunity, Inc. At this testimonial, Robert Davis will be the seventh annual recipient of the Humanitarian Award from that agency.

Mr. Speaker, I appreciate the opportunity to seek this national recognition of Robert Davis and all of his good works. Recognized for his sincere dedication to the citizens of Westmoreland County as well as for his participation and interest in many W.C.C.E.O., Inc. community-related projects, Bob Davis was selected by a committee's decision that was ratified by a unanimous vote of the 21-member policy board.

Now in his 33d year in the food business, Bob has contributed to many functions of area schools and businessmen as a sponsor of various events for the benefit of the entire county.

Bob is a 1939 graduate of Jeannette High School, past member of the Jeannette Harriers track team and holds a bachelor of arts degree from the University of Pittsburgh. After college graduation, he served 3 years with the U.S. Naval Amphibious Force in Europe.

Active in Westmoreland County, Bob has held numerous positions, such as past president of the Central Westmoreland Chamber of Commerce, past president and chairman of the board of the Westmoreland County Society for Crippled Children and Adults, and past chairman of the Greensburg-Jeannette-Irwin Committee for Employment of the Handicapped.

In 1966, Bob received the Brand Names Foundation Award from U.S. Secretary of Commerce, John T. Conner, for outstanding Food Retailer of the Year. This is the food industry's most prestigious award.

Currently, Bob is a member of numerous service organizations, ranging from the Greensburg Lions Club to the Westmoreland County Mental Health Board.

In 1971, he was the recipient of the Man-of-Year Israel Bond Award for his outstanding civic work.

Bob has, indeed, earned the respect and esteem of all of us for the quality of his leadership and standards of excellence in his service to our fellow citizens. I have known Bob since I was in high school and this award is truly well deserved. We do, indeed, salute a distinguished citizen, community leader, outstanding American, and great humanitarian—Robert Davis.●

CONGRESSIONAL TESTIMONY BY HAROLD ALLEN

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. LAFALCE. Mr. Speaker, on March 21 a number of people from Western New York—most of them from my congressional district—came to Washington to discuss the problems faced in the city of Niagara Falls and elsewhere in that region with respect to the disposal of hazardous wastes.

It is becoming clear that this is one of the Nation's most serious and pernicious health and environmental problems. Harold Allen, one of those who gave presentations that day, is an engineer who has assisted the city of Niagara Falls in making sure that its water treatment plant is not contaminated by toxic chemicals or other foreign substances from a nearby waste disposal site. His presentation was illuminating and is one which I would like to share with you and our colleagues. It follows:

ALLEN MARINE SALVAGE SERVICE,
Williamsville, New York, March 16, 1979.

Re Inspection and clean-out of chemical contamination in raw water system, City of Niagara Falls Water Treatment Plant.

COMMITTEE MEMBERS: The following statement is a true and accurate account based on personal recollection and company work records when available:

The Water Treatment Plant is located next to the Hooker Chemical Plant property and separated by a narrow access road.

The basic raw water system is an intake located in the West Niagara River that drops in a 10' shaft to a horizontal tunnel approximately 65' below water level. This tunnel extends for 5010' to another vertical 10' shaft next to a raw water pump station. From this shaft a 60" steel main delivers raw water to a forebay area, through a pair of travelling screens and then it is pumped into a mixing channel. From this point it is sent to two separate treatment plants. Next is a settling basin and finally through filter beds.

Chemical contaminants were first discovered by our firm approximately 8 years ago in the forebay area in front of the travelling screens. It appeared as a shiny black liquid (heavier than water) on the concrete floor collected in puddles and mixed with gravel and silt in the area. Samples were taken and submitted for analysis. At this time the source of ingress was considered to be an abandoned 54" steel main that connected to the 10' shaft. We inserted an inflated rubber bag in the main and a concrete plug was poured to stop further contamination of the system. No clean-out of contaminants from system was undertook at this time.

Our next involvement was in August of 1978, when we conducted a full inspection of the entire system and found chemical contamination from a point 20' into the horizontal tunnel from the shore shaft, right through to the settling basins. We conducted an extensive clean-out of contaminate materials from various parts of the system and installed a steel plug at the shaft opening of the abandoned 54" main. Clean-out of entire system was not completed at this time. We are scheduled to resume operations in April.

Observations as to possible source of contamination:

Indication of contamination at river intake. Chemicals in samples taken are same as in other Hooker dump sites. Hooker Chemical used their adjacent property as a chemical waste disposal site.

Possibly involved area was originally river bottom and land fill material could be quite permeable.

Respectfully submitted,
HAROLD K. ALLEN,
Partner.●

CONFERENCE ON AIRCRAFT NOISE AND SAFETY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. ROSENTHAL. Mr. Speaker, Thursday evening, March 29, nearly 200 of my constituents came to P.S. 120 in Flushing for a Conference on Aircraft Noise and Safety which I sponsored. The purpose of the meeting was twofold. First, Federal and regional authorities were invited to report to the community about what they are doing to solve these problems and to discuss how citizens could help find solutions. Second, the meeting was designed to help inform—or perhaps more accurately, to sensitize—those officials about the cares and concerns of Queens residents.

We learned that the gap between the two sides is enormous. Throughout the evening, jetliners from nearby LaGuardia Airport roared overhead, emphasizing the problem as they drowned out speakers and questioners alike. It was abundantly clear that the community finds the present situation totally unacceptable.

In the first 3 months of this year, there have been at least 10 near midair collisions over the New York City area plus at least 8 more close calls. Yet the three major airports serving the community remain the only group 1 category air terminals in the country that do not have the advanced alphanumerics radar system. This new system would provide tower controllers vital altitude separation data. Installation is scheduled for October, half a year away. I have, therefore, written to the head of the Federal Aviation Administration, Langhorne Bond, asking for a speedup in the introduction of alphanumerics radar for New York's airports.

The problem of aircraft noise seems to get worse daily. It adversely affects the lives of my constituents and millions of other Americans. It is not only annoying, but it threatens the physical health of persons on the ground as well as their psychological and social balance.

Unfortunately, Mr. Speaker, the Federal Aviation Administration has repeatedly shown itself to be insensitive to the needs and concerns of those on the ground who are afflicted by aircraft noise. There are a number of things that could be done today to immediately cut back on the noise levels if those responsible were willing. These include restrictions on nighttime operations, innovative approach and departure procedures and carefully controlled flight paths. I discuss these and others in a letter I am today sending to Transportation Secretary Brock Adams seeking his help in dealing with the problem.

I also have written to the chairman of the Subcommittee on Transportation and Commerce of the Committee on Interstate and Foreign Commerce suggesting a number of changes in present laws that will aid residents of communities affected by excessive airport noise.

I am inserting both letters in the RECORD.

I want to use this opportunity to express my gratitude to all those who attended my conference on March 29 and I pledge to them and to all residents of Queens that I will continue doing all in my power to find solutions to these vexing problems.

The letters follow:

WASHINGTON, D.C.,
April 6, 1979.

Hon. BROCK ADAMS,
Secretary of Transportation.

DEAR BROCK: Last week I sponsored a Conference on Aircraft Noise and Safety in my district. These are two subjects of enormous concern to my constituents, hundreds of thousands of whom live near or beneath the flight paths of LaGuardia Airport. Throughout the evening, departing jetliners roared overhead disrupting the meeting while emphasizing the problem.

Nearly 200 persons attended, expressing frustration, anger and bitterness. Many have lived in these neighborhoods since before the jets intruded into their lives. You and I are well aware that aircraft noise is more than just a nuisance; it threatens the physical health of persons on the ground as well as their psychological and social balance. It interferes with sleeping, listening to the radio and television, simple conversations, reading and many of our other daily functions. It depreciates the market value of residential property and disrupts schools and businesses.

It is not enough to promise people that by 1985 or later planes should be quieter. We will all be deaf by then. We need and deserve action now. The irony is that there are results. These include restrictions on operations during normal sleeping hours such as I have proposed in H.R. 170. As you well know, there already is a curfew at the FAA-operated National Airport, a facility which is as important to Washington, D.C., community and economy as LaGuardia is to New York City. Other possibilities are innovative approach and departure procedures (such as those already in use by at least one carrier), use of preferential runways, and carefully controlled flight paths.

I am sorry to have to report that I have no faith or confidence in the FAA's willingness or ability to deal with this problem. The agency has repeatedly proven itself insensitive to the needs and concerns of the community. I think you will agree that in both our experiences, FAA has demonstrated a lack of incentive to deal forcefully with the aircraft noise problem.

It is abundantly clear that my constituents—like millions of other Americans adversely affected by aircraft noise pollution—find the present noise conditions unacceptable.

My purpose in writing to you today is to share with you the concerns of my constituents and to suggest that we get together to discuss what can be done to correct this deplorable situation.

I look forward to hearing from you.

With best personal wishes.

Sincerely,

BENJAMIN S. ROSENTHAL,
Member of Congress.

WASHINGTON, D.C., *April 16, 1979.*

Hon. JAMES FLORIO,
Subcommittee on Transportation and Commerce, Washington, D.C.

DEAR MR. CHAIRMAN: I would like to commend you on your leadership and concern in advancing programs and legislation to control airport noise. As you may know, I represent the area adjacent to LaGuardia Airport, one of the country's major noisemakers. Rarely a day goes by that I am not bombarded by letters, phone calls and personal visits from constituents complaining about the problem.

Last week I sponsored a Conference on Aircraft Noise in my district. It was abundantly clear that my constituents like yours and millions of other Americans who live beneath airline flight paths, find the present noise conditions unacceptable.

While it may appear that progress is being made to reduce airport noise through new legislation and regulations, it is evident that we are not moving ahead as quickly as we should. One major reason, in my judgement, that progress has been slow is that the FAA is insensitive to airport noise problems and community concerns.

Since FAA's authority extends only to airport proprietors and operations of airplanes, communities impacted by airport noise have heretofore not been fully participatory members in the process.

I would like to recommend the following remedial measures for your consideration:

1. During the current reauthorization process, the EPA should be brought into full partnership with the FAA and the State and local governments so that some enlightened decisions may be made to insure better compatibility between airports and their neighbors.

2. I am aware you have assumed the leadership role for Section 8 of the Quiet Communities Act of 1978. I feel many communities severely impacted by airport noise could derive great benefit from noise abatement studies similar to that called for in this section. It is imperative that more funds within the act be directed toward additional studies for communities that are continuing to suffer from severe airport noise. It is my opinion that too little funding is devoted to airport noise abatement in general and community-oriented studies in particular.

3. Section 14 of the Noise Control Act of 1972 should be amended to authorize specific funding—at least $1.5 million in the next fiscal year—to enable EPA to conduct aviation noise abatement planning efforts with severely impacted communities located in close proximity to air carrier airports.

4. In reauthorizing the Quiet Communities Act of 1978, I strongly believe funds should be provided for EPA to assist severely impacted airport communities in taking a more active role in seeking solutions to the problem of excessive aircraft noise. Such an amendment would give communities the needed opportunity to have an input in the decision-making process prior to implementation of measures developed solely by the aviation interests. A good example of how not to proceed can be seen in a project underway by the Port Authority of New York and New Jersey. FAA has provided the Port Authority about $700,000 in ADAP funds for the first phase of a three part program which will include a study of the noise problem in the New York-New Jersey area. The fatal flaw in this procedure is that the Port Authority, as the airport proprietor, has historically demonstrated it is not interested in solving the problem and stopping the noise. That is why the Quiet Communities Act must be amended.

I would be happy to discuss these matters with you at your convenience.

With best personal wishes.

Sincerely,

BENJAMIN S. ROSENTHAL,
Member of Congress.●

ARMS FOR YEMEN, QUALMS FOR US

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. OTTINGER. Mr. Speaker, I commend to the attention of my colleagues the following article entitled, "Arms for Yemen, Qualms for Us," written by Arthur Schlesinger, Jr. which appeared in the New York Times today. If the Vietnam War taught us anything, it taught us that the American people do not want the President taking the unilateral action of sending American men and weaponry into a foreign country without consulting their representatives in Congress. On March 7, President Carter blatantly ignored this directive of the American people and of Congress. Mr. Schlesinger's article illuminates the dangerous precedent President Carter's decision to sell arms and to provide military advisers to Yemen portends.

The article follows:

ARMS FOR YEMEN, QUALMS FOR US

(By Arthur Schlesinger, Jr.)

President Carter announced his decision on March 7 to sell Yemen $390 million worth of arms. Since this consignment includes sophisticated weaponry, he also announced that the arms would have an appropriate escort of American military advisers. Whatever the merits of the Yemen policy, the mode of making it raises serious questions.

For Mr. Carter, in sending arms and advisers to Yemen, did something no President had ever done before. He invoked a waiver provision of the Arms Export Control Act that permits the President to bypass Congress on arms sales if "an emergency exists which requires such sale in the national security interests of the United States." The Arms Export Control Act that permits the President to bypass Congress on arms sales if "an emergency exists which requires such sale in the national security interests of the United States." The Arms Export Control Act requires that arms sales amounting to $7 million or more ordinarily be laid before Congress for 30 days, during which Congress can consider and, if it so desires, disapprove the proposed sale.

The point of this requirement is obvious: It is to prevent Presidents from making major commitments of arms, advisers and prestige abroad without review by Congress. The point of the waiver provision is obvious too: It is to give Presidents, should an authentic and dire emergency threaten national security, authority to act at once.

Did Southern Yemen's attack on Yemen constitute, as Mr. Carter's action implies, a grave and urgent threat to the safety of the Republic? The day before Mr. Carter declared the existence of the emergency, the Arab League called for a cease-fire and negotiations. The cease-fire took effect shortly afterward. The negotiations soon resulted in agreement by the leaders of Yemen and Southern Yemen to unite their two countries. Whatever that agreement may mean, which may not be much, and however long the cease-fire lasts, which may not be long, these developments cast doubt on the Administration's claim that the United States was faced with so immediate a threat to national security that there was no alternative to unilateral Presidential action.

A look at the arms-sale package reinforces this doubt. The President could have sold Yemen weapons it could have used to meet its immediate emergency—grenade launchers, antitank missiles, ammunition—without going to Congress, because the amount involved would not have broken the $7 million barrier. The expensive weapons in the package, such as 12 F-5E aircraft and 64 M-60 tanks, would have been useless in the alleged emergency because Yemen, not a notably advanced country, lacks the personnel to operate such equipment. That is why American advisers must go along. A delay of 30 days to allow Congress to ponder the wisdom of sending advisers into a war zone would have made no difference to the fighting, which of course has come to an end anyway.

In addition, Yemen has three times as large a population as Southern Yemen. It has arms supplied, ironically, in an earlier spin of the dial, by the Soviet Union (which raises the interesting question as to whom our F-5E aircraft and M-60 tanks may be used against in the future). Yemen's condition could hardly have been so desperate as the Presidential invocation of the emergency waiver implied, unless its people were less concerned than we are about defending their own country.

The emergency was patently spurious. Even if it had not been, would the "loss" of Yemen so vitally threaten our safety as to leave no time to seek the support of Congress? If Mr. Carter's interpretation of the Act prevails, it is hard to see how that act will restrain Presidents from making unilateral commitments of arms, advisers and prestige wherever the four winds blow. And what will happen, our arms, advisers and prestige having been thus commited, if "our" side begins to lose? Congress, having accepted the commitment, will find it far more difficult to prevent deeper involvement further on down the road.

On March 15, Representative Leon Panetta of California introduced a concurrent resolution protesting Mr. Carter's use of the waiver authority. "This action," he said, "denies to the Congress an opportunity to examine all relevant facts in the Yemen war and determine whether making this kind of major new commitment to North Yemen is in the best interests of the nation."

In the Senate, George McGovern of South Dakota observed that the point of the Arms Export Control Act was to prohibit "unexamined major commitments instituted solely by Presidential discretion." Sending arms and advisers to Yeman, he said, was plainly one element in the development of a new policy in the Middle East. "The President's waiver was significant not because some new weapons were shipped out but because a new security policy, with new American commitments and risks, was being created without any serious congressional review of its scope, character or problems."

No doubt Mr. Carter, on the defensive because of miscalculations in Iran and troubles in Afghanistan and elsewhere, hoped to strengthen himself at home by showing how macho he was prepared to be in Yemen. But, in the longer run, the initiation of military commitments on his own say-so is not to his own best interests, for the requirement that Congress pass on large arms sales is surely to Presidents' advantage. A year ago, Mr.

McGovern pointed out to the Senate that, had that requirement not existed, Mr. Carter's arms-sale package to Saudi Arabia and Israel "would have been carried out by the executive branch unilaterally, and virtually every Senator would have been tempted to stand up on this floor and assail the President of the United States, knowing the deal was going to go through anyway. But when we had to face the hard decision of voting yes or no and take the responsibility for the interest of the United States in this sale, it was quite a different result. By a vote of 54 to 44, a clear majority of the U.S. Senate said, in effect, to the world, we uphold the hands of the President. So I think we did an enormous service by sharing the responsibility of that very agonizing and difficult decision with the President."

The idea of committing the United States to the defense of Yemen may or may not be sensible. In either case, the policy would benefit from serious national debate. And it is essential now for Congress to declare Mr. Carter's action a misuse of the waiver authority in the Arms Export Control Act; otherwise a dangerous precedent will be established. Wise Presidents will regard the requirement of Congressional collaboration not as a burden to be evaded but as an opportunity to be embraced in order to give our foreign policy a solid base in understanding and consent. ●

CONGRESSIONAL TESTIMONY OF ROBERT MATTHEWS OF NIAGARA FALLS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. LAFALCE. Mr. Speaker, March 22 saw a number of my constituents journey to Washington to share their experiences with respect to one of the most serious environmental issues we face in the United States today—the problem of human exposure to toxic chemicals and hazardous wastes.

One of them was Robert Matthews, who runs the water treatment plant for the city of Niagara Falls and the 80,000 people who live there. Mr. Matthews testified before Congress on what he has done to make sure that drinking water in that city is safe, and on how this job is affected by the proximity of an industrial waste disposal site into which hazardous substances have been placed. His is a difficult job, and his presentation last month reflects his dedication and concern about these issues. I would like to share it with you:

NIAGARA FALLS, N.Y., *March 15, 1979.*

Gentleman: Pursuant to many inquiries for a statement attesting to the quality of the drinking water furnished by the City of Niagara Falls, I would like to assure all concerned that the drinking water has always and continues to meet all requirements stipulated by Section 5 of the New York State Sanitary Code. The results of a recent analysis conducted by the New York State Health Department Laboratories, confirms the high quality of our water.

I understand some of the anxieties about the quality of the water in as much as tourist trade may have been adversely affected by rumors of "unsafe" water. Unfortunately, recent publicity has produced *unnecessary* fear and speculation about the quality of water. A recent survey by our Water Quality laboratory has shown that some bottled "spring" water and country well water have a very low water quality when compared to City water presently supplied.

As responsible public servants, it is our moral obligation to assure the citizens that City water is safe for human consumption. Therefore, we have contracted for one of the most sophisticated analytical quality assurance programs in the country. To date, monthly analytical data continues to show that the water supplied by Niagara Falls is the highest quality.

In addition, our Water Quality laboratory analyzes daily samples taken throughout our distribution system as well as in plant locations for bacteriological contaminants, chlorine residual and turbidity. If you feel we can further assure the public as to the quality of the water, we will be very glad to include a sample point representing your particular needs.

If I can be of any further assistance in this matter please contact me at 278-8098 or Sandra Stanish, Water Quality Chemist at 278-8086.

Very truly yours,

ROBERT R. MATTHEWS,
Director of Utilities.

APPLICABLE TREATMENT CODES

(Safe Drinking Water Act)

(Section 5 of New York State Sanitary Code)

TESTS

Inorganic chemicals—As required.
Organic chemicals—As required.
Turbidity—Daily.
Microbiological—Daily.
Radioactivity—As.

Trihalomethane background studies—Nothing unexplainable. Within Limits. 50 PPB 100 PPB.

EVENTS

August 22, 1978: Diver estimating work to be done in moving debris from intake tunnel discovered sludge in shoreshaft, forebay and chemical addition channels. Cleanup initiated.

August 1978: Analysis of sludge.
August 1978: Analysis of water.
October 1978: Analysis of water.

February 1978: Monthly monitoring program begun.

March 1978: Analysis of water.

SEDIMENT SAMPLE

Sediment garb samples taken between the travelling screens and stationary bars of #1 forebay in the pump station. Hooker GC/MS analysis of a sediment sample taken August 22, 1978. Carborundum GC/MS analysis of a sediment sample taken August 28, 1978.

Compound	Hooker, percent composition	Carborundum, percent composition
Trichlorobenzene	9.3	12.0
Hexachlorobutadiene (C–46)	2.9	6.6
Hexachlorocyclopentadiene (C–56)	8.0	10.8
Tetrachlorobenzene	29.4	1.30
Mirex	.15	N/D
Dichlorobenzenes		.26
Hexachloroethane		1.5
Hexachlorobenzene		3.0

Sludge sample taken January 2, 1979 in the underboot of the travelling screens in number one forebay of pump station was analyzed for 2, 3, 7, 8,-tetrachlorodibenzo-p-dioxin with a confirmed report of less than 5 ppb. Lower detection limits were not achieved due to interference compounds.

24-HOUR COMPOSITE, AUG. 27, 1978

[Parts per billion]

Compound	Raw water	Finished water
1, 2, 3-trichlorabenzene	[1] 0.04	[2] N/D
1, 2-dichlorabenzene	N/D	N/D
1, 4-dichlorobenzene	N/D	N/D
Hexachlorocyclopentadiene	N/D	N/D
Hexachlorobutadiene	N/D	N/D
Monochlorotoluene	N/D	N/D
Tetrachlorobenzene	(3)	(3)
Lindane	[4] N/D	N/D
2, 4, 5-trichlorophenol	(3)	(3)

[1] All values have been corrected for a field blank.
[2] N/D indicates that the designated compound is not shown to be present above the noise level of the output signal.
[3] Compound was not included in analysis protocol.
[4] Lindane value was designated as gamma BHC isomer

C TOBER WATER ANALYSIS, EXTRACTABLE ORGANICS 72-HR COMPOSITE, NOV. 1, 1978

[Parts per billion]

Compound	Raw water	Finished water
1,2,3 trichlorobenzene	[1] 4.7	0.83
1,2 dichlorobenzene	.27	<.07
1,4 dichlorobenzene	.97	<.30
Hexachlorocyclopentadiene	[2] N/D	N/D
Hexachlorobutadiene	.77	.09
Monochlorotoluene	.65	N/D
Tetrachlorobenzene	17.0	4.0
Lindane	(3)	(3
2,4,5 trichlorophenol	(3)	(3

[1] All values have been corrected for a field blank.
[2] N/D indicates that the designated compound is not shown to be present above the noise level of the output signal.
[3] Compound was not included in analysis protocol.

MARCH WATER ANALYSIS, EXTRACTABLE ORGANICS 72-HR COMPOSITE, FEB. 22, 1979

[Parts per billion]

Compound	Raw water	Finished water
Trichlorobenzene	[1] 0.19	0.33
1,2 dichlorobenzene	[2] N/D	N/D
1,4 dichlorobenzene	N/D	N/D
Hexachlorocyclopentadiene	N/D	N/D
Hexachlorobutadiene	N/D	N/D
Monochlorotoluene	N/D	N/D
Tetrachlorobenzene	.27	.68
Lindane	N/D	N/D
2,4,5 trichlorophenol	N/D	N/D

[1] All values have been corrected for a field blank.
[2] N/D indicates that the designated compound is not shown to be present above the noise level of the output signal.

SAMPLING PROTOCOL AND METHODOLOGY

All analyses were performed by the California Analytical Laboratories, Sacramento, California under exclusive contract with the Carborundum Company. California Analytical Laboratory possess State of California approval as a commercial laboratory engaged in the complete chemical analysis of water.

All sampling was conducted by the Carborundum field engineers according to the protocol outlined in "Sampling and Analysis Procedures for Screening of Industrial Effluents for Priority Pollutants", EPA, April 1977 revision. Composite samples were taken by a calibrated Isco Super Speed Sampler fitted with a 1590 head assembly and a ⅜ teflon drawline secured at mid-depth of the sampling site. An extractable field water blank was provided for each composite.

Two separate analyses were completed on each of the water samples. Initially, all samples were screened at the 10 ppb and higher concentration level using protocols contained in the EPA, April 1977 revised, "Sampling and Analysis Procedures for Screening of Industrial Effluents for Priority Pollutants with modification adopted from the Denver proceedings. More sensitive techniques were applied to better determine concentration for compounds instant below 10 ppb. Higher concentration factors were employed along with more advanced computer technology. Presently, monthly water samples are analyzed with a detection limit of 10 ppt.

The extractable organics were extracted using methylene chloride and concentrated to less than 0.1 ml. Standards were run at 0.1 ppb. Analyses was conducted using a Finnigan 4000 gas chromatograph/mass spectrometer equipped with a Finnigan INCOS 2300 data system. Monthly water samples are analyzed by GC equipped with a Coulsen detector and confirmed by mass fragmentography.

NEW YORK STATE DEPARTMENT OF HEALTH, ANALYSIS OF FINISHED WATER, AUG. 20, 1978 AND SEPT. 21, 1978

Compound	Hooker analysis, finished water,[1] Aug. 23, 1978	New York State Health Department, finished water,[2] Aug. 20, 1978 and Sept. 21, 1978
Trichloroethylene	<0.4	<5.0
Toluene	<.1	<10.0
Tetrachloroethylene	<.4	<5.0
Monochlorobenzene	<.1	<5.0
Monochlorobenzotrifluoride	<.2	<5.0
Monochlorotoluene	<.1	<5.0
Dichlorobenzotrifluoride	1.9	<5.0
Dichlorobenzene	.2	<5.0
Trichlorobenzene	1.5	3.6
Hexachlorobutadiene	.1	<5.0
Tetrachlorobenzene	1.7	[3] 4.6
Mercury	<.1	------------
Mirex	<.2	------------
Hexachlorocyclohexane	NA	<.04
Hexachlorocyclopentadiene	.31	<5.0
Dioctyl phthalate	NA	[3] .4 trace
Bis (2-ethyl hexyl) adipate	NA	([4])
Endosulfan	<1.0	<1.0
Dichlorotoluene	.3	<5.0

[1] Hooker GC analysis of finished water from a grab sample taken in filter plant 1A.

[2] New York State Department of Health analysis of city water taken from the 99th St. School, Niagara Falls.

[3] Trace.

[4] Qualitative.

CHLORINATED ORGANIC LEVELS IN U.S. DRINKING WATER

[Parts per billion]

Compound	Niagara Falls	Highest of other U.S. cities
Monochlorobenzene	<0.1	5.0
Dichlorobenzene	.2	1.0 to 3.0
Trichlorobenzene	1.5	1.0
Toluene	<.1	11.0
Tetrachloroethylene	<.4	2.0
Trichloroethylene	.4	2.0

FUTURE PROGRAM

Spring cleanup: April 9 thru 24.

Fall cleanup: October.

In conjunction with DOH and DEC monitoring Hooker's sampling of possible migration from "S" area dump. City will take appropriate action when that data is in.

All but one well, the Bedrock well near the shoreshaft, is in and pumped. Data should be forthcoming on April 10, 1979.●

TRIBUTE TO JOE BARTLETT

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. VANDER JAGT. Mr. Speaker, I want to take this opportunity to salute one of the finest individuals known to this Chamber, Joe Bartlett, who recently retired from his position as minority clerk after 37 years of service to the U.S. House of Representatives.

All of us who have served in the House, and especially those of us who are on the minority side, realize and appreciate the fine assistance and guidance which Joe has provided during his years of service. Starting out "at the bottom" in 1941 as a page, Joe has become a real fixture in the House and has been particularly invaluable as minority clerk, giving counsel, guidance and a semblance of order to this body which has a tendency, from time to time, to resist orderly procedures.

Few Americans are really familiar with the operations of the Congress, and the vital contributions made by staff behind the scenes by persons such as Joe Bartlett. Perhaps this situation might change somewhat with the introduction of televised proceedings in this House, and it is unfortunate that Joe will not be around to stand in the eye of the cameras. Nevertheless, Joe would be a familiar face to most Americans, and his distinctive voice would be recognized from his duties at the podium of Republican National Conventions.

Joe's contributions to his country have not been limited to his valuable service to the Congress and the Republican Party. He joined the U.S. Marine Corps in 1944, and served during the final months of World War II. He continued his reserve activities and served as a commissioned officer during the Korean conflict. His service to the Marine Corps has continued, and Joe retired from the Marine Corps Reserve last year at the flag rank level.

Joe Bartlett's entire career has been marked by this type of success, rising from a Marine Corps Private to a Brigadier General, beginning his career with the Congress as a temporary page, and ending it as the top Minority employee.

My wife, Carol, and I extend our very best wishes to Joe and his lovely wife, Jinny, for many more years of success and happiness.●

GILLIS LONG'S DECISION TO REMAIN IN THE HOUSE

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. JOHNSON of California. Mr. Speaker, I join with my colleagues in their pleasure that our good friend and colleague, GILLIS LONG, has decided to stay with us here in the House of Representatives. After long and, I am sure, careful consideration, he has decided to pass up the chance to run for Governor of his State of Louisiana, a lifelong dream of his.

Although we are sorry that he will not have this opportunity, we are equally glad that we in this Chamber will continue to benefit from his wise counsel and warm friendship.

GILLIS has established a very fine record during his service in the Congress, and it is widely agreed that he can continue to provide leadership to his State as well as to the Nation by retaining his seniority and respect in the House of Representatives.

Through his work on the Committee on Rules and the Joint Economic Committee, GILLIS plays an important role in the shaping of legislation affecting all aspects of American life. I know that he enjoys this effort and the opportunities it presents.

Those of us who have worked with him during his leadership of the United Democrats of Congress are also aware of the important work he has been doing to help forge this organization into a major force within the Democratic Party in the House.

In conclusion, Mr. Speaker, with a touch of self-concern, we are very glad that GILLIS LONG has made his decision to stay with us. We know he will not be sorry.●

SEAFORD HIGH SCHOOL BAND TO REPRESENT THE UNITED STATES AT INTERNATIONAL YOUTH MUSIC FESTIVAL

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. LENT. Mr. Speaker, I wish to call to the attention of my colleagues a signal honor that has been bestowed upon the Seaford High School Band, from Seaford, N.Y., in my Fourth Congressional District.

The Government of Belgium has invited the band to represent the United States at the 27th annual International Youth Festival of Music to be held the last week in April in Neer Pelt, Belgium.

Mr. Speaker, this is the first time in the 27-year history of this international event that an American high school band has been invited to participate in this music festival. All of us in Fourth Congressional District are very proud that the Seaford Band has been selected for this high honor. We salute the some 80 members of the band, and band director Joseph Manso for this significant achievement.

The selection of the Seaford High School Band as the first to represent the United States at this noted music festival is a well-deserved tribute to the outstanding musical ability and the dedicated work of the band members and their director. I know their performance at the music festival will bring international recognition of the fine musical talent to be found among our Nation's young people.

Mr. Speaker, I believe we all are aware that in recent years we have seen an unfortunate tendency to overemphasize the negative aspects involving the youth of our Nation. We hear a great deal of the problems of the younger generation, but very little about the many accomplishments of that generation. We tend to overlook the fact—and it is a fact—that the overwhelming majority of our young people contribute in a very positive way to their communities and to their country.

In the hope of providing some counterbalance to the negative impressions about our young people, I am taking this opportunity to inform my colleagues of the achievement of the Seaford High School Band. I know that all of you will join me in wishing them the greatest possible success as the representative of the United States at the 27th International Youth Music Festival in Belgium.●

AMBASSADOR GARDNER

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. RODINO. Mr. Speaker, I recently spoke to Dick Gardner, our very distinguished Ambassador to the Republic of Italy and found his reflections on our policies in Europe very enlightening. His insight into the future course for democracy in Europe and America's role in it, I believe, are very thoughtful and instructive.

Mr. Speaker, I insert the Ambassador's speech in the RECORD and I urge my colleagues to avail themselves of his valuable statement:

FOREIGN POLICY AND HUMAN RIGHTS

(By Richard N. Gardner)

It is particularly appropriate to speak about human rights in Italy the country that contributed so much to the birth of modern man.

I am more than aware of the fact that at one time, in places very near here, during that period that we call the Renaissance, a spark of new life shot up. That spark has contributed profoundly to the creation of what we are today in the Western world. It has been called the "spark of human spirit," and has given rise to an awareness of our worth as individuals; individuals capable of aspiring to great destinies; individuals aware of the value of ideas and of the results of human genius.

It is precisely that sense of individual worth that distinguishes our current democratic societies from other less fortunate ones. As citizens of the Western community we believe that the state exists to serve the needs of the individual, not vice versa. It is this belief that we defend together today against totalitarian pressures both within and outside our borders.

Today, the Western democracies are giving new emphasis to human rights in their foreign policies as well as in their domestic affairs.

President Jimmy Carter has made concern for human rights a central element in his foreign policy. This reflects a deep personal commitment on his part, growing out of his profound belief that ethical and moral values must be reflected in the conduct of public affairs.

Some people think that President Carter's commitment to human rights is going to be toned down or even turned off. They are wrong. There will be no turning back from our human rights policy. It is too much a part of the President's character and of the character of the American people in this period of their history.

President Carter's commitment to human rights was a key factor in persuading many Americans to support his candidacy for President, myself included. I recall a decisive conversation with him in the spring of 1975—when he was still "Jimmy who?"—in which he declared that American foreign policy, to be supported at home and abroad, must reflect American values, and therefore must emphasize basic human rights.

The concept of human rights as a central element in American foreign policy, is not, of course, an invention of President Carter: it has been an essential element of continuity in the policies and writings of our outstanding Presidents all the way back to Jefferson and Lincoln and carried into this century by Wilson, Roosevelt, Eisenhower and Kennedy.

This is not surprising. Our strength as a nation, it seems to me, is rooted in the shared philosophy of the nature of man and the purpose of government which inspired our Founding Fathers in the creation of the Republic 200 years ago. These remarkable personalities asserted that the principles of self-government and human liberty are the birthright of "all men" everywhere.

In our international relations, the real strength of America endures only so long as the common people of the world see our country as a force for good. As President Carter said in his Inaugural Address:

"We will not behave in foreign places so as to violate our rules and standards here at home, for we know that this trust which our nation earns is essential to our strength."

And he added:

"Because we are free we can never be indifferent to the fate of freedom elsewhere. Our moral sense dictates a clear-cut preference for those societies which share with us an abiding respect for individual human rights."

The President's emphasis on human rights is not a "cold war" maneuver or a device to attack the Soviet Union. It is a return to the very roots of our Western civilization, to the ideals of ancient Greece and Rome. The best proof is that our human rights concerns are being applied not just to repression in Eastern Europe but to repression in every part of the world.

There is a certain irony in the reaction that the President's declarations on human rights have elicited from the Communist world. The Soviet leaders have always had their ideology, have promoted it throughout the world, and have never hesitated, indeed never ceased, to criticize those things they consider to be the evils of Western society. Yet now they protest when we affirm our values, our commitment to human rights.

As Americans, we do not and cannot complain when other peoples of the world—including citizens of the Soviet Union—criticize us for our shortcomings. We admit them, we publish them, we make movies about them. But no one should feel provoked if we continue to make our own observations regarding conditions that prevail elsewhere. We must be what we are, we must reflect our own traditions and values. And if this is uncomfortable for others, we can only regret this discomfiture and hope that changes will eventually ensue.

Before joining the Carter administration, I served as a member of the Board of Trustees of Freedom House, which is perhaps the leading private organization in the United States concerned with human rights. That organization publishes every year a "map of freedom" in the world. This year the map shows that in the world there are about forty countries that are truly free, about 60 countries that, unfortunately, are not free, and about 50 countries that are partly free and partly not free.

Now, it is obvious that the United States cannot impose freedom by military force on the countries that are not true democracies. And there would be no point in our cutting off diplomatic relations with the countries that are not free, because we would then have no influence over them.

What we can do and what we are doing is to try to use our influence—political, economic, and moral—to persuade countries to grant more human rights to their citizens.

Every country now knows that how it treats its own citizens will be a major element in determining its relations with the United States. Our concern is manifested everywhere, not just with respect to the Soviet Union, but in Latin America, in Africa, in Asia, and in countries like Nicaragua and Iran, where we have urged the leaders to grant more rights to their citizens and to move toward free elections.

Our interest is global: not only does it apply everywhere in the world but it applies to economic rights as well as to political rights. We care deeply about such things as the right to choose one's job freely, the right to form free trade unions, the right to strike, the right to have decent working conditions, the right to move freely around one's country. None of these rights, of course, exist in Communist countries and in other totalitarian societies.

There are some other key points that should be emphasized if the place of human rights in our policy is to be fully understood:

The Charter of the United Nations and a host of other international agreements (including the Helsinki accords), freely entered into by the Soviet Union as well as other governments, specify that how a nation treats its own people is now a matter of legitimate international concern;

We are employing internationally accepted human rights standards in bilateral human rights discussions and we are seeking new forms of multilateral action in the United Nations and regional organizations;

President Carter has clearly called for a review of American policies and practices, including those, for example, on freedom to travel to the United States, to insure that we are fully complying with the international standards we apply to others;

We are applying a rule of reason in our human rights concerns, emphasizing that a flexible approach which looks to the human rights impact of U.S. actions is better than mandatory cut-offs of bilateral and multilateral aid;

Our emphasis on human rights in not interfering with strategic arms control negotiations because in these and other urgent matters there is an overriding self-interest on both sides in reaching agreement;

We are emphasizing economic rights as well as political rights in our foreign aid program, which is now focussed on meeting the basic human needs of the poorest people for food and nutrition, health and family planning services, education skills, and productive jobs. It is rightly said that man does not live by bread alone, but it is also true that freedom of speech is of little help to a starving man.

We recognize the complexities and difficult choices that are involved in giving greater attention to human rights questions. The defense of freedom in an imperfect world must also take account of national security and economic considerations. But our goal remains the enlargement of human rights and every nation now knows that how it treats its own people will have a major impact on its relations with us.

In East-West relations, we believe that an important part of the process of reducing tensions is the effect it has on people, their ability to travel freely, to be re-united with members of their family, to marry whom they please, to travel for professional reasons, to read the books and newspapers they choose, to watch the films and television programs they want.

Genuine, constructive, enduring detente is not possible while governments try to keep entire populations isolated in ideological ghettos. The fears and suspicions—and indeed, the ignorance—that prevent a real relaxation of tensions between East and West must be reduced by encouraging a frank and open intercourse among peoples and ideas.

At the same time, human rights will not be promoted by an uncontrolled arms race or by an increase in international tensions that provides governments with the motive and the pretext to limit individual freedom. So detente can serve human rights just as human rights can serve detente.

More than three years have passed since the leaders of thirty-five states of Europe, the U.S. and Canada gathered in Helsinki on August 1, 1975, to sign the Final Act of the Conference on Security and Cooperation in Europe.

As you know, the Final Act is divided into three major sections. The first section consists of two documents: one is a declaration of 10 principles for guiding relations among states; the other is a collection of confidence-building measures to reduce military tension in Europe. The second section concerns cooperation in the fields of economics, science, and technology. The third is a statement on cooperation in the human rights area, including human contacts, the flow of information, culture and education.

With regard to human rights, the key portions of the Final Act are reflected in the seventh principle of the first section, calling for respect for "human rights and fundamental freedoms, including the freedom of thought, conscience, religion, or relief," and in section three which contains commitments to effect a freer flow of people and ideas throughout Europe.

The Final Act called for follow-on meetings to take place on the implementation of its provisions. The first such meeting took place in Belgrade, between October 1977 and March 1978. The next is scheduled for November 1980 in Madrid.

The Western nations at Belgrade took the view that an important component of the process of detente was the performance of the Soviet Union and its Eastern European allies with respect to human rights and humanitarian commitments. As Ambassador Arthur J. Goldberg, former Justice of the U.S. Supreme Court, and Chief of the U.S. delegation at Belgrade, underlined in his opening remarks:

"The issue of human rights represents the biggest gap between the ideals and practices of East and West. It is a sensitive subject on the international agenda, but one which can be dealt with in an understanding manner, and which must be discussed in order to facilitate further progress under the Final Act."

Ambassador Goldberg also noted that the U.S. sought to discuss human rights from the point of view that no nation—neither the United States nor anyone else—had yet achieved their full implementation.

Unfortunately, the full dialogue that the United States sought at Belgrade never materialized. The Communist countries of Eastern Europe took the view that discussion of the human rights deficiencies of another state was barred by the sixth Helsinki principle of non-intervention in internal affairs—a patently specious claim, since the Helsinki Act, like the U.N. Charter, explicitly took human rights questions out of the exclusively domestic realm by including human rights commitments in an international agreement.

Nevertheless, the Belgrade Conference demonstrated that:

The full implementation of all provisions of the Helsinki Final Act is essential to the successful development of detente and of security and cooperation in Europe;

Individual states will be held accountable for their failure to honor their human rights commitments, both at future meetings and in the eyes of world opinion;

The United States and other countries will not hesitate to point out specific examples of human rights violations which threaten the health and credibility of the detente process.

If the Belgrade Conference did not fulfill all our hopes, neither can it be considered a failure. The agreement to hold another meeting in Madrid with the same agenda and organization assures that the process of international review of national human rights policies in the context of East-West relations is going to continue despite all attempts to stop it.

It is essential that this should happen if freedom is to be defended in the world. Mere international declarations on human rights are not enough. The time has come to strengthen international implementation.

No right is effective without a remedy. That is why each country must examine not only the formal norms on human rights contained in its constitution, but also the practical procedures needed to make those norms meaningful to the average citizen—procedural remedies to assure freedom from arbitrary arrest and detention, the right to a speedy and public trial, the right to confront and cross-examine his accusers, the right to loyal and effective counsel, the right to an independent judiciary, and so on.

At the international level, procedures to implement human rights standards are also inadequate. It would be utopian to ask for a world judiciary and a world police force to enforce human rights, but some practical measures can be taken to review the performance by governments of their international commitments and to expose to the conscience of the world persistent patterns of gross violations of internationally accepted human rights.

There are specific measures that should now be taken to this end. I have already mentioned the need for objective examination of each nation's performance under the Helsinki accords. I would suggest two other measures that should be taken to implement human rights in the United Nations:

First, the General Assembly should create a new office of United Nations High Commissioner for Human Rights, as was proposed by the Government of Costa Rica fourteen years ago. The High Commissioner could make an annual report on the performance by U.N. members of their human rights obligations and bring emergency human rights situations to the attention of the Human Rights Commission. He could also conduct special studies and investigations on behalf of the Commission.

Second, the United Nations Human Rights Commission should meet more often. Indeed, our aims should be to have it continuously available to discuss human rights problems, whenever the need arises, just as the Security Council is continuously available to discuss threats to international peace and security.

One possibility to be considered is a Charter amendment to transform the Trusteeship Council, which has little left to do, into a Human Rights Council. This would raise human rights to new authority and visibility in the United Nations and in the international political process.

The aim of such new procedures would be to assure more systematic and objective examination of the state of human rights in the world than is now the case. We must never accept a double standard, in which the international community denounces human rights violations by so-called "right-wing" regimes while remaining silent on violations by so-called "left-wing" governments. And in the preoccupation with how white men treat black men, the world must not lose sight of how white men treat white men, or how black men treat black men, or how black men treat minorities in their midst.

In short, it is time to focus sharp beams of international light into *all* the world's corners of repression.

The real test of commitment to human rights by a nation or an individual is not how strongly that nation or individual attacks the human rights transgressions of its adversaries, but how strongly that nation or individual seeks to correct the human rights transgressions of itself and its friends. A self-serving invocation of human rights is not a genuine concern at all.

Those who claim to be concerned with human rights can demonstrate the seriousness of their concern by supporting effective international measures of human rights implementation. A nation that consistently frustrates objective international study and fact-finding on the condition of human rights within its own borders or in friendly countries should forfeit any claim to be taken seriously as champion of human betterment.

Peace and security, economic and social development, and human rights are three interrelated and essential elements in the triangle of world order. In the absence of any one of these, the triangle is incomplete.

In many of our Western democracies there is a stimulating debate underway about a "third way" or "terza via." Intellectual clarity and historical experience us to declare that there is no "terza via" between democracy and totalitarianism. This is true whether we are considering totalitarianism of the Leninist or Facist variety.

There is a "terza via," of course, between unregulated 19th century capitalism and centralist socialism. It is the path on which most of the Western democracies, including the United States, are now embarked in their various ways. It is the path of the mixed economy which encourages private initiative under such government regulation as is necessary to assure the socially responsible use of economic power, equality of opportunity, and a decent standard of living for every citizen. It is the path which achieves social justice and human rights.

This is our answer to those so-called "revolutionaries" who would replace our free pluralistic societies with the hegemony of one class, one ideology, one authorized view of the meaning of history.

For us, instead, the cause of human rights is the world's only great revolutionary cause. As the American journalist Walter Lippmann once put it:

"The deepest issue of our time is whether the civilized people can maintain and develop a free society or whether they are to fall back into the ancient order of things, when the whole of men's experience, their consciences, their science, their arts, their labor, and their integrity as individuals were at the disposal of the state."

This is the central question that faces all of us, as nations and individuals, as we begin the climatic last quarter of the twentieth century●

WELCOME BACK, GILLIS LONG

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. DODD. Mr. Speaker, a good and respected colleague of mine, GILLIS LONG, recently decided to stay on as a Member of the House of Representatives rather than enter the race for Governor of Louisiana. I know that GILLIS has contemplated the governorship of his home State for many years, and I am sure that his final decision was not an easy one to make.

As a member of the Rules Committee, on which we both serve, I have come to rely on Gillis' perceptiveness and intelligence, and I am delighted that I will have the benefit of his company for at least another term in Congress. I know that my colleagues would agree that Gillis' experience as a member on both the Rules and Joint Economic Committees and his readiness to share his knowledge with all of us has made him an invaluable coworker.

It is a very rare occasion that Members have the opportunity to show appreciation for their colleagues. I think that this may be the first time in the history of the House of Representatives that Members have paid tribute to a fellow Representative for staying on in the House instead of leaving. It does not surprise me that the trend-setter in this case should be Gillis Long, and I hope that he will continue to be in the forefront of congressional activities for some time to come. Welcome back, Gillis.●

LET'S KEEP SKILLED NURSES AT VETERANS' HOSPITALS

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. MOTTL. Mr. Speaker, we owe our Nation's veterans the best medical care we can provide, and in the present climate of tight budget restrictions and personnel limitations, I am doubtful that this obligation is being met. So today, I am introducing legislation to attack one of the more pressing problems in many of our Veterans' Administration medical centers—the problem of attracting and keeping high-quality nurses.

When nurses are overworked because of understaffing, and when benefits are often better at nearby hospitals, it is often too inviting for VA nurses to take their skills elsewhere. In Cleveland's two-hospital VA medical center, for example, there were 33 vacancies for registered nurses as of January 15, 1979, according to a VA recruitment bulletin.

With the same workload spread among fewer nurses, it is easy to see how high turnover rates can become self-perpetuating and detrimental to morale, as the nursing corps is never quite up to full strength. And with turnover rates among nurses as high as 50 percent per year at some major VA centers, it does not require much imagination to conclude that the quality of care to our veterans must suffer from that situation. A nurse might only begin to master the particular medical needs of veterans and the procedures and routines of a VA medical center before this nurse moves on to more attractive employment. In that sense, a VA medical center becomes only a way-station for competent nurses rather than a place to make a career in health care.

In fiscal 1978, the VA operated 172 medical centers for veterans. For the fiscal year, 26 of these hospitals experienced turnover rates for registered nurses at rates of 25 percent or above. Sixty-three of these hospitals reported turnover rates of 25 percent or above among licensed practical nurses. And 46 hospitals reported turnover rates of 25 percent or above among nursing assistants. These statistics from the VA point to a serious problem in maintaining a trained nursing corps for our veterans' medical centers.

Recently, Mr. J. H. Caldwell, director of the Cleveland VA medical center, described to me the nursing personnel problem he has encountered.

Mr. Caldwell stated:

> We have had a most pressing problem in maintaining sufficient personnel ceiling in registered nurses.

Mr. Caldwell continued:

> However, it has become quite evident that registered nurse salaries are not the primary concern for the nurses who may want to work at our center. At this point and time, it appears to me that the fringe benefits are really the number one concern for the potential employee.

He observed that many nearby Cleveland area hospitals provide as much as $500 per year in educational assistance to their nurses.

I believe it is a false economy to save nickels and dimes in personnel costs at our VA medical centers by not offering nurses a competitive salary and benefits package. It seems to me that the natural consequence is high turnover and a nursing corps that always includes a large number of nurses who are not inclined to dedicate a career to VA service.

The bill I am introducing today is a modest attempt to put the VA in parity with other hospitals, by authorizing the VA to pay for certain education expenses for VA nurses who wish to continue their training. This additional "fringe" benefit is intended to help combat the serious problem of recruiting and retaining VA nurses. In many locales, nurses with associate degrees in nursing may earn B.A. degrees with their hospital employers picking up all costs.

According to the VA, it is not clear under existing law whether it has authority to offer similar benefits for continued education. Nurses with associate degrees work for B.A. degrees to advance their careers, and in the VA, the B.A. degree is a basic requirement for nursing positions at the intermediate grade and beyond. This bill assures that the VA has the authority to pay for this additional schooling.

The bill contains a guarantee that the VA, as well as the nurse, benefits from the additional training. It provides that:

> Before being assigned to such training, an employee shall agree to service with the Veterans Administration after training, and shall be liable for the expense of that training in the event of the breach of that agreement, in conformance with regulations promulgated by the Administrator.

In sum, I think this bill is a reasonable move toward solving a problem of growing proportions in the VA medical system. Medical care for those who have served their Nation in uniform is a national obligation that we cannot afford to shortchange.●

THE PRESIDENT'S ENERGY PROGRAM

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. LEHMAN. Mr. Speaker, I support President Carter in his decision to gradually decontrol domestic oil, and I intend to actively support his efforts to enact a windfall profits tax.

Gradual decontrol of our domestic oil supplies is the only feasible way to reduce our dependence on foreign oil and strengthen our economy in the long term. We cannot afford to continue our current oil consumption habits. Cheap energy is no more. We have to face up to that reality and take the necessary steps to deal with it.

Although oil decontrol will cost consumers more, there are certain benefits that this action will bring. Most important is the incentive that will be given to domestic producers to produce more oil. The administration estimates that an additional 740,000 barrels per day could be produced by 1985 in the United States. More U.S. production means that much less oil imported from OPEC nations. More U.S. production could also discourage OPEC from future outrageous price increases.

Higher oil prices should also induce greater conservation efforts. This would act to further reduce our imports from abroad.

We will no doubt hear complaints that the President's decision to decontrol oil is inconsistent with his avowed fight against inflation. It is ironic, however, that leaders of other oil importing nations have applauded this move as an anti-inflationary program. They are looking beyond the initial price impact and at the long-term effects on our Nation's economy. Reduced dependence on foreign oil will improve the U.S. balance of payments, strengthen our dollar, and lower the price of imported goods from abroad. These effects will have a favorable impact on the rate of inflation in the United States.

We cannot ignore, however, the initial impact of decontrol of lower income people. The President has attempted to lessen the shock by making decontrol a gradual process. He has also proposed enactment of a windfall profits tax which will make money available to assist poorer families who can least afford the added fuel costs.

I support the concept of taxing windfall profits and I agree with the uses to which the President wishes to put these revenues. Besides providing assistance to lower-income consumers, the Energy Security Fund will provide much-needed additional funds for mass transit. This will be especially helpful to cities like Miami that are undertaking major mass transit initiatives.

The fund will also be used for energy investments. If we are to move away from dependence on OPEC permanently, we must find alternative sources of energy and new energy technologies. Letting the price of oil rise more closely to the cost of replacement will make solar and other technologies more economic.

Oil decontrol will go a long way toward preventing a severe energy crisis, but we are told that we face possible shortages in the coming summer months before the additional domestic oil is available. The President has submitted to Congress standby conservation plans which he would put into effect should this shortage materialize.

I have strong reservations about the plan to close gas stations on weekends. This will impose a great hardship on the State of Florida which depends so heavily upon tourism. Recently proposed modifications in the plan still do not make it acceptable to Floridians. I doubt whether weekend closings would result in actual fuel savings in any case since many people would carry extra supplies with them or line up on weekdays to top off their tanks.

The administration's plan for gasoline rationing must not be used unless there is a crisis close in magnitude to a state of war. I know of no way gas rationing can be administered in an equitable fashion. Again, tourist-oriented areas like Florida would suffer as well as lower-income families throughout the country. These families cannot afford more than one car and would not be entitled to as many ration coupons as families with two or more cars.

There is no question that sacrifices will be demanded of us all. Yet we must strive to equalize the burden as much as possible. We must keep in mind the special problems of the elderly as well as lower-income families. We must consider the effects of conservation measures on various States and the different needs of rural and urban areas.

The President made a difficult decision in decontrolling oil. Even tougher decisions lie ahead for Congress as we endeavor to make the windfall profits tax a reality.●

CONGRESSIONAL IMPACT ON DEFENSE DEPARTMENT BUDGET

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. ASPIN. Mr. Speaker, each year I ask the Library of Congress to analyze the action Congress has taken on the budget request for the Defense Department. These studies have shown that the congressional impact on the budget has been far smaller than is often assumed. In fact, in the 10 years before Vietnam blew into a big war, Congress actually added to the administration's budget request five times.

Only in the 1970's did Congress begin to take chunks out of the defense budget on a regular basis. That prompted charges that Congress was crippling our defense and led me to ask the Library to analyze just what Congress was doing to the Defense budget. The answer, in brief, was, "not much."

We have found that even when Congress makes cuts, the majority of the cuts fall in areas that cannot by any definition be considered to imperil our defense.

The Congressional Research Service has now dissected the congressional action on the budget request for fiscal year 1978. It found that Congress made a smaller reduction that year than in any other year the Library has studied, which goes back to 1971. The cuts in 1978 totaled a mere 2.5 percent of the administration's request, while from 1971 to 1977, the annual cuts ranged from 3.3 percent to 12 percent.

Of course, the fiscal year 1978 budget was the first one President Carter handled. On taking office he amended the budget that had been submitted by President Ford and sharply reduced its size even before Congress got into the act.

What is more, fewer than half the cuts Congress did eventually make could be considered "substantive" by the very conservative definitions used in the study. The majority, 52 percent of the cuts, were reductions in frills like military bands, or cuts made at the request of the services themselves to reflect changing circumstances, or mere paper adjustments and budget arcana.

I hope readers of the study will note that 83 percent of the cuts made to requests for weapons procurement were nonsubstantive—that is, the weapons were not killed by Congress; they were either stretched out or the funds were reduced because the services wanted them reduced.

Mr. Richard P. Cronin has spent considerable time each year tracking every one of the individual changes made in the budget request. It is an exhausting and time consuming task but results in fascinating insights into the budget process. I ask that Mr. Cronin's analysis of the fiscal year 1978 defense budget be included at this point in the RECORD.

The analysis follows:

ANALYSIS OF CONGRESSIONAL CHANGES TO THE FISCAL YEAR 1978 DEFENSE BUDGET

In response to your request we have analyzed congressional action on the FY 1978 defense budget request in accordance with the methodology employed in a September 16, 1976, report to you covering fiscal year 1971–1976.[1] An analysis of congressional action on the FY 1977 budget was provided to you on July 11, 1977.

The present analysis consists of tables 1 and 2 from the previous report as updated to accommodate the FY 1978 date, and table 3 as modified to display the FY 1978 data only. The FY 1978 data include funding in the annual Department of Defense Appropriation Act, the Military Construction Appropriation Act, a supplemental appropriation to provide increased funding for cruise missile programs and other changes related to the President's June 30, 1977 decision to cancel the B–1 bomber, and funding for military assistance and civil defense programs. The FY 1978 figures also reflect the annual government-wide supplemental for cost-of-living pay increases and other purposes.

Congressional changes to the FY 1978 Department of Defense and foreign military assistance (managed by the DoD) budget request amounted to a net reduction of $3,003 million on a total request of $119,907 million,[2] or a reduction of about 2.5 percent. This is the second lowest dollar reduction and the smallest cut, as a percentage of the request, for any year in the period FY 1971–78. Only the FY 1971 budget experienced a smaller congressional reduction (—$2.5 billion), but because the budget request for that year was only about 63 percent as large as the FY 1978 request the FY 1971 reduction was larger on a percentage basis (3.3%).

Based on the categories employed in our earlier reports to you, the FY 1978 reductions break down as follows: "Substantive"—48.0%; "Non-Critical"—10.0%; "Postponements and Deferrals"—19.0%; and "Adjustments"—23.0%. The total dollar reductions falling into the "substantive category, i.e., having a potential bearing on real military capabilities, were also the lowest for any year in the series except FY 1971, although on a percentage basis the proportion of FY 1978 reductions in the "substantive" category was near average for the period FY 1971–1977.

It should be noted that a few changes in large-dollar reductions whose categorization may be open to dispute could make a significant difference in the overall results. For instance, Congress cut some $243 million from the operation and maintenance account on grounds that the services had added an inflation factor totaling this amount in requesting additional funds for program growth. Prior to FY 78, Office of Management and Budget regulations did not permit adding an inflation factor when preparing the operation and maintenance budget on the general grounds that having to absorb inflation was a useful prod to better management. Congress changed the policy on an experimental basis in Title VIII of the FY 77 DoD Authorization Act wherein it directed the DoD to build an inflation estimate into the operation and maintenance request. In reviewing the FY 78 request, however, Congress determined that adding a factor for inflation on program growth, in addition to inflation on existing programs, was unwarranted. We have treated this reduction as a "substantive" cut, in accordance with our general assumption that all unspecified general reductions would be considered substantive. On the other hand, it could well be argued that this item is a special case, and that because it represents a cut in funds for purposes not previously allowed, it should be treated as "non-critical."

Another large reduction of about $237 million from the budget request was made on the grounds that certain training and transportation charges on foreign military sales programs should be reimbursed by the foreign purchaser, and not paid for with Department of Defense appropriations. We have treated this change as an "adjustment" on the assumption that the services will indeed obtain these reimbursements.

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[1] Richard P. Cronin, "An Analysis of Congressional Reductions in the Defense Budget: Fiscal Years 1971–76." CRS Multilith No. 76–205 F, September 16, 1976.

[2] For technical reasons, various financial tables published by the Department of Defense show the cancellation of the FY 78 B–1 bomber production program, totaling some $1,466 million, as a congressional reduction. In reality this was an Administration change which Congress agreed to in the final stages of considering the FY 78 DoD appropriation. Accordingly, we have reduced the Administration request figures as shown in DoD published tables by $1,466 million, and have not shown the funding reduction as a congressional change.

On the other hand, to the extent that the reimbursements are not obtained the cuts could be considered an unspecified general reduction. and thus considered "substantive" under our methodolgy.

Most of the net changes by catgeory are the product of both additions and deletions by the Congress. For instance, the net reduction of $1.2 billion in the "substantive" category from the main Department of Defense Appropriation Act (see Table 3) was actually a product of about $1.1 billion in *additions* and $2.3 billion in *reductions*.

Many of the "substantive" additions were restorations of items that the Carter Administration had deleted in February 1977 amendment to the Ford Administration budget request. The February 1977 budget amendment reduced about $2.8 billion from the original request for FY 1978. Congressional restorations included (in millions of dollars): additional Hawk missiles (+$35.3); restoration of the non-nuclear Lance missile program (+$77.5); additional F-15 fighter aircraft (+$230.2) and the restoration of a funding cut in the Advanced Attack Helicopter program (+$65.0). Other congressional additions such as $310 million for an "air capable" variant of the DD-963 destroyed originated with the Congress. All of these additions are treated as "substantive," even though doubts may exist in some cases within the Department of Defense and elsewhere as to their military value or necessary rates of acquisition.

The proportion of reductions falling into the "non-critical" category was 10.0 percent in FY 1978. The total dollar reductions in this category are about average for the period FY 71-77. Given the inevitable element of subjectivity in the methodology employed in this analysis, the combined total reductions falling into the "substantive" and "noncritical" categories, as opposed to "postponements and deferrals" and "adjustments" may be a more significant figure. The proportion of FY 1978 reductions falling into the "substantive" and "non-critical" categories combined—58.0%—is about equal to the average for the past four years (56.7%), but higher than the average for the entire FY 1971-77 period (50.7%). Some representative examples of "substantive" and "non-critical" type changes are shown in Appendices A and B.

The proportion of reductions falling into the "postponement and deferral" category is about average for the period FY 71-77. Proportionately, the share of changes attributed to "adjustments" is smaller than average—23.0 percent versus an average of 31.5 percent. This, however, is a very volatile area. In earlier years there were some significant windfall adjustments derived from the abrupt demise of South Vietnam and from occasional departures from the "full-funding" concept in financing ship construction. There were no single large adjustments in FY 1978 of the magnitude that occurred in some earlier years.

TABLE 1.—CONGRESSIONAL ACTION ON DEFENSE BUDGET REQUESTS,[1] FISCAL YEARS 1971-78

[Appropriations, dollars in millions]

	Fiscal year—							
	1971	1972	1973	1974	1975	1976 [2]	1977	1978
DOD request	75,346	79,883	84,999	90,262	94,160	106,118	114,426	119,907
Congressional action	−2,507	−3,917	−6,160	−5,825	−6,719	−8,874	−4,056	−3,003
Appropriated	72,839	75,966	78,839	84,437	87,441	97,764	110,371	116,904
Percent reduction	3.3	4.9	7.3	6.5	7.1	12.0	3.5	2.5

[1] The figures cited in this and subsequent tables refer to funds appropriated to or managed by (military assistance) the Department of Defense. Excluded are other programs which make up the total national defense functional category of the budget such as Department of Energy atomic energy defense activities, the Selective Service System, defense stockpile materials transactions, etc. The DOD military and military assistance programs account for more than 95 percent of the total national defense functional category of the budget.

[2] The original report dated Sept. 16, 1976, was keyed to data from the Department of Defense for fiscal years 1971-76 that did not reflect action by Congress on the military assistance and supplemental appropriation bills. Approval of the requested appropriations for military assistance and estimated appropriations (not then submitted) for the annual cost-of-living pay supplemental was assumed. The fiscal year 1976 data has now been adjusted to reflect congressional action on those appropriations.

TABLE 2.—CONGRESSIONAL CHANGES BY CATEGORY, FISCAL YEARS 1971-78[1]

[Dollar amounts in millions]

	Substantive		Noncritical		Postpone and deferrals		Adjustments		
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Total
Fiscal year:									
1978	−$1,442	48.0	−$299	10.0	−$570	19.0	−$692	23.0	−$3,003
1977	−2,517	62.1	−261	6.4	−659	16.2	−620	15.2	−4,056
1976	[2] −3,809	43.8	[2] −1,477	16.6	[2] 684	7.7	[2] −2,824	31.8	[2] −8,874
1975	−3,081	45.8	−487	7.3	−1,036	15.4	[3] −2,115	31.5	[3] −6,719
1974	−2,608	44.8	−172	3.0	−1,950	33.4	−1,096	18.2	−5,825
1973	−1,839	29.9	−159	2.6	−1,610	26.1	−2,551	41.4	−6,160
1972	−1,681	42.9	−70	1.8	−351	9.0	−1,815	46.3	−3,917
1971	−903	36.0	−125	5.0	−512	20.4	−967	38.6	−2,507

[1] Numbers may not add due to rounding.

[2] The original report dated Sept. 16, 1976, was keyed to data from the Department of Defense for fiscal year 1971-61 that did not reflect action by Congress on the military assistance and supplemental appropriation bills. Approval of the requested appropriations for military assistance and estimated appropriations (not then submitted) for the annual cost-of-living pay supplemental was assumed. The fiscal year 1976 data has now been adjusted to reflect congressional action on those appropriations.

[3] Includes $183,000,000 in rescissions.

TABLE 3.—SUMMARY BY APPROPRIATION ACCOUNT AND CATEGORY, FISCAL YEAR 1978

[Dollar amounts in millions]

Appropriation account	Substantive reduction	Noncritical reductions	Postponements and deferrals	Adjustments	Total reductions	Percent of total request	Total request fiscal year 1978
DOD Appropriation Act:							
Military personnel	−$26	−$23	−$12	−$22	−$84	0.3	$26,140
Retired military personnel				−26	−26	.3	9,036
Operation and maintenance (including civilian pay)	−358	−264	−22	−207	−850	2.5	34,358
Procurement	−181	−50	−416	−416	−1,064	3.4	[1] 30,928
R.D.T. & E.	−597	−66	−41	+71	−633	5.4	11,733
Revolving funds							171
Total, DOD Appropriation Act	−1,162	−404	−492	−600	−2,658	2.4	112,365
Cruise missile supplemental	−25				−25	5.8	449
Second supplemental	−155			−81	−236		2,899
Military construction and family housing	−53	+105	−79	−11	−38	1.3	3,131
Civil defense							90
Military assistance	−47				−47	4.8	973
Grand total	−1,442	−299	−570	−692	−3,003	2.5	119,907

[1] For technical reasons DOD published tables give the request as $32,394, which includes the fiscal year 1978 procurement program for the canceled B-1 bomber ($1,466,000,000). This program was canceled by Congress at the request of the Carter administration, however, and it is deleted here from both the request and congressional change columns.

APPENDIX A

EXAMPLES OF SUBSTANTIVE TYPE CHANGES

[In thousands of dollars]

Account	Request	Change	Enacted
Military personnel, Army:			
Communications	305, 526	−1, 375	304, 151
Intelligence	79, 807	−500	79, 307
Intermediate aircraft maintenance	6, 708	−3, 354	3, 354
Base operating support	311, 323	−8, 654	302, 669
Operation and maintenance, Navy:			
Price growth on program growth	589, 723	−79, 123	510, 600
Ship operations—General purpose forces	763, 297	−13, 000	750, 297
Tactical flying hour program	606, 188	−22, 260	583, 928
Support flying hour program	14, 614	−1, 040	13, 574
Depot maintenance aircraft	999, 480	+17, 500	1, 016, 980
Ship overhaul and maintenance	2, 572, 842	+57, 100	2, 629, 942
Sec Nav/CNO staff studies and analysis		−5, 000	−5, 000
Unexplained increases, procurement operations	185, 793	−1, 600	184, 193
Aircraft procurement, Army:			
Modification of aircraft (EH–1H)	24, 800	−13, 000	11, 800
Aircraft spares and repair parts (replenish)	36, 800	−700	36, 100
UH–1 flight simulators	8, 200	−8, 200	
Other procurement, Air Force:			
Joint surveillance systems	2, 300	−2, 300	
Training support equipment	16, 500	−16, 500	
General reduction—Intelligence activities		−49, 055	−49, 055
General reduction—Intelligence related activities		−17, 500	−17, 500
Procurement, defense agencies:			
General reduction—Communications activities		−2, 374	−2, 374
General reduction—Intelligence activities		−18, 500	−18, 500
R.D.T. & E., Air Force:			
Technology base:			
Aerospace flight dynamics	46, 910	−3, 000	43, 960
Conventional munitions	24, 200	−4, 500	19, 700
Advanced technology development:			
A/C propulsion subsystems integration	14, 000	−4, 000	10, 000
Advanced fighter technology integration	11, 000	−3, 000	8, 000
Application for information processing technology	2, 900	−2, 900	
Strategic program:			
Advanced interceptor technology	600	−600	
Strategic bomber penetration	26, 500	+13, 000	39, 600
SAC communications	18, 800	−18, 800	
Tactical programs:			
Advanced medium range air-to-air missile	42, 500	−23, 600	18, 900
Advanced medium STOL transport	25, 000	−15, 000	10, 000
Hi-accuracy targeting system	9, 300	−9, 300	
Intelligence communications:			
Space Shuttle	129, 700	−5, 400	124, 300
Satellite systems survivability	10, 800	−2, 000	8, 800
Long haul communications	4, 900	−300	4, 600
NAV STAR GPS user equipment	15, 300	−12, 300	3, 000

APPENDIX B

EXAMPLES OF NONCRITICAL TYPE CHANGES

[In thousands of dollars]

Account	Request	Change	Enacted
Military personnel, Army:			
Separation pays	32, 263	−1, 500	30, 763
Incentive pays	22, 729	−2, 250	20, 479
Proficiency pays	12, 314	−500	11, 764
Permanent change of station	540, 000	−5, 965	534, 035
Military bands	28, 300	−2, 900	25, 400
Operation and maintenance, Navy:			
Civilian education and training	2, 800	−2, 800	
Navy audit service	15, 965	−1, 000	14, 965
High school completion program	3, 200	−1, 600	1, 600
Property disposal	8, 230	−1, 530	6, 700
Motion picture services	6, 337	−2, 600	3, 737
Aircraft procurement, Army: C–12A utility aircraft		+17, 200	17, 200
Procurement, defense agencies:			
Uniformed Services University of Health Sciences		+1, 300	+1, 300
General reduction—Productivity enhancement		−800	−800
R.D.T. & E., Air Force:			
Technology base: Training and simulation support	8, 600	−1, 670	6, 930
Strategic programs: Low life cycle cost avionics	2, 000	−2, 000	
Tactical programs: Ground and amphibian military operations	5, 800	−5, 800	
Intelligence and communications: Traffic control/approach landing system	8, 000	−3, 600	4, 400
Programwide management and support:			
Test and evaluation support	315, 557	−11, 200	304, 357
AF Project RAND	9, 800	−300	9, 500
Advanced systems	15, 400	−10, 100	5, 300

●

JOE BARTLETT

HON. DAVID C. TREEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. TREEN. Mr. Speaker, one of the greatest rewards of my first 6 years in the Congress was the privilege of knowing Joe Bartlett. As the minority clerk, Joe was always ready and cordially willing to assist me and my colleagues in every possible way.

Joe Bartlett is one of the most optimistic and patriotic citizens I have ever met. His faith in America and in the House of Representatives was an inspiration to me every day I saw Joe. He served this institution well, especially those of us in the loyal opposition.

Joe has a vision for reorganizing this House to serve the mushrooming demands on the Congress. I drew upon his proposal for the central theme of my introduction to "Can You Afford This House." I hope Congress will adopt Joe Bartlett's ideas for managing our workload. But I hope even more that this Congress and this country will be blessed by many more men who love their country as deeply as Joe Bartlett.

It is a pleasure to join my colleagues in wishing Joe many more years as happy and rich as those he spent with us as minority clerk.●

DEPARTMENT OF EDUCATION MEANS FEDERAL CONTROL

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. McCLORY. Mr. Speaker, the effort to establish a new Department of Education runs counter to our system of education in our country—and would subject local and State control of our educational institutions to an increasing Federal influence.

My friend, the editor of the St. Charles Chronicle, Steve Anderson, has delineated convincingly on this subject in a mythical letter to Tom Paine.

I am pleased to include Steve Anderson's column for the benefit of my colleagues:

IN MY WRITE MIND

(By Steve Anderson)

To Thomas Paine, Professional Revolutionary:

You were so right.

Back in 1777, after the 13 Colonies had proclaimed their independence from Great Britain and were fighting to establish our new nation, you gave us this note of caution that liberty would not be all skyrockets and jubilation:

"Those who expect to reap the blessings of freedom must, like men, undergo the fatigue of supporting it."

Much has been said and written through the years about the cost of supplying government services to local, state and national constituents, but nobody has suggested we chuck the whole system because it's too expensive.

Opportunities arise, however, when our elected representatives must resist the politically popular notion that more government agencies means more government service to the public and, therefore, more happy voters to show their appreciation.

One of those times "that try men's souls," as you put it, is at hand in Washington, D.C.

President Carter has revealed step one of the journey toward his stated goal of making the executive branch of government more efficient. As you might have predicted, he plans to do it by creating another department.

Instead of having one huge Dept. of Health, Education and Welfare, he would keep an uncontrollable Dept. of Health and Welfare and create a new Dept. of Education that, presumably, would have every opportunity to become unwieldy in its own right.

HEW already has a budget that last year was exceeded only by the total budgets of the United States and Russian governments—$184 billion!

The president has concluded that because HEW is so big, not enough attention is given to the country's educational responsibility.

The new Dept. of Education would have a budget of $13.5 billion, placing it higher than the Departments of Energy, Justice, Commerce, Interior and State. It would control more than 16,000 federal employees and more than 150 federal programs.

That's just the start. It may sound like peanuts to the president, but if peanuts didn't grow, Jimmy wouldn't be where he is today.

It beats me how anybody can believe that you can streamline government by adding more agencies. They tend to proliferate in proportion to the demand from beneficiaries who discover new services available for the asking.

Congressman Robert McClory notes the existence of "iron triangles"—the "cozy relationships that exist among congressional committees, executive agencies and the constituencies that benefit from federal spending."

McClory says they have the same effect on taxpayers' dollars that the Bermuda Triangle has on ships and planes: "Money disappears into them and is never seen again."

A bigger education bureaucracy, no matter how patriotic its motives, is not the way to go. Too much of the education dollar is being spent on administration now and not enough in the classroom.

On the local level, for instance, it is conceivable that one superintendent like Don D'Amico of St. Charles might be able to handle the three tri-city districts, maybe even all five in the Mid-alley co-op.

And if one principal can handle a high school of 2,500 restless adolescents, why do we have to hire one for each grade school with as few as 128 kids to keep track of?

The answer, of course, is that we apparently have not yet wearied of your prophesied fatigue of supporting such "blessings of freedom."

But we're getting there.●

PILOT FATIGUE HAS FAA NODDING OFF

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. MAVROULES. Mr. Speaker, in 1978, the airline industry was deregulated. This action brought on the expected battle between competing airline companies reducing their air fares to fantastically low figures, thus, encouraging air travel. With more of the American public ready to take advantage of these bargain rates, such as flying your children or your adult companion free or flying from Washington, D.C., to California, roundtrip, for as little as $214, it would seem only natural that the airline industry strive, now more than ever before, to guarantee that its passengers arrive safely at their destination.

The Federal Aviation Administration, on the other hand, has attempted to deal with the need to improve upon air safety. Recently, FAA released new regulations that adjusted positive and terminal control areas in order to help deal with the mind-boggling problem of preventing mid-air collisions. Yet, the FAA has failed to cope with a more fundamental problem presently jeapordizing the safety of all air travelers; namely, pilot fatigue. How long will the FAA continue to disregard this serious problem and begin to acknowledge its existence? How long will it take the FAA to construct the proper regulatory framework aimed at eradicating this ever-present threat to air safety? Obviously, the airline industry will not take the first step in solving this very real and dangerous problem. It would be too expensive for them.

It appears that Jack Anderson has uncovered another SNAFU or "oversite" in the Federal regulatory framework. I respectfully submit the following article that appeared in the Washington Post on March 28, 1979, in order to make others aware of this outrageous situation. I do not believe that "ignorance is bliss" in this case. Too many of us here on Capitol Hill spend a large amount of time traveling in the air to disregard the immediate urgency for solving this problem:

PILOT FATIGUE HAS FAA NODDING OFF

(By Jack Anderson)

While exhausted airline pilots are dozing off in their cockpits, federal officials are snoring at their desks, unconvinced that pilot fatigue is a serious threat to air safety.

The Federal Aviation Administration is content with rules for pilots' hours that have gone virtually unchanged since 1934. Yet its own files are bulging with foreign accident reports that list pilot fatigue as a factor.

The ground collision that killed 574 persons at Tenerife in 1976 is an example. The Spanish accident report states that the KLM pilots were beginning to feel fatigue when they roared down the runway without clearance and smashed into a Pan Am jet.

A Pan Am jet crashed into the Pacific shortly after takeoff from Tahiti in 1973, killing 78. The French accident report cited "fatigue resulting from the long flights made over the 48-hour period preceding the accident" as a likely cause.

In 1977, a Fleming International cargo jet crash on takeoff at St. Louis, killing the crew of three. According to investigators, the cause was the fatigued pilots' poor judgment and failure to follow proper procedures.

The list goes on and on. But accident reports don't tell the whole story. National Transportation Safety Board officials told us fatigue is cited in U.S. reports only when there is evidence that the pilots had been sleeping.

The pilots themselves know the score. It's common as rain to see pilots napping," Capt. William Hoover told our reporters Moira Forbes and Tom Rosenstiel.

Another pilot told of a dangerous takeoff on the seventh leg of a day-long flight. "We were so tired we drifted up to a higher altitude than we were supposed to be at, into the pattern of incoming flights," he said. "The ground controller caught us and told us to get back down."

The story of one transcontinental cargo flight is famous among pilots. Flying at night from New York, all three pilots were asleep as the plane approached Los Angeles. While the tower tried frantically to wake them up, the plane flew over the airport and kept going. When they finally awoke, the crew found they were out over the ocean.

Two pilots told an Air Line Pilots Association task force their method for preventing such situations: two of the crew would sleep, while the third set a kitchen timer to ring every 25 minutes in case he too dozed off.

The FAA still thinks pilots are all iron men—lone eagles immune to the fatigue and boredom that overcome earthbound mortals. Reflecting this attitude, the agency's chief surgeon, Dr. H. L. Reighard, has told us: "Fatigue is a subjective factor. Only the pilot knows if he is suffering from it." This is like letting every motorist decide when he's too much drunk to drive.

What are the FAA rules on pilot work hours? In brief, on domestic flights, pilots can fly eight hours in a 24-hour period; on overseas flights, 12 in 24. That would be grueling enough, but the rules govern only time in flight—not preflight preparation or ground delays.

Incredible as it seems, the crew of an international flight could fly for six days straight and still meet FAA rules, as long as extra crewmen and bunks are provided.

In the 1960s, when the jet boom really got going, the FAA assigned Dr. Stanley Mohler, then director of the Civil Aeromedical Research Institute, to study the problem of multiple time-zone crossings. He concluded that pilots' "behavorial integrity" was sometimes "degraded" by the long-distance flights across several time zones, causing "significant impairment of psychological performance."

Mohler recommended changes in the regulations, but the FAA was unable to get the airlines the pilots to agree on the proposed changes, so it dropped the idea.

There are some in the FAA who recognize the problem. An inspector told us, "In some flights, fatigue factors are excessive and the regulations are inadequate."

The airline industry disagrees. "Fatigue as a safety problem has not been demonstrated," a spokesman for the Air Transport Association said. Tightening the rules is unnecessary, he said—and, of course, would be very expensive.

So far the FAA goes along with the airlines, and the only changes come about as a result of contract provisions worked out between pilots and the individual airlines. In other words, because the FAA is shirking its duty, the safety of millions of air travelers may depend on the bargaining skill of a pilots' union negotiator.●

ANNIVERSARY OF THE INVENTION OF PUBLIC LIGHTING

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Ms. OAKAR. Mr. Speaker, on April 29, 1979, the people of the city of Cleveland will celebrate the 100th anniversary of the invention of public lighting by a native son—Charles Francis Brush. On the night of April 29, 1879, Charles F. Brush pulled the switch on his invention of the electric arc lamp and the sudden illumination of Public Square in Cleveland pioneered a new day in the uses of electricity and made Charles F. Brush famous around the world.

I am proud and happy to share in the celebration of this anniversary by everyone who has benefitted from streetlights and other forms of outdoor illumination.

I am especially pleased to place into the RECORD an excellent article, written by Mr. Earl R. Hoover of Cleveland, commemorating the brilliant achievement by a young inventor—Charles Francis Brush—on an unforgettable night back in Cleveland, on April 29, 1879.

The article by the distinguished historian, Early R. Hoover is as follows:

THE APPROACHING CENTENNIAL OF SOME OF CLEVELAND'S IMPORTANT GIFTS TO THE WORLD

(By Earl R. Hoover)

On the approach of any centennial, I think of the 3rd grader, whose teacher asked, "What's the difference between a centennial and a centipede?", to which he correctly answered, "I don't know". However, he added, "I think the centennial has more legs than a centipede".

April 29, 1879, 100 years ago, was not just another routine day in the world—all because of a world-shaking feat—that Cleveland inventor, Charles Francis Brush, proposed to pull off that night on Cleveland, Ohio's Public Square.

Fearless he proposed to do the unheard of thing of lighting the Square with electricity.

If he was successful his bold deed would be a turning point in world history—the world would never be the same. Can he do it?

Cleveland's Public Square has witnessed great people and great events. Two American Presidents have lain in state there—Lincoln and Garfield.

Where the number one public square building now stands, John D. Rockefeller, Sr. and Harvey Firestone attended business college.

Where the May Company now stands was the birthplace of the father of brain surgery, Dr. Harvey Cushing and the first office of the world's greatest industrial empire—"The" Standard Oil Company.

Let us flash back and try to visualize the Square as it was in 1879—the center for just 160,000 people.

To imagine it as it was we would have to tear down every structure now facing the Square except one, Old Stone Church.

It was a square without the Terminal Tower, Higbee's Department Store and Stouffer's Inn On The Square; without the Illuminating, Society National Bank, Williamson and May Company buildings; without the Soldiers and Sailors Monument, and without the statutes of founder Moses Cleveland and Mayor Tom Johnson.

In the Square's Southeast quadrant, where the Soldiers and Sailors Monument now stands, then stood the heroic statue of Commodore Oliver Hazard Perry, victor of the Battle of Lake Erie.

Most buildings facing the Square rose just 2, 3 and 4 stories high.

The only building now standing on the Square, that stood there in 1879 and saw what happened that historic night, is venerable Old Stone Church.

There, Old Stone has kept vigil over the Square, even to this hour.

It then had a spire which pierced the sky. It was the Square's tallest structure then dominating the Square as the Terminal Tower does today.

In that 1879 setting, young, 30 year old Charles Brush would attempt to mould world history. When the sun arose on April 29, 1879, nowhere in the world had streets been publically lit successfully by electricity.

That night young Brush daringly proposed to startle the world by doing that very thing on Cleveland's Public Square.

He had rigged the Square with awesome steel poles, 150 feet tall—poles, in height, as high as buildings 15 floors high, right there where there were no buildings high enough to have 15 floors.

Atop those high, dizzy poles Brush had dangled 12 of his new-fangled, electric, arc lamps that were supposed to make light when electricity was shot into them.

Picture them, up there, in your minds eye. If they lit up, Cleveland's Square would make world history.

On our Square so much was on trial for the world that night. On trail were:

Electricity as a source of power;

Electricity's ability to make practical lighting, and

Electricity as a means of publicly and practically lighting the streets of the world.

Yes and on trial were young Charles Brush and Cleveland. If he failed, he and Cleveland, would be ridiculed and abused and accosted with the usual "I told you so!".

That night no automobiles graced the Square. Hitching posts ringed it holding horses at bay. Swarms of tense, excited people overflowed it. Curiosity jammed it.

There were skeptics aplenty there too; those who were sure—Brush couldn't do it. After all, it had never been done before in the world.

Many believed that unproved electricity was just a plaything—just a laboratory curiosity—certainly not something that could be of practical use in a modern world.

Some thought electricity was a fluid, flowing through channels in wires, just as water flows through a pipe.

Many were apprehensive about electric power as many are today about atomic power.

Then there were those who came to the Square defensively, wearing colored spectacles, or clutching pieces of smoked glass. They weren't going to risk ruining their eyes.

At last came the fateful moment—8:05 p.m.

Undaunted, Brush gave the signal.

The switch was pulled.

Oh—will it work!!

The skies of Cleveland gave the answer.

In a flash the Square was lit with electricity; a flash, like the shot at Concord's bridge, that was to be heard around the world.

Horses reared, bands played, cannon boomed, throngs cheered, and in that flash Brush and Cleveland made world history that April night on our Square.

In fact, more than one item of history was made that night—all gifts of Cleveland to the world.

Here is how various historians have described what was there achieved:

It marked the end of one lighting era and the beginning of another.

It was the world's first, successful, public, electric, lighting of streets.

An old way of life ended and the age of electricity began.

It was the beginning of commercial electricity for the world.

Brush changed the text books.

The Scientific American said—occasionally a new invention so greatly affects a whole range of allied inventions and industries, that it entirely changes time-honored customs, inaugurates new practices and establishes new arts—and Brush's commercial development of electricity is a notable example of this.

From Cleveland, Brush's electric arc lights were to envelop the earth.

He lit Niagara Falls, John Wanamaker's famous Philadelphia store, Broadway, the famous New York street that was to become known as "The Great White Way," the ships of the oceans, seas and rivers, and the navies of Great Britain and the United States. For his contribution to our Navy, a destroyer was named after him, the U.S.S. Charles Francis Brush.

He lit, among others, Baltimore, Boston, Brooklyn, Buffalo, Cincinnati, Hartford, Los Angeles, Lowell, Montreal, Philadelphia, Providence, London, Shanghai, Tokyo.

One authority proclaimed: "Throughout the land from coast to coast, on plains and in remote mountain areas, large and small cities installed arcs on their streets."

In 1885, another authority acclaimed the universality of Brush's creations, saying:

"The machines he has fashioned creates electric light and power on every continent and every ocean. It is in use in mills, mines, factories, stores, hotels and public buildings the country over. Its brightness is seen in every country on the European continent. It shines in India, China, Japan, South America, Australia, Egypt, South Africa and the isles of the sea. Steamboats on the oceans and the gerat rivers are making constant use of it. The war vessels of the British Royal Navy are lighted by it. It has made strong headway in Mexico and Central America. In short, it has been adopted wherever civilization has a foothold, and has become one of the great needs as it is one of the great wonders of the age."

Abraham Lincoln said:

"I like to see a man proud of the place in which he lives."

It is fitting, therefore, that with pride, on April 29, 1979, we should celebrate the centennial of these major, indispensable, Cleveland gifts to the world.

At the same time, we should remember some other of our important contributions to the world in the same field.

It was the inventions, both of Charles Brush and of another native son of our area, Thomas Edison, that formed an important part of the original nucleus of the General Electric Company of which Edison was the father.

Too, greater Cleveland, because of General Electric's Nela Park, is the electric lighting center of the world.●

HEAVY GOVERNMENT REGULATIONS

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. PAUL. Mr. Speaker, the nuclear power industry is one of the most heavily regulated industries in this country. Despite all the millions of regulations, however, there still occurred the Three Mile Island incident near Harrisburg, and five nuclear plants have been closed by the Nuclear Regulatory Commission for safety reasons. It would appear that Government regulation has not worked and is not working. Perhaps the bureaucrats have confused endless paperwork, miles of redtape, and years of delay with safety and caution.

Some economists have suggested that Government regulations never work in the long run, and I am inclined to agree with them. Still others have suggested that OSHA and the EPA, rather than writing detailed regulations which everyone must comply with, should simply announce goals for worker safety and clean air, and then let the ingenuity of businessmen devise ways to meet those goals.

I would like to apply this suggestion to the nuclear power industry. If we are to have a Nuclear Regulatory Commission, then let the Commission simply announce safety goals—and let the nuclear power industry devise the means to attain them.

As part of this approach, it would be necessary to end the privilege of limited liability accorded the nuclear power industry by the Price-Anderson Act. That act is certainly not a free market approach to the development of nuclear power, but is typical of the interventionistic methods that the Government has used in regulating the industry. The nuclear industry has, in effect, received a subsidy from the Federal Government in the form of limited liability.

The reform of the nuclear industry must include the three things I have mentioned here: First, an end to counterproductive overregulation of the industry; second, an abolition of the limited liability of the nuclear power industry; and third, a restoration of the applicability of the common law. Any so-called reform that results in more Government regulation will result in greater danger from nuclear power plants.●

MOUNT CARMEL GUILD

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. RODINO. Mr. Speaker, Government over the past three decades rightly has taken a more active role in helping to solve social problems. Today I would like to recognize a local organization that has been working to provide basic human services for the past 50 years.

The Mount Carmel Guild in Newark, N.J., in celebrating its 50th anniversary this year, looks back on five decades of service to chidren, to the handicapped, to the elderly, to the disadvantaged of the cities, to the mentally ill and to all those individuals and families who have needed care in some form or another.

The guild is known throughout northern New Jersey as the largest privately-sponsored social service agency in the State and one of the most compassionate. It has reached out to help people from all walks of life and to this day continues its valuable work under the very capable direction of Newark Archbishop Peter Gerety and Msgr. Francis R. LoBianco.

Mr. Speaker, I am very proud that Newark has such a charitable and hard-working agency as Mount Carmel Guild. It is one of the most valuable institutions in our city and State and I am happy to join in celebrating its 50th anniversary to more good works in the future.

Mr. Speaker, the Newark Star-Ledger printed an article on April 1 describing the guild's history and current work. I insert the article in the RECORD:

MT. CARMEL TO MARK 50 YEARS OF SERVICE

(By Monica Maske)

The Mt. Carmel Guild, the largest privately sponsored social service agency in the state, will kickoff its 50th anniversary celebration today during a Mass at a Newark church where the Guild first opened its doors as a soup kitchen.

Newark Archbishop Peter L. Gerety will be the principal celebrant of the Mass, which will begin at 12.30 p.m. at St. Patrick's Pro-Catherdal on Washington Street.

Msgr. William Noe Field, the Seton Hall University librarian who is coordinator of the 50th anniversary celebration, will deliver the sermon.

Among the concelebrants of the Mass will be Msgr. Francis R. LoBianco, executive director of Catholic Community Services (CCS), the umbrella corporation for the Guild and the Associated Catholic Charities.

Following the Mass, the guests will be invited to a soup and sandwich luncheon at St. Patrick's School, the site of the original soup kitchen which opened under Guild auspices in 1930.

The Mt. Carmel Guild was established by a group of volunteers under Archbishop Thomas J. Walsh. About 35,000 women volunteers staffed St. Patrick's as well as 26 other Guild centers throughout the archdiocese, offering food and clothing to the needy during the Depression.

By 1941, the Guild had served more than 1.6 million meals at its Newark kitchen and had begun offering English language classes to immigrants and programs for the deaf and blind.

During the 1950s and 1960s, the Guild developed a broad range of professional services for the disabled and disadvantaged, including the elderly, emotionally disturbed children and adults with hearing and speech disorders. These expanded rehabilitation programs were coordinated into a department of special education in 1959.

In 1967, the Guild added a division for housing, which sponsored several low-income, middle-income and senior citizen complexes. In 1974, however, housing was phased out during a reorganization of the Guild, which revealed extensive disarray in the division bookkeeping.

Msgr. LoBianco, who took over as CCS director in 1976, now heads a multifaceted social service agency which includes seven mental health centers, six special education schools, family services such as counseling and adoptions, day care and a children's residence, programs for the visually handicapped and persons with communications disorders, a vocational rehabilitation center, and offices for the elderly, immigration, health and hospitals.

The director said that as the Guild begins its second half-century, he would like to see it return to its "original thrust of people helping people."

"We have the professionals," he said, referring to the Guild's 600 employes, "but we're looking for more volunteers to work with us.

"We have a proven track record of helping the emotional and physical needs of people. But we've reached a saturation point in numbers of programs we can offer. And no matter how many programs we establish, we'll always be excluding some category of need."

The 50th anniversary of the Mt. Carmel Guild will also be celebrated during the annual Archbishop's Gala on June 3. The black-tie fund-raising event will be held at the Mansion on the Hill at Caldwell College.●

PERSONAL EXPLANATION

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. OTTINGER. Mr. Speaker, on rollcall No. 85 today, the Bauman amendment to provide support for the Rhodesian election, I was at the White House and unable to return for the vote. Had I been present, I would have voted "nay."●

THE ALCOHOLIC IN PRISON—WHO CARES?

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. BIAGGI. Mr. Speaker, one of the least discussed but truly major problems in our prisons today is the growing number of alcoholics and alcohol abusers. Many of these prisoners enter the institution in this condition yet are never detected and even worse, are never treated.

The Fellowship Center, Inc., of New York is an organization which does care about this segment of the prison population. Since 1958 they have been operating programs in the State of New York identifying and providing aid to the prison alcoholic and their families. The center was founded by Buford Peterson, a recovered alcoholic with a prison record.

I was most impressed with Mr. Peterson when I met him and learned of his important work at the center. For the benefit of my colleagues I wish to place in the RECORD, the center's brochure explaining its work.

[Brochure]

FELLOWSHIP CENTER, INC.

THE PROBLEM

The prison system of the State of New York now houses over 20,000 prisoners in 36 institutions at an annual cost of $15,000 per prisoner, and has future plans to spend in the hundreds of millions of dollars for additional facilities.

Criminologists, legislators, and others continue to debate the causes of crime, methods of prevention, and whether prisons are for punishment or rehabilitation.

There is, however, one crucial fact about the prison population rarely mentioned.

It is now an established fact that alcohol abuse is directly connected to the performance of violent crimes. According to Department of Justice figures, 43 percent of all those in state prisons were drinking at the time of arrest. An even more startling fact is that the proportion of alcohol abusers among those who return to prison is even higher—approximately 80 percent. Conservative estimates show that more than 64 percent of all homicides, 41 percent of assaults, and 34 percent of all rapes are alcohol related.

Yet there is practically no systematic effort to identify the alcohol abuser in the courts or prisons, nor—with the exception of the Fellowship Center—have there been programs developed in the New York State prisons to counsel and treat the alcoholic offender.

Alcoholism has been recognized as a treatable disease and is slowly shedding the moral stigma attached to it. The American Medical Association, American Psychiatric Association, The National Institute of Mental Health, along with many industrial employee programs accept that treatment is a fundamental necessity and that early recognition of alcohol abuse con bring effective results.

AN ANSWER

The Fellowship Center believes that the alcoholic offender, in or out of prison, must be helped to deal with the problem of alcoholism before he or she can realize any benefit from other rehabilitation programs, such as education or vocational training. Treatment of alcoholism will permit the alcohol abuser to utilize these other programs constructively and develop the inner resources to maintain a life free from both alcohol and crime.

FCI PROGRAM/METHODS

The Center works in prisons with programs designed to guide the alcohol abuser to an awareness of the nature of alcoholism and offer the mental, physical and spiritual tools to combat the illness.

The Center maintains contact with a sizable cadre of recovered alcoholic ex-offenders who are available as volunteers in patterns so successfully employed by Alcoholics Anonymous, which is the only alcoholism program functioning in prisons.

The Center conducts workshops and seminars for correction staff (administrators, security, counselors, chaplains, parole officers) to inform them on the nature of alcoholism and to provide insights and give techniques for working with alcoholic prisoners. The curriculum developed by the Fellowship Center, under a contract with the State Division of Alcoholism, is now used by Russell Sage College in Albany, N.Y. as a 3-credit course for correction officers working toward a Masters Degree.

The Center has established a drop-in office in the United Charities Building at 105 East 22nd Street in Manhattan where released and paroled prisoners and families of prisoners can come for counsel and support in handling alcohol problems.

The Center is also working with the City and Federal correction systems to develop similar programs within the institutions for which they are responsible.

The Center has begun to train a number of recovered ex-offenders to work as paraprofessionals in the prisons under the supervision of counselors who have had training in alcoholism therapy.

One male and one female recovered alcoholic ex-offender will be staffed as paraprofessional counselors. They will work primarily within the prison facilities, assisting correctional personnel with case finding; establishing alcohol counseling, education and prevention programs. They will work with inmates prior to release as well as when they return to the community.

The work that the Fellowship Center has begun could dramatically reduce the prison population and save tremendous costs, not only in tax dollars, but in the human misery associated with the alcoholic inmate, the victim, and families of both.

WHO WE ARE

The Fellowship Center, Inc. (FCI) was founded March 5, 1958, by Buford Peterson, a recovered alcoholic with a prison record. Recognizing the desperate plight of the alcoholic offender both during and after incarceration, he pioneered efforts to identify and help the alcoholic in prison and upon release, and to restore the alcoholic to health, allowing him to become responsible to himself, his family and society.

Buford Peterson, as Director and Senior Counselor, oversees the treatment programs at FCI as well as those at the various correctional facilities.

An administrative Director and Family Counselor, coordinates program activities at the warm homelike atmosphere of the FCI offices at 105 East 22nd Street.

FCI is an extended service agency of the 166-year-old New York City Mission Society. It is incorporated as a not-for-profit organization and operates under a Board of Directors which includes recovered alcoholics as well as non-alcoholics, ex-offenders, key personnel from the N.Y. State Department of Correctional Services, businessmen, clergy, and other concerned citizens.

COOPERATION WITH OTHER PROGRAMS

In addition to the professional personnel now in facilities, community-based programs such as Alcoholics Anonymous will be encouraged and more effectively utilized.

In cooperation with the New York State Department of Correctional Services, the Fellowship Center Inc., is attempting to establish an Institutional Comprehensive Alcoholism Program utilizing many of the existing correctional services.

This ongoing project incorporates programs for the incarcerated alcohol abuser, the correctional staff, the family of the convicted alcohol abuser, and follow-up programs for the released/paroled offender.

Since FCI has worked within this area of concern for many years it is uniquely qualified to fulfill the varied services necessary to implement this program effectively.

FCI, under contract with the New York State Division of Alcoholism and the New York State Department of Correctional Services, recently coordinated the first four-day training seminar on alcoholism. Senior Counselors from 35 state prison facilities and the Federal prison in Manhattan attended. It was well received and evaluated as highly effective. Since then 160 correctional staff personnel have received similar training and FCI has firm contract commitments from both the Division of Alcoholism and the Department of Correctional Services for a series of additional seminars. The target groups for these services are the counseling staffs, security officers, chaplains, and prison administrators.

THE FORGOTTEN ONES

In its years of experience the Center has found two groups whose needs have been largely neglected by our system of criminal justice, and it gives special attention to them.

The *family* broken by alcoholism and a prison sentence is often left resourceless and resentful, understandably alienated from the prisoner and uncomprehending of the illness of alcoholism. The children are particularly vulnerable, and may easily be drawn into the life pattern of the alcoholic parent. The Fellowship Center works toward help and understanding, and the eventual reconciliation between the family and the recovered alcoholic.

The *woman* offender with a drinking problem finds herself categorized as an almost total social outcast, caught in a system that lacks even the limited opportunities provided men in the prison system. The Fellowship Center is making special efforts to help women prisoners toward a self-understanding and meet their needs while incarcerated and during their readjustment into society.●

TRIBUTE TO CONGRESSMAN GILLIS LONG

SPEECH OF

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. ALEXANDER. Mr. Speaker, I want to associate myself with the remarks of a number of our colleagues last Thursday, April 5, in the praise that was given our colleague, GILLIS LONG, for his decision not to seek the governorship of Louisiana and to remain in the House.

I applaud that decision. GILLIS LONG is an effective legislator that this body needs. My work with GILLIS LONG in the Congressional Rural Caucus, which we helped to found some years ago, has shown me his sensitivity to the needs of the people who reside in nonmetropolitan America. GILLIS LONG has been a leader among those of us who represent the small cities and towns all across this Nation.

While there is no question in my mind that he would be a capable governor for the people of Louisiana, I believe he is better served to stay with us in the House, where he can serve not only the people of Louisiana but all those Americans who have chosen to live in the countryside and who want the voice of GILLIS LONG to be heard.●

AMENDMENTS TO FEDERAL MINE SAFETY AND HEALTH ACT OF 1977 TO EXEMPT CLAY SURFACE MINING OPERATIONS

HON. CHARLES W. STENHOLM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. STENHOLM. Mr. Speaker, with the passage of the 1977 amendments to the Mine Safety Act, the expectation was that the Secretary of Labor would give priority to the promulgation of reasonable regulations to provide safer conditions for the workers in our major energy source areas—the coal mines.

It is now apparent the Secretary is giving equal attention in his regulatory actions to the surface clay mines in my district and in other parts of the Nation. These mines have a long record of safe operating conditions. Their extraction procedures, although identified as "mining" under the broad terminology of the Federal Act, are actually more like roadgrading or other construction preparation work. In fact, most of the so-called mining consists of bulldozers or frontload graders scraping the clay off the surface in small and shallow open pits. It is a relatively safe operation, traditionally and successfully supervised by OSHA and its predecessors. My bill merely proposes to return the clay mines to the inspection status quo ante the Federal Act of 1977.

Furthermore, these clay mines in my district and elsewhere are small operations, most often consisting of three or two or sometimes only one man operating the "mine," with one or two truckdrivers departing with the clay. This type of activity should not require the elaborate training programs and reporting requirements established by the Federal Act.

Passage of this legislation will reduce costs of administration and training programs, both for the clay industry and for the Federal Government. Continued safe working conditions—the principal reason for initial congressional interest in this matter—will be assured by reversion of surface clay mines operations to State or Federal OSHA inspection. While underground clay mining is almost extinct, there are several such mines in existence. The bill would insure that these mining operations, similar to the more hazardous operations of underground coal mining, will remain subject to the provisions of the Federal Act.●

FICTIONAL ARTICLE ON DISASTER ALMOST COST MAGAZINE'S GRANT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. PAUL. Mr. Speaker, I wish to call the attention of my colleagues to an article that appeared in the Washington Post this morning.

I note first that the "alternative" Harrisburg journal in question was partially federally funded.

Second, the journal predicted in the summer of 1978 that an accident would occur at the Three Mile Island powerplant in Harrisburg on March 28—which is exactly when an accident did occur at that plant.

If the Post is to be believed, this is an extraordinary coincidence; that possibility cannot be ruled out. But it might also be a case of self-fulfilling prophecy in which an antinuclear fanatic—and there are many of these—read this "alternative" magazine and decided that the only way the American people would learn the dangers of nuclear power is to be forced to suffer a nuclear "accident." The possibility of human action, not simply mechanical failure, as a cause of the Three Mile Island incident should not—and in view of the Post article this morning—cannot be ruled out. It is not unlikely that those who have attempted to terrify the American people with an infinity of fears about nuclear power finally decided to cause what they have so long predicted—a nuclear "accident."

If this Congress does anything about the Harrisburg incident, it ought to investigate the possibility of sabotage.

The article follows:

FICTIONAL ARTICLE ON DISASTER ALMOST COST MAGAZINE'S GRANT

(By Ward Sinclair)

HARRISBURG, PA.—Prophetic it might have been, but a fictional article about a nuclear disaster at the Three Mile Island generating plant last year nearly cost Harrisburg magazine a $25,000 federal grant.

Federal support for several staff members was ordered cut off by the Department of Labor after the president of Metropolitan Edison Co., operator of the plant, complained to his congressman.

Walter Creitz, upset by the article, told Rep. Gus Yatron (D-Pa.) that he was concerned that the magazine was receiving money under the Comprehensive Employment and Training Act (CETA).

A spokesman for the Reading congressman confirmed today that Creitz' letter had been forwarded to the Labor Department, which in turn ordered its contracting agency here to cut off the "alternative" news magazine's CETA money.

The magazine's grant money was delayed by the Susquehanna Employment and Training Corp., but then restored while an appeal by publisher Bob Becker was considered. The appeal is pending.

Three Mile Island, of course, is the site of the Metropolitan Edison plant where an accident a week ago threatened a major disaster and the evacuation of parts of five counties in area.

The article was an account of public health problems from radiation and mass confusion in an evacuation after an imaginary accident at Three Mile Island. Managing editor Bill Kiesling said it was intended to illustrate the dangers of nuclear power plants.

Creitz told the magazine he considered the article "sensational reading, not true, a horrible article." He complained to Yatron on Aug. 18 that it was "blatantly distorted," and said "Lord, help us all" if federal money supports such writing.

Of course, the events propounded by author Larry Arnold, including a meltdown of the nuclear reactor core, did not occur. But in a strange coincidence, his account and the first radiation problems occurred at the plant on a March 28.

The real accident and the first radiation problems at Three Mile Island last week occurred on . . . March 28.●

PUBLIC FINANCING OF CONGRESSIONAL ELECTIONS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. LEHMAN. Mr. Speaker, the newly elected mayor of Hallandale, Fla., Mr. Art Canon, recently wrote a letter to the editor of the Miami Herald expressing his support for public financing of elections. I am in complete accord with the views expressed by Mayor Canon and would like to share these thoughts with my colleagues:

CONGRESS ON THE AUCTION BLOCK

To The Editor:

If there is any doubt about where the allegiance of many congressmen and senators lies, one has only to review their voting records. If there is any question of the favoring of vested interests over and above the interests of the people, one has only to study the sources of campaign contributions. There can be no other conclusion except that many of our legislators are controlled by big money from big people.

The latest figures released by the Federal Election Commission show that $35 million was contributed to congressional candidates by special-interest groups in 1978. This compares with $12.5 million in 1974 and $22.6 million in 1976. Political Action Committees, which collect and distribute campaign contributions, increased from 608 in 1974 to more than 1,900 today.

The present system of financing congressional elections is not only not competitive, it is undemocratic. It subjects candidates to corrupting pressures that have undermined the public confidence in Government. The undermining process will increase while the practice continues. A fair and equitable system of public funding for these campaigns would match small, private contributions with funds from the voluntary-dollar, taxcheckoff fund.

The capacity of special interests to create political indebtedness must be eliminated if public confidence is to be restored. The role of the small-citizen contributor must be enlarged if we are to take our lawmakers off the auction block. HR I, a piece of legislation that has been introduced in the House of Representatives, is a step in the right direction. Similar legislation must be introduced in the Senate. Right now the House is the better prospect for action in public financing, the Senate can come later.

By implementing public financing of their campaigns, we broke the vested-interest chains that bound Presidential candidates. All that big money once was funneled into congressional campaigns. We can break these new chains requesting support for public financing of congressional elections.

ART CANON,
Hallandale.●

ROCKVILLE, MD., RECEIVES AWARD FOURTH TIME

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. BARNES. Mr. Speaker, it gives me great pleasure to introduce a concurrent resolution to recognize the city of Rockville, Md., and its residents for their outstanding efforts in making their city an "All-America" City once again this year.

The award, sponsored annually by the National Municipal League to recognize and encourage constructive citizen action, was granted to 11 communities which had competed from a field of almost 500 nominations. In achieving this distinction again this year, Rockville becomes the first city in the country to be so recognized for a fourth time in the 30-year history of the award.

Among the many innovative activities of Rockville citizens for which the city has been singled out is a community goals process, which has involved the input of over 2,000 citizens in a development process lasting over a year. Other notable ongoing programs include Preservation Unlimited, in which senior craftsmen teach disadvantaged persons as apprentices; the good neighbor program, in which volunteers check with the elderly daily by phone and assist with shopping; and other activities such as the Senior Citizens Fiesta, Grandparents Cottages, a community arts program, and plans for a new downtown area.

The people of Rockville who have participated in these and many other community programs should be proud of the special recognition they have brought to their city. Their encouragement of individual involvement in community efforts and their cooperative approach toward problem-solving should serve as a model for cities throughout the Nation. The benefits of their efforts are certain to be manifested not only in progress toward solutions of individual problems, but in an atmosphere of increased trust and cooperation among all residents of the community.

The text of the concurrent resolution follows:

CONCURRENT RESOLUTION

Whereas the City of Rockville, Maryland, has been named an All America City for 1978–79; and

Whereas Rockville is the only city in the nation to be a four-time winner in the 30-year history of this award; and

Whereas the All America City award indicates special achievement in community development through citizen action; and

Whereas the City of Rockville was cited specifically for its completion of a community goals setting process, development of a comprehensive program to ensure active lives for senior citizens and creation of a wide-ranging community arts program.

Now, therefore, be it resolved that the House of Representatives (the Senate concurring) recognizes the City of Rockville and its residents for their outstanding efforts in making their city an "All America" city.●

THE ELOQUENCE OF SILENCE

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. KINDNESS. Mr. Speaker, a nation stands to learn a great deal from its fools.

Last Friday, a remarkable display of talent took place at the West Front of this edifice. As this body completed another week of articulate expression and deliberation, an assortment of some 100 mimes and clowns, and a host of well wishers, began a procession down Pennsylvania Avenue in silent tribute to National Mime Week.

Mr. Speaker, I am reminded that clowns and fools have always played an integral role in the development of every major society.

Historians note that clowns were attached to the imperial court of China in 1818 B.C. The Chinese court clowns were privileged to express themselves freely before the emperor, providing them with political power beyond that of most members of the court.

Members of this profession take great pride in the story of a Chinese emperor whose decision to change the currency of his kingdom resulted in an edict that coins would be minted in denominations no smaller than 10-cash pieces.

No one was willing to explain the folly of this decision to the emperor until two of his clowns presented a sketch illustrating the use of 10-cash pieces.

In the sketch, a customer attempted to purchase a one-cash drink from a vendor. The customer handed over the smallest coin he had, a 10-cash piece, and the vendor was unable to make change. With considerable difficulty and discomfort, the customer downed 10 of the large-one-cash drinks.

"There!" he exclaimed, "but if the Government had made us use those big one hundred-cash pieces, I'd have popped!"

The emperor roared with delight, and ordered that one-cash pieces be returned to circulation.

Triboulet, a fool who cheered the French courts of Louis XII and Francois I, distinguished himself as a military advisor.

Triboulet was admitted to the council of war with Francois as the monarch and his lords discussed the invasion of Italy.

"Cousin," Triboulet interrupted the king, "Do you mean to stay in Italy?"

The king replied that he did not.

"Well, all this talk of how to get to Italy worries me," the fool continued.

"Why cousin?" the king asked.

"Because it seems to me that if you are not going to stay, the first thing to settle is not how to get into the country, but how you get out."

The stories of the fool's role in affairs of state are legion.

It is indeed fitting that the week of April 1 was declared National Mime Week in the United States, under the sponsorship of the junior Senator from California, a semanticist, S. I. HAYAKAWA.

The semanticist joined the Prince of Pantomime, Red Skelton, in the parade which kicked off a weekend of activity at the Corcoran Art Gallery and the Kennedy Center for the Performing Arts.

Those who missed the weekend activity will be pleased to know that plans are underway for the second annual National Mime Week.

I would certainly commend the activity of our Nation's fools to the attention of my colleagues. In the days ahead, it is likely that each of us will have occasion to remember the eloquence of silence.●

SAVING GAS

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. WHITEHURST. Mr. Speaker, while there are urban areas of sufficient population density to make adequate mass transit facilities economically feasible, there are many other sections of the country in which it just is not feasible to provide adequate buses and so forth to serve the entire population, at least not in the near future. Tidewater Virginia is such an area, and this causes problems for people who sincerely desire to conserve fuel but at the same time must get to work.

The Tidewater Regional Transit has come up with one possible solution, and it is working so well that I am pleased to take this opportunity to share with my colleagues an article which appeared in the April 8, 1979, edition of the Virginia Beach Beacon. The story was written by Suzanne Holden, the features editor of the Beacon, and it merits a careful reading.

It is not going to be easy to reduce our dependence on fossil fuels, but the American people have a history of resourcefulness, and if we continue to apply the kind of creative thinking that TRT has brought to the problem, I am confident that a great deal can be accomplished.

I am proud of TRT, and of all the people in my area who are cooperating to make the project work.

The article follows:

[From the Virginia Beach Beacon, Apr. 8, 1979]

SAVING GAS: TRT'S VAN POOLING PROGRAM BIG SUCCESS SO FAR

United they ride, divided they stand a chance of being devoured financially by the price of gas.

Van pools to get workers to their jobs is what it's all about. It's a distinctly American way of handling an increasingly burdensome problem. Tidewater Regional Transit is renting 12-passenger vans to make it possible.

A pilot program in which TRT made 50 vans available to Navy employees—military and civilian—is so successful that the transportation firm has 30 more on order. These vans are being offered to workers outside the military. The Navy surveyed its facilities before it launched its van pooling efforts. And now, similar surveys are under way among employees of city governments, hospitals, banks, retail stores and the like. The surveys alert these workers to the availability of the rental vans and serve to link up neighborhood groups traveling to the same general destination.

TRT's van pooling is Mary Lou Harrison's "baby." Ms. Harrison is special services representative. "It's an effort to cut down on so many one-person, one-car trips to work," she said. "One van pool can save over 5,000 gallons of gas a year. About 400 commuters in Tidewater are taking advantage of the pools."

People like Gene Durst of Aragona, who is putting up the $155-a-month, 4-cents-per-mile stake to operate a van pool, get a free ride. And it costs a rider only $6.50 to $7 a week, a far cry from financing a car of your own primarily to get to work and buying the fuel to feed it.

Are Virginia Beach people going to return to the ways of the one-car family again?

It's not unlikely because some of the van poolers are already doing it.

Charles Patrick of Huntington drives a TRT van of passengers to Dam Neck. "The big advantage for me is the free ride I get and the fact that I've postponed buying another car," said Patrick.

The Patricks own two old cars that are debt free, he said, but it's like having only one "because one's down most of the time," he said. He does the upkeep himself "and when one's down the other's running. My wife drives to work in downtown Norfolk."

The obvious savings in getting to work via van is not the only reason many passengers opt for buying into the plan.

Norma Worsfold says she's not saving much by van pooling "but I like the convenience of it. I have a small car of my own but riding the van, I don't have the worry of the traffic, cleaning my car, upkeep, and I buy fewer tires. My auto insurance went down $30 a year, too, because I don't drive to work."

The tone of her voice changed as she talked, indicating she was discovering more of a savings than she had originally thought.

"This base is so small," Ms. Worsfold said of Dam Neck, "I don't think it's fair for each person working here to drive a car. Parking is just not available for that many cars. And getting out via Old Dam Neck Road to Oceana Boulevard is stop-and-go frustration every day."

The "good fellowship" of riding with the same group every day is another reason Ms. Worsfold gives for enjoying the van route to work. She engenders much of that good fellowship herself.

Charles Patrick, with whom she rides, said Ms. Worsfold remembers other riders with birthday cakes, the members of their families who're sick with get-well cards.

"It's amazing," said Patrick, "the camaraderie that develops on these vans: There's rarely a dull moment. And a lot of the people that ride with me have their jobs in common, too. There's always a ready topic of conversation."

Patrick said there is obviously more of a savings in riding a van now that gas prices are going up. "The average trip to Dam Neck costs me $3 in gas a day but it only costs the rider $1.50," he said.

Does he make any money on van pooling? "No, I'll take a loss this month." That's in spite of the fact that his riders are committed to paying him $31 a month regardless of whether they all ride every day. Rising gas prices are cutting into his break-even status.

Patrick leaves his home in Huntington, which lies just north of Princess Anne Road and west of Kempsville Road, and drives through Carolanne Farm and Arrowhead picking up his passengers. He leaves home at 6:20 and arrives at Dam Neck well ahead of the 7:30 starting hour.

Does he ever have trouble with anyone's being late for the ride?

"No. Our agreement is that everyone must be on time for his ride or he gets left. You get left once, you're never late again," he said with a laugh. Patrick is a visual information specialist—a civilian employee of the Navy. He does photography, illustrations and printing.

Gene Durst said he used to ride to work on a private busline but didn't like it.

"The van's more comfortable, cleaner," he said. "It has two air conditioners and very good heating."

Durst has 11 passengers that he picks up in Aragona Village and Pembroke Meadows. He drives to the Norfolk Naval Shipyard in Portsmouth. And he has about 10 people on a waiting list for rides.

He worked out his own schedule for pick-ups and drops off each rider at his work station. "I have them from one end of the yard to the other," he said. Durst, himself, is an inside machinst who operates a large lathe.

He's charging riders $6.50 a week but is having to go up to $7, he said, to adjust to higher gas prices. His intention is simply to break even "because I'm getting a free ride," he said. The convenience of having the van for family use at seven cents a mile is a plus, too, however.

TRT takes care of all maintenance, tires, licenses, taxes and operates a 24-hour trouble-shooting dispatcher service for the $155-per-month fee plus four cents a mile.

Second only to the savings realized by van pooling is the fun of it. Drivers and riders alike talked of that aspect. It is a factor they hadn't seemed to consider until they got involved.

Durst said, "It's like a family. We have a great time going to work and coming home."●

CONNECTICUT GENERAL ASSEMBLY ENDORSES PEACE FORUM

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. BIAGGI. Mr. Speaker, it was with great pleasure that I received word that on March 15, 1979, the Connecticut General Assembly adopted a resolution "Commemorating the Centenary of the Birth of Patrick Pearse, Irish Patriot."

Contained in the resolution was the following language—

> Be it further resolved that the members of this House lend their most fervent support to the Congressional Irish Peace Forum which is to take place the week beginning May 14, 1979 and which is sponsored by the Ad Hoc Congressional Committee for Irish Affairs.

I was most gratified by this endorsement. We maintain that the Congressional Irish Peace Forum will constitute the most dramatic American initiative to date to advance the cause of peace and justice in Ireland. It is an initiative with many potential and real risks. Yet as the President so dramatically and effectively demonstrated—in his recently completed Middle East peace treaty—risks must be taken for there to be a successful final product.

I wish to thank the general assembly and most directly the sponsors of House Resolution 154. The ad hoc committee which has now grown to 128 members wants peace in Ireland.

The resolution follows:

RESOLUTION COMMEMORATING THE CENTENARY OF THE BIRTH OF PATRICK PEARSE, IRISH PATRIOT

Resolved by this House:

Whereas, Patrick Pearse was born November 10, 1879 in Dublin; and

Whereas, Patrick Pearse became a foremost Gaelic scholar, educator, author, lecturer and patriot; and

Whereas, his first book, "Three Lectures on Gaelic Topics," was published in 1893, the same year he was elected to the Executive Committee of the Gaelic League and began studies at the Royal University; and

Whereas, he was an active and prominent member of the Gaelic League, editor of its bilingual paper "An Claidheamh Soluis" and deeply involved in its publications and educational activities; and

Whereas, he cultivated an early interest in educational theory and practice and his educational writings place him firmly among the progressive members of the "New Education" movement, a goal of which was to incorporate the study of Gaelic, the true Irish language, in Ireland's schools; and

Whereas, he lectured extensively, taught in a number of schools and in 1908 founded Scoil Eanna as a prototype of what an Irish school should be; and

Whereas, he was among the founders of the Irish Volunteers and one of a small group that planned the Easter Rising of 1916 of which he was the leader and became President of the Provisional Government of the Republic; and

Whereas, he was a signator of the Proclamation of the Irish Republic, an act for which he was executed at the age of thirty-seven, by a British firing squad, on May 3, 1916 at Kilmainham Prison and buried in a quick-lime grave at Arbour Hill.

Now, therefore, be it resolved, that the members of this House join together to commemorate the Centenary of the birth of Patrick Pearse, Irish Patriot, and continue to support his dream that the whole of Ireland may be as one Irish-Free State.

Be it further resolved, that the members of this House lend their most fervent support to the Congressional Irish Peace Forum which is to take place the week beginning May 14, 1979 and which is sponsored by the Ad Hoc Congressional Committee for Irish Affairs.

Be it further resolved, that the Clerk of the House be directed to forward a copy of this resolution to United States Representative Mario Biaggi of New York, 10th District, Chairman of the Ad Hoc Congressional Committee for Irish Affairs, and a major Congressional spokesman for the cause of freedom in Ireland.●

SAMMY FRIEDEL

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1979

● Mr. RODINO. Mr. Speaker, I would like to join with Congressman LONG of Maryland and my other colleagues in paying tribute to one of the most warmhearted and beloved Members of this House who passed away on March 21. Sammy Friedel was a friend of mine, as I am sure he was of many Members in this body. In the nine terms that he served here, I knew Sammy as an able and distinguished committee chairman who would offer sincerity and warmth to his colleagues and to his constituents.

As Chairman of the House Administration Committee, Sammy was truly dedicated to improving the way this institution functions. His concern for his constituents was reflected in his efforts to provide all Members with the resources to better serve their own constituents. He sheparded legislation which moved this House into the modern era.

His fights for improving education in this country, as well as eliminating poverty and advancing civil rights, will be long remembered along with his efforts to combat hijacking and provide safer airports.

This House and this Nation were well served by Sammy Friedel, and the mark he left was one of service to humanity.●

ANGELA MAYEUX HONORED AS FREE ENTERPRISE WEEK ESSAY CONTEST WINNER

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. MOORE. Mr. Speaker, the week of January 22–27, 1979, was celebrated as Free Enterprise Week in my congressional district, Louisiana's Sixth District.

Free Enterprise Week is a grassroots, community effort to give the citizens of the district an opportunity to learn more about our free economic system.

Free Enterprise Week includes a number of informative and educational programs. One of the most important of these programs is a high school essay contest.

All of the secondary schools in the district are invited to participate by having their students write an essay about the free enterprise system. From these essays, a school winner is selected. The winning essays from each school are then judged to find the best essay to represent each parish in the district. Finally, from the parish winners, an essay is selected to be recognized as the best essay in the district.

This was the second year that Free Enterprise Week, and the essay contest, was held in the Sixth District. Literally hundreds of students wrote essays for Free Enterprise Week and because of the high quality of all the essays, it was very difficult for the judges to choose the ones to receive recognition.

Each of the school winners received a $25 savings bond. The parish and district winners were given stock awards.

The parish winners were allowed to select common stock or stocks in a domestic corporation of up to $100 in value. The district winner received a total of up to $350 in stock.

By giving these students an opportunity to own a piece of American enterprise it was the hope of Free Enterprise Week that they would continue in their interest in our free economic system.

The author of the essay which was judged the best out of all those submitted was Miss Angela Mayeux.

She is 17 years old and is the daughter of Mr. and Mrs. Albert Mayeux. Miss Mayeux is a senior at Redemptorist High School in Baton Rouge, La., and has two sisters.

An excellent student, she is a member of the Beta Club and she plans to continue her education next year at Louisiana State University where she will major in premed.

In addition to her academic activities, she is a member of her high school's band and is editor of the yearbook.

As the district-wide Free Enterprise Week essay contest winner, she read her essay at the awards banquet which concluded Free Enterprise Week. Her essay shows great insight and we can all learn from it. For your consideration, it is reprinted here.

THE DANGERS CONFRONTING FREE ENTERPRISE IN AMERICA

"1973–74: Double-digit inflation . . . 1973–75: A two-year recession . . . 1978–79: Prediction of enormous slowdown in economy . . ." These depressing headlines elicit many questions from Americans: from businessmen and housewives; from college and high school students, who must eventually matriculate into a labor market more precarious than ever before.

Why is the economy in such dire straits? Why is our system of free enterprise, inefficient? Answering these questions demands a clear definition of free enterprise. Free enterprise is "an economic system in which primary reliance is on private business, with the government restricted to protecting the rights of the people, not directing the economy." Free enterprise, as it exists in America, fails to mirror all the components of the given definition. Waste of natural resources, deficit spending by an overgrown bureaucracy, and weak executive leadership in the United States government have almost brought free enterprise to its knees.

Because free enterprise gives everyone the right to be in business, the natural greed of people results in the wasting of natural resources. With no regard for conservation, the greedy enterpriser aggravates the depletion of these resources. As the law of supply and demand states, that which is desirable and in short supply rises in price. Economic history supplies numerous examples of waste leading to higher prices. The lumber industry serves as a good illustration. For years, trees were milled as an inexhaustible resource. Now the industry uses cheap wood for expensive furniture formerly crafted from the finest lumber. Reforestation is now a must.

Higher wholesale prices, resulting from waste, lead to rising retail prices and the clamoring by labor for higher wages. Increased costs inevitably provoke higher prices to maintain original profit margins. The futile attempt of wages to keep up with prices is known as the vicious, omnipresent by-word of our times—INFLATION. To combat inflation, governmental control comes into play and erodes our system of free enterprise.

Governmental controls mean increased government spending. Many people, who do not truly understand our economy, trust the "Galbraithian" philosophy which predicates defict spending as essential to the running of a large government. In reality, deficit spending causes excessive taxation that consumes large portions of wages and accelerates the rising wage spiral. Higher wages and subsequent price hikes increase inflation and lead to the large-scale tax revolts seen in the United States today. Governments that find their source of income declining are forced to increase deficits. The sound solution of cutting superfluous spending, politically unpopular, is shelved in favor of increasing deficit spending. William Proxmire, chairman of the Senate Banking Committee, said: "There is one answer and one answer only at this time—cut spending."

As the government becomes more and more entangled with economic policy, the leadership of the President becomes a greater and greater force on the economy. During the present administration, the dollar in foreign markets dropped to record lows. Inflation reached an unbelievable 11% in the second quarter of 1978 and the stock market has had long periods of steady drops. Eric Thor, agricultural economist at Berkeley, and J.B. Penn, USDA economist, both maintain that next year's inflation rate will depend on Carter's anti-inflation program. Under the pressing weight of all this evidence, it is obvious that the President is the most influential and dominant force in the economy today. A weak economic policy guarantees a worsening economy.

To turn the economy around to a facsimile of its original ideals will take courageous executive leadership; the cooperation of government, business, and labor for the greater good of the citizens of the United States; and a bold stand by all three against the predator of wage-price spirals on our economy. These demands will mean sacrifice by all involved, including the consumer.●

PRESERVE TAX EXEMPT STATUS OF RURAL COOPERATIVES

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. GORE. Mr. Speaker, electric and telephone cooperatives are the backbone of rural America. Congress helped nurture the growth of co-ops in the 1930's and 1940's in order to improve the quality of life in rural areas. Privately owned utilities brought necessary services to urban areas, but they either could not or would not furnish the needs of rural areas.

The goal of cooperatives is not profit, but reliable service at the lowest price. This is one of the principal reasons why we have seen co-ops on the forefront of major technological changes and innovative cost-cutting measures.

There are more than 1,000 electric co-ops in this country operating in 46 States. They provide service to 25 million people and cover more than 50 percent of the land area in the United States. Telephone co-ops operate in 30 States and provide telephone service to more than 750,000 people. Co-ops are an indispensable part of rural life and continue to provide opportunities for growth and development.

Unfortunately, it seems that the Internal Revenue Service does not share Congress' enthusiasm for cooperatives. Recent rulings by the IRS have attempted to chip away at their tax exempt status and have placed unnecessary and unreasonable financial burdens on cooperatives.

Today, I am introducing legislation which will preserve the tax-exempt status which Congress established for the cooperatives and will help keep rural utility rates at reasonable and affordable rates. The first part of the bill provides that certain income from nonmember electric utilities will not be taken into account in determining the electric cooperatives tax exempt status. This will reverse an IRS policy which has had the effect of discouraging power sharing arrangements. The 95th Congress passed a similar measure for telephone co-ops last year, and this would give electric co-ops the same tax-exempt treatment. The second part of the bill would reinstate traditional IRS tax treatment of income from pole rentals and telephone directory advertisements. The bill would alter recent IRS rulings which concluded that income from pole rentals and "yellow page" advertisements were not related to co-op business endeavors and thus not exempt from taxation.

NONMEMBER INCOME PROVISION

Since the adoption of the Rural Electrification Act, the Internal Revenue laws have provided that an electric cooperative can qualify for tax exempt status if at least 85 percent of its revenues consist of amounts collected from members. This insures that the special tax status will be granted only to co-ops engaged primarily in serving their members while allowing some flexibility for income generated by nonmember activities. This provision has been interpreted to encourage power sharing arrangements between member and nonmember utilities. If, during peak hours, a member utility was asked to sell power to an adjoining nonmember utility, these revenues could be offset when later it was necessary for one to purchase peak power from the other. This practice encouraged full use of regional electric capacity and prevented costly overbuilding of capacity.

Last year during a routine audit of an Iowa co-op, IRS suggested in an interim ruling that an electric co-op may no longer offset its nonmember power sales from its peaking purchases. Thus, if an electric co-op sells power to its neighbor in need, and those revenues put the co-op beyond the 15-percent limit, the co-op would no longer qualify for tax exempt status.

This is a very unwise and shortsighted ruling. For a meager increase in tax revenues, the IRS will frustrate energy conservation goals and discourage efficient utilization of electrical capacity. The National Energy Act passed by the 95th Congress requires power sharing, wheeling, and pooling arrangements between utilities. This act reflects a purpose—which I fully support—of encouraging full utilization of power from less expensive energy sources like coal and hydro and discouraging the use of costly peaking capacity from oil. If allowed to stand, the IRS interim decision will almost mandate that co-ops place a wall around their borders and build their own capacity without regard to costs or the capacity of neighboring power facilities. It most definitely will add greatly to consumer utility bills.

The 95th Congress passed similar legislation which corrected this same inequity with regard to telephone co-ops. The IRS was attempting to include nonmember income revenue gained from reciprocal telephone call arrangements between member and nonmember utilities. Congressman ULLMAN, the chairman of the Ways and Means Committee, who led the fight for the legislation, stated that the 1974 IRS ruling could preclude all telephone co-ops from qualifying for tax-exempt status, and this was clearly contrary to the congressional intent. This conclusion is equally valid in the case of electric cooperatives.

UNRELATED BUSINESS INCOME PROVISION

In order to bring service to the greatest number of people at the lowest possible cost, electric and telephone co-ops have entered into reciprocal agreements to share the cost of their poles.

Joint use minimizes costs and encourages efficient use of rights-of-way. Electric co-ops in many areas were the first to build poles, and thus over the years have received income from telephone co-ops for the rental of the right-of-way. The revenue is not significant in terms of overall cooperative income, and the IRS has traditionally treated pole rentals as business-related income and thus nontaxable.

Late last year, I was informed by Mr. Fred Key, general manager of the Middle Tennessee Electric Membership Cooperative in Murfreesboro, Tenn., that the IRS had shifted its longstanding policy and was going to begin taxing pole rental income. In its letter to Mr. Key, the IRS informed him of a recent technical advisory ruling which concluded that income from pole rentals bears "no substantial causal relationship" to co-op's tax-exempt purpose. Mr. Key estimates that this IRS policy reversal could cost his customers $50,000 next year. This is not a great deal of tax revenue for the IRS, but it is the type of unnecessary cost that forces rates to soar.

The IRS apparently believes that the joint use of poles is not related to the purpose and goals of rural co-ops. This is completely illogical. The purpose of co-ops is to provide wide-ranging low-cost service. One means to achieve this is to share the costs of putting up poles. The rental revenue received, say by the electric co-op, is money that the telephone co-op would normally have to spend on putting up its own poles. The revenue is not unrelated to the purpose of the co-op—it is essential to the purpose. Duplication of poles is of course ludicrous, but the IRS ruling seems to be encouraging that practice.

The telephone co-ops are faced with a similar problem with income derived from directory advertisements. The IRS has ruled that income from "yellow page" advertisements is not related to the telephone co-op purpose and, therefore, is taxable.

It would seem fairly obvious that the small amount of income from such advertisements should be used to help offset the costs of printing. Certainly the telephone co-op is not competing with any other business in publishing the yellow pages and it is difficult to argue that yellow pages are unrelated to the business of telephone co-ops. Unfortunately, the IRS does not see it that way.

The bill that I have introduced would alter IRS tax treatment of related business income such as pole rentals and directory advertisements. The legislation would exclude those activities from unrelated business income which are customarily provided by rural telephone and power companies. The bill will insure that the IRS will tax only those activities, for example, investment income, which are properly taxable and unrelated to co-op activities.

Mr. Speaker, I think it is time to put a halt to the IRS campaign against cooperatives.

I applaud IRS efforts to tighten the tax laws, but I am afraid their efforts in this area are totally misguided. The tax revenue from these rulings which the IRS expects to gain from cooperatives is negligible in the aggregate, but it translates into significant costs for the co-ops and frustrates their efforts to meet the needs of their customers.

I hope Congress will move swiftly on this legislation.

H.R. —

A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of cooperative electric and telephone companies

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (12) of section 501(c) of the Internal Revenue Code of 1954 (relating to exempt organizations) is amended by striking out "(12)" and inserting in lieu thereof "(12)(A)" and by adding at the end thereof the following new subparagraph:

"(B) For purposes of the first sentence of subparagraph (A)—

"(i) any income received or accrued by a mutual or cooperative electric company from providing (pursuant to an order of any agency or instrumentality of the United States or of any State) electric energy to a nonmember electric company shall not be taken into account, and

"(ii) any other income received or accrued by a mutual or cooperative electric company from nonmember electric companies for electric energy shall be taken into account only to the extent that—

"(I) the aggregate amount of the other income so received or accrued from nonmember electric companies, exceeds

"(II) the aggregate amount paid or incurred by such mutual or cooperative electric company to nonmember electric companies for electric energy."

(b) Section 512 of such Code is amended by adding at the end thereof the following new subsection:

"(d) SPECIAL RULES FOR MUTUAL OR COOPERATIVE TELEPHONE OR ELECTRIC COMPANIES.—For purposes of computing the unrelated business taxable income of a mutual or cooperative telephone or electric company, there shall be excluded—

"(1) all income collected from members for services customarily provided by rural telephone companies (or in the case of a mutual or cooperative electric company, by electric companies) to their customers, and

"(2) all income derived from the rental or sale of communications or power facilities or space to a person for use in furnishing telephone (or other communication services) or electric energy.

For such purposes, all deductions directly connected with income described in paragraph (1) or (2) shall also be excluded."

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1977.●

TESTIMONY BY DR. CHARLES W. BAIRD

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. DANNEMEYER. Mr. Speaker, on February 1, 1979, before the California State Assembly Ways and Means Committee, Dr. Charles W. Baird, professor of economics, California State University at Hayward, Calif. testified. His remarks related to the subject of whether or not we should adopt an amendment to the Federal constitution which would require that the Federal budget be balanced. Dr. Baird is in support of the concept and the necessity of placing limits on what the Congress may do, specifically that the budget must be balanced, and in addition is of the opinion that we should provide in such an amendment that the percentage of the gross national product which the Federal Government may spend may not exceed 15 percent. He points out that currently, the Federal Government is spending approximately 22 percent of the GNP whereas the tax revenue has been running at about 19 percent of the GNP.

The statement of Dr. Baird was an eloquent and distinguished analysis of the entire problem. His analysis of why we should propose an amendment to the States to require a balanced budget, and a limitation on what percentage of the gross national product the Federal Government may receive in taxes is something I would like to include into the CONGRESSIONAL RECORD for reference.

OPENING REMARKS OF TESTIMONY OF CHARLES W. BAIRD, PH. D.

My remarks are organized into three categories: gains I perceive from the adoption of the proposed amendment, the fallacy of fiscal policy, and some suggestions of how best to cope with the cutbacks in real government expenditures that I hope the final version of the amendment would mandate.

I

The gains I see from the proposed amendment have to do first with efficiency in decision making and then with inflation. If the federal budget had to be balanced, the Congress and the President would be forced to weigh the costs and benefits of each expenditure program. As it is now, it is possible for them to consider only the benefits of programs and not care very much about the costs because the federal government in the final analysis can always rely on the monetary printing presses to pay for all of the good it does. At the level of the individual household or individual business enterprise much careful attention is paid to the costs of actions taken as well as the benefits that derive therefrom. This is not because people at the individual level of decision making enjoy weighing costs against benefits. It is rather that, because they operate from firm budgetary limits, they have to weigh costs against benefits to survive. This discipline has a wholesome effect at the individual level of decision making, and there is no way to be certain of the same efficiency in federal decision making other than by imposing the same unrelenting discipline.

There is much talk about special interest groups and their adverse affects on public treasuries. They have this adverse effect because of the fact that the benefits of most government spending (at least of the "social needs" type) are highly focused on particular groups. Members of these groups have an intense incentive to lobby vigorously in favor of the spending. On the other hand, the costs of the spending programs are spread out over all taxpayers so that any one taxpayer's share of the cost of any particular expenditure program is small. When spending is decided program-by-program, therefore, the lobbying effort in favor of each program is more intense than the lobbying effort in opposition to it. This pattern of highly focused benefits coupled with diffused costs is the major reason why government inexorably grows. One way to diminish the impact of concentrated benefits and diffused costs is to force political decision makers to recognize that there is an upper limit to the total of expenditures. The new budgetary process recently adopted by the Congress is a step in the right direction. But as long as it is possible to have a deficit, there will always be pressure on the budget committees to set the expenditure limits higher and higher.

Of course, even if the budget must be balanced, there will be pressure to increase expenditures. But that pressure is more likely to be effectively counteracted if everyone knows that increased expenditures necessarily mean increased taxes. Taxpayers may have a small stake in any single program, but they have a very large stake in the total of taxes. If the budget had to be balanced I would expect taxpayer lobbying groups to function just as intensively as expenditure lobbying groups.

The major impetus to inflationary increases of the nation's money supply has been, and continues to be, large and repeated deficits in the federal budget. A deficit, after all, has to be financed. As the Treasury attempts to sell bonds on the open market it competes with private sector borrowers for the supply of credit. This makes credit very costly and brings much pressure on the Federal Reserve to relieve the tight credit conditions by purchasing bonds on the open market. Since the Federal Reserve pays for the bonds it purchases with checks that are not drawn against any deposit anywhere, and since the sellers of the bonds deposit these checks in their commercial banks, which in turn receive credit for them from the Federal Reserve, bank reserves, and money built up on these reserves, are expanded. This has been the story time after time. The proposed amendment would put a prompt halt to that repeated and dangerous series of events. Inflation is, as most people now are aware, the cause, not the opposite, of recession. Inflation is also the cause of the steadily deteriorating value of the American dollar in foreign exchange markets. And it is also a prime cause for increases of the real tax burden imposed on those who are constantly pushed into tax brackets with higher marginal tax rates. Nothing good can be said about inflation; therefore, much good can be said about the proposed amendment.

II

Much has been, and will be, said about the fact that if the federal budget must always be in balance there can be no fiscal policy. Fiscal policy, of course, is the attempt to alter the amount of aggregate spending in the economy by changing government spending and/or taxes. It is the major policy contribution of Keynesian economics. Well, it is simply time to close the books on the Keynesian episode. Policy based on Keynesian analysis has lead to nothing but worsening inflation along with worsening unemployment.

Moreover, it is illogical. Suppose the budget is balanced by cutting federal spending. According to Keynesians that reduces aggregate spending. But such a cut of government spending means there is no deficit, and thus the federal government must borrow less on the bond market. People who would have bought government bonds would merely switch to buying private sector financial securities and the sellers of those securities would spend the money. Total spending would not change. What Keynesian analysis assumes is that if the government doesn't borrow the money and spend it, the money wouldn't be borrowed and spent in the private sector. It would, presumably, be stuffed in a mattress.

Similarly, if taxes were increased to balance the budget, total spending would not change. Taxpayers would have less money to spend while those who would have bought government bonds have more money to spend. The government is merely collecting money by collecting taxes rather than by selling bonds. It gets and spends the same amount of money in either case. Spending in the private sector on things that are bought by private sector sellers of securities will increase, while spending in the private sector on those things that would have been purchased using the money that was taken in taxes will decrease. There simply cannot be any change in total spending. Keynesians focus on the decreased spending on the part of taxpayers. They ignore the increased spending by those who sell financial securities to people who otherwise would have purchased government securities.

The only way fiscal policy can affect total spending is if it leads to changes of the total amount of money available to be spent. But the Federal Reserve can change the money supply without fiscal policy. The loss of the fiscal policy weapon is the loss of no weapon at all.

III

The only danger I see in the proposed amendment is that the Congress and President might try to keep the budget balanced by increasing taxes rather than decreasing expenditures. Although this cannot affect total spending, it does affect the composition of spending. Increased taxes, just like increased borrowing by government, means that more of our scarce resources are used for government goods and services, and fewer are used for private goods and services. Therefore, I hope the balancing is done by cutting government spending. Moreover, I would like to see the amendment specify an upper limit to the level of government spending as a percent of gross national product (GNP). At least for the last three years federal government spending as a percent of GNP has been around 22%, while federal tax receipts as a percent of GNP have been around 19%. I would like to see both percentages limited to 15%. That figure is arbitrary, but it is roughly consistent with the Kemp-Roth proposed tax reductions; and when we remind ourselves of the really limited number of genuinely public goods, it is hard to see the justification for any higher percentage. I must emphasize that freezing government spending as a percentage of GNP does not cause government to shrink relative to the total economy (except, of course, immediately). Government expenditures would be increased whenever the economy grew. The issue is merely how big should government be relative to the economy?

Nevertheless, the initial decreases of government expenditures made necessary by moving from government expenditures equal to 22% of GNP to government expenditures equal to 15% of GNP, or by merely cutting government expenditures down to the current level of tax collections, will be difficult. Which worthy groups should be subsidized less? I believe that much saving of spending can be accomplished without cutting actual subsidies to those who politicians usually claim they want to subsidize. Consider, for example, welfare recipients—not the middle class people who are employed in the welfare industry, but those who are supposed to benefit from welfare expenditures. If we threw out all current income maintenance and welfare schemes and replaced them with a single unified negative income tax scheme, taxpayers would pay less at the same time welfare beneficiaries would receive more.

Forcing budgetary balance would force politicians to come up with new and innovative ways of implementing the desires of their constituents. Moreover, and just as important, it would force them to ask if in fact their perceptions of the desires of their general constituencies are accurate. In California, for example, if taxpayers were asked how their desire for expenditure cuts should be accomplished, I would expect them to say that tuition at the public universities should be implemented and/or raised before any cuts in aid to genuinely disabled people (such as the retarded and crippled) should be made. Yet even now no one is saying anything about tuition, but large cuts in aid to the disabled are being threatened.

People across this country are telling government to shrink. The proposed amendment is merely an expression of that sentiment. Prudent politicians will heed the command and will also be careful about how it is implemented.

Thank you.●

COMMONWEALTH EDISON COMPANY'S RESPONSIBLE OPERATION OF ZION NUCLEAR PLANT

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. McCLORY. Mr. Speaker, in light of the recent developments at the Three Mile Island nuclear generating plant in Pennsylvania, many legitimate questions have been raised about the safety of other nuclear power stations operating throughout the country. I have one such plant in my congressional district, located at Zion, Ill.

Over the weekend, Commonwealth Edison Co., which owns and operates the Zion plant, held a breakfast meeting in Chicago to brief members of the Illinois delegation on the recent accident in Pennsylvania, as well as to discuss local nuclear facilities and the safety programs which have been established. Due to a scheduling conflict I was unable to attend this meeting and sent one of my district aides. However, I would like to commend Commonwealth Edison on their efforts to encourage a rational discourse on the risks associated with nuclear power and the measures by which this risk can be minimized.

The seriousness of the accident at Three Mile Island must not be minimized. Nor must it be allowed to thwart the safe development of nuclear energy on a nationwide basis. Nuclear energy is the safest and cleanest form of electrical power generation commercially available today. The executive officers of Commonwealth Edison also indicate that it may be the cheapest and this observation appears to be accurate when comparing the costs of electricity generated in other areas by conventional energy sources.

The 72 nuclear generating stations currently in operation have compiled an excellent safety record over the 22 years of commercial nuclear power production. During this period the Nation's reactors have experienced no accidents or perils to public safety, and not one individual has been killed or seriously injured from the release of nuclear radiation. While the accident at the Three Mile Island plant certainly blemishes this excellent record, it should not be allowed to obscure it.

Even considering this recent nuclear accident, the safety record of other industries is far worse than that of nuclear energy. How many hundreds of miners have been killed in the coal mine disasters during the last 22 years of commercial nuclear power? Or, how many have contracted black lung disease from inhaling coal dust? Even during the dawn of our Nation's industrial revolution, steam engines resulted in far greater hazards than has nuclear power. In the year 1838 alone, 496 people were killed in 14 boiler explosions.

Nuclear power is vital to the present and future energy needs of this Nation. It presently provides approximately 12½ percent of the Nation's electrical power. With the development of nuclear power, domestic uranium has been substituted for costly foreign oil, thereby lessening U.S. dependence on the whims of the OPEC cartel.

It cannot be denied that there are definite risks associated with nuclear energy. However, we must not avoid these risks by avoiding nuclear power, but rather by marshaling our technological resources and expertise in order to undertake all possible measures to minimize these hazards. The accident at Three Mile Island will prove to be a very valuable lesson. The design of nuclear power generating systems must be reassessed and altered to prevent the series of human and mechanical errors which caused the recent mishap.

In closing, I would like to commend Commonwealth Edison—not to be confused with Metropolitan Edison—on its role in encouraging a candid and objective discussion of nuclear power and its inherent risks. If the best interests of this Nation are to be served, this sort of straightforward dialog must prevail over the swell of emotional rhetoric which clamors for outright prohibitions on further development of nuclear power.●

UNIVERSITY OF MINNESOTA—NCAA HOCKEY CHAMPIONS

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. VENTO. Mr. Speaker, in all the hoopla of the recent NCAA basketball tournament, another equally important NCAA-sponsored championship, the hockey tournament, took place. This championship was the final result of a long season of grueling competition in a collegiate sport that is rapidly gaining in popularity. The finalists in this tournament had survived a competitive and exciting playoff and represented the best collegiate teams. To no one's surprise, the University of Minnesota's Golden Gophers emerged as the NCAA champions and reaffirmed the quality of Minnesota hockey players and coaches.

Under the direction of coach Herb Brooks, the Golden Gophers have won three national titles in the past 7 years with all-Minnesotan teams. This dominance in collegiate hockey is not only a tribute to Coach Brooks and the Gophers, but also to Minnesota's entire youth and high school programs. Hopefully, as Herb Brooks now moves on to coach the U.S. Olympic hockey team, he will take advantage of Minnesota-grown talent.

I would like to take this opportunity to congratulate each and every member of this year's NCAA hockey champions and to commend for my Colleagues' attention the roster of this great team.

NCAA MINNESOTA GOPHER CHAMPIONSHIP HOCKEY TEAM 1978–1979

Joe M. Baker, Bill R. Baker, Bob K. Bergloff, Neal L. Broten, Steve M. Christoff, Brad A. Doshan, Michael D. Grbeder, Tim S. Harrer, Kevin J. Hartzell, Peter M. Hayek, Steve J. Janaszak, Jim K. Jetland, Bart D. Larson.

Jay R. Larson, Wayne L. Larson, Rob B. McClanahan, oJhn M. Meredith, Don P. Micheletti, Steve C. Pepper, Mike A. Ramsey, Eric M. Strobel, Jeff B. Teal, Dave N. Terwilliger, Steve J. Ulseth, Phil J. Verchota, Bryan Zins.

Steve Tollund, Student Manager; Adam White, Manager.

Mike Bell, Trainer.

Herbert Brooks, Head Hockey Coach; Brad Buetow, Assistant Hockey Coach.

Mike Foley, Assistant Coach; John Perpich, Assistant Coach.●

IN TRIBUTE TO MILDRED PEPPER

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. DRINAN. Mr. Speaker, the death of Mildred Pepper is keenly felt not just in Dade County, Fla., or Washington, D.C., but everywhere she traveled and worked. Mildred's life was filled with activities on behalf of countless charitable, civic, political, and government organizations. Much is better with life because Mildred saw that a particular task needed to get done.

Particularly important to her was her work in preserving and protecting our natural surroundings and her fund raising activities on behalf of medical research. Generations to come will enjoy the beauty of Miami palm trees because some years ago following a blight, Mildred saw to it that trees were replanted. In her honor Miami celebrates "Mildred Pepper Palm Tree Day."

And in hospitals in Florida and elsewhere, important work in cancer and Parkinson's disease research will continue because Mildred made sure financial support was available.

Her life was marked with distinguished service to a number of humanitarian concerns. She leaves us a legacy but we are nonetheless diminished by her passing.

She is also fondly remembered as the wife and partner of our esteemed colleague, Congressman CLAUDE PEPPER. She often traveled with him and together they touched the hearts and minds of people throughout the Nation. One was always particularly touched by the deep bond of friendship and devotion which existed between them. That bond will withstand this moment of grief and with you, CLAUDE, we bow our heads in paying tribute to your beloved, Mildred.●

AMERICA'S CAPITAL OPPORTUNITY

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. CONABLE. Mr. Speaker, there is a growing recognition throughout the country of the necessity for a national policy to encourage increased capital investment in our society. Our economy is plagued by inflation and unemployment, productivity lags behind other industrial leaders, our currency is weakened. Explanations and remedies abound, but a recurring theme is the need for greater capital investment to advance efficiency and competitiveness.

Time magazine offered a significant contribution to this dialog recently with an essay entitled, "America's Capital Opportunity," in its issue of April 2. The essayist, Marshall Loeb, reviews the Nation's problems in blunt terms and, in similar manner, proposes numerous steps for dealing with them. Not everyone will embrace all of Mr. Loeb's proposals, but they merit serious consideration by all of us concerned with our Nation's future. I insert the essay in the RECORD:

AMERICA'S CAPITAL OPPORTUNITY

(By Marshall Loeb)

As President Carter went up the mountain to Camp David last week, he could not have chosen a better moment to ponder the nation's future policies. The U.S. is at a decisive tipping point in its history. It is a time when the domestic policies decided on now will do much to determine whether the nation surges ahead during the 1980s—or enters a period of prolonged stagflation.

There is much to be said for the widely held thesis that the U.S. will be gripped by both stagnant growth and roaring inflation through the next decade. This could be the grim legacy of the profligate, overregulated 1970s. In the current indulgent decade, the U.S. has spent too much and saved too little. It has spent too much of its wealth on immediate gratification and too little on investment for the future, too much on Government uses and not enough on private uses, too much on easy imports of energy from afar and not enough on hard-slogging development of energy at home. The consequences have been turgid productivity, leading to low economic growth; high budget deficits, leading to inflation; multiplying balance of payments deficits, leading to a weak dollar, which in turn reduces capital investment from abroad and holds back the expansion of jobs and real income.

Yet an equally strong case can be made that the 1980s will be a golden decade. The fact that the U.S. has slipped behind means that it has a tremendous backlog of demand for capital projects, a huge amount of unmet needs for the investment that creates real wealth. If the nation now chooses policies that will unleash that investment, there will be a capital burst that can lift the U.S. to new peaks of material prosperity and geopolitical strength.

Indisputably, the U.S. has lagged in global economic competition. Many of the nation's steel, automobile, rubber and other plants and mines are outmoded and inefficient. The reason is that relative to the size of its economy, the U.S. since the mid-1960s has invested only three-quarters as much as the West Germans and one-half as much as the Japanese in expanding and modernizing its factories and machines. Just to keep them up to date and to sharpen U.S. competitiveness in world markets, the President's Council of Economic Advisers projected in 1975, the U.S. would have to spend 12% of its national wealth on capital investments every year through 1979. Private economists have put the necessary figure as high as 16%. The nation has not even come close. Instead, it has spent in the range of 9.5% to 10%. By most expert estimates, the accumulated need for capital projects—factories, machines, transport systems, energy development—exceeds $200 billion.

The realization is growing that the shortfall in investment is the main source of the nation's economic difficulties, and that the shortfall itself is rooted in policies that have led to too much statism and not enough private initiative. Liberal or conservative, Republican or Democrat, almost all the experts agree on the causes of America's capital lag:

Government policies have discouraged personal savings and thus have retarded capital formation.

Federal spending has diverted money from investment to consumption.

Regulation has shifted capital away from productive, job-creating investments and into activities that may or may not be worthwhile for society but that create no new wealth. For example, the metals, paper, utilities, chemical and other industries have had to spend large sums for mandatory environmental protection equipment instead of machines and plants. In its annual report last week, the Congressional Joint Economic Committee deplored the fact that industry in 1977 had to spend $6.9 billion for pollution-abatement equipment "that does not contribute directly to the production of measured output."

Inflation has heightened the risks of investment and led to extreme uncertainty, so that business decision makers have no confidence that an investment today of $1—or $1 billion—will pay off in the future. In a highly inflationary economy, managers have no sound means of estimating the real cost of a long-term project, no way of knowing whether profits will cover that cost. So they delay or abandon investment projects that seem marginal or chancy. Instead, they put the company money into a smaller number of investments that seem to be sure winners—or into buying out existing companies rather than opening new branches.

The high bill for energy imports has put a tax on the nation that slows capital growth, impedes productivity, weakens the dollar and aggravates inflation.

What needs to be done is to reverse these trends so that the nation spends relatively less personal income for today in order to save more for tomorrow; reduces the amount of money drained off by Government activities and increases the capital available for private investment; and decreases the sums flowing out for energy imports while expanding the sums put into developing domestic energy sources.

Accomplishing much of all that will be extremely tough for two reasons. First, laws enacted by previous Congresses commit the Government to increasing federal spending in the years ahead, even though such outlays reduce the capital available for investment; in many ways, the nation has mortgaged its future. Second, powerful groups have vested interests in keeping these laws just the way they are.

Since the early 1960s, Congress has passed so many laws that require automatic annual increases in federal outlays that the share of these "uncontrollables" has spiraled from less than $100 billion then to $404 billion in fiscal 1980. In the past ten years, they have jumped from 64 percent to 76 percent of the federal budget. Thus less than one-quarter of the budget is subject to paring—unless and until Congress is prepared to curb the uncontrollables. They seem politically sacrosanct because they are mostly transfer payments that go directly to citizens—for Social Security, Medicare, public assistance, veterans' benefits, civil service and military retirement funds. Nobody wishes to deprive further the aged and infirm, the poor and the ill. Yet the total bill for these benefits is expanding faster than the rate of inflation. Almost all legislators agree that the growth of Government spending should be reduced, but many are unwilling to face the wrath of lobbies for old people, veterans, civil servants and others.

Lobbies that support capital-sapping Government regulations are equally potent and vengeful. Big steelmakers, textile manufacturers and agribusiness interests put their political muscle behind tariffs and import quotas. Wealthy shipowners lavish contributions on legislators who support the Jones Act, which requires that U.S. flagships carry all cargo among domestic ports. Small but vocal groups—the membership of the 185 U.S. antinuclear organizations totals roughly 35,000—prevent the shift from imported oil to nuclear power.

It would seem suicidal for any political leader to challenge just a few of these groups, let alone most of them. Yet the broad mass of Americans are wearying of inflation, regulation and budget busting. They realize that those three mighty forces have impeded investment and cause the nation to fall behind, and they may be ready to support the courageous political leader who will tackle the special interests head-on. In times of such ferment, the public may well be prepared to accept fairly radical steps. Some possibilities:

Encourage Capital Formation. Gradually remove all Government limits on the amount of interest that banks and other savings institutions can pay, and eliminate all taxes on that interest. This would provide a tremendous boost to private savers, particularly the poor and middle-income Americans, who put a larger proportion of their savings into banks than affluent people do. Simultaneously, reduce or eliminate the double taxation on stock dividends. This would give a lift to investors and pull large sums of money into the stock market, including much capital from abroad, to finance the creation of new enterprises and the expansion and modernization of existing companies.

Encourage Investment by Selectively Reducing Regulation. Some Government rules are beneficial because they stimulate investment. For example, one sound regulation that should be maintained is the rule that new automobiles must become increasingly gasoline-efficient until fleets average 27.5 miles per gal. in 1985. That law not only will save energy but will also encourage investment in new and better products. But the environmental regulations that retard the switch to coal, the expansion of nuclear power and the development of oil shale are debilitating to the nation. They not only waste energy but also increase oil imports and kill-off job-creating projects.

Discourage Inflation and Encourage Stability. Limit the long-term *increase* in federal subsidies, Government benefits and budget transfer payments to the size of the real increase in economic growth. That is, if the gross national product after inflation rises 3 percent in a year, these federal payments may rise no more than 3 percent. Meanwhile, limit the growth in the money supply to a noninflationary 4 percent to 6 percent annually, year after year.

Discourage the Growth of Federal Spending. Sharply reduce grants to the states, most of which are running surpluses and do not need such large payments. Pare the defense budget by returning to some form of military draft, paying 19-year-olds at a rate of $100 a month for one year's service. Such a move would arouse immediate protest and unpopularity, but it could reduce the Pentagon's personnel costs by several billions. As the growth of federal spending drops, the need for Government borrowing will decline, freeing up more capital for private investment.

Discourage Oil Imports. Impose a staff federal tax on oil from abroad, enough to raise the price of gasoline to at least $1 per gal., which would still be much less than the price in any other industrial nation except Canada. Some of the money could be returned as tax credits to the poor and to people who need to use much gasoline in their work, including farmers. The rest of the funds could be used to finance energy development at home. By restraining imports, the U.S. would slow the outflow of American capital to the OPEC cartel and would make still more of it available for investment in domestic energy sources.

Encourage Domestic Energy. Eliminate all controls on oil prices, which would then rise to world levels and stimulate conservation; such a move would also lead to the expansion of drilling in the U.S. and to the development of alternative sources of energy that would become economically competitive if oil prices were higher. Guarantee loans for the development of particularly chancy and costly alternatives: oil from shale and tar sands, natural gas from coal, and solar energy.

Encourage Energy Conservation. Place a 20 percent surtax on the commercial use of electricity—and watch those all-night lights that make skyscrapers glisten like Christmas trees blink out at 7 p.m. Use at least part of the revenues to increase tax credits for the purchase of insulation and the building of various energy-saving projects. This, in turn, would stimulate capital investment.

Already some favorable trends are in motion. Every poll shows the electorate moving closer to the political center. Voters are choosing candidates who advocate a sensible balance of moderate regulation and job-creating economic development. Taxes on capital and corporations are coming down, as well as taxes on individuals. In a nation of perpetual, peaceful revolution, the people are in revolt against high spending, heavy deficits and overreaching Government control.

What is needed is for the politicians to catch up with the people, to challenge them to accept some measures that might reduce special privileges for narrow-interest groups in order to enhance growth for the broad majority. If the U.S. continues to reverse some of the debilitating trends of the 1970s, then the 1980s could well become a brilliant decade for a nation that still has so many unmet needs—and so much potential for fulfilling them.●

SALES TAX VERSUS HIGHER SOCIAL SECURITY TAXES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. BIAGGI. Mr. Speaker, I wish to bring to the attention of my colleagues a poll which was conducted by the New York Daily News regarding a newly proposed alternative to higher social security payroll taxes. The results of the poll are most interesting. One-half of those asked but even a higher percentage of those actually responding favor the imposition of a national sales tax instead of paying higher payroll taxes for social security.

In addition by an overwhelming margin, respondents rejected cutting social security benefits as a means of keeping down rising social security taxes.

As a leading member of the House Select Committee on Aging I recognize the special place that social security has for millions of Americans. The President's proposed reductions in certain benefits have sent tremors into many communities of this Nation. The concerns about higher taxes are genuine among working Americans. Against this backdrop, one must give serious consideration to this proposal.

I agree with Secretary Blumenthal that hearings should be held on this proposal. I consider this poll to be indicative of the views of many Americans.

The poll follows:

HALF PREFER SALES TAX TO BIGGER SS BITE

(By Thomas Collins)

Half of metropolitan area residents would rather pay a national sales tax than pay higher Social Security taxes, according to The Daily News Opinion Poll.

Seven out of 10 residents said, however, that they oppose cutting Social Security benefits to keep down rising taxes.

An equal number said that rather than increase Social Security taxes, funds to help pay for Social Security benefits should be taken from Federal government's general revenue.

Last January, the Social Security tax on individuals increased to 6.13% from 6.05%. The income limit on which that tax is levied also increased to $22,900 from $17,000. That limit is scheduled to increase to $25,900 in 1980 and to $29,700 in 1981 when the tax itself will increase to 6.65%.

Congress authorized the tax increases because the Social Security system has been spending more in benefits than it is taking in from taxes. This has caused the Social Security trust fund to shrink and has created fear that eventually the entire system will go broke.

Both Rep. Al Ullman (D.-Ore.) chairman of the House Ways and Means Committee, and Sen. Russell Long (D-La.), chairman of the Senate Finance Committee, have suggested that a national sales tax would arrest new Social Security tax increases.

Treasury Secretary W. Michael Blumental has said that Congress should hold hearings on the proposal, for possible action by 1981.

The Daily News poll, a random telephone survey of 400 adults in the city and Westchester, Rockland, Nassau and Suffolk counties, was conducted Jan. 15, 16 and 17. Dr. Richard F. Link of Artronic Information Systems Inc., was consultant.

The first question was: "Would you favor or oppose some form of national sales tax in place of higher payroll taxes to pay for Social Security?" The answers were:

	Percent
Favor	50
Oppose	34
Don't know	16

The second question: "To keep down rising Social Security taxes, would you favòr or oppose cutting back on Social Security benefits:

	Percent
Favor	23
Oppose	70
Don't know	17

The last question was: "Do you think the government should use general tax revenues to help pay for Social Security, instead of raising Social Security taxes?"

	Percent
Yes	76
No	15
Don't know	9

IOSIF MENDELEVICH DARES TO PRACTICE HIS FAITH

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. FORD of Tennessee. Mr. Speaker, I rise today to call attention to the plight of Iosif Mendelevich, a Russian student who has been imprisoned because he dares to practice his faith, Judaism.

This is the season of Pesach, when thousands of years ago the Lord sent an angel to pass over the homes of the masters who held ancient Jews in bondage. The legend of Passover is the story of endurance. It is the tale of the Jews who labored under Pharaohs, of Moses who planned and executed a daring escape, and of the tribes who wandered for 40 years in the desert. Most importantly, the Pesach myth confirms the centrality of a people's beliefs in their ability to overcome and to achieve.

The life of Iosif Mendelevich is the story of a living man who must endure hardships because of his professed beliefs. Mendelevich is a brilliant student of engineering raised in the city of Riga. He is use to hardship and the lack of amenities to which we are accustomed. For instance, because there exists no formal means of learning the Hebrew language in Russia, Iosif Mendelevich was forced to master it on his own.

Mendelevich applied on three separate occasions between 1967 and 1970 for permission to take his family to Israel. After being refused an exit visa, Mendelevich acted to dramatize his and other "refusniks" plight by attempting to commandeer an airplane at Leningrad's Smolnoya airport. For this action, and for publishing "anti-Soviet" articles written on the significance of various Jewish traditions, Mendelevich was sentenced to 15 years of hard labor. After a worldwide outpouring of outrage, his sentence was reduced to 12 years in a strict regime labor camp.

Mendelevich's ordeal in prison has been made more difficult by his refusal to give up his strict adherence to the rites of his faith. For example, he always completes his 7-day quota of work in 6 days so that he may observe the Sabbath as a day of peace. He has also refused to break the traditions of Passover which requires Jews to forgo leavened bread in order to remember the hardships their ancestors survived as they wandered in the desert for 40 years. Mendelevich fasts rather than eat the foods the Soviet prison officials serve.

Iosif Mendelevich has become a symbol of religious freedom all over the world. The Russians have acted to make his burden more difficult by transferring him to an isolated Siberian prison. In my home, Memphis, Tenn., he has been adopted as a man whose ordeal is carefully observed. Our prayers go out daily with hopes that he and the other "refusniks" will someday know the blessings of freedom like those we enjoy here in our country.

While Pesach is the legend of suffering whose message clearly teaches the importance of a strong faith, its message extends much further. All around us the air we breathe is sweetened by the smells and visions of new life. The sprig of parsley is a Passover symbol for the hopes of rebirth in this time of spring. In this season of Passover, let us take the time to remember those who are condemned to suffer, like Iosif Mendelevich, the inequities of the ways of old. Let us pray that a new day will blossom forth so that the beauties of religious freedom can be shared by all peoples of the world. May the strength of Iosif Mendelevich serve to remind us of our obligations to preserve the traditions we cherish most.●

WHAT CAN AND SHOULD BE DONE TO FIGHT CRIME

HON. THOMAS S. FOLEY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. FOLEY. Mr. Speaker, I have long believed that restrictive gun control legislation as a proposed panacea for reducing crime is a misdirected, ineffective approach to the Nation's crime problem. I would like to report that a recent survey, taken by Decision Making Information, indicates that the public also does not perceive it as a panacea. This survey clearly indicates that a majority of Americans want the Government to focus on response to the criminals, rather than gun control as the most effective antigun crime measure. The following are the results of the survey:

WHAT CAN AND SHOULD BE DONE TO FIGHT CRIME?

After eliciting respondents' general views as to why they feel crime is such a problem today, the December sample (N=1,010) was asked for its own suggestions as to what the government could do to fight crime. In contrast, the May-June sample was asked to evaluate a number of suggestions which have been discussed. Very few of those interviewed were unable to voice opinions on these subjects, and responses to our open-ended "What can government do . . ." question were unusually strongly expressed.

WHAT TO DO ABOUT CRIME?

Table 7 presents voters' own proposed solutions for the problem of crime. Not surprisingly, "toughening up" in treating criminals leads the list, with these findings:

20% want "more punishment"
16% want "stricter laws/tougher police"

showing the appeal of the "toughness" theme; although the alternatives of strengthening the economy, improving the administration of justice (in all its facets), and better family life and moral training also attract at least 9%. (A list of specific options advocated also appears in Table 7.)

Table 8 presents changes in voters' preferred solutions since 1975. Note especially:

The marked decline in pro-death penalty and the sharp decline of gun control sentiments; and

TABLE 7—*"And what would you say would be the best thing the government could do to help reduce the amount of crime?"*

CLUSTERS OF SOLUTIONS GIVEN

[In percent]

More punishment	20
Improve the economy	17

TABLE 7—*"And what would you say would be the best thing the government could do to help reduce the amount of crime?"*—Con.

Stricter laws, tougher police	16
Improve law enforcement & the courts	13
Improve family life, morals, religion	9
Improve the schools & youth programs	5
Improve government leadership	5
Reduce (federal) government control	3
Stricter drug laws	2
Other	2
No opinion	9

SPECIFIC SOLUTIONS OFFERED

Rank and solution (15+ mentions):

1.	More punishment for convicts, mandatory sentences	20
2.	Reduce unemployment	11
3.	Improve the laws (tighten them)	8
4.	Improve police forces	7
5.	Re-institute capital punishment	5
6.	Improve the judicial systems	4
7.	Strengthen family life	3
8.	Give the police more powers	3
9.	Improve the school system*	2
10.	Reduce the use of drugs	2
11.	Reduce corruption in government	2
12.	More programs and activities for young people	2
13.	Reduce moral decay	2
14.	Improve the economy in general	2
15.	Give localities more control	2
16.	Reduce welfare	2

*Another ½% said the schools needed, specifically, more discipline.

TABLE 8.—AND WHAT WOULD YOU SAY WOULD BE THE BEST THING THE GOVERNMENT COULD DO TO HELP REDUCE THE AMOUNT OF CRIME?

[In percent]

	September/October 1975[1]	December 1978
More punishment, stronger police	31	31
Improve the economy	6	17
Improve law enforcement and the courts	[2] 21	13
Strengthen family, morals, religion	12	9
Capital punishment	9	5
Stricter drug laws	2	2
Increased gun controls	11	1
Various other suggestions	5	13
No opinion	3	9

[1] The exact wording in 1975 was, "In recent years there has been a sharp increase in the nation's crime rate. What steps do you think should be taken to reduce crime?"

[2] Almost half (10 percent) of this consists of "more police" suggestions.

The concomitant increases in attention to the economy (and related socioeconomic responses) that have occurred with the persistence of America's economic maladies and the rekindling of public interest in the economy as a basic problem.

A majority of the American people clearly want government to focus on tougher treatment of criminals before trying new social engineering as the cure for crime.

VOTER GROUPS' VIEWS ON FIGHTING CRIME

The distribution of suggested solutions among voter groups, shown in Table 9, naturally resembles the distribution of perceived causes of crime.

Broad economic solutions are urged especially often by minority voters, residents of big cities, and low-income working families.

"Cracking down" is popular with all groups, and especially strong in the Midwest and South and in rural areas, as well as among middle-aged voters.

Improving law enforcement is most mentioned by college-educated voters and voters with incomes greater than $30,000.

EFFECTIVENESS ESTIMATES

Seventeen proposals to curb crime were rated on a seven-point scale of likely effectiveness by our representative sample in the May-June survey. Chart 3 gives their wording and their overall ranking.

TABLE 9.—WHAT TO DO ABOUT CRIME? BY VOTER GROUPS

[In percent]

	Government leadership	The economy	Crack down, punish	Improve enforcement	Schools youth program	Families, morals
Aggregate	8	17	33	16	5	9
Geographic regions:						
Northeast	9	19	31	13	7	8
South	7	17	39	12	3	10
Midwest	9	13	39	14	3	9
West	6	18	33	12	9	8
Urban/rural:						
Big cities	7	28	27	10	6	9
Other cities	5	16	36	14	8	9
Suburban areas	11	13	37	15	5	7
Rural areas	7	15	40	10	3	11
Age:						
18 to 24	3	18	36	14	9	10
25 to 34	10	20	38	14	3	5
35 to 44	9	13	38	13	5	9
45 to 54	8	14	43	9	6	5
55 to 64	8	16	31	14	4	14
65 and older	8	15	30	12	4	14
Income:						
Under $5,000	9	17	33	9	1	11
$5,000 to $9,999	5	12	35	11	4	12
$10,000 to $14,999	8	17	35	12	7	9
$15,000 to $19,999	6	15	40	13	4	6
$20,000 to $29,999	10	16	36	13	5	9
$30,000 and over	8	14	38	18	6	5
Education:						
Less than high school	7	19	34	8	2	10
High school only	7	17	39	10	4	8
Some college	9	15	33	16	6	10
College graduate	8	15	36	15	8	7
Sex:						
Men	8	17	36	14	6	9
Women	8	15	36	11	4	8
Ethnicity:						
White (anglo)	8	14	37	13	5	9
Black	5	29	28	9	7	7

By far the most highly rated proposals were those involving increased punishments for convicted criminals, with these proposals sweeping the top four positions, while denying bail to those accused of violent crimes came in fifth. Increasing the scale of preventive or rehabilitation efforts was considered of only intermediate effectiveness—none of these four items achieved more than a 4.95 mean effectiveness rating; only 43% assessed it as a highly effective measure.

Gun control measures drew intermediate to low ratings, with greatest support for "denying gun ownership to users of marijuana and those addicted to hard drugs" and "detailed record-keeping of gun purchases and sales by federally licensed gun dealers" (these were ranked sixth and seventh, respectively). These three proposals are already contained in the federal laws.

Support for record-keeping as an effective measure declines when carried to the level of keeping records about individual owners or requiring licenses for collectors and part-time dealers, and declines further for letting police stop and search people for illegal guns. Outlawing private possession of handguns is considered least effective by the American people.

The more severe the restrictions placed on gun ownership, the less effective such measures are judged to be.

These findings are very consistent with the voters' agreement that "The government has gone much too far in protecting the rights of suspected criminals"—which won out against "The government should be much more careful to protect the rights of suspected criminals" by a margin of 66% to 18%. (See Interview Schedule, Question 8.)

8. Some people think the government should be much more careful to protect the rights of suspected criminals. Other people think the government has gone much too far in protecting the rights of suspected criminals.

Where would you place yourself?

SHOW CARD

Protect criminal rights:	*Percent*
1	8
2	4
3	6
4	16
5	12
6	18
Protect rights too much: 7	37

Respondents in the May-June survey were also asked how many gun owners they thought would comply with a law requiring people to register their guns with the federal government; the average estimate was that 46% would comply—only 4% thought "almost all" gun owners would comply.

The average estimate was that 43% would comply with a requirement that all gun transfers be through licensed dealers. Only 3% thought "almost all" gun owners would comply.

Only 28% compliance was expected for a handgun confiscation law. Less than ½% thought "almost all" gun owners would comply.●

HONORING OUR COLLEAGUE CHRISTOPHER J. DODD

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. DERRICK. Mr. Speaker, I would like to join in a tribute to our colleague, Christopher J. Dodd of Connecticut, in recognition of his service as Chairman of the 94th Caucus. I am pleased to associate myself with the expression of appreciation in the following statement of Representatives BERKLEY BEDELL, NORMAN Y. MINETA and TIMOTHY E. WIRTH, all of whom are former chairmen of the 94th Caucus.

STATEMENT

Our distinguished colleague, Christopher J. Dodd, has recently completed a term as Chairman of the 94th Caucus. We would like to take this opportunity to express our respect and appreciation for his outstanding service to his 94th colleagues and to the House of Representatives.

Chris is primarily responsible for our successful group effort to study and implement ways to improve procedures in the House of Representatives. Last spring he initiated the formation of the 94th Task Force on House Procedures to consider possible changes in House and Democratic Caucus rules, oversight procedures and programs of education for Members. Over the summer months, this group conducted interviews, did research, held discussions and, last fall, issued a final report of recommendations that was endorsed by the full 94th Caucus. Under Chris' leadership, this Task Force did a thorough, comprehensive and generally superior job. The full Democratic Caucus agreed; eleven of the Task Force recommendations were adopted by the Democratic Caucus last December.

Chris has also continued a program of activities in response to 94th Members' interests in increasing our understanding of issues; developing working relationships within the Congress and with the Administration; and improving our effectiveness as individual Members. Among the many activities have been meetings with President Carter, Ambassador Robert Strauss, Energy Secretary James Schlesinger and briefings on tax issues, the energy bill and inflation.

As past Chairmen of the 94th Caucus, we can especially appreciate Chris' efforts, initiatives and leadership. We shall all benefit from the contributions he has made to the 94th Caucus and to the House of Representatives.●

IDAHO REJECTS PROPOSAL TO TRANSFER THE FOREST SERVICE FROM THE DEPARTMENT OF AGRICULTURE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. SYMMS. Mr. Speaker, I wish to submit to the RECORD the Idaho Legislature's House Joint Memorial No. 6 which urges the Congress and the President to reject proposals for the transfer of the Forest Service from the Department of Agriculture. As my colleagues are aware, the administration has recommended moving the Forest Service to a proposed new Department of Natural Resources, and it is important that this matter be considered very carefully before some hasty action is taken.

At the present time, the Forest Service is functioning under the umbrella of the Department of Agriculture, and I am not convinced that this restructuring would be in the best interests of the public. Therefore, I urge my colleagues to read the memorial which follows for a further explanation of the problem.

The real issue is this—if a new pro-common sense use Department of Natural Resources were to be formed—maybe this would be an idea worth studying. But to transfer the United States Forest Service from the pro-production Department of Agriculture to the pro-preservation Department of the Interior—what will that do in our best interests?

The memorial follows:

HOUSE JOINT MEMORIAL NO. 6 BY STATE AFFAIRS COMMITTEE

A Joint Memorial to the Honorable President of the United States, Jimmy Carter, the Honorable Secretary of the Department of Agriculture, Robert S. Bergland, the Honorable Secretary of the Department of Interior, Cecil D. Andrus, the Senate and the House of Representatives in the Congress of the United States, and the Senators and Representatives representing the State of Idaho in the Congress of the United States.

We, your Memorialists, the House of Representatives and Senate of the State of Idaho assembled in the First Regular Session of the Forty-fifth Idaho Legislature, do hereby respectfully represent that:

Whereas, the United States Forest Service, established in 1905 within the Department of Agriculture, was created and designed to serve the interests of the public through the management of the forest resources of this nation; and

Whereas, over the span of nearly three-quarters of a century, members of the agricultural community have participated with the Forest Service in beneficial use of forest lands, including grazing of livestock and harvesting of timber in ways which contribute to a sound economy and a wise management of resources; and

Whereas, a long tradition of operation through the Department of Agriculture should not be disturbed without a significant demonstration that the existing organizational structure has failed to serve the public interest; and

Whereas, proposals are now under consideration which would transfer the Forest Service to the Department of Interior or other possible umbrella agency and interrupt the history of service and progress which has served the people of the State of Idaho and of this Nation.

Whereas, we find that the existing structure has served well for nearly seventy-five years, and we encourage the Congress to carefully consider this history of service and accomplishment.

Now, therefore, be it resolved by the members of the First Regular Session of the Forty-fifth Idaho Legislature, the House of Representatives and the Senate concurring therein, that we urge the Congress and the President to reject proposals for the transfer of the Forest Service from the Department of Agriculture.

Be it further resolved that the Chief Clerk of the House of Representatives, be, and he is hereby authorized and directed to forward copies of this Memorial to the President of the United States, Jimmy Carter, the Honorable Secretary of the Department of Agriculture, Robert S. Bergland, the Honorable Secretary of the Department of Interior, Cecil D. Andrus, the President of the Senate and the Speaker of the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States.●

A TRIBUTE TO CATHERINE LYNN THOMPSON

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. LOTT. Mr. Speaker, I would like to take this opportunity to share with my colleagues an outstanding essay written by one of my constituents, Catherine Lynn Thompson, of Biloxi, Miss. Due to Catherine's inspirational message, she was selected as our State winner for the 1978–79 VFW voice of democracy scholarship program.

VOICE OF DEMOCRACY

America is not only a dream, it is a grand legacy, a proud people, and a shining ideal that has been mine from birth. This legacy was built by those proud people, who so different at first, were determined to work together towards a common dream, a dream which began in the minds of a few and spread until it covered and united this vast and varied country.

This dream is of a place where all are given the chance to find their own happiness and live up to their potential. America's heritage has not only given me this dream to steer by that constantly challenges me to fulfill my potential, it has given me the tools to accept this challenge and live up to this dream.

These tools include a good education, a free will, an attitude that all possibilities are open, and a belief that the best can be mine if I work for it. I have also been given a multitude of opportunities to exercise these tools in my lifestyle and choice of education and vocation. Ways to take the best advantage of these opportunities have been shown to me by the past, a past that has so much to give including this dream. This dream which is my reality.

To have this reality come alive for future generations, I must work just as the generations past did. As they learned to live in peace, beating down the barriers of prejudice and inequality, so must I. As they honored the decisions of our governmental systems and constantly worked to update them, so must I. And, as they studied the issues of the times, so to be able to express an educated opinion by means of the voice, pen, and vote, so shall I.

But, I am young. My voice is not listened to by many, my pen is not well known, and the privilege of the vote is not yet mine. I do not let this discourage me. I take another lesson from the past and see that now my responsibility is to learn so that my voice, pen, and vote will be wise and respected as I grow older.

Through this responsibility one can truly see that the only way to learn is from the past and from the people. Once this basic idea is known the process of learning is made easier by this country's freedom of expression. The opinions of many and the education necessary to understand them are easily available. This results in something characteristic of our country, individualism, something unknown in a country where complete conformity is the rule.

America has been individualistic from the beginning, unparalleled because of her differences from other countries, and so rich from her resources of people and geography.

This is why I care about America and want to pass on this legacy, this dream, this challenge, and this reality.●

HAL GREENWOOD, NEIGHBORHOOD COMMISSION MEMBER

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. OBERSTAR. Mr. Speaker, one of the most urgent missions facing the Congress and the Nation is the fight for our Nation's cities.

Our efforts to preserve our neighborhoods and to revitalize our cities will, however, fail no matter how much funding and how many good intentions we have without the hard work and sustained interest of men and women of vision and commitment.

In the Commission on Neighborhoods, President Carter found 20 such men and women.

During the past year, the Commission visited 15 American cities and spent hundreds of hours in meetings and hearings in their effort to develop recommendations to the President on the establishment of a comprehensive urban policy for the 1980's.

I have known Harold Greenwood, a member of the Neighborhood Commission, for many years.

In selecting Hal Greenwood, the President recognized the truth of the axiom, "If you want something done, ask a busy man to do it." Hal Greenwood is the president of Midwest Federal Savings and Loan Association and this year's president of the National Savings and Loan League.

Hal has been a leader in Minnesota in rebuilding neighborhoods. He has demonstrated the kind of leadership which can place America's financial institutions in the forefront of the restoration of our neighborhoods and the revitalization of our cities.

Earlier this year, the Minneapolis Tribune profiled Hal Greenwood and his work on the Neighborhood Commission. I would like to share with my colleagues the article which appeared in the Tribune on January 13, 1979.

Neighborhood Commission Visited Residents in 15 Cities Last Year

(By Tom Sorensen)

Harold Greenwood spent a good share of his weekends last year listening to people complain about their neighborhoods.

About every third Thursday he flew to places like Baltimore and the Bronx and took a tour not sanctioned by the local Chambers of Commerce, talked to neighborhood leaders and listened to testimony from residents, businessmen and public officials. Mondays, he returned to Minneapolis.

If everything goes right, his efforts could help result in legislation that will pump money and power into city neighborhoods across the land. Greenwood, chairman and president of Midwest Federal Savings and Loan, was one of 20 people who served on the National Commission on Neighborhoods. The group, which met in 15 cities in 1978, concluded its hearings last month in Washington, D.C.

"I'll tell you, I'm drained," the 47-year-old Greenwood said on one of his seemingly rare days in town. "Between the commission, the National Savings and Loan League—I'm the president—and running this bank, it was one long year."

Greenwood sat in his plush office four floors above the Nicollet Mall and sifted through the five pounds-worth of notes, quotes and studies he had collected during his commission travels. Since a final report will not be issued for about six weeks, there's no way to accurately determine at this time what it will say. But unlike many reports issued by the some 2,000 commissions in this country, Greenwood said it will do more than fill space on somebody's shelf.

All 20 commission members were appointed by President Carter and Greenwood expects the report to help shape Carter's urban policy next spring. Those recommendations will be formally presented to the President at a White House ceremony next spring.

"We were a little unique," said Greenwood. "It's not like some community group studying the arts or some professor writing a paper or something like that. We had Nick Carbone, a street guy, Gale Cincotta, Bill Proxmire, Maynard Jackson. People you wouldn't dream would get together in the same room."

Carbone is president of the Hartford, Conn., city council; Cincotta the executive director of the National Training and Information Center in Chicago; Proxmire, D-Wis., a U.S. senator; Jackson the mayor of Atlanta. The commission includes five leaders of neighborhood organizations, five local officials, two senators, two members of the U.S. House of Representatives, and—according to Greenwood—at least one Socialist. Chairman of the commission was Joseph Timilty, a state senator from Boston.

Greenwood, the only area member on the commission, was nominated by Vice President Walter Mondale and Rep. Thomas Ashley, D-Ohio. An unequivocal city booster who has been involved in many neighborhood projects, Greenwood has backed up much of what he has said with his institution's money: In 1973 Greenwood pledged $1 million for construction and mortgage loans to a fledgling inner-city construction company, Project for Pride in Living. Last year, Midwest Federal became the second lender in the nation to join a program aimed at providing mortgages for inner-city homes.

Most of the commission's preliminary findings won't startle anybody. "We found that older and depressed neighborhoods are ignored, so we went on to examine some of the factors," he said. "Redlining, poor leadership response to a neighborhood's needs, poor use of grants. We found a lack of coordination in economic development by government agencies—a lot of overlapping."

"What we proposed was a Neighborhood Economic Development Administration, away from HUD (U.S. Department of Housing and Urban Development), perhaps under the Department of Commerce." Greenwood said the commission did not want the neighborhood administration under HUD because "What we're talking about will deal not only with housing, but with health care, community services and drug (prevention) services."

Under the neighborhood administration, an Office of Community Economic Development would be established. Greenwood admitted that the neighborhood administration and accompanying office of community development would mean hiring more people, including an assistant secretary to head it. It also would mean more than just fancy titles and expensive employees, he said.

"We could cut down on waste by eliminating some of the overlapping services." Residents in a given neighborhood often have trouble deciding where to go for what services; some aren't familiar with the services available. If the neighborhod administration becomes reality, Greenwood said residents would ultimately have a clear-cut idea of where to go and, once they got there, access to what they need.

At this point, details about how the commission's programs will be funded remain vague. Greenwood said "sketchy funding levels were already set aside" by Congress for the programs, but those "sketchy funding levels" did not specify how many dollars would be available. Top priority for all programs will go to central cities because the theory goes that central cities need the money the most.

Greenwood said that in Minneapolis, most commission programs would be implemented first on the near north side and parts of the south side. He explained that he tried to get the commission to hold one of its 15 meetings in Minneapolis but couldn't swing it. Other members felt Minneapolis was too healthy and since there were a limited number of cities they could visit, Minneapolis was eliminated. So, Greenwood said, he held his own hearing at the Sabathani Community Center, 3801 First Av. S., last summer.

"The main complaints were that north Minneapolis was abused," he said, and did not get sufficient attention from elected officials. There also were complaints that most of that attention was focused on south Minneapolis—at the expense of the north side. Redlining was a recurring theme. (An area is "redlined" when residents are unable to obtain the same access to loans and insurance they might in another part of the city.)

"That's something we have to zero in on," he said.

In general, Greenwood said, "Minneapolis and St. Paul don't have the urban problems that Detroit or Cleveland or the Bronx or most larger cities do. The Bronx was the worst place we visited."

Minneapolis is a step ahead of most cities, he said, because good relationships exist between businesses and the community. He talked of corporate involvement in neighborhoods by the Dayton Hudson Co. (Whittier neighborhood) and General Mills (Stevens Court).

(Just last week, Timilty, the commission chairman, cited Minneapolis corporate efforts to help neighborhoods as a model for the nation. He mentioned the above projects, plus Control Data's efforts on the north side and work of the Greater Minneapolis Housing Development Corp. That's a development consortium of 15 companies and it is involved in rehabilitation.)

Something else Greenwood said the commission has zeroed in on is making the city a more attractive place to live.

"I'm concerned about people who work in the city, take what it has to offer and then commute to the suburbs," he said. But he admitted that it wouldn't be easy to get commuters to make the suburban switch.

"We (employers) should encourage our employees to live in the city; we can't make them, I'm not in favor of that. But we should encourage them to." But not at the expense of pushing people out, he said.

Greenwood said he backed tax abatements and loans to entice people to move to the city, "but it's an attitude problem. It'll take a coordinating effort to get people to live in the city they work in. If you live where you work, it'll help establish a stronger tax base and help cut taxes. That's it exactly."

"Look at Cleveland. People come in and work during the day and kick it away at night and leave it." (In the It-Could-Have-Happened-Anywhere-Department, Greenwood was rolled in downtown Cleveland when the commission met there. "I lost $100, something like that," he said. "But he took my wallet.")

The commission heard testimony in St. Louis that only 23 percent of the jobs created under a special tax abatement program there went to city residents. A complaint from many cities is that when federal jobs are created, most usually go to commuters.

Cincotta, who heads the National Training and Information Center, said at the very least, the commission will get people thinking about neighborhoods and their importance. "To have a healthy country we need healthy cities," she said. "To have healthy cities we need healthy neighborhoods. The commission offered a chance to get their (neighborhoods') problems out in the open. To get people—and politicians—thinking about them."

Cincotta is spoken about with as much awe in the circles she moves in as Fran Tarkenton is in his. A tough-talking liberal involved with community groups in Chicago, she offers a contrast with Greenwood, a suburbanite until a year ago. Both, however, say they anticipate no minority report that will clash with any of the commission's findings.

Greenwood said he felt guilty leading cheers for Minneapolis when he was living in the suburbs, so he moved back to the city. He lives near Lake Harriet at 4200 Dupont Av. S. He was raised here; he graduated from Southwest High School.

"I'm optimistic about the city," he said, talking about Minneapolis and cities in general. "Distance; economics; the quality of the housing; right now cities are the place to be. I've saved a lot of gas since I moved back. I say I'm more efficient, although some of my coworkers may disagree."

"I moved back because I wanted to get back to where I came from. I used to live in a mansion out in Ferndale, but I don't need all the oohs and ahhs with the Heffelfingers and the Daytons."

Pause.

"You can quote me on that." ●

VERMONT'S WILDERNESS CONTROVERSY

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. JEFFORDS. Mr. Speaker, the Forest Service's Rare II recommendations which will be acted upon by this Congress continue to evoke considerable controversy in my home State of Vermont.

Six areas of Vermont's Green Mountain National Forest totaling 55,720 acres were reviewed, and each was designated as "nonwilderness" by the Forest Service. This recommendation was welcomed by many Vermonters, while many others have voiced strong disapproval of this conclusion and the methods by which it was reached.

It is still not certain whether these recommendations will be presented to Congress intact by the administration, or whether revisions will be made. But in any event, the final decision rests with Congress.

The final outcome will not necessarily be an "all or nothing" decision. We have heard, for example, that one of the six areas—most likely the 19,850-acre Breadloaf section in Addison County—may be designated as wilderness while the other five areas would remain in the nonwilderness category. If that option were decided upon, protections would have to be included to assure that maintenance of the portion of the Long Trail running through that area would continue to be allowed.

To aid in my own consideration of this pressing issue, I have asked articulate spokesmen for both sides of the controversy in Vermont to prepare very brief summaries of their arguments.

The statement against designation of additional wilderness areas was submitted by Mr. Roland Seward, on behalf of the Vermont State Farm Bureau, the Vermont Federation of Sportsmens' Clubs, the Vermont Association of Snow Travelers, the Vermont Timber Truckers and Producers Association, the Bristol Cliffs Association, the Vermont Taxpayers Association, and the Devil's Den Committee.

The statement favoring additional wilderness areas in Vermont was prepared by Mr. Bill Painter, on behalf of the Vermont chapters of the National Wildlife Federation, the Audubon Society and the Sierra Club, as well as the Vermont Natural Resources Council, the Vermont Wilderness Association, the Conservation Society of Southern Vermont, and the Vermont Public Interest Research Group.

Mr. Speaker, knowing that many of my colleagues are struggling with these same issues, I submit for the Record at this time both of these excellent statements:

The Case for Additional Wilderness Areas in Vermont

Currently, the Northeast, which contains 1 percent of America's people, has less than 1 percent of its federal wilderness land.

Additional wilderness would provide places where people could find peace and solitude, search for plants and animals that thrive in remote locales, and challenge nature on its own terms. As forests in these areas grew to maturity, people could see majestic forests like those once found in Vermont.

These areas would be equally open to all, with anyone willing to walk a few miles able to fully enjoy them. Since wilderness-type use of the candidate areas is already 5-times greater than motorized use, many would use them.

Effects on timber production would be miniscule, even if all the qualifying areas became wilderness. Dr. Carl Reidel, Professor of Forestry at UVM has noted, "most of these lands are at higher elevations, with serious limitations for logging or silvicultural (forest) improvement . . . their potential is but a minor fraction of the state's potential annual growth." Since we now harvest less than half of the annual growth of timber in Vermont, future needs can easily be met without logging these lands.

Opportunities for motorized recreation would still be abundant, as only 40 miles of snowmobile trail—out of a statewide total of 10,000—are located on the lands in question. One roadless tract, nearly 20,000 acres in size was used by only 200 snowmobilers in 1977.

Costs to taxpayers would be minimal, as the Forest Service spends less than $1.00/acre/year on Vermont's existing wilderness areas, compared to several times as much per acre for the Forest as a whole. Home prices won't be affected because lumber comprises only 2 percent of the cost of new homes, and most construction lumber comes from out of state.

Finally, it should be remembered that the decision to designate land as wilderness can be reversed in a matter of weeks or months, while it would take decades for the effects of timber harvesting to disappear.

The Case Against More Wilderness Area Designation in Vermont

Proponents of more permanent Vermont wilderness are now asking that another 55,720 acres of Green Mountain National Forest be locked up forever as their private preserve. But there are already 16,884 acres of permanent wilderness in Vermont and 25,932 acres of permanent wilderness are now available in nearby New Hampshire, with more than 160,000 additional acres about to be designated there. There are 2,273,328 acres—most of it wilderness—in the Adirondack Forest Preserve in nearby New York State. There is already plenty of opportunity to enjoy nearby wilderness for those who wish to do so.

Designating National Forest as permanent wilderness would close the door to alternative uses of great benefit to Vermont's economy and its people. It would mean no logging operation in over 50,000 acres identified by the Forest Service as commercial timber land. This means less employment in the woods industry, and higher lumber and pulp prices for consumers. The lower income Vermonter could not even remove dead and down wood for firewood—it would all have to be left to rot where it fell. Nor could these lands produce wood fuel for Burlington's new wood-fired electric generating plant, which means that Vermont could not decrease its dependence on nuclear power plants and foreign oil imports.

All snowmobiling would be forbidden in the wilderness areas. This would cause major inconvenience in trail planning and also increase the recreational pressure on privately owned farm and forest land. Such pleasure is a sure way to encourage land posting against snowmobiling. The Forest Service is forbidden to engage in normal wildlife management and habitat improvement in wilderness areas. This is a setback for sportsmen, for game becomes scarce in unmanaged wilderness. Even the taxpayer would be forced to bear additional costs from wilderness designation since the land would generate no revenues for payment to the towns. The cry for Congressional designation for more permanent wilderness is simply an attempt by a small group to get the U.S. Government to lock up another 87 square miles of everybody's forest for their own special benefit. That attempt should be defeated. The National Forest exists for the benefit of all.●

POPE VOICES STRONG SUPPORT OF CHURCH FOR ISRAEL-EGYPT PACT

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. WOLFF. Mr. Speaker, I would like to insert into the Record an article which appeared in the March 26, 1979, edition of the New York Times concerning the Pope's support for the Israeli-Egyptian peace treaty. The support of Pope John Paul II is most welcome and helpful as we search for lasting peace in the Middle East

The article follows:

Pope Voices the Strong Support of Church for Israel-Egypt Pact

(By Henry Tanner)

Rome, March 25.—Pope John Paul II went out of his way today to state the forceful support of the Roman Catholic Church for the Egyptian-Israeli peace treaty scheduled to be signed in Washington tomorrow.

"This event is formalizing peace between two countries after decades of war and tension and is giving a decisive impulse to the peace process in the entire region of the Middle East" while "respecting the rights and the well-being of all these populations," the Pope told thousands of people gathered in St. Peter's Square in warm sunshine for his regular Sunday blessing.

The Pope's endorsement of the treaty was seen as politically significant because many European governments have shied away from giving official or public support to the pact, which is fiercely criticized in the Arab world. The Pope had previously praised President Carter's peace efforts at the time of Mr. Carter's trip to the Middle East.

Pope John Paul invited the faithful to pray "intensely" for the success of the peace efforts so that "fraternity and harmony may return to the blessed land where Jesus was born and lived."

HELP FOR PALESTINIANS SUGGESTED

The Vatican radio suggested in a broadcast today that the treaty be followed by action to fill the "needs" of the Palestinians.

"A peace is not authentic," the radio said, "if it does not favor a just way for the populations to live together, above all the Palestinian Arabs, who are waiting rightly for a just and adequate solution to their pressing needs."

"No people, no country, can be sacrificed to the destiny of others," it asserted.

In his address today, Pope John Paul also placed his coming visit to Poland more categorically in the context of the 900th anniversary of the death of St. Stanislaus, who at the time of his assassination on orders of the Polish king was serving as archbishop of Cracow, the office that the new Pope held before assuming the Papacy. The Pope referred to Stanislaus's death as a "martyrdom."

He thanked both the church authorities of Poland and the Polish Government for having invited him.

VISIT HAS STIRRED CONTROVERSY

The timing and nature of the visit have been matters of controversy between the Pope and the Polish Government.

The Pontiff's original intention was to be in Cracow on May 8, the anniversary of St. Stanislaus's death. But in long and difficult secret negotiations the Polish Government persuaded him to postpone the visit by almost a month and to start and end it in Warsaw, the capital, in meetings with the country's Communist leaders rather than centering it on Cracow. The visit will now take place from June 2 to 10.

The Polish church authorities responded to this by extending the duration of the celebration of St. Stanislaus's anniversary to include the entire months of May and June.

St. Stanislaus has long been a subject of controversy between Polish Catholics and the regime. Catholics, including Pope John Paul when he was Archbishop of Cracow, described the murdered prelate as a "martyr" and a symbol of church resistance to an overbearing state authority. Stanislaus was executed for his links with a rebellion against King Boleslaw the Brave.●

GREAT WESTERN COUNCIL OF BOY SCOUTS HONORS BOB HOPE

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. GOLDWATER. Mr. Speaker, I am delighted to report to you and have incorporated into the record of this Congress a significant event in the Great Western Council, Boy Scouts of America, a large portion of whose members are citizens of the 20th Congressonal District.

The Great Western Council has for the past 2 years selected individual American; those whose lives are outstanding examples for our Nation's youth to emulate, for its Americanism Award. In 1977 the award was made to a great patriot. Gen. James E. Doolittle. In 1978 to Eagle Scout President of the United States, Gerald E. Ford.

This year the award will be made to a man that has been indefatigable in his service to worthy causes and especially to the armed services of our Nation. "Have Tux—Will Travel" was the cryptic message received by the United Services Organization over 39 years ago and he has been traveling continuously for America ever since that date. His example of dedication to his country in the lifting of of its spirit during so many of our dark hours, is a character value that America's youth can do well to follow. Therefore, the Great Western Council will, on April 10, 1979, confer its Americanism Award on Mr. Bope Hope.

The distinguished civic leaders, the Lieutenant Governor of California, Mr. Mike Curb; the honorable mayor of Los Angeles, Mr. Tom Bradley; and the honorable California State Senator Alan Robbins, will assist in the ceremonies honoring Mr. Hope, as well as the honoring of the following volunteer Scouters, who through years of devotion to young people are to be recognized for distinguished service to our youth with the prestigious Silver Beaver Award of the Boy Scouts of America: Norman Abramovitch, Phillip E. Bailey, Norman E. Callahan, Earl E. Cameron, James L. Cripe, Charles W. Foster, Harry Wm. Godley, H. C. Rex Mugar, Miles A. Nesman, Floyd C. Parker, Bentley H. Preece, Beverly May Preece, Clyde O. Shurtleff, Charles W. Teed.

The citizens responsible for this event are also to be commended for their selections and they are Mr. Dana Martin, chairman assisted by Mrs. Margaret Brock, Earl Cameron, Lt. Gov. Mike Curb, D. R. Doyle, George Dutton, Ward Grant, Irwin Goldring, Wayne Julian, Don Mickelsen, Don Pittenger, Ron Rioux, Sandy Sandborn, Art Scott, Tom Scully, Mills Whitney, Arlie Sarosi, Arlyn Carson, Linda Forrester, and Kathy O'Connor.

Mr. Speaker, it is fitting that this Congress give its approbation, encouragement, and hearty congratulations to these of our citizens who have, freely and wholeheartedly contributed so much of their time, talent and resources to the well-being of the people of our Republic.●

THE AVIATION SAFETY AND NOISE ABATEMENT ACT OF 1979

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. MINETA. Mr. Speaker, I rise to introduce a bill of importance to every Member of this body whose district has—or is close to—an airport; a bill to deal with the serious problem of aviation noise.

It has been 10 years since Congress first addressed the problem of aviation noise by passing legislation granting noise abatement authority to the Federal Aviation Administration. During that period, we have witnessed a considerable magnification of aviation noise—not a reduction. Furthermore, with the passage of the aviation deregulation bill last year, we can look forward to an even greater increase in the amount of aviation-related noise in the future.

The need for Federal regulation in this matter is a clear recognition that aviation noise has limited the construction and expansion of airports, severely affected the aviation system of this Nation, and has seriously reduced the quality of life of millions of Americans.

During the past few years, Congress has attempted to deal with this issue, to make good on a 10-year-old promise of aviation noise reduction. In spite of extensive hearings and committee deliberations, Federal agency studies and lots of good intentions, we have yet to produce a piece of legislation which can deal appropriately and meaningfully with the problems associated with aviation noise.

We now have an opportunity in the 96th Congress to resolve this problem by reducing the noise at its source—the plane—and by providing relief from the noise on the ground.

As many of my colleagues are aware, two bills (S. 413 and H.R. 2458) have already been introduced in this Congress relating to the issue of aviation noise. The bill I am introducing today is a significant departure from the other two bills and I would like to take a moment to explain the difference.

S. 413 and H.S. 2458 incorporate many of the features of last year's aviation noise legislation; notably a program to provide planning and acquisition funds for airport operators and local communities to implement noise abatement programs; and, an increase in the funding levels for aviation safety program for fiscal year 1980. I support these provisions wholeheartedly—as I did when they were included in the bill H.R. 8729 which passed the House last year—and the provisions are also included as title I and title II of the bill I am introducing today.

Title III of S. 413 and H.R. 2458, however, would allow extensions of noise compliance deadlines for air carriers. I do not agree that we can achieve any meaningful reduction in aviation noise by granting waivers allowing planes to continue flying which do not meet federally mandated noise standards.

While I agree that waivers may be required in certain special circumstances, I strongly believe that it is not necessary to legislate a waiver provision. As my colleagues may be aware, there is already an existing FAA regulation which provides a mechanism to secure such an exemption. This regulation, FAR part 11 states, in part:

> Any interested person may petition the Administrator . . . for a temporary or permanent exemption from any rule issued by the Federal Aviation Administrator under statutory authority.

If the administrator determines that the petition discloses adequate reasons, or if it is in the public interest, then the administrator may grant such exemption.

Furthermore, a review of the statute establishing standards and regulations for control and abatement of aircraft noise and sonic boom lends weight to my argument that this waiver provision is unnecessary. This statute states in section 611 of the Federal Aviation Act as amended, that in order to afford present and future relief and protection to the public health and welfare from aircraft noise, the FAA shall prescribe standards and regulations for its control.

This section specifically states:

> No exemption with respect to any standard or regulation under this section may be granted under any provision of this Act unless the FAA shall have consulted with EPA before such exemption is granted . . .

Except, of course, that:

> If the FAA determines that safety . . . requires that such an exemption be granted before EPA can be consulted, the FAA shall consult with EPA as soon as practicable after the exemption is granted.

This required consultation would be eliminated by the waiver provisions in S. 413 and H.R. 2458.

In prescribing standards and regulations under this section, the FAA is directed to consider whether any proposed standard or regulation is consistent with the highest degree of safety in air commerce; and to consider whether any proposed standard or regulation is economically reasonable, technologically practicable.

Thus, what we are talking about here is a waiver provision which is unnecessary in light of FAR part 11; contradictory in light of section 611 requiring as it does consultation with EPA; and unmindful of the provisions of section 611 which states that the regulations must be economically reasonable and technologically practicable.

As a long-standing and staunch supporter of federally mandated noise standards for aircraft, it is my belief that unwarranted waiver provisions could permit unnecessary delays in achieving a quieter aircraft fleet. And, I would point out, this is an opinion which is shared by the Secretary of Transportation.

In a letter to Senator HOWARD CANNON, dated March 12, 1979, Secretary Adams stated:

> We believe the waivers called for are unnecessary and will work against the Department's efforts to achieve timely noise reductions."

In fact, my colleagues should be aware that the broad waiver provisions suggested in S. 413 and H.R. 2458 are also opposed by the American Association of Airport Executives, the Aviation Consumer Action Project, the Airport Operators Council International, Congress Watch, Friends of the Earth, National Association of Counties, National League of Cities, National Organization to Insure a Sound-Controlled Environment, National Parks and Conservation Association, Sierra Club and the United States Conference of Mayors.

These organizations represent constituencies that—as a result of federally mandated noise standards—have come to expect some relief from the daily bombardment of aviation noise. Their members have expected, and now quite properly demand, that these noise standards be upheld as the only reasonable means of obtaining source-noise reductions.

In spite of this compelling need to retain the integrity of the aviation noise standards, there is one area in which we should be encouraging waivers. That situation is one in which greater long-term noise reduction can be achieved if a waiver is granted. What I am referring to specifically is the so-called new technology waiver in which an airline would be permitted to continue flying a noncomplying plane if the airline enters into a binding contract to replace that plane with a new technology, or stage 3, aircraft which meets the FAA's strongest noise standards issued to date. Because the amount of noise reduction in a stage 3 plane is so much greater than the amount of noise reduction in a stage 2 plane, I believe every effort should be made to encourage our airlines to replace their older, noisy planes with these quieter and more fuel efficient planes. My bill would therefore allow any airline to be granted a waiver if they presented a binding contract for a replacement aircraft to the Secretary of Transportation by January 1, 1981.

There are many issues involved in this matter of aviation noise abatement. Because of their complexity, and because of the far-reaching concerns of the various interests involved in this matter, I intend to put into the CONGRESSIONAL RECORD a series of discussions of the various aspects of the matter. I believe that these discussions will be most helpful to my colleagues as this issue moves from the Senate to the House and eventually into public law.

I want to be sure we enact the best law, the most responsible law, and the most meaningful law possible. I hope that the bill I am introducing today will provide a vehicle for the continuing deliberations on the problems of aviation noise abatement and contributes to the resolution of these problems.●

THE BARGE LINES: A MODEST STORY AT LEAST

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. GEPHARDT. Mr. Speaker, my congressional district in St. Louis abuts one of the greatest rivers in the world, the Mississippi. On its waters has ridden the history of the development of our Nation and our people, and no one doubts a great part of our future lies there as well. Part of this heritage is the story of the barge lines, which only a barge line can really tell. Thus, I wish to share with you the thoughts of Robert A. Kyle, president of Federal Barge Lines, Inc., before the 1979 TAA annual transportation forum in Chicago, Ill., this past March 15. It is a modest story at least.

The story follows:

THE WAGES OF CONFRONTATION

It is a pleasure to be here today in Chicago which is certainly the crossroads of the country and is sometimes called the transportation capital of the country. It is where the Great Lakes and the rivers meet, where major pipelines deliver their wealth, where the great railroads and interstate highways cross—a fortunate city for the variety and quality of its freight transport services.

TAA's excellent statistics on the importance of transportation to the economy may seriously under-estimate the role of transportation. TAA says that 9 per cent of the gross national product is spent on freight transport services or about 9 cents in every production dollar.

But our economy has been changing in the past 50 years. Where once the dominant activity of the country was the production of goods—food, steel, machinery, chemicals, coal, oil and the like—now over half the gross national product is in the type of service which has a minimal need for freight transportation. I'd like to see TAA examine what the result would be if we took out the services and looked at transport in relation to the production of goods. If you take the goods production of the country at roughly $900 billion and TAA's estimate for the freight bill at about $172 billion, you can see that freight transportation may account for much more than 9 cents of every production dollar for industrial and agricultural goods; it may be 15 cents or even more.

And that gives me an opportunity to tell you the modest story of the barge lines. According to TAA, revenues of the intercity trucks top $67 billion and trucks perform 25 per cent of the ton miles. Rail revenues are $19 billion and railroads perform 35 per cent of the ton miles. Barge revenues are about $1 billion, less than 2 per cent of the rail and trucks together, but barges perform about 11 per cent of the total intercity ton miles.

And that is only half the barge benefit. Barges are frequently the only practical competitive alternative for the transportation of raw materials and semi-finished manufactured products. We are frequently told that those profitable, but low, water-compelled rail rates on traffic the barge lines never see are highly valued by the shippers. While we compete with railroads and trucks, water carriers also exchange millions of tons of traffic with both modes. We both compete and, as connecting carriers, coordinate.

The various modes of transport indeed are all part of one closely inter-related service system. It is this complicated inter-relationship that is now, as we read in the papers, to be substantially deregulated. As for barge regulation, we have not yet fully completed our analysis of the questions posed for us recently by the ICC in Ex Parte 359. But of course barge deregulation holds no terrors for us. What's done about truck and rail deregulation will of course affect our views on water carrier regulation because surface transport regulation is inter-related.

We can see some problems that shippers, ports and railroads might have if the Congress were to turn its back on the framework of common carrier service in the water carrier industry. We are in the process of receiving feedback from our customers and from the ports. Special problems may require special answers and we will try to accommodate these special problems.

Most of us would agree here that government intervention in business is tying the country into knots. The economic regulation of the ICC needs improvement, but this is only the tip of the iceberg. The environmental and safety regulations are in need of drastic overhaul. However, I will stick to our subject today, which is economic regulation.

There's a strong fervor in the country for abolishing institutions like the ICC. Get rid of the ICC, the story goes, freight rates will come down, carrier profits will go up and everyone will live happily ever after, just as they do in the airlines. After only two months of experiment, airline deregulation was hailed as the greatest thing since white bread and Alfred Kahn was promoted to curing inflation. Now, six months later, one hears there are some second thoughts.

I happen to think there is a great opportunity to make more sense out of economic regulation and improve it to the point at which a lot of detailed harassment can be abolished and a great deal of the rest made self-enforcing.

We are currently seeing in recently published proposals for regulatory change a certain amount of over-reaching—unrealistic dreaming of a world that will never be. The over-reaching may defeat the whole effort. Realism could well lead to compromise instead of confrontation. The wages of confrontation are usually heavy. The history of confrontation politics is that after the contestants square off, confusion sets in and little is accomplished.

Perhaps we need to get around a table and discuss whether the dreams some people seem to be having that deregulation means going back to the pre-Sherman Act days of the robber barons is at all realistic.

Bill Dempsey was quoted in the Washington Post the other day as saying that the railroads "just want to be treated as much as possible like the rest of American enterprise." Perhaps I will surprise you when I say that we agree with that objective. The railroads are entitled to be relieved of much of the details of regulation.

But we also find the shippers very persuasive when they say that the railroad industry exercises considerable monopoly power. When steel, rubber, chemicals, aluminum and automobiles form a special organization to seek protection from what they describe as rail monopoly power, confrontation seems to be on the way. When the coal industry complains that it is captive of the railroads and the electric utility industry emits cries of alarm at deregulation and the farmers are all upset, that sort of fervent worrying leads to confrontation.

The water carrier industry looks at the rail proposals and sees the same monopoly problem in a different form, a license for anticompetitive activities such as no industry in the country enjoys. This is another vigorous confrontation. We can see ourselves making common cause with shippers.

So perhaps we ought at this point to talk of a compromise that would provide relief from much of the regulation of the railroads and recognition of their revenue needs in return for reasonable safeguards against monopoly harassment of the shippers and the water carriers—safeguards which in principle amount to no more, but also no less than, the safeguards which would apply to any other business enterprise.

The water carriers have long explored the idea of bringing transportation competition policies more in line with the policies and concepts of the antitrust laws which govern every other business enterprise in the country.

But if transportation were to come under the antitrust laws—which many of us think might work quite well if antitrust laws were adapted to meet the special situations of transportation—the railroads would have a special problem. The antitrust remedy for the exercise of monopoly power is very simple and very drastic. It is to break up the monopoly. Some of the largest and most prosperous of the railroads would be broken up into smaller pieces. But we all know the trend is the other way—more mergers and fewer railroads—we are certainly compounding the problem of monopoly power with this trend.

If the merger trend is to be successful, there is every reason to explore, as WTA has been exploring, a reasonable adaptation of antitrust principles and concepts to transportation, at least to invigorate the competitive process. Lessening government intervention, it seems to us, and treating railroads as much as possible like any other business enterprise means relying for enforcement on the deterrence power of treble damages.

It seems to us unreasonable for the railroads to expect that they will be permitted to raise rates to the captive shippers without adequate restraint and it seems equally unreasonable for shippers not to recognize the revenue needs of the carriers. If both sides are mindful of the Biblical proverb that "he who is greedy for unjust gain makes trouble for his household" there ought to be a middle ground for compromise.

It seems to us unreasonable for the railroads to expect freedom of pricing against a competitor such as no industry in the country is permitted. No large national company in the country would be permitted to sharpshoot its smaller, narrowly-based competitors and eliminate them one by one. Nor would a company having monopoly power over one stage of production, as a railroad does in its service to a port, be allowed to manipulate its price in such a way that it—and not the market place—decides whether it has a competitor or not. A reasonable ground for compromise on water-rail competition issues would be the adoption of standards which apply to any other business enterprise.

It would be reasonable to permit a railroad to control a water carrier provided that control, in the words of the Clayton Act, did not "substantially lessen competition or lead to a monopoly." It would be unreasonable to give railroads the right to control a water carrier, the control of which did substantially lessen competition and tend to create a monopoly.

It would be reasonable to permit collective ratemaking, which the railroads say they want, but unreasonable to have no public supervision of the result and particularly unreasonable to allow collective ratemaking for the purpose of cutting up competitors. Again, a realistic look at the issues involved suggests not confrontation, but compromise.

WTA, our trade association, of course was the founding partner of the successful compromise effort of the railroads, trucks and water carriers beginning in 1970 which led to the Surface Transportation Act of 1974. This created a cooperative climate in Washington of that time, and certainly helped achieve many good things for railroads.

It puzzles us that after seeing the result of what cooperation can do, the modes again are heading for confrontation when compromise and understanding make bottom line sense for all of us. There is no controlling controversy once it gets started. We all have our dreams and hearts desires. At the same time, we are not alone in the world. Shippers and other modes have reasonable and legitimate interests. It may be that before it is too late, the more far-sighted managers will see, as they did in 1970, that their interests are best served by abandoning confrontation with their customers and with other modes, and working out a common list of priorities to improve regulation of all transport services. All of us have enough problems as we face the demands of the 1980's. It just doesn't make sense to spend so much time fighting with each other. The wages of confrontation on regulatory reform may well be that, in the absence of such an accommodation, relief from too much government intervention will not after all be achieved and the great opportunity of the moment wasted.●

THE HOLOCAUST REVISITED

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. RINALDO. Mr. Speaker, today I wish to join the members of the northern New Jersey Council, B'nai B'rith, representing over 18,000 families in a memorial to the 6 million Jews who perished in the Holocaust. On April 22, the B'nai B'rith will honor the men, women and children who died in the death camps, and by doing so remind the world of one of the greatest tragedies in history.

It was an era so unbelievably cruel that most people would prefer to bury it with the victims, but that could only condemn future generations to repeat the mistakes of the past.

Unfortunately, few young people seem acquainted with the Holocaust. A recent study by the New York City Board of Education showed that 12 out of 15 commonly used textbooks of world history do not mention Hitler's attempt to exterminate the Jews. That is incredible. The teaching of this most tragic chapter in human history ought to be mandatory, just as it is mandatory to teach about slavery and racism.

I commend B'nai B'rith for helping to make new generations of Americans aware of the terrible carnage that befell the Jewish people in Europe, particularly at a time when the Jews in Israel are struggling to achieve peace through the help of the American people.

The Holocaust teaches us that we must never surrender our moral responsibility to the state, no matter what the cause.

Throughout history, we have witnessed the pogroms by the czars in the name of the state; the Nazi slaughter of 6 million Jews in the name of the state; and more recently the death of untold Cambodians in the name of the state.

In an age of nuclear weapons, the moral truth that lies within our spiritual conscience is the greatest protection against another Holocaust that would consume our planet and all mankind.

The moral imperative of peace among all men and nations is our inheritance from the Holocaust.

I have visited Yad Vashem, the Israeli museum that has a special meaning to Jews, and I was profoundly moved by the experience. So have others, including President Sadat of Egypt, who inscribed in the guest book this prayer:

> May God guide our steps toward peace. Let us end all suffering for mankind.

To visit Yad Vashem is to learn about suffering. It is also to learn why Israel was born. There is simply no way to understand the troubled Mideast without knowing how the survivors of the Holocaust fled to Israel to build a nation—a Promised Land.●

PARAGUAY'S EXPERTISE IN TORTURE

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. HARKIN. Mr. Speaker, recently a young woman, an American student who has just returned from Paraguay where she spent 2 months working and studying health care delivery in a rural clinic, visited my office. Eloquently, com-passionately, and courageously, she described the climate of repression and fear that exists in Paraguay under the dictatorship of Alfredo Stroessner.

As a means of sharing with the Congress her story, I would like to insert into the RECORD an article appearing in the February 1979 issue of Hemispherica. The article quotes extensively from a letter she has written to President Carter and the Congress. The text of the article follows:

PARAGUAY'S EXPERTISE IN TORTURE

In our rightful concern for the embattled Nicaraguan people against a dynasty, brutal and totally acquisitive, we cannot also forget another people living in an equally dismal political quagmire of tyranny—the Stroessner dictatorship of Paraguay.

Too hidden, in its natural enclave, from the scrutiny of world opinion, the Paraguayan dictatorship has flourished, through land seizures, imprisonments, assassinations and by the illicit traffic of drug and monumental contraband. Through the latter, the dictator-government has not only enriched itself but won international fellow-conspirators moving against the health of hemisphere trade.

Fortunately the Paraguayans—men and women alike—are not easy prey for a tyrant! Brave leaders continue to speak out against the injustices; they have found echoes in hemisphere champions of their freedom.

TESTIMONY OF TYRANNY

In continuance of innumerable exposures and protests against the Paraguayan tyranny which have appeared in "Hemispherica" for the last quarter century, we now add a remarkable testimony, in a communication reaching our office. This extraordinary letter, which was addressed to President Carter, is reproduced here in part. For obvious reasons of safety, we must withhold the writer's name. We cite it as the humane protest of an American sociologist, after a long period of observation and research in Paraguay.

The letter states, in part:

"To say that Paraguay is a repressive society does not begin to describe the atmosphere of fear and mistrust in which the people live. The adjustment for me—a North American accustomed to thinking and speaking freely—was a slow and difficult process. Never before did I understand so deeply how fortunate I am to live in the U.S.; through deprivation of my right to respond to the horrors I saw around me, I gained a true appreciation for the society of my birth which holds as a first principle this kind of personal liberty.

"In Spanish there is an expression, 'andar con miedo" (literally to walk with fear) which describes all too well the state of mind of the Paraguayan people. The Paraguayan government is maintained in power through the use of torture, and—because of the inherent strength and dignity of the human spirit—this method must be widely and frequently applied. I met countless people who had been imprisoned and tortured without trial or pretext. It is common to be tortured for being a member of a church group or because you own a piece of land coveted by someone with powerful connections. And for those who have not experienced torture directly, the big 'Investigation Building' in downtown Asuncion stands as a constant warning, a symbol of the power of the police. Here, as everyone knows, the radio is played loudly in the middle of the night, to cover the sounds of the beatings and the cries of the tortured.

"Methods of torture include electric shocks, shocks, beatings with the cachiporra (rubber truncheon) and metal rods; rape of women; psychological torture; torture in front of one's own children; the alena (a nail driven under the nail of the victim with 'brutal force') and the pileta. This last is a tank of water filled with human excrement. The prisoner is held under the water by four or five policemen and forced to swallow huge quantities until the lungs are at the bursting point. This is repeated over and over for a period of hours. I describe some of these methods in detail because I realize how little force is carried by abstract words like 'torture.' It is a word too easily dismissed until we really stop to consider that it is something done to individuals, conscious human beings.

"I was also horrified by one of the forms of torture which makes a mockery of President Carter's human rights campaign: Each of the metal rods used to administer beatings has been named by police according to size. The names are: 'human rights,' 'liberty,' 'democracy,' and 'constitution.' As they administer the beatings, the police shout: 'Here are your human rights. Here is your liberty. . . .'

"The government of Paraguay, knowing the importance of courting U.S. favor, may now pay lip service to our human rights concerns. Do not be deceived by this. If most political prisoners have now been released from the large, visible prisons like Emboscada, many have 'disappeared,' probably shuffled to local police stations out of the public eye. The use of kidnapping, imprisonment, and torture as means of social control is still a common reality in Paraguay.

"I strongly urge you to reconsider carefully our relations with the Paraguayan government and to bring pressure to bear to change their flagrant violations of human rights. Be aware that in our dealings with Paraguay we are encountering something worse than in our dealings with many other repressive governments: The Stroessner regime does not have a unifying philosophy (not even a repugnant one like Nazism). It is an unimagineably corrupt regime (this corruption includes the illegal traffic in drugs and young women, and the robbing of land from rightful owners) run with the sole concern of maintaining a select group of officials in riches and power.

"Aid money sent to the government never reaches the overwhelming majority of the people who live in poverty in the countryside. . . .

"Let me say one word concerning the self-interest of the U.S. I saw a side of the political and emotional climate not likely to emerge in official intelligence reports: If the Paraguayan campesino 'walks with fear' now, he will not always do so. He is even now in a swift process of change. I have spoken to many Paraguayans who left the prisons with no fear, but with a renewed anger and determination to fight the Stroessner regime. I greatly fear that if some peaceful, democratic change does not come soon, we will see another Nicaragua in Paraguay." ●

NATIONAL TRANSPORTATION WEEK

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. YATES. Mr. Speaker, the week of May 13 through 19, 1979, has been designated by President Carter as National Transportation Week.

The purpose of this observance is to honor and acknowledge the contributions made by the transportation industry to our Nation and to commend all the men and women connected with transportation for continuing to strive for the very best transportation system achievable.

Transportation is an integral and indispensable part of our society. It enables us to deliver the products of our industries and agricultural concerns, it allows us to travel, to work where we wish, to communicate, to shop, to receive medical assistance, and a thousand other activities which would not be possible without a sound transportation system. Transportation enriches our economy and our lives. Without it, life as we enjoy it would certainly be impossible.

In my district, the Reading Traffic Club and the Delta Nu Alpha Traffic Fraternity, Chapter 19, Reading, Pa., have been making important contributions to transportation in Berks County and Pennsylvania. I want to take this opportunity to commend them for their outstanding efforts in this area.

Mr. Speaker, I invite my colleagues in the Congress to join with me in wishing everyone connected with the transportation industry in the United States a very successful and productive National Transportation Week.●

NATIONAL FISHING WEEK

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. OBERSTAR. Mr. Speaker, I am today introducing a joint resolution which would designate May 14 through May 20, 1979, as "National Fishing Week."

One of Minnesota's better known fishermen, the Vice President of the United States, has said that he has found more wisdom in an afternoon spent fishing than in any other experience.

Mr. Speaker, I know my colleagues will appreciate the hyperbole of a lover of fishing in describing both the catch and the sport.

Vice President MONDALE speaks for millions of Americans who derive enormous pleasure from the opportunity to put aside the cares of our frantic society to enjoy the quiet and contemplation of a few hours at peace with one's self in nature.

In the United States today, there are over 63 million licensed fishing enthusiasts. My home State of Minnesota, with 1.5 million licensed fishermen, ranks third behind only California and Texas in the number of licenses.

The sport fishing industry provides employment for 65,000 Americans and contributes over $500 million annually to our economy.

Those of us who love to fish recognize the importance of preserving the resource and of protecting the habitat which provides us with such great pleasure.

Few fishermen are unaware of the need to preserve the quality of America's forests, water, and air. In enjoying the resource, our sports fishermen have become some of our most committed conservationists.

I urge my colleagues to join with me in supporting this resolution which recognizes the value of fishing to Americans.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in the meeting as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, April 10, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 11

9:00 a.m.

Energy and Natural Resources

To hold hearings on the nomination of June Gibbs Brown, of Colorado, to be Inspector General, Department of the Interior.

3110 Dirksen Building

9:30 a.m.

Agriculture, Nutrition, and Forestry

Foreign Agricultural Policy Subcommittee

To hold hearings on the implementation of the Agriculture Export Expansion Act (P.L. 95–501).

324 Russell Building

*Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on S. 663 and S. 875, bills to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.

457 Russell Building

Governmental Affairs

Governmental Efficiency and the District of Columbia Subcommittee

To hold oversight hearings on S. 905, proposed fiscal year 1980 authorizations providing for an independent account of the financial condition of the District of Columbia Government.

154 Russell Building

Judiciary

To hold hearings on S. 414, proposed University and Small Business Patent Procedures Act.

2228 Dirksen Building

Judiciary

To hold hearings on proposed authorizations for fiscal year 1980 for the Land and Natural Resources Division, Department of Justice.

318 Russell Building

10:00 a.m.

Appropriations

Energy and Water Development Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for public works projects and energy research and development programs.

1114 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation and related activities.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

Financial Institutions Subcommittee

To hold hearings on S. Con. Res. 5 and S. Res. 59, both relating to the equity for the small saver.

5302 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on S. 758, authorizing funds for fiscal years 1980 and 1981 for programs under the International Investment Survey Act.

6226 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on proposed authorizations for fiscal year 1980 for programs under Sec. 305 of the Coastal Zone Management Act of 1972, and title III of the Marine Protection, Research, and Sanctuaries Act of 1972.

235 Russell Building

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To continue hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.

3110 Dirksen Building

Environmental and Public Works

Environmental Pollution Subcommittee

To resume markup on proposed legislation authorizing funds for fiscal year 1980 for programs under the Toxic Substances Control Act, Safe Drinking Water Act, Ocean Dumping Act, and to consider the Environmental Protection Agency's recommendation to extend the period of availability of authorizations for wastewater treatment construction grants.

4200 Dirksen Building

Foreign Relations

To hold hearings on proposed legislation authorizing funds for military and economic assistance for Israel and the Arab Republic of Egypt.

4221 Dirksen Building

Labor and Human Resources

To mark up S. 527, authorizing funds for fiscal years 1980–81 for the National Science Foundation; S. 544, to revise and extend, through fiscal year 1982, programs administered under the Public Health Service Act; S. 230, authorizing funds for fiscal year 1980 for nurse training programs; S. 590, authorizing funds through fiscal year 1983 for the regulation of clinical laboratories; S. 497, authorizing funds through fiscal year 1982 for programs administered by the Emergency Medical Services System; S. 440, to revise and extend the Comprehensive Alcohol Abuse and Alcoholism Prevention Treatment and Rehabilitation Act; S. 525, authorizing funds through fiscal year 1982 for the National Institute on Drug Abuse; and S. 239, authorizing funds through fiscal year 1981 for programs administered under the Domestic Volunteer Service Act (ACTION).

4232 Dirksen Building

Special on Aging

To hold hearings on the effects of food stamp cutbacks on older Americans.

1223 Dirksen Building

1:30 p.m.

Select on Ethics

To hear arguments on motions relating to the investigation involving Senator Talmadge.

6226 Dirken Building

2:00 p.m.

Appropriations

Defense Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Defense establishment.

1223 Dirksen Building

Appropriations

Energy and Water Development Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for public works projects and energy research and development programs.

1114 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on proposed authorizations for fiscal year 1980 for the Ocean Pollution Research and Development and Monitoring and Planning Act (P.L. 95–273), and Title II of the Marine Protection, Research and Sanctuaries Act (P.L. 92–532).

235 Russell Building

Foreign Relations

To continue hearings on S. Res. 15, requiring Senate approval to terminate any mutual defense treaty, and on the treaty powers of the Senate.

4221 Dirksen Building

2:00 p.m.

*Governmental Affairs

To hold hearings on the Postmaster General's annual report.

3302 Dirksen Building

2:45 p.m.

Environment and Public Works

Regional and Community Development Subcommittee

To mark up proposed authorizations for fiscal year 1980 for the Appalachian Regional Commission, and for Title V Regional Action Planning Commissions to promote economic growth.

4200 Dirksen Building

3:00 p.m.

*Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Federal Emergency Management Administration.

1318 Dirksen Building

APRIL 12

9:00 a.m.

*Banking, Housing, and Urban Affairs

Financial Institutions Subcommittee

To continue hearings on S. Con. Res. 6 and S. Res. 59, both relating to the equity for the small saver.

5302 Dirksen Building

Governmental Affairs

To hold hearings on proposed legislation to create an Office of Federal Inspector for the construction of the Alaska Natural Gas Transportation System.

3302 Dirksen Building

9:30 a.m.

Energy and Natural Resources

Energy Research and Development Subcommittee

To hold hearings on S. 496, to increase the authorization ceiling for Title I of the Colorado River Basin Salinity Control Act of 1974.

6226 Dirksen Building

Environment and Public Works

Resource Protection Subcommittee

To mark up proposed legislation authorizing funds for fiscal year 1980 for programs under the Solid Waste Control Act, and for the Environmental Protection Agency's research and development programs.

4200 Dirksen Building

Select on Small Business

Government Procurement Subcommittee

To resume hearings on the impact on small businesses of the International

Procurement Code being negotiated as part of the multilateral trade agreement.
424 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Mines.
1223 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 796, to implement railroad deregulation.
235 Russell Building

Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To resume oversight hearings on the National Park Service's concession policy.
3110 Dirksen Building

Labor and Human Resources
To hold hearings on the nomination of Timothy F. Cleary, of Maryland, to be a member of the Occupational Safety and Health Review Commission.
4232 Dirksen Building

Appropriations
*Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation and related activities.
1224 Dirksen Building

11:00 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To resume hearings in proposed budget estimates for fiscal year 1980 for the Department of the Treasury.
1318 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

APRIL 23

10:00 a.m.
Energy and Natural Resources
To hold oversight hearings on United States activities in Antarctica.
3110 Dirksen Building

APRIL 24

8:00 a.m
Appropriations
District of Columbia Subcommittee
To receive a briefing on proposed budget estimates for fiscal year 1980 for the Government of the District of Columbia.
S–126, Capitol

9:00 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on S. 593, proposed Elderly and Handicapped Act, S. 740, proposed Homeownership Opportunity Act, and S. 745, Housing and Community Development Amendments.
5302 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on proposed authorizations for fiscal year 1980 for hazardous materials transportation programs administered by the Department of Transportation.
1318 Dirksen Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for programs under the Toxic Substances Control Act (P.L. 94–469).
6226 Dirksen Building

Environment and Public Works
Regional and Community Development Subcommittee
To resume hearings on proposed authorizations for fiscal year 1980 for the Public Works and Economic Development Programs.
4200 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Land Management.
1223 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To resume hearing on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
Room to be announced

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To hold hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

2:00 p.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on S. 593, proposed Elderly and Handicapped Act, S. 740, proposed Homeownership Opportunity Act, and S. 745, Housing and Community Development Amendments.
5302 Dirksen Building

APRIL 25

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for governmental direction and support services for the government of the District of Columbia.
S–126, Capitol

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 411, proposed Pipeline Safety Act.
1114 Dirksen Building

Commerce, Science, and Transportation
Aviation Subcommittee
To hold oversight hearings on the Civil Aeronautics Board plan to implement the Airline Deregulation Act (P.L. 95–504.
235 Russell Building

Environment and Public Works
Regional and Community Development Subcommittee
To continue hearings on proposed authorizations for fiscal year 1980 for the Public Works and Economic Development programs.
4200 Dirksen Building

Judiciary
Constitution Subcommittee
To hold oversight hearings on the title I provisions under the Speedy Trial Act of 1974.
2228 Dirksen Building

Labor and Human Resources
To hold oversight hearings on the conditions, trends, and new approaches to linking education, health, and work in the coming decade.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Department of the Interior, to hear congressional witnesses.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
Economic Stabilization Subcommittee
To resume oversight hearings on the administration's anti-inflation program, and to review the relationship between fiscal policy and inflation.
5302 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

*Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To resume hearings on preclinical and clinical drug testing by the pharmaceutical industry.
154 Russell Building

2:00 p.m.
Energy and Natural Resources
To hold hearings on S. 688, proposed authorizations for fiscal year 1980 for the Department of Energy.
3110 Dirksen Building

APRIL 26

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for governmental direction and support services for the government of the District of Columbia.
S–126, Capitol

9:30 a.m.
Commerce, Science, and Transportation
To continue hearings on S. 411, proposed Pipeline Safety Act.
1202 Dirksen Building

Labor and Human Resources
To continue oversight hearings on the conditions, trends, and new approaches to linking education, health, and work in the coming decade.
4232 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Office of Surface Mining Reclamation and Enforcement, Office of Water Research and Technology.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
Banking, Housing, and Urban Affairs

Economic Stabilization Subcommittee

To continue oversight hearings on the administration's anti-inflation program, and to review the relationship between fiscal policy and inflation.

5302 Dirksen Building

To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.

235 Russell Building

*Energy and Natural Resources

Energy Regulation Subcommittee

To continue hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.

3110 Dirksen Building

Environment and Public Works

Water Resources Subcommittee

To mark up proposed authorizations for fiscal year 1980 for the Water Resources Council.

4200 Dirksen Building

Governmental Affairs

To continue hearings on S. 755, proposed Regulation Reform Act.

3302 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold hearings on proposed legislation on biomedical research programs.

154 Russell Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

APRIL 27

9:30 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To resume oversight hearings on the Civil Aeronautics Board's plan to implement the Airline Deregulation Act (P.L. 95-504).

235 Russell Building

Finance

Taxation and Debt Management Generally Subcommittee

To hold hearings on S. 103 proposed Save Our Schools Act, and S. 449, proposed Charitable Organizations Preservation Act.

2221 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.

1318 Dirksen Building

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

Economic Stabilization Subcommittee

To continue oversight hearings on the administration's anti-inflation program, and to review the relationship between fiscal policy and inflation.

5302 Dirksen Building

*Commerce, Science, and Transportation

Communications Subcommittee

To continue hearings on S. 61, proposed Communications Act Amendments, and S. 622 proposed Telecommunications Competition and Deregulation Act.

6226 Dirksen Building

Energy and Natural Resources

Parks, Recreation and Renewable Resources Subcommittee

To resume oversight hearings on the National Park Service's concession policy.

3110 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To continue hearings on proposed legislation on biomedical research programs.

4332 Dirksen Building

APRIL 30

9:30 a.m.

Labor and Human Resources

Handicapped Subcommittee

To hold oversight hearings on the implications of the Randolph-Sheppard Act Amendments of 1974.

4232 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation

To hold hearings on the following nominations, Mary P. Bass, of New York, to be Inspector General, Department of Commerce; Frank Saburo Sato, of Virginia, to be Inspector General, Department of Transportation; and Eldon D. Taylor, of Virginia, to be Inspector General, National Aeronautics and Space Administration.

224 Russell Building

*Commerce, Science, and Transportation

Communications Subcommittee

To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.

235 Russell Building

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

MAY 1

8:00 a.m.

Appropriations

District of Columbia Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for public safety services and educational services for the government of the District of Columbia.

1114 Dirksen Building

9:00 a.m.

Banking, Housing, and Urban Affairs

Housing and Urban Affairs Subcommittee

To resume hearings on S. 593, proposed Elderly and Handicapped Act, S. 740, proposed Homeownership Opportunity Act, and S. 745, Housing and Community Development Amendments.

5302 Dirksen Building

9:30 a.m.

Labor and Human Resources

Child and Human Development Subcommittee

To hold oversight hearings on the implementation of the Older American Volunteer Program Act (P.L. 93-113).

4232 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the National Park Service.

1223 Dirksen Building

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

2:00 p.m.

*Commerce, Science, and Transportation

Communications Subcommittee

To continue hearings on S. 611, proposed Communications Act Amendments and S. 622, proposed Telecommunications Competition and Deregulation Act.

6226 Dirksen Building

Energy and Natural Resources

Parks, Recreation, and Renewable Resources Subcommittee

To hold hearings on S. 490, proposed Archaeological Resources Protection Act.

3110 Dirkson Building

MAY 2

8:00 a.m.

Appropriations

District of Columbia Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for judicial services, and transportation services and assistance for the government of the District of Columbia.

1114 Dirksen Building

9:00 a.m.

Banking, Housing, and Urban Affairs

Housing and Urban Affairs Subcommittee

To hold hearings on S. 301 and S. 745, bills to amend housing and community development laws relating to labor standards.

5302 Dirksen Building

9:30 a.m.

Judiciary

Constitution Subcommittee

To resume oversight hearings on the title I provisions under the Speedy Trial Act of 1974.

2228 Dirksen Building

10:00 a.m.

Appropriations

Hud-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for HUD and independent agencies.

1318 Dirksen Building

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Smithsonian Institution.

1223 Dirksen Building

*Commerce, Science, and Transportation

Communications Subcommittee

To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.

235 Russell Building

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

MAY 3

8:00 a.m.

Appropriations

District of Columbia Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for human support services for the Government of the District of Columbia.

1114 Dirksen Building

9:30 a.m.

Environment and Public Works

Resource Protection Subcommittee

To make up proposed legislation authorizing funds for fiscal year 1980 for programs under the Endangered Species Act, Anadromous Fish Act, and Noise Control Act.

4200 Dirksen Building

Labor and Human Resources

Business meeting to mark up S. 209, to regulate Federal laws relating to pri-

vate sector pension and welfare programs.
4232 Dirksen Building

Veterans' Affairs
To mark up S. 330 to provide for a judicial review of the administrative actions of the VA, and for veterans' attorneys fees before the VA or the courts, and on proposed legislation extending certain veterans' health benefits programs through FY 1980.
412 Russell Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for HUD.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on proposed authorizations for fiscal year 1980 for international affairs programs under the Department of Treasury.
5302 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

MAY 4

10:00 a.m.

Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To hold hearing on proposed legislation authorizing funds for fiscal year 1980 for all existing rural housing programs.
5302 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

MAY 7

10:00 a.m.

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Business meeting to markup proposed authorizations for fiscal year 1980 for international affairs programs under the Department of Treasury and proposed authorizations through fiscal year 1984 for programs under the Export Administration Act.
5302 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

2:00 p.m.

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 8

8:00 a.m.

Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for economic development and regulation services for the government of the District of Columbia.
1114 Dirksen Building

10:00 a.m.

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

*Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Business meeting to mark up S. 593, proposed Elderly and Handicapped Act, S. 740, proposed Homeownership Opportunity Act, and S. 745, Housing and Community Development Amendments.
5302 Dirksen Building

10:00 a.m.

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

2:00 p.m.

*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

MAY 9

8:00 a.m.

Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Temporary Commission on Financial Oversight of the government of the District of Columbia.
1114 Dirksen Building

10:00 a.m.

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue markup of S. 593, proposed Elderly and Handicapped Act, S. 740, proposed Homeownership Opportunity Act, and S. 745, Housing and Community Development Amendments.
5302 Dirksen Building

10:00 a.m.

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

11:00 a.m.

*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.

*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

*Commerce, Science and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

MAY 10

10:00 a.m.

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Business meeting, to mark up proposed authorizations for fiscal year 1980 for rural housing programs, flood insurance programs, and crime and riot insurance programs.
5302 Dirksen Building

Energy and Natural Resources
To hold hearings on S. 685, proposed Nuclear Waste Policy Act.
3110 Dirksen Building

2:00 p.m.

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

MAY 11

10:00 a.m.

Banking, Housing, and Urban Affairs
Business meeting, to markup pending calendar business.
5302 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

MAY 15

10:00 a.m.

Banking, Housing, and Urban Affairs
To hold joint hearings with the Committee on Governmental Affairs on S. 332, proposed Conosolidated Banking Regulation Act.
5302 Dirksen Building

Energy and Natural Resources
To resume hearings on S. 685, proposed Nuclear Waste Policy Act.
3110 Dirksen Building

Governmental Affairs
To hold joint hearings with the Committee on Banking, Housing, and Urban Affairs on S. 332, proposed Consolidated Banking Regulation Act.
5302 Dirksen Building

MAY 16

10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

MAY 17

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 23

8:00 a.m.
Veterans' Affairs
To hold oversight hearings on employment programs administered by the Department of Labor.
412 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on the activities of the banking system.
5302 Dirksen Building

MAY 24

10:00 a.m.
Banking, Housing, and Urban Affairs
To told hearings on S. 35, to amend the Credit Control Act.
5302 Dirksen Building

MAY 25

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 35, to amend the Credit Control Act.
5302 Dirksen Building

JUNE 12

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 689, proposed Veterans' Disability Compensation and Survivor Benefits Act.
412 Russell Building

JUNE 10

10:00 a.m.
Energy and Natural Resources
To hold oversight hearings on the activities of programs administered by the Surface Mining Control and Reclamation Act of 1978.
3110 Dirksen Building

JUNE 21

10:00 a.m.
Energy and Natural Resources
To resume oversight hearings on the activities of programs administered by the Surface Mining Control and Reclamation Act of 1978.
3110 Dirksen Building

JUNE 30

9:00 a.m.
Veterans' Affairs
To hold hearings on S. 759, to provide for right of the United States to recover the costs of hospital, nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.
412 Russell Building

JULY 12

9:30 a.m.
Veterans' Affairs
To hold oversight hearings on the efforts made by the Veterans' Administration to provide information on benefits due incarcerated veterans.
412 Russell Building

CANCELLATIONS

APRIL 11

10: 00 a.m.
Finance
To continue markup on S. 350, S. 351, S. 748, and S. 760, bills to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.
2221 Dirksen Building

APRIL 12

9:30 a.m.
Judiciary
Constitution Subcommittee
To hold hearings on S.J. Res. 34, to extend the term of office of Members of the U.S. House of Representatives to 4 years.
5110 Dirksen Building

APRIL 26

1:30 p.m.
Environment and Public Works
Resource Protection Subcommittee
To hold hearings on proposed authorizations for fiscal year 1980 for programs under the Noise Control Act (P.L. 95-153).
4200 Dirksen Building